

A Consumer Research Study of
E85 Everywhere
Minnesota Consumer Perception
Survey for E85 & Flex-Fuel Vehicles
(Phase 2: Post-Advertising Campaign)

Phoenix Marketing International
Report of Findings



clean air choice

recognized by

† AMERICAN LUNG ASSOCIATION®

Prepared for:



On behalf of the MN E85 Team
June 2007

MINNESOTA E85 TEAM – 2007

Minnesota Corn Growers Association – General Motors Corporation
Minnesota Dept of Commerce Energy Division – Minnesota Dept of Agriculture
National Ethanol Vehicle Coalition – US Dept of Energy Clean Cities
American Lung Association of Minnesota



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Contents

1. Study Overview
2. Sample
3. Campaign Details
4. Executive Summary
5. Detailed Findings:
 - Familiarity
 - Perceptions:
 - E85/flex-fuel vehicle leadership - Manufacturers
 - E85/flex-fuel vehicle leadership – Fuel Station Companies
 - Main Perceived Benefits of E85/flex-fuel vehicles
 - ALA recognition:
 - Impact on Flex-Fuel Vehicle Purchase Choice
 - Impact on Fuel Service Station Choice
 - Comparison of Phase I and Phase II




Study Overview



- Measure change in consumer attitudes pre- and post-*E85 Everywhere* promotional campaign, conducted by Minnesota E85 Team
- Timing & purpose of the 3-month advertising campaign to coincide with:
 - Various proposed state and federal E85 incentives
 - Boosting flex-fuel vehicle sales and E85 use;
 - Overall MN consumer acceptance/understanding of E85 and flex-fuel vehicles; and
 - Clarifying ALA's *Clean Air Choice*TM role in the E85/flex-fuel vehicle effort
- Online 5- to 7-minute interview
- Phase I (February 2007) ~ Phase II (June 2007)
- Phoenix Automotive is based in Birmingham, MI
 - Proven automotive experts
 - Ethanol research background

Sample



- Minnesota Sample:
 - 607 licensed drivers
 - 50% male / female
- Sample Split:
 - 115 Downtown/Metropolitan
 - 371 Suburb of Metro Area
 - 90 Small Town
 - 31 Rural/Country  121 Rural Area
 - Responses of small town and rural/country are combined for analytical purposes (referred to as “rural”)



Spring E85 Campaign – MN E85 Team

Tradeshows, Special Events & Presenting

- Exhibiting at various events throughout the state such as the Ag Expo, Minnesota Petroleum Marketers Association Convention, Rally at State Capital, Global Warming Rally, multiple E85 station/FFV dealer events and speaking opportunities

E85-FFV Paid Advertising

- TV, radio, print, and arena-based advertising with the NHL's Minnesota Wild hockey team
- Statewide billboard, radio and select market TV during the spring campaign
- Zamboni wrap and PA/Jumbotron advertising throughout season with University of Minnesota Golden Gopher's hockey team
- Advertising and exhibiting at State High School Hockey, Wrestling State Championships at the Xcel Energy Center



E85 Campaign Details

Legislative Issues

- \$3 Million (2-Year) E85 station grant program was signed into MN law

Expansion of E85 Fueling Network

- As of May ~ 315 E85 fueling sites were open or *soon-to-be*
- City of St. Paul will install two E85 sites: Public Works & Police Department
- City of Minneapolis (shared with Hennepin County) site opens
- US Postal Service plans to install E85 site at one metro vehicle facility. They currently buy E85 at retail and were recognized by White House for doing so.

E85 Team Earned Media Coverage

- On behalf of MN E85 Team, ALAMN secured more than 40 million print, radio, and TV 'earned media' impressions in first 5 months of 2007.
- More than 6.6 million of these were attained through national outlets – including interviews in LA Times, Scientific American, Houston Chronicle, and Angie's List

Executive Summary



- Recognition by ALA as a Clean Air Choice™ results in a significant increase in preference for both vehicle and fuel company choices
 - Female respondents prefer ALA-recognized vehicles and fuel companies more than their male counterparts
- Number of people who presently own a flex-fuel vehicle is low (6%)
 - More than 55% of owners typically purchase E85 when available
- Holiday, BP, and SuperAmerica were most recognized fuel companies offering E85
 - FFV owners see Holiday as an E85 leader

Executive Summary



- E85 awareness continues to be high
 - More than 85% of respondents reported a familiarity with E85
 - Male respondents significantly more aware than female counterparts
- GM & Ford are perceived leaders in offering flex-fuel vehicles; Nissan scored very low
- Statistically significant perceived benefits of E85 are:
 - Clean fuel, environment-friendly, healthier air to breathe
 - Renewable resource



