

Light Vehicle Study

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Fuel Economy Report

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Contents

Executive Summary	3
Methodology	4
Importance of Fuel Economy	6
Opinion Towards Vehicle Impact on Climate Change	7
Awareness of Fuel Consumption Guide and Energuide	8
Impact of Fuel Consumption Guide and Energuide on Purchase	9
Conclusions/Recommendations	10

The vast majority of respondents felt that fuel economy was at least “somewhat important” in their vehicle purchase decision. The largest group (47.1%) indicating that it was a “very important” factor. Conversely, just 8.3% felt that fuel economy was not important to them when they purchased their vehicle.

Likely spurred by the rising fuels prices, fuel economy will be a larger factor for nearly half of the respondents in the purchase of their next vehicle. This is despite the large percentage that already find fuel efficiency of the utmost importance.

Most drivers (62.1%) agree that their vehicle negatively affects the climate to some degree. However, 21.1% of respondents indicated that they did not know if their vehicle affected climate change. This may suggest that awareness among Canadians of the cause and effects of climate change could be improved upon. Furthermore, 16.8% were of the opinion that operation of their vehicle did not contribute to climate change. Possible reasoning behind this opinion includes: respondent already operates a highly efficient vehicle, of the opinion that share of emissions from their vehicle is insignificant relative to overall fleet, or generally unaware of the affect of vehicle emissions on climate.

For future vehicle purchases, over three quarters placed at least some level of importance on vehicle emissions and the effect on climate change. However, since higher efficiency vehicles use less fuel while also emitting fewer pollutants, the greatest motivating factor behind the purchase of an efficient vehicle is the savings that are directly realized at the pump. The environmental benefits of such vehicles is likely a secondary factor for the majority of consumers as the benefit is not readily observable for each individual consumer.

Awareness of both the Annual Fuel Consumption Guide and the Energuide label for vehicles was under 25%. As such, usage of this information in purchase decisions among the overall population was low. Among those aware, 32.5% indicated that it affected their purchase decision. After learning of the Fuel Consumption Guide and Energuide label for vehicles, 56.4% indicated that the material will affect their next vehicle purchase. From these results, it is apparent that work towards increasing consumer awareness of the available materials from Natural Resources Canada would be beneficial in encouraging efficiency in the overall fleet.

The DesRosiers Light Vehicle Study (LVS) is an annual telephone survey of 2,500 consumers to investigate habits of Canadian light vehicle owners. The vehicles found in the LVS sample closely match Canada's light vehicle registrations ensuring that the sample is representative of the Canadian light vehicle fleet. The LVS examines what service and repairs people are having done on their vehicle, the method used and how often the work was performed.

Telephone interviews were conducted in February and March of 2006 among consumers in all ten provinces. The interviews were administered by the Karom Group of Companies based in Toronto. Respondents in Quebec had the option of completing the survey in either English or French.

All survey participants were asked a series of questions which are outlined below:

- How important is fuel economy to you when making a vehicle purchase?
Answers: *Very Important, Important, Somewhat Important, Not Important, Not Sure*
- Will fuel economy be a higher priority for you with your next vehicle than it was with your current vehicle?
Answers: *More Important, Less Important, Same, Unsure*
- If you were buying a vehicle today, how important is vehicle impact on climate change in your purchase decision?
Answers: *Very Important, Important, Somewhat Important, Not Important, Not Sure*
- To which level do you agree or disagree to the following statement: *The type of vehicle I drive has an impact on climate change.*
Answers: *Strongly Agree, Agree, Don't Know, Disagree, Strongly Disagree*
- Do you know about the annual Fuel Consumption Guide for vehicles from Natural Resources Canada?
Answers: *Yes, No, Not Sure*
- Do you know about the EnerGuide label for vehicles?
Answers: *Yes, No, Not Sure*

- Did knowing about either the EnerGuide or Fuel Consumption guide influence you current vehicle purchase?

Answers: *Yes, No, Not Sure*

- Will knowing about either the Energuide or Fuel Consumption guide influence your next vehicle purchase?

