

Preparing for the Next Generation of Car Buyers

Understanding how Gen Z is reshaping dealer expectations

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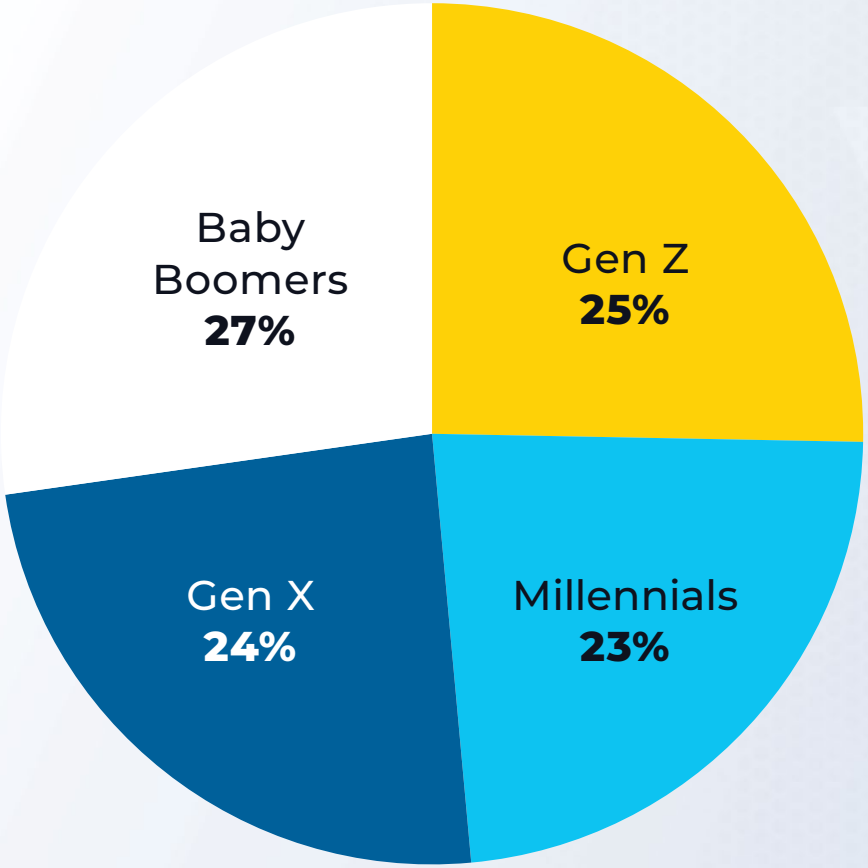


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Why This Matters Now

Respondent Age



Generations:

Gen Z: 1997 or later

Millennials: 1981-1996

Gen X: 1965-1980

Baby Boomers: 1964 or earlier

What This Session Is (And Isn’t)

✔ IS

- What Gen Z is already doing in dealerships today
- How those behaviors show up in sales and service
- Where friction is created
  - often unintentionally
- How small changes reduce anxiety and build trust

❌ ISN’T

- A trend forecast or speculation about the future
- A generational stereotype discussion
- A “digital replaces people” argument
- A one-size-fits-all prescription

About the Data

As part of our annual consumer survey, we gathered data from over 1.7K consumers

who did one of the following at a car dealership between March 2024 and March 2025:

- purchased a vehicle
- serviced their vehicle
- purchased a fully electric vehicle

Who Gen Z Really Is

Defining the Gen Z Consumer: Cost-conscious by necessity, values-driven by choice

Cost Over Care

65%

of Gen Z consumers **delay** vehicle maintenance to stay within budget

Why?

