



The Key to Driving Gen Y

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THE RUNDOWN

When it comes to winning new customers, the auto industry faces a generational challenge. Gen Y has fallen out of love with the car, replacing this old-fashioned status symbol with a digital diet of new experiences, people, and places. If automakers want to regain the initiative, they must market to a new mindset and usher in the age of the digital dealership.

Gen Ys are a tough crowd for automakers. According to reports, they aren't all that interested in buying or owning cars. They don't even really like cars, and they're not so keen on driving, either. To put this in perspective, the list of things that Gen Ys like better than cars includes the internet, iPhones, tablets, and – according to one study published by Auto News - visiting the dentist.

The unique behaviors of Gen Ys (born 1980-1995) set them apart from older Gen Xers (1965-1980) and Boomers (1946-1964) and signify a series of shifts – from long-term brand loyalty to a preference for instant gratification; from trust in industry experts to reliance on peer perspectives; from traditional symbols of success (the luxury car, the corner office) to more intangible markers like ample free time, unique media content, and opportunities for adventure – all of which signal bad news for several big-ticket industries.

Digital has only amplified Ys' independence, giving them first-hand experience of new people, places, and ideas. To today's young consumers, what counts is the *experience*, not the *object*. A car is just a means to an end - and a noisy, polluting, attention-grabbing one at that. For the auto industry, the question is how to appeal to a generation of reluctant buyers who have been encouraged since childhood to do what they want, not what they're told. But in facing this new demographic, automakers have an unprecedented opportunity to change their paradigm, from conception to production to promotion - and would be wise to do it fast.

WHEN IS A **CAR NOT A CAR...**

Car ownership isn't inherently undesirable to young consumers; it's more that Ys are a generation of *users*, not *owners*. By now wholly accustomed to early gadget adoption, frequent trade-ins and trade-ups, ephemeral cloud storage, and incessant, overflowing streams of real-time media content, they place less value than their older predecessors on permanence as a concept or ownership as a practice (let alone a badge of honor). They are, after all, the ultimate Web 'users.' They quite literally make use of what they need online, when they need it. While this generation might not be defined by their possessions, then, they do want to make use of products that are a good fit for their lifestyle. The vehicle-as-product, with all its specs and shine, is in turn regarded as a mere platform for potential experiences. So, for Ys, four-wheel drive is simply a gateway to an off-roading adventure; surround sound is just the promise of an Instagram-able sing-a-long with friends.

In short, the car isn't a car at all: It's a conduit. This unique mindset opens doors for automakers to get creative - for starters, to rethink their leasing and trade-in options. Ys are a generation of early adopters with an overwhelming desire for what's new, next, and best. They are compelled to test the latest version of nearly everything, and so they don't sentimentalize physical objects or feel any guilt about trading up. With this in mind we can foresee creative applications that allow Ys to experience more options in less time; imagine, for example, an automotive take on Rent the Runway.

Honda cleverly appealed to Ys' experiential outlook with its recent Leap List campaign, which encouraged Millennial consumers to make a list of 10 adventures they want to 'check off' before they take a major life leap (i.e. before they get married, buy a house, or have a baby). Through this lens the campaign's featured vehicle, the CR-V, became an instrument for adventure, as evidenced by a dedicated microsite which allots the bulk of its screen space to user-submitted Leap List adventures, and relegates vehicle specs to sidebar status.

Fellow automakers would be wise to follow suit, not just in their marketing but also in their salesmanship. We've yet to see an effort to turn the dry and tired test drive into something that's actually fun; say, a text-enabled scavenger hunt, with the car salesmen as co-pilot and fellow showroom shoppers as competition. Rather than simulate the mundane task of driving the kids to soccer, automakers could create a totally new and unexpected in-car experience, one not so easily replicated in real life.

THE DIGITAL **DEALERSHIP**

Whatever the specifics of the paradigm shift, digital should play a starring role. The rise of mobile technology has untethered young consumers from their desktops and brought their online usage out into the real world, where activities such as social networking, emailing, downloading and using apps, Googling, and sharing photos have become an integrated part of their lives. The distinction between 'real' life and online life has thus been blurred, and in turn Ys have come to expect the seamless integration of digital into daily activity - not just for the sake of improved convenience, but for an all-around enhanced, more enjoyable experience.

The absence of digital integration renders present-day dealerships and showrooms incredibly outdated. But it's not far-fetched to imagine exciting applications of digital in these vast and varied spaces. Automakers might take a cue from Adidas's recent partnership with Intel in the creation of an interactive shopping wall. This new Adidas/Intel tool provides a customized and augmented consumer experience, featuring virtual access to the full line of products and options, real-time 3D rendering, and additional background information on production and specs. For such a big-ticket item as an automobile, this sort of enhanced and interactive informational tool would do wonders for in-showroom consumer engagement and awareness.

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Ideally, the entire experience of car shopping - from search, to research, to peer polling, to test drive, to purchase - should be just that: An experience. The way to earn Ys' attention and even, ultimately, their hard-won loyalty, is to offer a consumer experience that enables them to find what they really want and need quickly, conveniently, and (whenever possible) digitally. Deep dives into big data might ultimately help automakers take a customized approach to this effort; driver data, whether captured online or in-vehicle, can and should inform automakers' vehicle conception, production, and marketing, helping them to provide what drivers know they want - or don't even know they need.

Most major automakers are already using digital. They're just not yet using it to its full potential. Shifting to appeal to a digitally enabled generation requires much more than a digitally enabled product. Automakers today face a new opportunity to make promises that better reflect what young consumers are seeking, and to enact new applications of digital not just in their finished product, but throughout their creative process and across their marketing efforts. At the crux of all this, both online and offline, is the promise of experience. Cars can certainly give young drivers that, and automakers that realize and react to this *au courant* desire will find themselves in the driver's seat.

The Intelligence Group is a youth-focused consumer insights company dedicated to identifying emerging movements in popular culture and translating that information into relevant knowledge for companies, brands, and institutions. For nearly 15 years, IG's syndicated Cassandra Report has been the leading ongoing study of youth trends, behaviors, and preferences in the US.
