Which customers are likely to buy an EV within the next five years?

Findings from the 2023 Electric Vehicle Residential Customer Survey
By Paige Martin Cox
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Which customers are likely to buy an EV within the next five years?

Key takeaways

- The EV buyers of the future vary greatly in demographics and purchase motivations compared to current EV owners. They still lack information on EVs and where and how to charge them.
- Future EV buyers were more concerned about the costs to own and maintain EVs and are less concerned about the environmental benefits of EVs compared to current EV
- Utilities should develop targeted marketing campaigns that consider the unique EV customer journey of someone living in a multifamily housing (MFH) community versus someone who lives in a single-family home.

Customers are looking for a trusted partner and a go-to source for reliable information about EVs. Utilities can be that partner by understanding who the future EV buyers are, meeting them where they are, and providing essential outreach and education.

Learn more about the E Source Electric Vehicle Residential Customer Survey

The E Source Electric Vehicle Residential Customer Survey gathers information from three residential customer segments:

- Those who have an EV
- Those considering buying an EV
- Those not considering an EV at all

The survey results will help you engage with your customers and increase EV adoption in your territory using pilots, programs, and other customer offerings.

Learn how E Source Market Research can field this study in your service territory to give you specific data about your customers. Contact us to learn more.

Using data from the E Source 2023 Electric Vehicle Residential Customer Survey, we created two EV customer personas—customers who are thinking about buying an EV in less than three years and customers who are thinking about buying an EV in three to five years. As you're planning your marketing for EV products, programs and services during the next five years:

- Consider the unique home and building characteristics to personalize messaging to specific groups.
- Educate about the costs to purchase and maintain an EV.
- Develop online resources about EVs and local charging networks, like mobile apps or web pages.
- Increase community outreach by hosting local EV events or attending events in collaboration with community organizations and dealerships.

What customers are the next wave of EV buyers?

Customers looking to buy an EV—battery EVs (BEVs) or plug-in hybrid EVs (PHEVs)—within the next few years look, think, and act differently than the current EV owner. They're part of different demographics and have different behaviors.

Because of these differences, utilities need to change the way they serve these customers. Utilities will also need to update how they engage with and market to these new customers.

Customers who are thinking about buying an EV in less than three years

Respondents who said they're thinking of buying an EV in less than three years lack information about EVs and how and where to charge the vehicles. They're also more concerned about costs compared to current EV owners.

What are the characteristics of this customer group? Most customers who are thinking about buying an EV in less than three years own single-family homes (70%). But they're more likely than current EV owners to:

- Live in MFH properties
- Live in suburban or rural areas
- Have lower incomes

Customers who are thinking of buying an EV in less than three years compared to current EV owners

Survey respondents who said they're thinking of buying an EV in the next one to two years are more likely to be renters living in MFH communities. They have median incomes and are more likely to live alone or with another adult.

Demographics	Current EV owners (n = 1,452)	Customers who are thinking about buying an EV in less than three years (n = 748)
Be 45 or older	26%	52%
Rent their residences	23%	29%
Live in multiunit buildings	14%	23%
Have a median household income (between $35,000 and $75,000—US only)	16%	27%
Live in rural areas	9%	14%
Live in suburban areas	34%	47%
Live in residences with two or fewer people	36%	51%
Live in residences with no children	34%	58%

© E Source (2023 Electric Vehicle Residential Customer Survey). **Base:** All respondents from the US and Canada (n varies). **Note:** Percentages shown reflect weighted data; sample sizes (n) are based on unweighted data.

Where does this group get information about EVs? Customers who are thinking about buying an EV in one or two years are more likely than current EV owners to have actively sought out information about EVs by speaking to someone and searching online.

Utilities should position themselves as trusted resources and make information easily available for these customers. For example, utilities can reach customers who are looking to buy an EV by:

- Creating inclusive messaging for different customer segments within multifamily communities.
- Connecting with local partners to build credibility and trust and spread essential information about EVs.
- Making educational resources available across multiple channels.

