

Is This Really Happening – OEMs Bypassing Dealers?

Volvo Is First Manufacturer to Bypass Dealers for EV Sales

When we blogged about the EV Freedom Bill, SB 127, a short while back, one of the facts that we unearthed was that in Germany, Volkswagen had basically given up on its dealerships to sell EVs. It began selling them corporately, using the dealerships as agents. And their strategy worked! The company had a successful introduction of its ID.3 last fall and saw it become a top-selling BEV in Europe. (This car is not being brought to the USA. VW is now taking orders for its larger sibling, the ID.4 in this country.)

It was an interesting development, but it didn't necessarily mean that we would see the same thing happen here given franchise laws that are generally more restrictive than in Germany, where manufacturers are allowed to own stores. Well, not so fast. The New York Times reported a story about Volvo [announcing a transition](#) to an all BEV lineup by 2030, 5 years sooner than what was viewed as an aggressive announcement by General Motors.

If you stay with the article as far as the 13th paragraph, this little tidbit is reported:

“In another break from the practice of traditional carmakers, Volvo's electric models will be sold exclusively online.”

Volvo is implementing a no-haggle sales policy. Like Tesla. Dealers are being used only for test drives and delivery. In other words, the dealer becomes an agent. Exactly what VW is doing in Germany.

This was punctuated by a club member who lives in Fairfield County and had made an inquiry about the XC40 Recharge a while back. He was invited to an up-close and personal encounter with the car – in New York City. (There is no shortage of Volvo dealers locally.) Here is the invitation:

V O L V O



██████████, you're invited.

We are hosting an exclusive event featuring the XC40 Recharge in your area. It's a unique opportunity to experience our pure electric compact SUV up close and personal. While there, you can also be among the first to see the just-revealed new pure electric Volvo C40 Recharge.

As always, your safety is our top priority. Advance appointments are required to ensure that you can explore the vehicles without crowding. Be assured that the vehicles are sanitized between appointments.

We look forward to seeing you.

When:

March 3 - March 13, 2021

10:00 AM - 6:00 PM

By reservation only, Monday through Saturday (Closed Sunday)

Where:

Volvo Cars Manhattan

565 11th Avenue

New York, NY 10036

(corner of W 43rd St. and 11th Ave.)



We presume this is a temporary strategy to prepare for the transition to all-electric. Or perhaps a hybrid strategy like Volvo's corporate sibling Polestar, which has only 3 dealerships in the country. If it isn't, then there will be no Volvo dealers and Volvo will have to shake hands with Tesla. Nonetheless, it is a dramatic announcement, and we wonder if this will result in legal wrangling. On the other hand, maybe they're glad not to have to sell an EV.