

NBCUniversal

EV Sales 2025

The Power of Advertising

WHAT IF EDITION

AUGUST 2023



Overview and Asks

Based on increasing requests, we've started to think about the future leveraging our analysis of the past

We want feedback

We are still in early stages but we want this to be helpful for clients

Use directionally for strategy

While we feel confident in our analytics, at the core its about imaging the future without a crystal ball

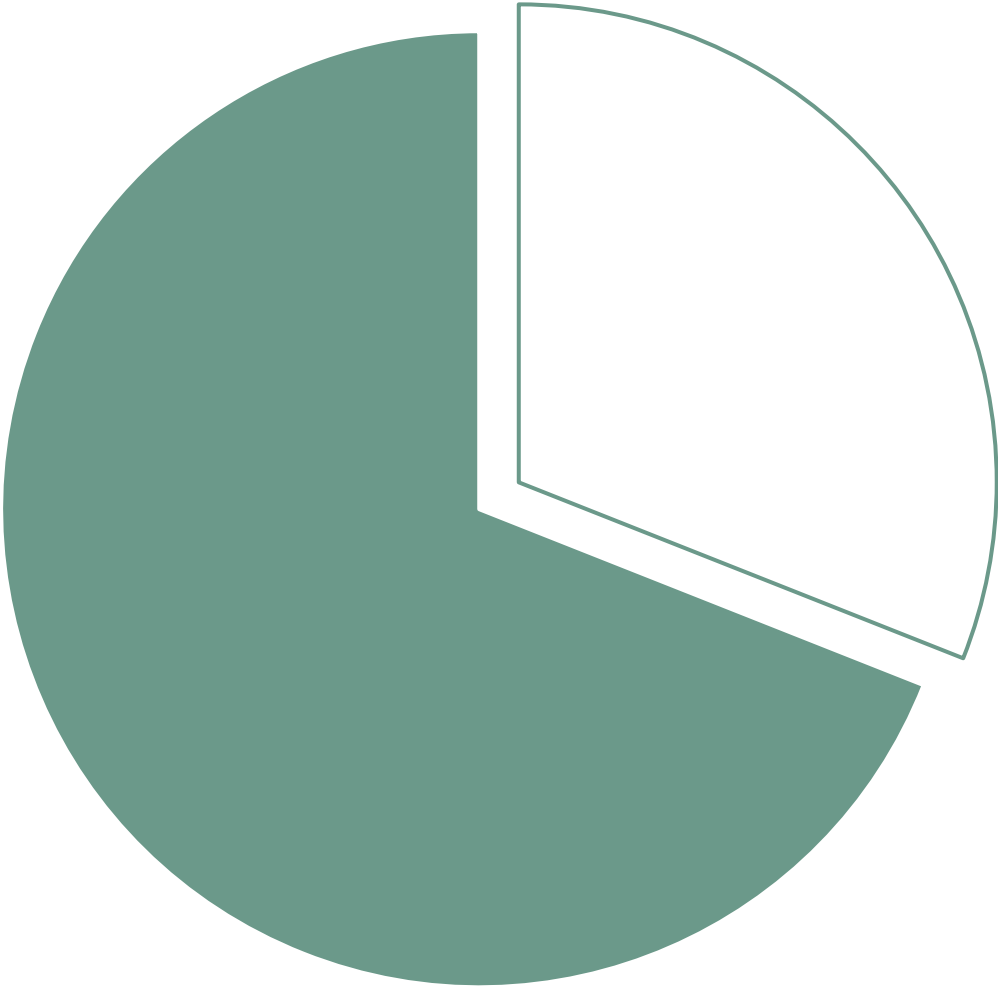
We can always customize or go deeper

With data or a direction, we will do our best to help answer strategic questions

But historically,
marketing has
often been an
