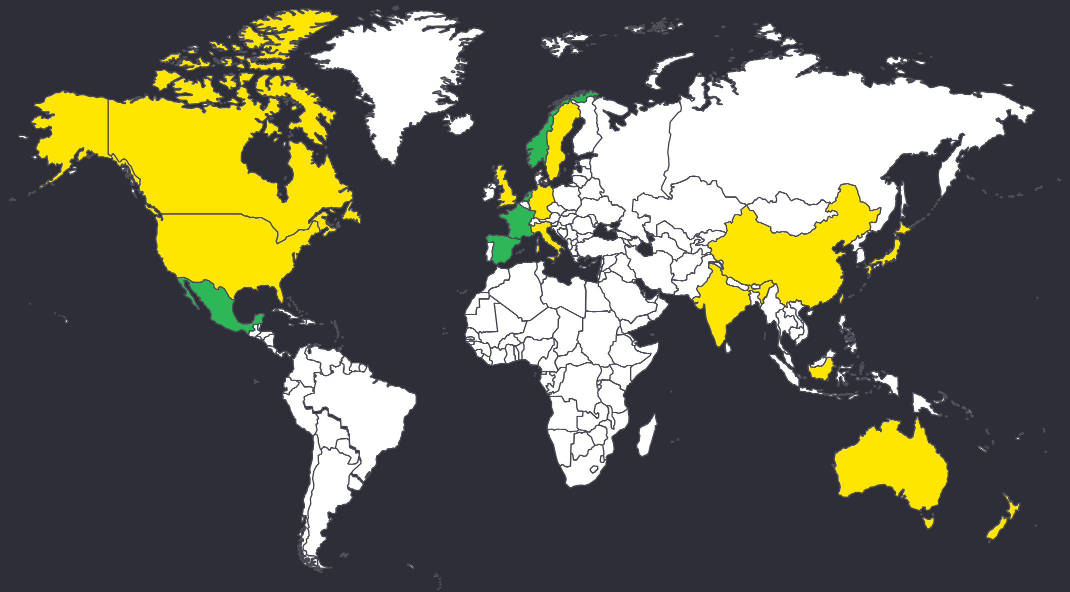
# EY Mobility Consumer Index (MCI) 2022 study

May 2022

EY Knowledge Analysis

# EY Mobility Consumer Index 2022 Study



| | | | |
|---|---|---|---|
| Australia | Italy | New Zealand | Sweden |
| Canada | India | Norway | UK |
| China | Japan | Singapore | US |
| France | Mexico | South Korea | |
| Germany | Netherlands | Spain | |

Countries added in the 2022 study

Launched in 2020, the EY Mobility Consumer Index (MCI) is an annual study that provides unique insights on the shifts witnessed in travel patterns and mobility mix in the post-COVID world.

Based on a global survey of respondents, the MCI also aims to gauge the car buying intent, analyse the pace of shift towards the adoption of electric vehicles, and assess the consumers' car buying journey process.

## Survey Details

| 18 countries | ~13k respondents | Conducted in March 2022 |
|---|---|---|

## Themes Covered

- Mobility/travel behavior
- Electric vehicles & sustainability
- Car buying & powertrain
- Retail analysis

Source: EY Mobility Consumer Index 2022 Study, EY Knowledge analysis

Survey conducted in March 2022

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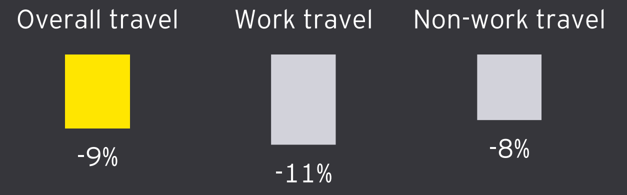
# Executive Summary (1/2): EY Mobility Consumer Index 2022 Study

