

Owning a electric car

Business, Marketing



The price of gasoline has been skyrocketing during the past couple of decades. Transportation is a basic necessity that every American family must incur in. The current average price of gasoline in the United States is \$3. 71 per gallon (Eia, 2014). Based on the fact that average person drives 15, 000 per year and assuming a 25 mile per gallon rate Americans spend \$2, 226 a year on gas (Ask, 2014). That is a lot of money that could be spend on more important things such as food, clothes, or medicine. People are looking for alternatives to get off the petroleum dependency. Electric cars are the solution people have been waiting for years. The electric car marketplace is in the introductory stage of its product life cycle.

Electric cars are a new product that is going to have a growing demand in the future. It is estimated that by the year 2020 hybrid and electric car sales will reach 6. 6 million annual units which will account for 7% of the light-duty vehicle market (Marcacci, 2014). The government is helping companies to sell cars profitably by offering subsidies for the sale of green vehicles such as electric cars. The profitability for companies is going to increase once the demands rises because firms will be able to enjoy the benefits of economies of scale. Electric cars are the wave of the future. People are going to switch from gas to electricity because gas is going to continue to rise in price. A five dollar a gallon mark is closer than people realize. As electric cars go down in price more people are going to purchase more of these vehicles. One of the cons of some electric cars is their limited driving range. Car manufactures have to fire out a way that the range of the battery of electric cars match the range of a full tank of gas.

References

<https://assignbuster.com/owning-a-electric-car/>

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