afterthought for
some brands

\$1.5M
Avg. monthly spend on
EV launch campaigns

Monthly Marketing Support for EV Launches
2019 to 2022



31%

Of the time, EV had
at least 1 month
of their launch
campaign with \$0

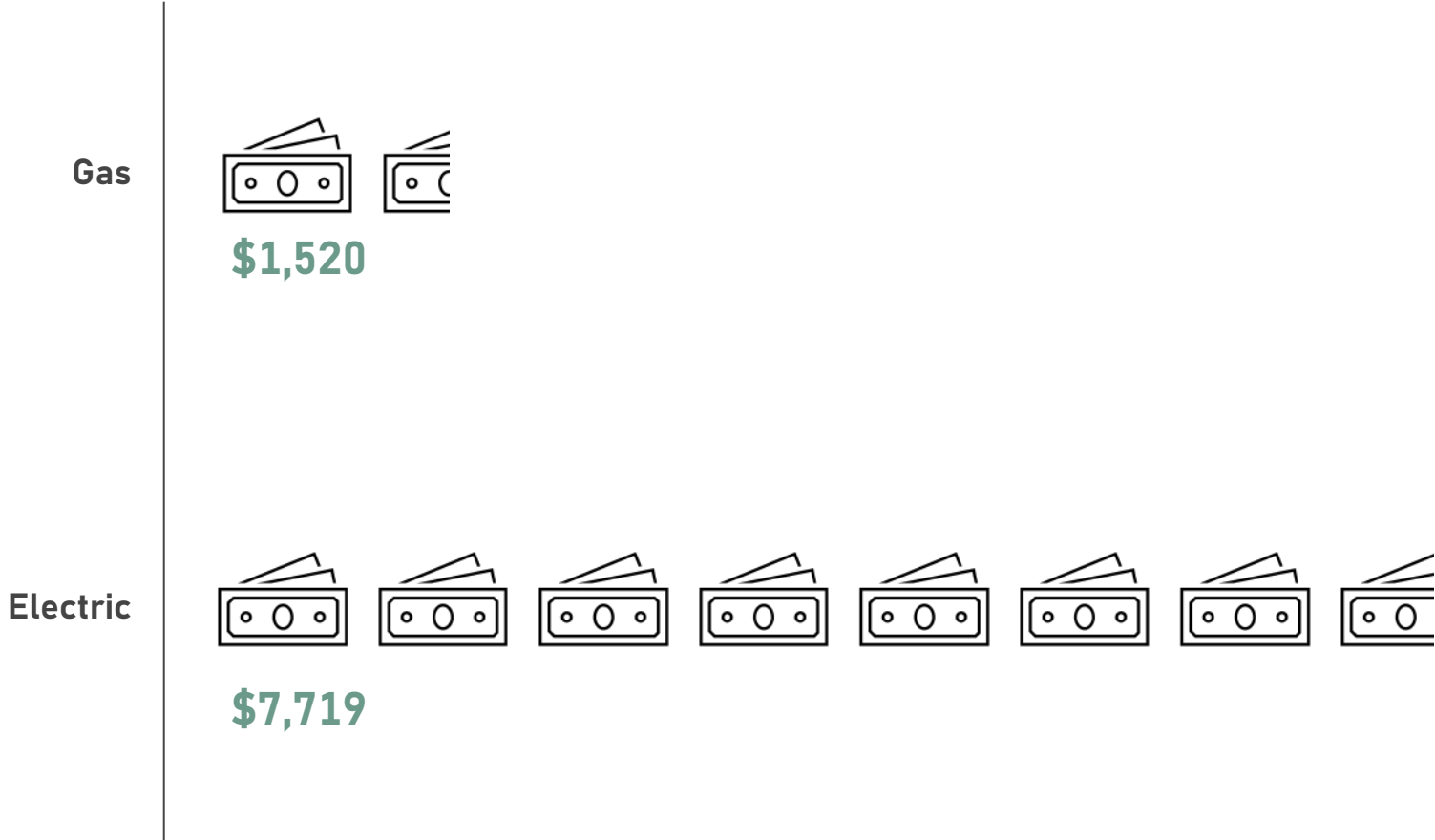
Sources: Internal Analysis. Mediaradar.
JD Power. EV Only

And it shows in media support

5x

more paid media needed to sell one EV vehicle vs. gas vehicle launches over the last 3 years

Average Advertising Spend New Model Launches Only per Car Sold (2020 – 1Q 2022)



Scale: = \$1,000

Sources: Internal Analysis. MediaRadar. JD Power. EV Only

But an EV isn't just a car, it's a concept.