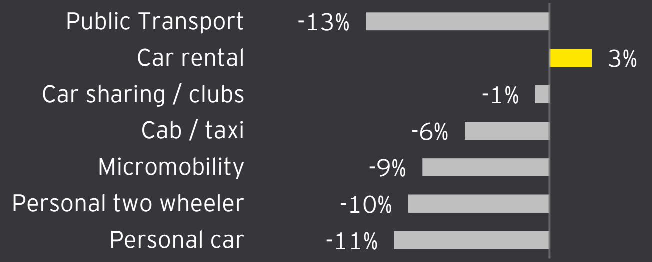
## MOBILITY SHIFT AHEAD

**9% decline in overall travel compared to pre-COVID**



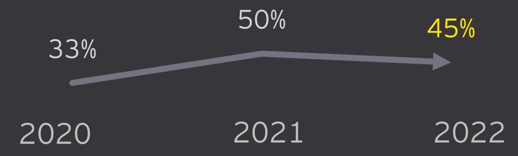

**~2x growth in respondents working from home at least 3-4 times a week**


Public transport saw the most decline in journeys owing to heightened safety concerns



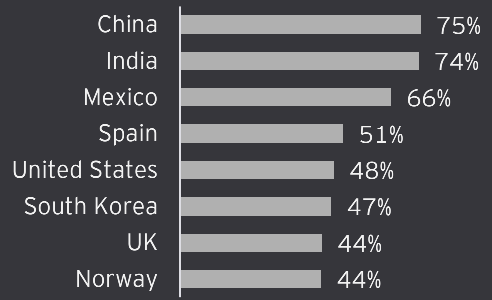

## BUYING BOOM BECKONS

45% consumers intend to buy a car (32% prefer new car, 13% prefer used car), up 12% points from the 2020 study.



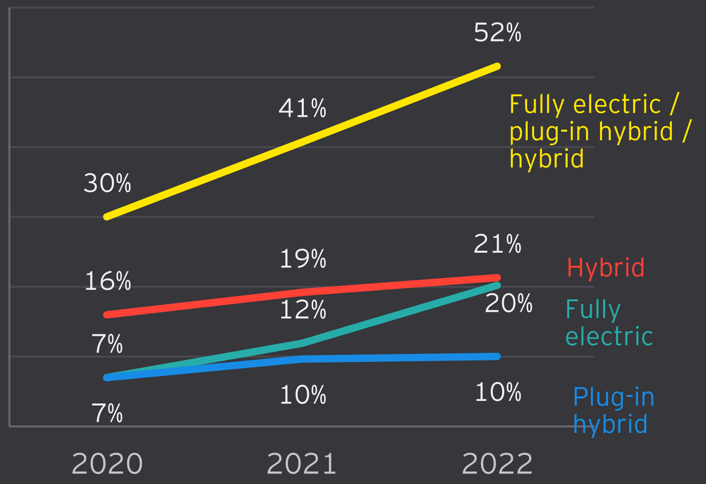

63% plan to buy a car in the **next 12 months**


China, India, Mexico are expected to lead the car buying activity

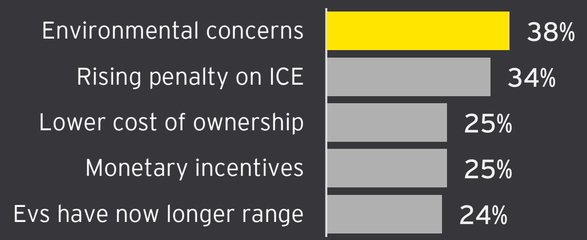



## ELECTRIC CAR'S THE STAR

52% car buyers prefer an EV* for their next purchase. 3x growth in preference for fully electric cars from 7% in 2020 to 20% in 2022




Environment continues to be the top motivator for consumers buying an EV




Source: EY Mobility Consumer Index 2022 Study, EY Knowledge analysis

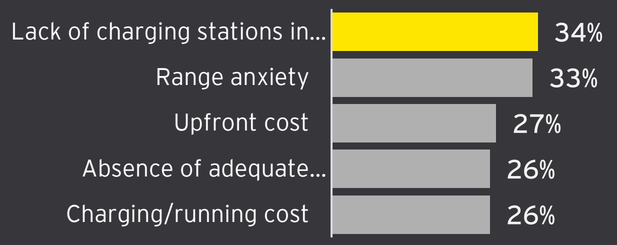
EV includes fully electric, plug-in hybrid, and hybrid powertrains

