

A wave of change



By [Pieter Niemand](#)

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I foresee three major trends for the automotive industry that will challenge the status quo and bring about noticeable change.



Pieter Niemand

1. Move towards drafting a code of conduct

The first of these is the move towards drafting a code of conduct for the automotive industry.

The Competition Commission has started the process of putting together a code of conduct for the industry.

“ While the code is still in its infancy and will take time to be finalised, there is no doubt that it will be the catalyst for change in the industry. ”

At this point stakeholders have submitted their comments and the Commission will review and revert back to the industry. The commission has recognised that things cannot continue as they currently are, so change is inevitable. What this change will look like is still unclear at this point but there's a good chance that it will include how consumers engage with dealers, how independent workshops service vehicles and how parts are priced and sold.

What this enquiry has done for the industry is raise awareness among the public and question the way in which the industry has been operating. I believe that consumers are more enlightened and will challenge the way things are done. This is the start of a wave of change.

2. Technology advancements challenging independent workshops

The second trend worth mentioning is technology advancements in the sector and how this will challenge independent workshops.

The technology being introduced into vehicles is moving at such a rapid rate that workshop owners are realising they need to evolve and specialise. This is forcing workshops to decide what they will be moving forward – specialists or general repairers.

Specialist workshops will have to invest in the diagnostic machinery, tools, training and so on to be able to service technology-evolving vehicles. While it will most likely be an expensive initial outlay the future prospects of the business will be good.

However, this may not be an option for workshops who do not have the capital available.

While a percentage of the South African car park includes older vehicles that a general mechanic will be able to repair, this will not remain so for many more years.

“ For this reason, it is imperative that, in order to stay in business, the independent aftermarket needs access to coding information, diagnostic tools, training etc from the original equipment manufacturers (OEMs) which is what we are hoping will come into effect with the industry code of conduct. ”

3. Online consumer behaviour

Online consumer behaviour in the automotive space is the third trend worth tracking.

Consumers are becoming more and more comfortable and savvy with buying online, booking appointments online etc and there's no doubt that this will spill over into the automotive industry. We are already reaching a point where consumers don't necessarily even see the need to test drive a vehicle before they purchase it! They review and purchase online.

The same will apply to servicing. We foresee developments in this area in the very near future. Consumers will want to be directed to the nearest workshop to their location, be able to book in their car for a service and get a full report entirely through their mobile device. Those businesses that embrace the opportunity to make the process as efficient and streamlined as possible will benefit.

ABOUT PIETER NIEMAND

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