NEW IDEAS ALWAYS NEED MORE ADVERTISING.

The PASSING of the HORSE

The silent horse power of this runabout is measurable, dependable and spontaneous—the horse-power generated by supplies of hay and oats is variable, uncertain and irresponsible. There is "Nothing to watch but the road" when you drive

The Oldsmobile

The Best Thing on Wheels

You see it everywhere. Doctors, Lawyers and Merchants find the Oldsmobile the most practical vehicle for business purposes. Ladies and children can readily understand its mechanism. Unvarying reliability proves it is built to run *and does it*

Price \$650.00

Selling Agencies are established in all the larger cities where you will be gladly accorded the privilege of trying the Oldsmobile on the road. Write for illustrated book to Dept. Y.

Olds Motor Works

Detroit, Mich.

FACTORIES, DETROIT
AND LANSING



Electric cars.
They're
Normal Now.



WHICH GOT US THINKING

With so many new cars coming,
**Can companies afford
not to market?**



Using historic data, we simulated several scenarios such as:

Tesla decides to market

----- *and* -----

***New entrants launch big
to capture market share***



How We Conducted The Simulation

**We created
3 scenarios**



Based on current status-quo, what might happen in/when Tesla advertises, and what new entrants mean to the EV market

**And added how
marketing can
drive car sales**



We used historic EV marketing support to determine how that impacted cars sold by make/model

**And then
added budgets and
ran simulations**



We then modeled out 3 potential marketing scenarios and simulated how they might impact total EV cars sold

THE SCENARIOS:

Impact of marketing on EV Sales

and how that will shape market share through 2025



1. Current Trend

We wanted to have a **baseline** to understand what **might have happened** if Tesla opted not to advertise, using it to **benchmark**.



2. Tesla Spends

We simulated Tesla in market advertising in-line with EV peers, **spending on digital and linear video at equal levels to existing OEM EV launches**

