BCG

Europe’s High-End Buyers Rethink EV Ownership

AUGUST 2024

METHODOLOGY

BCG surveyed more than 5,000 prospective auto purchasers in five major European markets, about 20% of whom are in the premium+ and luxury price segments

	Europe	Germany	France	UK	Italy	Spain
Total Sample	**5,121**	**1,021**	**1,029**	**1,048**	**1,013**	**1,010**
Volume Car Prospects (< €50K)	2,640 **52%**	486 **48%**	672 **65%**	372 **35%**	511 **50%**	597 **59%**
Premium Car Prospects (€50–80K)	1,432 **28%**	338 **33%**	218 **21%**	384 **37%**	283 **28%**	208 **21%**
Premium+ and Luxury Car Prospects (€80k+)	1,053 **21%**	197 **19%**	139 **14%**	292 **28%**	219 **22%**	205 **20%**

Source: BCG BEV Adoption Survey, May 2024.
Note: Prospective auto purchasers are defined as consumers likely to buy a new car in the next 12 months.

METHODOLOGY

Our survey addressed four key questions

1

What is the **persona type** of next-wave premium+ and luxury BEV adopters?

Step 1:
Profile and size potential BEV customers

2

What **thresholds** must be overcome to trigger a BEV purchase?

Step 2:
Assess thresholds for BEV adoption

3

What **identified hurdles** are preventing customers from buying next-gen BEV models?

Step 3:
Gap analysis

4

What **actions** do OEMs need to take?

Step 4:
Devise imperatives for OEMs

Source: BCG BEV Adoption Survey, May 2024.

KEY FINDINGS

The environment is highly challenging for OEMs, putting premium+ and luxury BEVs in limbo

Uncertainties that affect purchase decisions

- Macroeconomic headwinds
- Technology continuing to disrupt
- Sustainability pressuring the future
- (Geo)political tensions
- Changing regulatory frameworks

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BEVs lacking luxury code

- Residual value challenge
- Design ≠ brand heritage
- Tech not fully competitive
- Customer experience, including charging, disappointing

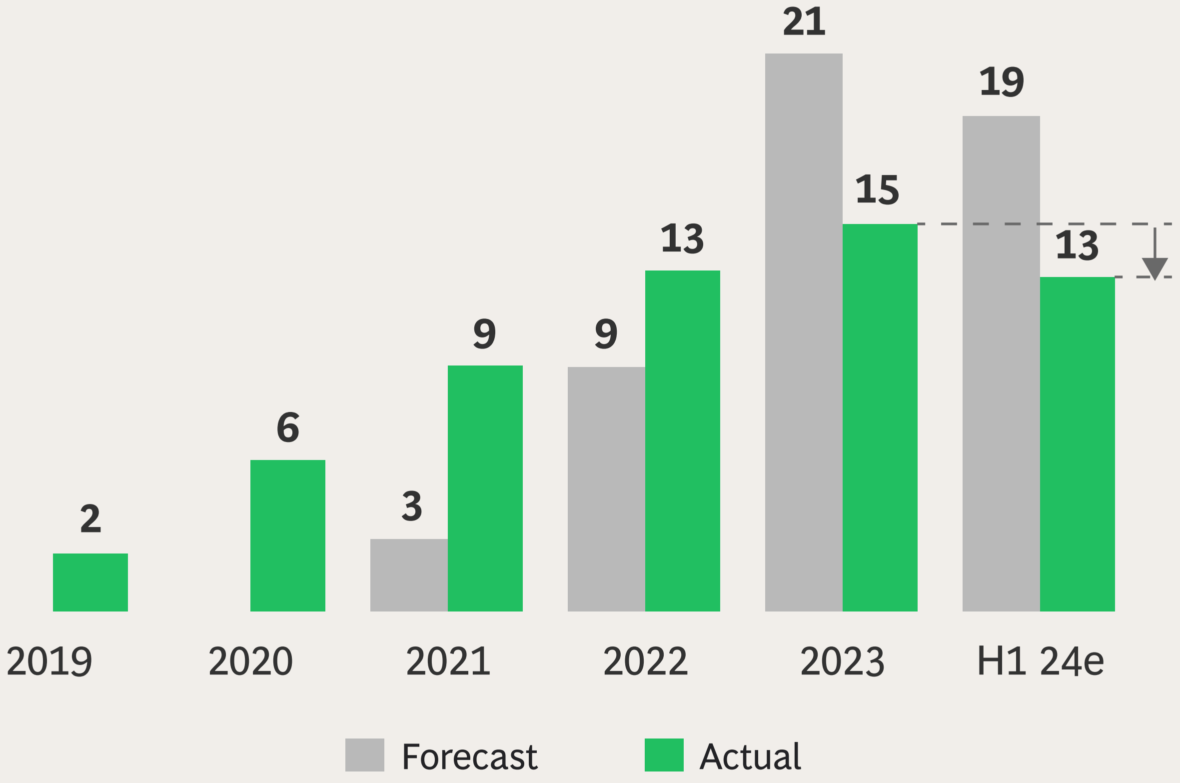
Source: BCG BEV Adoption Survey, May 2024.

