

A man with a backpack is charging an electric car in a parking lot. The scene is set during sunset, with warm, golden light and lens flare effects. The man is looking down at a smartphone in his hand while holding the charging cable. The background shows trees and a bright sun low on the horizon.

Power Shift

>
accenture

In brief

The long-championed vision of a **fully electric future** has already driven extraordinary changes across the automotive industry. But EV sales have not yet bridged the chasm between early adopters and the mainstream market. The anticipated phase of hyper-growth remains frustratingly out of reach.

Has the EV revolution stalled? No. But automakers do need to take a beat and reset their expectations. Above all, they need to ensure they have a deep understanding of who is going to make up the **next wave of EV end customers** ... and what they really desire from their vehicles.

To accelerate this conversation, we conducted in-depth interviews and carried out a detailed **survey of 6,000 present and potential EV drivers** in six key markets.* Our findings? Here are five of the most important:

- 1 The future is still electric**
- 2 Mainstream priorities are the same as they ever were**
- 3 China is driving the next wave**
- 4 Seamless online and in-person integration will be key**
- 5 It's all about the human**



These findings can help automakers **refresh their EV strategies**, drive the **EV market into the mainstream**, and **accelerate the journey** to the electric future.

- 1 The future is still electric** — Customers remain committed to the EV concept. Our study indicates 56 percent plan to have adopted an EV in the next 10 years. And only 10 percent say they'd never buy one. So, while the EV transition may take a little longer than planned, automakers must keep their eyes on the long-term prize and maintain investment.
- 2 Mainstream priorities are the same as they ever were** — The next wave of EV customers will be attracted less by digital innovation and sustainability and more by traditional qualities like reliability, safety, and value for money — exactly as they've always been with internal combustion engine (ICE) vehicles. Marketing and product development strategies will need to reflect this.
- 3 China is driving the next wave** — China is emerging as a pivotal market. Our study finds 44 percent of non-EV owners in China plan to buy an EV already within the next five years, and 65 percent of Chinese customers believe the future of mobility lies in electric cars. There is a unique opportunity to now focus on the Chinese market.
- 4 Seamless online and in-person integration will be key** — The digitization of car buying journeys has been critical for enhancing customer experience and operational efficiency. But the proportion of online information sources used by customers has remained almost constant in the last three years (58 percent versus 61 percent). And 54 percent of customers still value the advice of car dealers in person. Well-balanced omnichannel experiences will be key.
- 5 It's all about the human** — Understanding human – not only customer – needs and attitudes will be crucial in accelerating EV adoption. Our study identifies five distinct "mindsona"* segments that will drive the mainstream EV market, allowing automakers to ensure their strategies resonate deeply with the core values and lifestyles of their target audience.

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Introduction

State of the EV market today

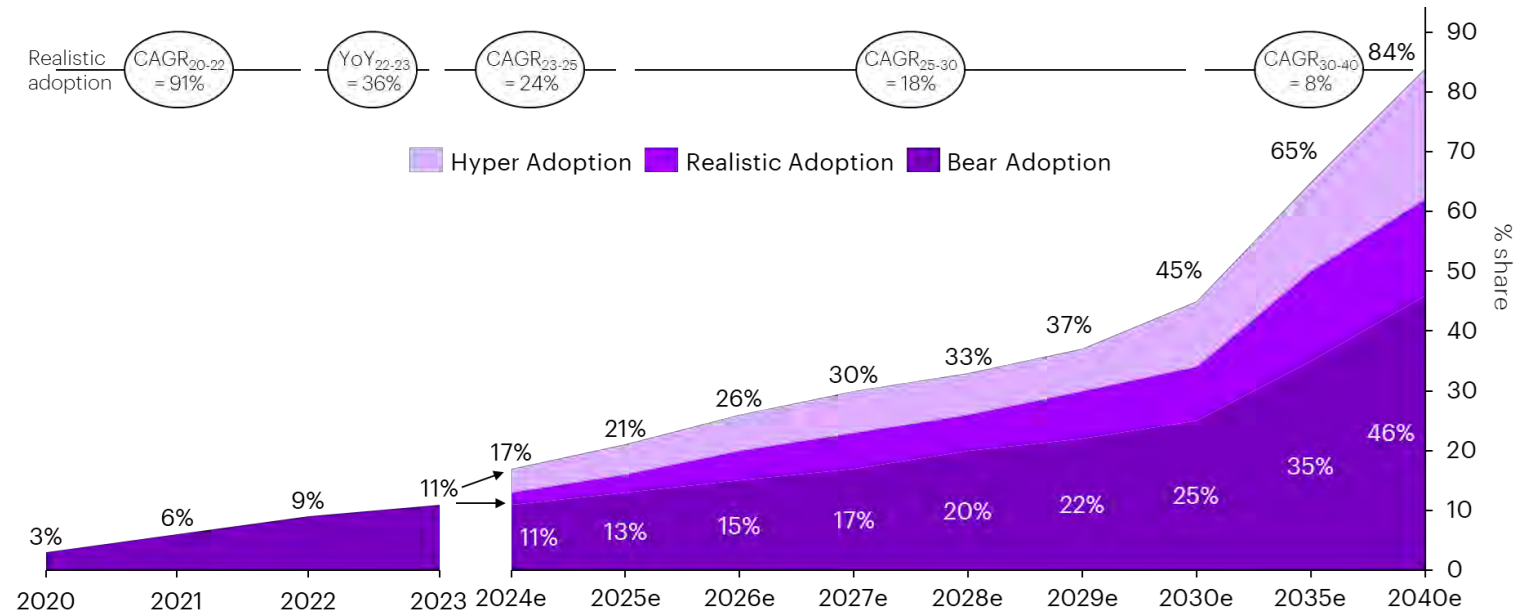
The future of mobility is electric.

This has been the mantra of the automotive industry for many years now, with automakers, regulators, and drivers anticipating a rapid switch away from ICE vehicles towards EVs.

But is the speed of the transition matching expectations? Perhaps not.

EV sales should by now be in a hyper-growth phase as the market becomes the mainstream. The reality, however, is somewhat different.

Figure 1.
BEV share at global new passenger car sales^[1]



For example, battery electric vehicle (BEV) sales represented 11 percent of global new car sales or a 36 percent year-on-year (YoY) growth at the end of 2023.^[2] This indicates a significant slowdown of growth compared to previous years, where sales grew up to 3 times faster. Current analyst reports even foresee previously pessimistic scenarios of EV adoption becoming more likely, with BEV penetration significantly stagnating in the coming years, reaching just 25 percent of the market by 2030 (see Figure 1).^[1]

The slowdown in BEV sales is sowing doubts in the popular press about the future of the entire EV market. It's also prompting automakers themselves to scale back their EV strategies. While the industry remains overwhelmingly committed to an electric future, many companies are adjusting their ambitions.

Mercedes-Benz, for example, has pushed back its interim goal of achieving 50 percent BEV and PHEV sales by 2025 focusing on more tactical flexibility for ICE,^[3] while Ford is postponing \$12 billion in planned spending on new EVs.^[4]

And in China, a 12-month price war has led to discounts of between 35 and 50 percent. Manufacturers are now reducing volumes to regain profitability, but this aggressive strategy is proving detrimental for Chinese brands, creating a precarious market situation.



Crossing the early-adoption chasm

Big picture? The automotive industry finds itself at a critical juncture, with a growing sense of uncertainty about the future of the EV market.

It's time for a reset in both method and mindset. So far, automakers have been very successful at selling EVs to early adopters (see Figure 2 on next page). But these buyers represent only a fraction of the potential market.

To drive growth forward, automakers must now shift the focus to the mainstream customers. This means crossing the 'early adoption chasm', reaching a very different set of car buyers with a notably different set of needs, desires and priorities.

