

CAR LABELLING DIRECTIVE 1999/94/EC

AER COMMENTS

The Association of European Radios (AER) is a Europe-wide trade body representing the interests of over 4'500 commercially-funded radio stations across the EU28 and in Switzerland.

AER is located at:

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AER's Interest Representative Register ID Number is 6822083232-32.

On October 19th, 2015, the European Commission published a *Public consultation on Car labelling Directive 1999/94/EC*^j (henceforth, Car Labelling Directive). AER welcomes this new consultation.

AER needs to first highlight that radio is a mixture of audio content which is well-edited and well-produced. Content is Free-To-Air / Free-To-Access, transmitted via wired or wireless means – such as, first and foremost, broadcast, but also cable, satellite or online – and typically consists of talk, stories, entertainment, news, music and surprises.

We are responding to Questions 28, 34 and 35 only as these are most relevant to our business and expertise.

In this context we support the principle of making consumers aware of fuel consumption and CO2 emissions in order to help them make informed choices when purchasing a new car.

However, AER needs to specify that

- Additional information in radio advertising is bound to miss its aim: listeners tend to “tune out” – Imposing information requirements in radio advertising does not appear as an effective way to achieving the laudable political objective of informing the consumer. Empirical data showed that warning messages were considered as “oppressive”, and lead listeners to “tune out” metaphorically, if not literally, in the worst case scenario.
- Radio is a non-visual medium: warning requirements in advertising are particularly burdensome – When considering warning requirements in advertising and their likely effects, the specificities of each medium need to be properly taken into account. Radio is a non-visual linear medium, which concretely means that, when detailed messages are to be communicated in an advertisement, these are to be broadcast in an added time-space to the latter. This increases the amount of time, hence the price, of the considered commercial message. In addition, needless to say, it lessens the commercial impact of the advertisement (a usual ad lasts for 15-40 seconds). These combined effects impact broadcast media, and radio in particular, and constitute factors that can deter advertisers away from using radio.

- Information is perceived to be much more useful at a later stage than when advertising: through websites, in information brochures or at the point of sale – Information is more useful when the decision is taken to perform the purchase.

This explains why information requirements / mandatory information contained in the Car Labelling Directive should not be extended to radio.

28. How effective do you consider any of these additional elements in terms of influencing consumers' car purchase decision?

Score between 1 (not effective at all) and 5 (Very effective) with "Don't know" as a possible answer

Running costs	Don't know
Taxes	Don't know
Air pollution	Don't know
Noise	Don't know
Safety	Don't know
Eco-scores	Don't know
Lifecycle CO2 emissions	Don't know
Labelling of second hand cars	Don't know
Labelling of light commercial vehicles	Don't know
Provision of information through electronic media (Internet, Television, Cinema, Radio)	1

Please explain your answer

AER supports the principle of making consumers aware of fuel consumption and CO2 emissions in order to help them make informed choices when purchasing a new car.

Providing information in radio advertising is however bound to miss its aim: listeners tend to "tune out" – Imposing information requirements in radio advertising does not appear as an effective way to achieving the laudable political objective of informing the consumer. Empirical data (please see answer to question 34) shows that warning messages are considered as "oppressive", and lead listeners to "tune out" metaphorically, if not literally, in the worst case scenario.

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However, commercially funded radio can only broadcast programmes free of charge to millions of European citizens, thanks to the revenues it collects by means of advertising – The only viable business model for radio nowadays and for a foreseeable future is broadcasting of free-to-air programmes. Advertising is the prerequisite to produce useful and attractive content, and to ensure radio is the most intimate medium. Radio listeners can thereby access for free entertaining and informative content. In that sense, radio plays a fundamental role in today's society: it is entrusted with many public interest obligations, and it is an essential actor of cultural diversity, media pluralism, access to creativity, social inclusion and disaster relief.

Radio advertising investments are at risk: radio cannot cope with advertising bans and restrictions – To maintain its audience and its revenues, radio is multiplying its presence on platforms. Any kind of advertising restriction has a negative financial impact on commercially funded media. As private radios in Europe are still funded almost exclusively on advertising, any additional legal constraint would

severely endanger radios' ability to pursue a viable economic activity. This would threaten media pluralism to the detriment of radio listeners across Europe. Radios increasingly face calls to impose restrictions – or the introduction of compulsory information – on advertising. This does not only hinder commercially funded radios' ability to produce content, it is also bound to miss its aim – informing the consumer.