KEY FINDINGS

BEVs are facing major setbacks, especially in the German market

BEV share below forecast in 2023 and 2024…

BEV SHARE IN TOTAL LIGHT VEHICLE SALES IN EUROPE, %



vs. 2023 Total	
Europe	**–2 pp**
Germany	–7 pp
UK	–0 pp
France	+2 pp
Italy	–1 pp
Spain	–1 pp

…In an unfavorable context for BEV adoption

Cuts in government support shrink BEV share, especially in the UK and Germany

Rising power prices have increased BEV TCO[1] by €4,000 in the UK and €2,000 in Germany, Italy, and France[2]

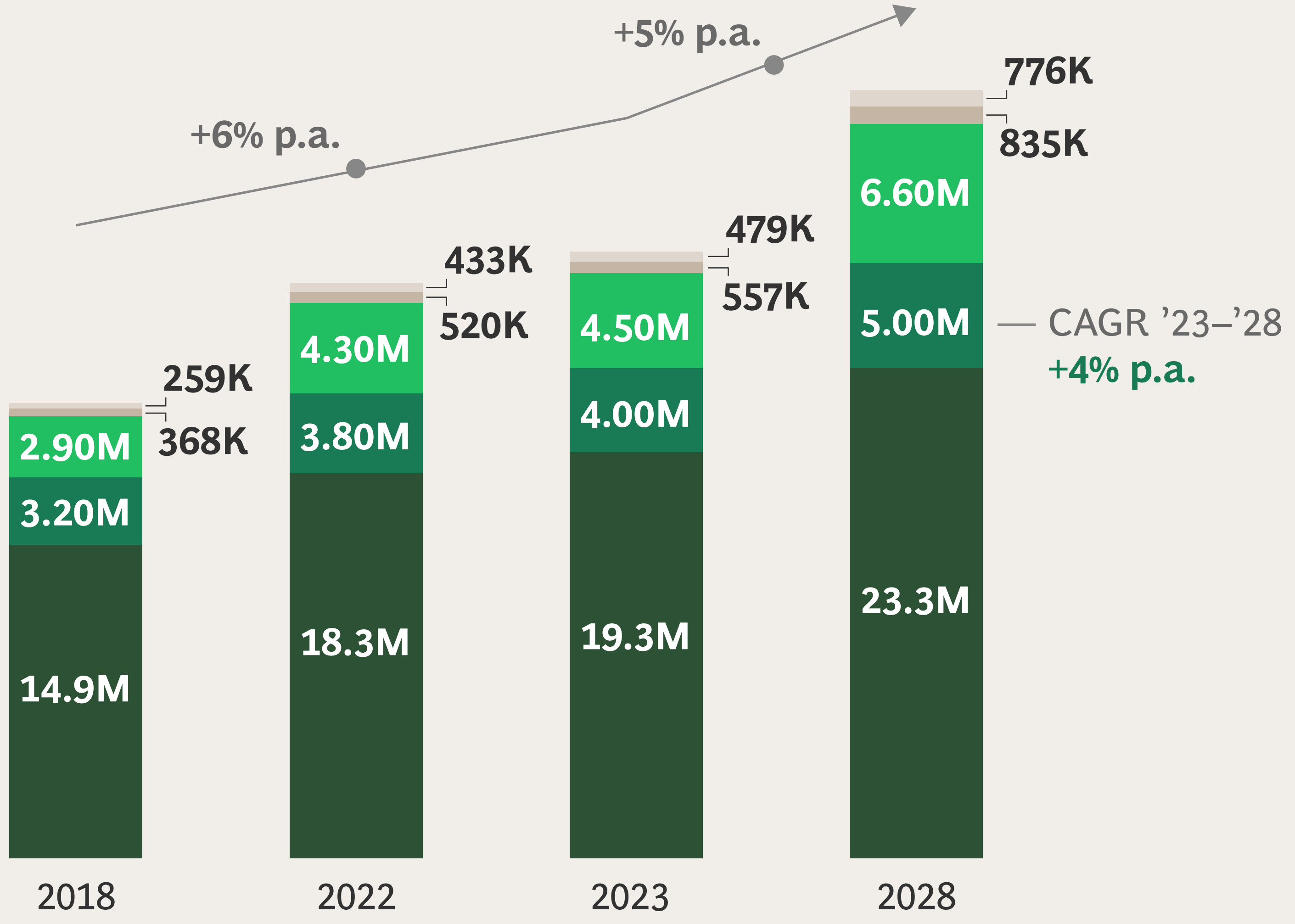
Public charging stations are falling short of national targets

