



# Q3 2025 Mobility Insights Report

TransUnion<sup>tu</sup>

# Contents

## 01 About The Mobility Insights Report

A Sharper View of South Africa's Mobility Market



## 02 A Message From Lee Naik

CEO, TransUnion Africa



## 03 Executive Summary

South African Automotive Market



## 04 Key Macro Trends

Market Context and Dynamics



## 05 Automotive Sales

Sustained Acceleration in SA's New Vehicle Market



## 06 Passenger Vehicle Exports



## 07 Consumer Pulse Survey

Automotive Market Forward Look, Q3 2025



## 08 Connected Cars

Smart Mobility in South Africa



## 09 Additional Resources

Bibliography



## 10 Contact Us

Reach Out For More Info



## Welcome to the TransUnion South African Q3 2025 Mobility Insights Report



The latest data sourced from NAAMSA, SACRRA, eNaTIS with expert intelligence from TransUnion Automotive

**Smarter data decisions that fuel future growth**

[Contents](#) [Previous Page](#) [Next Page](#)



This icon indicates an outtake from the report.



This icon indicates a key or actionable insight from the report.

# 1

## About The Mobility Insights Report

### Quarterly signals for South Africa's mobility market

Now in its third edition, the Mobility Insights Report provides a clear, quarterly perspective on South Africa's automotive landscape – helping OEMs, dealers, vehicle financiers and insurers respond to shifting demand.

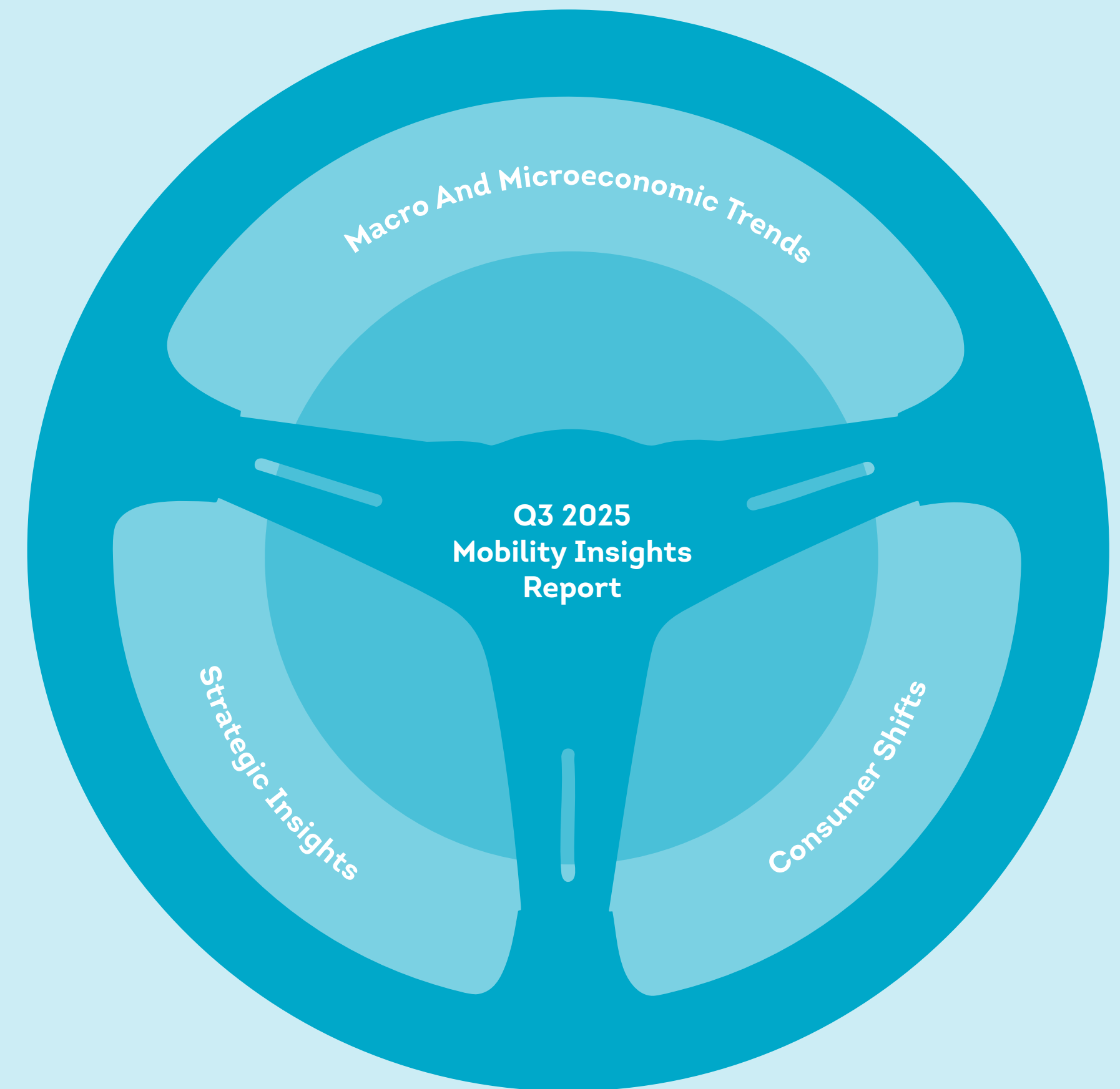
### How it helps OEMs, dealers, financiers and insurers

The report tracks macro and microeconomic trends, sales movements and consumer behaviour to show where demand is building and how market dynamics are shifting.

#### Use this report to:

- Scan market dynamics and operating drivers
- Track new vehicle sales, new and used registrations, NEV adoption, sales drivers and dealer confidence
- Review passenger vehicle export performance
- Gauge purchase intent and mobility preferences from TransUnion's Consumer Pulse Survey
- Explore a topical sector focussing on shifts in consumer behaviour and preferences

For complementary credit and financial metrics, refer to TransUnion's Industry Insights Report (IIR) – together, they provide a more robust view of the mobility market.



2

## A Message From Lee Naik CEO, TransUnion Africa

Dear Reader,

South Africans are redefining mobility – weighing value through total cost of ownership, affordability and trust. I'm pleased to share the third edition of the TransUnion® Mobility Insights Report, offering a broader and deeper view of an evolving automotive market.

This edition brings together sales trends by brand, consumer behaviour and pricing dynamics, plus patterns in new and used purchases. It also reflects insights from our Consumer Pulse Survey – such as how likely South Africans are to purchase a vehicle in the next three months, and which mobility options they consider when applying for a new car loan or lease over the next year, including electrified vehicles.

We examine the rise of connected cars and smart mobility in South Africa, how in-vehicle data and advanced connectivity are reshaping the market, and what this all means for consumers and manufacturers.

Our commitment is consistent: provide clarity you can act on – helping you sell smarter, lend responsibly and support consumers in maintaining healthy credit as mobility continues to evolve.

Kind regards,  
Lee Naik  
CEO, TransUnion Africa



# 3

## Executive Summary

South African Automotive Market – Q3 2025

### Market overview: Recovery with clear shifts

Passenger car sales reached 111,697 units in Q3 2025 (an 11-year high), up 23.4% year over year. This growth was underpinned by a supportive macroeconomic environment, including lower interest rates, a firmer rand and record-low, new-vehicle inflation.

### Key trend: Affordability-led brand growth

Chinese and Indian brands expanded far ahead of the market average in Q3 (e.g., JAC +67%, GWM +54%). Chinese brands' share has risen to more than 15%, having grown sharply since 2021. Established OEMs gained 1.6 percentage points in Q3 to 53.1%, halting a steady decline.



#### Key insight

Value-positioned, SUV/crossover line-ups and competitive pricing align with current buyer sensitivity.

### Demand splits: Age and income

Despite robust sales, the TransUnion Consumer Pulse Survey (Q3 2025) showed softening short-term purchase intent overall – while sales remained strong. Intent was uneven across segments:

- **By generation:** Likely to buy – Gen Z 21%, Millennials 19%, Baby Boomers 8%
- **By income:** Likely to buy – high-income 34% (up from 28% in Q2), medium-income 17%, low-income 13%



#### Key insight

Near-term demand concentrates in younger and higher-income cohorts, while price-sensitive groups remain cautious.

### New Versus Used Market: Shift Back to New Vehicles

Q3 2025 NaTIS data shows the used to new ratio easing to 3.1, signalling a gradual tilt back toward new vehicles as affordability improves. New registrations grew 13.7% year over year, while used registrations remained slightly negative at -0.5%, reflecting softer trade-in activity despite supportive pricing.

### Provincial Picture

Used markets remain weak across most provinces, with only the Western Cape showing meaningful growth. In contrast, new vehicle registrations rose in all provinces, led by Limpopo, Mpumalanga and Gauteng.



#### Key insight

New registrations are driving volume growth; used activity remains subdued.



#### Actionable insight

Allocate stock and marketing toward provinces with broad-based momentum and refine used-vehicle strategies in regions where registrations continue to contract.

## Electrification preferences: Demographics matter

According to the TransUnion Consumer Pulse Survey, consumer mobility preferences are split. While internal combustion engine (ICE) vehicles remain the overall most popular choice (42%), there's a clear shift toward electrification, particularly among specific demographics:

- **By generation:** Gen Z showed the strongest interest in hybrid (HEV) and battery electric (BEV) options
- **By income:** High-income households showed higher consideration for electrified options
- **By price sensitivity:** Gen X and lower-income groups leaned toward ICE



### Actionable insight

Align messaging, inventory and financing menus to younger and higher-income segments exploring HEV/BEV – while maintaining clear ICE affordability paths for price-sensitive buyers.

## Connected cars: Adoption signals and practical considerations

Connected vehicles use embedded connectivity and sensors to generate data that supports new services. Connectivity is increasingly standard in most post-2015 models – and features are now central to the value proposition of new, affordable brands

- **For consumers:** This enables enhanced safety (collision warnings, SOS), convenience (remote access, real-time navigation) and personalised services (e.g., usage-based insurance)
- **For fleets:** Connectivity supports efficiency via route optimisation, predictive maintenance and driver behaviour monitoring
- **A practical lesson:** Global experience points to “connectivity fatigue” – uptake depends on clear value for money. As 76% of global drivers skip subscriptions due to cost and perceived utility, South African players must focus on solving real pain points



### Outtake

Connectivity can improve safety, convenience and operating efficiency when the services deliver clear value.

## Strategic implications and outlook

The convergence of these trends – strong current sales, cautious near-term intent, affordability as a core driver, evolving electrification preferences and growing connectivity – creates a complex but navigable environment.

### Key implications include:

- **For OEMs and dealers:** Develop a dual approach: Target younger, higher-income buyers with electrified and premium models – while retaining feature-rich, affordable options for value-sensitive segments. Plan for software-defined experiences that add ongoing value after the sale
- **For vehicle financiers:** Tailor products for high-intent cohorts and create innovative financing to make electrified and connected vehicles accessible. Data from connected cars can also enable new, risk-based insurance and loan models
- **Overall:** Success rests on serving today's value-conscious demand while building capability for a connected, electrified future – with agility, segmented propositions and a clear read on consumer trade-offs



### Actionable insight

Pilot one or two high-utility connected services per model line – linked to clear outcomes like safety or lower total cost of ownership – and price them simply.

4

Key Macro Trends

# Market Context and Dynamics



# South Africa's Economic Outlook

South Africa's economy showed signs of recovery in 2025, with GDP growth rising from 0.1% in Q1 2025 to 0.8% in Q2 – the strongest quarterly performance in two years. Projections indicate growth of around 0.9% for 2025, edging to 1.1% in 2026 as energy stability and reform momentum improve.

Productive sectors benefited from lower interest rates and more reliable power supply, while weak investment and infrastructure backlogs continued to cap potential growth. Consumer spending has been the primary support, aided by stable inflation, rate cuts and once-off boosts, such as two-pot retirement withdrawals. That momentum could ease as these temporary supports fade.



## Economic outlook

Gradual recovery supported by strong consumer spending.

## Rand and inflation

Headline inflation rose to 3.4% in Q3 2025 from 2.9% in Q2, largely on higher food and fuel prices but remained within the SARB's 3%–6% target band. The rand firmed against major currencies and oil prices moved from above \$70 to just over \$60 per barrel. These shifts led to lower domestic fuel costs in November – which will help keep CPI near 3.5% in the lower half of the band in Q4.

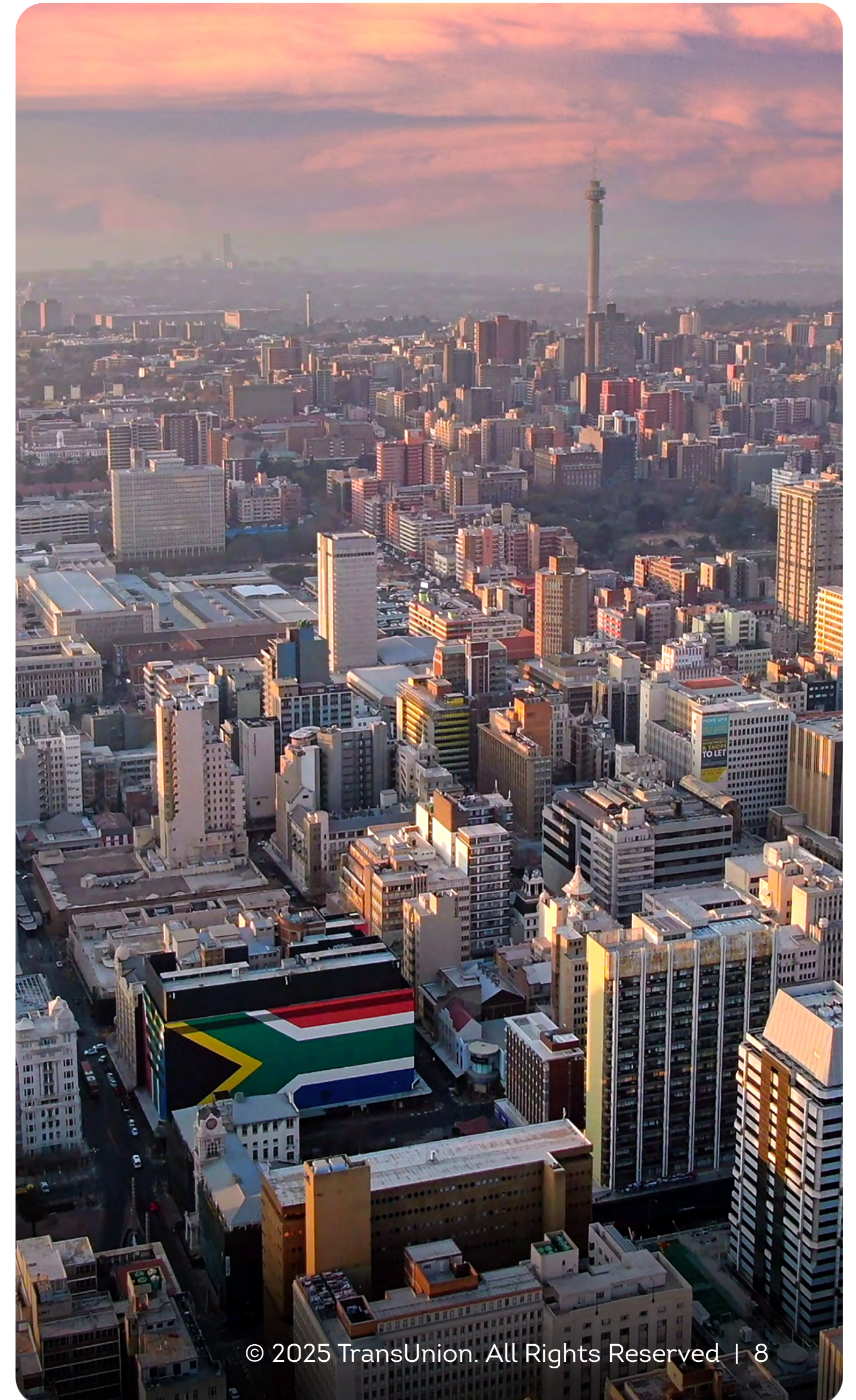


## Key insight

Value-positioned, SUV/crossover line-ups and competitive pricing align with current buyer sensitivity.

## Monetary policy outlook: Cautiously accommodative

With inflation easing and the currency firmer, the SARB is likely to maintain its gradual easing stance. In Q3, the repo rate stood at 7.0% (being cut five times since September 2024). Another cut in Nov 2025 brought the rate to 6.75% and further cuts remain possible in 2026 if food and fuel prices continue to moderate. The shift toward a 3% inflation target signals a supportive policy bias subject to data.



