Consumer Demand for Road Safety and the Impact of NCAP and iRAP

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Global Road Safety Output Gap

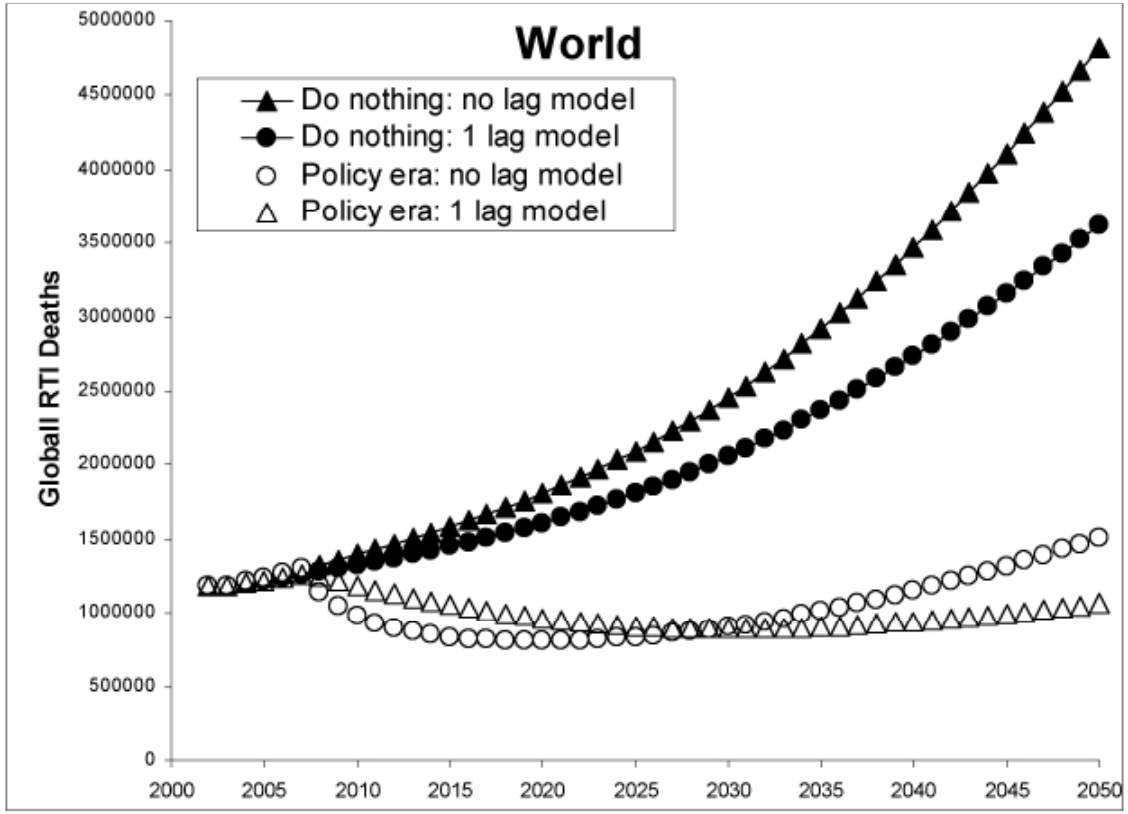
Today global road networks provide sub-optimal levels of safety far below their potential capacity to reduce road traffic injury.

The substantial gap between actual and potential road safety output is a result of demand deficiency.

Lack of 'consumer demand' fuels neglect by both public authority and industry supplier leading to under investment in road injury prevention capacity despite clearly positive cost benefit ratios.

Road Deaths to 2050 – actual vs potential

Bhalla et al (Harvard IGH) estimate that 50-70 million lives could be saved if the LICs and MICs applied a sustained road safety 'policy era'.



Source: Kavi Bhalla[1], Saeid Shahraz[1], Mohsen Naghavi[2], Christopher Murray[2]
[1]Harvard University Initiative for Global Health, Cambridge, Massachusetts, USA
[2]Institute for Health Metrics and Evaluation, Seattle, Washington, USA

Causes of Weak Consumer Demand

Lack of visibility and awareness of real level of injury risk combined with unrealistic optimism/fatalism.

Competing economic and social demands/pressures.

Unresponsive public authorities/industry suppliers.

Lack of reliable information and stimulus to encourage consumer demand for higher levels of road safety output.

