

# Ekimetrics.



**Q1 2024**

## **European EV Market – Assessing different market maturities in the G6 to take key marketing decisions**

A Playbook to support marketing leaders in steering their business through uncertainty to emerge in positions of advantage within the electrification of the auto sector

## What's in the playbook?

### 1. An overview of EV maturity in Europe

What is the maturity of **G6 countries** and how to measure it ?

### 2. Key recommendations

What are the **marketing actions** to undertake regarding the phase of a market's EV maturity ?

### 3. The importance of “electrifying” a brand

Why “**electrifying**” a brand is key to successfully transition to EV ? **How to leverage AI tools** to support the “electrifying” of a brand ?

## Why read it?

For each of our partner brands in auto, EV is becoming the **number one** key challenge to tackle.

But with the **fast-paced transformation** of the car industry and the growing pressure for car manufacturers to limit their carbon footprint, it is key for decision makers to take a step back and to steer the company strategy with a comprehensive view.

**Ekimetrics**, based on 17 years of expertise in the car industry, redacted this playbook to summarize the most important factors when making decisions regarding the EV market.



**Renaud Pirel**  
Partner



# 1. Current EV landscape in G6 countries

## Assess market maturity of G6 countries

Given the different pace at which European countries are transitioning to electric vehicles, it is key to have an overall look at the factors behind that.



# Assessing the Market Readiness for electric thanks to the power of data within the G6...

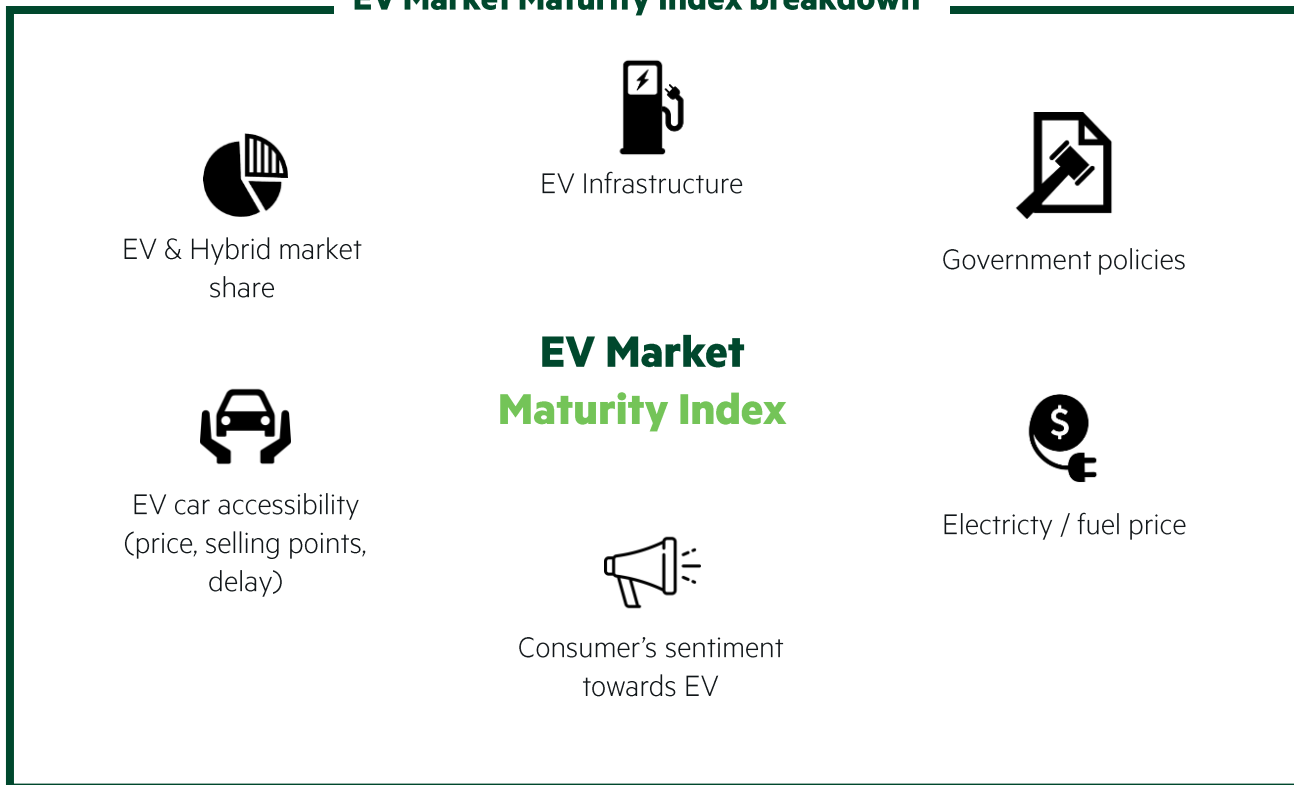
## Determining EV market maturity

At the time we are writing this playbook, car manufacturers in Europe are in the middle of their **transition towards electric** vehicles. As electric car part supply lines strengthen, more efficient technologies emerge, and heightened consumer awareness grows due to the influx of competitive Chinese offerings, the electric vehicle market is rapidly evolving.

In 2023, electric vehicle adoption varies significantly across Europe, with Greece registering less than 5% of new car registrations being EVs, contrasting with the Netherlands where the figure stands at 35%-40%+. Indeed, unlike most new commodities, the maturity of EV markets is not just relying on availability, consumer's acceptance and price. Actually, numerous **external factors** come into play : electric vehicles facilities, combustion car attractiveness, fuel / electricity price and public institutions policies.

At Ekimetrics, we have developed an **EV Market Maturity Index** to measure how ready a specific market is regarding EV. This index is aimed to reflect the need for a tailored strategy in relation to the global brand strategy given clear differences across EU in readiness that can exist within the key markets.

