

A Consumer Research Study of

E85 Everywhere Minnesota Consumer Perception Survey for E85 & Flex-Fuel Vehicles (Phase I: Pre-Advertising Campaign)

Phoenix Marketing International
Report of Findings

MINNESOTA E85 TEAM – 2007

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



Prepared for:



On behalf of the MN E85 Team
February 14, 2007

Contents

1. Study Overview
2. Sample
3. Executive Summary
4. Detailed Findings:

Familiarity

Perceptions:

E85/FFV leadership - Manufacturers

E85/FFV leadership – Fuel Service Station Companies

Main Perceived Benefits of E85-FFVs

ALA recognition:

Impact on FFV Purchase Choice

Impact on Fuel Service Station Choice

Comparisons to January 2006 & May 2006 Consumer Research



Study Overview



- Measure change in consumer attitudes pre and post E85 Everywhere campaign in Minnesota
- Timing & purpose of MN E85 Team advertising campaign to coincide with:
 - Various proposed state and federal E85 incentives;
 - Boosting FFV sales and E85 use;
 - Overall consumer acceptance/understanding of E85 and FFVs; and
 - Clarifying ALA *Clean Air Choice*TM role in E85 effort
- Online 5- to 7-minute interview
- Post wave will occur following PR/advertising campaign (May/June 2007)
- Phoenix Automotive is based in Birmingham, MI
 - Automotive expert
 - Ethanol research background

Sample



- **Minnesota Sample:**

- 610 licensed drivers
- 50% male / female

- **Sample Split:**

- 119 Downtown/Metropolitan
- 378 Suburb of Metro Area
- 70 Small Town
- 42 Rural/Country
 - Responses of small town and rural/country are combined for analytical purposes (referred to as “rural”)

Executive Summary



- E85 awareness continues to be high
 - More respondents “very aware” compared to 2006 research
 - Male respondents slightly more aware than female counterparts
- GM & Ford are perceived leaders in offering vehicles fueled by both E85 and gasoline (Flex-Fuel or FFVs)
- Main perceived benefits of E85 include:
 - Clean fuel, environment-friendly, healthier air to breathe
 - Renewable resource
 - Made in America, domestically produced