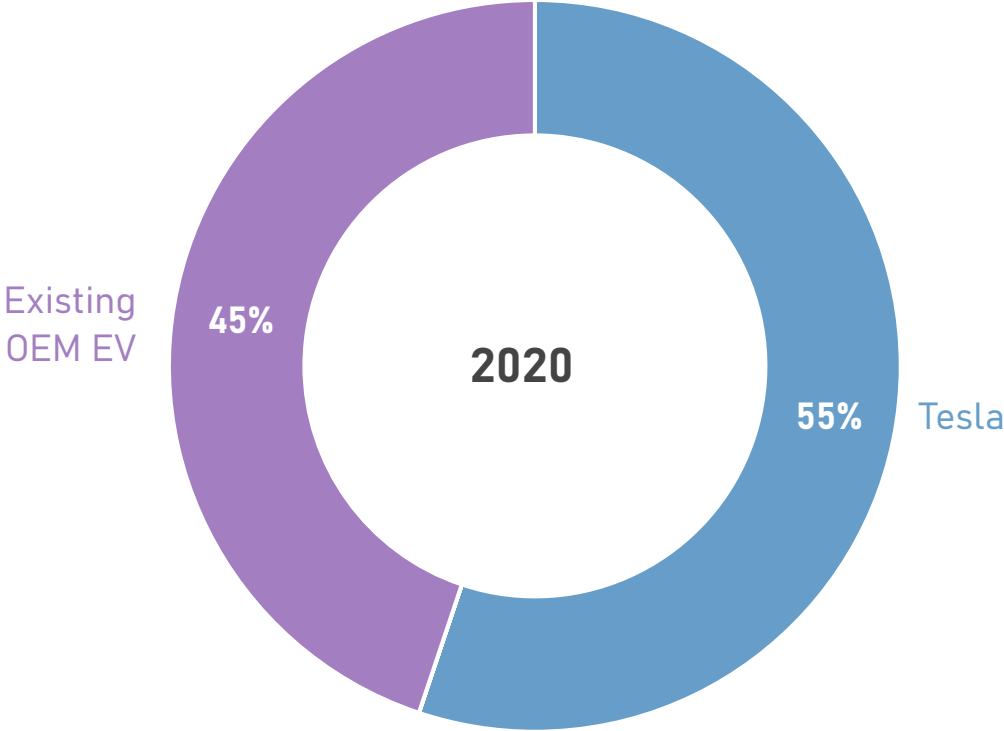


3. New Entrants Spend

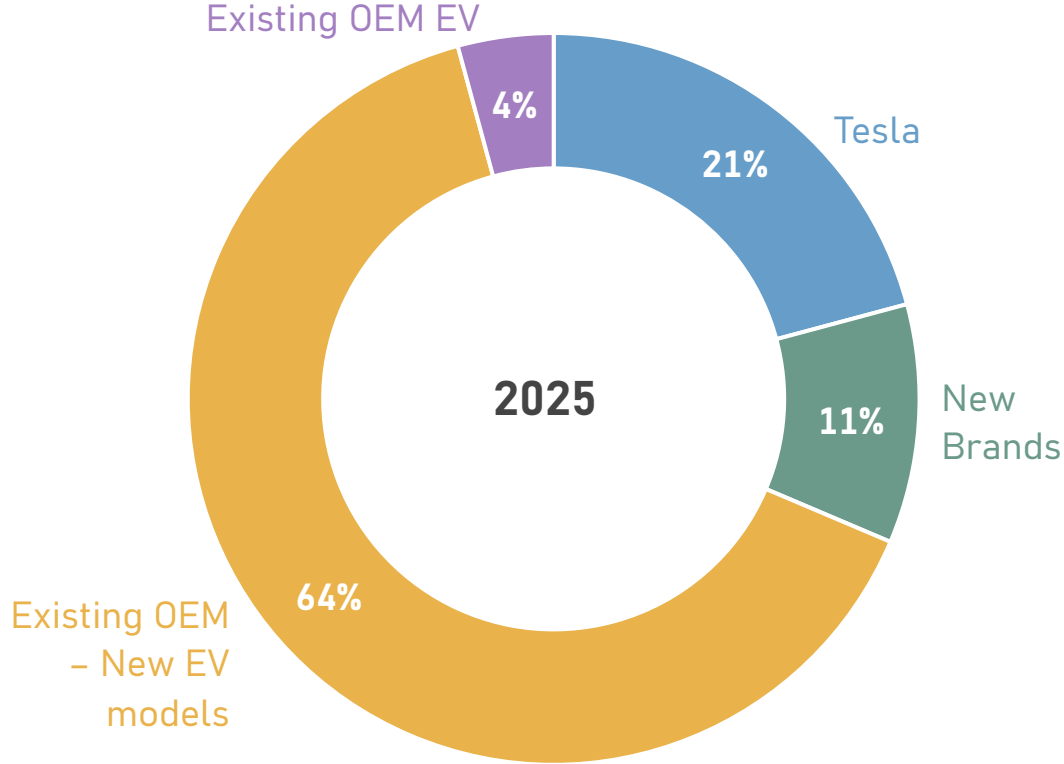
In the last scenario, assuming Tesla would **inspire upstart brands**, we simulated the impact of new brands coming to market with **higher than historic ad support (in dollars and mix)**

Without a change to strategy, new launches from existing OEMs will command the market by vehicles sold by 2025

