

February 2022

# The Impact of Electrification

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The Ripple Effect of the Automotive Industry's Transformation

**NBCUniversal**



“

Every once in a while, a revolutionary  
product comes along that changes  
**everything**

”

- S T E V E J O B S



# Electrification of the Automotive Industry is a Massive Disrupter

IT'S A TIPPING POINT TO  
SOCIETAL CHANGE

Globally, Electric Vehicles  
Accounted For Nearly

**2.5%**

Of new cars sold  
in 2019<sup>1</sup>



Nearly

**9%**

Of new cars sold  
in 2021<sup>1</sup>



And Are Estimated  
To Account For

**50%**

Of sales  
by 2030<sup>2</sup>

Source: 1. IEA [Electric Cars Fend Off Supply Challenges To More Than Double Global Sales](#), January 2022;  
2. McKinsey, [Why the Automotive Future is EV](#), September 2021

WE'VE SEEN THIS BEFORE...



## THE Telephone Changed Our Lives Forever

1<sup>st</sup> landline call made in 1876 allowing us  
to communicate with people regardless of distance

*35 years to achieve 25% adoption*  
**122 years to achieve ~100% adoption**



## THE Smartphone Took the Evolution Further

1<sup>st</sup> smartphone released to the public  
in 1994, starting us down a new path

*16 years to achieve 25% adoption*  
**27 years to achieve 85% adoption**





# The Adoption of the Smartphone Changed the World Forever

INFLUENCING EVERY ASPECT OF LIFE

## PEOPLE

HOW WE

### **Connect**

*38% of internet users worldwide use their mobile phone to make video calls<sup>1</sup>*

## BUSINESSES

HOW WE

### **Work & Transact**

*31% of U.S. retail commerce sales happen on mobile<sup>2</sup>*

## COMMUNITIES

OUR

### **Definition of Community**

*Globally, 4.15B people actively use social media on a smartphone<sup>3</sup>*

Source: 1. DataReportal, Hootsuite and We Are Social, [Digital 2021: October Global Statshot Report](#), October 2021; 2. comScore, [2020 State of Retail Preview](#), October 2020; 3. We Are Social, DataReportal, and Hootsuite, January 2021

THE SMARTPHONE WAS A

# Catalyst of Influence

... **ELECTRIC VEHICLES WILL BE AS WELL**



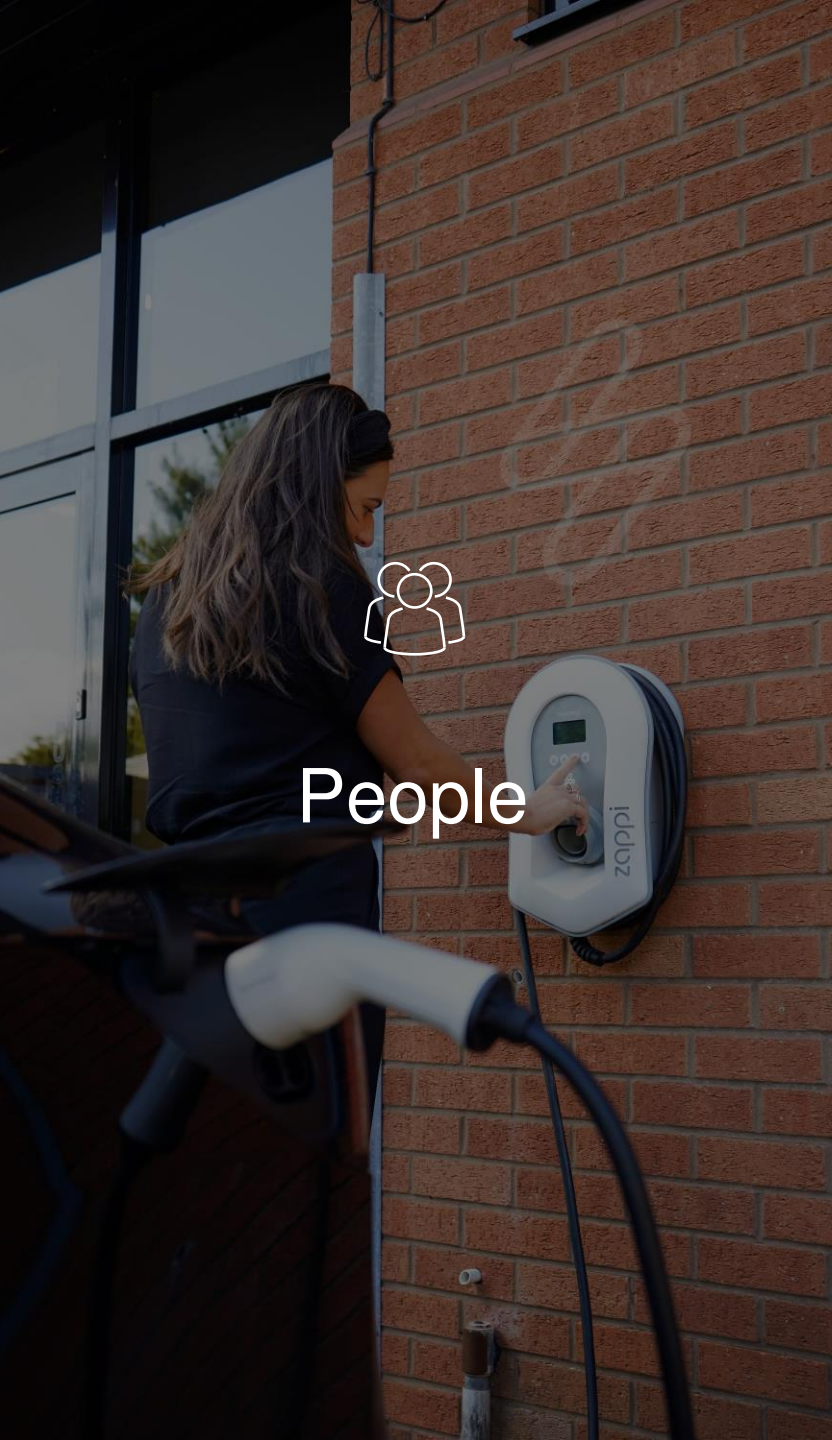
Evolved individual beliefs and attitudes towards tangible and intangible impact