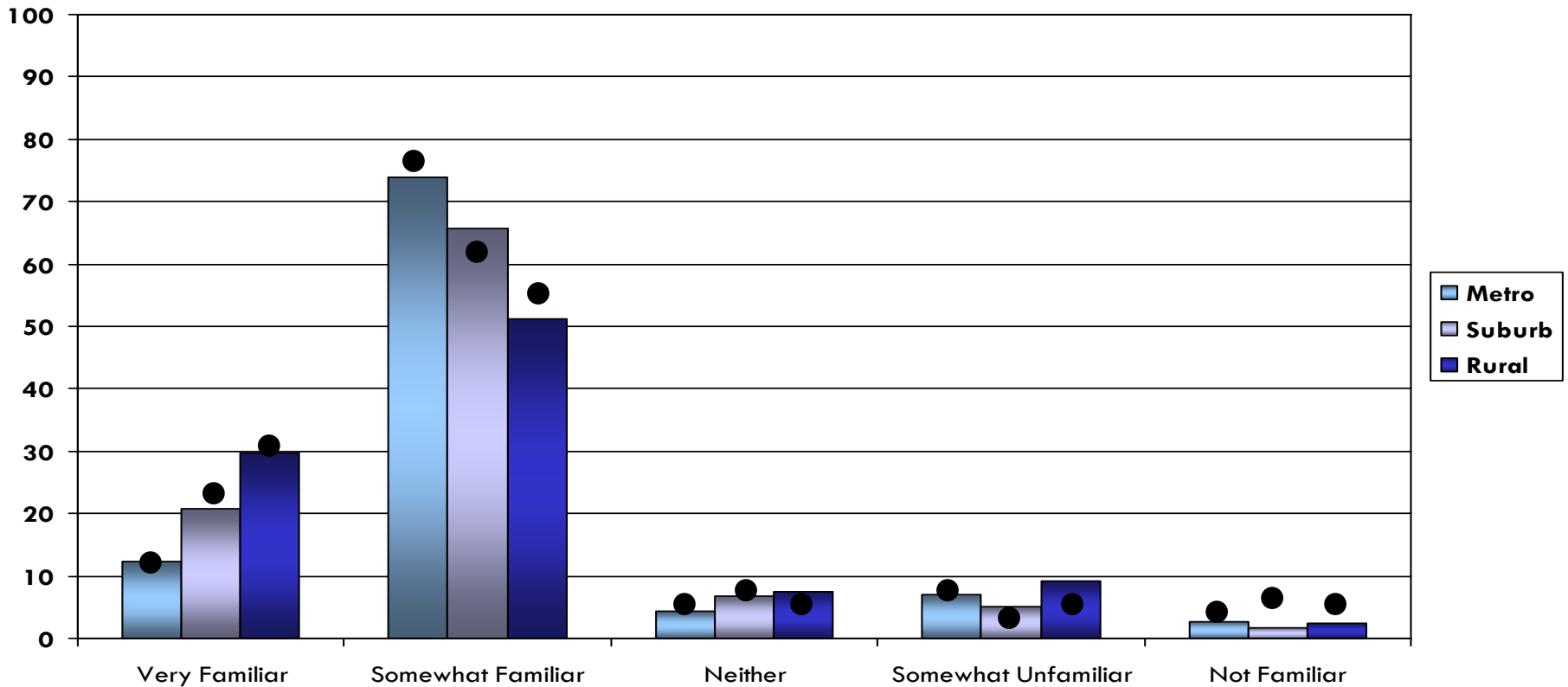
Charts & Graphs – Phase II

Bar graphs represent results from current Phase II

NOTE: Results from Phase I are represented by: ●

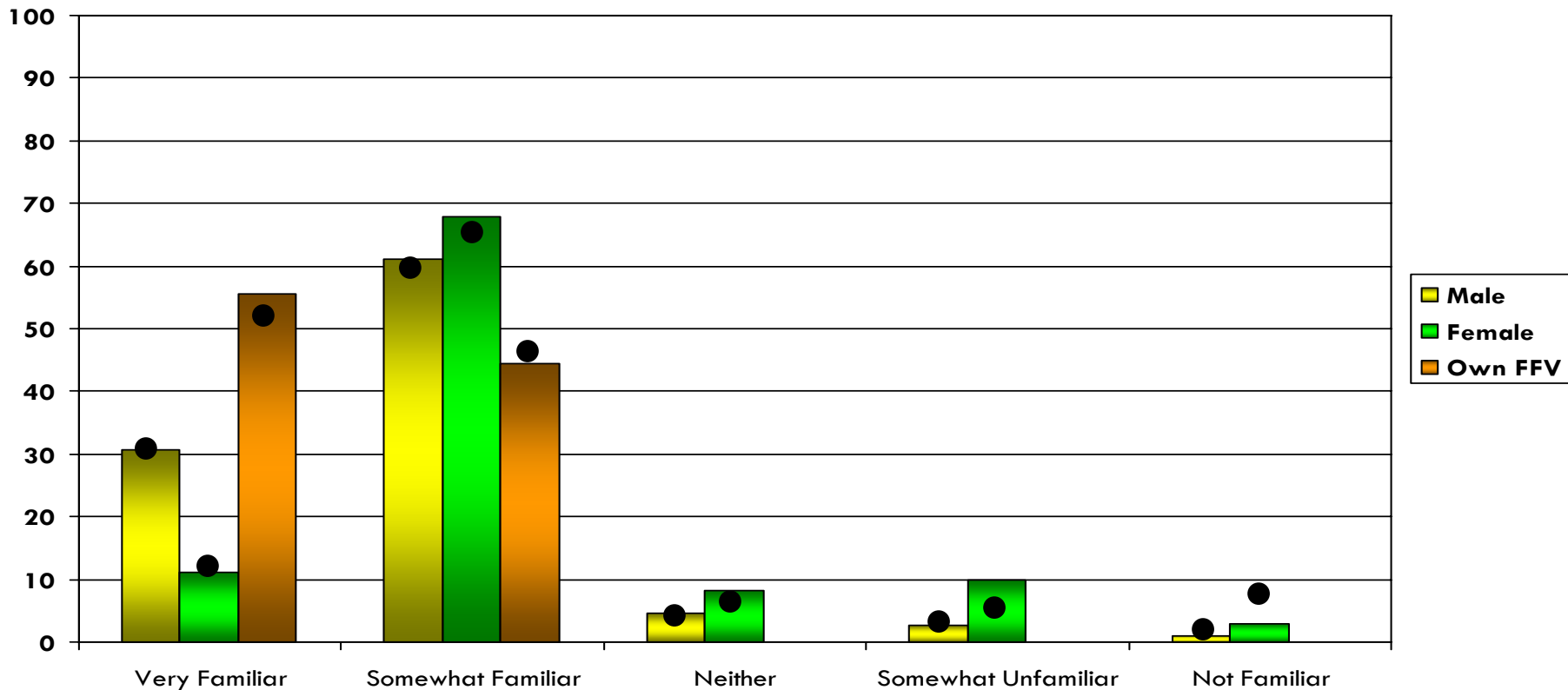
Familiarity

- Familiarity with E85 as a gasoline alternative is very high
