

## **J.D. Power Reports: Are Young Consumers Really Not Interested in New Vehicles?**

### Despite the Myth, Young Vehicle Drivers Are Enthusiastic about Their Purchase

**WESTLAKE VILLAGE, Calif.: 24 January 2014** — Despite popular sentiment that consumers 25 years old and younger are really not interested in buying a vehicle, this group of consumers has represented a steadily increasing proportion of total retail automotive sales since 2009,<sup>1</sup> and those young drivers who purchase a new vehicle are enthusiastic about ownership, according to the recently released J.D. Power 2014 U.S. Automotive Media and Marketing Report<sup>SM</sup> —Winter.

The report, conducted since 1987, provides a comprehensive strategic perspective on the factors that influence new-vehicle purchases, as well as attitudinal, lifestyle, recreational and media consumption behaviors.

“There is a lot of discussion today about many young consumers not having the resources, interest or even passion to own a new vehicle,” said Arianne Walker, senior director, automotive media & marketing at J.D. Power. “However, this age group really is passionate about vehicle ownership, their driving experience and the image associated with the vehicle they buy. Not only do they enjoy driving, but they also see their vehicle as a reflection of their identity. They want to personalize their vehicle with options and features, and tend to view it as an extension of their personality.”

### **KEY FINDINGS**

- **Image and Personalization:** Among young vehicle drivers who purchase a new vehicle 33 percent say they “completely agree” that they like their vehicle to stand out from the crowd, while just 20 percent of new-vehicle drivers across all age groups say the same. Additionally, 27 percent of young drivers say they “completely agree” they want to equip their vehicle with options and features to personalize it, compared with 20 percent of all new-vehicle drivers. Nearly twice as many drivers 25 years and younger say they “completely agree” that others can tell a lot about them by their vehicle, compared with all new-vehicle drivers (19% vs. 10%, respectively).
- **Joy of Driving:** These young drivers have a passion for driving. Nearly one-fourth (22%) of young drivers say they “completely agree” they like to drive on challenging roadways with hills and curves, and 41 percent indicate they prefer a vehicle with responsive handling and powerful acceleration vs. the industry averages (13% and 36%, respectively).
- **Pride of Ownership:** Young drivers take pride in ownership, with 29 percent indicating they wash and wax their vehicle themselves, compared with the industry average of 24 percent.
- According to PIN:
  - Young new-vehicle buyers are responsible for more than 6 percent of all new-vehicle acquisitions.
  - The average lease penetration among young buyers has increased to 23 percent in 2013 from a low of 13 percent in 2009.

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<sup>1</sup> Power Information Network® (PIN) from J.D. Power

- The average finance term for young vehicle buyers was 68 months in 2013, roughly 3 months longer than the industry average. Longer terms are an effective tool to allow young buyers achieve affordable monthly payments despite higher transaction prices.

According to Walker, these attitudes and sentiments of young drivers about their vehicles have increased by an average of 6 percentage points in 2014 since 2009, reinforcing the fact that young drivers really do have an interest in new vehicles and are emotionally connected to the vehicle they purchase.

The 2014 U.S. Automotive Media and Marketing Report—Winter is based on a nationwide survey of 32,612 principal drivers of recently purchased or leased new vehicles. The report is based on drivers who acquired their vehicle between May 2012 and April 2013.

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