

Carbon and Car Buyers

SMMT Annual CO2 Report
Friday 6th July 2007

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Director, Low Carbon Vehicle Partnership

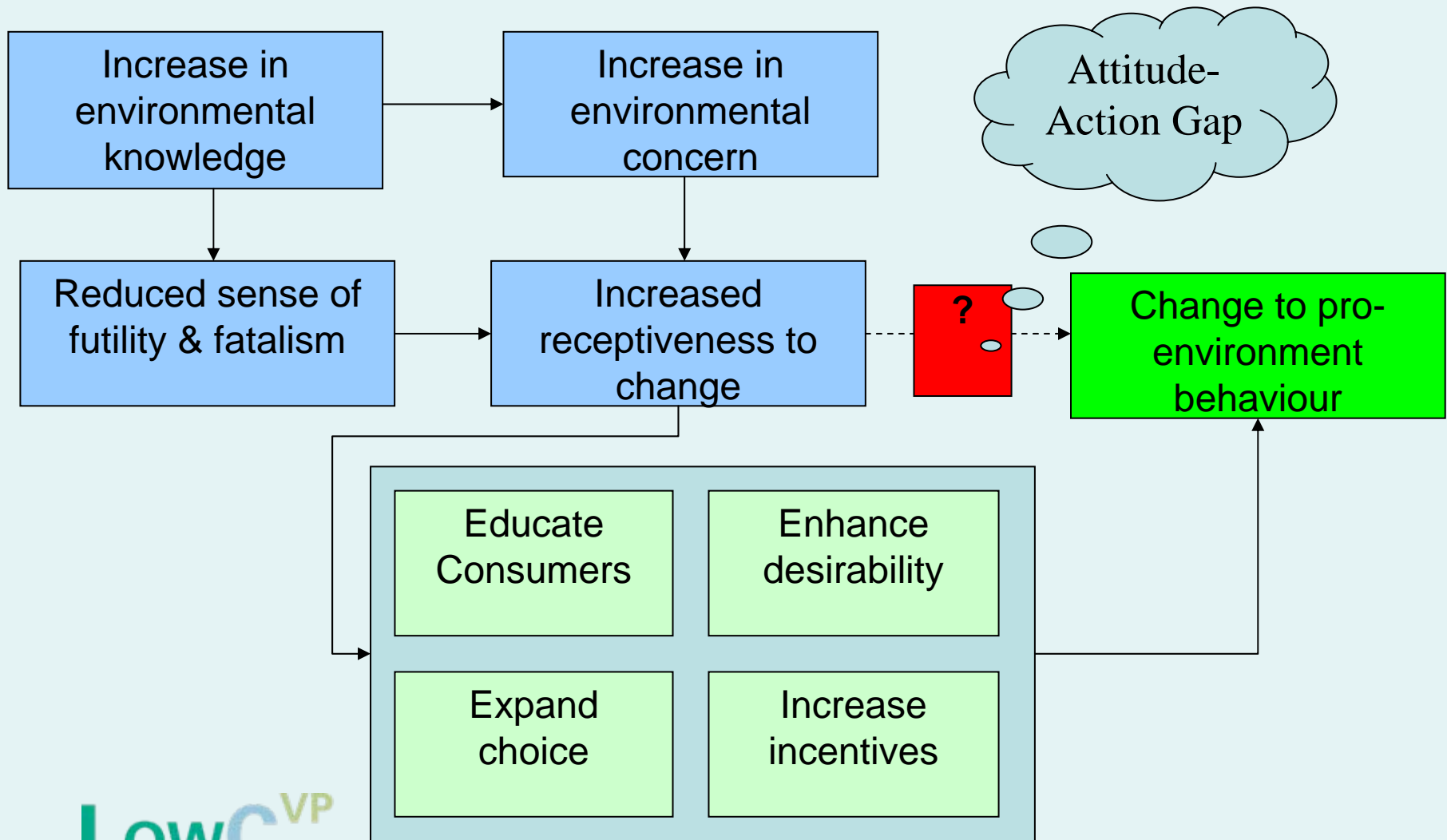
Low Carbon Vehicle Partnership

Accelerating a sustainable shift to low carbon vehicles and fuels in the UK

Stimulating opportunities for UK businesses



Increased demand for low-carbon vehicles requires bridging the attitude-action gap







