Electric Vehicle Dealer Attitude Survey

November 2018

NATIONAL FRANCHISED DEALERS ASSOCIATION

Introduction

Dear Colleague,

We are pleased to present the findings of the inaugural NFDA Electric Vehicle Dealer Attitude Survey (EV DAS). Recognising the emerging importance of plug-in vehicles in the UK market, this survey analyses retailers' views on the approaches to the sector of both manufacturers and Government.

As this is a rapidly developing area and one which not all manufacturers have entered, NFDA required a response rate of over 20% of the manufacturers' dealer networks to be included in the survey.

As a result, it is important to note that the manufacturers featured in this report are the market leaders who have engaged with their dealer network on the issue. Also, the average scores in this survey are higher than in our general Dealer Attitude Survey, indicating that the manufacturers included are leading the way.

The manufacturers featured in the survey are the 'top eleven' in the EV arena (pure EVs and plug-in hybrids).

The survey was conducted in July 2018 and asked franchised dealers about their on-going relationship with their respective manufacturers in the EV area and their view on Government grants. Going forward, NFDA intends to carry out the EV DAS twice a year.

This is a fast-changing sector and there have already been major changes both with manufacturer product offerings but also, crucially, the Plug-in Car Grant levels. We expect to see large movements in dealer satisfaction levels in our next EV DAS results. However, the results in this report reflect the general state of the dealer/manufacturer relationship at the time of response.

Dealers were asked thirteen questions covering the retail of plug-in cars, both pure electric and plug-in hybrid vehicles. These questions probed dealers' views on the current and future approach to these cars by their manufacturers. Responses were scored from 1 (extremely dissatisfied) to 10 (extremely satisfied).

This report is a summary of the results of the EV DAS Summer 2018. It includes charts and analysis of the main questions giving an overview of the findings. We look forward to future surveys and tracking dealer opinion on plug-in vehicles over time.

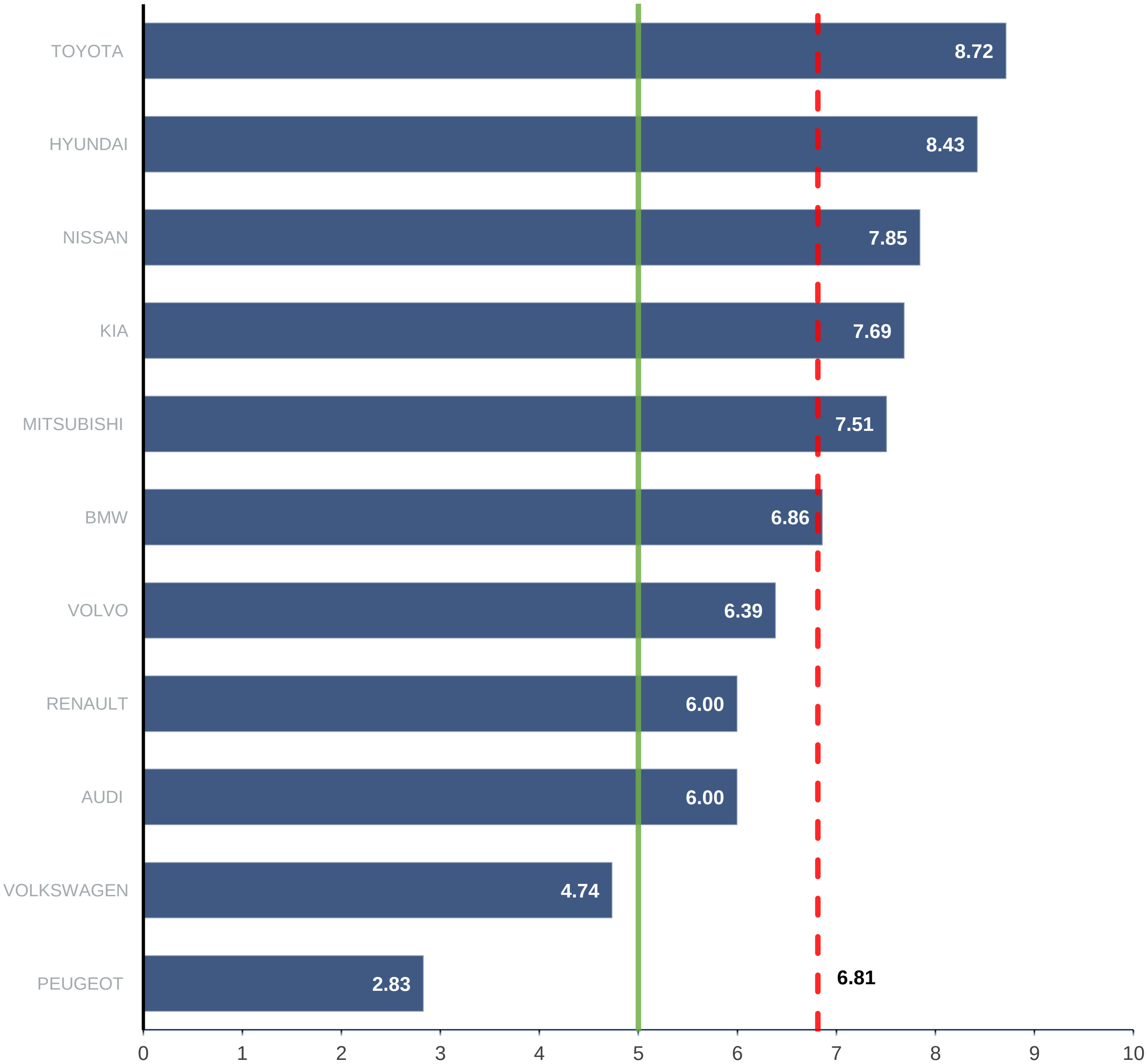
Sue Robinson

Director, National Franchised Dealers Association

The survey was analysed by the National Franchised Dealers Association (NFDA). For more information, contact Louise Woods, 01788 538332 or louisewoods@rmif.co.uk

Product offering

How satisfied are customers with the EV and plug-in product your manufacturer currently offers?

