

# ELECTRIC AND HYBRID CARS – UK – 2023

Despite cost of living concerns, sales of electric and hybrid cars continue to rise helped by lower prices and increased consumer confidence.



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Retail Research



# Electric And Hybrid Cars - UK - 2023

## This report looks at the following areas:

- The impact of the cost-of-living crisis on the market for electric and hybrid cars
- Trends in demand for particular hybrid and electric technologies
- Key drivers impacting on the market, in particular legislative trends and support for the sector
- The main channels used for the purchase of hybrid and electric cars
- Company and brand shares within specific segments of the market
- Consumer interest towards hybrid and electric cars as well as attitudes, preferences and concerns



Despite cost of living concerns, sales of electric and hybrid cars continue to rise helped by lower prices and increased consumer confidence.

## Overview

While car sales have been restrained by the pandemic and cost-of-living crisis, the hybrid and electric sector has seen strong demand as manufacturer and consumer interest has strengthened. Mintel estimates for 2023 are that 20.3% of new sales will be hybrid while a further 23.5% will be plug-in hybrid or battery electric.

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# Report Content

### Key issues covered in this Report

- Overview

## EXECUTIVE SUMMARY

### Opportunities for the hybrid and electric car market

- Hybrid technology shouldn't be overlooked in the rush towards battery electric powertrains
- Further investment in public EV charging is needed to address usability concerns
- A focus on affordability is essential for EVs to become a mass-market option
- Targeting marginalised groups offers potential for OEMs to gain a competitive advantage

### Market dynamics and outlook

- The five-year outlook for the electric and hybrid car market
- Market size and forecast – volume
- Mintel expects growth from both electric and hybrid powertrains over the period 2023 to 2028
- Growth evident in both hybrid and battery electric sectors
  - Graph 1: hybrid and electric new car registrations, by type, units, 2023 and 2028
- VW Group overtakes BMW Group to lead the UK market in 2023
  - Graph 2: hybrid and electric manufacturer group share (licensed cars), Q2 2021 and Q2 2023
- Delay in phasing out the sale of new IC cars will hamper shift to electric powertrains

### What consumers want and why

- Consumers want: greater affordability
- Consumers want: more family-friendly models
- Consumers want: support for marginalised groups
- Consumers want: more opportunities to buy used
- Consumers want: improvements in public charging infrastructure

### Innovation and marketing

- Innovation is focused on barriers to EV take-up
- Advertisers increasingly looking beyond promoting environmental benefits

## MARKET DYNAMICS

### Market size

- Electric and hybrid sales continue their steady advance

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- Graph 3: market size for electric and hybrid cars (new registrations), units, 2018-23
- Market is already moving towards plug-in vehicles
- With diesel already marginalised, petrol is now falling out of favour
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- Focus on electric models highlights direction of travel for auto sector
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- Used EV sales double in 12 months

## Market forecast

- Market forecast – volume
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- Growing acceptance of alternative fuelled cars
- Southeast England leads when it comes to ULEV registrations
- Interest in B-EVs cars makes them the second biggest segment in the market
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- Tesla leads a market that remains dominated by premium brands
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  - Graph 9: top 10 electric model share (new sales), Q2 2023
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- Inflationary pressures soften during 2023
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- Appetite for car ownership may have reached its peak
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- Choice of PH-EV and B-EV models improves noticeably from 2021
- Choice of PH-EV and B-EV models improves noticeably from 2021
  - Graph 15: sales of PH-EV and B-EV models, Q2, 2018-2023
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  - Graph 17: connector speed, by type, 2018-2023
- EV Charging Action Plan to prepare infrastructure for de-carbonisation of transport

### Legislative background

- Early commitments towards de-carbonising personal transport ...
- ...followed by mixed messages on production and phasing out of new IC-powered cars
- Grants shift from private purchases to public charging
- Withdrawal of EV VED benefits from 2025
- London pioneers restrictions for polluting vehicles ...
- ...and is followed by a growing number of urban areas

## WHAT CONSUMERS WANT AND WHY

### Vehicle ownership

- Small share for hybrid and electric cars illustrates their potential
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- Good opportunities for EV manufacturers exist with young families

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- Affordable models can meet customer demand
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### Interest in type of hybrid/electric car

- Buyers play it safe when it comes to move away from petrol and diesel
- Buyers play it safe when it comes to move away from petrol and diesel
- Young adults are likely to be early adopters of new technologies
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## INNOVATION AND MARKETING TRENDS

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- Go Eve Dockchain charging solution
- Electreon begins pilots for its wireless Electric Road System (ERS)
- Toyota sets out plans to revolutionise battery technology
- Toyota roadmap for EV battery development
- New approach to EV battery recycling

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- Expansion in promotional support mirrors growth in sales
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- Market segmentation – ULEVs licensing by region
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- Market definition
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- Abbreviations and terms
- Abbreviations and terms

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