

# Informing and Influencing Consumers to Adopt Lower Carbon Models

Automotive Summit

Brussels

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Greg Archer, Managing Director, Low Carbon Vehicle Partnership

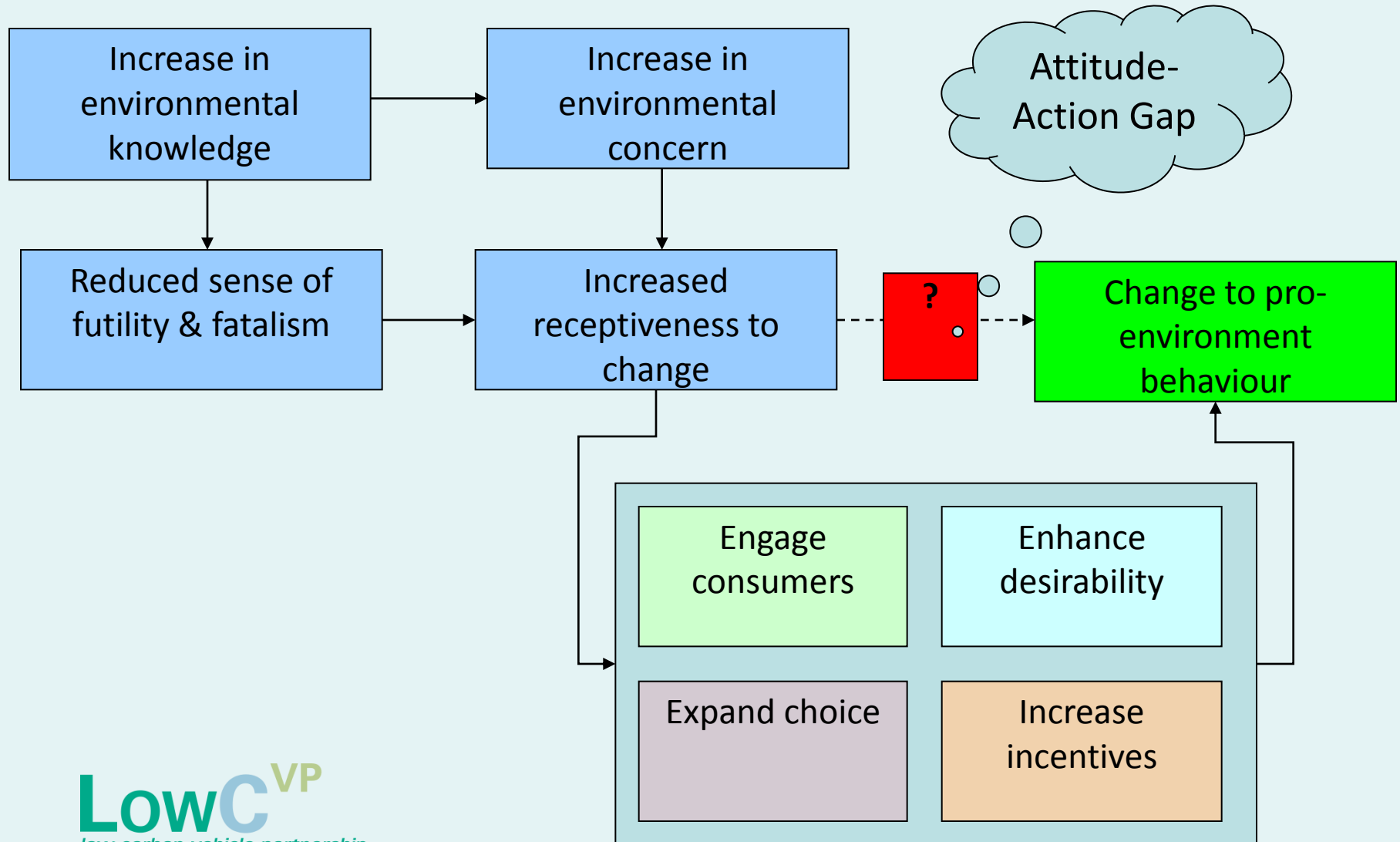
# LowCVP - accelerating a sustainable shift to low carbon vehicles and fuels - stimulating opportunities for UK businesses