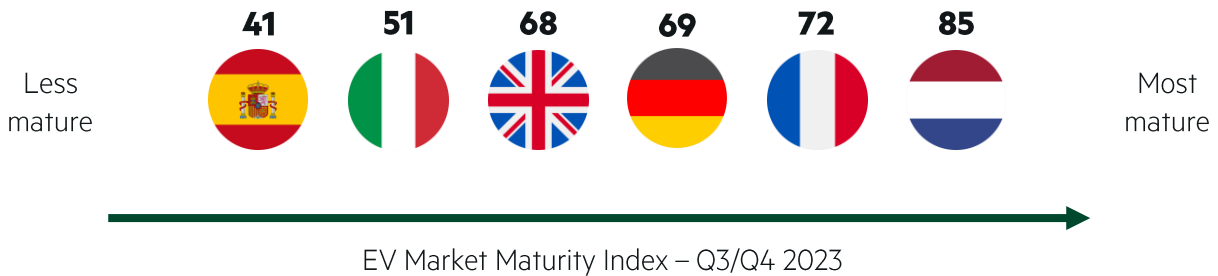
### EV Market Maturity Index breakdown



The index is calculated on a series of data sets to produce a comparable scoring on market readiness

# G6 countries EV Market Maturity explanations

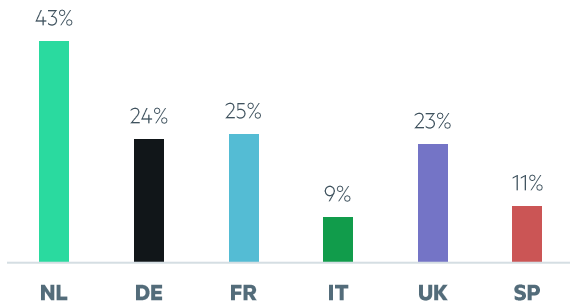
## Overall view – EV Market Maturity Index ranking



For this study, our focus is on the **G6** (Spain, Italy, UK, Germany, France & Netherlands), which are the **top 6 European** markets for car manufacturers in terms of general volume and GDP. The index is calculated on a series of data sets to produce a comparable scoring on market readiness ranking from the most mature to the least mature countries in terms the Electric Vehicle market.

## EV Maturity Factors illustrated in detail

### BEV + PHEV Market Share (H1 2023)



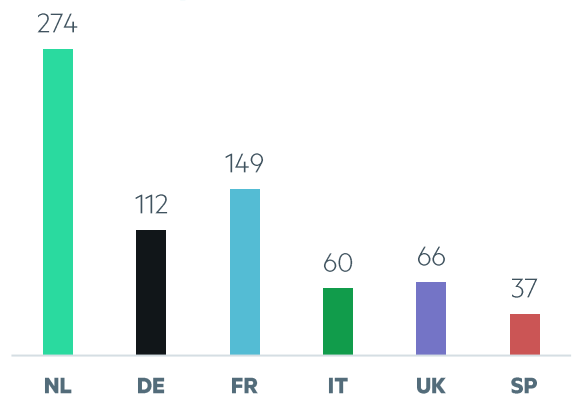
Source : acea.auto

**EV Market Share** is a key indicator to have a macro view of a market’s general trend towards EV. It represents an important part in the calculation of our EV Market Maturity Index giving a clear picture on current playing field.

**Public Charging Point’s** availability is a central deciding factor when purchasing an EV car. Especially in countries with lower population density, being able to travel long distances has been a key pain point to solve for EV car owners.

The roll-out of **High Power Chargepoints** (HPCs), allowing to charge a car in less than 30 mins, helps make EVs a far more attractive option in certain countries

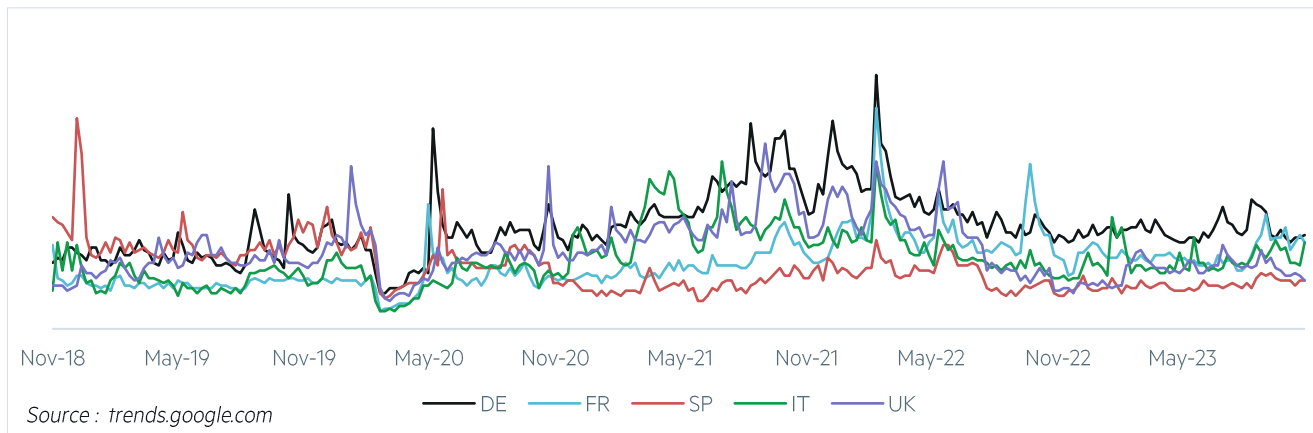
### Number of Public Charging Points per 100k inhabitants



Source : statzon.com

# G6 countries EV Market Maturity explanations

EV Google Trends for Electric Vehicle search terms (2018-2023)



**Google Trends** data is based on how often a certain topic is researched on Google. It is a **key metric** to measure and compare general interest of different markets toward a specific topic. In our study, the EV Google Trends is thus used to quantify the consumer’s sentiment towards EV on related search terms.

