

Fall 2021

Vermonters' vehicles

Current trends and EV opportunities

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Efficiency
Vermont

Method



Method



Survey

- 539 Vermonters
- Maximum margin of error $\pm 4\%$ when $n=539$



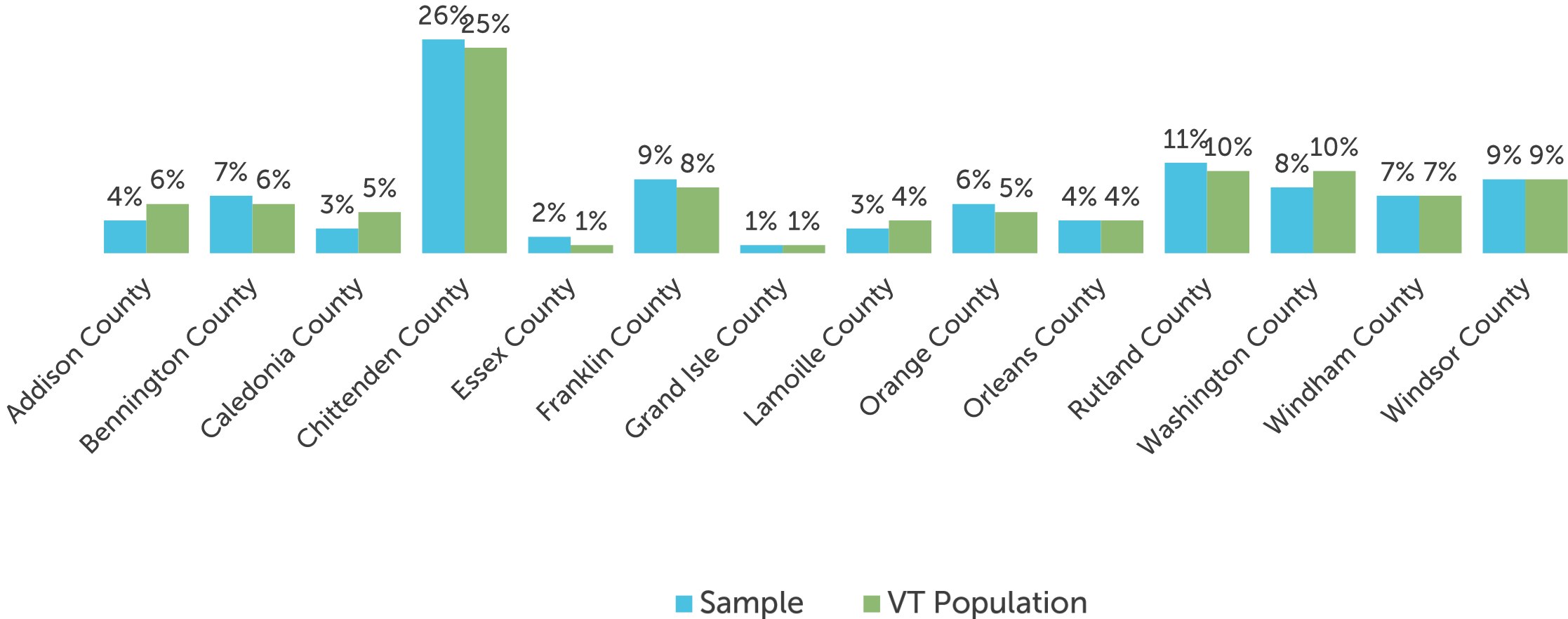
Interviews

- 7 BIPOC Vermonters
- 8 Low income non-BIPOC Vermonters

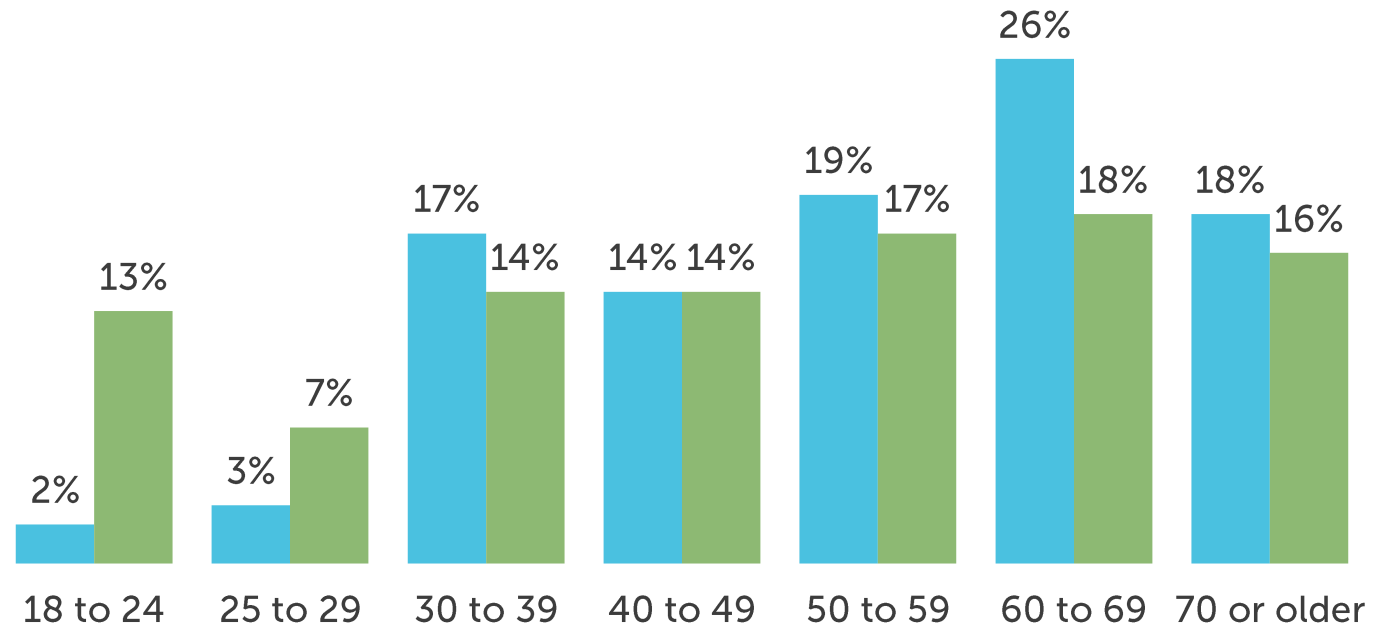


With Fifth Element Associates and
Beacon Associates

Demographics

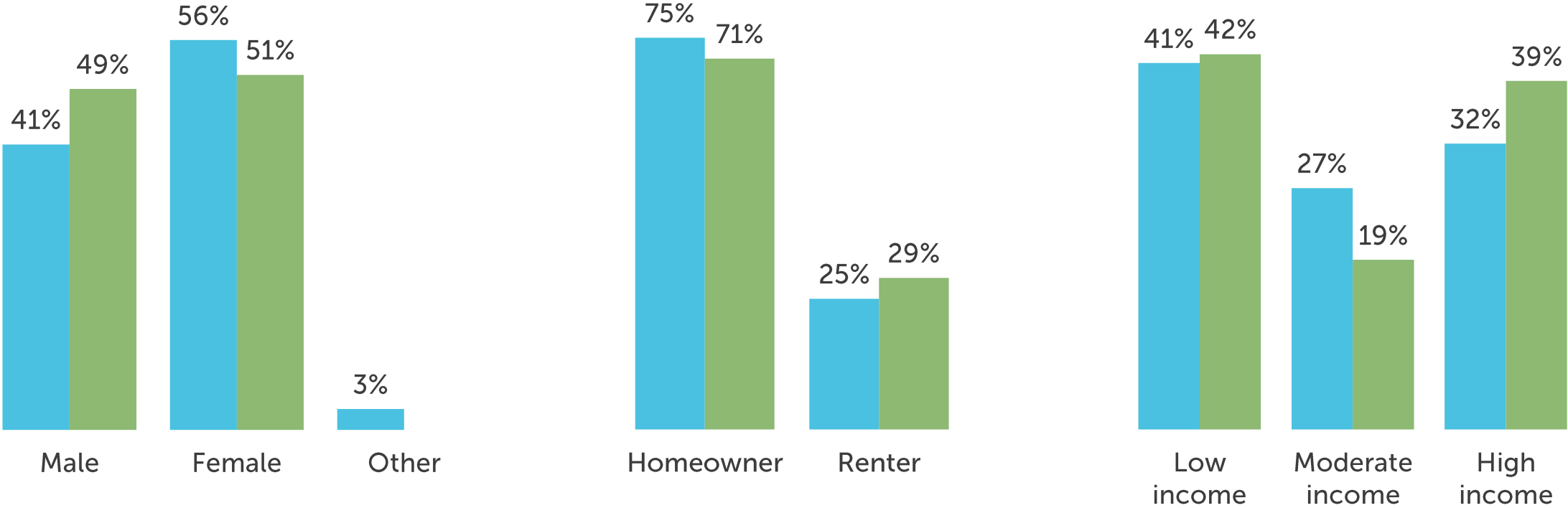


Demographics



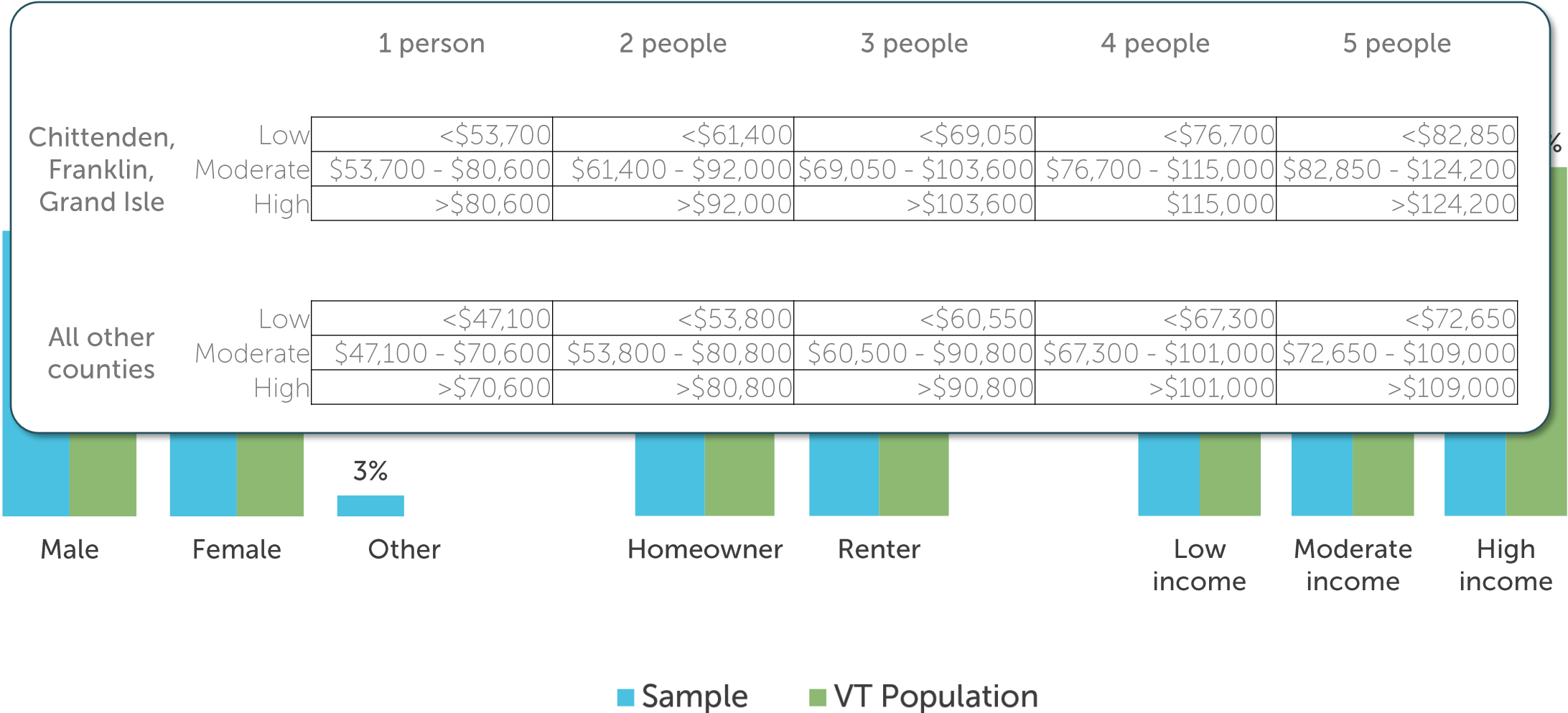
■ Sample ■ VT Population

Demographics



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Key findings



- Vermonters value size, safety, reliability, and performance in winter.
 - Safety and reliability is a top priority.
 - SUVs are popular. Four-wheel drive is critical for many Vermonters.