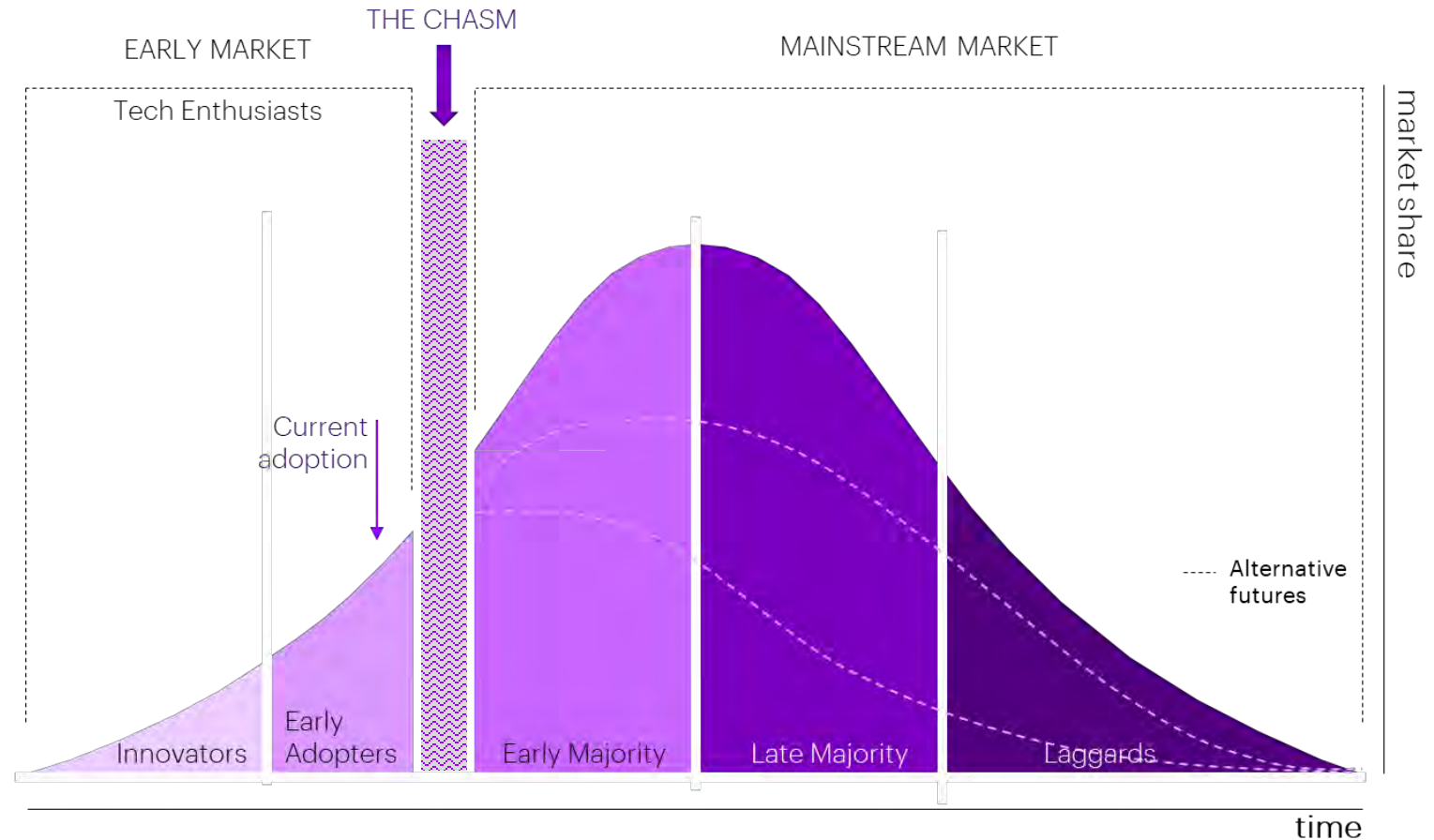


Crossing the early-adoption chasm

This adoption chasm is by no means unique to the automotive industry. Nor should it be a surprise for automakers. Almost every technological innovation follows a similar bell-curve pattern. Tech-enthusiasts and status-seekers drive an important, high-profile, but limited number of early sales. Only when the market has achieved sufficient momentum are they followed by the vast bulk of customers and, eventually, the more conservative laggards.

The recent slowing of the EV market can be partially explained by the fact it has reached this chasm but hasn't yet crossed it. Doing so requires a shift in strategy and emphasis, and has implications for all parts of the business, from marketing to product development to ecosystem partnerships. But where to begin? In our view, the process must start with a deeper understanding of who the next wave of EV buyers is and what they really want from their next vehicle purchase.

Figure 2.
The typical adoption curve for innovative technology



A life-centric view of customers

Historically, product-centric sales models predominated in the automotive industry. Characterized by an “if we build it, they will come” mass-market mentality, this approach focused on building the best possible product, in the most efficient way, regardless of individual customer needs or desires. The product was the center of the business universe, around which all else revolved.

Increasingly, product-centric thinking has been replaced by more customer-centric approaches. The focus has switched to understanding the customer and their individual needs and behavior when it comes to buying a new car. This was absolutely correct. But we believe it hasn't gone far enough. Because, in the real world, people don't think of themselves simply as 'customers' but, rather, as fully rounded human beings. And their decisions and behaviors are guided by a broad array of different personality and values-based drivers as well as product-based and transactional drivers.

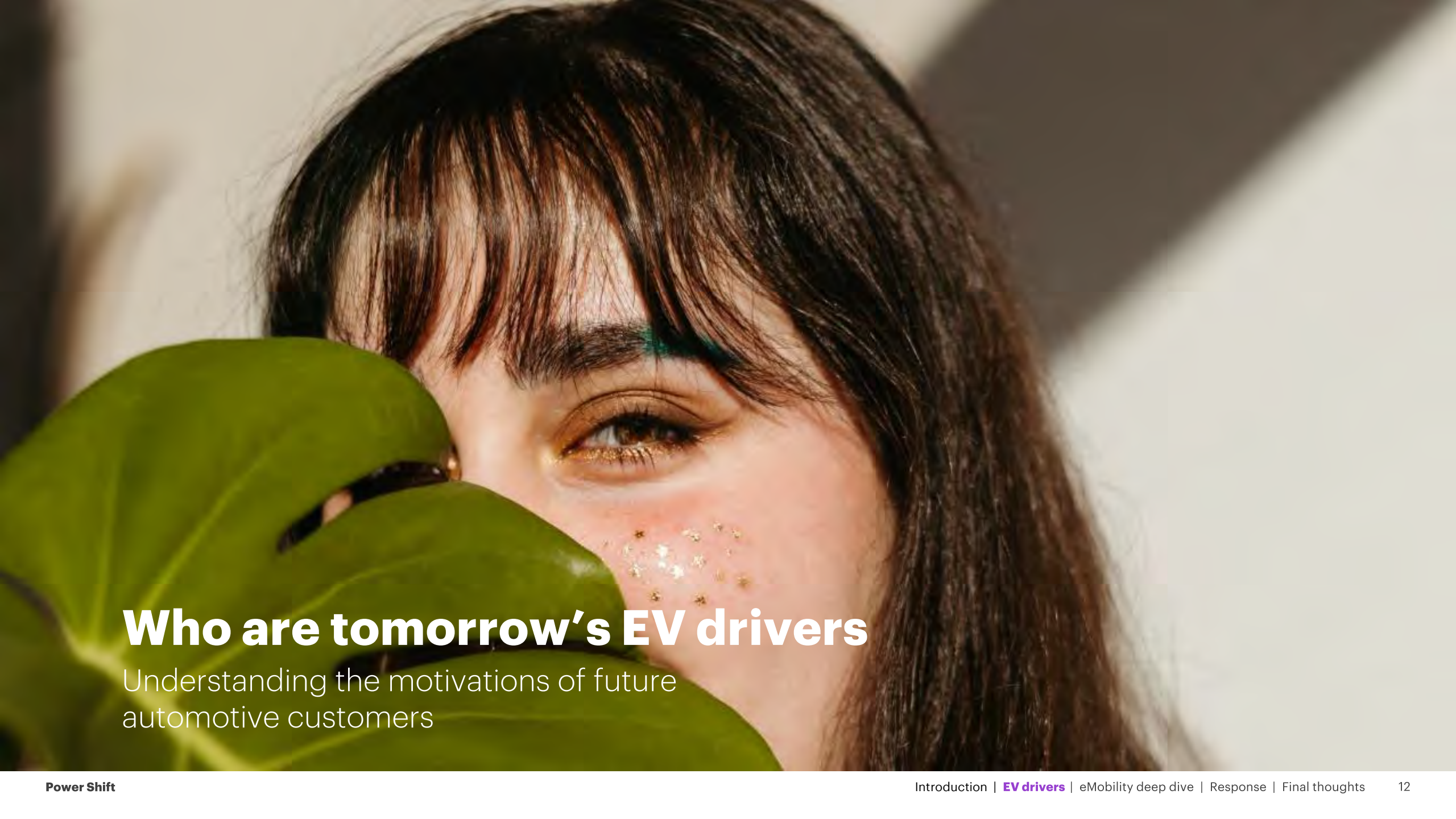


A life-centric view of customers

The implication? To design EV products, experiences and sales journeys for the mainstream market, automakers must understand the deep-seated human desires of the customers they need to target next. This means broadening the focus to something we call **life-centricity**. It's about recognizing the interplay of people's needs as customers with their values and behaviors as human beings. It means taking an empathetic approach to customer service, recognizing that real people can be inconsistent, are subject to unpredictable life forces, and have needs and desires that can change rapidly.

The scale of the challenge? When Accenture's Life Trends 2024 researchers asked people which companies have their best interest at heart, just 13 percent said their favorite car brand — the lowest of all industries considered.^[5]





Who are tomorrow's EV drivers

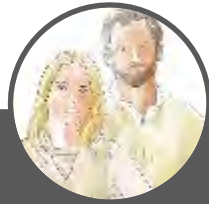
Understanding the motivations of future automotive customers

Five mindsonas, five different ways of thinking about mobility



To dig into the mindsets and motivations of the existing and potential EV market, we surveyed 6,000 car drivers and vehicle decision-makers from the USA, Germany, Italy, France, China, and Japan, as well as carrying out in-depth one-to-one interviews with 18 car drivers from the USA, Germany, and China.* The survey was balanced across various customer categories, age groups, and vehicle brands in each region, ensuring a sufficient number of existing EV owners were included to get a clear picture of both the early-adopters and the mainstream market. More detail about the methodology used is set out in the Appendix.

