



MEDIA INFORMATION

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Keep it in the family: The benefits of maintaining your car at a franchise dealer

Johannesburg, 30 September 2021: After more than three years in the works, and incorporating input from a variety of industry stakeholders including recommendations from the National Automobile Dealers' Association (NADA), the final Guidelines for Competition in the South African Automotive Aftermarket came into effect on 1 July 2021.

This means that as the guidelines are adopted by Original Equipment Manufacturers, Distributors and Importers (collectively referred to as OEMs) over time, South African motorists will have more choice in how they service and maintain their vehicles, with options to either purchase plans offered by OEM franchise dealers, buy independent aftermarket plans or choose not to buy any plans at all. They will also be able to use independent service providers (ISPs) for maintenance and repair work.

While consumers have been granted more freedom, it's important to understand this freedom comes with increased responsibility, as any damages to a vehicle as a result of work performed or non-original spare parts fitted by ISPs could result in either parts of, or entire vehicle warranties being voided.

The National Automobile Dealers' Association (NADA), the industry body representing more than 1,350 franchise dealers across South Africa, has compiled a list of five benefits that come with OEM supported service and maintenance plans in order for consumers to make informed decisions about the future maintenance of their vehicles.

Budget management

When you choose to purchase an OEM-backed plan with your vehicle, you know you are covered for the costs of upcoming maintenance and services up front. There's no need to plan for the expense of scheduled work, which for those who don't diligently manage their service books can spring up unexpectedly and hit wallets hard.



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Hedge against inflation

An OEM plan incorporated into the vehicle purchase price affords protection against potential parts price increases in the future. The price of service and maintenance plans are calculated using parts prices at the time of sale, where motorists who pay separately for periodic service and maintenance work are unprotected against exchange rate fluctuations and inflation. The price of parts can increase drastically from year to year as almost all parts are imported and paid for in foreign currencies. For example, the variance in the value of the Rand between 6th June 2021 to 6th September 2021 saw a 6.7% negative change in the exchange rate to USD in just 90 days.

Quality workmanship

Vehicle servicing comes with immense risk and liability that could hurt the consumer if not executed and planned correctly. Franchise dealers are equipped with expert knowledge of your vehicle and technicians who have access to appropriate training and equipment. In other words, they know your car best and you can be assured of safety and peace of mind with any work performed.

Modern cars are like tablets on wheels and are becoming more complex by the day. Today's technically trained experts are more lab-coat and laptop than yesterday's overall and *lappie*. Just like with accountants or insurance brokers, technicians require continual training and skills development. What worked ten, or even 2 years ago, may not be applicable to a vehicle sold last month. Detailed and practiced knowledge of your vehicle is key to safe, effective and reliable repairs and maintenance.

Recourse

In the unlikely event that something does go wrong after work is performed at a franchise dealer, you have the backing of established businesses with strong financial standing behind you. Car dealers and their respective OEM head offices have far more reputational risk than there would be with non-branded entities, largely because of the power of social media, franchise dealers and the brands they represent are likely to do all things reasonable to assist customers, and often do so even when they are not at fault.



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National footprint

If your car is covered by an OEM plan you have access to a far greater network of dealer workshops around the country, and sometimes even across international borders.

Over years of ownership, you may form a trusted relationship with a dealer within a convenient vicinity, but when you're covered by an OEM plan you also have the assurance of the same quality of parts, workmanship, processes and procedures from a number of franchises upholding OEM standards while travelling, or after a move.

OEMs make major investments in intensive training programmes to equip their franchised dealer technicians with the requisite skills and knowledge to deal with intricate procedures and the introduction of new technologies. These programmes are critical to ensuring vehicle safety and in turn the safety of technicians and ultimately motorists, not only in South Africa but around the world.

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