

Electric Vehicle Dealer Attitude Survey

May 2019



NFDA

NATIONAL FRANCHISED DEALERS ASSOCIATION



Introduction

Dear Colleague,

We are pleased to present the findings of the second edition of the NFDA Electric Vehicle Dealer Attitude Survey (EV DAS).

The key objective of this survey, which was launched six months ago, is to understand retailers' views on the approach to the electric vehicle sector of both manufacturers and the Government.

As this is a fast-developing area and one which not all manufacturers have entered, we have included all the manufacturers that took part in the first edition of the survey and added any manufacturers that met a minimum response rate of 20%. This edition of the survey sees the addition of Mercedes.

It is important to note that the manufacturers featured in this report are the market leaders in the electric vehicle sector or those who have sufficiently engaged with their dealer network for them to have an opinion on key sector issues.

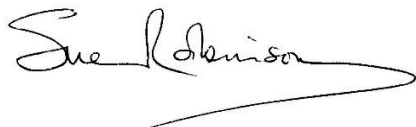
The survey was conducted in January 2019 and asked franchised retailers about their ongoing relationship with their respective manufacturers in the EV area as well as their opinions on consumers' intentions and Government grants. Responses were scored from 1 (extremely dissatisfied) to 10 (extremely satisfied).

The key elements analysed include current and future product offering, supply availability, profit return, finance, and incentives. It is important to note that the three final questions of the survey aim to assess retailers' opinions on issues that are beyond their manufacturers' control. Therefore, these results are not directly attributable to individual manufacturers and do not contribute to the overall average scores.

This report is a summary of the results of the EV Dealer Attitude Survey May 2019. It includes charts and analysis of the main questions giving a comprehensive overview of the findings. Going forward, NFDA intends to continue to carry out the EV DAS twice a year.

Sue Robinson

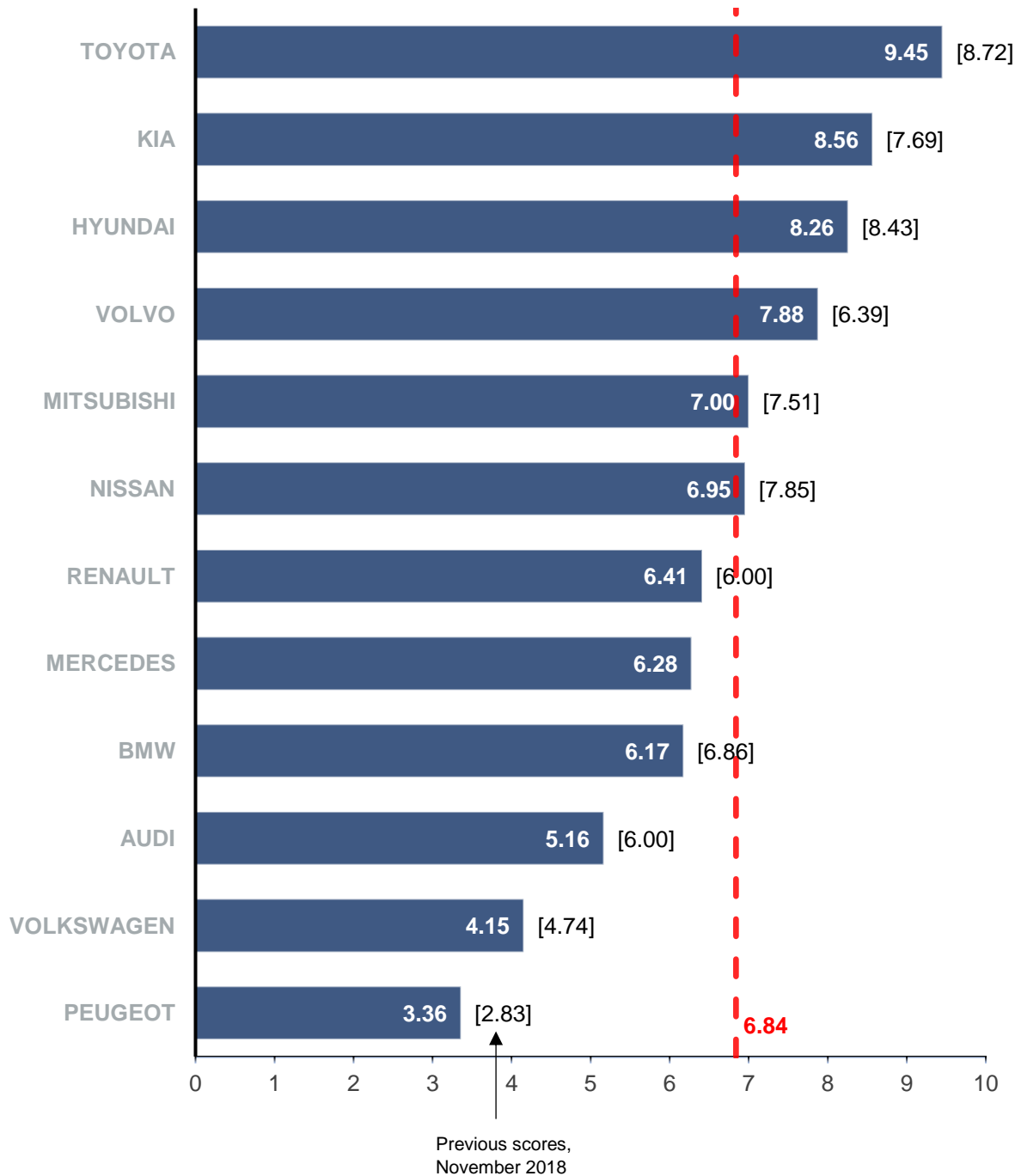
Director, National Franchised Dealers Association



