

Evaluating the Connecticut Dealer Incentive for Electric Vehicle Sales

June 2017

Prepared by
Center for Sustainable Energy



Please cite this reference as Johnson, Clair, Williams, Brett, Anderson, John & Appenzeller, Nicole (2017), *Evaluating the Connecticut Dealer Incentive for Electric Vehicle Sales*, Center for Sustainable Energy.

Acknowledgments

This report examines a unique and innovative incentive for dealerships that is part of the Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) program to incentivize electric-vehicle purchases/leases. This study was funded and conducted by the Center for Sustainable Energy (CSE). As such, it does not necessarily represent the views of the CHEAPR program, the Connecticut Department of Energy and Environmental Protection (DEEP), program funder Eversource, or program partner the Connecticut Automotive Retailers Association (CARA).

However, without the collaborative vision of DEEP, Eversource, and CARA, the incentive would not exist and this report would not have been possible. The authors thank them.

Thanks are also due to additional individuals at the Center for Sustainable Energy who initiated and supported this research, including Kipp Searles, Colin Santulli, Nick Pallonetti, Laura Parsons and Tim Treadwell.

Contents

- I. Executive Summary4**
- II. Introduction7**
- III. CHEAPR Overview.....8**
 - Impact Goals 8
 - Funding and Resources 8
 - Dealer Support 8
 - Marketing and Outreach..... 8
 - Consumer Rebate..... 8
 - Dealer Incentive 9
- IV. Evaluation Objectives10**
- V. Methodology & Data Summary11**
 - Program Data Summary 11
 - Rebate Data..... 11
 - Consumer Survey Data..... 13
 - Informal Interviews 14
 - Dealership Survey 14
 - Participant Summary..... 15
 - Analysis 17
- VI. Evaluation Findings.....18**
 - 1. How is the dealer incentive being distributed within dealerships?..... 18
 - 2. How and to what extent does the incentive motivate dealership employees to increase EV sales?
20
 - 3. What behaviors do dealership employees change in response to the dealer incentive? How
strong is the effect? 21
 - 4. To what extent does the dealer incentive affect EV sales? 22
 - 5. At what level should the dealer incentive be set to balance cost and effectiveness? 23
 - Additional Learnings 24
- VII. Recommendations.....29**
 - Recommendations for CHEAPR 29

Recommendations for Developing EV Incentive Programs	30
Recommendations for Further Research.....	30
VIII. Appendix A: Interview Protocol.....	32
IX. Appendix B: Survey Instrument.....	35

List of Figures

Figure 1: Evaluation Design.....	11
Figure 2: Map of CHEAPR Rebate Distribution	12
Figure 3: Percentage of Rebates Assigned to the Dealership by Make	12
Figure 4: Percent of Rebates Assigned to the Dealership by Dealership Rebate Volume	13
Figure 5: Positions Represented by Respondents	15
Figure 6: Number of EVs Sold by Respondents.....	16
Figure 7: Makes Sold at Respondents’ Dealerships	17
Figure 8: Distribution of the Dealer Incentive to Salespeople.....	19
Figure 9: Dealership Use and Importance of Dealer Incentive	20
Figure 10: Mean Motivation to Sell EVs Attributed to the Dealer Incentive	21
Figure 11: Mean Perceptions of the Dealer Incentive	23
Figure 12: Mean EV Perceptions by Ownership Experience	25
Figure 13: Mean Motivation Attributed to the Dealer Incentive by Ownership Experience	26
Figure 14: Respondent Perceptions of Consumer Rebate Effectiveness.....	27
Figure 15: Mean Perceptions of Effectiveness of Consumer Incentives.....	28

List of Tables

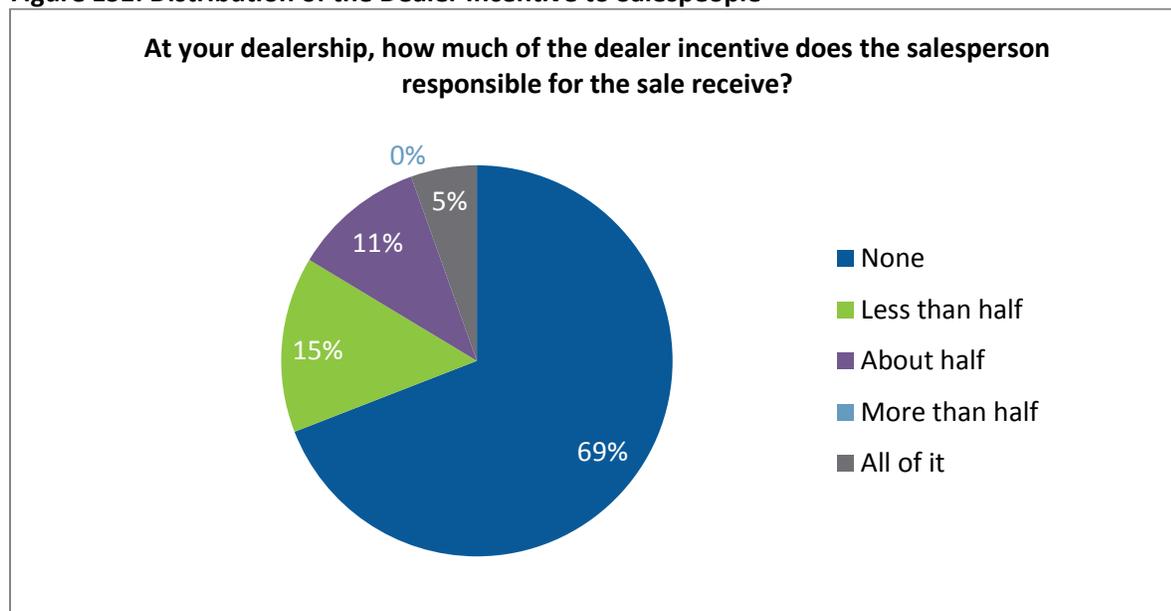
Table 1: Recommended <i>Minimum</i> Levels for the Dealer Incentive.....	24
--	----

I. Executive Summary

The Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) program provides a consumer rebate of up to \$5,000 for the purchase of an electric vehicle (EV) and a dealer incentive of \$300 for each rebated vehicle. The dealer incentive feature is unique among statewide EV rebate programs and has generated interest among EV market stakeholders nationwide. In 2016, the Center for Sustainable Energy (CSE) conducted a study to understand how the CHEAPR dealer incentive is distributed and used by dealerships, and to explore its effectiveness in promoting the development of the EV market. The evaluation relied primarily upon quantitative survey data provided by employees of dealerships that had participated in the CHEAPR program. Additionally, it incorporated a small amount of qualitative data provided through the survey or informal interviews. Survey respondents represented a variety of positions at dealerships, though 74% said they were directly involved in selling vehicles to customers.

The results indicated that dealerships use their incentives in a variety of ways, most often financially benefitting the dealership as a whole. Sharing incentives with salespeople was not common: 69% of informed respondents reported that the salesperson receives none of the incentive at their dealership. Thirty-one percent of sales-employee respondents did not know the dealer incentive existed.

Figure ES1: Distribution of the Dealer Incentive to Salespeople



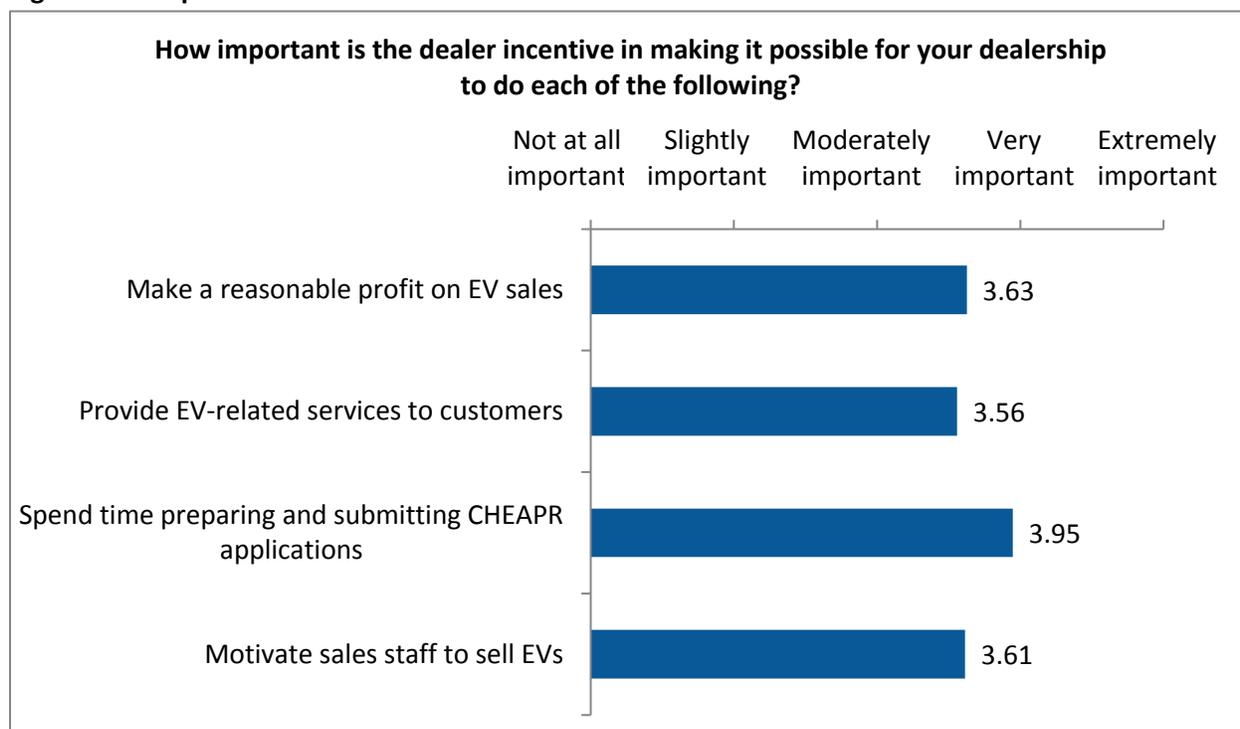
Note: Question only asked of respondents who said they were aware of the dealer incentive; “I don’t know” responses (n=4) excluded
Respondents=55

Instead, survey respondents more typically viewed the incentive as dealership compensation for the time required to participate in the CHEAPR program, rating the incentive’s importance to their dealership the highest in allowing them to “Spend time preparing and submitting CHEAPR applications.”

Nevertheless, respondents rated the incentive as moderately to very important on all dimensions assessed in Figure ES2.

In terms of individual motivation, respondents found the incentive to be moderately to very motivating to participate in a variety of behaviors that might spur EV sales. The highest rated behavior was to “Spend time with a customer to teach them about EV ownership and use.” In general, survey respondents agreed that the dealer incentive makes it easier for them to sell EVs and provided estimates of the *minimum* level required to motivate salespeople and dealerships to sell EVs, an average of \$233 and \$565 respectively. It is important to note: 1) these are average *minimums*, not optimal values, and 2) they might be understated because the study sample appears to be a more EV-enthusiastic group. Further, respondents that have owned an EV had more positive perceptions of EVs *and* rated the dealer incentive more motivating along all dimensions.

Figure ES2: Importance of Dealer Incentive



1 = Not at all important, 5 = Extremely important

In addition to information about the dealer incentive, this study provided insights on other program design features. CHEAPR is unique among statewide rebate programs in that it allows consumers to receive the rebate at the point of sale, through an option known as “dealer assignment.” Dealer assignment allows consumers to receive the rebate as a direct discount on the vehicle price, rather than waiting for a check to arrive in the mail. Analysis of program data showed that assignment of the consumer rebate to the dealer for a point-of-sale discount occurs at a higher rate at dealerships that have processed more applications; at dealerships that have processed 20 or more applications, the rate of assignment was 92%, as compared to 69% at dealerships that have processed fewer than 20 applications. Additionally, consumers who assigned their rebate to the dealer rated it as more essential

to their purchase/lease decision (74% would not have purchased/leased without it) as compared to those who did not assign the rebate to the dealership (50% would not have purchased/leased without it).

