



How to Reach the Millennial and iGenerations

Introduction

Imagine you send and receive as many as 3,000 text messages a month, but make and receive fewer than 150 phone calls. Imagine you read reviews on blogs and other social media platforms before a purchase instead of asking the opinions of friends or family. Imagine you share virtually everything that happens in your life on Facebook, Snapchat, or Tumblr.

Can't picture it? That's probably because you're not a Millennial or part of the iGeneration. Yet, these generations present an enormous and exciting opportunity for your dealership. Their numbers make the Baby Boomer generation look tiny, and their spending power is huge: over \$200 billion a year by 2017, according to Forbes.

Retailers in a variety of industries are spending billions of marketing dollars to reach these generations. The Millennial and iGenerations don't trust traditional advertising however—to them, it's just more of the same old spin. So, successful companies are taking the time to get to know this market and the channels they prefer.

For example, AT&T advertised on Tumblr, a popular blog site where members post stories, photos, videos, or pretty much anything they want using either desktop or mobile devices. AT&T created a sponsored post featuring a single text message on a background of gray sky. The text message bubble read, "when you know what you want call me."

Since the post communicated a familiar, relatable message instead of a traditional marketing message, it had more power with other Tumblr users and was re-blogged again and again. AT&T successfully engaged the Millennial and iGenerations by reaching out on a platform they trust, with a message they could relate to.

Surprisingly, the automotive retail industry lags behind in appealing to these multi-billion-dollar demographics. Perhaps it's because many dealers run family-owned, generational businesses and have little reason to question previous decisions, or maybe it's because they just don't know where to start. That's a problem because these generations are changing the face of vehicle buying and servicing.



How Do I Win Their Business?

To win the business of Millennials and the iGeneration, you first have to understand them. Millennials are commonly defined as those born between 1980 and 2000. They're often referred to as "digital natives" due to having technology always at hand. They've seen it all when it comes to marketing, and consequently, only 1% say a compelling advertisement would make them trust a brand more, according to Forbes.

They've grown up on social media and trust it, to the point where Forbes found that 33% rely on blogs before they make a purchase, and 62% are more likely to become a loyal customer if a brand engages them on social networks.

Research also shows that their values have been influenced by events like 9/11 and the Great Recession, which perhaps accounts for why up to 75% say it's either fairly or very important that a company give back to society instead of just making a profit.

The iGeneration (also known as Generation Z) is commonly defined as those born between 1994 and 2004. Like Millennials, they're digital natives, constantly connected and defined by their love of electronic communication (no wonder their name is derived from Apple's popular products).

A 2015 study conducted by Worldcom Public Relations Group partners, Schneider Associates and The Pollack PR Marketing Group, found that this generation, more than any other, requires information on demand and is inclined to trust the advice and opinions shared freely on social media platforms.

Both generations are progressive with technology, prefer to research and shop online, and come to your dealership armed with pricing information, ready to buy on the first visit. That presents two challenges: how do you get these lucrative generations in your store, and then, how do you keep profits up when you don't have a lot of room to negotiate on price anymore?



Who Are These Buyers?

Have you heard that these generations aren't interested in owning a vehicle because they are part of the "sharing economy"? That idea is simply untrue. In fact, J.D. Power reported that Millennials' share of new vehicles purchased rocketed to 27% in 2014 from 18% in 2010.

A recent study from AutoTrader found that in the next 10 years, 40% of all new vehicles will be sold to Millennials. These generations are buying cars—they're just looking for a new way to buy them.

By adjusting to the preferences and habits of Millennials and those in the iGeneration, you can win your share of this lucrative market and gain a steady revenue stream for years to come. Companies marketing successfully to these generations incorporate some or all of the following tactics:

Personalize everything – Many call these generations the "me" generations, partly because they are so focused on feeling unique. That's why a hyper-personalized customer experience is important.

Connect through social media – These generations live on social media, so your dealership should be there too. They expect a Facebook page, Google reviews, a Twitter stream, and maybe even a Tumblr account. Social media offers real-time engagement and is a huge opportunity for your dealership to communicate and connect with these buyers.



Excite with content – Content is a mainstay of the Millennial and iGeneration lifestyle. They are constantly scrolling through news feeds and watching videos on YouTube.

In fact, a 2014 Most Memorable New Product Launch survey conducted by Schneider Associates marketing group found that almost 50% of iGens turn to YouTube to learn about new products, compared to only 25% who read emails from brands. Videos, photos, and social media posts go a long way towards bringing them to your dealership.

Use mobile – It's no surprise that these digital natives prefer a technology-based dealer experience. According to a 2015 J.D. Power study, dealerships that use tablets as part of their sales and F&I process achieved greater customer satisfaction than their old-school competitors.

You can incorporate mobile technology throughout the buying experience, from configuring a vehicle, to payment options, paperless contracting, menu selling, and after-purchase service appointments. Incorporating technology is a huge plus for your dealership.

Focus on selling an experience – It's difficult, if not impossible, to sell purely on price these days when all the information on the Internet limits your negotiating power. Instead, sell the experience of your store—whether that's a completely mobile buying process, a service center that uses license plate scanners to greet customers by name and instantly access service records, or a waiting area with virtual reality vehicle simulators.

Whatever you do to surprise and delight your customers, it should be prominent across your marketing channels.

Conclusion

Millennials and members of the iGeneration are a whole new type of buyer—digital natives schooled in constant connectivity, who expect from companies the instant information, convenience, and real-time engagement they've become used to from the Internet.

Dealerships that take the time to understand what motivates these generations and create an experience that appeals to how they prefer to communicate, shop, and buy, will rise to the top and earn business from this lucrative demographic.

Savvy dealers will also invest in smart technology to help root out back-end inefficiencies and counteract the drop in profits that results from widely-available pricing information. Autosoft is prepared to help dealers capitalize on the huge opportunity these generations hold, with a modern, flexible, and easy-to-use DMS.



Autosoft develops and supports a complete dealer management system (DMS) that has been named the Highest Rated DMS from DrivingSales for three years in a row. With affordable month-to-month contracts, Autosoft's DMS improves processes and reduces operating costs in over 2,000 franchised automotive dealerships. Easy to use, affordable, and innovative software helps dealers focus on their customers' needs.