

Study reveals consumer expectations of SA's automotive industry

The advanced technology that's reshaping the way we live, work and socialise is also rewriting the way consumers make purchasing decisions and, in turn, the way industries across the board operate and serve their customers. The automotive industry is not immune to the increased consumer expectations the digital era has brought with it and in order to remain relevant - now and in the future - needs to adopt a more customer-centric approach.



Source: pixabay.com

Deloitte's 2019 Global Automotive Consumer Study explores the opinions of more than 25,000 consumers, in 20 countries, on a variety of critical issues impacting the automotive sector, including the development of advanced technologies.

The findings reveal while South Africans still aspire to own their own vehicles - and concerns around autonomous as well as connected vehicles remain - they are interested in innovative mobility services and willing to pay for connected technologies.

Autonomous vehicles

Very few SA consumers have experienced an autonomous vehicle (AV) first-hand but this survey shows 78% of this group

are at least somewhat interested in giving it a try.

But they're also still somewhat apprehensive of AVs, with more than half of consumers surveyed concerned about driving or walking in an area where fully autonomous vehicles are in operation and the vast majority, calling for government oversight of AVs.

"AVs are currently being piloted all around the world but here in South Africa, it'll likely still be some time before they become mainstream," says Adheesh Ori, Monitor Deloitte: Africa Automotive.

Multi-modal mobility

South Africans still consider a car they own themselves to be the easiest to use, most environmentally friendly, most reliable and safest mode of transport; and safety, to be the most important aspect of mobility.

In fact, the survey shows less than a third of consumers are currently interested in car-pooling services and safety concerns was one of the reasons cited. Other reasons included lengthy trips and not liking sharing a small space with strangers.

"In first world countries, car-pooling is an easy way to earn an extra income, but South Africans don't yet look at their vehicles as depreciating assets that could provide an additional revenue stream," says Ori, "There are, however, a small number of mobility companies operating in our ecosystem at present and we can expect to see more emerging over the course of the next six months or so".

People also appear to be less interested in e-hailing services than in previous years and their usage has shifted from regular to occasional as well as from business to leisure.

One-third of e-hailing service users surveyed said they were considering giving up vehicle ownership – which is a decrease from 2017, when 36% said this.

"South Africans still place a high value on owning their own cars and purchasing a car is also still very much a rite of passage for most South Africans, however we have in recent years seen more and more consumers opting for used cars instead of new cars," says Ori.

South African consumers are looking for practicality and 67% said they would consider a model that offers more utility compared to 26% who would likely favour more luxury.

But they are interested in innovative mobility services and more than half of the consumers surveyed also indicated they were interested in subscription services for selecting multiple vehicles and those that offer unlimited e-hailing services.

Ori says this trend towards a pay-per-use model suits South African consumers.

"Much has been written and said about the potential 'death of the dealer' in the changing automotive landscape but it's unlikely this will occur in South Africa. Rather, what we should see is OEMs and captive finance entities working together with the 'dealer of the future' to harness the power of advanced technologies and offer consumers better-tailored products and services," he says.

Connected vehicles

Consumer concerns around connected vehicles include vehicle hacking and vehicle location data being collected. More than half of consumers are also worried about data related to usage of apps and biometric data, being collected and shared.

Regardless, they are interested in updates on traffic congestion in particular and more than 80% of consumers are also interested in safer travel routes, updates on road safety and vehicle maintenance reporting.

Most are willing to pay for connected technologies and around half would prefer to pay for a monthly subscription service or on a per-use basis.

South African consumers are, in the main, still wary of advanced automotive technologies but as more and more people begin to adopt these technologies, they will eventually become mainstream.

It is crucial, therefore, that OEMs, captive finance entities and dealers refresh their traditional business strategies and operating models in line with the evolving demands of their customers and in a way that truly puts customers at the centre of their businesses.

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