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

Product offering

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

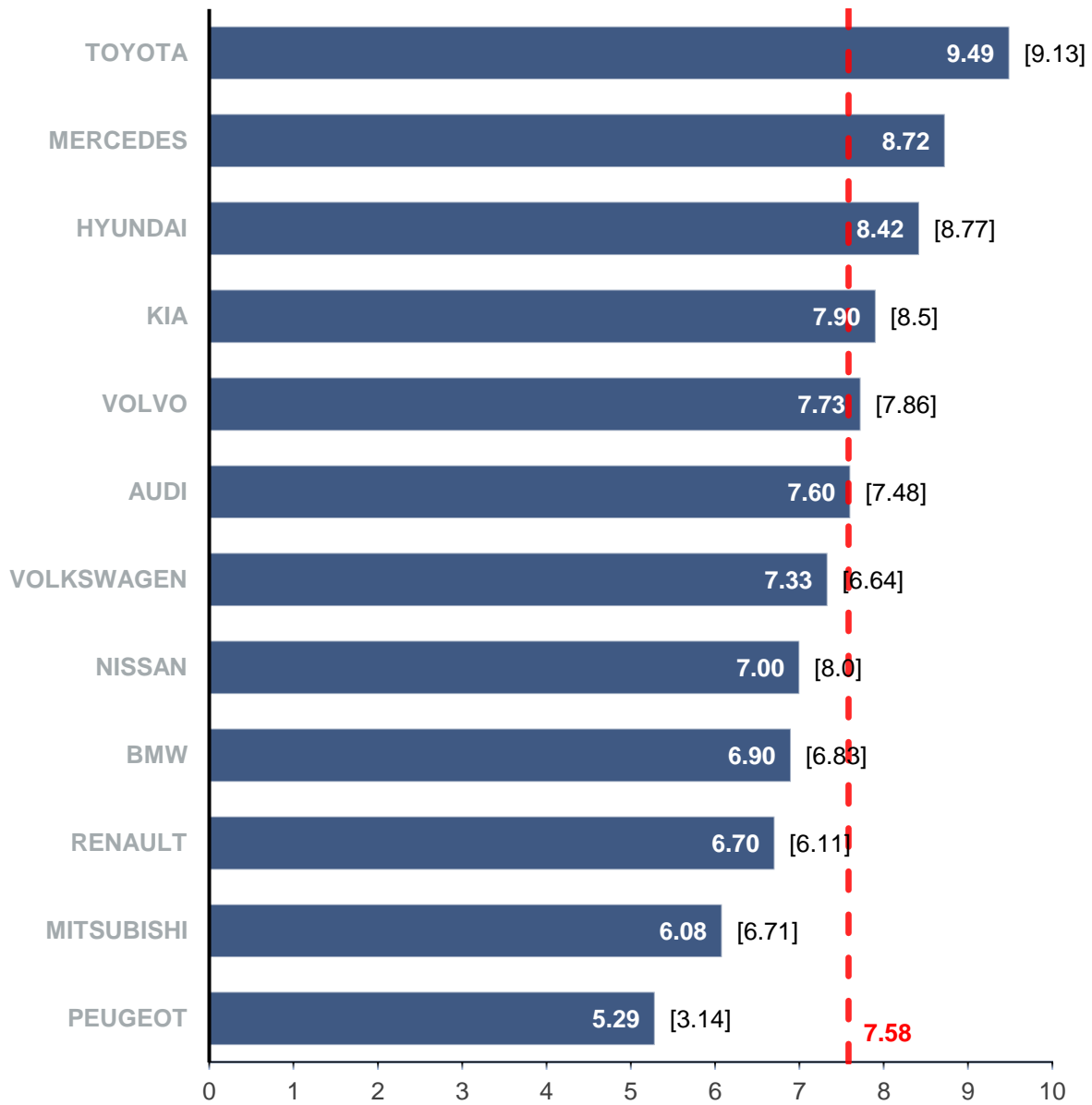


Summary

Retailers remained fairly satisfied with their manufacturers' current electric vehicles (EV) and plug-in product offering. The average score saw a minor increase, from 6.81 to 6.84; however, six out of eleven manufacturers had lower ratings than six months ago.

Product offering

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

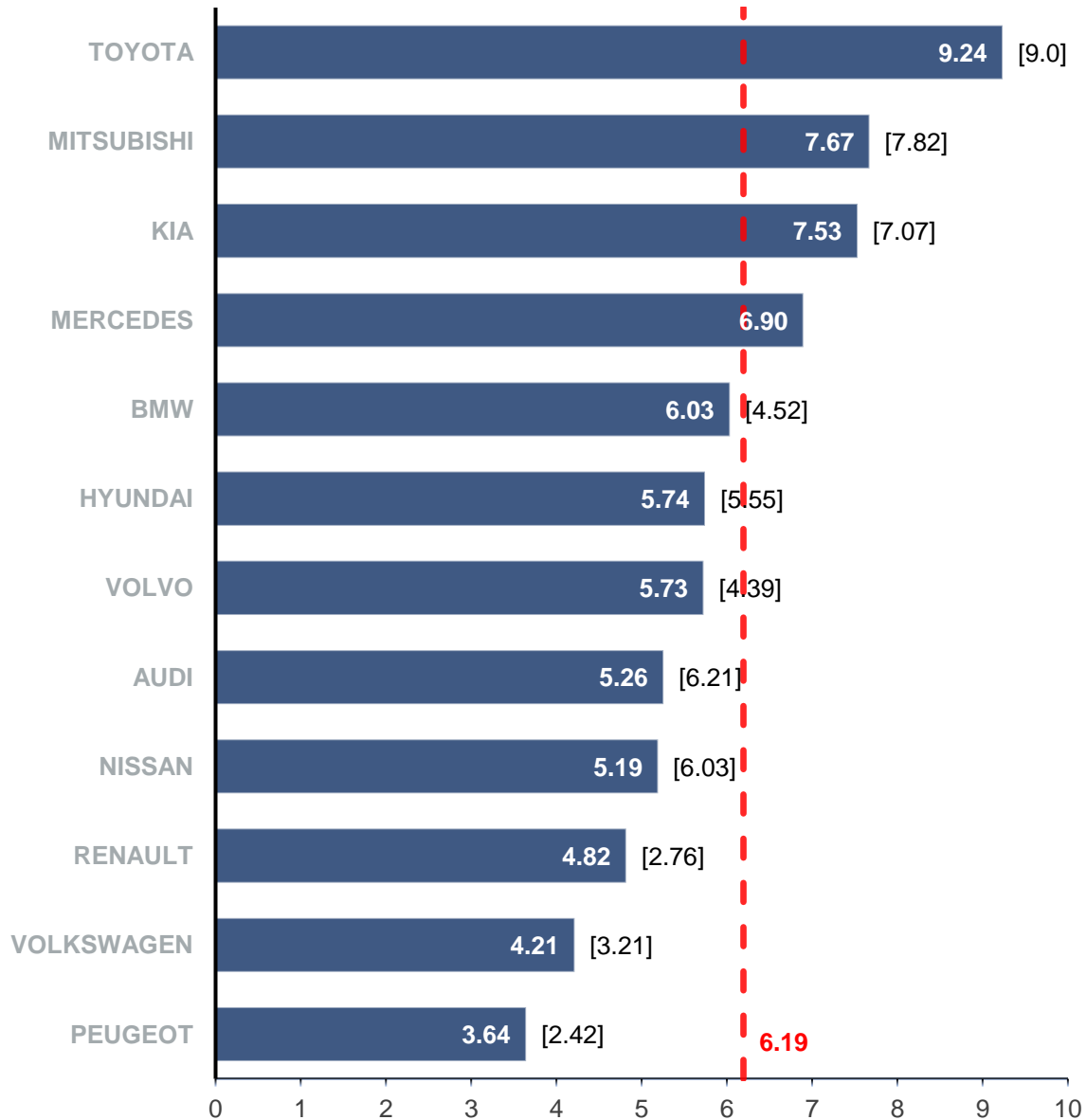


Summary

Retailers continued to be more optimistic about their manufacturers’ proposed product range for the next two years, than their current one. Average retailers’ satisfaction levels in this area were the highest of all questions of the survey. The average score went up from 7.34 to 7.58. All manufacturers had ratings above 5.0 following the notable improvement by Peugeot (from 3.14 to 5.29).