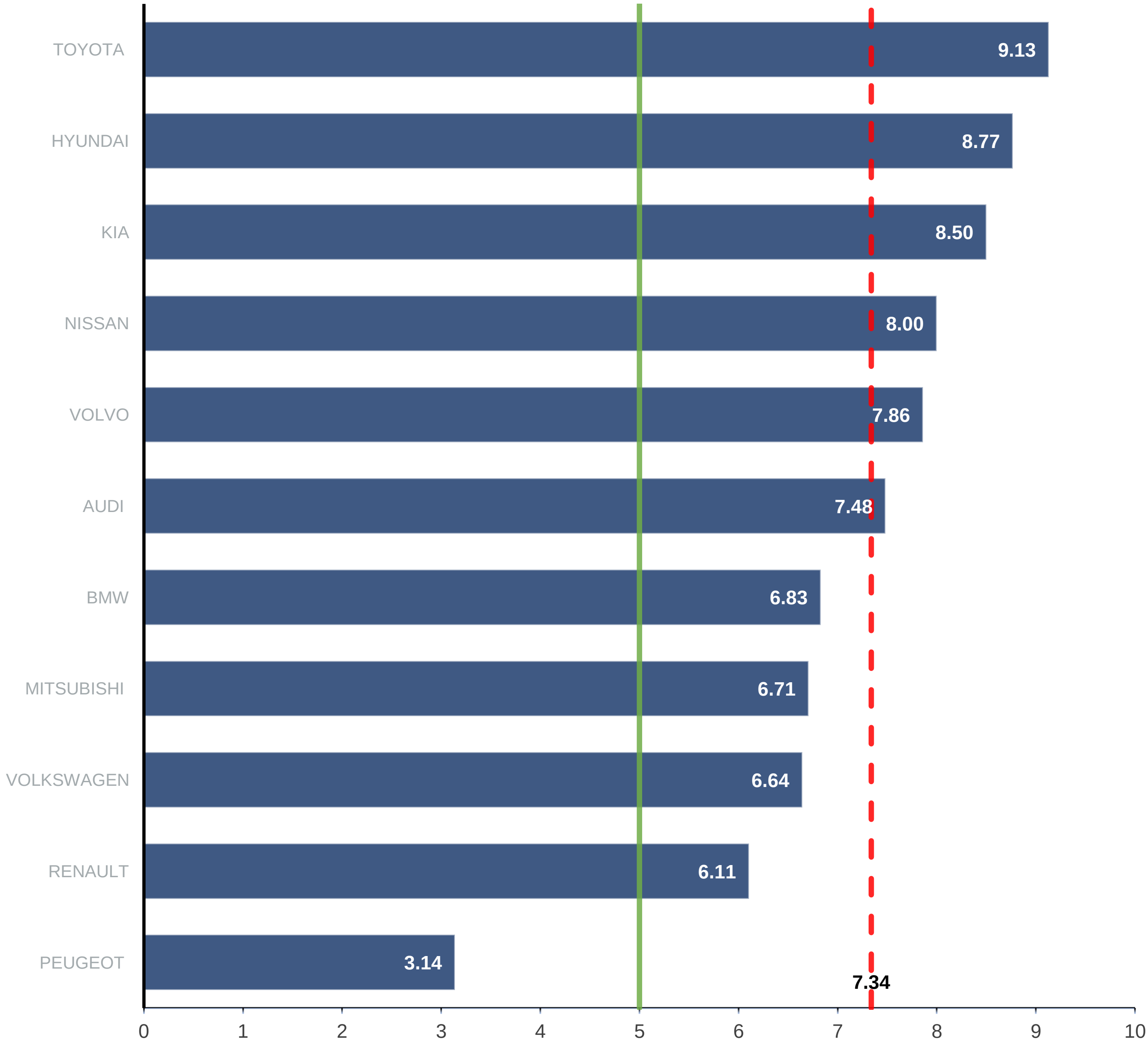


Summary

Retailers seemed fairly satisfied with their manufacturers' current electric vehicles (EV) and plug-in product offering. Despite the high average score, there were significant differences between the manufacturers at the top of the table such as Toyota (8.72) and Hyundai (8.43) and those at the bottom like Peugeot (2.83).

Product offering

How satisfied are you with your manufacturer's proposed plug-in and EV product range and the segments they will cover for the next two years?

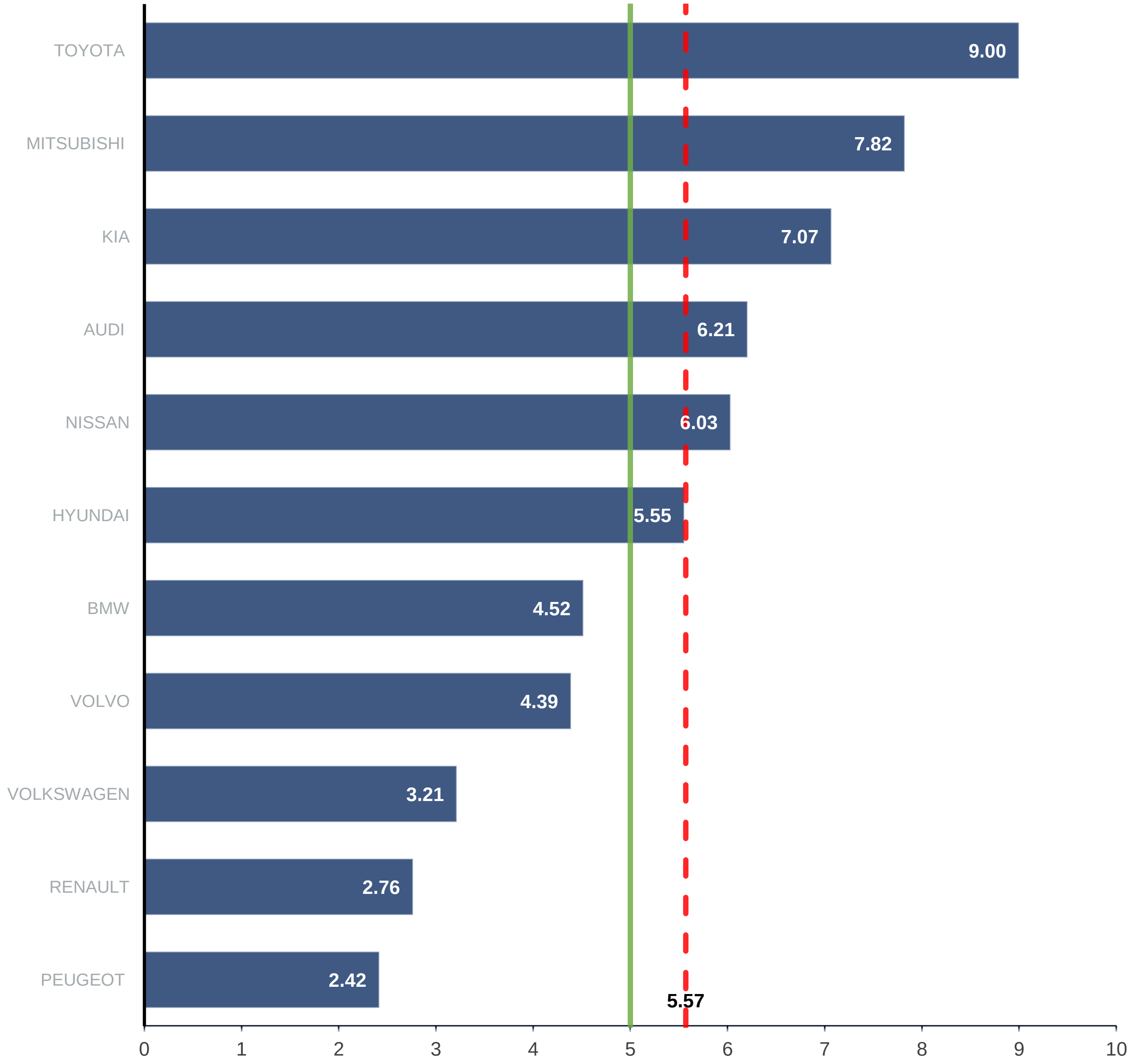


Summary

Positively, retailers were more optimistic about their manufacturers' proposed product range for the next two years, than their current one, with the highest average score of all questions at 7.34. Out of the top eleven EV manufacturers, Toyota's 9.13 was encouraging, while Peugeot's dealer network showed dissatisfaction returning the only score below the neutral mark of 5.0.

Supply availability

How satisfied are you with availability of supply of your manufacturer's EVs and plug-in vehicles?