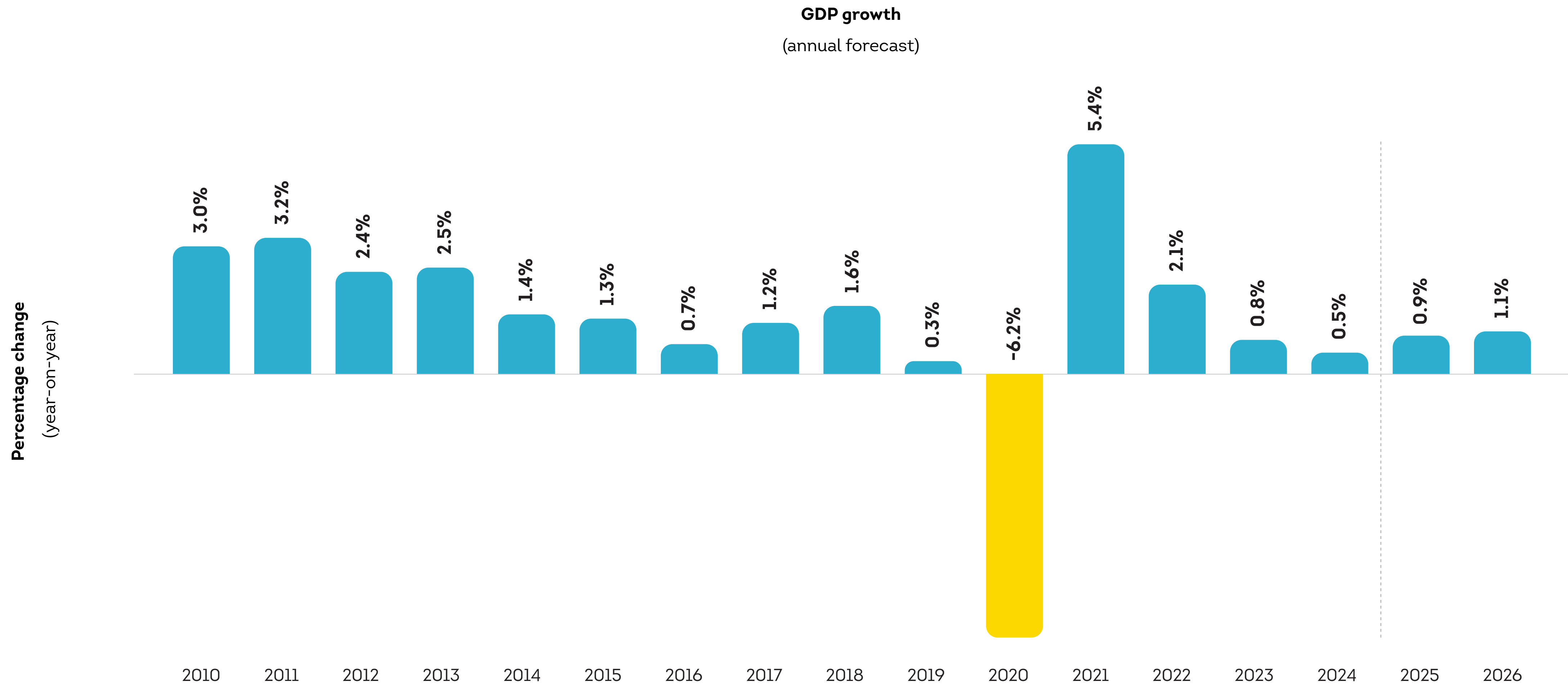


Figure 1

5

Automotive Sales

# Sustained Acceleration in SA's New Vehicle Market

# New Passenger Car Sales

According to Naamsa, South Africa's new-passenger market strengthened again in Q3 2025, extending the recovery seen earlier in the year. Year-over-year (YoY) growth accelerated from 14.3% in Q4 2024 to 22.7% in Q2 2025, reaching 23.4% in Q3. For the quarter, 111,697 passenger cars were sold – the highest quarterly total in more than 11 years – up from 94,412 in Q2, an increase of 17,285 vehicles.

**Outtake**  
 Q3 2025 passenger sales: 111,697 (+23.4% YoY)  
 – highest quarterly total since 2014.

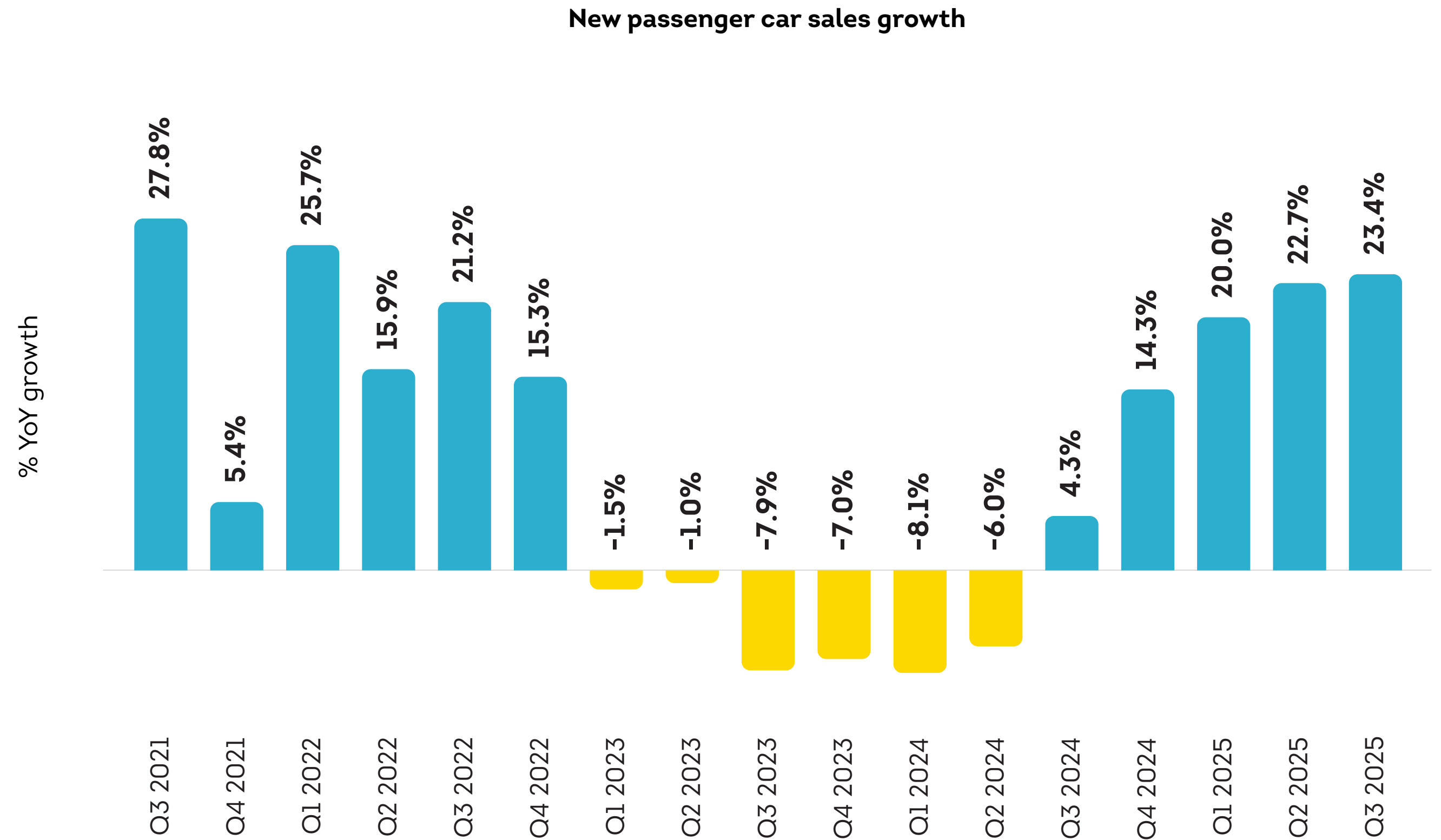


Figure 2



Total passenger vehicles – units sold

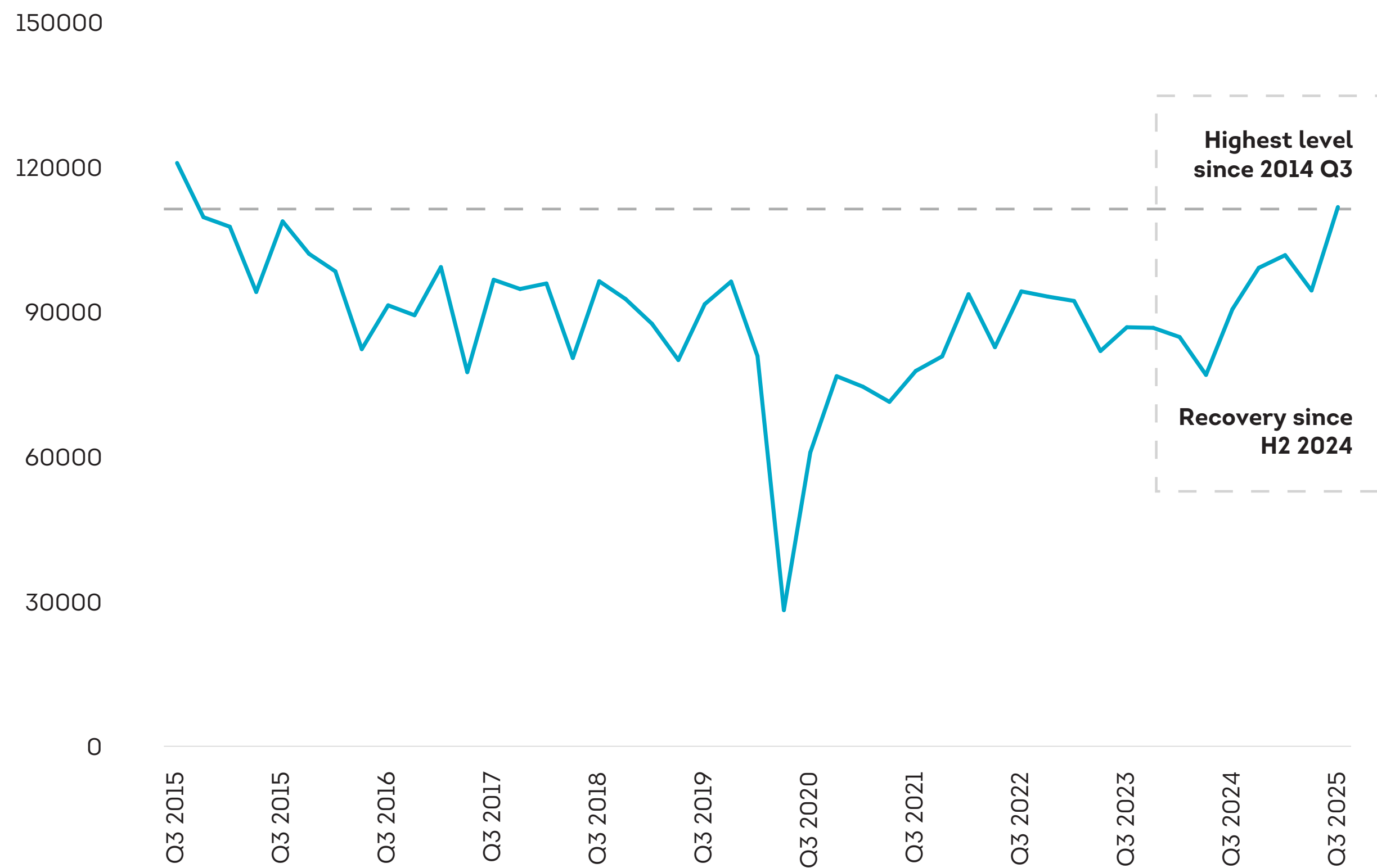


Figure 3

# New Passenger and Light Commercial Vehicle (LCV) Sales by Brand

Brand leaderboard: New passenger and LCV sales, Q3 2025

Rank	Brand	Units Sold	Market Share	Best-Selling Model(s)	Notes/Highlight
1	Toyota – OEM	38,917	26.7%	Hilux (10,084), Corolla Cross (6,583), Starlet (4,111), Vitz (3,084), Fortuner (2,609)	Dominates with five models in the national top 15; Hilux remains SA's best-selling vehicle
2	Suzuki – Japan	18,863	13.0%	Swift (6,238), Fronx (3,484), Ertiga (2,800)	Continues its strong momentum in the budget-friendly segment
3	VW – OEM	16,916	11.6%	Polo Vivo (7,193)	Maintains second place for best-selling passenger model overall
4	Hyundai – South Korea	9,079	6.2%	Grand i10 (4,113)	Solid small-car performance
5	Ford – OEM	8,884	6.1%	Ranger (6,504)	Ranger remains SA's leading bakkie after Hilux
6	GWM – China	7,576	5.2%	Haval Jolion (3,440)	Gains traction with affordable SUVs
7	Chery – China	6,652	4.6%	Tiggo 4 Pro (4,320)	Continues rapid growth, outpacing several established brands

**Top 10 best selling passenger & LCV vehicle brands in SA  
– Q3 2025**

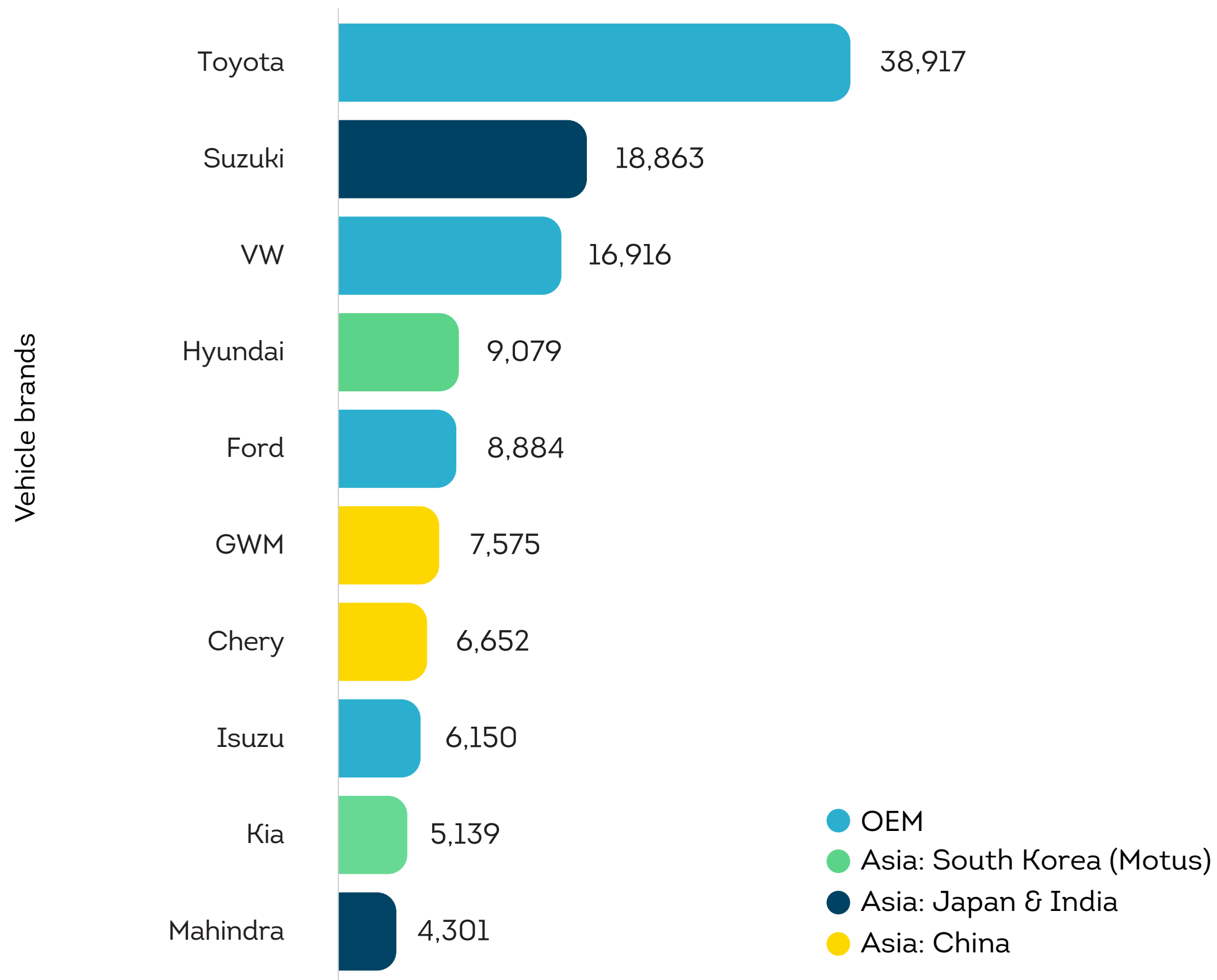


Figure 4

**Top 15 best selling passenger & LCV vehicle brands in SA  
by share in total market – Q3 2025**

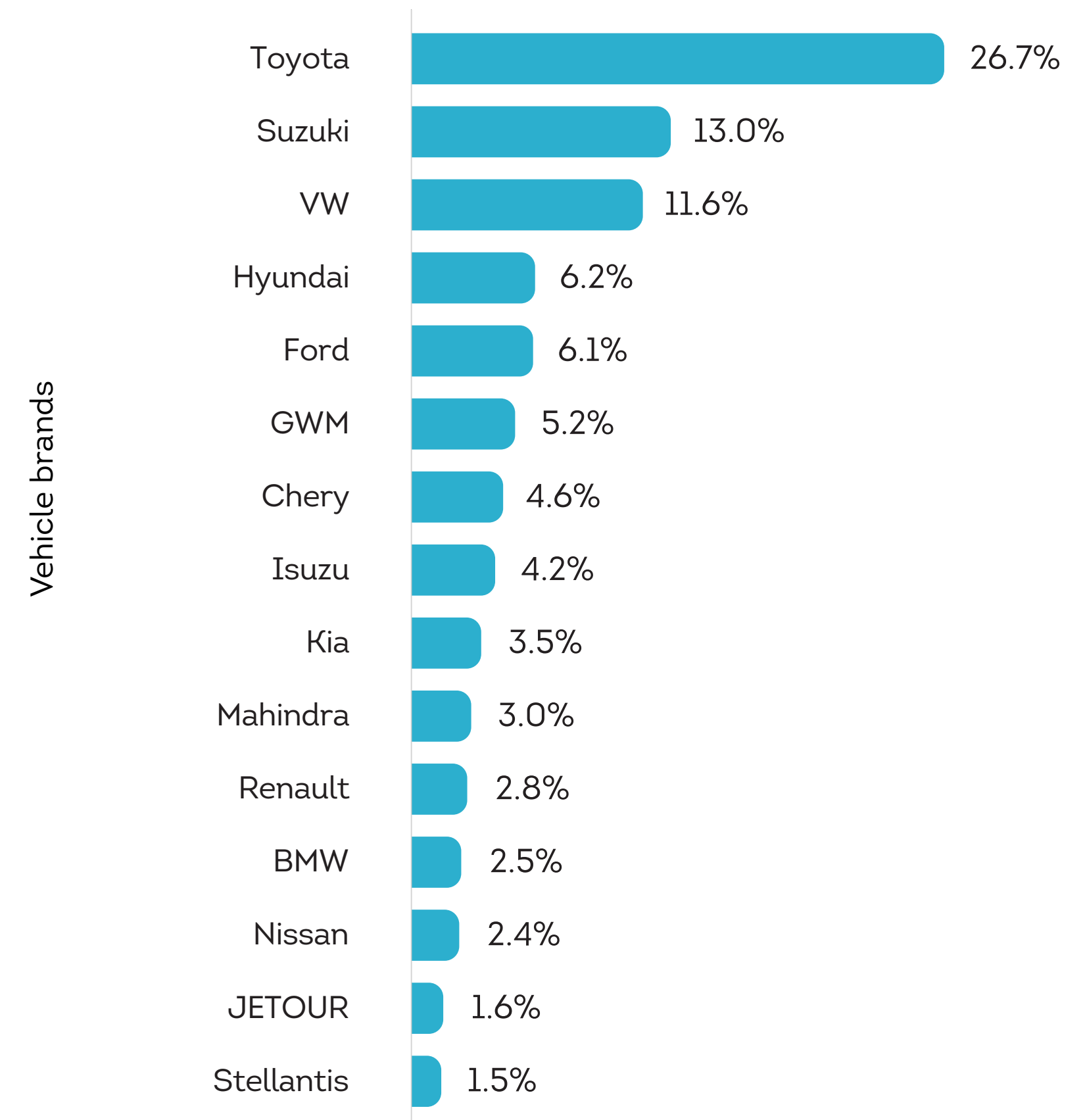


Figure 5

## Growth Patterns: Market Versus Value- Positioned Entrants

Sales for established OEMs returned to growth in Q2 and Q3 2025 (up 4% and 10% year over year), but the pace was outstripped by Chinese brands which expanded at close to nine times the market average over the same quarters (about 89% and 88%, respectively). The divergence visible since 2021 remained clear in Q3.