Ripple effect on current businesses and prompting new business ventures

Improved quality of life in communities and gateway to sustainable mobility



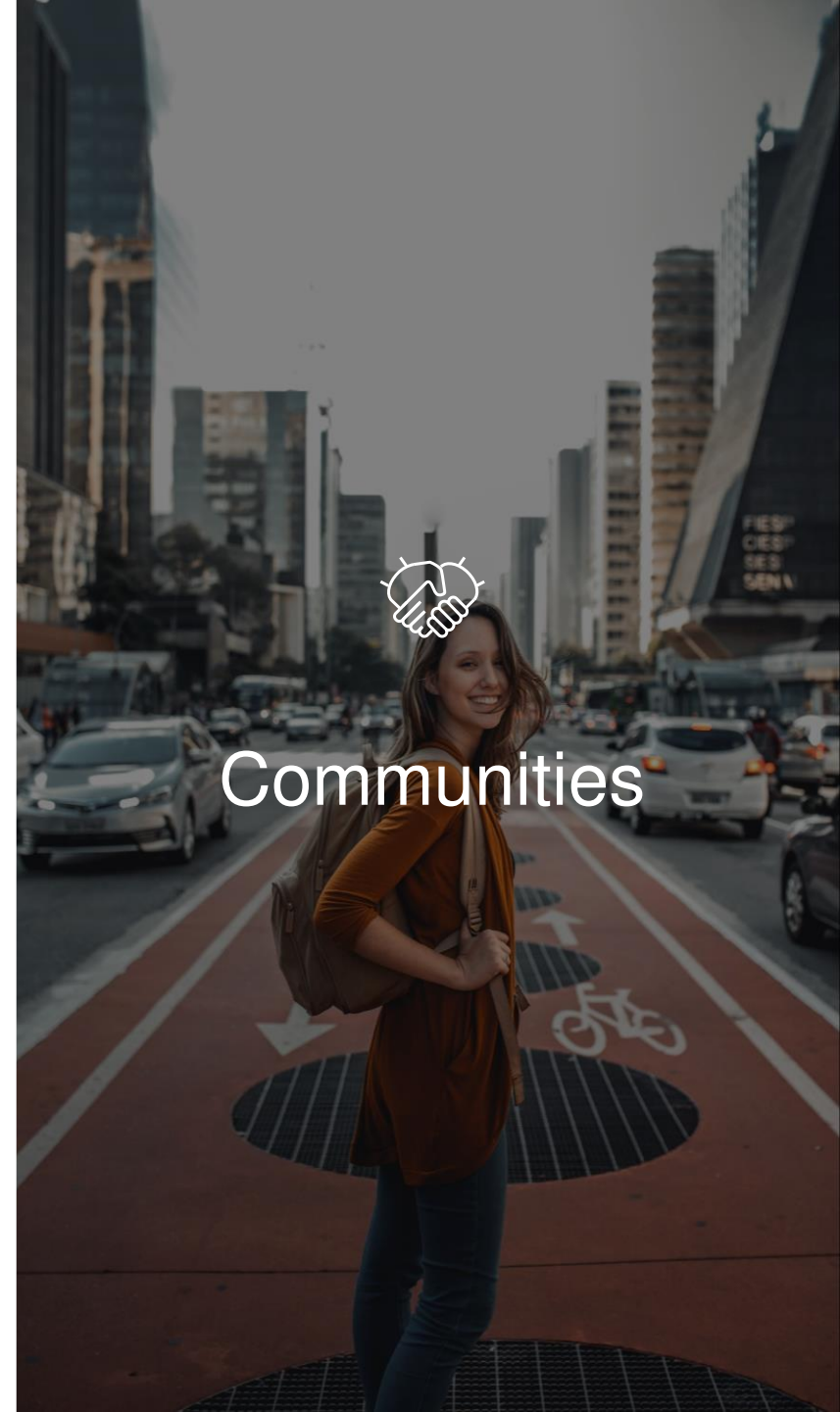




People

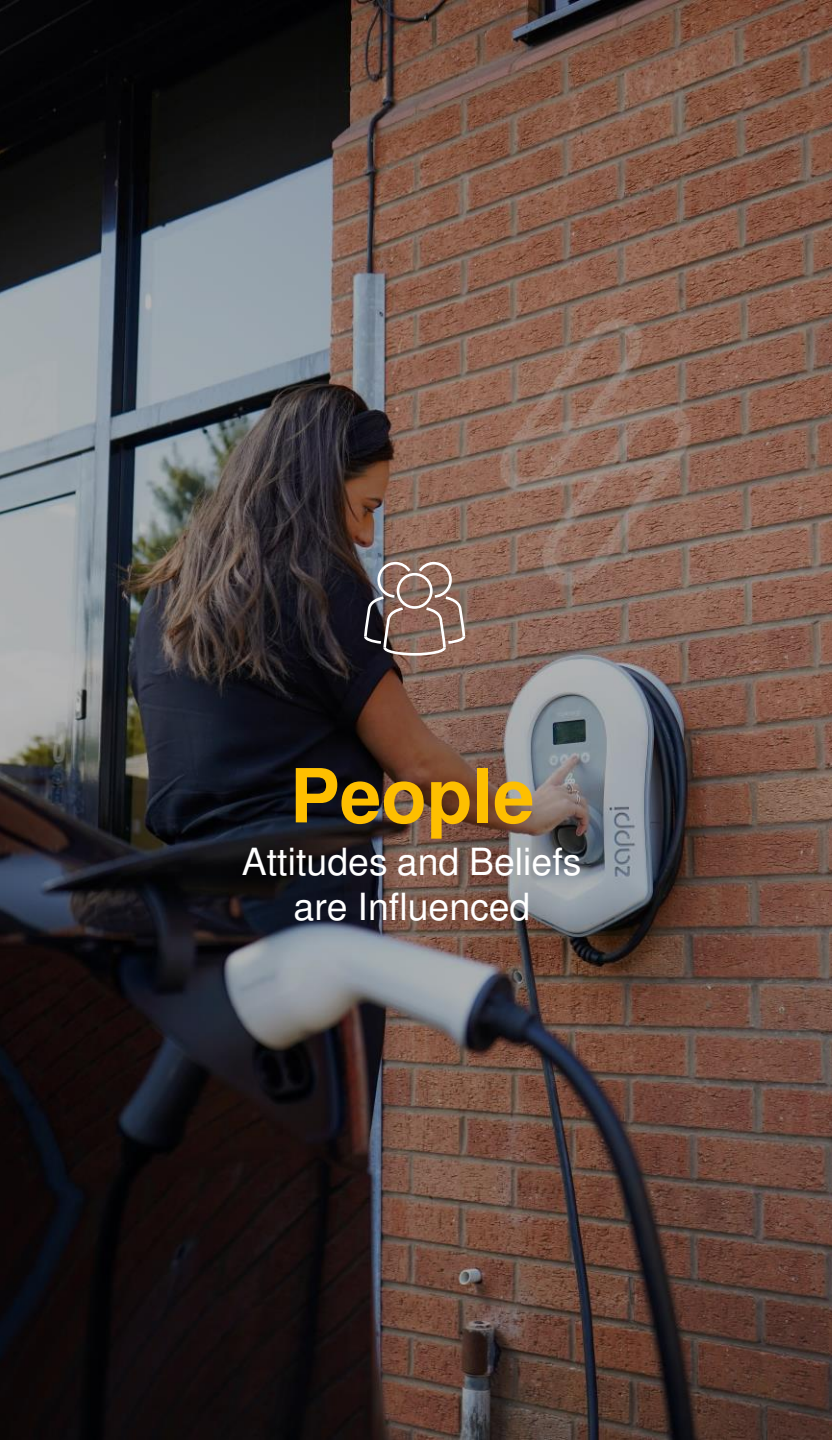


Businesses



Communities



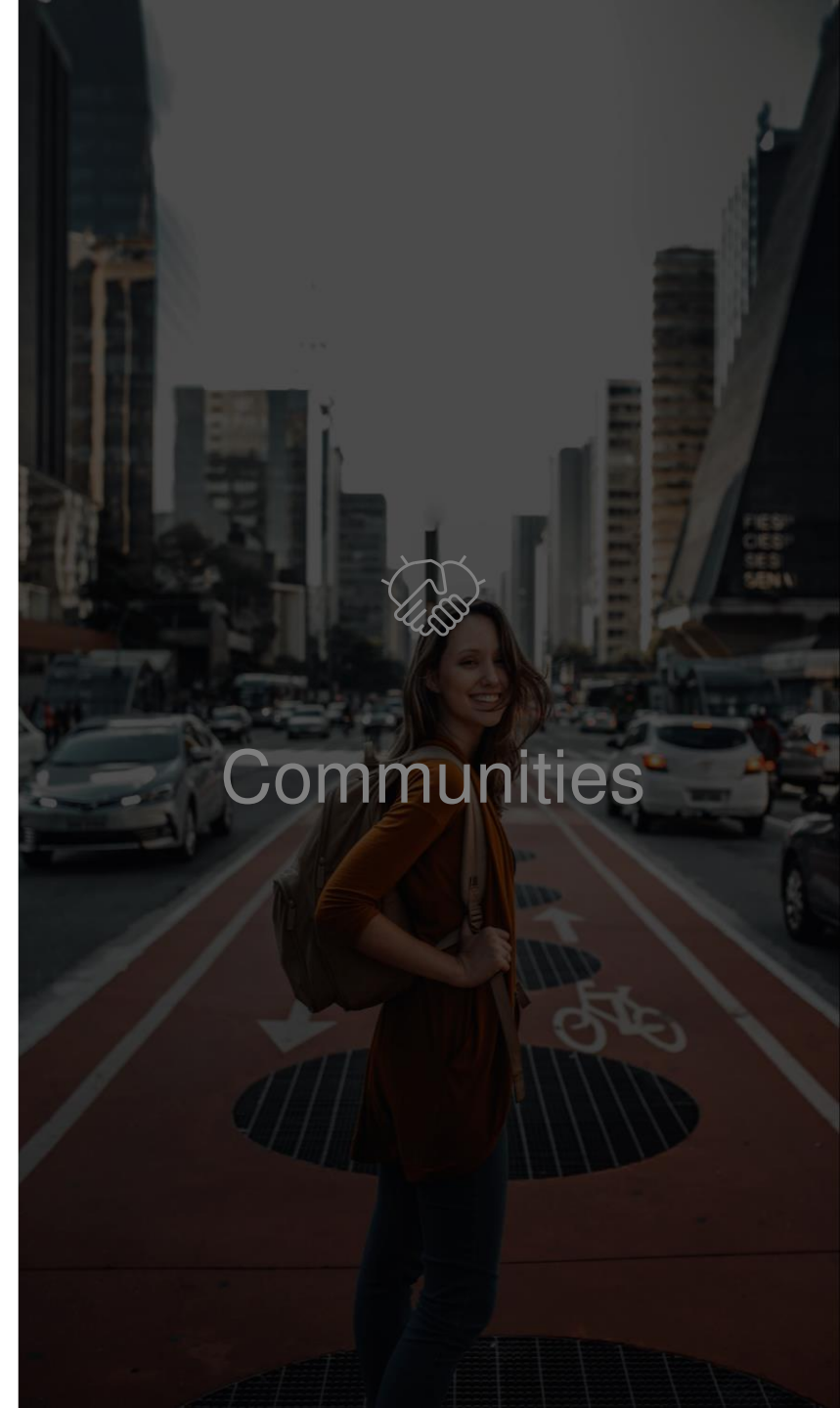


## People

Attitudes and Beliefs  
are Influenced



## Businesses



## Communities



# Consumers Agree, This is an Exciting Time



## THE Environment

“This will help slow down or hopefully reverse global warming.”  
– EV Owner

“I am interested in the opportunity to bring down my own carbon footprint and the world as a whole, and how it could be impacted.”  
– Non-EV Owner

