



PRESS RELEASE

Does the auto industry have an electric vehicle generation gap?

Eleven out of 24 countries see a significant increase in confidence over the last three months

Against a backdrop of skyrocketing gas prices, ongoing concerns about climate change and an unprecedented push by the auto industry to launch more electric vehicles, consumer interest in Battery Electric Vehicles (BEVs) is also on the rise. According to the most recent Ipsos Mobility Navigator Study, almost one-half of potential buyers in the U.S. say they will consider a fully electric vehicle for their next purchase. That is an increase of almost 400% since 2018, when only 13% indicated they would consider a BEV for their next purchase.

Despite this surge in consumer interest, sales of fully electric vehicles remain a stubbornly small part of the overall light vehicle market. According to recent vehicle sales data obtained from Marklines, battery electric vehicles made up just 5% of light vehicle sales in the first quarter of 2022 despite volume being up over 70% from the same quarter in 2021.

And despite high-profile launches of electric vehicle models from traditional automakers, Tesla remains the dominate force in EVs: its share of battery electric vehicle sales has actually increased from 70% in the first quarter of 2021 to 76% in the first quarter of 2022. Questions abound. Why aren't EV sales higher? Why can't traditional brands close the gap with Tesla?

Insights from the 2022 Mobility Navigator suggest a dramatic difference in how older buyers view EVs vs. their younger counterparts.

Almost three-quarters of Generation Y/Z consumers say they are willing to consider a battery electric vehicle for their next purchase. In stark contrast, less than 30% of Boomers share this same sentiment. To complicate matters further, interest among Gen Y/Z buyers has actually grown more in the past three years than for Boomers. In other words, this gap between younger and older buyers is widening.

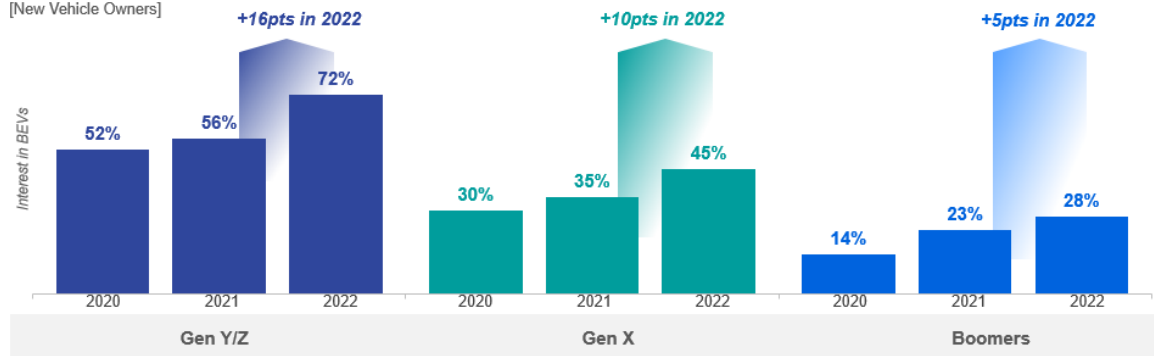


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Chart 1

BEV consideration: Next Purchase

Top 2 Box %
[New Vehicle Owners]



1 - © Ipsos Source: 2018 - 2022 Mobility Navigator Study - Module 1 - Electrification



Not surprisingly, this gap in interest is driven by very different perceptions about battery electric vehicles, particularly views about the overall cost of ownership. Most Gen Y/Z consumers (63%) agree that the overall cost of ownership for a BEV is less than for a traditional gas/diesel vehicle. Among Boomers, only 24% feel the same way.