74%

of Gen Z prioritizes saving money and budgeting despite its challenges

Practical Over Premium

78%

of the vehicles purchased by Gen Z in the last year were **non-luxury vehicles**

Brand Believers: Values Matter

61%

of Gen Z cares about a brand's **environmental** and **community**v alues^

^Gen Z is 70%+ more likely than non–Gen Z to care about environmental and community value

What Gen Z Values Most

Price Matters Most

70% cite **reasonable pricing** as their top motivator – the #1 driver of dealership choice



+19% over Non-Gen Z

Key Reframe

ANTI-UNCERTAINTY ≠ ANTI-DEALER

Anxiety comes from the process, not the purchase



The Gen Z Purchase Journey

DISCOVER

Where research begins

From Socials to Sold

Gen Z is **~7x more likely** to turn to **influencers or dealer social media pages** when researching

EVALUATE

Risk Reduction

Gen Z Shops Around

2.6

Average number of dealerships Gen Z respondents visited before purchase (2.3 for Non-Gen Z respondents)

More Test Drives

2.6

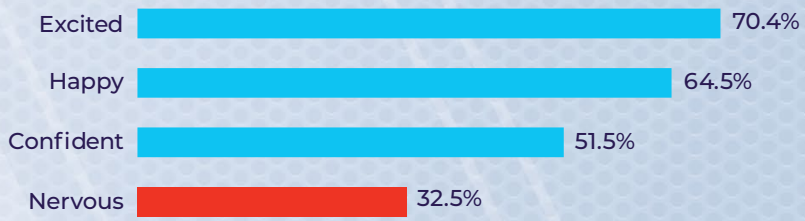
Average number of vehicles Gen Z respondents test drove before purchase (2.4 for Non-Gen Z respondents)

DECIDE

Anxiety → Confidence

Mostly Positive, but Nerves Remain

The purchase process is primarily positive for Gen Z although nearly **1/3 were nervous**– 60% more than older consumers[1]



Where Research Starts

More likely to turn to **influencers, social media** before purchase, booking service

Overwhelming interest in **digital retailing** options, including **virtual test drives**

Most preferred channel for marketing and dealer interaction: **SMS**



Video inspections highly effective in approving service recommendations

High **digital wallet** adoption for storing service coupons

More comfortable and willing to engage with **chatbots**

Behavior Translation

Gen Z behavior is *logical:* What looks like indecision is often intentional risk management.

ACTION

- Shops multiple dealers
- Delays / Pauses Decisions
- Questions pricing & fees

WHAT DEALERS SEE

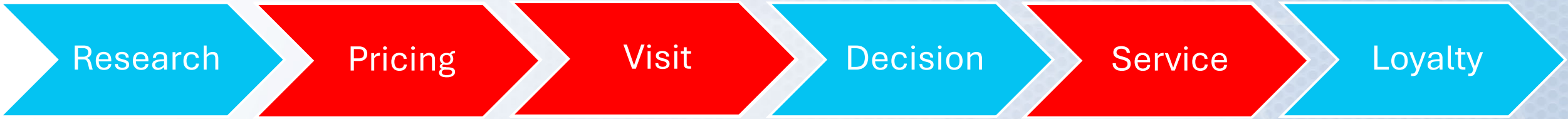
- Indecision / Wasting Time
- Overthinking / Price Resistance
- Doesn't value the recommendation

WHAT GEN Z IS DOING:

- Reducing Regret
- Managing anxiety caused by uncertainty
- Avoiding decisions without proof

Where Dealers Lose Gen Z

Experience gaps - not product or price - drive most **friction**.



- **Unclear Pricing**
- **We'll Explain it when you get here"**

- **Digital Journey Resets**
- **Advisor unaware of prior research**

- **Recommendations without proof**
- **Cost without context**

Dealers have a mostly logical process. Gen Z exits when the process becomes:

- **Unclear**
- **Inconsistent**
- **Unjustified**

Friction #1: Opacity

1. Pricing
2. Time
3. Recommendations

Friction #1: Opacity

Pricing

Price Transparency: Non-Negotiable

93% of Gen Z want clear service pricing displayed on the online scheduler

Friction #1: Opacity

Time

21%

of Gen Z consumers say **long purchase times** are the worst

Friction #1: Opacity

Recommendations

57% of Gen Z think video evidence is more trustworthy than taking the dealership's word

