



# Does Gen Y want the keys to the car?

## The changing nature of mobility



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# Five years of exploring Gen Y's mobility choices

- Global consumer study *conducted since 2009*
- Nearly *30,000 respondents* to date
- Insights from consumers in *19 countries*
- Consumers representing *Gen Y, Gen X, and Baby Boomers*
- Additional *research by students* from universities around the world

## 2014 universities



Brazil



India



Germany



France



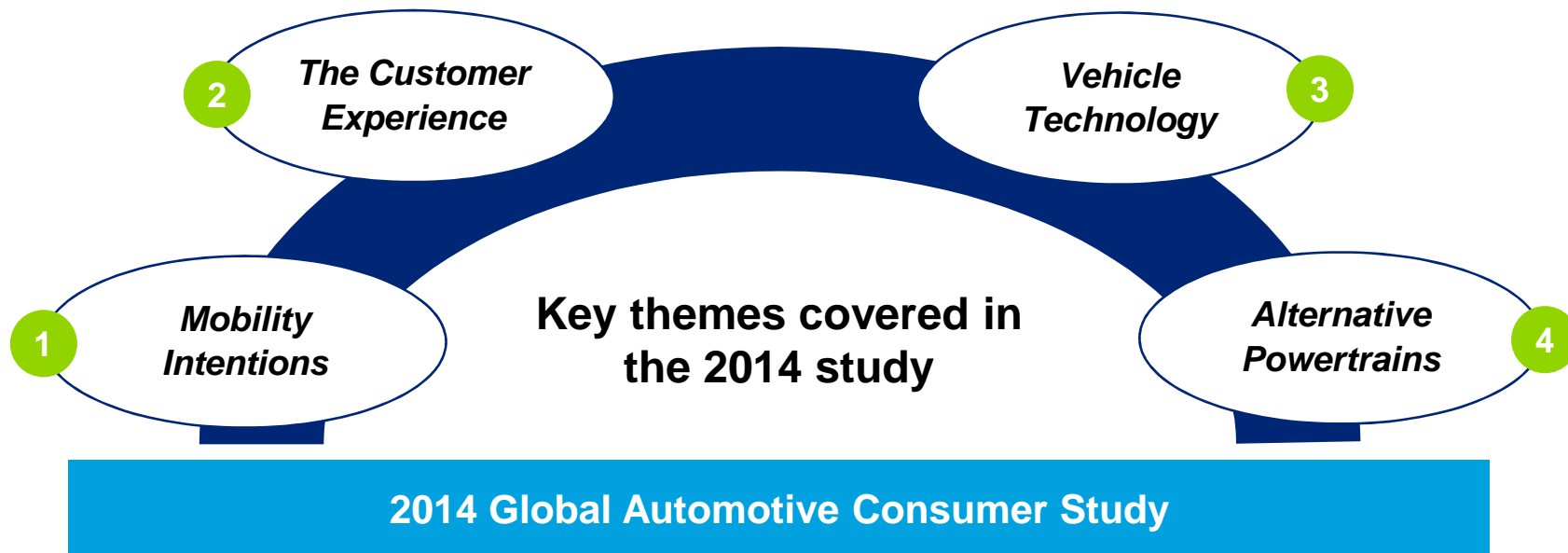
## Participating U.S. universities 2009-2012

- Boston College
- Carnegie Mellon
- Clemson University
- Columbia
- Gonzaga University
- Michigan State University
- Syracuse University
- Texas Tech University
- UCLA
- USC



# Themes explored in the 2014 study

- Focused largely on “*mobility*” and impact to buying and ownership experience
- Survey covers *mobility intentions*, the *customer experience*, *alternative powertrains*, and *vehicle technology* (safety and connectivity)



## Key findings over the years

2009	Vehicle <b>safety</b> ranked as the top priority
2010	Overall <b>value</b> ranked as the primary factor when evaluating brands
2011	“Cockpit” technology and the <b>shopping experience</b> led criteria
2012	<b>Tipping point for electrified vehicles</b> , while connectivity and safety converge
2014	Gen Y <b>love to drive</b> , but <b>access</b> to vehicles emerges as preference over ownership.