Overall, perceptions of the CHEAPR program among the participating dealership employees were very positive. Seventy-four percent agreed that the CHEAPR program [with its dealer incentive] has made them more open to EVs as a real alternative to conventional vehicles. Sixty-three percent believe that just a few or none of their customers would have purchased/leased their EV without the CHEAPR rebate. With this in mind, CHEAPR can be considered a pioneering EV incentive program, whose unique features have enabled market stakeholders to explore new ways to encourage EV sales.

Based on the data and stakeholder insights captured in this study, CSE identified several recommendations to strengthen the design of CHEAPR and other EV incentive programs.

Recommendations for the CHEAPR program include:

- Increase dealer outreach to improve program awareness and familiarity
- Continue to track use of the dealer incentive
- Consider formally defining the purposes of the dealer incentive
- In future evaluation work, collect data from nonparticipating dealerships
- Consider ways to incorporate broader program design and research recommendations (as described next and detailed in Section VII)

Recommendations for developing EV incentive programs include:

- Formalize and document program design
- Use a split incentive design to motivate both salespeople and dealerships
- Build data collection into program design
- Provide or incentivize direct experiences with EVs for salespeople to increase positive attitudes toward EVs

In addition to recommendations for program development, emergent findings indicated opportunities to conduct further research that would inform the design of EV incentive programs. The recommendations for additional research include:

- Conduct additional research to identify and characterize primary barriers to EV sales at dealerships
- Conduct research to explore the relationship between salesperson EV ownership and positive EV perceptions, to inform program design

II. Introduction

The Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) program launched in May 2015 and has since delivered nearly 1,000 rebates to consumers who have adopted plug-in hybrid electric vehicles (PHEVs), all-battery electric vehicles (BEVs) or fuel-cell electric vehicles (FCEVs)—collectively known as electric vehicles (EVs). The program’s unique features have generated interest among EV market stakeholders. As a result, the Center for Sustainable Energy (CSE)—which administers CHEAPR on behalf of Eversource in conjunction with Connecticut’s Department of Energy & Environmental Protection—conducted a study to explore questions about program design and, specifically, its unique dealer incentive feature.

III. CHEAPR Overview

Impact Goals

The CHEAPR program is a part of Governor Dannel Malloy's efforts to provide cleaner, cheaper and more reliable transportation energy and to support Connecticut's clean air goals. The program is one of Connecticut's initiatives to encourage the use of alternative vehicles.

Funding and Resources

The CHEAPR rebate program is funded by Eversource Energy, formerly Northeast Utilities, as part of a broader commitment to energy efficiency and related initiatives set forth in a Settlement Agreement related to the NU-NSTAR merger. CHEAPR has disbursed over \$3 million of incentives to date.

Dealer Support

The CHEAPR program has partnered with the Connecticut Automotive Retailers Association (CARA) to reach dealerships across the state. CARA has been instrumental in distributing information to Connecticut dealerships on major program changes. Additionally, CARA was involved in the program design and launch process and provided input on the dealer incentive feature of the program.

Marketing and Outreach

CHEAPR provides daily support to dealers and consumers to answer program-related questions regarding available funding, the application process and additional incentives. Since dealers play a crucial role in the CHEAPR rebate process, most outreach has been targeted toward dealerships. Prior to program launch in May 2015, CSE conducted in-person dealer training on program requirements, eligibility and the application process. Program staff completed additional outreach in June 2016 to inform dealers of rebate amount changes. In addition, CHEAPR held informational webinars pre- and post-launch to ensure Connecticut dealers had a clear understanding of the program. While consumer outreach is not a major component of the CHEAPR contract, program staff members are available via phone and email to assist consumers with any program-related questions or concerns.

Consumer Rebate

CHEAPR provides the purchaser or lessee of an eligible PHEV, BEV or FCEV a rebate of up to \$5,000. CHEAPR is unique among statewide rebate programs in that it allows consumers to receive the rebate at the point of sale, through an option known as "dealer assignment." Dealer assignment allows consumers to receive the rebate as a direct discount on the vehicle price, rather than waiting for a check to arrive in the mail. The dealer deducts the rebate amount from the cost of the vehicle as a line item on the purchase/lease agreement and is reimbursed within 10 days via batched electronic funds transfers as applications are approved. Regardless of whether the consumer opts to receive the rebate at the point

of sale or later at home, the dealership is expected to submit the application for the consumer. Applications must be submitted within three days of vehicle purchase or lease.

Dealer Incentive

Connecticut-franchised new-automobile dealerships are eligible to receive a dealer incentive of \$300 for each eligible vehicle they sell or lease that receives a CHEAPR rebate. This feature is a unique program design element among statewide EV rebate programs.

***CHEAPR provides a \$300
dealer incentive to
dealerships for every EV
they rebate.***

IV. Evaluation Objectives

The evaluation team designed this study to meet EV market stakeholder requests for information about CHEAPR's dealer incentive and in response to the internal motivation of program administrators to better understand program implementation and effectiveness. In addition, market stakeholders expressed curiosity about the effectiveness of the incentive in accelerating the growth of the EV market. Some stakeholders have expressed that the original intention of the dealer incentive was to get "buy-in" from dealerships. However, this purpose was not formalized and other possibilities exist; for example, the incentive might be used as a motivation for individual salespeople. The original goal of the evaluation was to assess the general impact of the dealer incentive. However, given the variety of possible uses for the incentive, the objective was revised to the following.

To develop an understanding of how the CHEAPR dealer incentive is distributed and used by dealerships, and whether it is an effective method for promoting the development of the EV market

To achieve this objective, the evaluation team developed the following evaluation questions.

1. How is the dealer incentive being distributed within dealerships?
2. How and to what extent does the incentive motivate dealership employees to increase EV sales?
3. What behaviors do dealership employees change in response to the dealer incentive? How strong is the effect?
4. To what extent does the dealer incentive affect EV sales?
5. At what level should the dealer incentive be set to balance cost and effectiveness?

The results provide insight into the evaluation questions. Additional questions emerged during the evaluation, and a later section provides recommendations for further study and data collection.

V. Methodology & Data Summary

Figure 1 shows the overarching evaluation design. A summary of program data informed the development of an interview protocol used to conduct informal interviews with a small sample of dealership employees and one program staff member. The results of the interviews informed the development of a dealership employee survey, which was distributed to all dealership email addresses on file from rebate applications. The survey collected both quantitative and qualitative data (with an emphasis on quantitative data). After summarizing these data, results were integrated to produce relevant findings.

Figure 1: Evaluation Design



Program Data Summary

Rebate Data

The CHEAPR program approved 971 applications received from May 19, 2015 through December 1, 2016. Approximately 75% of the approved applications were for PHEVs, the remaining 25% for BEVs. This high proportion of PHEVs is unique to the CHEAPR program, as compared to other statewide EV incentive programs.^{1, 2} The geographical distribution of the rebates appears in Figure 2 and shows greater density around the urban areas of Stamford and Bridgeport, as well as near Hartford and New Haven, as might be expected by the size of those car markets. As seen in Figure 3, Chevrolet and Ford were the most commonly rebated vehicle makes during this time period, by a significant margin.

Dealer assignment has proven to be very popular among CHEAPR applicants: consumers assigned the rebate to the dealership in 81% of approved applications. Figure 3 shows considerable variation in the percentage of rebates assigned to dealerships by vehicle make. For the two most frequently rebated makes, Chevrolet and Ford, consumers assigned the rebate to the dealership in 77% and 87% of applications, respectively.

¹ Center for Sustainable Energy (2017). California Air Resources Board Clean Vehicle Rebate Project, Rebate Statistics. Data last updated January 3, 2017. Retrieved January 9, 2017 from <https://cleanvehiclerebate.org/rebate-statistics>.

² Center for Sustainable Energy (2016). Massachusetts Department of Energy Resources Massachusetts Offers Rebates for Electric Vehicles, MOR-EV Program Statistics. Data last updated January 6, 2017. Retrieved January 9, 2017 from <https://mor-ev.org/program-statistics>.