This gave us a holistic global view of drivers' attitudes, beliefs, and needs when it comes to future EV adoption. And it allowed us to segment potential EV drivers according to a **life-centric** understanding of their motivations, based not just on their needs towards a particular automotive product or brand, but on a fully-rounded view of the human being behind the wheel in terms of their general attitudes and values. This is an approach called mindset segmentation.



20%*

Strategist

Future-oriented, wealthy, ostentatious, with a preference for luxury.

25%*

Individualist

Future-oriented, individualistic and hedonistic.

21%*

Carer

Socially oriented, environmentally conscious, concerned for the well-being of others.

17%*

Conservative

Security-oriented, prefers the tried and tested, values peace of mind.

17%*

Frugal

Price-oriented, humble, non-materialistic, prefers the simple life.

Strategist

Individualist

Carer

Conservative

Frugal

These mindsonas can explain what's happening in today's EV market

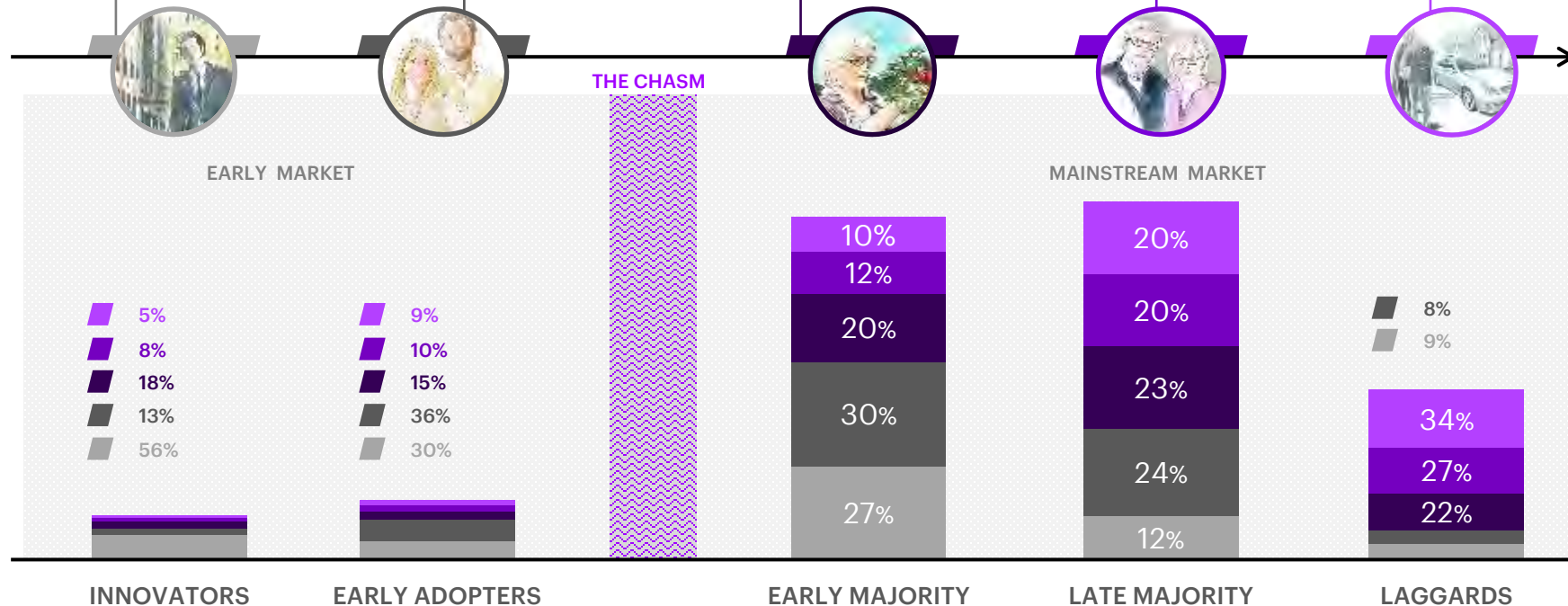


Figure 3. Mindsonas by EV adoption speed

When we consider how each driver segment corresponds to the different points of the adoption bell curve described above*, we get a clear picture of which kinds of people make up the early EV adopters and, crucially, the mainstream market (see Figure 3). Unsurprisingly, Strategists and Individualists predominate among the early adopters. These groups are future-oriented and tech-savvy, seeing EVs as either a status symbol or a way to actualize their desire for digital innovation and individual self-expression.

More importantly for automakers, however, is the makeup of the mainstream market. While Strategists and Individualists account for more than 60 percent of the early market, the far side of the adoption chasm is increasingly dominated by more cautious and traditional segments: Carers, Conservatives, and Frugal car buyers. So, while Strategists and Individualists remain important target segments in the short term, it is these other groups that EV automakers ultimately need to win over if they're to drive the EV market into the mainstream.

Let's consider each of the segments in more detail...

Strategist

Individualist

Carer

Conservative

Frugal

20%

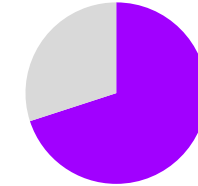


Strategists are future-oriented people who prefer **luxury and high-end products**. They're willing to spend on quality, and are likely to value special features, especially when it comes to new and innovative technology. While they share many of the traits of Individualists, Strategists are more focused on advancing their social status through consumption, putting greater emphasis on other people's views of them. They don't prioritize price in their purchasing decisions and are more likely to hold traditional values. Typically, in younger-middle age and better-off financially, Strategists often have children and are highly urban, residing in large cities and metropolitan areas. They usually live in their own houses in the United States and Europe, or in luxury condos in China.

"It's [EV] THE future of all cars."

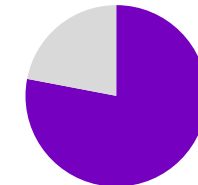
Interviewee in USA

Viewing their vehicle as a status symbol, Strategists typically enjoy owning larger luxury cars complete with special features. As well as traditional considerations like reliability, safety, performance, they're also more likely to value factors like interior and exterior design. Strategists are well-disposed towards EVs — they're more likely to already own one, and a large majority are considering one as their next purchase. And while price is not generally a significant factor, respected credentials of EVs such as environment and prestige are important to these drivers. Strategists make up a significant proportion of early adopters.



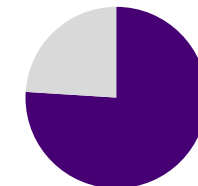
70%

"It's important to be successful in life."



78%

"I'm happy to pay more for the lifestyle I choose."



76%

"For me, the car is a symbol of freedom and independence."

25%

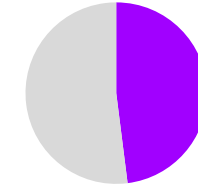


"I think [EVs] will be successful in the future and there will be new innovative models coming to the market."

Interviewee in Germany

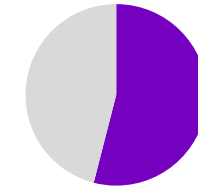
Individualists are future-oriented people who prefer to go their own way and **stand out from the crowd**. Often acting as trend-setters within their social circles, they embrace a hedonistic lifestyle, seeking out fun and adventure. Typically younger and male, this group eschews traditionalism and is open to new ideas. Individualists are price conscious, but are willing to spend on high-quality designs and brands that meet their personal needs and advance their individual sense of well-being. This segment is predominantly urban and better-off than average, living in condos or rental flats, often with children in the household.

Drivers in this segment are already well-disposed to the idea of owning an EV. They're more likely than average to have a BEV or PHEV today and/or to be considering one for their next purchase. As design-oriented customers, they place more emphasis on having a car that stands out through modern design, but will also consider traditional factors like reliability, safety, performance, and so on. Individualists are most likely to be in the early majority when it comes to EV adoption.



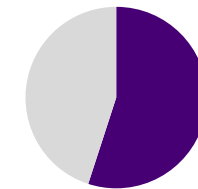
48%

"I don't adapt to expectations."



54%

"I like to spend more money for good designs."



55%

"The future belongs to electric cars."

21%

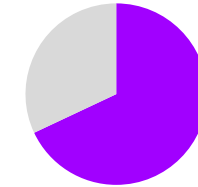


“If combustion cars no longer existed, the electric car would be the only alternative. However, public transport (coach, train, bus, metro) would be the best way to preserve the environment.”

Interviewee in France

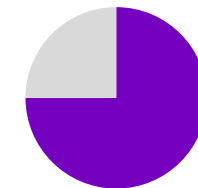
Carers are **socially and environmentally oriented** people, who are deeply concerned for the well-being of others, today and in the future. They also typically hold non-materialistic values, preferring curiosity and openness to success and status. And yet Carers can also be traditionalists, having a strong sense of patriotism while believing in the importance of acting fairly and in solidarity with others. This segment is mainly older and more female, typically living in rural areas or small towns. Carers often reside in homes with gardens or outside spaces and have a higher-than-average share of condos.