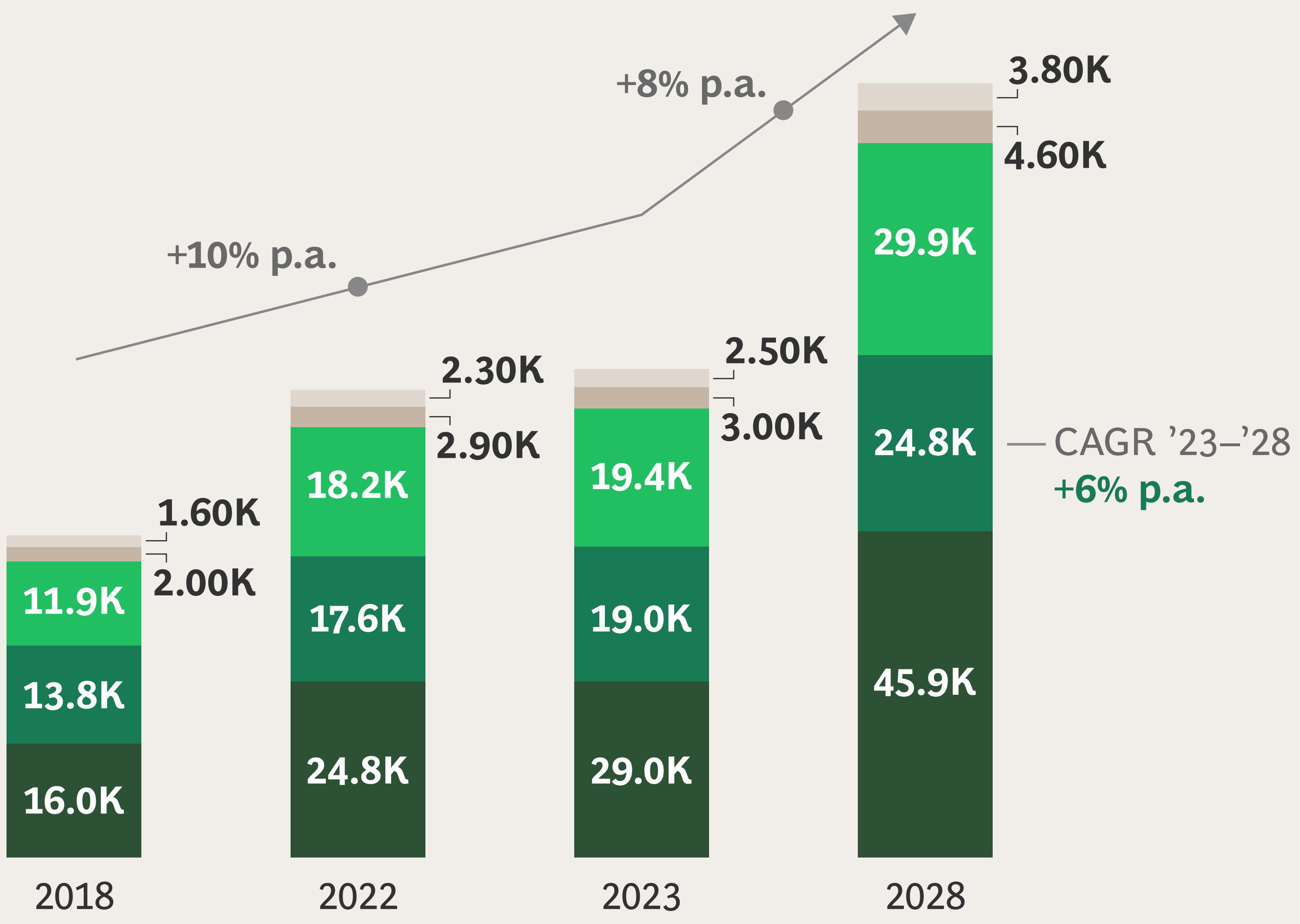
Sources: BCG Powertrain Model; S&P Mobility Global Auto Demand Tracker; EuroStat (electricity prices for household consumers); IEA (Total Cost of Ownership Tool).
Note: Europe defined as EU27 + UK + EFTA
[1]Total cost of ownership [2]From 2019 to 2023, for medium-sized models (driving 15,000 km/year)