Figure 2: Map of CHEAPR Rebate Distribution

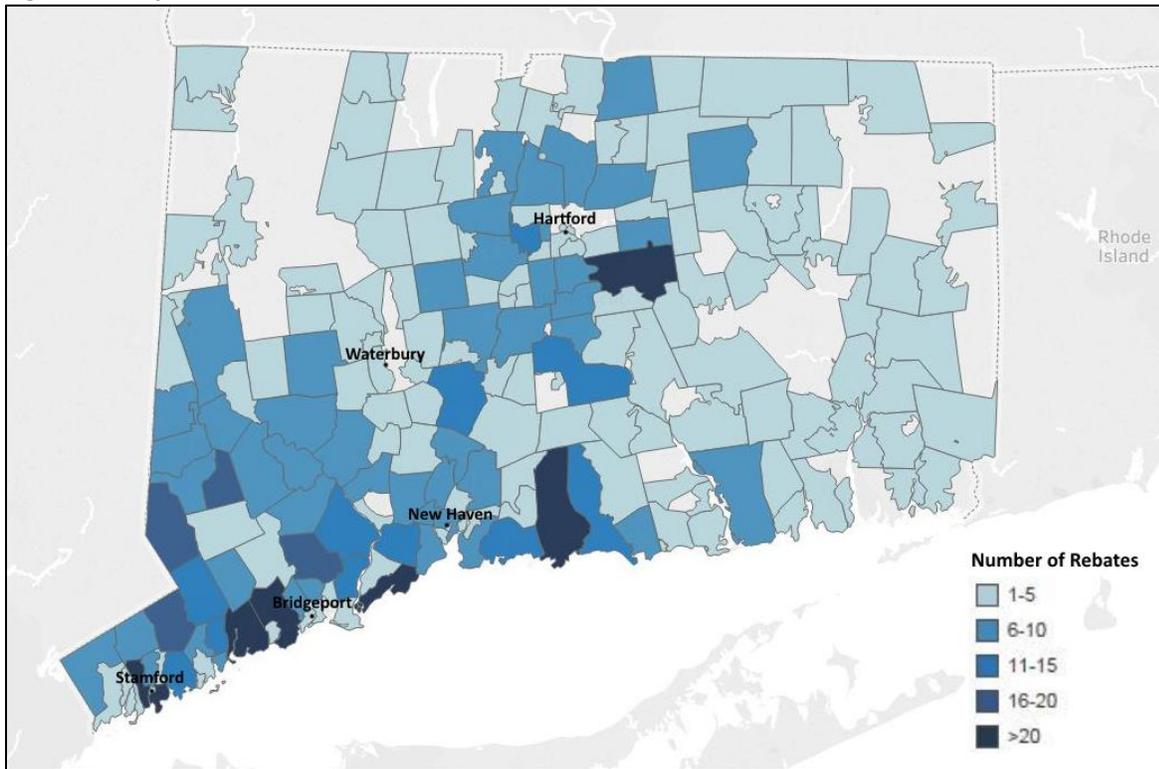
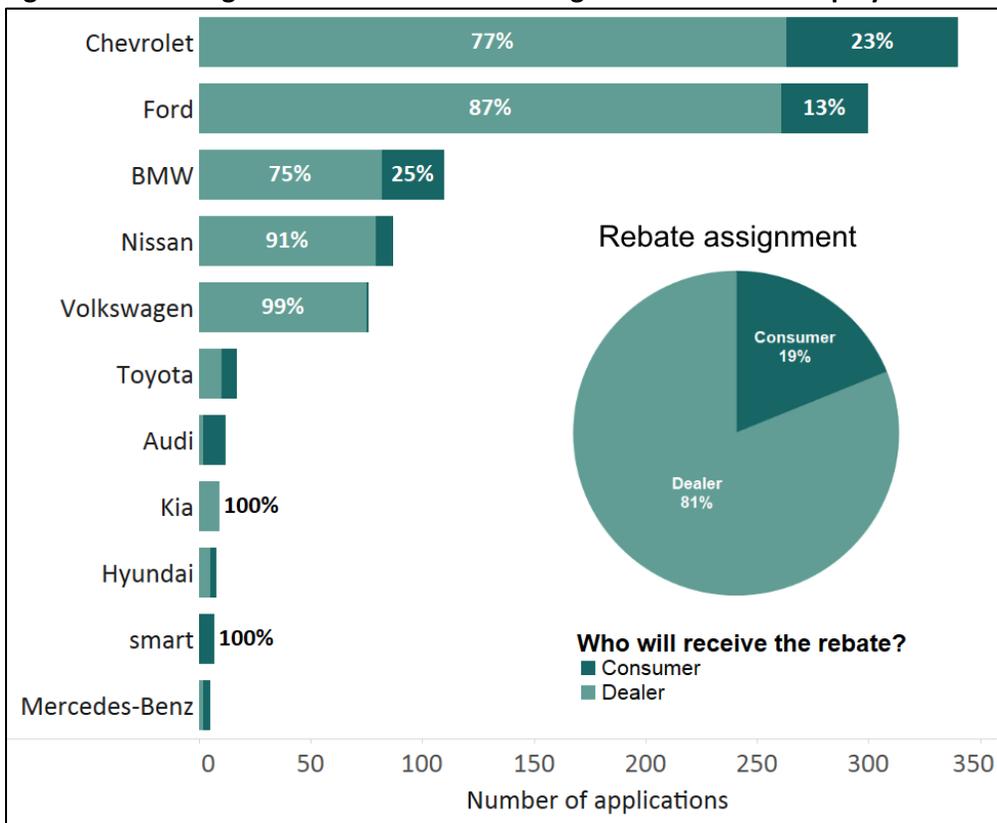
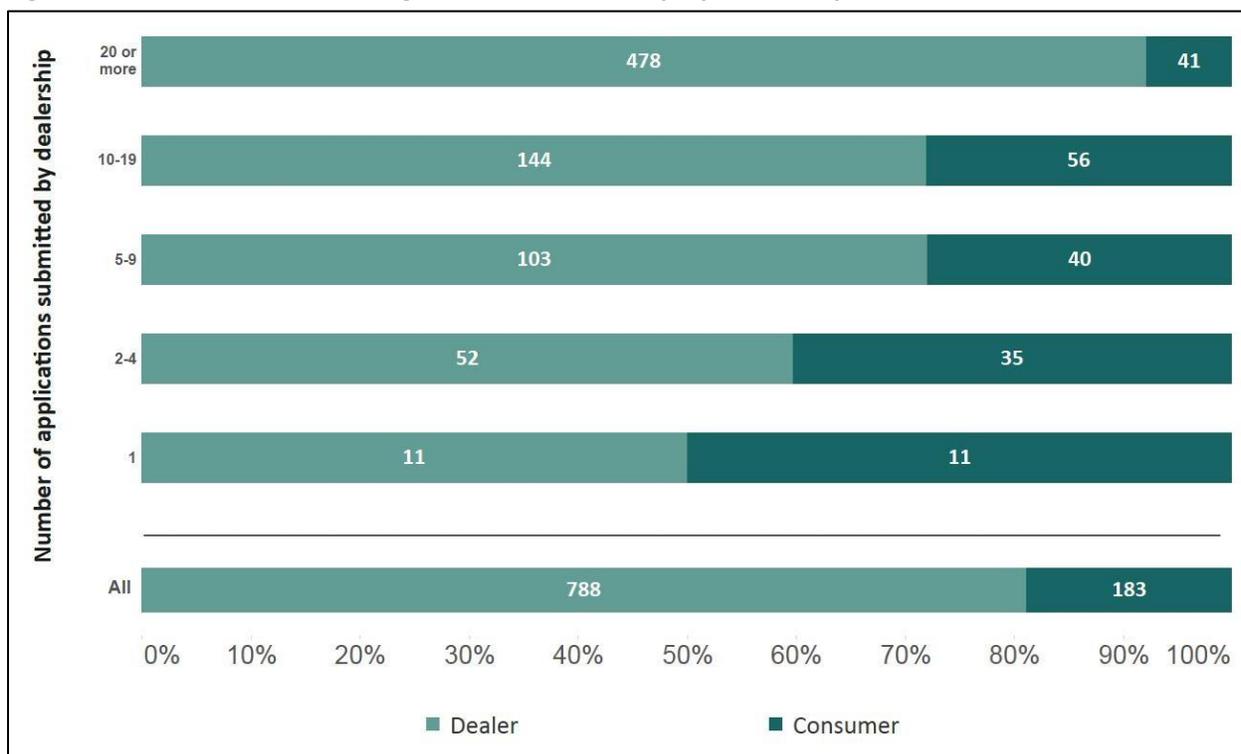


Figure 3: Percentage of Consumer Rebates Assigned to the Dealership by Make



Individual dealerships that apply for a higher number of rebates tend to have a higher percentage of rebates assigned to them, as seen in Figure 4. Consumers assigned 92% of their rebates to the dealer at dealerships that applied for 20 or more rebates, whereas they assigned 69% of their rebates at dealerships that applied for 19 or fewer. A pattern of increasing dealer assignment also can be seen when examining the data over time; that is, rebate assignment rates increase for both low- and high-volume dealerships as time passes after submission of their first rebate. These results might indicate increasing dealer comfort and confidence as their participation in the program grows. In other words, as dealerships sell more EVs and receive more rebates, they should become more familiar with the program and more comfortable with the reimbursement process. The association between high volume of EV sales and dealership assignment may also reflect the strengthened effect of the rebate at dealerships where the point-of-sale feature is used as a sales tool.

Figure 4: Percent of Rebates Assigned to the Dealership by Dealership Rebate Volume



Consumer Survey Data

Separate from the dealership survey administered for this evaluation, the CHEAPR program conducts an ongoing consumer survey to which all participating consumers are invited to respond. From program inception in May 2015 through December 1, 2016, 582 consumer rebate recipients responded to the CHEAPR consumer survey, representing about 60% of program participants. Approximately 72% of respondents received a rebate for a PHEV, which aligns with the 75% of the rebates that went to PHEVs overall. These are encouraging indications that the survey has achieved a reasonable degree of representativeness along the dimension of vehicle technology type.

Respondents indicated at a high rate, 68%, that they would not have purchased or leased their vehicle without the CHEAPR rebate, viewing the rebate as “essential” to their purchase. Consumers who assigned the rebate to the dealership tended to rate the rebate as essential at a higher rate than those who claimed it themselves: about 74% of respondents who assigned the rebate to the dealership said the rebate was essential, compared to approximately 50% of those who did not assign the rebate to the dealership.

Informal Interviews

Informal interviews served primarily to explore the evaluation questions with a preliminary group of dealership employees to develop an appropriate dealership survey instrument. Initially exploring the topics in a less structured and more open-ended way ensured that the survey was grounded in participant experiences. An interview protocol (see Appendix A), was developed to guide the interviews.

Participants were recruited by emailing a small number of dealership employees with whom CHEAPR staff had already developed relationships. The contacted employees either volunteered to participate themselves or recommended another employee. Three dealership employees participated in the full interviews, and a fourth employee provided follow-up feedback on information by one of the three original participants. The four dealership employees represented three manufacturers (Chevrolet, BMW and Ford) and four positions (president, general sales manager, sales consultant and billing clerk). Additionally, a CHEAPR program staff member participated in an interview. A notetaker summarized each interview in detail, but interviews were not recorded or transcribed.

The informational interviews were used to formulate closed-response survey questions about how incentives might motivate different behavioral changes.

Interview findings directly relevant to the evaluation questions are summarized in subsequent sections; however, findings were primarily applied to survey development. The results provided a list of behavioral changes an incentive might motivate and ways dealerships make use of the incentive, which were both used in the survey to prompt closed responses. Results also indicated that the survey should collect data on EV experience and ownership, as well as awareness and understanding of the CHEAPR program.

Dealership Survey

The dealership survey instrument collected information about topics that included the respondent’s position in the dealership and dealership characteristics, experiences with and perceptions of EVs, familiarity with the CHEAPR program, perceptions of and opinions on the dealer incentive and general perceptions of the CHEAPR program. Though most questions were closed-response or short-text

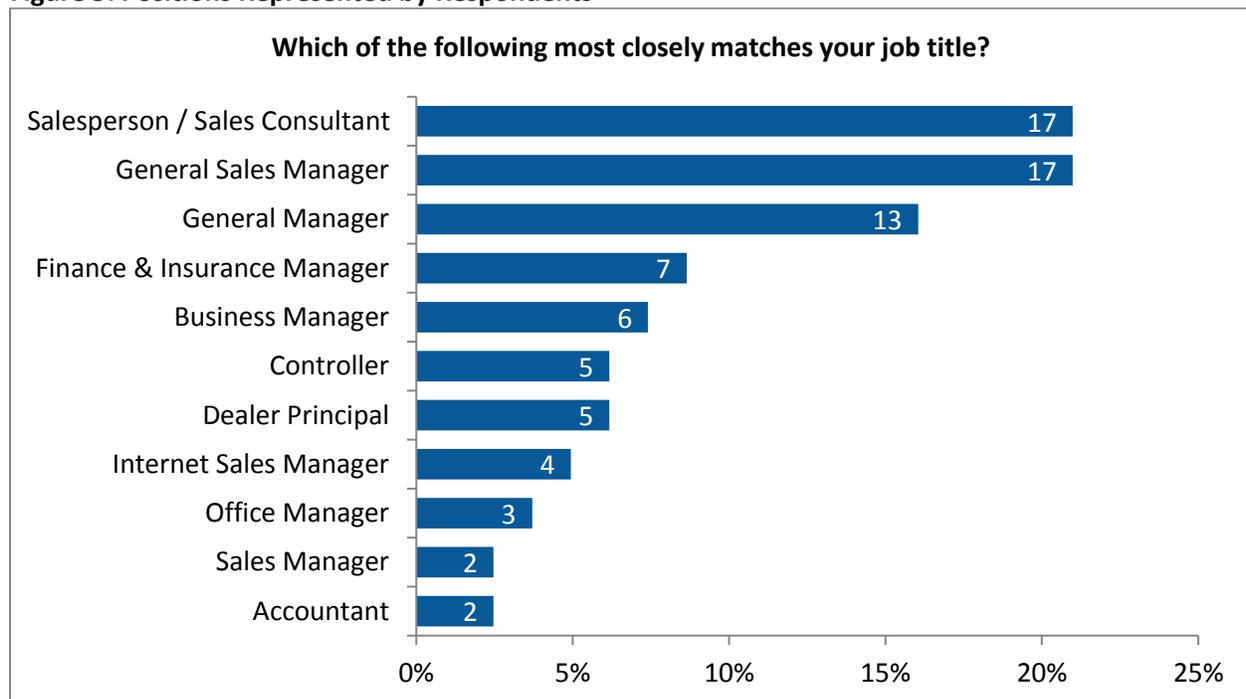
questions, participants did have two opportunities to provide detailed written feedback about the dealer incentive and the program. A copy of the survey instrument appears in Appendix B.

Survey invitations were sent to all valid dealership employee email addresses on file in CHEAPR applications, resulting in 269 invitations across 88 dealerships. A total of 81 usable responses were received, a 30% response rate. The respondents represented 56 dealerships (64% of invited dealerships), with no more than three responses received from any single dealership.³ All survey participants were invited to enter a drawing for a chance to receive one of ten \$50 gift certificates.

Participant Summary

When asked whether they were directly involved in selling vehicles to customers, 74% of respondents said yes. This subgroup of respondents was particularly of interest, given the possibility that they play a key role in EV promotion activities and could be potential beneficiaries of the dealer incentive. Therefore, this subgroup was used to “cut” many of the survey results and examine statistically significant differences between employees who are or are not involved in sales. Subsequently, this group is referred to as *sales employees*. Additionally, 65% of respondents reported that they are responsible for supervising or managing sales employees at their dealership. Figure 5 shows all the specific positions represented by the respondents.