Consequences of Weak Consumer Demand

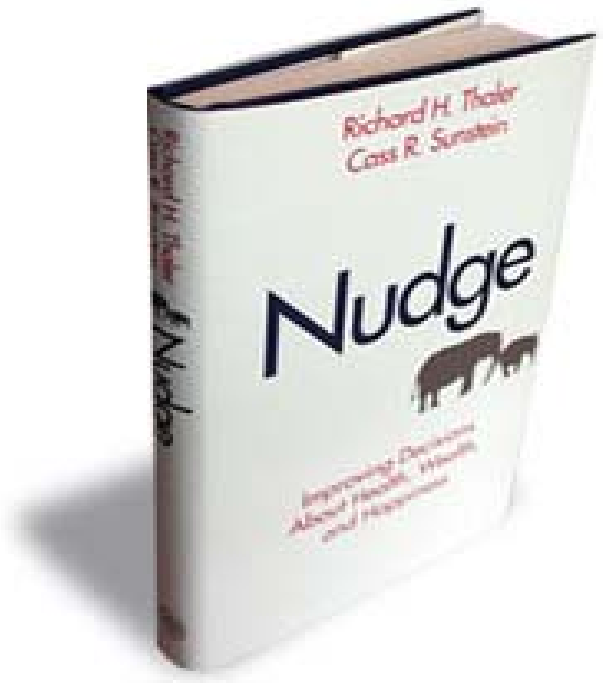
Lack of investment in road traffic injury prevention by managers of road networks.

Lack of public support for enforcement of safety related road traffic rules.

Lack of public purchasing of safety related products.

Lack of road safety policy prioritization by political leaders.

Influencing the ‘Choice Architecture’ of Road Networks



Thaler & Sunstein argue that routine biases and inertia lead people to make many poor choices. Promoting ‘libertarian paternalism’ they argue that choice architects (system designers/managers) can nudge people to make choices that will lead to better outcomes...an approach that is already well established in road traffic injury prevention.

‘Choice Architecture’ and Road Safety

Clear lane markings and vehicle separation save lives!

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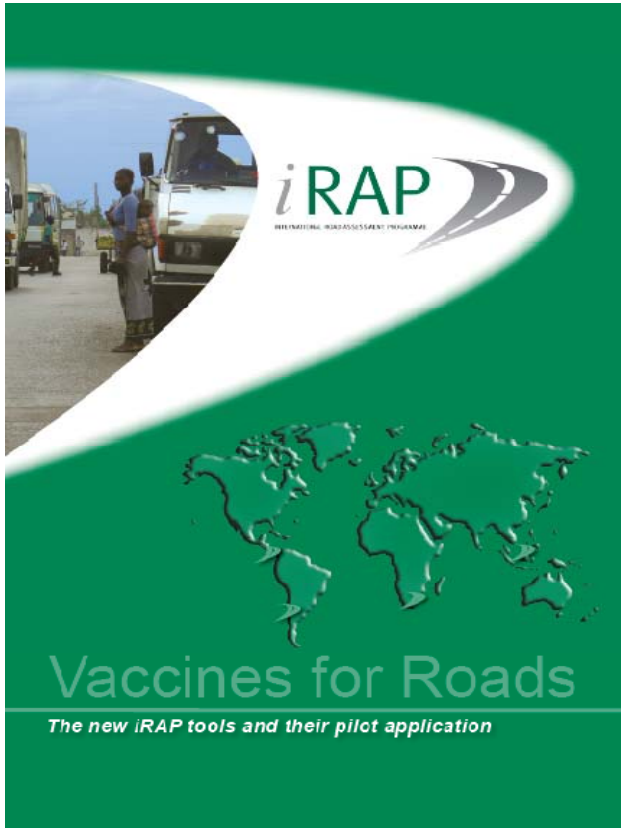
iRAP – Vaccines for Roads

Building on programmes now running in Australia, Europe, and the USA, iRAP provides the public and road authorities with safety assessments that include risk mapping, star rating, and performance tracking.



Transparency through publication of maps identifying most improved and most dangerous roads is a key feature of iRAPs approach.

Pilot Programme Phase 1

Results of the Phase 1 show very promising casualty reduction potential...

	Estimated cost to build and maintain (20 years)/ US$	KSIs saved (20 years)	Value of safety benefit (20 years)/ US$	Cost per KSI saved/ US$	Average programme Benefit-Cost Ratio	Casualty reduction on the roads inspected
South Africa	52 m	6,900	0.6 bn	7,600	12	12 %
Malaysia	181 m	31,800	2.9 bn	5,700	16	32 %
Chile	74 m	19,400	2.3 bn	3,800	32	44 %
Costa Rica	53 m	14,700	1.2 bn	3,600	22	17 %

Consumer Crash Test Information

Consumer crash testing in Australia, Europe, Japan and the USA has succeeded in driving vehicle manufacturers to develop products that substantially exceed the occupant protection standards mandated by governments and the regulations of the UN World Forum for Harmonization of Vehicle Regulations.

