

AUTOMOTIVE

Less than a third of Gen Z prioritizing car ownership: Experian

September 24, 2019



The popularity of ride-sharing is challenging the value of vehicle ownership. Image credit: BMW/Daimler

By SARAH RAMIREZ

As Generation Z consumers grow up, many are unmotivated by traditional markers of adulthood, with only 30 percent interested in car ownership as a financial goal.

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According to an [Experian survey](#) of 18- and 19-year-olds, almost four in 10 feel competitive with their peers about finances and possessions, including cars. As consumers' attitudes towards vehicle ownership evolve, luxury automakers need to adapt.

"We can only surmise that interest in car ownership could correlate to the question about preparedness; only 42 percent feel prepared to achieve this goal," said Rod Griffin, director of public education for [Experian](#), Costa Mesa, CA. "A car purchase is an investment, and the cost can feel out of reach for many people."

Future drivers?

In the United States, there are 61 million Gen Z consumers who influence \$600 billion of consumer spending. However, many younger consumers do not feel secure about their individual finances.

Forty-two percent of Gen Z consumers felt prepared to purchase a car given their current financial situation, but even less 30 percent prioritize owning a car.



Silvercar by Audi is now more accessible to existing Audi drivers. Image credit: Audi of America

Even fewer Gen Zers have goals to purchase a home or pay for higher education, at a respective 26 and 24 percent. Gen Zers are also uninformed about the process of car buying, with less than half believing that a car loan impacts their credit score.

Financial pressure may not be the only reason why younger consumers are resistant to vehicle ownership.

With the advent of ride-sharing and the sharing economy as a whole the very notion of ownership has changed. As younger affluents grow more accustomed to minimalist lifestyles and the sharing economy, car ownership has become less of a priority.

Luxury automakers are already responding as these trends devalue the importance of vehicle ownership.

Since early 2017, automakers including Cadillac, Porsche, Jaguar Land Rover and Lexus have introduced their own subscription ownership models, as affluent consumers are growing more accustomed to sharing goods, including personal vehicles. Unlike traditional purchasing, financing or leasing options, subscription models typically consist of one all-inclusive cost that covers renting vehicles, as well as insurance, taxes and maintenance ([see story](#)).

In 2018, BMW and Daimler announced their intention to pool their resources and present a stronger challenge to the likes of Uber and Lyft. The services already owned by the two companies, such as Car2Go, Chauffeur Priv and more, will all be merged into a new holistic platform ([see story](#)).



Lyft is looking to get consumers to give up car ownership. Image credit: Lyft

Porsche has even partnered with a carsharing company, Turo, for Porsche Host.

The vehicles in Porsche Host are owned by private individuals who rent their cars through Turo and may be older or vintage models. To add to the experience, the car owners have been trained to offer five-star Porsche service ([see story](#)).

Millennial marketing

Automakers are also keeping millennials and Generation Z at the forefront of their marketing in other ways.

For instance, Audi expanded its multi-year partnership with Major League Soccer, as it aims to remain a fixture in the minds of enthusiastic American soccer fans. Audi of America will be the league's official automotive partner through the 2022 season and continue to serve as title sponsor of the MLS Cup Playoffs.

With the most millennial fans of any United States sports league, MLS has an audience that Audi and other luxury brands are hoping to turn into buyers ([see story](#)).

Audi also continues to highlight its vehicles' advanced technology, including AI features, with clever campaigns that may resonate with younger audiences.

"The AIs are Coming" starts with a dark look at the impact artificial intelligence might have on the future, before demonstrating the different ways Audi cars use AI. It is a unique approach to confront concerns drivers may have about automated vehicles ([see story](#)).

While younger generations are much more likely to embrace technological advances, Ketchum has discovered that the millennial and Gen Z groups are actually wary of autonomous vehicles.

In a recent study, hacking and safety is shown to still be a real concern for the group Ketchum is labeling GenZennials in terms of driverless cars. Consumers may be more concerned and wary of autonomous driving than excited for the technology, with almost 40 percent expressing worry in regards to driverless cars ([see story](#)).

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