zing insights

EV & Hybrid Vehicle
Wave 2 Insights Report

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Research Objectives

The objectives for this research can be summarised as to…

> **“ …update our understanding of beliefs and perspectives on EVs and hybrid vehicles among Australian vehicle drivers ”**

The research is a second wave of tracking stage of research, following a similar study conducted in December 2022. The project similarly focused on the following areas…

- The **type of vehicle they currently drive** (body style, age, fuel type);
- Their **willingness to purchase an electric vehicle** when replacing any of their current household vehicles;
- Specific **perspectives on electric and hybrid vehicles** (willingness to consider, drivers/barriers of consideration and price point analysis);
- **Attitudes towards EVs** and the role of individuals in driving uptake.

We know that the EV space is shifting rapidly, so after conducting initial research in late 2022, it was timely to once again test the market to see how things have shifted, if any.

To follow up on our previous wave, we once again collected feedback from a sample of 2,000 Australian drivers (representative by age, gender and household location across Australia).

The results from this stage of research are detailed in this document.

Research Approach

THE RESEARCH PROCESS…

We sought to review and update the 2022 survey, to ensure it slightly to covers the most relevant issues

A professional market research programmer, panel supplier and host was used to access respondents

A survey taking 10 minutes was administered between 8th and 25th January 2024

A nationally representative sample of 2,000 vehicle drivers was the target audience

The following report was developed to highlight findings from the research process

This report primarily features results **from the January 2024 stage of research**, but there are times throughout where we also include the corresponding figures from the first research stage (from 2022).

Where no significant differences between time periods are noted, we have at times not included the previous wave's figure.

Executive Summary

An overview of our key research findings…

Key Research Headlines

There's a mood of concern around costs of living...

Two thirds tell us they're going to keep their current vehicle for longer than initially planned due cost of living pressures, and three in five say that they're less open to paying more EVs for the same reason.

The mood indicates that price-sensitivity is a high right now.

Momentum towards EVs is building very slowly.

The proportion of the market that is open to buying an EV has grown from 21% in 2022 to 25% in 2024.

This – along with other data tracked in this study – indicates the movement towards EV is currently a trickle rather than a flood.

… however, vehicle replacement timelines are shortening.

Despite our heightened sensitivity to price, drivers are actually more likely to be planning on replacing their main vehicle in the near-term. Intention of buying a new car has remained solid.

Clearly, the need for vehicle replacement remains, although in context of heightened price point-sensitivity.

The price vs. cost of ownership dynamic…

The strongest barrier for not considering an EV is the purchase price being seen as 'too high', yet one of the key drivers of consideration is knowledge that EVs are cheaper to run and maintain.

When driving uptake of EVs, cost might need to spoken about more on the terms of total cost of ownership to avoid sticker shock.

The trend towards Medium SUVs looks set to continue.

Taking in the two stages of research we've now conducted, we see that there appears to be a future trend towards Medium SUVs.

Around one in three are considering buying a medium SUV in future. Accordingly, growth in the range of EVs available in this segment would be required to ensure growth in EVs sold.

Overview | Feedback On Electric Vehicles

37% WOULD CONSIDER AN EV FOR THEIR NEXT MAIN VEHICLE [vs. 38% in 2022]

8% AVERAGE PRICE PREMIUM CONSUMERS WOULD PAY FOR AN EV [vs. 6% in 2022]

KEY DRIVERS FOR EVs…

1. ‘Better for the environment’
2. ’Represent ‘the future’ of vehicles’
3. ‘Cheaper to run and maintain’ [54%, up from 45% in 2022]

BARRIERS TO EVs…

1. ‘Are too expensive’ [62%, down from 57% in 2022]
2. ‘Not enough charging infrastructure’
3. ‘I don’t have the right setup at home’

EV PRICING…

- Notionally, the economic times are impacting openness to paying more for a new vehicle, including paying a premium for an EV – 62% agree that ‘given the current economic times, I’m less willing to pay more for an EV over other fuel types’.
- There is some acceptance of a price premium for an EV over another fuel type of around 8%, and knowledge of lower EV running costs is growing. However, in spite of this, it’s clear that price sensitivity for the vehicle purchase price remains significant.

What Has Changed Since 2022?

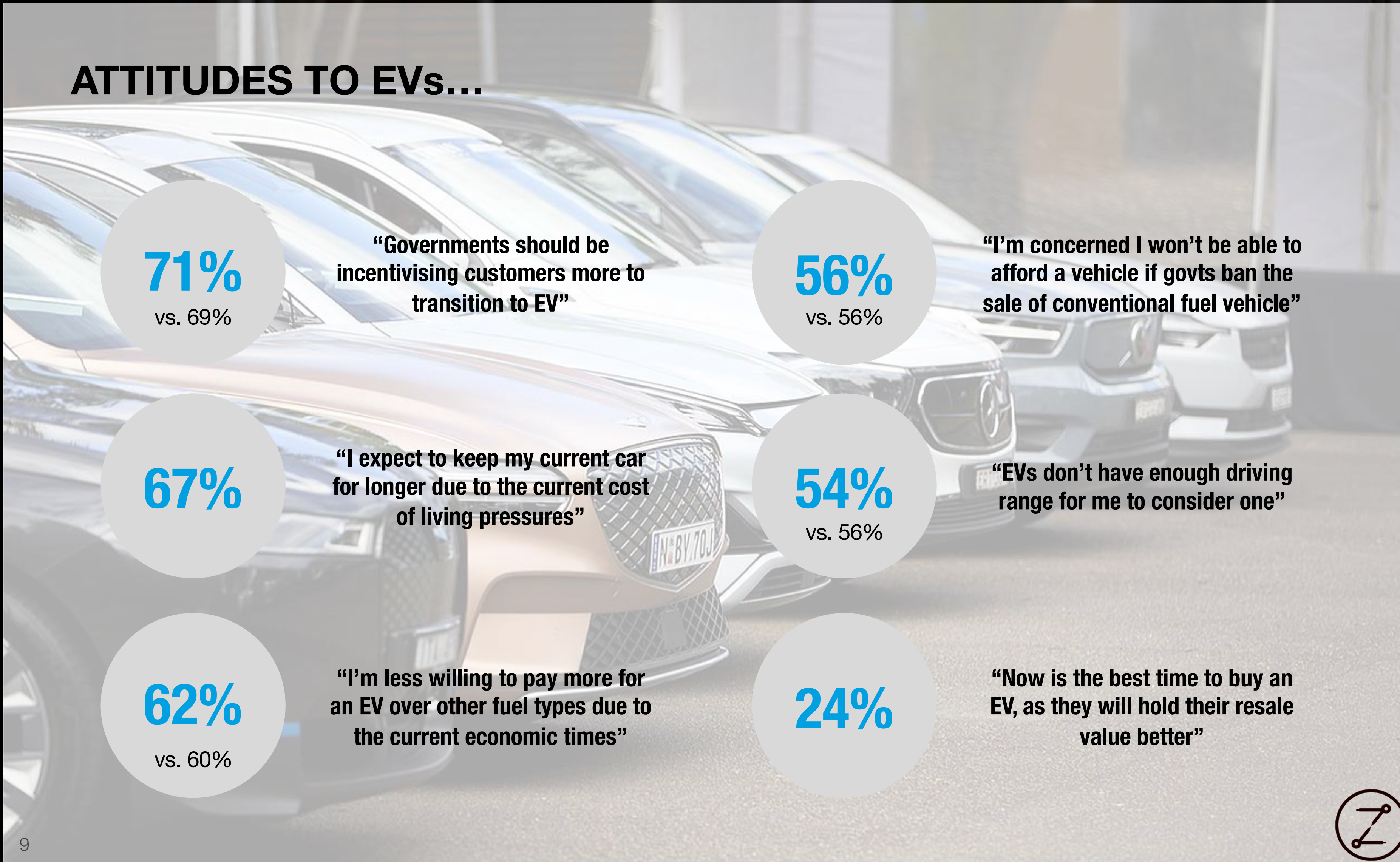
	DEC '22	JAN '24	CHANGE (2019-22)
Considering **replacing my main vehicle in the next 3 years**	53%	62%	+9% ⬆
Consideration **of an EV on my next main vehicle purchased**	21%	25%	+4% ⬆
Not open to an EV due to perception that **EVs cost too much to purchase**	62%	57%	-5% ⬇
% Agree 'Governments should be incentivising more customers to transition to EVs'	71%	69%	-2%
% Agree 'I'm less willing to pay more for an EV over other fuel types **due to the current economic times**'	60%	62%	+2%
% price premium I'm willing to pay for an EV over a similar vehicle with a traditional fuel type	+6%	+8%	+2%

In general, the sentiment around EVs hasn't shifted significantly between late 2022 and early 2024.