Answers: *Yes, No, Not Sure*

An analysis of the results from the survey and a complete data set are included in this report. The data is expressed in two forms: the actual number of respondents answering a particular way to each question and the percentage of total responses the these answers represent. For each question, the following banners are used in the data tables:

Vehicle Information

- *Bought/Leased*
- *Car/Light Truck*
- *Acquired New/Used*
- *Foriegn/Domestic Nameplate*
- *Vehicle Age*

Respondent Information

- *Gender*
- *Age*
- *Income*
- *Education Level*
- *Region*

Importance of Fuel Economy

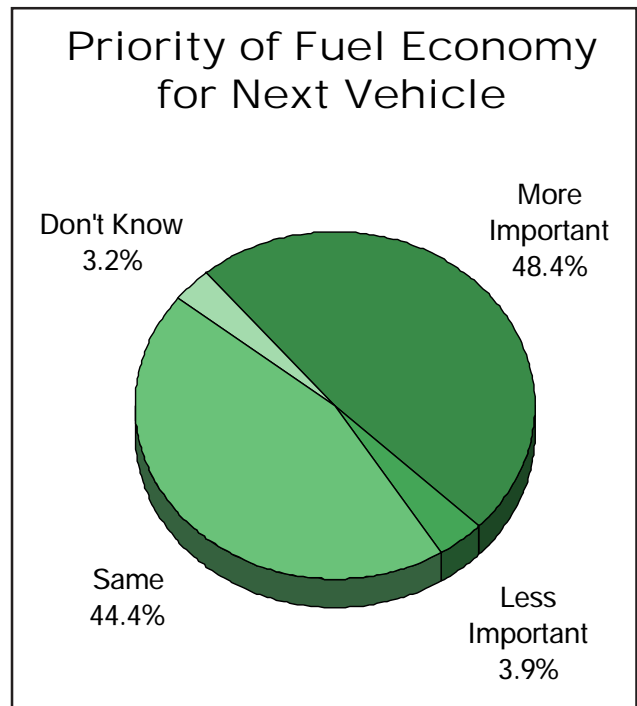
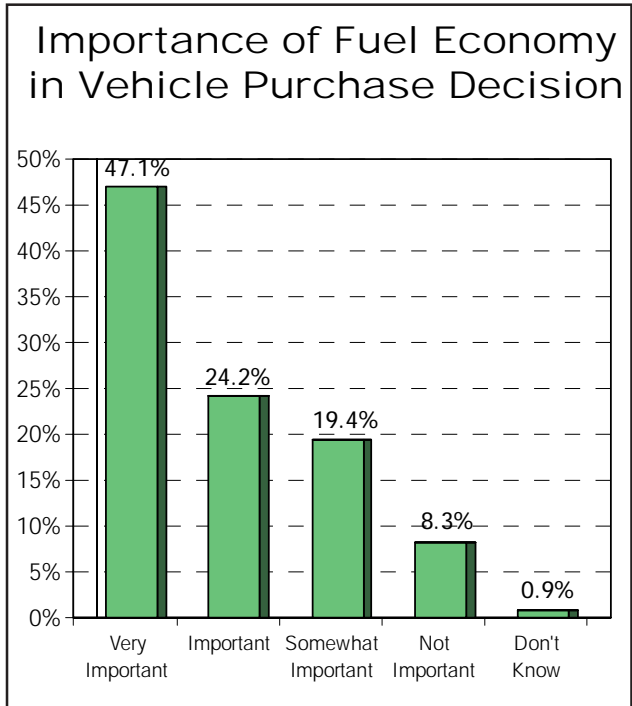
Fuel economy is an important factor for Canadians in their selection of passenger vehicles. Overall, 47.1% ranked fuel economy as "very important" for their purchase decision. In Atlantic Canada, as well as Quebec, the proportion is higher at 56.4% and 51.6% respectively. This is expected as fuel prices in these regions are relatively higher than in other parts of Canada. Other groups with a high percentage of "very important" responses include:

- *import nameplate vehicle owners (52.4%)*
- *female respondents (52.2%)*
- *passenger car owners (51.2%)*
- *respondents with income below \$30,000 (51.1%)*

In contrast, just 8.3% of respondents felt fuel economy was not important in the selection of their vehicle. Groups with a high percentage of "not important" responses include:

- *those who lease vehicles (11.7%)*
- *light truck owners (11.2%)*
- *income below \$30,000 (10.8%)*
- *high school or less education (10.5%)*

As a result of rising fuel prices, the importance of fuel economy is growing among Canadians. 48.4% of respondents indicated that they will place a higher priority on fuel economy for their next vehicle purchase. Many of the 44.4% of respondents indicating that priority will remain the same likely find fuel economy very important already. Just 3.9% feel fuel economy will be less of a factor for their next vehicle purchase.



