



Leveraging brand to bridge the adoption gap

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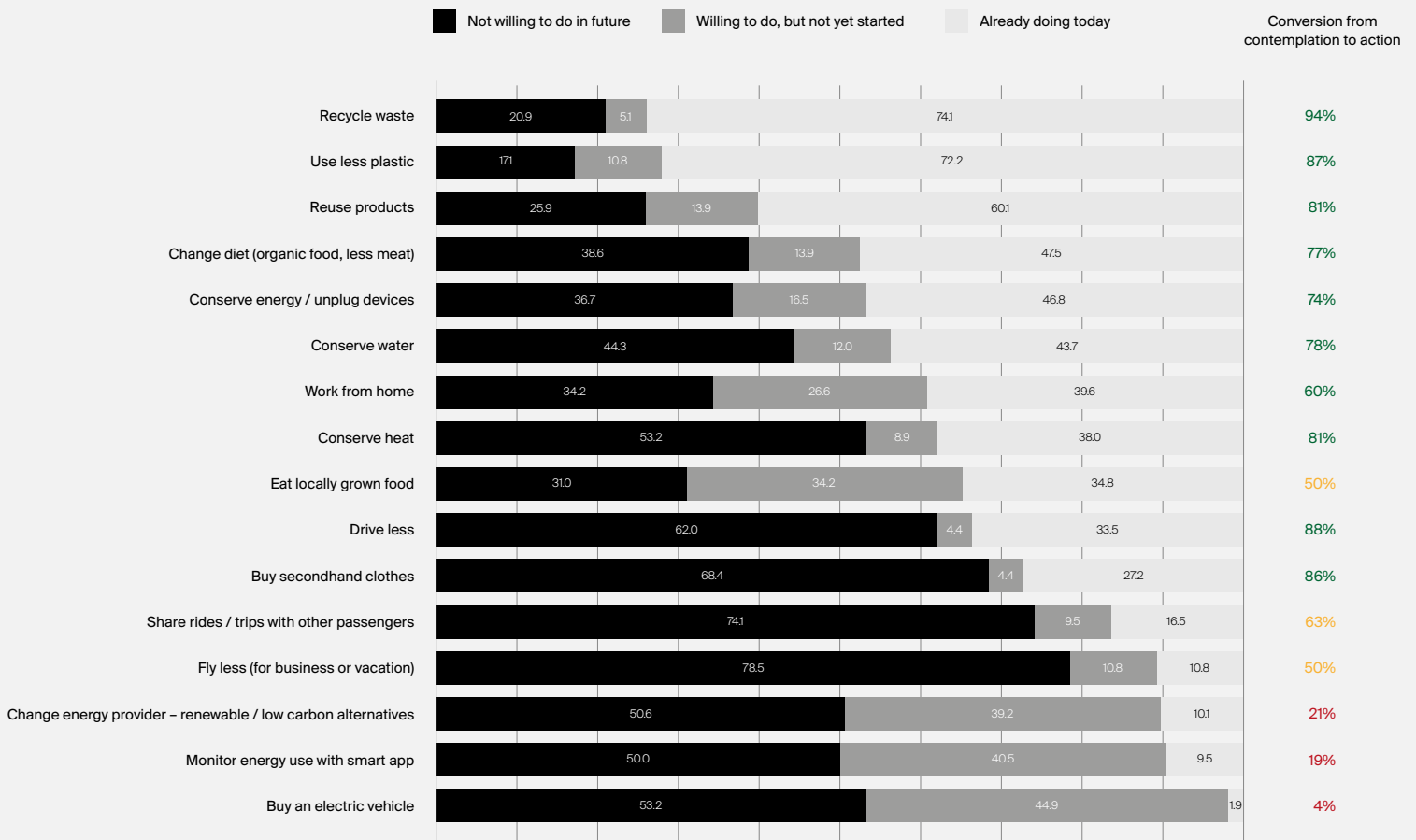
Every consumer is on their own journey – towards a more environmentally conscious and sustainable future. When it comes to electric vehicles (EVs), the pace of that journey to adoption varies based on consumers' readiness for broader lifestyle change. In order to understand how the gap to electric vehicle adoption can be bridged, automotive companies need to understand consumers' lives outside the vehicle.

We fielded a bespoke survey to 158 respondents, across North America, Western Europe and Scandinavia, to quantify their journey, to understand the role of electric vehicles within it and to reveal barriers to EV adoption.

How big is the gap?

