

Car buyer insights

# An inside look into the purchasing cycle of electric vehicles in the GCC

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YallaMotor

Feb 2019



In collaboration with

**GLOBAL EVRT**  
ACCELERATING ELECTRIC VEHICLE ADOPTION

Insights from





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## Purpose of the survey

With the introduction of electric vehicles and new technologies, the automotive industry is going through tremendous changes globally. Historically, and due to the affordable price of petrol, the Middle East's automotive industry is well known as a gasoline driven one. That being said, over the last couple of years and with the introduction of EVs in the region, there have been initiatives from private and public sectors to catch up with the international trend towards building a more sustainable future by reducing carbon emissions from vehicles.

Altering the status quo is never an easy task and requires the support of every stakeholder to have a better understanding of the situation. From our perspective, **we understand Electric Vehicles have different selling points** as compared to internal combustion engine (ICE) vehicles, hence the car buyer purchase phases are different too. With the United Arab Emirates leading this change in the Middle East, the region aims to promote and generate more awareness on this front. However, car buyers are facing different challenges that must be tackled in order to accelerate the adoption of electric vehicles.

**YallaMotor survey aimed to throw more light on the pain points that potential buyers are faced with when purchasing an Electric Vehicle.** The following results have the purpose of validating current assumptions but also **finding new areas to tackle in order to facilitate the promotion of EVs on the road.**

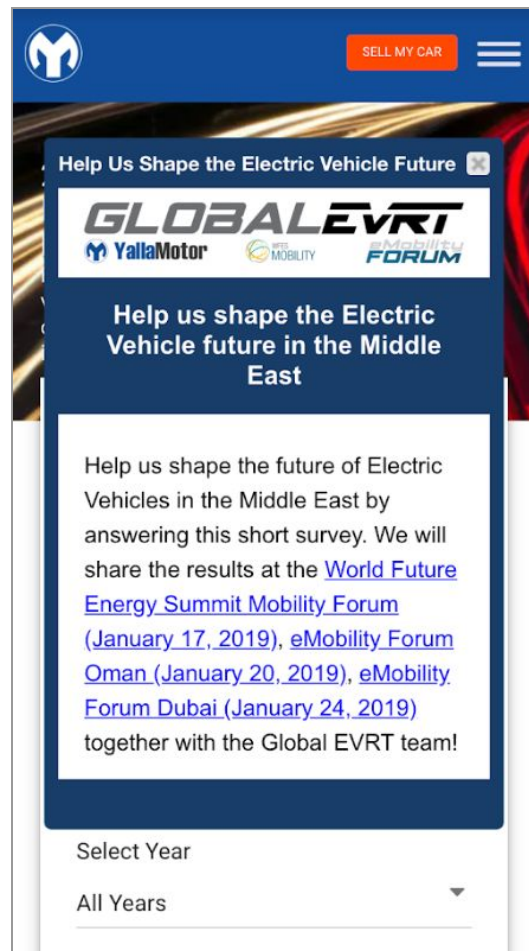
At this stage and with more electric vehicles set to make their way onto streets by the end of 2019, we aim to make this information accessible to everyone. As the largest automotive platform in the region, we firmly believe that we have the responsibility to share this information with all stakeholders in order to build and open more discussions that effectively will help the automotive industry to overcome challenges towards building a more sustainable future with more electric vehicles on the roads of the GCC.



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## Methodology

Online survey to analyze the factors affecting consumers' willingness to purchase an Electric Vehicle. The respondents of the survey were private car owners, hence potential drivers of electric vehicles. The primary data was obtained from an online questionnaire on YallaMotor website and was accessible to users across the GCC region.

