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What Inherent Market Dynamics are Stifling EV Adoption?



...and are Chinese EVs popular
with Europeans?



Some purchase dissatisfaction is to be expected no matter what the product may be, and the “long trip” concern is well documented.

In my mind, the role sustainability plays was also predictable: it’s a factor for “believers” and much less so for those not fully environmentally committed.

The disappointment related to performance and acceleration was unexpected.

Satisfaction far from guaranteed



- 29% expressed concern about the impact of charging on longer trips.
- 26% reported that planning charging stops makes travel more stressful.
 - For millennials and owners with children, charging on long trips may “feel particularly burdensome.”
- EV owners who consider returning to ICE vehicles are 3x more likely to have been disappointed with acceleration and performance.
- Sustainability is a factor for “believers”
 - Sustainability concerns only impact the decision to switch back to an ICE vehicle about half the time.
 - For those who plan to stay with EVs, sustainability was a factor for well over 60% of respondents.

Made in Europe not a necessity



The Semafor newsletter recently described the impact of EU carbon targets and inexpensive Chinese EVs as an “EV winter” for European automakers.

All but one of the largest EU automakers have announced profit warnings.

In response to regulatory requirements and competition, 170 new EU models are expected in the next two years.

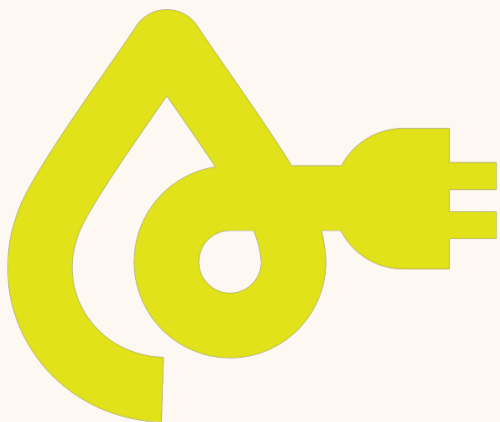
Share of prospective electric-vehicle (EV) buyers in Europe considering an EV brand for future purchase, by brand region, %

Brand region	European average (n = 9,951)	France (n = 1,640)	Germany (n = 2,457)	Italy (n = 3,105)	Norway (n = 2,749)
Europe	51	46	54	54	49
Southeastern Asia	39	33	35	47	37
North America	30	24	29	32	23
China	27	24	27	35	33

Source: McKinsey Mobility Consumer Pulse Survey, Feb 2–15, 2024

McKinsey & Company

- **The good news:** about half of Europeans have a preference for European brands (BMW, Mercedes-Benz, Renault, and Volkswagen).
- **The bad news:** only about half of Europeans have a preference for European brands.
 - Asian brand buyers would consider Hyundai, KIA, and Toyota.
 - American brands of course include Tesla, but also Rivian and Cadillac.
- Chinese brands (BYD, LiAuto, NIO, and Xpeng) have already basically achieved parity with other regions in terms of buying consideration.
- For China, the question becomes the impact of tariffs.



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- An honest assessment of the climate change effort.
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