Voluntary car labelling scheme

□ Voluntary automotive industry initiative

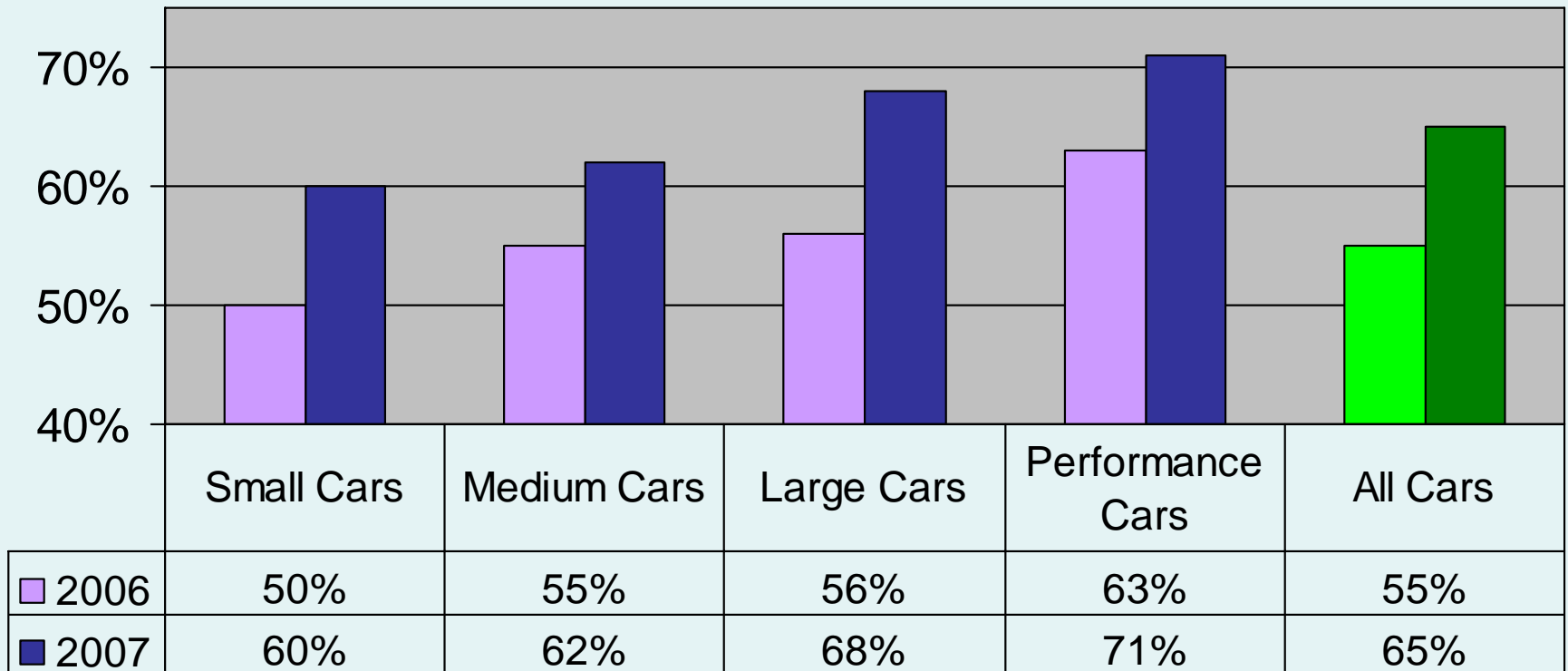
- Brokered by LowCVP
- Launched in July 2005

	2006	2007
Dealers displaying labels	74%	86%
Dealers meeting 75% target	-	61%
Cars labelled	55%	65%

Fuel Economy		Low Carbon Car														
CO ₂ emission figure (g/km) <table border="1"> <tr><td><100</td><td>A</td></tr> <tr><td>101-120</td><td>B</td></tr> <tr><td>121-150</td><td>C</td></tr> <tr><td>151-165</td><td>D</td></tr> <tr><td>166-185</td><td>E</td></tr> <tr><td>186-225</td><td>F</td></tr> <tr><td>226+</td><td>G</td></tr> </table>		<100	A	101-120	B	121-150	C	151-165	D	166-185	E	186-225	F	226+	G	B 117 g/km
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101-120	B															
121-150	C															
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186-225	F															
226+	G															
Fuel cost (estimated) for 12,000 miles <small>A fuel cost figure indicates to the consumer a guide fuel price for comparison purposes. This figure is calculated by using the combined drive cycle (town centre and motorway) and average fuel price. Re-calculated annually, the current cost per litre is as follows – petrol 80p, diesel 84p and LPG 39p. (VCA May 2005).</small>		£662														
VED for 12 months <small>Vehicle excise duty (VED) or road tax varies according to the CO₂ emissions and fuel type of the vehicle.</small>		£50														
Environmental Information																
<small>A guide on fuel economy and CO₂ emissions which contains data for all new passenger car models is available at any point of sale free of charge. In addition to the fuel efficiency of a car, driving behaviour as well as other non-technical factors play a role in determining a car's fuel consumption and CO₂ emissions. CO₂ is the main greenhouse gas responsible for global warming.</small>																
Make/Model: Low Carbon Car	Engine Capacity (cc): 1399															
Fuel Type: Diesel	Transmission: 5 speed manual															
Fuel Consumption:																
Drive cycle	Litres/100km	Mpg														
Urban	5.4	52.3														
Extra-urban	3.8	74.2														
Combined	4.4	64.2														
Carbon dioxide emissions (g/km): 117 g/km Important note: Some specifications of this make/model may have lower CO ₂ emissions than this. Check with your dealer.																
   																