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 - Some low-income customers don't have the capital for even an incentivized purchase.
- Influencing purchase decisions needs to happen well upstream of the dealer.
 - Most Vermonters have clear ideas about the vehicle they want before they start shopping.
- Instant rebates at the time of purchase are more motivational than delayed rebates or tax credits.
 - This is especially true for low-income and BIPOC Vermonters.

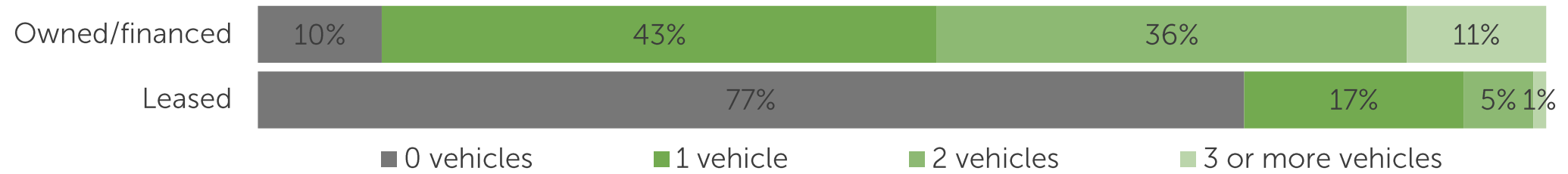
Current trends

- What do VTers own?
- How do VTers buy vehicles?
- Why would VTers replace their vehicle?
- Why do VTers choose their vehicle?



What do Vermonters own?

Most Vermonters own one or two cars (this varies with income).

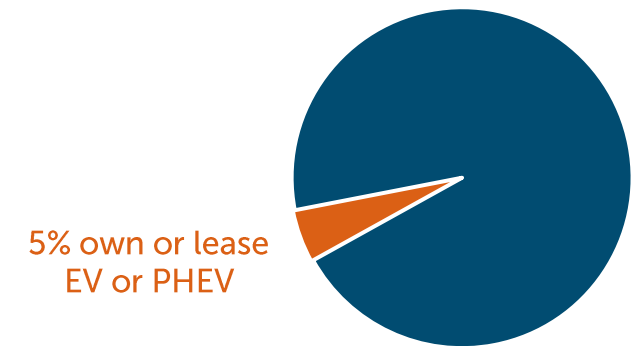
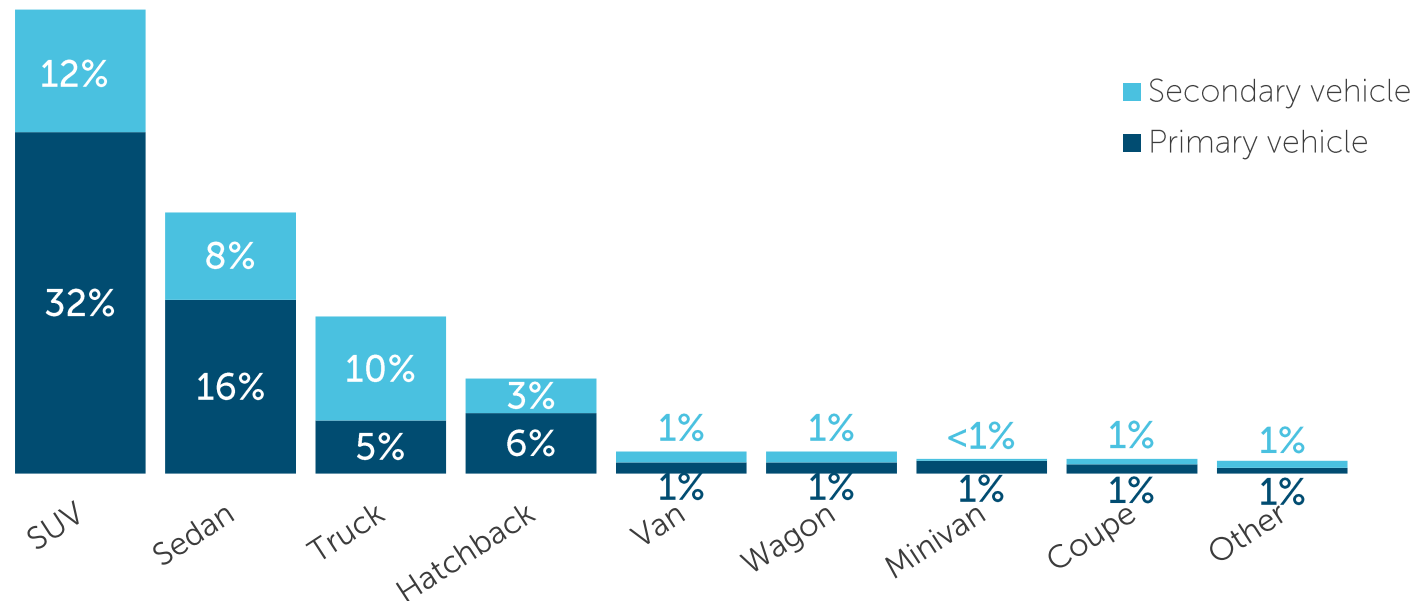


Q: How many vehicles do you currently own or finance?

Q: How many vehicles do you currently lease?

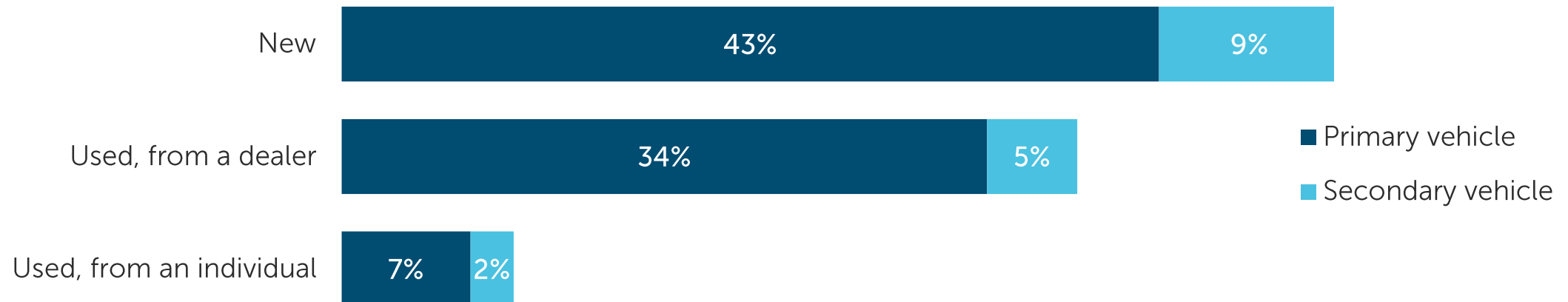
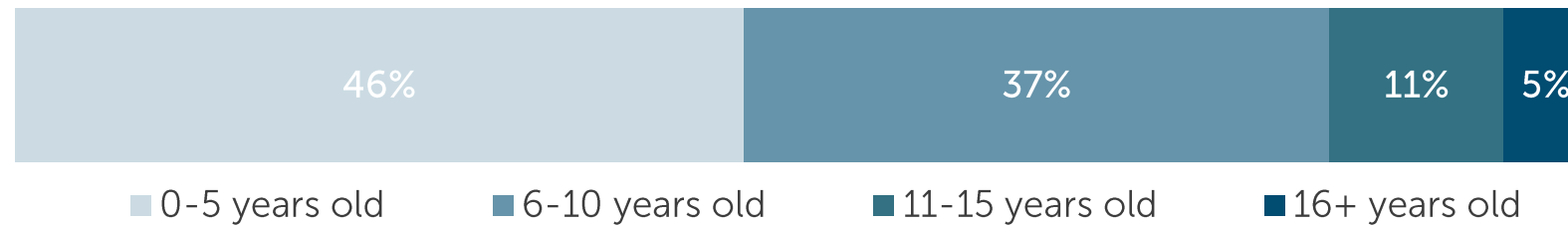
What do Vermonters own?

Most Vermonters own one or two cars (this varies with income).
Large vehicles are popular: 59% are SUVs or trucks.



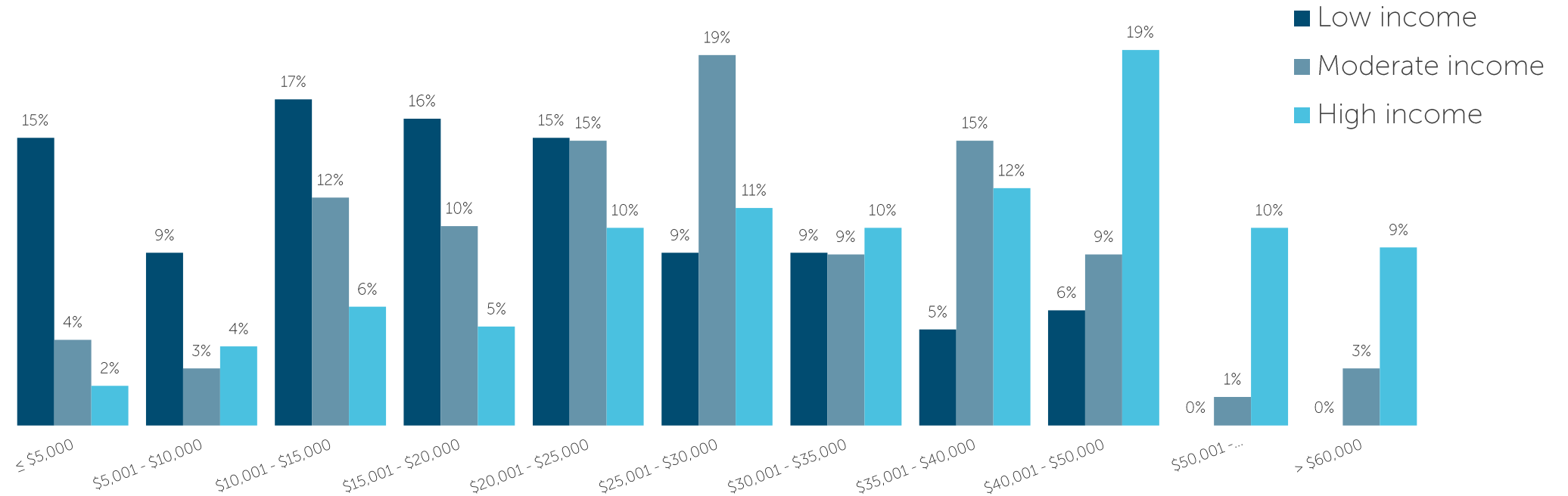
What do Vermonters own?

