

# What's Driving Gen Z

M A R C H 2 0 1 6



# Gen Z is HUGE

*in size & purchasing power*

**23%** of the population

Purchasing power will align to  
GDP of some small countries

**\$3.2  
Trillion**  
PURCHASING POWER  
(by 2020)



# What Shaped Gen Z

*technology & market crash*

GENERATION	Baby Boomer	Gen X	Millennial	Gen Z
AGE	51-65	35-50	18-34	0-17
MAJOR EVENTS	Cold War, Civil Rights, Women's Liberation	Fall of Berlin Wall, Aids	9/11, Y2K	ISIS, Market Crash
MAJOR TRAITS	TV, NASA Explore, Optimistic, Work-Centric Living the American Dream	MTV, Internet Individualistic, Flexible, Skeptic of Authority, Latch Key Kids Independent	Ipod, Smartphone, Facebook, Youtube Helicopter Parenting Influence, Tech-comfortable Optimists	SnapChat, Netflix, Uber, Cloud Always Connected, Multitaskers Realists



# Autotrader and Kelley Blue Book **Gen Z Automotive Study**

The results may  
**SURPRISE** you



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Gen Z wants to  
own and drive cars

# Alternatives to traditional car ownership don't appeal to Gen Z

15%

want improved public transportation to replace car ownership

11%

want people to use cars on a pay as you go basis instead of personally owning cars

9%

want car ownership to be shared with friends, family and neighbors

8%

want car/ride sharing services to replace car ownership

Gen Z teens **WANT** to own a car

**92%**

own or plan to own  
a vehicle

**YOUNG**  
Gen Z Teens



Will buy first  
car at...

**18.1 yrs**

**OLD**  
Gen Z Teens



Will buy first  
car at...

**19.4 yrs**



# Gen Z believes **ownership** is more ideal than car/ride sharing



**OWNERSHIP**

## **YOUNG**

Gen Z Teens



Safer  
More ideal  
More reliable  
More tailored to me  
More convenient  
More flexible

## **OLD**

Gen Z Teens



Safer  
More tailored to me  
More ideal  
More reliable  
More practical  
More worry-free

Source: Kelley Blue Book 2016 Ride Sharing/Car Sharing Study

# Gen Z looks forward to driving

## TOP 3 EMOTIONS OF DRIVING A CAR

FREE

32%



RESPONSIBLE

29%



EXCITED

23%



# ALMOST ALL plan to get a license



Q. Do you have a driver's license?

A car represents freedom and convenience...not who they are



**29%**

say a car “gives me a sense of freedom”

**21%**

say a car is “something that makes life easier”

**6%**

say a car is “something that represents who I am”

# Gen Z is willing to give things up for a car



# 72%

(among teenage  
non-vehicle owners)

would rather have a car for a year...

than use social media



# 63%

(among teenage  
non-vehicle owners)

would rather have a car for a year...

than buy new clothes



# 71%

(among teenage  
non-vehicle owners)

would rather have a car for a year...

than attend entertaining events





# 74%

(among teenage  
non-vehicle owners)

would rather have a car for a year...

than eat out



# 33%

(among teenage  
non-vehicle owners)

would rather have a car for a year...  
than a cell phone





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Gen Z is not as  
**environmentally friendly**  
as you might think

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# A car being environmentally friendly is more important to Gen Z

Gen Z  
**27%**

% who want a car to be environmentally friendly (as teenagers)

Millennials

**19%**

Gen X

**7%**

Boomers

**3%**

# Gen Z is more concerned with saving money than the planet

**42%**

want most cars to be **electric/hybrid**

Thoughts on environmentally friendly cars

**43%**

MAINLY JUST SAVES MONEY ON GAS

VS.