KEY FINDINGS

However, premium+ and luxury consumers exhibit promising underlying tailwinds

With strong fundamental wealth creation globally, the number of core luxury consumers is growing





North America | Europe | Asia Pacific | Middle East and Africa | Latin America

Sources: BCG Global Wealth Report 2024; BCG analysis.
Note: HNWI = high-net-worth individual ($1M+); UHNWI = ultra-high-net-worth individual ($30M+).

KEY FINDINGS

The next generation of premium+ and luxury BEV buyers is here, and they have strong preferences and purchase criteria

38% Premium+ and luxury next-wave BEV adopters[1]

- **70%** Millennials & Gen Z[2]
- **50%** Female/Male

75%
Passionate about technology
Consider themselves as tech enthusiasts and are open to new things

75%
Safety as top priority
Core vehicle attributes still highly relevant

65%
Excitement & thrill-seekers
Enjoy dynamic and engaging driving experiences

64%
Electric preference
Opt for BEV over ICE, if models have identical specs

60%
High purchasing intention
Open to buying BEV without waiting for tech improvements

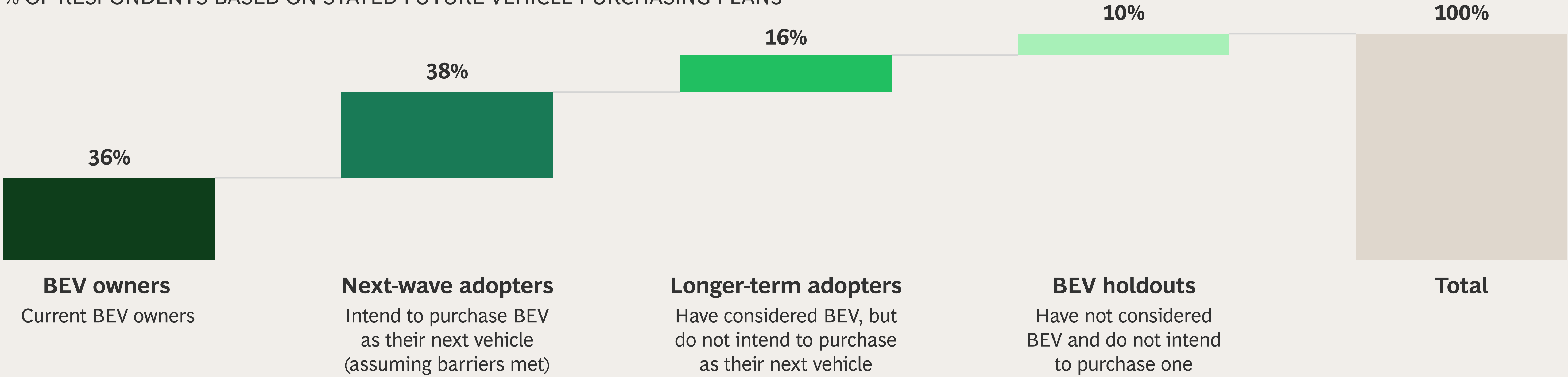
60%
Open to Chinese brands
Brand heritage less important than other attributes, such as tech

