

AutoTrader searches jump 76% year-on-year

Issued by [AutoTrader](#)

9 Sep 2020

[AutoTrader](#) has recorded exponential growth in car searches year-on-year. Activity on South Africa's largest digital automotive marketplace rose from 32,4 million in April, to 39,9 million in May, to a high of 43,3 million in June, marking a full 76% increase when compared to June 2019.

Immediate response

"When lockdown happened everything ground to a near halt," says [George Mienie](#), [AutoTrader](#) CEO. "We were eager to take some sort of action, and when we found out that the government was accepting proposals in order to inform their risk adjusted strategy, we jumped at the opportunity to help get the wheels of the retail automotive industry turning again."

AutoTrader's petition focused on one essential argument - that the economy can't do without retailing cars. Their action contributed towards reinstating vehicle sales under lockdown Level 4.

"We petitioned the government on three fronts," says Mienie. "Firstly we argued that a full 7% of our GDP comes from the automotive industry, and highlighted that 2.5% of that comes from the automotive retail sector. By not allowing this sector to trade, it would be detrimental to a large portion of our economy. Secondly, we demonstrated that consumer search, and more importantly enquiries on cars, had remained buoyant even during lockdown Level 5. Thirdly, we took lengths to illustrate how a dealership could operate under strict protocols and therefore provide a safe environment within which consumers can trade cars. It was a strong argument that was well received."

"We also knew that if we were going to endure through this pandemic, we had to be in it together with our customers, the ultimate retailers of cars. In April we gave a 100% discount, and a further 50% during the months of May and June. It was our way to help keep the momentum going."

Right place, at the right time

AutoTrader found themselves in a unique position to respond to the unprecedented lockdown, thanks to recent system upgrades and strong pre-planned marketing campaigns.

"In March of this year we launched our #Carfie campaign," says [Angelique Lynch](#), AutoTrader marketing director. "It was a first for Southern Africa in that consumers stood the chance to win any car of their choice on AutoTrader worth R200,000 by creating that perfect moment with them and their car." The #Carfie campaign brought nationwide attention to AutoTrader's search capability, which allows users to search by car variant - an upgrade in 2019 that has significantly improved ease of use.

"The campaign enjoyed over 200,000 social engagements, generating 86 million impressions, giving our brand a big boost in visibility heading into lockdown," says Lynch.

"AutoTrader is a trusted brand, and our world-class search technology and user experience combined with the brand love created from the campaign, all contributed to winning over a new fan base," she adds.

Cars under R200,000

Mienie says that it was also the interest in used cars retailing for less than R200,000 that in part, contributed towards the surge in traffic - a trend he says started pre-lockdown.

"We were already growing pre-lockdown, and this was principally because of a swing to used cars," says Mienie. "The

economy was already under pressure. We saw a similar thing happen in 2008.”

[AutoTrader's 2020 Car Industry Report](#) shows used car searches up by 40% pre-lockdown, specifically in the under R200,000 range, and that used car prices had increased by R9,000 on average across the board.

“Because people were losing jobs or experiencing salary cuts, bank finance approval ratings were down and dealers had to work really hard to get those finance agreements approved,” says Mienie. “We drove a ‘live within your means’ message to our users, which we believe is reflected in the jump in used car interest.”

Automotive digital retailing done right

“*Digital retailing* simply means putting the physical retail experience online, click and deliver,” says Mienie. “But *automotive* digital retailing (ADR) is not just click and buy, online automotive car buying is more complex than that.”

The future of ADR has been AutoTrader’s focus for over a decade. Their obsession with efficiently migrating the buying and selling process to the digital space, positioned them well when lockdown hit - a process that is now accelerating.

Mienie notes that when the company first entered the digital auto space, a vehicle sale took an average of five physical visits to a dealership, and pre-Lockdown it was down to just two.

“Physical dealerships will not disappear in the medium term - a vehicle sale will always ultimately be partly a physical experience - however, good use of the digital space can make it hassle free, cost effective and move many of the shopping steps online,” he says. “In this time of economic uncertainty, reducing car shopping pain points is a must.”

Post-lockdown trading

The AutoTrader name was made in the pre-internet years, when their print publication was the go-to ‘bible’ for anyone in SA looking for a car. The experience of navigating the waters from print to online, and the continuous refining of that space, has armed the organisation with the experience to take on a post-pandemic reality.

“In a way, lockdown has brought the future of AutoTrader closer to us, as it has accelerated a deeper adoption of the digital space for many of our customers, both car sellers and car buyers,” says Mienie. “It has also taught us many lessons. My phone never stopped ringing the day we gave the discount. One dealer said to me, ‘you’ve got a customer for life’. I was humbled by the response. I think we have an interesting and challenging automotive future ahead of us. This initial growth in searches is just the start,” he concludes.

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