

2024 US EV Consumer Study

Research dealers
can use to tap into a
shifting market



ASSURANT®

Knowledge drives sales: maintain market share and profitability through EV expertise

Today, the transition to EVs has slowed as consumer demand falls short of ambitious industry expectations. But, for dealers, the switch to EVs is not an all-or-nothing proposition. Case in point: While adoption isn't happening as quickly as expected, it's still increasing. Inventory continues to grow. And, despite OEMs adjusting short-term plans, a wider range of models and price points from a wider range of brands are on the way. More importantly, dealers have cars on their lots today and arriving inventory that needs to be sold. And, with existing EVs aging quickly, we're on the cusp of a burgeoning used EV market with untapped potential. To help dealers better prepare for these opportunities, we've conducted an in-depth research study on the EV buyer experience. The resulting ebook is designed to help dealers implement an effective EV strategy, so they can identify the needs of EV buyers, offer the right products for their customers, and provide a great overall experience.

Dealers should now be prepared for two kinds of buyers: traditional and EV. Potentially, these two types of buyers can come from the same household. And they may not fully know which one they are when they arrive at your dealership. This can make them hesitant and have questions that only an expert can answer. With battery electric vehicle (BEV) sales now at 8% of U.S. market share and growing, we're beginning to move past the early adopters' segment into a more challenging sales demographic that can need more education but that represent a sizable share of the market and significant revenue for your dealership. Now is the time for dealers to prepare for this opportunity.

Dealers can proactively pursue this market by preparing their teams to fully support customers throughout the EV buyer journey. There's a tremendous opportunity in knowing how to attract and retain EV buyers throughout their ownership experience. Those who can incorporate effective EV selling strategies sooner stand to gain increased profits and more customer loyalty as this segment increases.



Ease the transition to EVs with education and support

According to our survey, 20% of prospective buyers would consider purchasing an EV, citing fuel savings and reduced maintenance needs as primary motivators. This represents a significant opportunity for dealers looking to bolster their overall revenue and meet their store's monthly floor plan numbers. Those who are prepared to support buyers with straightforward information about the EV ownership experience and EV protection products stand to gain. This means dealer teams will need to be fluent on key EV issues like maintenance, total cost of ownership, battery longevity, range and charging access, and incentives.

As part of this ebook, we'll offer some practical tips along the way that will help dealers plan EV sales in a way that will build more confidence and value in the purchase — and generate more profitability for their business.

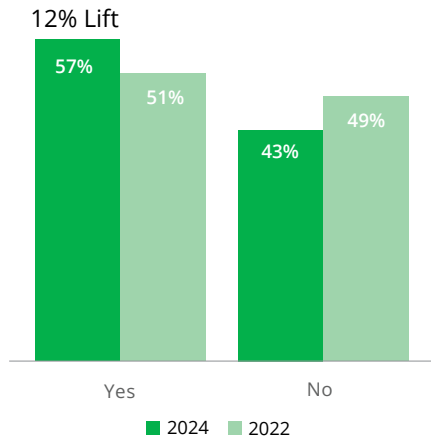
The good news:

In our 2024 survey, 20% of non-BEV owners would consider an EV purchase. The primary reasons? Saving on fuel costs and lower maintenance needs.

