

Q&A with Gumtree Auto's Jeff Osborne

 By Lauren Hartzenberg

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As head of automotive for [Gumtree SA](#) and an authoritative voice in the media, we called on Jeff Osborne to provide insight into today's digital consumer and Gumtree's differentiation in the online automotive marketplace.



Jeff Osborne

■ *How does Gumtree Automotive differentiate itself from competitors?*

Jeff Osborne: There are a number of key differentiators between Gumtree and our competitors that, we believe, has set us apart in the industry. From a non-prescriptive approach to business to cutting edge technology, we continue to evolve and improve our offering to dealers.

Our app has an incredible audience with around 4,000 unique visits a day. Auto listings, which currently amounts to 150,000, are all accessible from your mobile phone. The ratio of private to dealer listings are currently 50:50. Not only is Gumtree the largest in terms of listings we also have 94,000 unique visits per day and generate almost 40,000 leads per month.

The price checker tool allows users to compare the price of a listed vehicle to the average selling price of that particular vehicle, in terms of mileage, model, etc. This would essentially let the user know if it is a good buy or not. It also empowers the dealer with valuable, comparative, data on vehicle pricing, condition and mileage. The site has a large variety of choice and lists high-end super cars as well. The average price per car listed on Gumtree is R250,000.

The Gumtree Auto Inventory Tool (GAIT), a dashboard for dealers only allows dealers to control their listings on Gumtree. Up to 12 images per listing, customised overlays, dealership specials and branding can be uploaded. All of this makes the Gumtree adverts really high-quality. Ads also get 'bumped up' daily and we allocate the 1st Call Tracking number, at no additional cost. The dealer is also not locked in to a contract.

■ *Based on observations at Gumtree, how has the digital consumer's buying habits changed in SA over recent years?*

Osborne: Dramatically, and more so with regards to the online purchasing process. We've learned that about 90% of the decision making, when purchasing a vehicle, takes place online – the remaining 10% involves viewing of the actual vehicle

and eventual purchase. Consumers do much of their research online. The modern consumer is very particular about what works for them and what doesn't.

■ ***To what extent has Gumtree Automotive felt the effects of the reported [decline in new vehicle sales](#)?***

Osborne: The decline in new car sales is driven by our current economic circumstances. Consumers are pressed for cash and feeling the pressure where credit is concerned. It was reported that banks are refusing automotive credit to more than 60% of applicants each month. There is, therefore, definitely strain on the ability to afford a new car versus a second-hand car, which may be cheaper and make more economic sense. This is great for Gumtree, as it means increased listings and more variety. Incidentally, the decline is forecasted to continue for 2016.

■ ***What are your views on electric vehicles?***

Osborne: With an 88c per litre petrol price hike and plenty of hype around the launch of [Tesla's Model 3](#), many people are considering the purchase of an electric-powered car sometime soon. Globally, the new Tesla has 325,000 pre-orders for the first deliveries expected in 2017.

I urge South African buyers to be cautious as we simply do not have the infrastructure to support an electric car market - the US has made provision for nearly 13,000 charging stations and, at the moment, we cannot accommodate this type of set-up for power supply. This matters to consumers because, even with the impressive advances of electric cars, you will only get about four hours driving before needing to fully recharge.

In the South African environmentally-friendly vehicle market, hybrids – which combine electric and petrol-power – are possibly more viable and will hold value. They still need more development and a reduction in price but, for the foreseeable future, hybrids will dominate this space locally.

■ ***What is your long-term vision for Gumtree Automotive?***

Osborne: Gumtree Automotive is currently the largest virtual showroom, which features more than 150,000 listings, and we are wanting to stay in this lead position. With that, comes a high level of respect that needs to be maintained. We will continue to change, create and innovate.

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