+22% over Baby Boomers

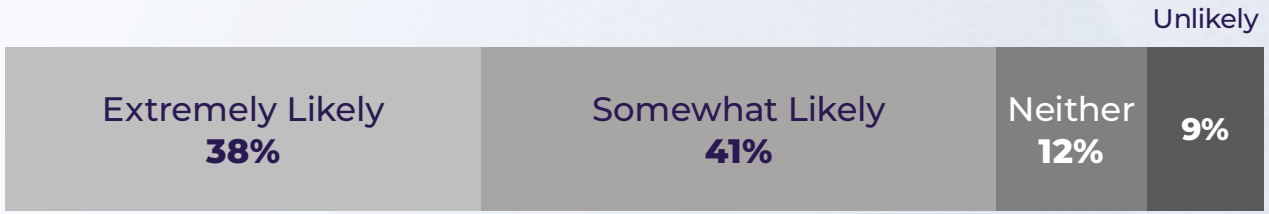
+11% over Gen X

Friction #2: Digital Disconnect

Gen Z trades data for value - when the experience earns it

From Couch to Car Keys

79% of Gen Z consumers would use digital retailing options
(57% for Non-Gen Z respondents)



Helpfulness Wins, Time Kills

51% of Gen Z consumers call **sales associate support** the best part of the process

Personalization: One Size Fits None

Gen Z is the generation most comfortable with their data being used – as long as it provides value *and* relevance

Data-driven service recommendations at time of scheduling

Personalized video content to promote offers or services

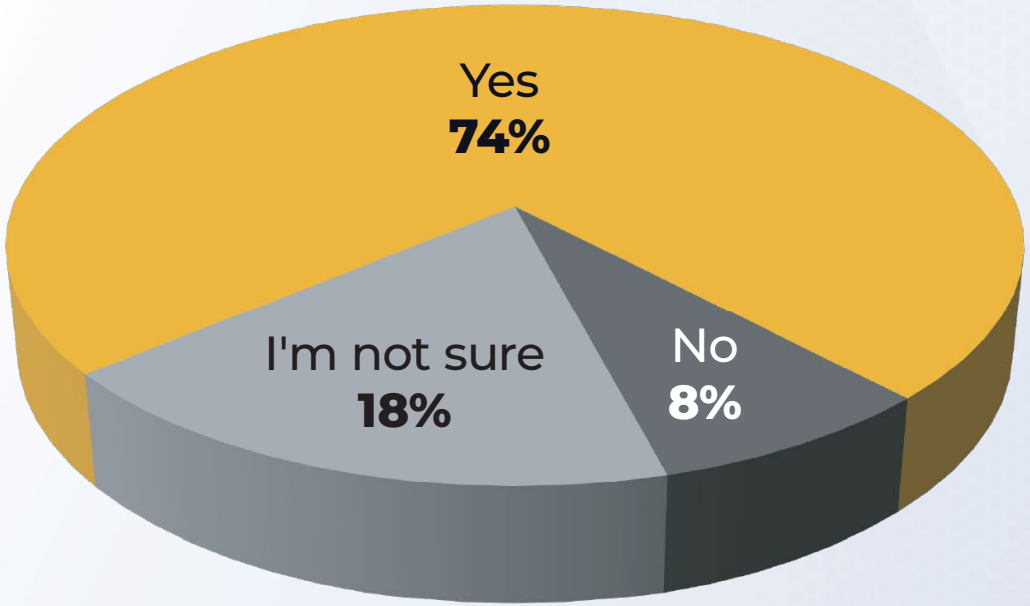
Location-based personalized offers or advertising



Friction #3: Prove it or Lose It

Service recommendations fail when Gen Z can't see the why.