Source: BCG BEV Adoption Survey (N = 5121), Zoom on premium+ and luxury segment (n = 1053), May 2024.
Note: Premium+ and luxury defined as car price intention >€80K
[1]Premium+ and luxury consumers considering buying their first BEV in next 12 months. [2]Millennials (58%), Gen Z (13%) (70% total is vs. 40% in overall segment).

KEY FINDINGS

Opportunity for OEMs: 38% of premium+ and luxury consumers are considering buying their first BEV

% OF RESPONDENTS BASED ON STATED FUTURE VEHICLE PURCHASING PLANS



Who are the premium+ and luxury next-wave adopters?

85% **Have a university degree** (vs. 60% across all segments)

80% **Able to install private charger** (vs. 70% across all segments)

70% **Are Millennials or Gen Z** (vs. 40% across all segments)

74% **Live in urban areas** (vs. 50% across all segments)

Sources: BCG BEV Adoption Survey (N = 5121). Zoom on premium+ and luxury segment (n = 1053), May 2024.
Note: Premium+ and luxury defined as car price intention > €80K

KEY FINDINGS

The next wave of premium+ and luxury BEV buyers has different needs and priorities across segments

Key purchasing criteria across vehicle segments[1]

Rank	Volume		Premium		Premium+ and luxury	
1	Safety & comfort	63%	Safety & comfort	65%	Safety & comfort	54%
2	Purchasing price	43%	Sustainability	38%	Sustainability	41%
3	Sustainability	42%	Purchasing price	24%	Speed & power	31%
4	Operating costs	33%	Digital features	24%	Digital features	27%
5	Maintenance & repair costs	19%	Operating costs	21%	Vehicle upgrades & freshness	21%
6	Digital features	13%	Speed & power	20%	Purchasing price	14%
7	Speed & power	12%	Vehicle emotion & handling	15%	Vehicle emotion & handling	14%
8	Vehicle emotion	10%	Vehicle ugrades & freshness	13%	Operating costs	13%
9	Warranty	10%	Exterior design	12%	Interior design	11%
10	Financing options	9%	Maintenance & repair costs	11%	Brand identity	11%

Key takeaways

- **Safety & comfort** (including ADAS) major purchasing criteria across segments[2]
- **Sustainability** ranking underlines importance for BEV buyers across segments
- Premium+ and luxury BEV prospective buyers have very high expectations on **digital experience and vehicle upgrades**
- **Design ranks** rather low in importance, but for premium+ and luxury buyers it is especially relevant for the interior

Source: BCG BEV Adoption Survey, May 2024.
Note: Volume = MSRP <€50K; Premium = MSRP €50K ≤ €80K; Premium+ and luxury = MSRP >€80K.
[1]Question: Regarding your next vehicle purchase, which of the following attributes are most important to your purchasing decision? [2]ADAS = Advanced driver assistance systems.