34. Please indicate any reports or other sources of information that provide evidence to support your responses. Please provide the title, author and, if available, a hyperlink to the study/report.

- The European Commission commissioned "Report on the implementation of Directive 1999/94/EC relating to the availability of consumer information on fuel economy and CO2 emissions in respect of the marketing of new passenger cars" was published on March 19th, 2012. The study conclusions state (page 113) that "With respect to audio media, such as radio or audio on the internet [...], evidence suggests that consumers pay little attention to these, so extending the provisions of the Directive to radio and audio on the internet in an effective manner does not appear to be feasible." Please see here: http://ec.europa.eu/clima/policies/transport/vehicles/labelling/docs/final_report_2012_en.pdf
- Other European Commission commissioned studies show how little mandatory information in radio advertising is used to obtain information before acquiring a good or a service, for instance in the case of consumer credit information, the "Study on the functioning of the consumer credit market in Europe" was published in 2013 – please note that the only times results for radio advertising are presented alone are in table 75, page 169, and in table 189, page 346: http://ec.europa.eu/consumers/archive/rights/docs/consumer_credit_market_study_en.pdf

35. Do you have any further comments to make regarding the Car Labelling Directive?

Advertising is not the right place to insert detailed information. It does not and cannot provide all information necessary for the later purchase decision. This decision is based on many other sources, such as manufacturers' brochures and websites, and information collected in retailers' showrooms. Information is therefore much more useful to the consumer in dedicated technical promotional material, at the point of sale or online, when the decision to purchase is being performed. AER doubts the effectiveness of mandatory information in advertising in media.

Radios consist of a myriad of small and medium sized enterprises. Moreover, on-air broadcasting radios reach massive audience on a daily basis in all EU Member States: 80% of the EU population on average listens to radio for at least 2 or 3 hours per day, as shown by national audience measurement. Commercially-funded radios indeed constitute a unique network of small and medium-sized enterprises (SMEs), contributing to cultural diversity, media pluralism, access to creativity, social inclusion. They also offer free-to-air services of general interest:

- *they evolve in highly competitive environmentsⁱⁱ*
- *their programmes encompass, broadly speaking, all possible formats, from debates to music-onlyⁱⁱⁱ*
- *As for the music broadcast, within one market, as soon as there is demand expressed, it has to be fulfilled; so, most of the musical expressions are represented*
- *most of them are non-politically affiliated, and certainly keep the freedom to express their opinion or to participate to the public expression of the opinions of their listeners*
- *their audiences are local, regional, or national*
- *they strive to develop on all possible platforms*
- *during natural, major or minor disasters, radio is one of the first tool to inform the public^{iv}*

Radio is the most intimate medium, and has been so for the past 50 years at least: it is indeed ubiquitous, mobile, simple-to-use and free-to-air. All these features enable our audience to cultivate a personal relationship with our programmes, our DJs, our hosts, and our brands. Our listeners thereby access programming they enjoy, and useful information^v.

AER remains available to explain this position in further details, should this be helpful to the European Commission.

ENDS

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ⁱ http://ec.europa.eu/clima/consultations/articles/0027_en.htm

ⁱⁱ For example, and bearing in mind that the amount of radios in a given country depends of course on its size: Spain has more than 2000 frequencies used across the country; similar FM overcrowded situations can be observed in France or Germany.

ⁱⁱⁱ To give just examples, please see:

- the French AER Member, SIRTl : <http://www.sirti.info/adherents/>

- the UK AER Member, RadioCentre: <http://www.radiocentre.org/membership/member-list-2016/>

^{iv} For example: In December 2013, in the UK, Hull station Viking FM highlighted how local content remains important no matter where a commercial station broadcasts. The station continued to broadcast to local residents updates about flooding, despite the staff themselves needing to abandon their studio due to the floods. For more information, please see here (pages 13 and following): http://www.radiocentre.org/files/action_stations_web.pdf

^v For instance, in the UK, Commercial stations broadcast 210 hours of news output every day. More concretely: when the country was brought to a stand-still as heavy snowfall caused widespread disruption across Britain in early 2013, stations were staffed around the clock to bring listeners the latest information on school closures and transport issues. For more information, please see here (pages 9 and following): http://www.radiocentre.org/files/action_stations_web.pdf