‘Nudging’ Industry Towards 5 Stars

At the EuroNCAP first test launch in 1997 industry sources claimed that no car could achieve four stars. In July that year the Volvo S40 became the first 4 star car.

In 2001 the Renault Laguna became the first 5 star car and industry sources said the requirements were too severe for a super mini. In 2004 the Renault Modus became the first supermini with 5 stars.

According to the an EC study (2003) a five star car has a 36% lower intrinsic fatality risk than vehicles designed to meet the legal standard.

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Choice Architects for Safer Cars & Roads

Both iRAP and EuroNCAP are trying to influence the ‘choice architects’.

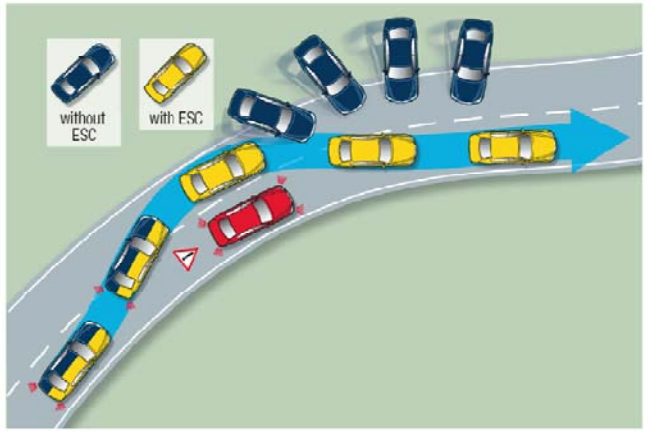
They use consumer information to transparently challenge the way in which cars and roads are designed.

The transparency of the process impacts on both policymakers and the public by increasing the risk of ‘exposure’ of the former to the latter...

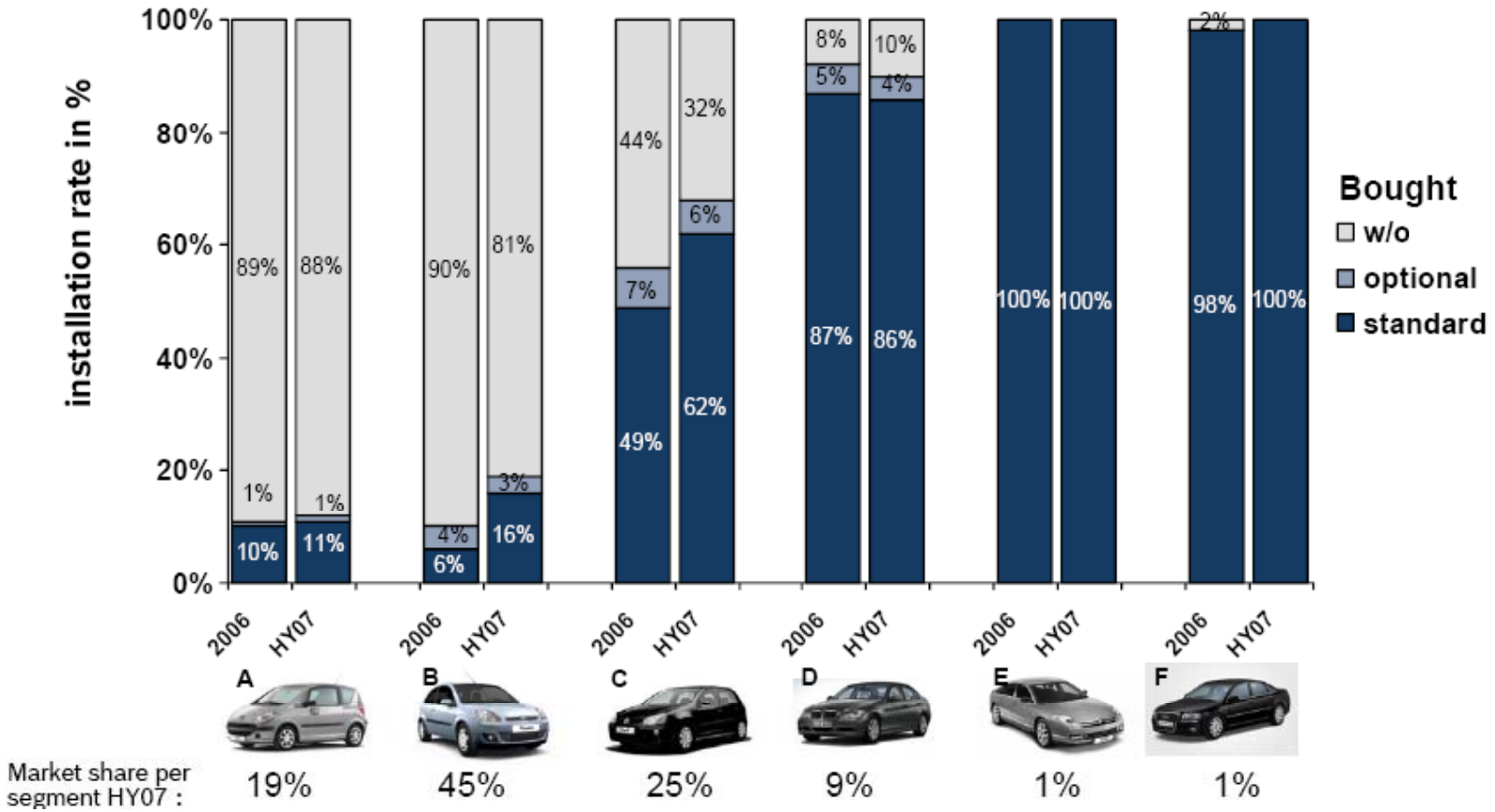
Nudges - Necessary But Not Always Sufficient

