



Consumer Research Report:

AutoTrader Study Reveals Car Shoppers are Pumping the Brakes on EVs

March 2024

Table of Contents

- Consumer Interest in EVs Hits a Roadblock 5
- Factors that can Supercharge Interest in EVs 6
- Reasons for Buying an Electric Vehicle 7
- EV Prices Experience a Shock 8
- Reasons for Not Considering Buying Electric Vehicles 9
- Hybrid Popularity Growing at a Faster Pace 11
- Toyota Leads the Market in Brand Consideration 13
- ZEV Mandate Doesn't Sway Consumer Decision-Making 13
- 10-Year EV Outlook 14
- Key Takeaways 15

Methodology

As consumer interest in electric vehicles (EVs) continues to evolve, it's crucial to remain informed about the latest trends. Our recent Electric Vehicle (EV) research study focuses on understanding EV purchase intentions, the drivers and barriers behind consumer decisions, and the level of education and information Canadians have about EVs. This study is based on a survey of 1,559 AutoTrader.ca users conducted in March 2024.



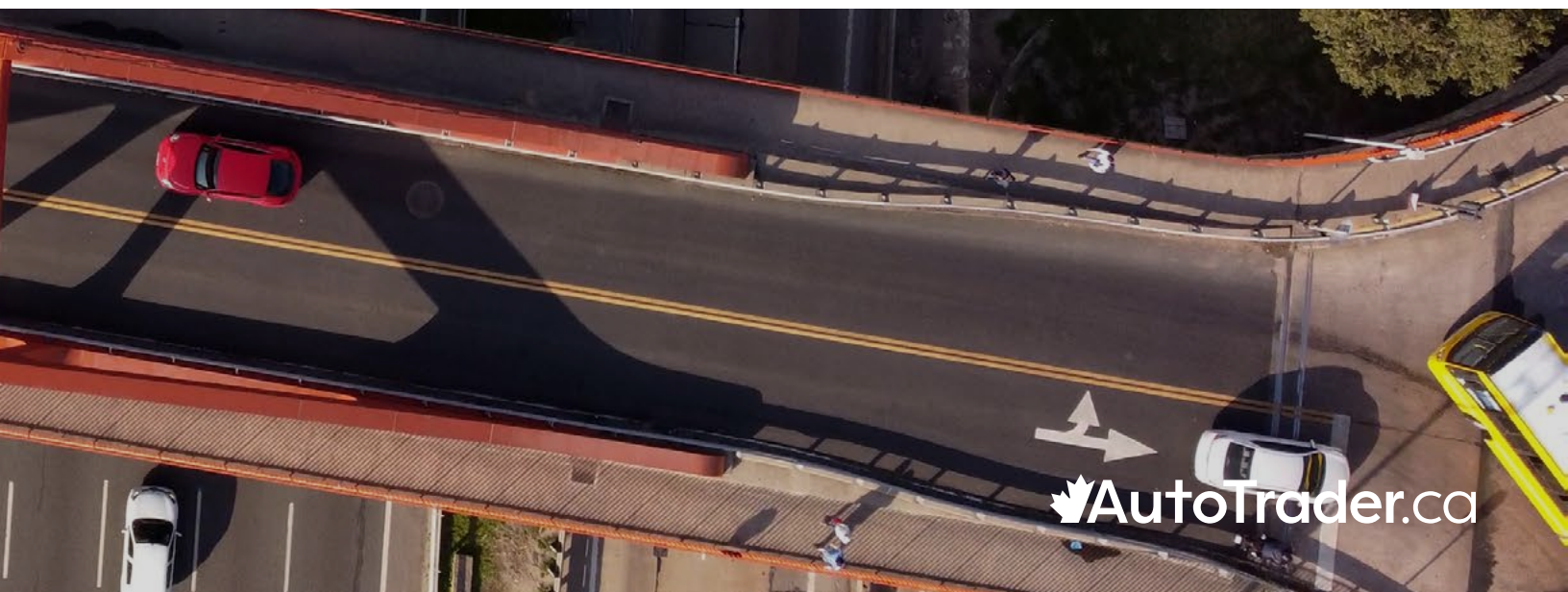
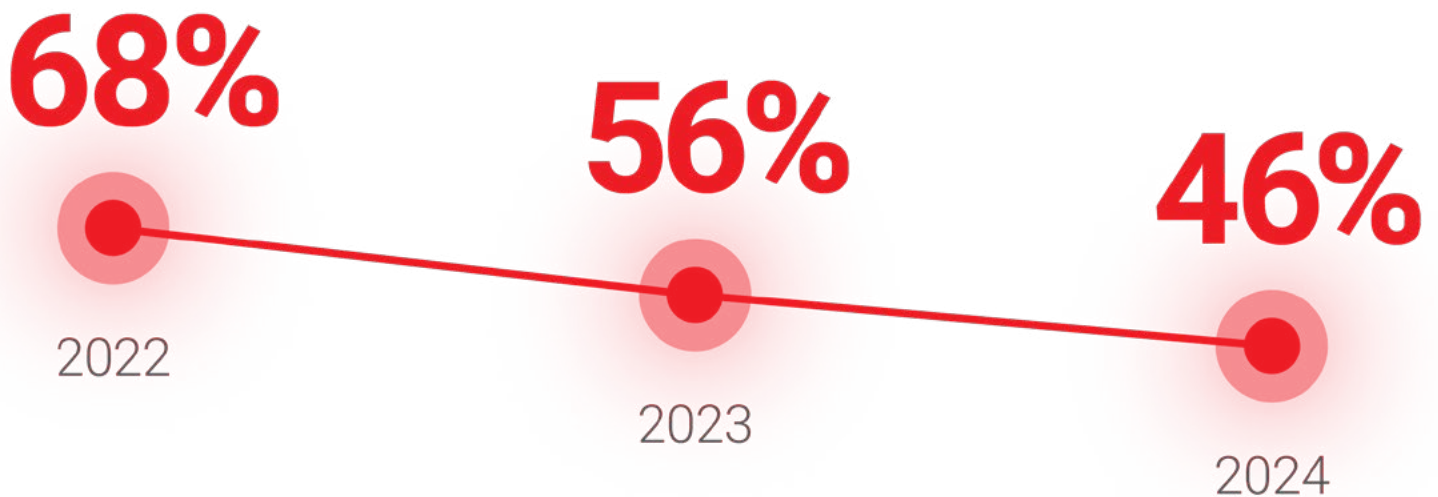