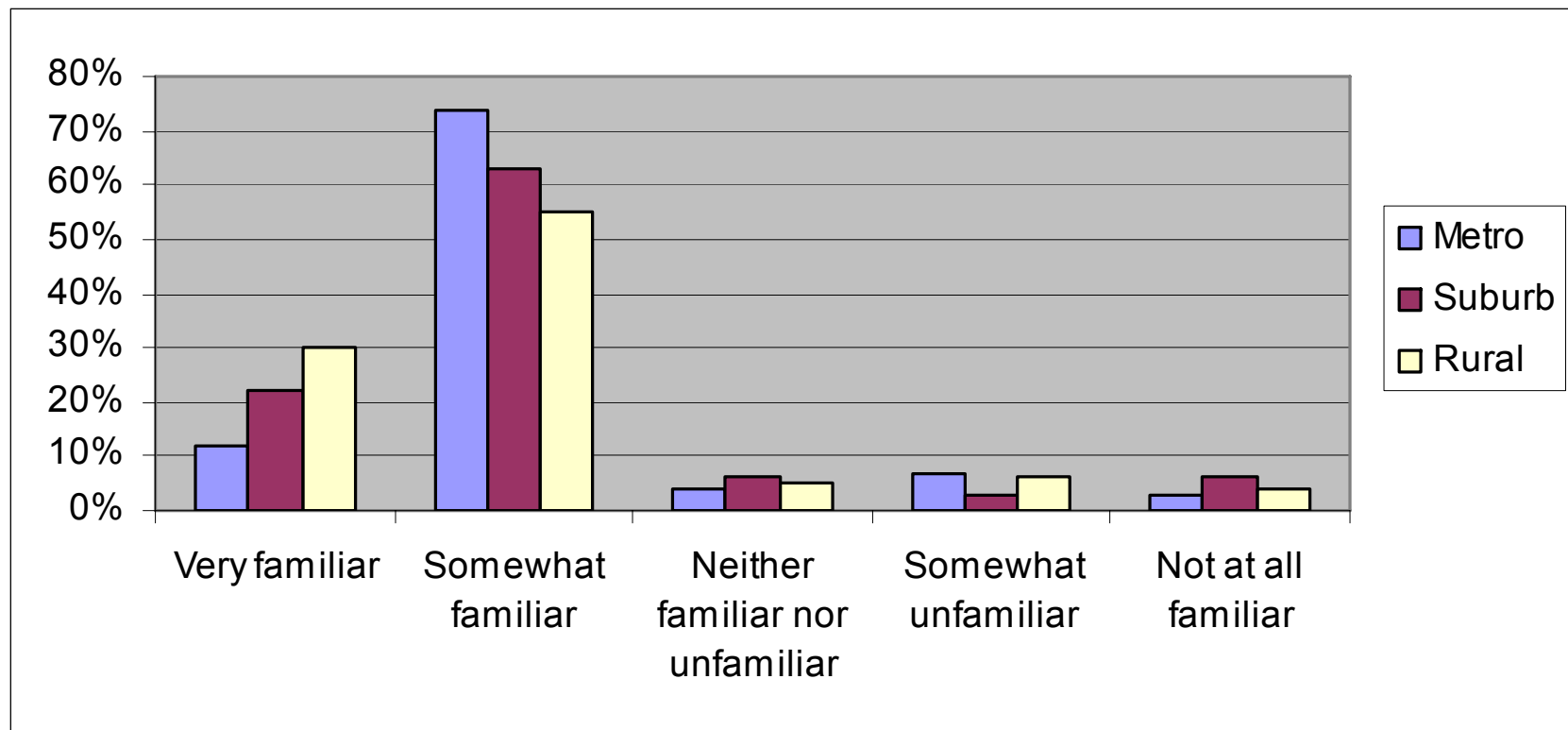
Executive Summary



- Recognition by ALA as a Clean Air Choice results in a significant increase in preference for both vehicle and fuel company choice
 - Especially among rural respondents
 - Female respondents prefer ALA-recognized vehicles and fuel companies more than their male counterparts
- Number of people who presently own an FFV is low (5%)
 - 33% of owners claim to purchase E85 regularly.
- With exception of Holiday and BP, awareness of fuel company leaders offering E85 is relatively low

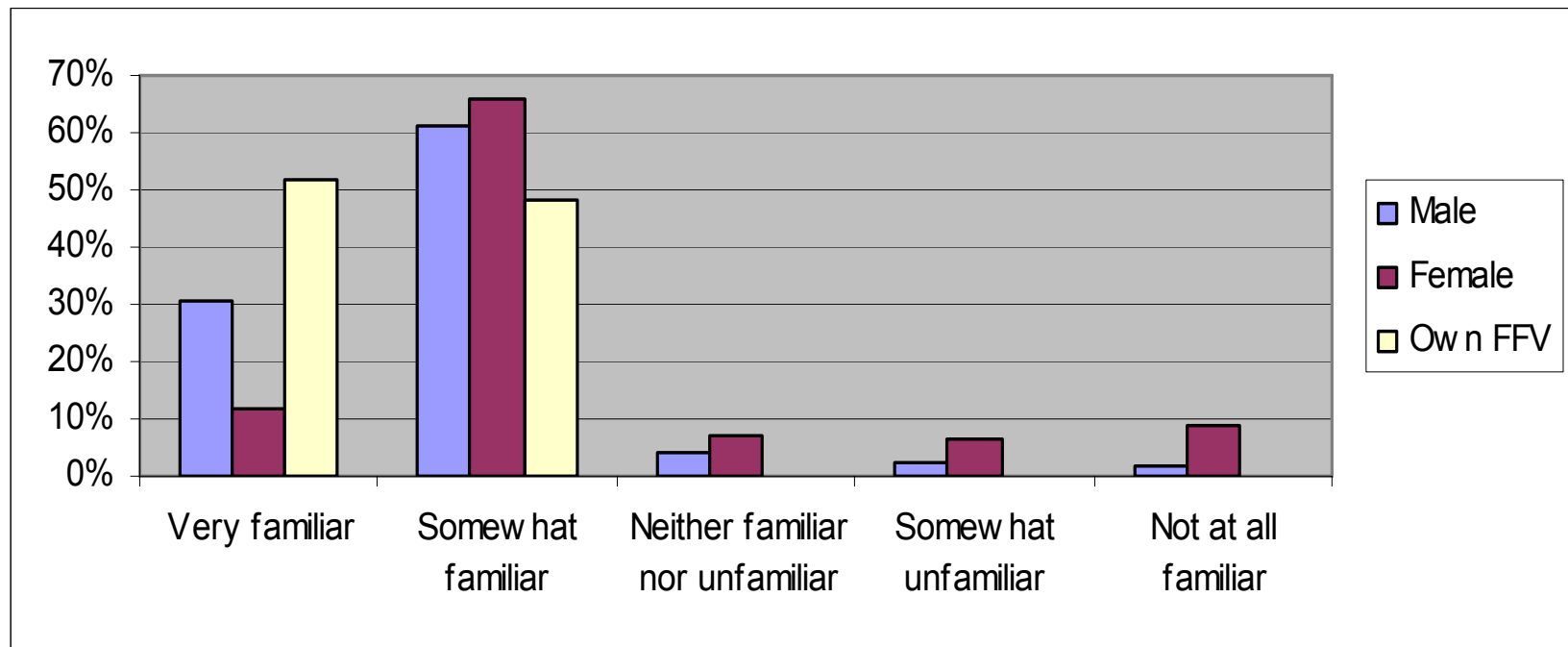
Familiarity

- Familiarity with E85 as a gasoline alternative is very high
 - Over 80% of all Minnesotans claim to be very or somewhat familiar