What Changes with Proof:



Videos Build Gen Z Trust

74% of Gen Z say they'd approve repairs if shown video evidence **(53% for Non-Gen Z respondents)**

What Actually Works

Appealing to Gen Z requires simple changes to how the process works - not new tools or trends

- Transparency
- Digital Control
- Value-Based Personalization
- Service-Led Loyalty

The Gen Z Upsell Equation =



Great service experience



Video Inspection



Reasonable & competitive cost

Principle #1: Transparency

Clear pricing and context reduce hesitation - and increase acceptance



3 out of 4

Gen Z & Millennials would add services if offered at a bundled discount



Flex on Time, Save on Cost

82% of Gen Z would take a less convenient appointment if they received a discount

Open to Data-Driven Upsells

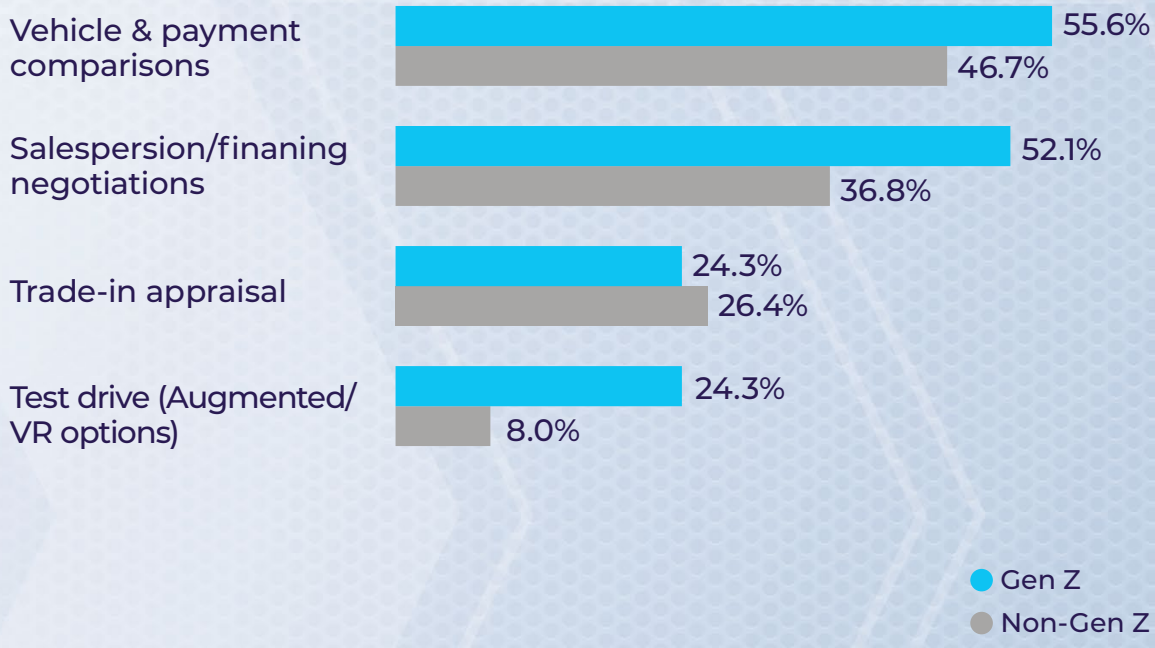
+190% more likely than Baby Boomers to accept additional recommended services based on similar vehicles when scheduling online

Principle #2: Digital = Control

Gen Z Negotiates from Anywhere

Over ½ of Gen Z respondents prefer online tools for vehicle comparisons and deal negotiations

(29% lift over Non-Gen Z responses)



Principle #3: Service Drives Loyalty

Experience Makes or Breaks Service Loyalty

For Gen Z, service can spark nerves, but loyalty depends on people, price, and satisfaction.