Opinion Towards Vehicle Impact on Climate Change

The majority of respondents are aware of the effect of motor vehicles on climate. 62.1% either “agree” or “strongly agree” that their vehicle impacts climate change. Conversely, 16.8% of respondents either “disagree” or “strongly disagree” with the same statement. These respondents may feel that the emissions created by their vehicle alone is not sufficient to affect the climate.

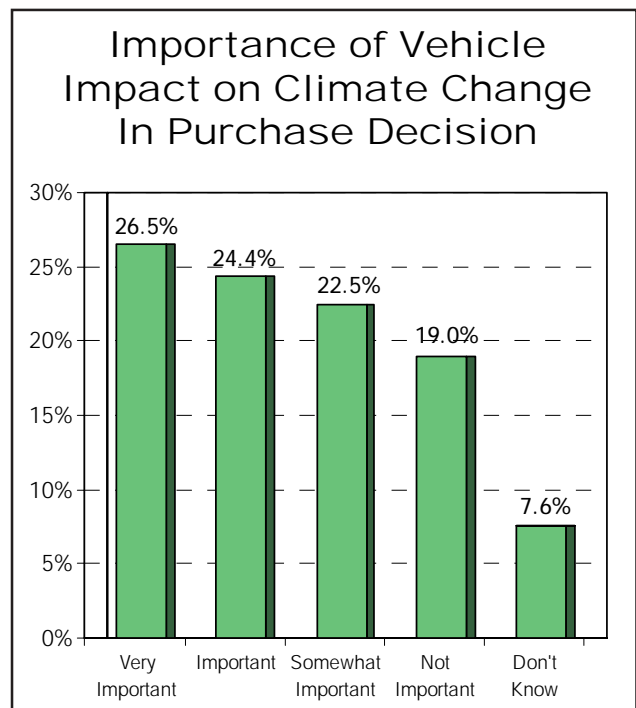
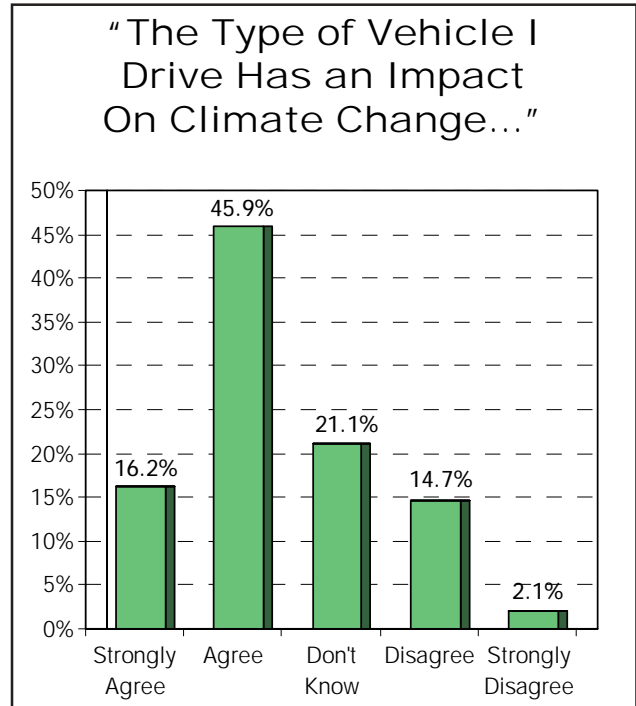
Furthermore, a relatively large percentage of respondents (21.1%) did not express any opinion towards their vehicles effect on climate change. Awareness and knowledge of these environmental issues is likely lower for this group.

A vehicle’s impact on climate change is an important factor in the purchase decisions of the majority of respondents. 73.4% indicated at least some level of importance.

Female respondents were more likely to attach a greater importance on a vehicle’s environmental impact relative to men. 32.1% indicated that impact on climate change was “very important” versus 22.8% of men.

Quebec residents exhibit a higher concern for environmental impact of their vehicle relative to the rest of Canada. 37.3% find a vehicle’s impact on climate change to be a “very important” factor in the purchase decision versus 26.5% for Canada as a whole.

Respondents with higher levels of education placed more importance on a vehicle’s impact on climate change in their purchase decision. 31.5% of university educated respondents considered impact on climate change to be “very important” versus 23.5% for those with high school or less education.