These drivers are overwhelmingly not “car fans” and see their vehicles as a means to an end rather than a status symbol. They drive smaller, compact cars, and are evenly split between EVs and ICE vehicles when it comes to their next purchase. While they do see EVs as the future, Carers are also often concerned about factors like charging availability and cost, as well as reliability and environmental sustainability. These drivers are most likely to be in the early or late majority when it comes to EV adoption.



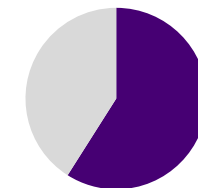
68%

“I assume responsibility for our ecological and social future.”



75%

“I am doing what I can to preserve this planet for the next generation.”



59%

“Cars cause big environmental problems.”

17%

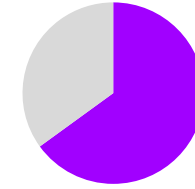


“Especially in China, there are many electric car brands on the rise, but the current technology is not yet mature, especially the range and charging.”

Interviewee in China

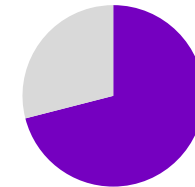
Conservatives are characterized by a preference for **security and predictability**. Creatures of habit, these are routine-oriented people who prefer things to be tried and tested rather than innovative. They value familiar environments and enjoy calmness over busy social interactions. Combining a streak of individualism with traditional values, they often display materialistic tendencies and value peace of mind highly. Conservatives are typically in their 40s or 50s, residing in one- or two-person households in smaller towns or rural areas, with average incomes.

When it comes to their choice of car, Conservatives are focused on their everyday mobility needs. As such, they generally drive smaller or midsize cars and are typically uninterested in car sharing. They’re less likely than average to already have an EV and are more likely to be considering another ICE vehicle for their next car purchase. And while almost a third of Conservatives would consider an EV, they’re more likely to want to wait until they’re confident in the reliability of the technology before making the jump. As such, Conservatives are more likely to be in the late majority or even laggards when it comes to EV adoption.



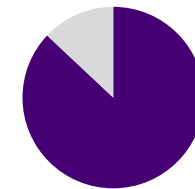
65%

“It is important to be free and independent.”



71%

“I feel comfortable when things around me are predictable and familiar.”



87%

“I habitually take the same route on regular journeys.”

17%

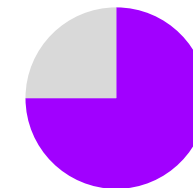


Frugal people are overwhelmingly **focused on price** in all aspects of day-to-day life. Non-materialistic by nature, they avoid spending more than they need to, and typically shun luxury products, designs, or brands. Often holding traditional values, people in this segment are typically humble and modest, preferring the simple life over adventure or material acquisitions. The segment mainly consists of older people living in one-to-two-person households in small towns or rural areas in the United States and Europe, or the fourth ring-road districts in China.

“Total cost [of EV], including production energy, is bad.”

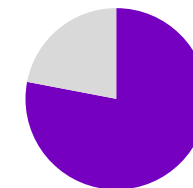
Interviewee in Japan

Given their strong price sensitivity, Frugal drivers are generally less likely to own an EV or be considering one for their next purchase. As with Conservatives, their mobility needs are focused on everyday life, and they mainly drive smaller or compact cars today. Viewing their vehicles as an indispensable means to an end, they typically have little expectations of their cars beyond their ability to get them from A to B cost effectively. These drivers are most likely to be in the late majority or laggards when it comes to EV adoption.



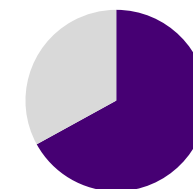
75%

"I always fulfil my duties."



78%

"I consider cheap prices a lot."



67%

"Without the car I would not be able to cope with everyday life."

A man with a beard and dark hair is sitting in the driver's seat of a car at night. He is wearing a dark blue sweater over a light-colored collared shirt. He is looking out the window to his left with a thoughtful expression. The background is dark with some blurred lights, suggesting a city street at night.

eMobility deep dive

EV's are still the future, but adoption may take longer

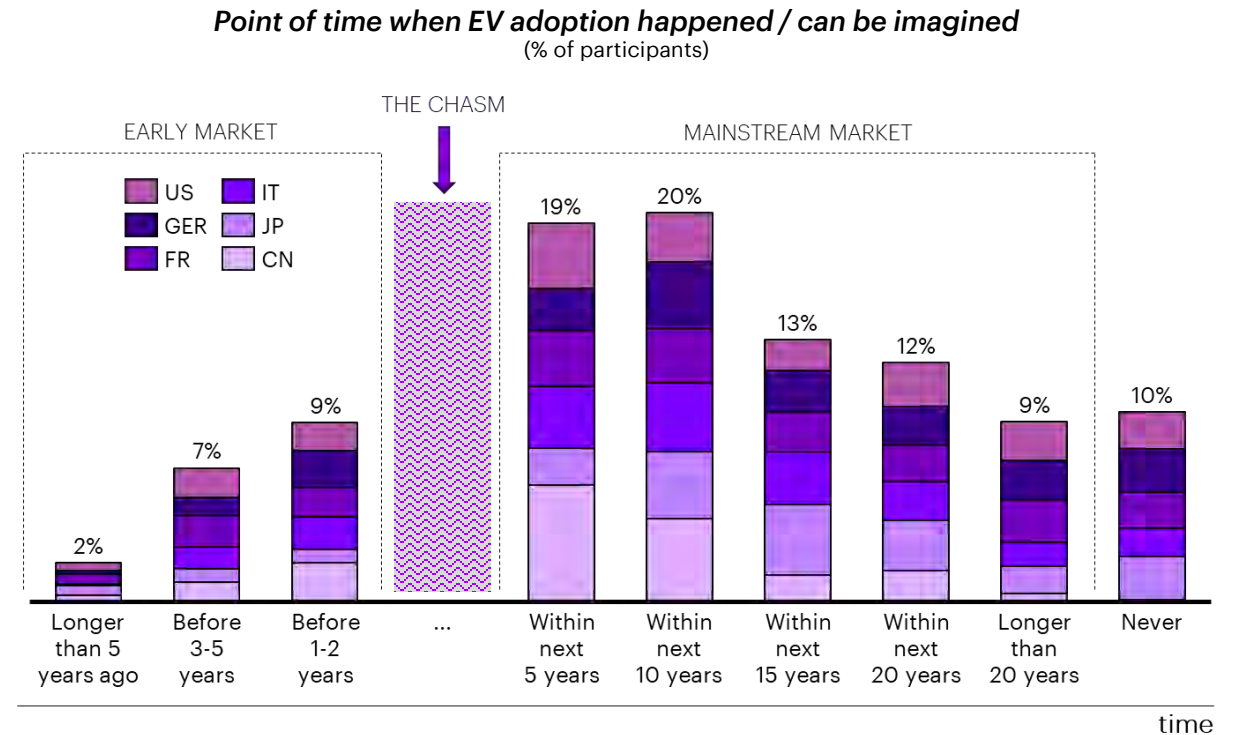
Despite a growing chorus of doubters in the popular press, our study confirms that the overwhelming majority of today's drivers are still sold on the long-term idea of EVs

Just **10%**

of respondents told us that they'd never consider buying an EV at all, while nearly half (44 percent) of current non-buyers are actively considering an EV as their next car purchase (versus 25 percent considering a diesel and 55 percent a gasoline ICE vehicle).

Figure 4.

Time since EV adoption or until adoption can be envisaged



However, there's little doubt that bridging the 'early-adopter chasm' will take longer than originally thought. In contrast with the early adopter market, the mainstream market is considering EVs on a much longer timescale. Our study finds only one in five drivers see an EV as a plausible purchase within the next five years. For the rest, an EV is something to be considered within the next 10, 15 or even 20 years (see Figure 4).