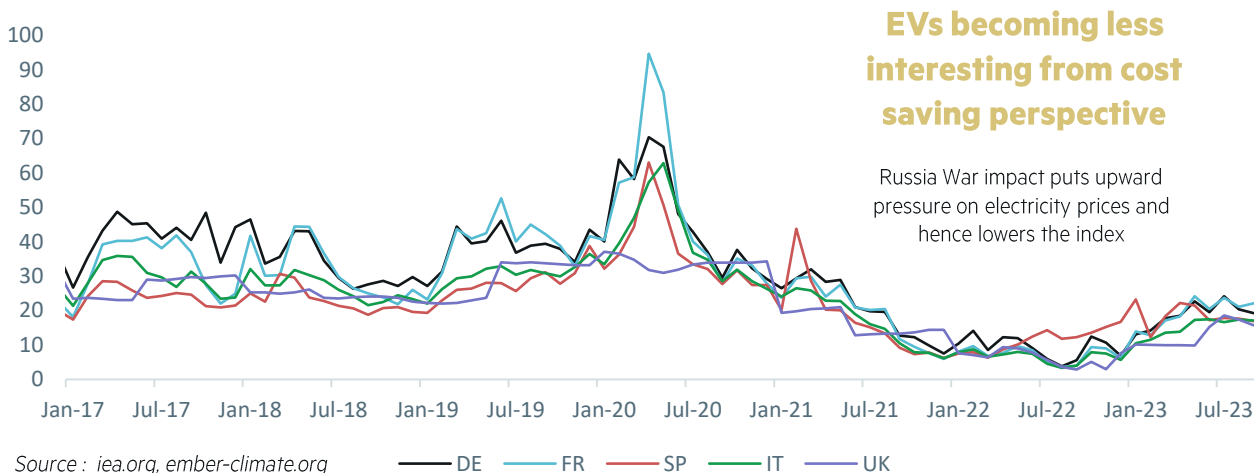
Government EV incentives table

Country	National EV Purchase Grants*	Charge Point incentives (Home)	Charge Point incentives (Public)	Tax incentives (Private)
<b>Italy</b>	<ul style="list-style-type: none"> <li>Up to <b>€7 500</b> for private owners</li> </ul>	✓	✗	✓
<b>Spain</b>	<ul style="list-style-type: none"> <li>Up to <b>€7 000</b> for private owners</li> <li>15% tax credit (up to €3 000 deduction)</li> </ul>	✗	✓	✓
<b>France</b>	<ul style="list-style-type: none"> <li>Up to <b>€7 000</b> for private owners</li> <li>Subject to limit this grant to only Europe made cars in 2024</li> </ul>	✓	✓	✓
<b>Germany</b>	<ul style="list-style-type: none"> <li>Up to <b>€6 750</b> for private owners</li> <li>Reduce to <b>€4 500</b> in 2024</li> </ul>	✓	✗	✓
<b>Nether.</b>	<ul style="list-style-type: none"> <li>Up to <b>€2 950</b> for private owners</li> </ul>	✓	✓	✓
<b>UK</b>	<ul style="list-style-type: none"> <li>Grant <b>removed</b> in 2022</li> <li><b>ULEZ zone</b> London</li> </ul>	✓	✓	✓

\*Non exhaustive list of examples

# G6 countries EV Market Maturity explanations

## Electricity & Fuel Price Differential Index (2018 – 2023)



The **Electricity & Fuel price** differential is an index used to compare the price difference between electricity and fuel in different markets - A **higher index** indicates that the electricity price is **more advantageous** to fuel price - it is economically **more interesting** to run an **electric car** in comparison to an ICE car.

This metric is key to integrate into the calculation of the EV Market Maturity Index because the running cost of cars is a key purchase incentive / barrier for consumers. We see this incentive declining over the period.

### EV Market Maturity Index – Key Takeaways

- ❑ Because of various complex factors that determine a market's readiness regarding EV, we developed the **EV Market Maturity Index** to summarize and compare the G6 countries
- ❑ For each factor, we take a series of data sets and aggregate a **weighted overall scoring** depending on the relative strength of the country in each of the factors
- ❑ **Netherlands** is the most developed country in terms of readiness with geographical factors allowing for strong coverage of charging and economic & political strength with policy & price
- ❑ **France, UK & Germany** have similar scorings with moderate uptake, but there are notable limitations on Govt incentive changes & charge point network
- ❑ **Italy & Spain** are less developed in terms of market readiness with notably weaker charging infrastructure
- ❑ The EV Market Maturity Index is aimed to steer high level decision making and identify a clear need to recognize **different strategies** per country **required** based on readiness



## Case study – Netherlands EV Market

**Netherlands** is currently one of the countries with the highest maturity regarding EV in the world (42% of EV in total market share in Q3 2023) thanks to a combination of structural factors and well-tailored government policies.

Because of the similarities between Netherlands and G5 countries regarding economy and consumer’s behaviors, Netherlands can be seen as an EV maturity model. Understanding the key factors of its EV success would be key to then put those factors in perspective with G5 countries.

### Structural factors making Netherlands the perfect EV starting point in Europe

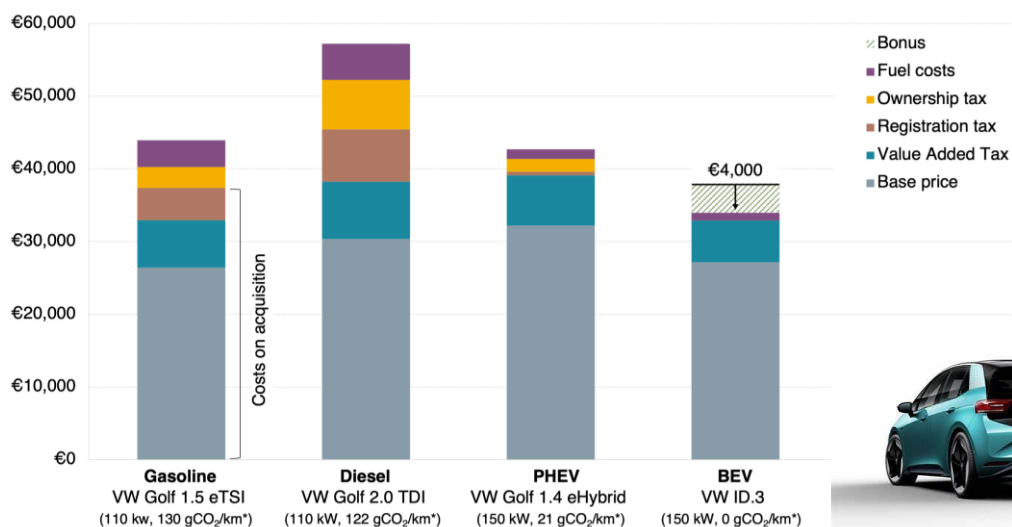
Netherlands’ market maturity in EV can first be explained by **structural** and **geographical** factors – the country’s **modest size, high density** and strong **purchasing power** make it an ideal country for new product and services to roll-out in Europe on electric. Indeed, the high density has helped notably in uptake on early model batteries given lower needs on journey time in the country according to connected car data. **Range fear** has thus been avoided naturally.