## LowCVP programmes currently focus on:

- ❑ Incentivising and informing lower carbon choices for cars
- ❑ Building the market for lower carbon commercial and public service vehicles
- ❑ Tackling market barriers to use of lower carbon fuels
- ❑ Facilitating the creation of a successful UK supply chain for low carbon vehicle and fuel technologies
- ❑ Monitoring progress and tracking pathways to lower carbon transport
- ❑ Enhancing stakeholder knowledge and understanding (to increase engagement and build consensus for sustainable change)



# Improved environmental information is an enabler for changing buying behaviour; but increased demand for low carbon vehicles requires bridging of the “attitude-action gap”



# Fuel economy not environmental messages have greater resonance with car buyers

## Car-buyer reported concerns

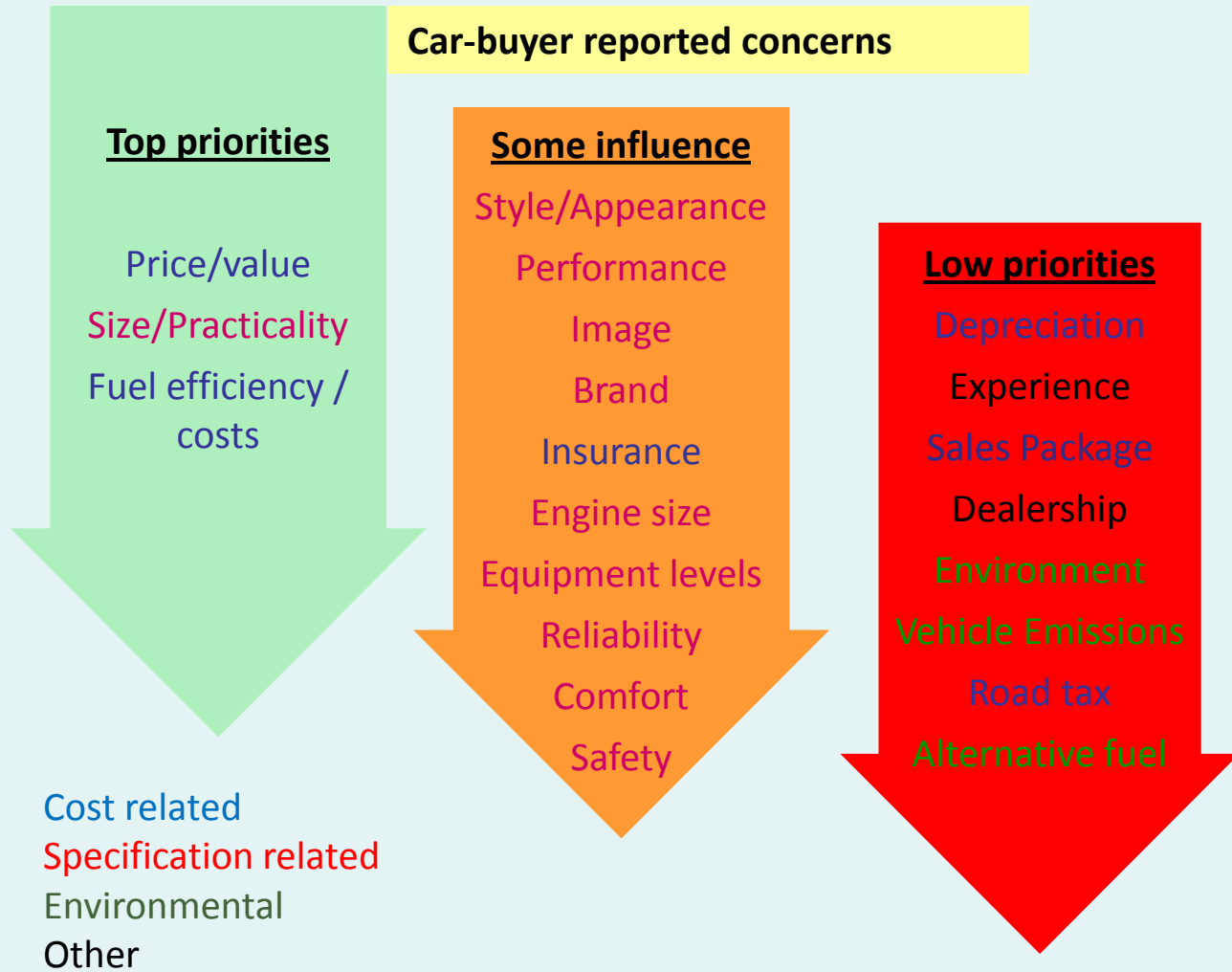


Illustration of key attributes for new car-buyers  
 NB: will vary between markets and segments