Survey conducted in March 2022

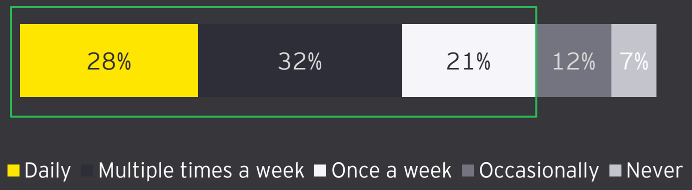
# Executive Summary (2/2): EY Mobility Consumer Index 2022 Study

## CHARGERS AREN'T HOME YET

**Lack of charging stations** replaced high upfront cost as the top inhibitor to purchase EVs




**~80% of EV owners use home charging at least once a week**, indicating a strong need for home charging infrastructure




Shopping centres / retail locations emerge as the most preferred non-residential charging location

## PHYSICAL TOUCHPOINTS ARE HERE TO STAY

While digital channels are gaining prominence, in-personal experience will remain important for pre-purchase testing, final purchase (both new and used cars) and aftersales services

**63%** car buyers prefer to interact with salesperson at dealership to **gather information**

**64%** New car buyers prefer to purchase vehicle from dealership/showroom

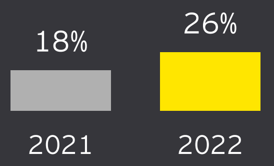
**39%** Used car buyers prefer to purchase vehicle from dealership/showroom

**51%** prefer dealers for car servicing

## MULTI-CHANNEL ON RISE

Consumers are actively adapting digital channels seeking information, price transparency and enhanced experience

**Use of digital channels for car purchase**




Digital sales and service model will continue to evolve driven by tech advancements

**66%** car buyers prefer to use apps / websites / social media to gather information about the vehicle

**59%** Opted for price calculator as the most popular online tool

Potential EV buyers are more likely to use online tools such as price calculator and car configurator compared to ICE buyers

Source: EY Mobility Consumer Index 2022 Study, EY Knowledge analysis

Survey conducted in March 2022

# Attitudes towards car ownership: Importance of having a personal car has increased for consumers in the last one year

| | 2022 study | 2021 study |
|---|---|---|
| Constant access to a personal car is very important to me | 63% | 57% |
| My safety / well-being is best served through a personal vehicle | 60% | 52% |
| I would be open to subscribe / rent a car for my mobility needs over a buying a car | 16% | 17% |