This is one of the reasons why **Tesla** set its first European foothold in Netherlands in 2013 by first commercializing its cars there and then in 2015 by opening assembling facilities in Tilburg.

### Government Policies supporting EV development

In addition to those structural factors, the EV sector also benefits greatly from well-tailored **government policies**. The policies first helped with EV charging points deployment especially in public places and for companies, thus making Netherlands one of the countries where charging points are the most accessible (around **275** charging points **per 100k** inhabitants in 2022). Tax and purchase incentives have then helped in making EV more affordable and petrol diesel less attractive in the mid and long term, than fuel cars.

### Illustration : relative cost of ownership for ID3 versus other VW alternatives over 4 years



Source : ICCT



## **2. Adapting Marketing Strategies according to the EV market maturity**

**Take the correct action at the right time to maximize market shares of a growing market**

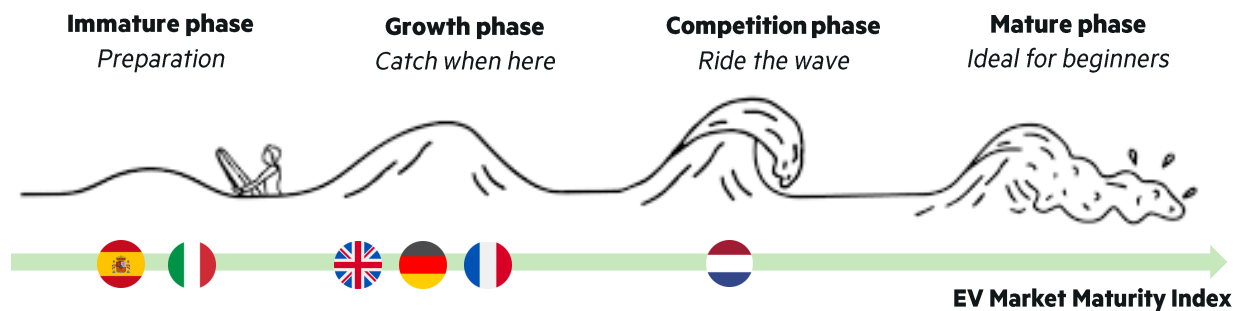
Because of the different stages of EV market maturity in G5 countries, car manufacturer's must anticipate the evolution of those markets and prepare their strategy accordingly.



## 4 stages of market maturity with EV Readiness

### The Wave Allegory applied to market maturity

To understand the current maturity of a defined market and to identify the best actions to undertake, we have chosen to use a Wave Analogy to illustrate in an easy way. Deciding on your media investment strategy in an expanding market is similar to deciding when to catch a wave when surfing. According to the phase of your current market, we recommend specific actions.



4 stages of a wave applied to EV market maturity



**Immature Phase :** Newly developing EV market. Low demand and low short-term return on media investments.

Immature Markets are categorized when EVs are newly introduced to a specific market. The demand for electric vehicles is low with mostly early adopters. Because of numerous barriers to purchase (low accessibility, high cost and insufficient EV charge points coverage), EV media campaigns yield low returns. There is no short-term ROI gains from Media spend given weak MAPs and low volume.

### Ekimetrics's recommendation – Long-Term focused recommendation on measurement & KPIs

Focus EV media investments budget on EV branding campaigns in order to maintain a sufficient EV share of voice and to aim for a position as an EV top-of-mind brand. Given investment is to lay the path for future sales, measure brand KPIs and long-term ROIs in measurement. Put in place sustainable KPIs.



**Growth Phase :** Demand and growth of the EV market is accelerating. Ideal phase to build long term baseline.

The Growth Phase begins when the EV market is picking up steam thanks to a decrease to barriers to purchase. Demand is growing and an increasing part of consumers are considering an electric vehicle. It is thus the perfect moment to position as a top-of-mind EV brand and build a long-term baseline. Because the market is still not highly profitable, the competition remains low.

### Ekimetrics's recommendation - Mid-Term and Long-Term focused recommendation

Continue investment in EV branding campaigns to maintain a sufficient EV share of voice. Divert gradually part of the EV budget to EV carlines and keep close track of returns. Adjust investment accordingly.



**Competition Phase** : Fast growth, market is close to reaching full maturity. High risk, high reward phase because of high competition.

During the Competition Phase, the EV market growth rate is at its highest because most purchase barriers are removed. Even though car manufacturers that invested during the Growth Phase keep a head start, there is still a significant amount of market share to grab. Because of the high media competition, building a baseline is harder and more costly.

#### **Ekimetrics's recommendation – Short-Term focused**

Focus the main part of the budget on EV carlines to generate short term returns and to acquire market shares. Utilise MMO to guide this transition.



**Mature Phase** : Stabilized market with low growth. Key players identified and established. Some room left for newcomers.

During the Mature Phase, without key innovation or disruption, the market shares of each car manufacturers would remain stable. We have a lower competition intensity than during the Competition phase. There are still some market shares to grab for newcomers, but it will require high investment / significant competitive advantage.

#### **Ekimetrics's recommendation - Maintain baseline and volume orders**

During the mature phase, there is less leeway to significantly change the EV market shares through marketing campaigns only. Our recommendation would then be to focus effort on maintaining the baseline and orders volume through finding the right equilibrium between car specific campaigns and branding campaigns.

