

Youth motoring market largely untapped finds SA Student Motoring Survey

By [Marc Kornberger](#)

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Owning a car is part of "the dream" for almost every South African student in the 18 to 25-year demographic, but there are some serious financial insights and access challenges clouding the way. The SA Student Motoring Survey 2012 examined what exactly is holding them back.

The online survey carried out by youth marketing specialist Student Village, along with Amoeba Insights, during August this year, included qualitative focus groups for in-depth contextualisation and insights. It showed that only one out of every three students already owns a car. Almost four out of five students intend buying a car as soon as they start work.

Students felt intimidated

Of concern, however, is that most of these students felt intimidated when it came to obtaining finance, dealing with insurance providers and getting the right advice. Let's never forget that today's students are tomorrow's spenders. So, understanding how they view buying their own cars and what's holding them back is really important to local car manufacturers and all related financial/motoring suppliers, such as banks, insurance companies and even fuelling stations. As such, our research not only highlights the market potential but, more importantly, the stumbling blocks associated with this prospective growth - including financing, accessorising, refuelling and the insuring vehicles.

The research further demonstrated that students view owning a car as a route to their independence, as well as elevating their status on campus. Almost every student who took part in the survey saw owning a car as an extension of their personality. For them, accessorising their cars, as well as which brand and model of car they prefer, says a lot about who they are as individuals and what they have achieved.

Styling and additional value adds really count

The most commonly owned cars on campus currently are the VW Polo, Toyota Yaris, Opel Corsa, Hyundai Getz and Ford Focus. All these brands are synonymous with the young right now. Car manufacturers wanting to tap into this market or increase their share should note that styling and additional value adds really count. For example, Hyundai seems to be gaining ground with youths, which may be due to its recent change in styling.

A strong indicator in the survey is that most student car owners had turned to their parents for advice when deciding what to buy and how to finance and maintain their vehicles. This need for advice by potential young buyers creates a massive opportunity for financial institutions, such as banks and insurance houses, really to hone in on the student market and

provide the necessary transparent advice and support needed.

Our survey shows that Absa, FNB and Standard Bank as the more approachable banks when it comes to car financing. However, nine out of every 10 of our respondents said that they felt intimidated by banks and did not believe they understood the needs of students.

Other key findings, of interest to highlight include:

- Eighty-two percent of current student car owners spend R3000 per month on vehicle repayments
- Car insurance was seen as a "must have" by many, although most students believed that dealing with providers here would prove difficult and costly
- Another "must have" is car accessories, such as tinted windows, sound, GPS, Bluetooth, park distance control, and mag wheels
- Almost half of student cars owners spend over R800 a month on fuel, and their top three preferred suppliers are Engen, BP and Shell.

Owning a car will be a reality for many South African students in the future. Marketers and manufacturers in the motoring sector could realise significant benefits from understanding this target market's needs and aspirations with respect to fine-tuning their advertising campaigns, future design and innovations, financing packages and overall brand communications.

ABOUT THE AUTHOR

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