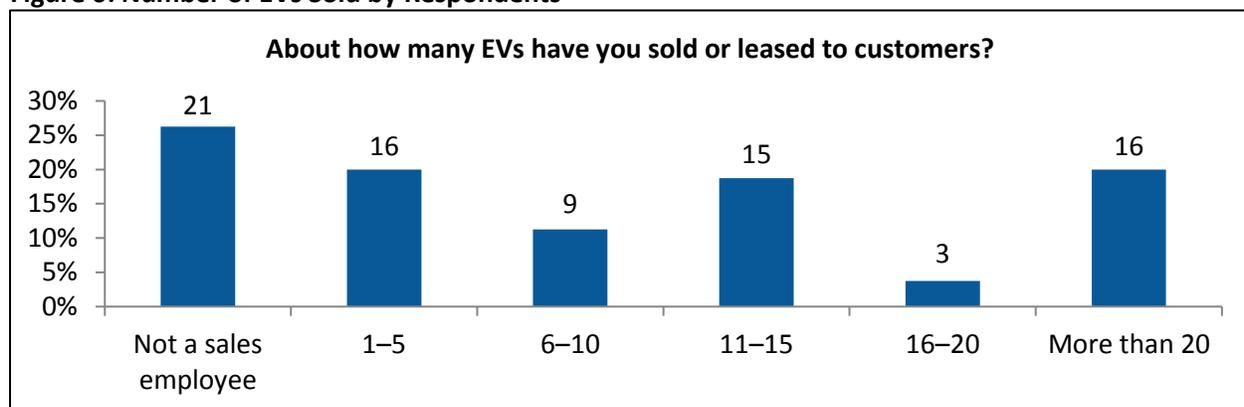
Figure 5: Positions Represented by Respondents



³ Though a small degree of clustering was present in the data (up to three responses provided from a single dealership), analysis using dealerships as the primary sampling unit (PSU) revealed minimal differences from the results using the respondents as the PSU. Therefore, to preserve sample size and interpretability, the results presented use the respondents as the PSU.

Figure 6 shows the number of EVs that respondents reported they had sold or leased to customers. All sales employees said they had sold or leased at least one EV; however, only 26% of sales employees and 23% of all respondents reported that they had owned or leased an EV personally. This number might seem low to EV market stakeholders who would like to see dealerships staffed with salespeople who have personal experience with EVs. However, compared to the EV market share of 0.62% in Connecticut,⁴ this reported ownership rate is quite high. This result likely reflects greater EV enthusiasm among the survey respondents explained in three layers: employment in the auto sales industry, participation in the CHEAPR program and willingness to participate in the survey. Response bias associated with these latter two factors should be considered when interpreting the following survey results. Depending on the purpose of future evaluation efforts, it may be helpful to target less EV-enthusiastic dealership employees when collecting data to inform program understanding.

Figure 6: Number of EVs Sold by Respondents



Respondents indicated that they had worked in the auto sales industry for an average of 18.5 years, with some reporting as few as one year and the most experienced respondent reporting 43 years. Among those who identified as sales consultants/salespeople, the average time working in the auto sales industry was 10 years.

20 different makes are sold by the dealerships represented.

Respondents also provided some information about their dealerships. The average estimate for monthly vehicle sales was 117 vehicles, ranging from 20 to 400. For EVs, the average estimate of monthly sales was 2.4 vehicles, with a range from zero to 12. The makes sold by represented dealerships appear in Figure 7, and the most represented makes are also most represented in rebate applications.

⁴ Alliance of Automobile Manufacturers (2017). ZEV Facts Sales Dashboard. Retrieved January 10, 2017 from <http://www.zevfacts.com/sales-dashboard.html>.

Figure 7: Makes Sold at Respondents' Dealerships



Respondents=78

Analysis

Quantitative analysis of the survey data relied primarily on descriptive statistics. However, where relevant, *t*-tests determined whether differences between groups were statistically significant. The modest amount of qualitative data collected in the survey was analyzed with the evaluation questions in mind, generating codes that captured the information related to each evaluation question. Extraneous information also was coded. These codes were used to identify the most predominant themes and to extract illustrative quotes from the data.

VI. Evaluation Findings

The primary evaluation findings are discussed in the following section, organized by evaluation question. Additional findings that are not directly related to the evaluation questions are also presented. The findings integrate quantitative survey results, qualitative feedback provided by respondents and interview notes.

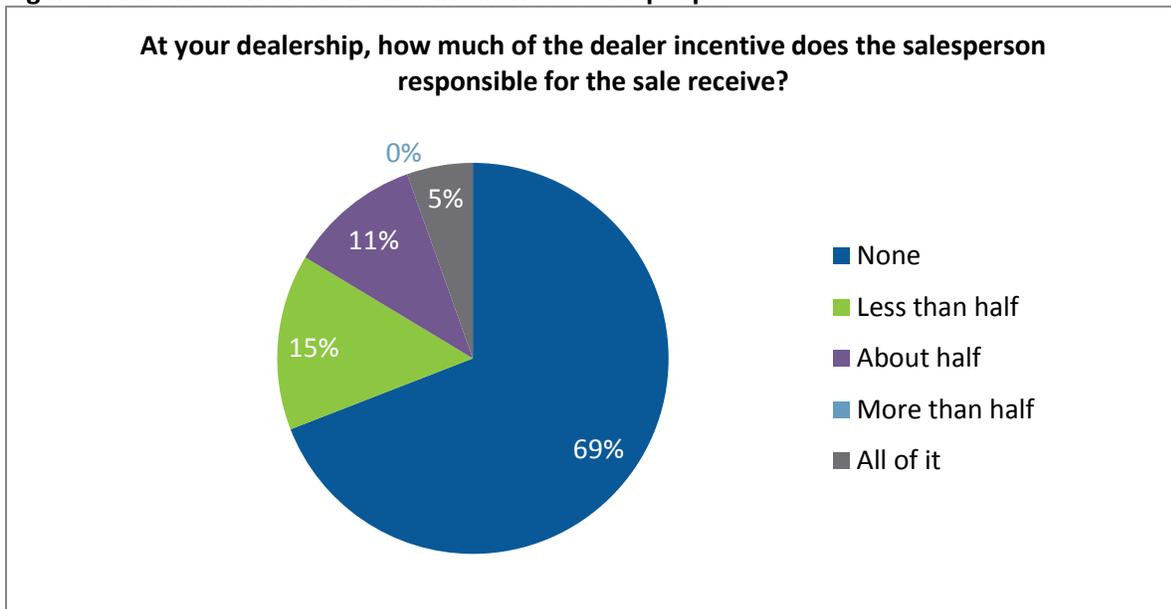
1. How is the dealer incentive being distributed within dealerships?

Qualitative Results. In qualitative feedback collected in interviews and in the survey, some participants reported that they were not aware of the dealer incentive and that the salesperson responsible for the sale did not receive any of it. One survey respondent wrote, “The dealer incentive has not motivated me at all. I do not see a penny of it. The dealership keeps it all.” Opinions on whether the incentive should be used to compensate salespeople were not explicitly requested, but one respondent expressed that the dealership should retain control of the incentive, whereas a dealer principal noted that they now intend to pass the entire incentive to the salesperson after participating in the survey.

When not distributed to the salesperson, uses of the incentives vary. Some participants indicated that the incentive is written into the vehicle profit, with the corresponding proportion going to the salesperson as part of their commission. Others reported that it is used to explicitly fund other endeavors: to cover the cost of administering CHEAPR, to pay for free charging at the dealership and to defray the cost of a customer’s charging installation.

Quantitative Results. Though 95% of respondents said they were at least moderately familiar with the CHEAPR program, 27% of all respondents and 31% of sales employees said they were not aware of the dealer incentive at the time of the survey. This lack of awareness indicates that, at some dealerships, the incentive is not used in a way that is well-communicated to employees, whether intentionally or unintentionally. Awareness at nonparticipating dealerships or among employees with lower levels of EV enthusiasm may be even lower. Respondents who were aware of the incentive were asked whether the salesperson responsible for the sale of an EV received any of the incentive at their dealership. Results appear in Figure 8. The results indicate that the majority (69%) of respondents represent dealerships that give none of the incentive to the salesperson responsible for the sale; 5% work for dealerships that give the entire incentive to the salesperson.

Figure 8: Distribution of the Dealer Incentive to Salespeople



Note: Question only asked of respondents who said they were aware of the dealer incentive; “I don’t know” responses ($n=4$) excluded

Respondents=55

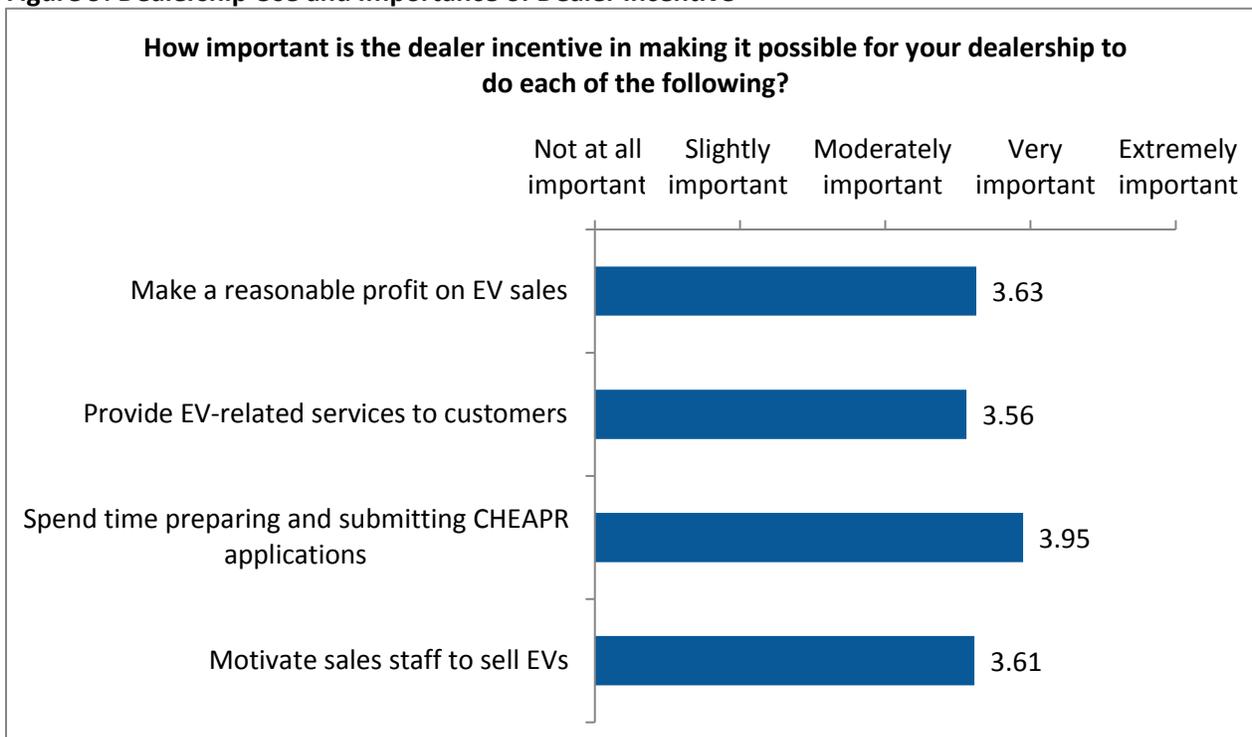
Respondents indicated how important the dealer incentive was in making it possible for their dealership to:

- Make a reasonable profit on EV sales
- Provide EV-related services to customers
- Spend time preparing and submitting CHEAPR applications
- Motivate sales staff to sell EVs

Their responses to this question provide further insight into how the incentive is used by dealerships. The results appear in Figure 9. On average, respondents reported that the dealer incentive was moderately to very important to achieve the various objectives listed. However, respondents attributed the greatest importance to making it possible to spend the necessary time participating in the program.

Given that respondents perceived the incentive to be very important in allowing their dealerships to participate in the program, it seems that most commonly, dealerships retain the incentive as vehicle profit. However, among some participants who reported this use, the incentive was not framed as a net gain for the dealership; rather, those participants framed the gain as compensation for the time invested to participate in the program. This aligns with the original intent of the dealer incentive to promote dealership buy-in and acknowledge the invisible costs of program participation. Additionally, the results indicate that the dealer incentive could serve additional purposes (e.g., salesperson motivation) if redesigned for other explicit uses.

