

COMMUNICATING THE VALUE AND MAINTAINING RELEVANCE OF A FIVE STAR SAFETY RATING TO CONSUMERS AND INDUSTRY

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ABSTRACT

The Australasian New Car Assessment Program (ANCAP) is an independent, non-regulatory, consumer information program which has been operating in the interests of Australian and New Zealand consumers since 1992. The change ANCAP has effected in vehicle safety improvements across these markets over the past two decades is remarkable. Cars have never been safer, and as a result, consumer awareness and the expectation of vehicle safety is at an all-time high.

The demand for safer vehicles by Australian and New Zealand consumers is also at a record level. Five star cars are available in all vehicle categories; vehicle brands now approach ANCAP to obtain ratings prior to launch in order to leverage sales; and ANCAP assessments are viewed as the defacto standard – from the viewpoint of both industry and consumers. This demand for safer vehicles means ANCAP cannot remain idle. Testing and assessments must evolve to encapsulate developments in technology, and communications must be refined to reinvigorate enthusiasm and consumer and industry value in a five star safety rating. Consideration must also be given to the current “saturation” of five star cars in the local market – what’s the new identifier for the top performers?

Biennial consumer and industry awareness brand tracking studies have been undertaken by ANCAP over the past ten years to assist in identifying areas of attitudinal and behavioural change among new and used car buyers and motor vehicle dealers as well as to identify opportunities to further strengthen ANCAP’s engagement with the broader community.

The 2016 study showed that, following significant gains over consecutive years, brand awareness of ANCAP among Australian new car buyers had plateaued at 74 per cent – the same level of awareness seen in 2014.

These findings highlight the importance of ongoing communications across the stakeholder breadth to ensure current levels of awareness are sustained, and new cohorts reached. This being of particular importance when considering the new vehicle purchasing environment where “car buyers are in the market for a short time and then out of the market for a long time”.

The paper explores the findings of ANCAP’s current brand tracking consumer and industry awareness study and the communications strategies through which the value of a five star safety rating can be enhanced, and its relevance maintained throughout and between consumer buying cycles.

INTRODUCTION

The Australasian New Car Assessment Program (ANCAP) is an independent, non-regulatory, consumer information program which has been operating in the interests of Australian and New Zealand consumers, advocating for safer vehicles since 1992.

ANCAP exists to provide consumers with independent, clear and concise vehicle safety information. The aim is to reduce death and serious injury on our roads by encouraging vehicle brands to supply - and consumers to demand and purchase - the safest vehicles through testing and promotion of independent vehicle safety ratings.

Through this, ANCAP has effected significant change across the Australian and New Zealand markets over the past two decades. Cars have never been safer, and as a result, consumer awareness and the expectation of vehicle safety is at an all-time high.

DISCUSSION

Consumer Awareness

Biennial consumer and industry awareness brand tracking studies have been undertaken by ANCAP over the past ten years to assist in identifying areas of attitudinal and behavioural change among new and used car buyers and motor vehicle dealers, as

well as to identify opportunities to further strengthen ANCAP's engagement with the broader community.

The 2016 study [1] showed that while brand awareness of ANCAP was high among Australian new car buyers, it had plateaued at 74 per cent despite significant gains over consecutive years – the same level of awareness seen in the 2014 study. It also revealed a slight decline in net awareness among New Zealand new car buyers – decreasing to 50 per cent in 2016 from 54 per cent in 2014.

Figure 1 shows the change in consumer awareness of the ANCAP brand (both name and logo) across Australian and New Zealand new car buyers from 1996 to 2016.

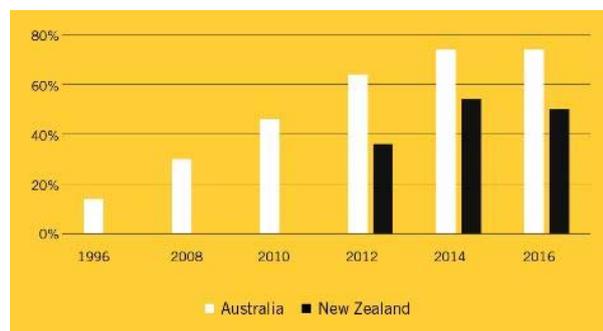


Figure 1. Consumer awareness of ANCAP amongst new car buyers in Australia & New Zealand.