Supply availability

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

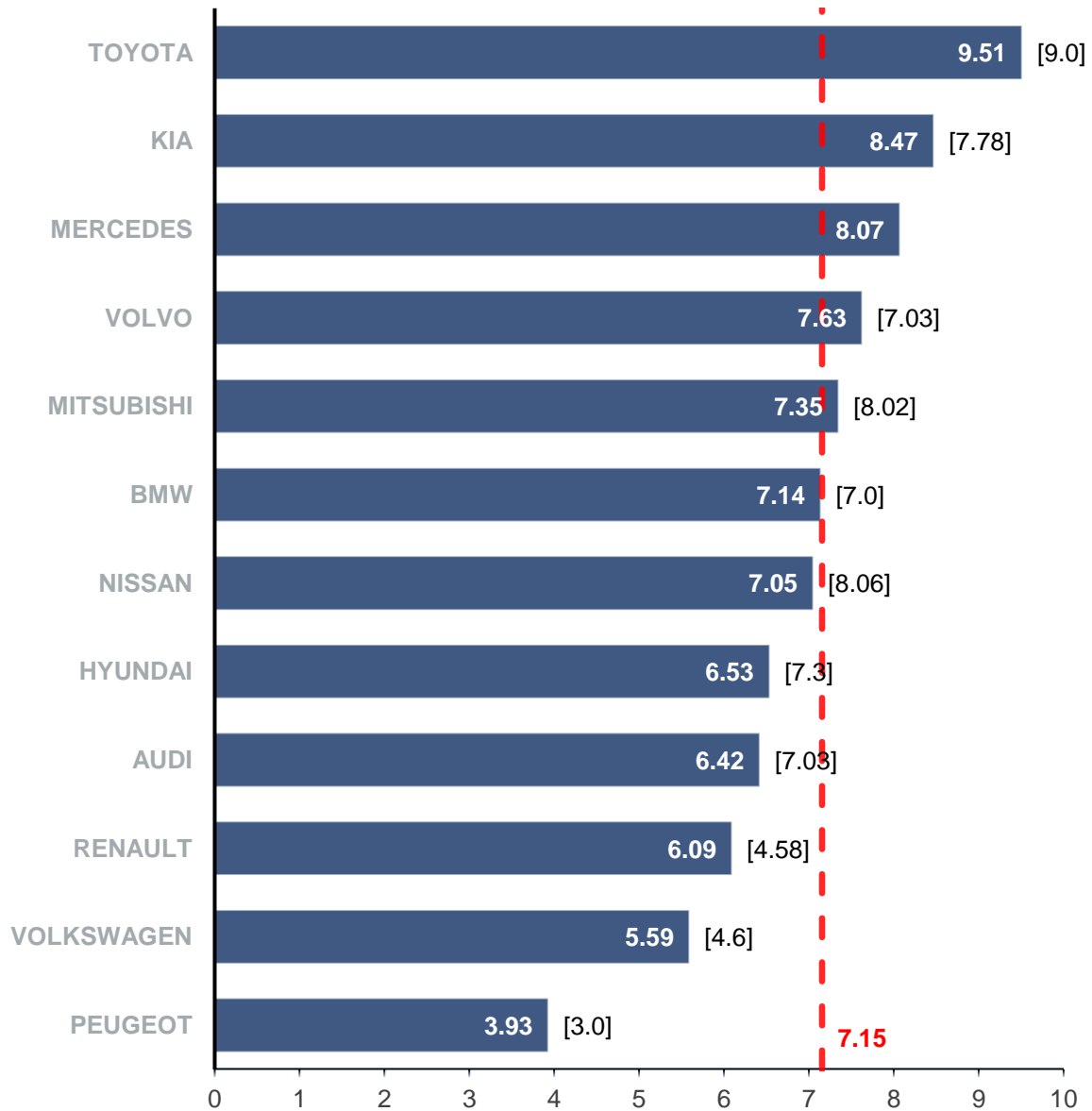


Summary

Average retailers’ satisfaction with the availability of supply of their manufacturers’ electric and plug-in vehicles remained one of the lowest average scores of all manufacturer related questions. Despite this, the average score grew from 5.57 to 6.19 thanks to a number of significant improvements such as Renault, BMW, Peugeot, and Volkswagen.

Manufacturer training and material

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

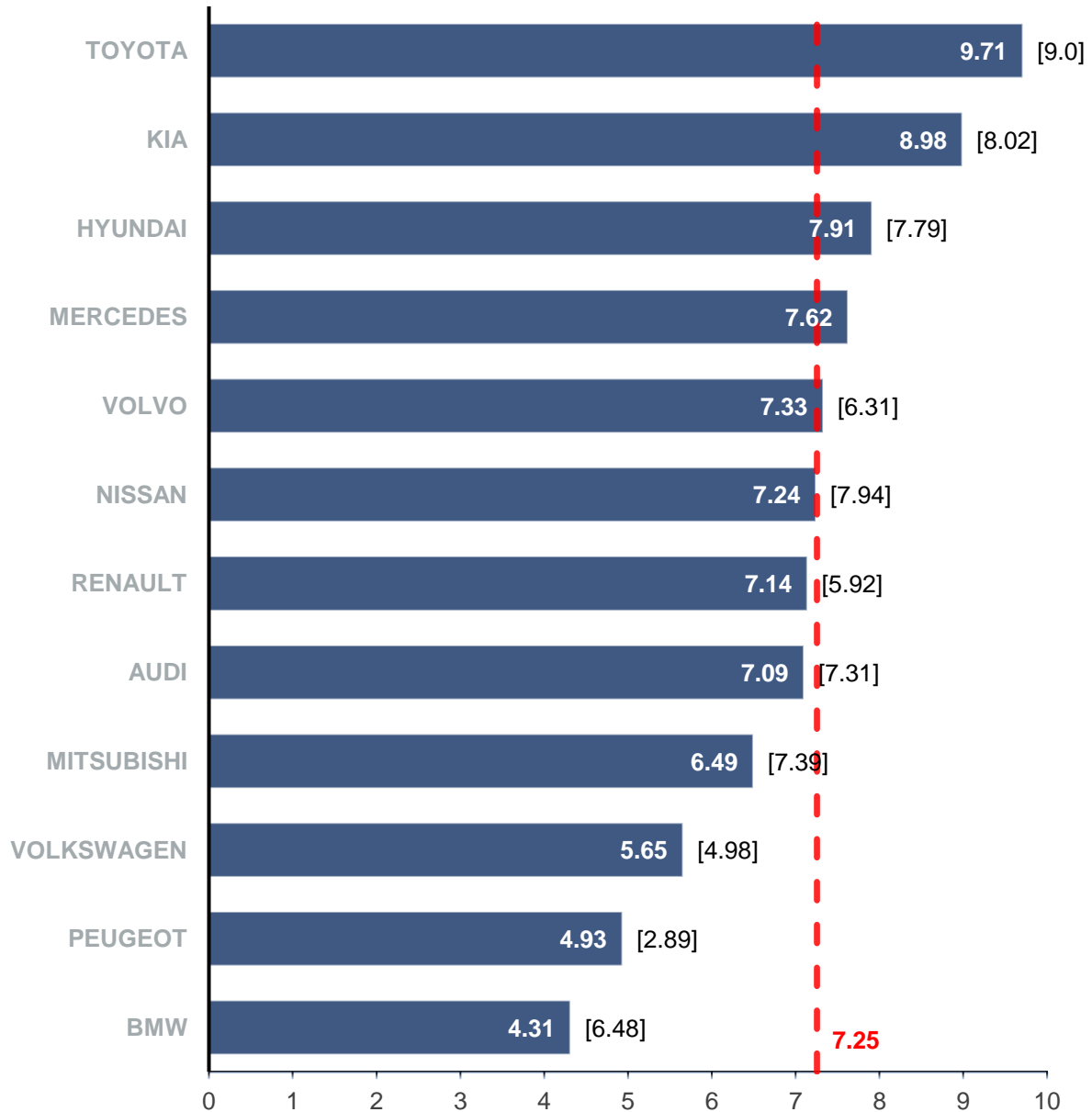


Summary

On average, retailers showed satisfaction with their manufacturers’ support through training and material in the EV sector. Despite the high average score, which increased from 6.79 to 7.15, there continued to be significant differences amongst manufacturers.