### Outtake

Overall market grew in Q3 2025, but Chinese brands grew markedly faster than the average.

Chinese brands vs OEM brands: YoY growth in total passenger & LCV sales

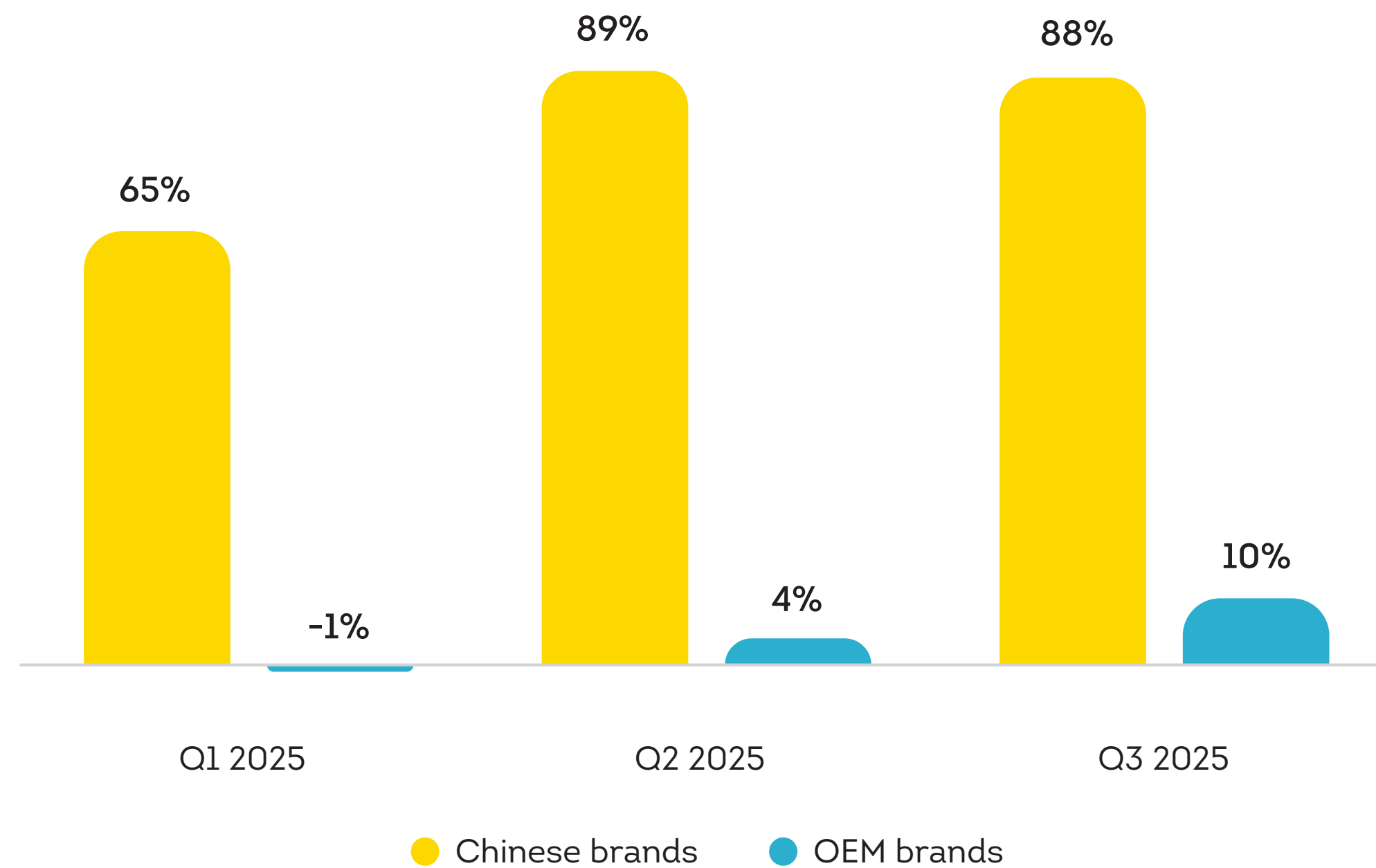


Figure 6

## Fastest-growing brands in Q3 2025

Year-over-year leaders highlight the value segment's momentum, with four of the top five from Chinese and Indian manufacturers

- **JAC Motors** – China: +67%
- **GWM** – China: +54%
- **Mahindra** – India: +42%
- **Chery** – China: +35%
- **BMW** – Germany: +27%  
(a premium outlier in a cost-conscious market)

The figures show Chinese and Indian brands are gaining share, driven by competitive pricing and feature-led value.



### Key insight

Growth leaders are concentrated in affordability-focused line-ups, with one premium brand exception.



# Market Share Evolution: Steady Gains Since 2021

Chinese brands have more than quadrupled share since early 2021 and now exceed 15%. Established OEMs gained 1.6 percentage points in Q3 2025 to 53.1%, pausing a prior decline, while Chinese share set another high.

## Core Driver: Affordability

Budget pressure keeps value at the centre of decisions. Chinese brands resonate with price-feature propositions that fit constrained wallets.

## What's driving the Chinese value proposition

- **Lower entry pricing with feature depth:** Advanced infotainment, digital dashboards and driver-assistance features commonly appear at entry price points where rivals offer fewer inclusions
- **SUV/crossover mix:** Model ranges emphasise accessible SUVs and crossovers, aligning with local preferences for space, ride height and perceived safety
- **Warranty and perceived quality improvements:** Newer models arrive with improved fit and finish and longer warranties, helping address earlier concerns
- **Used-market traction:** Financing for used Chinese vehicles has risen – for example, Standard Bank reports growth from 20% in 2022 to 36% in 2024 – indicating broader secondary-market acceptance



### Actionable insight

Calibrate pricing, spec and stock toward value-sensitive SUV/crossover demand – while differentiating premium offerings where brand equity supports it.





Chinese brands\* vs OEM\*\* brands: share in total passenger and LCV sales

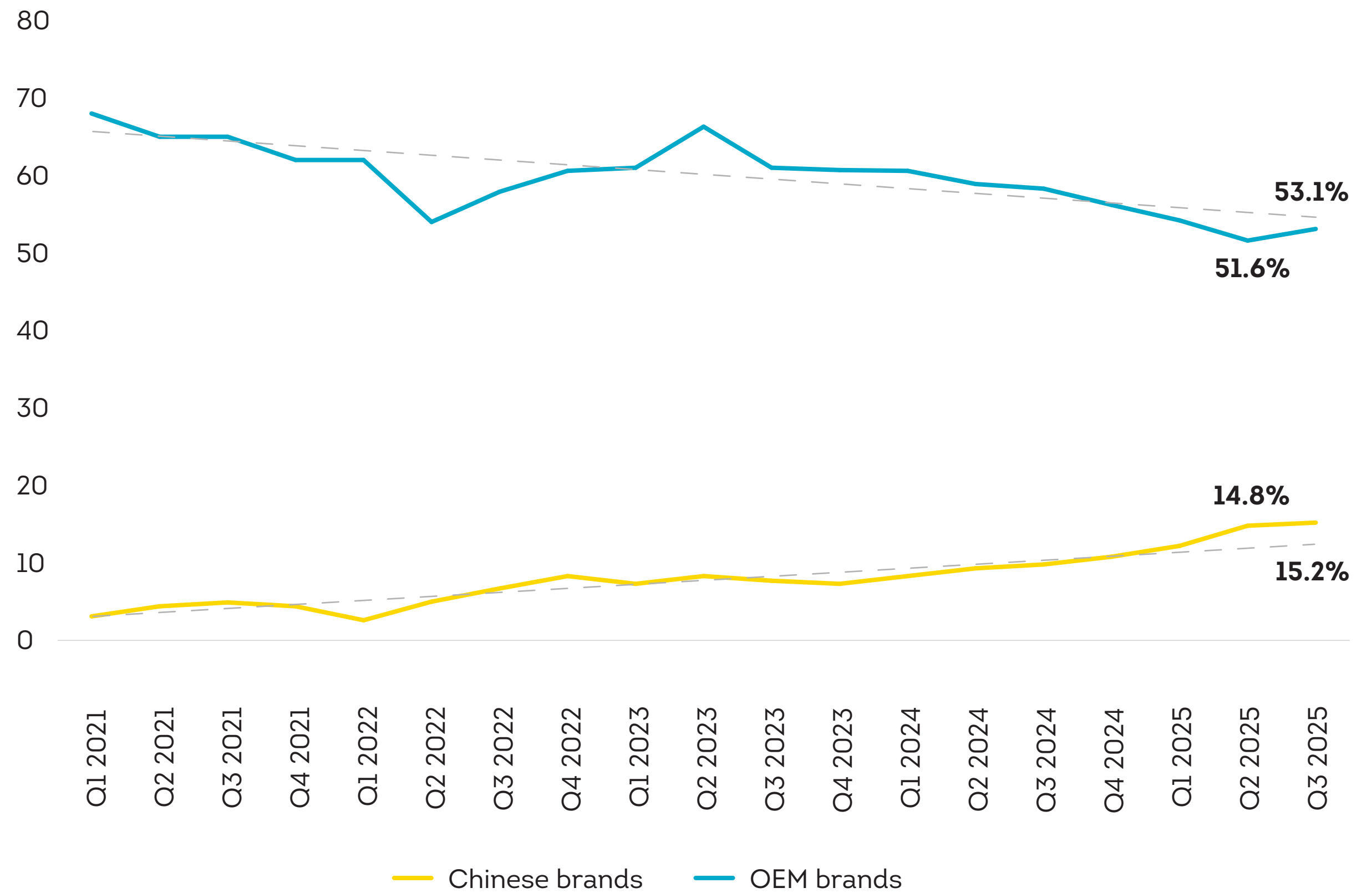


Figure 7

\* BAIC, JAC, Foton, Jetour, Omodo, Jaecoo, Chery, GWM  
 \*\* Toyota, Mercedes-Benz, Isuzu, BMW, Nissan, VW, Ford

## Implications for the automotive industry

Evidence from sales and CPS points to three near-term priorities across OEMs, dealer networks and policy planning.

### Legacy OEMs

- Sharpen pricing and standard specifications in core SUV/crossover segments
- Accelerate model refresh cycles where feasible to remain visible in value-sensitive consideration sets
- Preserve premium momentum by pairing product strength with clear total cost-of-ownership messaging – recent Q3 gains show premium growth is attainable alongside value demand

### Dealership networks

- Evaluate franchise mix as high-growth Chinese brands expand their footprints
- Prepare for possible consolidation in legacy networks where volumes and margins are under pressure
- Align inventory and marketing to cohorts showing higher purchase intent in CPS (younger and higher-income buyers) while maintaining accessible ICE options for price-sensitive customers

### Policy and industrial landscape

- Monitor localisation signals closely – selected manufacturers have indicated or commenced assembly activity in South Africa
- Where local assembly proceeds, expect implications for jobs, supplier ecosystems and pricing dynamics; reflect these scenarios in medium-term planning

The market continues to rebalance toward affordability and value, with Chinese and Indian brands growing faster than the average and gaining share since 2021. A recovering overall market may assist established players, but relying on general uplift is unlikely to be sufficient. Defending and growing share will require competitive, value-oriented tactics – grounded in segments where demand is strongest and evidenced by CPS and sales data.



#### Actionable insight

Set dual tracks: Protect value-driven volume with competitive spec and pricing, and ring-fence premium lines with clear feature and ownership advantages.



## New Energy Vehicles (NEVs)

South Africa's NEV market regains pace amid policy uncertainty.

### Market pulse

NEV sales in South Africa rose 25% year over year to 4,787 units in Q3 2025, reversing Q2's 10.8% decline. Growth was driven almost entirely by plug in hybrids (PHEVs) – which surged by about 460% year over year – while hybrids (HEVs) returned to modest growth at 6.9% and battery electric vehicle (BEV) volumes fell 28.4% amid duties, uneven charging access and elevated entry prices.

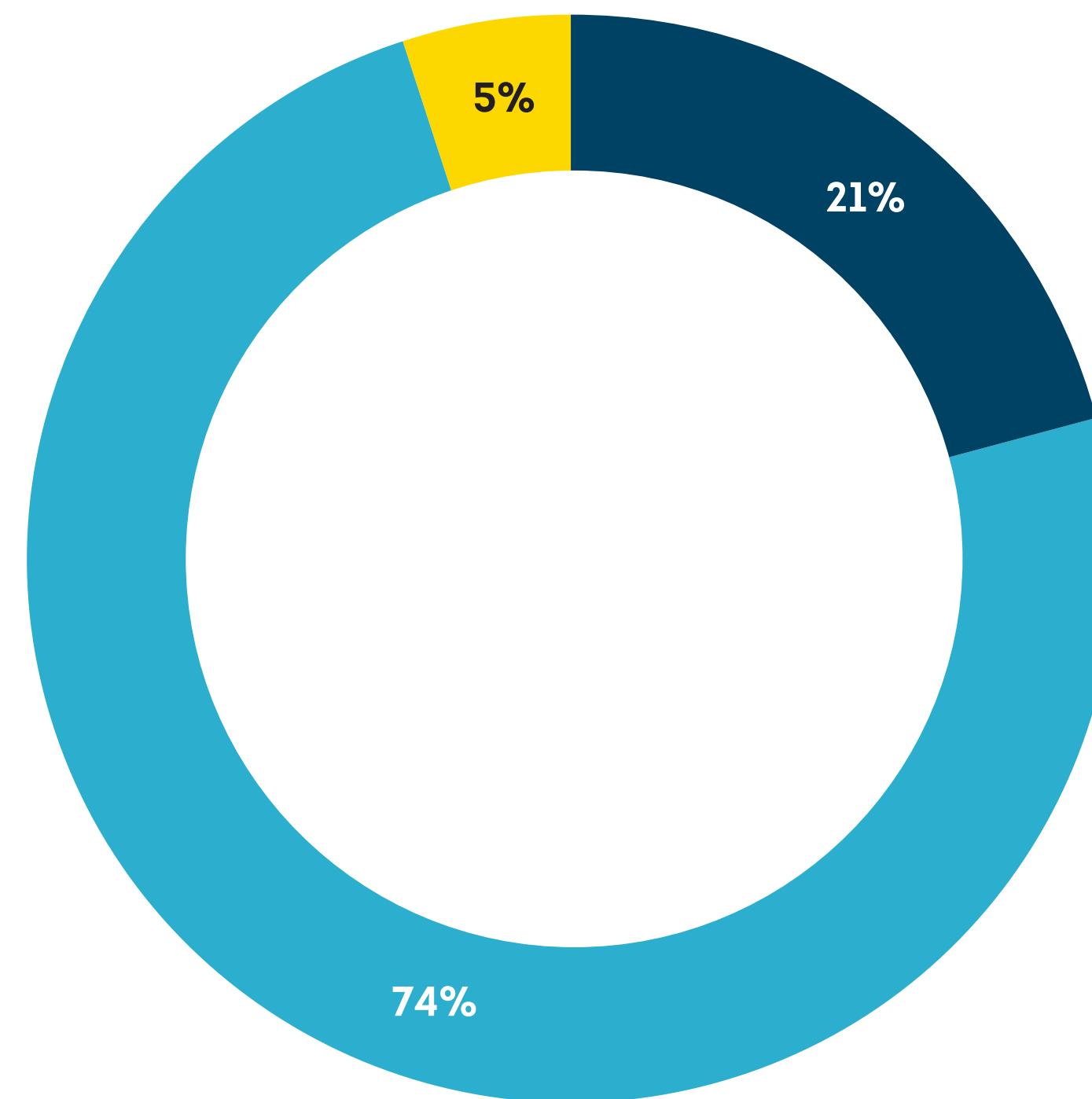
### Mix and definitions

Hybrids (HEVs) accounted for 74% of NEV sales, plug in hybrids (PHEVs) 21% and battery electric vehicles (BEVs) 5%. This mix suggests hybrids remain the bridge for consumers shifting into electrified mobility.





