

SELLING FUEL ECONOMY: TOOLS AND LIMITATIONS

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TOPICS

- Intro to NADA and the New Light-Duty Sales Market
- Good Tools Help the Value Proposition
- Consumer Limitations and Behavior Must be Taken Into Account

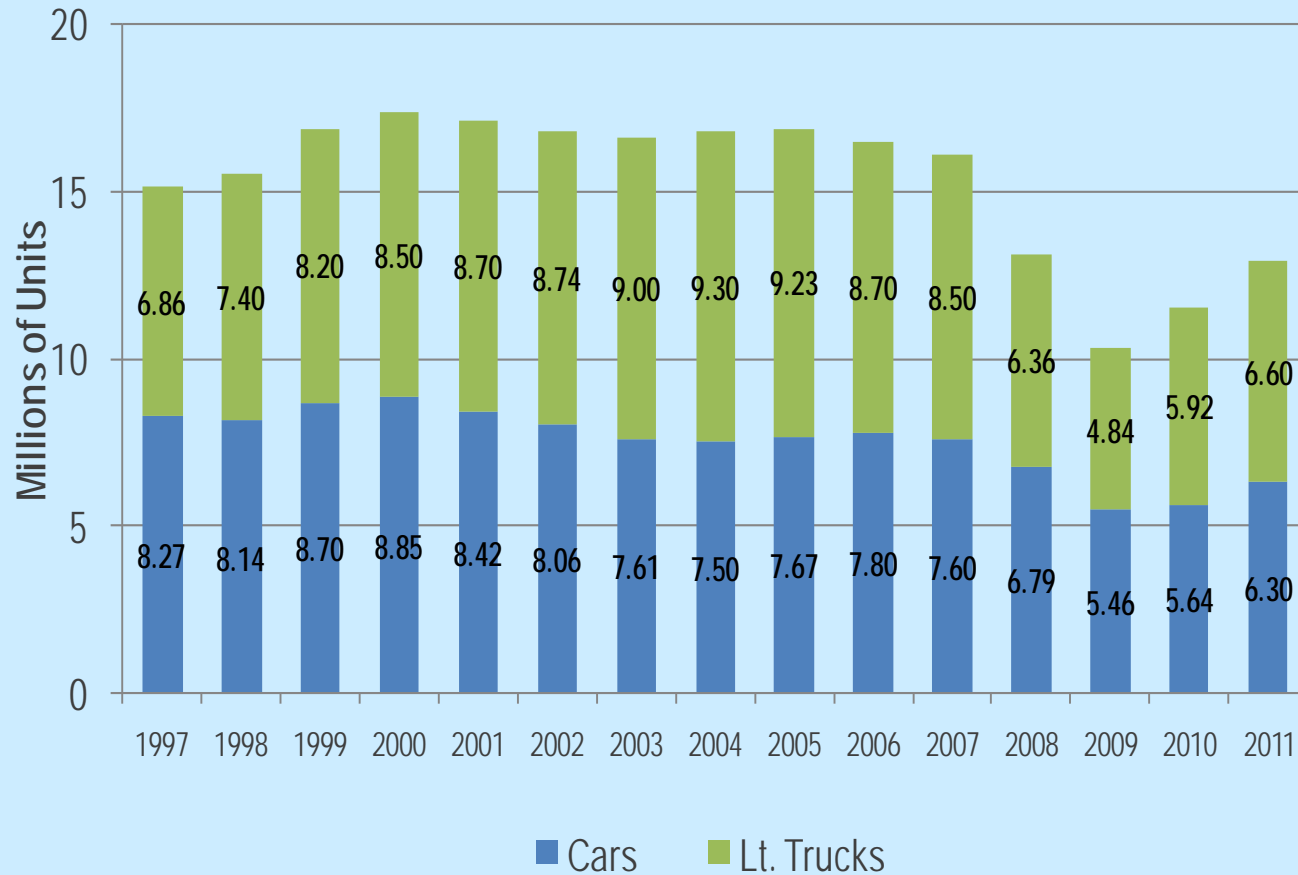


INTRODUCTION

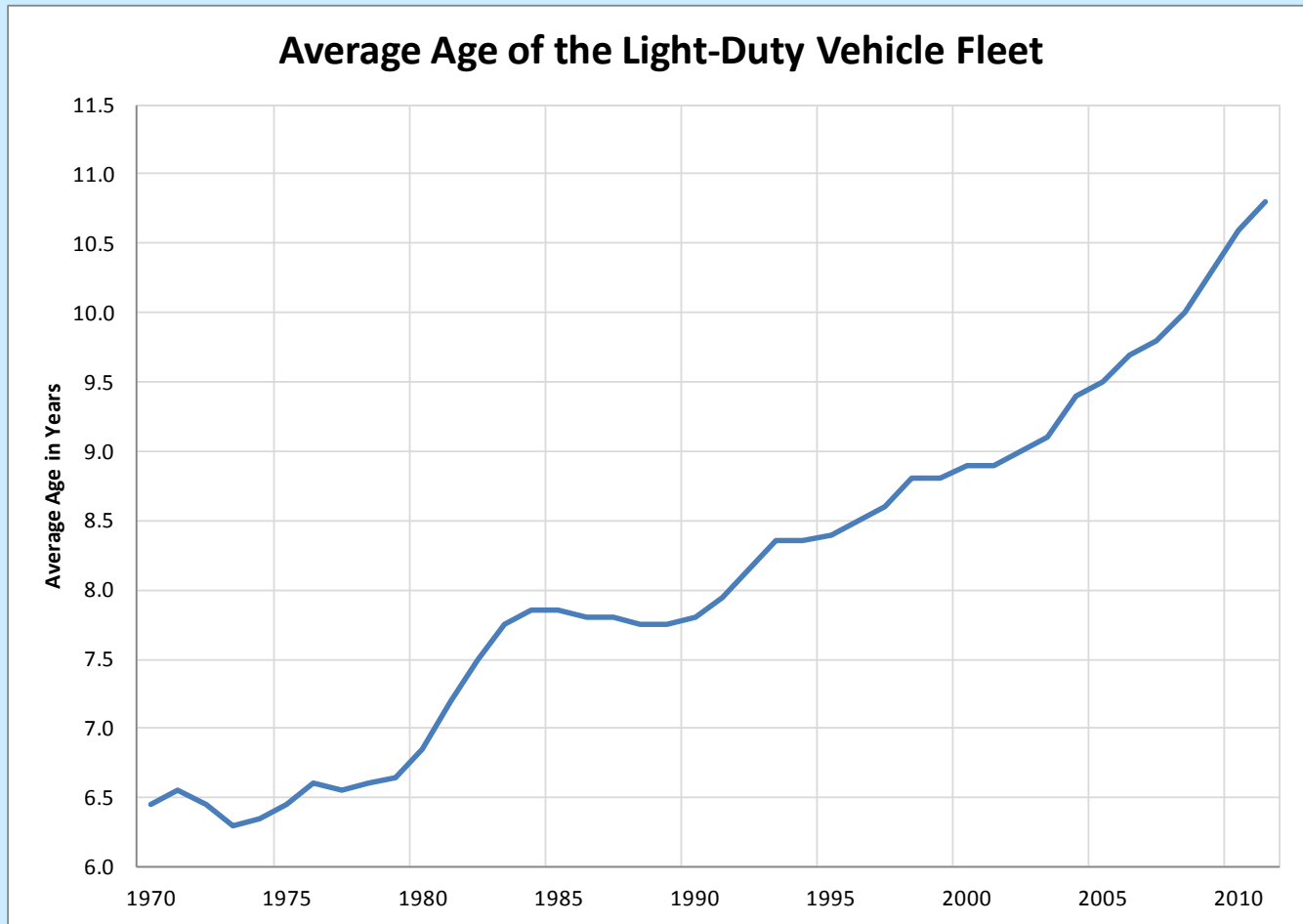
- Who/What is NADA?
- Selling/Leasing New Light-Duty Vehicles
- Recent Trends