Most vehicles are under 10 years old. About half were acquired new, half were acquired used.



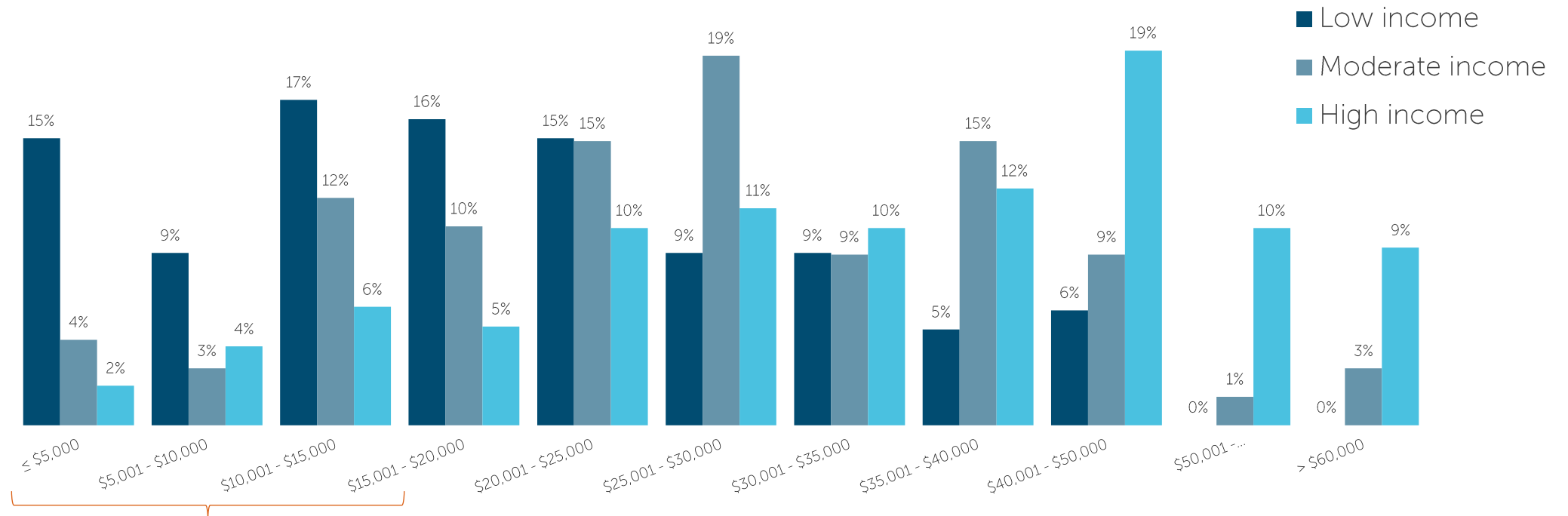
What do Vermonters own?

Vermonters pay a range of prices for their vehicles.



What do Vermonters own?

Vermonters pay a range of prices for their vehicles.
Many of these are below the incentivized price of an electric vehicle.

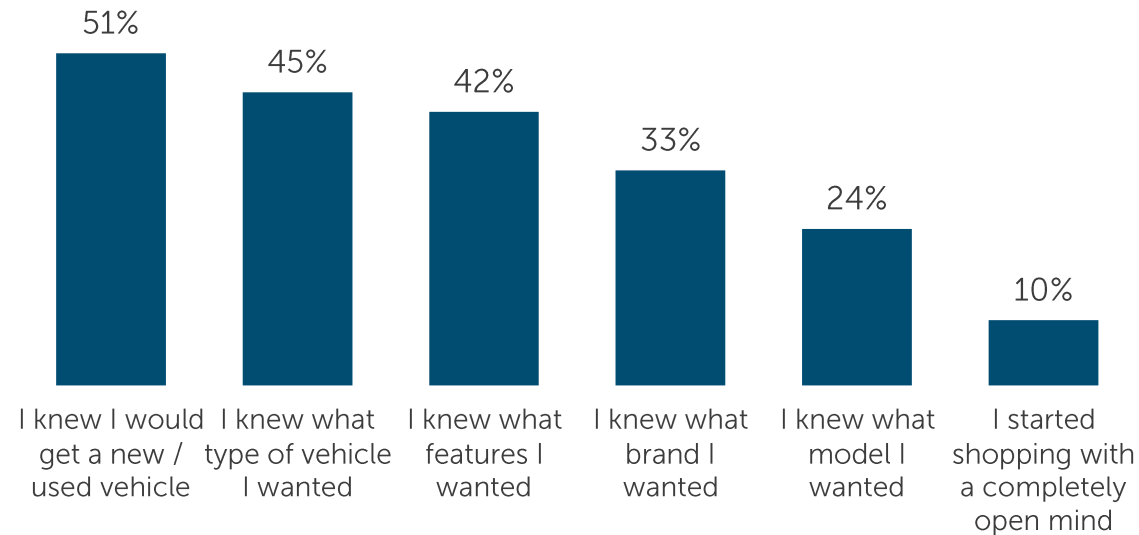


31% of low-income VTers pay less than \$15,000 for their vehicles

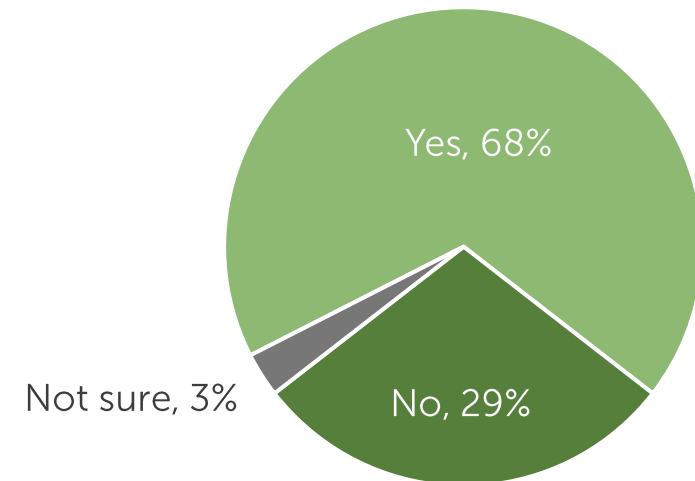
How do Vermonters buy vehicles?

Shoppers are learning about options (and developing opinions) early in their shopping process.

Before I started shopping for my primary vehicle...



By the time you contacted the dealer, did you have a specific model in mind?

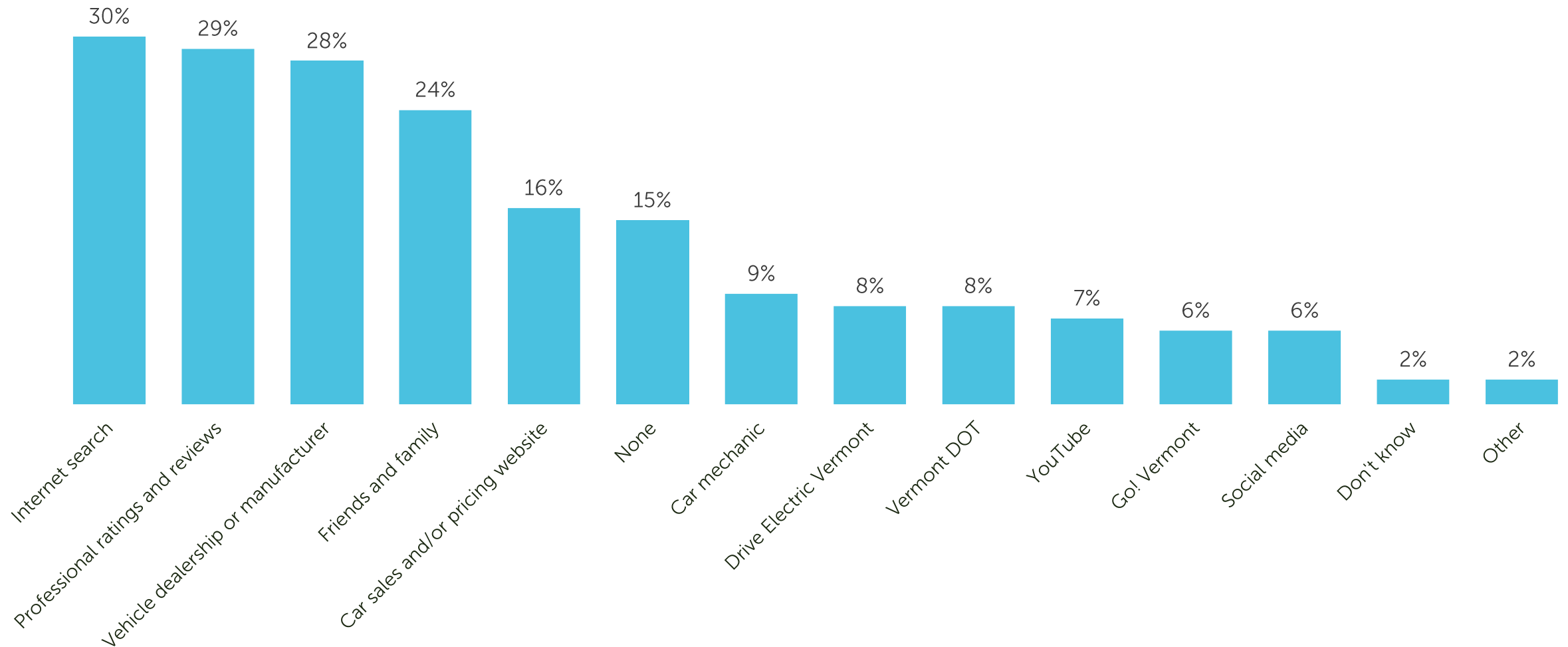


Q: Before I started shopping for my primary vehicle...(please select all that apply)

Q: [If purchased from a dealer] By the time you contacted the dealer where you purchased/leased your vehicle, did you have a specific model in mind?

How do Vermonters buy vehicles?

Shoppers' opinions may be formed largely from internet resources and friends and family.