We've seen **some growth in overall openness to EVs** for the next main vehicle purchased, and strong growth in **consideration of buying a new main vehicle in the coming few years.**

We've also noted a **significant decline in purchase price acting as a barrier** for considering an EV, likely in response to an increased range of lower-priced vehicles being launched into the market since the 2022 research.

Results that are significantly higher (⬆) and lower (⬇) at the 95% confidence level between October 2022 and January 2024.



ATTITUDES TO EVs…

71%
vs. 69%

"Governments should be incentivising customers more to transition to EV"

67%

"I expect to keep my current car for longer due to the current cost of living pressures"

62%
vs. 60%

"I'm less willing to pay more for an EV over other fuel types due to the current economic times"

56%
vs. 56%

"I'm concerned I won't be able to afford a vehicle if govts ban the sale of conventional fuel vehicle"

54%
vs. 56%

"EVs don't have enough driving range for me to consider one"

24%

"Now is the best time to buy an EV, as they will hold their resale value better"

Current Vehicles

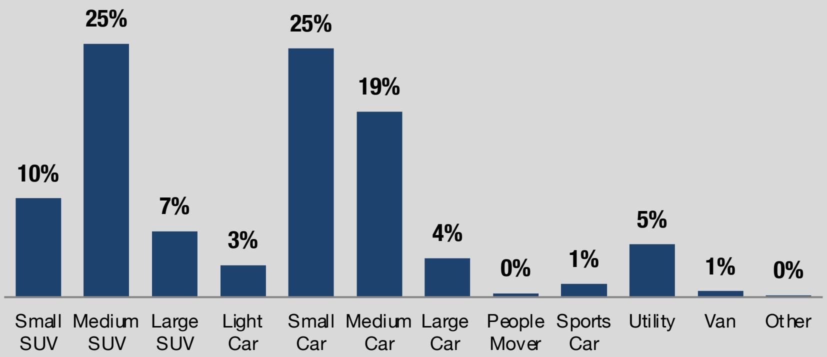
An update on our respondents' current vehicle ownership status…

Current Vehicle Profile…

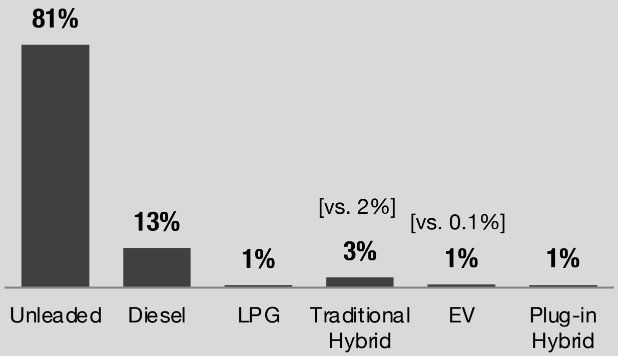
The most commonly driven vehicle types within our sample include **small cars** (25%, stable from 25% in 2022) and **medium SUVs** (25%, up from 23% in 2022). While we've seen some slight growth in Medium SUVs over the past year, the total contribution of SUVs to our mix is relatively stable (42% vs. 41% in 2022).

Once again, despite noting some slight increase in owning **hybrid vehicles** (up from 2% to 3%) and **EVs** (up from 0.1% to 1%), **unleaded petrol vehicles remain the leading fuel type** of these drivers' main vehicle.

What sort of vehicle is the one you mainly drive right now?



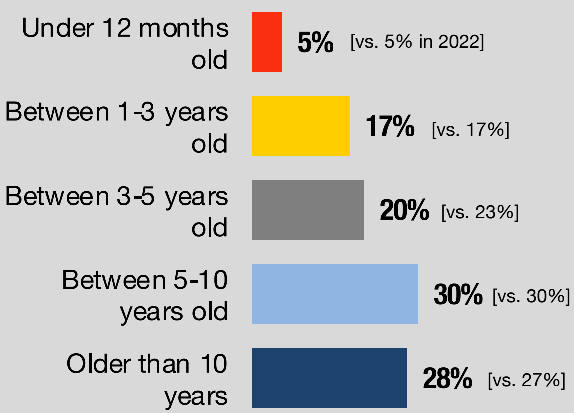
What fuel type does the vehicle you mainly drive currently use?



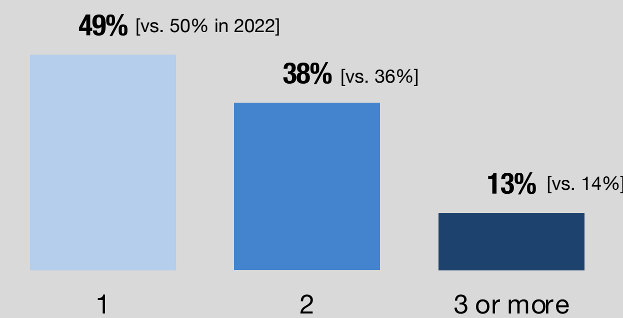
Q10. & Q11. Base: total respondents (n=2,000)

Vehicle Age & Other Household Vehicles

How old is the vehicle you mainly drive?



In total, how many vehicles are there in your household?



The **age profile of drivers' main vehicle has remained consistent** between late 2022 and early 2024. Once again, over half of our sample suggest the vehicle they mainly drive is **older than 5 years old** (57%), with 28% of this mainly driving a vehicle that is **more than 10 years old**.

Just on half (49%) have more than one vehicle in their household at present, with 37% having 2 vehicles and 14% having 3 or more vehicles across their household. This **hasn't changed significantly** from October 2022 results.

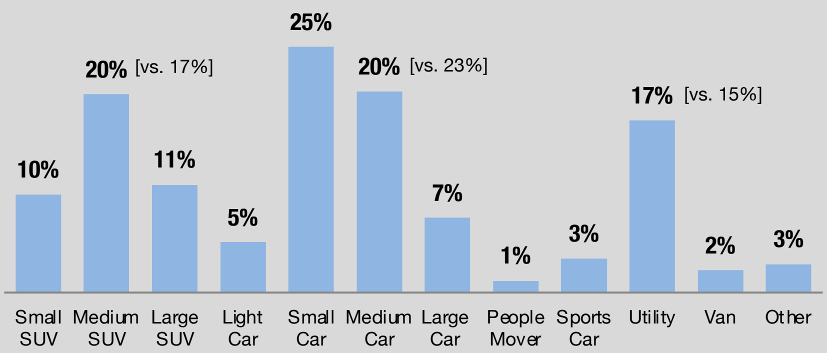
Q9. & Q12. Base: total respondents (n=2,000)

Other Household Vehicle Profile…

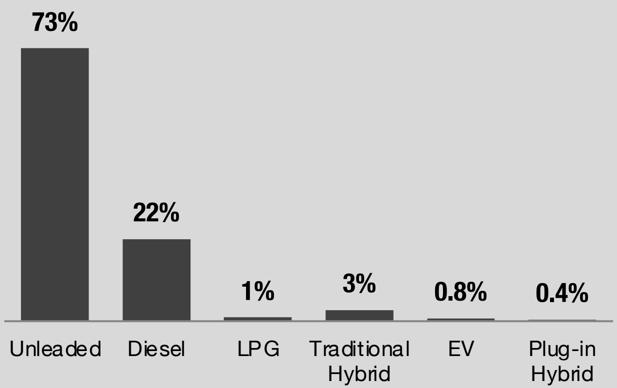
Among the 51% of respondents who have more than one vehicle in their household, the mix of other vehicles in the household generally reflect those that are driven as a main vehicle. Once again, Small Cars and Medium SUVs are among the most-listed 'other vehicles', with **some growth in Medium SUVs** (20%, up from 17%) noted between 2022 and 2024 findings.