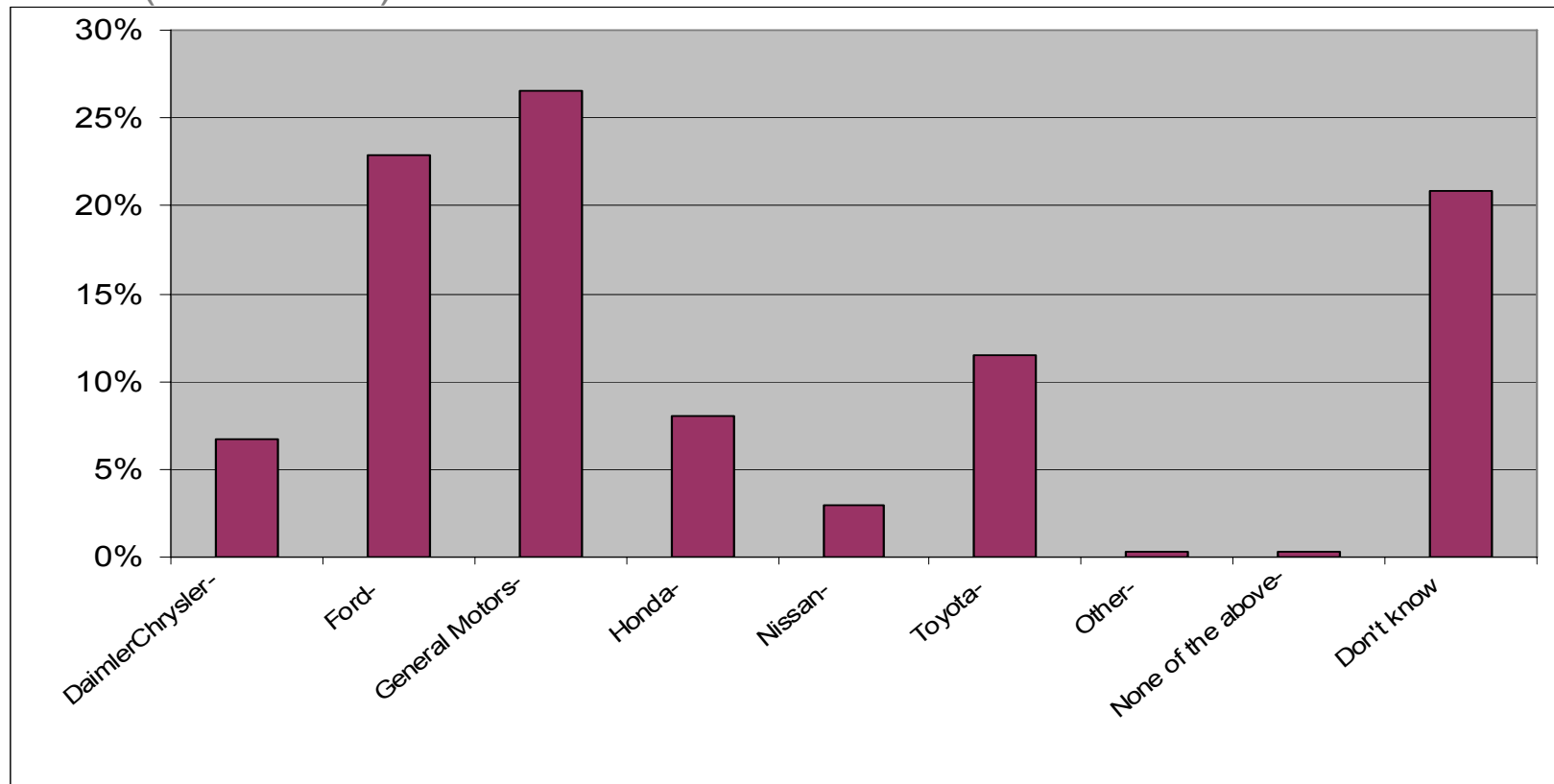
Familiarity

- Men and women report high awareness of E85 as a gasoline alternative
 - 92% of men and 78% of women are either very or somewhat familiar
- FFV owners had a 100% recall of E85



