Echo Boomers Look Forward to Automobile Ownership

AutoTrader.com Study Shows What Echo Boomers Want—and Don't Want—in a New Vehicle Purchase

ATLANTA, May 18 /PRNewswire/ -- Echo Boomers, the generation born between 1975 and 1991 and estimated to be about 77 million strong, are expected to reshape much of society as they come into their peak earning years. And there's good news for auto makers and dealers.

A recent AutoTrader.com study found that Echo Boomers view car ownership as an important and exciting event in their life. Seventy-six percent of Echo boomers in the study agreed with the statement that "Owning a vehicle is an important step to adulthood," and 73% agreed that "Owning a vehicle is exciting."

"We have heard that Echos as a group are less interested in vehicle ownership than other generations and wanted to investigate those claims as it could impact the future of the auto business," said Chip Perry, President and CEO, AutoTrader.com. "The results we found were certainly contrary to the conventional wisdom."

While they buy cars and enjoy the automotive experience, Echo Boomers are concerned about the environment. Sixty-eight percent of Echos believe that fewer vehicles on the road would lead to cleaner air and 64% believe that vehicle emissions cause serious harm to the environment. And they find car makers claims of environmental awareness suspect—only 28% of Echo Boomers in the study believe that car manufacturers genuinely care about vehicles' impact on the environment.

Given Echo Boomers' environmental awareness, it is not surprising that 44% of the Echos surveyed by AutoTrader.com will consider a hybrid vehicle for their next purchase. That is a better rate of consideration than for all-electric vehicles, which have only a 26% consideration rate, or diesel vehicles, which only 17% of Echo Boomers in the survey said they would be open to owning. For makers of diesel and electric vehicles, this shows there is still a need to raise awareness of these vehicles' environmental and other benefits and a chance to use target marketing to influence and raise consideration of these vehicles among this key demographic.

Types of Cars

Fifty-four percent of the Echos surveyed by AutoTrader.com said they will be considering a sedan when they buy their first or next vehicle, and 51% also said they would be considering a SUV or crossover. Compare that to only 8% who would consider a mini-car like the smart fortwo—the same as who would consider a convertible and less than the percentage who would consider a station wagon--11%. This suggests Echos' preferences in car-buying is fairly reflective of older age groups who have made sedans and SUVs the predominant type of transport on American roads today.

Cars targeted at the Younger Set

Automakers have recently developed cars targeted specifically at the younger set, including such boxy designs as the Kia Soul and Scion xB. They have also heavily targeted other upcoming small vehicles at Echo boomers, with marketing campaigns such as the Fiesta Movement heavily promoting the upcoming Ford towards Echos through the use of social media.

Echos showed a fair level of interest in cars targeted specifically towards them, with the Nissan Cube and Ford Fiesta having the highest consideration rate at 16%. Following immediately behind were the Kia Soul (15%) and Scion xB (14%).

Some interesting findings emerged when comparing Echo Boomers to other generations of car shoppers who responded to the survey.

Among teenagers from 13 to 17 who responded, the survey found that consideration for these small vehicles among this group was significantly higher. For example, 32% of these teens were open to the Ford Fiesta. Teens in general were more interested in this new generation of small vehicles, with 61% of them finding them either "Very Appealing" or "Somewhat Appealing," and only 26% finding them either "Very Unappealing" or "Somewhat Unappealing." This compared to Echos Boomers who were more evenly split, with 50% finding them either "Very" or "Somewhat Appealing," and 42% finding them either "Very" or "Somewhat Unappealing." Older Baby boomers actually least liked these vehicles, with only 38% finding them either "Very" or "Somewhat Appealing."

One big take away from this study is automakers have the opportunity to tap into significant interest in smaller cars among potential future customers who aren't yet of car-buying age but will be soon. The challenge will be marketing to these teenagers to keep them interested in these vehicles until they become tomorrow's car buyers.

Features

Echos are exposed to technology constantly and have come to expect it to be standard in the purchases they make in their lives. When it comes to features on new automobiles, Echos want it all, but they are less excited about paying extra for it. For example, 60% of the Echos surveyed want in-car navigation, but only 43% of them were willing to pay extra for it. Among those willing to pay extra, they were only willing to pay about $208 on average.

Clearly, the way for automakers to interest Echos is to bring them in with as much technological feature content as possible included in the base price.

Summary

Contrary to popular opinion, Echo boomers as a whole are still excited about automobile ownership. But those Echos still worry about the effect vehicle ownership has on the planet and they are willing to take steps to reduce that impact, though without giving up the car they want. Echos are interested primarily in the sedans and SUVs bought by their parents and less so in the small cars supposedly designed to appeal directly to them. And Echos want to have the most feature content available and want it included in the standard vehicle package.

Study Methodology

AutoTrader.com surveyed 747 respondents across all age ranges for this study, with nearly half (349) coming from the Echo boomer demographic. Full copies of the results are available by request.

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