*Performance cars are the most widely labelled
- no evidence in bias*

**Percentage of cars which were correctly labelled
by car type**



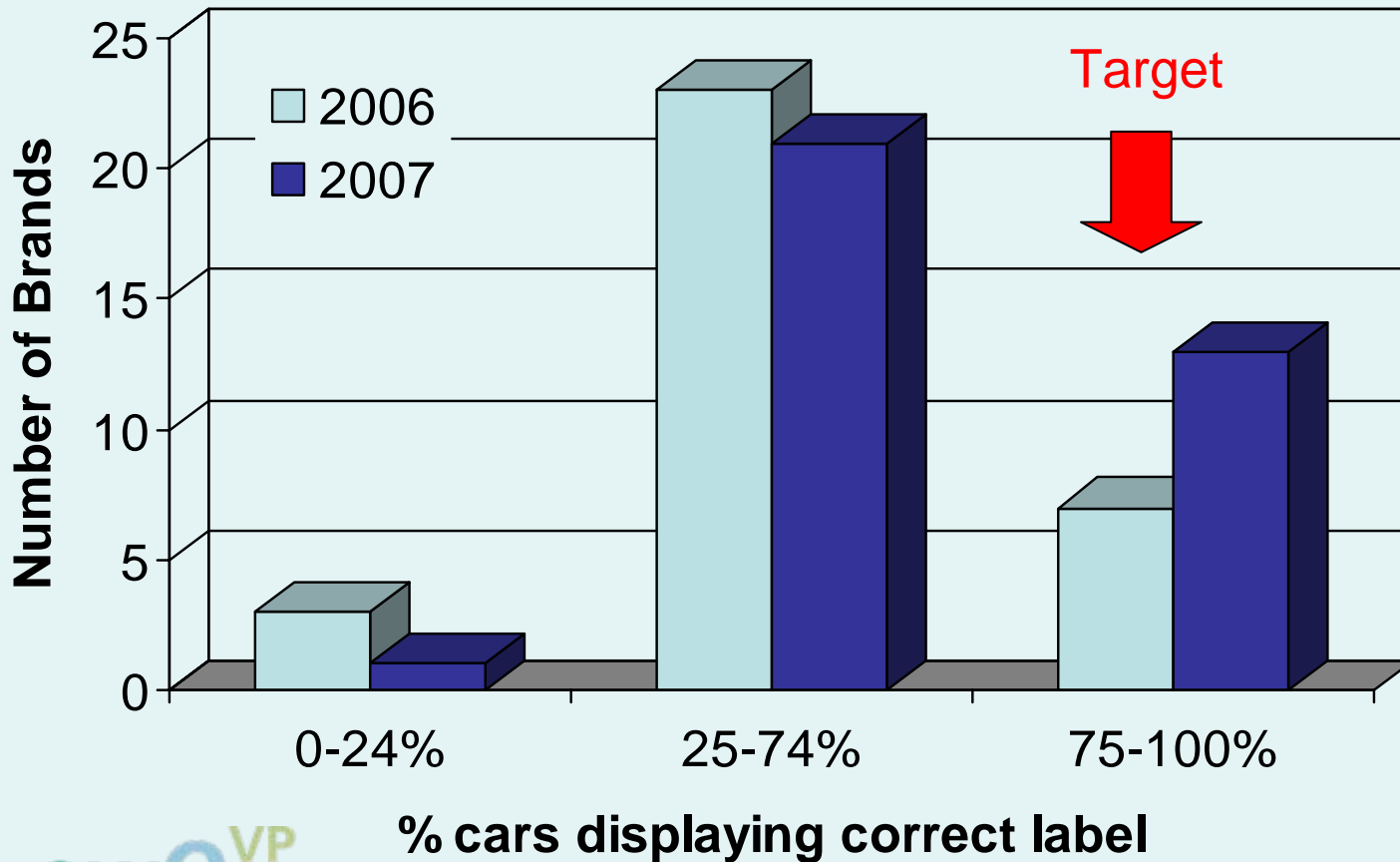
There is a wide regional variation in performance