Despite Canada’s commitment to being a global leader in Zero Emission Vehicles (ZEVs) combined with government rebate programs to incentivize these purchases, consumers are telling us they are not quite there yet. Our ongoing electric vehicle (EV) research – the latest study conducted with Canadians shopping AutoTrader.ca in February of this year – has shown a downward trend in consumer interest in this vehicle type. Let’s deep dive the results to better understand why Canadians are pumping the brakes when it comes to EVs.



Consumer Interest in EVs Hits a Roadblock

With our EV research demonstrating a drop-off in EV purchase interest by Canadian car shoppers over the past few years, it should come as no surprise that automakers have also witnessed a similar outcome with moving EVs at the retail level, particularly in the back half of 2023 and into 2024. In our most recent study examining interest and intent for this vehicle type, 46% of non-EV owners have expressed interest in buying EVs, which is down from 56% in 2023 and 68% in 2022. On the flipside, EV ownership has slightly increased to 12%, however, representing a mere 2% uptick from 2023.



Factors that can Supercharge Interest in EVs

The foremost reasons consumers cite as influencers to purchase an EV remain comparable to what we observed last year. Ninety percent of EV intenders state fuel cost savings, which is up from 84% last year. Following this comes environmental friendliness at 62%, low maintenance cost at 48% and technological advancements at 38%. We recommend playing up these advantages of EVs when fielding pitches with prospects who may benefit from some soft encouragement into purchasing an EV.

To gain a better understanding of how your dealership can support consumers who may be on the fence about EVs, the answer lies in the factors that deter consideration and purchase. Our study revealed that 79% of consumers who are not open to buying EVs stated limited range as a drawback, 72% are dissuaded by lack of charging station availability, 68% cite higher purchase cost, 59% believe they aren't suitable for cold weather and 55% are concerned with prolonged charge times. Educating your shoppers to combat widely held anxieties with range and charging station availability can help you land them in one of your available EVs.