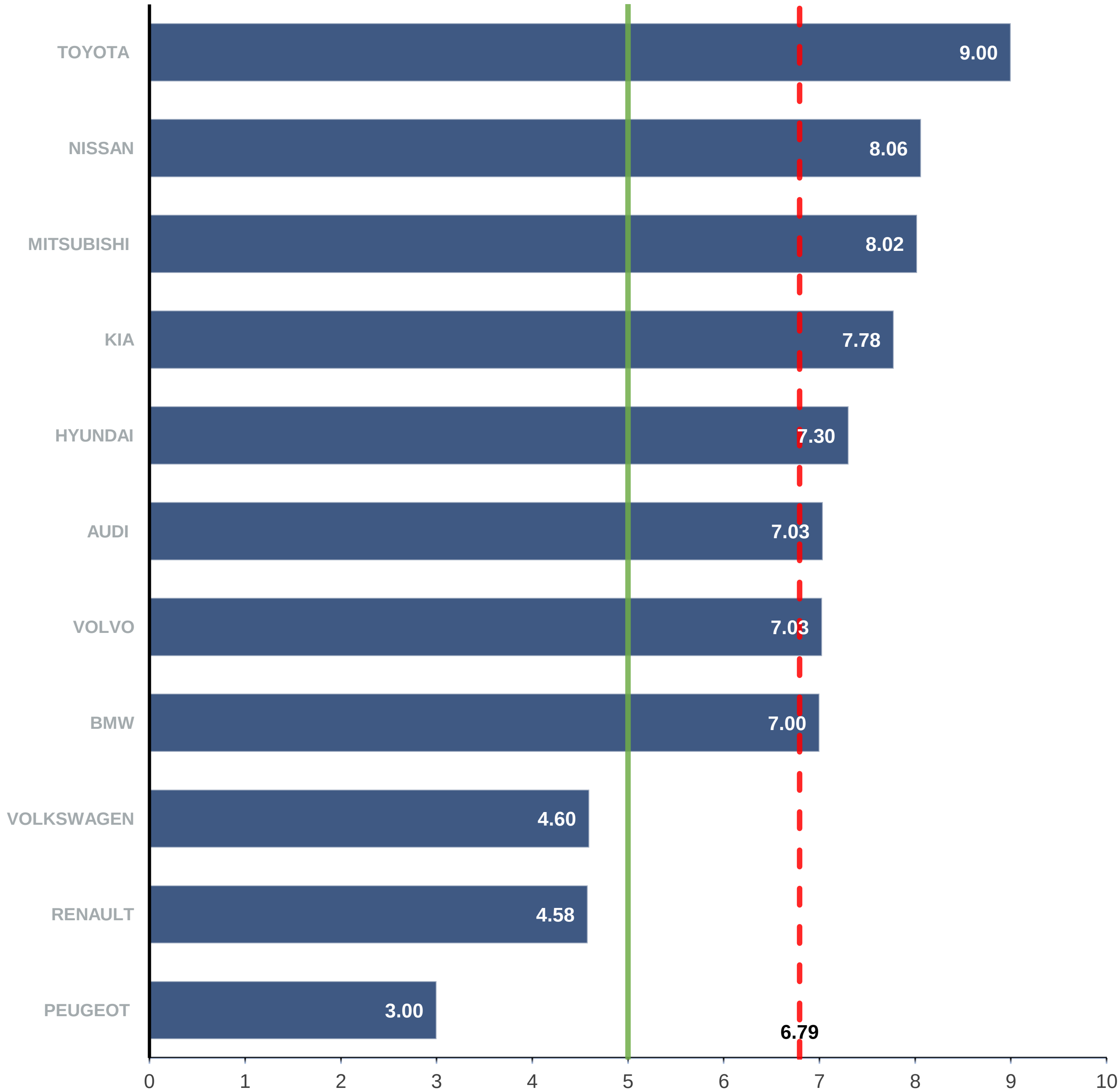


Summary

The supply availability question saw the lowest average score of the survey highlighting retailers' concerns with regards to this area. Overall, 5 out of 11 responding dealer networks had a score below the neutral 5.0 neutral line.

Manufacturer training and material

How satisfied are you that your manufacturer enables you to effectively sell EVs and plug-in vehicles (through training and materials)?

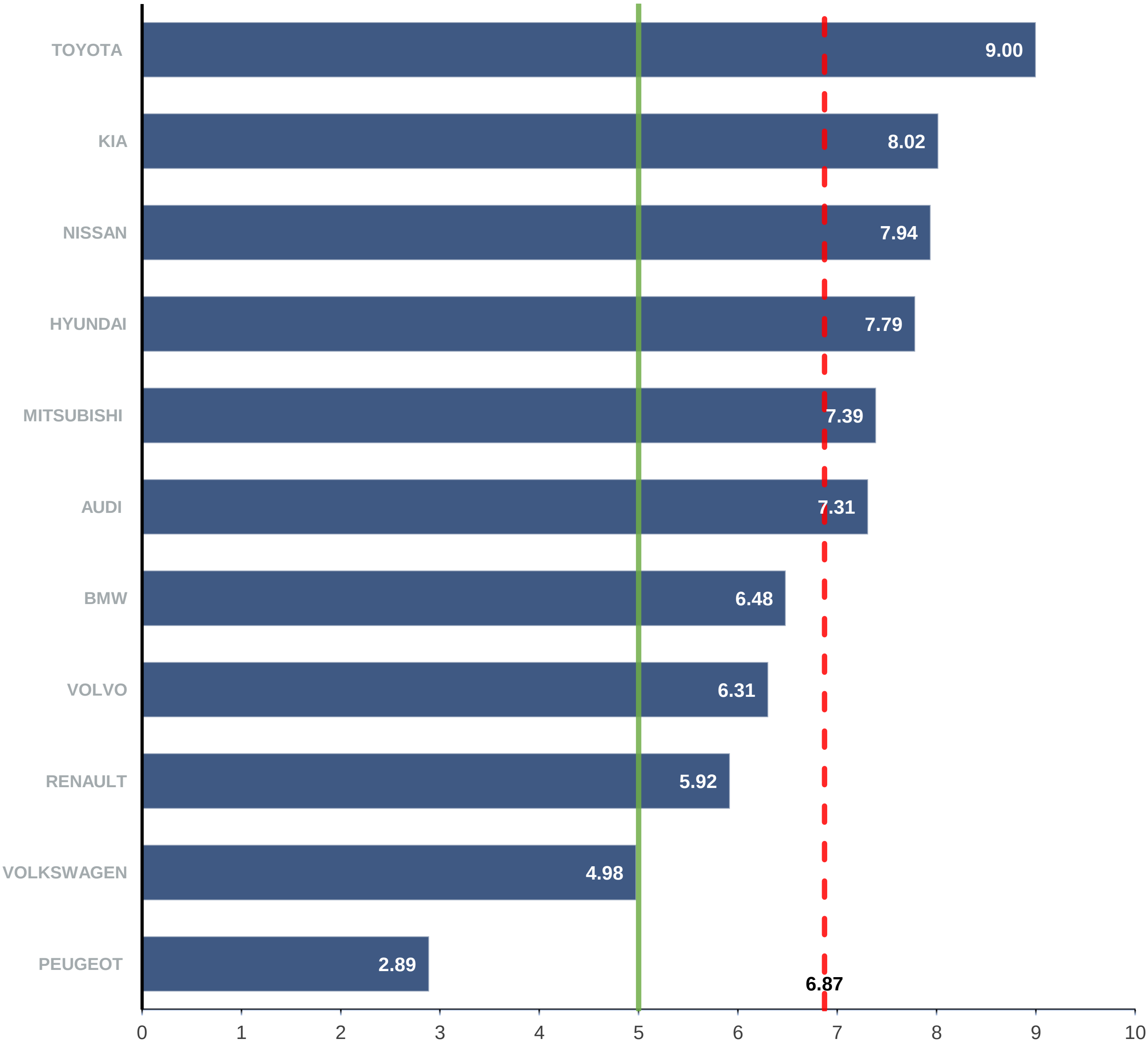


Summary

Manufacturers' efforts to enable retailers to effectively sell EVs and plug-in vehicles are key during this transitional phase facing the market. Retailers indicated relative satisfaction with this, although not all manufacturers performed well in this area. The average score was 6.79.

Targets

How satisfied are you with the EV and plug-in volume target aspirations of your manufacturer?