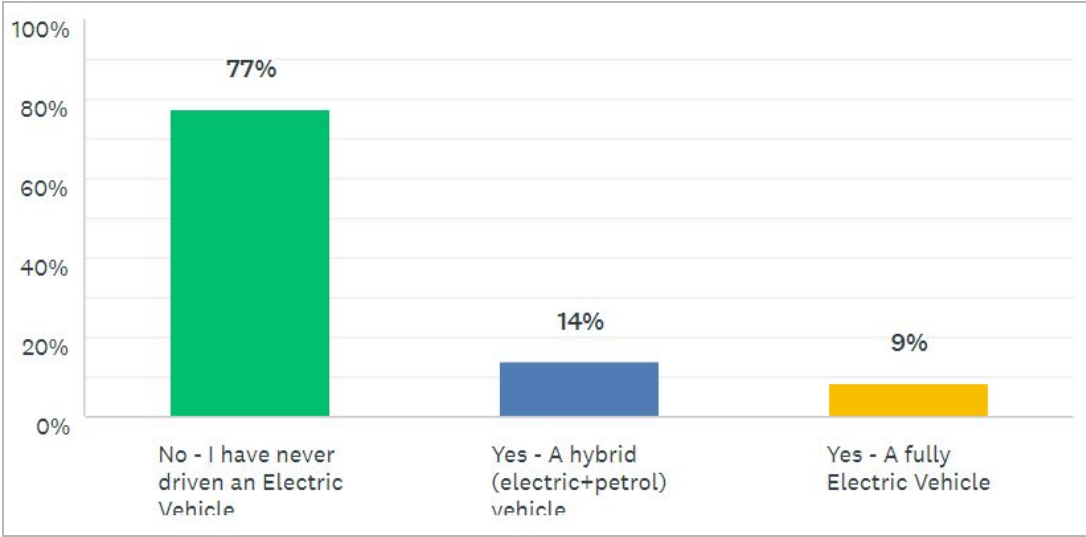


The image shows a mobile application interface for a survey. At the top, there is a blue header with a white 'M' logo on the left, an orange 'SELL MY CAR' button, and a white hamburger menu icon on the right. Below the header is a dark blue banner with the text 'Help Us Shape the Electric Vehicle Future' and a close button. The banner also features the 'GLOBALEVRT' logo and logos for 'YallaMotor', 'eMOBILITY', and 'eMobility FORUM'. Below the banner, the text reads: 'Help us shape the Electric Vehicle future in the Middle East'. The main content area is white and contains the following text: 'Help us shape the future of Electric Vehicles in the Middle East by answering this short survey. We will share the results at the [World Future Energy Summit Mobility Forum \(January 17, 2019\)](#), [eMobility Forum Oman \(January 20, 2019\)](#), [eMobility Forum Dubai \(January 24, 2019\)](#) together with the Global EVRT team!'. At the bottom, there is a 'Select Year' dropdown menu with 'All Years' selected.

A total of 3,801 responses were collected during the period 11th December 2018 to 09th January 2019 using YallaMotor's audience which exceeds 2 million sessions per month. A geographic breakdown reveals 1,570 respondents from the [UAE](#), 724 from [Saudi Arabia](#), 434 from [Qatar](#), 402 respondents from [Oman](#), 370 from [Bahrain](#) and 301 from [Kuwait](#).

## In market Car Buyers

**How many car buyers have driven an electric vehicle?** Out of all in market GCC car buyers, only 9% have ever driven a pure electric vehicle. 14% have driven a hybrid (petrol + electric), while a staggering 77% have never been in the driver's seat of a hybrid or electric vehicle.

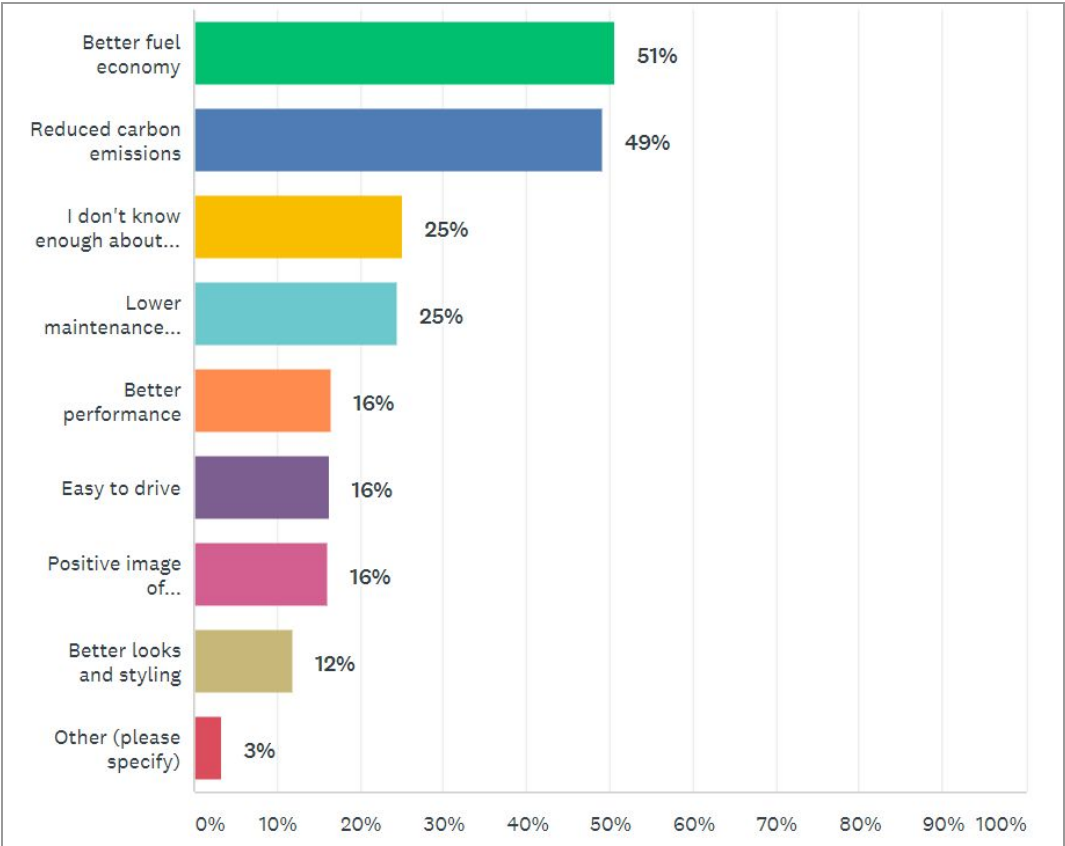


GCC - How many car buyers have ever driven an electric vehicle

Motorists in Saudi Arabia and Bahrain have driven the most number of electric vehicles at 11%, followed by Kuwait at 10%, UAE at 8%, Oman at 7% and Qatar at 6%.