What are this group's vehicle habits and buying preferences? Compared to current EV owners, customers looking to buy an EV in less than three years are more likely to:

- Use their personal vehicle as primary transportation
- Use primary transport most often to run errands or take short trips around town
- Drive 20 miles or fewer in a day (US only)

- Prefer to buy vehicles in person at a dealership
- Prefer to get information about vehicles in person at a dealership
- Buy a BEV next

Customers who are thinking about buying an EV in three to five years

Respondents who said they're thinking of buying an EV in three to five years have had mostly passive interactions with EVs. Compared to current EV owners, they're more likely to have only:

- Read about EVs

- Seen EV commercials
- Seen EV chargers in their area

They lack knowledge about EVs in general and information about how and where to charge EVs. This customer group also said cost is an important factor influencing their consideration to buy or lease another vehicle compared to current EV owners.

Customers who are thinking of buying an EV in three to five years compared to current EV owners

Survey respondents who said they're thinking of buying an EV in three to five years more likely to be female and more likely to be 55 or older than current EV owners. They have median incomes and are more likely to live alone or with another adult.

Demographics	Current EV owners (n = 1,452)	Customers who are thinking about buying an EV in three to five years (n = 262)
Be female	34%	47%
Be 55 or older	13%	43%
Live in multiunit buildings	14%	21%
Have a median household income (between $35,000 and $75,000—US only)	16%	27%
Live in rural areas	9%	14%
Live in suburban areas	34%	50%
Live in residences with two or fewer people	36%	57%
Live in residences with no children	34%	69%

© E Source (2023 Electric Vehicle Residential Customer Survey). **Base:** All respondents from the US and Canada (n varies). **Note:** Percentages shown reflect weighted data; sample sizes (n) are based on unweighted data.

What are the characteristics of this customer group? Survey respondents who said they're thinking of buying an EV in three to five years are more likely to:

- Be 55 or older
- Be female

- Have median incomes
- Live in MFH properties

What are this group's main barriers to purchasing an EV? Customers who are thinking about buying an EV in the next three to five years said their top barriers to purchase are:

- The costs of owning a BEV
- Not knowing the effect an EV would have on their electric bills

- A lack of general familiarity with EVs
- A perceived lack of public charging

What are this group's vehicle habits and buying preferences? Compared to current EV owners, customers who are thinking about buying an EV in the next three to five years are more likely to:

- Use their personal vehicle as primary transportation
- Use primary transport most often to run errands or take short trips around town
- Drive 10 miles or fewer in a day (US only)

- Prefer to buy vehicles in person at a dealership
- Prefer to get information about vehicles in person at a dealership
- Buy a PHEV next

How can utilities reach upcoming EV buyers?

The next wave of potential EV buyers interacts with EVs in unique ways compared to current EV owners. Consider how your utility can meet these customers' needs with its promotional and educational materials.

Costs and rebates are important to future EV buyers

These customers were more likely to consider financial factors as important in their consideration of EVs. Design materials that help customers understand the costs of owning an EV and the ways they can save money. Specifically address the concerns around how an EV will impact their electricity bills.

Get advice on how to market EVs to customers who live in MFH communities

Customers who subscribe to the E Source Business Marketing Service, Residential Marketing Service, or Mobility Service can access our report >How to increase EV awareness and adoption in multifamily housing communities to learn more marketing strategies.

Understanding rebates. Future EV buyers were more likely to say that information on available tax credits would help them when they're considering EV costs. Utilities can provide clear information on their website and in marketing materials about utility, state, and national EV rebates. Along with explaining what customers are qualified for certain rebates, explain how customers can combine available rebates.

Perception of EV affordability. Future EV buyers were much less likely than current owners to agree that EVs are affordable for the average person. At the end of 2022, the average price of a new EV was just over $60,000. But future EV buyers are looking to pay $20,000–$50,000 or less for their next vehicle.

Luckily, there are many available EVs within this price range. Consider sharing more-affordable

offerings with customers. For example, in its article Affordable, all-electric: The 5 lowest-priced new EVs in the US, Green Car Reports details affordable EVs in the US market.

Calculating EV costs. Future buyers said that being able to access a total cost of ownership calculator would be a perk or benefit that could persuade them to buy an EV. Provide examples of EV cost calculations on your website and use marketing materials to show customers the actual cost to purchase after rebates.

Consider also offering an online calculator to make it easier for customers to understand the costs and affordability of EVs. For example, SRP works with WattPlan, a cloud-based software company, to provide an online calculator. Customers can use this calculator to compare the cost of EVs to gasoline-powered vehicles.