Reasons for Buying an Electric Vehicle

38%
Advanced
Technology



48%
Low Maintenance



62%
Environmentally
Friendly



90%
Fuel Cost
Efficiency/Saving



EV Prices Experience a Shock

Examining EV price trends, our latest AutoTrader Price Index has observed a 17.9% decrease in new EV prices and a similar phenomenon on the pre-owned side, with a 10% decline – a characteristic result of waning levels of demand. Traditionally, the average price difference between like-for-like ICE and EV models is roughly 20%, with EVs on the higher end, however, with new and used EV prices retreating, we may soon witness this margin decrease.



Reasons for Not Considering Buying Electric Vehicles

55%

Long Charging Time

59%

Belief EV is Not Suitable for Cold Weather

68%

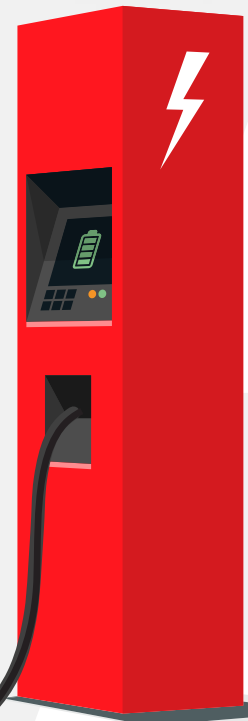
Higher Purchase Cost

72%

Lack of Charging Stations Availability

79%

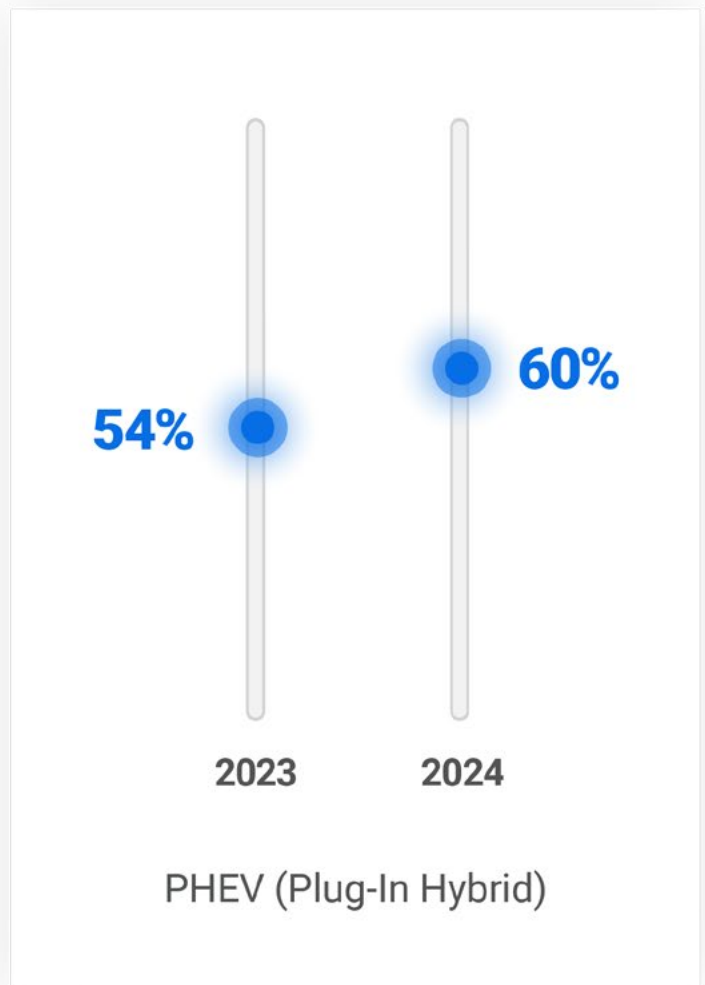
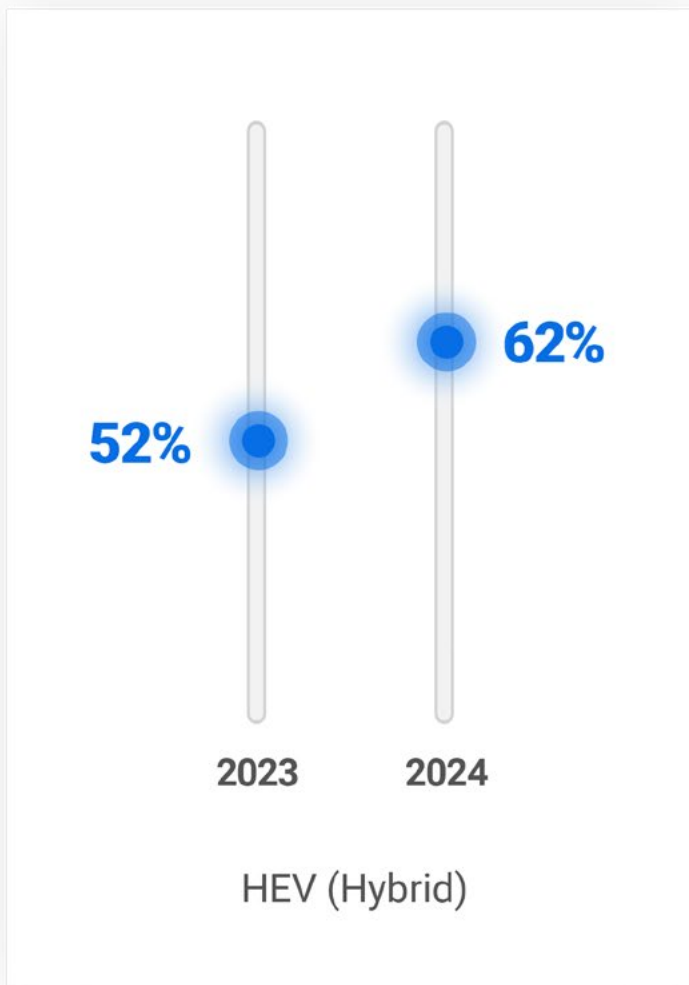
Limited Travel Range/Distance