Targets

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

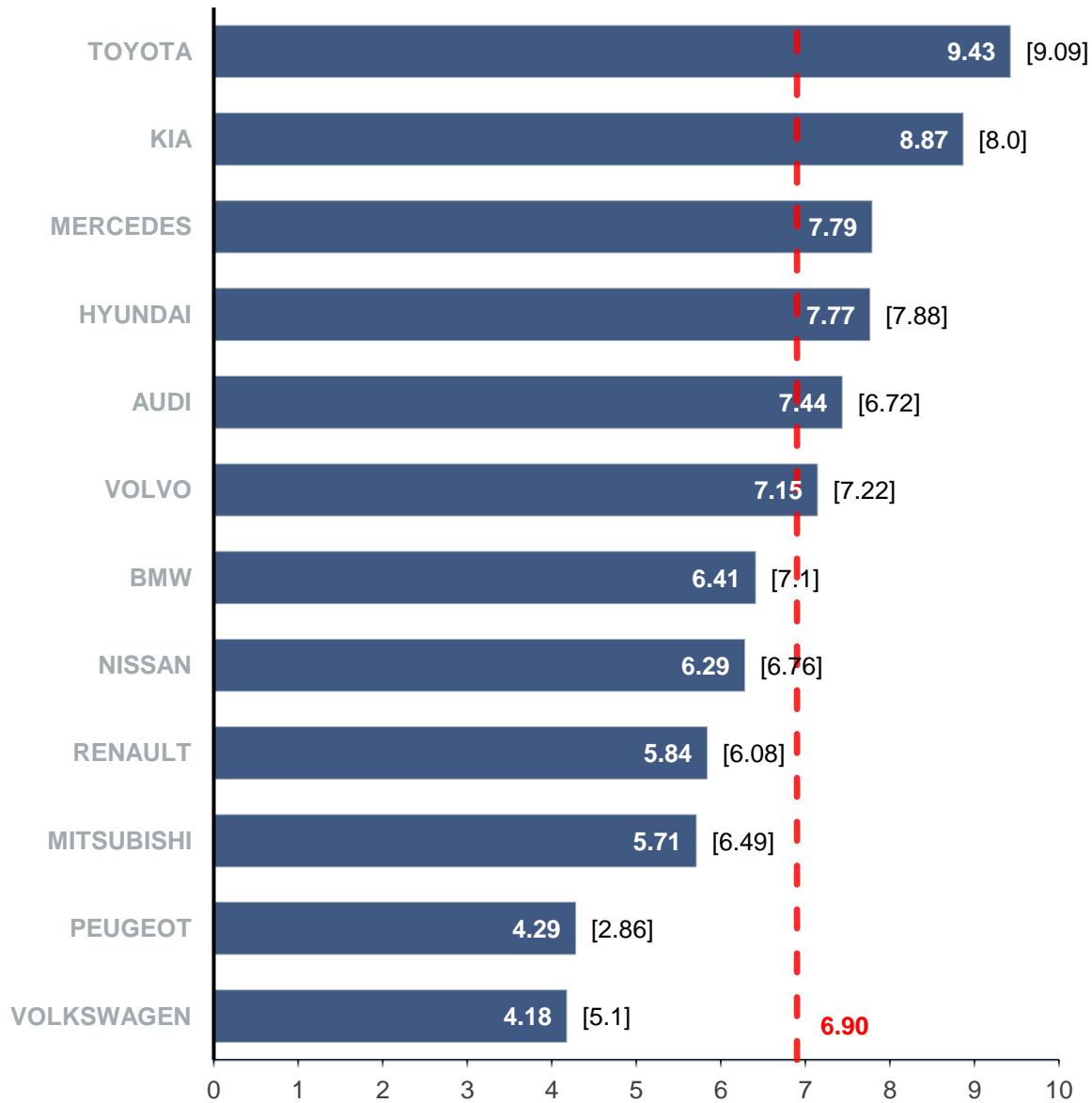


Summary

Retailers returned the second highest average score of the survey in response to their manufacturers’ target aspirations in the EV sector. The average score rose from 6.87 to 7.25, with seven out of eleven manufacturers experiencing an improvement in score. BMW saw the largest decline (from 6.48 to 4.31 points), while Peugeot had the biggest improvement (from 2.89 to 4.93).

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?

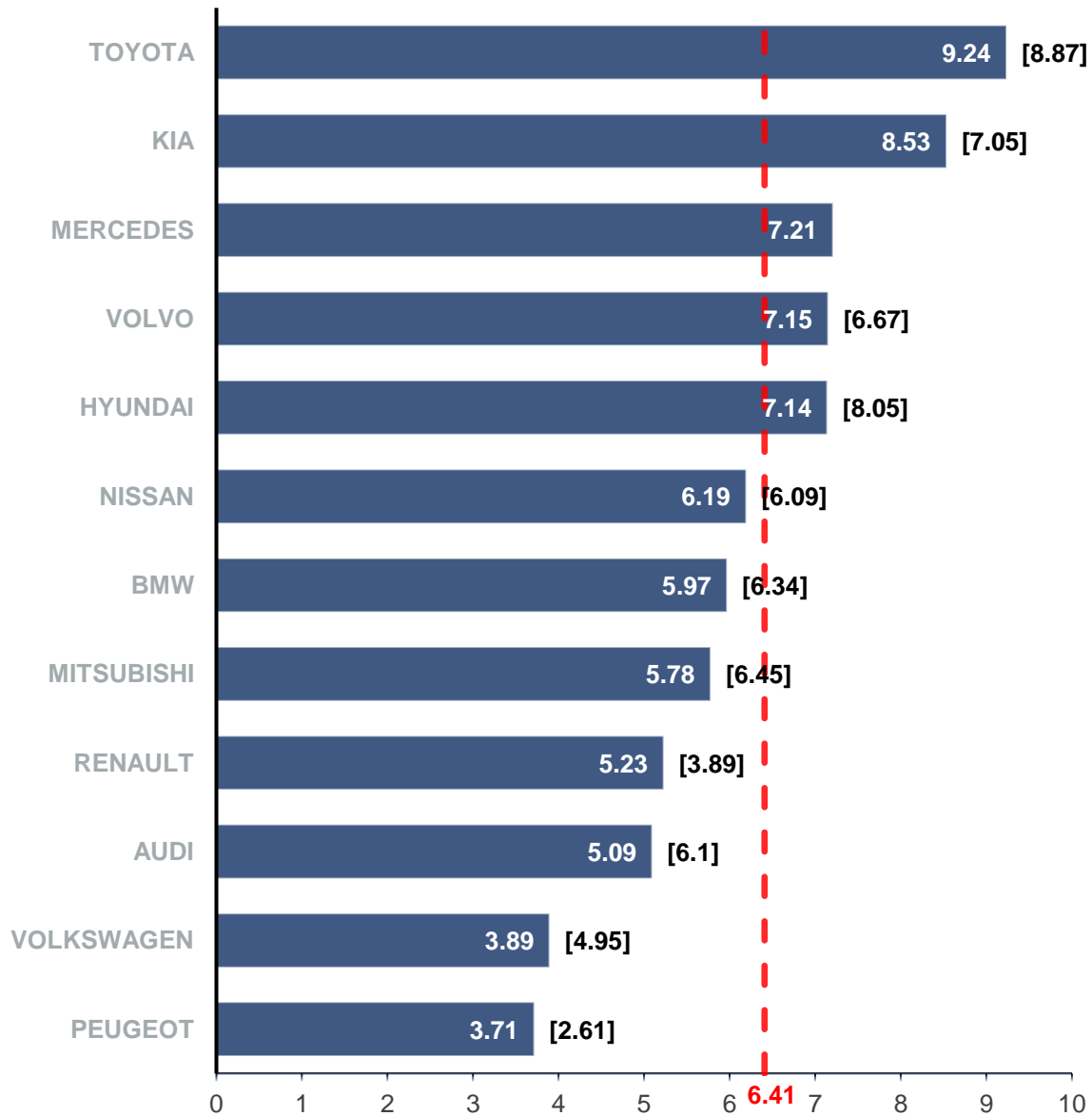


Summary

The average score in response to retailers' satisfaction with their total margin on new EV and plug-in sales compared to petrol and diesel cars saw a minor increase from 6.81 to 6.90. Nine out of eleven manufacturers had ratings above 5.0, although only four manufacturers experienced an upward movement.