# Fuel economy is reported as an important car buying factor - but appears to have less real influence



## Example from the Act on CO2 best-in-class website

The fuel economy paradox arises since:

- Buyers assume similar 'mpg' for all cars within a class
- Buyers have little confidence in published mpg figures
- Buyers believe improving mpg compromises performance and safety
- Costs too complex to compute (mpg and p/litre → p/mile)
- Private motorists use a high private discount rate

Rank	Make	Model	Tax Band / Cost P/A	CO <sub>2</sub> (g/km)	
1	TOYOTA	Prius	A	£0	89
1	TOYOTA	Auris Hybrid	A	£0	89
2	SEAT	Leon	A	£0	99
2	FORD	Focus	A	£0	99
2	VW	New Golf	A	£0	99
2	VOLVO	C30	A	£0	99
2	VOLVO	S40	A	£0	99
2	VOLVO	C30	A	£0	99
3	HONDA	Insight	B	£10	101
4	VOLVO	S40	B	£20	104



# UK has operated voluntary vehicle efficiency labelling since 2005 – experience is overwhelmingly positive

## Thirteen VED bands

The figures on the coloured arrows (A-M) indicate the 13 ranges of emissions by g/km that correspond to levels of annual Vehicle Excise Duty (VED or Road Tax). Low carbon-emitting cars pay less tax. The lowest – Band A – pay no tax.