Figure 9: Dealership Use and Importance of Dealer Incentive



Note: Question only asked of respondents who said they were aware of the dealer incentive
 Respondents=59

1 = Not at all important, 5 = Extremely important

2. How and to what extent does the incentive motivate dealership employees to increase EV sales?

Qualitative Results. Of the respondents who provided qualitative data about the motivation provided by the dealer incentive, a few said that salespeople do not receive the incentive and are therefore not

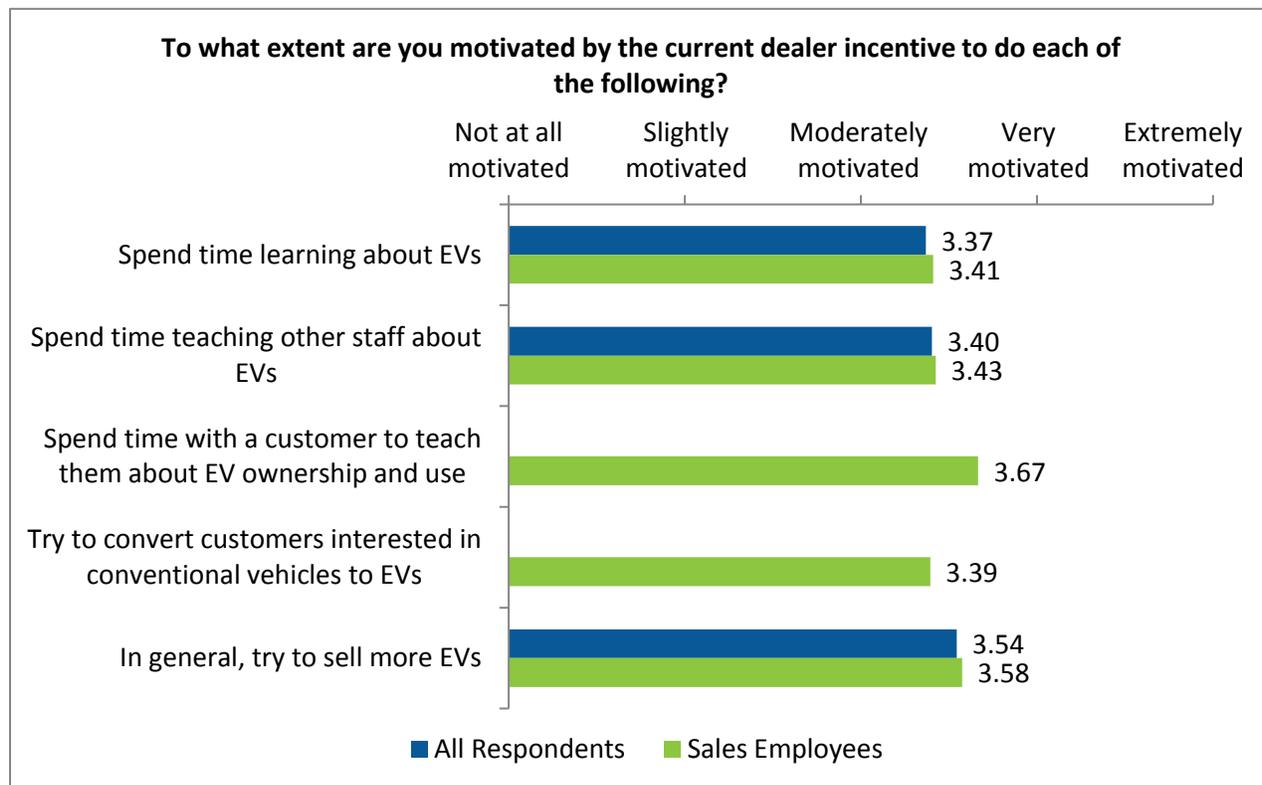
By increasing the profit margin, the dealer incentive enables managers or owners to see EVs as a more worthwhile sales endeavor.

motivated by it. A few others said they had generally positive perceptions of the dealer incentive, with comments like, “As for monetary incentives, they are a plus.” In an interview, one participant addressed the motivation provided by the dealer incentive at the management/ownership level of dealerships, claiming that profit margins on EVs are “paper thin,” and by increasing the profit margin, the dealer incentive enables managers or owners to see EVs as a more worthwhile sales endeavor.

Quantitative Results. Figure 10 shows the extent to which respondents are motivated by the current dealer incentive to participate in a variety of behaviors meant to promote the sale of EVs. On average,

respondents found the incentive moderately to very motivating across all behaviors, which did not differ in any meaningful way for sales employees specifically.

Figure 10: Mean Motivation to Sell EVs Attributed to the Dealer Incentive



Note: Question only asked of respondents who said they were aware of the dealer incentive; Respondents=57
 Third and fourth statements only appeared to sales employees; Respondents=40
 1 = Not at all motivated, 5 = Extremely motivated

Sales employees were further split into two groups: those who reported that the salesperson responsible for the EV sale received none of the incentive at their dealership and those who reported that the salesperson received any amount of it. On the same survey questions regarding motivation from the dealer incentive, sales employees who received any of the incentive reported higher levels of motivation for every behavior, ranging from a 0.43 to 0.73 point increase. Though these differences were not statistically significant, they were consistent across all the behaviors, and inferential testing was limited by a smaller sample size. Finally, when sales employees were asked how motivating the dealer incentive would be if they were to personally receive the full \$300 incentive, responses across the five behaviors showed a statistically significant increase.

3. What behaviors do dealership employees change in response to the dealer incentive? How strong is the effect?

Qualitative Results. Qualitative data did not suggest any additional behaviors or sales approaches stemming from the dealer incentive other than those addressed in the survey. To obtain a more precise answer to this question, future evaluation efforts might focus on comparing employees at CHEAPR-

participating dealerships to those at nonparticipating dealerships or targeting dealership employees with lower enthusiasm about EVs.

Quantitative Results. The findings displayed in Figure 10 indicate similar motivation levels to participate in a variety of behaviors as a result of the dealer incentive, with the highest motivation reflected in the willingness to spend time with a customer to teach them about EV ownership and use. The results displayed in Figure 9 indicate that at the dealership level, the greatest motivation provided by the dealer incentive is to spend time to participate in the CHEAPR program on behalf of the consumer.

The dealership incentive seems to motivate salespeople to spend time with customers to teach them about EV ownership and dealerships to spend time on CHEAPR applications.

4. To what extent does the dealer incentive affect EV sales?

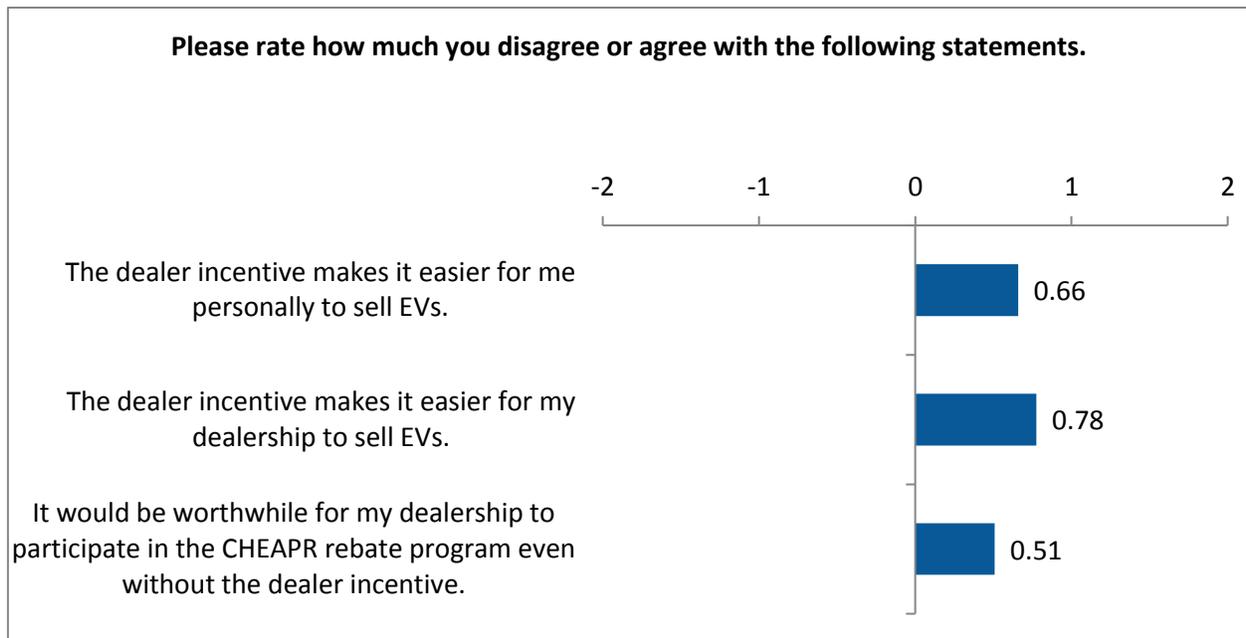
Quantitative Results. Though the collected data do not provide direct evidence of the dealer incentive's effect on EV sales, the perceptions reported by survey respondents provide an indirect indicator. Specifically,

Survey respondents agreed that the dealer incentive made it easier for individuals and the dealership to sell EVs.

Figure 11 shows the extent to which respondents agreed or disagreed with a series of statements about the importance of the dealer incentive in selling EVs. In general, respondents agreed that the dealer incentive made it easier for individuals and

the dealership as a whole to sell EVs. Again, a more precise answer to this evaluation question might be obtained in the future by comparing EV sales by CHEAPR-participating dealerships to those at nonparticipating dealerships.

Figure 11: Mean Perceptions of the Dealer Incentive



Note: Question only asked of respondents who said they were aware of the dealer incentive; Respondents=59
 First statement only appeared to sales employees; Respondents=41
 -2 = Strongly disagree, 2 = Strongly agree

5. At what level should the dealer incentive be set to balance cost and effectiveness?

Quantitative Results. An exploration of the appropriate incentive level provides insight on how to balance cost with effectiveness. When asked at what minimum level a dealer incentive would be motivating to salespeople, respondents provided an average value of \$233. Among sales employees, the value increased only slightly to \$236. When asked about motivating the dealership more broadly, the amount more than doubled to \$565, and among dealer principals, controllers and general managers, the average response was \$623. These figures are shown with more detail in Table 1.

These results demonstrate the importance of defining a clear purpose for the dealer incentive and indicate how the incentive level might be optimized. If the goal of the incentive is to motivate salespeople, the results suggest that a somewhat smaller incentive delivered directly to the salesperson responsible for the sale might still have an effect in some cases. However, the results also suggest that if the goal of the dealer incentive is to provide motivation at the dealership level, it might be worthwhile to invest more per vehicle to provide sufficient motivation. Because it is reasonable to expect dealerships are heterogeneous with respect to whether salesperson motivation or management buy-in is more critical to increasing EV sales, it may be difficult to determine which objective to prioritize. Alternatively, a program may promote both objectives by adopting a split incentive, delivering a portion to the salesperson and a portion to the dealership for discretionary use.

Further, given that the study participants seem to reflect a slightly more EV-enthusiastic group, it is possible that both values would be higher among dealership employees/owners with less intrinsic

motivation to promote EVs. Finally, it should be noted that the questions in Table 1 examine *minimums* necessary to increase sales rather than hypothetically optimal values.