Profit return

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

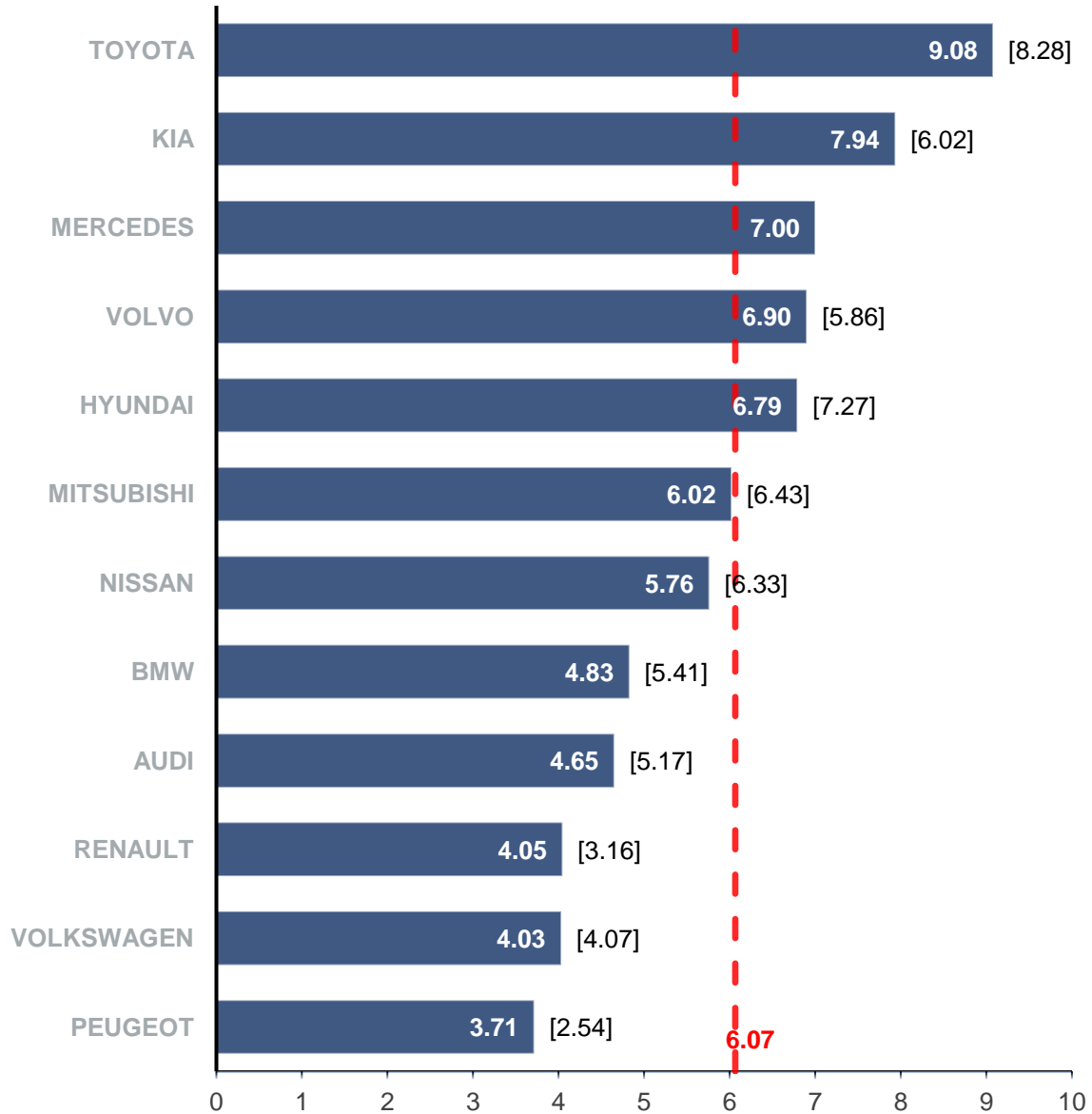


Summary

With an average score of 6.41 (up from 6.27), retailers continued to be slightly less satisfied with their total margin on sales of used electric and plug-in vehicles compared to new. Six out of eleven manufacturers saw their rating increase, in some cases, with notable improvements. Kia went from 7.05 to 8.53, Renault from 3.89 to 5.23 and Peugeot from 2.61 to 3.71.

Return on investment

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

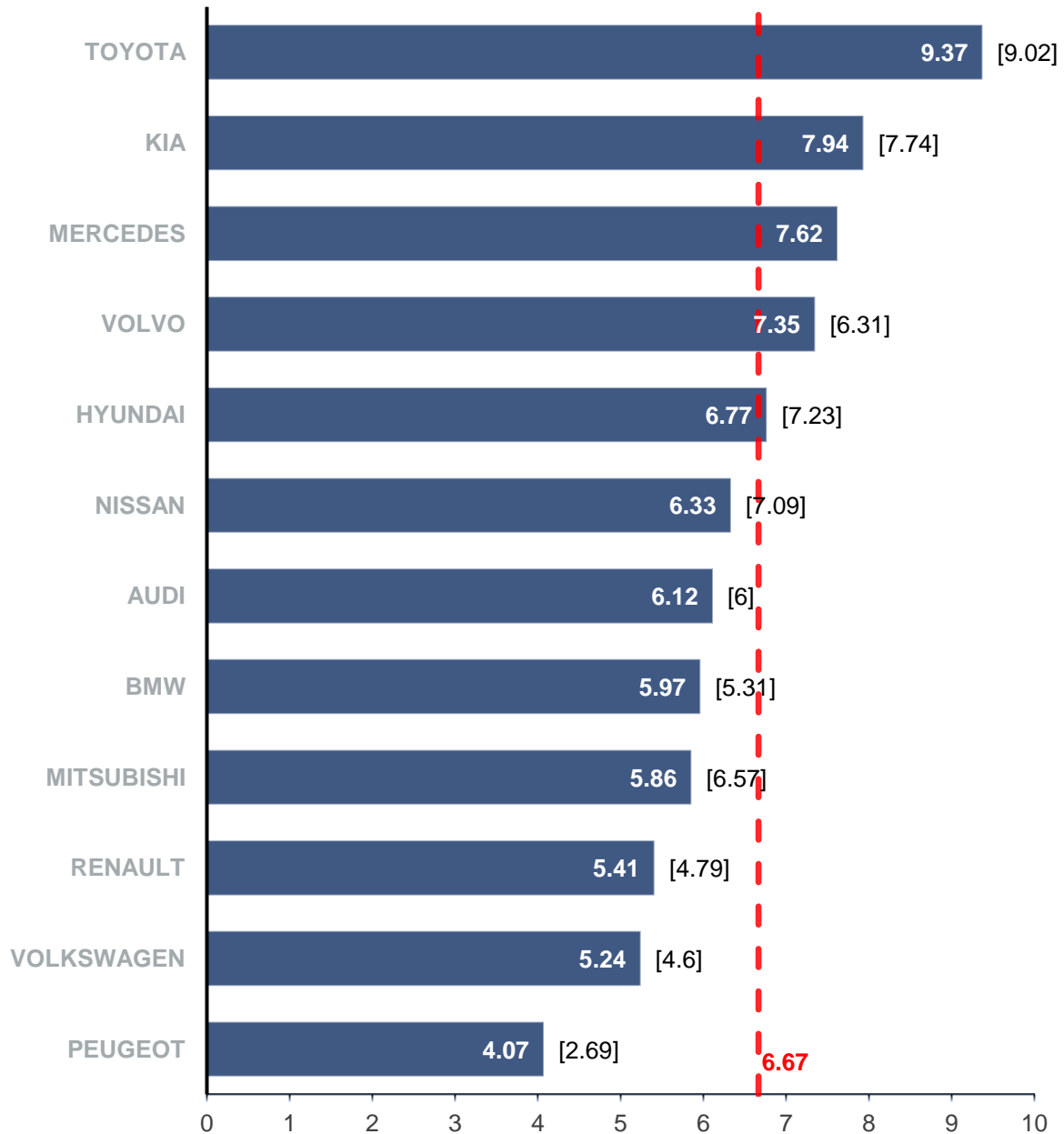


Summary

When asked about their satisfaction with return on investment in equipment training for EV and plug-in vehicles, retailers gave the lowest average score of all the manufacturer-related questions of the survey. Despite the relatively low score compared to the rest of the survey, the average improved from 5.68 to 6.07.