## Make, model and engine details

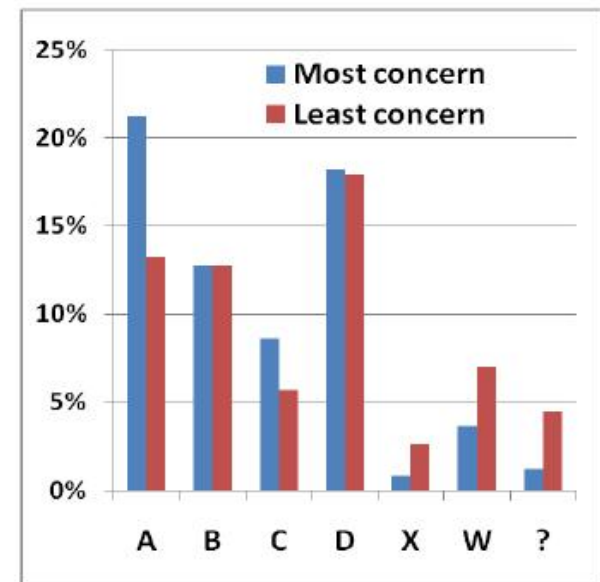
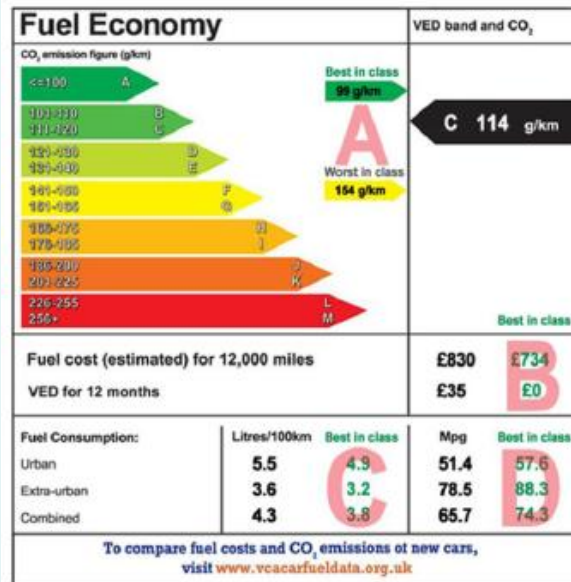
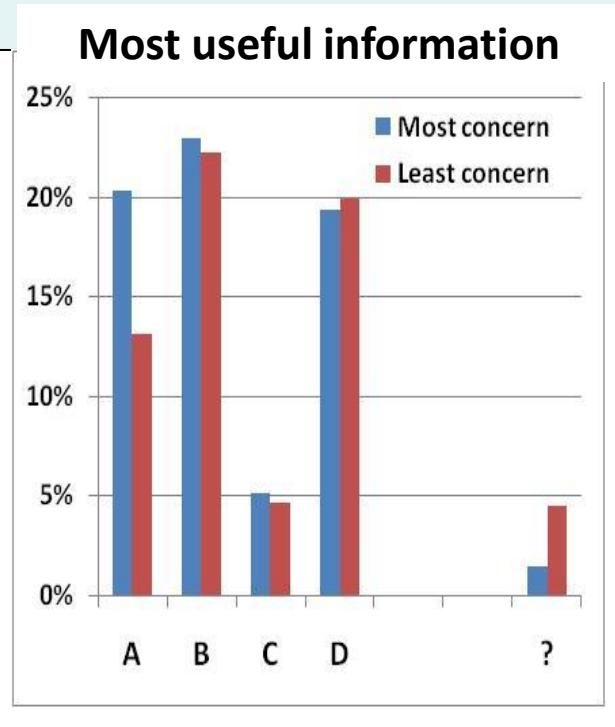
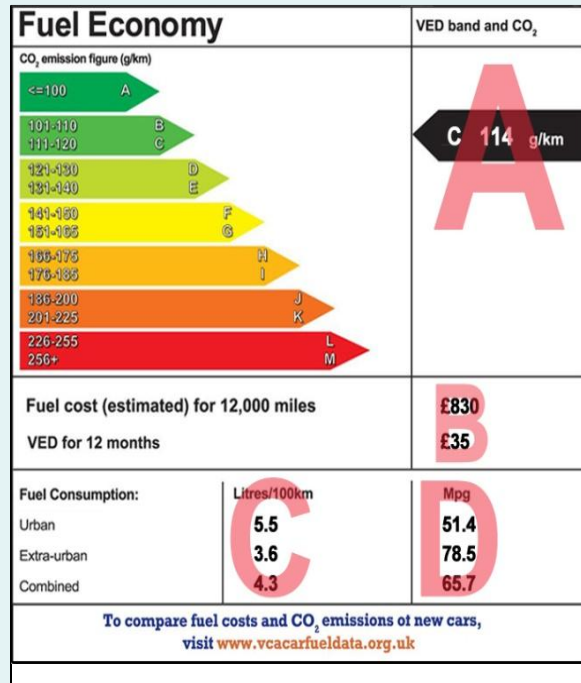
The vehicle make, model, fuel type, engine capacity and transmission type are all listed. Together they determine the CO<sub>2</sub> emissions and running costs.