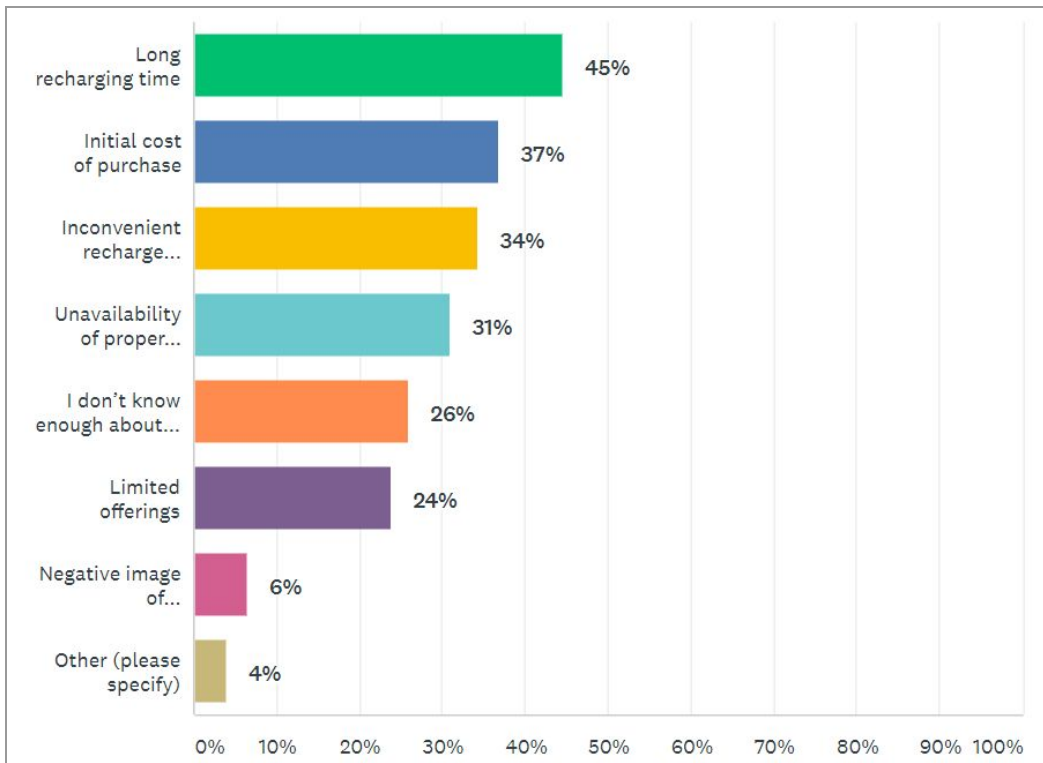
# Perceived advantages and disadvantages while buying an electric vehicle

When questioned about the **perceived advantages of electric vehicles**, respondents were quick to answer with **better fuel economy and reduced carbon emissions** topping the charts at **51% and 49% respectively**. Other factors such as lower maintenance costs, better performance, ease of driving and positive image of owning/driving all made the cut but weren't as popular.



GCC - Car buyers perceived advantages towards electric vehicles

When it comes to the perceived disadvantages of purchasing electric vehicles, the discrepancies in the values are a lot lesser. **The biggest concern continues to be long charging times (45%) followed by the high initial cost of purchase (37%) and inconvenient charging options (34%)**. The unavailability of proper infrastructure and the limited offerings from manufacturers are also roadblocks for potential electric vehicle buyers ([watch our video on the limited market offerings here](#)).



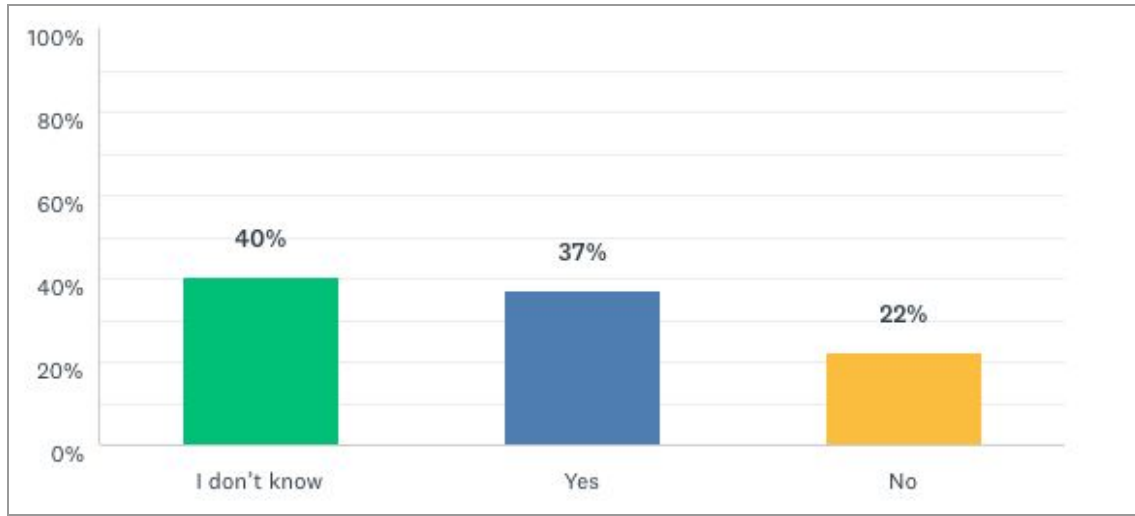
GCC - Car buyers perceived disadvantages towards electric vehicles

That being said, there is a clear lack of understanding and awareness when it comes to electric vehicles. As seen in both graphs, **nearly 25% of respondents do not know enough about electric mobility** and its advantages and disadvantages. Several motorists are still unclear on how many kilometers they can drive in an electric vehicle, charging durations and locations, how to maintain an EV and the final on-road price of the vehicle.

