

AIG response to the Car labelling evaluation

1. The Advertising Information Group (AIG) (transparency number: 11220347045-31) welcomes the opportunity to respond to the evaluation of the EU's car labelling rules. The AIG is an informal network of European advertising and media associations that brings together various parts of the advertising industry. This submission comments on points concerning current car label rules that are relevant to the advertising industry.
2. AIG supports the European Commission's core aim to reduce economy-wide greenhouse gas (GHG) emissions and to reach climate neutrality by 2050. We also support the goal of raising consumer awareness on fuel efficiency and CO₂ emissions of new and leased passenger cars. However, we believe that the objective of increasing consumer awareness will not be achieved by overloading advertisements with compulsory information.
3. Advertising has an important function in promoting the availability of a product, service or offer. It also has a crucial role in brand building. Advertising is designed to be simple in nature to capture attention. We argue that it is counterproductive to overload the consumer with detailed information in an advertisement for the following reasons:
 - a) There are physical limits as to how much information can be put in a constrained area.
 - b) At such an early stage there is no certainty regarding the consumer's purchasing intent. Instead it would be more effective to provide this information at point of sale.
 - c) Too much information creates information fatigue and overload and is likely to be ignored or confuse the consumer.
 - d) It creates redundancy as consumers who want to get more information will research the car companies' website anyway.
4. There is an undoubted need to inform consumers about the fuel efficiency and CO₂ emissions of cars, but it is important to achieve a balance between easily understandable information and information overload. Accordingly, we think a more appropriate medium to present these information requirements would be the car brand's website, particularly as consumers who have an intent to purchase are likely to seek the brand's website to conduct further research. Furthermore, the website provides much more design flexibility, and hence it is possible to layer the information to make it more accessible to consumers¹. We also think this method would be compatible with existing laws.
5. Fundamentally, information obligations must also be realistic and achievable without restricting the creativity of advertising. Mandatory information requirements in advertising reduces the available space for the actual advert; to cater for both the creative message and extensive mandatory information requirements in the same advert would necessitate additional space and hence led to additional costs. These additional costs must either be borne by car brands or be absorbed by the media itself. Given the additional costs, car brands are likely to advertise less in traditional media. In either case it will mean lower revenues for traditional media because they would either be forced to provide more advertising space at the original price or accept less advertising revenue.
6. Given the above, it could be said that mandatory information in advertising jeopardises the financing of the media. This ultimately harms consumers and society. Media reporting and editorial content is crucial for conveying information also about environmental issues and

¹ Arnold, M, Goldschmitt M., Rigotti T., „Dealing with information overload: a comprehensive review“ (2023); Frontiers in Psychology; Volume 14; <https://doi.org/10.3389/fpsyg.2023.1122200>.

for forming opinions on climate change. Therefore, the media is fundamental to the consumer's ability to make informed decisions about purchasing or leasing a car.

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