Share in total NEV sales in Q2 2025



● Electric ● Traditional hybrid ● Plug-in hybrid

Figure 8

YoY growth in NEVs - by category

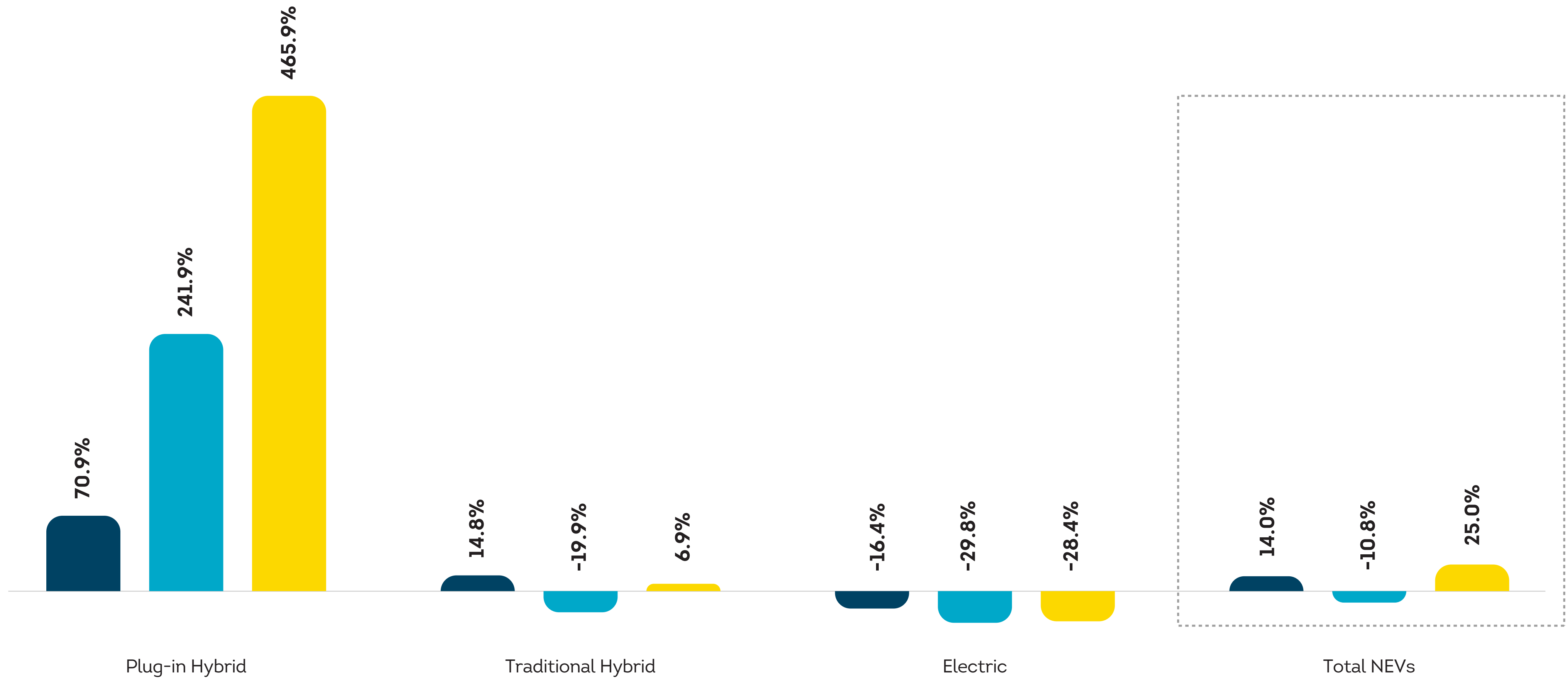


Figure 9

## What's driving performance

- **Affordability:** Entry prices and finance terms favour HEV and PHEV versus BEV
- **Infrastructure:** Charging access remains uneven, impacting use cases and resale
- **Policy:** NEV Road Map timing and the SAAM 2035/APDP2 review influence local investment and export competitiveness

These factors are critical given the fact EU and UK ICE bans have accelerated the global shift to NEVs and threaten South Africa's export competitiveness.

## Regional and policy context<sup>1</sup>

Several African markets are advancing EV industrial strategies and infrastructure. Morocco secured a US\$5.6bn (R100bn) EV battery gigafactory – and plans to: scale output from 20 GWh to 100 GWh, install 2,500 charging stations by 2026, and produce 107,000 EVs by end of 2025. This puts South Africa at risk of losing its long-held position as Africa's top vehicle producer. Other countries, including Egypt, Kenya, Rwanda, Tunisia and Zimbabwe, have introduced incentives for EV production or adoption, attracting new investment. By contrast, South Africa lost around 12,000 component-sector jobs – including the closure of the Goodyear plant.



### Key insight

Momentum improved in Q3 2025, led by PHEVs, while duties, policy uncertainty, infrastructure gaps and high EV costs continued to moderate BEV adoption.

NEVs sold in South Africa: Total number

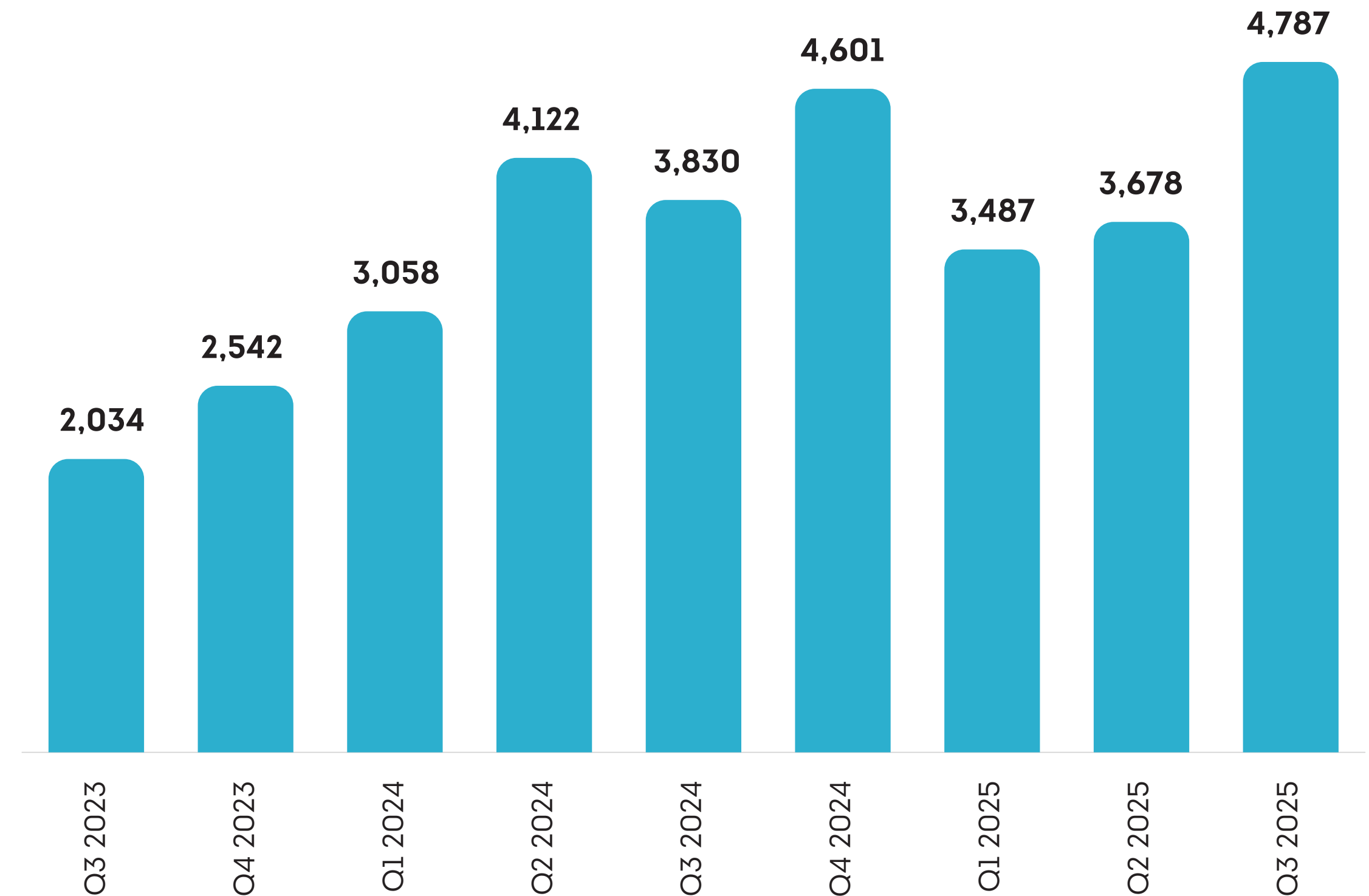


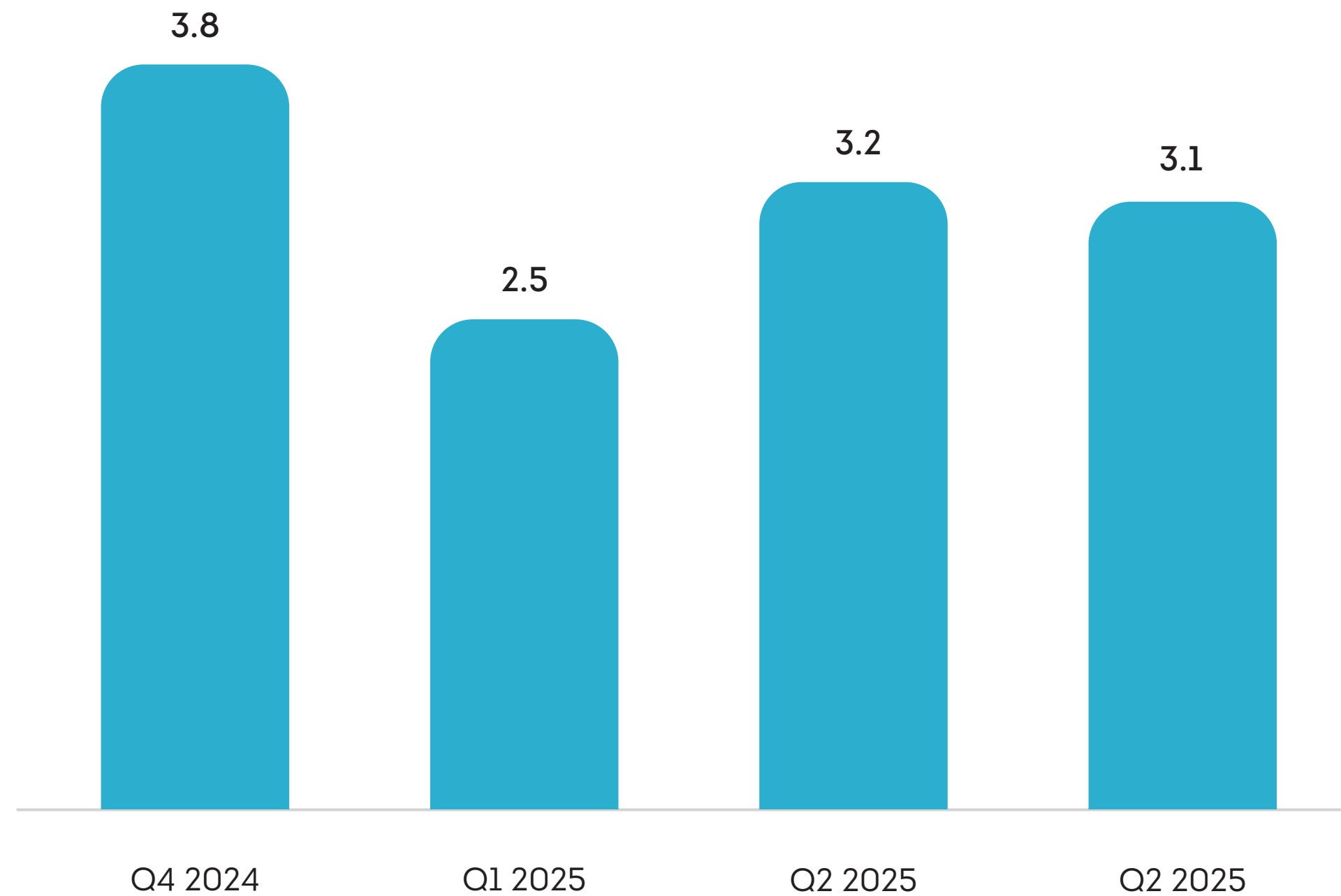
Figure 10

# New and Used Passenger Vehicle Registrations by Province<sup>2</sup>

## Market balance: New-vehicle share edges higher as affordability improves

NaTIS recorded 95,447 new passenger registrations in Q3 2025 versus 294,856 used. The used-to-new vehicle ratio (how many used vehicles are registered for every new vehicle registration) was 3.1, slightly lower than Q2 and below the 3.8 level common through 2024. This indicates a gradual shift back toward new as affordability improves.

Used-to-new vehicle registrations ratio



### How the ratio works

Lower ratio → new vehicles are taking a bigger slice of the total market.  
Higher ratio → used vehicles are taking a bigger slice of the total market.

Figure 11

**New and used vehicle registrations: YoY growth**

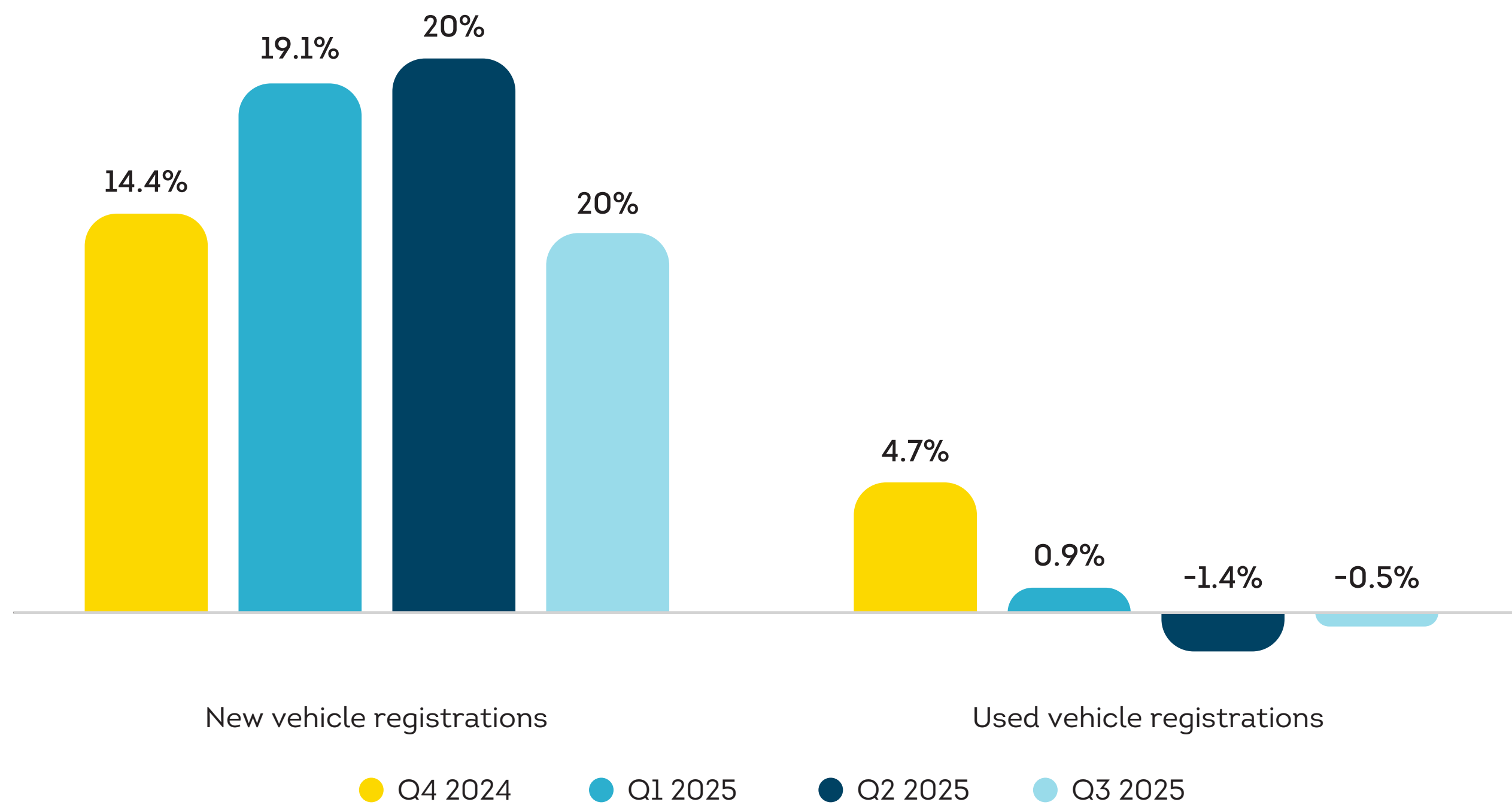


Figure 12

**Year over year: New market expands, used contracts**

New vehicle registrations rose 13.7% YoY in Q3 2025, extending the double-digit growth that began in Q4 2024, although at a slower pace than Q2's 20% increase. Used registrations declined 0.5% YoY – an improvement on the 1.4% YoY fall in Q2. Activity remains softer as buyers weigh value-for-money options.

**Key insights**  
 New-vehicle demand rebounded, with registrations up 13.7% YoY while used slipped 0.5%.

**Quarter over quarter: Momentum strengthens**

Both segments posted gains in Q3 versus Q2. New registrations increased 10.3% QoQ, reversing the 24.7% drop in Q2. Used registrations rose 8.0% QoQ after a 3.9% decline in Q2, showing stabilisation but still trailing the pace of new-vehicle recovery.