 - Over 85% of all respondents claim to be 'very' or 'somewhat familiar'



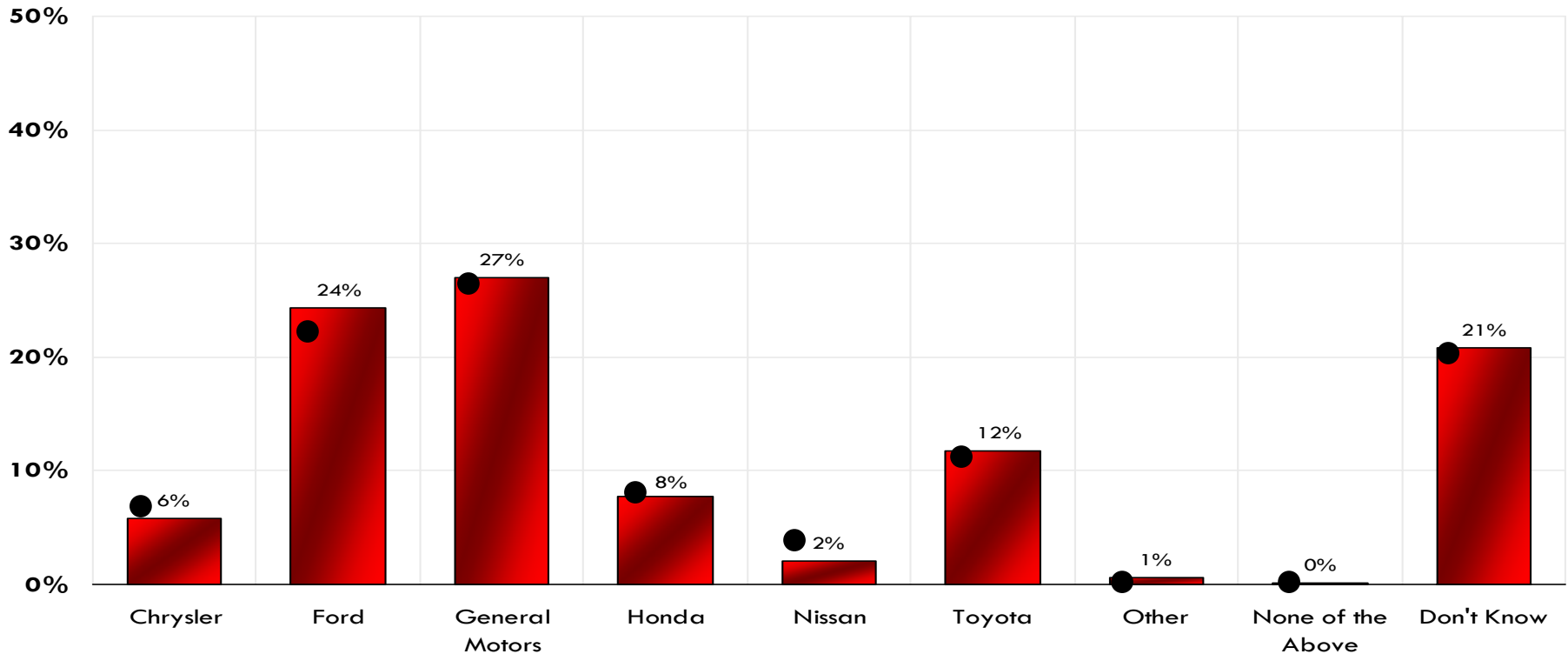
Familiarity

- Men and women report high familiarity of E85 as a gasoline alternative
 - 92% of men and 79% of women are either 'very' or 'somewhat familiar'
- Flex-fuel vehicle owners had a 100% recall of E85