### **Ekimetrics recommendations – Key takeaways**

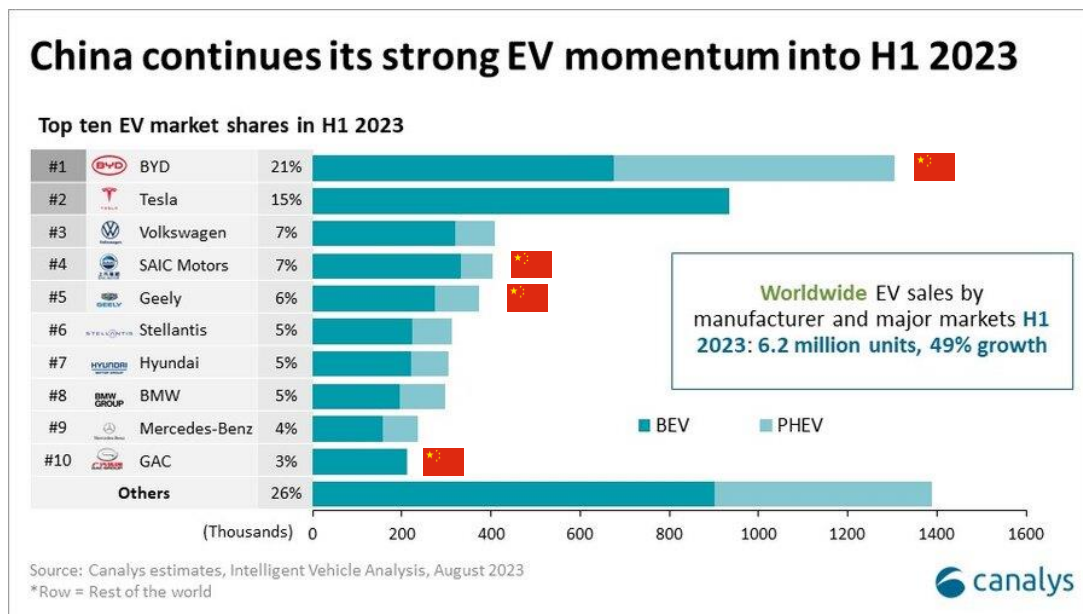
The guidelines for EV marketing strategies are generalist at this stage, but recognize a key requirement for an **adapted strategy** in the G6. To successfully take the EV transition, it is key to tailor those recommendations with the market / brand specificities. At Ekimetrics, we can leverage our **MMM x AI tools** to help you tailor your media strategy through the different maturity phases, according to local detail and a robust assessment with key learnings from more established markets.

- ❑ **Immature Phase** – Focus investment on brand to keep a high share of voice and position as an EV top-of-mind brand – introduce CO2 and measure Brand measurement KPIs for effectiveness
- ❑ **Growth Phase** – Keep high investment in brand while diverting iteratively part of the budget on EV carlines – measure impact of Sustainability in terms of CO2 & Brand
- ❑ **Competition Phase** – Capture shares of the fast-growing market with vehicle focused media campaigns – market growth will lead to ST profit via media incremental
- ❑ **Mature Phase** – Maintain baseline and volume orders through a correct mix of brand and car specific investment – media can be used effectively to boost sales during life cycle of vehicle

## Focus – Chinese EV Brand Development in Europe

In September 2023, the European commission launched an investigation regarding the subsidized Chinese electric vehicles entering the European market. The vocal support on the investigation from European OEMs illustrates the importance of the **threat** on the industry and France has moved first to impose a ruling to remove the **Govt incentive** for vehicles produced outside of the EU.

This Focus aims to help us understand the **structural reasons** behind the success of those Chinese brands and to deepdive on the most successful ones in Europe.



Source : Canalis, World EV Market Share, New Car Sales

### Structural factors explaining Chinese EV Brand's success

China's success in electric vehicles is first explained by its head start in terms of **EV technology**. By the end of the 2000's, the Chinese government started heavily investing in EV technology to help its car manufacturers transition to EV, in particular in the **battery sector**.

The battery is arguably the most vital element to succeed in the EV market. It greatly impacts the **final price**, it represents roughly **40%** of the **production cost**, and the performance of the car centres on it's efficiency – the battery is the **heart** of the vehicle.

Currently, Chinese battery manufacturers dominate the global market with around **70%** of the market share. This lead is compounded by the dominance in the supply of raw materials and metals - the key resources in battery production which China occupies a similar **70%** of the global production. Chinese EV brands also benefit from a **relatively cheaper labor** in the supply chain and a local market of 900 million consumers.

With the backing of the Chinese State, battery and car manufacturers are closely tied, thus giving Chinese EV brands a solid competitive advantage over other car manufacturers. All these factors give Chinese OEMs a fertile ground to grow, and today a clear ability to expand to other markets.









## Focus – Chinese EV Brand development in Europe

### Chinese EV Strategy in Europe will be increasing rapidly in 2024

Brands like MG are rapidly establishing themselves into the market via competitive price positioning, but thus far have not invested heavily on media. Their approach has been experiential led, where the product is front and centre and is based on user experience and product quality rather than advertising.

### Competitive Pricing of MG versus Established OEMs in France

Carline	Segment	Autonomy / Charge Time*	Price + VAT (without Bonus)	Assembly country
 <p><b>MG4</b></p>	<ul style="list-style-type: none"> <li>Segment C</li> </ul>	<ul style="list-style-type: none"> <li>350 – 520km</li> <li>40 min</li> </ul>	From €29 990	
 <p><b>Megane E-Tech</b></p>	<ul style="list-style-type: none"> <li>Segment C</li> </ul>	<ul style="list-style-type: none"> <li>300 – 470km</li> <li>50 min</li> </ul>	From €38 000	
 <p><b>Peugeot e-308</b></p>	<ul style="list-style-type: none"> <li>Segment C</li> </ul>	<ul style="list-style-type: none"> <li>320 – 420km</li> <li>50km</li> </ul>	From €42 590	

\* 50kW charge point

### Increasingly Aggressive Pushes on Media are predicted to arrive in 24

#### Ora Funky Cat Makes the First Move with decisive Media Invests

Ora's Funky Cat is the first mover in the German market to push with Offline TV Investment. Since inception we have seen a mainly Digital push from the Brands, but this marks a decisive step and we predict growth in 2024. This warrants importance of offensive search, where Chinese brands are capturing explorers of Electric at present.



 €12M

Media Investment in Q3 24

Source : Kantar Media Investments, Germany FY23

### **3. “Electrifying” your brand with MMM x AI** **Anticipating a shift in consumer’s need and adapting your brand to the EV transition**

Given the growing environmental concerns, traditional car manufacturers need to adapt their brand to a changing market. The solutions in this section are key assets to tailor your brand strategy.