Awareness of Fuel Consumption Guide and Energuide

Less than one quarter (21.7%) of total respondents were aware of the Annual Fuel Consumption Guide from Natural Resources Canada. Awareness was highest among the following respondent segments:

- *residents of the Atlantic region - 26.8%*
- *owners of vehicles 1-3 years old - 26.4%*
- *males - 26.2%*
- *university educated - 25.7%*
- *college educated - 25.0%*

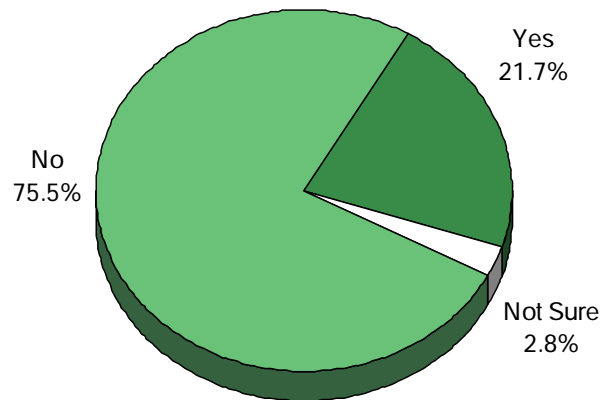
In addition, awareness also increases with income level reaching 27.6% for those with income over \$75,000. In comparison awareness among those with income below \$30,000 was 13.0%.

Residents of Quebec (12.7%), females (14.8%) and those with high school or less education (15.4%) had a significantly lower awareness level.

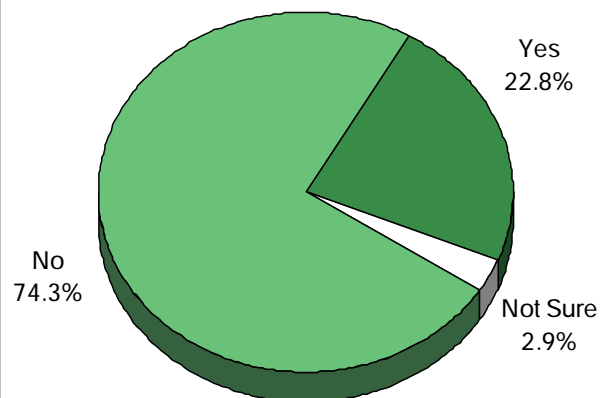
Awareness of the Energuide label for vehicles (22.8%) was slightly higher than for the Annual Fuel Consumption Guide (21.7%). Similar to the Annual Fuel Consumption Guide, the level of awareness increases with both income level and education level. 29.7% of university educated respondents and 28.8% of those with income over \$75,000 were aware of the Energuide label for vehicles. In contrast awareness among those with high school or less education (16.8%) and income below \$30,000 (12.3%) was significantly below average.

Awareness was again lower for residents of Quebec (18.9%) relative to other Canadian regions. Familiarity was highest in Ontario at 25.2%.

Awareness of Annual Fuel Consumption Guide



Awareness of Energuide Label for Vehicles



Impact of Fuel Consumption Guide and Energuide on Purchase

Among those that were aware of the Energuide and/or Fuel Consumption Guide, 32.4% indicated that it had affected their current vehicle purchase. The impact was more prevalent in the following segments:

- *vehicles 1-3 years old (42.2%)*
- *originally acquired vehicle new (40.4%)*
- *university educated (38.0%)*
- *vehicles 4-5 years old (37.4%)*
- *owners of passenger cars (35.9%)*

