



# 2022 Electric Vehicle Insight Report

United States, May 2022



# CarGurus 2022 Electric Vehicle Insight Report

In this report, you'll find a recap of the study's findings followed by implications for the automotive industry and what this means for dealerships in particular.

## Table of Contents

1. Electric vehicle adoption trends
2. Impact of gas prices on EV adoption
3. Impact of gas prices on consumer behavior
4. Hybrid vehicle adoption trends
5. Barriers to alternative fuel adoption
6. Opportunity for brands in alternative fuel
7. Opportunity for dealers in alternative fuel
8. Today's EV buyers versus tomorrow's

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## About the study

In 2022, CarGurus surveyed 2,176 automobile owners in the U.S. on their sentiments towards electric vehicles (EVs) through an online survey. Respondents were balanced in terms of key demographics (gender, region, income) according to the U.S. census. CarGurus also surveyed owners in 2021 (n = 1,097), 2019 (n = 1,702), and 2018 (n = 1,279) for earlier iterations of this benchmarking study.

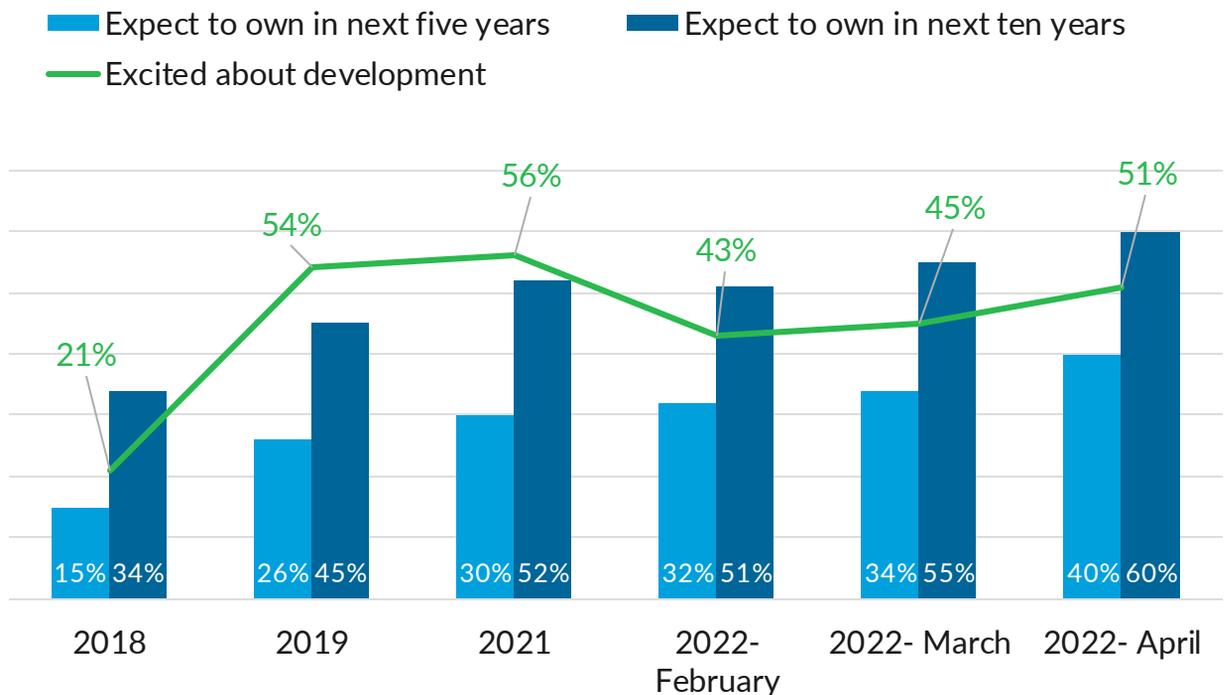
CarGurus surveyed a first wave of respondents (n=774) on February 28<sup>th</sup>, as gas prices in the U.S had begun to climb. We then surveyed a second wave of respondents (n=843) on March 14<sup>th</sup>, as gas prices reached greater highs. And a third and final wave (n=559) on April 8<sup>th</sup>. Included in the report is a comparison of those results to show the impact of gas prices on behaviors and attitudes surrounding electric vehicles.

A modified version of this study is also available for the Canadian and U.K. markets.