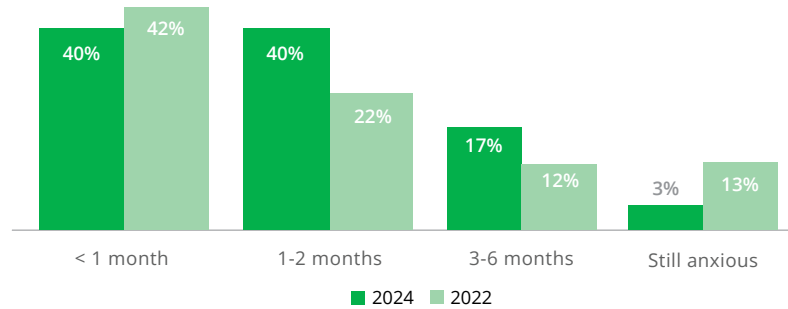


BEV purchase behavior: myth vs reality

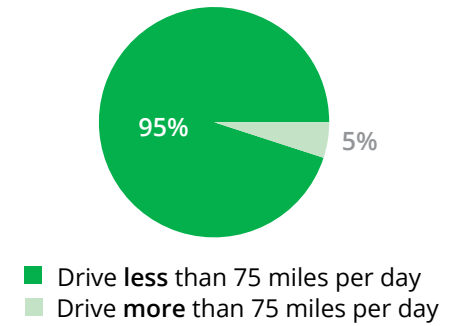
Had anxiety with their first BEV



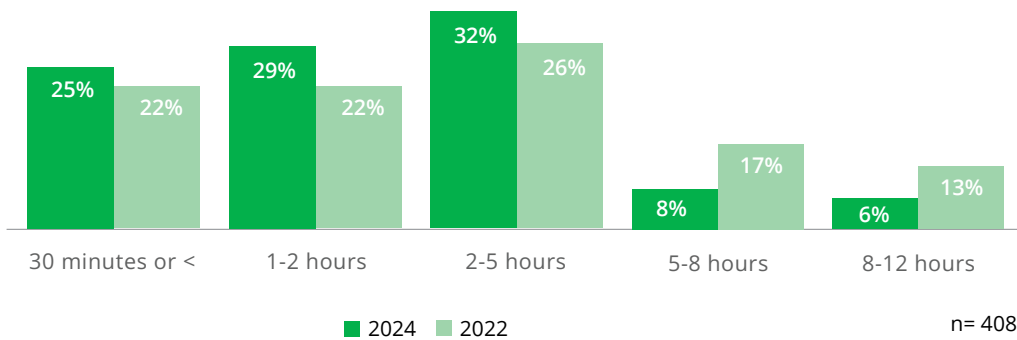
That range anxiety lasted



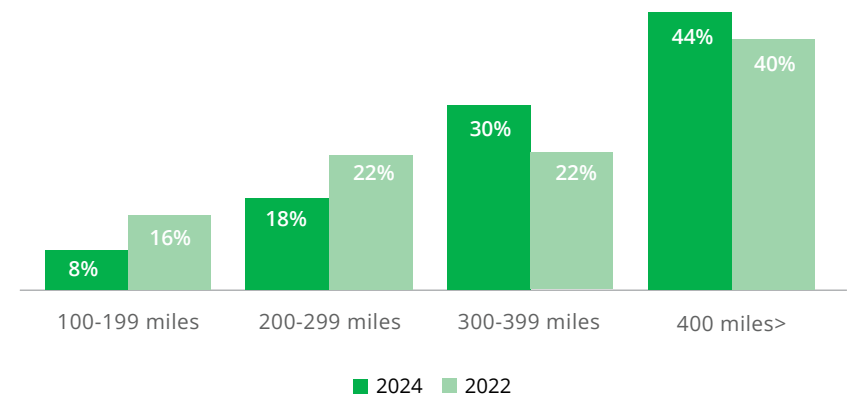
Total miles driven on a daily basis



Expected time to fully recharge the battery



Expected distance on a full charge



EV purchase behavior: myth vs reality

Despite concerns over high gas prices and inflation, Americans continue to forsake smaller, more efficient vehicles for larger, more inefficient models like SUVs and crossovers. On top of that, our research revealed that 44% of potential buyers indicated a BEV would have to travel 400 miles or more before they would consider switching. Yet 95% of respondents reported driving under 75 miles per day. Addressing this disconnect between EV performance and actual need is critical to successful EV sales. Our study also revealed that one of the biggest barriers to EV adoption — range anxiety — diminishes rapidly after purchase, indicating that real-life EV performance is enough to meet the everyday needs of drivers. Our research also explored customer expectations around charging time. Perception here was more in line with reality and should be considered less of a barrier to adoption. With most EV charging being done at home, and current availability of public Level 2 and Level 3 fast chargers, the majority of consumers would find it convenient to keep an EV charged for daily use.



Dealer tip: make EV reality real for your customer

Dealers need to be able to speak to the expectation vs. reality gap around EV range and to explain that range anxiety dissipates quickly. This is where specialized EV sales training and needs assessment can help. Having an optimized sales process in place can also go a long way in this regard, especially when it comes to speaking to well-researched buyers or same-day EV converts alike.

BEV adoption challenges: providing reasons to go electric

Notably, there was a 12% increase in range anxiety, which is to be expected as the EV market burns through enthusiastic early adopters and cuts into the mainstream market. These mainstreamers are less educated around EVs and require more expertise. In most cases, range anxiety fades as the ownership experience evolves. Understanding the reasons customers are willing to switch to EVs is critical to driving sales. While cost savings on fuel and the convenience of home charging remain the top motivators for switching to a BEV, tax rebates and/or federal program incentives saw an 11% lift as a motivator for purchase.

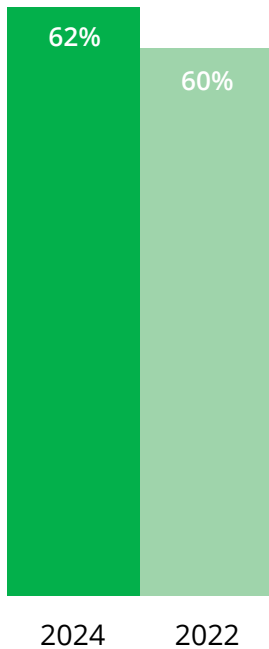
While range anxiety has increased with the latest adopters, it dissipates rapidly after two months of ownership.



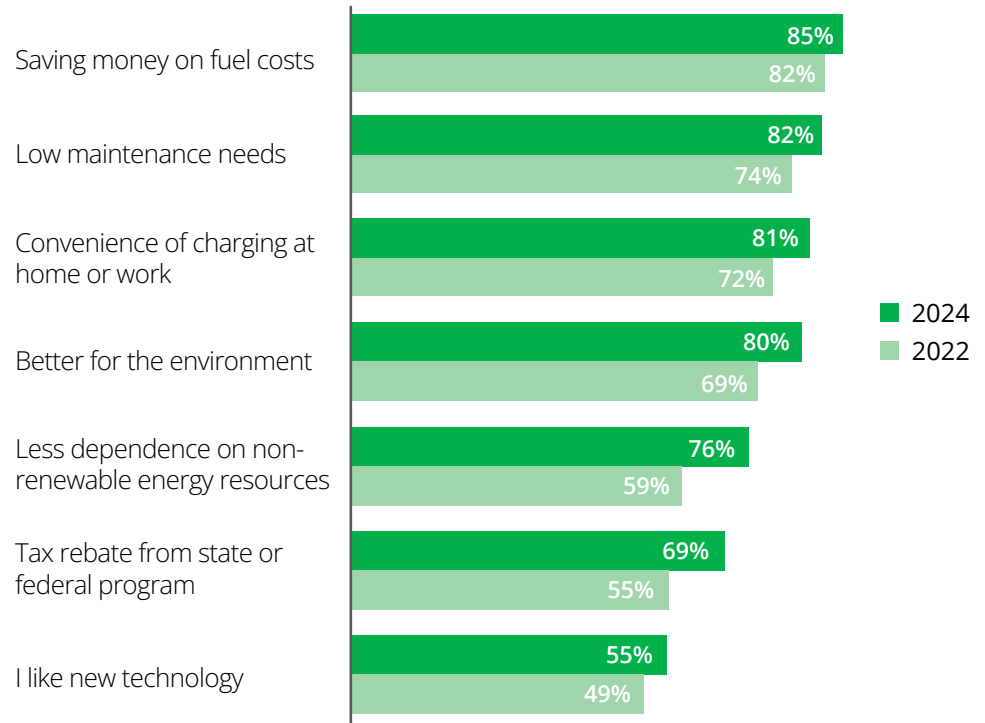
BEV adoption opportunities: the majority are willing to go electric