KEY FINDINGS

Major hurdles for premium+ and luxury consumers to purchase BEVs

% OF RESPONDENTS STATING THE FOLLOWING LIMITING FACTORS TO BUY ELECTRIC VEHICLES

46%

Charging time and charging experience

Lack of high-speed chargers, long waiting times, costs for private charger installations

44%

Overall range and cold weather range

Predictability of battery range and susceptibility of range to cold weather conditions

39%

Car and battery lifetime

Lower resale value compared to ICE vehicle; 2nd/3rd owner vehicle attractiveness

36%

Operating costs, especially energy prices

Prices for public charging, availability of "cheaper" energy for private chargers

Key takeaways

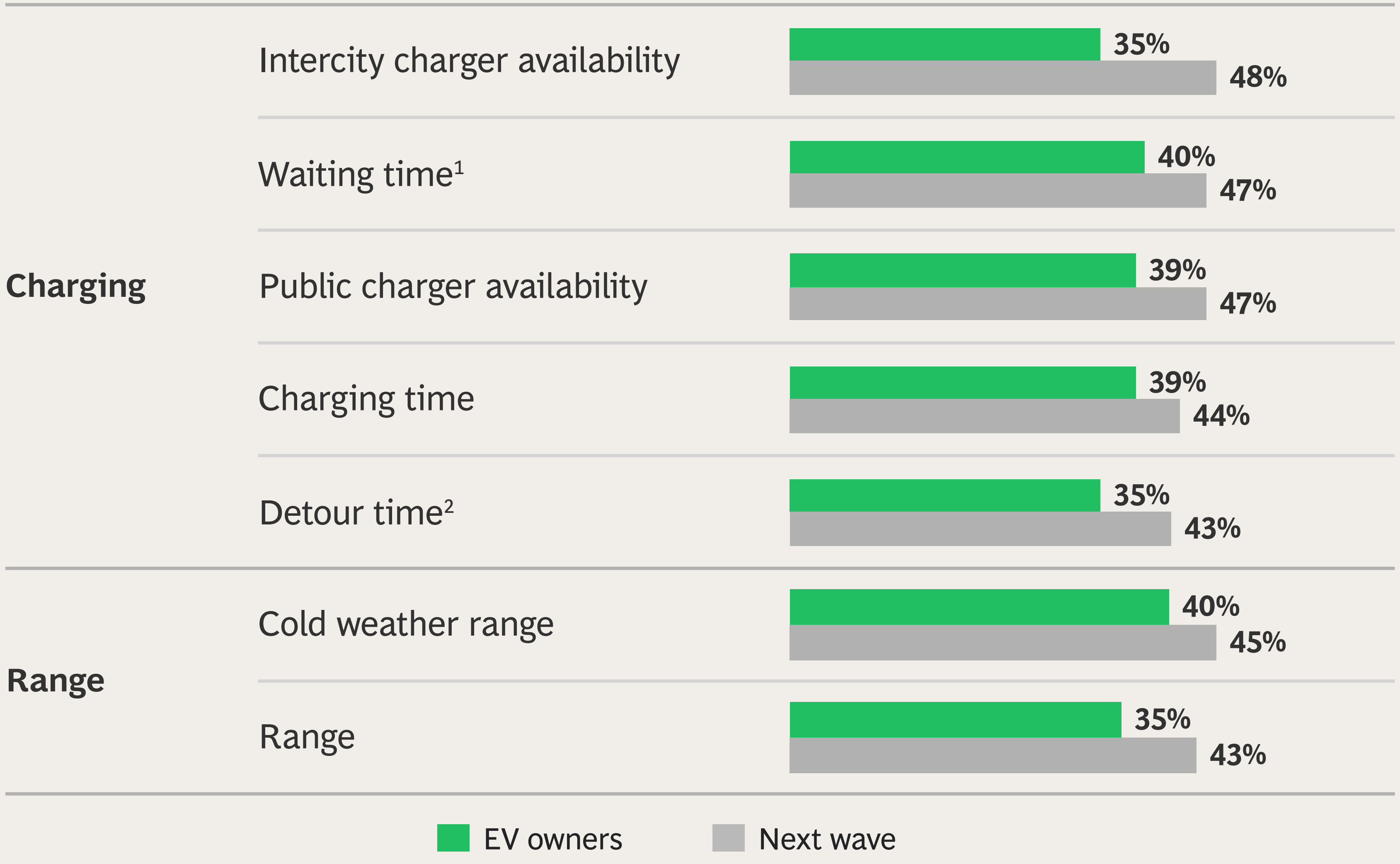
- Premium+ and luxury BEV experience **not in line with "luxury code":** very high hurdles for customer to convert
- Unlike refueling for ICE cars, charging experience and range are **integral to BEV product offering**
- **Reality vs. perception gaps** on range, charger availability, etc. need to be addressed
- **Educating prospective buyers** and providing **opportunities to experience BEVs is critical**