# Excitement for EVs was falling, until the reality of high fuel prices set in

Since we first ran this study in 2018, we have seen rapid mainstreaming of EVs. However, expected adoption began to plateau despite rising gas prices in February and March 2022. In April though, excitement and interest saw a lift as the reality of high gas prices for the long term set in for many.

## Consumer Sentiment Towards Electric Vehicles



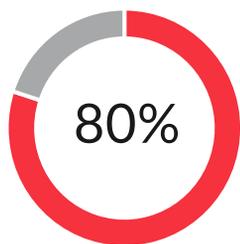
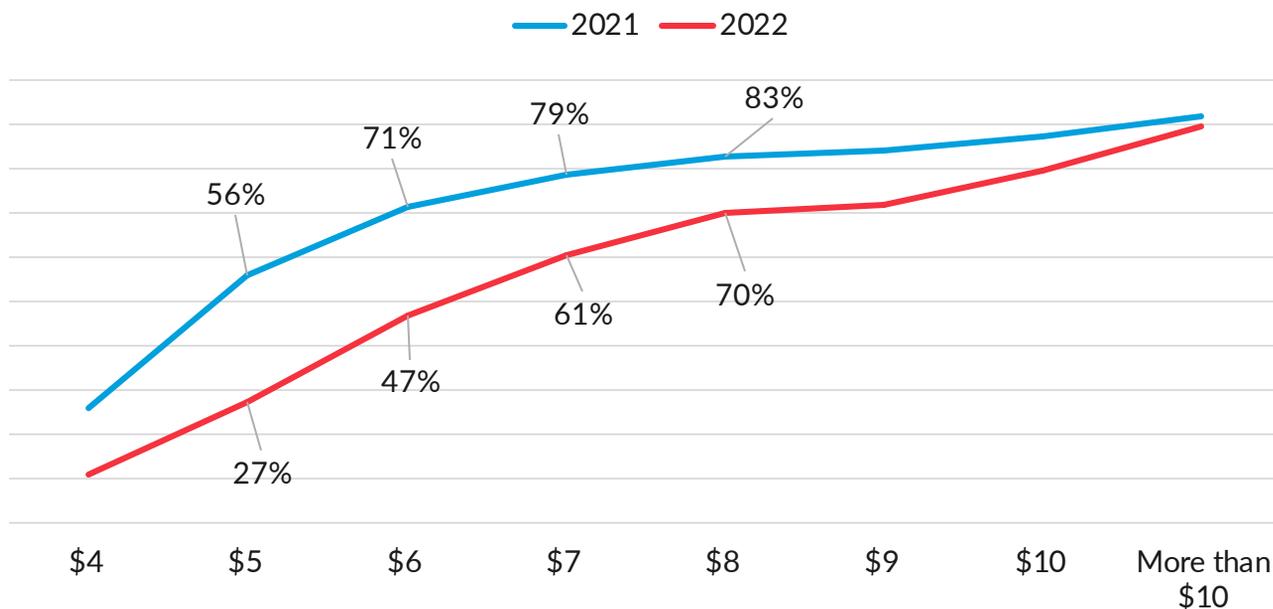
**“Rising gas prices had an immediate impact – views per vehicle of new EVs on CarGurus increased by over 300% on a weekly basis compared to last year when prices peaked. However, consumer interest has moderated as gas prices stabilized.”**

*- Kevin Roberts, Director of Industry Analytics*

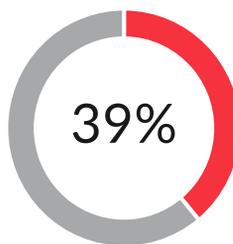
# Gas prices lose their swaying power to electric as consumers' thresholds adjust

Last year, 56% of respondents said they'd be much more likely to consider an EV if gas prices reached \$5/gallon. This year, as the scenario feels more realistic to consumers, only 27% say seeing gas hit \$5/gallon would change their minds.

If prices for gasoline increased, at what price (\$ per gallon) would you be much more likely to consider buying an electric vehicle?