These findings highlight the importance of ongoing communications across ANCAP's stakeholder breadth to ensure current levels of awareness are sustained, and new cohorts – those currently unaware of ANCAP – are reached. This objective is of particular importance when considering the new vehicle purchasing environment where “car buyers are in the market for a short time and then out of the market for a long time”.

Market Penetration

ANCAP has been extremely successful in raising awareness of the importance of safer vehicles among Australasian consumers and through that, its brand. As a consequence, demand for safer vehicles is at a record level – nine in ten new car buyers believe ANCAP safety ratings should be displayed on all new cars at the point of sale [1].

The Australasian market is now in a fortunate position where, through encouragement from ANCAP, this demand is being satisfied and realised. Today, vehicle brands – in the main – are offering safer vehicle choices across all vehicle categories and price points and consumers are taking advantage.

Figure 2 shows ANCAP market coverage, by sales of new cars in Australia in 2016 [2].

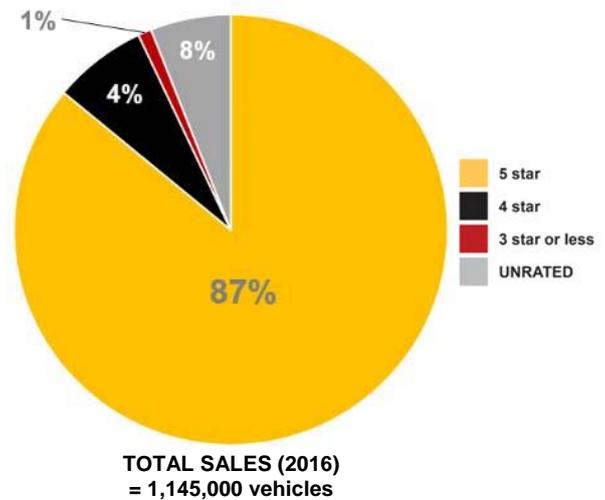


Figure 2. Australian vehicle sales by ANCAP safety rating (2016).

Of the 1,145,000 new vehicles sold in Australia in 2016, 87 per cent held the maximum ANCAP safety rating of five stars and only one per cent of vehicles sold were rated 3 stars or less [3]. The ratings spread is similar across New Zealand with 85 per cent of new vehicles sold in 2016 holding a five star ANCAP safety rating.

Market Saturation

As shown above, ANCAP safety ratings are available for 92 per cent of the Australasian new car market by sales, with 87 per cent holding a rating of five stars [3].

Given recent trends, continuing with the status quo would see market saturation of five star cars and a likely dilution in the relevance of five star ratings to both consumers and industry and a possible negative effect on vehicle and road safety.

This demand for, and availability of top rated vehicles, means that ANCAP cannot and should not remain idle. Testing and assessments must adapt to encapsulate developments in vehicle safety technology, and communications refined to reinvigorate enthusiasm and consumer and industry value in a five star safety rating.

This is being achieved through the broadening of ANCAP's test regime by the adoption of a common protocol with Euro NCAP from 2018. This will likely see a shift in the current ratings mix however top performers will be rewarded – an opportunity on which vehicle brands and dealers can capitalise.

Key Survey Insights

With a global stance to retain the zero to five star rating scale by New Car Assessment Program (NCAPs) worldwide, ANCAP introduced 'date stamping' of its safety ratings in mid-2014 to assist in the communication of increasing rating criteria - to differentiate and acknowledge top performers which meet higher safety standards.

The 2016 consumer and industry study provided ANCAP with a first look into consumer acceptance and awareness of the date stamped ratings. The survey showed that 57 per cent of new car buyers were aware of the date stamp, yet only 28 per cent understood its meaning.