Figure 5.
Linking current ownership and future purchase intention

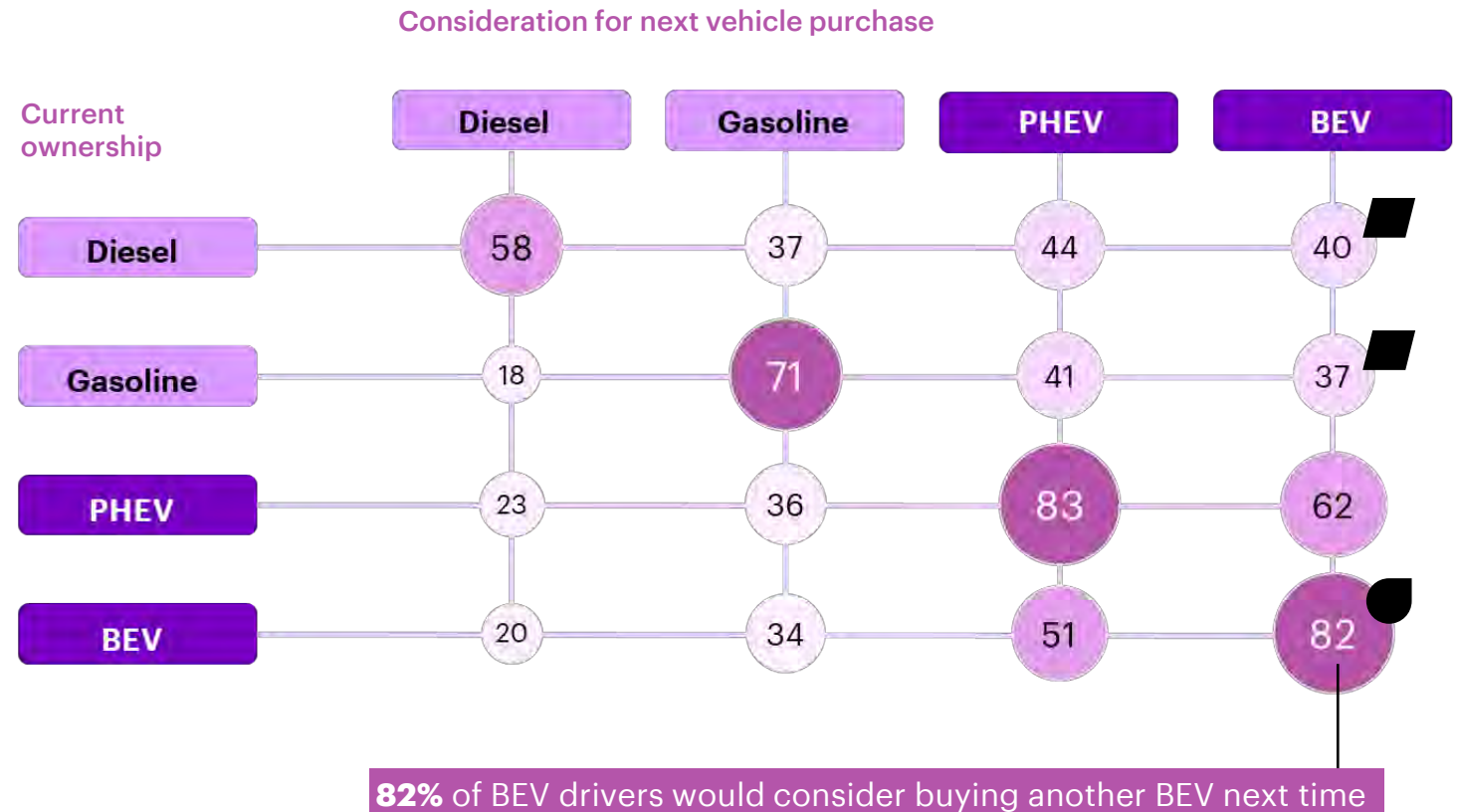
Is this hesitancy simply fear of the unknown?

Possibly. Our findings suggest that the experience of owning and using an EV is a key factor in determining whether someone is convinced about the future of the technology (see Figure 5).

Of the current EV drivers surveyed, for example, we found over one in five (21 percent) had owned an EV before their current vehicle.

And more than four in five (82 percent) of current BEV owners would consider another BEV as their next vehicle.

Owners of diesel and gasoline vehicles are much more hesitant to say the same (40 percent and 37 percent respectively).



The key point?

Existing EV drivers are loyal to the technology, but many ICE drivers still need to be convinced.

One interesting consideration for automakers is how these views are distributed globally.

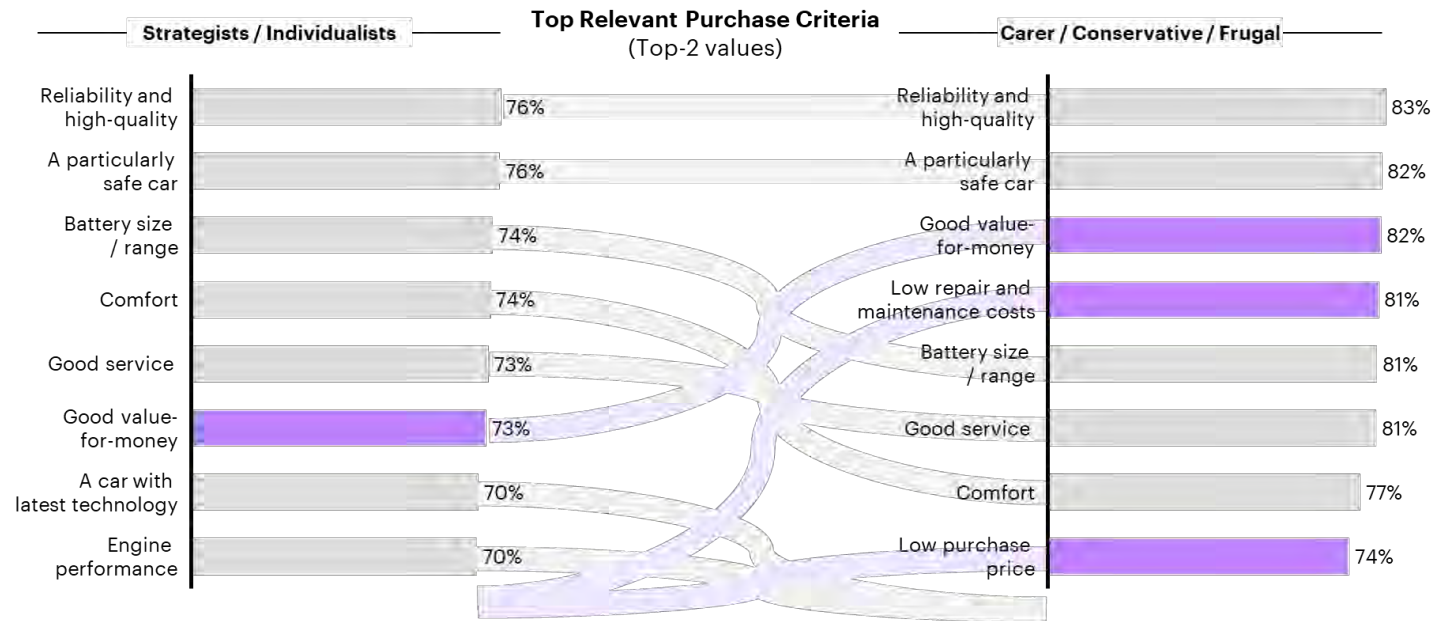
China, for example, contains the largest proportion of mainstream drivers who plan to buy an EV soonest. It also has the largest percentage of respondents (65 percent) who agree with the notion that 'the future belongs to electric cars' (versus 55 percent in the United States and 40 percent in Europe).

The implication: China will be central to the first wave of EV diffusion in the mainstream market.



Price is much more important for the mainstream market

Figure 6.
Purchase criteria comparison across mindsonas



As automakers look to push EV adoption into the mainstream, it's clear they need to address a different set of purchasing criteria. Take price. The Strategists and Individualists that made up the early EV adopters were typically less price sensitive than the average car buyer. While value for money was certainly relevant for these drivers, other factors like purchase price and maintenance costs were

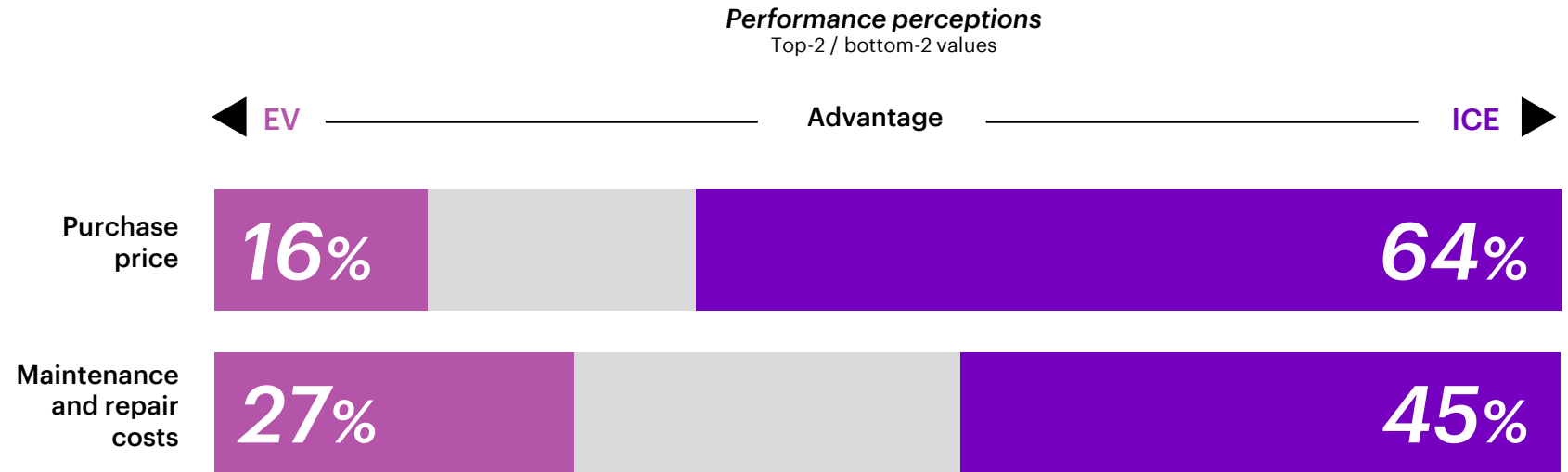
less so. For Carer, Conservative, and Frugal drivers, in contrast, value for money and low maintenance costs were both cited as a 'top-two' relevant criteria for more than 80 percent of drivers. While almost three-quarters (74 percent) said the same about a low purchase price (see Figure 6).