80% say gas prices seem higher than typical

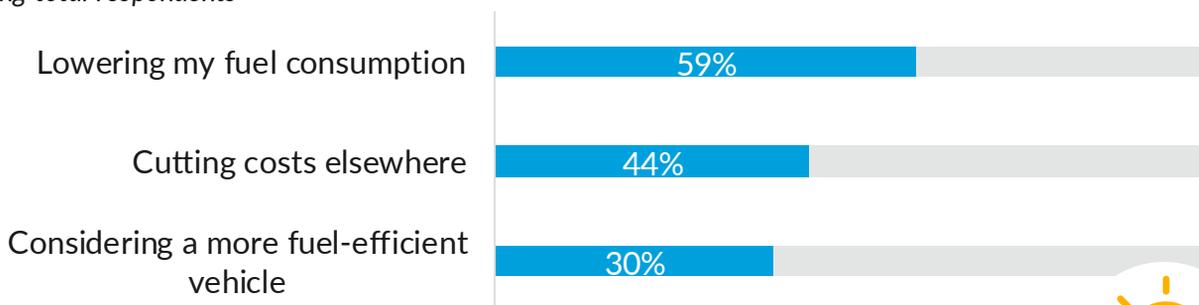


39% expect gas prices to get even worse in the next year

# Gas prices influence driving decisions and draw focus to fuel-efficiency

Six in 10 people say they are lowering their fuel consumption to combat rising gas prices. Among them, most (81%) say they are only driving when necessary and nearly half are taking less in-person trips to stores and buying more online.

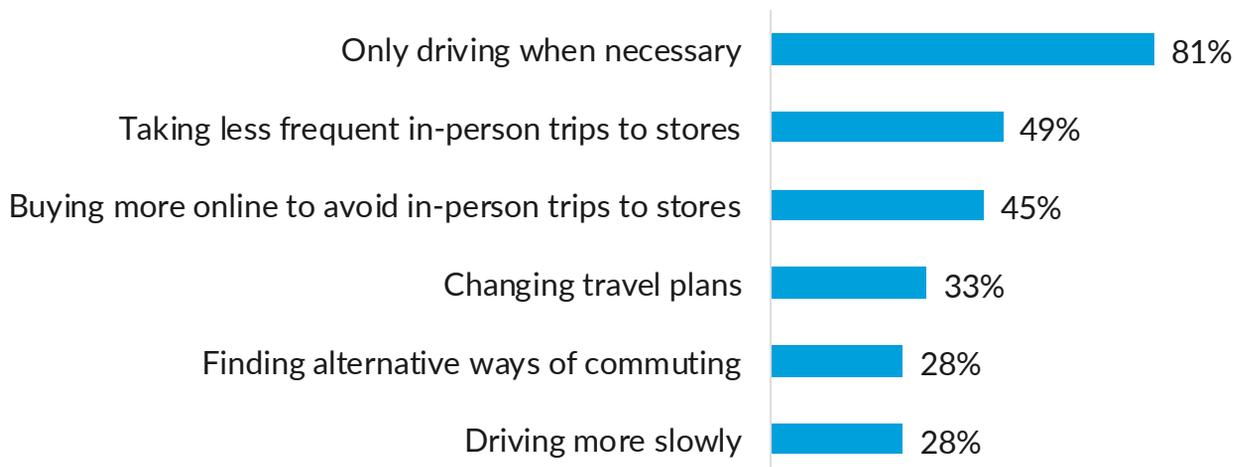
With recent gas prices I am...  
Among total respondents



## WHAT SHOPPERS ARE SAYING

53% of active shoppers say they are considering a more fuel-efficient vehicle in response to gas prices.

What strategies are you using to lower your fuel consumption? Select all that apply.  
Among the 59% of respondents that said they were lowering their fuel consumption

