

# Hybrid and Electric Cars - US - November 2012

## Scope and Themes



*“Youth culture and car culture used to be one and the same, though this linkage is certainly no more. Ask teens today what they are interested in and they will mention the iPhone 5 or Facebook, a far cry from drag racing, drive-in movies, or a new Mustang. The fact that young consumers—both teens and Millennials—are less interested in or less likely to buy cars than they once were is an issue that presents a challenge for the entire auto industry. Perhaps no segment is more adversely affected by the loss of the young consumer as the hybrid and electric market, where automakers look to attract early adopters and those open to new technology, traditionally a role played by the young.”*

– Bill Patterson, Market Analyst

## In this report we answer the key questions:

- **Where did all the young people go?**
- **Does this loss really hurt sales?**
- **So, how can brands attract young consumers?**

The auto industry is quickly moving toward a future where hybrid and electric vehicles reach the mainstream. Sparked by consumer demand for fuel efficiency and government regulations requiring vastly improved gas mileage, most major manufacturers have launched or are planning to launch new hybrid and electric vehicles within the next two to three years. The broadening of the hybrid and electric vehicle market indicates that it is now more important than ever for automakers, dealerships, and marketers to gain insight into this market and the varying opinions offered by consumers who are deciding to buy a new car.

This report provides an in-depth analysis of the hybrid and electric vehicle market. Consumer attitudes, segmentation data, and competitive trends are explored.

Segment data cover five segments: compact hybrids, midsize hybrids, luxury hybrids, truck/SUV hybrids, and plug-in

**BUY THIS  
REPORT NOW**

**VISIT:**

[store.mintel.com](http://store.mintel.com)

**CALL:**  
EMEA

+44 (0)207 778 7151

Americas

+1 (312) 943 5250

APAC

+61 (0)2 8284 8100

Brazil

0800 095 9094

**EMAIL:**

[oxygen@mintel.com](mailto:oxygen@mintel.com)

**DID YOU  
KNOW?**

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

# Hybrid and Electric Cars - US - November 2012

## Scope and Themes

hybrid (PHEV) and electric vehicles. Compact hybrids, dominated by the industry-leading Toyota Prius, currently represent the largest segment of unit sales. However, new entrants into the PHEV and EV segment have helped make it the fastest-growing area of the market.

The consumer sections of this report present the attitudes and opinions of three distinct audiences: current hybrid owners, consumers considering a hybrid or electric car, and all car owners in total. Considering that widespread consumer exposure to hybrid and electric vehicles is still limited, segmentation of consumer audiences into these categories can help marketers understand the present and plan for the future.

- **Hybrid owners** are likely to be early adopters, environmentally conscious, and (based on sales figures) most likely to own a compact car. It can be difficult to extrapolate the attitudes of these consumers onto the car-buying public as a whole; however, they do provide insight into what today's hybrid audience is looking for.
- **Potential hybrid and electric buyers** are represented by the 20% of respondents who say they will consider a hybrid/electric engine for their next car, in addition to all respondents when asked to imagine whether they are prepared to purchase a hybrid or electric vehicle. The attitudes of potential hybrid and electric buyers are uniquely important to marketers as they might serve as a proxy for the potentially wider audience of the future.
- **Car owners in total** will ultimately provide the widest range of attitudes and opinions facing marketers aiming to promote hybrid and electric vehicles.

This report covers sales and leases of new hybrid and electric vehicles. It builds on the analysis presented in Mintel's *Hybrid and Electric Automobiles—U.S., September 2011*.

The two categories are defined as:

- **Hybrids** use two or more distinct sources of power, typically a combustible engine and an electric motor.
- **Electric vehicles** use one or more electric motors to propel the vehicle forward, and are typically powered by a battery that is recharged by plugging in overnight.