Today, 62% of potential car buyers would consider switching to a BEV — up 2% from 2022. The reasons for switching are becoming more compelling. Less dependence on nonrenewable resources and tax rebates increased the most at 17% and 14% respectively. Saving money on fuel costs rose the least at 3%, which is to be expected as fuel costs fall. Low maintenance needs rose only 8% but still remains a top overall reason for purchase.

Would consider buying an EV



Main reasons for considering an EV purchase



BEV adoption opportunities: the majority are willing to go electric

Dealer tip: know the customer mindset and how to empower them

To better meet your customer's needs, consider the factors that affect your interaction with them. The customer's personality type, reason for purchasing a new vehicle, and motivating factors that may have them considering an EV are all included in their car buying journey. This requires a sales team that can identify the customer's mindset. Are they EV curious or EV certain? The sales process for an EV involves unique questions and calculations, such as comparing the cost of electricity to the cost of gasoline along with maintenance comparisons. Be sure to train your team properly to provide easy-to-understand benefits of EV ownership including maintenance cost savings and total cost of ownership.

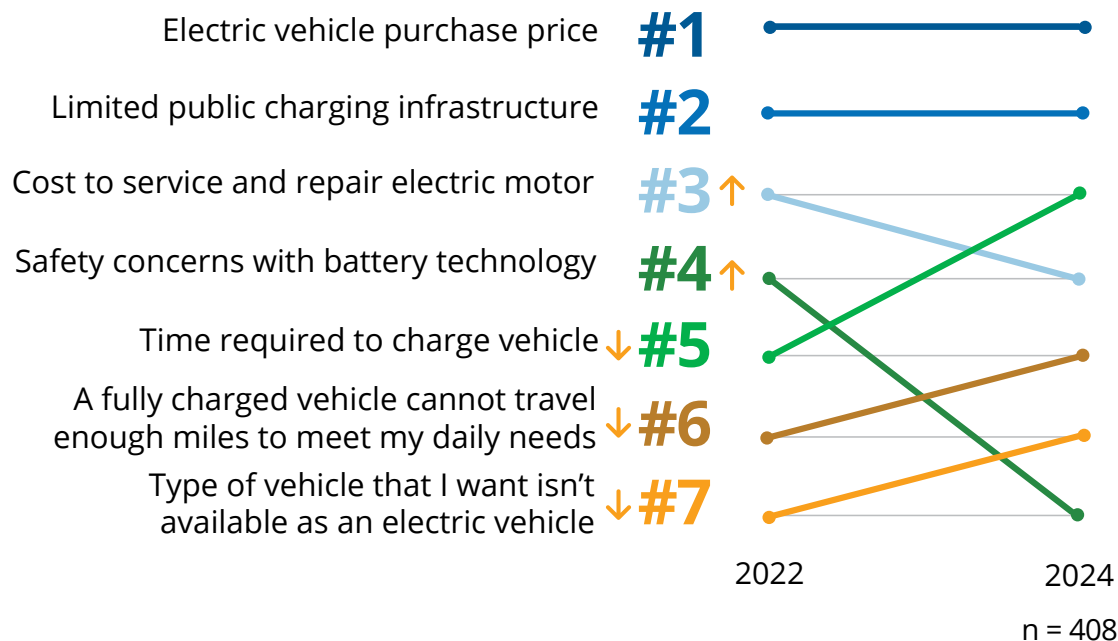
Calculating the cost of powering an EV requires knowing the cost per kilowatt hour (kWh) of the electricity along with how much electricity is used to travel 100 miles. Consumer Reports details a range of comparisons showing 1-year EV fuel costs as much as 50% lower than internal combustion engine (ICE) vehicles.¹ To find fuel economy ratings and annual fuel cost comparisons among currently available vehicle models, visit [fueleconomy.gov](https://www.fueleconomy.gov).

¹https://www.consumerreports.org/cars/hybrids-evs/will-an-electric-car-save-you-money-a9436870083/?itid=lk_inline_enhanced-template