Fuel Economy		Low Carbon Car
CO <sub>2</sub> emission figure (g/km)		
A < 100		
B 101-120		
C 121-140		
D 141-160		
E 161-180		
F 181-200		
G 201-220		
H 221-240		
I 241-260		
J 261-280		
K 281-300		
L 301-320		
M 321-350		
N 351-400		
O 401-450		
P 451-500		
Q 501-550		
R 551-600		
S 601-650		
T 651-700		
U 701-750		
V 751-800		
W 801-850		
X 851-900		
Y 901-950		
Z 951-1000		
AA 1001-1050		
AB 1051-1100		
AC 1101-1150		
AD 1151-1200		
AE 1201-1250		
AF 1251-1300		
AG 1301-1350		
AH 1351-1400		
AI 1401-1450		
AJ 1451-1500		
AK 1501-1550		
AL 1551-1600		
AM 1601-1650		
AN 1651-1700		
AO 1701-1750		
AP 1751-1800		
AQ 1801-1850		
AR 1851-1900		
AS 1901-1950		
AT 1951-2000		
AU 2001-2050		
AV 2051-2100		
AW 2101-2150		
AX 2151-2200		
AY 2201-2250		
AZ 2251-2300		
BA 2301-2350		
BB 2351-2400		
BC 2401-2450		
BD 2451-2500		
BE 2501-2550		
BF 2551-2600		
BG 2601-2650		
BH 2651-2700		
BI 2701-2750		
BJ 2751-2800		
BK 2801-2850		
BL 2851-2900		
BM 2901-2950		
BN 2951-3000		
BO 3001-3050		
BP 3051-3100		
BQ 3101-3150		
BR 3151-3200		
BS 3201-3250		
BT 3251-3300		
BU 3301-3350		
BV 3351-3400		
BW 3401-3450		
BX 3451-3500		
BY 3501-3550		
BZ 3551-3600		
CA 3601-3650		
CB 3651-3700		
CC 3701-3750		
CD 3751-3800		
CE 3801-3850		
CF 3851-3900		
CG 3901-3950		
CH 3951-4000		
CI 4001-4050		
CJ 4051-4100		
CK 4101-4150		
CL 4151-4200		
CM 4201-4250		
CN 4251-4300		
CO 4301-4350		
CP 4351-4400		
CQ 4401-4450		
CR 4451-4500		
CS 4501-4550		
CT 4551-4600		
CU 4601-4650		
CV 4651-4700		
CW 4701-4750		
CX 4751-4800		
CY 4801-4850		
CZ 4851-4900		
DA 4901-4950		
DB 4951-5000		
DC 5001-5050		
DD 5051-5100		
DE 5101-5150		
DF 5151-5200		
DG 5201-5250		
DH 5251-5300		
DI 5301-5350		
DJ 5351-5400		
DK 5401-5450		
DL 5451-5500		
DM 5501-5550		
DN 5551-5600		
DO 5601-5650		
DP 5651-5700		
DQ 5701-5750		
DR 5751-5800		
DS 5801-5850		
DT 5851-5900		
DU 5901-5950		
DV 5951-6000		
DW 6001-6050		
DX 6051-6100		
DY 6101-6150		
DZ 6151-6200		
EA 6201-6250		
EB 6251-6300		
EC 6301-6350		
ED 6351-6400		
EE 6401-6450		
EF 6451-6500		
EG 6501-6550		
EH 6551-6600		
EI 6601-6650		
EJ 6651-6700		
EK 6701-6750		
EL 6751-6800		
EM 6801-6850		
EN 6851-6900		
EO 6901-6950		
EP 6951-7000		
EQ 7001-7050		
ER 7051-7100		
ES 7101-7150		
ET 7151-7200		
EU 7201-7250		
EV 7251-7300		
EW 7301-7350		
EX 7351-7400		
EY 7401-7450		
EZ 7451-7500		
FA 7501-7550		
FB 7551-7600		
FC 7601-7650		
FD 7651-7700		
FE 7701-7750		
FF 7751-7800		
FG 7801-7850		
FH 7851-7900		
FI 7901-7950		
FJ 7951-8000		
FK 8001-8050		
FL 8051-8100		
FM 8101-8150		
FN 8151-8200		
FO 8201-8250		
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FQ 8301-8350		
FR 8351-8400		
FS 8401-8450		
FT 8451-8500		
FU 8501-8550		
FV 8551-8600		
FW 8601-8650		
FX 8651-8700		
FY 8701-8750		
FZ 8751-8800		
GA 8801-8850		
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GI 9201-9250		
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GL 9351-9400		
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GS 9701-9750		
GT 9751-9800		
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GW 9901-9950		
GX 9951-10000		
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HZ 10051-10100		
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IB 10151-10200		
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IF 10351-10400		
IG 10401-10450		
IH 10451-10500		
II 10501-10550		
IJ 10551-10600		
IK 10601-10650		
IL 10651-10700		
IM 10701-10750		
IN 10751-10800		
IO 10801-10850		
IP 10851-10900		
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IS 11001-11050		
IT 11051-11100		
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JH 11751-11800		
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JS 12301-12350		
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KQ 13501-13550		
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KS 13601-13650		
KT 13651-13700		
KU 13701-13750		
KV 13751-13800		
KW 13801-13850		
KX 13851-13900		
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LA 14001-14050		
LB 14051-14100		
LC 14101-14150		
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LJ 14451-14500		
LK 14501-14550		
LL 14551-14600		
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LN 14651-14700		
LO 14701-14750		
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LX 15151-15200		
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MK 15801-15850		
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OG 18201-18250		
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OI 18301-18350		
OJ 18351-18400		
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OM 18501-18550		
ON 18551-18600		
OO 18601-18650		
OP 18651-18700		
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OT 18851-18900		
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OW 19001-19050		
OX 19051-19100		
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PZ 20451-20500		
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QB 20551-20600		
QC 20601-20650		
QD 20651-20700		
QE 20701-20750		
QF 20751-20800		
QG 20801-20850		
QH 20851-20900		
QI 20901-20950		
QJ 20951-2100		