The challenge for automakers?

Most drivers perceive EVs to be considerably more expensive than ICE vehicles. Our study found that, on average, people expect to have to pay over a third more (36 percent) for an EV compared with an ICE car. And almost one in four drivers believe EVs come with a price premium of at least 60 percent (see Figure 7).

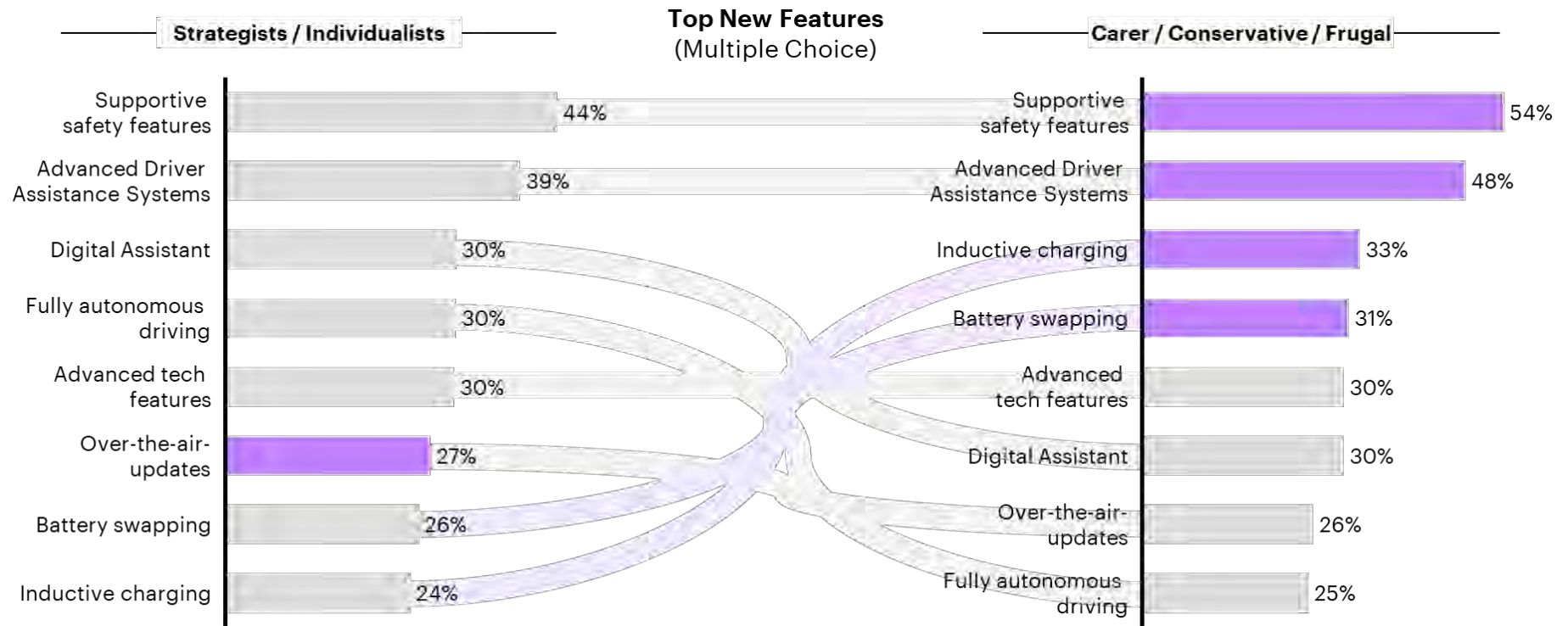
That's a huge perception barrier to overcome. And it's no surprise that cost (whether in purchase price or maintenance and repair) is one area where ICE vehicles still enjoy the greatest advantage over EVs in the minds of most drivers. It's clear that finding solutions to the cost perception problem is an urgent priority for automakers.

Figure 7.
Driver perceptions of EVs versus ICE vehicles



Again, however, the picture varies by geography. In China, for example, price ranks far below other purchasing drivers, such as having a car that's fun to drive, has modern design, strong engine performance, and the latest technology. People surveyed in Europe, Japan and the United States overwhelmingly rank purchase price much higher. This may reflect the fact that in China prices between ICE vehicles and EVs have already reached parity, making the cost of purchasing an EV a less salient factor. In the first half of 2023, the cheapest EV in China was even 8 percent less expensive than the least expensive combustion car, while in the United States and Europe, customers had to pay 142 percent and 92 percent more respectively.^[6]

Figure 8.
Top EV features by mindsona



Traditional purchase drivers will take precedence

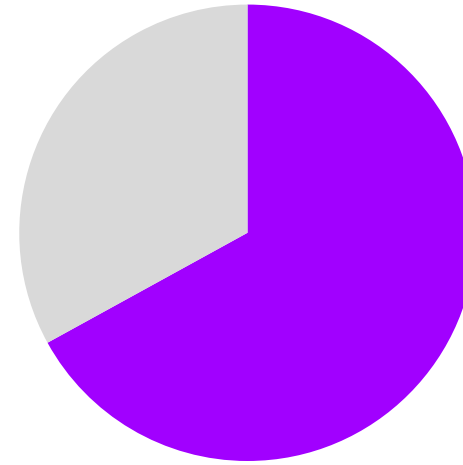
Price is not the only traditional purchasing factor that will become more relevant. Many early-adopters made the shift to EVs because they were attracted to the innovative nature of the technology, the idea of owning a high-end luxury vehicle with digital features, or because they were committed to reducing their reliance on fossil fuels. This is reflected in the preferences of our driver segments, with Strategists and Individualists ranking features like digital assistants and fully autonomous driving more highly than other segments (see Figure 8).

In the mainstream market, more traditional purchase drivers, such as safety features, predominate. And while these drivers do value new technologies, they typically do so when they're related to driver assistance and convenient charging concepts rather than in-car entertainment or digital assistants. Once again, however, automakers must recognize important regional differences. Chinese drivers, for example, typically show greater interest in digital features, while drivers in Germany value safety more highly.

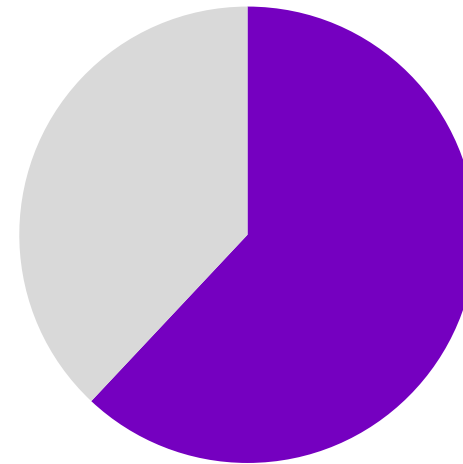


The good news?

Automakers can look to the past for inspiration. Our study shows the most cited purchase criteria for EVs today are almost identical to those that were previously cited for ICE vehicles, with factors like reliability, safety, performance, value for money and comfort all ranking above factors like sustainability or design. And while it's undeniable that environmental considerations are more salient for today's customers, owning a car is overwhelmingly still seen as a symbol of independence, an expression of individuality, and a core requirement of everyday life.

