

Millennials are setting the pace for the motoring industry

 By [Des Fenner](#)

18 Dec 2015

In a market where car ownership is becoming increasingly expensive, it would be a mistake to assume that the younger generation of South African motorists are finding it difficult to enter the new-car market.



© HONGQI ZHANG - [123RF.com](#)

In fact, the opposite is true; it is the Generation-Y driver who is having a significant impact on shaping the motoring habits of the future.

Over the years, the South African car market has undergone a fundamental shift. Although luxury and power are still desired, the emphasis has moved to lighter vehicles and the advantages they bring to the motorist who has to cope with congested city centres.

The A-segment vehicle is now in demand, rather than being a purchase strongly influenced by financial circumstances. As this change has gathered momentum, so this sector has become one of the most hotly contested segments of the market.

Making it even more challenging for manufacturers has been the simultaneous emergence of the 'Generation Y' driver whose definite requirements and expectations are shaping the future of the automotive industry on a global basis.

Market acceptance

Better known in South Africa as millennials (people born in the 1990s), they represent a market where most are starting to think seriously about tertiary education, careers and transport - not necessarily in that order. Millennials have several things in common and are currently setting the pace for the motoring industry, which is looking for cues to develop future offerings that have a high level of market acceptance.

Social researchers list this generation as being optimistic, social and as having high expectations of themselves and others. They are also tech savvy and at home with the vast number of technical options currently available, ranging from smartphones to tablets and the internet - everything that enables fast, effective communication and helps build their world view.

In South Africa, millennials are people whose characteristics include:

- Being happy in a global marketplace, with more than 60% of them regarded as compulsive users of smartphone technology.
- At least 91% have Facebook accounts, 30% have Twitter accounts and at least 11% watch webinars.
- Using the internet for more than two hours a day, with 99% using the internet for a variety of purposes.
- Being more in touch with green issues than previous generations.
- Believing that businesses should have a positive impact on wider society and the environment.

It is these 'super-connected' people who are applying their requirements to the cars they choose - and with great effect. For example, engines - although they are more compact - are more advanced, delivering acceptable performance through sophisticated electronic-based systems. For the Datsun GO, which became the new Datsun offering in South Africa in 2014, this translates into a 1,198cc, three-cylinder, 12-valve power plant, delivering a respectable 50kW and 104Nm of torque. However, the vehicle is still capable of producing a top speed of 161km/h.

Car bodies are lighter. The Datsun GO has a tare mass of only 779kg (GVM of 1,152kg). Fuel consumption is only 5,2 litres per 100km. On the environmental front, CO₂ emissions are 123gm per kilometre.

Interior changes

Inside the vehicles much has also changed to meet the millennial lifestyle. Interiors are geared towards connectivity, enabling seamless transition from pavement to car if you are using an application or smartphone.

Driver binnacles are built around digital delivery. A drive computer provides instant readouts on fuel economy, average fuel economy and distance to empty. Electronic fuel gauges, air conditioning, accessory sockets, digital tachometers, halogen headlights and the ubiquitous USB connection point (all previously optional) are now standard fitments.

The times have really changed. Undoubtedly, it is Gen Y that has influenced a significant relook at the delivery of motoring options by dictating that entry level cars are more desirable than ever before, but that doesn't mean that they have Spartan offerings that make a statement about social and environmental awareness at the cost of comfort.

It could, of course, be claimed that Datsun has always ridden the trends. After all, it was the smaller-engined, light-bodied 1200GXs and sporty 1400cc Y-series that were the choice of young drivers and trend setters in the 1960s and 1970s. Above all, they were economical rides that enabled people to buy a brand-new car and personalise it by using a number of available options.

Same basic requirements

Fast pedal to 2015, and some motoring pundits would claim that we have come full circle by catering for a market that has the same basic requirements as that of the 1960s and 1970s (some may remember fuel restrictions), and has merely adapted to the challenges of the times: fuel efficiency, low maintenance costs and reliability are still high on motoring

agendas.

What is new is that consumer choice and needs are driving the way cars are built and what they offer. The A-segment vehicle is seen as a lifestyle option that enables young motorists to break through into car ownership and independence without any compromises being made.

True to millennial values, their vehicles of choice have to be stylish, fun to drive, reflect their personalities and also cope with roads that are not always in perfect condition; they see one of the greatest benefits of vehicle technology lying in increased fuel efficiency.

When it comes to the future and alternative technologies, 60% of this new generation of motorists is prepared to pay more for the alternative engine or fuel technologies they believe are on the way. In fact, many feel that a viable alternative in this regard will be with us within the next five years - a feeling many manufacturers have already taken note of.

Economic renaissance

But perhaps the most cogent reason for manufacturers linking their futures to this market is its size in South Africa and on the African continent. The economic renaissance of Africa is under way, with South Africa playing a pivotal role when it comes to offering manufacturing expertise.

Significantly, the vast majority of people in the emerging middle class across the continent are young. In South Africa, this market now makes up 35% of our population, and surveys have revealed that 80% of the country's millennials plan to buy a car in the next five years, equalling about 15 million more vehicles on the road.

Furthermore, unlike their global counterparts who have indicated that they would happily give up their cars for alternatives, such as reliable public transport, South Africa's new generation of drivers wants to enjoy the driving experience.

We may live in a country where urban traffic congestion problems are increasing, but we are still fortunate to have the wide open spaces that make driving exciting and enjoyable. Our task as manufacturers is to see that young drivers get the cars they want and need to help them enjoy their journeys of discovery and independence.

ABOUT DES FENNER

Des Fenner is the general manager of Datsun South Africa

- Tips for budgeting and choosing the right LCV - 14 Jun 2017
- Value-for-money motoring entrenched in 2017 - 14 Feb 2017
- #BizTrends2017: Practical, efficient and affordable cars are here to stay - 9 Jan 2017
- A-segment to retain competitive edge in local motor industry - 17 Aug 2016
- Millennials are setting the pace for the motoring industry - 18 Dec 2015

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>