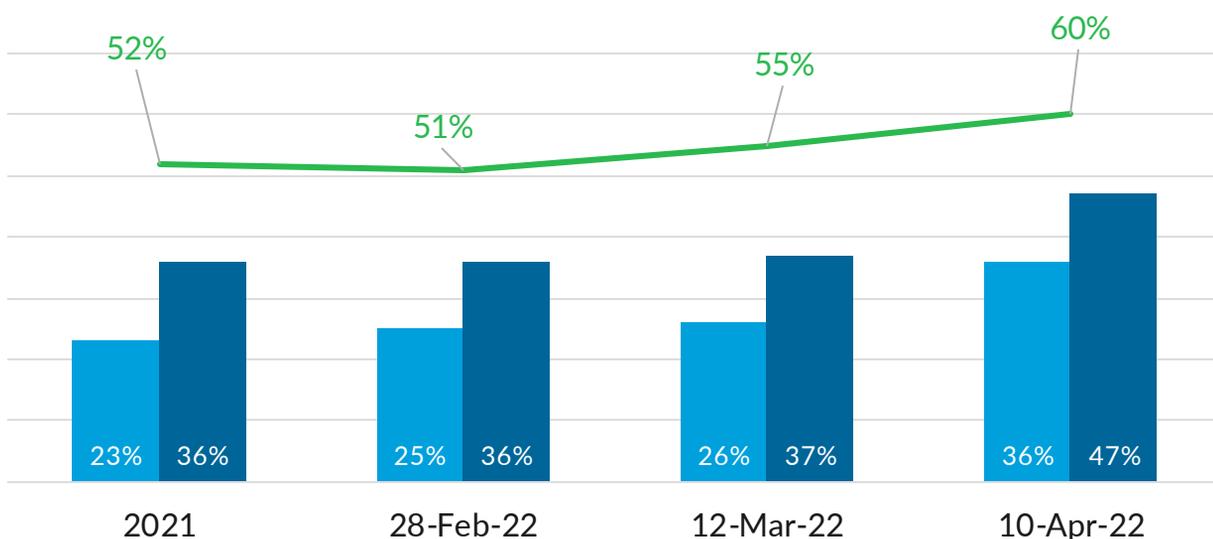


# Hybrids also see bump in interest, though most hybrid shoppers also consider EVs

Consumer excitement and appetite for hybrids is lower than EVs and similarly stalled in 2022 until consumers saw high fuel prices sustain. Many recognize hybrids as stepping-stones to electric vehicles. However, there is a lot of overlap in people interested in both plug-in hybrids and EVs and will be looking for advice on which is the right decision for them.

## Consumer Sentiment Towards Hybrid Vehicles

- Expect to own plug-in hybrid in next five years
- Expect to own plug-in hybrid in next ten years
- Expect to own EV in next decade

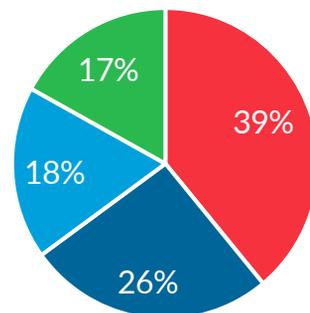


### Did you know?

84% of those who expect to own a plug-in hybrid in the next 10 years also expect to own a fully electric vehicle.

Which do you think is the most convenient type of vehicle to own?

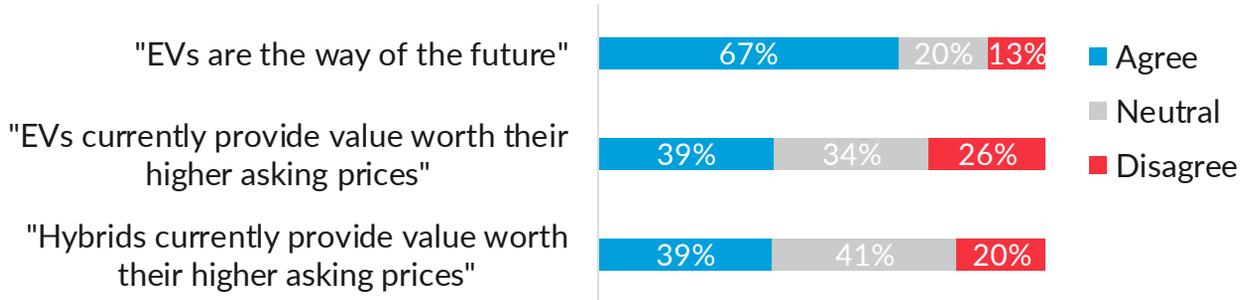
- A gas or diesel-powered vehicle
- A hybrid electric vehicle without a plug
- A hybrid electric vehicle with a plug
- A fully electric vehicle



# Consumers say alternative fuel is the future, but not yet worth the high costs

While two-thirds of people agree EVs are the way of the future, only four in 10 say electric or hybrid vehicles currently provide value worth their higher MSRP. Buyers say they could be best convinced to go electric for three reasons: if the charging range improves, if there were more charging bays available, or cost parity with ICE-vehicles.

How much do you agree with the statements...?



## WHAT SHOPPERS ARE SAYING

"Electric car batteries don't last long enough to pay the price. I drive 12 to 14 hours straight when on vacation so need gas fueled vehicle. No time to sit and recharge a vehicle."