## THE Tech

“I am highly interested in the science, engineering, and the type and model of cars, specifically EVs and batteries.”  
– EV Owner

“I am highly interested in EVs because of their technology aspects being much more complex and interesting than traditional cars.”  
– EV Owner

## THE Convenience

“To save money on gas. To have a car that is easy for short commutes and errands.”  
– EV Owner

“I have a high level of interest in using an electric car so I don't need to fill up at gas stations.”  
– Non-EV Owner



# And the Overall Impact of Electrification is Positive

On both the world and their own lives

"I think it is a blossoming technology that has the **influence and power to make a major positive difference.**"

"For me, [it will have] **little impact**, other than the fact that I feel like I am **embracing the future** and contributing positively to the environment."

"It's had a good solid impact – not life changing, but I didn't expect it to be. **I drive more, feel better about doing my part, and have been saving money on 'gas' and insurance.**"

EXPANSIVE IMPACT

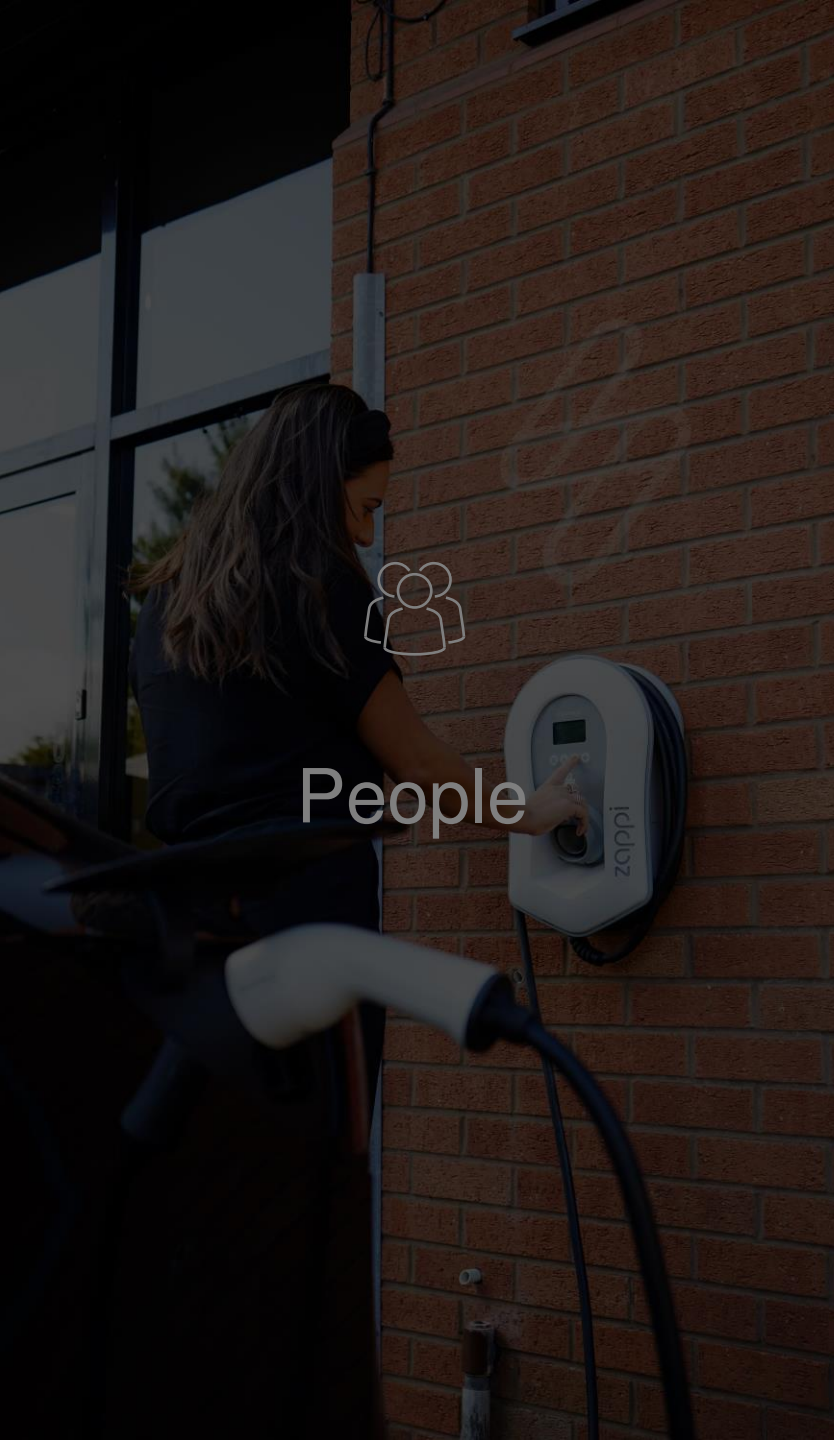
PERSONAL IMPACT

"I think it will go a **long way to eliminate carbon emissions** from cars and will **create a more sustainable future** [...] that is safer for us and the environment."