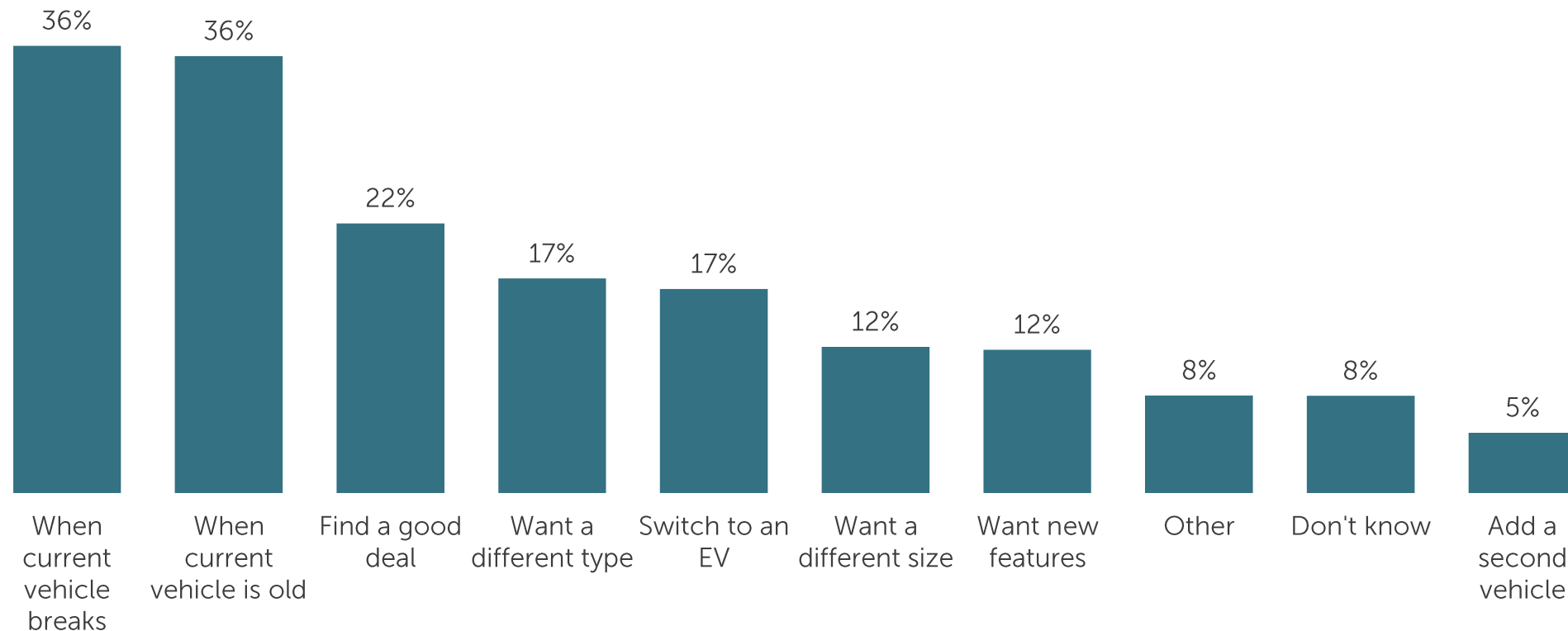


Q: What resources did you use to research or plan your purchase/lease of your vehicle(s)? Please select all that apply.

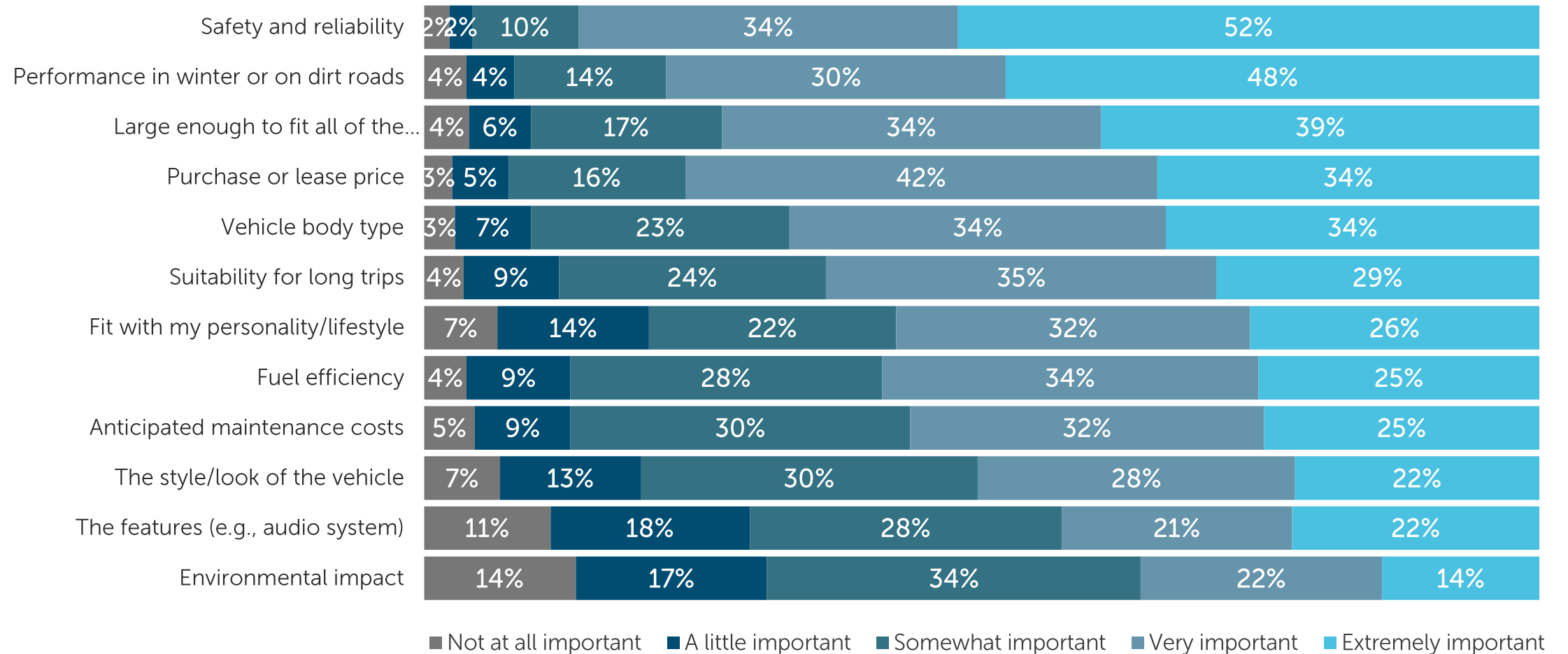
Why would Vermonters replace their vehicle?

Vehicle breakdowns and age are the primary causes for purchases.

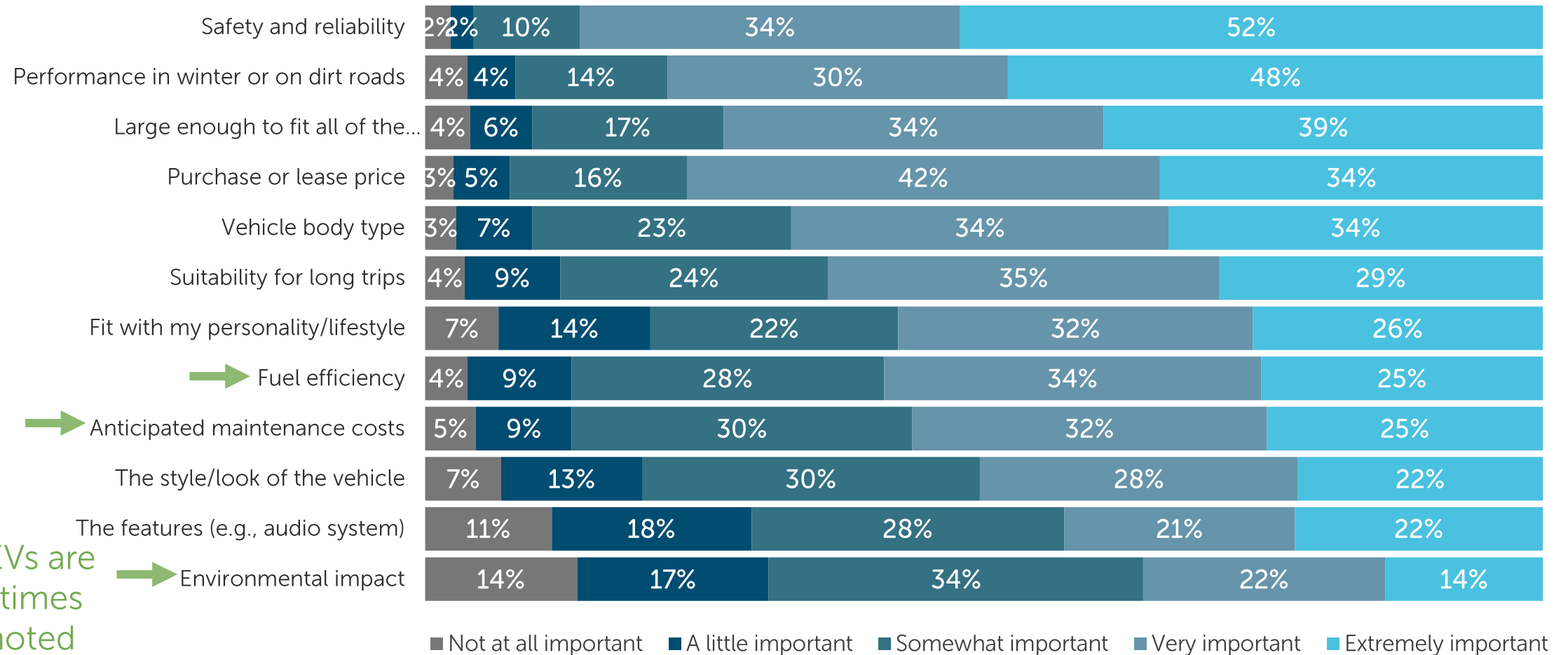
Vermonters may be unlikely to switch to an EV if their current vehicle is in good shape.



Why do VTers choose their vehicle?



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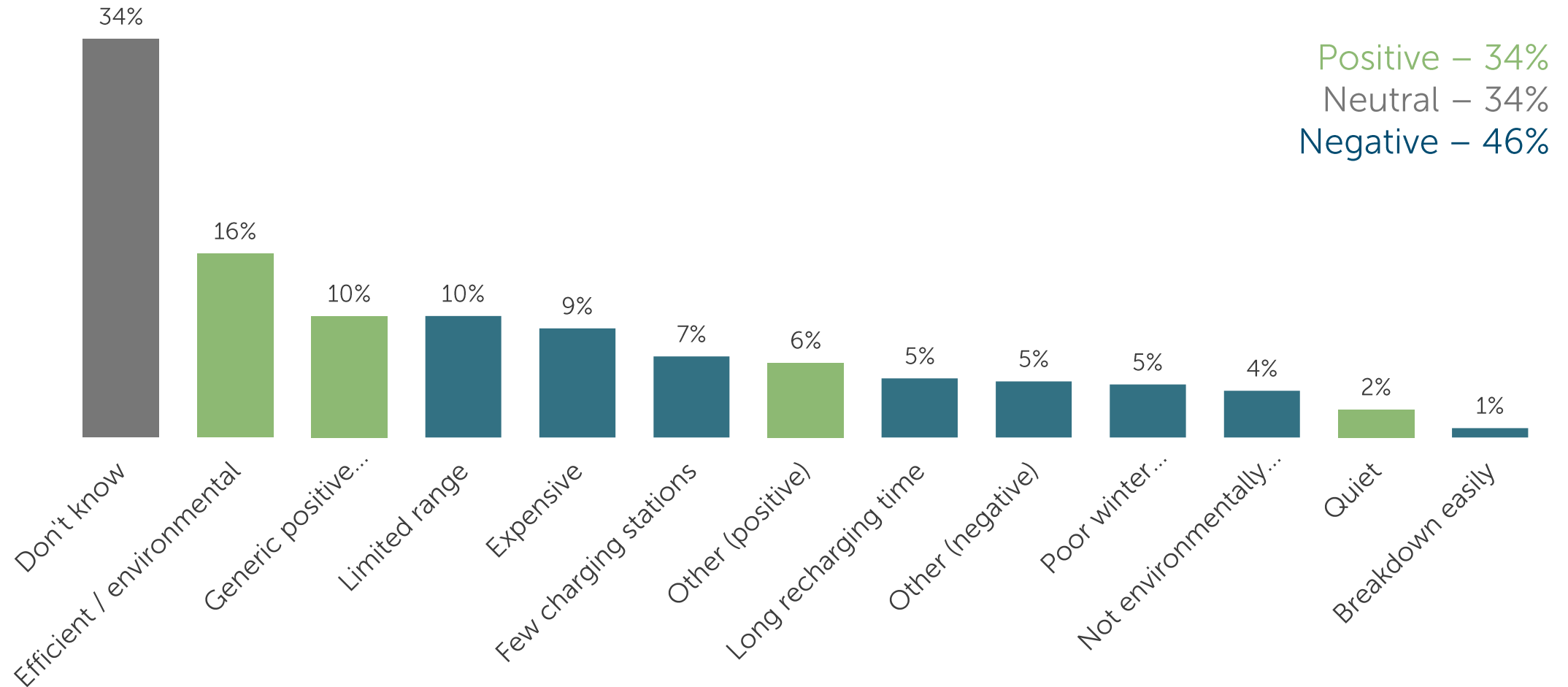
Electric vehicles

- What do VTers think about EVs?
- How would VTers research EVs?
- Would VTers buy an EV?