Window into the future

Gen Y was the first to differentiate the importance of the **customer experience, value, electrified vehicles, and convenience.**

# Important questions for the automotive industry

**#1** Are we losing the next generation of vehicle owners?

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**#2** Why are Gen Y consumers willing to forego vehicle ownership?

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**#3** What will attract Gen Y consumers to vehicle ownership?

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**#4** How can the automotive industry profit from these trends?



**#1** Are we losing the next generation of vehicle owners?

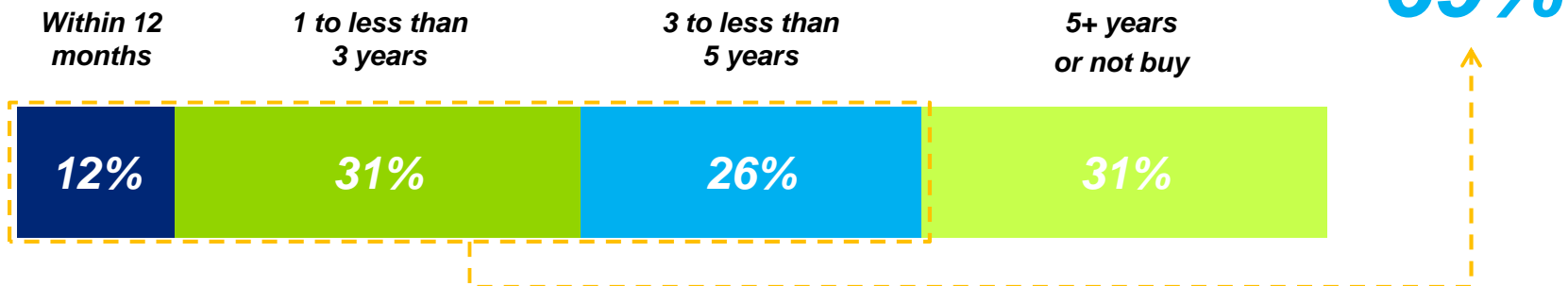
# The good news

Nearly **2/3** of Gen Y consumers' preferred mode of transport is the personal car

