

Automotive branding is evolving

By [Glenn Jeffrey](#)

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Like most brands, automotive brands have been moving more of their budgets toward digital marketing even before the pandemic started. Obviously, sales across almost every vehicle brand have suffered the effects of lockdowns and this has accelerated the digitisation of marketing as especially the more bespoke premium brands aim to woo more targeted audiences.



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It's not just awareness marketing that is more online focused, but the retail purchase journey can now be fully digital with some brands who are selling vehicles online direct to consumers, effectively redefining the dealership experience as the car is delivered to your door. This gives them the opportunity to influence the sales experience directly while the dealers take on more of a service centre role, which in itself still requires a lot of work to ensure a positive brand experience as it affects customer retention.

It also makes the search for the ideal car at the price you want a simpler task, you have access to the database of vehicles from every dealer across the country rather than the ones geographically nearest to you. It effectively turns all the brands dealers into one online dealership.

South Africa is a bit behind the global curve when it comes to truly innovative purchasing models like subscription-based deals. And leasing options are still exclusive to the premium segment, as they generally demand higher monthly payments for the convenience of having most of your motoring costs covered in one monthly payment.

While some South African consumers may well be weighing up environmental impacts of their vehicle choices, the fact remains that we do not yet have compelling regulatory incentives to opt for more expensive electric vehicles at any significant scale. Having said that, it is also a very niche and very new segment in the market that may become more mainstream as costs reduce. The high purchase price of an EV can also be somewhat offset by the very low maintenance costs over time, which may sway buyers in the future.

I think many of the premium brands are moving to a kind of model where the brand sells the vehicle direct to the consumer and the dealers become service centres, like in the Volvo example. Other premium brands such as BMW also offers this kind of service. This gives the brands more control in how the customer experiences and perceives them, and the service centres can focus primarily on maintenance.

If the service experience is a consistently positive one, it plays a role in keeping customers loyal to the brand when they next decide to change their vehicle. So even if dealers eventually become more like service centres, they will still always play a significant role in new sales. And with brands like Hyundai introducing services like ClickToBuy the online purchase option is now becoming available to the mainstream market.

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