YoY growth in new vehicle registrations by province - Q2 2025

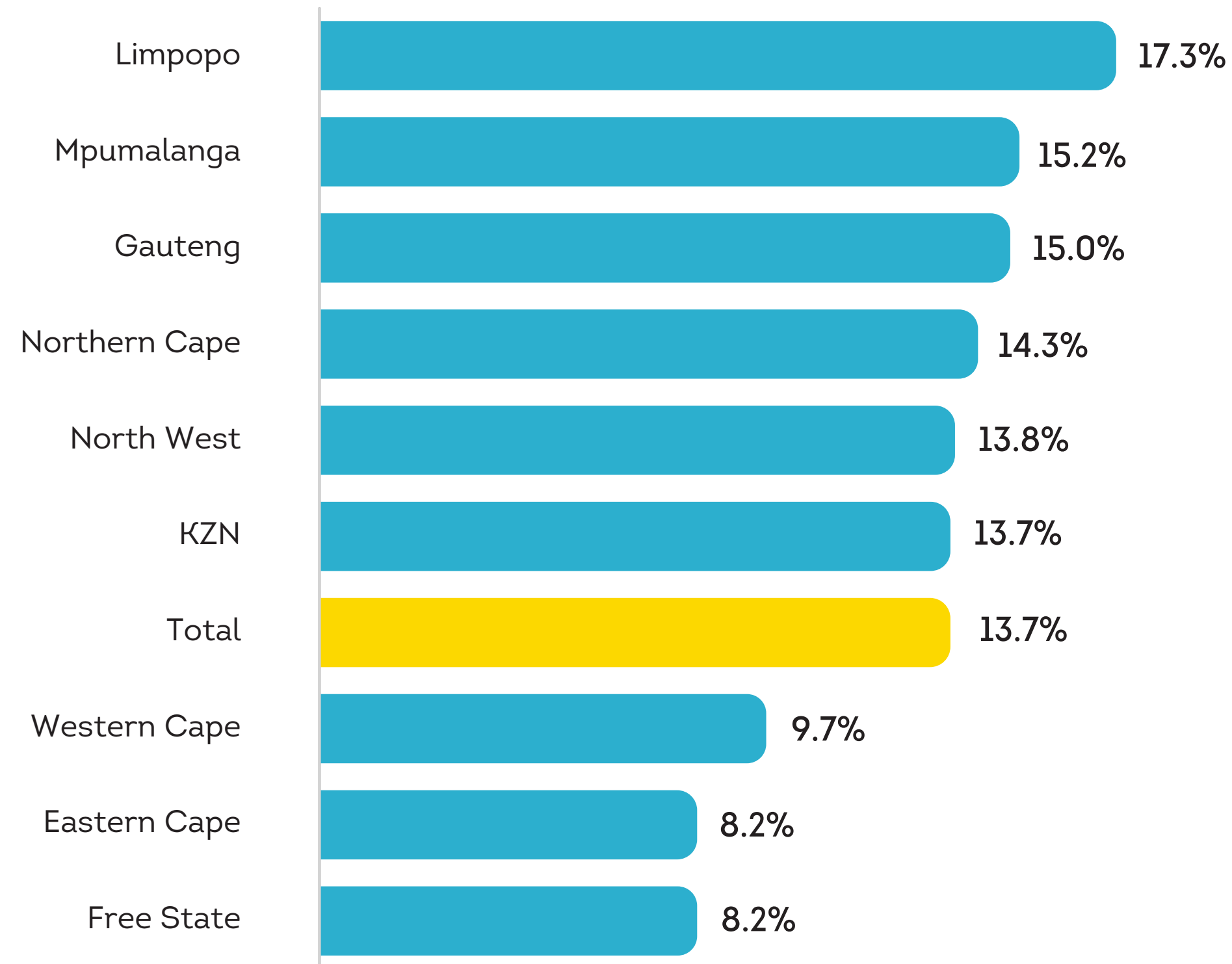


Figure 13

YoY growth in used vehicle registrations by province - Q2 2025

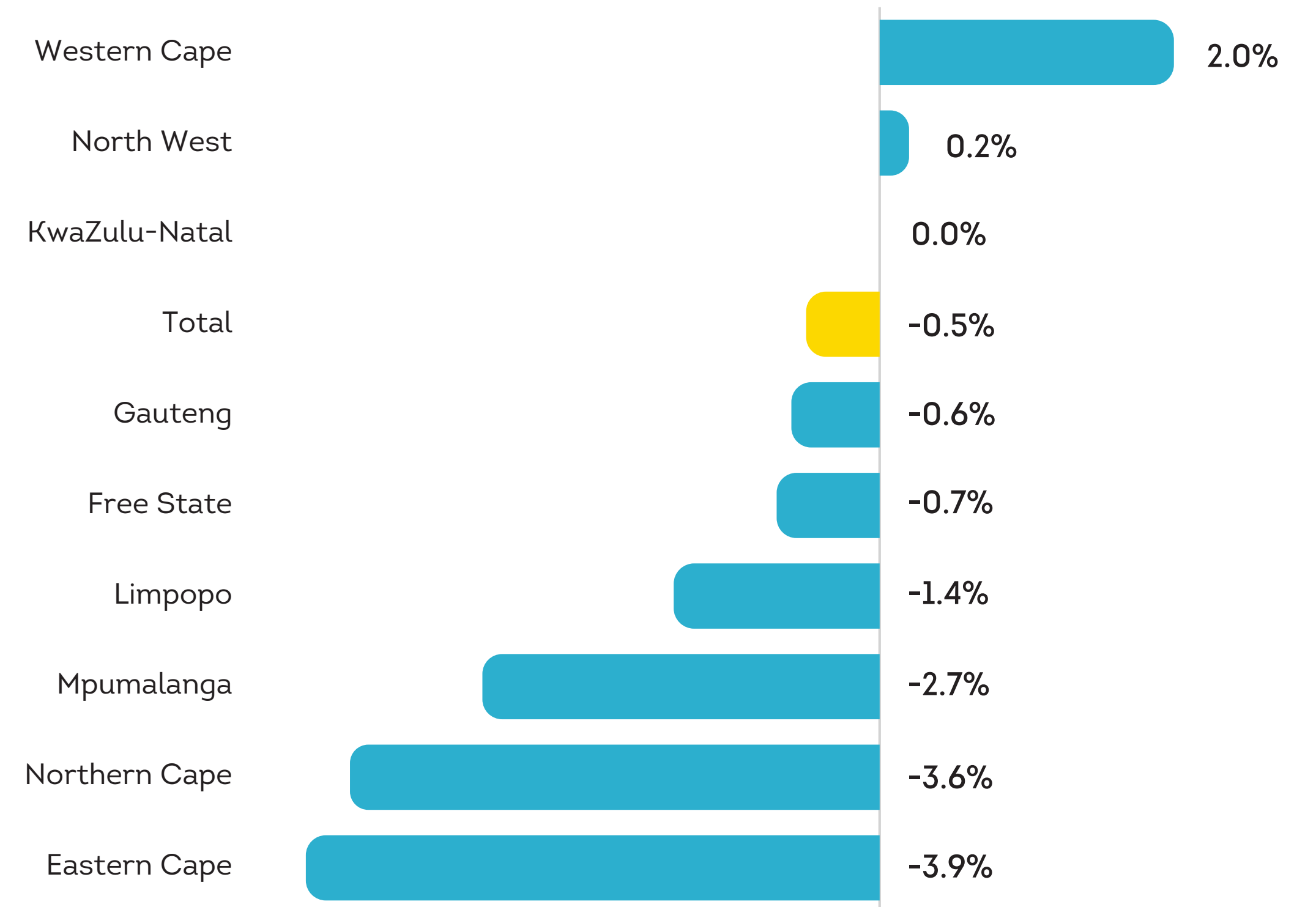


Figure 14

## Pricing tailwind supports demand

Vehicle inflation stayed supportive. New-vehicle inflation slowed to 1.5%, while used-vehicle inflation remained negative at 2.2%, extending real price declines and bolstering affordability.

## Top performers by province – used vehicles

Used vehicle registrations remain broadly under pressure, with seven of nine provinces still in negative territory.

- The **Eastern Cape (-3.9%)**, **Northern Cape (-3.6%)**, and **Mpumalanga (-2.7%)** recorded the deepest contractions, reflecting weak trade-in activity and softer consumer demand.
- **Limpopo (-1.4%)**, the **Free State (-0.7%)**, and **Gauteng (-0.6%)** were less negative but still subdued.
- **KZN (0.0%)** stabilised at flat growth, while the North West (0.2%) showed a marginal uptick.
- The **Western Cape (+2.0%)** was the only province with a meaningful positive increase, signalling firmer demand in higher-income markets.

## Top performers by province – new vehicles

In contrast, new vehicle registrations expanded solidly across all provinces, underscoring the strength of the new-market recovery.

New registrations increased YoY across all provinces.

Gauteng (15.0%), Mpumalanga (15.2%), and Limpopo (17.3%) outperformed the national average (13.7%), indicating stronger demand in provinces with large commuter bases and active fleet replacement cycles.



### Key insight

The provincial split shows a dual-speed market. Affordability tilted the market toward new vehicles: used registrations still soft across most provinces.



### Actionable insight

Calibrate stock and campaigns to provinces with broad-based momentum while reviewing used-vehicle strategies in provinces with persistent declines.



# Drivers of Faster Growth in Car Sales

## Monetary easing and currency strength bolster vehicle demand

- The recent rebound in new car sales has been underpinned by a combination of favourable macroeconomic and market-specific factors, including lower interest rates, a stable rand, and low CPI inflation.
- In Q3, interest rates had been cut five times since September 2024, providing a significant stimulus to borrowing and financing for vehicle purchases.
- The rand's appreciation from R18.5/USD in Q1 2025 to R17.7/USD in Q3 further improved the cost competitiveness of imported vehicles.

CPI inflation: New vehicles

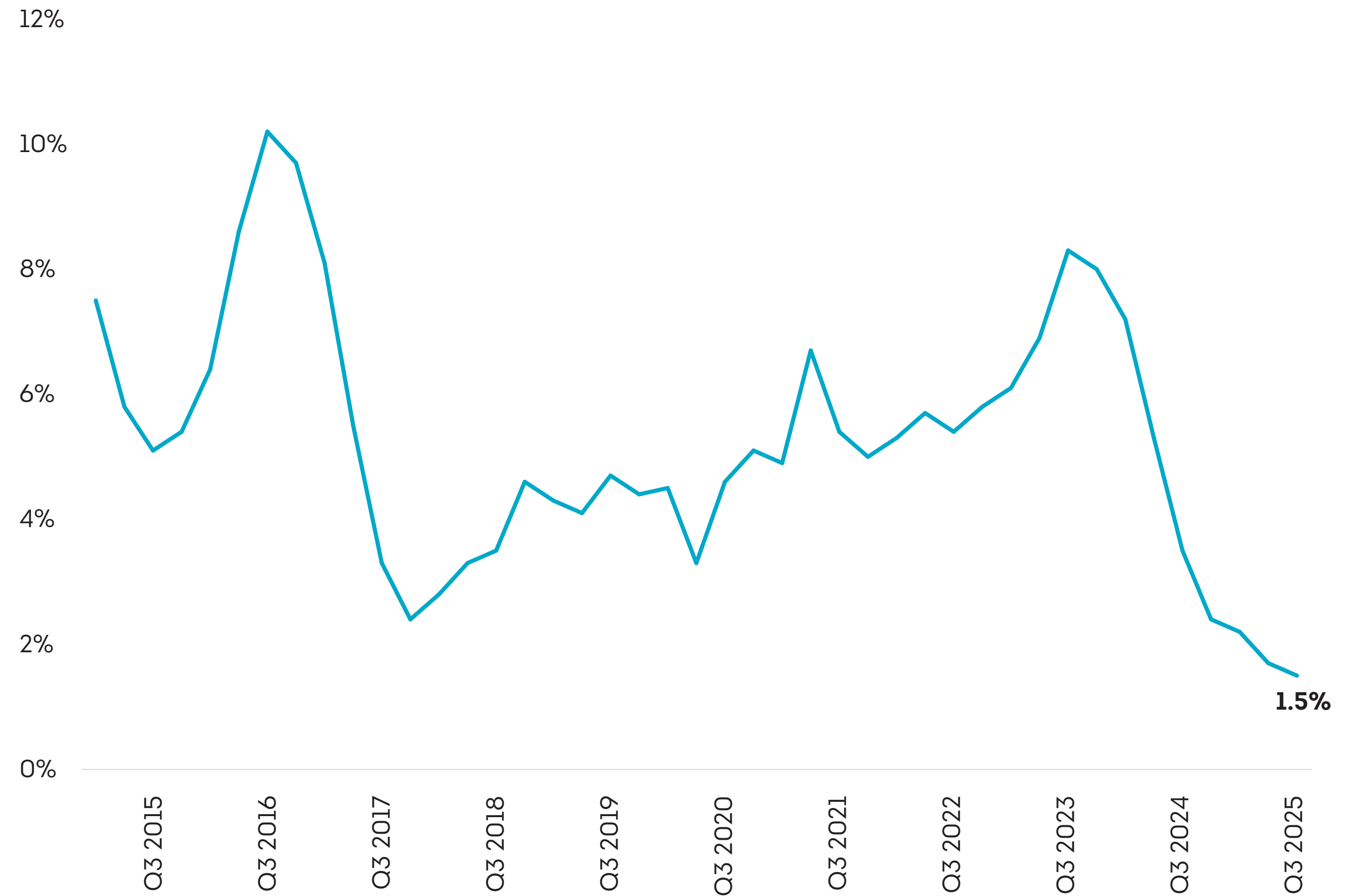


Figure 15

### Low new vehicle inflation and competitive pricing environment

- Record-low new vehicle inflation continued to support sales in Q3 2025. New vehicle inflation dropped to a record low of 1.5% YoY in Q3 (down from 1.7% in Q2 and 2.2% in Q1), according to Stats SA.
- Price growth has been further tempered by OEM incentives, competitive pricing strategies from Chinese brands, and a favourable rand-import cost balance.

Hatchbacks rose just 0.7% YoY in Q3, while SUVs and MPVs increased by 1.1%, creating one of the most competitive pricing environments in recent years. This has enhanced buyer value and stimulated demand.

New passenger vehicle inflation by category

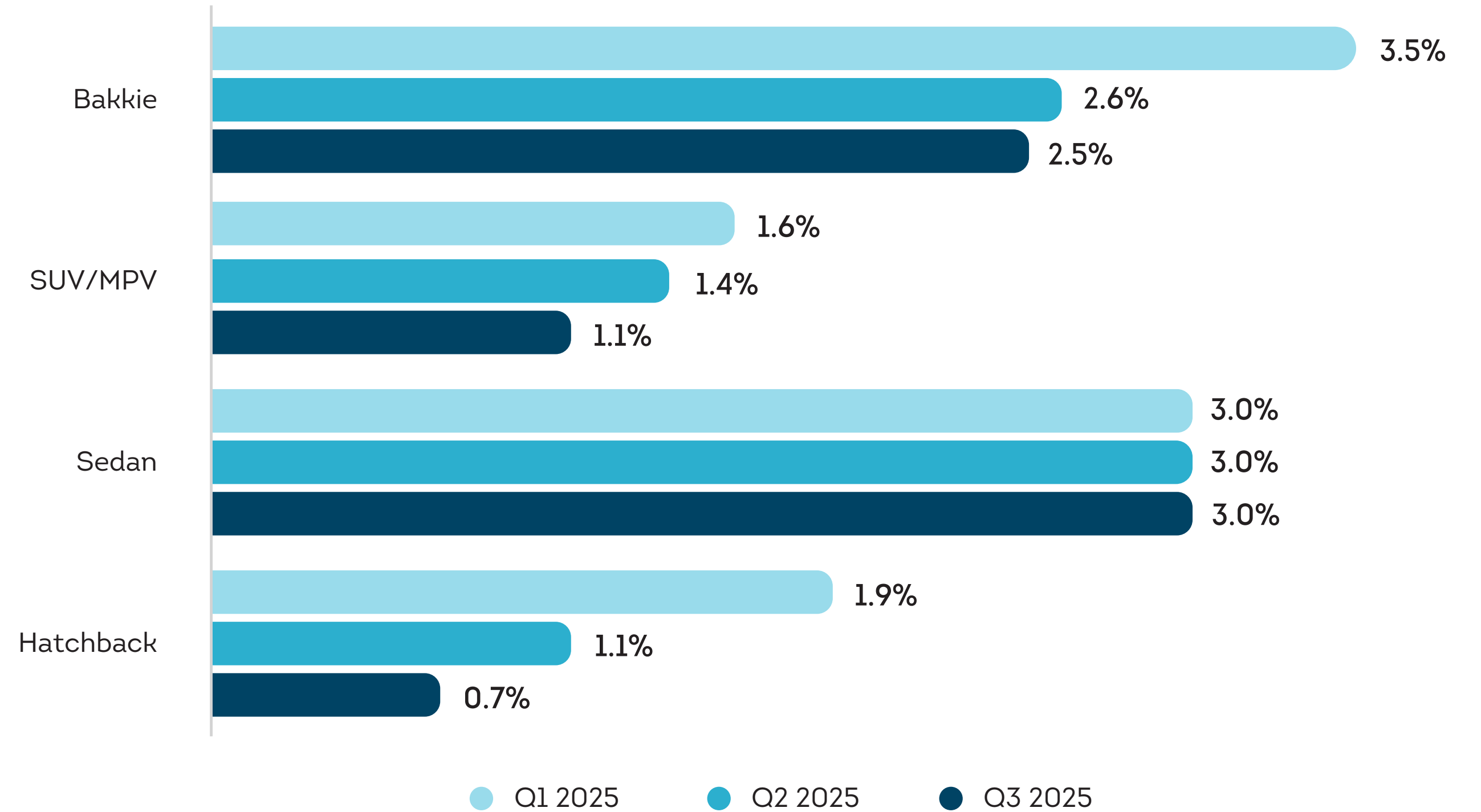


Figure 16

### Consumer confidence for big-ticket purchases

- The FNB/BER Consumer Confidence Index (CCI) softened overall in Q3 2025, but the subindex on the timing to buy durable goods – including vehicles – improved slightly quarter over quarter
- Confidence remained comparatively higher among low and high-income groups, while middle-income sentiment stayed subdued
- This pattern indicates near-term spending support, with the potential to moderate into 2026 as once-off boosts fade



#### Key insight

Timing-to-buy durables ticked up in Q3 despite weaker headline confidence.

### Disposable income and brand effects

- Household spending was supported by stable inflation and lower interest rates (Stats SA CPI; SARB MPC), with TransUnion Consumer Pulse Q3 2025 indicating steady, near-term spending among low - and high-income groups
- Competitively priced, feature-rich models from Chinese manufacturers coincided with sales recovery, aligning with value-sensitive demand



#### Key insight

Record-low new-vehicle inflation and sharper transactional pricing enhanced buyer value and supported Q3 volumes.



# New Vehicle Dealer Confidence

The BER/RMB New Vehicle Motor Traders Confidence Index rose to 54 in Q3 2025 (up from 42 in Q2), indicating new vehicle dealers were slightly more optimistic than pessimistic about business conditions. It was the second time in 2025 the index moved above the 50-point threshold, in both cases following a repo-rate cut.



## Outtake

Dealer confidence: 54 in Q3 (from 42 in Q2) – second net-positive reading of 2025.

