

Future of automotive technologies: Insights for South Africa

According to the recently released Deloitte's Global Automotive Consumer Study, South African consumers are more likely to desire advanced automation technology when choosing cars compared to consumers in the United Kingdom, Germany, China, Mexico, and South Korea.



However, willingness to pay has decreased over the past two years. Younger South Africans are more willing to pay when compared to older generations.

“When we look at the future of mobility, the younger generation is much more likely to show an interest in fully self-driving vehicles, and they are also more willing to pay for in-vehicle technologies when compared to older generations. When compared to the UK and Germany, we’re also seeing a higher proportion of consumers in South Africa who are willing to pay for advanced vehicle technologies, with safety remaining their biggest concern,” said Karthi Pillay, Africa Automotive leader at Deloitte.

Basic vs advanced automation

Basic automation allows the driver to be in complete control with the vehicle performing specific automated tasks, while advanced automation combines at least two functions such as adaptive cruise control and lane centring technology. Limited self-driving allows the vehicle to take over all driving functions under certain traffic and environmental conditions, compared to full self-driving where the vehicle takes over all driving functions for an entire trip.

Almost 7 in 10 consumers consider travelling in self-driving cars to be a positive experience and are willing to try them if they show an established safety record. When asked about connected cars, 83% of consumers fear data hacking, which could compromise their personal safety, but 79% would share personal information with car makers in return for significant benefits.

Tech companies vs traditional car manufacturers

“However, South Africans are divided on who they trust the most to bring self-driving technology to market, with half of consumers preferring tech companies and the other half choosing traditional car manufacturers. This is an interesting finding as a new ecosystem takes shape” said Adheesh Ori, chief of staff for Deloitte Africa Automotive.

Ride-sharing does not yet threaten South Africa's culture of car ownership, with only 21% of consumers using ride-sharing services at least once a week, and 42% saying they never use such services. In this study, ride-sharing was defined as a car sharing service where consumers hire a car or driver over the phone or using an app. Interestingly, more than a third of the younger consumers who use ride-sharing services question their need to own a vehicle in the future.

In South Africa, 73% and 74% of consumers want basic and advanced automation technology, respectively, compared to other markets. However, consumers in China, Mexico and South Korea are more likely to want limited or full self-driving vehicles.

Only 47% of South African consumers want limited self-driving technology, and just 39% are interested in full self-driving. Over the past two years, the desirability of advanced automation has increased from 67% to 74%, while desirability of other automation levels has remained stagnant.

Although the desire for advanced vehicle technologies has increased, fewer people are willing to pay, compared to 2014 levels. In 2014, local consumers were willing to pay an additional R19 149 for these features on average, but in 2016, they would pay only R18 370. "Just as in developed economies, South Africans are starting to expect some of these features to come as standard when purchasing a vehicle," said Ori. "Only when they derive significant additional benefit are they prepared to pay extra."

South African consumers are most interested in safety and cyber security features, while convenience and service enabling technologies resonated the least with consumers.

Top ten most desired features

The top ten most desired features were technologies that:

1. Recognise objects on the road and avoid collision
2. Take steps in medical emergencies or accidents
3. Enable remote shutdown of a stolen vehicle
4. Inform the driver of dangerous driving situations
5. Block the driver from dangerous driving situations
6. Prevent theft by restricting unauthorised access
7. Diagnose and send maintenance notifications
8. Help enhance fuel efficiency
9. Prevent hacking into vehicle systems
10. Enables vehicle-to-vehicle and vehicle-to-infrastructure communications

"The automotive industry is experiencing a period of intense disruption, and consumers are starting to make their voices heard as to which innovations they value most. It will be interesting to see how the industry develops as advanced technology becomes more widespread," said Pillay.

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