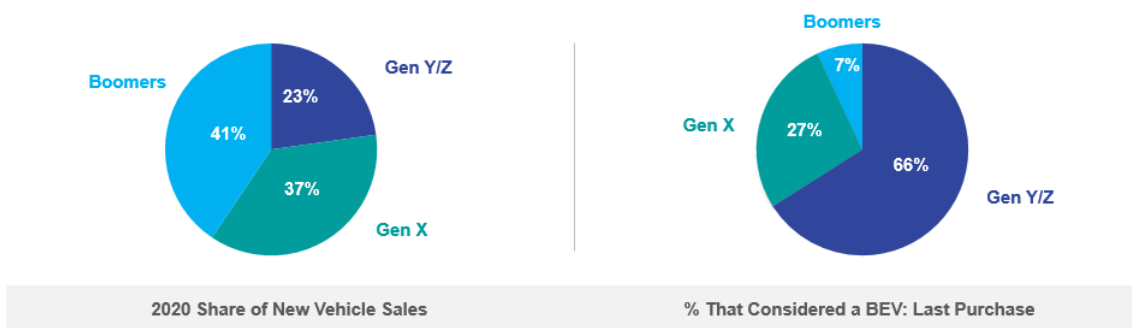
There are some areas where older and younger consumers share common ground regarding BEVs, including battery life, recharging time and range. These are the most common reasons both groups give for avoiding BEVs altogether. These same issues are also the top reasons both groups give for ultimately deciding not to purchase a BEV after considering one initially. OEMs must continue to address these overarching concerns through communication and product development efforts.

Boomers represent a much larger share of new vehicle sales than Gen Y/Z. According to Statista.com, Boomers represented 41% of light vehicle sales in 2020 while Gen Y/Z only represented 23%. Conversely, Boomers make up only 7% of those that actually considered a BEV during their last new vehicle purchase, whereas Gen Y/Z represent two-thirds of that group.



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Chart 2



2 - © Ipsos

Source: Statista.com

Source: 2022 Mobility Navigator



Boomers also tend to be more able to afford the higher prices of most of today's BEVs. According to Kelly Blue Book, the average transaction price for an electric vehicle is \$56,437 — roughly \$10,000 higher than the overall industry average of \$46,329. Boomers also tend to favor more mature brands when it comes to future consideration of BEVs. Although both age groups show high levels of interest in Tesla, Boomers are much more likely to mention brands like Toyota, Honda, and Ford. In contrast, Gen Y/Z are much more likely to mention brands like BMW, Audi, and even Apple.

Ultimately, Boomers have the potential to be either a secret weapon or an Achilles heel for the more traditional auto brands as they try to shift their business to electric vehicles. Because Boomers are a large group of buyers with an affinity for more established, mainstream brands, converting them to the BEV cause could pay huge dividends. On the other hand, if Boomers remain BEV-resistant, brands that depend on them for a large chunk of their sales may face an uphill battle in achieving an electrified future.

The **Ipsos Mobility Navigator Study/Program** will provide further insights through 2022, which automotive insiders can immediately use to capitalize on new consumer behaviors such as electrification perceptions and shared mobility usage.

Look for our next installment when we focus on Advanced Driver Assistance Systems (ADAS) and Autonomous Driving Technology in July 2022. The final installment focusing on Shared Mobility will follow in October 2022.





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About the Study

For this survey, Ipsos interviewed a total of 6,000 new vehicle owners aged 18-74 in the United States of America n=2,000 and n=1,000 for the following countries: China, Japan, Brazil and Germany.

Data collected are weighted so that each country's sample composition best reflects the demographic profile of the adult population according to the country's most recent census data. Data collected are also weighted to give each country an equal weight in the total "global" sample. Online surveys can be taken as representative of the general working age population in Germany, Japan and the United States. Online samples in Brazil and mainland China are more urban, educated, and/or affluent than the general population and the results should be viewed as reflecting the views of a more "connected" population.

Additional data is available through a subscription to the offering.

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About Ipsos

Ipsos is one of the largest market research and polling companies globally, operating in 90 markets and employing over 18,000 people.

Our passionately curious research professionals, analysts and scientists have built unique multi-specialist capabilities that provide true understanding and powerful insights into the actions, opinions and motivations of citizens, consumers, patients, customers or employees. Our 75 business solutions are based on primary data from our surveys, social media monitoring, and qualitative or observational techniques. "Game Changers" – our tagline – summarizes our ambition to help our 5,000 clients navigate with confidence our rapidly changing world.

Founded in France in 1975, Ipsos has been listed on the Euronext Paris since July 1, 1999. The company is part of the SBF 120 and the Mid-60 indexes and is eligible for the Deferred Settlement Service (SRD).

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