Percentage of cars which were correctly labelled by region

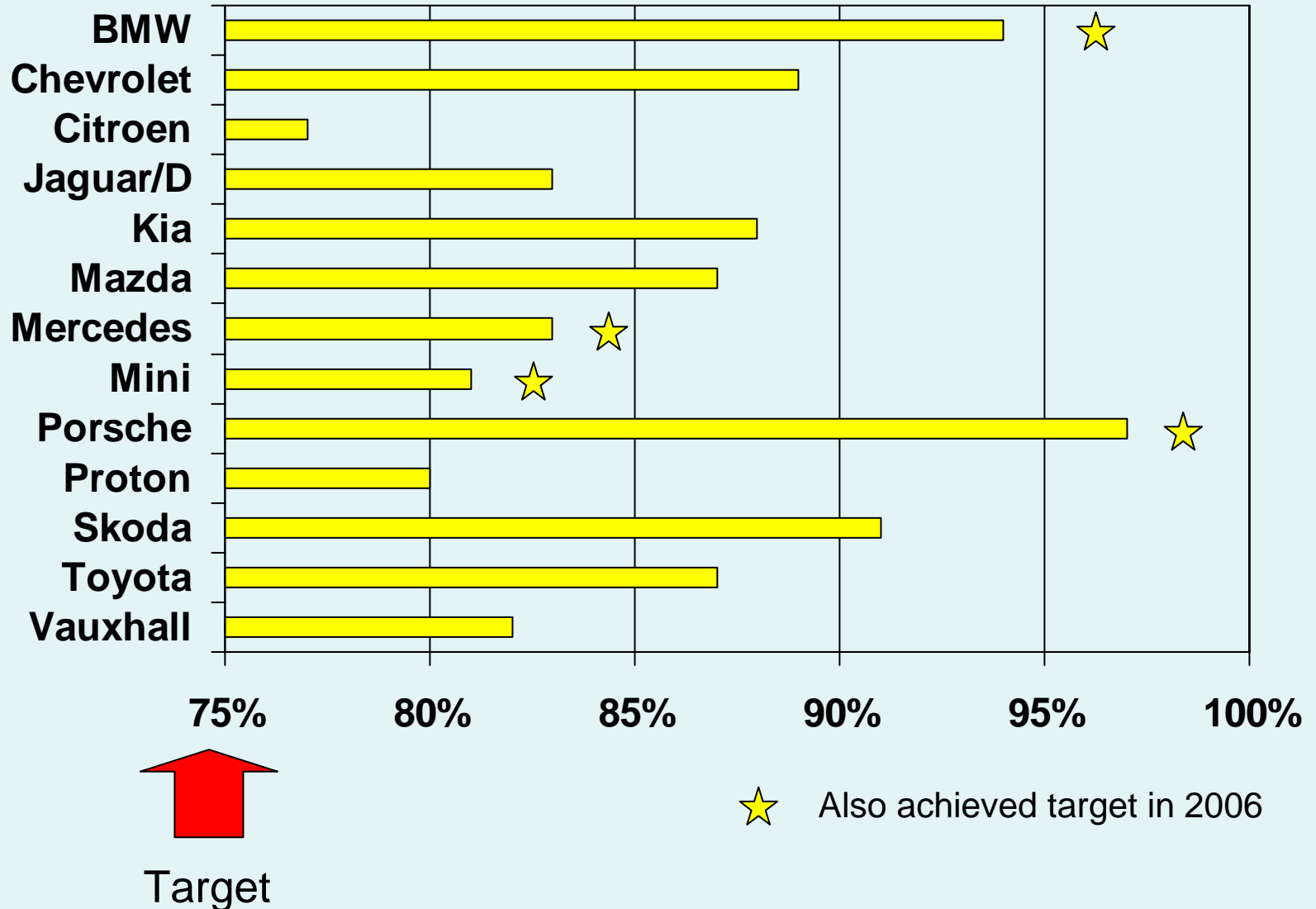


Performance between brands is highly variable – with the best performing labelling more than 75% of cars