# The optimum form for vehicle labelling requires:

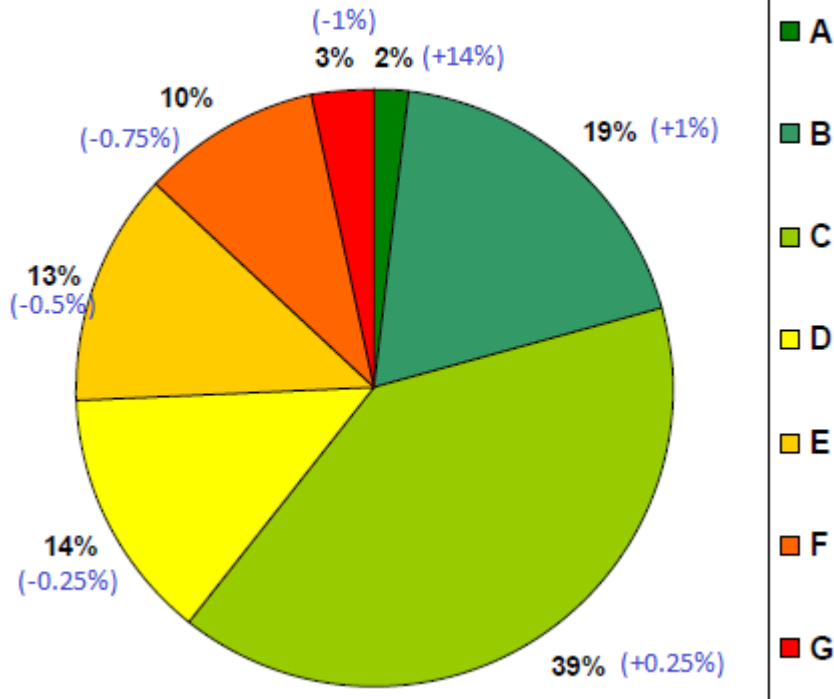
- Simple form
- Clear language
- Focus on fuel efficiency or cost
- Use understandable metrics (mpg)
- Use an absolute not relative scale
- Provide comparative information?
- Use multiple dissemination routes

X = none of the additional info.  
 W = Prefer label without additional info.  
 ? – No opinion