**Shifting perceptions.** Current electric vehicle owners seem to be a lot more flexible with the pros and cons of electric mobility. The biggest advantage according to electric vehicle owners is the ease of driving, which outranked factors such as fuel economy and reduced carbon emissions. While long charging times and the high initial cost of purchase is something current and potential **EV owners highlighted, current owners pointed out the limited offerings** in the market and how a wider choice of products would have addressed their needs better.

## Perceived ROI and price point for electric vehicles

Due to the lack of information in the GCC, potential buyers are currently uncertain if electric vehicles make for a good return of investment. For instance, 40% of respondents stated that they are unaware if an electric vehicle will be a good return of investment.



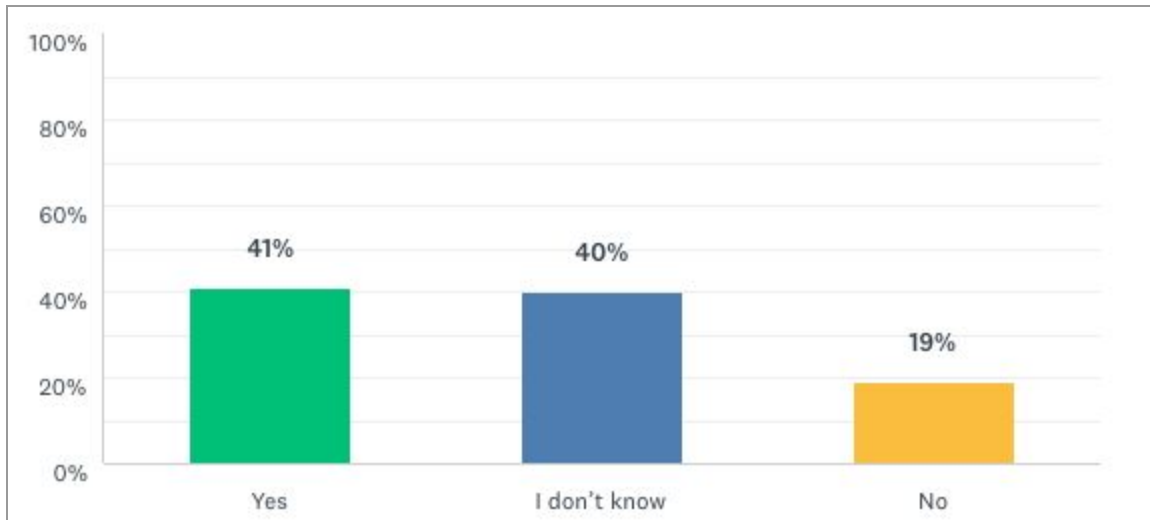
GCC - Do you think an electric vehicle is a good return of investment?

As identified in the previous section, electric vehicles are perceived to be significantly pricier than their petrol-powered equivalents and that unfortunately continues to hold true. For instance, the most affordable EV in the market (the [Renault Zoe](#)) costs a whopping AED 137,000 negating its advantages of lesser running and servicing costs when compared to its petrol-powered rival (the [Chevrolet Spark](#)) at AED 46,500. Watch our in-depth video comparing initial costs, running costs, and servicing costs in an electric car against a petrol-powered car [here](#).



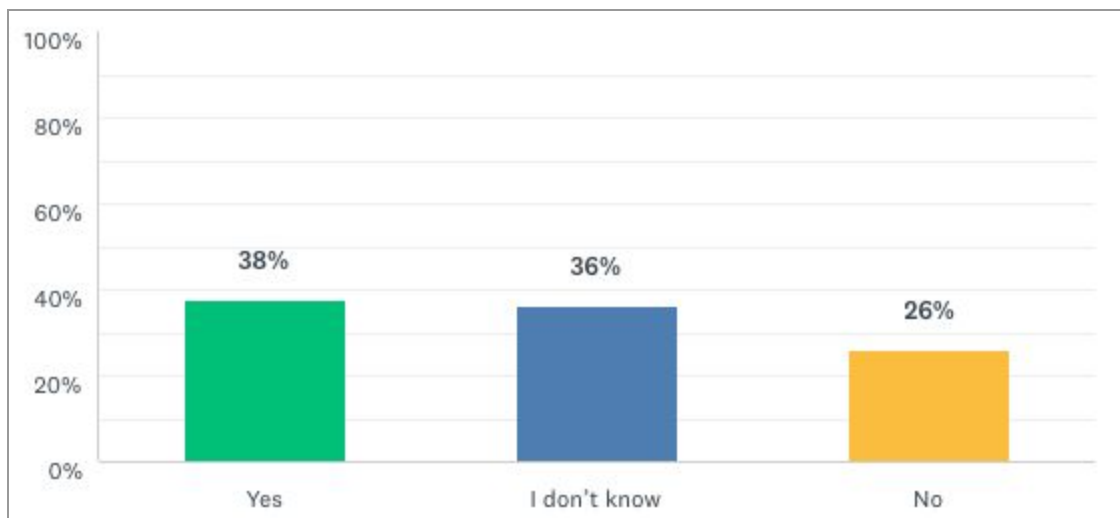


Moreover, while car buyers have a vague understanding of the lesser running costs involved with EVs, there are several factors that stand in the way of them deciphering whether EVs provide a good return on investment. A few major concerns include the resale value of the vehicle and the price / frequency with which the batteries need to be replaced.