What do VTers think about EVs?

Many Vermonters are unfamiliar with or have concerns about electric vehicles.



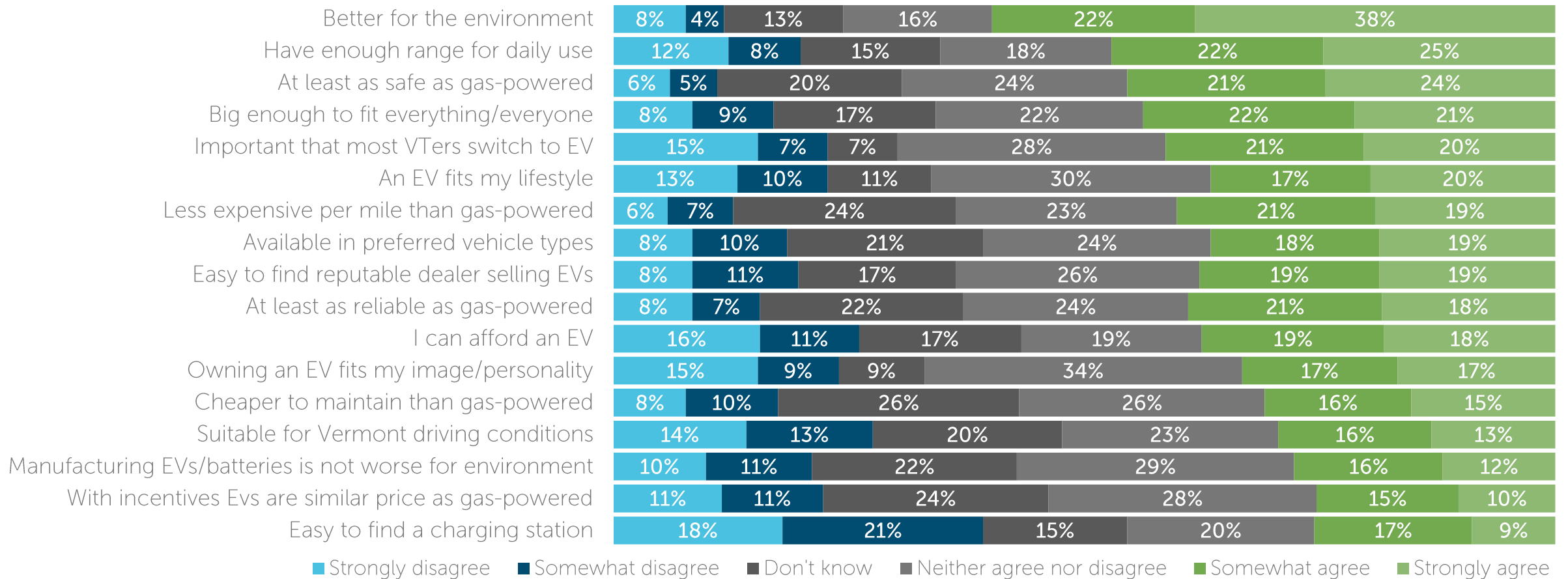
What do VTers think about EVs?

None of the low-income and BIPOC Vermonters interviewed associated the benefits of EVs with low operating costs, no engine noise, and less maintenance. They focused on environmental benefit.



What do VTers think about EVs?

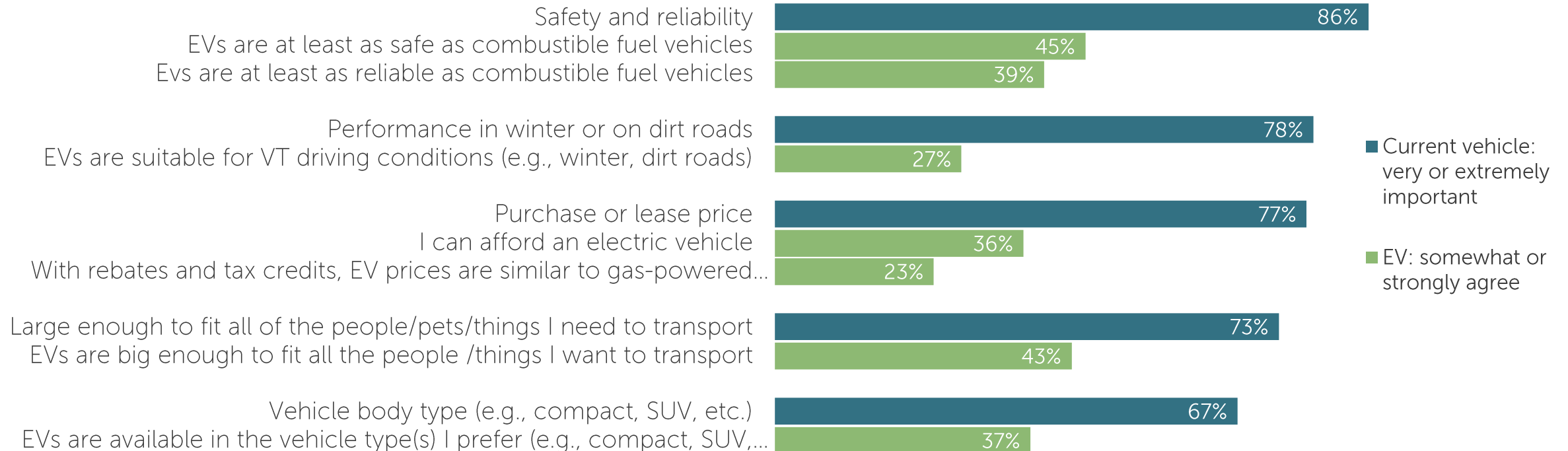
Many Vermonters don't have strong feelings about EVs. They may be ready to learn, especially if that information is relevant to them.



Q: Please rate the following statements in terms of how strongly you agree or disagree. In the following statements, "electric vehicles" refers to entirely electric vehicles and to plug-in hybrids.

What do VTers think about EVs?

Few Vermonters associate EVs with the vehicle factors most important to their purchasing choices.

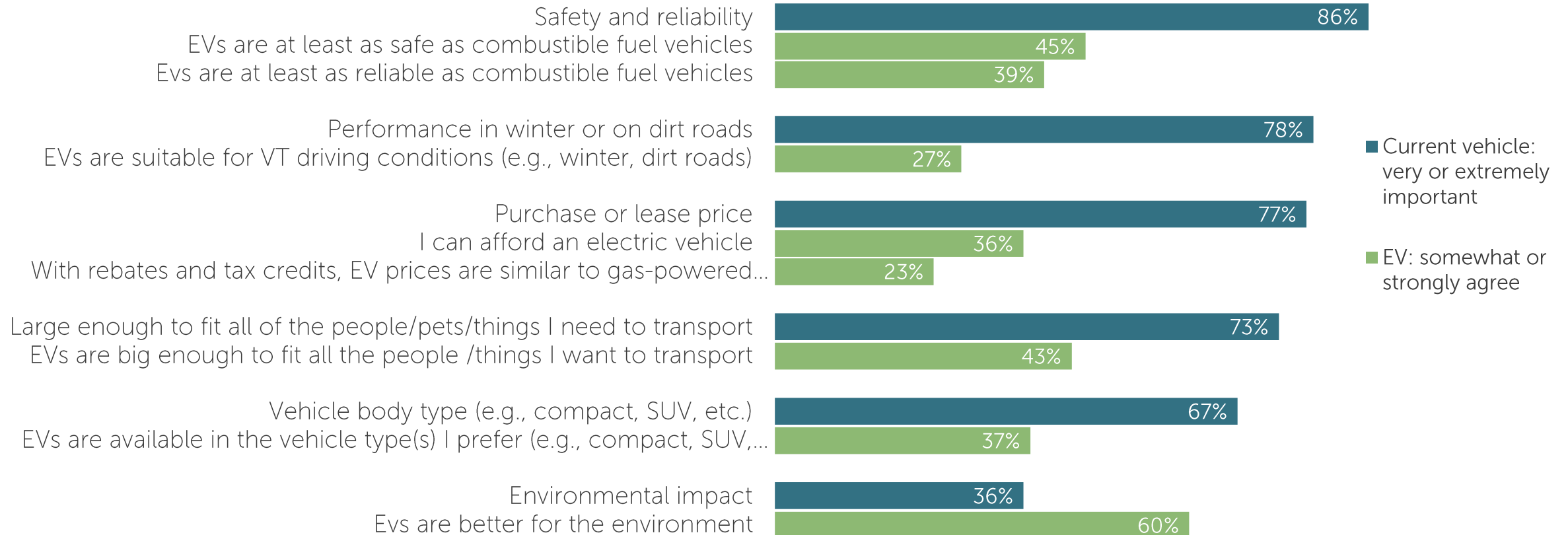


Q: When deciding to buy or lease this vehicle, how important were each of the following?