Describe themselves as ***loving to drive*** same like other generations

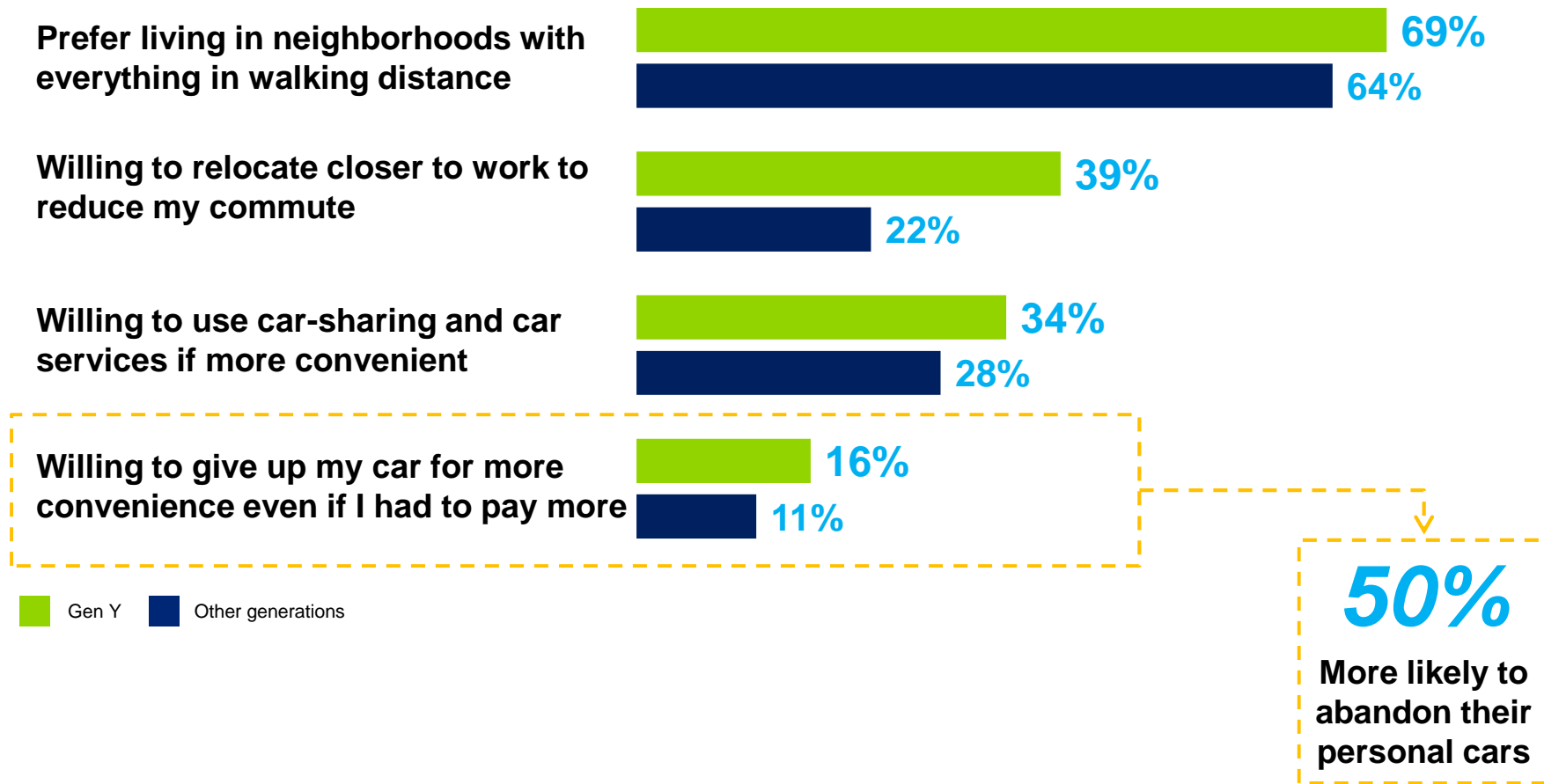
Ranking	1	2	3	4	5	6	7
Gen Y							
Other generations							

**69%** expect to buy/lease a vehicle in the next 5 years



# The bad news

Gen Y consumers who currently own are **50%** more likely to abandon their cars for mobility alternatives that are more convenient.





**#2** Why are Gen Y consumers willing to forego vehicle ownership?

# Cost and convenience concerns for those who don't own

For those who don't currently own, costs, affordability and needs met by walking / public transportation are **top reasons for not owning**.

*Top three reasons Gen Y consumers who do not currently own or lease don't buy*

- 1** *Operational and maintenance costs*
- 2** *Affordability*
- 3** *Lifestyle needs met by walking / public transit*