Number of brands displaying the correct label

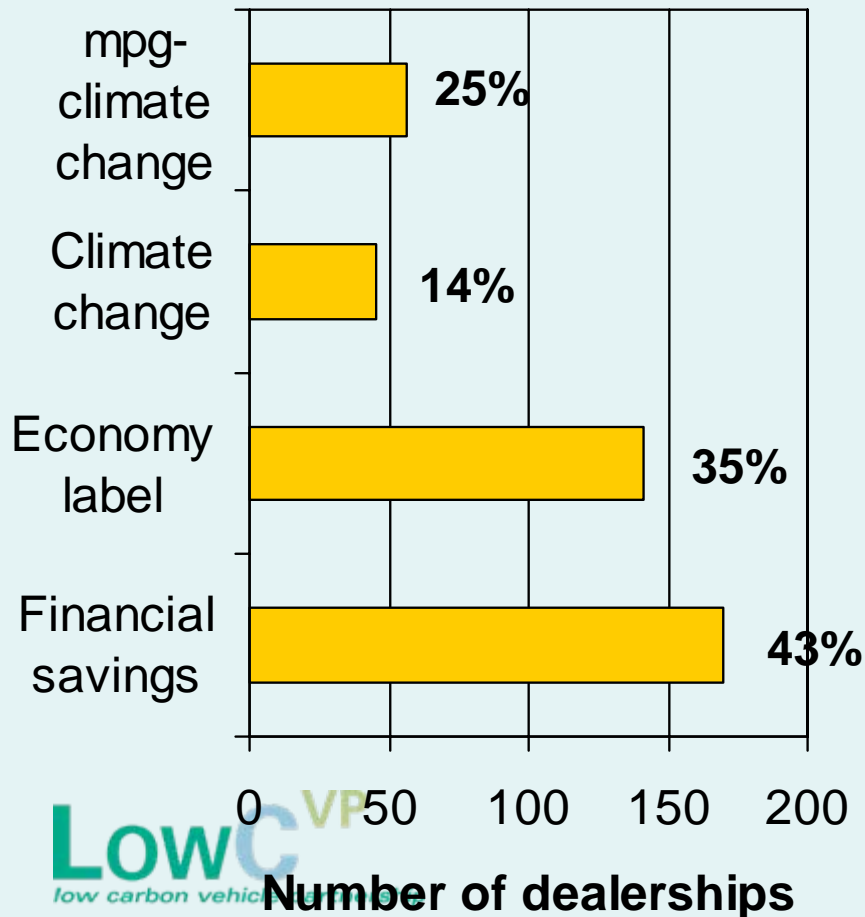


13 brands have achieved the target that 75% of vehicles should be labelled

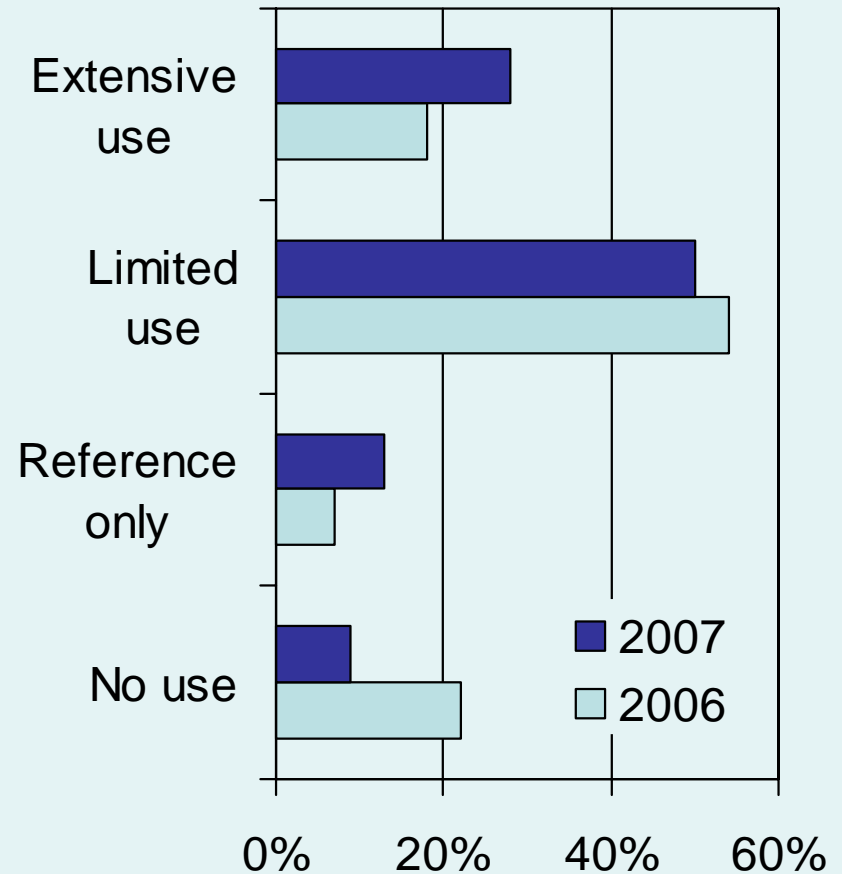


Dealer knowledge improving and 28 per cent of dealers now using the label extensively