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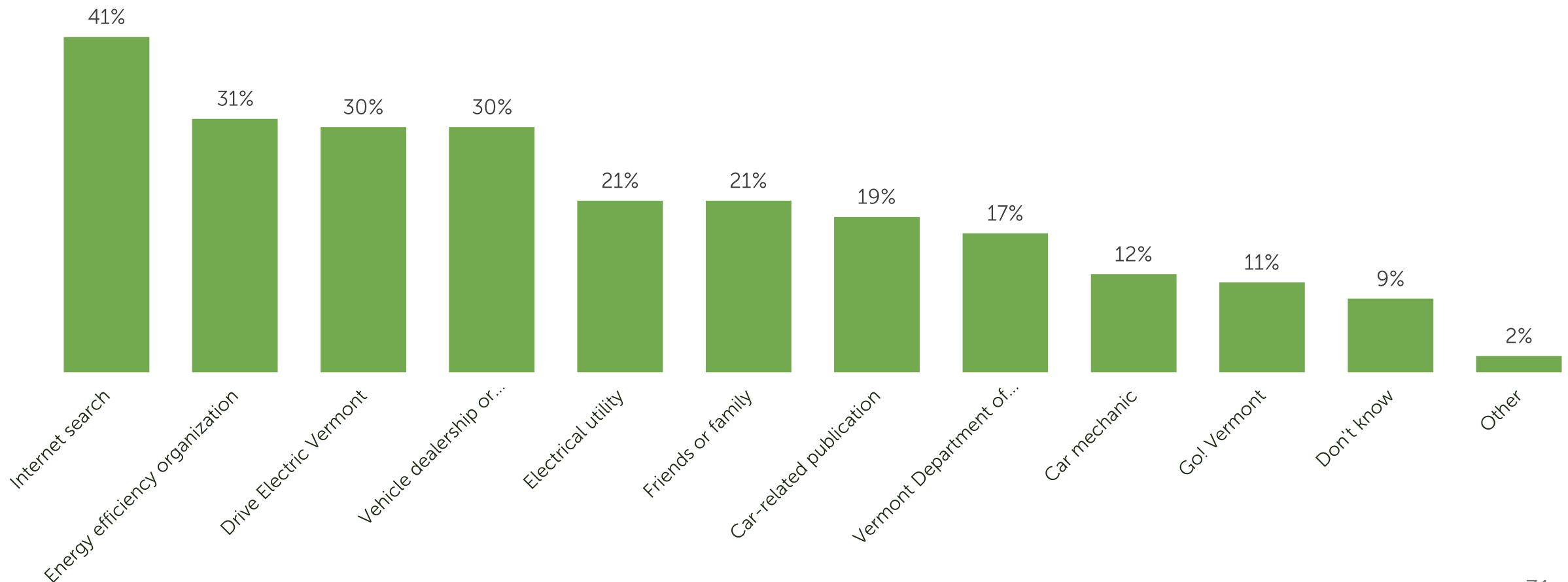


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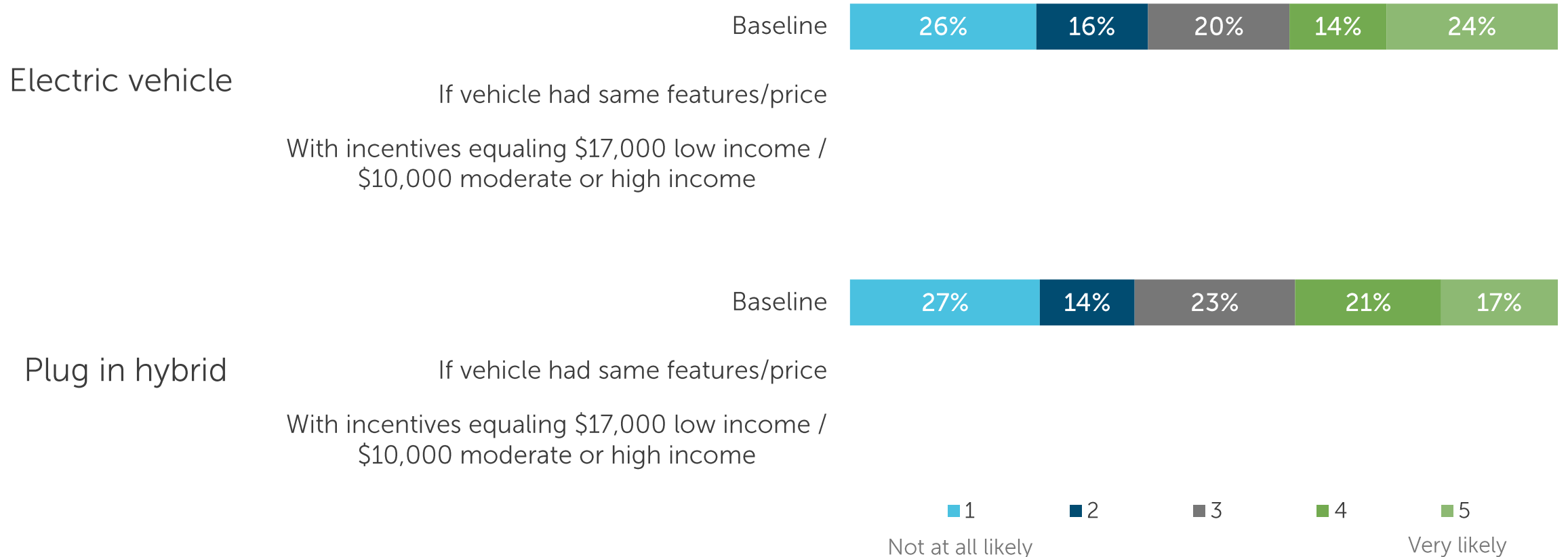
How would VTers research EVs / incentives?

Appearing high on search rankings is important for influencing EV shoppers.
Relative to research for vehicles in general, local resources may be more popular.



Would VTers buy an EV?

Many Vermonters are hesitant to buy an EV, even if features and price were the same as a current vehicle.



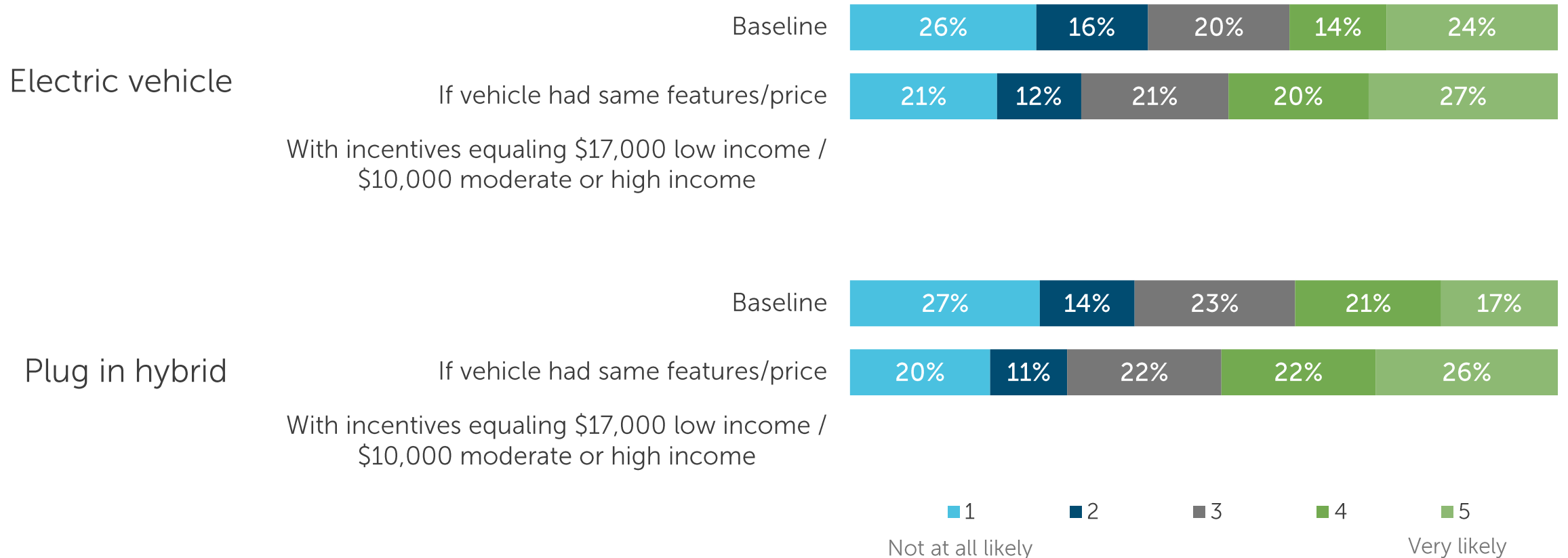
Q: What is the likelihood you would consider buying a new...

Q: If an electric vehicle or plug-in hybrid were available at the same price and with the same features as a vehicle you currently own or lease, how likely would you be to buy that electric vehicle or plug-in hybrid?

Q: Rebates and tax credits can reduce the purchase price of an electric vehicle or plug-in hybrid by about \$17,000 for lower-income Vermonters and by about \$10,000 for moderate- or high-income...

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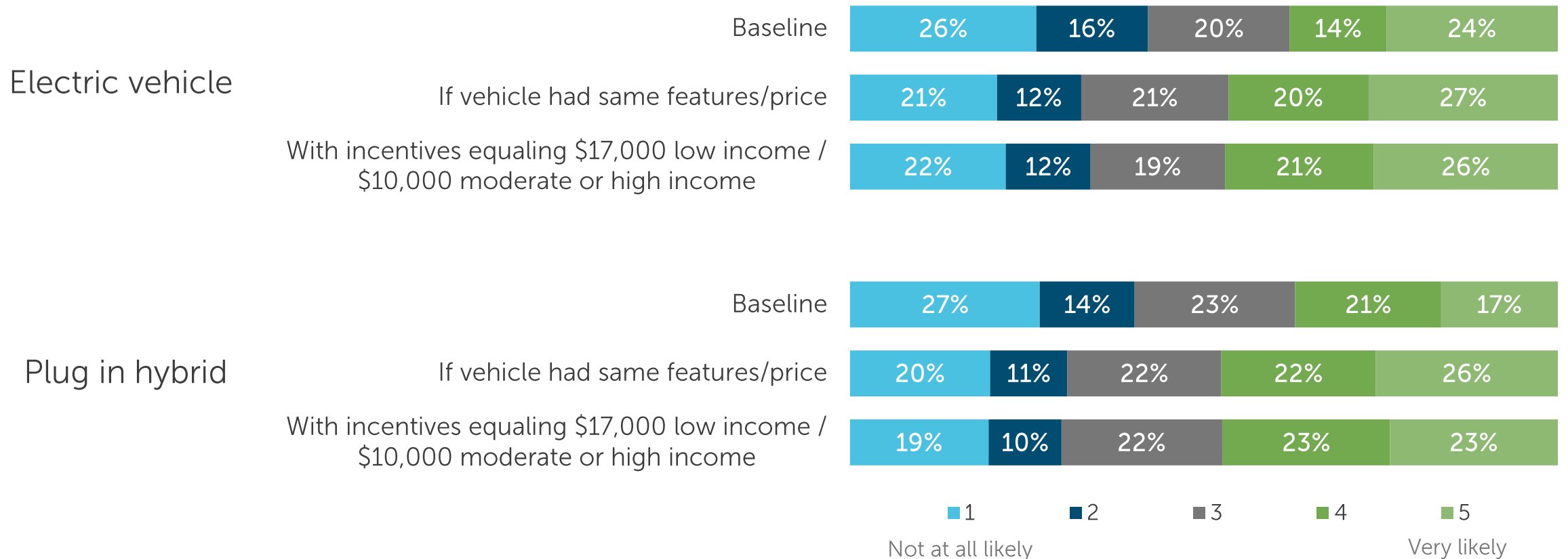
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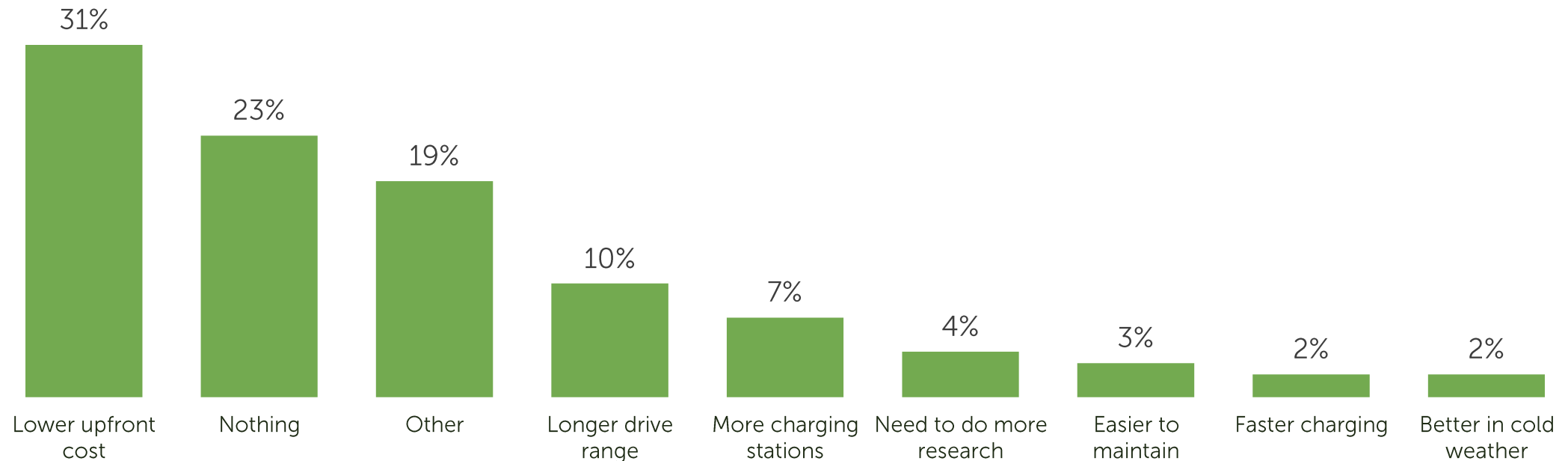
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Would VTers buy an EV?