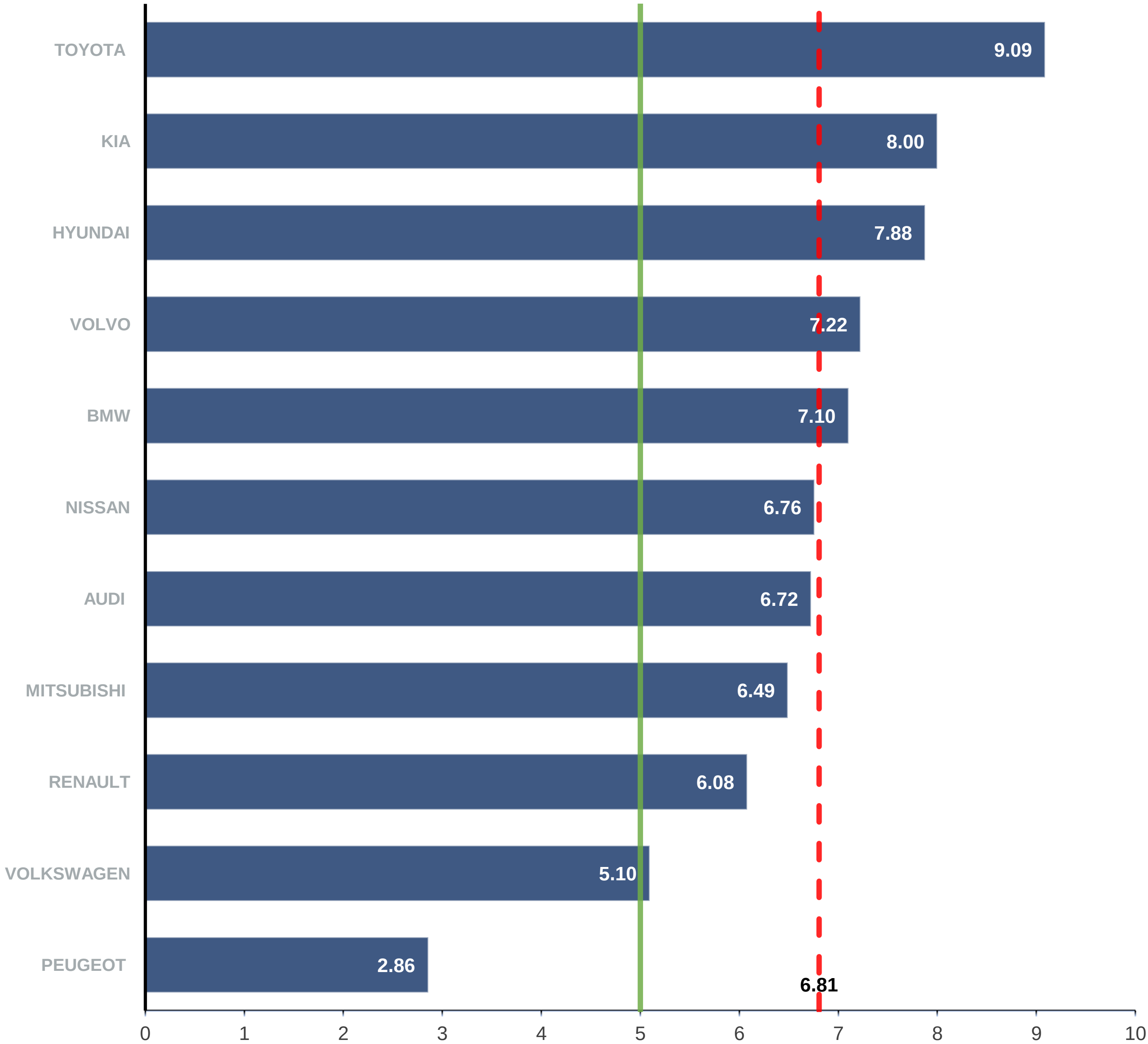


Summary

With regard to manufacturers' target aspirations, the eleven dealer networks whose responses were analysed provided the second highest average score of the survey with 6.87 points. The majority of manufacturers scored above 5.0.

Profit return

How satisfied are you with your total margin on new EV and plug-in sales compared with conventional petrol and diesel new car sales?

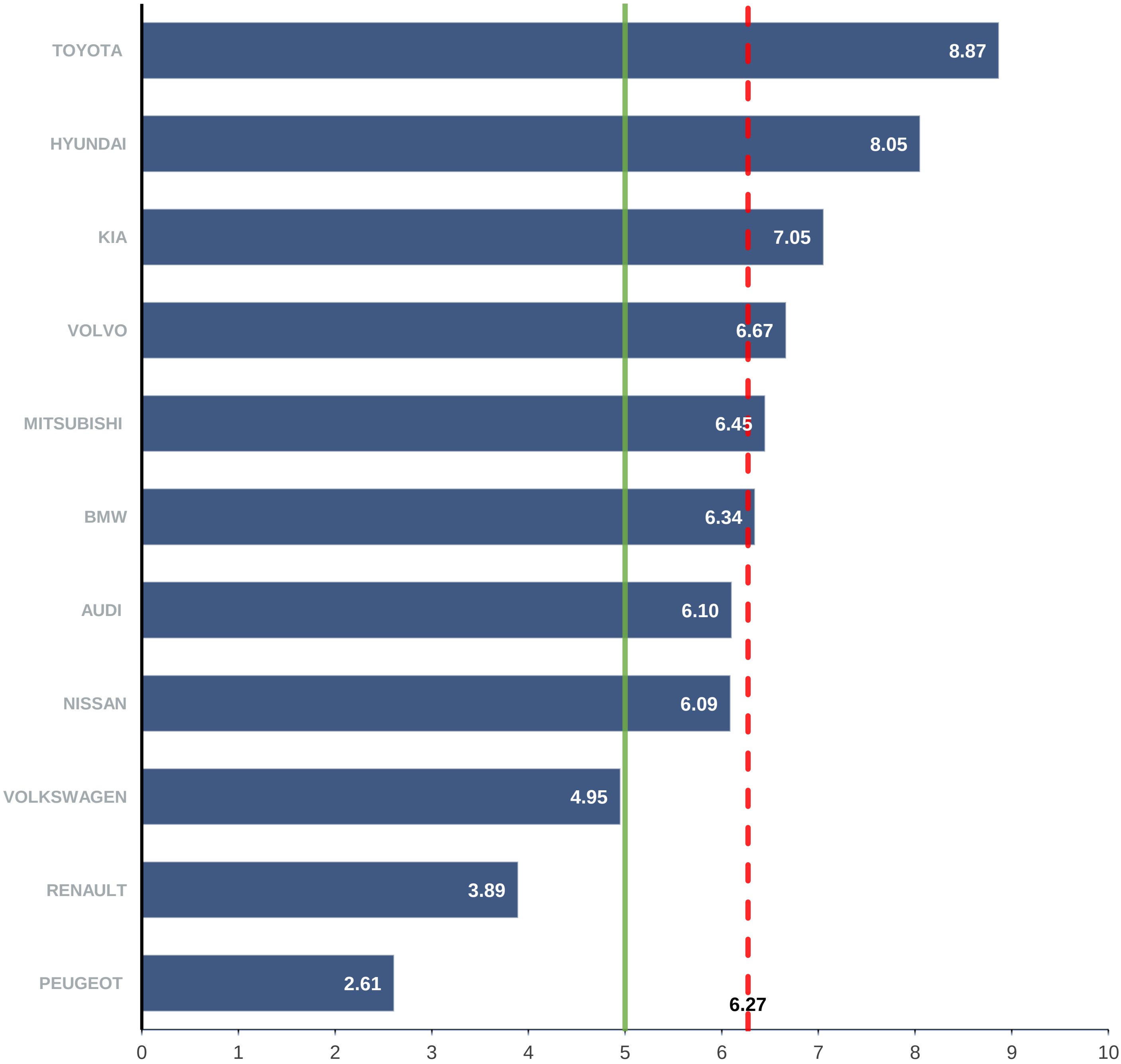


Summary

The question about retailers’ satisfaction with their total margin on new EV and plug-in sales compared to petrol and diesel cars returned an average score of 6.81, which is higher than the overall average of the survey. Ten manufacturers out of eleven scored above 5.0.