Communicating benefits of fuel economy

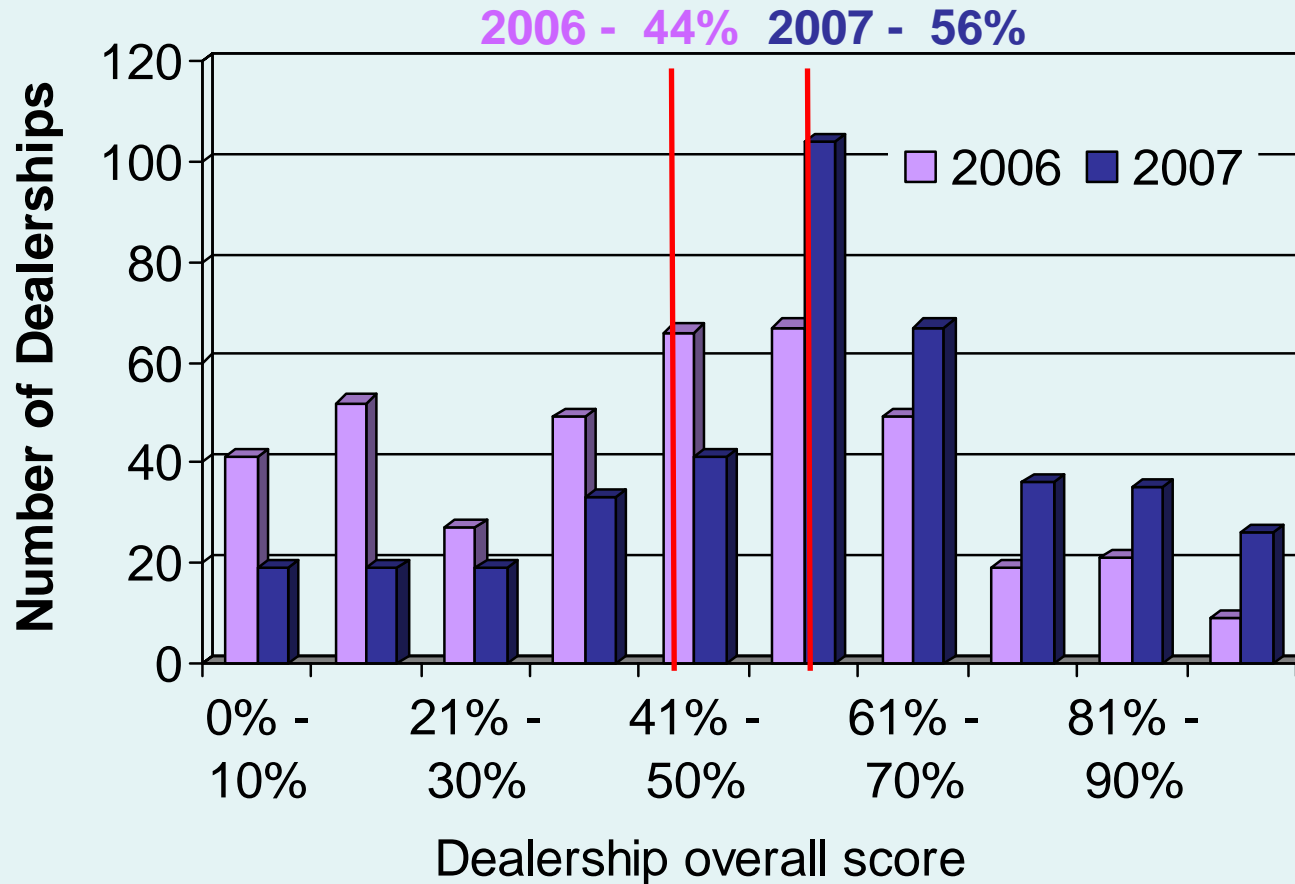


Dealer use of label

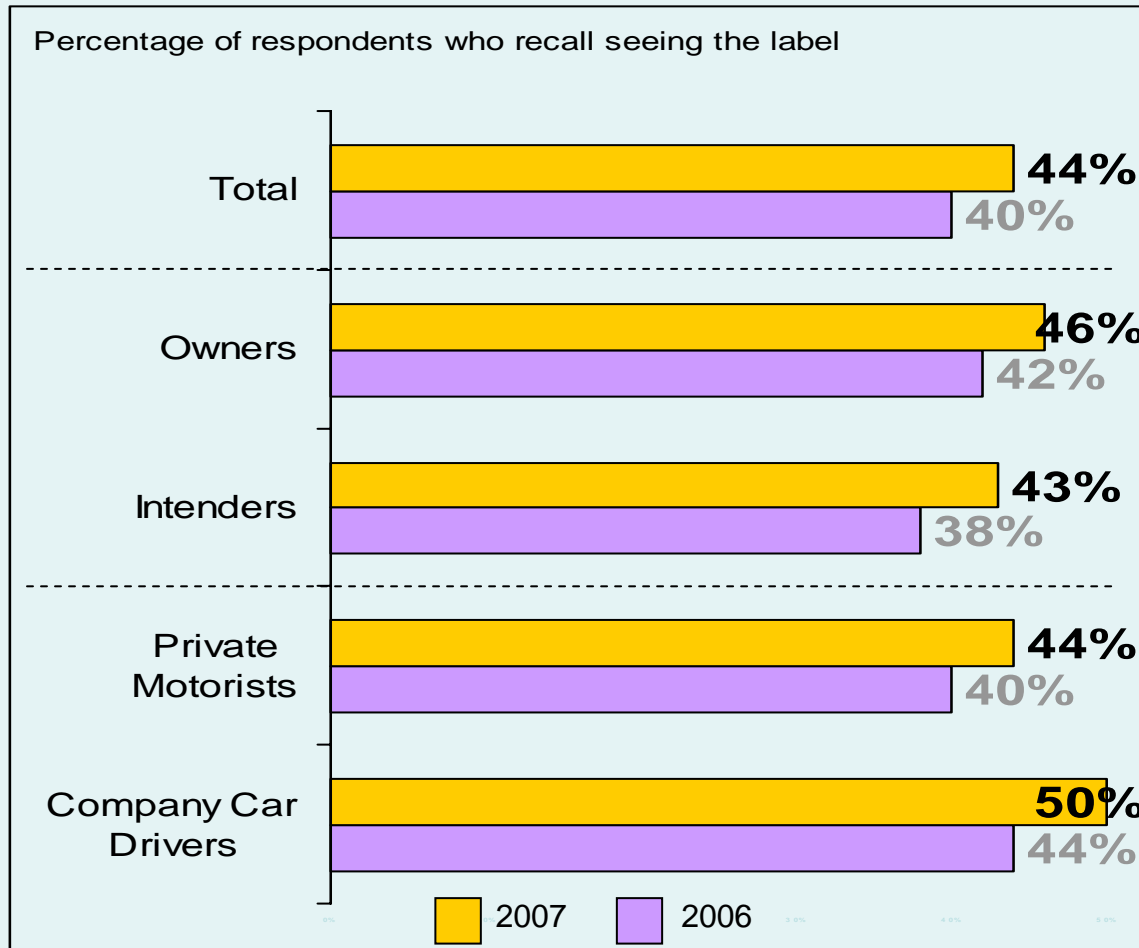


Dealership performance

Distribution of performance of dealerships surveyed



44% of car buyers are aware of the label



Fuel Economy		Low Carbon Car
CO ₂ emission figure (g/km)		
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Fuel cost (estimated) for 12,000 miles		£662