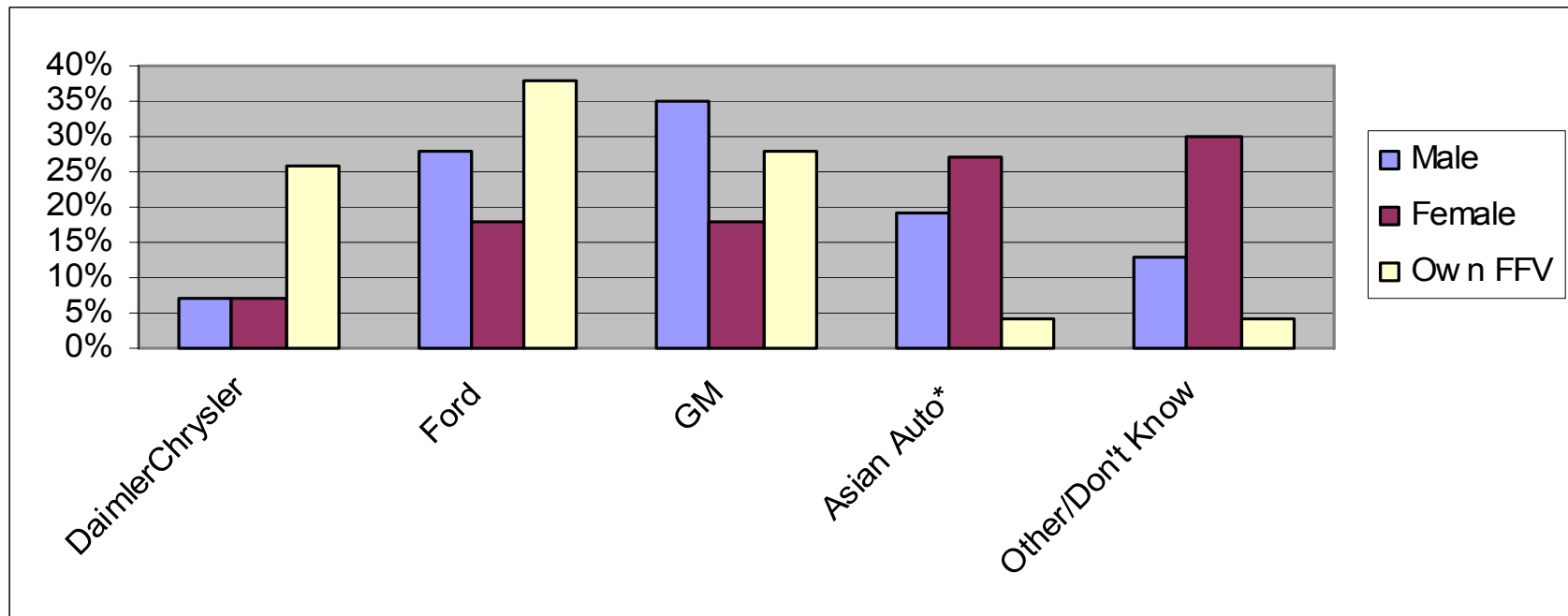
FFV Leadership

- GM & Ford are perceived FFV industry leaders
 - Nissan, Honda and DaimlerChrysler are the least perceived leaders (under 10%)



FFV Leadership

- Men perceive Ford (28%) and GM (35%) to be industry leaders
- Women perceive Ford (18%), GM (18%), and Toyota (14%)
- FFV owners overwhelmingly report domestic automakers as leaders
 - Ford (38%) – GM (28%) – DaimlerChrysler (26%)