However, compared to the profile of the main vehicle in the household, the **second vehicle is much more likely to be a utility** (17%, up from 15% in 2022), as is the presence of a diesel fuel vehicle (22%). Prevalence of 'other vehicles' currently having hybrid or EV engines is relatively very low…

Beside the one you mainly drive, what other vehicle types are currently in your household?



What fuel type do these other vehicles in your household currently use?



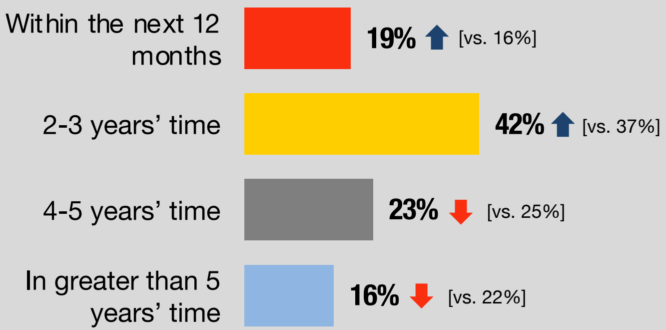
Q17. & Q18. Base: total respondents (n=2,000)

Replacing Vehicles In Future

Reviewing plans for replacing their household vehicle/s, and to what extent EVs might play a role in this…

Replacing Current Vehicle/s…

When do you plan on replacing the vehicle you mainly drive?



When replacing the vehicle/s in your household, is your intention to buy…?

	Brand New	Used
VEHICLE MAINLY DRIVEN	69%	31%
OTHER VEHICLES IN HOUSEHOLD	49%	51%

Compared to results we obtained in 2022, **the timeline for vehicle replacement has shifted significantly** more recently. In the 2024 data, **61% of respondents are planning on replacing their main vehicle within the next three years** (up from 53%).

Again, this does vary by the age of the driver's current main vehicle. 63% of those with vehicles more than 10 years old are more likely to update their vehicle in the next 0-3 years, with this dropping to 60% among those with a vehicle 5-10 years old and 52% among those with a vehicle aged 1-3 years.

Most commonly, main vehicles are notionally going to be **replaced with a brand new** (rather than used) **vehicle** (69% new / 31% used), up slightly on 2022 results (67% intended new). It suggests that in spite of cost of living pressures being noted across Australia, there's an ongoing desire and need to replace vehicles…

Q14. & Q19 Base: total respondents (n=2,000)

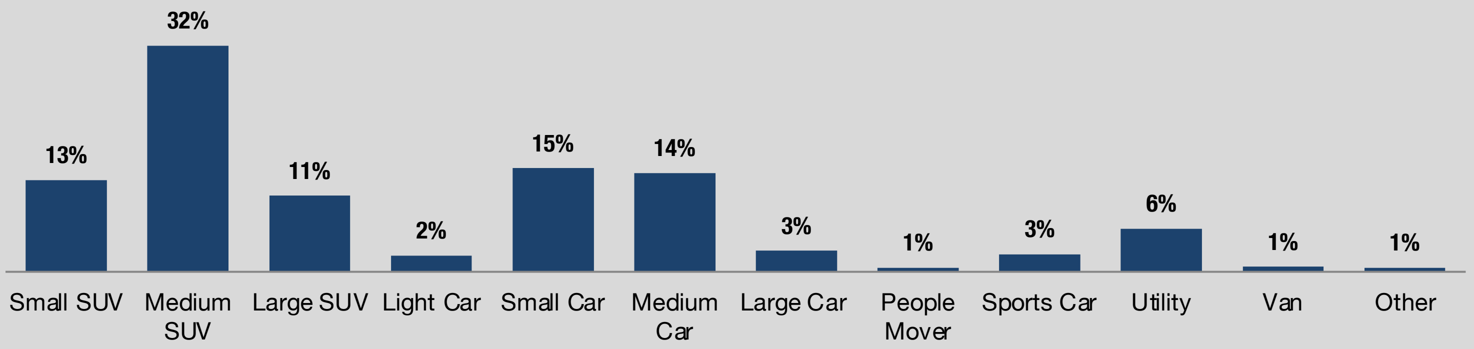
Results that are significantly higher ( ) and lower ( ) at the 95% confidence level between December 2022 and January 2024.

Type Of Vehicle Intended Next…

Medium SUVs are the most sought-after vehicle type for the next main household vehicle (32%), followed by **small** (15%) and **medium** (14%) cars.

None of these vehicle types have grown or declined significantly in popularity since December 2022.

What sort of vehicle are you likely to buy when you replace your main vehicle?

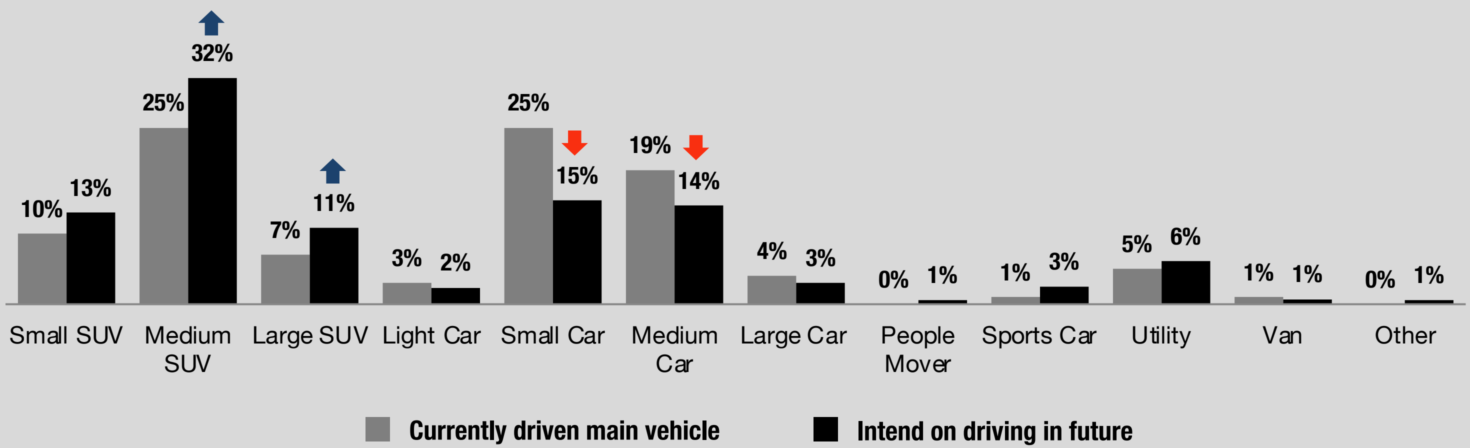


Q15. & Q17 Base: total respondents (n=2,000)

Main Vehicle | Current vs. Future…

Similarly to the last wave of research, we note that compared to what's being driven as a main household vehicle now, future purchase intentions indicate a trend **towards Medium SUVs** (from 25% owned to 32% intended in future) **and Large SUVs** (from 7% to 11%), and **away from Small Cars** (25% owned down to 15% intended) and **Medium Cars** (19% down to 14%).