As shown in Figure 3 below, the survey also revealed that the majority (44 per cent) of consumers were obtaining ANCAP safety rating information from new car dealerships as opposed to other communications channels like television (21 per cent), magazines (16 per cent), websites (15 per cent) and social media (9 per cent), yet to date, ANCAP has had little direct engagement with dealerships.

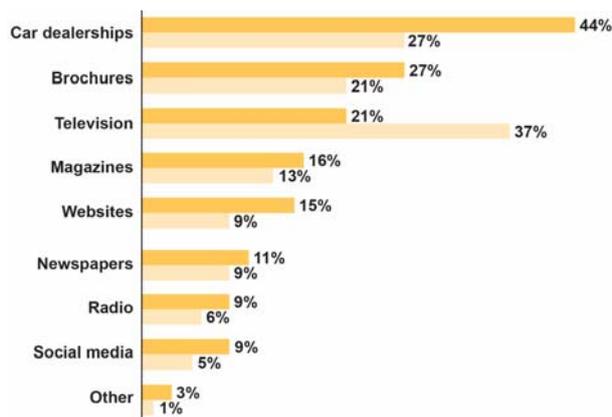


Figure 3. ANCAP rating visibility.

Approximately one third of new car buyers surveyed stated they had received safety information from vehicle brands or dealers prior to purchase and this information played a role in the purchasing decision of 88 per cent of recipients. Forty one per cent said the dealer made safety comparisons to similar cars from competing brands. This shows safety is being used as a key selling point with safety ratings a competitive point of difference. As frontline representatives, dealers are clear advocates for safety and ANCAP safety ratings, and engagement with dealers is critical.

Isolating key vehicle attributes, in 2016 safety again proved to be a key factor in the vehicle purchasing process. While price remained an important consideration for just over one in two (53 per cent) new car buyers, seven in ten (70 per cent) considered

vehicle safety an important consideration. Twenty per cent of all respondents ranked safety as the most important consideration above all others.

COMMUNICATING THE VALUE AND MAINTAINING RELEVANCE

Findings of the latest study identified a number of key areas of opportunity for ANCAP to communicate the value and maintain relevance of its ratings to improve consumer awareness beyond the current level of 74 per cent.

Acting upon these findings ANCAP has actively implemented a number of communications strategies including:

- Enhancement of the ANCAP brand and associated brand marks.
- Establishment of a revised brand narrative.
- Direct engagement with vehicle brands and dealers.
- Leveraging of partnerships.
- Increased engagement with corporate fleets.

Brand Enhancement

Enhancement of the ANCAP brand has been achieved not only through a subtle revision of the ANCAP corporate and rating logos [4] - to improve logo recognition, rating understanding and present a refined position on ANCAP's current purpose and scope - this enhancement also covers a re-positioning of the ANCAP brand as an entity. The timing of this is well placed as ANCAP reaches another milestone in its maturity with the broadening of its test regime through the adoption of a common protocol with Euro NCAP from 2018.

Figure 4 shows the ANCAP safety rating logo in its existing form where the date stamp element is portrayed through a 'rubber stamp' design.



Figure 4. Existing ANCAP safety rating logo.



Figure 5. Revised ANCAP safety rating logo.

The revised ANCAP safety rating logo shown in Figure 5 above carries through ANCAP’s revised corporate logo and presents the star rating and datestamp elements with increased prominence and authority.

Brand Narrative

In conjunction with the enhanced brand approach is the establishment of a revised brand narrative. It moves away from previous flat messaging and incorporates a more inclusive, conversational tone. The tag line, “*What’s your ANCAP?*” carries many benefits. It poses a question to consumers to get them thinking about the safety rating of their current or prospective car; it generates conversation between those in the market and those who aren’t / between consumers and dealers; it encourages active consideration and sourcing of ANCAP safety information; and it allows carriage of the ANCAP message by member organisations and stakeholders in isolation of ANCAP branding – broadening message reach through extended and third-party channels.

