

# Online experience holds the key to how consumers buy cars

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Online connectivity is changing forever the way consumers are buying vehicles, says Glen Mollink, CEO at Innovation Group SA.



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Gone are the days when buyers travelled between dealerships to see what was available, and for how much. Now, "at the click of a button, consumers can find multiple dealerships offering the models they want, in the right colour, at the right mileage and within their area." They could even compare prices. "Connectivity gives consumers massive choice," he said.

The change is happening faster in some countries than others. In developed markets, the first time customers visit a showroom may be to close the deal; to see the vehicle and perhaps take a test-drive. That is often not the case in SA, where much of the population still has limited online access. Some domestic motor companies, having started to invest in 'virtual' showrooms more than a decade ago, say uptake by South African consumers has been slower than expected.

## Difference in buyers

Mollink was speaking in Johannesburg at the launch of Innovation's Automotive Future Now report. The firm, a subsidiary of UK-based Innovation Group, supplies business and technology services to the automotive and vehicle fleet industries. The report highlights the difference between traditional and new buyers in SA. Premium buyers say they want cleaner emissions, advanced safety features, mobile onboard technology and an excellent driving experience.

"For now, South African consumers are less concerned with greener emissions than with affordability or even just access to mobility in any form," it says.

According to Toyota SA executive, Calvyn Hamman, "There is always a market for more luxurious vehicles that people would like to have, but affordability is of more concern to the greater market."

## **Updating business models**

Innovation's automotive managing executive, Ricardo Coetzee, said changing consumer demands were forcing companies to change their business model. For years, their aim was to build "bigger, better and faster cars". He said: "If you were to speak to car manufacturers years ago, they would tell you the most important aspect of their work was the product."

While that remains important, manufacturers now have to look beyond metal and rubber. Modern consumers want a complete package, from design of a car through to the after-sales experience.

Customers do not differentiate between manufacturer, dealer, sales and service. The industry must provide "a seamless, customer-centric driven interconnection between people, systems, processes, services, marketing, sales, after-sales and customer relationship management".

This aim is threatened by lack of training and development to produce the necessary skills. The report says there is a shortage of qualified automotive technicians, as well as customer service skills that the industry will need in future. "The entrepreneurial mindset is not being encouraged or supported," it says.

*Source: Business Day*

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