**30%**

PREVENTS GLOBAL WARMING

# Price is more important to Gen Z and Millennials

Gen Z  
**77%**

% who want a good price on the car (as teenagers)

Millennials

**72%**

Gen X

**60%**

Boomers

**62%**



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Gen Z is not as  
**materialistic** as Millennials

# Gen Z is not as focused on “style” or “brand”



**Style**  
is important to me

Gen Z  
**49%**

.....  
**Millennials**  
(as teenagers)

**57%**

**Brand**  
is important to me

Gen Z  
**23%**

.....  
**Millennials**  
(as teenagers)

**34%**



# Gen Z is less concerned with “vehicle popularity”



**Vehicle  
Popularity**  
is important to me

Gen Z

**13%**

Millennials  
(as teenagers)

**22%**

# Chevrolet, Ford and Honda are Gen Z's preferred brands

**YOUNGER  
GEN Z TEENS  
(12-15)**



**HONDA**

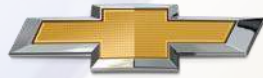


**CHEVROLET**



**Jeep**

**OLDER  
GEN Z TEENS  
(16-17)**



**CHEVROLET**



**HONDA**



**TOYOTA**



# Preferred brands are described as traditional, practical and trusted



TRADITIONAL

**35%**

PRACTICAL

**34%**

TRUSTED

**25%**



CHEVROLET

TRADITIONAL

**35%**

PRACTICAL

**30%**

TRUSTED

**20%**



**HONDA**

PRACTICAL

**37%**

TRUSTED

**33%**

TRADITIONAL

**19%**

# No brand stands out as being “highly relatable”



GENUINE/REAL

REPRESENTS MY PERSONALITY

YOUTHFUL



20%

19%

Jeep



9%

8%

Jeep



20%

18%



HONDA

TOYOTA

13%



HONDA

7%



mazda

14%



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Gen Z values  
safety features the most

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# Gen Z places more importance on **safety** than others

Gen Z  
**43%**

**Safety**  
is important to me  
(as teenagers)

Millennials

**25%**

Gen X

**11%**

Boomers

**9%**

# Gen Z values safety features over infotainment



**43%**

**SAFETY FEATURES**  
are important

**35%**

**INFOTAINMENT FEATURES**  
are important



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Gen Z finds **self-driving vehicles appealing**, but the reason will surprise you

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# Autonomous vehicles appeal to Gen Z



**54%**  
find FULLY  
SELF-DRIVING VEHICLES  
appealing

They want cars that  
drive themselves



**47%**

want most cars to  
drive themselves

...because they think roads would be **safer** as a result



**61%**

think roads will be safer

# 45%

think autonomous vehicles  
would **ease concern**  
about **distracted drivers**

# 41%

think autonomous  
vehicles would lead to  
**fewer accidents**



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Gen Z questions the  
technology behind  
autonomous vehicles

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# 65%

think “Lack of trust in the technology to work” is a barrier



# 41%

are concerned that cars will not drive as well as people

# Basic autonomous features are most appealing today

**72%**

**BASIC  
FEATURES**  
are appealing

**67%**

**ADVANCED  
FEATURES**  
are appealing

**60%**

**LIMITED SELF-DRIVING  
FEATURES**  
are appealing

**54%**

**FULLY SELF-DRIVING  
FEATURES**  
are appealing





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**Face-to-face** interactions  
are important to Gen Z  
when car shopping

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# Few want to buy a car online



