



NEWS RELEASE

15 June 2006

LowCVP survey reveals that 83% of car buyers say the colour-coded environment label is important information source in car purchase

40% of people who have recently bought – or are about to buy – a new car are aware of the new colour-coded fuel economy label that has been introduced over the last year under a voluntary initiative by the car industry, brokered by the Low Carbon Vehicle Partnership. Nearly two-thirds (65%) said it was important to them in helping them decide which make and model of car to buy.

Overall, 83% of those surveyed said that they considered the label an important source of information.

Further surveys revealed that the label is present in nearly three-quarters (74%) of all car showrooms and that nearly half of car sales staff use the label to help deliver a sale once a customer has expressed an interest in it. However, the same survey revealed that the knowledge and understanding of car sales staff about the label was variable and generally limited.

The results of three market surveys into the new label's presence and effectiveness - all commissioned by the LowCVP – were announced today at the LowCVP's annual conference in London which was attended by the Energy Minister Malcolm Wicks and 180 delegates from motor and fuels companies, government departments, academic bodies, environment groups and other stakeholders involved in moves to encourage low carbon road transport.

Consumer awareness of the new label was highest amongst those who have recently bought a new car (42%) and slightly lower amongst those intending to buy a new car soon (38%).

The LowCVP also carried out research to determine whether car companies are fulfilling their voluntary commitment to display the label in car showrooms. (This was the third, and most extensive, of the surveys carried out since the roll-out of the label began last summer.) Market researchers visited 400 car showrooms in all regions of the UK, covering all car brands. (A minimum of 5 and a maximum of 20 dealerships were visited for each brand.)

The showroom survey showed that 74% of the dealerships visited were displaying the label (though not necessarily on all vehicles). The results were very similar to a smaller survey conducted in October 2006 when 75% of the dealerships surveyed were displaying the label.

Seven car brands – Porsche, Lexus, BMW, Mini, Volvo, Audi and Mercedes Benz – were the best performers, displaying the label on more than 75% of all new vehicles on sale at the showrooms visited by researchers.¹ Knowledge and use of the label in dealerships selling performance cars was higher than in those selling volume models. In showrooms for ‘value’, low-margin brands – which also tend to be smaller and more fuel efficient - only 29% of cars were correctly labelled.

A third element of the LowCVP research studied the attitudes and understanding of car sales staff of the environment label. Over a half of all sales staff, when asked by a ‘mystery shopper’, made reference to it, with 12% using it extensively and 42% using it in a more limited way. A few (5%) referred extensively to the label, even when unprompted. 22% of sales staff, however, showed no knowledge of the label.

Typically, sales staff would refer to the financial benefits of improved fuel economy (43%) when discussing the label with a customer but a quarter made reference to the threat of climate change. Some 14% made reference to the link between fuel economy and climate change. The researchers concluded that sales staff knowledge was generally limited in relation to the new label.

Presenting the survey findings at the LowCVP’s conference at the DTI Conference Centre in Westminster, Jonathan Murray, Deputy Director of the LowCVP said: “The label has clearly made an impact on many people who have bought a car or are intending to buy one soon and it is encouraging that so many of these people say

that the label is important when choosing a new car. In some respects, understanding of the label by some car sales staff appears to be lagging behind the concerns of the car buying public and, perhaps, salespeople are missing a trick here.”

He continued: “There is clearly room for improvement on the part of the industry, both in terms of where and how the label is displayed and in terms of the understanding of car sales staff and their ability to explain what it means to the car buying public.”

He added: “I am pleased that the car industry – through the SMMT - is responding in a positive way to the latest survey results”.²

To download an image of the colour-coded fuel economy label see (click on the links at the foot of the page):

http://www.lowcyp.org.uk/newsandevents/news.cfm?news_id=380

Notes: ¹ Jonathan Murray, The LowCVP Deputy Director, speaking at the LowCVP Conference publicly congratulated four car showrooms assessed by researchers to have achieved outstanding performance in terms of display, understanding and communicating of the environment label. The showrooms were:

- Porsche Centres, Colchester and Kendal
- Evans Halshaw Edinburgh (Vauxhall)
- Alan Day Honda, Portsmouth

² The Society of Motor Manufacturers and Traders (SMMT) has written to all car makers displaying the label on fewer than 75% of their cars requesting details of how they intend to improve this performance.

The market surveys were carried out on behalf of the LowCVP by GfK Automotive and ESA between March and April 2006.

Notes to Editors

1. The introduction of a colour-coded fuel economy label for new cars was announced by (then) Secretary of State for Transport, Alistair Darling at the LowCVP annual conference in February 2005. The label began to be introduced to new car showrooms between July and September 2005 with the roll-out scheduled to be completed by the September 2005 new car registration deadline. The new label enhances the pre-existing statutory label by incorporating clear colour coding as well as tax and running cost information.
2. The label is being introduced years ahead of likely EU legislation and is the result of a voluntary agreement by car makers following discussions with environment groups and other road transport 'stakeholders' under the auspices of the Low Carbon Vehicle Partnership (LowCVP).
3. The fuel economy label directly reflects the bandings for Vehicle Excise Duty which helps to emphasise that lower carbon cars cost less to run. When the Chancellor introduced a new 'G' band to VED in Budget 2006, the colour-coded label was also revised to reflect this change.
4. The Low Carbon Vehicle Partnership was set up in January 2003 with funding from the DfT and the DTI and a mandate to accelerate the shift to low carbon vehicles and fuels. The establishment of a stakeholder partnership was one of the central actions arising out of the Government's 'Powering Future Vehicles' strategy that identified greenhouse gas emissions reduction as a priority of future transport policy. The Partnership already comprises over 200 members representing government, the motor and fuels industries, vehicle users, environmental groups, academia, consumer representatives and others. The Partnership is coordinated by a secretariat based in central London.
5. The road transport sector is responsible for nearly a quarter of the UK's emissions of carbon dioxide, the main cause of climate change.

For further information:

Neil Wallis, Low Carbon Vehicle Partnership

Phone: 020 7340 2695 Mobile: 07974 255720 email: neil.wallis@lowcvp.org.uk

Jonathan Murray, Low Carbon Vehicle Partnership

Phone: 020 7340 2691 email: jonathan.murray@lowcvp.org.uk

ENDS