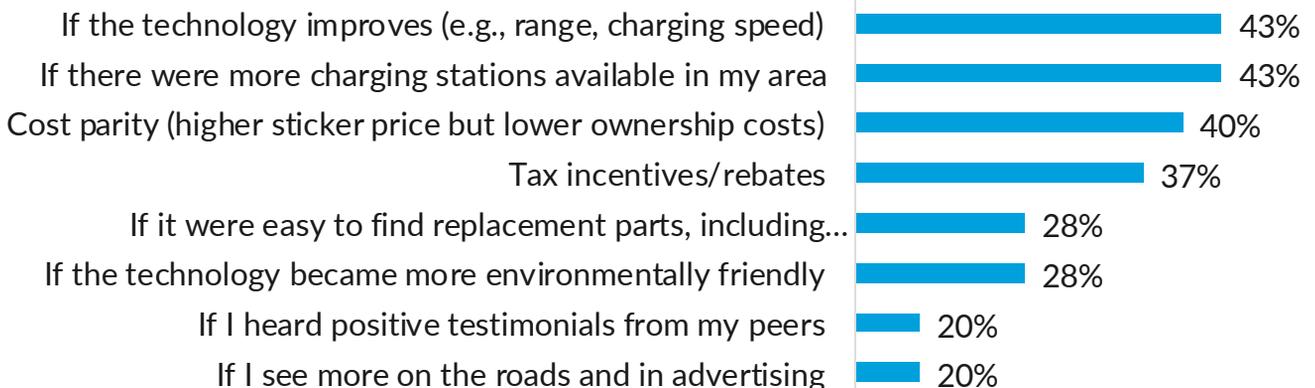


"I'd love to make the switch to electric, but until they have a better infrastructure it didn't make sense to get one."

"[I] need increase in mileage and a safe plan for battery recycling."

Which of the following would be most effective in convincing you to buy an electric vehicle? Please select your top three choices.

Among potential EV buyers



# Tesla is the most popular EV today, but the playing field has leveled

Tesla continues to be the most considered and purchased electric vehicle brand. However, compared to years past, Tesla's dominance has dwindled, and shoppers are just as likely to consider Toyota and other brands.

Which brand of **electric** vehicle would you be likely to consider, assuming they were available?

*Among potential EV buyers*

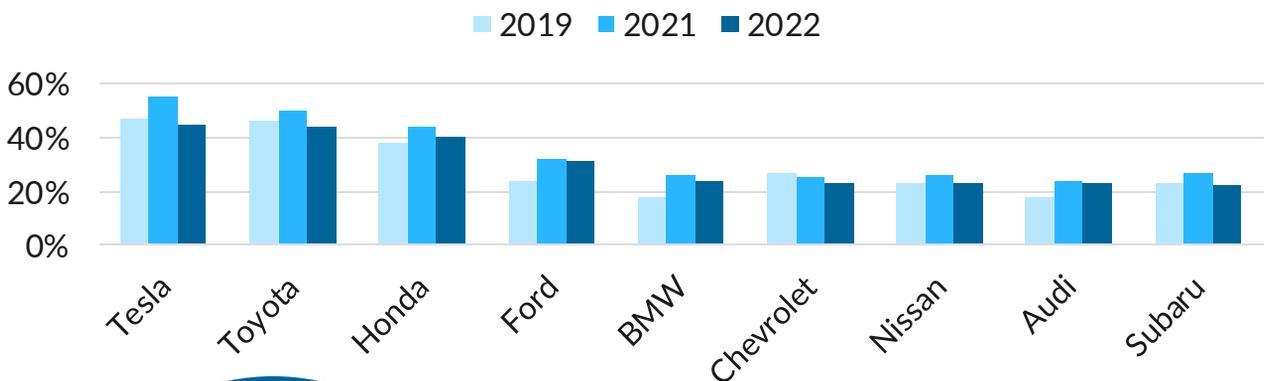
1. Tesla 45%
2. Toyota 44%
3. Honda 40%
4. Ford 31%
5. BMW 24%

Which brand of **hybrid** vehicle would you be likely to consider, assuming they were available?