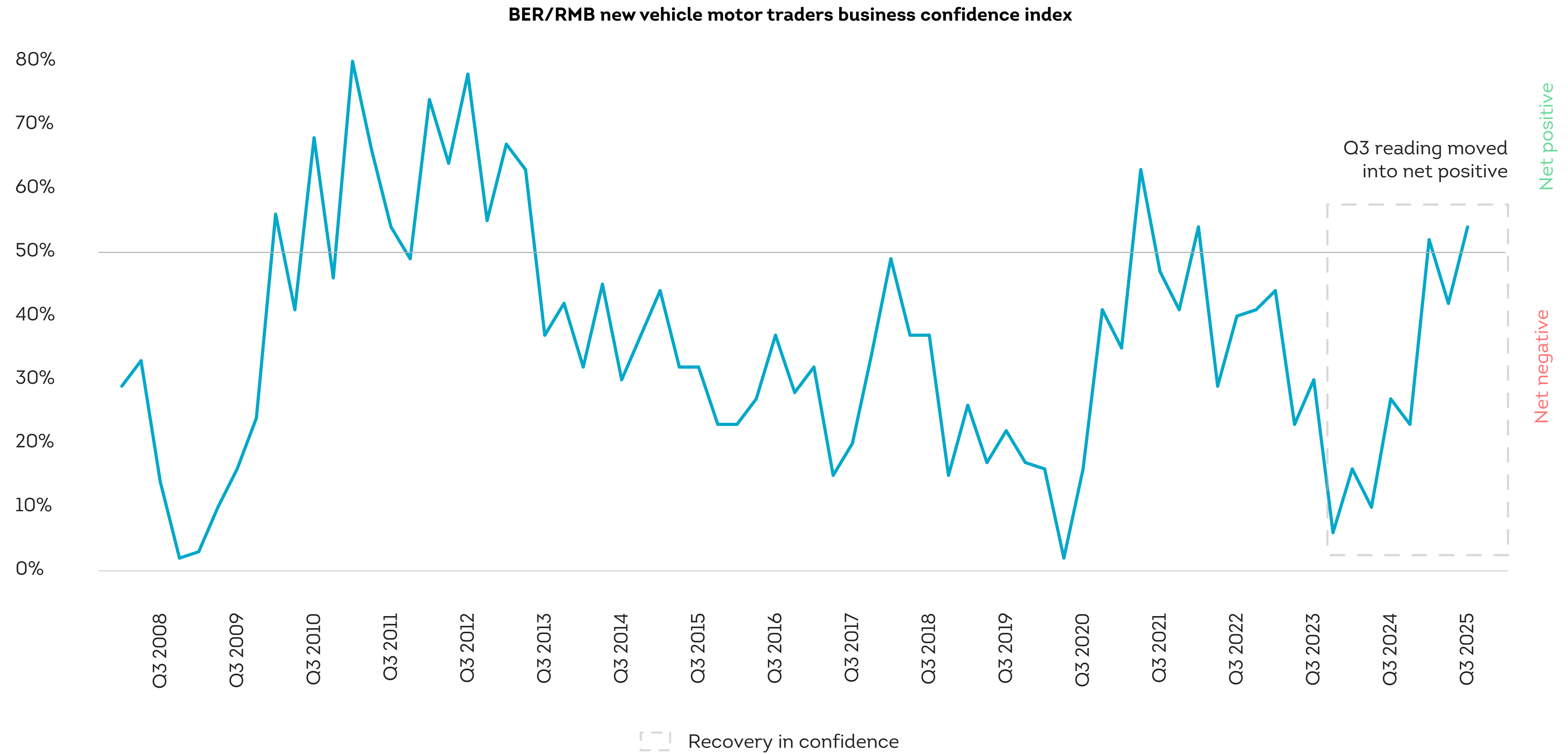


Figure 17

## How this aligns with market performance

Elevated sentiment was consistent with sustained double-digit growth in new-vehicle sales during Q3. Performance remained uneven by price band: Lower-priced and budget-focused models continued to outpace premium segments.

## Wider business backdrop

The improvement in dealer sentiment contrasts with the broader Business Confidence Index – which edged lower in Q3 2025.



### Key insight

Dealer confidence strengthened, rising above neutral and in line with increasing sales momentum.



6

Passenger Vehicle Exports

# Exports Rebound in Q3 2025



Passenger vehicle exports rose 4.1% YoY in Q3 2025 – after a 24.6% contraction in Q2 amid softer US demand and trade frictions. In total, 74,944 cars were exported in Q3 (up from 58,978 in Q2), indicating a recovery in volumes.

### September surge led the quarter

September shipments reached a six-year high of 30,354 units – +63.7% YoY and 8,027 higher than August – lifting the quarter’s result.

### Brand contributions

Toyota nearly doubled exports month over month, adding 3,368 units to reach 8,138. BMW increased exports by 1,860 to 7,060. Results for other major manufacturers were mixed, though overall momentum improved through the quarter.

### SA passenger vehicle exports

(% YoY growth)

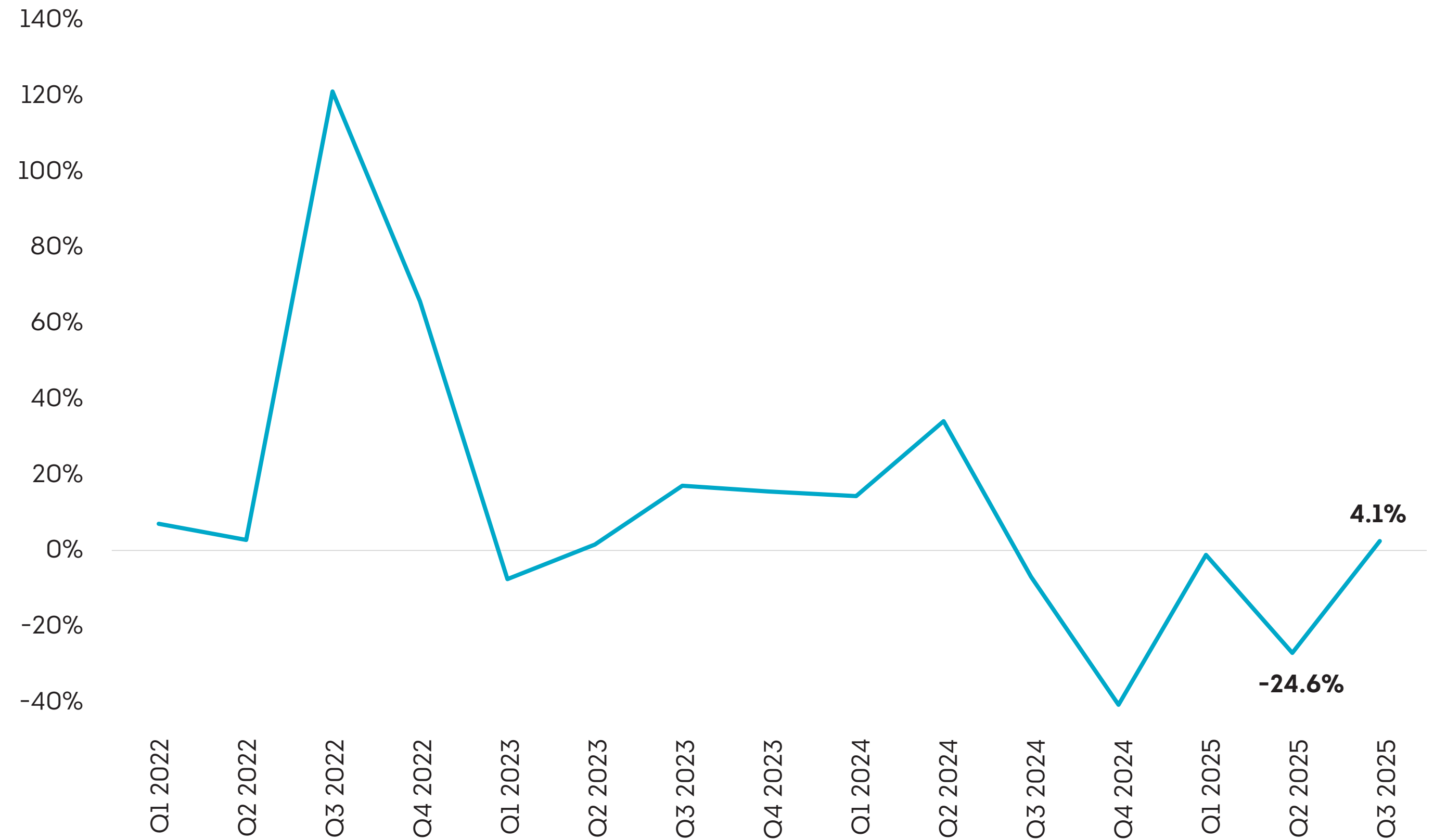


Figure 18

### What the pattern shows

The Q3 rebound following Q2's slump underscores the inherent volatility of an export-led model; quarter-to-quarter outcomes can swing with external demand and trade conditions. Planning assumptions should reflect that variability with attention to destination mix (an African and Asian markets strategy), model pipelines and capacity for next-generation and NEV-ready production where relevant.



#### Key insight

Q3's export surge shows resilience amid global trade headwinds, but sustained momentum requires market diversification, policy alignment and investment in next-generation manufacturing.

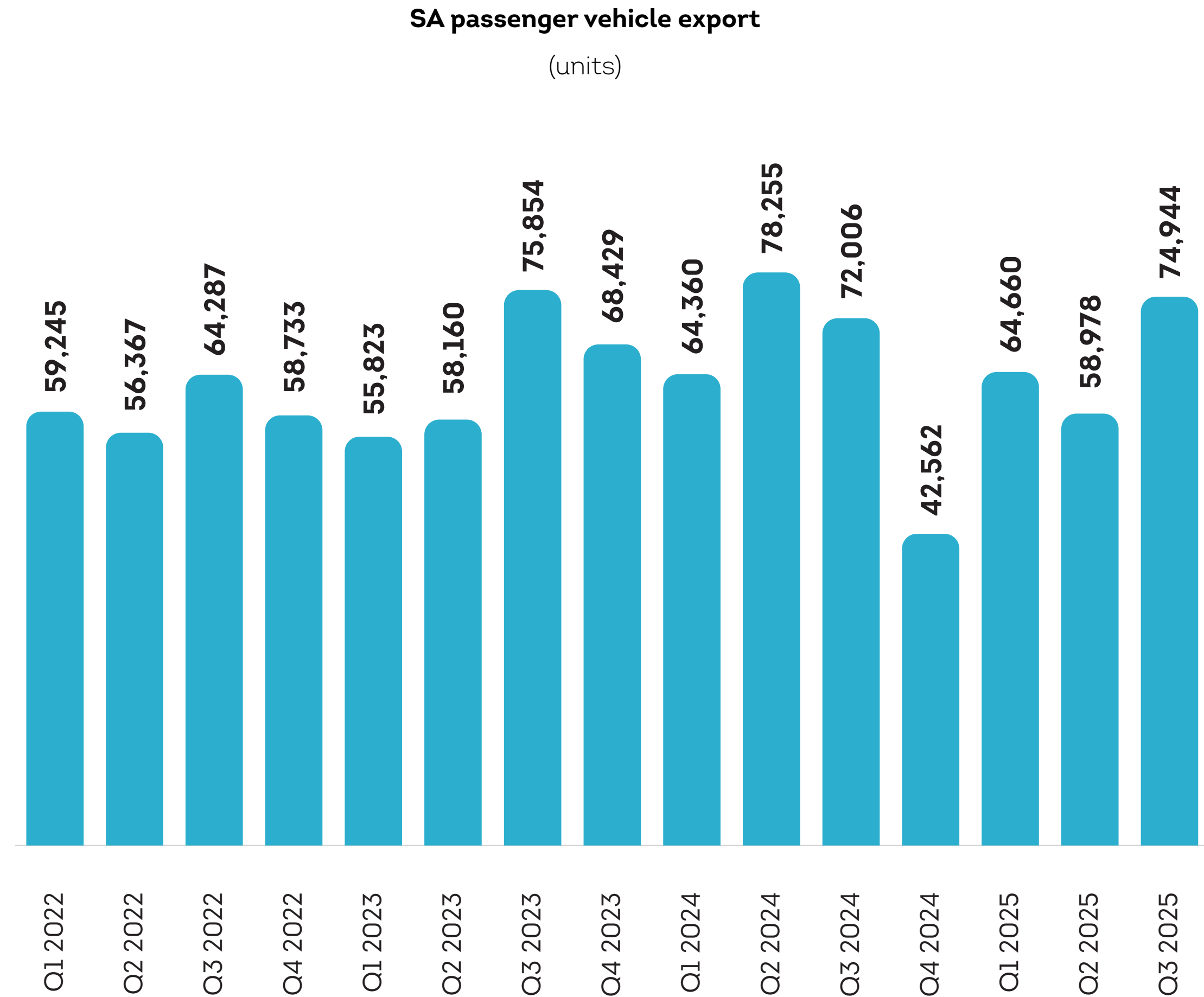


Figure 19

7

TransUnion Consumer Pulse Survey

# Automotive Market Forward Look, Q3 2025

## Purchase Intent Softens Quarter Over Quarter

Overall appetite for buying a vehicle in the next three months eased in Q3 2025. The share of respondents unlikely to buy rose from 69% (Q2) to 70% (Q3), while those likely to buy edged down from 19% to 17%. This comes despite strong sales reported by Naamsa in Q1-Q3 2025, suggesting recent volumes may be driven by fleet demand, incentives or pent-up purchases rather than broad-based consumer confidence.



### Outtake

Next quarter “likely to buy”: 17% (down from 19% in Q2). “Unlikely”: 70% (up from 69%).

TransUnion survey – Q3 2025: How likely are you to purchase a vehicle within the next three months?

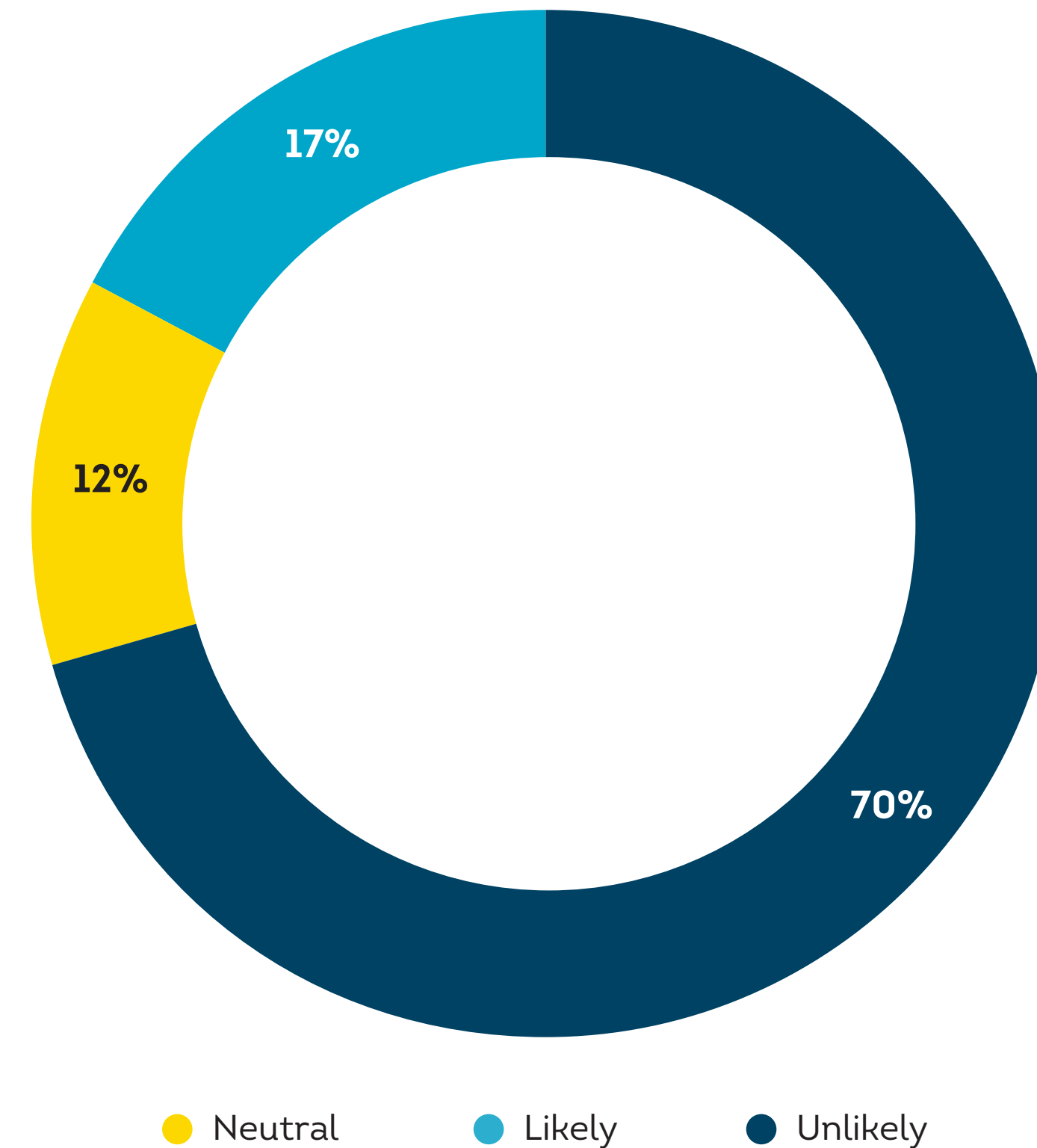


Figure 20

# Generational Differences in Purchase Intent

The survey shows clear variation by age cohort.

- Gen Z and Millennials: More willing to buy in the next three months – 21% and 19%, respectively
- Gen X and Boomers: More cautious – 13% and 8%, respectively, likely to buy; 74% of Gen X and 90% of Boomers fall in the unlikely group

**Key insight**  
 Gen X and Boomer consumers' caution skews the profiles of vehicle buyers, meaning near-term sales momentum is increasingly driven by younger consumers.