**BUY THIS  
REPORT NOW**

VISIT: [store.mintel.com](http://store.mintel.com)

CALL: EMEA: +44 (0)207 778 7151 | Brazil: 0800 095 9094

Americas: +1 (312) 943 5250 | APAC: +61 (0)2 8284 8100

EMAIL: [oxygen@mintel.com](mailto:oxygen@mintel.com)

# Hybrid and Electric Cars - US - November 2012

## Contents

### **SCOPE AND THEMES**

*What you need to know*

*Definition*

*Data sources*

Sales data

Consumer survey data

Advertising creative

*Abbreviations and terms*

Abbreviations

Terms

### **EXECUTIVE SUMMARY**

*The market*

Sales of hybrid and electric cars estimated to reach exceed 470,000 units a 64% gain in 2012

Mintel forecasts hybrid and electric vehicles sales of 850,000 by 2017

Figure 1: Sales of all hybrid and electric cars, 2007-17

Hybrid and electric vehicles represent 3.3% of all vehicles sold

Figure 2: Sales of all hybrid and electric cars, by segment, 2007-12

*Market factors*

New fuel efficiency standards incentivize building of hybrid and electric vehicles

Improved ability to make up for the hybrid/electric premium with savings at the pump bodes well for future sales

Figure 3: U.S. all grades retail gasoline prices (Dollars per gallon), Oct 2002-Oct 2012

Consumer sentiment at five-year high, providing potential catalyst to replace old cars

*Market segmentation*

Nine out of 10 alternative fuel vehicles sold are hybrids, yet electric cars gain share

Figure 4: U.S. unit sales of hybrid and electric vehicles, by segment, YTD 2011-12

Prius drives sales of compact hybrids to gain of 55%

Midsize hybrids are fastest-growing hybrid segment

Hybrid truck/SUV brands struggle to meet consumer taste for bulk and power

Luxury hybrids remain niche market due to cost

Electric vehicles fastest-growing segment

Figure 5: U.S. unit sales of hybrid and electric vehicles, by segment, YTD 2011-12

*The consumer*

Hybrid owners: technology, safety, and accessories provide key issues for future

Figure 6: Interest in driving and what's under the hood, by gender, January 2011-March 2012

Figure 7: Select attitudes to hybrid/electric cars, by engine type of vehicle considering to buy next, August 2012

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](http://store.mintel.com)

**CALL:** EMEA: +44 (0)207 778 7151 | Brazil: 0800 095 9094

Americas: +1 (312) 943 5250 | APAC: +61 (0)2 8284 8100

**EMAIL:** [oxygen@mintel.com](mailto:oxygen@mintel.com)

# Hybrid and Electric Cars - US - November 2012

## Contents

Battery issues are top concern

Figure 8: Battery-related concerns with hybrid/electric vehicles that may prevent purchase, by household income, August 2012

Toyota the brand most looked to for the ideal hybrid/electric car

Figure 9: Manufacturer most likely to consider for dream hybrid/electric car, by gender, August 2012

*What we think*

### **ISSUES IN THE MARKET**

*Where did all the young people go?*

*Does this loss really hurt sales?*

*So, how can brands attract young consumers?*

### **INSIGHTS AND OPPORTUNITIES**

*Car sharing and rental car services let consumers see driving as fun*

*Hybrids need to promote brand loyalty should repeat sales falter*

*Marketers should keep current hybrid owners satisfied to build brand loyalty*

*Electric car racing might introduce technology to fans*

### **TREND APPLICATIONS**

*Trend: Prepare for the Worst*

*Trend: Patriot Games*

*2015 Trends*

*Trend: 2015 Access Anything, Anywhere*

### **MARKET SIZE AND FORECAST**

*Key points*

*Hybrid and electric car sales estimated to reach 500,000 units with launch of new models*

Figure 10: U.S. unit sales and forecast of hybrid and electric vehicles, 2007-17

*Hybrid and electric cars account for 3.3% of vehicles sold*

Figure 11: Share of U.S. unit sales of vehicles, by engine type, 2004-12

### **MARKET DRIVERS**

*Key points*

*Introduction of new hybrid and electric models may spur demand*

*New mass market PHEV and EV models join Volt and LEAF*

*New fuel efficiency standards incentivize building of hybrid and electric vehicles*

Figure 12: Preliminary fuel efficient projections for various vehicle makes and models, 2012-25

*Rising gas prices, technology gains to improve cost-benefit trade*

Figure 13: U.S. all grades retail gasoline prices (dollars per gallon), Oct 2002-Oct 2012

*Consumer confidence improving, encouraging new car buying*

Figure 14: University of Michigan Consumer Sentiment, March 1978-2012

### **COMPETITIVE CONTEXT**

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](http://store.mintel.com)