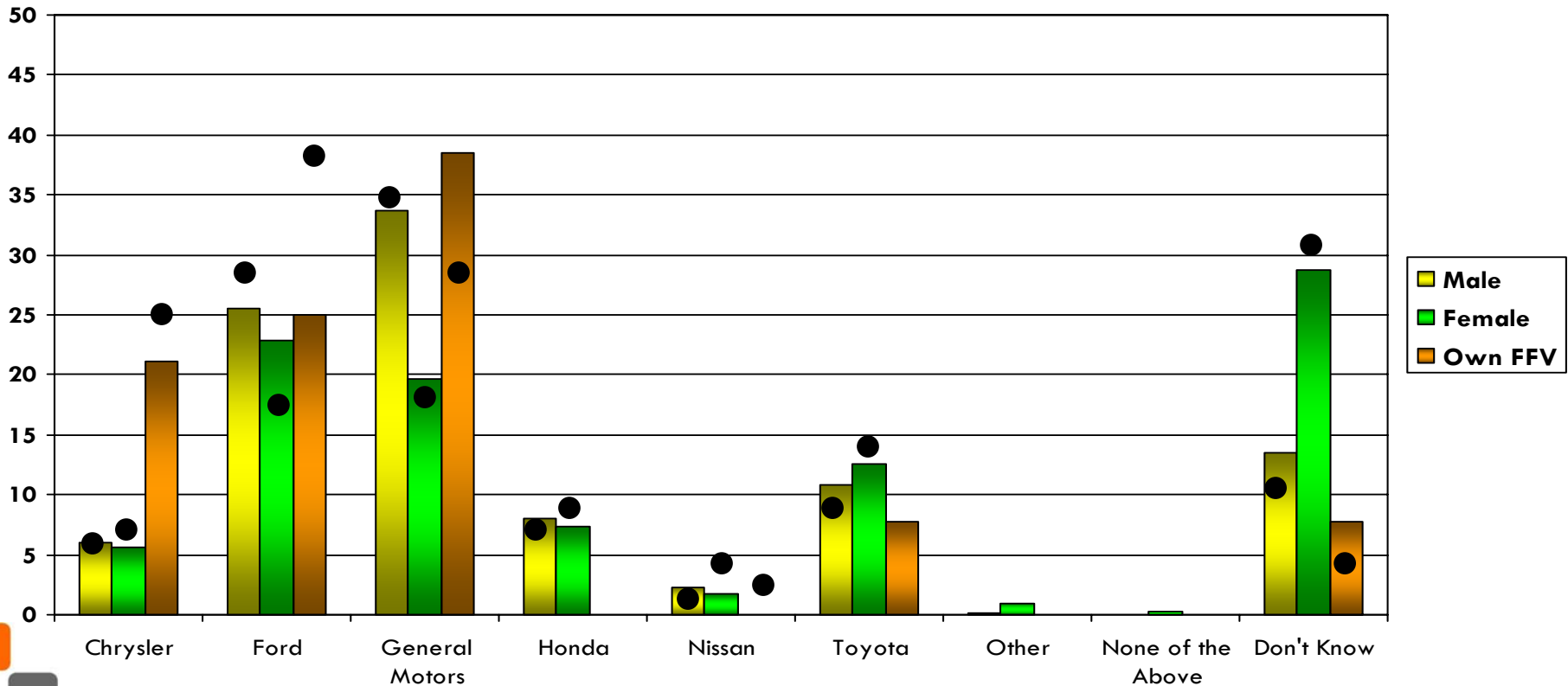
Flex-Fuel Vehicle Leadership

- GM & Ford are perceived flex-fuel vehicle industry leaders
 - Nissan, Honda and DaimlerChrysler are least perceived leaders (under 10%)



