

**Know Your Consumer Rights - Used Cars Campaign Strategy
September 2010**

1. Campaign background

1.1 The 'Know Your Consumer Rights' campaign was launched in 2009 by Department for Business, Innovation and Skills (BIS) with support from Office of Fair Trading (OFT), Consumer Focus and Trading Standards Institute. The campaign used partnerships with retailers to increase awareness amongst consumers of three basic consumer rights messages based on the Sale of Goods Act. These messages were:

- Goods must be of satisfactory quality
- Goods must be suitable for purpose
- Goods must fit the description given.

BIS have sought, and received, support for the campaign to continue in 2010-11 from Edward Davey MP and OFT have agreed to once again support activity. OFT's KYCR activity for 2010/11 will focus on the used car market in September and on online protection in January. Our initial focus on used cars is because:

- the OFT market study into used cars highlighted the importance of information and education in helping consumers before they purchase second-hand cars;
- complaints to Consumer Direct are still high, and
- the KYCR three basic messages are the most important messages to remember when purchasing second-hand cars from dealers

2. The second hand car market in context

2.1 In 2009, 72,000 complaints were made to Consumer Direct about second-hand car sales, of these complaints:

- 71 per cent were about independent dealers
- 20 per cent about franchised dealers
- 7 per cent about private sales, and
- 2 per cent about other sales channels such as auctions.

2.2 The 2010 OFT market report into second hand cars showed that one in five consumers who purchase a second-hand car from a dealer experienced a problem, this equates to about 700,000 second-hand car

purchases a year. Consumers spend some £85 million a year on resolving problems that dealers have a legal obligation to resolve but fail to do so.

2.3 Markets work well when consumers are empowered, well informed and have the skills and confidence to ensure their consumer rights are met. However, in 2009 nearly two thirds of second hand buyers surveyed by the OFT didn't get any general pre-shopping advice about buying a second-hand car before they made a purchase from a dealer. Also nine out of ten buyers who experienced problems with a second-hand car after purchase did not contact any organisation for help or advice about their complaint.

2.4 A communications campaign will help inform consumers about their basic rights when buying a used car and where to go if they encounter problems after they buy. This campaign will work alongside consumer education programme Skilled to Go, guidance supplied to dealers, and enforcement practices to support the market in working more effectively.

3. Strategic Objective

3.1 To increase consumers' knowledge about their rights when buying second hand cars, in the long-term this will lead to a reduction in complaints and consumer detriment.

4. Campaign aim

4.1 To raise awareness of basic consumer rights when buying a second hand car and where to go for further advice.

4.2 This supports the overall aims of the KYCR's campaign which are:

- To improve awareness and understanding of consumer rights amongst the target consumer audiences
- To improve awareness and understanding of consumer rights amongst businesses who deal directly with consumers
- To raise the profile of Consumer Direct as the main source of advice and support on consumer issues to the target audiences.

5. Communication objectives

5.1 To inform consumers of three basic consumer rights messages when buying a used car from a dealer.

Cars must be:

- fit for purpose

- of satisfactory quality
- fit the description given

5.2 To signpost the Consumer Direct website as a place to go for advice on purchasing a used car.

6. KPIs

6.1 Maintain awareness of Consumer Direct as the government source of consumer advice (currently at 1 per cent)

6.2 Increase traffic by 10 per cent to buying a car pages at www.consumerdirect.gov.uk and views of used car video at YouTube

7. Target audience

7.1 Primary target audience - potential buyers of used cars in the UK, aged 17 -34. OFT research shows this age group are significantly more likely to experience problems than those aged 45 plus. This is more specific targeting than used for the KYCRs campaign as a whole which identifies the primary audience as C2DE consumers aged 16+ years (research in 2008 highlighted this group were the least informed about, and confident in, their consumer rights.)

7.2 The following is known about the primary audience's buying behaviour:

- Likely to be buying their first car or a car with a higher mileage at a low cost from an independent dealer.
- Unlikely to get pre-shopping advice, nearly two thirds of all used car buyers don't get any general pre-shopping advice about buying a second-hand car before they make a purchase from a dealer.
- Of those that do get advice 62 per cent use a car website, 29 per cent speak to friends/ family, 16 per cent refer to a car magazine.
- Unlikely to contact any organisation for help or advice if they do experience a problem after buying a used car.

7.3 Secondary target audience – wider friends and family of primary audience.

8. Key Messages

8.1 The majority of complaints to Consumer Direct are about purchasing from a dealer, therefore messages will focus on this scenario although one message will touch on the risk of buying privately and at auction.

Key message:

- Cars must be:
 - fit for purpose
 - of satisfactory quality
 - fit the description given

Supporting messages:

- Before you buy ask the dealer the right questions – e.g. what mechanical, history or mileage checks have they done?
- Ensure pre-sale mechanical checks are carried out before buying a used car
- Warranties are an additional benefit and do not replace your rights.
- Visit www.consumerdirect.gov.uk for advice about buying a second-hand car
- Cheaper cars might be available from auctions or private sellers but consumers have fewer rights. For example, if you buy a car privately there is no legal requirement that a car is of satisfactory quality or fit for purpose.

9. Tactics

9.1 Free marketing channels will be used to inform consumers of their rights when buying a used car. Activity will be centred on PR, targeting newspapers and market specific press (e.g. What Car, Which). PR activity will be supported by digital activity through car focused websites and social media pages.

9.2 PR

Reasons for a PR campaign are:

- A large proportion of the audience won't seek pre purchase advice; therefore messages should be pushed to them via media they consume and trust
- Using trusted press titles will give messages credibility and authority
- PR has the potential to generate good reach amongst both primary and secondary audiences.

9.3 Online activity

Online activity will support the PR activity as we know that websites are the most popular source of information before buying a used car. Activity will target both primary and secondary audiences, as asking family and friends for advice is the second most popular source of information therefore campaign messages can be carried to the primary audience via word of mouth. Online activity will focus on pushing campaign messages through websites and social media pages, tactics for this include:

- Features in forums / live chats with CD advisors
- Links on industry/ consumer websites to CD pages and used car video
- Links and posts on appropriate social media groups

9.4 Other channels

Other Government Department websites will be approached. Existing collateral such the CD used car video will be used to generate awareness.

10. Budget

There is no budget for this activity. Only free marketing channels will be used.

11. Timing

Week commencing 13th September 2010

12. Evaluation

Evaluation will focus on awareness and engagement levels tracked via:

- Web visits and visitor behaviour (time on site, number of pages visited) to www.consumerdirect.gov.uk (car specific pages)
- Number of calls to Consumer Direct coded as complaints about used cars.
- Other digital channels such as social media pages or consumer forums engagement levels (e.g. number of blogs, replies, friends)
- Media evaluation