



## Dealers Are Preparing for the Upcoming Used EV Boom

Wednesday, January 25, 2023.

A shortage of inventory is a major challenge for many dealers right now as they prepare for the influx of used EVs that will eventually arrive on their lots.

There isn't enough supply to meet consumer demand as dealers prepare to welcome an influx of older electric vehicles into the used-vehicle market in coming years.

More automakers are now committing to electric vehicles, meaning dealers must prepare their sales and service operations accordingly. Used EVs will eventually hit auction lanes or come back to dealers as trade-ins, with shoppers also showing heightened interest in purchasing cars with alternative powertrains. While the Inflation Reduction Act does allow for a tax credit on used EVs, the small pool of such vehicles likely means it will take time for the provision to be put into practice.

Automakers are racing to introduce their new battery-electric or plug-in hybrid vehicles into their lineups through 2030, making the used-vehicle market rife with EV options.

### **Consumers are more familiar with EVs**

The EV adoption curve steepened in 2022, and consumers did their homework on used EVs. Some of them even knew more about the specs of a used EV than the dealership employee.

Franchised dealerships selling an automaker's new electric cars will receive more training, such as how to repair and maintain the vehicles. Used-vehicle dealers, who sell whatever used electric vehicles a customer trades in or finds at auction, may find it "really hard" to understand all the different systems and batteries and how to maintain them.

Additionally, dealers need to invest in EV training for their sales and service staff and take special care of their software-based features. Employees should undergo written internal training programs on EV maintenance and charging, and EV education should not stop at the service drive - it should also be delivered to frontline employees who sell vehicles.



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