Finance offering

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

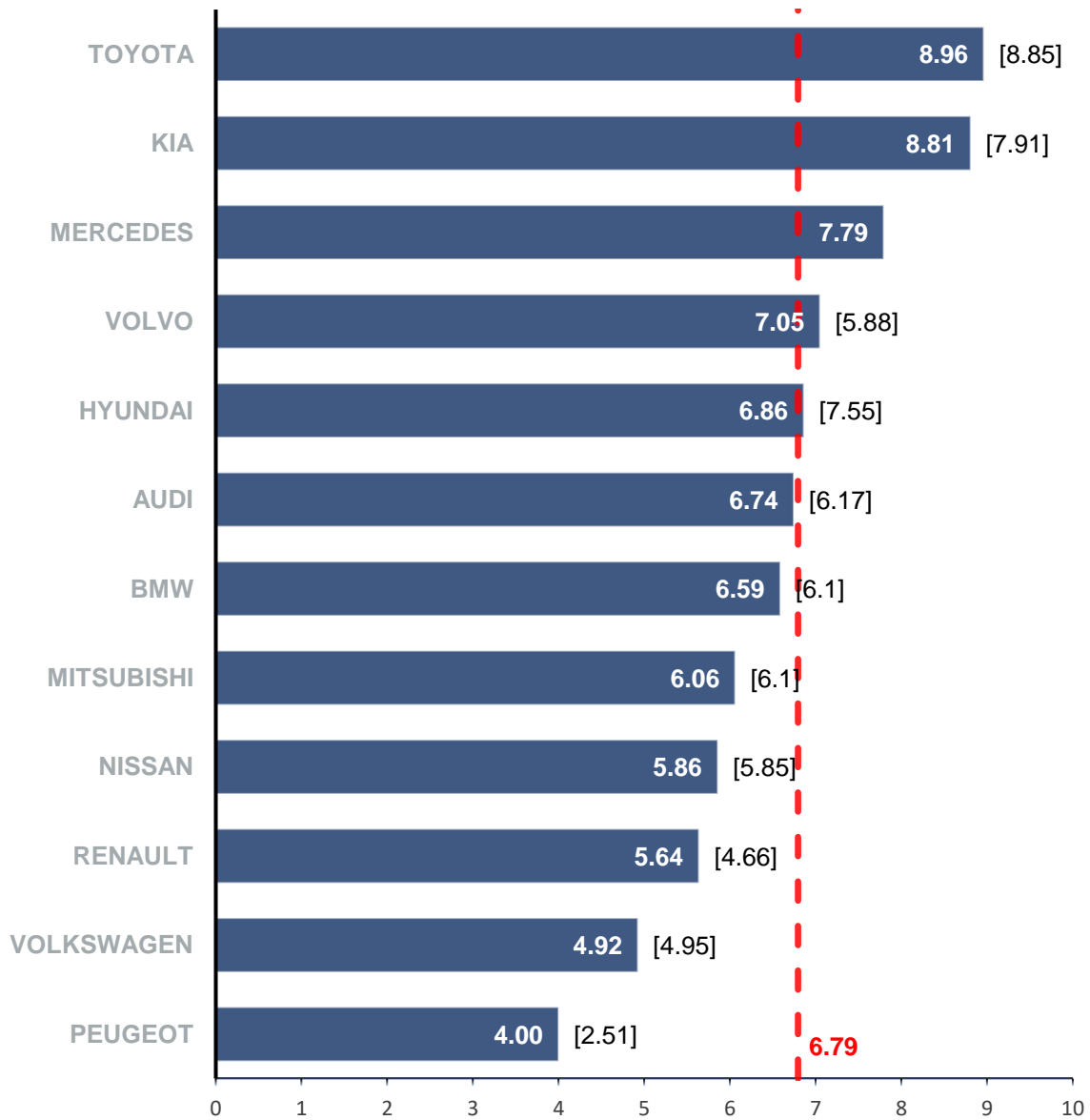


Summary

Retailers' average satisfaction levels with the effectiveness of financial products for electric and plug-in vehicles remained stable with a minor increase from 6.32 to 6.67. Eight out of eleven manufacturers had higher ratings than six months ago. Peugeot saw the biggest improvement (from 2.69 to 4.07).

Incentives

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

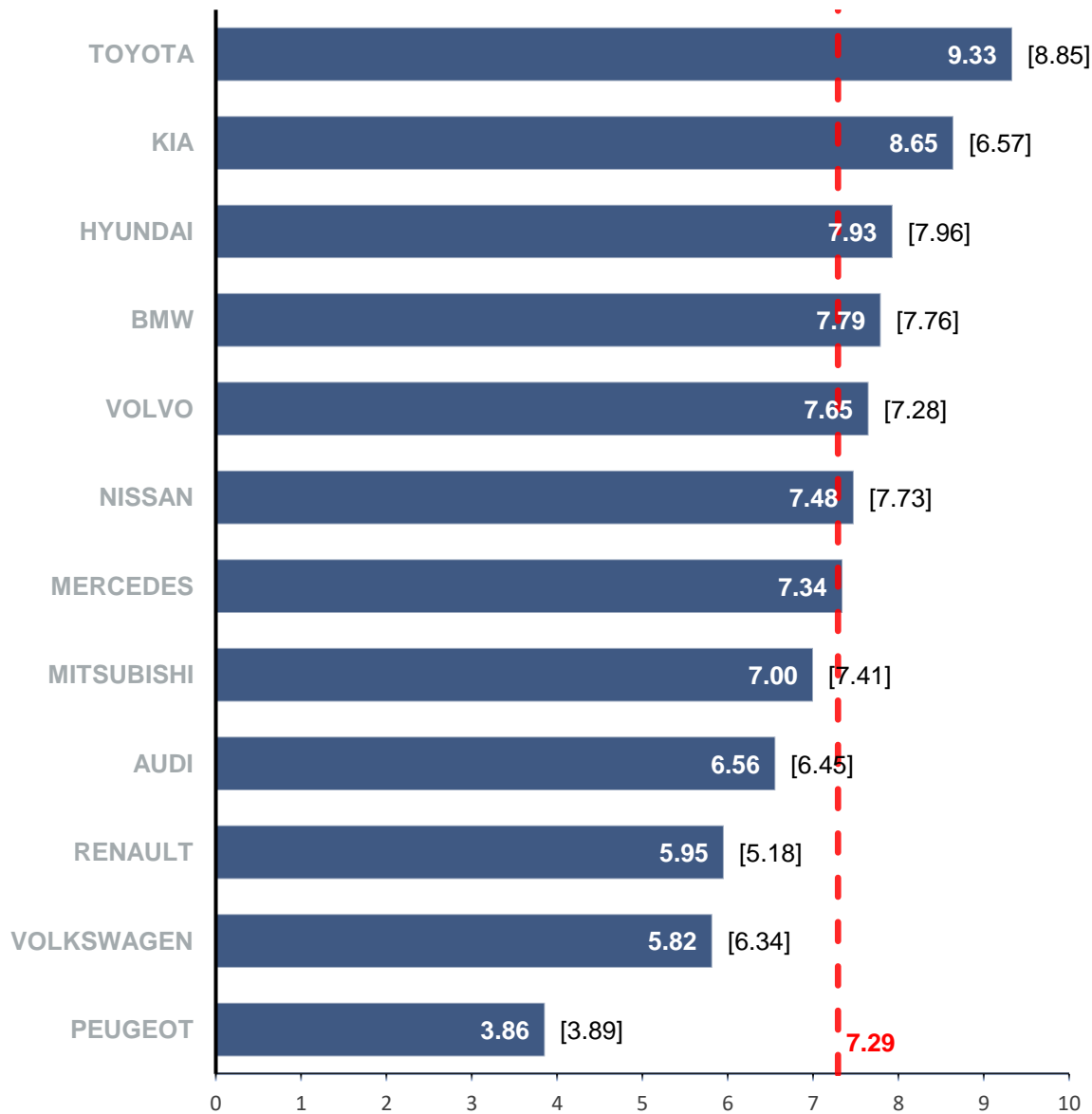


Summary

The average score for retailers' satisfaction levels with manufacturers' bonus and rebates on new EVs and plug-in vehicles sales was 6.79, in line with the overall average score across all questions. Ratings remained generally stable, although Peugeot (4.0 from 2.51) and Volvo (7.05 from 5.88) saw the biggest improvements.

