

# Improving market access with consumer insights to sustain and grow South Africa's automotive industry

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6 Mar 2024

Precision mapping and strategic insights drive growth in South Africa's automotive industry.



GeoScope is a key partner in helping South Africa's motor industry sustain itself and revolutionising its strategic decision-making. This will become even more essential in the year to come because of the myriad of challenges the industry will face in 2024. Consumer apathy and changing purchasing behaviour, supply chain disruptions, regulatory changes and inflationary pressure will be key challenges. Consumer purchasing power continues to be impacted by economic uncertainties in South Africa, and the trend for OEMs to move their vehicle sales online will influence strategic decisions on optimising dealer networks for servicing and spare parts. Moreover, changing consumer preferences and digital transformation in the industry add layers of complexity to an industry already navigating market saturation and affordability concerns.

This will be further exacerbated by supply chain disruptions such as the more recent decision by ArcelorMittal to shut down their long steel production in South Africa and the blockages in processing of cargo ships in Durban's port. Long steel production is used by the automotive industry for the manufacture of motor vehicle parts and could potentially bring a halt to the industry. This on top of recent statements made by OEMs voicing concerns about electricity cuts continue to impact their production processes. Adapting to these multifaceted challenges becomes imperative for OEMs and dealer groups in South Africa's automotive landscape to ensure sustainability and competitiveness.

## Navigating success in the automotive industry through GeoScope's suite of solutions

GeoScope provides a suite of solutions that are vital to ensuring the motor industry's sustainability and competitive from basic mapping of existing brand and competitor dealers to optimising a brands dealer network. To accomplish this requires data on the target market, existing dealer networks, market share, and preferred sites so informed decisions on whether to

expand, reduce or relocate dealers in the network can be made.

Defining the trade area of dealers using customer sales or servicing data is vital in defining the minimum travel time to reach dealerships of different types and sizes. Having defined the trade areas allows effective comparison of dealership's KPIs (e.g. gross profit, labour rate, client satisfaction, etc.) in a brand's network.

Consumer data from the Marketing All Product Survey (MAPS) integrated into a dealers trade areas provides invaluable data on the car park, market potential for OEMs, frequency of travel, media strategies, extent of instalment payments, motor expenses and purchasing decision-making. Data on financial measures can also be provided for selected dealerships.



## Precision redefined: GeoScope's expertise can help elevate South Africa's automotive industry in 2024 and beyond

One of GeoScope's standout solutions is the precision with which dealer's vehicle sales, servicing or spare parts targets can be set. By integrating financial metrics such as sales volumes and/or turnover with detailed target market data, specific to each dealer's trade area, OEMs are empowered to set realistic targets. Dealer principals can be assured that their targets are a realistic figure considering past performance, market characteristics and ensure equity with other dealers in the brand.

In the rapidly evolving automotive landscape in South Africa, GeoScope's geospatial services provides strategic and actionable insights derived from geospatial intelligence. GeoScope's innovative solutions build the foundation on which OEMs and dealer groups can better understand their business and market to position their brand to achieve their strategic objectives in 2024.

## ABOUT CRAIG SCHWABE

Craig Schwabe is a geospatial specialist at Africascope, and focuses on the use of accessibility methods in the optimizing of government services and retail outlets. Over more than 12 years he has assisted companies in the motor industry as well as the financial and retail sectors with optimizing their retail networks. He has been an advisor to the South African government on the optimizing of government services and co-authored the Guidelines for improving geographic access to government service points.

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