

Carmakers primed to tackle new year challenges

By  Mike Whitfield

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Despite another difficult year for the automotive industry, car manufacturers are on top of the challenges and ready for 2017's expected trends.



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Keeping costs affordable

New car sales continued to decline in 2016 as South Africa grapples with slow economic growth, less disposable income and high interest rates. We're not likely to see a break in this pattern as we head into 2017. A ray of hope will be for one percent growth in the next 12 to 18 months, which could see new vehicle sales grow next year by between three and four percent.

The focus will therefore still be on affordable cars that offer value for money. Dealerships and car companies will be working together to offer customers attractive sales, warranty and motor plan deals. As affordability remains a consumer challenge, we'll see a rising trend towards longer car ownership. So though we might see fewer purchases on the sales floor we'll see more visits to the service department.

Innovation is still the name of the game

With some 50 global car brands, how do you stand out in the crowd? It's an eternal question for auto companies. Innovation is key, even in tough times.

Fortunately the global slowdown hasn't put the brakes on research and development. If anything, it's even more pronounced as car companies compete for space. So as we keep pace with fast-evolving technology and anticipate the demands of tech-savvy consumers, expect to see as much, if not more, innovation in 2017.

Saving lives and our planet

Safety and environmental considerations will continue to dominate the development of new technologies. Advanced safety features that anticipate and prevent dangerous situations are aimed at an ongoing reduction of global road fatalities – more prevalent in low-income countries like Africa where road deaths are almost three times that of Europe.

As growing numbers of consumers embrace clean energy, more and more car companies are introducing a bigger range of hybrid and zero emission electric vehicles. Consumers can expect greater choice as evolving green technology becomes more widely available across brands and vehicle types.

The ongoing development of battery technology is increasing the drive range of electric vehicles significantly, while vehicles with pioneering bi-directional battery capability – to generate and store power for multiple applications – offer an attractive renewable energy source.

Connected cars chasing autonomous drive

The connected car – using onboard sensors and internet connectivity – is developing at a rapid rate. Each development brings us closer towards full autonomous drive, comprising a range of technologies to enhance the drive experience.

We've already seen lots of new and established players competing in the run-up to 2020, when autonomous drive is expected to be at an advanced stage. As the race heats up, we'll start to see more collaboration between car companies – some of which are pairing up with ICT businesses to deliver next generation connectivity. This has two-fold benefits: a pooling of respective knowledge and expertise, and shared costs in a fast-developing arena.

Taking mobility sharing to new heights

A buzzword in the auto industry is disruption. We're certainly seeing this in consumer behaviour patterns where shared mobility – car sharing and e-hailing – is on the rise. With a recent study estimating that by 2030, one out of 10 cars will be a shared vehicle, car companies are looking for innovative ways to meet this growing trend.

Auto makers ahead of the game are looking at car usage which is more flexible, social and shared. So expect to see movement in this space, where digitally-savvy millennials and the power of social networking could set a trend for part-ownership car schemes and customised car sharing communities.

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