**CALL:** EMEA: +44 (0)207 778 7151 | Brazil: 0800 095 9094

Americas: +1 (312) 943 5250 | APAC: +61 (0)2 8284 8100

**EMAIL:** [oxygen@mintel.com](mailto:oxygen@mintel.com)

# Hybrid and Electric Cars - US - November 2012

## Contents

### Key points

*Small cars represent 41% of car sales in 2012 and growing*

Figure 15: Small cars as a share of all cars sold and all automobiles sold, 2007-12\*\*

*Car sharing attracts potential audience of young, urban consumers*

*Fuel cell and diesel engine vehicles offer distinct advantages*

### SEGMENT PERFORMANCE

#### SEGMENT PERFORMANCE—OVERVIEW

##### Key points

*PHEVs and EVs gain nearly 3% of hybrid and electric vehicle market share*

Figure 16: U.S. unit sales of hybrid and electric vehicles, by segment, January-August 2011-12

#### SEGMENT PERFORMANCE—COMPACT HYBRIDS

##### Key points

*Compact hybrid segment sales dominated by Prius brands, increase 55%*

Figure 17: U.S. unit sales of compact hybrids, 2007-12

*Compact hybrid is difficult segment for new entrants*

Figure 18: U.S. unit sales of compact hybrids, by brand, YTD 2011-12

#### SEGMENT PERFORMANCE—MIDSIZE HYBRIDS

##### Key points

*Midsized hybrid sales estimated to increase 142%*

Figure 19: U.S. unit sales of midsize hybrids, 2007-12

*Chevy Malibu enters competitive field with strong first-year sales*

Figure 20: U.S. unit sales of midsize hybrids, by brand, Jan-Aug 2011-12

#### SEGMENT PERFORMANCE—TRUCK/SUV HYBRIDS

##### Key points

*Hybrid truck/SUV segment struggles, likely due to image, not math*

Figure 21: U.S. unit sales of truck/SUV hybrids, 2007-12

*Sales decrease for all truck/SUV hybrids except Highlander*

Figure 22: U.S. unit sales of truck and SUV hybrids, by brand, Jan-Aug 2011-12

#### SEGMENT PERFORMANCE—LUXURY HYBRIDS

##### Key points

*At 43,000 units, luxury remains niche segment due to cost*

Figure 23: U.S. unit sales of luxury hybrids, 2007-12

*Three brands—Buick, Lexus, and Lincoln—account for 89% of luxury share*

Figure 24: U.S. unit sales of luxury hybrids, by brand, Jan-Aug 2011-12

#### SEGMENT PERFORMANCE—PHEV AND ELECTRIC VEHICLES

##### Key points

**BUY THIS  
REPORT NOW**

VISIT: [store.mintel.com](http://store.mintel.com)

CALL: EMEA: +44 (0)207 778 7151 | Brazil: 0800 095 9094

Americas: +1 (312) 943 5250 | APAC: +61 (0)2 8284 8100

EMAIL: [oxygen@mintel.com](mailto:oxygen@mintel.com)

# Hybrid and Electric Cars - US - November 2012

## Contents

*Manufacturers believe electric car technology can appeal to mainstream*

Figure 25: U.S. unit sales of electric vehicles, 2007-12

*Eight new entrants and counting mark evolution of electric segment*

Figure 26: U.S. unit sales of PHEV, electric vehicles, by brand, Jan-Aug 2011-12

### **LEADING COMPANIES**

*Toyota dominates industry with nearly 200,000 vehicles sold*

Figure 27: U.S. unit sales of hybrid and electric vehicles, by manufacturer, Jan-Aug 2011-12

*Wide range of new alternative fuel vehicles coming 2013-15*

For Toyota, firmly set as hybrid industry leader, not much change in store

Chevrolet hopes to build on success of Volt with launch of new electric vehicles

Honda Accord gets hybrid/electric treatment

Ford launches first dedicated hybrid nameplate, C-Max

Second-generation Nissan LEAF battery may offer improvements

Other brands serve loyal audiences with new launches, Tesla looks to go mainstream

### **INNOVATIONS AND INNOVATORS**

*Wireless electric vehicle battery charging gives consumers more freedom*

*Tesla "Supercharger" stations refill battery in one hour or less*

*Toyota Friend social media network features tweeting cars*

### **MARKETING STRATEGIES**

*The role of influential bloggers in vehicle launches*

*Marketers overcome challenge of educating viewers in less than 30 seconds*

Strategy: Hybrids are not just about the environment, they can be fun

Figure 28: Ford Ad, Making you feel alive, October 2012

Strategy: Focus on the gas savings

Figure 29: Chevrolet Ad, I don't spend money on gas, October 2012

Strategy: HEVs grow up, full size now available

Figure 30: Buick Ad, I may have retired, October 2012

Strategy: Early adopters can "drive the future"

