

# Does everyone think someone else should drive a green car?

January 15 2013, by Veronique Dupont

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Dieter Zetsche (C), chairman of Mercedes-Benz Cars, and actors Diane Kruger and Josh Jackson, introduce the E-400 Hybrid at the 2013 North American International Auto Show in Detroit, Michigan, January 14, 2013. The green car market is only inching along in the United States, but automakers remain confident their time will come.

The green car market is only inching along in the United States, hampered by high comparative costs and limited ranges on pure electric vehicles, but automakers remain confident their time will come.

"Everybody thinks that everybody else should be driving a [green car](#)," said Dave Sergeant, an auto analyst with JD Power.

Automakers have launched a host of hybrids and [electric vehicles](#) in recent years with huge fanfare in response to political pressure from the Obama administration to improve [fuel economy](#) drastically.

But lower emission vehicles are still struggling to find their public, winning over just 3.5 percent of US [sales](#) last year, with about 500,000 vehicles sold.

That is perhaps one reason why they were not a prominent part of this year's [Detroit auto show](#), where [luxury brands](#), pickups and performance dominated new vehicle launches.

"It's getting better every year but there's a very slow adoption rate," said Jesse Toprak, an analyst with the specialty site TrueCar.com.

Hybrids have overcome the initial fears many consumers had about the reliability of a new technology.

However, few are willing to swap to alternatives like a pure electric, [compressed natural gas](#) or [hydrogen fuel cells](#) that could strand them on the side of the road if they get too far from a filling station or [electrical outlet](#), Sergeant said.

"Consumers are terrified by the range issue," he told AFP.

Cost is another major concern as consumers "tend to have a poor ability to do the math in terms of what they're going to pay and what they're going to save" on a hybrid, he said.



The Honda Accord plug-in hybrid is on display at the 2013 North American International Auto Show in Detroit, Michigan, on January 15, 2013. Automakers have launched a host of hybrids and electric vehicles in recent years with huge fanfare in response to political pressure from the Obama administration to improve fuel economy drastically.

And even with big tax breaks, the \$30,000 to \$40,000 price tag for a plug-in electric [Chevy Volt](#) or fully electric Nissan Leaf is also off-putting.

Nissan responded to poor sales of its pioneering Leaf by slashing the price Monday by about \$6,000, which would bring it down to as little as \$18,800 in some US locations, once tax breaks are considered.

Leaf's US sales rose just 1.5 percent to 9,819 vehicles in 2012, far below Nissan's target of doubling sales in its second year on the market.

Global sales rose 20 percent, well below Nissan's target of a 50 percent increase.

"It's a disappointment," admitted Nissan-Renault chief Carlos Ghosn.

General Motors managed to triple the sales of its plug-in electric Volt to nearly 23,500 vehicles last year, but that remains well below the largest US automaker's target of 35,000.

"Unless gas prices go up to five to six dollars a gallon, we don't see a major shift in this," Sergeant said, noting that US consumers have become accustomed to gasoline priced at around \$3.25 a gallon.

"There will be a very slow drift towards these vehicles but it's going to be very gradual."



The new Nissan Resonance Concept hybrid-electric vehicle is introduced at the 2013 North American International Auto Show media preview January 15, 2013

in Detroit, Michigan. Automakers expressed confidence in green cars currently on display at the Detroit auto show.

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"When you look at our sales for electrified vehicles, we're seeing growth in that market," said Mark Fields, chief operating officer at Ford, which is developing a whole range of green cars, including its compact C-Max.

Toyota dominates the green [car market](#) in the United States, accounting for 70 percent of hybrid sales.

"There's no question that over time the price of fuel is going to go up, so we're confident that our plan to develop hybrids is the right long-term play, as is our foray into extended range plug-ins," Jim Lentz, head of Toyota Motor Sales USA, said in an interview on the sidelines of the show.

Toyota's dedicated [hybrid](#) line Prius is the best-selling car in Japan and achieves volumes in the United States that most mainstream brands dream of: 236,000 in 2012.

With hybrids also available in Toyota's top selling Camry and Highlander models along with its luxury Lexus brand, they now account for 16 percent of the Japanese automaker's US sales at more than 327,000 in 2012.

Despite an outsized investment in advertising of green cars—which can create a 'halo effect' for the whole lineup without necessarily leading to sales—Toprak said [automakers](#) haven't done enough to explain the

benefits of hybrids.

"They need to do a better job of communicating the financial benefit of owning this car," he told AFP.

With the GM Volt, if you calculate the benefits of tax breaks, attractive leasing costs and fuel savings "it's basically a free car," he said.

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Citation: Does everyone think someone else should drive a green car? (2013, January 15)  
retrieved 19 April 2024 from <https://phys.org/news/2013-01-green-car.html>

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