*Asian Auto includes Nissan, Honda, and Toyota

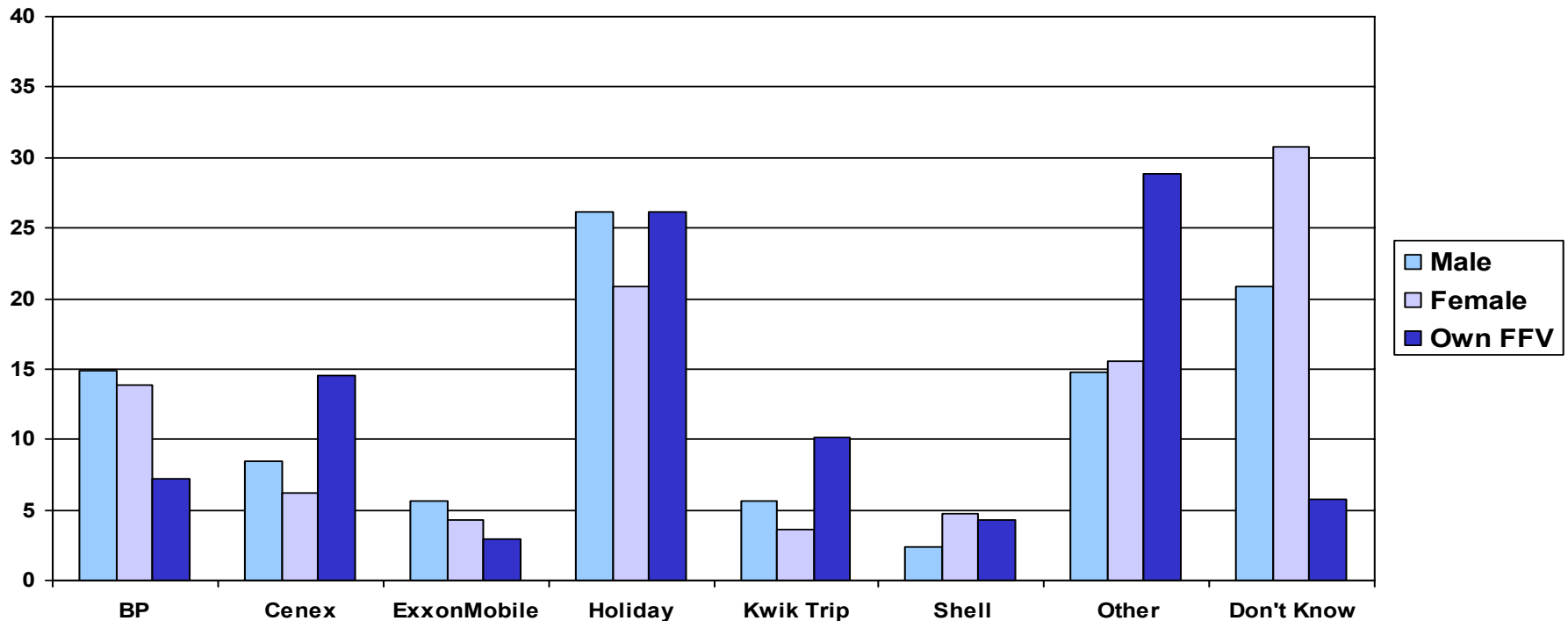
FFV Leadership

- Those familiar with E85 chose GM as an FFV leader 29% of time
- Women were significantly more likely than men to choose an Asian automaker as an FFV leader
 - Men were significantly more likely than women to choose a domestic automaker
- Metro residents are more likely to view an Asian automaker as an FFV leader (33%).
 - Suburb: 20%
 - Rural: 21%

	<u>DChrysler</u>	<u>Ford</u>	<u>GM</u>	<u>Honda</u>	<u>Nissan</u>	<u>Toyota</u>	<u>N/A</u>
Metro	4%	25%	16%	13%	2%	18%	22%
Suburb	6%	22%	31%	7%	3%	10%	21%
Rural	10%	23%	24%	8%	3%	10%	22%

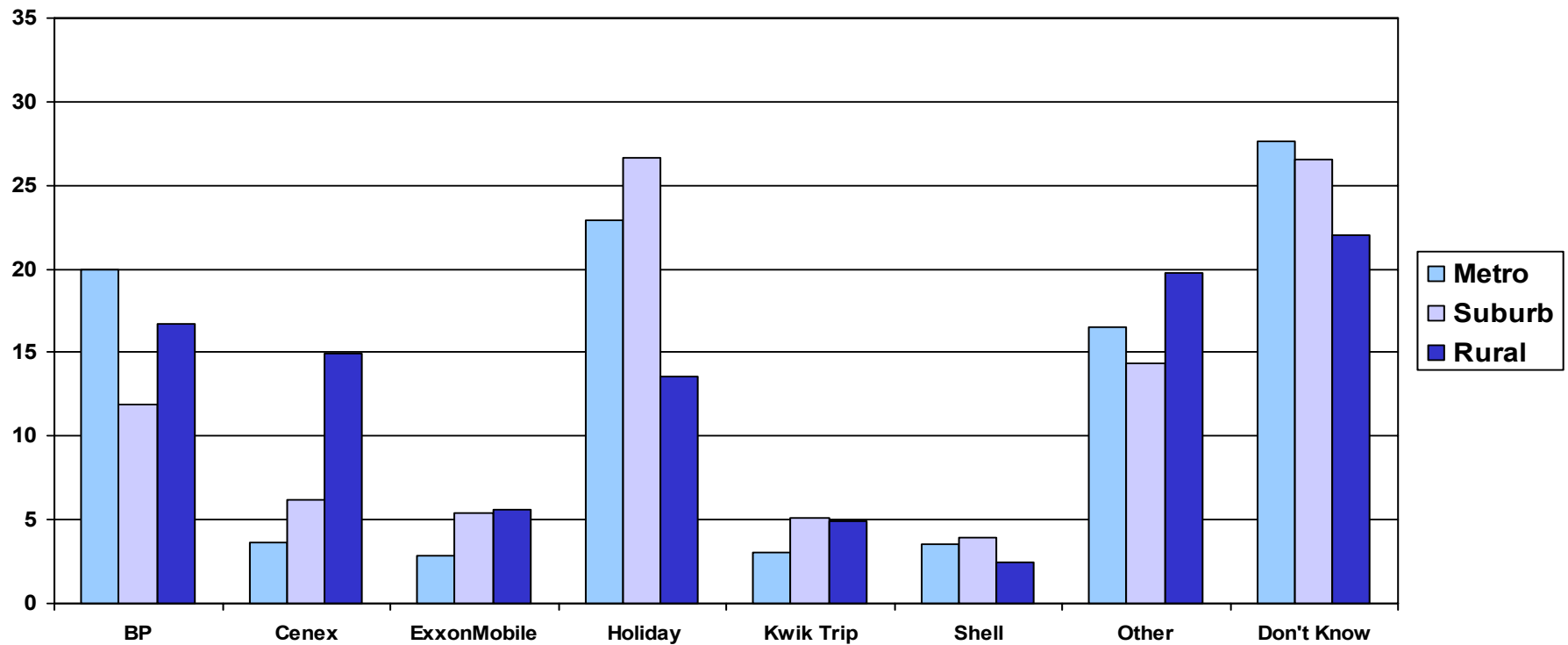
E85 Leadership

- Male and female respondents recognize Holiday as a leader in offering E85
 - Past E85 publicity and Clean Air Choice™ recognition of low-sulfur gasoline
- BP favors well among men and women
 - BP has led an aggressive “Beyond Petroleum” advertising campaign