Profit return

How satisfied are you with your total sales margin on used EV and plug-in sales?

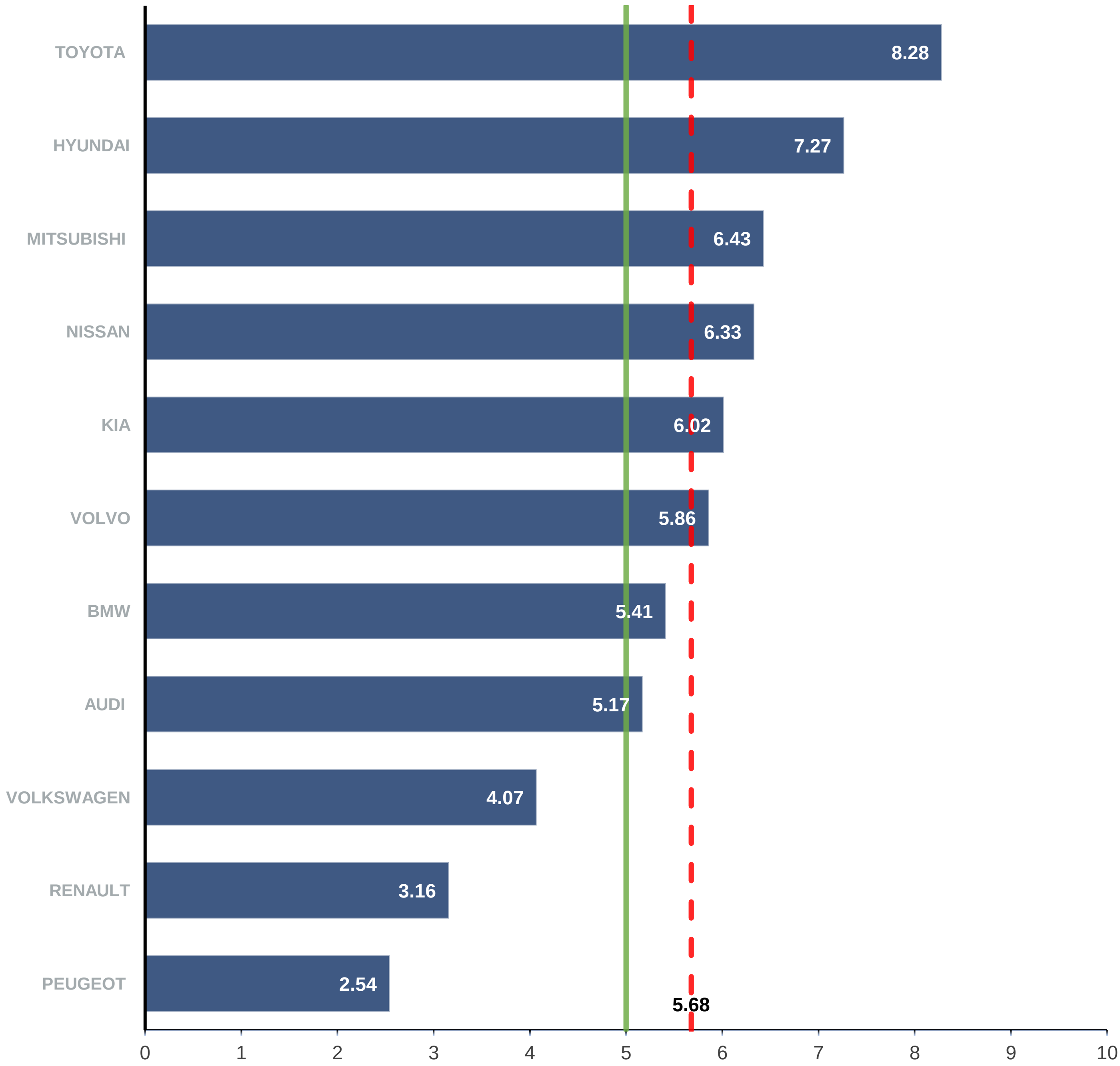


Summary

Retailers are slightly less satisfied with their total margin on used EV and plug-in sales than on new ones, as the average score of 6.27 showed. In this instance, three average scores were below the 5.0 neutral point.

Return on investment

How satisfied are you with the return on investment in equipment and training for EV and plug-in vehicles?

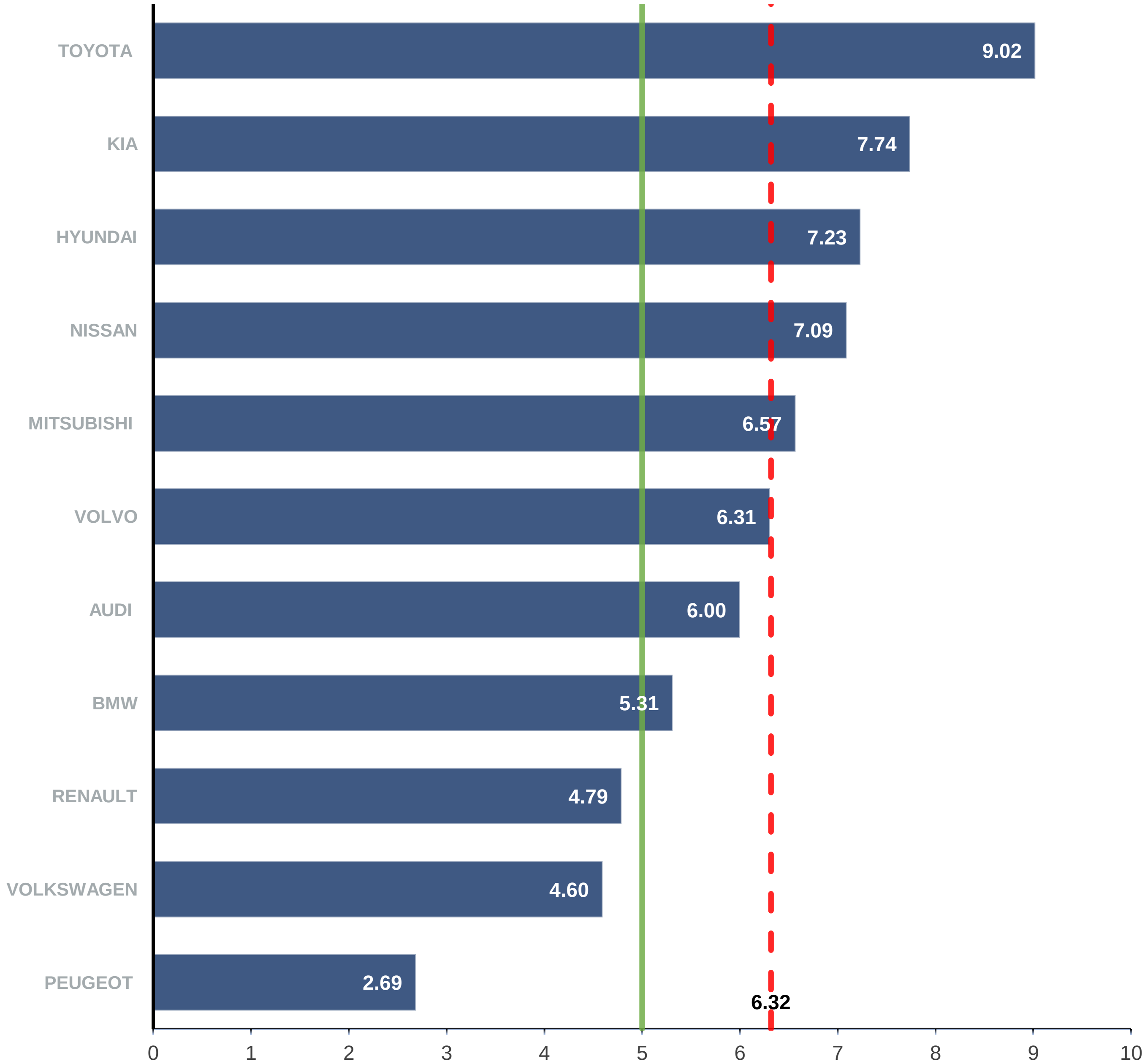


Summary

When asked about their satisfaction with return on investment in equipment training for EV and plug-in vehicles, retailers gave the second lowest average score of the survey with 5.68 points.