Table 1: Recommended *Minimum* Levels for the Dealer Incentive

	Mean	Minimum Response Provided	Maximum Response Provided	Median
What is the minimum dealer incentive amount salespeople would need to receive personally to motivate them to increase their EV sales? (<i>n</i> =76)	\$233	\$0	\$500	\$200
What is the minimum dealer incentive amount salespeople would need to receive personally to motivate them to increase their EV sales? — Sales employees (<i>n</i> =56)	\$236	\$0	\$500	\$200
Additionally, what is the minimum dealer incentive amount that would motivate your dealership to increase your EV sales? (<i>n</i> =73)	\$565	\$0	\$5,000	\$500
Additionally, what is the minimum dealer incentive amount that would motivate your dealership to increase your EV sales? — Dealer principals, controllers and general managers (<i>n</i> =20)	\$623	\$0	\$5,000	\$500

Additional Learnings

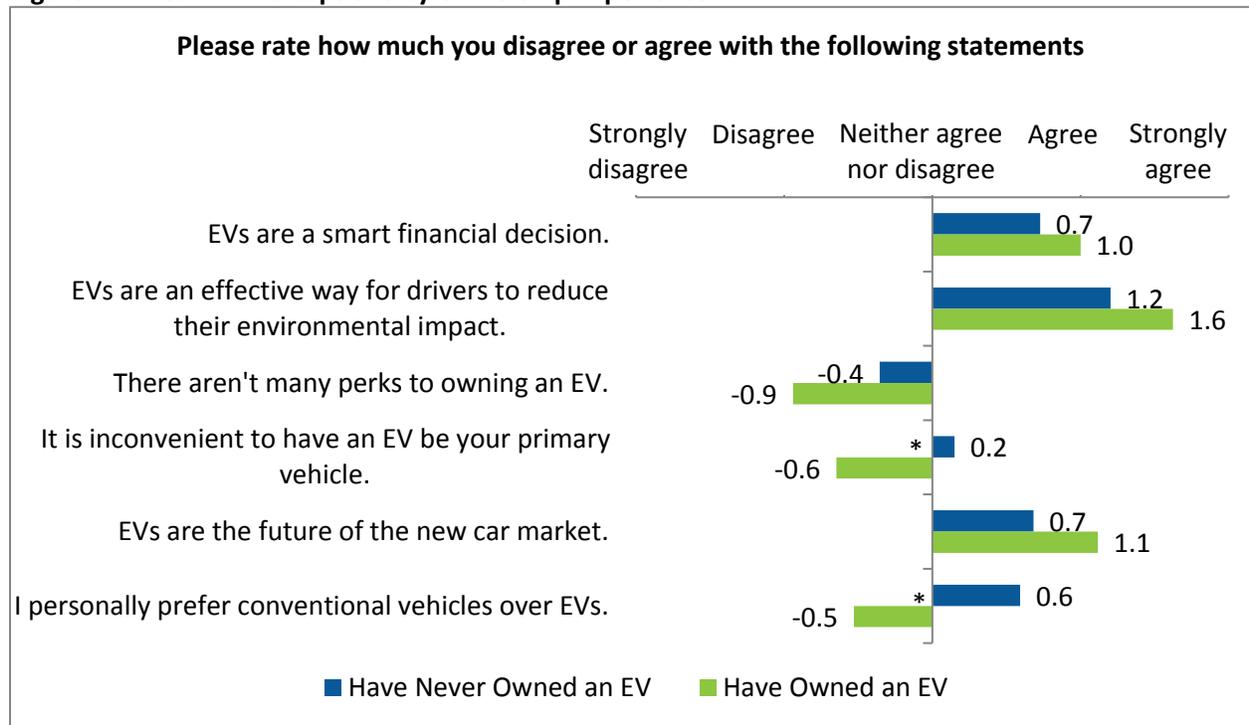
In addition to the findings related to the evaluation questions, other learnings emerged from the data provided by participants, including information about EV ownership experiences among respondents, general perceptions of the CHEAPR program and the dealer assignment feature, and program suggestions provided by respondents.

EV Ownership Among Respondents. Respondents were split into two groups: those who had previously owned or leased any type of EV (PHEV, BEV or FCEV) and those who had no ownership experience with EVs. In comparing the two groups, the data showed that respondents who had prior EV ownership experience had more positive perceptions of EVs, as shown in Figure 12. Additionally, those with EV ownership experience reported higher levels of motivation associated with the dealer incentive, as shown in Figure 13. The difference in motivation was greatest for spending time with customers to teach them about EV ownership and use. Respondents who had owned an EV also reported greater familiarity with the CHEAPR program (0.21 point difference) and greater awareness of the dealer incentive (68% among those with no ownership experience and 89% among those with ownership experience), though the differences were not statistically significant.

The causal directionality of these results is unclear. That is, more positive EV perceptions among those with ownership experience may be attributable to both experience with EVs, as well as a stronger initial interest in EVs that led to ownership. Similarly, the dealer incentive may be more motivating to those with ownership experience because of that experience, or the correlation may be explained by underlying EV enthusiasm. Likely, each of these mechanisms at least partially explains the demonstrated relationships. Regardless of the exact mechanisms, however, these relationships indicate that EV ownership is a relevant factor to consider in the ways dealership employees perceive the incentive and perceive and sell EVs. Increasing salesperson experiences with EVs has the potential to increase their positive perceptions, even if it is not guaranteed. In other words, it seems valuable to get salespeople into EVs and driving them through programmatic efforts; for example, by providing “resident EVs” at dealerships for extended salesperson use. The results also indicate that additional research would be worthwhile to further explore the causality underlying this relationship.

Respondents with prior EV ownership experience had more positive perceptions of EVs and rated the dealer incentive as more motivating.

Figure 12: Mean EV Perceptions by Ownership Experience

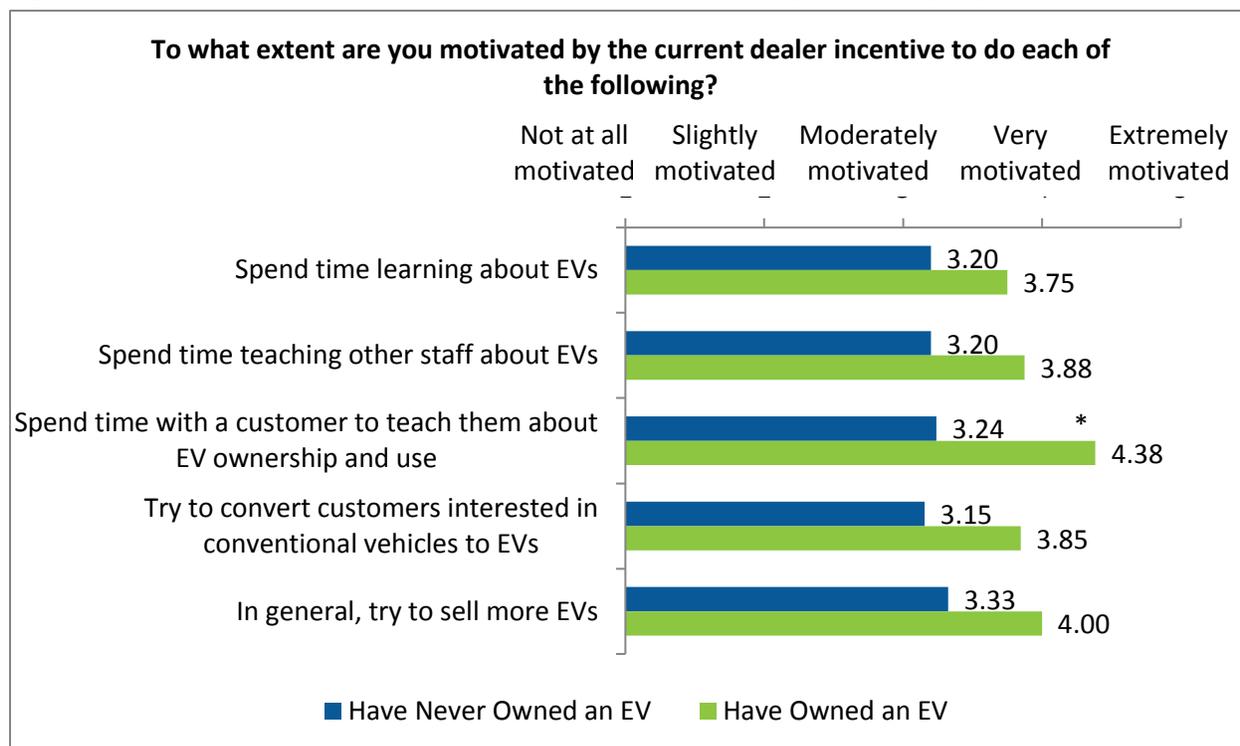


Respondents=78

-2 = Strongly disagree, 2 = Strongly agree

*Statistically significant difference ($p < 0.05$)

Figure 13: Mean Motivation Attributed to the Dealer Incentive by Ownership Experience



Respondents=57

Fourth and fifth statements only appeared to sales employees; Respondents=40

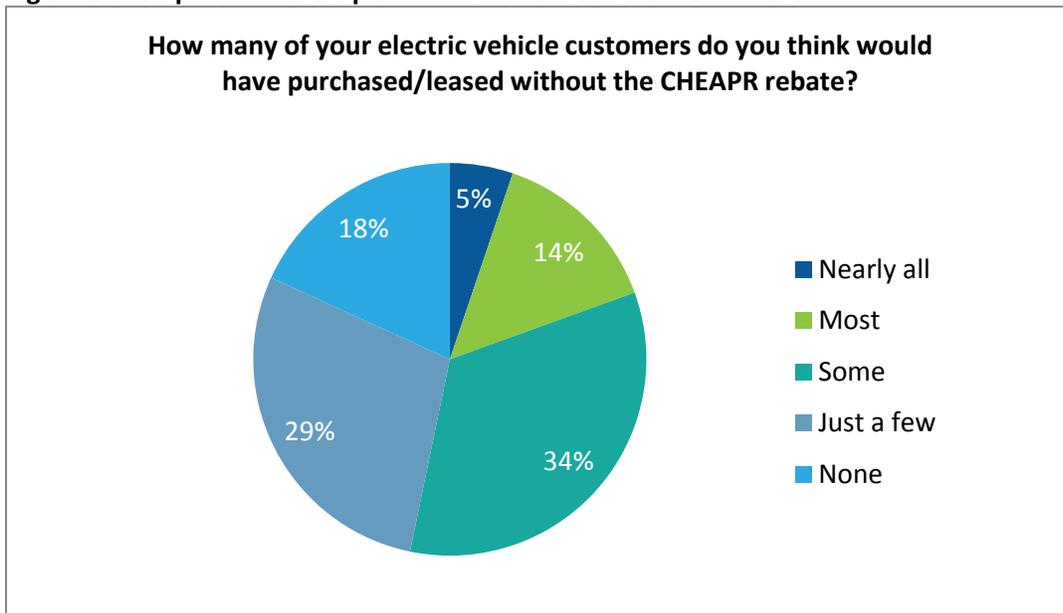
-2 = Strongly disagree, 2 = Strongly agree

*Statistically significant difference ($p < 0.05$)

Perceptions of CHEAPR and the Dealer Assignment Feature. In general, survey respondents had positive perceptions of the CHEAPR program. The most common themes in the qualitative responses were general program appreciation and perceptions that the consumer rebate is an effective tool for selling EVs. Seventy-four percent of survey participants agreed or strongly agreed that the CHEAPR program has made them more open to EVs as a real alternative to conventional vehicles; 86% agreed or strongly agreed that their opinion of EVs has improved over time. Additionally, most respondents (81%) believed that some, just a few or none of their EV customers would have adopted an EV without the CHEAPR consumer rebate, as shown in Figure 14. Fifty-eight percent agreed or strongly agreed that it would be worthwhile for their dealership to participate in CHEAPR even without the dealer incentive.

74% of respondents said that the CHEAPR program has made them more open to EVs as a real alternative to conventional vehicles.