Reducing upfront cost is the most mentioned thing that would make Vermonters likely to buy an EV.

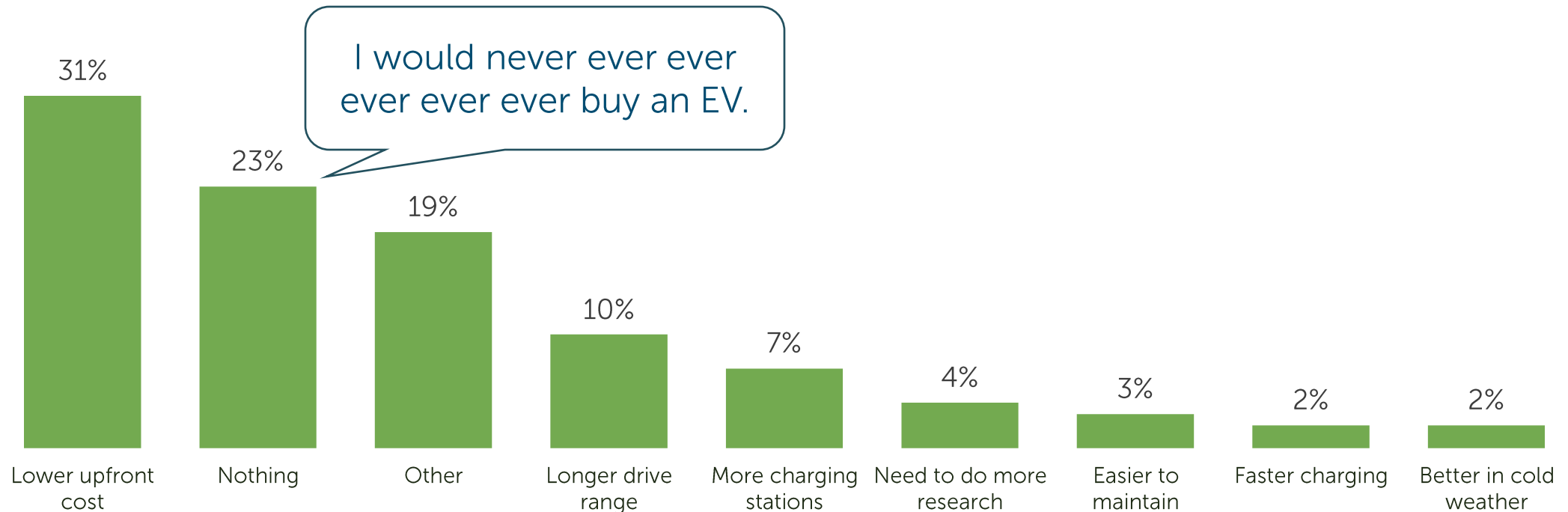
The high prevalence of “Nothing” suggests some Vermonters simply don’t want an EV. Vermonters holding anti-EV sentiments skew toward being older and without a college degree.



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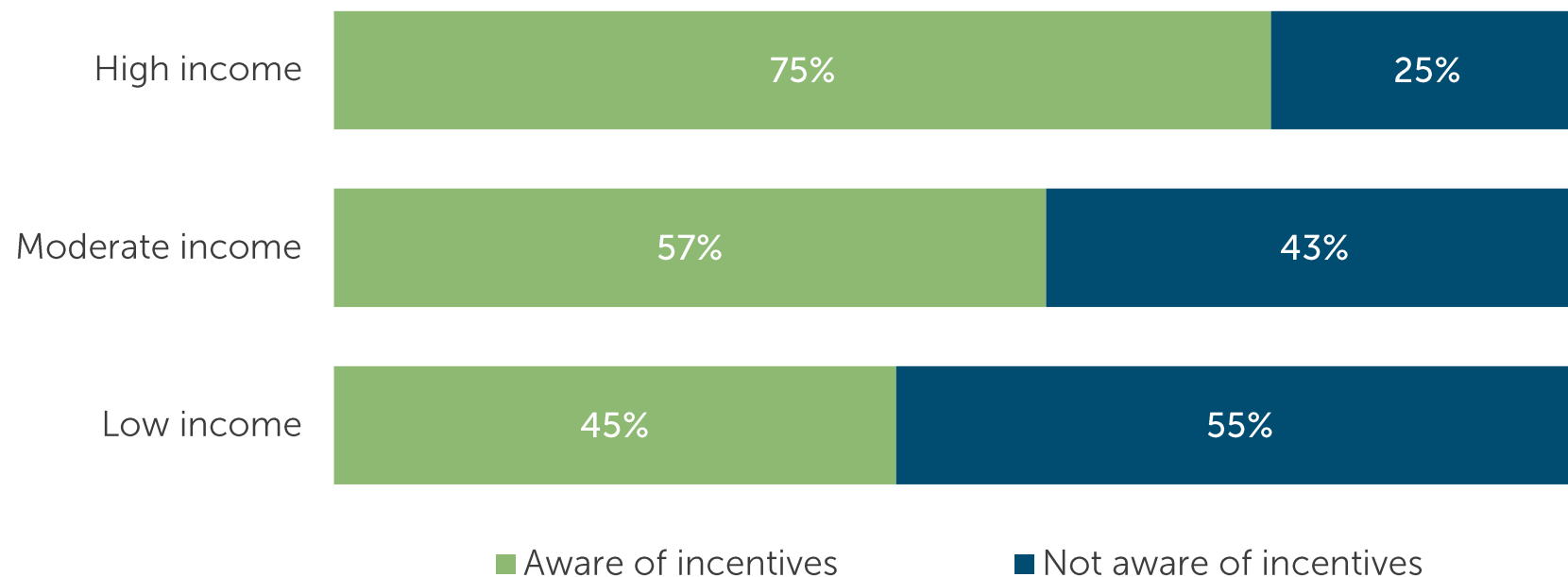
EV incentives

- What do VTers think about incentives?



What do VTers think about EV incentives?

There is only moderate awareness that incentives for EVs exist.



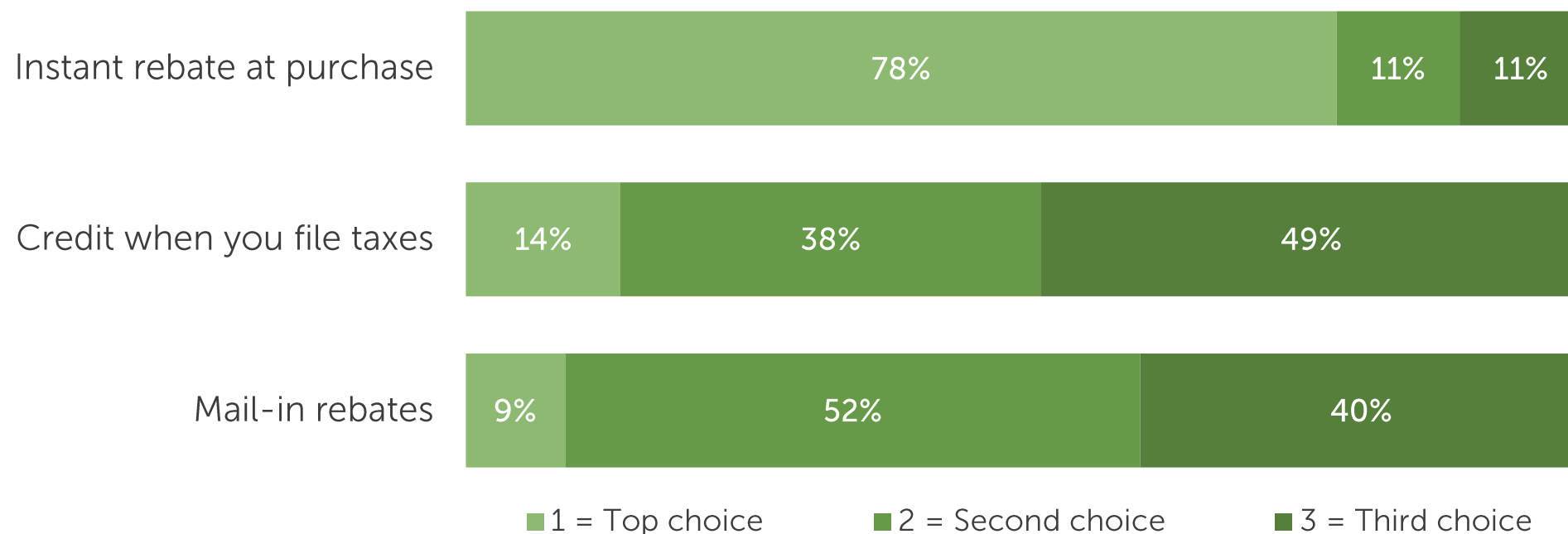
What do VTers think about EV incentives?

None of the low-income and BIPOC Vermonters interviewed were aware of EV incentives or of organizations providing information about EVs.



What do VTers think about EV incentives?

Instant rebates are the preferred method to receive an incentive. This is especially true among low-income Vermonters.



What do VTers think about EV incentives?

Low-income and BIPOC interview respondents expressed concern about **navigating incentive processes**. Would their purchase be eligible? Would dealers raise prices to eliminate the incentive? BIPOC respondents were particularly likely to express concern about offers' trustworthiness – this was one of the only clear differentiators between low-income and BIPOC Vermonters.