TransUnion survey – Q3 2025: Likelihood to purchase a vehicle within the next three months – by generation

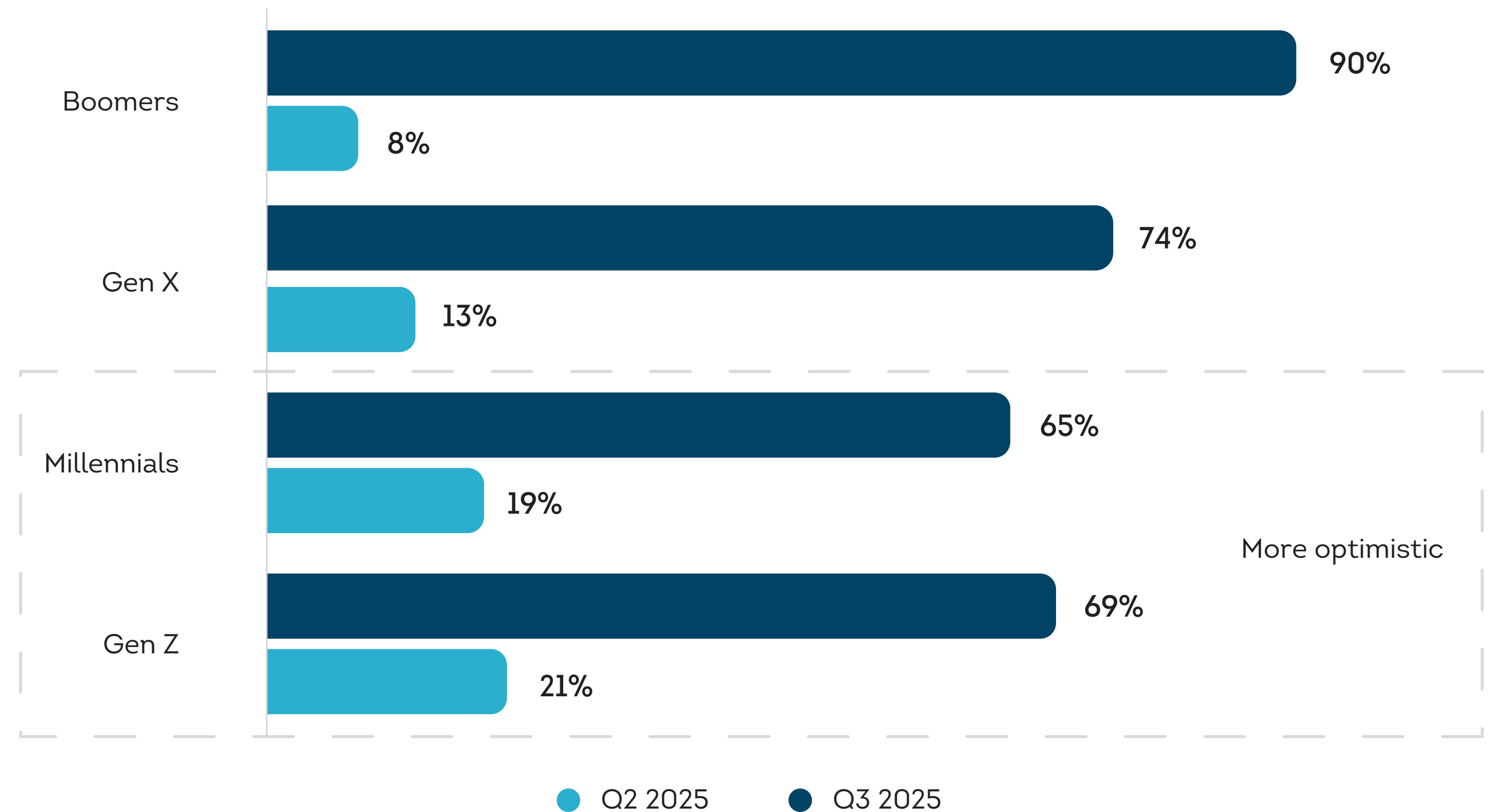


Figure 21

# Vehicle Purchase Intentions by Income Group

TransUnion’s Consumer Pulse Survey shows clear differences in short-term purchase intent by income band.

- **High-income (R200K+):** 34% likely to buy in the next three months – up from 28% in Q2
- **Medium-income (R50K–R199K):** 17% likely; 71% unlikely
- **Low-income (<R50K):** 13% likely; 73% unlikely



### Key insight

The rise among high-income consumers concentrates near-term demand in wealthier households, while medium- and low-income groups remain cautious.

TransUnion survey – Q3 2025: Likelihood to purchase a vehicle within the next three months – by generation

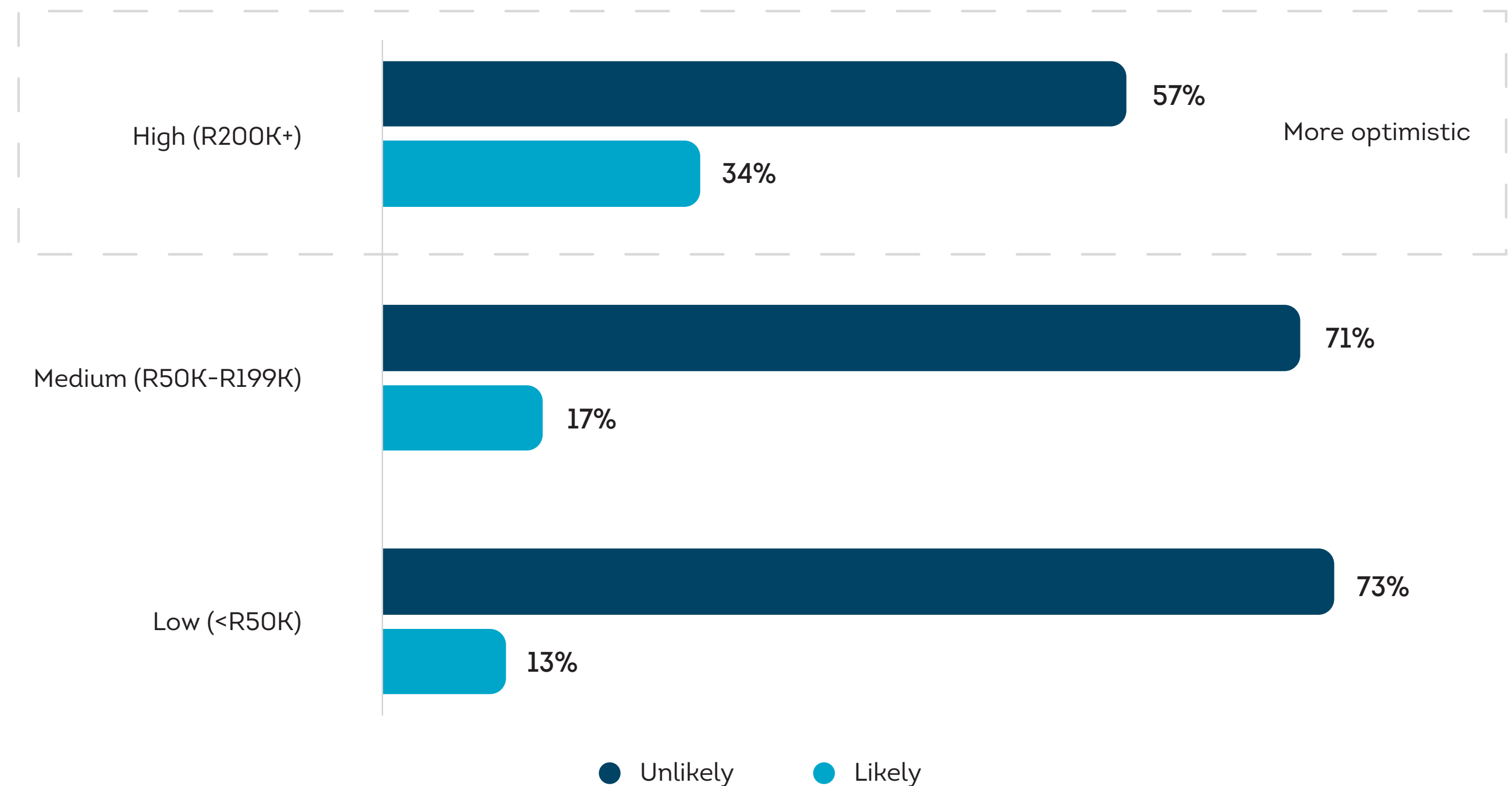


Figure 22

## Implications for Dealers, OEMs, and Vehicle Financiers

Evidence from CPS and sales indicates where near-term effort converts best.

### Target younger buyers

- Focus marketing, incentives and model mixes on Gen Z and Millennials where stated intent is highest
- Emphasise entry-level vehicles, affordable SUVs, and lifestyle-led trims that balance spec and price

### Focus on high-income households

- Prioritise premium and higher-value models for households with higher stated intent
- Offer flexible financing and clear upgrade paths; pair offers with total cost-of-ownership messaging

### Support value-driven segments

- For medium- and low-income buyers, sharpen affordability: competitive financing, extended terms, promotional pricing and accessible entry models
- Keep ICE paths visible for price-sensitive customers while introducing HEV options where feasible

### Financing innovation matters

- Tailor products for younger and higher-income cohorts – structured finance, payment flexibility, loyalty and upgrade programmes
- Where applicable, align fleet and corporate offers to renewal cycles

### Align inventory and marketing to demand signals

- Allocate stock and campaigns to the highest-intent cohorts and regions; maintain coverage for fleet and corporate channels
- Use CPS splits (age and income) to guide model, trim and finance menu planning in the near term

# TransUnion Survey: Consumer Mobility Preferences in the Next Year

TransUnion's Q3 2025 Consumer Pulse Survey shows how applicants for a new car loan or lease ranked powertrain options over the next year.

Type of vehicle	Q3 2025: Respondents%	Movement from Q2	Note
Internal combustion engine (ICE) vehicle	42%	↓	ICE remained the most selected option, though preference softened as more consumers explored electrified alternatives alongside petrol and diesel
Hybrid vehicles (HEVs)	39%	↑	HEVs showed the largest increase in consideration, reflecting openness to a practical middle ground on price and efficiency
Battery electric vehicles (BEVs)	28%	↓	BEV interest edged lower, pointing to affordability barriers, charging gaps and range concerns despite broader awareness and model availability
Plug-in hybrid electric vehicles (PHEVs)	24%	↑	PHEVs gained marginally, indicating interest in a flexible bridge that pairs electric driving with ICE range



### Key insight

Preference is still anchored in ICE, with growing consideration for HEVs and steady interest in PHEVs among consumers seeking a balance of cost, convenience and sustainability.



### Actionable insight

Prioritise hybrid-led propositions in messaging and finance menus – highlighting total cost of ownership, warranty cover and charging simplicity – while keeping clear ICE pathways for price-sensitive buyers.

# Mobility Preferences by Generation

TransUnion’s Q3 2025 Consumer Pulse Survey showed clear differences in preferred vehicle types over the next year. Percentages reflect consideration rather than exclusive choice.

**Key insight**  
 Electrified options are most popular with Gen Z, moderately adopted by Millennials and least considered by Gen X.

**Actionable insight**  
 Prioritise hybrid-led propositions for younger cohorts – while maintaining clear, affordable ICE pathways for Gen X buyers.

TransUnion survey – Q3 2025: What mobility options will you consider when applying for new car loans/lease within the next year?

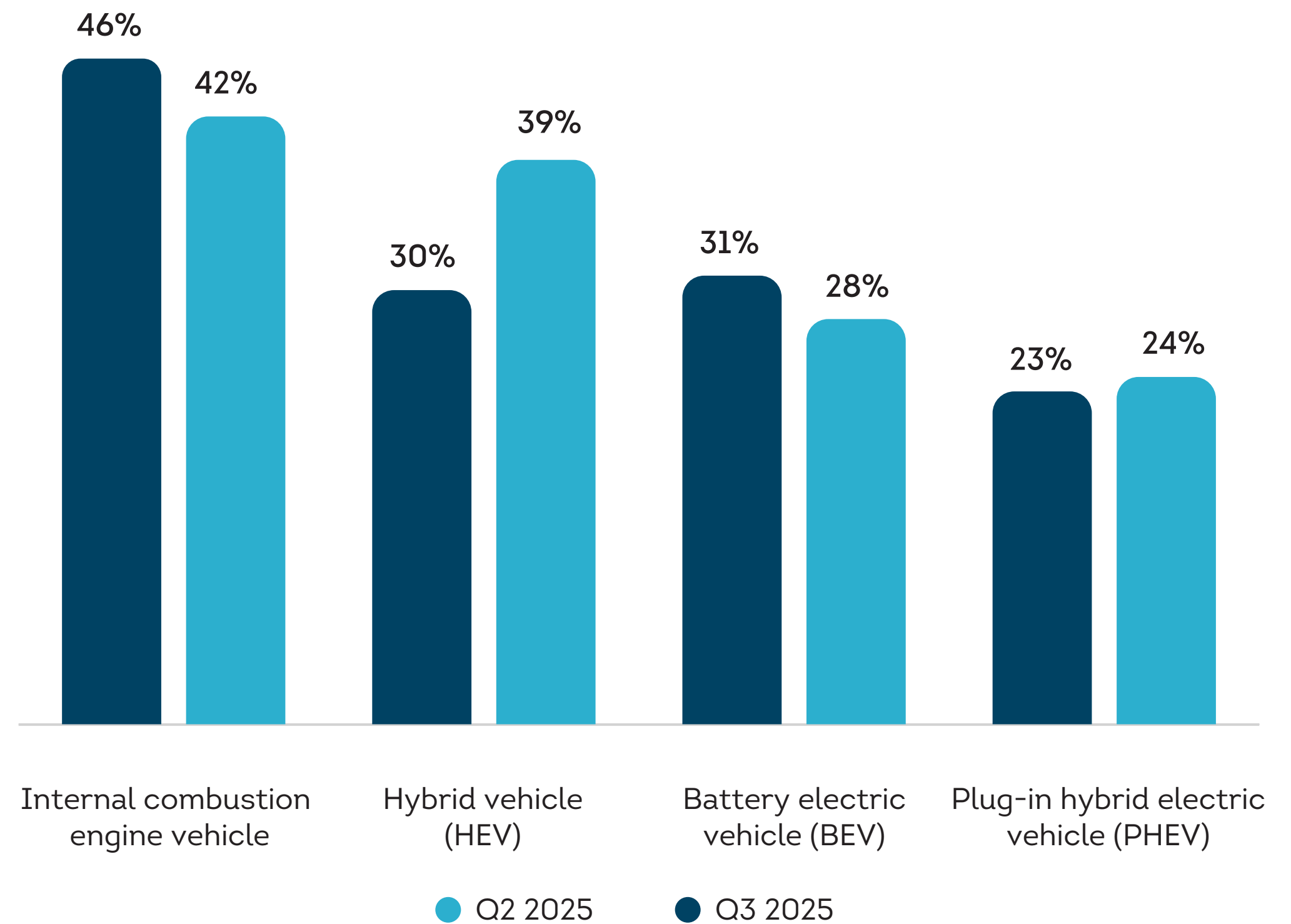


Figure 23

Generation	Type of vehicle preference	Note
● Gen Z	1 HEVs 55%	Strongest lean toward electrified options – hybrids first, then BEVs
	2 BEVs 32%	
	3 ICE 27%	
	4 PHEVs 23%	
● Millennials	1 ICE 47%	More balanced mix – receptive to both conventional and electrified choices, weighing cost and convenience
	2 HEVs 29%	
	3 PHEVs 29%	
	4 BEVs 26%	
● Gen X	1 ICE 55%	Clear preference for ICE, with selective hybrid interest
	2 HEVs 36%	
	3 BEVs 27%	
	4 PHEVs 9%	

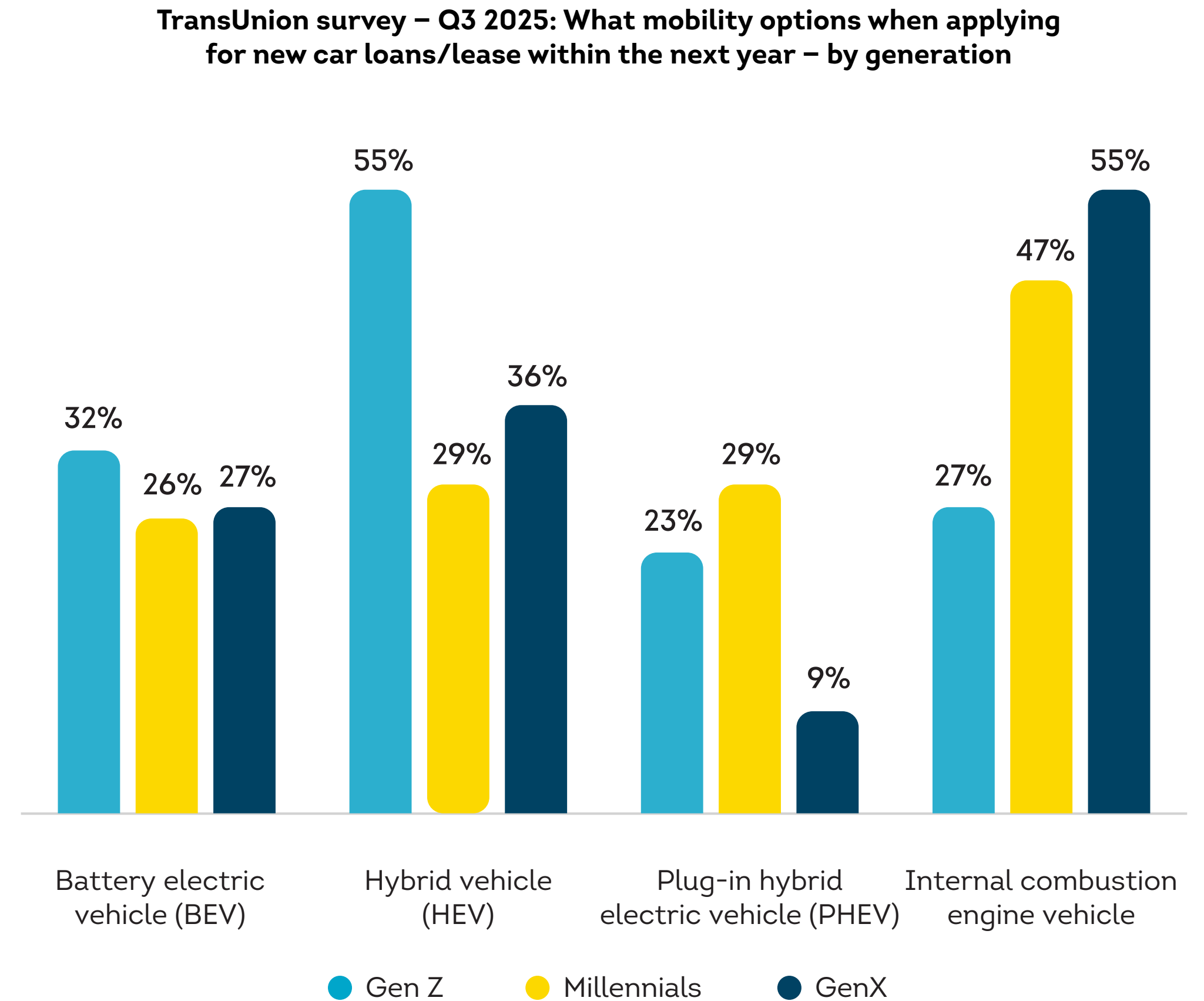


Figure 24

# Mobility Preferences by Income Group

TransUnion’s Q3 2025 Consumer Pulse Survey showed a clear correlation between household income and preferred vehicle types over the next year. Percentages reflect consideration (multi-select), not exclusive choice.