Dealer opinion: consumers' intentions

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

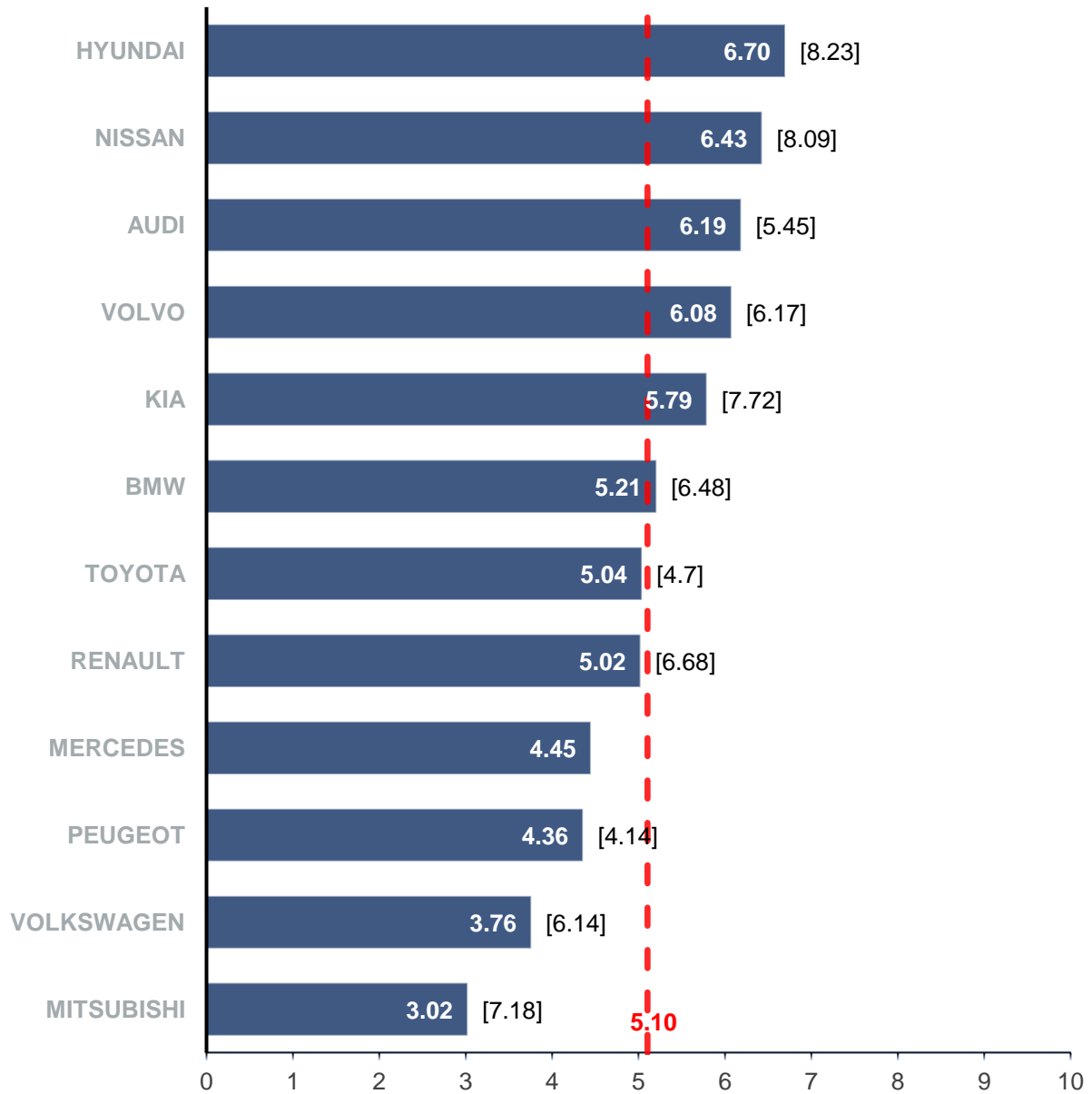


Summary

This is one of the three questions whose results do not depend on individual manufacturers. These questions are asked to understand the views of the different dealer networks on key issues affecting the electric vehicle sector. Overall, retailers showed optimism about future consumers' intentions. The average score grew from 6.94 to 7.29, although five scores were slightly lower than six months ago.

Dealer opinion: plug-in grant

How satisfied are you with the current operation of plug-in grant?

