

THE AUTO DEALER'S ORIGINAL FIXED OPERATIONS RESOURCES

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FIXED OPS

FINDING THE BEST PATH

FINDING THE RIGHT PAY PLAN FOR YOUR SHOP

THE DIGITAL PARTS SOLUTION

A PROFIT-MAKER FLYING UNDER THE RADAR

OPTIMIZE YOUR TIRE MERCHANDISING

KNOW YOUR MILLENNIALS

YOUNGER AUTO CONSUMERS HAVE UNIQUE NEEDS AND PREFERENCES

BY JORDAN HERNANDEZ

Appealing to your millennial customers can prove to be a challenging task. People often associate millennials with college debt, being unemployed and delaying even obtaining their driver's licenses.

Research, however, shows that this generation is projected to, one day, be the wealthiest ever, far surpassing baby boomers and Generation X. In June 2015, the U.S. Census Bureau stated that millennials now make up more than one quarter of the U.S. population (83.1 million). Baby boomers represented 75.4 million of the population. Just knowing the sheer number of millennials means you should be prepared and educated on how best to serve this demographic when you're selling on the lot and providing in your Service Department.

In a study conducted by AutoTrader.com in 2013, over 1,000 millennials were surveyed about their car buying habits and needs. The group was so large that AutoTrader.com separated them



into two sub-groups: young millennials (ages 16 to 24, 92 percent single) and older millennials (ages 25 to 32, 53 percent married.) Many millennials came of age in the era of the recent recession. Their personal traits include being tech-savvy and hyper connected, individualistic, optimistic and deeply trusting the experience of others.

Embrace Trends and Technology

In the survey, AutoTrader concluded that 83 percent of millennials sleep with their mobile devices and 80 percent had texted within the past 24 hours. Technology is by far the easiest way to reach your millennial customers. They are more connected to brands, critics and reviews, auto Service providers and each other than ever before.

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If connecting through technology is the best way for a customer to feel knowledgeable and comfortable, your dealership should embrace this trend. Consider creating a Facebook page, and joining Instagram, Twitter and LinkedIn. Correspond with your customers via text messages and emails.

More importantly, be sure that you are constantly updating and using all of these accounts to let your millennial customers know that it's important to you. The more accessible you are online, the easier it becomes for your customers to find your dealership while doing research before they come in.

A few days ago, I was talking with a woman who had taken her car to the same shop three times in only a couple of weeks. She had found this particular shop by browsing online and looking through Yelp reviews. I was thinking she must have been frustrated having to take her car so many times to get worked on, and to be inconvenienced to take public transportation while she waited days for her car to be fixed.

But when I asked why she had not taken her car to a different dealer, she told me that she was receiving excellent customer service at her current dealer. She was a millennial customer, and the dealership would regularly text her up-

dates on what was going on with her car. They even emailed her every time they found something that needed to be repaired, including photos of what they had found and price estimates on how much it would cost to be fixed.

IF YOU ASK MILLENNIALS WHAT THEY ARE LOOKING FOR WHEN PURCHASING A CAR, YOU MAY BE SURPRISED AT WHAT THEY VALUE AS THEIR MOST IMPORTANT NEEDS. ACCORDING TO AUTOTRADER, THE TOP FIVE MOST ESSENTIAL THINGS IN THEIR CAR OF THE FUTURE ARE: NAVIGATION SYSTEM, SATELLITE RADIO, BLUETOOTH, MP3 PLAYER AND MOBILE INTEGRATION.

Best of all, the dealership always waited for a text or email confirmation from her before they began any kind of work. She always felt included in the decisions they were making on her vehicle, and it was convenient for her to text or email

back in response in case she was working or busy doing something else. For all of these reasons, she told me, she would never take her car anywhere else.

As a millennial customer myself, I understand why. This dealership was embracing the trends and technology that best suited her needs — and it made a forever customer just by doing that.

I'm sure not everyone feels comfortable being reached by a text message or email. Some customers in older generations may not know about Instagram or filters used to enhance photos or why crafting 140 characters in a tweet is important. A good old-fashioned phone call or face-to-face conversation may be their preferred method of connection.

Just because you are hyper connected via the Internet to some customers does not mean you are neglecting the others who still prefer face time. The bottom line is that dealerships should find what kind of trend or connection works best for each individual customer and stick with that.

Appeal to Evolving Needs

If you ask millennials what they are looking for when purchasing a car, you may be surprised at what they value as their most important needs. According to AutoTrader, the top five most essential things in their car of the future are: navigation system, satellite radio, Bluetooth, mp3 player and mobile integration.

Millennials are likely purchasing a car because they need it due to getting a job, recently getting married or having children, or buying a home. Something in their lifestyle has dramatically changed, thus they begin the search for a car out of sheer necessity. Seventy-two percent of younger millennials indicated that having a car is important to their social life. So while considering the things that are important to your customers, you have to ask yourself, is the car or the vehicle Service your dealership offers something that best fits their needs?

Automotive choices have drastically evolved since older generations began purchasing or choosing services. For example, if a millennial is purchasing a car just to work, they may not be putting a lot of mileage on the vehicle in an average month. Knowing that fuel efficiency and affordable options are important to them, perhaps you inform them of car insurance companies that allow customers to pay by the mile, or even companies such as MetroMile (pay per mile insurance service in certain states).

Keep in mind that the appearance of the car matters too and millennials care about what their cars look like as much as anyone else. They like a one-stop shop with a full-service drive program. Be sure you work with reliable vendors, and that your staff is the right fit for your dealership. This may mean you should consider choosing a better paint supplier or other vendors that are eco-friendly.

Millennials deeply value brands and reputation and purchasing the top brand is important to them. Forty-five percent in the AutoTrader study were willing to pay more for products that were consistent with their image versus 20 percent of the baby boomer generation.

Recognizing that brands are important to millennials means they are familiar with the top brands and may be searching for a luxury vehicle or a non-luxury domestic and import brand. Often, they know they want something innovative or stylish, because they are looking for something that directly fits their personality. Although these customers may have brand loyalty, you should also keep in mind that often they are in search of a new car because they are dissatisfied with the current brand that they own or are dissatisfied with their Service experience.

We are now living in a time when research is more accessible than ever. This means your millennial customer will often have spent a lot of time browsing



the Internet, talking with friends and family, as well as shopping at other dealerships in town. By understanding their needs and preferences and putting value in them, you are demonstrating that you are willing to go above and beyond to be sure they are satisfied.

Building A Relationship

The average millennial customers spend time researching dealerships, brands and services because they want to know what to expect when they walk in the door. They know how time-consuming and tedious it can be talking to a salesman on the lot.

These customers have done their research in order to avoid wasting time and money on something that is life-changing. So why not treat these customers as a friend rather than a business transaction?

The buying power of millennials is constantly strengthening, so making sure your Service Department is offering things these customers care about can be a good way to set you apart from other dealers. Building a relationship with the customer should be in the earliest part of your sales pitch.

In an era where everyone is more connected than ever, why not give your customers a reason to tell their friends and people they associate with on social media how great their experience was with your business?

Your millennial customers are vital to your dealership and your business as a whole. In a rapidly connected and evolving world, you should always try to stay ahead of the curve by understanding where your customers are coming from and what they value. Millennials have just begun hitting their stride in terms of economic influence. But their affect on technology usage has already changed the entire car-buying process.

With a strong sales team and staff, effective marketing and a firm grasp on technology and trends, you will have no problem building and maintaining a relationship with your millennial customers.



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