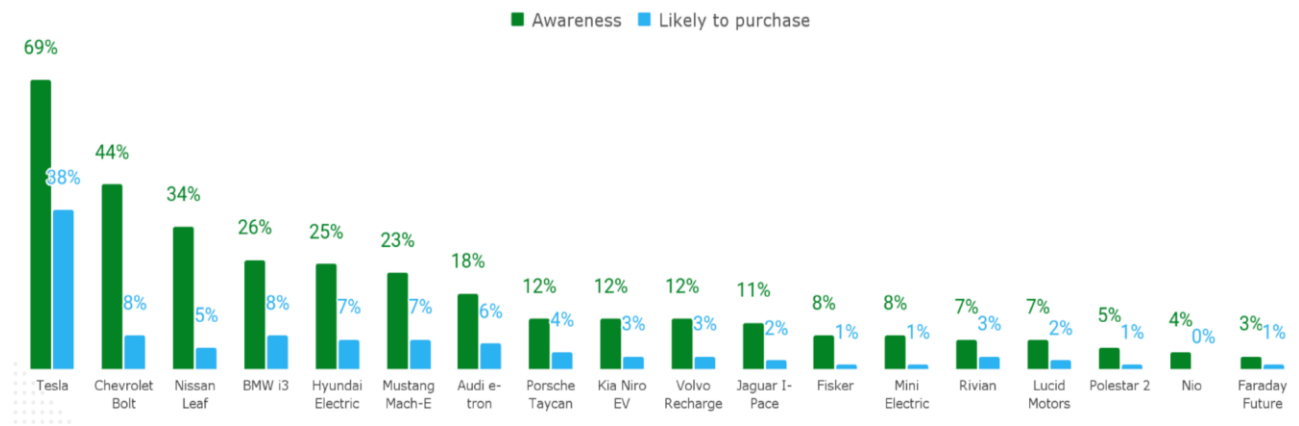


# The importance of electrifying your car brand

With the increasing pressure of global climate change, consumers are more and more conscious of the environmental impact of their consumption habits. The purchase of a car makes no exception. Despite price and consumption efficiency still being top deciding factors, the environmental impact of the car / of the brand is becoming increasingly important. Moreover, with younger and more sensitized generations arriving in the consumer pool, this trend is expected to accentuate in the upcoming years.

Thus, developing your EV brand image is of utmost importance. As we can see in the study below, there is a strong correlation between EV awareness and intention to purchase an electric car of a specific brand.

Electric vehicle brand awareness and likelihood to purchase



Source : Survey Monkey

Thus, one of the biggest challenge today of car manufacturers’ marketing department is to “electrify” the brand: make it more sustainable, make it more environmentally-friendly, place it as top-of-mind when consumers are considering EV.

To support car manufacturers in this transition Ekimetrics has developed multiple AI and marketing science solutions to steer key decisions making.

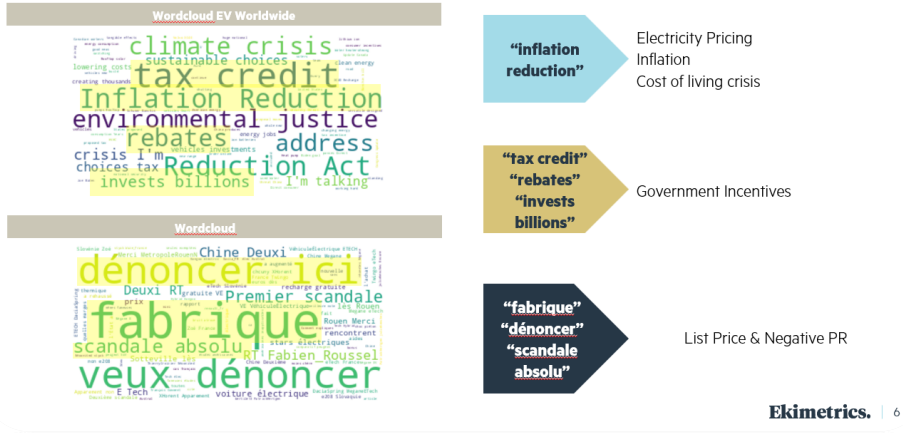
## Leverage Social Media data to measure top-of-mind awareness

In order to carry out a brand strategy aiming at a top-of-mind position in the EV sector, it is key to measure the impact of each marketing campaign.

At Ekimetrics, we believe that social listening paired with text analysis via Natural Language Processing is the best way to measure top-of-mind awareness and to compare it to direct competitors.

## Example Use Case – Social listening analysis via Plume

Using Social Listening, we have been able to identify key topics for consideration in modelling



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In an illustrative analysis for an OEM, we were able to use social listening to identify some of the key topics for consideration in modelling highlighting “Price”, “Government Incentives” and “Negative Buzz” around the vehicles production in China as key negative detractors for the car.

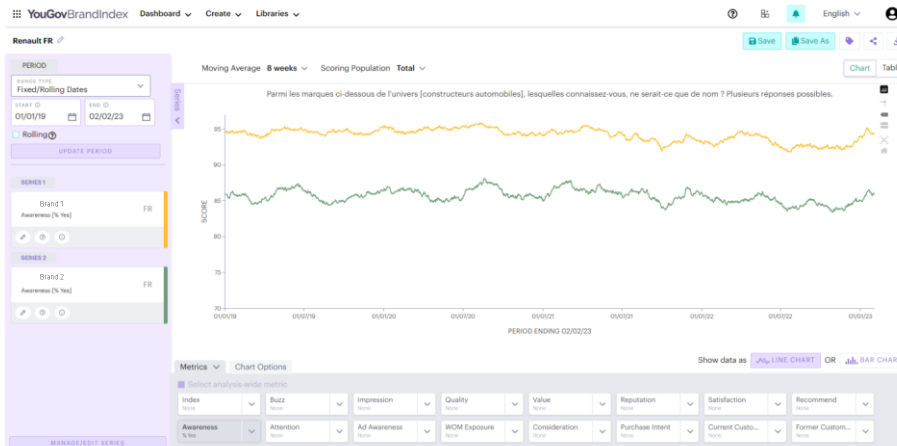
## Assess brand performance through a new prism – Brand Measurement with YouGov data

One of the key challenges for marketing decision makers regarding brand is the difficulty to correctly assess the impact of past campaigns. Today, most companies still view brand performance through a short-term lens, focused on profit or volume.

There is a lot at stake with this problematic, especially in the car industry, in which brand is a key differentiating factor in a highly competitive market. Indeed, car manufacturers cannot afford to neglect their brand strategy.