BEV adoption opportunities: addressing top barriers to adoption

Main reasons to NOT considering an EV purchase



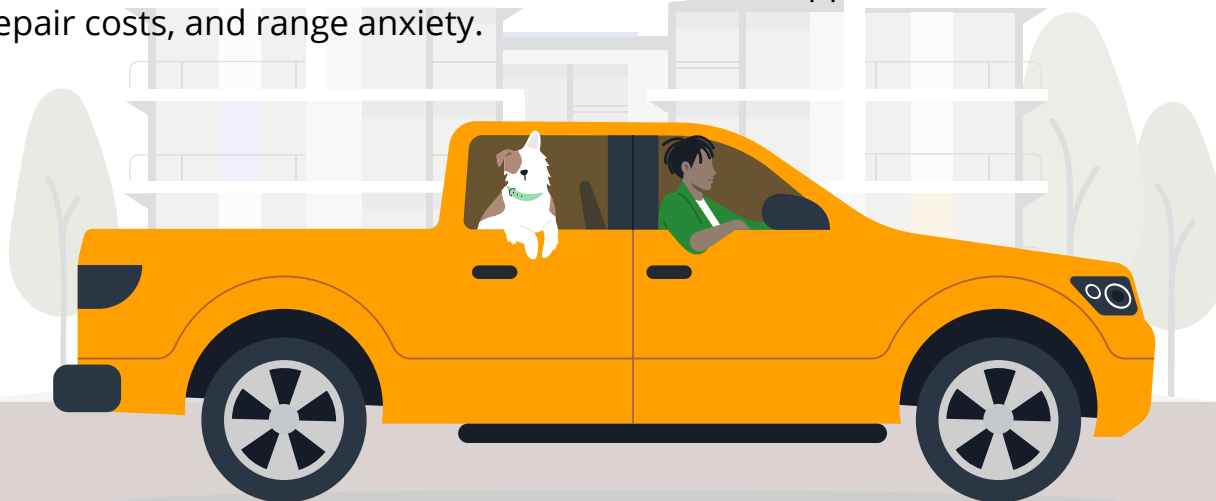
Vehicle cost and limited public charging infrastructure continue to be the two biggest barriers to EV adoption. Repair costs moved up slightly into the No. 3 position from 2022. Safety concerns around the battery have risen significantly, from the No. 7 position to No. 4. It's worth noting that barriers that were previously major concerns, like charging time, range, and limited vehicle type, continue to rank lower as technology improves, more vehicle options enter the market, and more consumers are exposed to electric vehicle technology and educational information.

BEV adoption opportunities: addressing top barriers to adoption

Dealer tip: pave the way for mental ownership

Dealers can address buyers' range anxiety concerns by understanding driving habits and making practical comparisons between ICE vehicle refueling and EV recharging. Both ICE and EV drivers naturally analyze what their driving habits are and learn when and where they need to refuel or recharge. Offer the analogy of EV charging to keeping your smartphone charged — it's an intuitive behavior that owners pick up in the course of everyday ownership. Remember to highlight the current availability of Level 2 and 3 public charging. This is where EV expertise pays off. Sales teams need to be able to share charging knowledge in a way that customers can relate to in terms of their daily life and that overcomes their concerns.

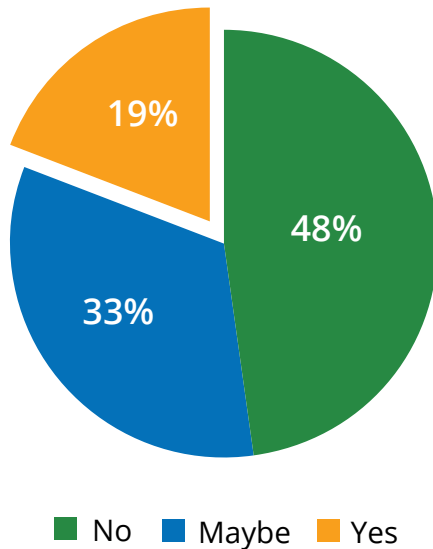
Be prepared to explain the three charger levels, where they're usually available, and approximate charging times. Help your customers understand range, the factors that affect it, and how it can be maximized in various weather conditions. Have your sales staff download the Charge Point app or Google Maps on to their phones and search for the closest charger. Learn how to walk a customer through finding chargers along their common routes. Become a trusted source of EV expertise for your customers. Customers who want to transition into electric and hybrid models will seek dealers who can educate and support to alleviate their concerns around new technology, repair costs, and range anxiety.



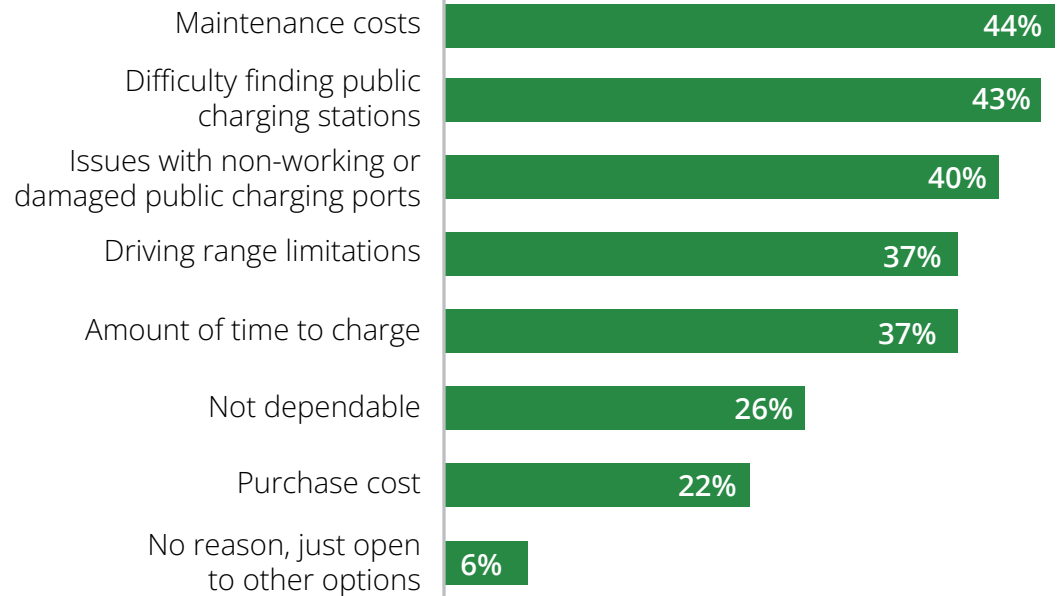
EV buyer's remorse: maintenance and charging stations

Fully understanding EV buyer's remorse is key to improving the customer experience. Our research has shown that the primary reason EV owners might consider going back to ICE vehicles is the cost of maintenance and limited charging infrastructure in the current U.S. network. While the number of public charging stations has indeed increased, it still hasn't reached the level that can meet the needs of all consumers in all areas.

