

Ninety-Two Percent of Gen Z Teens Own or Plan to Own A Vehicle, According to Autotrader, Kelley Blue Book Study

Gen Z Willing to Give up Social Media, Cell Phone to Get into Driver's Seat; Automotive Study Reveals Surprising Insights on These Future Car Buyers



ATLANTA and IRVINE, Calif., March 15, 2016 – As the automotive industry turns its attention toward the next generation of car shoppers and buyers, Generation Z (those currently age 0-17), it may be operating under some false assumptions. New research from Autotrader® and Kelley Blue Book®, the most visited car shopping and research websites, offers an in-depth look at Generation Z and delivers some surprising insights about how this new cohort differs greatly from the often-discussed Millennial generation that comes before it.

“Gen Z accounts for nearly a quarter (23 percent) of the population right now, and by 2020 this group will translate to \$3.2 trillion in purchasing power, which is larger than the GDP of some small countries,” said Isabelle Helms, vice president of research and market intelligence for Cox Automotive, Autotrader and Kelley Blue Book’s parent company. “While they will have access to some serious cash, they will be cautious in how they spend their money, a trait that makes Gen Z markedly different than their Millennial counterparts.”

Living in a world shaped by technology and experiencing major events like the Market Crash of 2008, Generation Z offers a different outlook on automotive than their Millennial counterparts, and many of these perspectives contradict popular public opinion.

Highlights from the Autotrader and Kelley Blue Book Gen Z Automotive Study:

1. **Gen Z Wants to Own and Drive Cars:** According to respondents, 92 percent of Gen Z own or plan to own a vehicle, and 97 percent have or plan to get a license. In fact, they look forward to it, citing that it makes them feel free (32 percent), responsible (29 percent) and excited (23 percent) as the top three emotions associated with driving. Of those surveyed, a car represents freedom (29 percent) and convenience (21 percent), and is not necessarily a reflection of who they are (6 percent). Generation Z also would be willing to give up quite a bit for a year to get into the driver’s seat, including social media (72 percent), new clothes (63 percent) and their cell phone (33 percent).
2. **Gen Z is Not as Environmentally Friendly as You Might Think:** A car being environmentally friendly is more important to Gen Z (27 percent) than it was to other generations as teenagers. However, rated even higher, price is named the most important to Generation Z at 77 percent than it was for Millennials in their teen years (72

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percent). When Gen Z was asked their opinion on environmentally friendly cars and important factors in selecting a vehicle to buy or lease, 43 percent say these models mainly save money on gas, versus 30 percent who say those vehicles prevent global warming.

3. **Gen Z is Not as Materialistic as Millennials Were as Teenagers:**

Generation Z is less focused on style or brand. Importance of style rated at 49 percent for Gen Z versus 57 percent for Millennials.

Importance of brand rated at 23 percent for Gen Z versus 34 percent for Millennials. Vehicle popularity also rated lower among Gen Z (13 percent) versus Millennials (22 percent). Generation Z named Ford, Chevrolet and Honda as their preferred automotive brands, describing them as traditional, practical and trusted, while only 1 percent cited Tesla as a top preferred brand. However, no brands were seen as highly relatable.

4. **Gen Z Values Safety Features More than Previous**

Generations: Generation Z places more importance on safety features than other generations did in their teen years: Gen Z teens (43 percent), followed by Millennials as teenagers (25 percent), Generation X as teenagers (11 percent) and Baby Boomers as teenagers (9 percent). Generation Z also values safety features (43 percent) over infotainment (35 percent). Their focus on safety is closely related to their sense of practicality.

5. **Gen Z Finds Self-Driving Vehicles Appealing, but the Reason**

Will Surprise You: More than half (54 percent) of Generation Z respondents find fully self-driving vehicles appealing. In fact, 47 percent of Generation Z respondents want most cars to drive themselves in the next 10 years. But once again, their safety concerns take the lead. When asked how the road would be impacted by autonomous vehicles, 61 percent of Gen Z teens think the roads will be safer. Forty-five percent of Gen Z teens surveyed think autonomous vehicles would ease concerns about distracted drivers, while 41 percent think these vehicles would lead to fewer accidents on the road.

6. **Gen Z Questions the Technology Behind Autonomous Vehicles:**

Despite being technology natives, 65 percent say “lack of trust in the technology to work” is a barrier, while 41 percent cite concerns that the autonomous cars will not drive as well as people. When asked about varying levels of autonomous features they find appealing, 72 percent of Gen Z find basic features that allow the vehicle to assist in specific tasks most appealing, followed by advanced features (67 percent), limited self-driving features (60 percent) and fully self-driving features (54 percent).

7. **Face-to-Face Interactions Are Important to Gen Z When Car**

Shopping: Only one-quarter (26 percent) of Gen Z teens want to buy a car online in the future. In fact, this generation values the experience of buying a car, with 68 percent of Gen Z agreeing that face-to-face interactions are important. Test drives are critical for Gen Z, with 52 percent saying they need to test drive a vehicle two or more times before making a decision.

“What worked for marketing to Millennials will not work for Generation Z because some of the defining traits of Millennials do not hold true for the next generation of car shoppers,” said Helms. “The best news from this research is that auto sales are not going to take a hit because of this generation. In fact, it may prove to be quite the opposite. Their love for cars and driving is very much alive.”

For automakers and dealerships, it is important to focus on appealing to the practicality of this generation, highlighting the cost savings of

environmentally friendly vehicles, and touting safety features in new models when marketing to this younger generation. In addition, making the shopping experience an enjoyable one is vital, as Gen Z places high importance on face-to-face interactions.

“While we have a few more years before this generation really starts to get behind the wheel of a car, preparing for them now by understanding what makes them unique will translate to success for automakers and dealers alike,” said Helms.

The 2016 Autotrader and Kelley Blue Book Gen Z Automotive Study was conducted by Ipsos and can be found in its entirety at <https://coxautoinc.box.com/autotrader-kbb-gen-z-research>. The national survey reveals the responses from more than 3,000 U.S. residents between the ages of 12 - 65 years old.

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