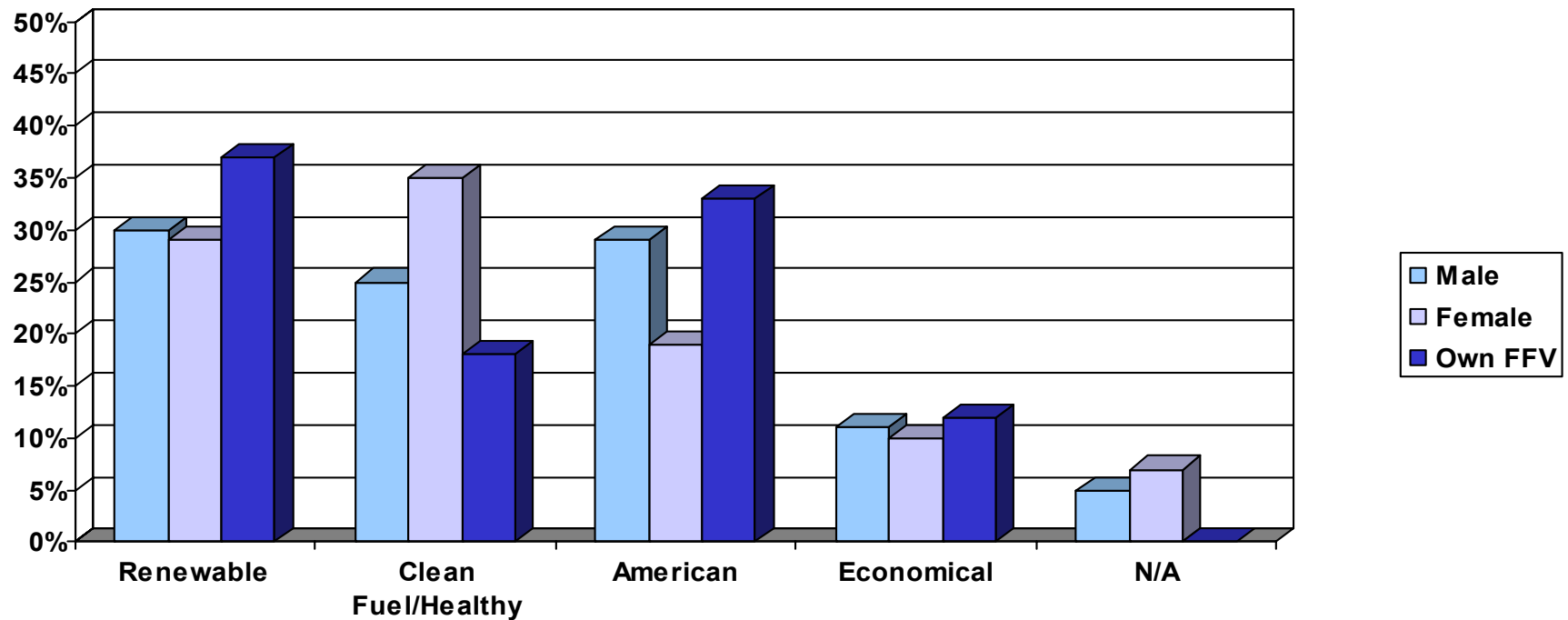
E85 Leadership

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



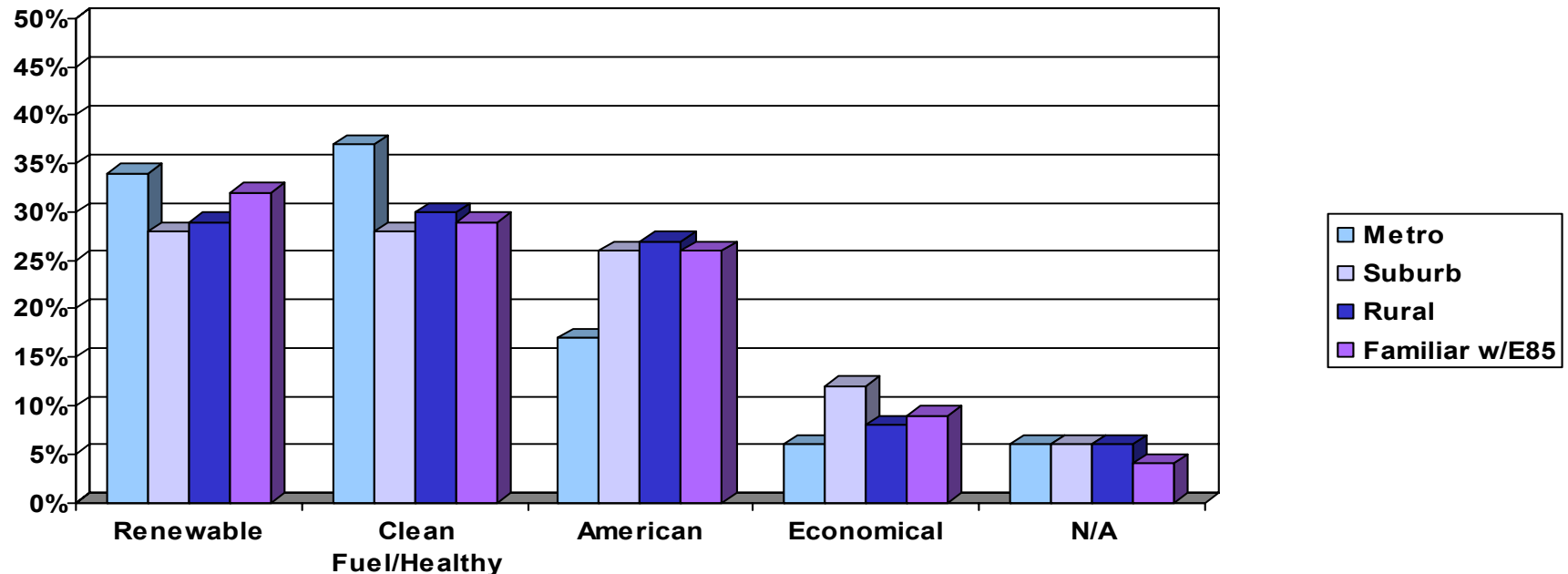
Most Important Benefits of E85-FFVs

- 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



Most Important Benefits of E85-FFVs

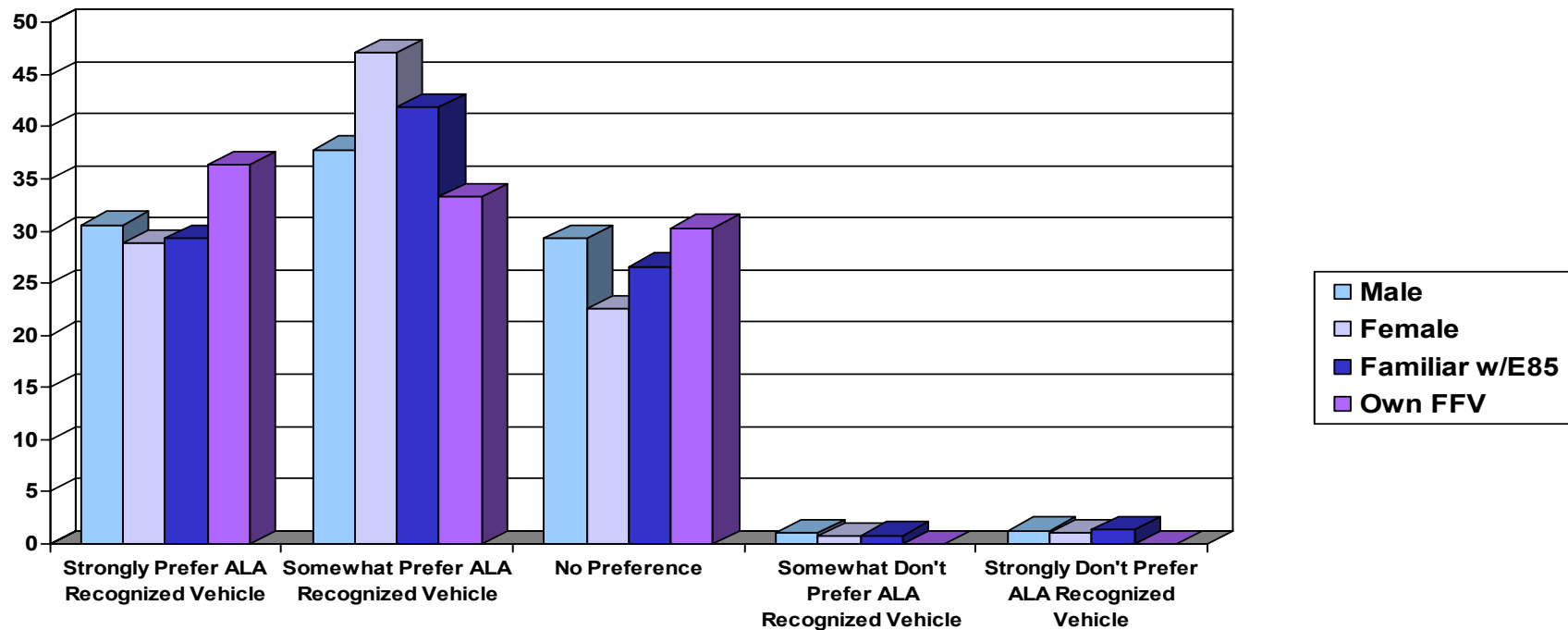
- Metro residents are significantly more likely to view 'Clean Fuel, Environmentally-Friendly, Healthier' as most important benefit
- 'Potentially More Economical' is not statistically important
- Suburb and Rural respondents are significantly more likely to choose 'Made in America' as most important
 - Not nearly as important to Metro respondents



ALA Recognition: Impact on FFV Choice



- 72% of all respondents prefer an FFV recognized by ALA as 'Clean Air Choice'
- Recognition by the ALA is important as only 2% of all respondents do not prefer this recognition