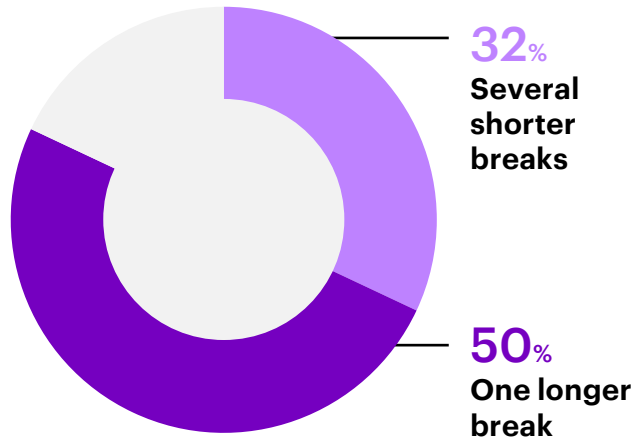


67%
say the car symbolizes freedom and independence

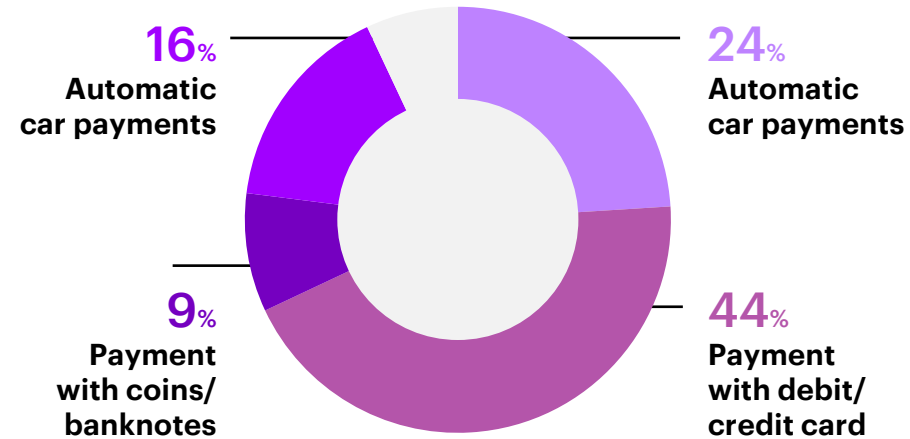


62%
say mobility also means individuality

Charging breaks



Payment options



Charging speed (minutes)

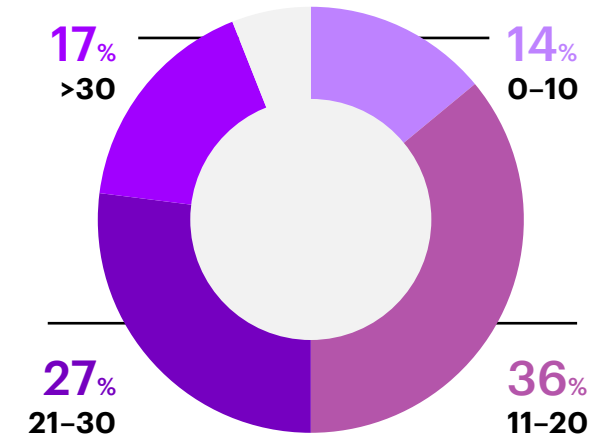


Figure 9.

Preferences among charging options

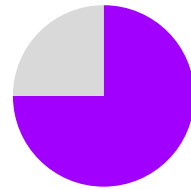
Digital, yes, but in service of human needs

As automakers look to the mainstream EV market, they'll need to refocus on many of the tried and tested purchase drivers they've always relied on for ICE vehicle sales. At the same time, they'll need to recognize that many future EV customers envisage their cars being pleasant 'living' spaces rather than status symbols or digital entertainment spaces. They value affordability, comfort, relaxation, convenience and safety in particular.

44% of potential EV buyers hope their car will be a place of pure relaxation

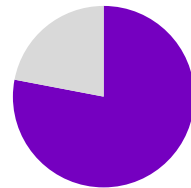
50% hope comfort will be emphasized over speed and performance

An example? Take **EV charging**. This is an area where customers are particularly keen to see automakers and their partners address their needs for convenience and comfort. Over two-thirds of drivers surveyed (70 percent) want the ability to charge their vehicle wherever it's parked. Similarly, drivers don't want to have to break their journeys too often for recharging, and they want fast charging stations with multiple payment options (see Figure 9).



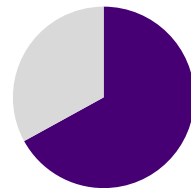
54%

of potential EV buyers hope to still rely on the advice of a car dealer



64%

of drivers in the United States prefer online search



58%

of Chinese drivers hope online sales journeys will become more common

The same need for human relevance extends to **EV sales and servicing**. Customers want the sales journey to be smart and digitalized. But they want digital experiences to fit seamlessly into an omnichannel whole, allowing them to use traditional in-person channels as and when they need to.

When it comes to finding out about EV options, for example, just 2 percent of drivers want an entirely digital experience, with the vast majority preferring a mix of online and offline channels. More than half (54 percent) want to be able to use a dealer to make a purchase, valuing personal contact for this emotional and trust-dependent decision. And a large majority (61 percent) want to still be able to go to a workshop for aftersales services. That's not to say customers are averse to digital innovation: more than two-thirds (68 percent) would like their EVs to self-monitor and report problems, while a significant minority (42 percent) would like their car to be able to drive itself to the workshop for servicing.

Again, the regional perspective is illuminating. Car buyers in the United States, for instance, indicate a greater preference for digital search (64 percent), while those in China are more likely to hope that online EV purchasing will become more common (58 percent). Similarly, with aftersales services, drivers in the United States and China are more likely than their European counterparts to prefer digitally enabled innovations like at-home servicing, owner chatrooms and online communications.



The response

What should automakers do now?

The central message for automakers?

They need to update their market hypotheses if they want to bridge the EV early-adopter chasm and start making inroads into the mainstream.

This has broad implications for the whole business: everything from strategic planning and product development to marketing and sales to the use of intelligent operations, as well as the relationships with partners in the mobility ecosystem.

Here are five key areas of focus:

- 1 Strategic planning**
- 2 Marketing and sales**
- 3 Product development**
- 4 Partnerships and ecosystems**
- 5 Intelligent operations**



Strategic planning



The next wave of EV drivers will be dominated by mainstream customers with mainstream needs and priorities. To address them, automakers need to return to many of the time-honored customer KPIs that have historically served them well in the ICE market: safety, reliability, price, and so on. It means **getting the basics right**, ensuring the technology is mature, charging is easy, and prices are aligned with equivalent ICE models. The prototype Polestar 5, for instance, can charge its battery from 10 to 80 percent in just 10 minutes, a significant increase in driver convenience.^[7]

With China and Western Europe set to be key battlegrounds for mainstream EV sales, automakers must ensure their strategy has the right **geographical focus**. Rather than attempting to roll out models globally, for example, this might mean concentrating on a smaller number of countries initially. BYD, for instance, focused on becoming the number one EV manufacturer in China, and is now shifting its strategy towards Europe, with its first EU plant set to open in 2025.^[8]

Above all, manufacturers must ensure they have sufficient **competitive differentiation** to survive what's likely to be an EV price war in the near future. This is where having a life-centric understanding of potential EV buyers will be invaluable, allowing automakers to tightly focus their strategies on the customers they most need to attract. Mercedes-Benz, for instance, has outlined plans to position itself as a pure-play luxury car company,^[9] fitting the aspirations of the less price-sensitive but status-oriented Strategist segment (see next page).

Strategist

20%



EARLY MARKET

Individualist

25%



THE CHASM

Carer

21%



MAINSTREAM MARKET

Conservative

17%



Frugal

17%



Highlight luxury

- Market EV models with high-end, luxurious designs
- Offer premium customization options and limited editions
- Host exclusive launch and VIP events, private test

Emphasize status

- Position EVs as ultimate status symbol
- Emphasize environmental benefits for own image lift

Promote performance

- Showcase exceptional driving dynamics (e.g. acceleration)

Enhance personalization

- Promote EV models with customizable options for personal experience/lifestyle
- Use personalized marketing messages that speak directly to desire for self-fulfillment

Focus on well-being

- Highlight comfort and well-being-enhancing features
- Promote the low-maintenance nature of EVs

Promote future-focus

- Emphasize the cutting-edge technology and forward-thinking nature of EVs

Highlight environmental and social benefits

- Promote reduction in environmental footprint
- Highlight use of sustainable materials and ethical manufacturing processes

Provide low-stress sol.

- Offer affordable installation of home charging stations
- Provide guidance on maximizing range and lifespan

Promote MaaS ecosystem

- Present EVs as part of a seamless, multimodal transportation network

Reinforce reliability

- Market EVs as safe, reliable, and proven choice
- Offer respective data, advanced safety features, and extended test drives

Focus on independence

- Emphasize the long-range capabilities of EVs
- Expand charging infrastructure in rural areas

Ensure ease of transition

- Assure that switching to EV won't disrupt routines
- Highlight simplicity of home charging to avoid public infrastructure

Emphasize cost savings

- Provide competitive pricing and special financing options
- Communicate incentives, rebates, and tax credits
- Emphasize reduced fuel and maintenance costs of EVs

Offer long-term assurance

- Provide extended warranties on EV batteries and accessible service centers
- Emphasize the simplicity & infrequency of service

Focus on practicality

- Promote practical benefits of EVs for daily use

Marketing and sales


Sales models should also focus on **experiential ownership**. This is about getting drivers behind the wheels of an EV, recognizing that those who actually engage with the technology tend to stay loyal. Showrooms will clearly therefore play a key role, offering hands-on experiences, test drives and personalized consultations. NIO exemplifies this with its NIO House, which serves both as a showroom and a community space for experiencing the brand.^[13]

In marketing and sales, a focus on affordability is key. To manage the higher costs associated with EVs, strong incentives and **flexible payment schemes** are essential. Today, for example, up to 90 percent of EV customers opt for leasing to spread out costs.^[10] Subscription is another important model, although it's essential to see this as distinct from leasing and ensure it has its own pricing strategy – it is not simply a case of pricing it as leasing without instant fee.^[11] Volkswagen's AutoAbo subscription offers an all-inclusive service exclusively for its ID.3 and ID.4 models.^[12]

Moreover, contrary to the current trend of delisting EVs at rental firms, dedicated **rental offerings** could serve as an entry point for customers to familiarize themselves with EV technology and address concerns about range and technological maturity. For example, Volkswagen's Financial Services unit operates its own car rental services, offering a wide range of electric vehicles for both short-term and long-term use.^[14]

However, addressing concerns about **maintenance and service** will be just as important. Extended warranties on key components, such as Hyundai's 8-year or 160,000-mile warranty for high-voltage batteries, can be an effective way of offering reassurance.^[15] Having dedicated, knowledgeable support teams specializing in EVs can also be helpful in building customer confidence.