SRP's online calculator

SRP's online calculator allows customers to find the best EV option for them based on a variety of options, including expected yearly mileage, tax filing status and taxable income, and spending budget.

Feedback | Survey

Back

Compare and select an EV

Next

After selecting an EV, you can see total costs compared to a gas vehicle.

Sort by

Longest electric range

Filters Show all vehicles

Availability
- All (19)
- Available (18)
- Coming soon (1)

Price after incentives
- All (147)
- Up to $30,000 (6)
- Up to $40,000 (18)
- Up to $50,000 (54)
- Up to $75,000 (116)
- Up to $100,000 (133)

Electric range
- All (18)
- More than 50 miles (14)
- More than 100 miles (14)
- More than 200 miles (10)
- More than 300 miles (0)

EV type
- All (18)
- All electric (14)
- Plug-in hybrid (4)

Body style
- All (18)
- SUV/Crossover (7)
- Sedan (11)
- Truck (0)
- Minivan (0)
- Coupe (0)

Make

Hyundai 2024
Kona Electric Long Range SEL



$36,675
Price after incentives
$36,675
Starting MSRP

Total range 261 miles
Electric range 261 miles
All electric

Chevrolet 2023
Bolt EV 1LT



$19,095
Price after incentives
$26,595
Starting MSRP

Total range 259 miles
Electric range 259 miles
All electric

Chevrolet 2023
Bolt EV 2LT



$22,295
Price after incentives
$29,795
Starting MSRP

Total range 259 miles
Electric range 259 miles
All electric

Hyundai 2023
Kona Electric SE



$33,550
Price after incentives
$33,550
Starting MSRP

Total range 258 miles
Electric range 258 miles
All electric

Kia 2024
Niro Electric Wind



$39,600
Price after incentives
$39,600
Starting MSRP

Total range 253 miles
Electric range 253 miles
All electric

Chevrolet 2023
Bolt EUV 1LT



$20,695
Price after incentives
$28,195
Starting MSRP

Total range 247 miles
Electric range 247 miles
All electric

Chevrolet 2023
Bolt EUV Premier



$25,195
Price after incentives
$32,695
Starting MSRP

Total range 247 miles
Electric range 247 miles
All electric

Nissan 2023
Leaf SV



$36,040
Price after incentives
$36,040
Starting MSRP

Total range 212 miles
Electric range 212 miles
All electric

Nissan 2024
Leaf SV Plus



$36,190
Price after incentives
$36,190
Starting MSRP

Total range 212 miles
Electric range 212 miles
All electric

Volkswagen 2023
ID.4



$37,495
Price after incentives
$37,495
Starting MSRP

Total range 209 miles
Electric range 209 miles
All electric

Nissan 2023
Leaf



$28,040
Price after incentives
$28,040
Starting MSRP

Total range 149 miles
Electric range 149 miles
All electric

Nissan 2024
Leaf S



$28,140
Price after incentives
$28,140
Starting MSRP

Total range 149 miles
Electric range 149 miles
All electric

Feedback | Survey

Change assumptions

Summary
Steps
Financials
Charge
Range
Next Steps

Here's a summary of your vehicle comparison

Save on fuel

$1,304 First year

Increased electric bill	$229
Savings on gasoline expenses	$1,533

View complete financial results

Incentives available

- $7,500 Plug-in Electric Drive Vehicle Federal Tax Credit
- $549 Federal EV Charger Credit
- $250 SRP Level 2 Smart Charger Rebate
- HOV lane access

View incentives details

Reduce carbon

16% Per year

Equivalent to either:

Trees planted	30
Tons of waste recycled	0.6

Steps to take

- ✓ Drive an electric vehicle
- ✓ Review financials
- ✓ Find the best time to charge

View next steps

Let's review each step of your estimate

Drive an electric vehicle

Gasoline vehicle

Chevrolet Spark 2LT
2022 | Gasoline

$19,095 Starting MSRP

33 Miles per gallon

Plug-in vehicle

Chevrolet Bolt EV 2LT
2023 | All electric

$22,295 Price after incentives

$29,795 Starting MSRP

259 Electric range (miles)



Let's review your key financial results

These results factor in detailed financial assumptions for your vehicle comparison. Consult with a qualified financial advisor to identify important considerations unique to your situation. The information below is provided as an estimate. Salt River Project does not guarantee any savings.