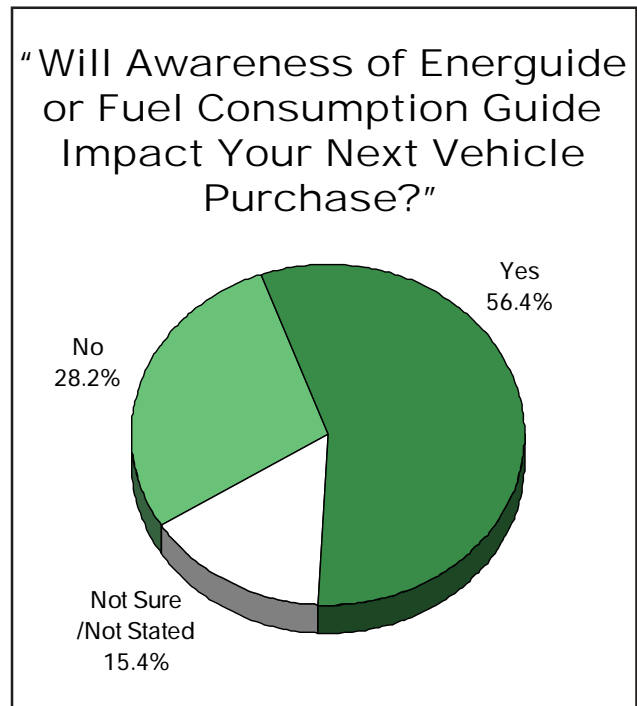
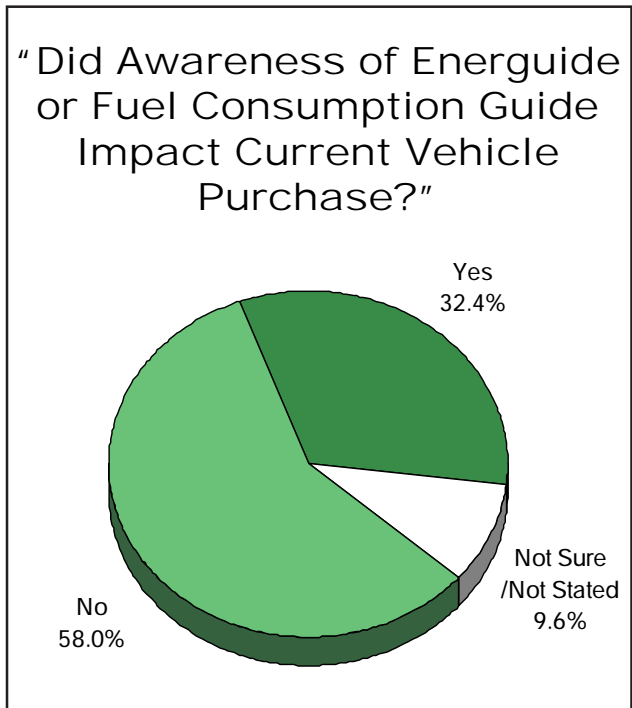
The impact was lowest among respondents:

- *with income below \$30,000 (22.2%),*
- *who originally acquired vehicle used (24.8%)*
- *with high school or less education (25.1%).*

After being made aware of the Energuide and Fuel Consumption Guide from Natural Resources Canada from this survey, 56.3% of respondents indicated that it will affect the purchase of their next vehicle. Segments with the highest level of interest include:

- *university educated (64.3%)*
- *females (64.0%)*
- *income of \$50,000-\$75,000 (63.8%)*
- *import nameplate vehicle owners (63.7%)*
- *residents of the Atlantic region (60.9%)*

Segments least likely to be affected by awareness of the Energuide and Fuel Consumption Guide include respondents with income under \$30,000 (33.0%) and those with high school or less education (48.0%). These segments of the population may ideally be targeted by Government marketing campaigns.



Canadians are generally aware of the contribution of motor vehicle emissions on climate change. However, a greater concern to the majority of respondents is the higher operating costs resulting from the rising price of fuel. Vehicles that achieve greater fuel mileage also emit fewer pollutants into the environment. The lower costs incurred by consumers at the pump is a benefit that is easily observed by owners of higher efficiency vehicles. This direct benefit that the consumer sees serves as the major motivating factor behind the purchase of such vehicles. The environmental benefits resulting from the lower emissions of these same vehicles are less evident from the standpoint of each individual. As such, environmental benefits are likely thought of as a secondary factor in the purchase of a higher efficiency vehicle for most consumers.

Awareness of the causes and negative implications of climate change are not widespread as knowledge on the subject appears to be low among some Canadians. Efforts towards educating consumers on the issue can help shift public opinion on the subject leading to more informed vehicle purchase decisions. Target groups include those that do not know about their vehicles affects on climate change as well as those who disagree that the type of vehicle they drive affects the climate.

The majority of consumers are unaware of the materials available to them to aide in their vehicle purchase decision. Under 25% of respondents indicated familiarity of the Fuel Consumption Guide and the Energuide label for vehicles. The information impacted the vehicle purchase decision of a minority of these respondents. Overall, usage among the overall population is relatively low. Greater effort towards increasing the awareness and availability of this information is recommended to maximize their derived benefits. After learning of the available information from the survey, over half of the respondents indicated that they would use the materials in their vehicle research. It is apparent from these results that there is significant interest in such information and that a greater proportion of the population would use the material if it was made readily available to them.