### Key insight

Lower- and medium-income groups skew to ICE due to price sensitivity, while higher-income households drive interest in electrified mobility.



### Actionable insight

Pair accessible ICE and entry hybrid options with affordability tools for lower-income buyers – extended terms, deposit assistance and clear TCO guidance – and position HEV/PHEV/BEV offers for high-income customers with simple charging solutions, warranty cover and transparent running-cost comparisons.

Generation	Type of vehicle preference				Note
● Low-income households (<R50k)	1	ICE	59%		Predominantly ICE – affordability is the key driver
	2	HEVs	41%		
	3	BEVs	24%		
	4	PHEVs	18%		
● Medium-income households (R50k–R199k)	1	ICE	40%		More balanced mix – growing openness to HEVs alongside ICE, with moderate BEV interest
	2	HEVs	36%		
	3	BEVs	26%		
	4	PHEVs	17%		
● High-income households (R200k+)	1	PHEVs	75%		Strong preference for electrified options – higher budgets support HEV/PHEV/BEV consideration
	2	BEVs	50%		
	3	HEVs	50%		
	4	ICE	13%		

TransUnion survey – Q3 2025: What mobility options when applying for new car loans/lease within the next year – by income group

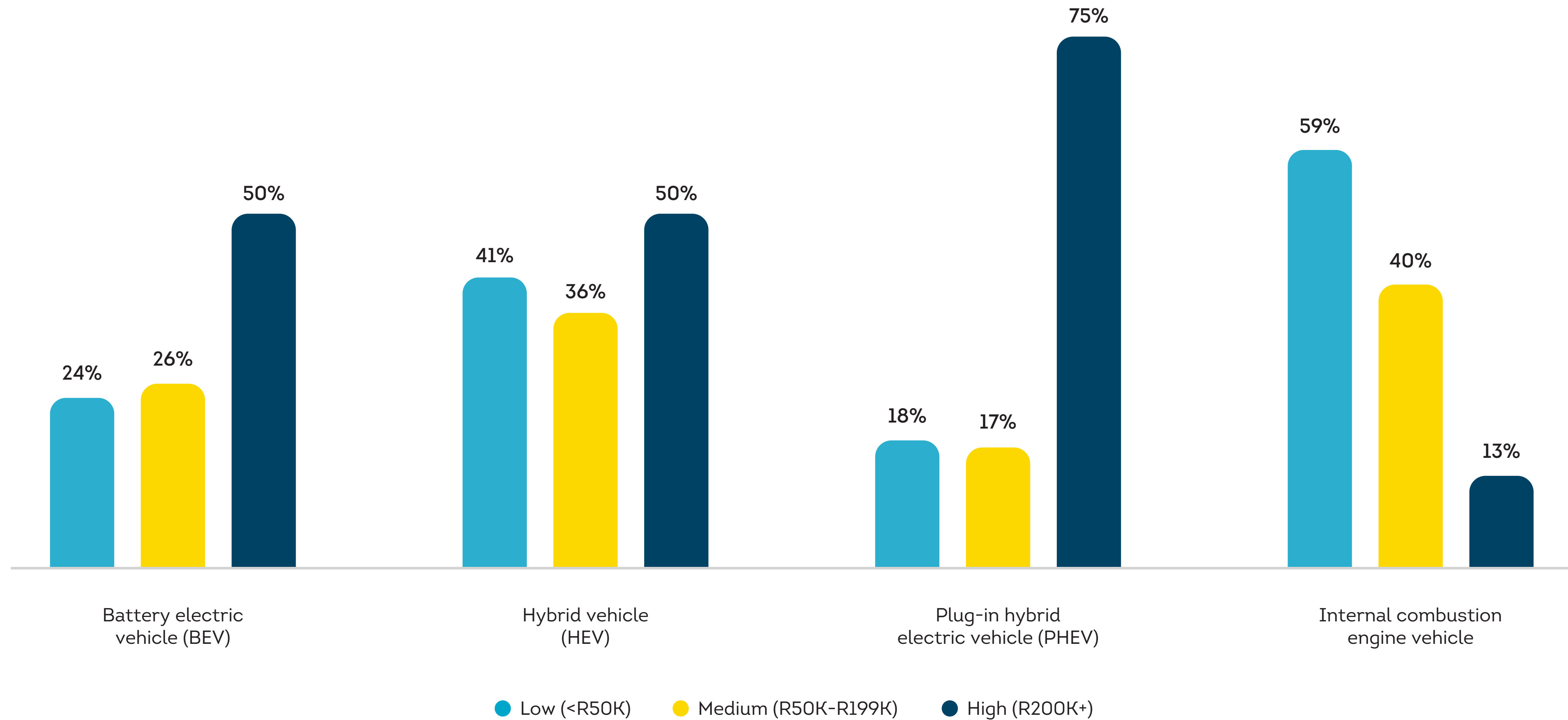


Figure 25



## Implications for Car Dealers, OEMs and Vehicle Financiers

Near-term planning should reflect CPS splits by age and income, alongside current sales patterns.

### **Target electrification to younger and high-income buyers**

- Gen Z and high-income households show the strongest interest in HEVs, BEVs and PHEVs
- Focus marketing, stock and incentives on these segments – highlight technology, premium features and clear total cost-of-ownership guidance

### **Maintain ICE options for price-sensitive buyers**

- Low- and medium-income households and older cohorts lean toward affordable ICE models from established OEMs
- Use competitive pricing, entry trims and value-for-money promotions to protect volume

### **Develop OEM-specific financing solutions**

- Offer tailored loans and leases by powertrain and OEM – cover both electrified and ICE line-ups
- Help medium-income buyers overcome upfront costs for hybrids and BEVs; premium OEM finance can appeal to high-income buyers

### **Segment marketing and stock planning by OEM**

- Align inventory and campaigns to age and income preferences – ensure electrified models from leading OEMs are available where demand is highest
- Maintain ICE stock from traditional OEMs for cost-sensitive buyers

### **Opportunity for early electrification adoption programmes**

- Pilot dealer-OEM-finance initiatives with loyalty incentives and simple education on charging, range and running costs
- Prioritise hybrids as the bridge option while building BEV readiness where charging access and budgets allow

8

Connected Cars

# Smart Mobility in South Africa

# What is a Connected Car?

A connected car has embedded internet connectivity and sensors that generate and share data with services inside and outside the vehicle. Beyond entertainment, this data covers location, traffic, driver behaviour, component health and software status – enabling features that update and improve over time.

## Adoption is broadening<sup>2</sup>

Connected capability is increasingly standard in many post-2015 models and common across new electric vehicles. Availability varies by brand, trim and whether the owner activates a connected-services account. Awareness and usage lag in some segments, so many drivers underutilise features already present in their cars. Globally, an estimated 96% of all new vehicles shipped by 2030 will be connected.

## What connected services enable

- **Safety and assistance:** Collision alerts, emergency calling, driver-assistance feature updates
- **Convenience:** Remote lock/unlock, pre-conditioning, real-time navigation with traffic and charging waypoints
- **Uptime and costs:** Predictive maintenance, over-the-air software updates, service scheduling
- **Usage-based offers:** Insurance and finance propositions that consider verified usage signals where permitted

## South Africa's opportunities and hurdles

South Africa's vibrant automotive ecosystem and mixed metro, urban and peri-urban use cases create room for high-utility services – from safety and recovery to uptime and route planning. Adoption depends on clear value for money, straightforward activation, network coverage and transparent data-use terms.



### Key insight

Connectivity creates ongoing value when services solve specific problems – safety, time, cost – rather than adding features that feel optional.



### Actionable insight

Prioritise one or two high-utility connected services per model line, price them simply and make activation part of the handover – with clear explanations of benefits, data use and support.



## Key Technologies Powering Connected Mobility

- **V2X communication:** Vehicle-to-vehicle and vehicle-to-infrastructure links that share hazard and traffic information in near real time
- **Advanced telematics:** Systems that monitor location, movement and component status to support diagnostics, recovery and fleet management
- **Integrated infotainment:** In-cabin platforms that deliver navigation, media and communications services
- **Software-defined vehicles:** Over-the-air updates and feature enablement that improve vehicles after sale



### Outtake

Connectivity plus software is shifting value from one-off hardware to ongoing, updatable services.

## What this means for consumers

- **Enhanced safety and security:** ADAS features (e.g., collision warnings, lane-departure alerts, automatic emergency braking) and connected assistance can support safer journeys and faster incident response

Beyond this, services from vehicle tracking companies and roadside assistance providers leverage connectivity for real-time vehicle tracking, automatic SOS calls in the event of a crash, and security alerts for high-risk areas. These features help enhance driver safety and can even prevent incidents such as smash-and-grab attacks

- **Greater convenience and control:** App-based access for real-time navigation to reroute around congestion, remote diagnostics alerts to potential issues, remote lock/unlock, vehicle location, battery or fuel status and cabin pre-conditioning
- **In-car Wi-Fi and data packages** are now standard from many manufacturers, keeping passengers entertained and productive on the road
- **Personalised services:** From personalised roadside assistance accessible from the dashboard to usage-based insurance premiums – based on verified usage where permitted
- **Driving feedback:** Behaviour insights can help with cost management and coaching new drivers

## Considerations for adoption

- **Ongoing costs:** Subscription models and feature gating require clear value for money over time
- **Data privacy and cybersecurity:** Collection and transmission of personal and operational data call for transparent policies and robust protections
- **Coverage and reliability:** Service quality depends on network availability and device interoperability
- **Onboarding:** Simple activation at handover and clear explanations of benefits and data use improve take-up

## Connectivity lessons from mature markets

A recent Smartcar<sup>3</sup> study highlighted a gap between expectations and delivered value in connected services. Key findings include:

- **Low adoption:** 76% of drivers are not subscribed to their automaker's connected services
- **Cost barrier:** 65% cited high prices as the main reason for disengagement
- **Value paradox:** Among subscribers, 67% want more features and are willing to pay for them



### Key insight

The issue isn't connectivity itself – it's perceived value. Services gain traction when they solve concrete problems at a fair price.



### Actionable insight

Define one or two high-utility use cases per model line, make activation effortless at handover and price transparently.

## What this means for South Africa

- **New revenue streams:** Software subscriptions, upgrade-on-demand and consent-based, data-enabled services
- **Software-defined vehicles:** Investment in cloud platforms, cybersecurity and continuous software updates across the vehicle lifecycle
- **Deeper customer understanding:** Operational data, with consent, can inform design, marketing and service roadmaps

## Implications for Manufacturers

- **New revenue streams:** Software subscriptions, upgrade-on-demand and consent-based, data-enabled services
- **Software-defined vehicles:** Investment in cloud platforms, cybersecurity and continuous software updates across the vehicle lifecycle
- **Deeper customer understanding:** Operational data, with consent, can inform design, marketing and service roadmaps



### Outtake

Success depends on simple onboarding, clear value for money and a tight focus on everyday use cases – not a longer feature list.



# Smart Mobility and Fleet Management Efficiency

Connectivity extends beyond the private driver into smarter transport systems. For commercial operators, connected vehicles act as the control layer for day-to-day performance. By leveraging telematics, the Internet of Things (IoT) and data analytics, businesses can achieve:

- **Route optimisation:** Real-time data supports dynamic routing to reduce time and fuel
- **Predictive maintenance:** Health signals flag issues early to limit downtime
- **Safety:** Driver-behaviour insights enable coaching on speeding and harsh braking
- **Operational control:** Live fleet visibility improves dispatch, scheduling and customer service

## The EV and connectivity link

Connectivity underpins a smoother EV experience – remote charge management, battery status, routing to available chargers and charge-window optimisation for fleet logistics.

## Challenges and enablers

Progress depends on practical foundations and clear guardrails.

- **Coverage:** Network gaps outside major metros affect service consistency
- **Policy and liability:** Transparent frameworks for data privacy, security and responsibility build trust
- **Infrastructure:** Investment in telecoms and smart-road systems widens access and reliability
- **Industry coordination:** OEMs, platform providers and operators benefit from common data standards and simple onboarding at vehicle handover



### Key insight

Adoption grows when connected services cut time, lower costs or improve safety in visible ways.



### Actionable insight

Start with one high-utility use case per fleet (e.g., maintenance alerts or fuel-saving route optimisation), measure impact and then scale.

9

# Additional Resources

## Additional Resources

Use these TransUnion resources to deepen analysis and guide planning.

### **Consumer Pulse Survey:**

Insights into consumer finances and sentiment, including credit usage and spending patterns

### **Industry Insights Report (IIR):**

Credit trends across sectors – including vehicle finance – to inform risk assessment and portfolio strategy

### **Insurance Industry Solutions:**

Tools to help streamline underwriting and strengthen customer engagement

### **Market Discovery:**

Regional and area-level views to support targeted market analysis and strategy development



#### **Actionable next step**

Map each resource to a specific decision: CPS for demand signals, IIR for risk posture, insurance solutions for pricing and retention levers and market discovery for localised go-to-market.

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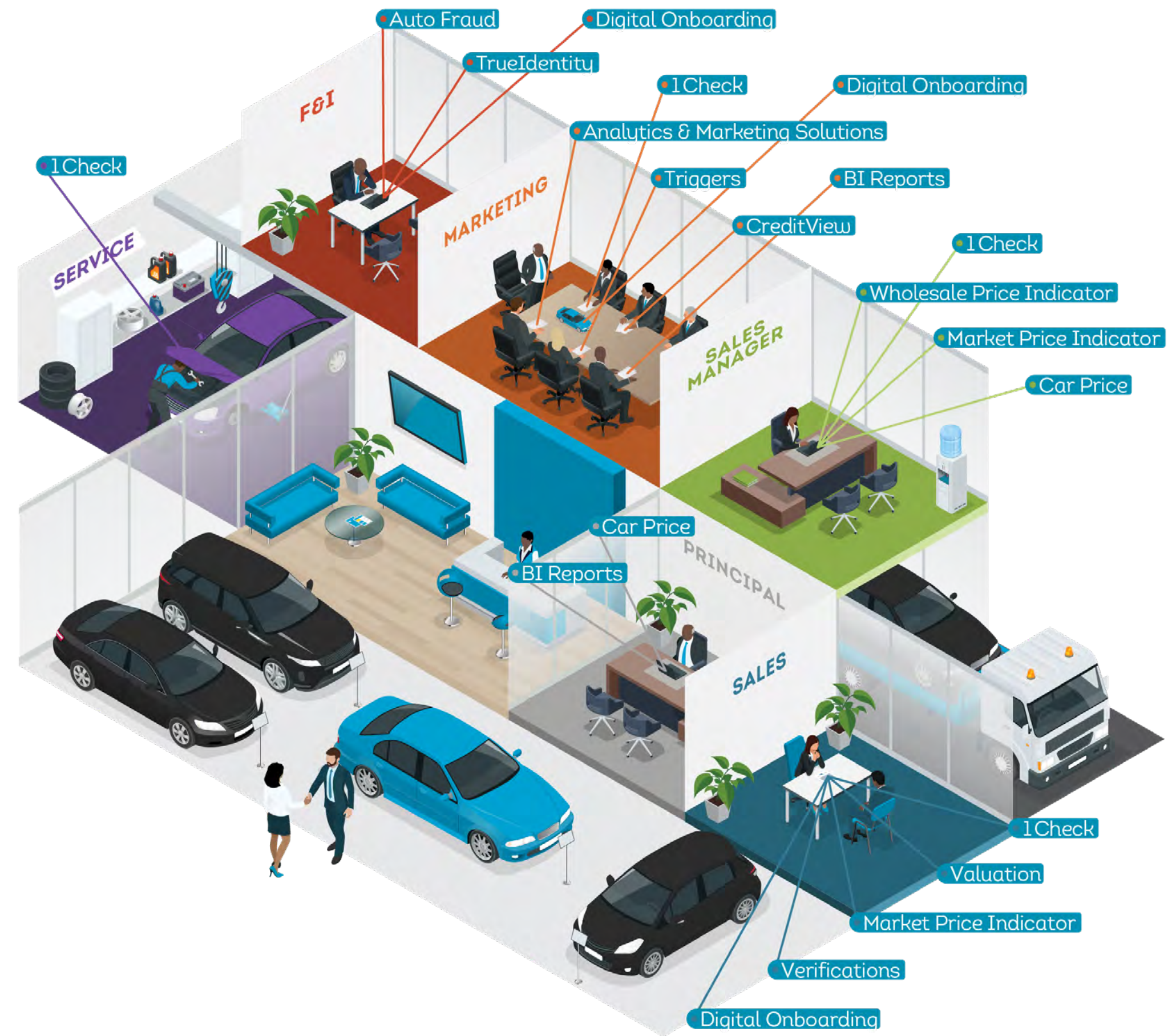
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# Partner With Us To Plan Your Next Moves

South Africa's mobility market continues to evolve – shaped by shifting consumer priorities, rapid innovation and a persistent focus on affordability.

At TransUnion, we help industry stakeholders see these changes clearly and act on them confidently. Through our data, analytics and market intelligence, we support informed decisions that strengthen trust, efficiencies and growth across the automotive value chain.

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