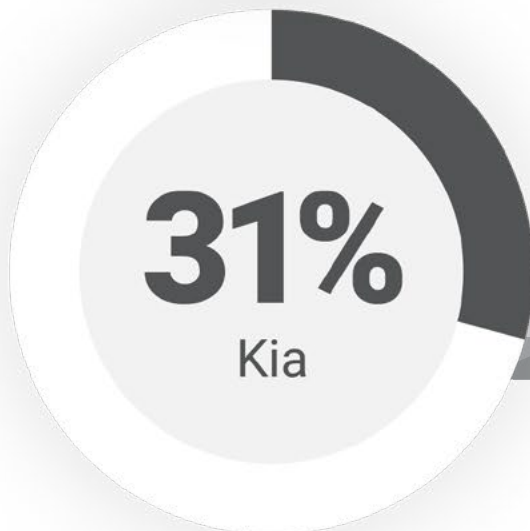
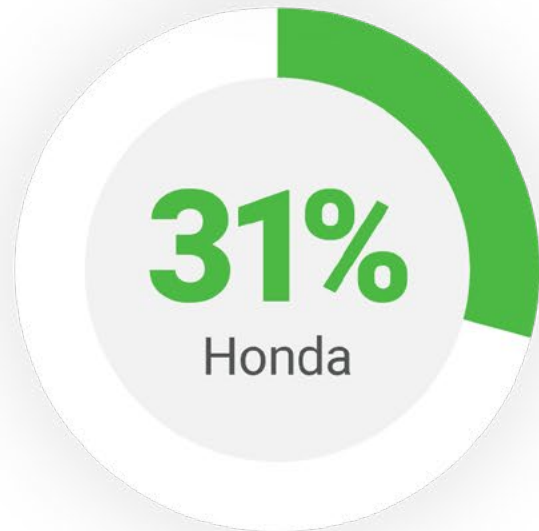
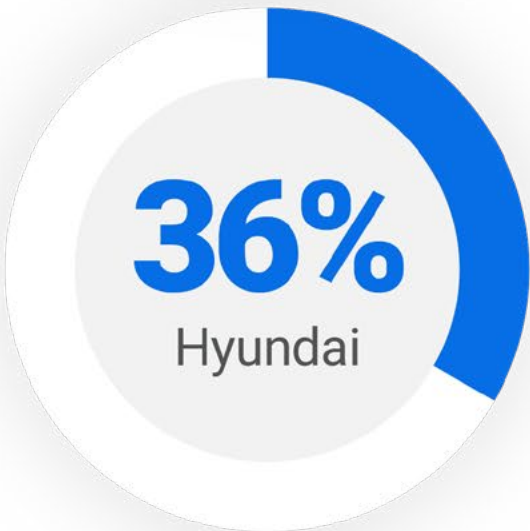
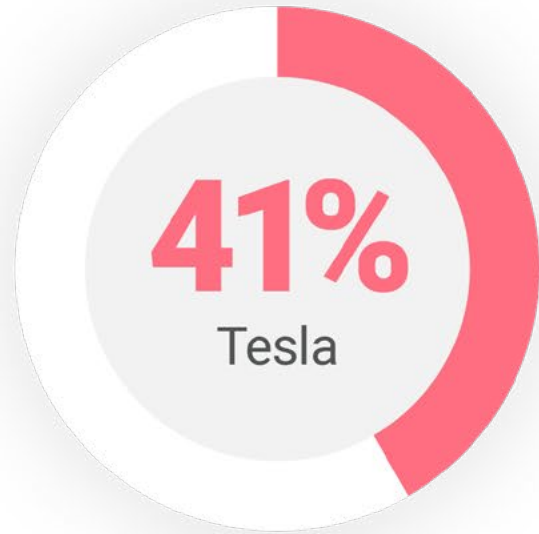