Share of EV Sold
Average For 2020



Share of EV Sold
Baseline Assumption Average For 2025



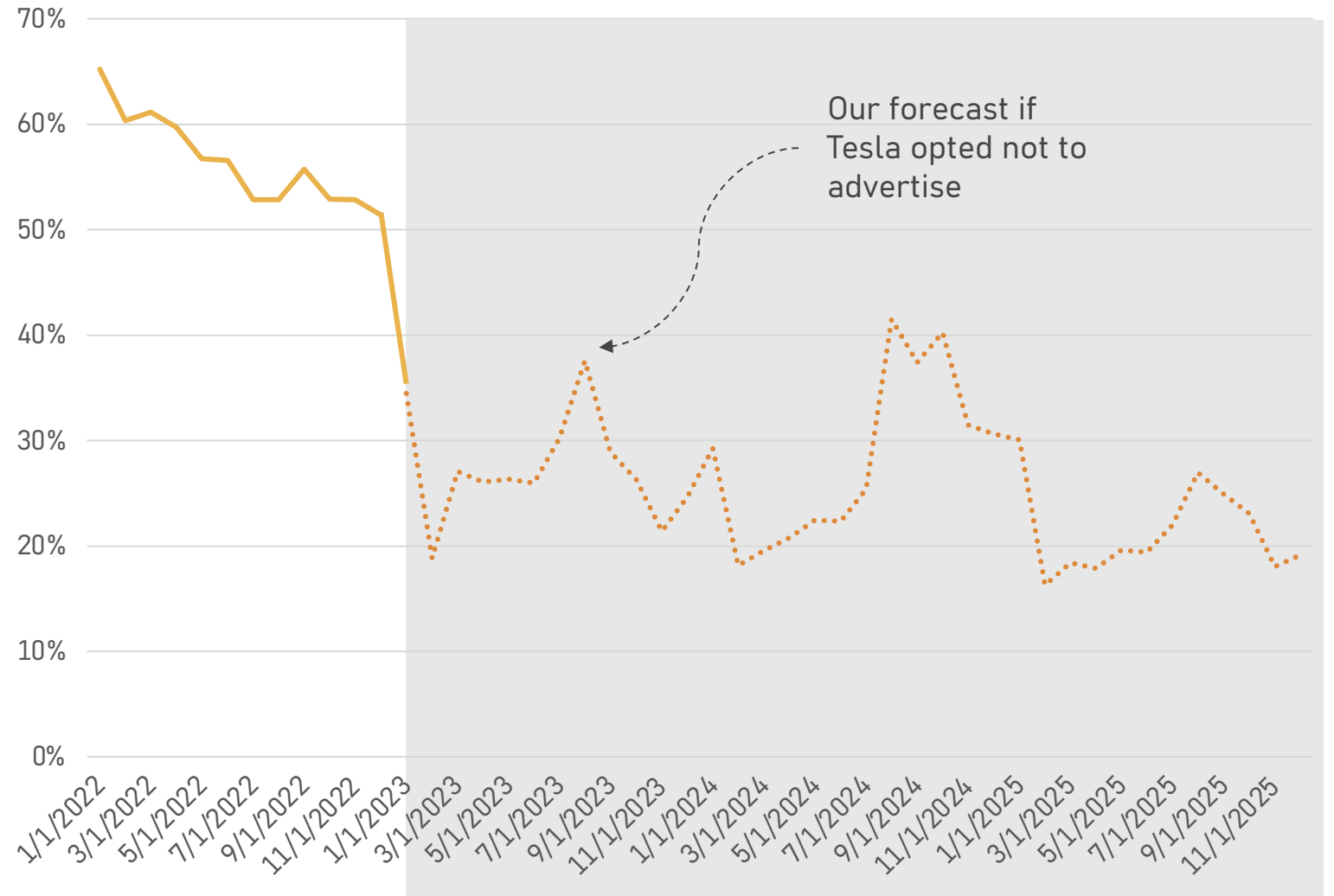
Tesla's recent advertising announcement makes sense

Our initial model assumed that Tesla would shift strategy (if at all) during Summer of 2023 as competitive EV's launch and erode share. Without a change to strategy, Tesla was forecasted to be less than 20% of the EV market by early 2026

Scenarios were created using proprietary NBCU analytics in concert with industry sources and consensus forecasts including but not limited to: S&P CIQ, JD Power, MediaRadar, iSpot and Morning Consult