What sort of vehicle are you likely to buy when you replace the vehicle/s in your household now?



Q15. & Q17 Base: total respondents (n=2,000)

denotes vehicle types which are significantly more/less likely to be driven in future compared to driven now, at the 95% statistical confidence level

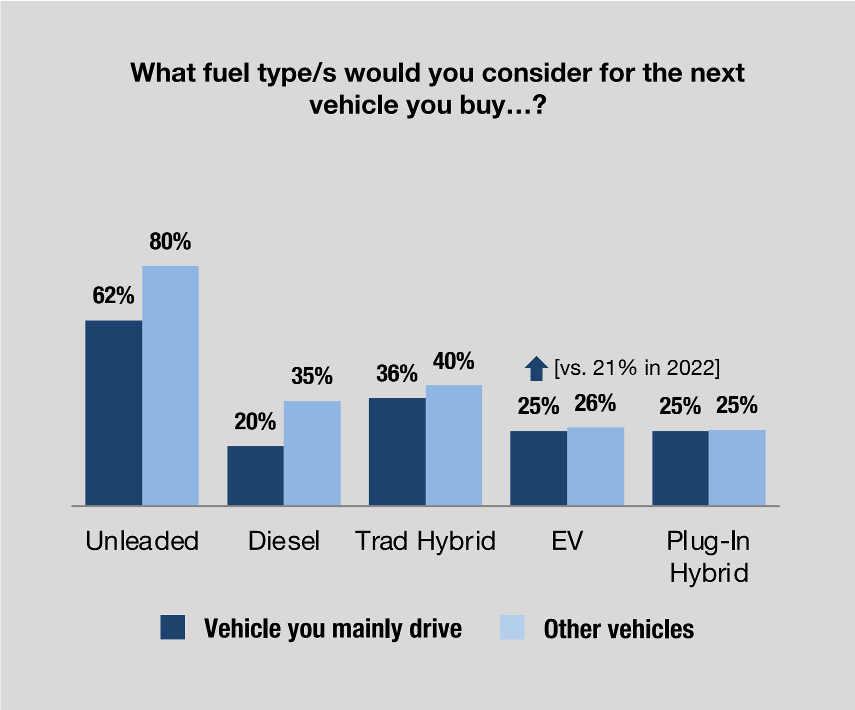
Overall Willingness To Buy An EV Next…

We adjusted our survey codes slightly in the January 2024 research wave, to separate 'Traditional Hybrid' from 'Plug In Hybrid' vehicles.

The headline remains that **unleaded engines** are most likely to be the expected 'next vehicle' for both the main vehicle driven (62%) and other vehicles to be replaced in the household (80%). It indicates greater openness to alternative fuel types when it comes to the main household vehicle than for secondary/tertiary vehicles (which may be of a lower value).

Around two in five are open to **traditional hybrid vehicles** for their next main vehicle (36%), while just on one in four (25%) are open to a **plug-in hybrid**.

Consideration of EVs for their next main vehicle is at 25% of the market, which is **up significantly from the last wave of research** (21%). This figure is now above consideration of diesel engines (20%). It indicates that consideration of EVs – while still behind hybrid and unleaded - **is on an upward trajectory**.



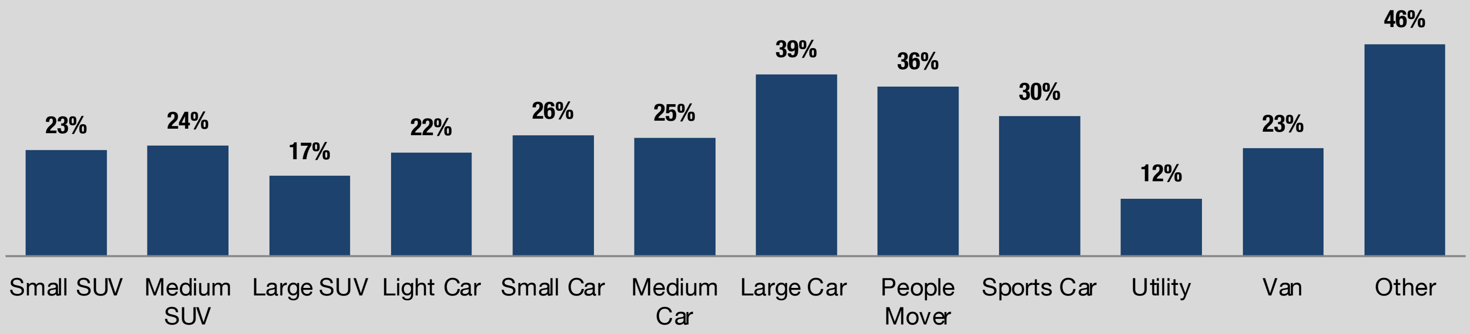
Q16. & Q20 Base: total respondents (n=2,000)

Results that are significantly higher ( ) and lower ( ) at the 95% confidence level between December 2022 and January 2024.

Willingness To Buy EV | By Vehicle Type Intended

Most commonly, intention to consider an EV on the next main vehicle driven is higher when replacing a large car, people mover, sports car, smaller SUVs or a small car, and tends to be less prevalent when it comes to large SUVs and utes.
This is **a slightly more diverse picture than was present in the 2022 research** (where primarily those replacing their main vehicle with a small car were open to EVs), and is likely to be influenced by the release of new and more diverse ranges of EVs from a number of manufacturers over the past 18 months (such as the LDV Mifa 9 in the People Mover category).

% willing to buy an EV |
Comparison based on type of vehicle you next intend on buying…

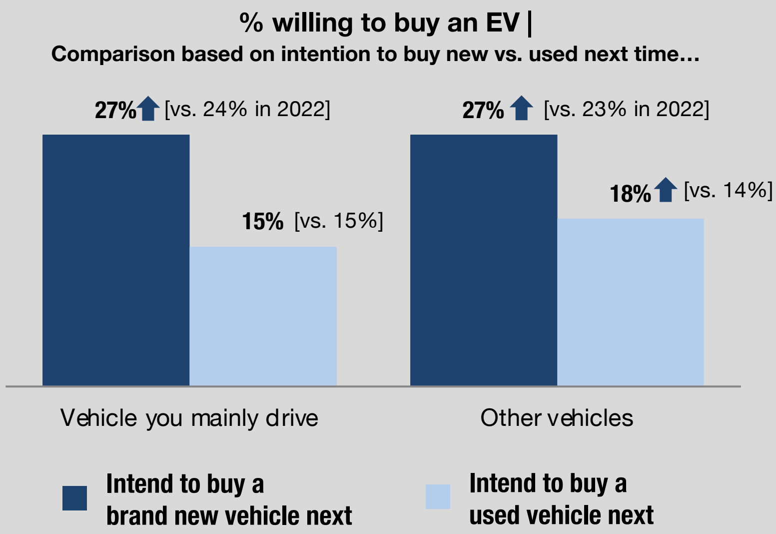


Q16. & Q20 Base: total respondents (n=2,000)

Willingness To Buy EV | By Intention For New vs. Used

Those who are likely to replace either their main vehicle or another household vehicle **with a brand new vehicle** remain more likely to be considering an EV than those who are looking to replace **with a used vehicle**.