The anti-skid device, Electronic Stability Control (ESC) described by the NHTSA as the most important vehicle safety system since the seat belt could save 10,000 lives in the USA and 5,000 in the EU.

But full penetration of ESC across the vehicle fleet will require a combination of nudges, fiscal incentives but also finally regulation.



ESC Installation rates per car segment - HY2007



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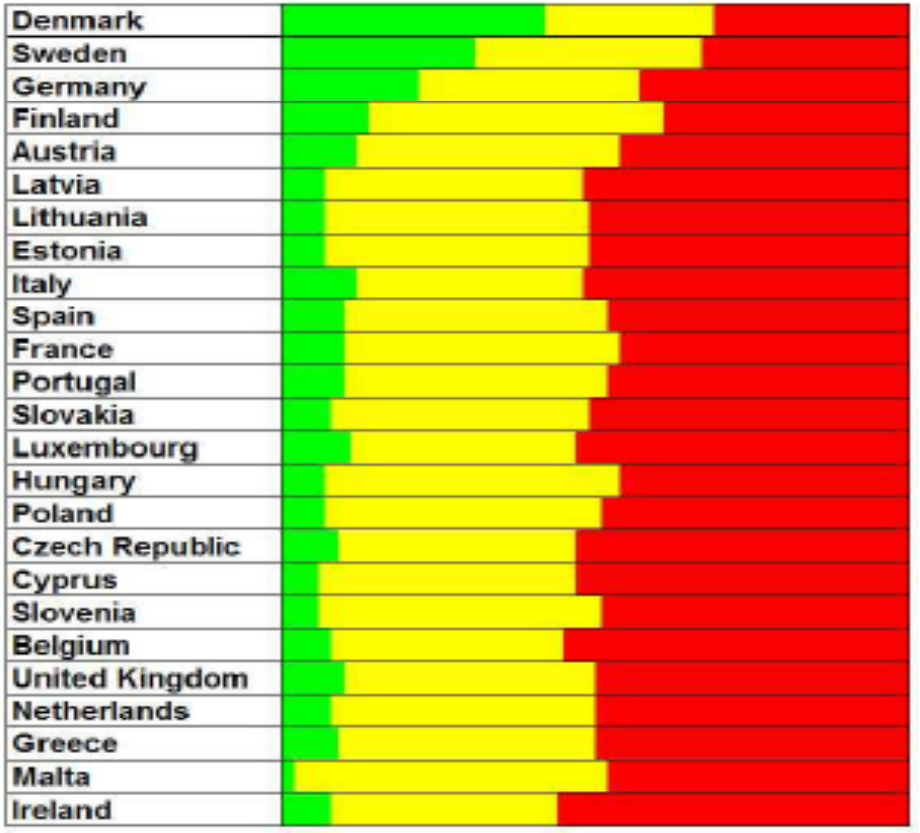
Availability of ESC - Best Performing European Country