*Top three things that would get Gen Y consumers into a vehicle*

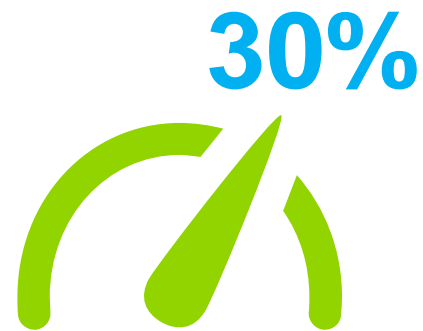


# Alternative mobility options offer choices

Automakers are losing Gen Y consumers to the **“Uber-ization” of mobility.**



Like using a smartphone app to plan transport



Use car rental services if they were easily available



25%

Would try ride-sharing app, if recommended by a friend or family member



38%

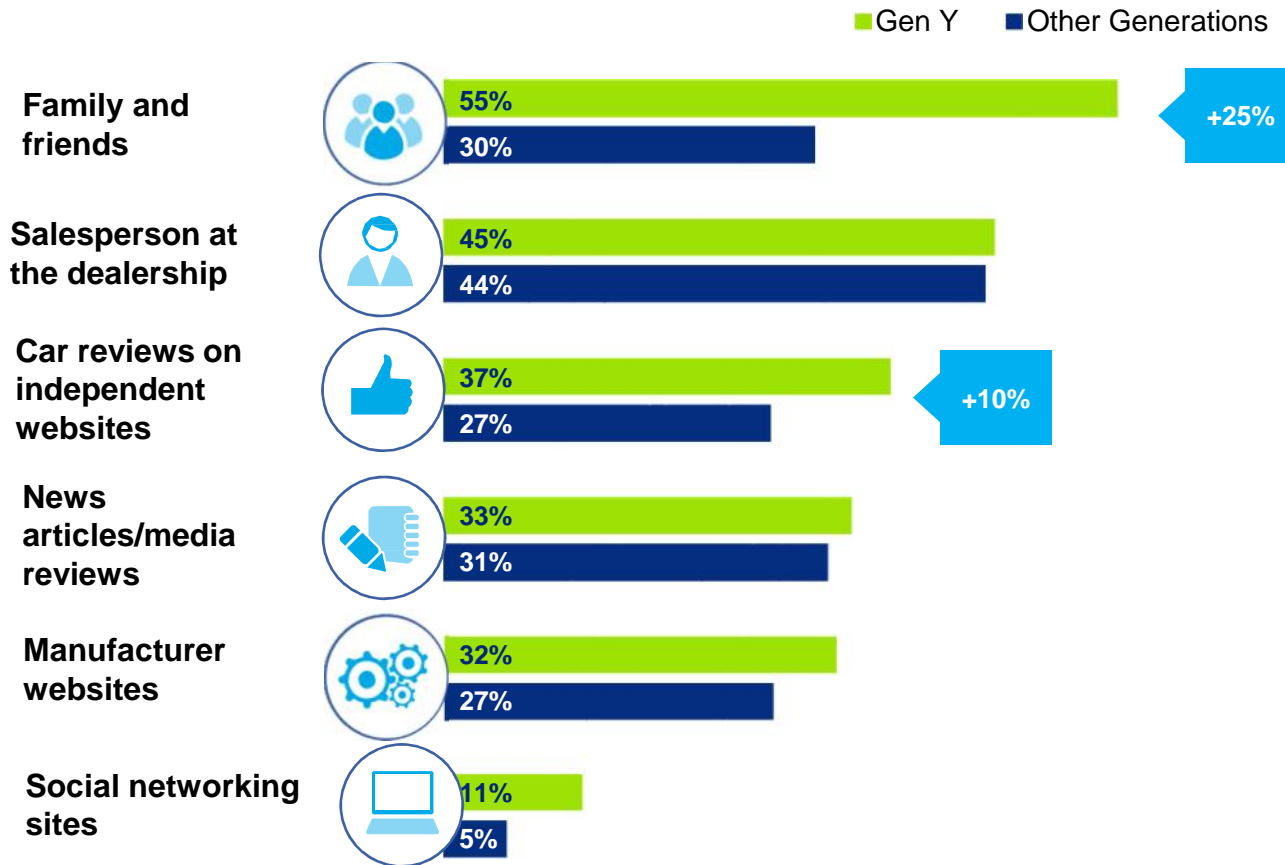
Like to travel by bus, train, or taxi because they like to do other things

**#3** What will attract Gen Y consumers to vehicle ownership?

# Influencing the purchase decision

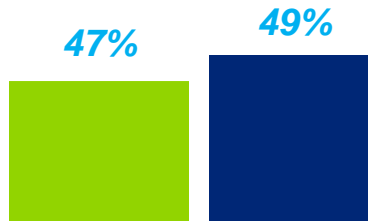
Gen Y trusts *family and friends* the most to help make their purchase decision.

How much of an impact does information from each of the following sources have on your ultimate decision on which vehicle you choose



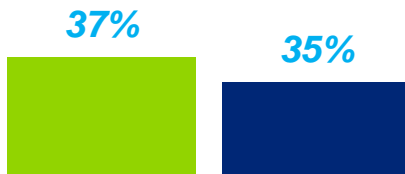
# Most Gen Y consumers would avoid dealers

***“Automotive salespeople treat me fairly and with respect.”***



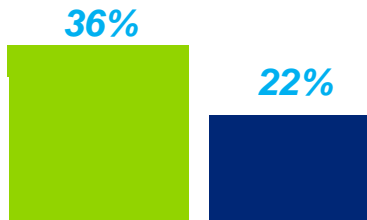
*Half of Gen Y consumers feel they are unfairly treated and disrespected*

***“I have a positive attitude towards automotive dealers.”***



*Only one third of Gen Y consumers have positive attitudes towards dealers.*

***“I would prefer to purchase a vehicle without negotiating with a salesperson.”***



*Nearly two thirds of Gen Y consumers would rather avoid working with dealers when buying a car.*

■ Gen Y   ■ Other generations

# Delivering on shopping expectations

Gen Y consumers want an **extremely efficient and convenient experience** across all phases of the purchase process.