Aside from those who are looking to buy a used vehicle as their next main vehicle, we've **noticed growth in consideration of EVs across all cohorts** between December 2022 and January 2024…



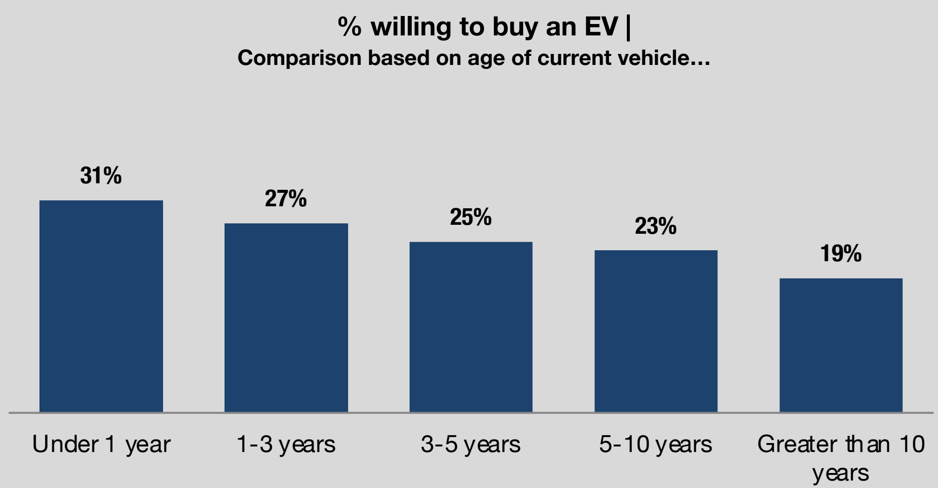
Q16. & Q20 Base: total respondents (n=2,000)

Results that are significantly higher ( ) and lower ( ) at the 95% confidence level between December 2022 and January 2024.

Willingness To Buy EV | By Age Of Current Vehicle

Willingness to buy an EV on the next main vehicle purchase appears to be **higher among those whose current vehicle is newer** (31% of those with a vehicle under 1 year old are willing to buy an EV when they next replace this vehicle).

This might be linked to this audience holding a stronger appreciation of newer vehicles and turning vehicles over sooner to take advantage of the latest features/tech.



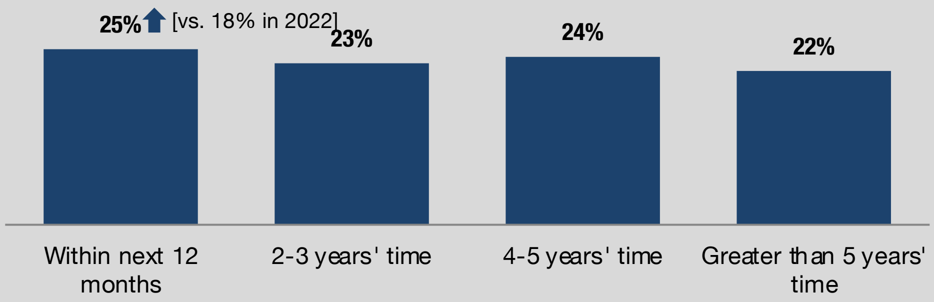
Q16. & Q20 Base: total respondents (n=2,000)

Results that are significantly higher ( ) and lower ( ) at the 95% confidence level between December 2022 and January 2024.

Willingness To Buy EV | By Timeline For Replacement

Whereas insights from 2022 indicate that intention of an EV was relatively more prominent among those whose next main vehicle replacement was planned to take place a few years or more in future, more recent data suggests that **EVs are now more likely to be in the consideration set of those who are after a new vehicle in the coming 1-3 years** as well.

% willing to buy an EV |
Comparison based on timeframe for replacing your main vehicle…



Q16. & Q20 Base: total respondents (n=2,000)

Results that are significantly higher ( ) and lower ( ) at the 95% confidence level between December 2022 and January 2024.

Observations | Replacing Vehicles…

VEHICLE REPLACEMENT TIMELINES ARE BEING BROUGHT FORWARD

Compared to 2022, the market is **significantly more likely to be intending on replacing their main vehicle in the next 3 years** (62%, up from 53%), with intention of new(69%) vehicles over used (31%) holding up.

THE TREND TOWARDS MEDIUM SUVs LOOKS SET TO CONTINUE

The trend we highlighted in 2022 towards **future vehicles being Medium SUVs** has been further confirmed in 2024 findings. It suggests that EV sales will be influenced by new and competitive options available in this segment

CONSIDERATION OF EVs IS GROWING, SLOWLY…

While ULP still dominates the fuel types considered on drivers' next main vehicle, consideration of EVs **has increased from 21% in 2022 to 25% in 2024**. This suggests **a slow and steady momentum towards EVs** overall.

CONSIDERATION OF EVs IS ALSO BROADENING BY VEHICLE TYPE PLANNED

2024 data shows **strong growth in consideration of EVs** among those looking for a **sports car** or **people mover**. As new options come into the market, consumers will become even more open to EV variants.

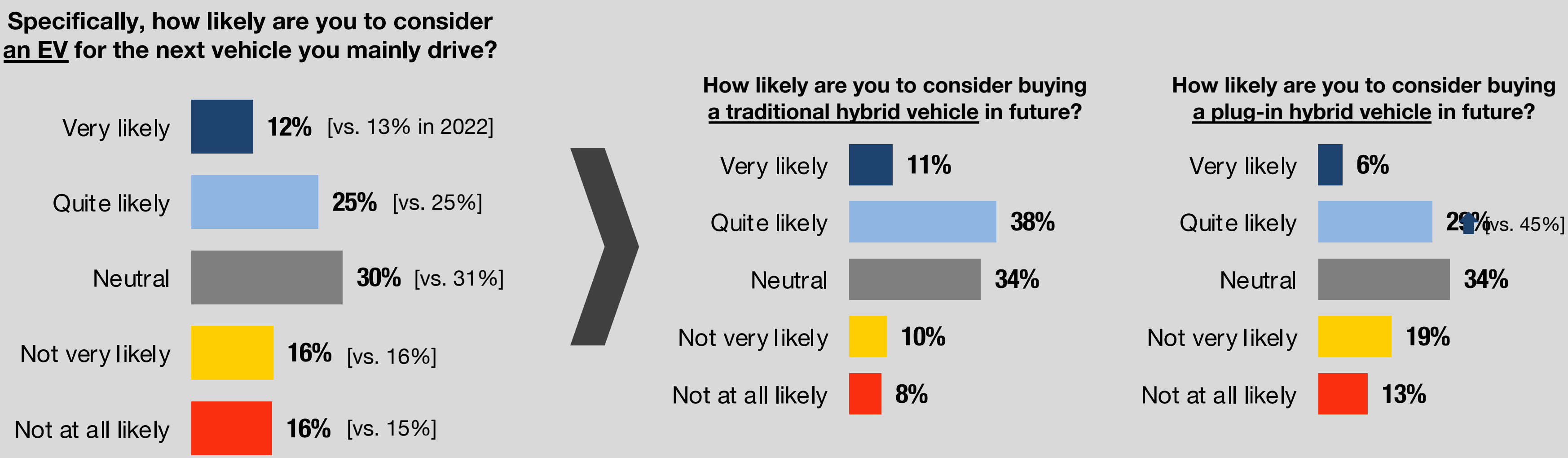
EVs ARE LESS OF A 'ONE DAY/LONG-TERM' CONSDIERATION

2022 data showed that EV consideration was strongest among those looking to replace their vehicle in 5 or more years' time. Latest data shows **strong growth in EV consideration** among those looking to buy a new car in **the next 12 months**.