Gasoline vehicle financing Loan	5 yrs @ 8% | 10% down
Plug-in vehicle financing Loan	5 yrs @ 8% | 10% down

Upfront cost

Your initial out of pocket expense not including incentives

$4,810 Show details

Incentives

Available tax credits and rebates

$8,299 Hide details

Modify filing status and income

Plug-in Electric Drive Vehicle Federal Tax Credit Learn more **$7,500**

The Inflation Reduction Act grants a tax credit of up to $7,500 for qualified plugin electric vehicles to eligible buyers. To be eligible, buyers must have an adjusted gross income below $150,000 for single filers, $225,000 for heads of household, and $300,000 for joint filers. This tax credit is available for vehicles under a certain cost, that were assembled in North America, and meet requirements for battery and critical mineral sourcing. Beginning January 1, 2024 the Clean Vehicle Tax Credits may be credited to the buyer at the time of sale from a registered dealer.

Federal EV Charger Credit Learn more **$549**

The Inflation Reduction Act grants a tax credit for buyers in eligible census tracts who purchase electric vehicle charging equipment after January 1, 2022. Eligible census tracts are defined as low-income or non-urban tracts and can be checked with the Department of Energy's 30C Tax Credit Eligibility Locator. The credit covers 30% of the equipment and installation cost, up to $1,000 for buyers in eligible tracts. This tax credit can be used towards taxes owed to the U.S. government.

SRP Level 2 Smart Charger Rebate Learn more **$250**

SRP customers can save $250 on a Level 2 smart charger on SRP Marketplace or apply for a mail-in rebate.

Total **$8,299**

Other benefits

- **HOV lane access**
- **Premium parking**
- **Licensing tax discounts**
- **Emissions inspection exemption**

Average monthly expenses

Recurring monthly expenses in the first year

$788 Show details

Lifetime savings

Your net savings over the next 5 years

$6,321 Show details

Breakeven

Occurs when your net savings offsets your upfront investment

Year 3 Show details

Future EV buyers still lack information on where and how to charge an EV

The next wave of EV buyers isn't sure where to go for accurate information on EVs. Find ways to fill this knowledge gap and position your utility as a trusted source on all things EV.