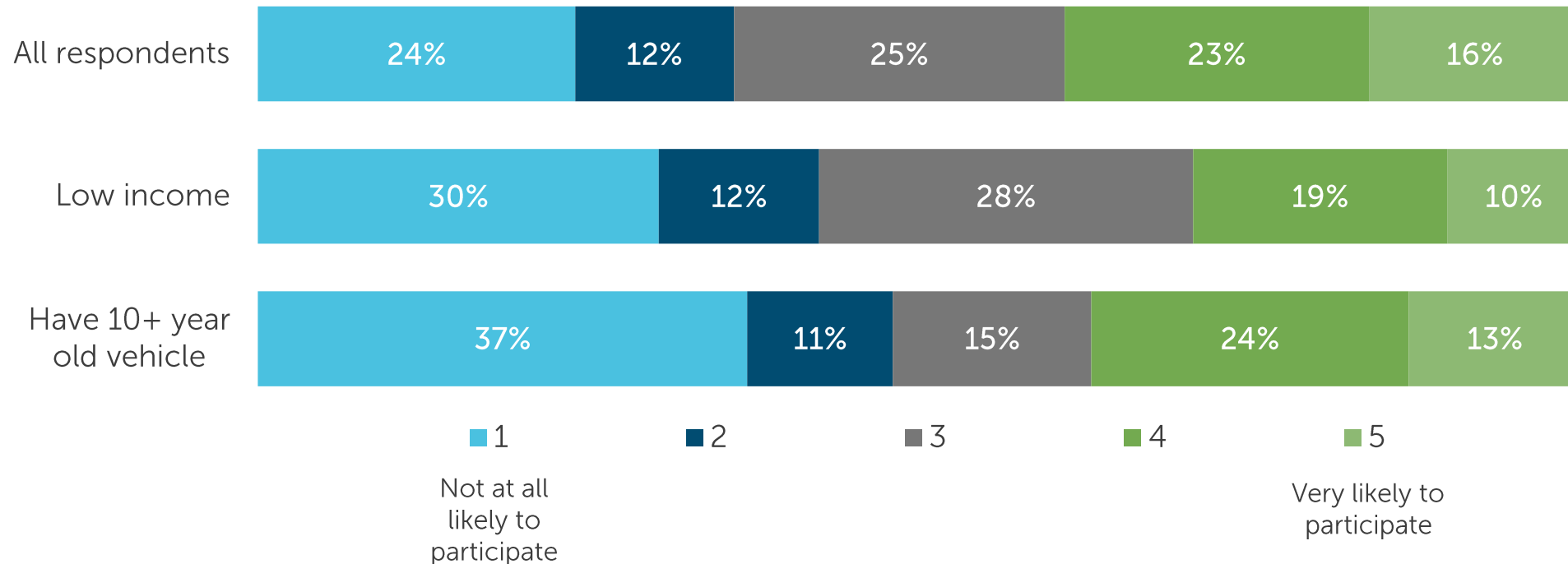
Among low-income and BIPOC respondents who felt able to consider an EV, incentives would need to get car payments to about **\$300/month**. These respondents need the rebate to be instant (they lack capital to invest in a delayed rebate).



What do VTers think about EV incentives?

The Replace Your Ride (RYR) program would offer \$3,000 toward an EV, an electric bike, or a transit pass for trading in a gas-powered vehicle 10+ years old.

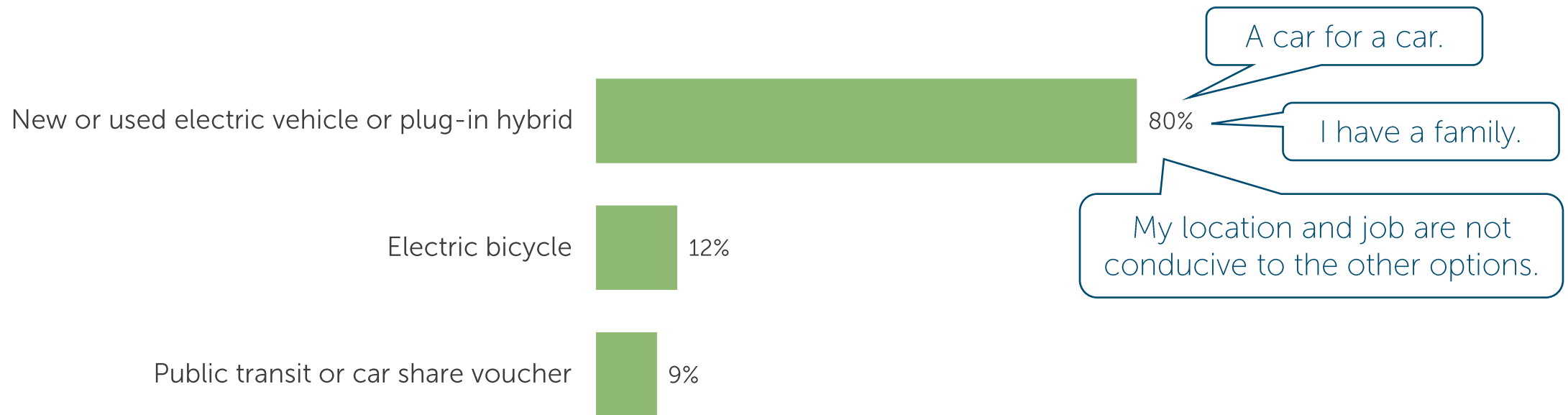
Low likelihood to participate may be driven in part by 10+ year old vehicles valued at more than \$3,000.



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Using the credit to help purchase an EV was the preferred choice, especially among respondents who reported a moderate or high likelihood to participate.



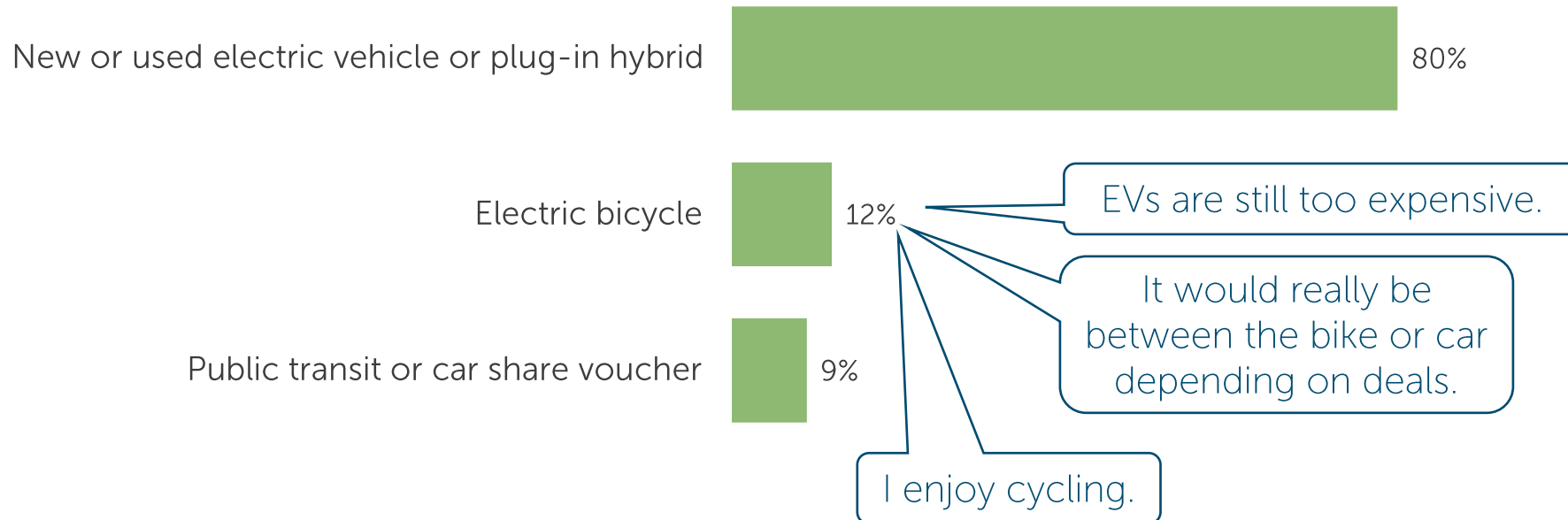
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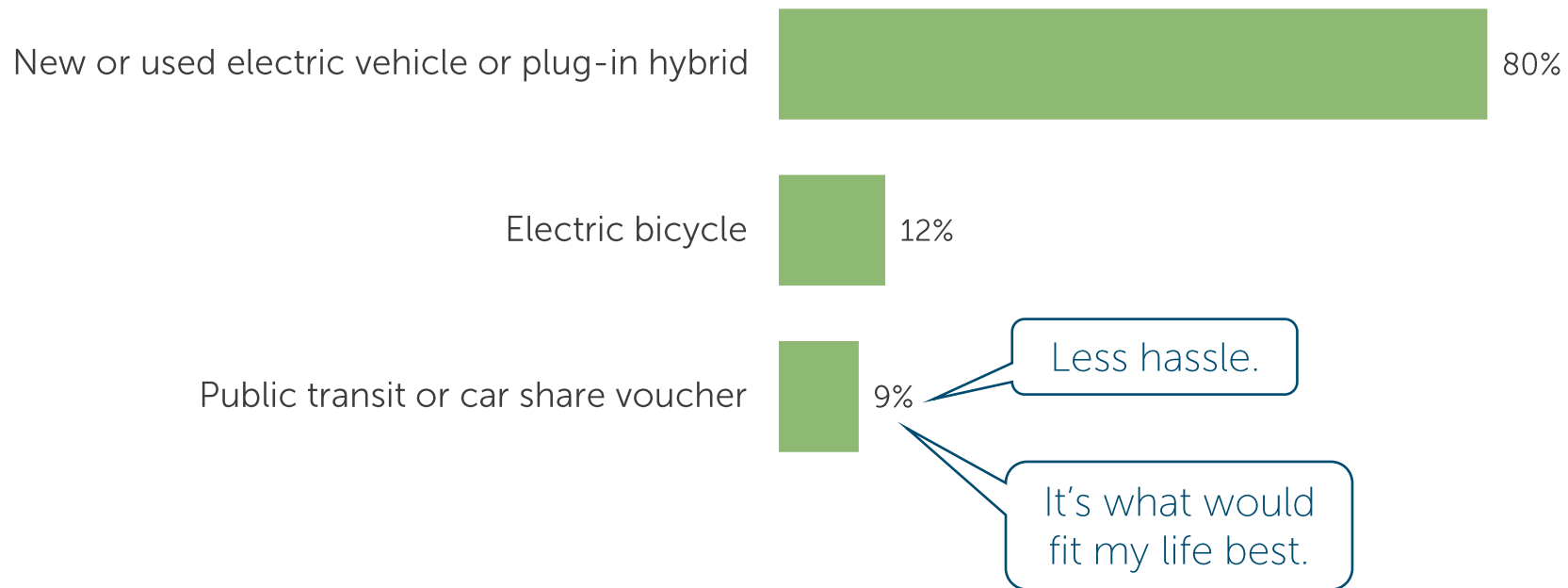
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Low-income and BIPOC interview respondents expressed interest in RYR. All said they would apply the credit toward an EV if they participated. Most respondents said the trade in value should be around \$5,000, one said \$10,000.



Recommendations



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Beware of introducing barriers in program design.

- Limiting incentives to EVs with MSRPs <\$40,000 eliminates many models suited to Vermonters' preferences (SUVs and four-wheel drive).
- Replace Your Ride trade-in values need to at least match market-rate values.
- Requiring customers to navigate multiple incentives may deter participation.

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Focus on the tangible personal benefits EVs provide.

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- They may also be motivated by convenience factors like not needing to go to gas stations.

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To reach low-income Vermonters who only buy used, get more new vehicles into the market.

- Some Vermonters will never buy a new vehicle. There are currently few used EVs available.



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