*Among potential hybrid buyers*

1. Toyota 47%
2. Honda 39%
3. Ford 33%
4. Chevrolet 26%
5. Hyundai 24%

## Electric Vehicle Brand Consideration



"Tesla remains the EV front runner in consumer minds & sales. However, upcoming EV launches, particularly with trucks, present an opportunity for legacy OEMs to disrupt the disruptor."  
- Kevin Roberts, Director of Industry Analytics

# Shoppers want dealers involved in buying & servicing EVs

While EVs may feel like uncharted territory for dealerships, there is ample opportunity for them – and buyers would prefer it that way. People considering electric show preference for an in-person visit, though half would consider starting the process online ahead of time. Far fewer would be open to buying an EV completely online. And while new is the preferred condition, 4 in ten say they would consider a used electric vehicle as well.

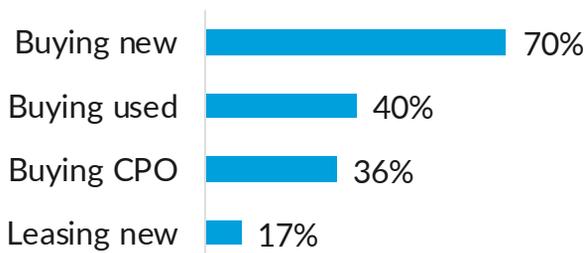
How would you consider buying or leasing a fully electric vehicle?

*Among potential EV Buyers*



What ways of acquiring a fully electric vehicle would you be likely to consider?

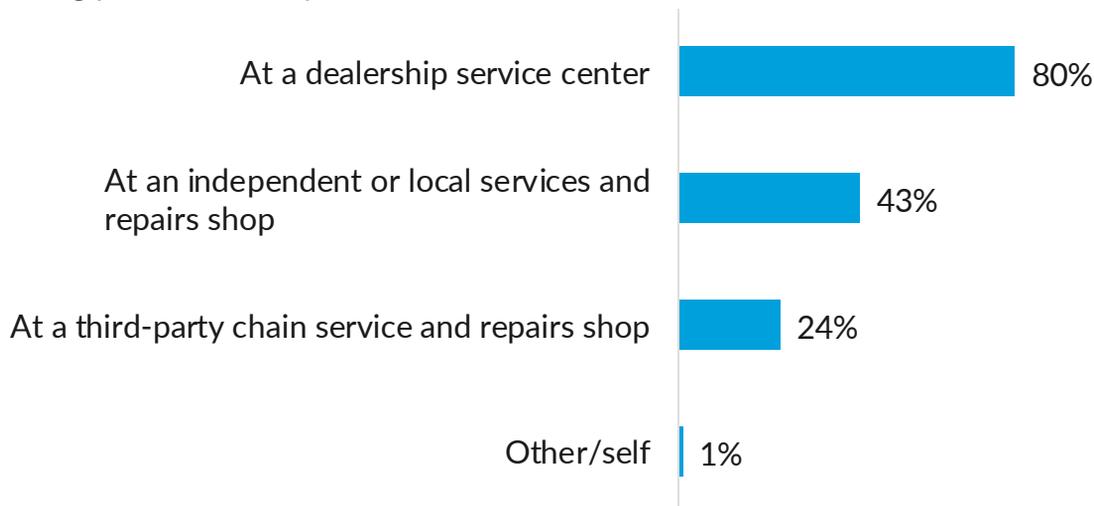
*Among potential EV Buyers*



Electric vehicles require less maintenance than traditional ICE-vehicles, but dealerships are still the preferred provider for that service.

Who would you consider getting a fully electric vehicle serviced from?