With our partnership with the data provider YouGov, we can apply our MMM AI tools on YouGov’s brand data to clearly quantify the impact of various marketing levers on the brand.

## YouGov – Brand Index Data for Awareness example



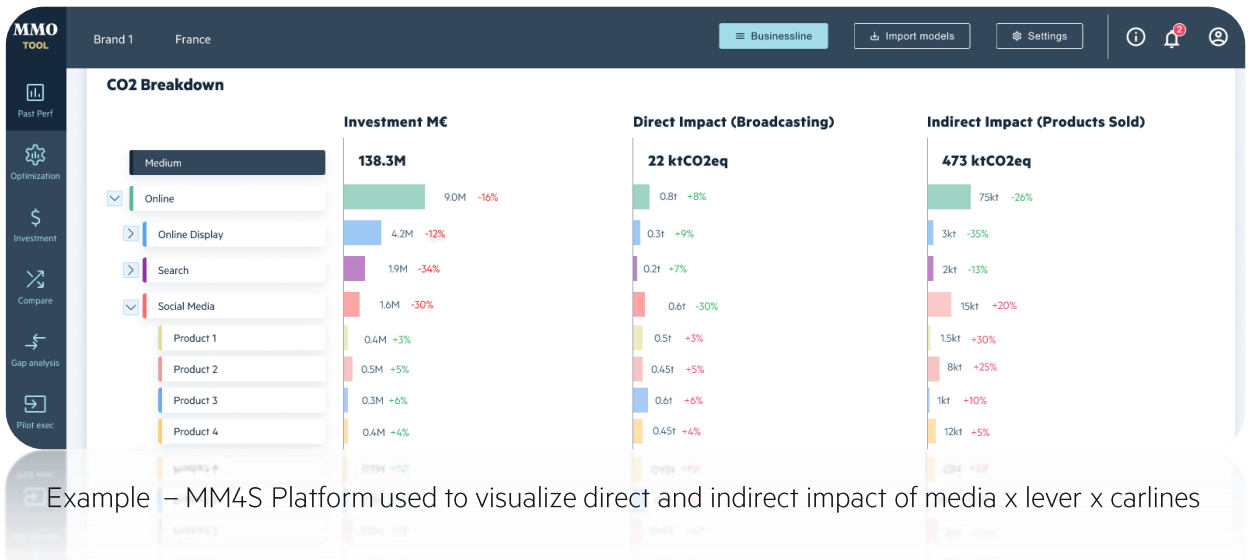
YouGov – Comparison between Brand Index of two key OEMs



## Example Use Case – Measuring environmental impact via MMM

Besides communicating on the EV carlines of the brand, “electrifying” a brand also implies taking environmental company responsibilities and communicating on them. To do so, the first and most important step is to estimate the environmental impact of your company’s decisions.

Our newest solution, MM4S helps in solving this need on the marketing side. MM4S gives you the direct (marketing campaign production and diffusion) and the indirect (sold car’s running carbon emission, cradle-to-grave emission) impact of your marketing actions and can help us optimize our profitability whilst reducing CO2 in the best way possible.



Example – MM4S Platform used to visualize direct and indirect impact of media x lever x carlines

The presentation slides discuss the EV market and its impact on ROI. The first slide, titled 'Propose: ROIs considering a complete view that integrates the key impact of future CAFÉ developments & an expanding EV Market', states that current KPIs do not fully reflect the value of these vehicles. The second slide, titled 'Market Readiness within G5 requires differing methods relating to our measurement KPIs to reflect future potential in EV', notes that current EV profit ROIs are limited due to low volume and low MAPs. A diagram shows 'Model Baselines in EV will grow upwards as the market expands naturally', with a bar chart indicating that 'Private EV orders are expected to double in Germany by 2028' (x2). A final note states: 'Further study is required to assess potential of this growth in numerical manner within the LT measurement of models to ascertain strategy at G5 level'. The Ekimetrics logo is visible at the bottom right of the slide.

The MM4S programme will evolve to take into the longterm growth of baseline in Electric & CAFE

**Measure brand wide impact of EV marketing campaigns with Halo Effect**

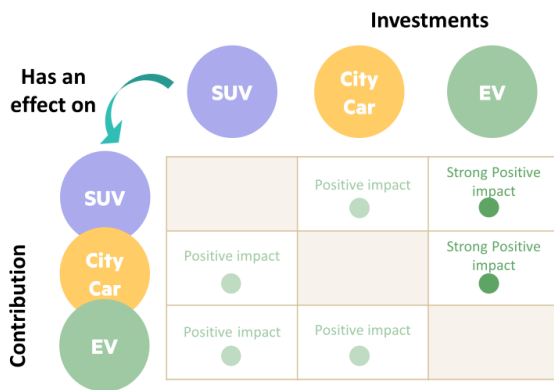
With our in-house MMM tools, we are able to identify the positive uplifts and the cannibalization of a specific marketing campaigns on other carlines of the brand.

The main takeaway of our analysis is that, generally speaking, investing in marketing campaigns focused on electric carlines has short-term and long-term benefits:

- Increase of traffic in dealerships, resulting in an uplift of orders of other carlines.
- Contribution to “electrifying” the brand image with positive halo

**Example Use Case - Range Wide Halo Effect analysis**

Halo Impact can be used to understand the marketing campaign synergy between one carline and another



**KEY TAKEAWAYS & RECOS**

- Both the ICE carlines have a strong positive impact onto eachother
- Media investments on Electric have a strong positive impact on ICE
- The Brand can invest and build awareness of the new electric offer without impacting its other offers in terms of cannibalization
- Conversely, we must measure the positive Halo onto ICE in ROI