Tesla Market share of Electric Vehicles Sold

With no change to advertising strategy

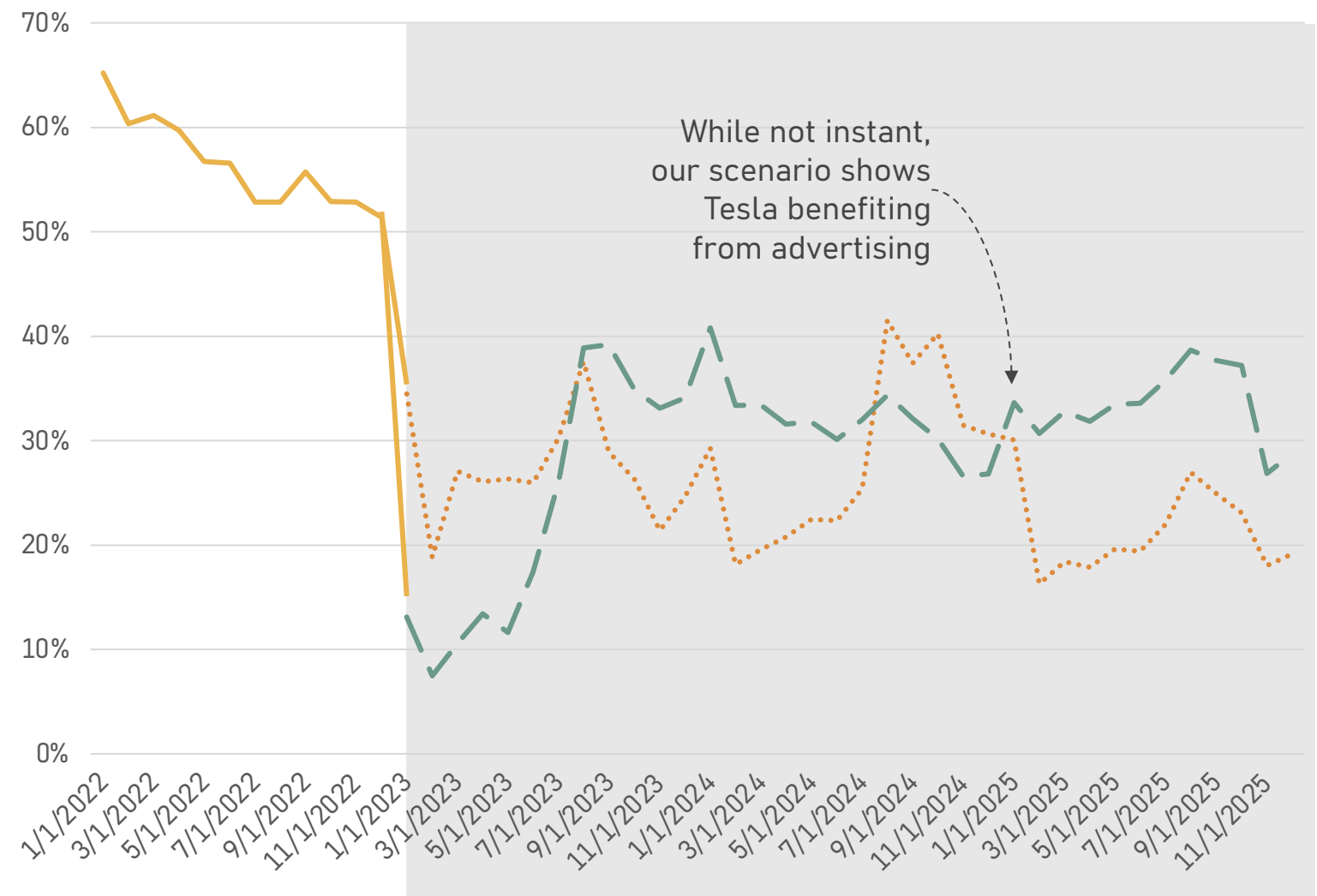


And it will very likely help them with market share + cars sold

While it will not completely solve Tesla's competitive problems, we estimate that marketing will be worth an incremental 4pp of share for Tesla between 2023 and 2025, with the greatest benefit occurring in 2025 as their marketing efforts mature

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Tesla Market share of Electric Vehicles Sold
 No change compared to Avg. Tesla spends on advertising



Lastly, as we think to the future, OEMS face duel threat from Tesla ad spend + new car entrants

While OEM Share is at **greatest risk of loss to Tesla advertising**, if new entrants increase ad spend above historic launch levels, they are likely to take an additional **2-5 share points** from OEMs, *not* Tesla through 2025