Satisfied Today, Back Tomorrow

2/3 of Gen Z consumers will not return to the same dealership again after a negative experience

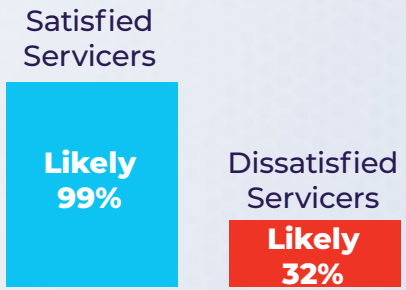
87%

of Gen Z reported a **satisfactory** service experience



Return for same dealer?





Customer Care Wins, Cost Loses

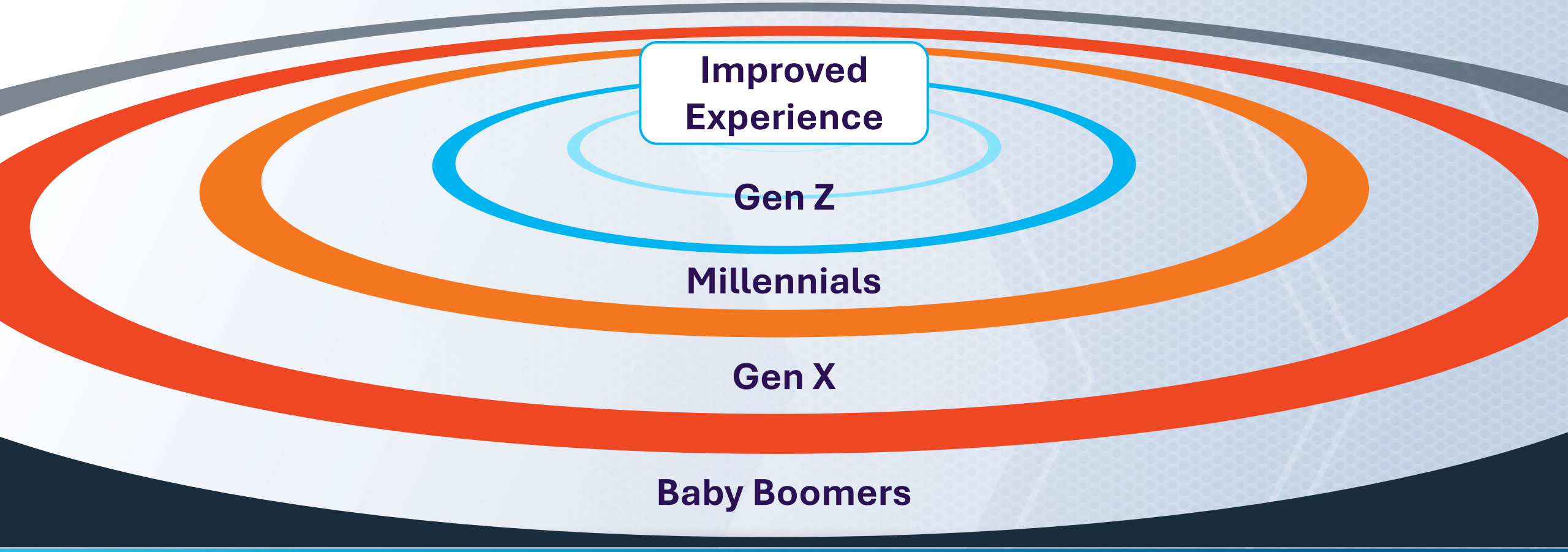
51% of Gen Z highlight **excellent customer service** as the best part of their visit

22% cite high costs as the worst aspect

Show Gen Z why the experience is worth the price

The Bigger Picture

Gen Z Isn’t the Exception - They’re the Signal



What Other Brands Already Know

Other industries have trained Gen Z to expect seamless, data-driven, and personalized experiences – automotive is no exception







Final Takeaway

Gen Z rewards dealers who reduce friction, prove value, and remove uncertainty.

1

Clarity builds Confidence

2

Confidence builds Loyalty

3

Loyalty is earned long before the sales is complete

QUESTIONS?

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