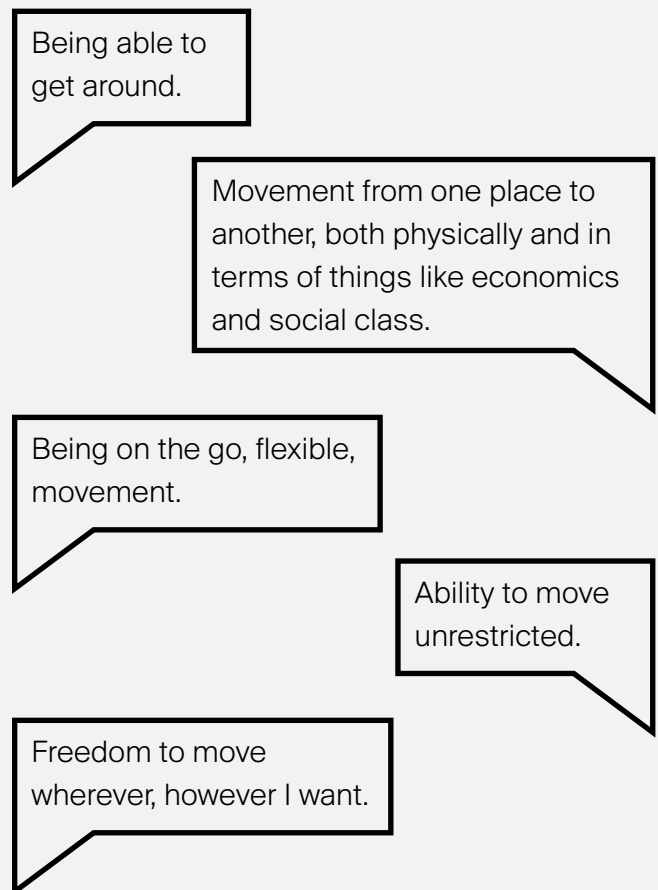
96% of people receptive to adopting electric vehicles are yet to take any action.

Out of a list of 16 lifestyle changes, recycling, using less plastics and turning to re-usable products are the behaviours most people have adopted to protect the environment. At the time of the survey, a significant proportion of people were willing to work from home to make a difference, but had not adopted the behaviour before Covid-19. Yet moving to Electric Vehicles was the shift the fewest number of people had made, where only 4% of those willing to do so had acted.



Freedom of movement that is personal to me.

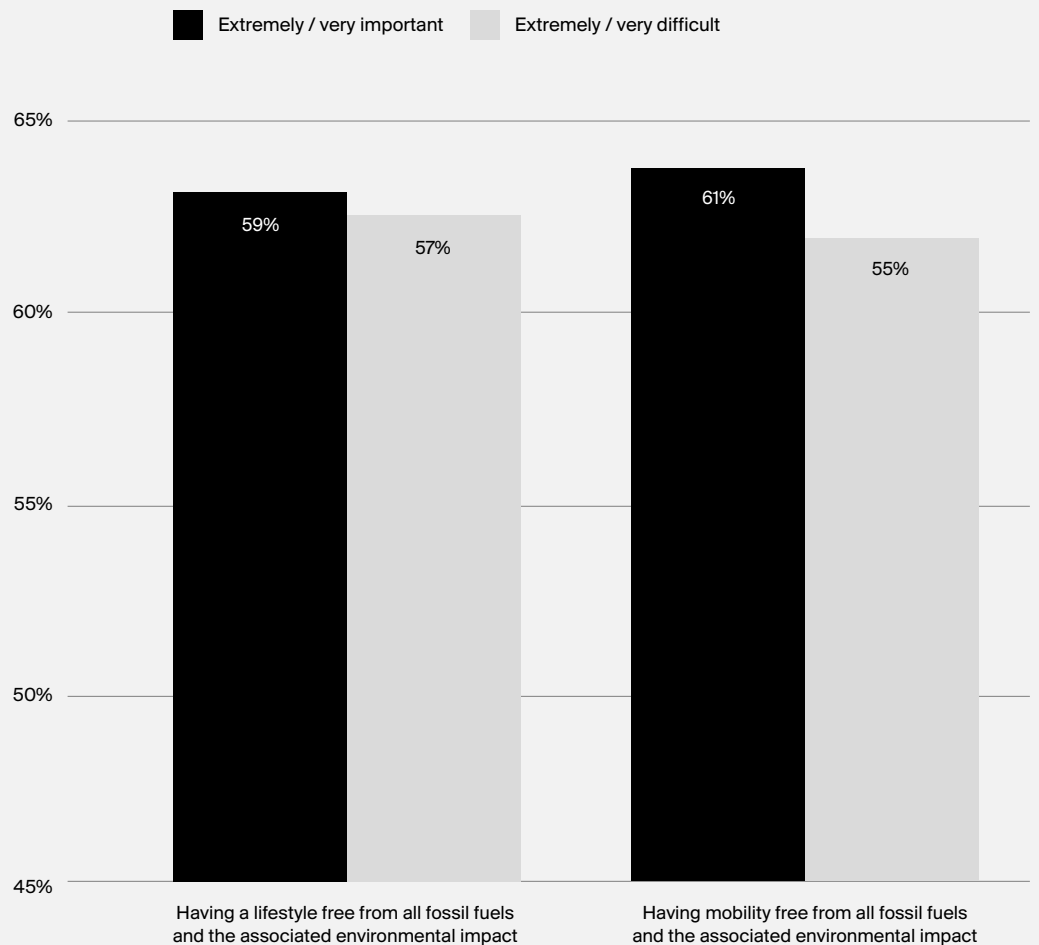
When we explicitly asked consumers to tell us in their own words what 'mobility' meant to them, they focused on freedom of movement, flexibility and being unrestricted. The current barriers to buying an EV today are often rooted in the limitations consumers expect from the experience – they associate electric vehicles with poor charging infrastructure, low range and unproven technology. In addition to this, the price point discourages trial for many.