That is the equivalent of

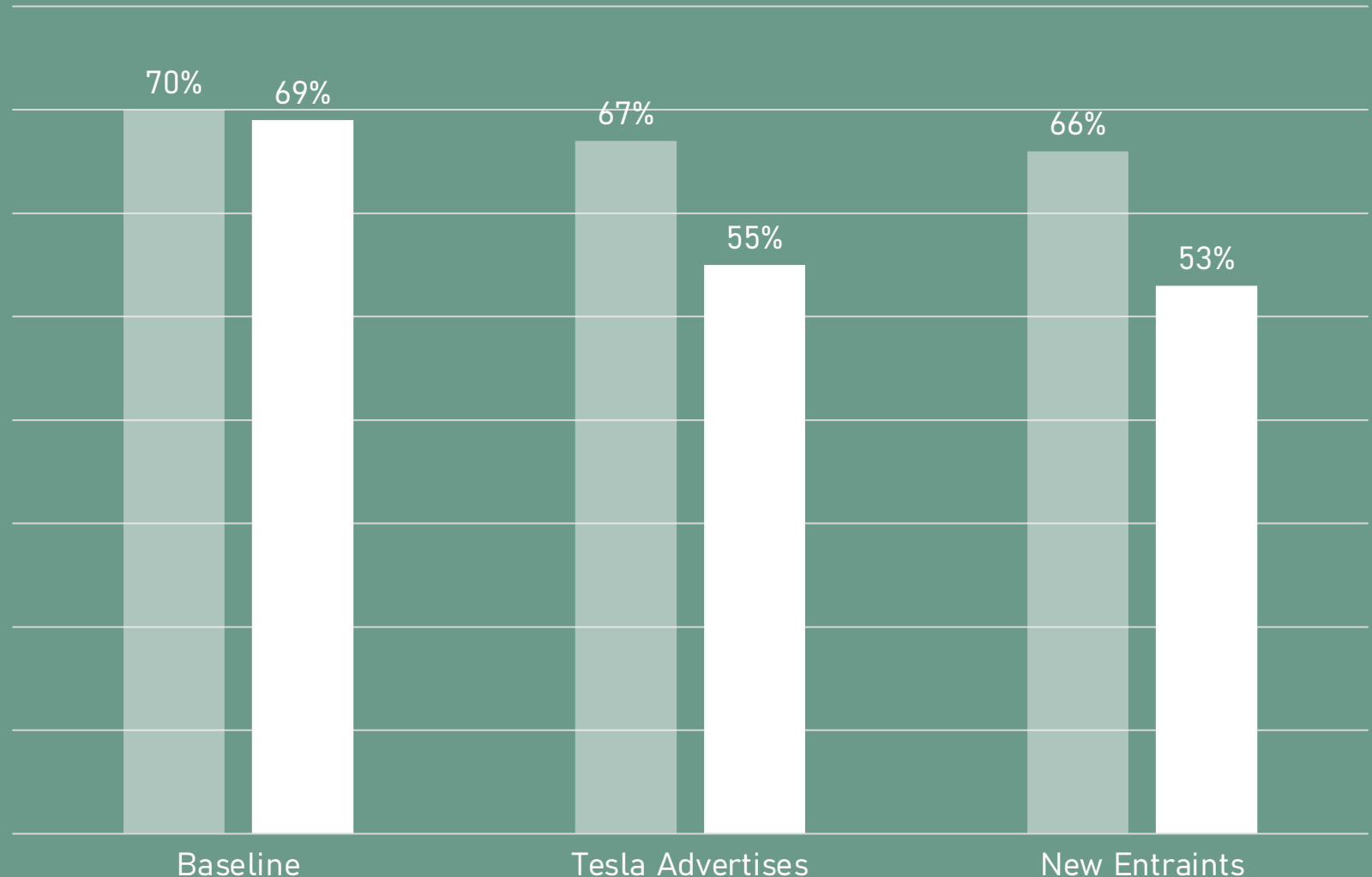
~420,000

cars in 2025

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% of Cars sold by Existing OEMs based on projected outcomes

■ 2023 ■ 2025



Lastly, as the market becomes more crowded, ad dollars are going to have to work harder

