



Auto Dealership Survey on Electric Vehicles

Executive Summary

Natural Resources Canada

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Ce rapport est aussi disponible en français :

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1. Executive Summary

1.1. Research Purpose and Objectives

In the Pan-Canadian Framework on Clean Growth and Climate Change, federal, provincial and territorial governments committed to work with industry and stakeholders to develop a national strategy to increase the number of zero-emission vehicles on Canadian roads. To support this work Natural Resources Canada (NRCan) commissioned this research to gain a clear and current understanding of potential barriers, misperceptions and other limitations to the effective support on electric vehicles for consumers from dealerships.

Research Objectives

The overall objective of this research was to measure the level of knowledge of electric vehicles and to identify barriers and potential opportunities in selling electric vehicles among car sales representatives at new car dealerships in Canada that are certified to sell electric vehicles (including Plug-in Electric Vehicles PHEVs and/or Battery Electric Vehicles BEVs). The results of this research will be used to inform best practices in electric vehicle program and policy design. It will also provide a baseline measure for a number of measures related to the performance and effectiveness of NRCan's programs, products and activities.

1.2. Methodology

A telephone survey was conducted from January 19 to February 7, 2018 among new car sales representatives at new car dealerships in Canada who are certified to sell electric vehicles. In total 178 telephone interviews were conducted covering all jurisdictions, using a list of new car dealerships that sold electric vehicles provided by NRCan. The list was dialed randomly and soft targets/quotas for regional representation were included. With a population of 2066 certified electric vehicle dealerships, a sample size of 178 provides a margin of error of 7.08 at the 95% level.

1.2.1. Sub-group analyses, statistical significance and rounding

Analysis was undertaken to establish any differences based on dealership characteristics such as location of dealership (rural or urban and region), number of electric vehicles displayed on the lot, amenities offered to consumers, electric vehicle annual sales and number of sales people employed. Only differences significant at the 95% confidence level are presented in this report.

The numbers presented throughout this report are rounded to the closest full number. Due to this rounding, in some cases it may appear that ratings collapsed together are different by a percentage point from when they are presented individually and totals may not add up to 100%.

1.3. Contract Value

The total contract value for this project was **\$84,997.36** including applicable taxes.

1.4. Statement of Political Neutrality

I hereby certify as a Representative of Kantar TNS that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Communications Policy of the Government of Canada and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate or ratings of the performance of a political party or its leaders.



Tanya Whitehead
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Senior Director

1.5. Summary of Findings

Respondent Profile

One hundred and seventy-eight interviews were conducted among new car sales representatives at new car dealerships in Canada who are certified to sell electric vehicles. Most sales representatives who were surveyed, worked in small (less than 5 sales representatives) or medium sized dealerships (5-9 sales representatives) (27% and 49% respectively) while the remaining 24% worked for larger dealerships that employed 10 or more sales representatives.

The majority of sales representatives interviewed were between the ages of 25 and 44 (60%), 29% were above the age of 45 and 11% were under 25 years old. Eighty-seven per cent of the participating dealerships were in urban areas with the largest proportion residing in Ontario (34%) followed by Quebec (26%), Alberta and British Columbia (12% each), the Atlantic (8%) and Manitoba and Saskatchewan (8% combined).

Three quarters of the sales representatives responded to the survey in English (74%), while the remaining 26% choose to respond in French.

Electric Vehicle Dealerships

Slightly more than one-third of sales representatives who sell electric vehicles (38%) indicated their dealership sells between one and five electric vehicles per year. Another third (32%) indicated their dealership sells between 6 and 49 EVs per year while 16% indicated their dealership sells more than 50 electric vehicles per year. Fourteen per cent of all sales representatives indicated that their dealership sells no electric vehicles even though they are certified to do so.

More than one-third (35%) of dealerships surveyed, display just one electric vehicle on their lot while another third (37%) display two or more. More than one quarter (29%) do not display any electric vehicles on their lot.