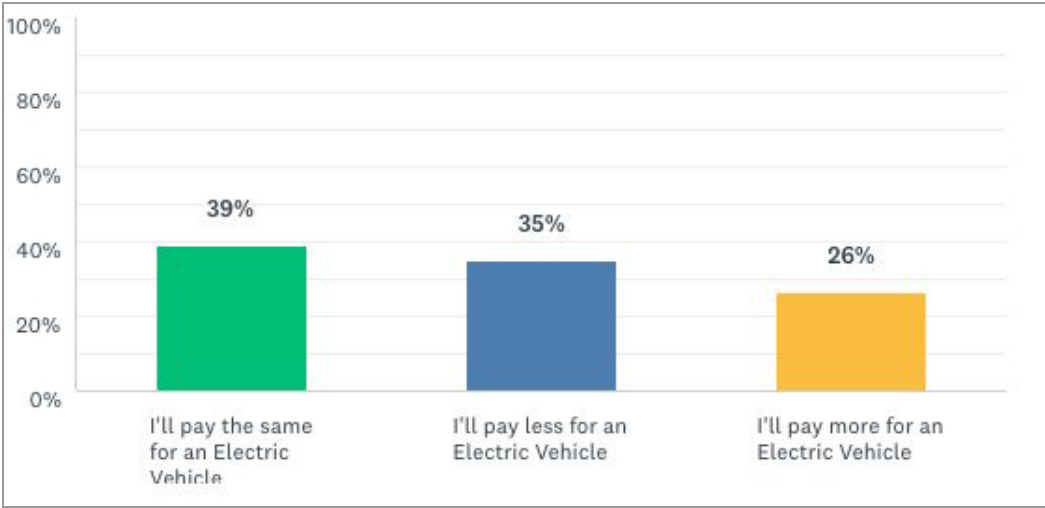
UAE - Do you think an electric vehicle is a good return of investment?

Zooming in to a country-specific level, respondents in the United Arab Emirates and Saudi Arabia believe that electric vehicles are a good return on investment, despite the figures being extremely close and separated by just 1%. In contrast, majority of motorists in Bahrain, Qatar, Oman and Kuwait are unaware about whether EVs offer a good return on investment.



KSA - Do you think an electric vehicle is a good return of investment?

With regards to the price point of electric vehicles, we asked car buyers across the region if they would pay more, less, or the same amount for an electric vehicle as they would for an internal combustion engine (ICE) vehicle. Currently, **only 26% of respondents are aligned with the market where EVs cost significantly more than internal combustion engine vehicles**, a small number compared to 74% who do not agree. 39% of respondents said they will pay the same amount for an electric vehicle as they would for a standard car, while 35% of respondents said they would pay less.



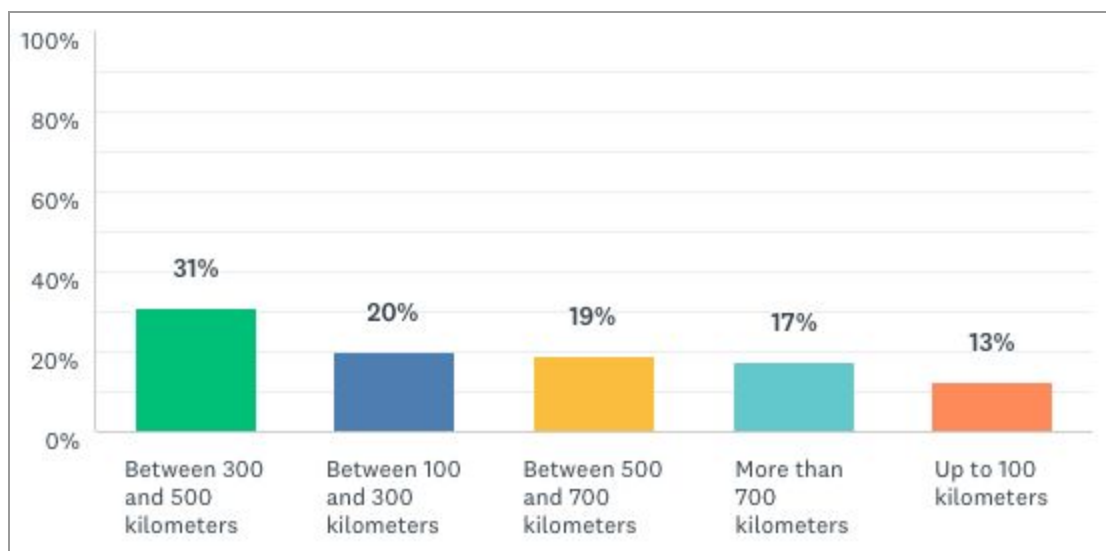
GCC - Do you think an electric vehicle is a good return of investment?

