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

DID YOU KNOW?

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

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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.

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