Engagement with Vehicle Brands & Dealers

ANCAP has built strong relationships with vehicle brands over the years with regular communication through local market head office representatives. These strong relationships are being leveraged by engaging in a three-way conversation between ANCAP, the brand head office and the dealership. Key to ANCAP’s engagement with dealers is making ANCAP safety ratings part of the sales conversation. This provides dealers with an independent ‘hook’ to engage their customer and encourage their consideration of safety – pitched in comparison to their competitors – which offers a potential sales advantage. ANCAP is assisting dealers through the provision of dual- or tri-branded materials; the use of ANCAP crash-tested vehicles relevant to the brand(s) they sell for showroom display; and providing greater access to ANCAP information and marketing materials through an online content portal.

Leveraging of Partnerships

Maintaining ongoing engagement with consumers is a challenge for ANCAP given its limited budget and in-house resources. ANCAP’s membership base

and its relationships with other NCAPs, governments, vehicle brands and corporate fleets is therefore invaluable as it provides a wide network of advocates to enable ANCAP to extend its reach. In parallel to ANCAP’s direct conversation with consumers, ANCAP is improving engagement with each of its partners so they can act as conduits of the ANCAP message. This is being achieved through increased interaction, identifying joint engagement opportunities and improving the range and access to safer vehicles promotional assets which can be customised to carry the brand of the respective partner.

Increased Engagement with Corporate Fleets

A group which has significant influence on the penetration of new and safer vehicles into the Australasian market is corporate fleets (commercial buyers, governments and rental car companies) – as they are responsible for the purchase of approximately half of all new light vehicles each year [3]. ANCAP has been engaging with fleet purchasers for many years and has built strong relationships. As a result, five star purchasing policies are now held by a wide range of fleets and some also extend to grey fleet vehicles – employees using private vehicles for business travel. As the ANCAP rating program evolves, increased engagement with fleets is necessary. The purpose and importance of the rating datestamp is being highlighted and, to further raise the bar and ensure safety currency, ANCAP is encouraging corporate fleets to consider implementing an additional purchasing consideration – to buy five star vehicles rated to the most current rating criteria using a rolling two or three year datestamp.

Figure 6 indicates the purchasing range, based on the ANCAP rating datestamp, corporate fleets should consider when selecting a new vehicle.

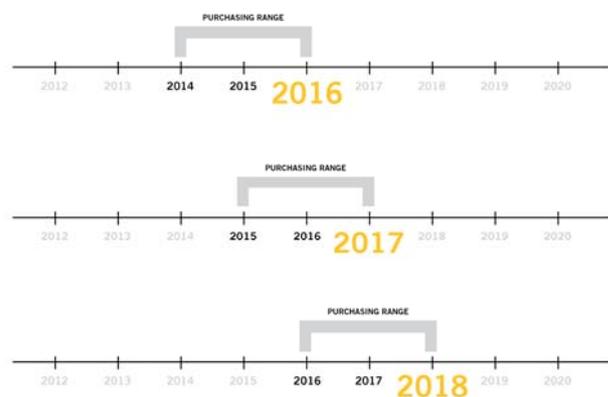


Figure 6. Fleet purchasing range based on ANCAP rating datestamp.

CONCLUSION

Consumer awareness of ANCAP is high, however awareness has plateaued across two consecutive survey periods and presents the need to reinvigorate the value and relevance of vehicle safety ratings. When considering the new vehicle purchasing environment where car buyers are in the market for a relatively short time during the research and purchasing phase, and are then out of the market for a significantly longer period, communications strategies must be enhanced so the conversation continues throughout the cycle. A variety of advocates must also be leveraged to broaden the reach of the safer vehicles message.

With increasing standards through a broadening test regime, a top ANCAP safety rating of five stars becomes even more valuable. This presents an opportunity for vehicle brands and their dealer representatives to leverage sales, and stakeholders to take advantage of a more delineated mix of ratings. This approach will return benefits for all, and most importantly, for road safety.

REFERENCES

- [1] ANCAP brand tracking research, Intuitive Solutions (March 2016).
- [2] Passenger cars, Sports Utility Vehicles (SUV) and Light Commercial Vehicles (LCV).
- [3] ANCAP & VFACTS New Vehicle Sales Data, 2016.
- [4] To be introduced retrospectively from 1 January 2018 to align with ANCAP's adoption of a common protocol with Euro NCAP.