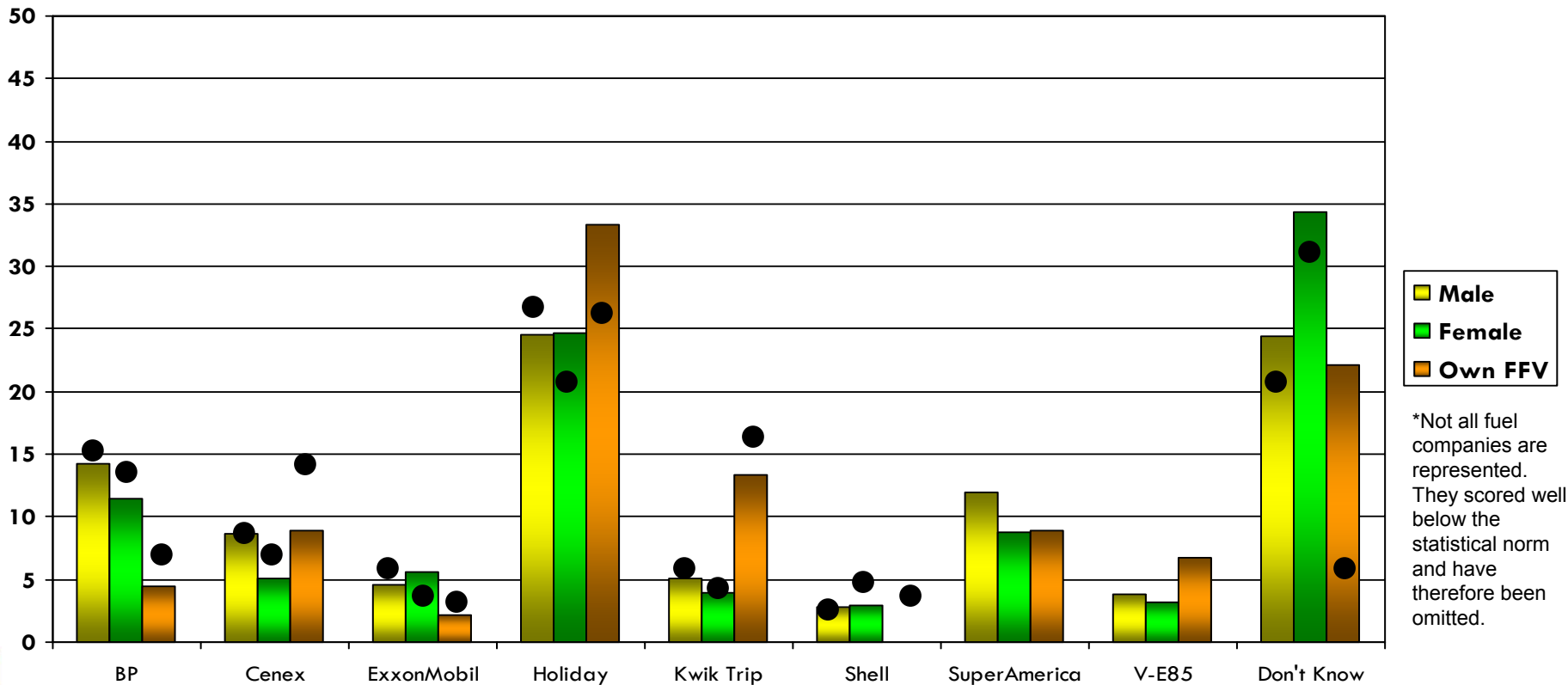
FFV Leadership

- Men perceive Ford (26%) and GM (34%) to be industry leaders
- Women perceive Ford (23%) and GM (20%) as leaders – Nearly 1/3 of female respondents 'don't know'
- Flex-fuel vehicle owners overwhelmingly report domestic automakers as leaders: Ford (25%) – GM (39%) – DaimlerChrysler (21%)



E85 Leadership

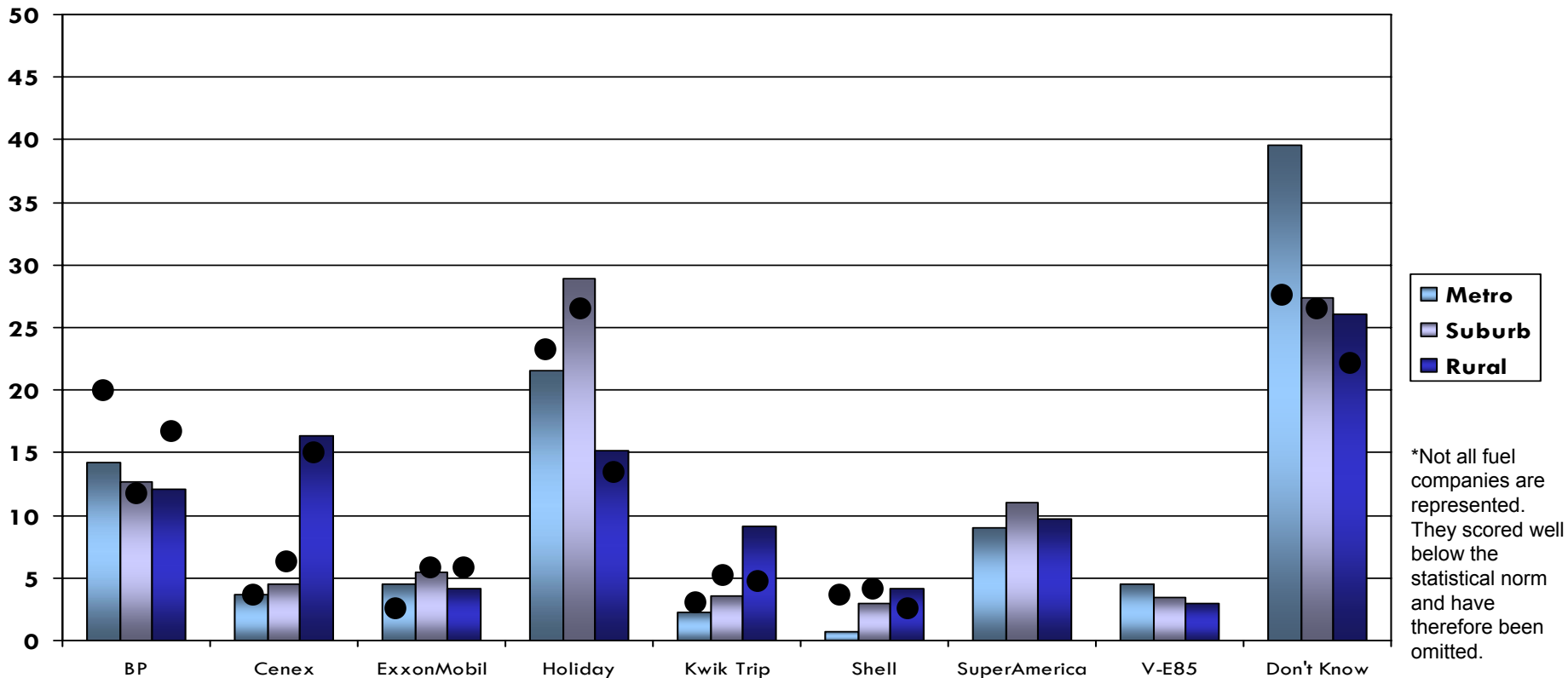
- Male and female respondents recognize Holiday as a leader in offering E85. BP and SuperAmerica also favored well
 - Holiday is a leader in E85. BP's 'enviro-friendly ads may impact perception.
- An unusually high amount (22%) of flex-fuel vehicle owners 'don't know' what companies are leaders in offering E85



*Not all fuel companies are represented. They scored well below the statistical norm and have therefore been omitted.