Would you go back to owning a gas powered vehicle



Why



EV buyer's remorse: maintenance and charging stations

Dealer tip:

Sales teams can address maintenance cost concerns by introducing the concept of total EV ownership costs vs. ICE vehicles. This can effectively set the table for ancillary purchases that help manage the cost of scheduled maintenance and improve the overall EV experience. Tire protection is an important component here as the cost of tire replacement can be higher with EVs due to vehicle weight, higher torque, and other factors. GAP can also play an important role in improving the customer experience as EVs depreciate at a 10%² higher rate than ICE vehicles.

Remember: Overall maintenance costs are generally lower for electric and hybrid vehicles because they have fewer moving parts, use less fluids, and are easier on the brakes. According to the Department of Energy, the average maintenance cost for an electric vehicle is 6.1 cents per mile, versus 10.1 cents for an ICE vehicle.³ The maintenance costs for hybrids and plug-in hybrids are also lower, though the savings aren't as great as with battery-only electric vehicles.

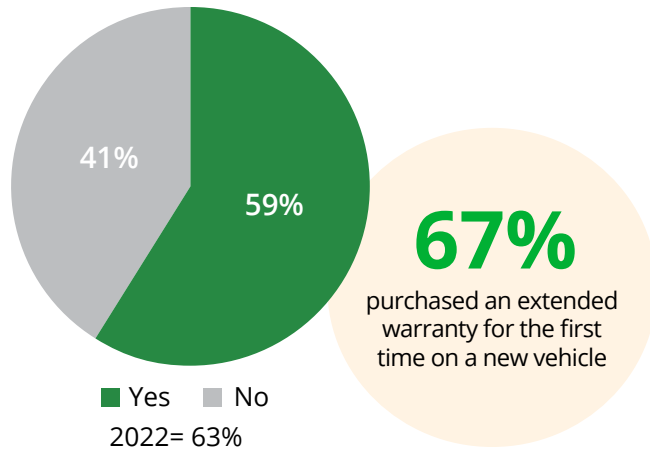
²<https://www.iseecars.com/cars-that-hold-their-value-study>

³<https://www.energy.gov/eere/vehicles/articles/fotw-1190-june-14-2021-battery-electric-vehicles-have-lower-scheduled>

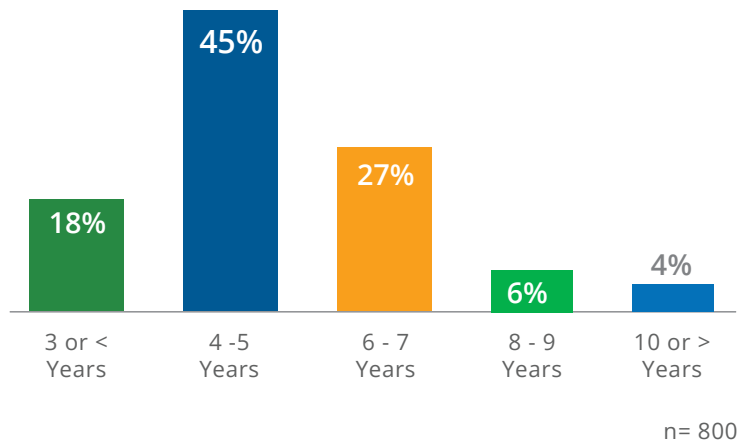


BEV: extended warranties

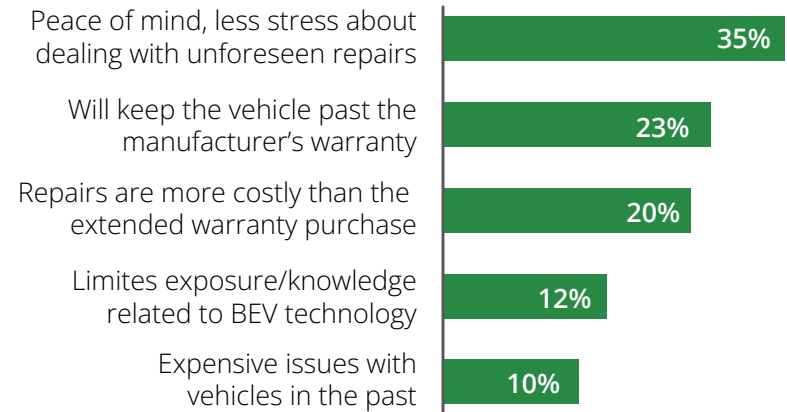
Purchased an extended warranty



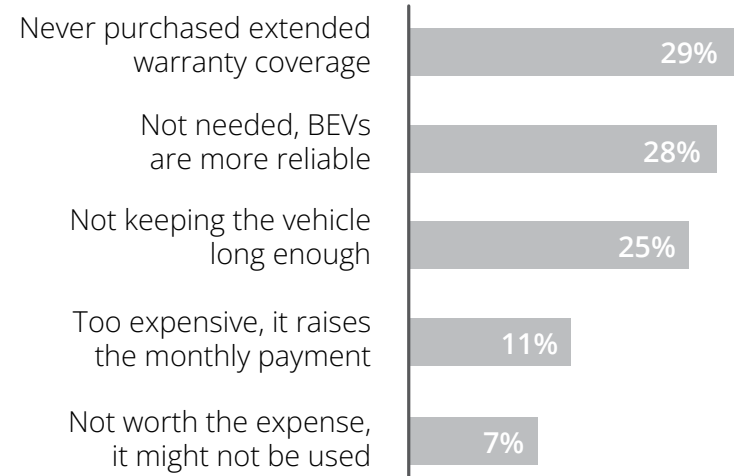
Plan on keeping vehicle



Main reason for purchasing



Main reason for not purchasing



BEV protection opportunities: service contract



Our research reveals that “peace of mind” around unforeseen repairs was the No. 1 reason for purchasing extended coverage. This makes sense for first-time adopters who are inexperienced with EV repair and maintenance costs and seek reassurance on this issue.