Finance offering

How satisfied are you that financial products are working for EV and plug-in vehicles?

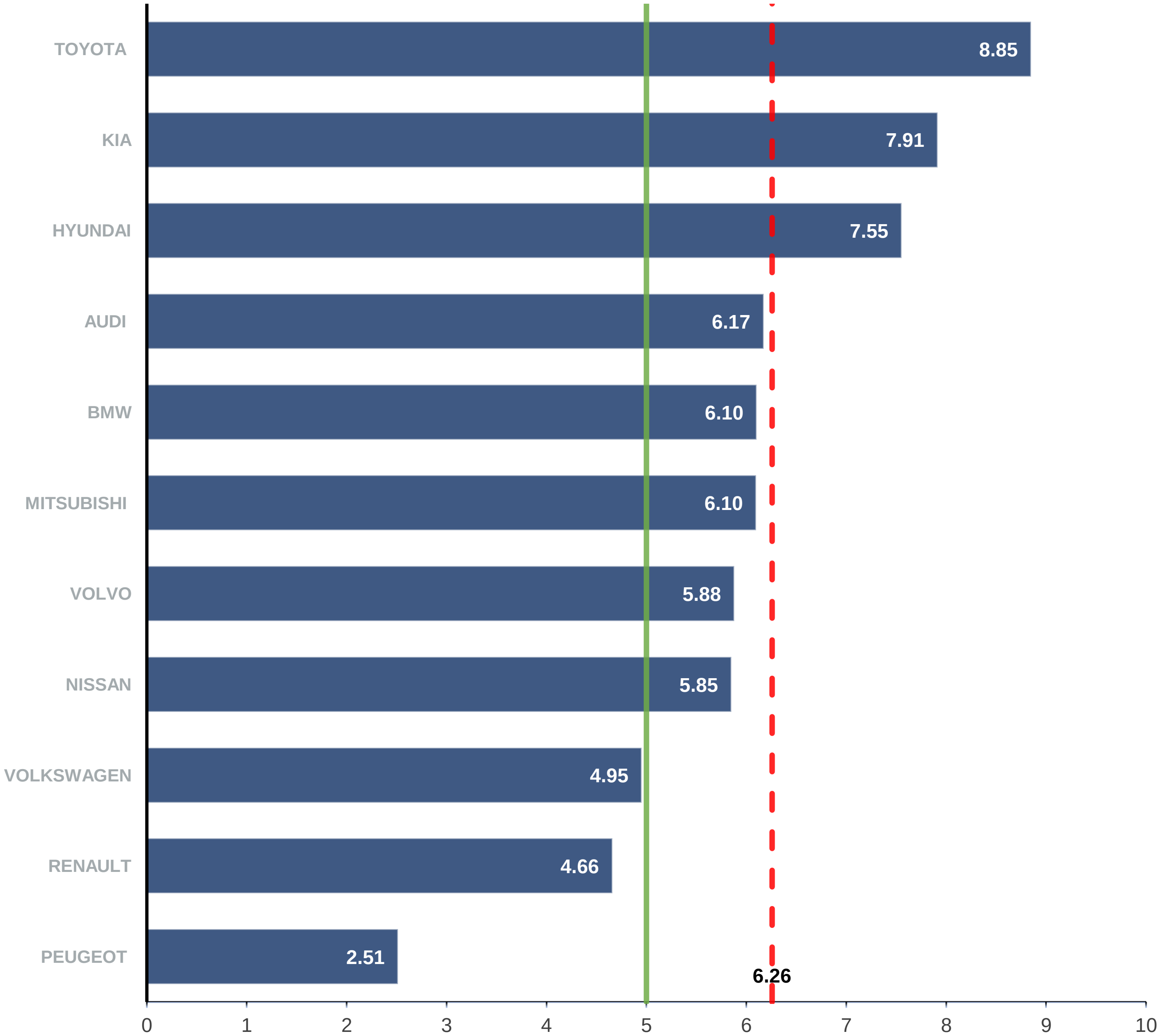


Summary

Scores regarding retailers' satisfaction with financial products for EV and plug-in vehicles are in line with the rest of the survey with an average of 6.32 points. Overall, three manufacturers were below and eight above the neutral 5.0.

Incentives

How satisfied are you with your current bonus and rebate rates on new EV and plug-in sales?

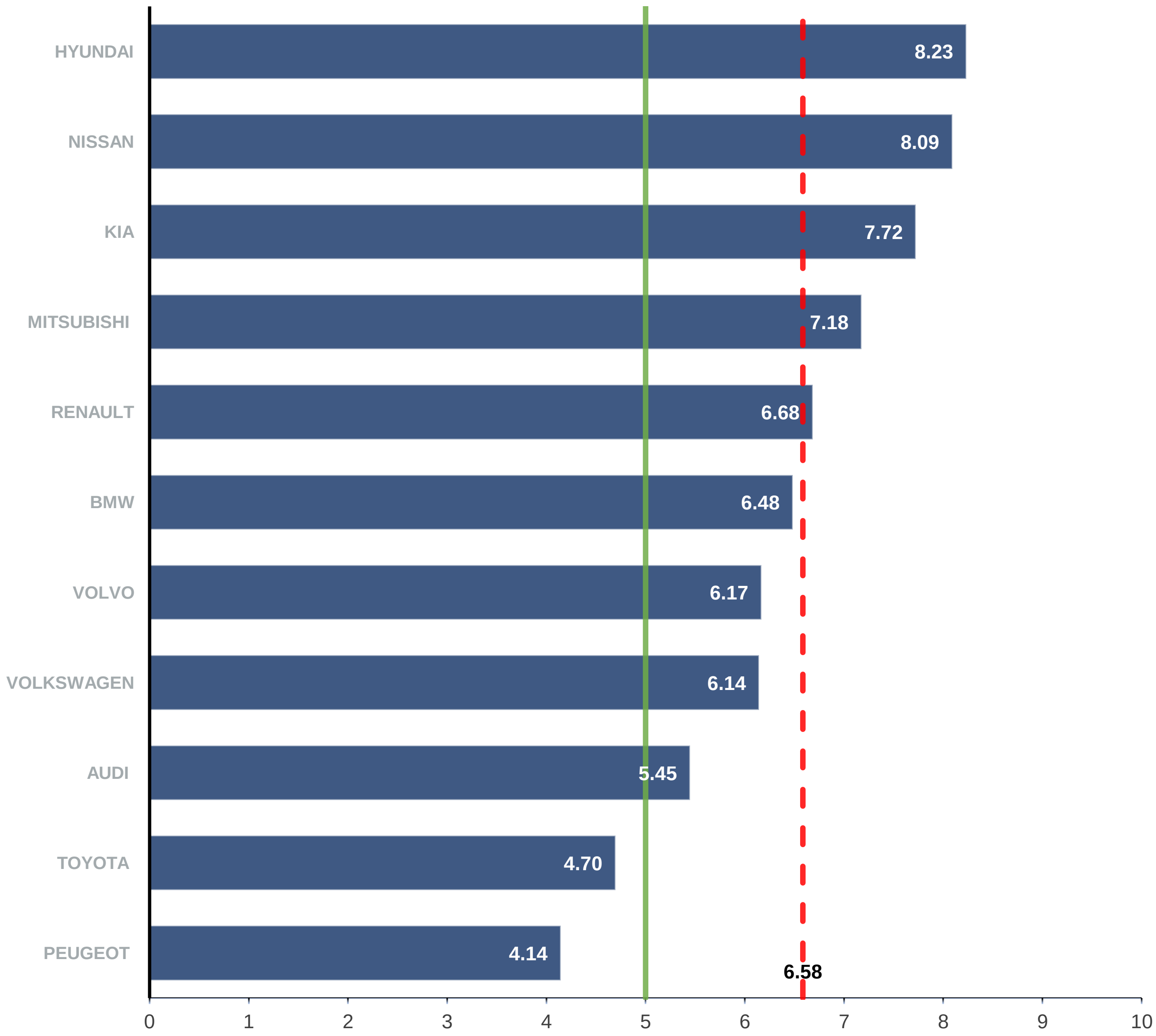


Summary

The average score of retailers' satisfaction levels with manufacturers' bonus and rebates on new EVs and plug-in vehicles sales was 6.26 out of 10. Eight manufacturers scored above 5.0, however, five of them were below the average.