Focus On EVs

Specific feedback on drivers/barriers to EVs and the status quo of beliefs around EVs…

Consideration Of Hybrid & Electric



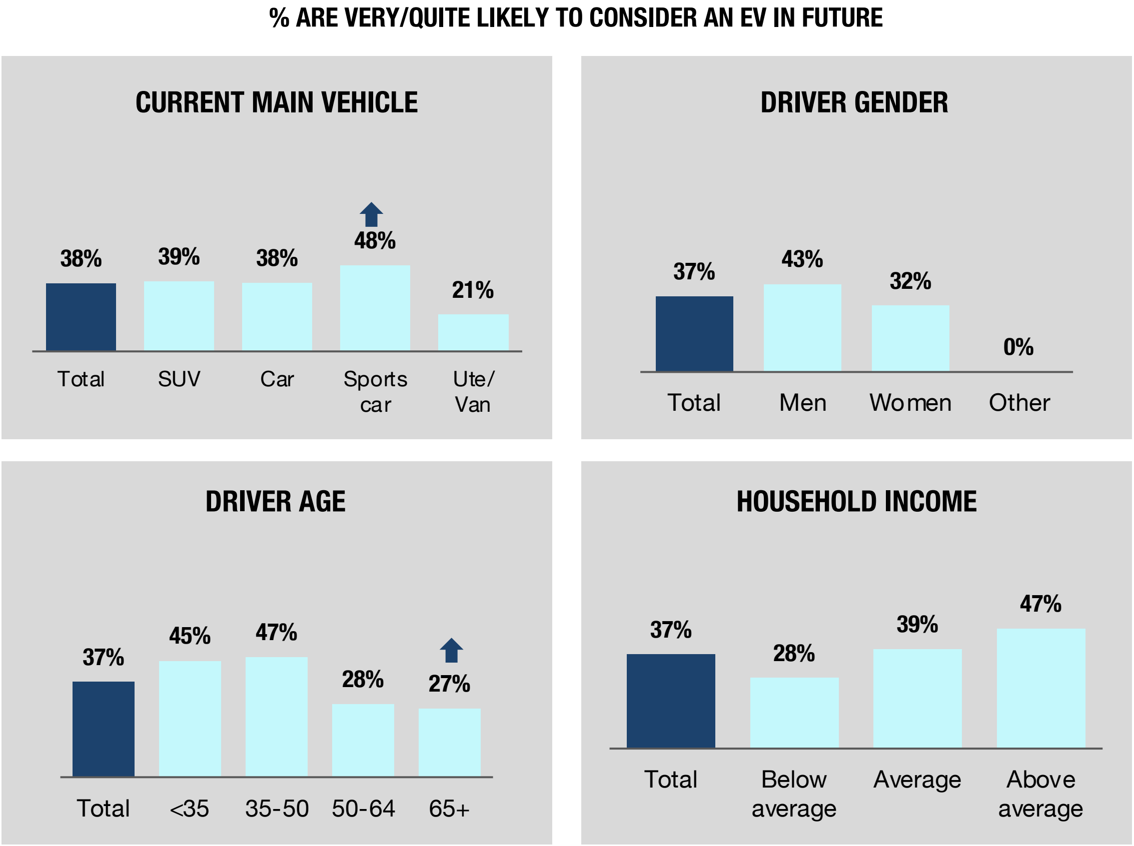
Consideration of an EV for the next vehicle they mainly drive **has remained steady** in the Australian market since 2022. 37% now say they're very or quite likely to consider buying an EV, which is **about the same as the December 2022 result** (38%).

By comparison, **openness to a traditional hybrid is higher** (49%), while consideration of **plug-in hybrids** is at 35% (just below the level of consideration of an EV). This suggests that hybrids may still be playing the notional role of a gateway for some consumers between ICE vehicles and EVs…

Q21. & Q24. Base: total respondents (n=2,000)

Results that are significantly higher ( ) and lower ( ) at the 95% confidence level between December 2022 and January 2024.

Profiling | Consideration Of Electric Vehicles



The demographic skews to considering EVs are generally maintained from 2022.

Men, **higher income households** and **younger drivers** (aged under 50 years) remain more likely than their respective comparison demographics of women, lower-income households and older drivers to be open to considering an EV.

However, while openness to an EV is still lowest among those aged 65 or older (27%), willingness to consider an EV among this cohort has **grown significantly since 2022** (up from 22%).

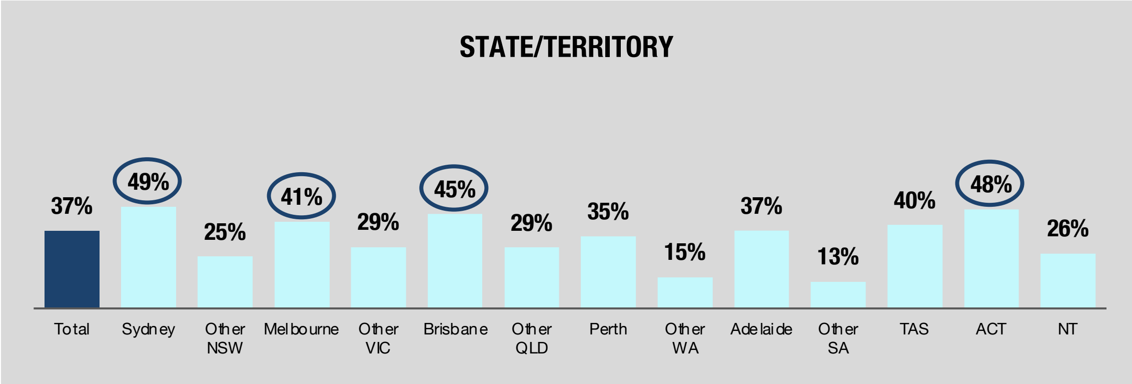
As noted earlier in the report, willingness to consider an EV among **those who currently drive a sports car** has increased significantly wave-to-wave (from 26% to 48%).

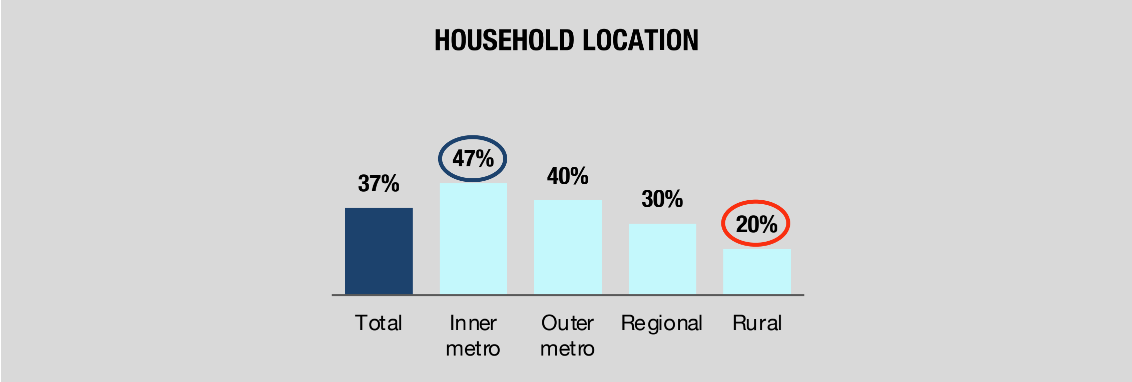
Q21. Base: respondents who are very/quite likely to consider an EV in future (n=752)

Results that are significantly higher ( ) and lower ( ) at the 95% confidence level between October 2022 and January 2024.

Profiling | Consideration Of Electric Vehicles

% ARE VERY/QUITE LIKELY TO CONSIDER AN EV IN FUTURE





When viewed by household location, **consideration of EVs within states is always stronger among residents of the State/Territory capital city** than those in regional areas. Similarly to last time, consideration of EVs remains highest among those in Sydney, Brisbane and the ACT. If anything, **consideration has softened in regional areas** from wave-to-wave (although not to a statistically significant degree).

Supporting this notion is the fact that when we map current household location by regions/metro areas, we see consideration **at its highest in inner-metropolitan areas** (47%) and at its lowest among those in **rural** (20%) or **regional** (30%) areas.

