**Electric Blues**

**Examining the Failure of the EV1**

***Research Project***

**Secondary Sources ⎯ Type 1 Quotations**

Articles in Scholarly Journals/Trade Publications

1. “Just don’t let anyone tell you that GM wanted that program to fail. You don’t table it, revive it, then do everything we did and invest what I estimate to be at least $1 billion on something you don’t want to succeed” (Witzenburg14).

(Logically Rebut) It is certainly true that General Motors didn’t plan for the EV1 to fail, as intentionally planning the failure of any significant project is a pointless and wasteful activity under most circumstances. However, that doesn’t mean that GM wanted the vehicle to succeed. Instead of taking the time and care needed to refine the vehicle into something competitive in the automotive market, GM decided to rush development of the EV1 to satisfy mandates put into place by CARB. They were simply interested in using the EV1 to meet a quota, rather than break into a new segment of the market.

1. Describing the backlash from owners following the repossession of all EV1 vehicles following the expiration of their leases, Dave Guilford states: “GM is mounting a major product offensive to stir passion for its car lines, yet it is rebuffing an admittedly miniscule group of hyper-loyal customers” (4).

(Extend) A loyal fanbase is an excellent marketing tool to demonstrate the kind of passion a brand’s products inspired. While the EV1 had a limited following due to the nature of its public release, most owners loved the car and were completely supportive of GM’s initiatives to introduce electric vehicles into their product range. However, this passion turned against GM once the company decided to shelve the program, with many former fans demonstrating their anger with the company over the dismissal of such an innovative vehicle.

1. “Imagine a GM exec saying that, profits be damned, GM was going to keep building the EV1 because it was the right thing to do. The EV1 could have been a game-changer for GM” (Guilford 4).

(Extend) Had General Motors given the EV1 program the time and attention it needed, the vehicle could have completely reshaped GM’s brand image and the entire automotive industry. The market for electric cars could have been opened a decade before Tesla and other lithium-ion battery vehicles took off in the early 2010s, with GM being seen as the leading brand in the innovative new segment. Instead, GM decided to treat the EV1 program as little more than a rushed experiment designed to circumvent regulations, resulting in a failure that soured public views on electric cars for some time.

1. While consumers find the prospect of a vehicle that runs entirely on electric power appealing, “fuel economy is not the only feature that drives the buying decision. If it were, the EV1 probably would have been saved from the crusher” (Cerullo 84).

(Apply) Part of the difficulty facing the EV1 was hesitation from consumers regarding the vehicle’s performance and practical limitations. While the car did effectively run entirely on electric power, early vehicles could barely make it 100 miles between charges, and later models with more advanced batteries only improved to around 140 miles at best. Coupled with its mediocre power and performance, the vehicle to many prospective buyers seemed a poor substitute for a more conventional, gasoline-powered vehicle.

Scholarly Books

1. “Even before a potential buyer begins to search for a new car, he (or she) is likely to know a great deal about the car-buying process just from having lived in America” (Aspray 11).

(Extend) Most buyers have a general idea of what they’re looking for when shopping for a new car, but only a minority make up their minds about which make and model they will purchase ahead of time. Therefore, new vehicles must be properly presented to customers and easily accessible through dealership networks. In the case of the EV1, consumers were turned off by its lease-only purchasing options and the confusing network of General Motor’s dealerships they had to go through in order to place on order.

Other Electronic Sources

1. Thayer Watkins describes the effects of the 1990 zero-emission vehicle regulation put in place by the California Air Resources Board: “the net result of the mandate would be that the wealthy advocates of electric cars are getting something they want at $40,000 that they would not be willing to pay for at the $100,000 cost of production” (para. 6).

 (Apply) General Motors was clearly taking an economic loss on their electric vehicle program. Unfortunately, they could not discontinue the program due to the requirement that 2% of their vehicle sales in California consist of zero-emission vehicles. This led to General Motors pushing an electric vehicle into the market before it could effectively refine production methods and E.V. technology to make the program profitable. As such, once the air resources board decided to do away with its zero-emission sales requirement, General Motors had little reason to continue supporting the EV1 in the marketplace.

1. Regarding the EV1’s relationship to the 1990 CARB mandate, “In order to make a case that the mandate should be removed or post posted [General Motors] had to emphasize the difficulties of producing an electric car while at the same time developing such a car” (Watkins).

(Apply) The EV1 was meant to succeed in some ways, fail in others. While the vehicle had to sell enough units to satisfy the quota put in place by the CARB mandates, it was also in GM’s best interest to showcase the strain said mandates put on their company to further encourage their repeal. Therefore, it seemed logical that GM would rush development of the EV1 and sell the vehicle at a significant loss in order to demonstrate the damaging effects of the mandate.

**Primary Sources**

Published Interview

1. Prompted about his feelings on the perceived failure of the EV1, General Motors executive Robert Purcell Jr. responds “We never expected it to grow to high volume. It was never intended to be a profit unit. We had a negotiated loss on the vehicle because we felt the learning and some of the image that we would create by producing a vehicle of that type was worth the investment that we were going to make” (Truett 26).

(Apply) To some extent, GM clearly realized the potential of the EV1. While the car wouldn’t be able to generate a profit for the company with its low production numbers and poor profit margin, the car could have cemented GM’s image as the leaders in commercial electric vehicles. However, the company’s failure to take the necessary measures to ensure the success of the program after it outlived its initial usefulness resulted in a public relations disaster.

Thesis

General Motor’s EV1 electric vehicle program failed because of a short-sighted decision to produce a car for the sole purpose of meeting California air emissions regulations, rather than to support that car in the marketplace. GM engineers produced a remarkably advanced car, only to see GM executives intentionally sabotage its success.

**Works Cited**

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