Average acceptable time per phase (in minutes) for Gen Y consumers

Get information from dealerships **35** mins

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Wait to test drive a vehicle **36** mins

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Process paperwork and registration **33** mins

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Process financing **33** mins

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Performing simple maintenance service **41** mins

## Value beyond the sale

Gen Y consumers want post-purchase benefits that offer **convenience** and **additional value for money**.

When choosing a vehicle to purchase or lease, how important to you are each of the following attributes?<sup>1</sup>

**71%** Percent of Gen Y consumers who agreed that free routine maintenance is important when choosing to buy/lease a vehicle

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**28%** Percent of Gen Y consumers who would pay to have a dealer pick up to service a vehicle and drop-off loaner

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**70%** Percent of Gen Y consumers who felt the confidence in the dealer's ability to repair their vehicle influenced the final purchase decision

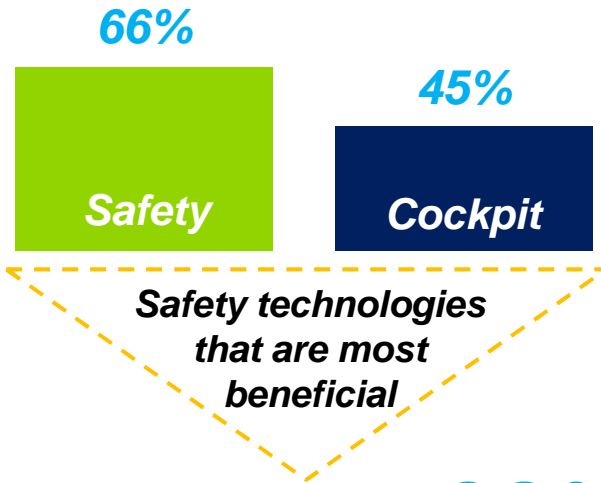
<sup>1</sup> Percentage of Gen Y respondents that agreed with each statement.



# Safety technologies trump cockpit technologies

Gen Y consumers want *technologies that protect them from themselves* and make vehicle *ownership more affordable*.

Percent who see benefits in safety technologies vs. cockpit technologies



68%

Percent who want technology that recognizes the presence of other vehicles on the road

68%

Percent who want technology that could coach them to be a safer driver.

Greatest Benefits from Vehicle Technology\*

#1



Vehicles that don't crash

#2



Vehicles that highly fuel efficient

As the greatest benefits

\* Highest % of respondents indicating they expect significant benefits from these automotive technologies

# Alternative powertrains to *save cost*, not the environment

1/3



share of Gen Y consumers that would prefer to be driving an alternative powertrain five years from now

1.5x



as many Gen Y consumers would prefer to drive a traditional vehicle if it could provide comparable fuel efficiency to vehicles with alternative powertrains

2x



as many Gen Y consumers say “My motivation to purchase/lease an alternative powertrain would be driven more by my desire to save money on fuel rather than to save the environment.”

## Gen Y willing to pay

Willing to pay more for alternative engines

66%

Willing to pay more than \$2000

35%

Willing to pay more for alternative engines

50%

Willing to pay more than \$2000

24%

■ Gen Y ■ Other generations

**#4** How can the automotive industry profit from these trends?

# What Gen Y wants

Understanding what Gen Y values can help automakers engage in a way that *differentiates a brand and creates loyalty*.



**Make the buying and ownership experience convenient; validate, facilitate, and protect.**

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**Upgrade and personalize the ownership experience to offer flexibility.**

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**Serve those who want access vs. ownership.**

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**Transform and become mobility companies.**



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