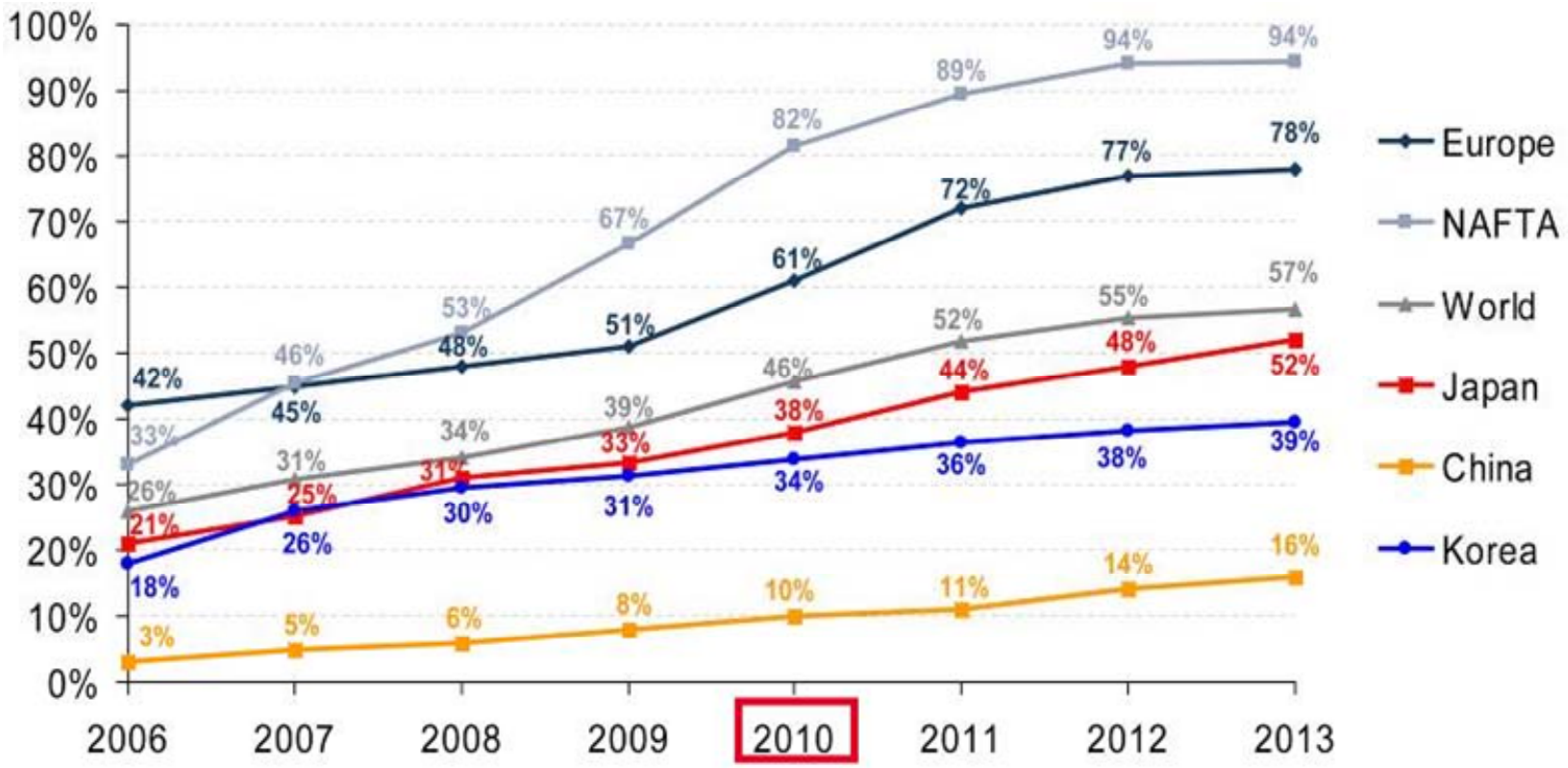
EuroNCAP Survey

Denmark is top having used a system of fiscal incentives to encourage car buyers to choose ESC.



Future development in ESC installation rates

ESC will be mandatory on all US cars by 2012 and the EU will now do the same via the adoption of a UNECE (WP29) Global Technical Regulation. These regulatory decisions are helping to accelerate market penetration



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To Close the Output Gap in Global Road Safety a ‘Demand Management’ Strategy is Needed

Stimulate consumer awareness through effective campaigns and better designed ‘choice architecture’.

Use transparency to stimulate action by authorities and industry.

Use regulations when ‘nudges’ are not enough.

Thank You

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