Hybrid Popularity Growing at a Faster Pace

Our research shows a significant lift in EV intenders' interest in hybrid (HEV) vehicles, perhaps a cogent middle ground to ease the leap from ICE to ZEV. Last year, slightly more than half of prospective EV buyers, 52%, said that they would be interested in a hybrid vehicle, whereas our latest study shows a 10-point jump in HEV interest, to 62%. Similarly, we're seeing growth in plug-in hybrids (PHEV) interest, moving from 54% in 2023 to 60% this year. The flexibility that hybrids offer may be more compelling for non-EV owners and a better option for you to recommend to those who may not be ready to commit to a fully electric vehicle.



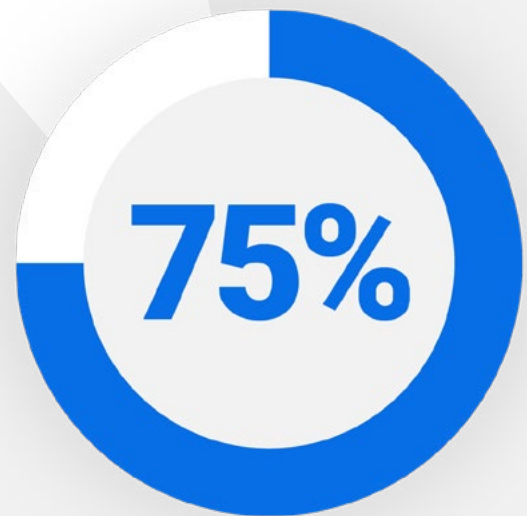


Toyota Leads the Market in Brand Consideration

When asked which brand consumers would consider buying for an EV, Toyota comes out on top at 55%, consistent with last year's top ranking. Tesla (41%), Hyundai (36%), Honda (31%), and Kia (31%), round out the top five list. Compared to last year's results, interest in Toyota, Honda and Kia have increased, while Chevrolet has slipped out of the top five rankings.