Plug-in Grant

How satisfied are you with the current operation of Plug-in Grant?

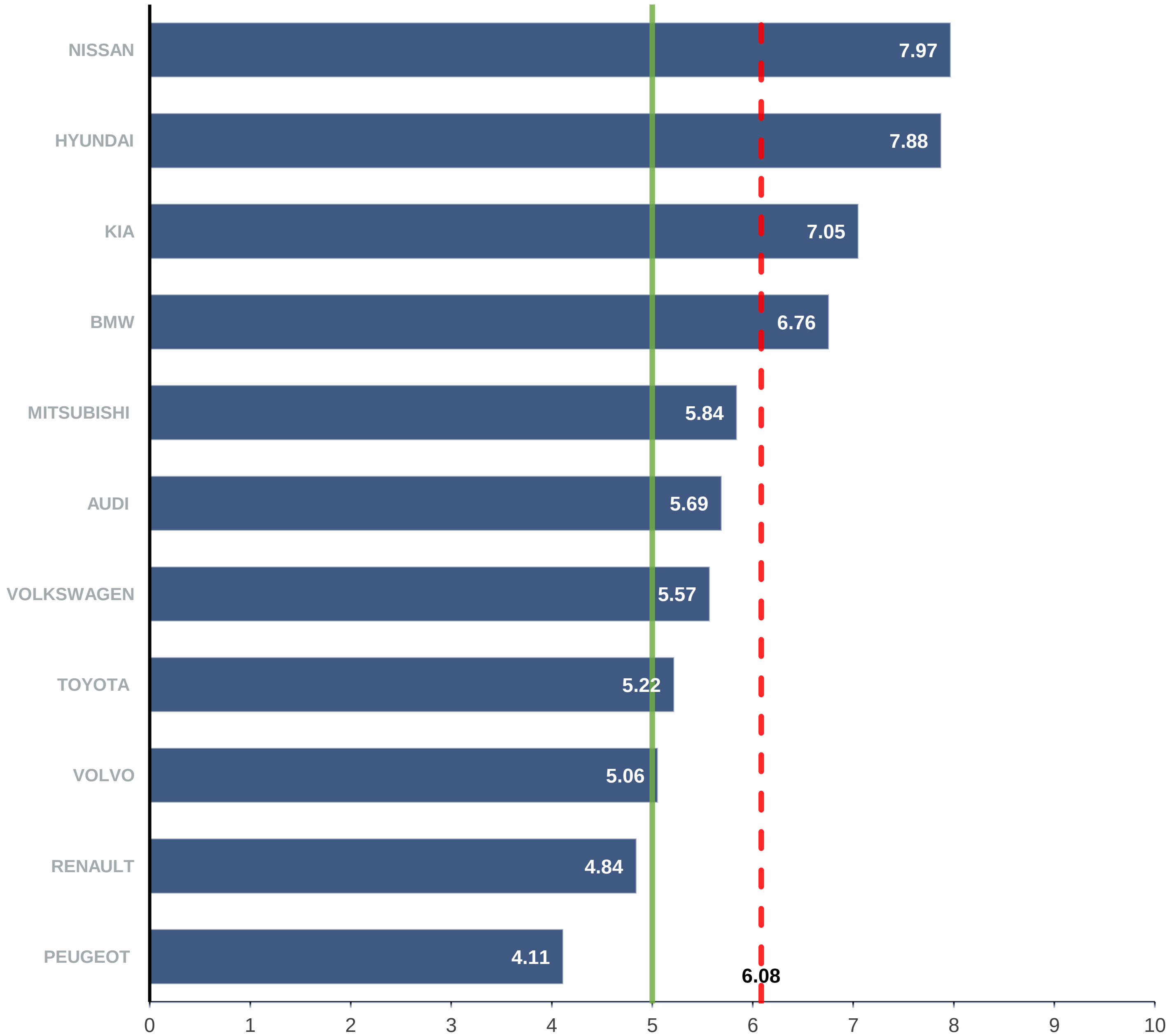


Summary

Retailers were asked their satisfaction levels with the current operation of the plug-in grant and returned an average score of 6.58. It is important to note that these questions were asked in July and recent changes to the grant are likely to affect this score in the next issue of the survey.

Plug-in Grant

How satisfied are you with the current level of Plug-in Grant?