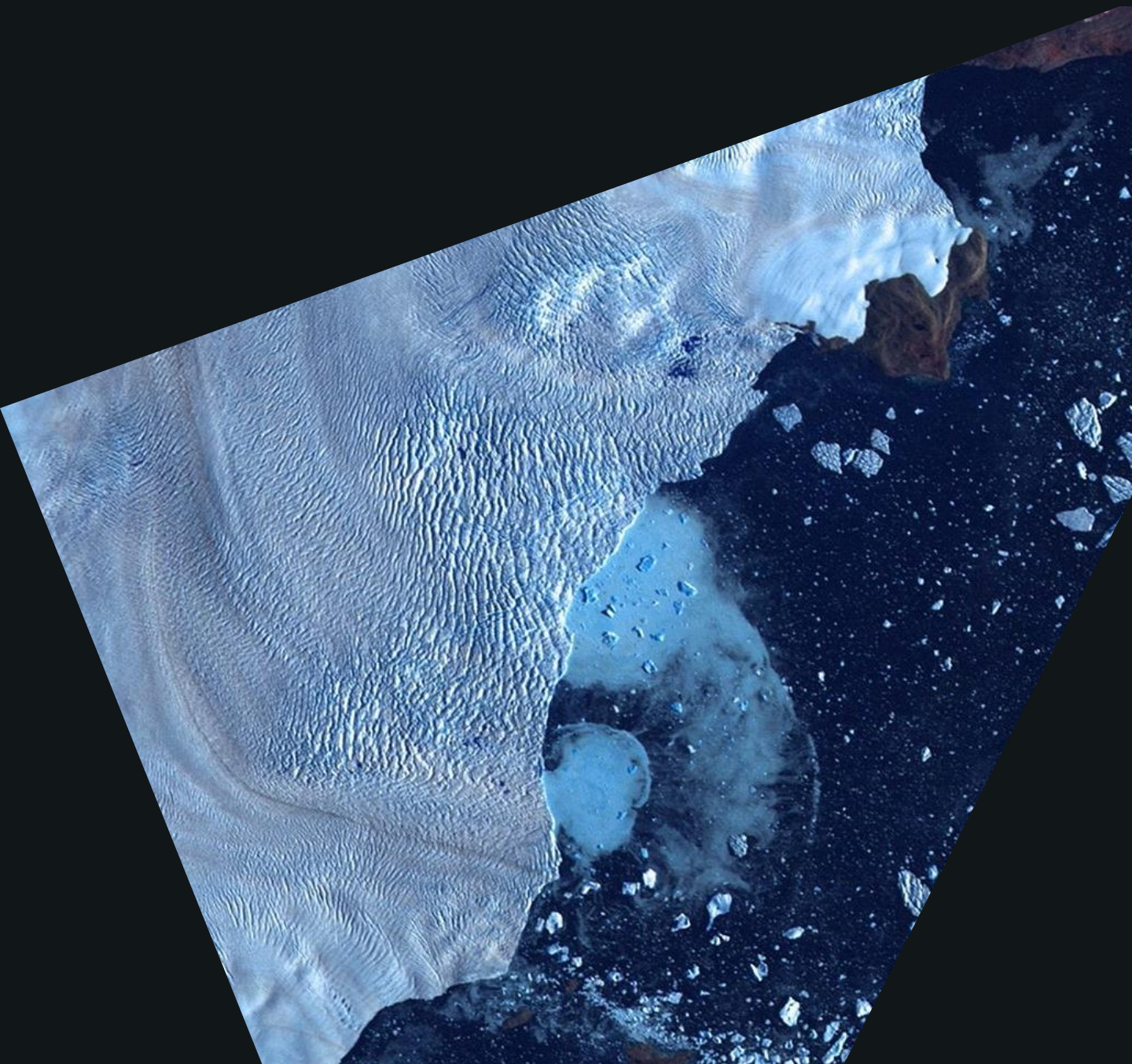
In our latest Halo Effect study, we identified and quantified halo / cannibalization effects between each carline. The main takeaway is that electric, hybrid and newer carlines have the strongest halo impact, thus giving us a more relevant view on the KPIs of those carlines.

**Ekimetrics Brand Measurement solutions – Quick Takeaways**

- ❑ Social Listening solutions are best used to keep track of brand specific metrics like top-of-mind awareness for EV and allow for a qualitative overlay of customer opinions.
- ❑ Our MM4S solution helps in quantifying the direct and indirect carbon footprint of your marketing campaigns, thus helping in tailoring a more sustainable marketing strategy.
- ❑ Measurement of Halo Effect analysis allows us to have another point of view on carlines media investments metrics and to make decisions with the full picture.

## 4. Executive Summary

Key Considerations regarding the different stages of EV market maturity of G5 countries



## More than ever, data is key in steering our decision making per country and we need to provide this :

- Recognise that a **centralised strategy** on EV in Europe is **not the answer** given different levels of market readiness thanks to the study – **Brand Guidelines** should have some flexibility to be tailored in each country depending on their readiness
- **Spain & Italy** have a lower market propensity to EV at present; we must therefore continue to give some support to key ICE **volume drivers** in 2024 given lower readiness in the market
- In the **Short Term**, EV Investments are less profitable from a **profit ROI** perspective, measurement must integrate the **Halo Impact & Long Term** impact to factor in a growing baseline for full appreciation
- **France, Germany & UK** are slightly ahead of the curve in maturity; we must closely follow the market trajectories in these countries to understand **baseline growth** for key learnings across G5
- Data is key to provide our Decision Makers with the right measure of success for EV Investments – **Brand Measurement & CO2** must come into the sphere as recognised KPIs to provide a wider vision on EV investment effectiveness
- For **Brand Measurement** we recommend clear tracking of **YouGov** data and direct modelling of the Consideration KPI on 1-2 countries as a pilot
- For **CO2 Measurement** we have piloted the **Sustainability Module** in 2024 to work closely with Sustainability & RSA teams to collect CO2 information per vehicle and integrate this into optimization of **Media Planning**

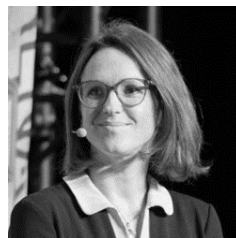




**Renaud Pirel**

**Partner**

[renaud.pirel@ekimetrics.com](mailto:renaud.pirel@ekimetrics.com)



**Manuella Boujard**

**Partner**

[manuella.boujard@ekimetrics.com](mailto:manuella.boujard@ekimetrics.com)



**Greg Chappell**

**Manager**

[greg.chappell@ekimetrics.com](mailto:greg.chappell@ekimetrics.com)



**Jérôme Lin**

**Consultant**

[jerome.lin@ekimetrics.com](mailto:jerome.lin@ekimetrics.com)