Themes associated with 'Mobility'

In order to truly understand the adoption gap we started by comparing the goal of achieving mobility without fossil fuels or environmental impact to the broader goal of having a complete lifestyle without fossil fuels or environmental impact.

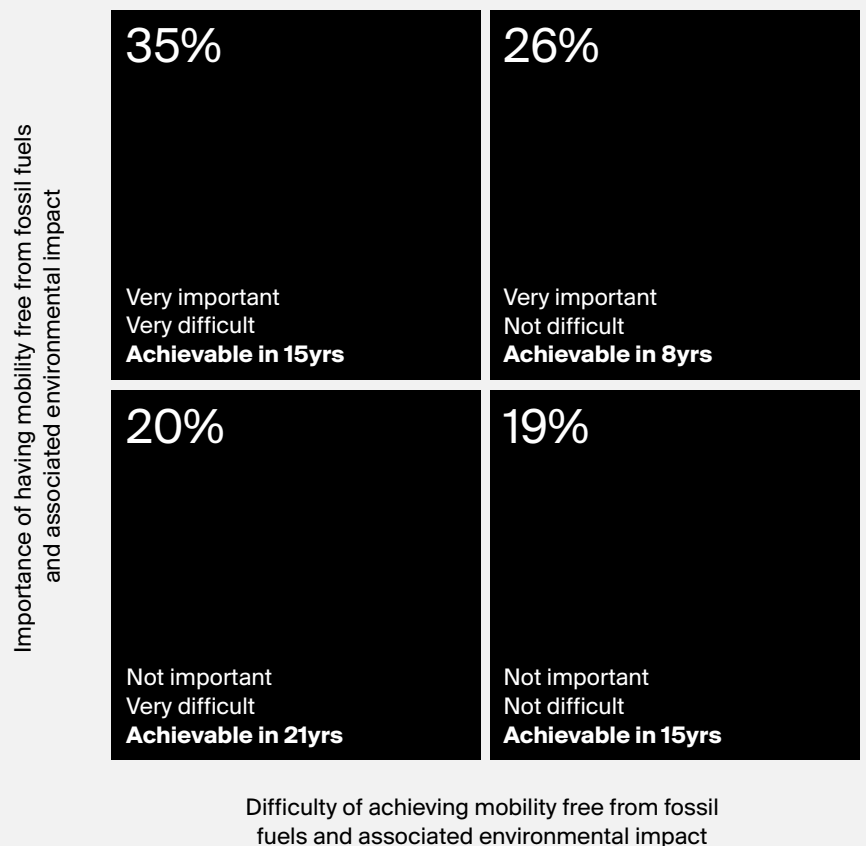
We found that the mobility goal was deemed even more important than the complete lifestyle goal, whilst also slightly less difficult to achieve.



61% feel it's important to adopt EVs – but are still unlikely to buy one as their next car.

The interplay between the perceived importance of making the change and the perceived difficulty of doing so dramatically impacts a consumer's opinion of when an EV would become a viable option for them. Those thinking adoption of EVs is important but difficult are expecting to postpone the decision 15 years, but even those who think it is important and easy expect to wait another 8 years. This would suggest that even those warmest to adopting EVs are going to buy at least one other vehicle before making the change.

Automotive brands must do more to support consumers in turning intentions into reality and acting more quickly.



To achieve this, automotive and mobility brands need to focus on their role beyond the car – beyond the product. In a landscape where sustainability is quickly becoming table stakes and every automotive player and energy firm is tripping over themselves to move into EV, there is a need to step back and figure out what your role truly is.