Figure 14: Respondent Perceptions of Consumer Rebate Effectiveness



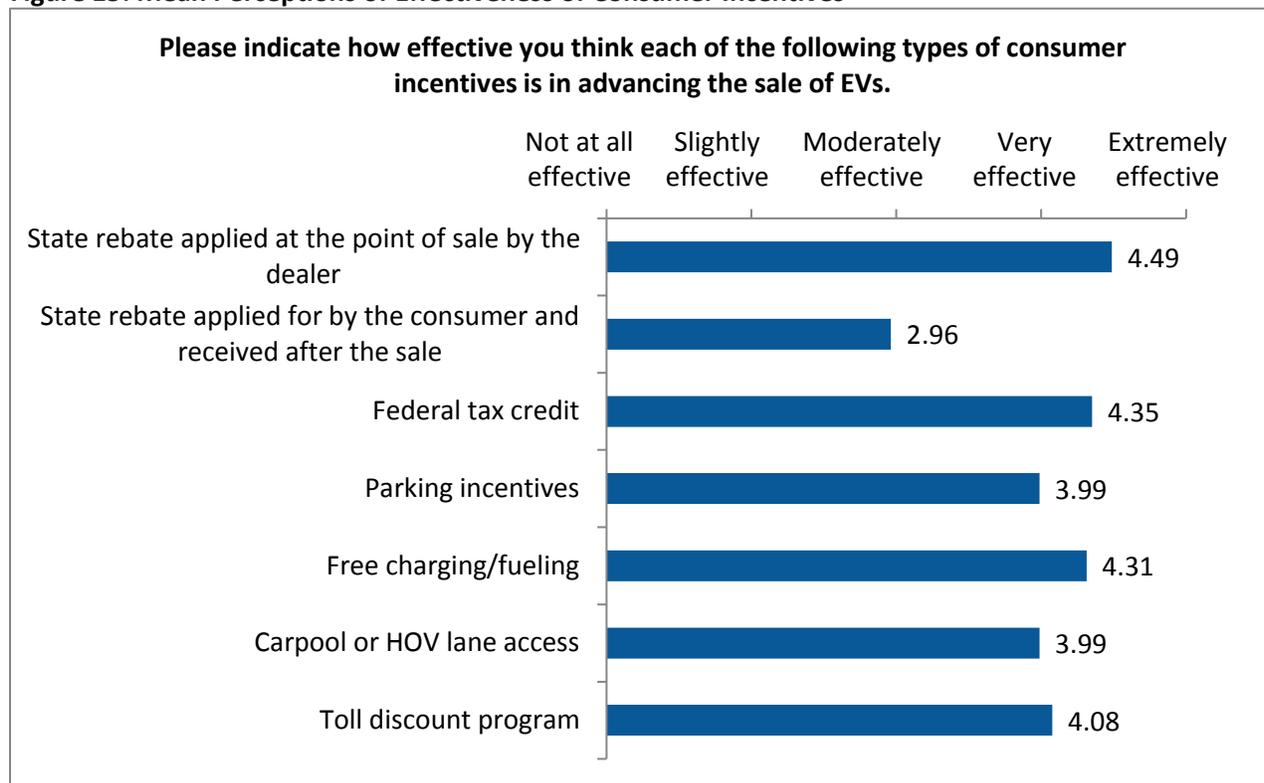
Respondents=77

Respondents also provided their perceptions about the effectiveness of various consumer incentive designs, shown in Figure 15. These results should be interpreted with caution for two reasons: 1) dealership employees may not have accurate perceptions of how the various incentives function (i.e., these opinions are not intended to represent a measure of true incentive effectiveness) and 2) the survey only specified incentive types, not levels (e.g., the federal tax credit is \$7,500, whereas the average CHEAPR rebate is \$2,350). Additionally, while dealership employees may have unique insight into consumer preferences, their responses may also reflect preferences driven by their own possible role in incentive delivery. However, respondents clearly preferred a point-of-sale rebate in comparison to all other incentive designs, particularly in comparison to rebates applied for by consumers after the sale. Qualitative data further supported this, as multiple respondents noted that the point-of-sale rebate allowed them to noticeably lower monthly lease payments to make a competitive offer to the customer. As one participant noted, “It is a big help in getting to a customer’s lease payment range.” Another wrote, “Sometimes the customer needs a nudge to get them over the edge on an EV purchase. And [the rebate] is a great nudge.”

“Sometimes the customer needs a nudge to get them over the edge on an EV purchase. And [the rebate] is a great nudge.”

– Survey respondent

Figure 15: Mean Perceptions of Effectiveness of Consumer Incentives



Respondents=80

1 = Not at all effective, 5 = Extremely effective

Program Feedback Provided by Participants. Participants had several opinions on program design and implementation. Some survey respondents noted that their dealerships prefer not to use the rebate assignment feature because they have concerns about providing the discount to the consumer without a guarantee that the terms of the program will be met. For example, one participant reported, “We generally don’t use the rebate transfer, since it leaves us exposed, should the customer fail to have the vehicle remain registered in CT for the requisite time period.” It is important to note that the dealership is *not* responsible for the consumer’s failure to meet such program requirements. This misconception might be an area to address in future dealer outreach efforts. Similarly, the program staff member interviewed reported that some dealerships have been hesitant or skeptical when contacted to receive the dealer incentive for a rebate applied for by the consumer, which might indicate a need for increased awareness and understanding of the incentive among dealership staff. Other program suggestions provided by participants included to give awards/recognition to specific salespeople submitting high numbers of CHEAPR rebates and to increase program promotion, funding and incentive levels.

VII. Recommendations

As a result of this evaluation, several recommendations for enhancing and strengthening the CHEAPR program are provided in this section. They are organized into three sections: 1) recommendations for improvements to the CHEAPR program, 2) recommendations for the design and implementation of EV incentive programs and 3) recommendations for further research.

Recommendations for CHEAPR

Increase dealer outreach to improve program awareness and familiarity. Though program staff already provide support and training to dealerships, some misconceptions were identified in the data provided by participants. For example, at least one participant erroneously reported that dealerships are financially responsible for the consumer's failure to meet program requirements. It is therefore recommended that program staff conduct outreach to specifically address such misconceptions. As resources allow, increased dealer outreach also may generally improve awareness and understanding of the dealer incentive to address the 27% of respondents who said they were not aware that the incentive exists.

Continue to track use of the dealer incentive. This report demonstrates the value of data characterizing how the dealer incentive is used and distributed within dealerships. Without withdrawing the autonomy of the dealerships to determine incentive use, facilitating future data collection would support additional examination of the incentive and its usefulness in serving specified purposes. Any data collection should of course be balanced with efforts to minimize the complexity of dealer participation and the burden on the dealerships to process and submit applications.

Add salesperson information fields to the application. To further enhance data collection efforts, it is recommended that CHEAPR add an optional field to the application to allow entry of the name and email address of the salesperson responsible for the sale of the vehicle. The purpose of collecting this information would be to strategically position the CHEAPR program to reach individual salespeople to deliver recognition or targeted incentives. It would also enable CHEAPR to more effectively reach out to salespeople for input in the future.

Consider formally defining the purposes of the dealer incentive. Selecting and formalizing the purpose(s) of the dealer incentive would inform programmatic adjustments to ensure the dealer incentive is set at the appropriate level(s) and delivered to the appropriate audience(s). If incentive use is to be left to the discretion of the dealership, it is recommended that this flexibility is documented as an intentional aspect of program design. Additional structures might also be considered and/or tested in Connecticut or elsewhere—such as the split incentive described herein that would target a portion of the incentive at the salesperson and a portion at the dealership.

In future evaluation work, collect data from nonparticipating dealerships. The limited scope of this evaluation effort made it difficult to comprehensively assess the role of the dealer incentive in the scope of possible behavioral changes at dealerships, as well as its effect on the EV market more broadly. It is

therefore recommended that future evaluation efforts capture comparison data from dealerships that have not participated in the CHEAPR program.

Consider ways to incorporate broader program design and research recommendations, as follows.

Recommendations for Developing EV Incentive Programs

Formalize and document program design. It is recommended that new EV incentive programs plan to formally document program design. Clarity around program theory informs the design of effective program evaluations. Specifically, programs should document the intended design, the implemented design, the target population and the theory of change (i.e., how program activities are believed to lead to intended program outcomes).

Use a split dealer incentive design to motivate both salespeople and dealerships. The results of this evaluation demonstrate that the dealer incentive serves two primary purposes: 1) to incentivize dealerships to promote EVs and participate in the CHEAPR program and 2) to motivate salespeople to make the extra effort to sell EVs. Therefore, it is recommended that EV incentive programs address both possible purposes by designing dealer incentives to be split between the dealership and the salesperson responsible for the sale. To the extent our findings can be generalized and budgetary considerations allow, for example, the split should be set at a minimum of \$250 each for the salesperson and dealership overall.

Build data collection into program design. Additionally, new EV incentive programs should plan data collection efforts as the program is being initially designed and implemented. In addition to rebate application data, programs also could periodically collect information from dealerships about their participation in the program, including their use of the dealer and consumer incentives. Such efforts, documented in concurrence with program design, provide the necessary data for evaluators to more effectively examine the relationship between program design, implementation and outcomes.

Provide direct experiences with EVs for salespeople to increase positive attitudes toward EVs. Though the findings of this evaluation do not guarantee that providing salespeople with EV experiences would increase their enthusiasm for EVs, the relationship between EV ownership and positive perceptions of both EVs and the dealer incentive is an actionable finding that should be explored. Because the EV market is still nascent and effective methods for promoting market sustainability are still emerging, the importance of this relationship should be explored by integrating it into program design and examining its effects.

Recommendations for Further Research

Conduct additional research to identify and characterize primary barriers to EV sales at dealerships. Further research with dealerships could inform the design of EV incentive programs by characterizing primary dealership barriers to EV sales and targeting program design accordingly. To suitably account for contextual variations from market to market, focus groups with dealership employees and other market stakeholders could inform the design of specific programs and enable the creation of a structure that

ensures consistency in rebate and incentive delivery. More broadly, however, increased research informed by dealership experiences nationwide would provide valuable information to EV market stakeholders.

Conduct research to explore the relationship between salesperson EV ownership and positive EV perceptions to inform program design. The findings of this evaluation indicated that there might be other useful approaches to engaging with dealerships and providing motivation to sell EVs. Specifically, the link between EV ownership experience and positive perceptions of EVs and dealer incentives indicates that there may be potential for increasing dealership employees' enthusiasm about EVs, which could be another mechanism for promoting EV sales. Thirty-six percent of respondents agreed or strongly agreed that they personally prefer conventional vehicles over EVs, and the statistic swelled to 83% when including people who neither agreed nor disagreed. However, a similar majority (78%) of respondents have never owned an EV. Further research on the importance of EV exposure among dealership employees would inform the design of program elements intended to improve EV knowledge and enthusiasm among dealership employees.

VIII. Appendix A: Interview Protocol

Interview Protocol – Dealer Employee

Before we begin, I will remind you of the way the CHEAPR program works. When a consumer purchases or leases an eligible electric vehicle, they can apply for a CHEAPR rebate. This can be done as a point-of-sale transaction by transferring the rebate to the dealer, or the consumer can opt to receive the rebate directly and receive payment at a later date. The vehicle rebate ranges in value from \$750 to \$5,000.

For every vehicle rebate, CHEAPR also delivers what we call the dealer incentive. This is an incentive that formerly ranged from \$150 to \$300, and since July 1st, is \$300 for every application. It is delivered to the dealership that sold or leased the vehicle.

1. Could you start by briefly describing your role at your dealership and how you have been involved with the CHEAPR program?
 - a. Are you directly involved in selling vehicles to the consumer?

Now I'd like to ask you some questions about the dealer incentive.

2. Were you aware that CHEAPR delivers a dealer incentive for each vehicle rebate received?

If yes,

3. In your dealership, how is the dealer incentive distributed?
 - a. How much of the money does the salesperson responsible for the sale receive?
4. Does the dealer incentive motivate you to increase electric vehicle sales? [*If no, probe: Why not?*]
5. How have you changed your approach to selling electric vehicles as a result of the dealer incentive?
 - b. Have you made any extra effort to learn about electric vehicles as a result of the dealer incentive?
 - c. Have you tried to make consumers more aware of electric vehicles as a result of the dealer incentive?
6. How do you think the dealer incentive affects electric vehicle sales or leases overall?
7. How could the dealer incentive be changed to make it more motivating?
8. How small could the dealer incentive get before it would completely stop motivating you to sell electric vehicles? [*If respondent is not motivated, probe: How large would it have to be to motivate you?*]

If no,

2. Now that you know about the dealer incentive, how do you plan to change your approach to selling electric vehicles as a result?