Q21. Base: respondents who are very/quite likely to consider an EV in future (n=752)

denotes results which are significantly higher/lower than comparative sub-groups at the 95% confidence level

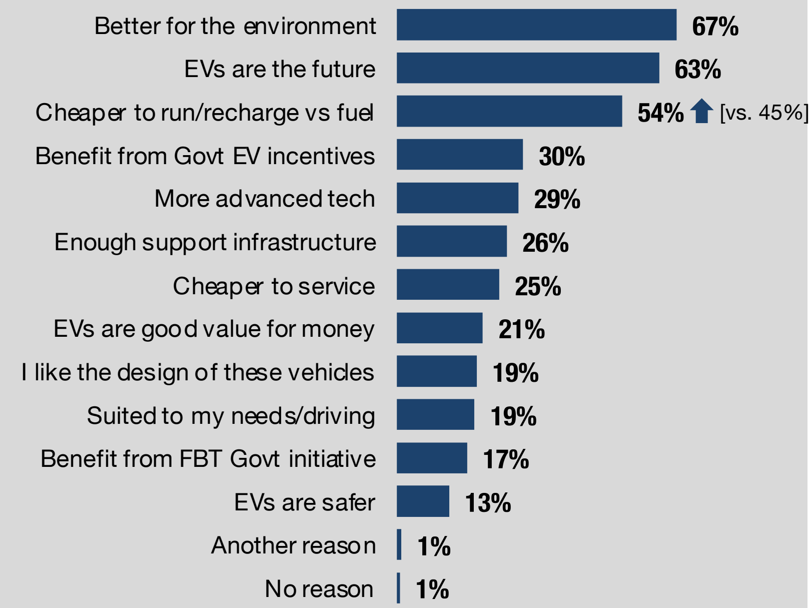
Drivers Of Considering An EV…

The most common reason for being open to considering an electric vehicle is a view that they're fundamentally **better for the environment** (67%, up from 63% in 2022) and represent an inevitable **step into the future** (63%).

Much more so than was the case in December 2022, consumers note that EVs are **cheaper to run and maintain** (54%, up from 45%), suggesting that **more is being understood** (either by experience or education) about the value that EVs can offer from a total cost of ownership perspective.

There remain some 'hidden secrets' of what EVs can offer that might serve to compel even more drivers to consider buying one. For a start, just 17% note the **current FBT initiative** as a driver for considering EVs (suggesting low awareness levels), while just 25% recognise that **EVs are less costly to service**. It indicates some further education opportunities to drive the overall perceived value equation for purchasing an EV.

Why is it that you're likely to consider buying an electric vehicle in future?



Q23. Base: those who are likely to buy an EV in future (n=752)

Results that are significantly higher ( ) and lower ( ) at the 95% confidence level between December 2022 and January 2024.

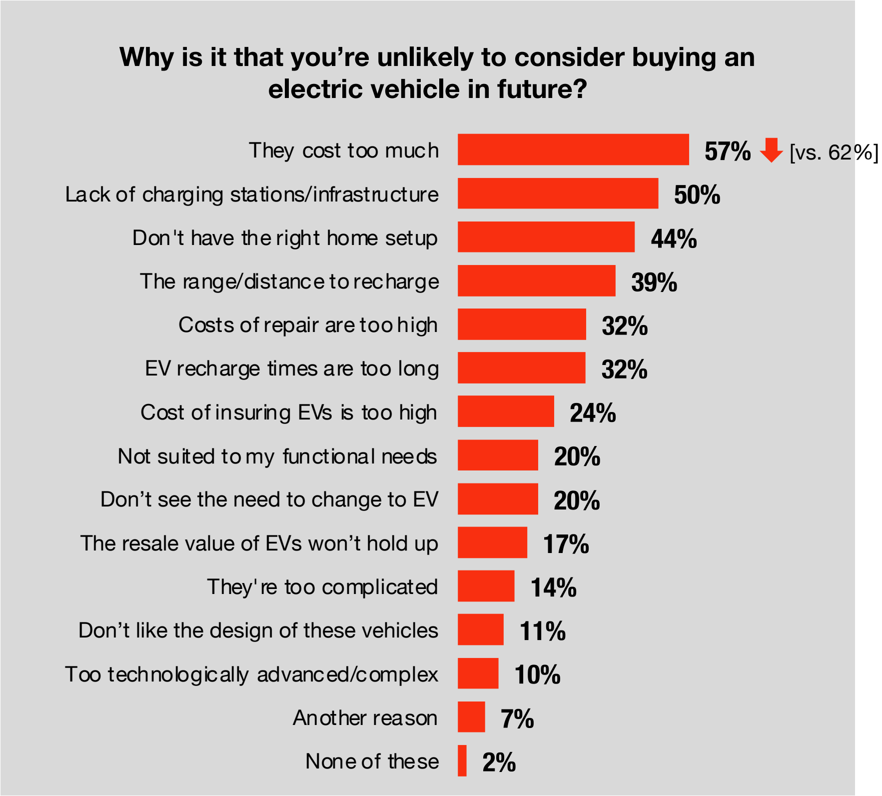
Barriers To Considering An EV…

The most common reason for being unlikely to consider an electric vehicle remains a concern around **them costing too much** (57%). However, compared to December 2022 results, this concern has dropped significantly (from 62% to 57%), indicating cost is not as significant a barrier as it once was.

Other barriers are related to charging infrastructure – 50% say there's **not enough charging stations/infrastructure generally**, while 44% are concerned that they **don't have the right setup at home** to charge their vehicle.

Range anxiety (39%) and a **concern about repair costs** (32%) round out the top five barriers to engagement with EVs.

As indicated in the 2022 research, it remains clear that the benefits EVs are weighed up against the financial cost primarily. Furthermore, there **remains a challenge in educating a broader set of the market** around the infrastructure already available in the market (and still being rolled out) and what range is available by most new vehicles being sold today.



Q22. Base: those who are unlikely to buy/unsure about buying an EV in future (n=1,248)

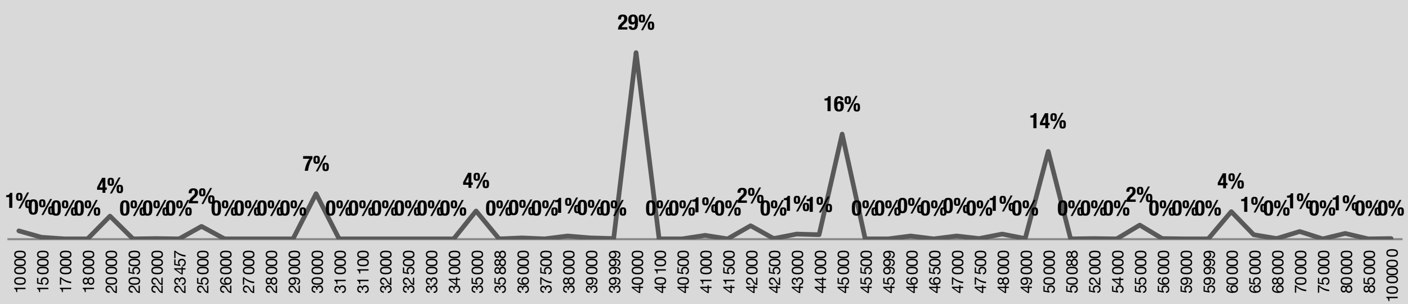
Results that are significantly higher ( ) and lower ( ) at the 95% confidence level between December 2022 and January 2024.

EV Price Point…

We again posed a hypothetical for respondents whereby a petrol vehicle priced at $40k could be made available in an EV variant - we asked them how much they'd be prepared to pay for an EV variant of that same vehicle. 4.5% said they'd pay 'nothing' (which is consistent with 2022 results). For the purposes of our analysis we have removed this cohort (who would be hard to convert to an EV irrespective of price).

Overall, **47% are willing to pay more for an EV than a petrol variant** – 16% would be willing to pay $5k more and 14% would pay $10k more. On balance, the overall average price drivers are willing to pay is **$43,100** (which represents a 8% price premium), which is **slightly higher than the result we observed in 2022** ($41,400).