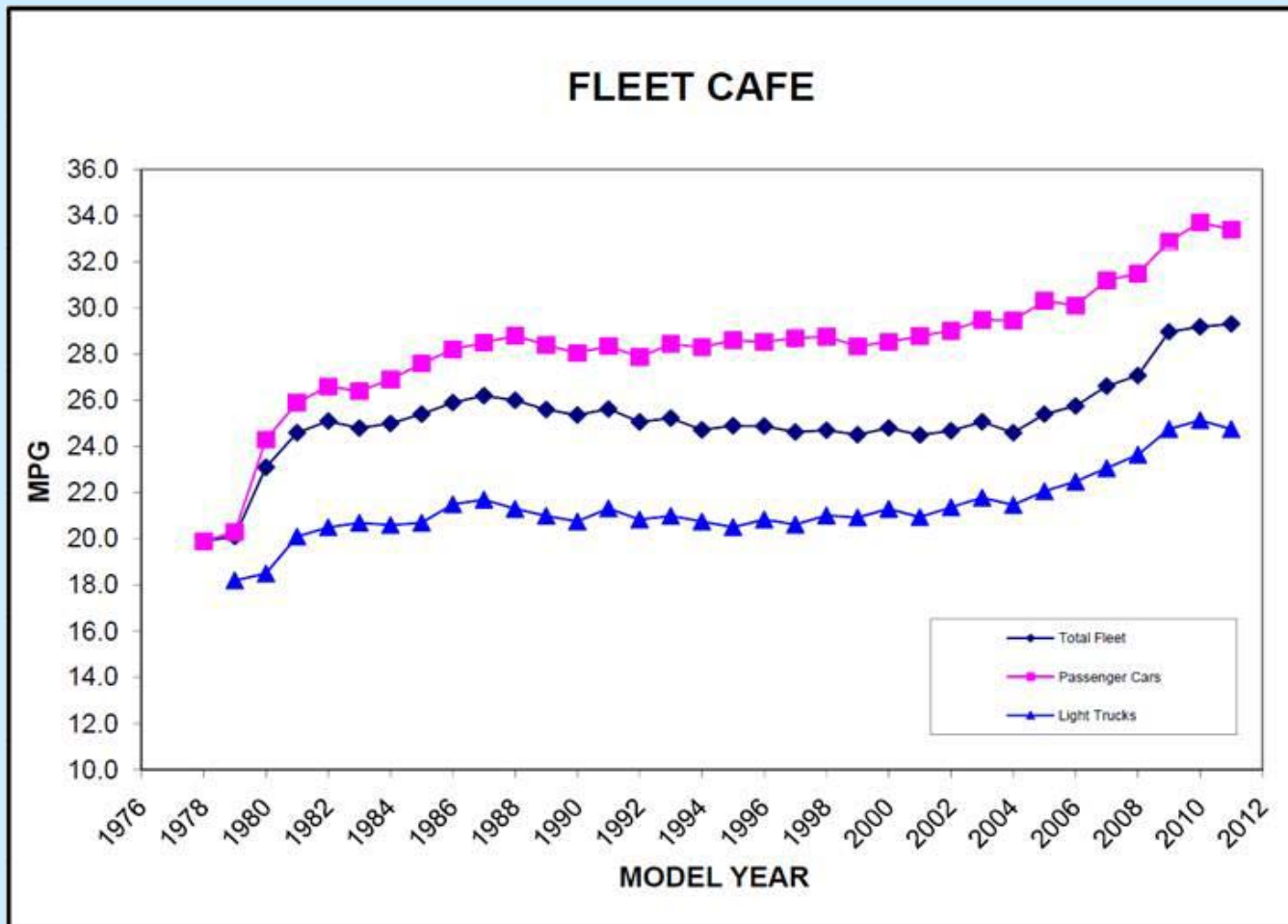
NEW LIGHT-DUTY VEHICLE SALES



AVERAGE VEHICLE AGE



FUEL ECONOMY PERFORMANCE



GOOD TOOLS HELP SELL

- Regulatory Mandates are “to Manufacture” or “Deliver for Sale,” Not “to Purchase”
- Market Dictates What Gets Bought
- Good Information Key to Understanding Fuel Economy Performance



GOOD TOOLS HELP SELL

Consumers Buy Vehicles, Not Fuel Economy! Cannot Isolate Fuel Economy as Vehicles Designed, Built, Bought, and Used as Systems, Not For One Feature, *e.g. Performance, Safety, Emissions*

GOOD TOOLS HELP SELL

- Newly Revised Fuel Economy Labels Not All NADA Hoped for, But Will Help Interested Public at the Point-of-Sale
- Working With EPA/NHTSA On Educating Dealership Sales Staff re: New Label
- Not Unlike NADA Efforts re: DOE/EPA Fuel Economy Guide and “Stars-for-Cars”



GOOD TOOLS HELP SELL

- Issue: Transition from Old to New
- Issue: Complexity
- Issue: Relative Value of Point-of-Sale vs. Online and other Comparative Shopping
- Issue: The FTC Label



LIMITATIONS: HOW COST MATTERS

- Consumers Buy or Lease New Light-Duty Vehicles If Need and/or Desire
- Need/Desire Not Enough; Must Be Able
- If Able, Consumers Must Be Willing, Given Alternatives