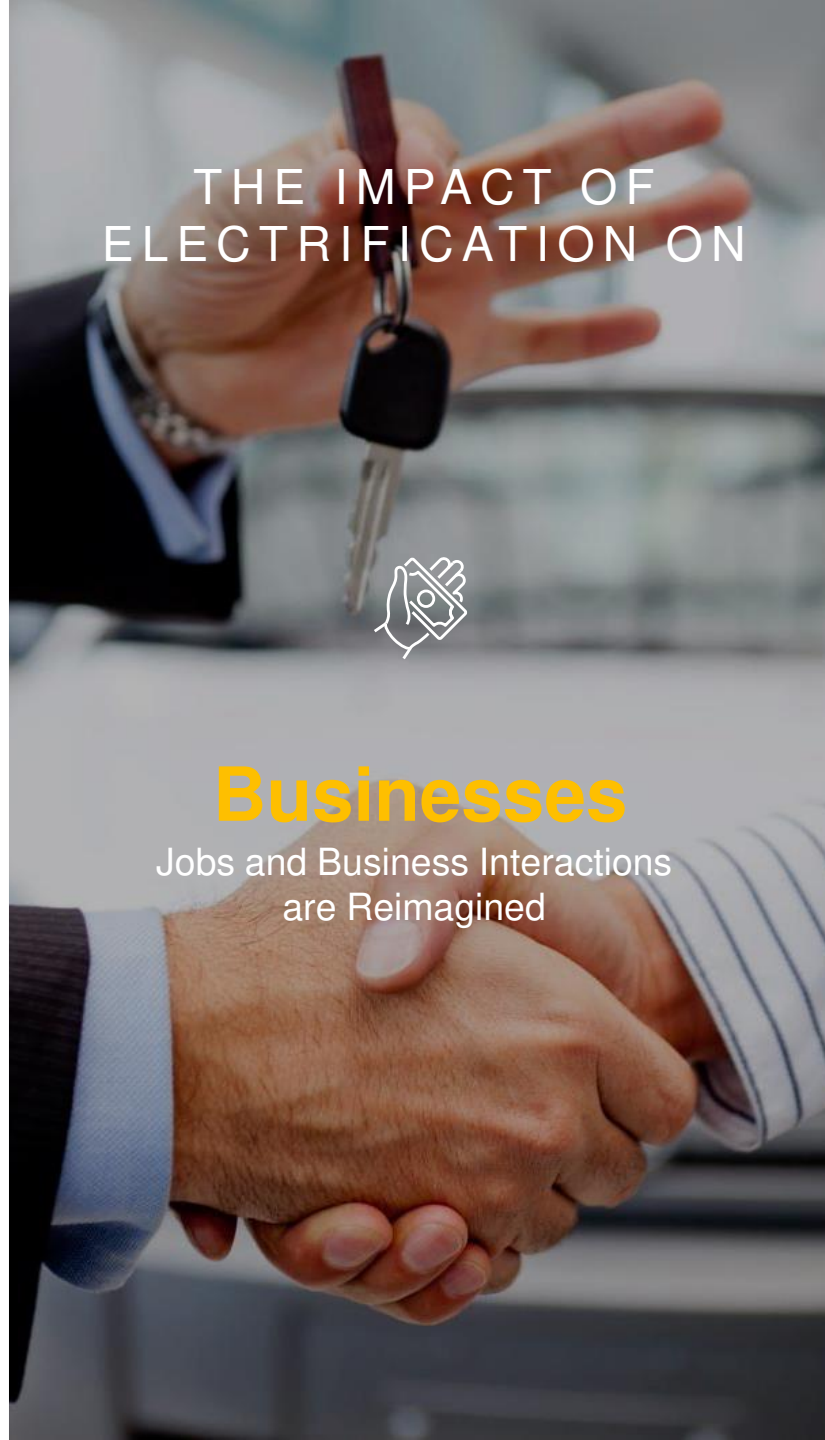
*On the most important factor in choosing an EV brand:*  
"I do not know really. It comes down to cost, range, look. **How does this car make me feel about myself, etc. Ego?**"

Source: NBCU Qualitative Research, January 2022

Note: In Winter 2022, NBCU conducted proprietary research to understand American consumers' perspective of electric vehicles and their influence.