**Which country has the highest percentage of car buyers willing to pay more for an EV?** Those living in the United Arab Emirates seem to be most aligned with the current market price point since the **UAE possesses the highest percentage of people who are willing to pay more for an electric vehicle**. While the average across the GCC is 26%; in the United Arab Emirates, 30% of car buyers are willing to pay more. On the other hand, Kuwait has the lowest percentage of motorists willing to pay more for an electric vehicle at 19%. That said, figures prove that the pricing of electric vehicles is higher than expected by potential buyers. If we aim to promote and accelerate the adoption of electric vehicles, we should look into incentives to reduce the initial cost of purchase.

## Charge and Range

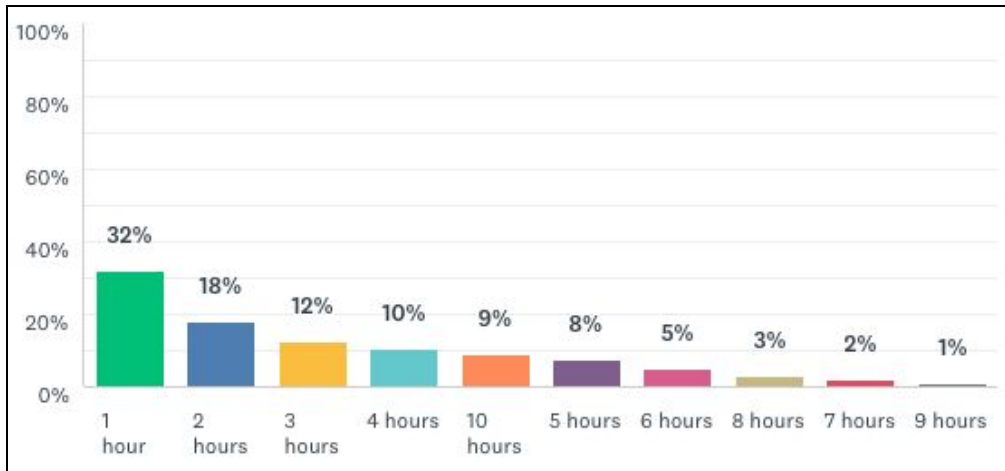
Car buyers have their own expectations when it comes to charging and range. While the current offering seems to match their range expectations, charging is a long way off.

31% of GCC car buyers expect a driving range between 300 and 500 kilometers, while 20% of buyers expect to complete between 100 and 300 kilometers on a single charge. If we compare the values using the below graph, **only 36% of respondents expect an EV to do more than 500 kilometers** with a fully charged battery.



GCC - How many kilometers of range should a fully charged Electric Vehicle give for you to consider buying one?

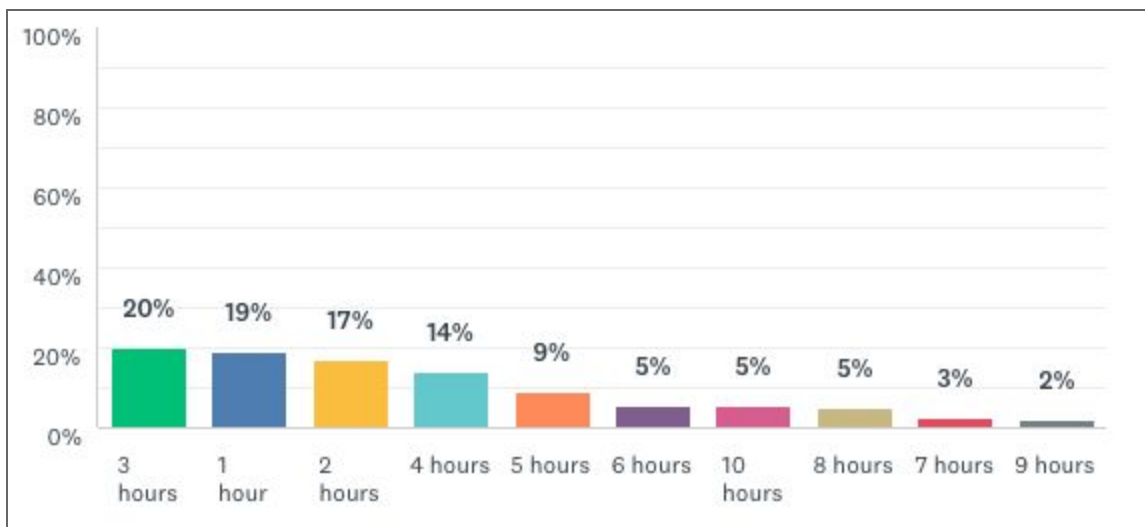
When it comes to charging times, 32% of GCC motorists expect their EV to be fully charged in one hour - a stark contrast from the current reality. That said, if we consider a wider time frame we can see that 72% of respondents are willing to spend between one and four hours charging their vehicle.



GCC - How many hours should it take to fully charge an Electric Vehicle for you to consider buying one?