- a. Will you make any extra effort to learn about electric vehicles as a result of the dealer incentive?
- b. Will you try to make consumers more aware of electric vehicles as a result of the dealer incentive?
3. How could the dealer incentive be changed to make it more motivating?
4. How small could the dealer incentive get before it would completely stop motivating you to sell electric vehicles? [*If respondent is not motivated, probe: How large would it have to be to motivate you?*]

Now I'm going to ask you a few questions about the vehicle rebate. The consumer has the option to transfer the rebate to the dealership at the time of the purchase or lease, so that it is deducted from the cost of the vehicle. However, not all consumers choose to do this, and may opt to receive the rebate payment directly instead.

1. Are there any specific ways you use the rebate *transfer* (not just the rebate) to sell electric vehicles?
 - a. Can you tell me about a particular time when the transfer made it easier to complete a sale?
2. Our data shows that sometimes consumers do not transfer the rebate to the dealer to get the immediate discount. Why do you think that is?
3. How do you think the rebate transfer affects electric vehicle sales or leases overall?

I have just a few more questions for you regarding the survey that consumers complete at the end of the application process.

1. Have you ever been present when the consumer is completing the survey?

If yes,

2. Do consumers usually complete the survey while they are still at the dealership?
3. Could you describe the process for survey completion when consumers answer this survey at your dealership?
 - a. At what stage of the sales process is this done?
 - b. Do they seem rushed or fatigued while responding to the survey?
 - c. What do you do while the consumer takes the survey?

Thank you again for your time. Before we end the interview, would you like to share anything else about your experiences with the CHEAPR program?

Interview Protocol – CHEAPR Project Assistant

I'm going to start by asking you some questions about the dealer incentive.

1. To the best of your knowledge, how is the incentive usually distributed within dealerships?
 - a. How much of the money does the salesperson responsible for the sale receive?
 - b. Do you know of any other ways the incentive is distributed?
2. Do you think the dealer incentive motivates salespeople to increase electric vehicle sales? [*If no, probe: Why not?*]
3. Do you think the dealer incentive motivates managers or owners to increase electric vehicle sales? [*If no, probe: Why not?*]
4. Based on your perceptions or what dealership employees have told you, how do you think salespeople have changed their approach to selling electric vehicles as a result of the dealer incentive?
 - a. What about managers or owners?
 - b. Do you think salespeople make any extra effort to learn about electric vehicles as a result of the dealer incentive?
 - c. Do you think salespeople try to make consumers more aware of electric vehicles as a result of the dealer incentive?
5. How do you think the dealer incentive affects electric vehicle sales or leases overall?
6. Do you think \$300 is the right level for the dealer incentive to be set at, balancing its intended effect with program costs?

Now I'm going to ask you a few questions about the vehicle rebate; in particular, the ability to transfer the rebate to the dealer for a point-of-sale discount.

1. Based on your perceptions or what dealership employees have told you, how do salespeople use the rebate *transfer* (not just the rebate) to sell electric vehicles?
 - a. What about managers or owners?
2. Our data shows that consumers do not transfer the rebate to the dealer to get the immediate discount about 20% of the time. Why do you think that is?
3. How do you think the rebate transfer affects electric vehicle sales or leases overall?

Thank you again for your time. Before we end the interview, would you like to share anything else about your perceptions of dealer experiences with the CHEAPR program?

IX. Appendix B: Survey Instrument

Welcome to the CHEAPR Program Dealer Survey!

Please take a few moments to complete the following survey. Your participation is voluntary; however, your input will help improve electric vehicle rebate programs in Connecticut and across the country.

Your identity will remain confidential and all reported results will be anonymous.

To show our appreciation for your participation, you will have the opportunity to enter a drawing to win one of **ten \$50 gift cards for Amazon.com**. If you would like to be entered, you will be asked to provide your contact information at the end of the survey.

The survey will take about 10–15 minutes. Your link is personalized and cannot be shared with others. This means you can save your response at any time, and return at a more convenient time to complete the survey. You will have an opportunity to invite others to participate at the end of the survey.

If you have any questions about this research project or if you experience any technical difficulties, you may contact Clair Johnson, Transparency Specialist, at the Center for Sustainable Energy (CSE) at:

Phone: [redacted]

Email: [redacted]

1) Please select your dealership by first selecting the city or town it is in below.

If your dealership is not listed, please enter your dealership name below:

2) Which of the following most closely matches your job title?

- Accountant
- Business Manager
- Controller
- Dealer Principal
- Finance & Insurance Manager
- General Manager
- General Sales Manager
- Internet Sales Manage
- Operations Manager

- President / Vice President
- Salesperson / Sales Consultant
- Other: _____ *

3) Are you directly involved in selling vehicles to customers?

- Yes
- No

4) Are you responsible for supervising or managing sales employees at your dealership?

- Yes
- No

5) Now or in the past, have you personally owned or leased any of the following types of electric vehicles? [check all that apply]

- Plug-in hybrid electric vehicle (PHEV)
- All-battery electric vehicle (BEV)
- Fuel-cell electric vehicle (FCEV)
- None of the above

Logic: Hidden unless: Question "Are you directly involved in selling vehicles to customers?" #3 is one of the following answers ("Yes")

6) About how many electric vehicles (PHEVs, BEVs, or FCEVs) have you sold or leased to customers?

- None
- 1-5
- 6-10
- 11-15
- 16-20
- More than 20

When a consumer purchases or leases an eligible electric vehicle (EV) in Connecticut, they qualify to receive a CHEAPR rebate. The vehicle rebate ranges in value from \$750 to \$5,000. It can be received as a point-of-sale discount by transferring the rebate to the dealer, or the consumer can opt to receive the payment at a later date.

7) How familiar are you with Connecticut's state EV rebate program (CHEAPR)?

- Not at all familiar
- Slightly familiar
- Moderately familiar
- Very familiar
- Extremely familiar

For every vehicle rebate, CHEAPR also delivers a dealer incentive in the amount of \$300 (ranging from \$150 to \$300 in the past). It is delivered to the dealership that sold or leased the vehicle.

8) Were you previously aware of this dealer incentive?

- Yes
- No

The next questions will explore your views on the \$300 dealer incentive.

Page entry logic: This page will show when: Question "Were you previously aware of this **dealer incentive?**" #8 is one of the following answers ("Yes")

9) At your dealership, how much of the dealer incentive does the salesperson responsible for the sale receive?

- None
- Less than half
- About half
- More than half

- () All of it
- () I don't know

10) To what extent are you motivated by the current dealer incentive to do each of the following?

	Not at all motivated	Slightly motivated	Moderately motivated	Very motivated	Extremely motivated
Spend time learning about EVs	()	()	()	()	()
Spend time teaching other staff about EVs	()	()	()	()	()
Spend time with a customer to teach them about EV ownership	()	()	()	()	()
Try to convert customers interested in conventional vehicles to EVs	()	()	()	()	()
In general, try to sell more EVs	()	()	()	()	()

Page entry logic: This page will show when: Question "Are you directly involved in selling vehicles to customers?" #3 is one of the following answers ("Yes")

11) To what extent would you be motivated by the current dealer incentive to do each of the following, if you were to personally receive all \$300 of it?

	Not at all motivated	Slightly motivated	Moderately motivated	Very motivated	Extremely motivated
Spend time learning about EVs	()	()	()	()	()
Spend time teaching other staff about EVs	()	()	()	()	()
Spend time with a customer to teach them about EV ownership and use	()	()	()	()	()
Try to convert customers interested in conventional vehicles to EVs	()	()	()	()	()
In, general try to sell more EVs	()	()	()	()	()

Logic: Hidden unless: Question "Were you previously aware of this dealer incentive?" #8 is one of the following answers ("Yes")

12) Please describe any other ways the current dealer incentive has motivated you to change your behaviors or approach to selling EVs.

13) What is the minimum dealer incentive amount salespeople would need to receive personally to motivate them to increase their EV sales?

14) Additionally, what is the minimum dealer incentive amount that would motivate your dealership to increase your EV sales?

Page entry logic: This page will show when: Question "Were you previously aware of this **dealer incentive**?" #8 is one of the following answers ("Yes")

15) How important is the dealer incentive in making it possible for your dealership to do each of the following?

	Not at all important	Slightly important	Moderately important	Very important	Extremely important
Make a reasonable profit on EV sales	()	()	()	()	()
Provide EV-related services to customers	()	()	()	()	()
Spend time preparing and	()	()	()	()	()

submitting CHEAPR applications					
Motivate sales staff to sell EVs	()	()	()	()	()

16) Please rate how much you agree or disagree with the following statements:

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
The dealer incentive makes it easier for me personally to sell EVs.	()	()	()	()	()
The dealer incentive makes it easier for my dealership to sell EVs.	()	()	()	()	()
It would be worthwhile for my dealership to participate in the CHEAPR rebate program even without the dealer incentive.	()	()	()	()	()

17) Please indicate how effective you think each of the following types of consumer incentives is in advancing the sale of EVs.

	Not at all effective	Slightly effective	Moderately effective	Very effective	Extremely effective
State rebate applied at the point of sale by the dealer	()	()	()	()	()
State rebate applied for by the consumer and received after the sale	()	()	()	()	()
Federal tax credit	()	()	()	()	()
Parking incentives	()	()	()	()	()
Free charging/fueling	()	()	()	()	()
Carpool or High Occupancy Vehicle (HOV) lane access	()	()	()	()	()
Toll discount program	()	()	()	()	()

18) How many vehicles does your dealership sell on a monthly basis?

19) How many electric vehicles does your dealership sell on a monthly basis?

20) What makes are sold at your dealership? [select all that apply]

- Audi
- BMW
- Cadillac
- Chevrolet
- FIAT
- Ford
- Honda
- Hyundai
- Kia
- Mercedes-Benz
- Mitsubishi
- Nissan
- Porsche
- smart
- Tesla
- Toyota
- Volkswagen
- Volvo
- Other: _____

21) How many years have you worked in the auto sales industry?

22) Please rate how much you disagree or agree with the following statements:

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
I am highly motivated by competition.	()	()	()	()	()

I am highly motivated by monetary rewards.	()	()	()	()	()
I am highly motivated by honors and public acknowledgement.	()	()	()	()	()
I am highly motivated to help my dealership be successful.	()	()	()	()	()

23) Please rate how much you disagree or agree with the following statements:

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
EVs are a smart financial decision.	()	()	()	()	()
EVs are an effective way for drivers to reduce their environmental impact.	()	()	()	()	()
There aren't many perks to owning an EV.	()	()	()	()	()
It is inconvenient to have an EV be your primary vehicle.	()	()	()	()	()
EVs are the future of the new car market.	()	()	()	()	()

I personally prefer conventional vehicles over EVs.	<input type="radio"/>				
---	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

24) Please rate how much you disagree or agree with the following statement(s):

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
The CHEAPR program has made me more open to EVs as a real alternative to conventional vehicles.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My opinion of EVs has improved over time.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

25) How many of your electric vehicle customers do you think would have purchased/leased without the CHEAPR rebate?

- Nearly all would have purchased/leased without the rebate
- Most would have purchased/leased without the rebate
- Some would have purchased/leased without the rebate
- Just a few would have purchased/leased without the rebate
- None would have purchased/leased without the rebate

26) Please use the textbox below to share any comments or feedback you have about the CHEAPR program. We are especially interested in any feedback you have about the dealer incentive or the rebate transfer, but also welcome feedback on other aspects of the program (outreach/promotion, application submission, etc.).



As a mission-driven nonprofit organization, CSE works with energy policymakers, regulators, public agencies and businesses as an expert implementation partner and trusted information resource. Together, we are the catalysts for sustainable energy market development and transformation.

HEADQUARTERS

9325 Sky Park Court, Suite 100 - San Diego, CA 92123 - 858.244.1177 - www.energycenter.org

SAN DIEGO, CA

| LOS ANGELES, CA

| OAKLAND, CA

| CAMBRIDGE, MA