The No. 2 reason service contracts were purchased was buyers planning to keep the vehicle past the manufacturer’s warranty. Our research further supports this, showing customers are keeping vehicles longer in recent years, likely in response to rising vehicle prices and the now-recovered inventory shortage. In fact, 80% of those surveyed reported planning on keeping their vehicle for four or more years.

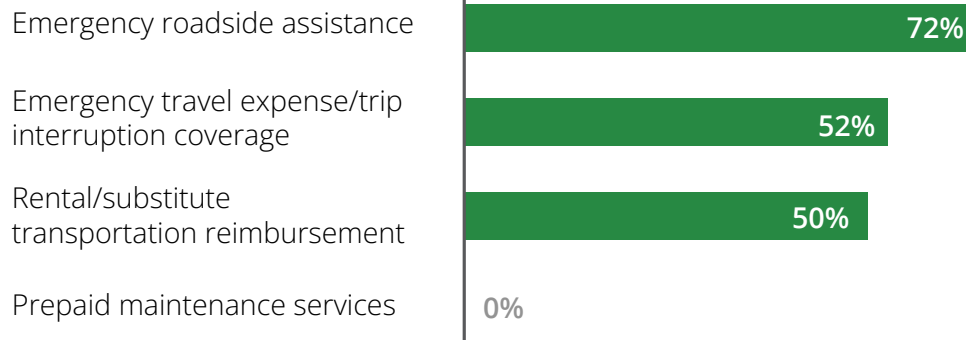
When looking at reasons for not purchasing extended coverage, it’s interesting to note that the largest reason is the same as with ICE vehicles: a certain group of customers won’t even consider a service contract and likely never will. It’s important to differentiate early on which customers belong to this group and which ones can be motivated by educating them around lifestyle needs.

BEV protection opportunities: service contract and ancillary protection

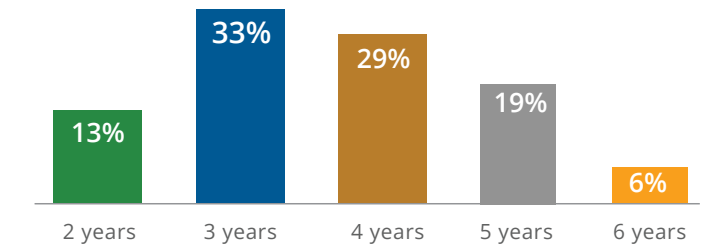
It's important to understand consumer behavior around their service contract purchase, specifically how they financed and what benefits were included in their final selection. This can help sales teams better understand what EV buyers are looking for in a protection product. The majority of BEV consumers added the cost of coverage to their monthly payment on a financed vehicle. However, a third of BEV owners paid for their extended coverage in full, which is mainly due to the fact that the Tesla business model doesn't allow the cost of coverage to be added to the vehicle financing amount. Three to four years of extended coverage are the most common terms for BEV purchases, with 25% of consumers anticipating a longer ownership period and opting for extended coverage for five years or more.

Extended warranty purchase type

Included benefits



Term of extended coverage



The majority of BEV consumers adding the cost of coverage to their monthly payment on a financed vehicle