*Among potential EV Buyers*

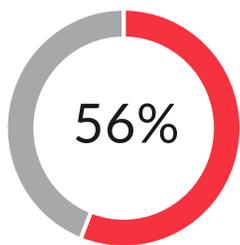
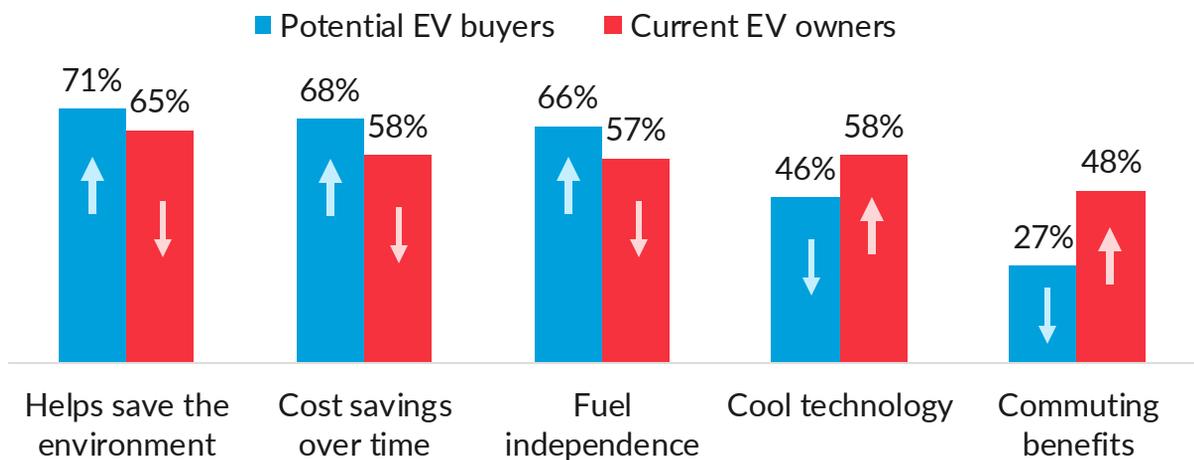


# Today's EV buyers versus tomorrow's

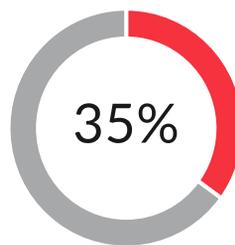
Early adopters of EVs love the cool technology and commuting perks, but future buyers are more drawn to environmental benefits and the potential for cost savings. Both present hurdles the industry needs to overcome. Shoppers that are hyper-informed cite environmental concerns about EV battery production. And most recognize EVs have not yet reached true cost parity with traditional ICE-vehicles despite fuel independence.

## Perceived Benefits of Electric Vehicles

What makes you excited about the potential of owning an EV?



of EV owners consider themselves early tech adopters



of EV owners consider themselves environmentalists

# CarGurus 2022 Electric Vehicle Insights

*Implications for the automotive industry:*

- 1. Interest in EVs accelerated after gas prices jumped.** New EV sales continue to increase on an annual basis, however historically high gas prices helped to increase that interest at potentially the worst time for the automotive industry as new vehicle production remains constrained due to supply chain issues and new vehicle inventory continues to remain highly limited. Beyond new EVs the rise in gas prices also increased interest in used EVs, however a similar lack of inventory existed due to lower historical EV sales. It'll be important for both OEMs and dealers to find a way to maximize this interest while actual on lot vehicles for sales remain scarce.
- 2. Going forward, consumers need more motivation than gas prices to make the switch.** While recent gas prices did drive more shoppers to EVs, many still don't feel like they're ready today. As gas price uncertainty persists, and people become acclimated to a new normal, the power for gas prices to influence EV interest will likely get weaker.
- 3. More charging stations and peace of mind is the answer for many.** When talking about EVs, people often mention potential driving scenarios that would seem impossible with today's charging infrastructure. Many say if more charging stations were available, or the charging capacity improved, they'd have greater peace of mind and would be more apt to make the switch.
- 4. In the interim, hybrids can be a great stepping-stone.** There is huge overlap between the audience of potential hybrid and electric vehicle shoppers. Hybrids, particularly plug-ins, can offer reassurance for those looking to lean into the new technology and take a step towards greater fuel independence, without compromising on convenience.
- 5. Tesla has been the brand leader of EVs for years, but the scale is starting to level.** Tesla's dominance in consumers' minds has decreased, and shoppers are just as likely to Toyota and other brands of EVs. Toyota tops the list for hybrid consideration as well.

# CarGurus 2022 Electric Vehicle Insights

## *Recommendations for dealerships:*

- 1. Expand your used car inventory to include EVs.** As Tesla's dominance dwindles, shoppers are looking to other brands to fill the gap. Consider acquiring a handful of used EVs and make them visible in your showroom. Having them front and center will prompt curious shoppers to ask questions and engage more with your sales staff.
- 2. Fine-tune your sales process to capture EV buyers.** The majority (67%) would prefer to buy an EV in person, which means your dealership has a huge role to play. At the same time, improve your online sales channels and invest in digital retail tactics, so you don't miss the 50% of shoppers who would consider starting the process online ahead of time.
- 3. Address gaps in your frontline sales reps' ability to sell EVs.** Equip your staff with the knowledge to explain the cost of ownership differences between electric and ICE vehicles, battery lifetime, and more. Your team's enthusiasm and knowledge should spark excitement in shoppers.
- 4. Start training your service staff on EV maintenance today.** Though EVs tend to require less maintenance, when they do need servicing, they'll require specialized capabilities. Invest in meaningful training and the right equipment to cater to the 80% of buyers who would prefer to service their EV at a dealership.

