



# The future is Electric

Sustainability-minded consumers, automakers move the electric vehicle market into overdrive



Electric vehicles have become increasingly appealing to environmentally-conscious consumers, with a growing number factoring sustainability - specifically clean, electric, software-connected vehicles - into their buying decisions.

**Consumers factoring sustainability into buying decisions helped drive EV sales up 43% in 2020.<sup>1</sup>**

Electric vehicles are an excellent solution to environmental concerns as most use renewable energy sources, such as solar, to power up, which in turn results in less dependence on fossil fuel.

Reduction in pollutants in the environment also leads to cleaner air and fewer health problems. For these reasons, zero-emissions vehicles are of increasing interest to environmentally-conscious consumers.

Driven by looming regulatory requirements, some of the world's largest automakers have committed to rapid adoption of zero-emission models.

In January, General Motors announced it would sell only zero-emission vehicles by 2035, making major news in the U.S. and around the world. A surprising number of manufacturers made similar pledges in the months that followed.

- **Carmakers worldwide will spend more than \$268 billion through 2030 developing new electrified passenger vehicle models.<sup>2</sup>**
- **Nine manufacturers have already announced plans to spend over \$22 billion to open new or renovated plants in the U.S. to build EVs in five states.<sup>2</sup>**
- **Bloomberg estimates that at least two-thirds of global car sales will be electric by 2040.<sup>3</sup>**

Electric vehicles have become a priority for an increasing number of consumers, and an even higher priority for automakers.

**In May, Ford introduced its F-150 Lightning pickup, an all-electric version of the best-selling vehicle in the nation for the last forty years, and received 20,000 reservations within the first twelve hours and more than 70,000 reservations within the first week.<sup>4</sup>**

Ford's Mustang Mach-E electric vehicle introduction attracted a new audience, with 70% of initial customers being new to Ford.<sup>5</sup>

Though there are unresolved questions about inventory management, sales and service training, and the impact on revenue generated through F&I and fixed operations, OEM commitment to producing electric vehicles and demand by sustainability-conscious businesses and consumers alike, gives dealers reason to embrace the evolution.

## Zurich

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1 <https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/the-irresistible-momentum-behind-clean-electric-connected-mobility-four-key-trends/#/signin/save>  
2 [https://www.mjbradley.com/sites/default/files/EDF\\_EV\\_Market\\_Report\\_April\\_2021\\_Update.pdf](https://www.mjbradley.com/sites/default/files/EDF_EV_Market_Report_April_2021_Update.pdf)  
3 <https://www.bloomberg.com/news/articles/2021-08-09/at-least-two-thirds-of-global-car-sales-will-be-electric-by-2040>  
4 <https://fordauthority.com/2021/05/ford-f-150-lightning-reservations-reach-70000-in-one-week>  
5 <https://www.cnbc.com/2021/06/13/gm-ford-are-all-in-on-evs-heres-how-dealers-feel-about-it.html>