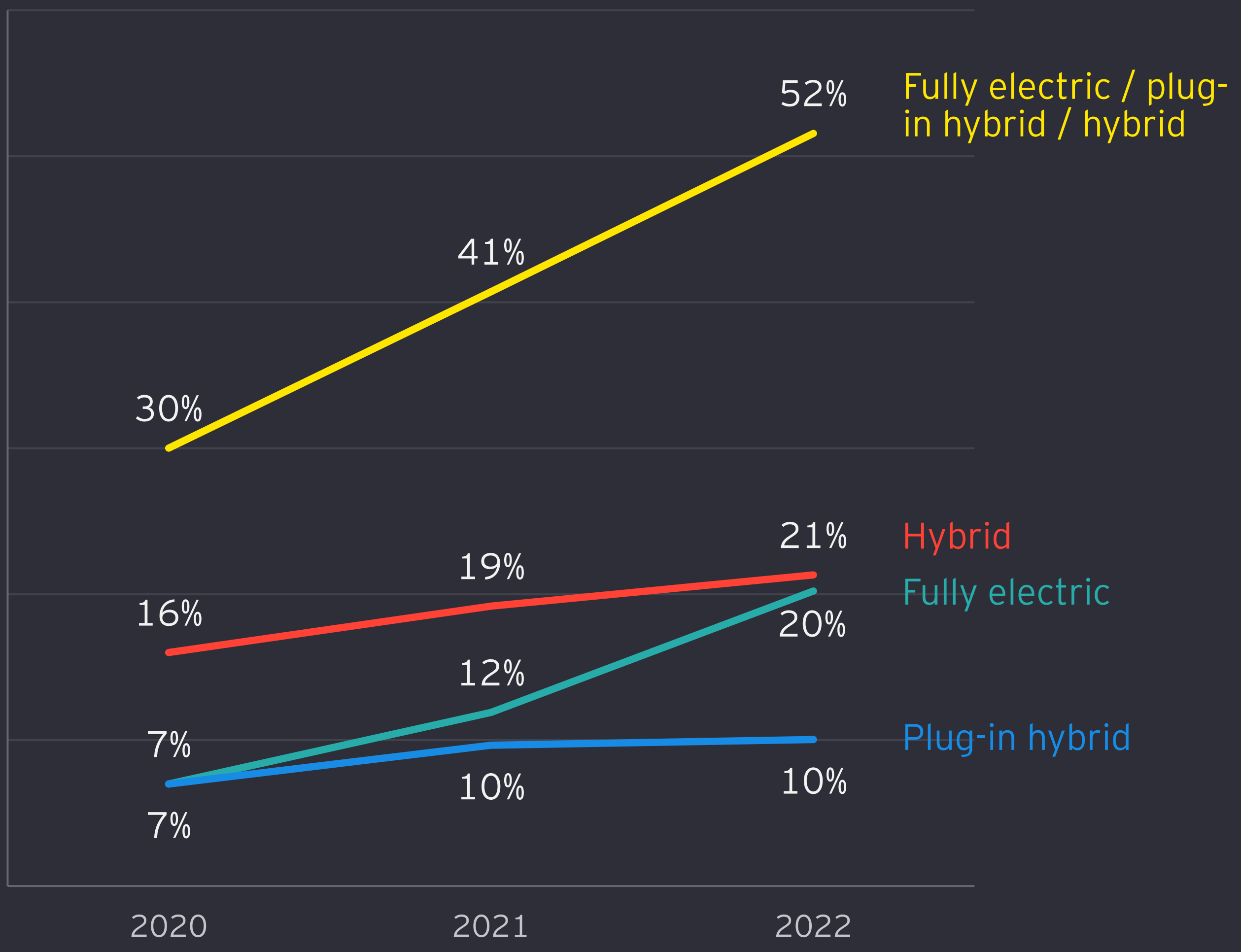
Source: EY Mobility Consumer Index 2022 Study, EY Knowledge analysis

Survey conducted in March 2022

# EV interest has risen consistently over the past two years, largely led by the significant increase in purchase consideration for the fully electric cars

## EV buying intent

% of respondents planning to buy a car




The market share numbers include all forms of EV including BEV, EREV, PHEV, MHEV, FHEV etc

Source: EY Mobility Consumer Index 2022 Study, EY Knowledge analysis , LMC

### Rising consumer intent for electric vehicles

Consumer confidence in the EV technology has increased significantly with 20% of car buying respondents planning to buy a fully electric car compared to 7% in the 2020 study

### Strong EV interest reflecting in sales volume

In 2021, the global market share of EVs* more than doubled to reach 17% from 7% in 2019. In Norway, market share of EVs reached to 80% while in Sweden the market share jumped significantly from 18% to 62% during the same period

### Increased government push

More than 20 countries have set electrification targets or ICE bans for cars, and under COP26 about 60 countries including European Union have made net-zero pledges till 2050, further driving the EV adoption

Survey conducted in March 2022

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# The study suggests potential EV buyers are environmentally conscious and more likely to use sustainable transport options

| | OVERALL | EV BUYERS* |
|---|---|---|
| If I were to buy a car, I would buy an electric vehicle to reduce the overall environmental impact | 33% | 63% |
| I care about the overall well-being of the environment and would be open to using transport modes that are environment-friendly | 46% | 64% |
| I feel it is my responsibility to reduce my personal environmental impact | 49% | 64% |
| Given the choice, I would prefer an electric vehicle when I hire or ride a cab / taxi | 37% | 58% |