At Siegel+Gale, we believe that for brands to make a real impact with audiences and ensure relevance today and tomorrow, they must act with simplicity, authenticity and purpose. By focusing on the ecosystem that goes beyond the vehicle, brands have an opportunity to act with purpose across the entire customer journey – a journey that most of the time, does not involve a car.

1 Develop and deliver purpose to stand out from the crowd

The themes of sustainability, connectivity, electrification and putting the customer first are table stakes for the future.

Tesla has long been a ‘purposeful pioneer’ in EV, with a purpose elevated out of automotive/mobility to a broader role in the transition to sustainable energy. The brand’s accompanying promise of ‘an electric car without compromises’ creates a concrete, user-centric goal. The company’s credible actions toward its purpose are its differentiator, with serious and

ongoing investment in adjacent clean energy products, alongside new EV models that continue to best the ones that came before.

As the most valuable car brand in the world, Mercedes has a huge incentive to use its brand purpose to continue to stand out in a crowded field. 'First move the world,' while focusing heavily on the development of sustainable mobility, brings a dynamic boldness and emotional resonance that gives Mercedes a broad remit for innovation and change. Underlying brand principles ("An inner unrest for what's next", "A star built on trust", "A bond that unites", "A beauty that moves us") further cement the brand's emotional connection to consumers, creating a departure from the usual purpose narrative of top auto manufacturers today.

Where to start:

- **Work on your narrative:** If your purpose is not yet rising above the 'table stakes factors,' bring people together to think about how to evolve. How might you expand on the current purpose? This might mean answering questions like, what are the emotional, lifestyle-led benefits that you can credibly aim to deliver to customers and consumers?
- **Bring an action lens:** Develop purpose from the get-go with a mind to the actions you'll take to deliver it. Create a long list of ways to deliver, then crystallise your plan around those initiatives with the greatest impact, whether on a micro or macro scale.

2 Look beyond the engine to drive EV adoption

Barriers for consumers are high. Of those intending to buy an EV, fewer than 1-in-20 have acted on this intention, and more than half have no intention at this time. Brands must go beyond core product features to accelerate adoption.

Tech-driven US automaker Rivian is currently developing ‘electric adventure vehicles,’ including a much-anticipated electric pick-up truck for release in 2021. The company has recently made waves for a suite of additional services to entice new vehicle owners from day one of product launch, including its own insurance policies (like Tesla) and collision repair services.

Chinese EV maker NIO has an aspiration to ‘shape a joyful lifestyle for our users.’ While vehicles remain the core component shaping that joy, the brand has expanded significantly around the EV experience. This includes offers from NIO Life (apparel), NIO House (on-site clubhouse experiences in Beijing, Shanghai and Shenzhen), and NIO Power (mobile charging, valet charging, and battery swap services).

China is now the world’s largest supplier of electric vehicles, with dynamic brands like NIO signifying further disruption to the industry is on the way.

Where to start:

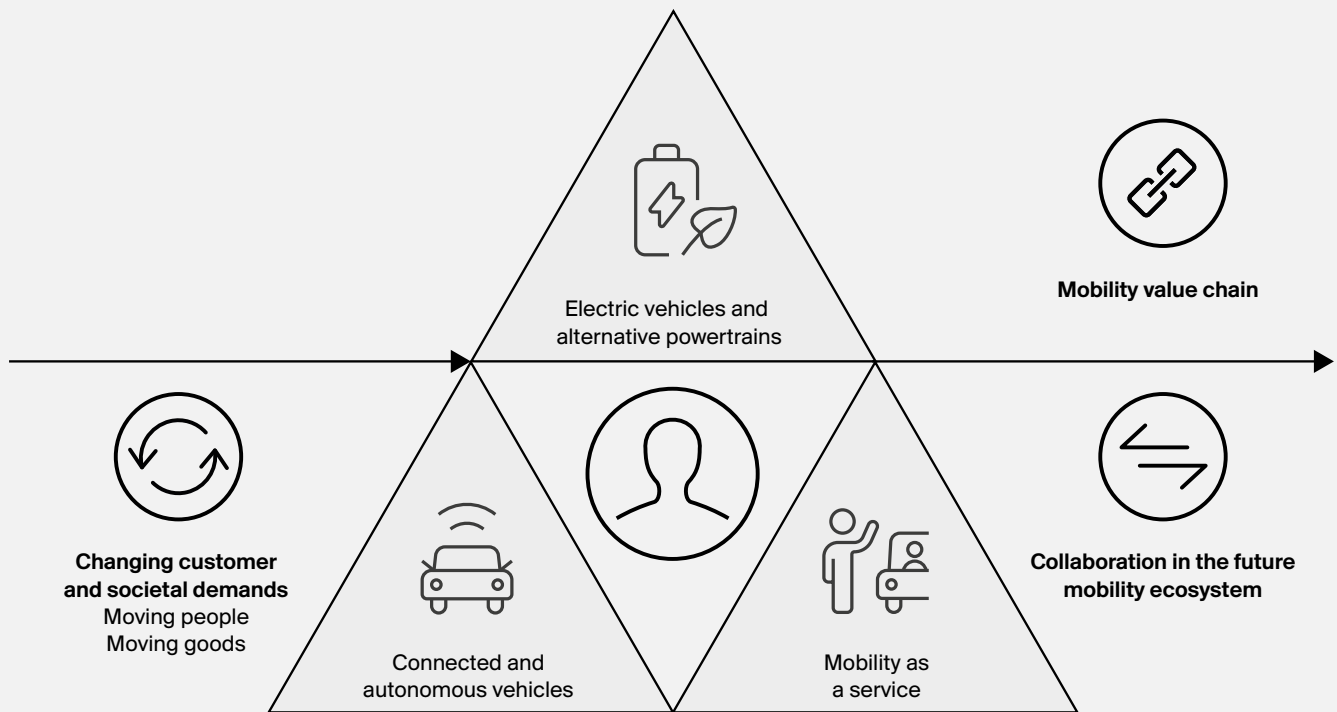
- **Get closer to your EV target consumer:** Invest in customer intelligence to understand how to be useful to potential new users. ‘Looking beyond the engine’ can mean near-in product and technology add-ons as well as broader experience plays that accelerate the transition by making EVs more compelling for consumers. Dream up and build out these other relevant offers around the core product, driving from your strategic purpose.

3 Consider new business models in light of the place of EV in the larger ecosystem

Electric vehicles play a key role in a new mobility ecosystem that is integrated, sustainable and data-enabled.

Some companies have responded to changing mobility behaviours with ‘further out’ expansion of their business models.

Many large auto manufacturers have made recent strategic acquisitions. These include investments like Volkswagen’s MOIA van-share app, Daimler’s stake in peer-to-peer carsharing company Turo and Toyota’s Hui app-based subscription service. Recognising the significant stretch these moves represent, brands often



stand alone from the parent, with Toyota's endorsement of Hui proving a notable exception.

Chinese start-up manufacturer Aiyas (which stands for 'AI is on the way') makes a partnership approach part of its core philosophy, seeking to benefit from pre-existing expertise and co-operate extensively, particularly on autonomous mobility. When it can truly offer something new as a sole maker, the company develops it – for example its charging robot known as CARL was recently awarded several Asian and European patents. CARL will be fully autonomous and summoned via an app, navigating wherever charging is needed by GPS.

Alongside its differentiated purpose statement, Mercedes stands out again for realigning its business and brands to a wider ecosystem view, creating the EQ brand for its electric mobility business. Meanwhile, parent company Daimler has partnered with the BMW Group to develop autonomous vehicles.

Where to start:

- **Consider the diverse ‘build, buy or partner’ strategies at your disposal to explore further out parts of the mobility space:** Think about how you might want to integrate something new that’s potentially further out from your business. Brand can be used to support business strategy in a variety of ways, from keeping your core product intentionally separate, to integrating and extending the experience you offer to your target audience via endorsements and co-branding.

Summing it up

In an emerging mobility landscape, consumers are on a journey to greater adoption of electric vehicles. The current barrier is high, but the importance of sustainable, ‘clean’ mobility is widely acknowledged.

On a strategic level, purpose can help you to stand out, creating a higher-level reason-to-be and connecting to consumers about lifestyle or emotional benefits. An expanded offer around your core EV product helps to extend and enrich the story you can tell, from tech functionality to service-level brand extensions. Diverse strategies can support exploration into novel business models, opening a world of options for capturing opportunity in the new mobility landscape.

Automotive brands can do more to turn intention into action, and brand can be powerful leverage.

Brand Research + Strategy

Naming, communications + verbal identity

Customer Experience

Visual Identity

Employee Engagement + Culture

Training

By embracing simplicity, brands drive results for their business, for their employees and for their customers, evolving through a clear understanding of who they are.

Siegel+Gale is a brand experience firm that collaborates across seven offices around the world - New York, Los Angeles, San Francisco, London, Dubai, Shanghai and Tokyo. We have been leading brand programmes for start-ups, global businesses and national institutions for fifty years.