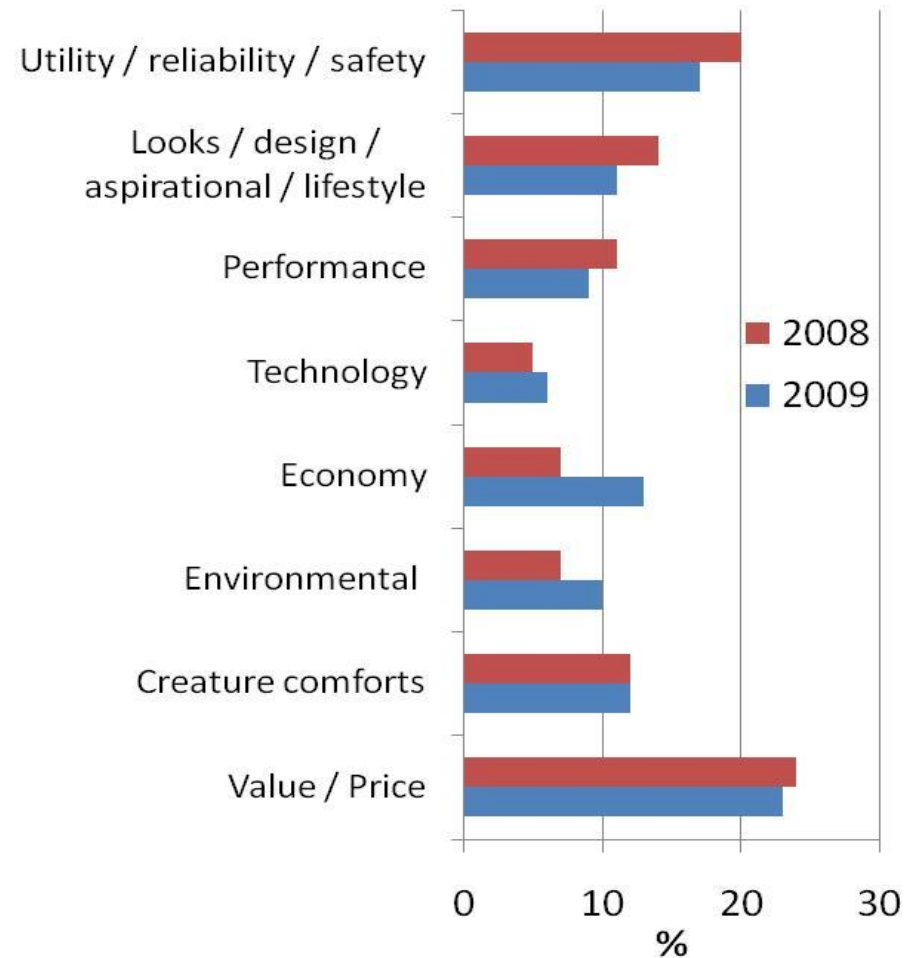


# Advertising spend on lower carbon models is increasing together fuel efficiency and environmental messages

## 2009 National Press Spend by VED Band



## Share of National Press Messages





# Building consumer trust in fuel efficiency information is essential – the UK has recently adopted Best Practice Marketing Principles for Environmental claims

Best Practice Principles for environmental claims in automotive marketing to consumers

**LowC<sup>VP</sup>**  
low carbon vehicle partnership



The Voice of British Advertisers | **SBA**

## A good practice example



We all like to feel that we're saving a little.

Which is exactly the reason why Ford designed EcoNetic. With the clever application of technology, you can now achieve fuel efficiency like 76.3mpg\* on the Fiesta, and reduced CO<sub>2</sub> emissions from only 98g/km. This now means that our EcoNetic models are kinder on your pocket and on the environment. Visit [www.fordeconetic.co.uk](http://www.fordeconetic.co.uk)

**FordEcoNetic**

Feel the difference

For all the latest information on the Government scrappage scheme visit [www.ford.co.uk/scrappageincentive](http://www.ford.co.uk/scrappageincentive)



- ❑ Marketing communications should be legal, decent, honest and truthful.
- ❑ Consumers should be able to access the information to inform their purchase decision.
- ❑ The Principles should apply throughout the marketing chain to all promotional material and practices
- ❑ Principles concern
  - The form of environmental claims
  - Accessibility of information
  - Appropriate comparisons
  - The use of green imagery, symbols and endorsements

# Lessons for revision to the EU Car Labelling Directive

- ❑ Energy efficiency labelling is a useful tool in informing car buyers but increasing environmental awareness has little direct effect on purchase choices (but is an enabler for change)
- ❑ The current statutory requirements fail to engage (and therefore influence) consumers
  - Information must be simple in form and language and use appropriate metrics
- ❑ Environmental concerns are a low priority for most car-buyers ; fuel economy or costs are more influential purchase criteria – but are important than reported
- ❑ There are perceived trade-offs between vehicle efficiency and other key buying decisions which improved consumer understanding can resolve:
  - Extending appropriate consumer information requirements to all relevant marketing media will aid dissemination of messages
- ❑ Most car-buyers fail to recognise “best in class” opportunities which appropriate comparable “in-segment” information can address
- ❑ An entirely harmonised EU label will use inappropriate metrics for some markets – (e.g., l/100km) - flexibility is needed to maximise impact
- ❑ Providing reliable information to build consumer trust is essential
  - The UK has adopted Best Practice Principles for Environmental Claims
- ❑ Purchase incentives /penalties are a stronger lever for changing behaviour

# Join the LowCVP

*If your organisation makes a contribution to the UK's move to low carbon vehicles, you are welcome to apply to be a member of the Partnership. By joining the LowCVP your organisation can demonstrate leadership and serious intent to help deliver a low carbon future. See over for details.*



**LowCVP members are: influential; networked; informed; engaged; committed; leaders; knowledgeable. ARE YOU?**

**[www.lowcvp.org.uk](http://www.lowcvp.org.uk)**

# Thank you for your attention

## Any Questions?



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low carbon vehicle partnership

## Acknowledgements



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