*Respondents who intend to buy a fully electric / plug-in hybrid vehicle

Source: EY Mobility Consumer Index 2022 Study, EY Knowledge analysis

*Note: Figures indicate the proportion of respondents who strongly agree / agree*

Survey conducted in March 2022

# Consumer sentiments on key charging attributes

| | EV OWNERS* | EV BUYERS |
|---|---|---|
| I don't believe that there are enough charging points for me to buy an electric vehicle yet | 27% | 36% |
| For me to buy an electric vehicle, home charging included in the price and delivered with the car | 52% | 64% |
| I think electric vehicles and the battery inside them should be part of my home energy management system | 40% | 44% |
| For me to buy an electric vehicle, the car to be sold with a complete energy package (e.g. solar panels, in home storage and the ability to feed the grid) | 50% | 47% |

*Respondents who own a fully electric / plug-in hybrid vehicles

Source: EY Mobility Consumer Index 2022 Study, EY Knowledge analysis

*Note: for the first and third statements, figures indicate the proportion of respondents who strongly agree / agree*

Survey conducted in March 2022

# Used car sales continue to expand, driven by the pandemic induced personal mobility preferences, lower new car inventory, and cost effectiveness of used cars

Used (pre-owned) vehicle sales have significantly increased in 2021 on the back of several major events:

- Potential car buyers are looking for more cost-effective means to private ownership due to the COVID-19 pandemic
- The semiconductor shortage that continues to plague light vehicle production has led to record-low levels of new inventory, pushing buyers to consider used vehicles
- In-vehicle technology advances have led to ever-increasing, high transaction prices for new vehicles, leading cost-constrained buyers to the used car market

**+10%** y-o-y increase in US used car sales to record 40.9 million units (new car sales of 15 million units) in 2021 and are expected to stay at similar levels in 2022

**+11%** y-o-y increase in UK used car sales to record 7.5 million units (new car sales of 1.65 million units) in 2021

**3x** CarMax trippled the number of used vehicles purchased directly from car owners in 1H21 as the traditional trade-in model loses share

Improvement in new-vehicle production in 2022 will help in stabilizing of used-vehicle prices which peaked in the past two years due to non-availability of new cars in the market

Source: EY Mobility Consumer Index 2022 Study, EY Knowledge analysis , LMC, SMMT, News articles

Survey conducted in March 2022

# Digital sales and service models will continue to evolve, driven by the change in customer buying preferences and technology advancements

## *What interests car buyers in online channels?*

- **59%** Price Calculator
- **58%** Booking a test drive
- **47%** Car configurator / comparer
- **36%** Payments by card
- **36%** Offer and conclusion of insurance contract
- **34%** Ordering delivery of a new car to home

## *OEMs and dealers need to reassess sales and service models*

### Change in customer buying preferences

- Customers increasingly expect to be able to do more of the customer journey online
- Physical presence still important, but customers expect seamless integration of online and offline

### Evolving technology

- Increasing prevalence of digital tools is encouraging consumers to have different expectations while purchasing the vehicle
- Buying journey is expected to be customised and supported by latest tech such as AR/VR, AI and metaverse

Source: EY Mobility Consumer Index 2022 Study, EY Knowledge analysis

Survey conducted in March 2022

# Key takeaways: EY Mobility Consumer Index 2022 Study

## Consequence of shifting mobility choices

- Overcoming the satisfaction gap is a major challenge for city transport authorities, with sustainable transport a key plank in climate change initiatives
- A carrot and stick approach may yield results, with 46% of consumers saying that free public transport would reduce their usage of private cars, and 38% saying that urban traffic charges would lead them to take fewer journeys by car.
- Many city transport authorities – under severe financial pressure after months of reduced passenger revenues – may be tempted by the revenue potential of road usage fees, which could act as a hedge against falling incomes from vehicle and fuel taxes as EVs become prevalent