**26%**

want to buy a car  
online in the future

# For Gen Z, car shopping is all about “the experience”

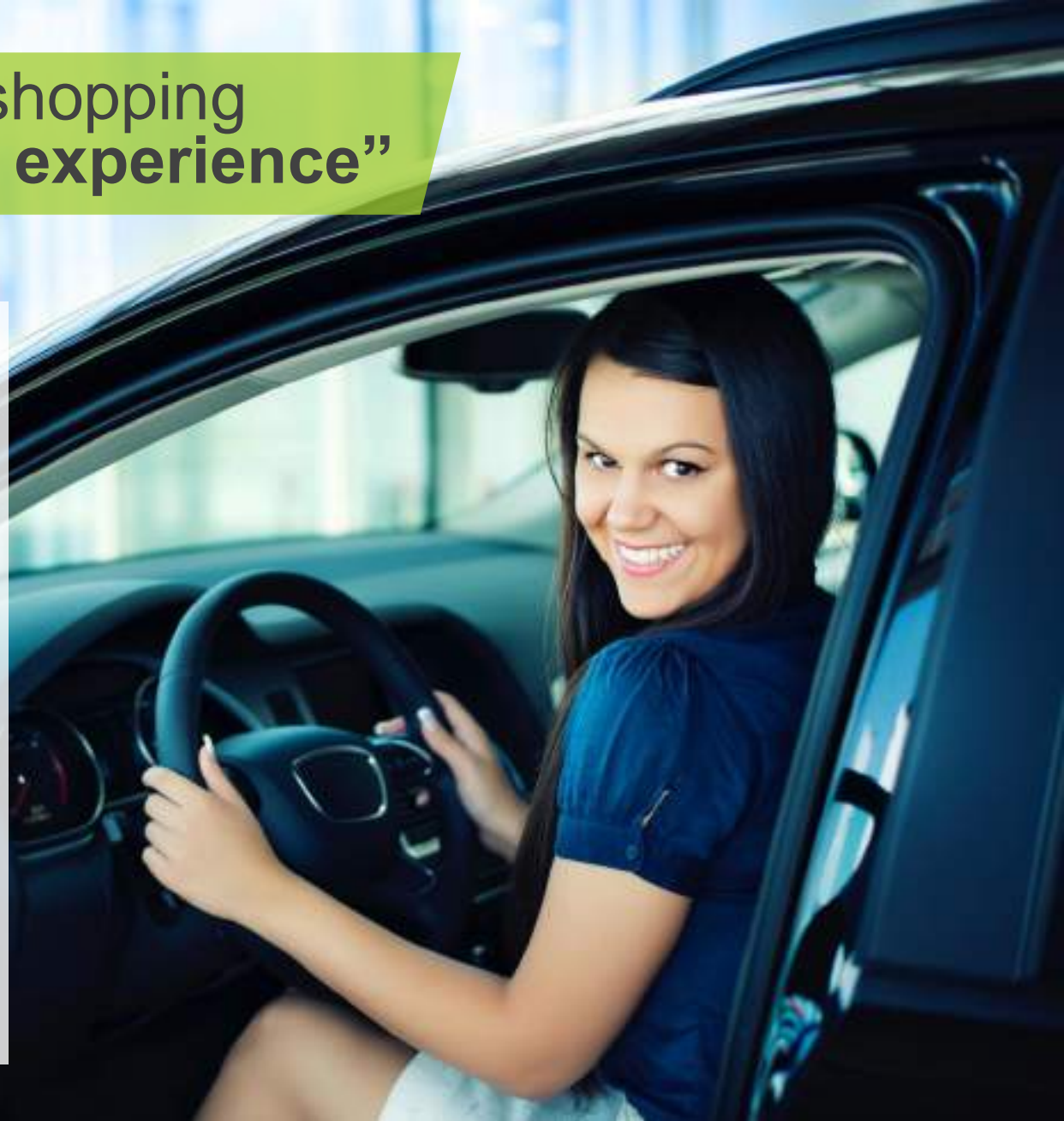
## Top 3 elements of an ideal shopping process

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**1** Positive Experience

**2** Convenience

**3** Price



# Face-to-face interactions still matter

**68%**

think **face-to-face**  
interactions are important

# Test drives are still critical

52%

need to test drive a vehicle **two or more** times to make a decision

# Get ready FOR GEN Z

BECAUSE THEY ARE COMING



# Automaker Implications

## TAKEAWAYS:

- What worked for Millennials will not work for Gen Z
- Auto sales are not going to take a hit because of this generation

## KEY AREAS OF FOCUS:

- Highlight the cost savings of green vehicles
- Focus on developing and touting safety features
- Identify opportunities to “own” the mind of Gen Z
- Prove effectiveness of autonomous vehicle technology

# Dealer Implications

## **TAKEAWAYS:**

- Dealerships are not going away
- In-person interactions will remain a part of the shopping experience

## **KEY AREAS OF FOCUS:**

- Appeal to the budget conscious mindset
- Highlight safety features more prominently online and offline
- Embrace a “Consumer Experience” model
- Provide a superior test drive experience

# Questions?

