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Green & Electric Cars

SixthSense™

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Introduction & Scope

This report provides an analysis of the market for Green Cars including Alternative Fuelled Vehicles (AFVs). The report offers an insight into car ownership, usage and purchasing trends in general, and attitudes towards electric cars and AFVs in particular based on research among a sample of car drivers.

The areas covered by this consumer research include:

- Car ownership
- Car usage
- Car acquisition and disposal
- Car purchasing intentions
- Car purchase criteria
- Car brand preference
- Attitudes towards motoring costs
- Attitudes towards alternative fuelled cars (AFVs)
- Attitudes towards electric cars.

The UK car market has been significantly affected by the recession and the consumer research questions explore car drivers' attitudes towards electric cars and their future purchase, among both owners and non-owners.

Methodology

The volume and value sales figures for the UK car market were obtained from three main sources – the Society of Motor Manufacturers and Traders (SMMT), Experian Ltd and the Office for National Statistics (ONS).

For the YouGov SixthSense UK Car Market Survey, 2,021 adults over the age of 17 years who drive or are responsible for at least one car were surveyed. Those respondents who drive or are responsible for at least one car were asked a series of questions relating to driving and car owning habits. A sub-sample of owners of alternative fuel vehicles (AFVs) was identified and these respondents were asked a separate set of questions relating to their ownership of and attitudes towards alternative fuel cars. The fieldwork dates for the surveys were 6-13 February 2012.

Abbreviations

AFV	Alternative Fuelled Vehicle
ONS	Office of National Statistics
SMMT	Society of Motor Manufacturers and Traders

Report Summary

Car ownership

Affluence and age are the principal demographic determinants of car ownership with over-35s and more affluent ABC1 consumers more likely to own two or more cars.

Ownership of two or more cars tends to rise from the age of 25 as family formation begins and women become owners of a second car in a household.

Used cars are owned by 50% of all drivers with 34% owning a new car and 15% a nearly-new car.

60% bought their car outright using solely personal savings with 15% using a car in part exchange.

40% of car drivers live in their own home which is mortgaged and 35% live in their home without a mortgage.

82% of car drivers live in a property which has its own drive or dedicated off-street parking.

Car usage

Most car drivers use their car for social activities and shopping but the most frequent usage is for driving to work which 38% do on a daily basis.

Only 11% of car drivers drive a journey of over 100 miles once a week or more frequently.

89% drive a long journey of over 100 miles only a few times a year or even less often.

43% of drivers have reduced their mileage as a direct consequence of higher motoring costs and 29% have considered purchasing a more economical car.

Attitudes towards motoring costs

62% of drivers expect their motoring costs to become more expensive with road fuel and also home electricity prices expected to rise the most.

Car drivers are more concerned about car running costs than car acquisition costs with fuel, insurance, maintenance and servicing being the greatest concerns.

Purchase intentions

While more than half of new and nearly-new car owners have no intention of purchasing a car in the next five years, just 33% of second-hand car owners have no intention of purchasing.

For 80% of car drivers, large price discounts and generous trade-in offers are the main special offers that would encourage them to bring forward a purchase decision.

Ford, Volkswagen, Vauxhall and Toyota are the brands that are at the top of driver purchase intentions.

Purchase price, fuel economy and reliability are currently the main purchase criteria for car drivers.

Low emissions and environmental benefits are a relatively low priority currently.

60% of car drivers would buy either a hatchback or a small city car as their next purchase.

76% would choose a petrol or diesel car next with only 11% choosing an electric or hybrid car with hybrids being significantly more popular than electric cars.

48% would not consider an electric car for their next purchase and 18% have considered one but discounted it for their next purchase.

Women are most likely to consider purchasing an electric car next but need more information to make a decision.

Attitudes towards alternative fuel cars (non-users)

Only 25% of car drivers agree that electric cars are the only real future alternative and 69% agree that they offer only a limited alternative.

46% agree that other fuels and power sources offer a better alternative with 50% believing that hydrogen offers the best longer-term alternative.

39% of car drivers though agree that electric cars contribute to a more balanced fuel and power option.

53% of car drivers expect electric cars to become cheaper over next five years and 53% are not prepared to pay any price premium for an electric car.

The main factors limiting the appeal of electric cars are their limited driving range and higher purchase cost.

67% also believe that electric cars would be harder to sell than a conventional car.

Attitudes towards alternative fuel cars (users)

75% of owners of alternative fuel cars also own a standard petrol or diesel car.

87% of alternative fuel car owners own just one alternative fuel car with 13% owning two or more.

63% of owners of an alternative fuel car own a hybrid with just 8% owning an electric car.

The Toyota Prius is the most widely owned alternative fuel car at 33%.

52% of alternative fuel car owners bought their car used and 45% bought their car new.

37% spent less than £10,000 on their car and 57% spent over £10,000.

49% use their alternative fuel car more than their standard fuel car and 30% prefer driving their alternative fuel car.

64% bought an alternative fuel car because they thought it would be more cost-effective than a standard fuel car.

Only 37% bought an alternative fuel vehicle because of an outright concern for the environment.

66% are highly satisfied with the performance and reliability of their car and 64% are highly satisfied with the design.

71% agree that their fuel costs have been vastly reduced by owning an alternative fuel car.

71% agree that the initial purchase cost is justified and 75% agree that they would buy another one in future.

Market size

While registrations of all new cars were 17% lower in 2011 compared with 2006, registrations of alternative fuel cars were 171% higher.

Electric cars account for less than 5% of all registrations of alternative fuel cars but have risen from zero in 2006 to 1,082 cars in 2011.

The largest segment of the new car AFV market is petrol and diesel hybrids which accounted for 92% of AFV registrations in 2011.

Sales of hybrids rose by 161% between 2006 and 2011 from 8,957 units to 23,398.

The used market for AFVs grew by 124% between 2006 and 2011 to reach 33,390 units.

Petrol and diesel hybrids are the largest segment of the used AFV market with 15,760 units in 2011.

Sales of used hybrids have risen by 522% since 2006 but sales of electric cars have risen by 4,218% but to just 3,584 units in 2011.

The total market for new and used AFVs therefore amounted to 58,830 units in 2011 and has increased by 145% since 2006.