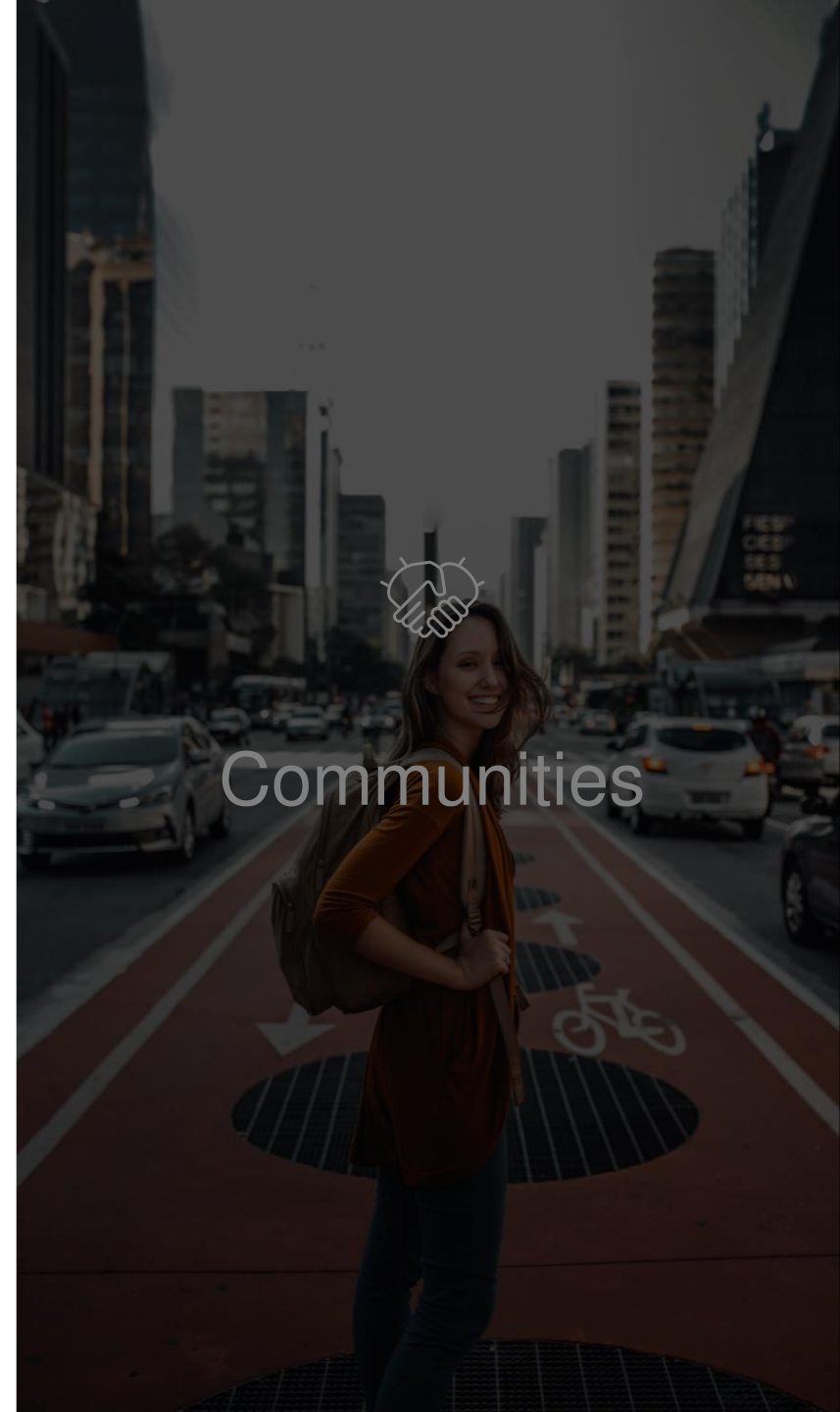
People



THE IMPACT OF  
ELECTRIFICATION ON

**Businesses**

Jobs and Business Interactions  
are Reimagined



Communities



# The Shift to Electric WILL LEAD TO A *Reimagination of* the Auto Ecosystem *From production through aftermarket*

## 1. Production

New components (batteries, electric drives) and new workforce skillsets (electric/software engineers) alter entire process

*"GM to hire 3,000 engineers, designers, IT workers to speed up electric vehicle production"*  
**Detroit Free Press**

## 2. Marketing

New in-car personalization and electrification features need to be communicated

## 3. Dealerships

Maintenance and sales staff need to be retrained for EVs

*"Dealers' front lines lack the expertise to adequately inform EV buyers"*

McKinsey  
& Company

## 4. Aftermarket

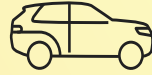
Business revenue will shift due to fewer breakdowns, but will require more service hours to fix, requiring new marketing of customer service capabilities

*"EVs will generate up to 40 percent less aftermarket spending"*

McKinsey  
& Company

# Electric Shift Will Also Have a Ripple Effect on Other Industries

From influencing change to current business strategies to prompting entirely new business ventures



## Insurance

Due to higher maintenance costs, premiums will be increasing for owners of EVs, tightening budgets  
*The annual cost for **EV premiums range** from **\$1.3K** to **\$3.5K** (6%-41% more than gas **models**)*



## Delivery Services

Fleet purchases will be increasingly EV as companies look to lower costs & achieve environmental goals  
***UPS** and **Amazon** each purchased a notable **volume** of **EVs** in **2021***



## Oil & Gas

From the type of oil used to how people charge their vehicles, the industry will transform its B2B & B2C models  
***Boeing** plans to use 100% biofuel by 2030 & **Shell** will operate 500K+ charging stations globally by 2025*



## Travel

Hotels, entertainment parks, rental companies & destinations will adjust infrastructure & pricing to accommodate the need to charge vehicles  
***Hotels**, like **Marriott**, have **gradually installed charging stations** in their parking facilities.  
**Rental companies (e.g., Hertz)** are beginning to **offer EVs***