## Key to achieving sustainable EV future

- To capitalize strong consumer interest in EVs, automakers and dealers need to rethink their dialogue with consumers and develop new messages, relationships, and tools to bring the EV experience to life
- Smart new finance packages and ownership models are imperative to prevent the emergence of a damaging social divide, providing affordable EVs for both low- and high-income groups
- Government, OEMs and charging providers should collaborate to develop national charging plans. Greater interoperability and transparency will help allay related fears
- OEMs also need to focus on repurposing and reconditioning of EV battery packs as well-to-wheel sustainability calls for a holistic focus on the EV life cycle

## Evolving role of dealerships and multichannel retail

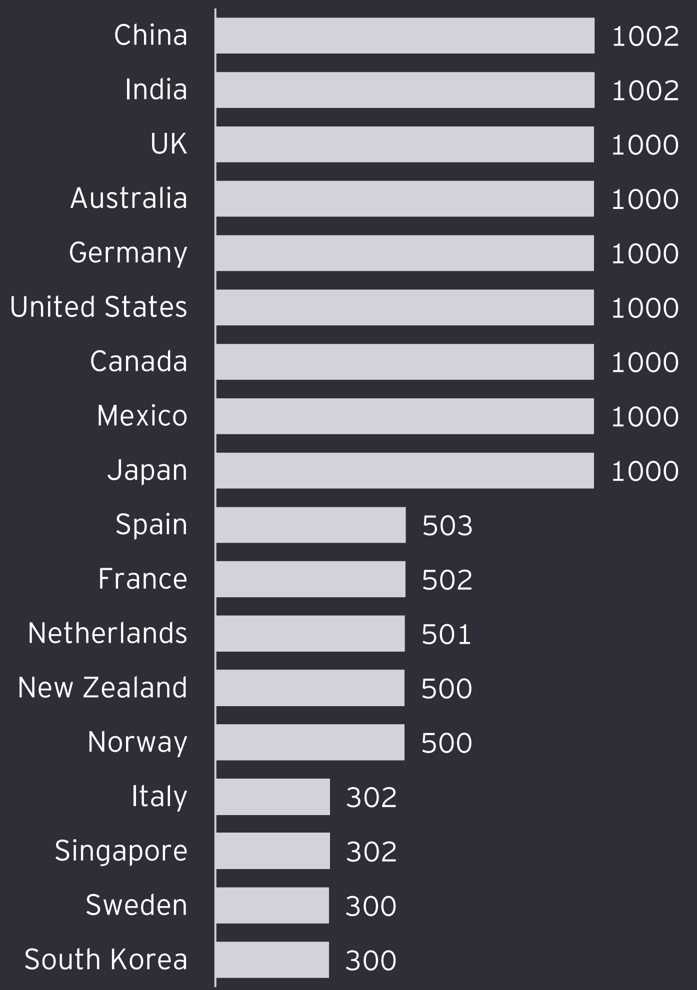
- While dealers play a key role currently, to remain at the front-of-mind will require a better understanding of the customer decision journey
- OEMs and Dealers need to develop new ways of making the first contact – be it digital or physical, and smoothly manage the transition between online and offline channels
- Dealers need to reinvent themselves as trusted expert advisors. To not only maintain existing revenues, but also take advantage of new opportunities as they arise