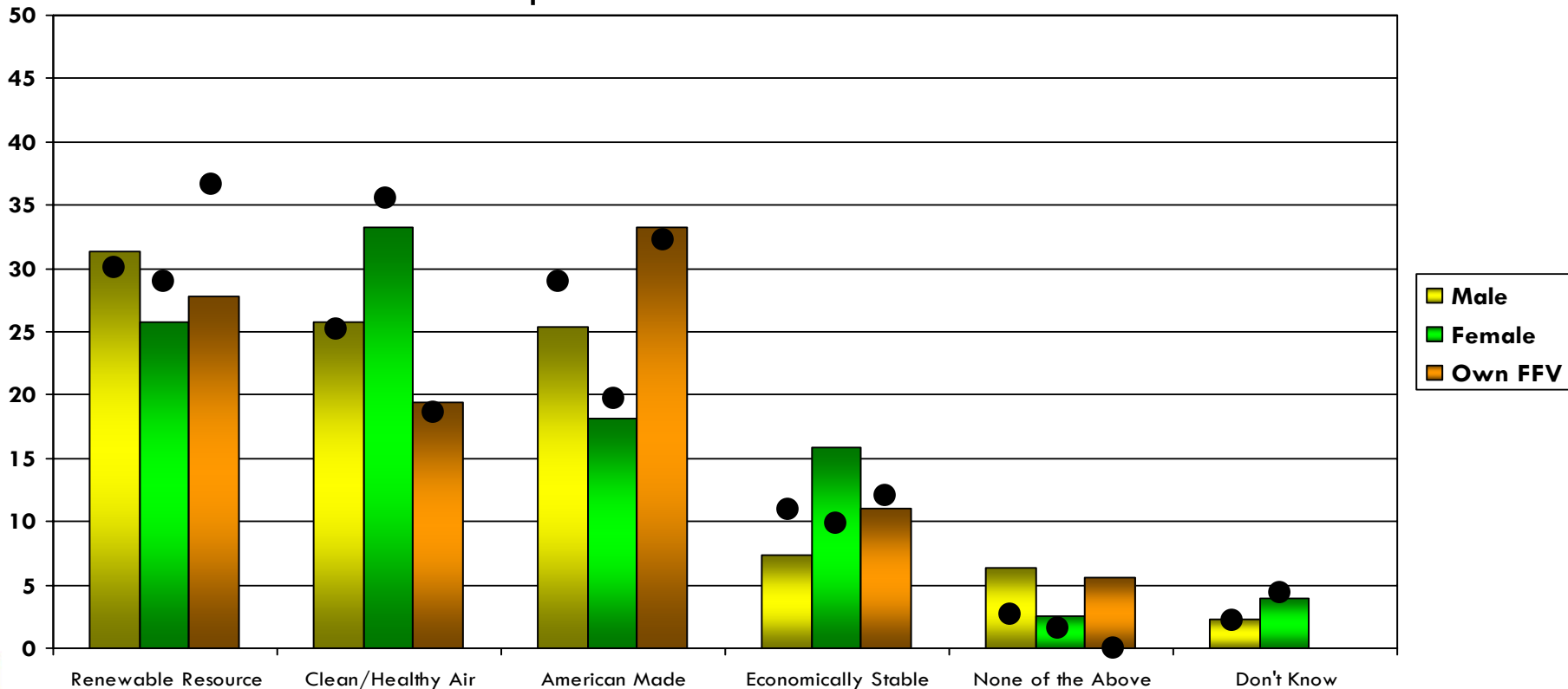
E85 Leadership

- Metro and Suburb residents recognize Holiday and BP as E85 leaders
- Rural residents believe BP, Cenex, and Holiday lead the way
- 25% of respondents 'Don't Know' what fuel company is an E85 leader