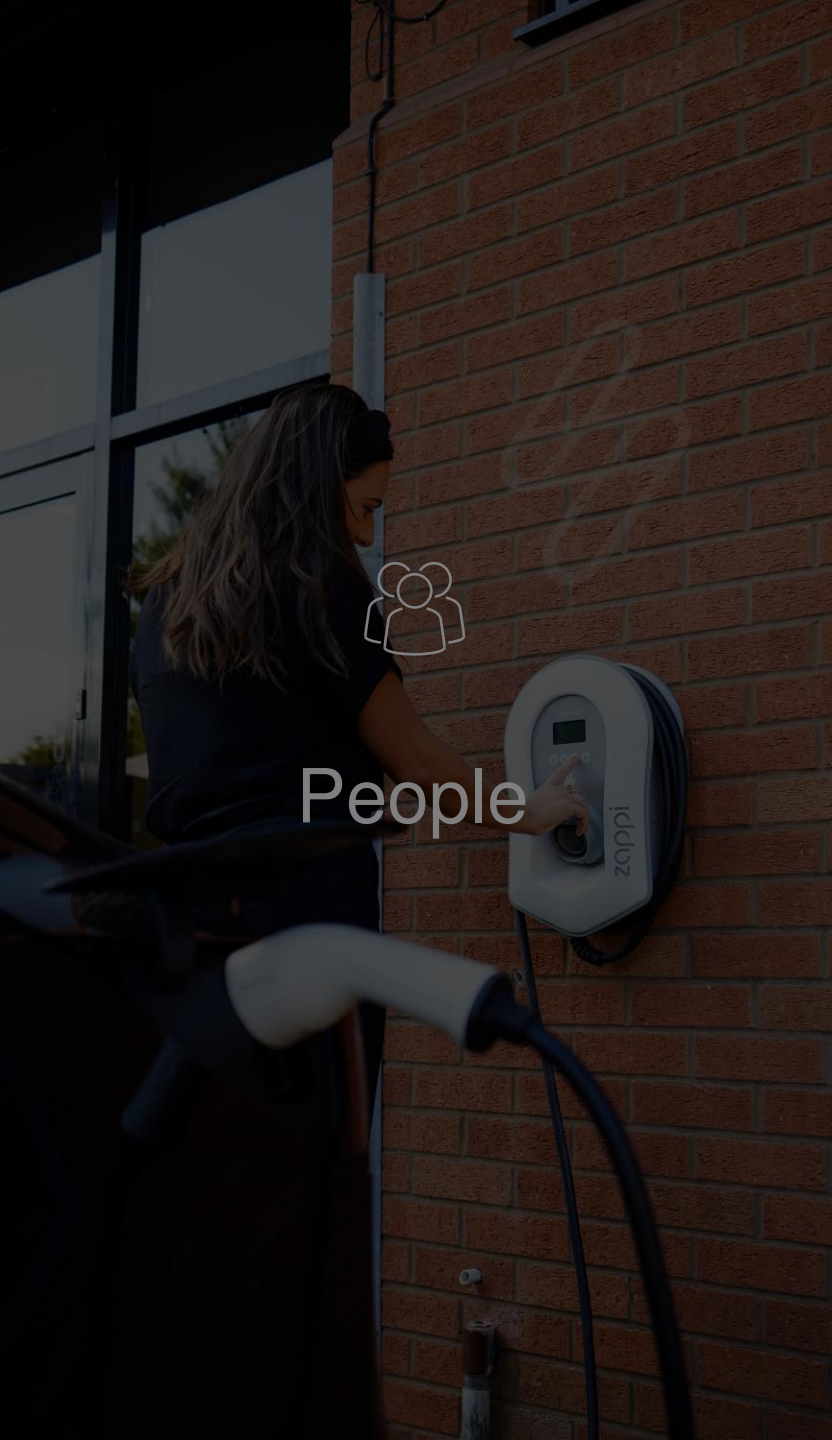


## Restaurant & Retail

The service industry will be forging new partnerships to meet consumer expectations for convenience  
***QSRs** have **partnered** with startups, like **FreeWire**, to **install charging stations** in parking lots*

Source:

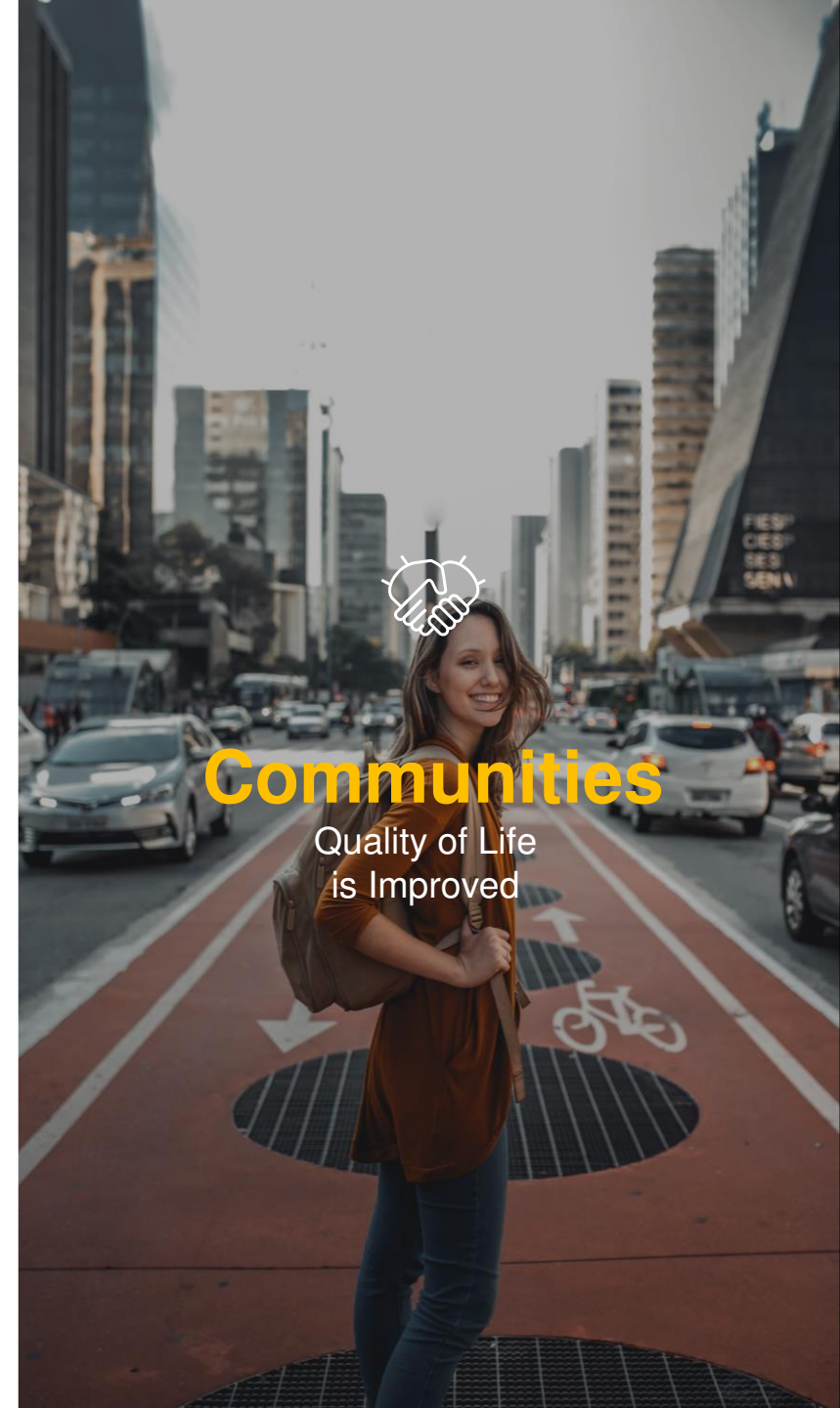
1. NPR, *From Amazon To FedEx, The Delivery Truck Is Going Electric*, March 2021;
2. Value Penguin, *How Having an Electric Car Affects Your Auto Insurance Rates*, February 2022;
3. Bank Rate, *Everything you need to know about insuring an electric vehicle*, January 2022;
4. Industry Week, *What's Driving EV Push Within Delivery Space? And Can It Deliver?*, April 2021;
5. The Street, *What the Growing Ascendancy of Electric Vehicles Means for Oil and Gas Stocks*, June 2021;
6. SPGlobal, *EV Impact: Electric vehicle growth to sever oil from key market*, February 2022;
7. Shell, *Electric Vehicle Charging*;
8. Modern Restaurant Management, *Taking Charge of an Electrifying Opportunity*, April 2021;
9. Marriott, *Electric Vehicle Charging Stations*