Source: EY Mobility Consumer Index 2022 Study, EY Knowledge analysis

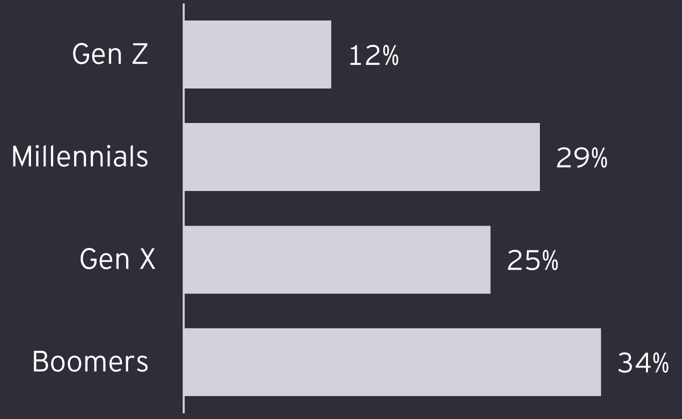
Survey conducted in March 2022

# Respondent demographics

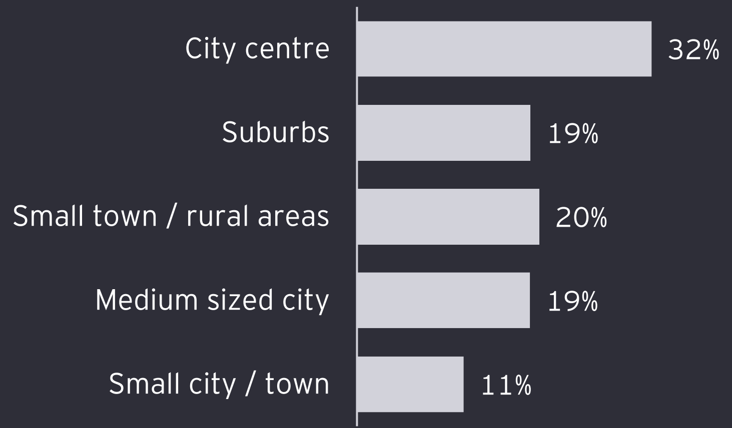
## COUNTRIES SURVEYED (18)



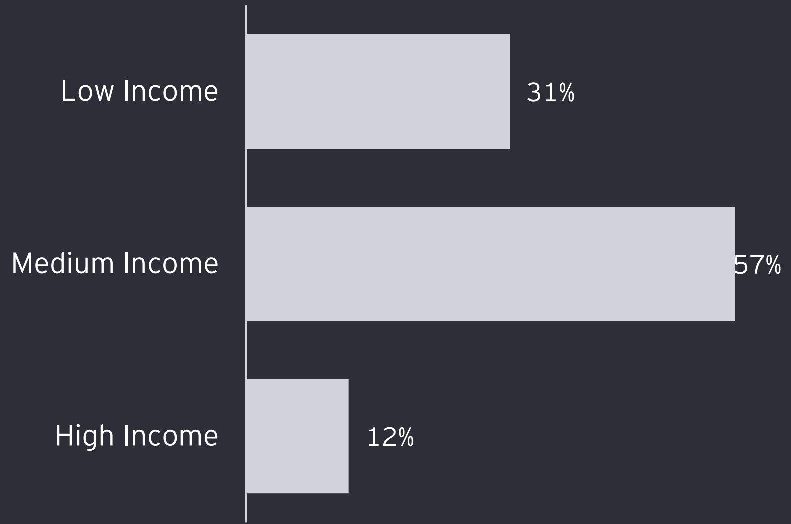

## AGE GROUP



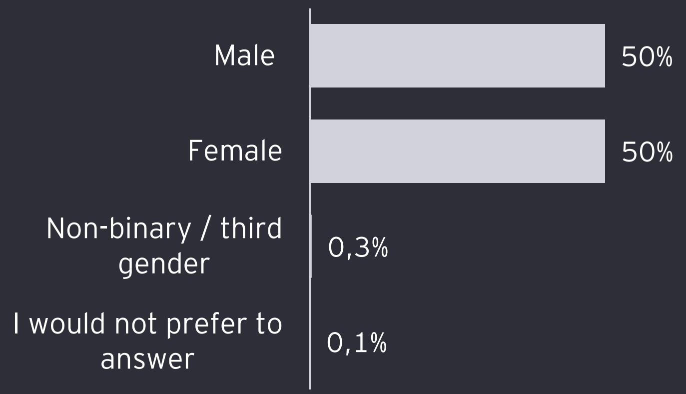

## AREA OF RESIDENCE




## INCOME




## GENDER




Source: EY Mobility Consumer Index 2022 Study, EY Knowledge analysis

No. of respondents ~13,000

Survey conducted in March 2022

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