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Carbon dioxide emissions (g/km): 117 g/km		
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70% of car buyers say the information on the environmental label is important

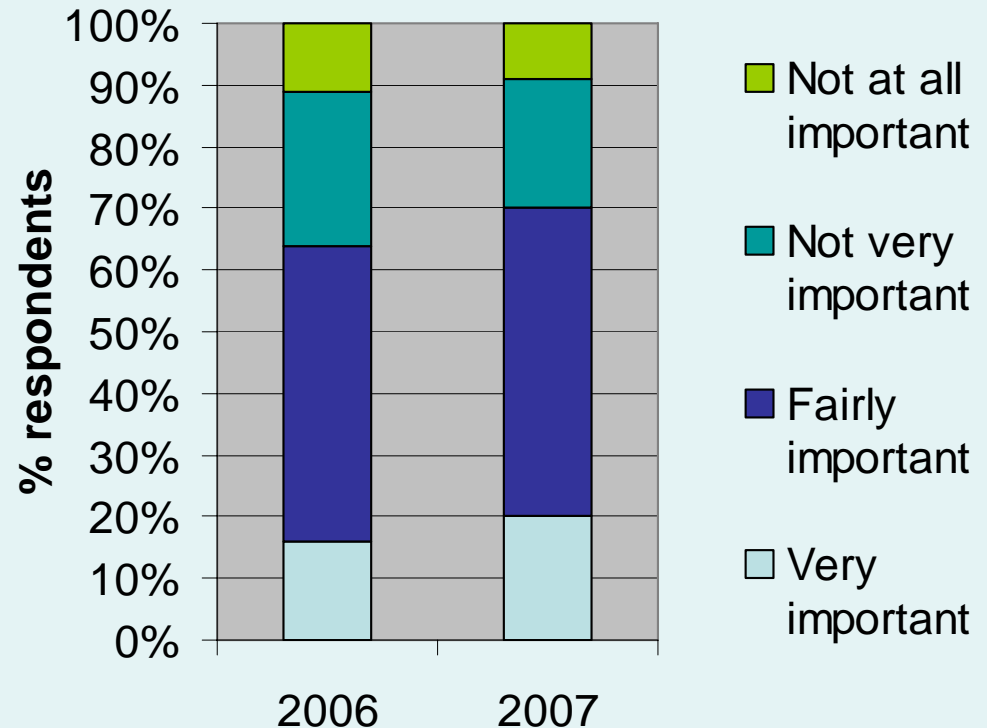
□ More than two thirds of respondents said it was important in helping them to choose the make and model of their car.

- 50% said it was fairly important and 20% very important.
- 51% knew the band within which their car fell.

