

# Insights into what needs to trend in the automotive space in 2023



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The train has left the station in terms of the worldwide move towards more sustainable forms of mobility. A global player as both consumers and by way of manufacturing, it's imperative that the South African market begins to shift its mindset when it comes to what this means for our lives, going forward.



Steffen Knapp, head of VW Passenger Car Brand in South Africa | image supplied

While Volkswagen will only introduce its burgeoning portfolio of all-electric ID. models once the climate is right – including government buy-in, a broadly more reliable national power grid, appropriate infrastructure and local demand – the next 24 months will prove invaluable in terms of piquing curiosity around what's possible in this exciting new world of e-mobility.

Recently, we've seen premium brands like Audi making significant inroads into establishing respective footholds in this EV space. Now expect to see movement from more volume brands, including Volkswagen, when it comes to exploring how best to collectively reshape the South African motoring landscape.

## The leasing model will change the game

We've already seen an initiative like Volkswagen's EasyFinance gaining traction. A market that historically prefers to own a vehicle – even if via a bank loan – the benefits of this new form of ownership experience are currently being enjoyed by around 15% of all our South African customers.

Much like how we design a modern mobile phone contract around our monthly budget, including the promise of an upgrade to a new-and-improved device after a predetermined period, a similarly packaged leasing option on a fast-evolving product like an electric vehicle not only shifts the uneasiness of potential depreciation onto the manufacturer in question but also affords the customer several options once this contract period ends.

## **Getting connected**

Not new in terms of the way many of us already interact and engage with one another via our mobile devices and various online platforms, expect a big push towards similar levels of connectivity and convenience infiltrated into the way we live with our vehicles.

Expanding on the already available WeConnect Go application that affords customers the ability to remotely monitor several of their car's systems, remaining fuel range and even its exact whereabouts in a busy parking area, the next evolution in terms of connectivity will see owners able to receive over-the-air software updates, push notifications and even subscription-based services, including, for example, access to a heated seats function for to cover winter months.

While it will be a relatively long time before we reach a stage when your car can simply drive itself to a predetermined destination, the level of real-time connectivity and vehicle-to-vehicle communication required for this to one day become a reality is already at play in currently available systems. These include features like Lane Assist, Adaptive Cruise Control and even driver fatigue detection.

### **Digitisation**

On a Saturday morning, I like to play padel at a facility a short drive from my house. Knowing this routine, once I've unplugged my vehicle from its charging point in my home's garage, the navigation system has already pre-selected the most efficient route to get me to my scheduled court booking.

Pre-ordering my preferred beverage from my favourite coffee shop along this route, leaving my driveway with music synced to what was just playing in my living room, my home knows too, in my absence, switch to a power-saving mode for all appliances and lighting. At my destination, a pre-booked parking bay with an integrated EV charging point is primed for my arrival.

My padel match harder than usual and my final score posted to both my league table and, unfortunately, social media profile, too, sensors in my car's steering wheel detect that my heart rate is higher than it should be and suggests a potential fastest route to my closest hospital while priming a call to an emergency service provider – my medical aid profile shared accordingly.

While notification as I write this of a move to Stage 6 load shedding is a timely reminder of the challenges that lie ahead in terms of achieving these forecasts, as passengers on this fast-moving train of mobility innovation, it's critical that we at least begin to imagine.

#### ABOUT STEFFEN KNAPP

Steffen Knapp is the head of the Volkswagen Passenger Car Brand in South Africa. Knapp, who originates from Germany, joined Volkswagen South Africa from Volkswagen India where he developed a successful turnaround strategy for the brand. Knapp, who holds a degree in economics, has spent his entire career in the automotive industry and has held

various management positions within Europe which included Brand, Sales and Dealer Network as well as managing director with responsibility for a market. #BizTrends2023: Insights into what needs to trend in the automotive space in 2023 - 6 Feb 2023

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