People



Businesses



**Communities**

Quality of Life  
is Improved



# Electrification Can Positively Impact Communities



## Improved Health & Cleaner Air

Zero-emission vehicles result in less indoor and outdoor air pollution and can help achieve climate goals.

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**People of color are disproportionately affected** by air pollution from traffic.<sup>1</sup>



## Sustainable Mobility

The normalization of EVs and expansion of charging infrastructure can create a clean transportation network with e-bikes, buses, and more.

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The Bipartisan Infrastructure Deal provides \$39B to expand public transit systems and allow local governments to buy **zero- and low-emission buses**.<sup>2</sup>



## Strong Appeal & Desirability

Green communities often become preferred places to live, visit, and shop, while residential buildings with EV charging stations have higher appeal.

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Nearly  $\frac{3}{4}$  of apartment renters are either **“interested in or won’t rent without” green amenities**.<sup>3</sup>



## A Resilient Local Electrical Grid

Together, EV charging stations, solar panels, and energy storage units can bolster a community’s energy infrastructure, especially during grid emergencies.

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About 30% of EV owners in the U.S. also have **home solar panels**.<sup>4</sup>

# How Electrification Has Already Made an Impact

## NYC Microgrid

Marcus Garvey Village, a 625-unit apartment complex in Brooklyn, NY, installed a system of energy storage, solar photovoltaics, and a fuel cell to lower energy costs and reduce the impact of energy demand peaks.<sup>1</sup>



## LA Metro

With an \$80M investment, the LA Metro announced its first zero-emission bus line. The G (Orange) Line has 40 electric buses that each include public Wi-Fi and USB ports in the seats.<sup>2</sup>



## Seattle

Seattle's Woodland Park Zoo installed 20 Light & Charge systems, which turn existing streetlights and parking lot lights into EV charging stations. The program will continue to expand throughout Seattle.<sup>3</sup>





## Smartphones

### PEOPLE

#### HOW WE *Connect*

38% of internet users worldwide use their mobile phone to make video calls<sup>1</sup>

### BUSINESSES

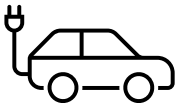
#### HOW WE *Work & Transact*

31% of U.S. retail commerce sales happen on mobile<sup>2</sup>

### COMMUNITIES

#### OUR *Definition of Community*

Globally, 4.15B people actively use social media on a smartphone<sup>3</sup>



## Electric Vehicles

### PEOPLE

#### HOW WE *Think & Feel*

Consumers “feel like [they are] embracing the future and contributing positively to the environment”<sup>4</sup>

### BUSINESSES

#### HOW WE *Work & Travel*

Auto workers need to be retrained, while hotels and gas stations are starting to install charging stations on-premise

### COMMUNITIES

#### HOW & WHERE WE *Live*

EVs result in less air pollution, while green communities often become preferred places to live, visit, and shop



BRANDS HAVE THE OPPORTUNITY TO

# Guide People Through This Evolution

Making the transition easy, seamless, and simply part of the new reality



UNDERSTANDING PEOPLE ARE...

**Future  
Focused**

**Impact  
Curious**

**Eager &  
Enthusiastic**

**Seeking  
Reassurance**

## BRANDS NEED TO...

### Share The Vision

Infusing your future-outlook in all marketing aspects

### Anticipate Consumer Needs

Meeting them with information they may not realize they need

### Tap Into Consumer Excitement

Balancing fun and functional

### Establish The Expertise

Touting your authority

## WAYS TO PARTNER

## Recommended Approaches



Partner with relevant media properties and talent, reflecting your positioning and innovation.

*Gas stations can demonstrate their future vision of the re-fueling experience.*



Leverage a custom content surround sound approach, educating on benefits to accelerate electrification adoption.

*The tourism industry can create resources to facilitate electrified travel.*



Stand out by identifying Cultural Moments and leveraging ad innovation to make your brand top of mind.

*Auto manufacturers can showcase unique EV model benefits (e.g., charging your home).*



Highlight your strategic alliances across Wall Street, Capitol Hill, or Non-Profits in consumer marketing to bolster your authority.

*Charging networks can highlight their efforts to expand across diverse communities.*

## Engage Key Audiences at Scale

Main Street, Wall Street, Capitol Hill

February 2022

# Thank You

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FOR MORE INFORMATION,  
PLEASE REACH OUT:

**Megan Ryan**

*VP, Client Strategy Automotive*

[Megan.Ryan1@nbcuni.com](mailto:Megan.Ryan1@nbcuni.com)

CONTRIBUTIONS BY:

Matt Balaban, Rosie Nisanyan, Alex Stern, David Evans

DESIGNED BY:

Alliana Semjen

**NBCUniversal**