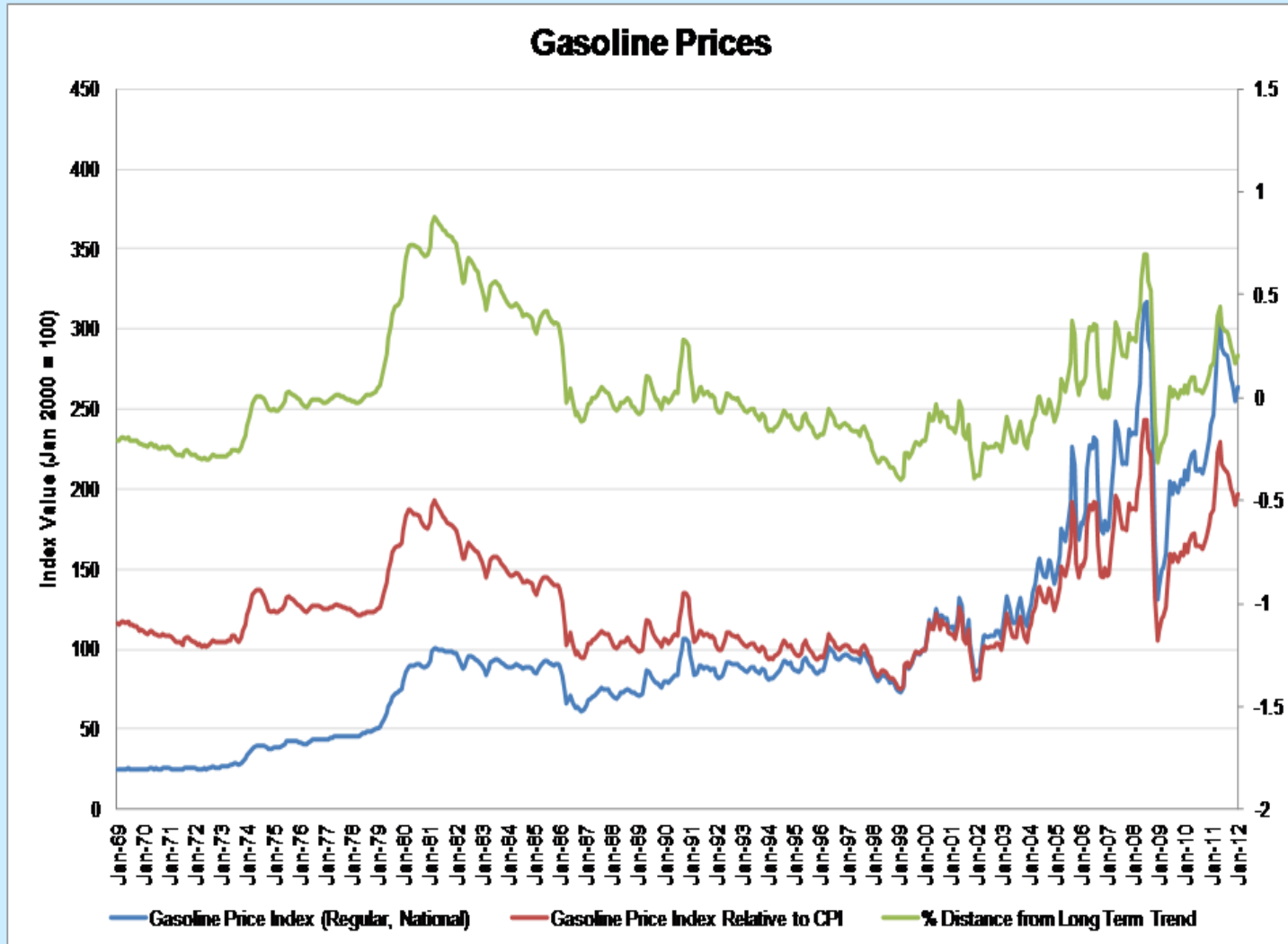


LIMITATIONS: HOW COST MATTERS

- Consumers Shop for New Light-Duty Vehicles if They Need and/or Desire One
- Fuel Economy Just One of Many Factors
- Relative Value Of Fuel Economy Varies With Fuel Prices and Perceived Future Changes in Fuel Prices



FUEL PRICES



LIMITATIONS: HOW COST MATTERS

- 90 Percent of Consumers Finance or Lease New Light-Duty Vehicles So Ability to Qualify is Critical
- Pay-Back Analyses Irrelevant if Cannot Qualify for a Loan or Lease
- Good Info (www.fueleconomy.gov, etc) Helpful for Those In Used Market



LIMITATIONS: HOW COST MATTERS

- Given Alternatives, Able Consumers Must Be Willing to Pay for Fuel Economy
- Selling Fuel Economy: Showing Pay-Back Value Propositions is What Dealers Do
- Not Necessarily Intuitive and Varies with Customer; Tools Likely Forthcoming



Don't Forget User Education:

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