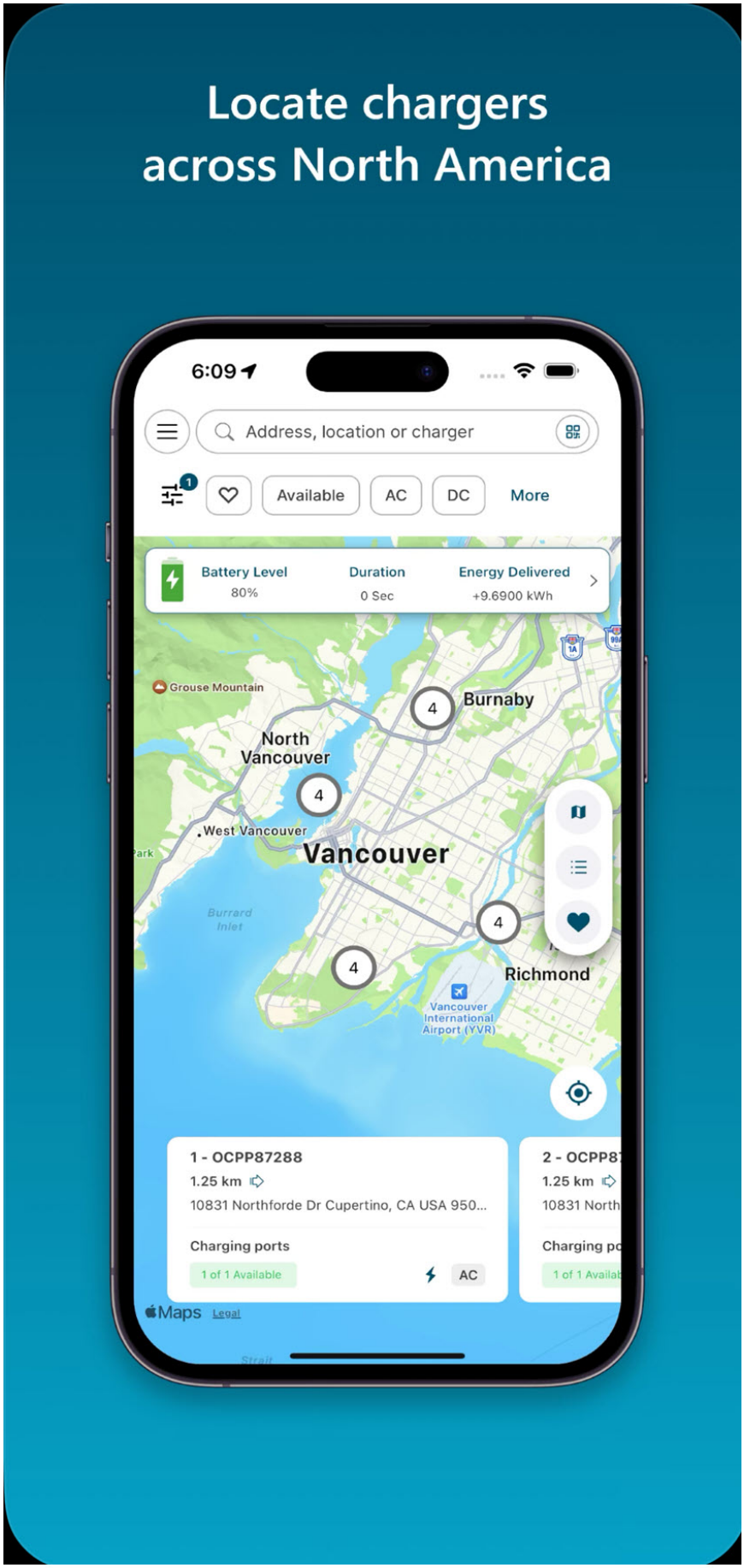
Knowledge about EV charging is still lacking. Future EV buyers were more concerned about costs and aren't aware of where or how to charge an EV. Use your website and marketing materials to clearly explain how customers can charge their EV with a standard outlet from their garage or apartment parking lot. Consider also providing example calculations of driving mileage to show how often customers need to charge their vehicle.

Perceived lack of access to public charging. Public charging can make EV ownership more accessible and help ease some customers' range anxiety. But future EV buyers may not know about public charging options in their area.