□ 85% of respondents said that comparative fuel economy information would be important.

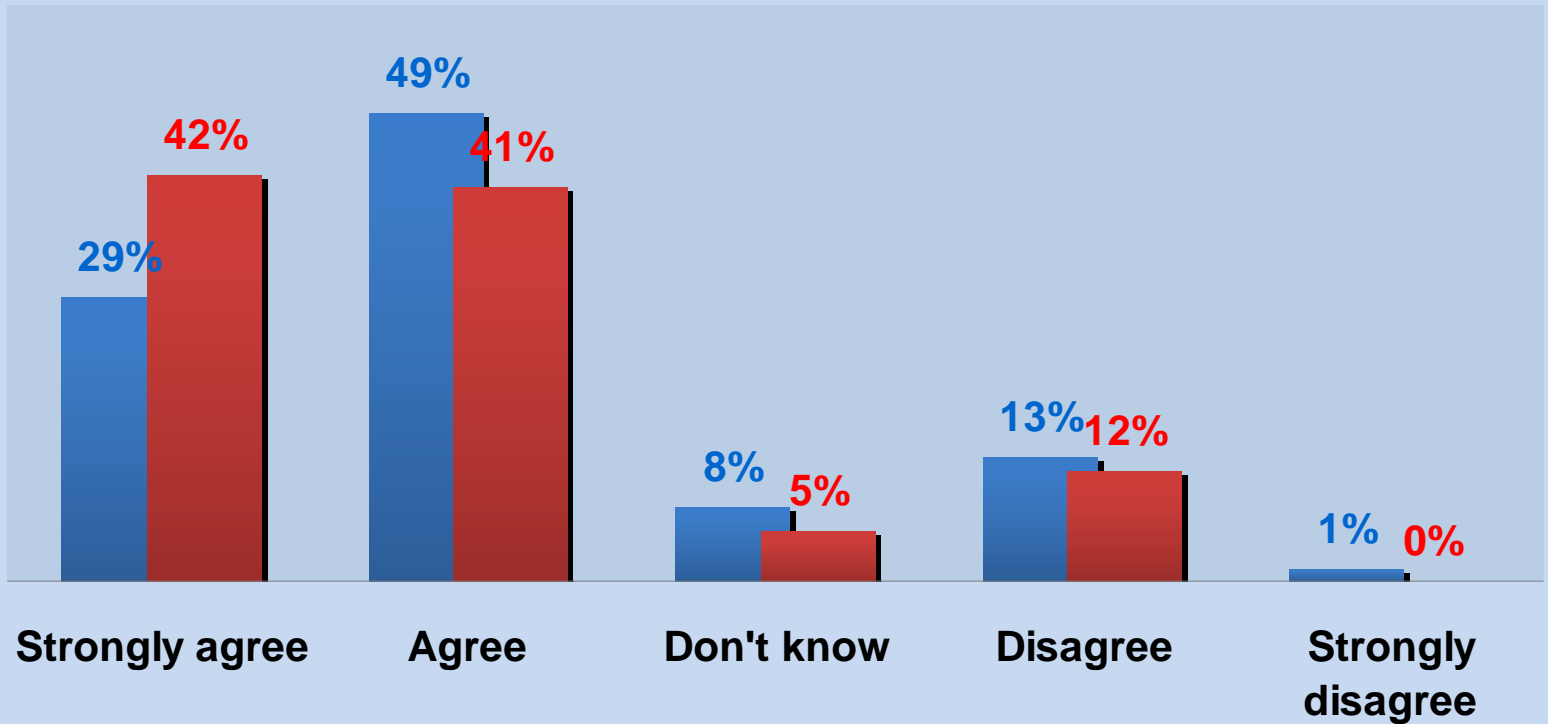
- 35% saying this is very important and a further 50% fairly important.

How important, if at all, was the car label in helping you to choose the make or model of your car?



Over 75% believe car advertising should be more strictly controlled

Content of car advertising should be more strictly regulated, to inform/encourage purchase of low carbon vehicles
Marketing of vehicles strongly influences consumer purchase choices



Conclusions

- ❑ Consumer information is a key pre-cursor to changing public car buying behaviour
- ❑ Significant improvement in use of the label– but further progress is required
 - Label in 86% of dealerships
 - 68% cars labelled
 - 13 / 35 brands achieved target
 - LowCVP / SMMT will continue to work in partnership with dealers to improve performance with brands failing to meet the 75% target
 - 28% of dealers now use label extensively; <10% no knowledge
- ❑ Modest increase in consumer awareness
 - 70% say the information is important in the buying decision
- ❑ Advertising code needs to be updated with meaningful input from other stakeholders
- ❑ Next steps
 - Increased use of the label in other marketing collateral
 - Possible future roll-out to nearly new vehicles
 - Commence revision to advertising code
 - 2008 survey