Many dealerships surveyed have vehicle charging stations on-site (76%), with 70% having level 1 or 2 and 44% having level 3 charging stations. More than half (60%) of the dealerships surveyed offer assistance with tax incentive paperwork.

Most sales representatives indicated the manufacturer (77%) and their own dealership (60%) advertises electric vehicles available from their location. Sales representatives whose dealership display electric vehicles are significantly more likely to say their dealership advertises electric vehicles (72% vs 30%) as are sales representatives who work in urban locations (61% vs 55%).

Knowledge and Training of Electric Vehicle Sales Representatives

Most electric vehicle sales representatives surveyed, report being very knowledgeable about warranties (67%), vehicle range on full charge (65%), charging methods (61%), and tax incentives (50%). Respondents report being less knowledgeable about the battery life (47%), cost of ownership (41%) and operation (35%) as well as charging station networks (31%).

Approximately, eight-in-ten (79%) sales representatives have received at least some training on electric vehicles¹ and most (71%) receive training on electric vehicles multiple times per year. Online training courses were the most common type of training received (94%), followed by on-the-job training (69%) and roadshow training from manufacturers (63%). A small minority undertook classroom training (5%) or self-study (5%)² with a variety of materials such as manufacturer materials, online searches and comparative studies.

A strong majority of respondents say the electric vehicle training they received included information on charging methods (97%), vehicle range on a full charge (96%), warranties (96%), cost of ownership (89%), battery life (88%) and cost of operation (84%). Fewer said they received training on administering incentives (53%), vehicle specifications (21%) or features (9%). A handful identified test-driving an electric vehicle as part of the training (4%).

¹ Proportion derived from the average number of sales representatives who have received training and the average number of sales representatives.

² Self-study includes self-training, self-taught by looking up info on the internet or other sources, studying materials received from manufacturer, long term evaluations and comparative studies

Challenges and Barriers to Electric Vehicle Sales

Sales representatives were asked to identify, unprompted, the main challenges faced when trying to sell electric vehicles. The top five barriers cited included:

- The high cost of electric vehicles (23%)
- Supply issues or low availability of electric vehicles (21%)
- Lack of consumer understanding about electric vehicles (17%)
- Skepticism about the technology or trust in the product (17%)
- Lack of consumer understanding about the range of an electric vehicle (11%)

Sales representatives were also asked about barriers to selling electric vehicles from a prompted list. Supply issues or low availability (73%) was the most commonly cited barrier, followed closely by the lack of consumer understanding related to an electric vehicle's range (71%), a lack of local charging infrastructure (69%), lack of consumer understanding about electric vehicles in general (67%), lack of consumer understanding related to charging (57%) and low consumer interest in electric vehicles (53%).

Future Sales Expectations

Sales representatives are optimistic when it comes to sales expectations for electric vehicles. When asked how many they personally expect to sell in 2018, only nine per cent believe they would not sell any electric vehicles, with 29% of those residing in the Atlantic and 14% in the Prairies.

Forty three percent of sales representatives expect to sell between one and five electric vehicles in 2018 while 41% forecast selling between 6 and 49. A small number of sales reps (8%) also believe that they will sell more than 50 electric vehicles in 2018.

Conclusions

In summary, car dealerships certified to sell electric vehicles in Canada who report selling the highest volume of electric vehicles are more likely to display electric vehicles on their lot and tend to be located in provinces where incentives are offered to consumers. Dealerships in these provinces are also more likely to receive more frequent training and generally report being more knowledgeable about electric vehicles.

While most electric vehicle sales representatives receive at least annual training on a variety of topics and report being knowledgeable about charging methods and vehicle range, fewer report knowledge of battery life, cost of ownership and cost of operation. Furthermore, few report having been trained on vehicle specifications or features. Just a handful said test driving an electric vehicle was included in the training.

Sales representatives most commonly cite lack of consumer knowledge or interest as a barrier to selling electric vehicles.