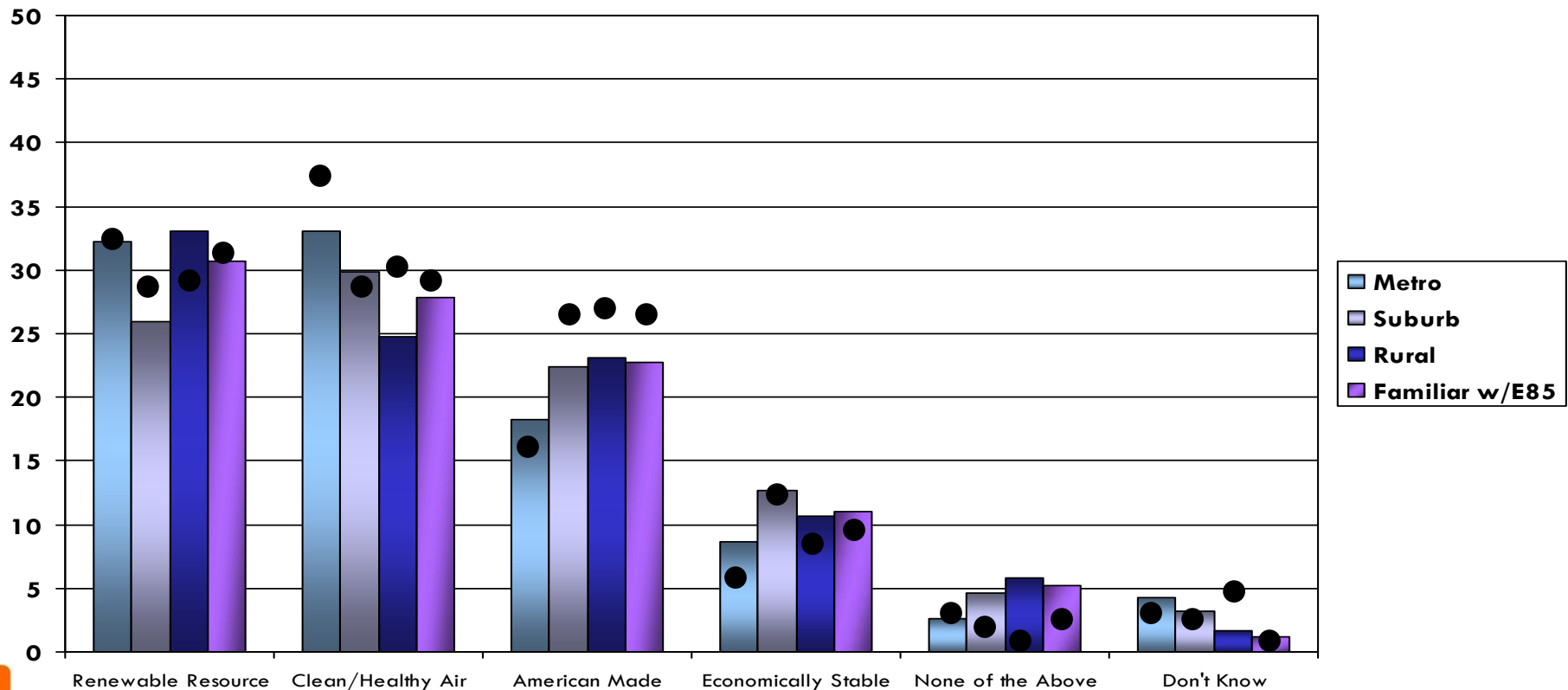
Most Important Benefits of E85-FFVs

- Men are significantly more likely to consider 'Made in America' as the most important benefit
- Women are significantly more likely to consider 'Clean Fuel, Environmentally-Friendly, Healthier' as the most important
- Flex-fuel vehicle owners view "Made in America" and "Renewable Resource" as most important



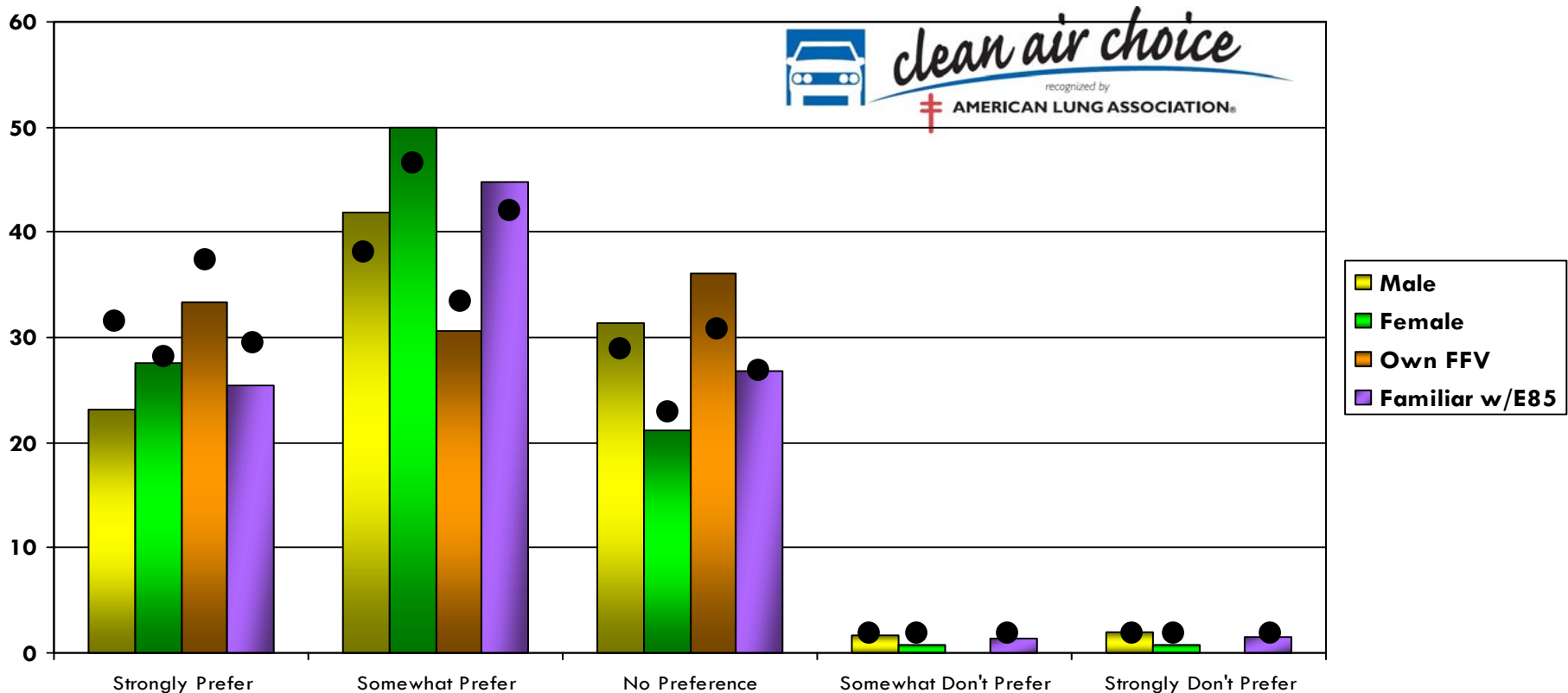
Most Important Benefits of E85-FFVs

- 'Renewable Resource,' 'Clean Fuel, Environmentally Friendly, Healthy Air,' and 'American Made' are the most important benefits among all geographic regions
- 'Potentially More Economical' is not statistically important