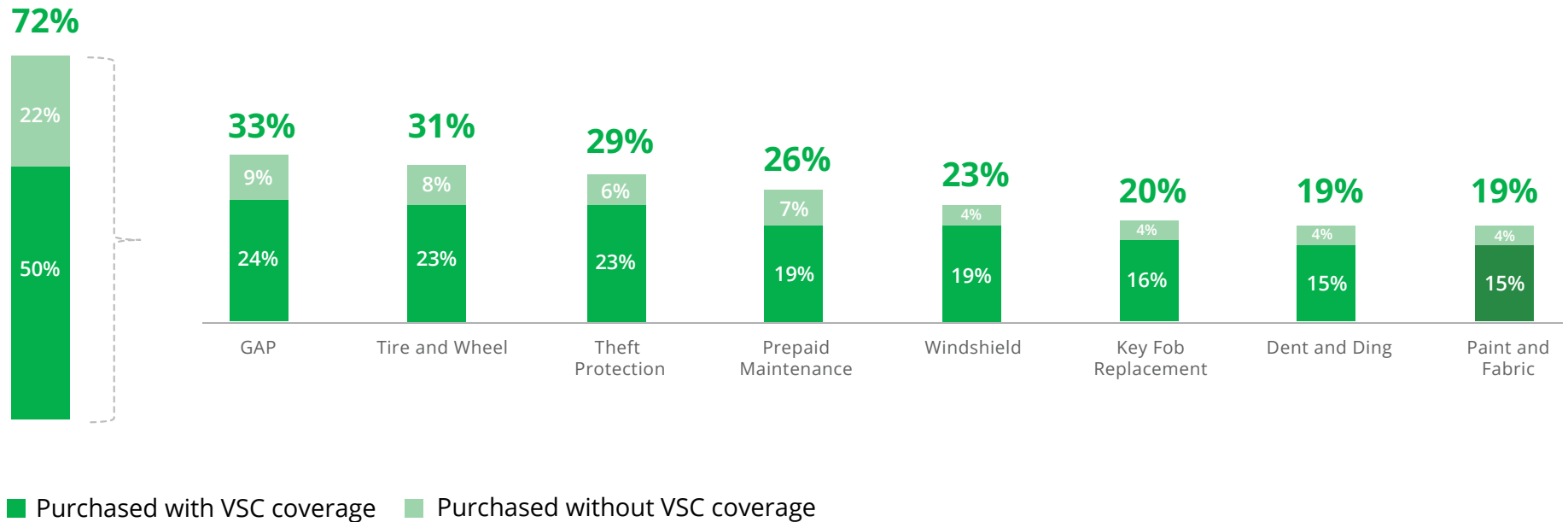
87%

indicated that the battery coverage was included

BEV protection opportunities: service contracts and ancillary protection

Just as with ICE vehicles, EV customers who do decide to purchase a service contract are more likely to add on additional, subsequent coverage. The majority of those surveyed bundled several F&I products. Almost three quarters of BEV owners added at least one product to their vehicle purchase, with GAP coverage, tire and wheel coverage, and theft protection being the top three add-ons.

BEV protection opportunities: ancillary

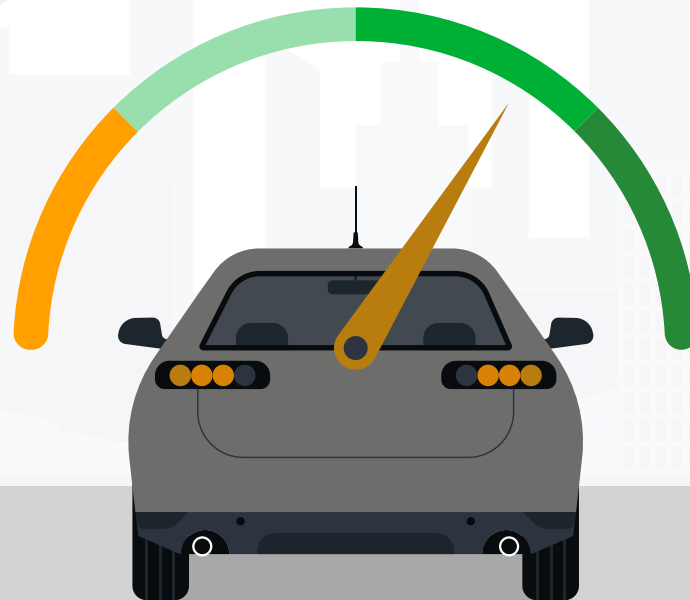


BEV protection opportunities: service contracts and ancillary protection

Dealer tip:

Range anxiety and unforeseen repair costs can play a major role in the EV purchase decision. This is why offering a high-quality service contract is so important. Help your customers go electric with confidence. Train your sales teams to build value around protection products and the customer's lifestyle. Conduct needs assessments and address concerns, highlighting the importance of service contract battery and technology coverage and additional benefits such as roadside assistance and rental reimbursement that can help ease range anxiety. Use presentation skills to maximize EV profit opportunities.

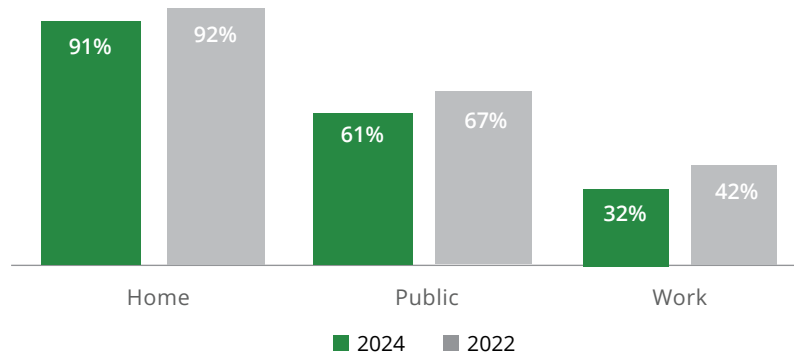
With GAP, tire and wheel coverage, and theft protection being the top three add-on products, ensure your team can speak constructively about depreciation. Be sure to address differences in EV tire performance. Instant torque delivery, faster acceleration, heavy battery packs, regenerative braking systems, and tires designed for lower rolling resistance all contribute to faster tire wear and increased replacement frequency. This is also a great time to discuss EV service plans that help with maintenance costs.



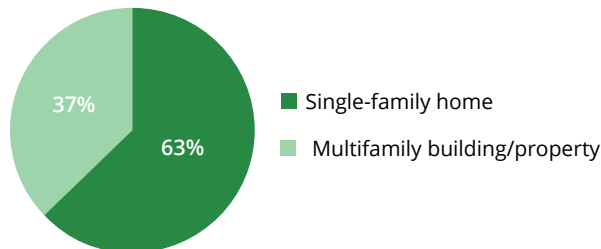
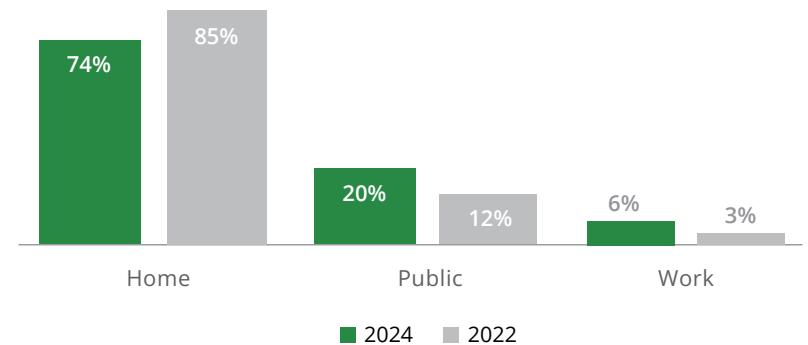
BEV: charging location usage

As expected, the majority of BEV owners strongly favor home charging with 91% of those surveyed using home charging in the past 12 months. To complement home charging, 61% used public locations and 32% used work charging. There have been no significant shifts in usage locations over the past two years; however, workplace charging has seen an expected decrease as more people have transitioned to a work-from-home environment. It's interesting to note that more than a third of consumers indicated that they used charging stations at a multifamily building. This indicates that a greater emphasis is being made by property management companies and new real estate developers to add or include charging stations to meet the needs of BEV owners in apartments.