ZEV Mandate Doesn't Sway Consumer Decision-Making

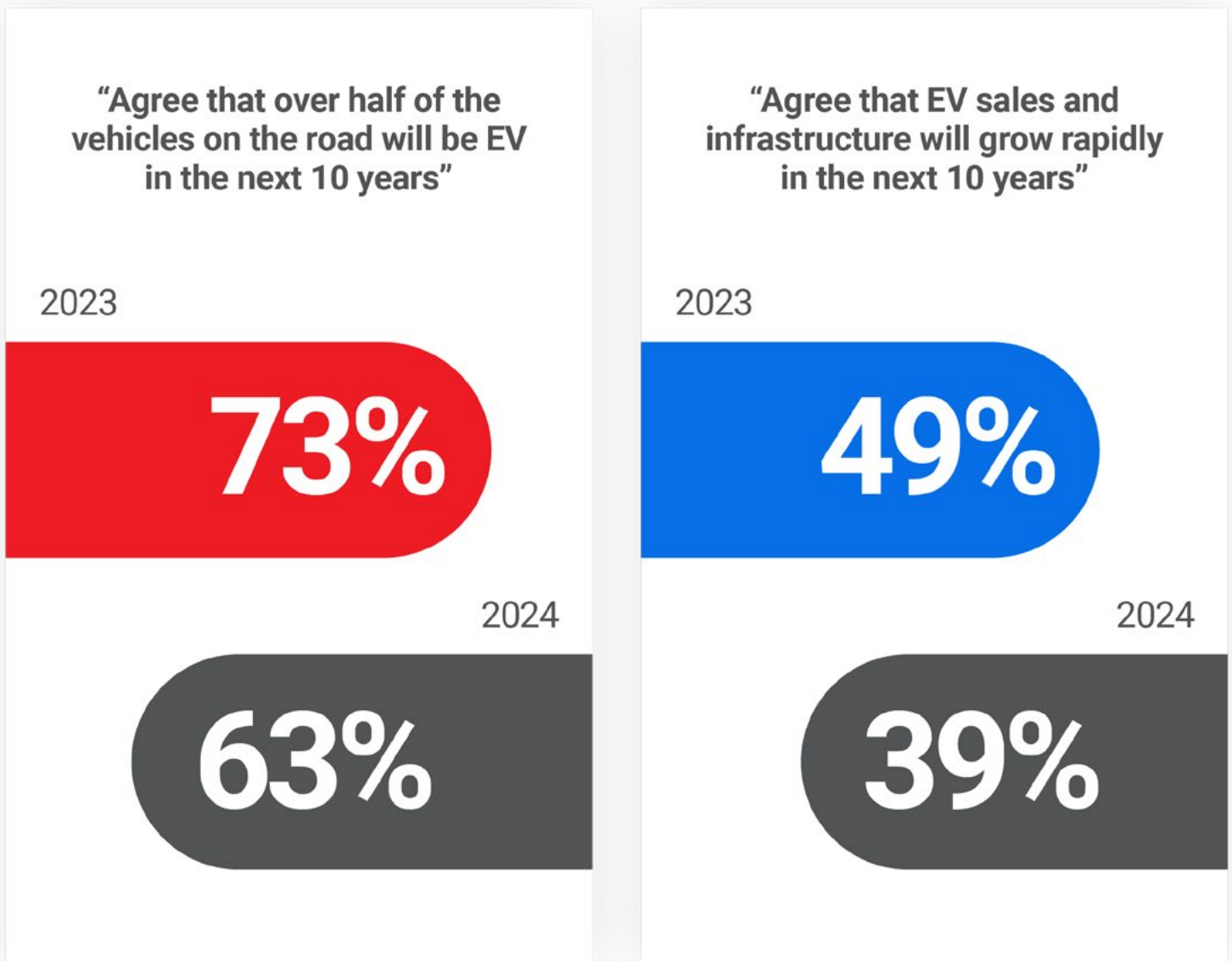
When taking into account the federal governments 2035 ZEV mandate for all new light-duty vehicles sold in Canada to be zero-emission, 78% of those surveyed were aware of it but only one-in-three said this would influence them to purchase a ZEV for their next vehicle. A similar number of respondents, 75%, believe that Canada will not meet the 2035 target. Some of the key aspects cited by those who think meeting the mandate target is unlikely are: 70% see gaps in infrastructure, 60% believe a change in political leadership could result in a revocation or alteration to the mandate, 55% feel the mandate may spur consumer adoptions of ZEVs, and 44% believe manufacturers won't be able to produce enough new ZEVs to meet the demand.



of Canadian respondents believe that Canada will not meet the 2035 ZEV mandate target.

10-Year EV Outlook

Even with government incentives to encourage EV purchases, Canadian consumers are less certain of growth in EV sales and infrastructure over the next 10 years. While 73% of EV intenders surveyed in 2023 believed that EV sales and infrastructure will rapidly grow in the next 10 years, this percentage has dropped to 63% in our latest study. When asked if they agree that over half of vehicles on the road will be EVs in 10 years, only 39% agree with this statement, a 10-point drop when compared to 2023 results.



Key Takeaways



Consumer interest in EVs has declined, despite government incentives and mandates



Understanding the pros and cons of EV ownership can inform your promotional and sales strategy for this vehicle type, and aid in formulating an educational strategy for undecided shoppers



Interest in hybrid (HEV) and plug-in hybrid (PHEV) vehicles has increased, presenting an opportunity to ease the leap from traditional gas-powered vehicles to EVs



EV outlook over a 10-year term has dipped since 2023, with less prospective EV buyers believing there will be a significant ramp-up in critical infrastructure to support the transition



Please direct all inquiries to:

Sabrina Bond

Content Marketing Manager

AutoTrader.ca

✉ sabrina.bond@trader.ca