Figure 31: Nissan Ad, What if you could drive the future, October 2012

### **ATTITUDES AND OPINIONS OF CURRENT HYBRID OWNERS**

*Key points*

*Overview*

Male hybrid owners interested in mechanics of technology

Figure 32: Hybrid owners' general attitudes/opinions about cars and driving, by gender, January 2011-March 2012

*Current void among 25-34 year-old hybrid owners concerning safety rating*

Figure 33: Hybrid owners' attitudes/opinions about the car buying decision, by age, January

**BUY THIS  
REPORT NOW**

VISIT: [store.mintel.com](http://store.mintel.com)

CALL: EMEA: +44 (0)207 778 7151 | Brazil: 0800 095 9094

Americas: +1 (312) 943 5250 | APAC: +61 (0)2 8284 8100

EMAIL: [oxygen@mintel.com](mailto:oxygen@mintel.com)

# Hybrid and Electric Cars - US - November 2012

## Contents

2011-March 2012

*Options and accessories important to households earning \$50K-74.9K*

Figure 34: Hybrid owners' attitudes/opinions about auto options and accessories, by household income, January 2011-March 2012

### **ATTITUDES OF CONSUMERS PLANNING TO BUY HYBRID/ELECTRIC VEHICLES**

*Key points*

*Overview*

*Premium of less than \$3,000 would attract potential hybrid buyers*

Figure 35: Premium willing to spend to get hybrid/electric vehicle, by engine type of vehicle considering to buy, August 2012

*Those considering hybrid expect to get money back on future gas savings*

Figure 36: Attitudes to hybrid and electric cars, by engine type of vehicle considering to buy, August 2012

*Financial considerations differentiate those considering to buy hybrid*

Figure 37: Concerns that may prevent purchase of a hybrid/electric vehicle, by engine type of vehicle considering to buy, August 2012

*Potential hybrid buyers want dependable cars*

Figure 38: Features most important to possible buyers of a hybrid/electric vehicle, by engine type of vehicle considering to buy, August 2012

### **FEATURES MOST IMPORTANT TO HYBRID/ELECTRIC CAR BUYERS**

*Key points*

*Utility and dependability important to women hybrid buyers*

Figure 39: Features most important to possible buyers of a hybrid/electric vehicle, by gender, August 2012

*Young consumers want look and feel of luxury/sports cars*

Figure 40: Features most important to possible buyers of a hybrid/electric vehicle, by age, August 2012

*Middle-income respondents looking for good value*

Figure 41: Features most important to possible buyers of a hybrid/electric vehicle, by household income, August 2012

### **TYPE AND NUMBER OF VEHICLES OWNED**

*Key points*

*Overview*

*Hybrid and electric vehicles likely to be second cars*

Figure 42: Number of cars/trucks per household, engine type in vehicle currently owned,, August 2012

*Many more respondents interested in buying hybrid and electric than own one*

Figure 43: Engine type in vehicle currently owned, by engine type of vehicle most likely to consider

**BUY THIS  
REPORT NOW**

VISIT: [store.mintel.com](http://store.mintel.com)

CALL: EMEA: +44 (0)207 778 7151 | Brazil: 0800 095 9094

Americas: +1 (312) 943 5250 | APAC: +61 (0)2 8284 8100

EMAIL: [oxygen@mintel.com](mailto:oxygen@mintel.com)

# Hybrid and Electric Cars - US - November 2012

## Contents

for next purchase, August 2012

*Young professionals most interested in hybrid and electric vehicles*

Figure 44: Engine type of vehicle most likely to consider for next purchase, by age, August 2012

### **EXTRA SPEND FOR HYBRID/ELECTRIC VERSION**

*Key points*

*Respondents would pay average premium of \$2,000 for hybrid/electric vehicle*

Figure 45: Average amount extra would spend to buy a hybrid or electric vehicle, by gender, August 2012