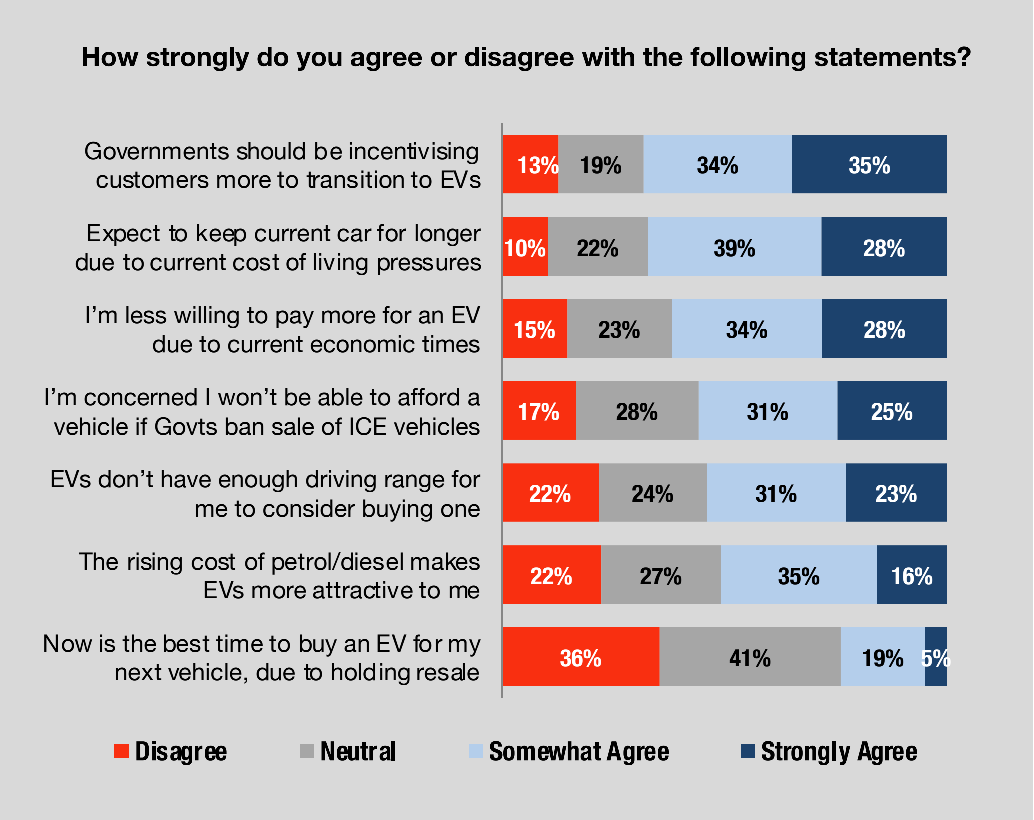
Imagine you were in the market for a petrol vehicle that is available for $40,000. What price would you be prepared to pay for an electric version of this same vehicle?



Ave. price	**$43,100**
% would pay more than $40k	**47%**
% would pay $40k	**29%**
% would pay less than $40k	**24%**

Q25. Base: total respondents (n=2,000)

Attitudes To EVs



Australian drivers remain strong in their **support for the idea of Government incentivisation for customers transitioning to EVs** (69% agree with this idea, down slightly from 71% in 2022).

A new statement asked in this wave of research, 67% agree that they **expect to keep their current car for longer than expected** due to the current cost of living pressures, indicating some portion of the market holding back.

A similar proportion to 2022 figures (62%) agree that **the current economic times make them less willing to pay more for an EV**.

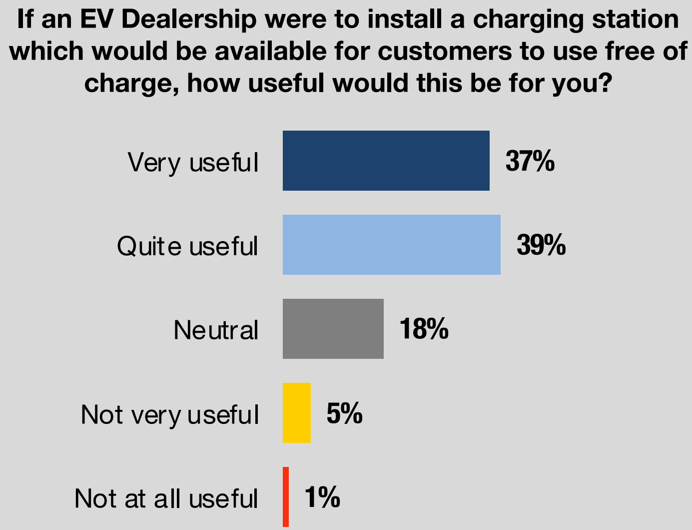
While the current cost of living pressures and high interest rates are impacting the expressed emotions/mood of the market across a wide range of sectors, our data earlier in the report suggests that consumers remain solid in their plans to continue buying new vehicles within a relatively short-medium term window (1-3 years). It suggests that the car market should still be active even in context of greater price-sensitivity.

Q26. Base: total respondents (n=2,000)

EV Dealership Charging Stations

Among those who are open to buying an EV or plug-in hybrid for their next main vehicle, we sought to understand how impactful the offer of their vehicle dealership installing a charging station and allowing customers to utilise it at no cost.

Overall, just over three quarters of this target audience (76%) would find this useful, indicating that this would be an opportunity that dealerships could look to pursue in future.



Q28. Base: those open to buying an EV or Plug-In Hybrid for their next main vehicle (n=1,353)

Observations | EV Focus…

GENERAL OPENNESS TO EVs HAS REMAINED STEADY

37% now say they're open to considering an EV specifically for their next vehicle, which is roughly in line with 2022 figures (38%).

This implies that consumers have **yet to fully embrace EVs**.

STRONGER ACCEPTANCE OF EVs BEING CHEAPER TO RUN

Higher proportions of those who are open to EVs are telling us that **it's because EVs are cheaper to run** than conventional fuel vehicles. It suggests **the overall return on investment is more clearly understood**.

WHILE COST REMAINS THE STRONGEST BARRIER, IT'S BECOMING LESS SIGNIFICANT

Among those who are not open to an EV for their next vehicle, **purchase cost remains the biggest barrier**. However, compared to 2022, cost concern is down (57%, down from 62%). As more affordable models hit the market, we might expect this to fall away further.

IMPACT OF COST OF LIVING MENTALITY

While our data highlights that vehicle replacement timelines are being brought forward, consumer attitudes highlight concerns about costs of living. It suggests that while the **mood might be flat right now, impacts on the individual might not be as clear-cut**.

Appendix: Sample Profile

Demographic profile of sample

Demographic Profile Of Sample

AGE	n=	%
17-29	386	19%
30-39	366	18%
40-49	357	18%
50-59	333	17%
60+	558	28%

GENDER	n=	%
Male	990	49.5%
Female	1,009	50.5%
Other	1	0.1%

LIFE STAGE	n=	%
Single	522	26%
Couples, no kids	323	16%
Young Families	173	9%
Middle Families	291	15%
Mature Families	323	16%
Empty Nesters	368	18%

HOUSEHOLD LOCATION	n=	%
Within 10km of CBD	596	30%
Metro >10km from CBD	759	38%
Regional	353	18%
Rural	292	15%

Demographic Profile Of Sample

HOUSEHOLD LOCATION	n=	%
Sydney	413	21%
Other NSW	221	11%
Melbourne	386	19%
Other VIC	123	6%
Brisbane	201	10%
Other QLD	195	10%
Perth	162	8%
Other WA	40	2%
Adelaide	121	6%
Other SA	39	2%
TAS	40	2%
ACT	40	2%
NT	19	1.0%

HOUSEHOLD INCOME	n=	%
Less than $20 000	36	2%
$20 000 - $39 999	192	10%
$40 000 - $59 999	219	11%
$60 000 - $79 999	221	11%
$80 000 - $99 999	231	12%
$100 000 - $124,999	259	13%
$125,000 - $149,999	240	12%
$150,000 - $199,999	277	14%
$200,000+	210	11%
Don't know	24	1%
Prefer not to say	91	5%