Charging location used during the past 12 months



Location used the most



Battery electric vehicles: charging location usage

Purchased extended warranty

66%

purchased an extended warranty for their charging station

76%

from the company that sold the charging station

24%

from a third-party company

Charging station purchased

Before

After

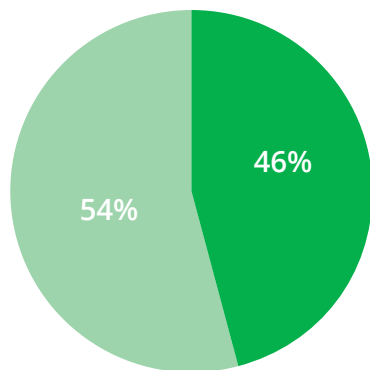
40%

60%

Purchasing their BEV

Home charging voltage

Single-family homes



- 240 v household outlet (like an oven or clothes dryer)
- Standard 110 v household outlet

82%

installed a home Level 2 station for faster charging capabilities

How charging station was obtained

Auto dealership provided the charging station and installation for a fee, as part of vehicle purchase

51%

30%

Purchased and installed by BEV owner

29%

52%

Auto manufacturer or dealership provided the charging station and installation free of charge

20%

18%

■ 2024 ■ 2022

BEV owners: the home charging opportunity

Today, almost half of single-family home charging is conducted using a 240-volt outlet, and the majority of these BEV owners have installed a home Level 2 charging station for faster charging capabilities. While more consumers are sourcing their charging station from the selling dealership, three out of 10 BEV owners still choose to purchase and install the charger on their own, with more than half making the charging station purchase after obtaining the BEV. Prior to purchasing the charging station, most consumers rely on general internet searches related to EV charger companies and/or manufacturers.



BEV owners: the home charging opportunity

While home charging stations were purchased from a variety of sources, 37% of BEV owners that chose to obtain the charger on their own used Amazon for their purchase. Other than consumers that purchased vehicle-specific charging stations from Tesla, 23% purchased their charger directly from an EV charger company or manufacturer, and 19% purchased their charger from a local big-box retailer. In all cases, the majority paid for the charger via a standard credit card purchase. Most manufacturer warranties covered the charger for a term of two to three years, with seven out of 10 consumers including extended warranty coverage with their purchase.

>51%

Purchased the charging station and installation from their auto dealership.

>60%

of the home Level 2 charging stations were purchased after obtaining the BEV.

Dealer tip: provide charging solutions to make the transition easier

Dealers should provide a holistic experience around EV ownership, educating the customer on the three speeds of charging, assessing battery health, and more. Make the EV transition easier with guidance and options for hassle-free home charger installation, extended charger protection, and even convenient charger financing. Don't miss the opportunity to support same-day EV converts. It can be helpful to explain the home charger purchase experience and to share real-life examples of what it's like to install them in the home.

Differentiate your business with EV expertise



Standing out in today's competitive marketplace isn't easy. EV expertise can become a marketable point of differentiation. As more direct-to-consumer EV brands enter the market and consumer willingness to buy increases, establishing your dealership as a go-to EV expert can help drive loyalty, enhance revenue, and improve overall performance. EV customers require a different level of support and education, and this is the time for dealers to prepare.

Train for success: prepare your entire team to be an EV expert

Today, there are myriad types of customers walking through your door, from those seeking traditional ICE vehicles to hybrid and EV shoppers, and those who are open to all options. Maximizing your revenue means being prepared to serve all these buyers. This means being committed to educating potential buyers with compelling reasons to make the switch. Help people visualize and explore everyday EV life, and don't leave price, range, and infrastructure challenges to the imagination. Because, often, their imagination may be more EV myth than reality. Also, don't be tone deaf to customer objections. Instead, translate how the EV lifestyle will successfully work in their everyday lives.

Remember: Some drivers won't be willing to expose their lack of EV understanding. This is where training can help, ensuring your team knows what questions to ask each prospect and when. Your salespeople should be prepared to answer small, technical questions as well as set the overall scene of what it's like to drive an EV day to day.

Prepare for the EV present and future

Assurant supports dealerships with EV solutions that help drive revenue and build value for EV customers, including customer-centric EV sales training, protection products, and hassle-free home charger installation.



Assurant conducted a study in 2024 to gain consumer insights into motivation and preferences related to electric vehicle ownership and the evolving marketplace. In addition, nonelectric vehicle owners provided insights that focused on perceptions and acceptance of electric vehicle technologies and the barriers that keep them from transitioning to an electric vehicle. This is the biennial comparison to the 2022 benchmark study. *All data referenced in this ebook is from the 2024 and 2022 studies unless otherwise noted.*

The survey was conducted utilizing a national panel of participants acquired through sample provider Trackwave, Inc.

- Fielded from July 11 – July 18, 2024
- 2,114 total participants/completes
 - Current automobile owners, with a vehicle was purchased within the past 4 years
- 1,614 = BEV owners
- 500 = non-BEV owners

The initial 500 responders fell naturally to provide a true market snapshot based on vehicle fuel source. Quotas were then implemented to achieve a total of 500 non-BEV responders, 800 BEV owners that followed a product focused path, and 814 BEV owners that followed a charging-focused path.