*Younger respondents more willing to pay a premium for hybrid*

Figure 46: Average amount extra would spend to buy a hybrid vehicle, by age, August 2012

### **ATTITUDES REGARDING HYBRID/ELECTRIC VEHICLES**

*Key points*

*Fewer than 10% of respondents want smallest car possible*

Figure 47: Attitudes to hybrid and electric cars, by gender, August 2012

*Young consumers see easy return of money spent on hybrid/electric cars*

Figure 48: Attitudes to hybrid and electric cars, by age, August 2012

*More affluent consumers want gasoline option when necessary*

Figure 49: Attitudes to hybrid and electric cars, by household income, August 2012

### **CONCERNS REGARDING HYBRID/ELECTRIC VEHICLES**

*Key points*

*Battery issues top list of concerns*

Figure 50: Concerns that may prevent purchase of a hybrid/electric vehicle, by gender, August 2012

*Practicality and performance important to young consumers*

Figure 51: Concerns that may prevent purchase of a hybrid/electric vehicle, by age, August 2012

*Battery concerns exists across all household income groups*

Figure 52: Concerns that may prevent purchase of a hybrid/electric vehicle, by household income, August 2012

### **MANUFACTURER MOST LIKELY TO CONSIDER FOR DREAM HYBRID/ELECTRIC CAR**

*Key points*

*One in five respondents look to Toyota when considering hybrid/electric*

Figure 53: Manufacturer most likely to consider for dream hybrid/electric car, by gender, August 2012

*Young consumers prefer Ford*

Figure 54: Manufacturer most likely to consider for dream hybrid/electric car, by age, August 2012

*Those who prefer Toyota want value, dependability*

Figure 55: Features most important to possible buyers of a hybrid/electric vehicle, by manufacturer most likely to consider for dream hybrid/electric car, August 2012

### **IMPACT OF RACE AND HISPANIC ORIGIN**

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](http://store.mintel.com)

**CALL:** EMEA: +44 (0)207 778 7151 | Brazil: 0800 095 9094

Americas: +1 (312) 943 5250 | APAC: +61 (0)2 8284 8100

**EMAIL:** [oxygen@mintel.com](mailto:oxygen@mintel.com)

# Hybrid and Electric Cars - US - November 2012

## Contents

### *Key points*

*Hispanic respondents twice as likely to own hybrid car*

Figure 56: Engine type in vehicle currently owned, by race/Hispanic origin, August 2012

*Hispanic hybrid owners choose options*

Figure 57: Hybrid owners' attitudes/opinions about auto options and accessories, by race/Hispanic origin, January 2011-March 2012

*Hispanics less likely to have seen electric car advertisements*

Figure 58: Attitudes to hybrid and electric cars, by race/Hispanic origin, August 2012

*Hispanics more concerned about potential savings at pump*

Figure 59: Concerns that may prevent purchase of a hybrid/electric vehicle, by race/Hispanic origin, August 2012

### **APPENDIX: OTHER USEFUL TABLES**

*Attitudes and opinions and age*

Figure 60: Hybrid owners' general attitudes/opinions about cars and driving, by age, January 2011-March 2012

*Attitudes and opinions and household income*

Figure 61: Hybrid owners' general attitudes/opinions about cars and driving, by household income, January 2011-March 2012

*Attitudes and opinions regarding buying decisions and gender*

Figure 62: Attitudes/opinions about automobiles, by gender, January 2011-March 2012

*Attitudes and opinions regarding buying decisions and household income*

Figure 63: Hybrid owners' attitudes/opinions about the car buying decision, by household income, January 2011-March 2012

*Attitudes and opinions regarding options/accessories and gender*

Figure 64: Attitudes/opinions about automobiles, by gender, January 2011-March 2012

*Attitudes and opinions regarding options/accessories and age*

Figure 65: Hybrid owners' attitudes/opinions about auto options and accessories, by age, January 2011-March 2012

*Premium willing to spend and household income*

Figure 66: Premium willing to spend to get hybrid vehicle, by household income, August 2012

### **APPENDIX: TRADE ASSOCIATIONS**

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](http://store.mintel.com)

**CALL:** EMEA: +44 (0)207 778 7151 | Brazil: 0800 095 9094

Americas: +1 (312) 943 5250 | APAC: +61 (0)2 8284 8100

**EMAIL:** [oxygen@mintel.com](mailto:oxygen@mintel.com)