

AutoTrader points to commuter bikes as key to mobility freedom in SA

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New direction for biking industry revealed at inaugural Motorcycle Industry Stakeholder Summit

On 25 May, the inaugural Motorcycle Industry Stakeholder Summit was held as part of the AutoTrader SA Bike Festival, at the Kyalami Grand Prix Circuit & International Convention Centre. Conceptualised by AutoTrader, the summit welcomed over 200 delegates from government, to industry, media, training, licensing, safety and education - their goal was to discuss and ultimately begin to solve core issues facing the South Africa's motorcycle industry.



Passion starts young! Two bikers ride in to the venue to mark the end of the Conference. (l-r) Amohelang Phiri (four years old), AutoTrader CEO George Mienie, Oratilwe Phiri (nine years old). Photos published with consent from mother Tsilane Phiri.

The summit was hosted by AutoTrader and featured a 12-speaker panel consisting of representation from the Association for Motorcycle Importers & Distributors in South Africa; [AutoTrader's](#) CEO [George Mienie](#), and biking enthusiast and media personality Seipie Mashungane.

Opening discussions shared sobering insights from Lachlan Harris, National Director for the Association for Motorcycle Importers & Distributors in South Africa. "In 1990, 80,000 motorcycles were sold - it was a boom in the market," said Harris. "In 2017, that number was down to 18,500, covering scooters to luxury bikes. The rate of decline has however since slowed down."

Some of the challenges cited as contributors to this decline, ranged from financing to industry marketing strategies.

"53% of customers feel that getting finance for a bike is hard," stated Mienie, drawing on AutoTrader's bespoke research into the South African motorcycle buying market.

Seipie Mashungane echoed this sentiment by commenting that banks in general do not yet appear to recognise the commuter's existing transport budgets as funds that can be re-directed towards purchasing a motorcycle. "Banks are declining applications - only one or two get approved out of 10," commented Mashungane. "Application forms need to be looked at," she advised.

Furthermore Mashungane commented on the current marketing messaging and the opportunity to introduce a vastly untapped audience to the freedom of mobility that the affordable motorcycle offers.

"There are two parts to biking: commuting and lifestyle, but industry has not introduced the commuting element," she said. "It takes two and a half hours from Soweto to the CBD. Commuting in a taxi takes longer." Mashungane recommends creating a commuter market. "We need freedom of mobility to liberate our people," she stated.

Mienie provided insight into the profile of the current South African bike buyer who is 95% male, 66% white and over the age of 25 years old. "This profile points to a small percentage of the South African population, which means there is big opportunity for growth" commented Mienie. Mienie also noted the growing interest for bikes in South Africa marked by a 20% year-on-year growth in unique visitors to AutoTrader Bike.

In order to stimulate the market Mienie suggested that more dealerships start trading in secondhand bikes; "Our research found that 73% of bike buyers are looking for used bikes." Mienie challenged the industry to offer more solutions similar to the car industry where customers are offered warranties, service plans, and trade-in's.

"The bike category is in a time machine, and mirrors the path cars once took," Mienie advised. "In 2015 shoppers for cars would visit up to five dealerships, now in 2018 they visit one or two," he advised. "Dealership visits for bikes are poised to decline," he warned. "Our research shows that currently 71% of bike buyers visit up to three to four dealerships before buying a bike."

Mienie also noted a marked increase in online bike research, "Currently the bike buyer is spending three hours researching over a three month period," he continues. "Bike buyers are following in the footsteps of car buyers who are becoming 'more anonymous'; meaning they are in the market researching without talking to anyone who sells bikes." Mienie forecasts that bike shoppers will merely walk-in to dealerships without sending an email or calling beforehand. "Influencing the consumer during their research period to visit your dealership is what is going to ultimately get the sale," Mienie comments. Mienie cited 70% of potential bike buyers are looking to purchase in the next 3 to 12 months.

According to AutoTrader, these are the top 10 motorcycle brands consumers are considering: BMW, Honda, Kawasaki, Yamaha, Suzuki, Ducati, KTM, Harley-Davidson, Triumph, and Aprilia.

"The motorcycle market is currently dominated by big engined bikes," Mienie commented. "However there is opportunity in the smaller engined motorcycles category. Those between 150cc to 500cc are not only generally more affordable but also offer enough engine power to legally access highways, which opens up all commuting options," he comments.

AutoTrader research consisted of a combination of commissioned research, customer surveys on third party sites, and internal onsite analytics.

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