Source: BCG BEV Adoption Survey, Zoom on premium+ and luxury segment (n = 1053), May 2024.
Note: Premium+ and luxury = MSRP >€80K

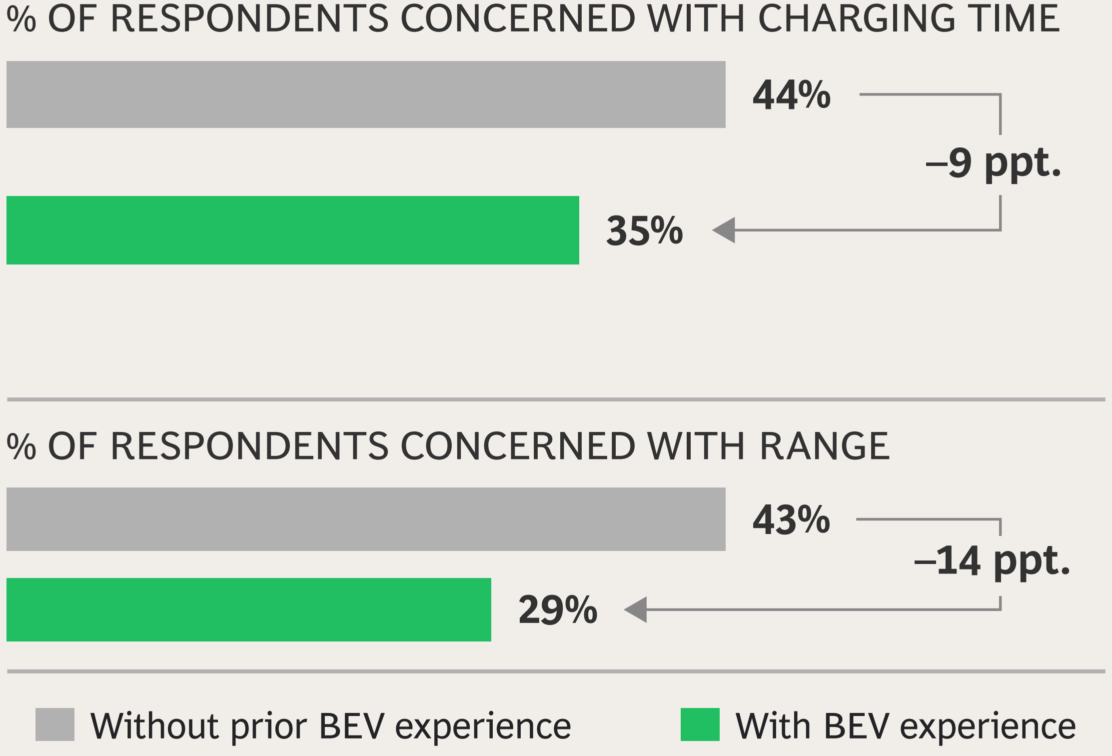
KEY FINDINGS

Experiencing a BEV significantly alleviates customer concerns

TOP 8 (OUT OF 33) CONCERNS HINDERING BEV ADOPTION, %



Concerns about charging and range significantly decrease for respondents who have driven a BEV

