Electric Vehicles Need Dedicated Sales Organizations

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It is well known that Tesla sells its electric cars with a combination of online and Tesla-store ordering. Delivery of a Tesla vehicle can take place at a Tesla store or service center, or possibly at the buyer’s home or business. Eight U.S. states do not allow Tesla to sell its cars in those states because they are not sold at a legacy car dealer.

Also, it is well known that legacy car dealers are not good places to sell electric cars for several reasons:

- Electric cars (EVs) are very different that internal-combustion-engine (ICE) cars. Sales persons have to spend much time learning about the electric cars that they can sell. There are two kinds of electric cars: Plug-in hybrid cars (PHEVs, such as the Prius Prime) and battery-electric cars (BEVs, such as the Tesla Model 3).
- Some customers who are seeking to buy an electric car often know more about the EVs they seek than a sales person knows. Other customers need much time with a sales person to learn about electric cars.
- A large fraction of the profit of legacy car dealers comes from maintenance after sales. Since EVs, especially BEVs, require much less maintenance than do ICE cars, legacy car dealers obviously are not as interested in selling EVs as they are in selling ICEs.

So, it is obvious why Tesla does not want to sell its BEVs through legacy dealers. If fact, it is obvious that legacy car manufacturers need to set up dedicated EV dealerships to sell their EVs.

Volvo has figured out a way to do that by establishing a new car brand only for EVs, the Polestar. A Polestar can be ordered online similar to the situation for Tesla cars. “That means customers can research, configure, and order cars online. If customers want to see a car before ordering, they can do so in a franchised Polestar Space. Here, customers will interact with non-commissioned product experts (not sales personnel) who will provide any information they need. These “spaces” will also offer pick-up and delivery servicing so customers won’t have to wait at a dealerships service center while their vehicle is being serviced. Polestar is also offering a subscription service for customers, much like Care by Volvo. Here, customers can cover nearly all the associated costs of ownership through the service, including insurance, maintenance, repairs, and car payments. All customers have to pay for is gas.”

The main difference between how Tesla sells EVs and how Polestar does is that the sales locations for Polestar are owned by franchised businesses instead of by Polestar.

Plugstar.com is a good place for EV customers to view details about available EVs before approaching a legacy dealer about buying or leasing an EV.

All EV manufacturers need to either sell their EVs as Tesla does or as Polestar does. The Smart Columbus Experience Center in Columbus Ohio where EVs from several legacy car dealers are on display and are available for test drives is a baby step toward separating EVs from ICEs for sale.