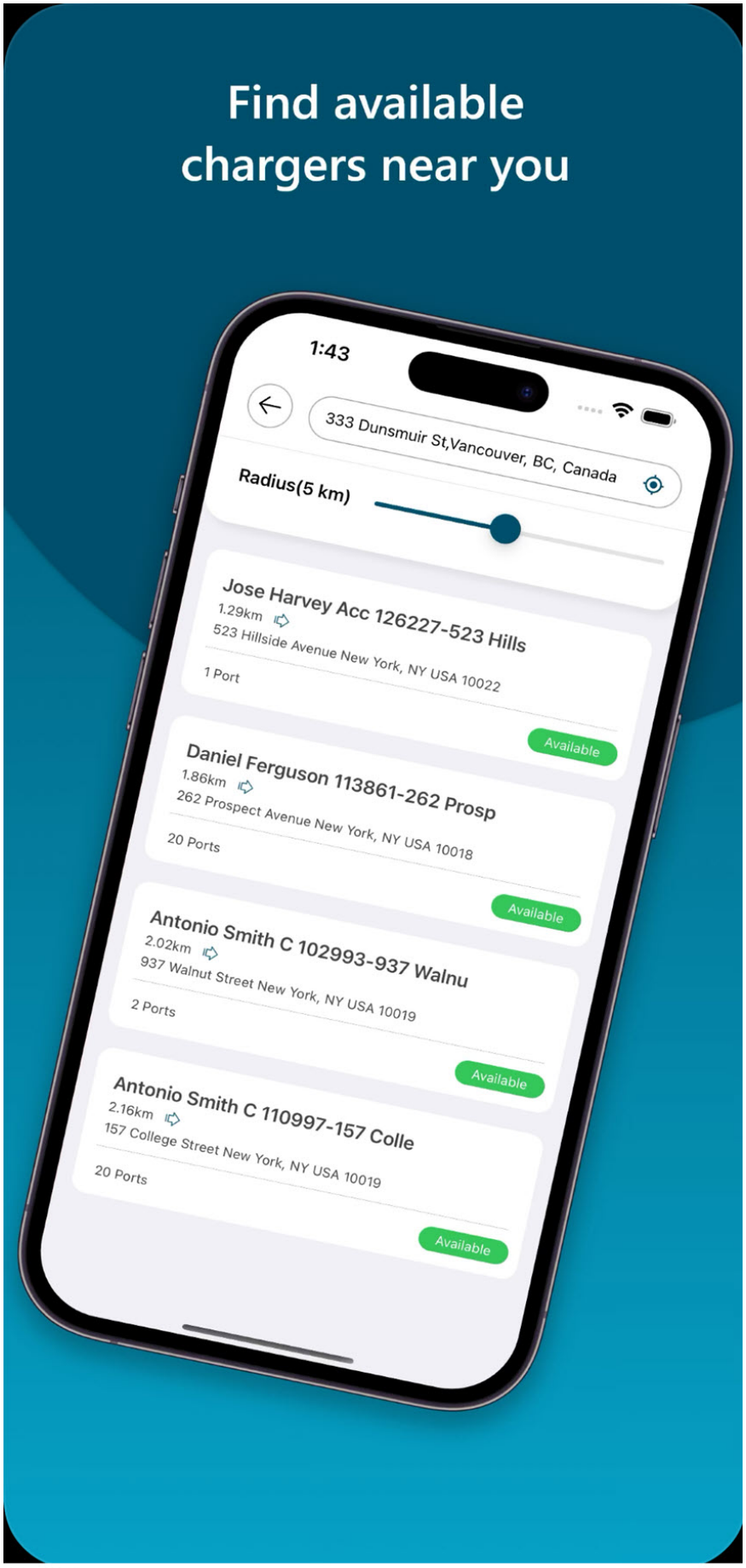
Consider adding a public charging map to your website so customers can easily find public charging in your service area. BC Hydro created the Fast charging mobile app to help its customers easily find public charging stations.

BC Hydro's EV fast charging mobile app

Users can use the BC Hydro app to locate EV chargers in the area and find chargers in proximity to their current location. Users can also set up charging notifications, receive station status updates, or order and manage radio frequency identification cards to use at charging stations.



Source: BC Hydro



Source: BC Hydro

Future EV buyers are looking for a trusted source of information

Around half of respondents looking to buy an EV in the next five years agreed they knew who to trust for reliable and unbiased information about EVs. These customers most often said they'd turn to a dealership for information on their next vehicle.

But when asked how they'd prefer to hear about BEVs from their electric utility, email, the utility website, and in person were most preferred. Use customers preferred channels to provide information to your customers.

The utility website. Your website is a great starting point to create an EV resource and build your brand as a trusted energy adviser. Answer common questions such as:

- "Will I need to install an EV charger at home?"
- "What are the different types of EV chargers?"
- "How long does it take to charge an EV?"

Access more of our EV residential customer market research

Customers who subscribe to the E Source Distributed Energy Resource Strategy Service, Residential Marketing Service, or Mobility Service can access our report, Using market research to improve your EV marketing strategy to see more of our EV market research insights.

To learn more about building a trusted information source for customers, check out the Ask E Source answer What information and tools should be included on a utility's EV website?

Email and print. The next EV buyers were more likely to prefer to hear about EVs from their utility through email or print. Consider using email marketing campaigns or newsletters to share EV information with your customers.

Read our report Design emails and newsletters your customers will read for tips on designing engaging and effective email communications.

EV dealerships. The next EV buyers were more likely to prefer to hear about EVs in person. Utilities and dealerships can work together, along with nonprofit organizations, to improve the EV customer experience and communicate essential information early in the buying journey. They can also:

- Offer dealership staff training
- Use websites to cross-promote
- Hold ride-and-drive events

Read more in Energy Intel magazine

E Source analysts Paige Martin Cox and Kyle Rodriguez share more data in the article "Increasing EV Awareness and Adoption in Multifamily Housing Communities" (pp. 43–48), published in the April 2024 Customer Engagement and Em(POWER)ment issue of AESP's Energy Intel magazine.

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