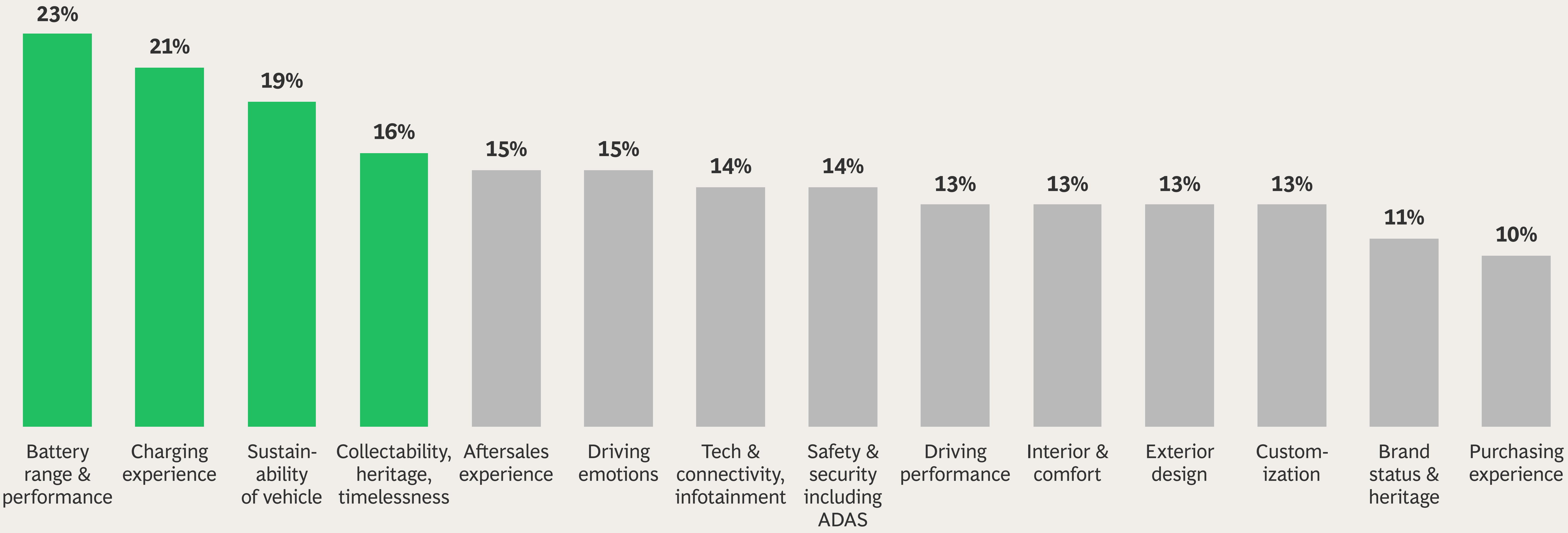


Source: BCG BEV Adoption Survey (N = 5121), Zoom on premium+ and luxury segment (n = 1053), May 2024.
Note: Premium+ and luxury defined as car price intention >€80K
[1]Waiting time before having access to a charger. [2]Extra time required to find a charger.

KEY FINDINGS

Premium+ and luxury prospective purchasers see current BEV offerings as insufficient on multiple criteria

% OF RESPONDENTS STATING ATTRIBUTE IS NOT WELL COVERED BY CURRENT BEV OFFERINGS



Source: BCG BEV Adoption Survey (N = 5121), Zoom on premium+ and luxury segment (n = 1053), May 2024.
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KEY FINDINGS

Imperatives for OEMs

Automotive Customer Journey

Improve product market fit

Review product strategy to address key product requirements (e.g., range, performance)

Enhance digital experience and ability to upgrade vehicle in line with consumer expectations

Anchor design in brand heritage; avoid radical ICE/BEV differentiation

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Awareness

Educate customers and target the right customers

Educate customers to bridge perception vs. reality gap
- Product features
- Facts & figures

Identify and target demand segments and micro-markets with highest propensity to purchase

Consideration

Provide opportunities to experience BEV

Offer longer test drives to truly experience BEV usage day-to-day, esp. to end-of-lease customers

Share testimonials from satisfied BEV customers

Purchase

Address residual value issue

Enhance initial price setting to ensure price stability from the start

Target higher financial services share with more flexible offers

Introduce **battery certificates**

Usage

Uplift BEV ownership experience

Offer the BEST charging experience with exclusive charging services (e.g., privileged access to public chargers)

Ensure lower operating costs (e.g., care-free charging offerings, “energy cloud,” etc.)

Source: BCG analysis.