If we combine expected range and charging times, we can say that **potential buyers will consider purchasing an electric vehicle if they can do between 300 to 500 kilometers on a single charge that takes no more than four hours to complete.**

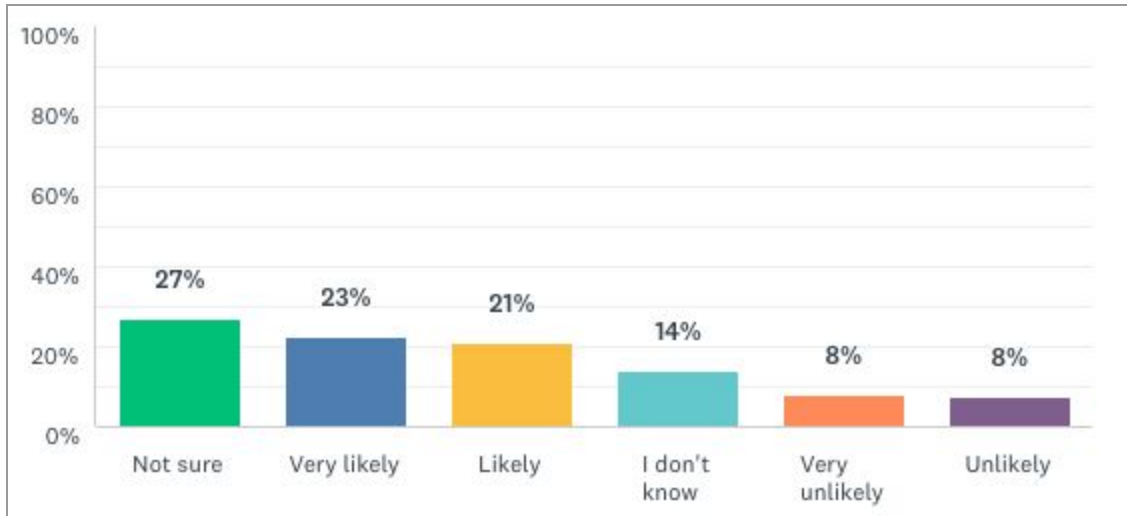
**Current owners vs potential owners.** In comparison to potential EV owners, current owners are more flexible and willing to accommodate longer charging times. While 70% of owners spend between one and four hours charging their EV, there is a stark difference to be noticed. A charging time of 3 hours is acceptable by only 12% of potential owners but by 20% of current owners. Likewise for 4 hours, only 10% of potential buyers but by 14% of current owners.



GCC EV Owners- How many hours should it take to fully charge an Electric Vehicle for you to consider buying one?

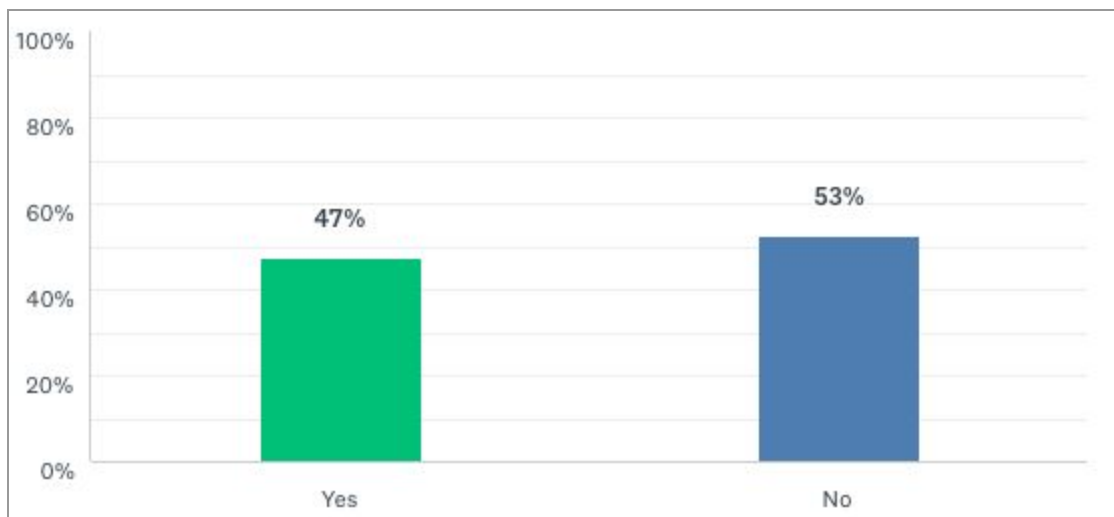
## Purchasing intentions

While 27% of car buyers in the GCC are uncertain whether they will purchase an electric vehicle in the next two years, **44% are likely and very likely to do so**. More interestingly, a whopping 61% will also opt to have it as their primary vehicle.



GCC - How likely are you to consider buying an Electric Vehicle in the next 2 years?

A gender breakdown reveals that while it is men who will opt to have an electric vehicle as their primary vehicle, women are a little more resistant to the idea with 53% of respondents claiming only to have it as their secondary vehicle.



GCC, Women > If you were to buy an Electric Vehicle, will you have it as your primary vehicle?

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**Which country leads EVs purchasing intentions?** Although the United Arab Emirates ranks fourth in the number of people who have driven electric vehicles, it leads the way with 50% of car buyers willing to purchase an electric vehicle in the next two years. Saudi Arabia follows suit at 45%, Oman at 40%, Qatar at 37%, Kuwait at 35% and Bahrain at 32%.