Product development



Product development should also shift its focus to mass-market needs. Take battery performance. Mainstream customers are more likely to suffer from “range anxiety” and place more emphasis on **battery longevity**. Extending range through advanced battery technologies is therefore key. For instance, Toyota aims to introduce solid-state batteries by 2027 that offer 745 miles on a single charge.^[16]

At the same time, developing more **affordable entry-level EV models**, with lower production costs, is crucial. This is exemplified by Volkswagen's project to launch a €20,000 BEV model by 2027.^[17] However, the emphasis on **sustainability** also needs to be maintained, such as using recyclable or low-carbon materials and ensuring transparency on eco-friendliness. Aston Martin's adoption of green aluminum alloy and leather-free vegan interiors is an example of this kind of commitment.^[18]

User experiences will need to cater to more conservative driver segments with **less technical expertise**. Having simple, intuitive interfaces for vehicle controls and infotainment systems will be essential.

And technological innovation should focus on features that deliver reliability, durability, safety and comfort. That doesn't mean innovations have to be dull: Zeekr's Mix features swiveling front seats, transforming the interior into an ‘intelligent living room’ on wheels.^[19] And for premium manufacturers like BMW and Mercedes-Benz, orchestrating product experiences to seamlessly integrate customers' digital lives into their cars using cutting-edge technology will remain crucial. This strategy reflects the ambitious goal of delivering a premium, connected driving experience to support a higher-margin differentiation strategy.



Partnerships and ecosystems

As our study has shown, **charging availability and accessibility** is one of the biggest concerns among mainstream drivers. Partnerships with utilities will be an important step in developing smart grid technologies to support larger and more efficient charging networks. For example, one pilot EV charging subscription service in the United States involving GM, Ford, and BMW is looking to allow customers to earn financial rewards by charging at optimal times for the grid.^[20]

Tapping into the broader ecosystem of automotive, technology, energy, and utility sectors will become more important in meeting mass-market needs and expectations in areas like charging infrastructure, mobility as a service and smart home integration.

Efficient integration with **smart home tech** is another important way of managing energy consumption and costs. This can include working with energy providers to develop vehicle-to-home (V2H) and vehicle-to-grid (V2G) solutions, such as Nissan's pilot project, in which Leaf owners test bi-directional charging under everyday conditions.^[21] Such projects have the potential to bring energy costs for customers significantly down, as cars can charge at times when energy prices are low (such as at night) and

return it to the home at times when energy consumption is typically expensive (during the day).

What about **mobility as a service**? Many potential EV customers are looking to use EVs within a broader mobility ecosystem. Collaboration with ridesharing and fleet management firms can help integrate EVs into their operations, supported by incentives and other forms of assistance.



Intelligent operations

Finally, there's the question of the automaker's organization itself. Having a robust **digital core** of digital platforms and data is essential for unlocking efficiencies and enhancing customer experience. A strategic approach to platform definition can help reduce complexity, enhance agility and drive down costs, while standardization can be used to increase efficiency in areas where no competitive advantage exists.

At the same time, improved and compliant **data collection** methods can capture customer interactions across multiple touchpoints, enabling real-time insight generation and feeding advanced analytics and artificial intelligence for individualized interactions and product recommendations. Mercedes-Benz, for instance, plans to use AI to offer personalized marketing and better website functionality.^[22] This should be complemented with an **intelligent operating model** to drive up productivity. BMW North America, for example, has developed an AI-powered platform named EKHO to enhance productivity and decision-making capabilities.^[23]



Final thoughts

Keep focus

The journey towards an EV-dominated future for automakers may be proving bumpier than originally envisaged, but the destination remains the same. Despite some occasional localized skepticism, belief in the EV market is still strong among mainstream drivers.

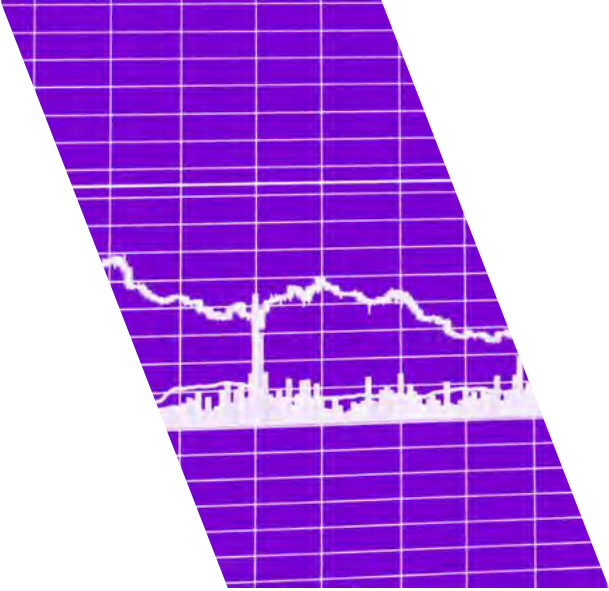
The future is still electric.



Now, however, the emphasis must turn to convincing the mass market to make the switch. This requires a focus on the vehicle qualities that matter to them, and always have, such as price, safety, and reliability. This **next phase of adoption** is challenging but critical.

Automakers must recognize this is a long-term commitment. Mainstream adoption may take longer than anticipated. It's a five-to-twenty-year endeavor. But it's vital to **maintain investment** now as the market makes the shift from the early adopters to the mass majority.

This requires a **sustained focus** on key areas, such as effective cost management, enhancing life-centric customer experience, and forging robust partnerships. By keeping faith with the EV future, automakers can navigate the road ahead and make the transition a successful one, for their businesses and for their customers.



Appendix

About the research

This research is part of Accenture’s “What ... drivers want” series covering the latest customer trends in the automotive industry.

For this report, the study is based on primary and secondary research, both qualitative and quantitative. The first part of the research included **interviews** conducted in November 2023 with 18 car drivers and purchase decision makers aged 18-75 in the USA, Germany, and China. The people we interviewed were well-balanced in terms of point of time they would be willing to adopt EVs, providing representation across different groups: Innovators, Early Adopters, Late Adopters, Late Majority, and Laggards.

Those interviewed were asked to reflect on their personal values and personality traits. They also described their affinity towards innovations across various categories, including, in particular, EV mobility. Interviewees also discussed the current values, beliefs and needs of customers with regards to automobile/individual mobility and their beliefs, motivations, and current experience with EV mobility.

These interviews formed the basis for the second part of our research: a large-scale online **survey** conducted with 6,000 car drivers and purchase decision-makers across six major auto markets in March 2024 representing 61% of global new passenger car sales in 2023.^[24] The participants represent customers in the United States (n=1,000), Germany (n=1,000), France (n=1,000), Italy (n=1,000), Japan (n=1,000), and China (n=1,000). Participants were representative of their local region in terms of age, gender, and rural/urban mix. The survey addressed a variety of topics, including personal values and attitudes, attitudes and purchase behavior towards electric vehicles, future expectations, and many more.

We supplemented the primary research with extensive **secondary research**, including reviewing company announcements, case studies, customer forums and external surveys.

To identify customer segments, we relied on **mindset segmentation**, which better aligns with a life-centric understanding of customers than traditional personas. This approach involves categorizing an audience based on their general human mindsets, not just their attitudes toward a product or brand. It therefore provides insights into human beliefs, hopes and fears, emotional needs, and expectations.

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Authors



Juergen Reers
Senior Managing Director
Global Automotive
& Mobility Lead



Stefan Hattula
Senior Principal
Global Automotive
& Mobility Research Lead



Alexander A. Huber
Managing Director
Head of Consulting ASG, Strategy
& Consulting Automotive Lead ASG



Michael Wagner
Managing Director
Strategy & Consulting,
eMobility ASG Lead



Contributors



Luise Delius
Management
Consulting
Analyst



Leon Auerbach
Management
Consultant



Tom Becker
Management
Consultant



Special thanks to

Shiva Kumar Adari,
Benedict Baur,
Paola Confalonieri,
Vikas Dubey,
Abhishek Gupta,
Lasse Kari,
Matt Merrison,
Thales Molina,
Regina Riegerbauer,
Durgesh Kumar Sahu,
Isabel Sauter,
Alberto Scaglione,
Vincent Schmid,
Verena Schubert,
Julia Szulik,
Daniel Tegtmeyer,
Darani Yogalingam,
Sheryl Yaping Yu,
Marius Zima

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