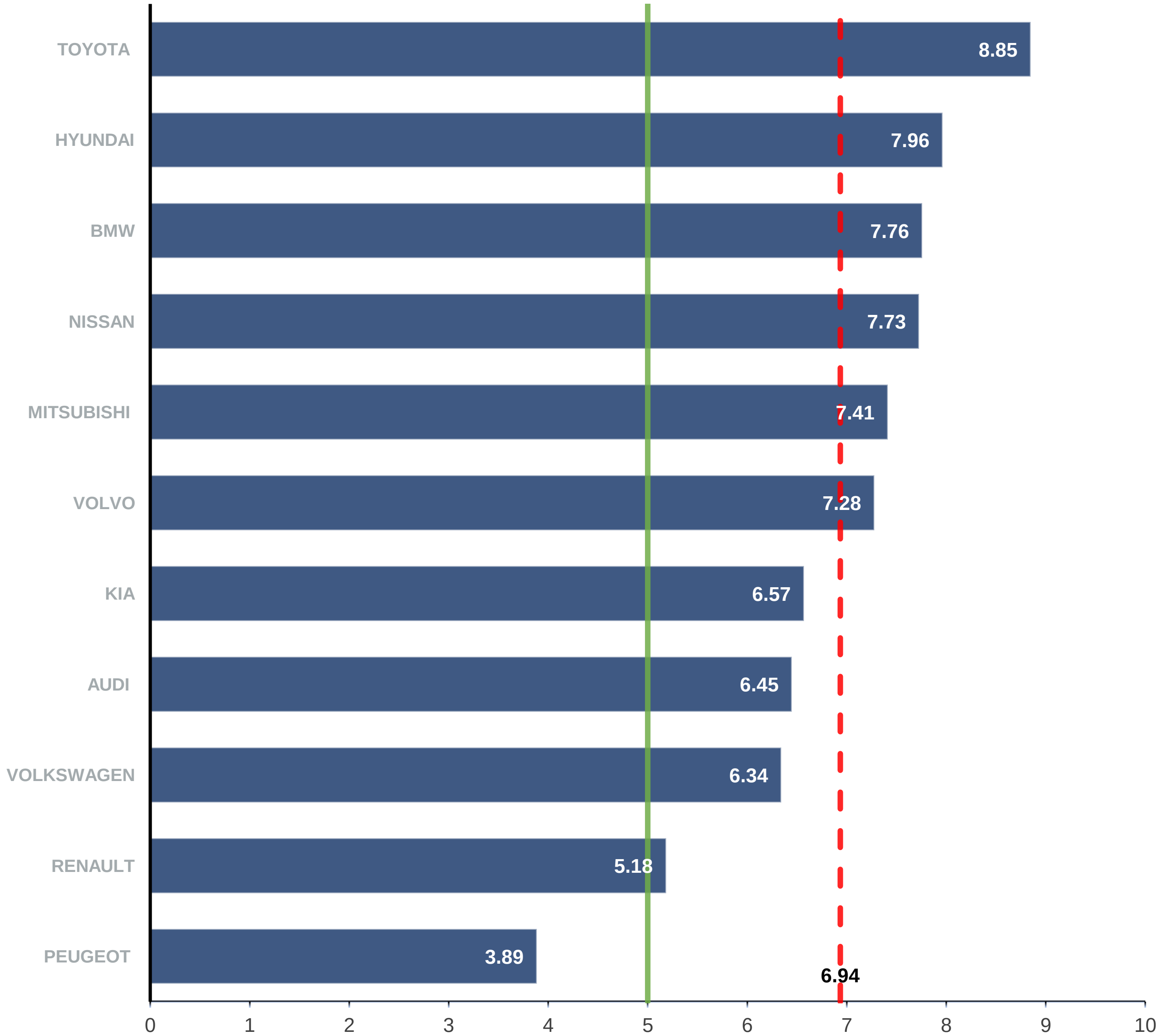


Summary

Retailers were fairly satisfied with the current level of plug-in grant. The difference between top and bottom performers is smaller than in the other questions. Similarly to the previous question about the plug-in grant, scores are likely to change significantly in the next six months.

Consumers’ intentions

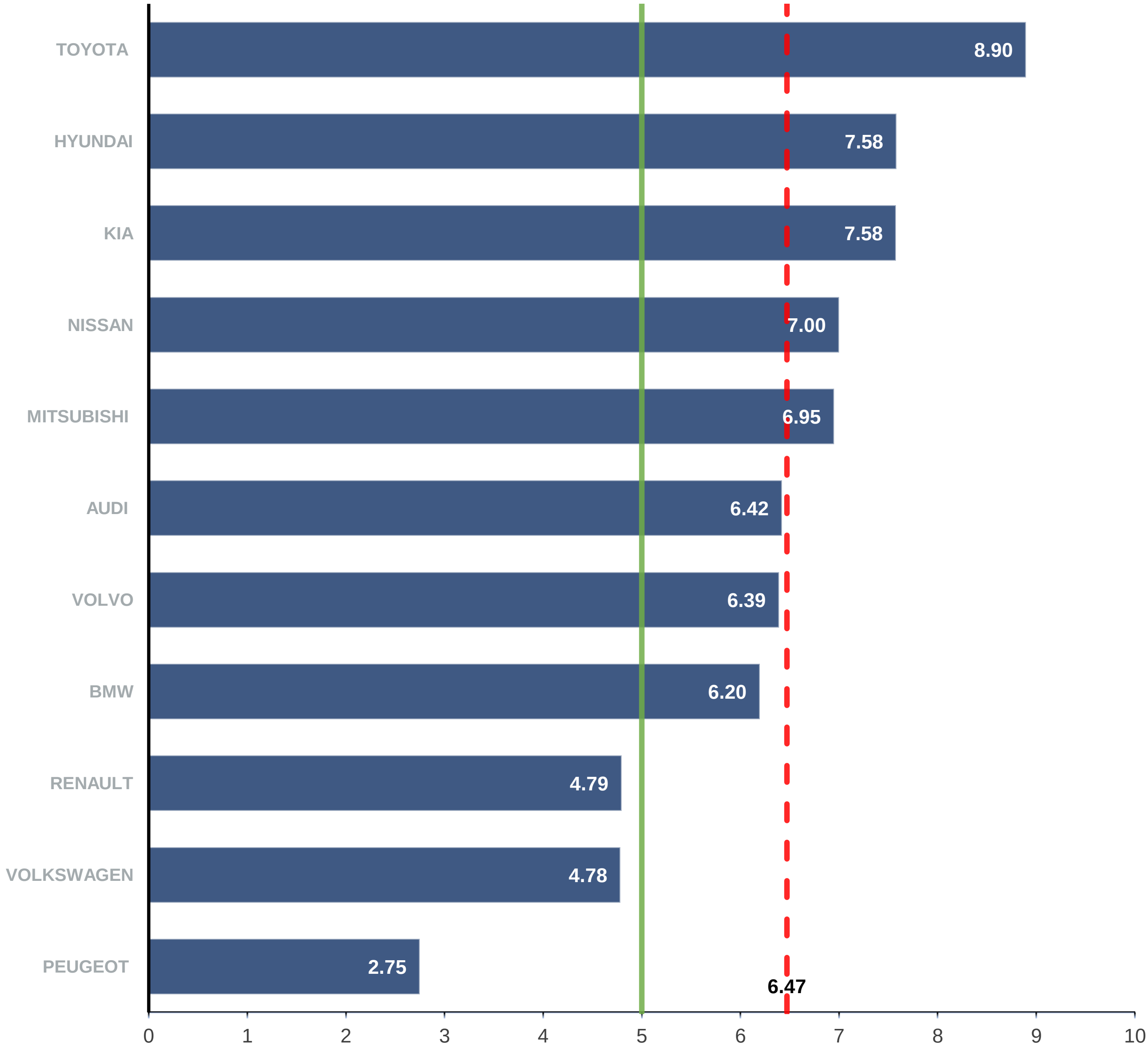
How likely are customers who own EVs or plug-in vehicles to replace them with another EV or plug-in vehicle when they buy a new vehicle?



Summary

Positively, the question regarding future buying intentions of owners of EVs or plug-in vehicles returned the second highest average score across the survey with 6.94 points. Ten manufacturers out of eleven had scores above 5.0.

Average across all questions*



Summary

The overall average score of 6.47 is well above the 5.0 neutral mark but leaves room for improvement, especially considering that only eleven manufacturers were involved in the survey. The average scores showed a significant discrepancy between the top and bottom performers, even within the eleven major players in the EV and plug-in market. Toyota, the overall winner of the first EV DAS, had the highest score in eleven of thirteen questions of the survey.

Conclusion

The results of the first EV Dealer Attitude Survey displayed mixed opinions from retailers about their respective manufacturers. While various networks seemed positive about the future directions of their EV and plug-in segment, others expressed a number of concerns.

Toyota, Hyundai and Kia were the top performers across the whole survey. The Toyota network in particular recorded a number of impressive scores demonstrating that manufacturers' close work with their dealer networks is paying off.

Nissan, Mitsubishi, Audi, Volvo and BMW had average scores above 6.0 showing that retailers are confident and optimistic about EVs and plug-ins, and their work is moving in the right direction.

At the other end of the table, Renault, Volkswagen and Peugeot were the only three manufacturers with average scores below the neutral mark of 5.0. Despite the disappointing performances, the fact that these manufacturers had more than 20% of their network responding to the survey shows that there have been good levels of engagement, although retailers need to be reassured in a number of areas to ensure a strong development of the EV sector.

The second Electric Vehicle Dealer Attitude Survey will be sent to NFDA members in January 2019 for completion. It will be interesting to see, as consumer appetite grows and the market adapts, how these responses change. Equally, any changes in policy affecting EVs and plug-in vehicles will have a significant effect on retailers' opinions.

We look forward to presenting the results of the next Electric Vehicle Dealer Attitude Survey in the first half of 2019.

*Please note: the average score across all questions (page 16) does not include the results from: page 13 question - *How satisfied are you with the current operation of Plug-in Grant?;* page 14 - *How satisfied are you with the current level of Plug-in Grant?;* page 15 - *How likely are customers who own EVs or plug-in vehicles to replace them with another EV or plug-in vehicle when they buy a new vehicle?.* These are not within the direct control of individual manufacturers and so are not attributable to them. However, they are still important barometers of the attitudes held by franchised dealers toward the retail of plug-in vehicles.

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