**“UAE leads the way in the GCC region for electric vehicle purchases”**

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## GreenParking Insights

**Services and benefits for EV drivers** Currently, EV drivers in the UAE have access to several charging services and infrastructures, which include but are not limited to: (a) DEWA's Public Network of Green Chargers in Dubai, (b) EV Network by GreenParking which has been installed across UAE and Oman, (c) Private locations with EV chargers installed by GreenParking, (d) Charging stations provided by manufacturers such as Tesla. All with free charging until 31st December 2019.

A few other noteworthy benefits EV drivers avail include free designated parking spaces across the city, exemption from registration and renewal fees, exemption from Salik tag fees, and a special sticker for number plates.

**Infrastructure challenges** GreenParking is honored to be one of the pioneers in building the EV Charging infrastructure in the region. Therefore, GreenParking has invested resources in providing knowledge-sharing with potential partners, developers, end-users, among others in order to promote eMobility. This being the first challenge, i.e. lack of knowledge about this industry.

Another important challenge is the lack of availability of spare power at various existing, old or even new buildings in order to install a regular charging station that would provide sufficient power.

**The Middle East vs other markets** At this point in time Dubai can be compared to the European Market, as it is the most developed. Dubai has one of the best ratio of EV chargers to EVs. GreenParking has witnessed a fast growth/development by the Dubai Government in support of the EV infrastructure. Compared to Europe and in terms of the number of EVs on the road, UAE is very much behind as it has a small number registered with RTA.

**What can be done to accelerate the adoption of electric vehicles?** As a private company GreenParking is accelerating the adoption by developing our EV Network, knowledge-sharing, participating in events, creating awareness about EVs and by supporting car manufacturers and their dealerships.

**New technologies** Several EV Network apps will be available on the market very soon. In addition, EV Charges that will be supporting up to 300 kWh DC charging and more efficient contactless charging options for home use.



## Conclusions

There is a clear lack of awareness when it comes to electric vehicles within the car buying community across the region. Despite 44% of respondents claiming they are willing to purchase an electric vehicle in the next two years, 25% out of the entire sample have said they do not know enough about EVs. Keeping in mind that a vehicle is a sizeable financial decision to any pocket, the benefits of electric vehicles need to be communicated more clearly to increase the confidence of potential owners.

One technique to do so, which falls in line with the fact that many people have not driven an electric car, is to promote them through test drives. Results have shown that current EV owners are more flexible and have less concerns than potential car buyers or people who are contemplating whether to purchase an electric vehicle.

However, other initiatives will also help to build more trust towards EVs. As we have identified, the United Arab Emirates ranks fourth in the number of car buyers who have driven an electric vehicle but leads the way with the highest number of respondents willing to purchase an EV. This proves that events around the topic, along with incentives from the public and private sector, and improvements in the infrastructure will help reduce the concerns of potential electric vehicle owners.

Electric vehicles currently fall in a niche due to their exorbitant price point. With just four options available in the Middle East, car buyers believe there aren't enough offerings in the market to address their needs. Moreover, they perceive EVs as expensive alternatives to internal combustion engine (ICE) vehicles stopping them from relate the fuel savings and lower costs of maintenance to a good return on investment.







## About YallaMotor

A subsidiary of the Middle East's leading job site Bayt.com, YallaMotor was launched in 2012 and has grown to become the most visited and trusted automotive portal in the region.

With the aim of simplifying vehicle research, buying, and selling, it serves over 20,000,000 sessions, 100,000,000 page views and more than 10,000,000 car buyers that spend more than 65,000,000 minutes browsing car content that generates more than 600,000 leads a year.

Providing visitors to the site with the right set of tools to make a well-informed purchasing decision, it offers a dedicated Car Buyer's Guide that lists prices, specs, and features for every model sold in the market, along with the latest international, regional and local car news and reviews from the region and beyond. Bundle that with handy shopping tools such as a unique special offers section, an in-depth car comparison tool, and a bustling used car section with over 18,000 always up to date cars, it's easy to see why YallaMotor has become the region's leading automotive portal.

For businesses, YallaMotor provides the most comprehensive and flexible choice of advertising solutions to engage with all car buyers in the Middle East whether you are an OEM, Distributor, Used Car Dealers, Certified Pre Owned Dealer, Digital Marketing Agency, PR Agency, Workshop and or Maintenance Company. Working with more than 500 companies across the GCC we also provide stakeholders with market insights, data, technology solutions and digital and social media marketing consultancy.



## About Global EVRT Middle East

Global EVRT is inspiring transformation to sustainable mobility through epic road trip adventures, insight forums and experiential public festivals.

We are catalysts for positive societal change! We bring together key influencers from government, industry, academia and the media to facilitate cross sector collaborations, share insights, confront common challenges, outline visions for the future and encourage favourable policy towards electric mobility. We are expanding infrastructure to create strong networks connecting communities and paving the way for your worry-free electric travel.

Join us on this unique adventure to experience the power and capabilities of electric vehicles through challenging and impressive landscapes. Learn about future technologies, hear the latest insights from the industry and enjoy the finest arabian hospitality and entertainment!