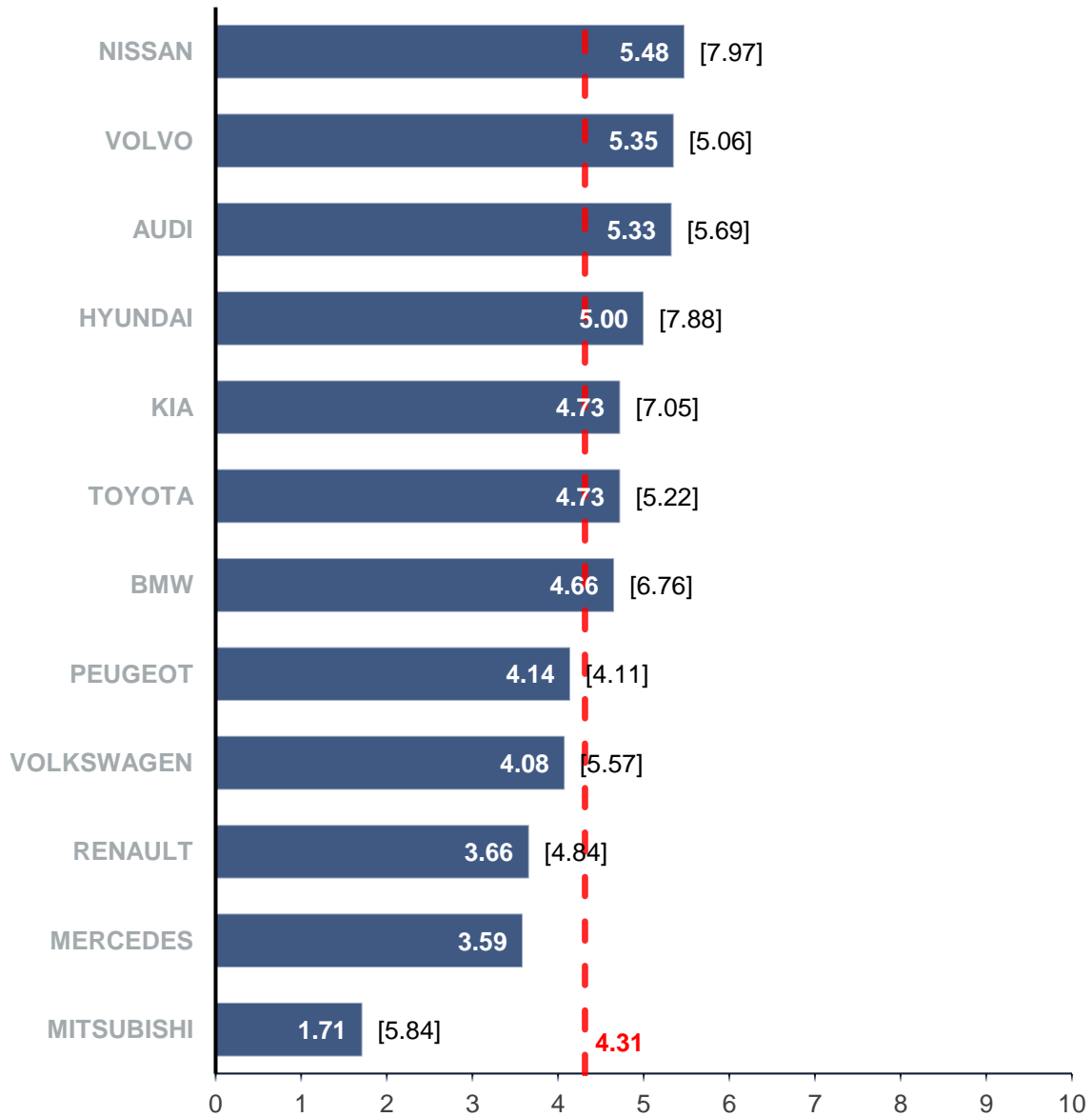


Summary

Retailers were asked about the current operation of the plug-in grant and returned an average score of 5.10, which was lower than six months ago (6.58). It is important to note that the two questions were asked before and after the recent changes to the grant. Clearly, the changes affected franchisees in different ways as the huge variations in score demonstrate: Mitsubishi retailers went from 7.18 to 3.02 and Volkswagen from 6.14 to 3.76.

Dealer opinion: plug-in grant

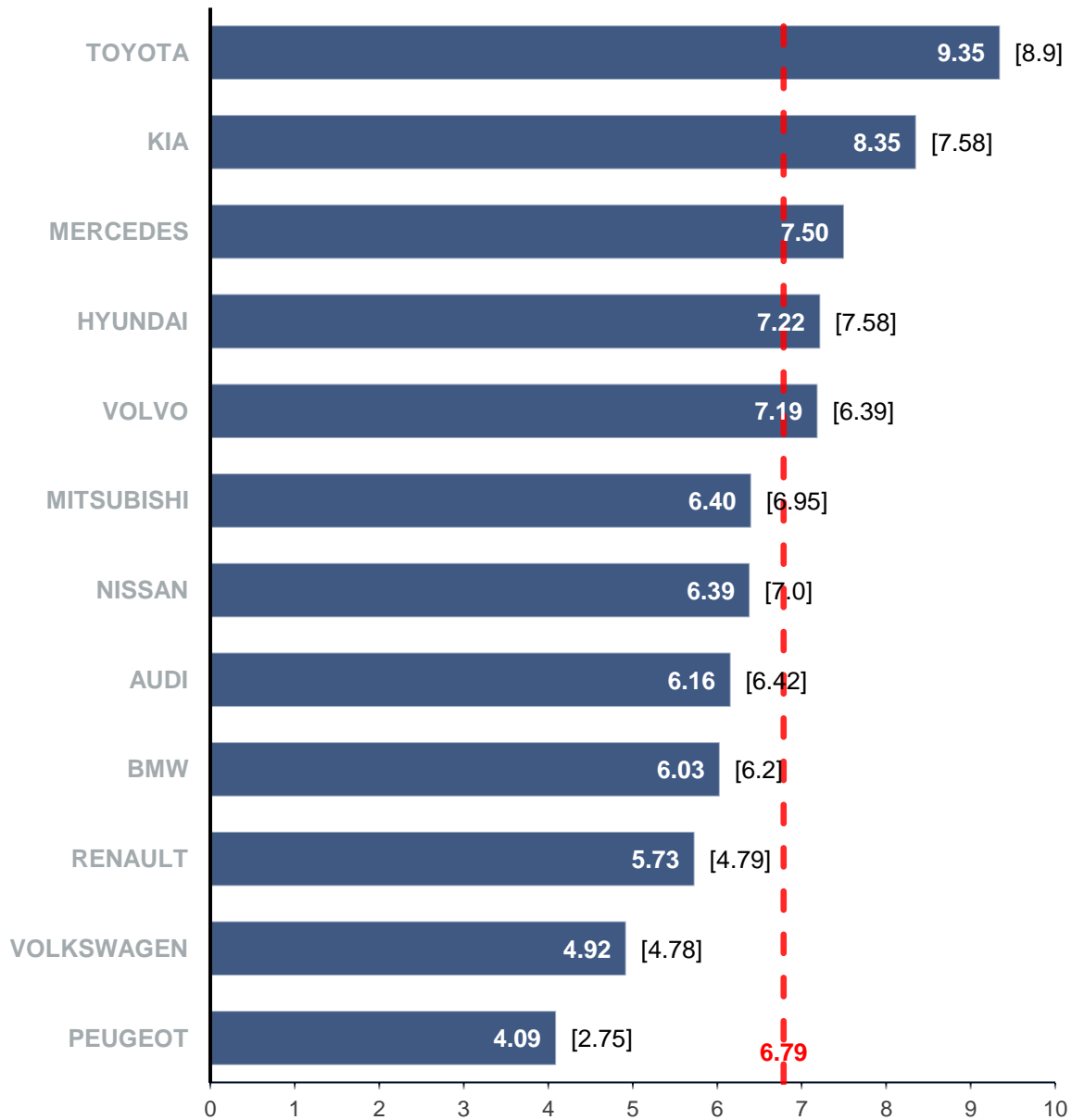
How satisfied are you with the current level of plug-in grant?



Summary

Overall, retailers showed dissatisfaction with the current level of plug-in grant. The average score declined significantly from 6.08 to 4.31. Similarly to the previous question about the grant, these results show that a number of manufacturers were significantly affected by the changes to the grant.

Average across all questions*



Summary

The overall average score of 6.79 shows a degree of optimism and satisfaction in the electric vehicle sector among the retailers that participated in the survey. Toyota topped every manufacturer-related question of the survey and, as a result, had the highest average score with 9.35 points out of 10. At the bottom of the table, Peugeot experienced a substantial improvement, from 2.75 to 4.09.

Conclusion

The results of the second EV Dealer Attitude Survey showed higher satisfaction levels in the sector thanks to positive movements in score across all the different manufacturer related areas of the survey.

Overall, there has been an encouraging, general upward trend. This has been supported by the addition of Mercedes which had positive ratings throughout the survey.

Toyota topped the survey again, with an impressive average score of 9.35 points out of 10. Kia and the new-entry Mercedes followed with 8.35 and 7.50 points respectively. Hyundai, Volvo, Mitsubishi, Nissan, Audi and BMW had ratings above 6.0, demonstrating a certain degree of satisfaction from their dealer networks.

At the other end of the table, Renault, Volkswagen and Peugeot were the only three manufacturers with average scores below 6.0. Despite the low scores, all three manufacturers saw their score improve. In the case of Peugeot, this was quite significant, from 2.75 to 4.09 points.

Positively, retailers were fairly optimistic about their manufacturers' proposed plug-in and electric vehicles product range for the next two years. In this area, the average score of 7.58 out of 10 was up from the already high 7.34. Additionally, an increasing number of retailers are confident that their customers will replace current electric or plug-in vehicles with another EV (pure or plug-in).

Supply availability remains a concern for retailers, although average satisfaction levels saw a slight improvement also in this area. The lowest average score of all manufacturer related questions was given when retailers were asked about their return on investment in equipment training for EV and plug-in vehicles, highlighting a potential issue.

Unsurprisingly, retailers were more negative about the Government's plug-in grant following the recent cut that affected plug-in hybrid vehicles. As a result, manufacturers were more or less penalised depending on the products offered.

The next Electric Vehicle Dealer Attitude Survey will be sent to NFDA dealer members for completion in July 2019. It will be interesting to see how the responses change as this fast-evolving segment of the automotive industry continues to grow.

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

**Please note: the average score across all questions (page 16) does not include the results from: 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? (page 13); 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). These are not within the direct control of individual manufacturers and so are not attributable to them.*

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