# CarGurus 2022 Electric Vehicle Insights - Appendix

## What Information EV Shoppers Look For

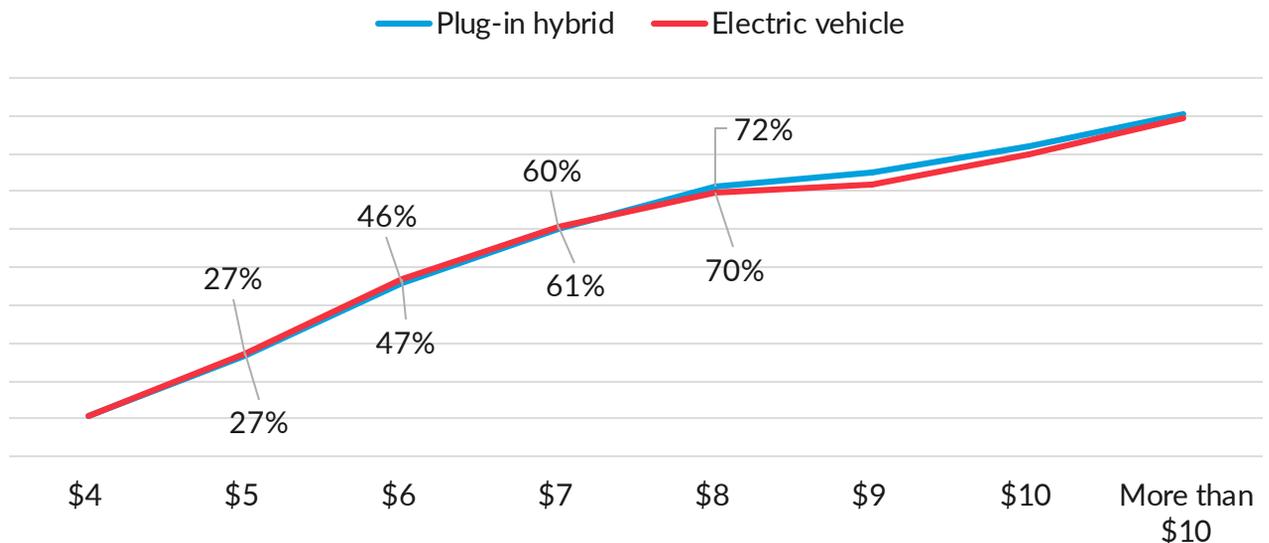
What information would you be looking for if you were looking to buy a fully electric vehicle?

*Among potential EV buyers*

1. Charging time 71%
2. Range 68%
3. Map of charging stations in my area 58%
4. Costs/logistics of personal charging station in my home 58%
5. Tax incentives/rebates 53%
6. Warranty information 49%
7. Replacement costs 47%
8. Where to get service and repairs 46%
9. Tips for EV maintenance needs 42%
10. Impact of weather/environment on ease of use 40%
11. Car logistics (e.g., car seats, stowing capabilities, frunk) 36%
12. Resale value 31%

## Impact of Gas Prices on Interest in Hybrids and Electric Vehicles

If prices for gasoline increased, at what price (\$ per gallon) would you be much more likely to consider buying a ...?



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Which brand of **electric** vehicle would you be likely to consider, assuming they were available?

*Among potential EV buyers*

1. Tesla 45%
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3. Honda 40%
4. Ford 31%
5. BMW 24%
6. Chevrolet 23%
7. Audi 23%
8. Nissan 23%
9. Subaru 22%
10. Hyundai 22%
11. Kia 17%
12. Volkswagen 17%
13. Lexus 16%
14. Jeep 14
15. Volvo 13%

Which brand of **hybrid** vehicle would you be likely to consider, assuming they were available?

*Among potential hybrid buyers*

1. Toyota 47%
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7. BMW 23%
8. Nissan 21%
9. Subaru 20%
10. Kia 19%
11. Lexus 16%
12. Volkswagen 15%
13. Jeep 14%
14. Mercedes Benz 13%
15. Cadillac 12%