Impact on FFV Choice – Continued

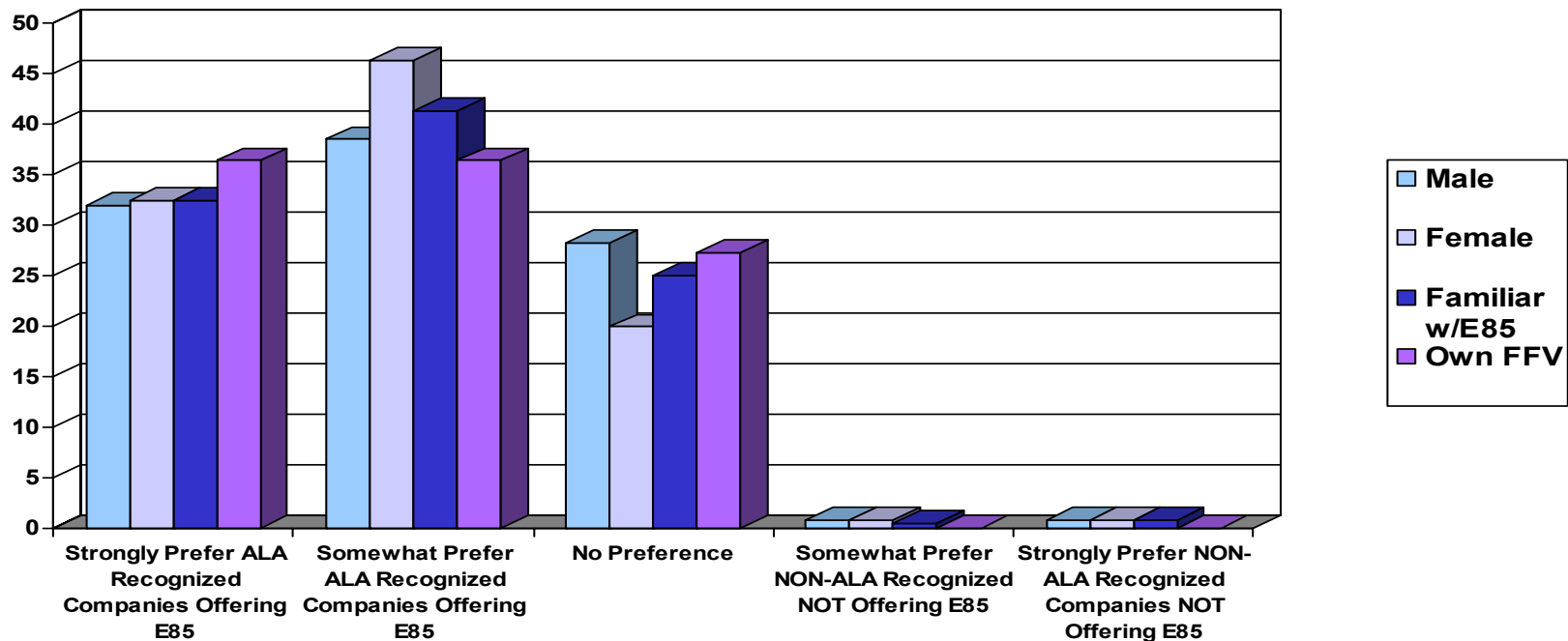


- 70% of current FFV owners would ‘strongly’ or ‘somewhat’ prefer an FFV recognized by ALA as a Clean Air Choice
- 30% of current FFV owners indicated no preference
- No current FFV owners indicated negative perception of an FFV recognized by ALA as a Clean Air Choice
- Nearly 76% of all women, and 68% of all men surveyed ‘strongly’ or ‘somewhat’ prefer an FFV recognized as a Clean Air Choice
- Metro (71%), Suburb (72%), and Rural (76%) respondents prefer an FFV recognized by ALA as a ‘Clean Air Choice’

ALA Recognition: Impact on Fuel Company Choice



- 75% of all respondents 'Strongly' or 'Somewhat' prefer to shop at a company offering E85 recognized by the ALA as 'Clean Air Choice'
- No current FFV owners indicated negative perception of a company offering E85 recognized as 'Clean Air Choice'



Impact on Fuel Company Choice – Continued

- 27% of current FFV owners indicated no preference
- Of all respondents, nearly 1 out of 3 'strongly prefer' service stations offering E85 recognized by ALA as a Clean Air Choice
- 79% of all women and 70% of men 'strongly' or 'somewhat' prefer service stations offering E85 recognized by ALA as a Clean Air Choice
- Metro (76%), Suburb (74%), and Rural (76%) respondents 'strongly' or 'somewhat' prefer service stations offering E85 recognized by ALA as a Clean Air Choice



Comparisons to Previous Research

FFV and E85 Perceptions Study (May 2006)

E85 Ethanol Study (January 2006)

- Familiarity with E85 fuel has increased since 2006 studies
 - Up more than 20% to 84% of respondents claiming to be somewhat/very familiar
- Fuel company leaders have changed significantly since 2006:
 - Holiday recognized by 24% as leader in offering E85 (up from 6% in May 2006 national sample)
 - Cenex is only other fuel company to show an increase
 - BP remains consistent with 15% of mentions
- GM & Ford continue to be viewed as leaders
 - 20% fewer “don’t know” in this survey
- ‘Clean fuel, environmentally friendly, healthier’ & ‘renewable resource’ still most important benefits
 - ‘Made in America, domestically produced’ is now equally important
- Minnesota residents continue to prefer FFVs and E85 service stations associated with ALA recognition as a *Clean Air Choice* – 72% and 75%, respectively.