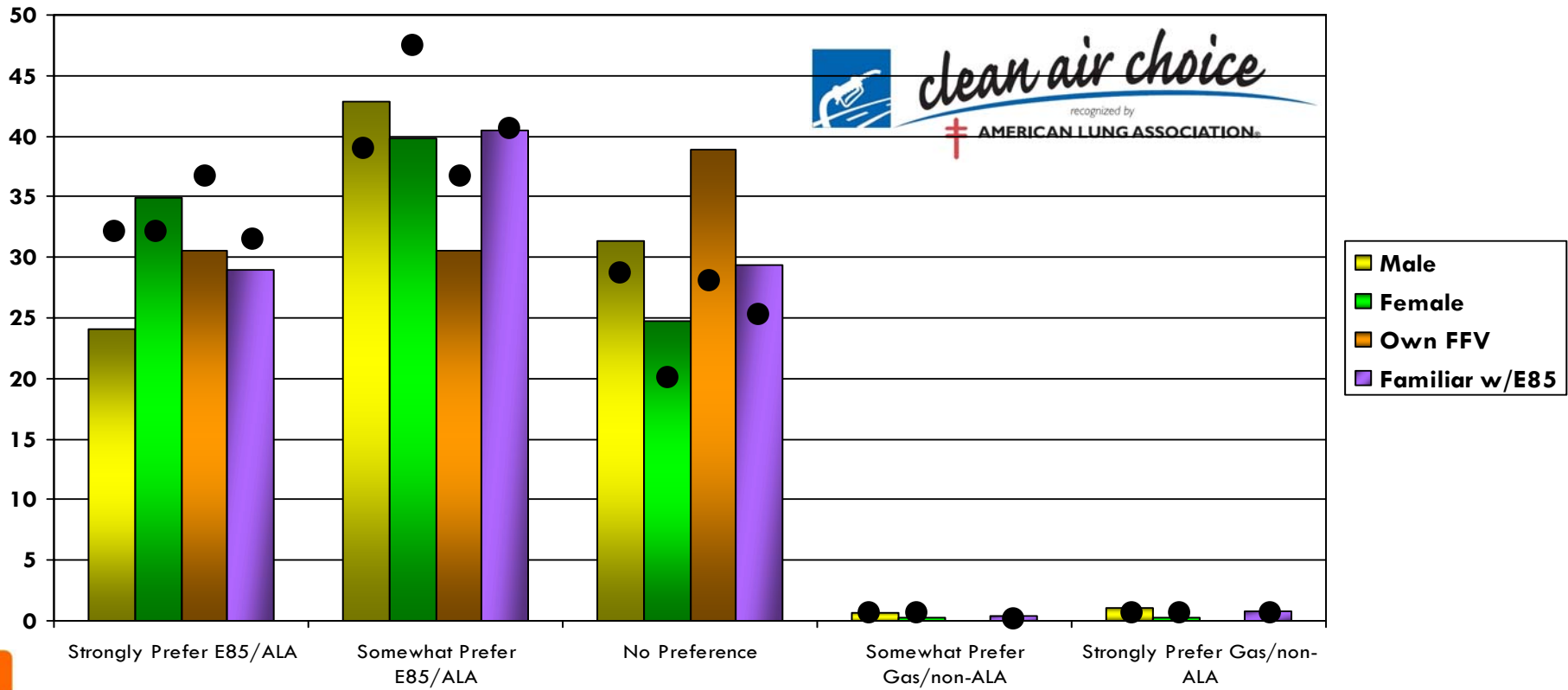
ALA Recognition: Impact on FFV Choice

- 72% of all respondents prefer a vehicle recognized by ALA as a 'Clean Air Choice'
- Recognition by ALA would be very important as only 3% of all respondents 'don't prefer' this recognition



ALA Recognition: Impact on Fuel Company Choice

- 70% of all respondents 'Strongly' or 'Somewhat' prefer to shop at companies offering E85 recognized by ALA as a 'Clean Air Choice'
- No current flex-fuel vehicle owners indicated negative perception of a company offering E85 recognized as a 'Clean Air Choice'



Comparison to Phase I Study – February 2007



- Respondents retained high E85 familiarity in Phase II survey (slight increase)
 - Possible impact of E85 campaign and significant media coverage earned
- Overall perception of leading flex-fuel vehicle manufacturers has not changed
 - Toyota and Honda retain a 20% share of responses despite the fact neither currently produces flex-fuel vehicles
 - May reflect confusion of flex-fuel vehicles with hybrid-electric vehicles
- Flex-fuel vehicle owners appeared more educated in E85 use and benefits as compared to Phase I survey
- Total number of “Don’t Know” responses has increased
 - Respondents may be confused by alternative energy options and debates reported by media (i.e. hybrids, plug-ins, electric, biodiesel, clean diesel, etc.)
 - In regard to fuel company leaders, respondents may not understand why some stations offer E85, while others do not
 - Respondents that do not currently own or have not considered buying a flex-fuel vehicle may not pay attention to or care which companies are involved in E85 production and use