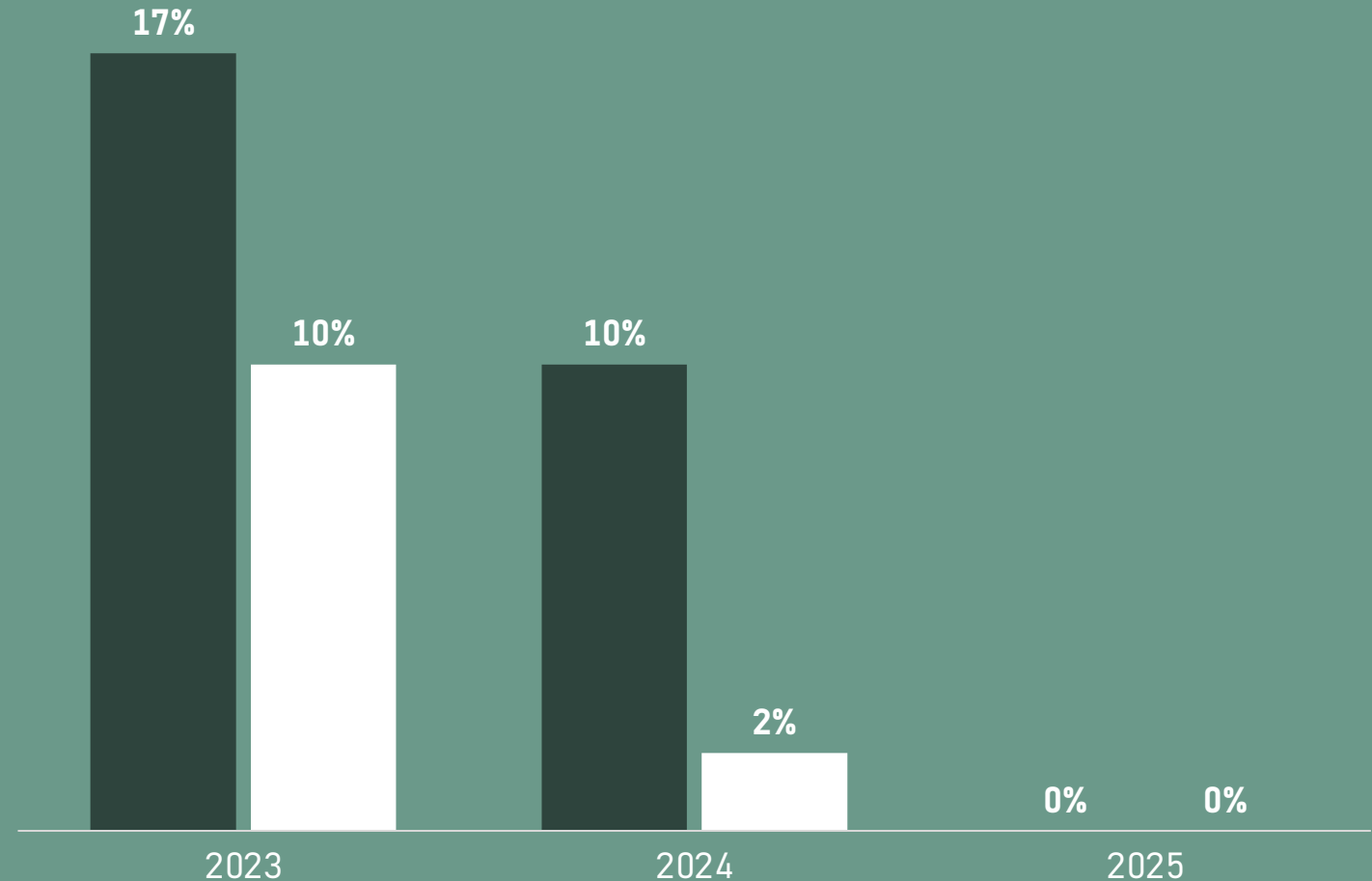
New launches + Tesla spending will **likely lower ad performance** across the board as marketing will need to **work harder driving awareness and intent**

For comparison, **48% of campaigns achieved that ratio** from 2020 to 2022

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% of EV Launch Campaigns with a Spend to Sales Ratio of Under 1:\$1,000

■ Baseline (P) ■ Tesla Spends



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Thank You

QUESTIONS?

Please contact [Sean Wright](#)

