



CAN THE ZOOMERS SAVE CAR SALES?

(The Millennials sure can't.)



Automotive News Canada

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July sales down an estimated 1.7% as skid hits 17 months

GREG CLARSON

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Canada no longer reports sales on a monthly basis. The automaker has moved to quarterly reports.

Greg Larson

CANADA LIGHT-VEHICLE SALES, JULY & YTD

Flat Chrysler is joining GM in ending monthly Canada sales reports. They all now release quarterly. Automotive News Canada will continue to report on automakers that issue monthly sales data.

	July	July	%	7 mos.	7 mos.	%
	2019	2018 change		2019	2018 change	
BMW	2,322	2,711	-24%	21,327	22,834	-8.3%
Mini	602	599	0.7%	5,517	5,962	-7.1%
Rolls-Royce*	70	0	111.1%	70	63	11.1%
BMW Group	3,322	3,310	0.3%	24,914	26,847	-8.6%
Alfa Romeo	52	25	108.0%	424	278	52.9%
Chrysler	617	492	23.4%	4,882	7,714	-36.6%
Dodge	4,283	5,031	-16.7%	31,782	36,383	-12.6%
Ram	7,774	8,720	-11.1%	57,878	66,220	-12.6%
Fiat	54	49	10.0%	242	417	-41.7%
Jeep	5,879	6,120	-4.0%	41,372	48,283	-14.1%
FCA CANADA*	12,342	16,682	-26.0%	136,588	152,462	-9.8%
Nissan	44	63	-30.2%	262	322	-18.9%
Flat Chrysler Automob.	10,358	10,719	-3.4%	73,481	80,098	-8.1%
Ford	24,572	27,221	-10.1%	173,813	178,688	-2.7%
Lincoln	783	866	-10.3%	4,816	4,769	1%
Ford Motor Co.	25,355	28,087	-10.0%	178,629	183,457	-2.6%
Buick	1,872	1,962	-5.1%	12,881	13,878	-8.6%

Yikes!

What's going on out there?

As of July, 2019, Canadian light vehicle sales have racked up 17 consecutive months of...**decline**.

There are many reasons, and marketing obviously isn't the only factor. That said, maybe it's time for the auto industry to pay more attention to who's actually buying the product. (Hint: it isn't the Millennials)



CBS AUTOMOTIVE NETWORK HOME SHOWS TOPICS FIXED-OPS MAGAZINE SUBSCRIBE

According to a study by AARP and J.D. Power, 62.3 percent of all new vehicles are purchased by buyers over 50. People 50 to 68 are known in the marketing world as baby boomers, and the U.S. Consumer Expenditure Survey shows that they control 70 percent of the nation's wealth and half of all discretionary income, which now averages more than \$24,000 per boomer per year. How are you tapping into the baby boomer car market?

On the flip side of new car-buying ability are the 15- to 35-year-old millennials, of which 36.6 percent are unemployed and 36.5 percent still live with their parents, according to the Pew Research Center. As an extra burden to this generation's FICO scores, two-thirds of millennial graduates owe an average of \$27,000 for student loans. Limited disposable income is a key reason only 11.5 percent of all new vehicles are registered to millennials.

Here's a fact that every automotive sales consultant needs to know: 22 percent of all boomer parents contribute financial upkeep for an adult child not in college, according to a Nielsen study. So a millennial may be on the phone or in the showroom, but chances are their parents might be providing the down payment and influencing the buying decision.

Millennials Don't Care About Owning Cars, And Car Makers Can't Figure Out Why

Driving numbers are down for younger people and the auto industry hasn't found a way to respond. It's because they don't understand why millennials could possibly not want to drive.



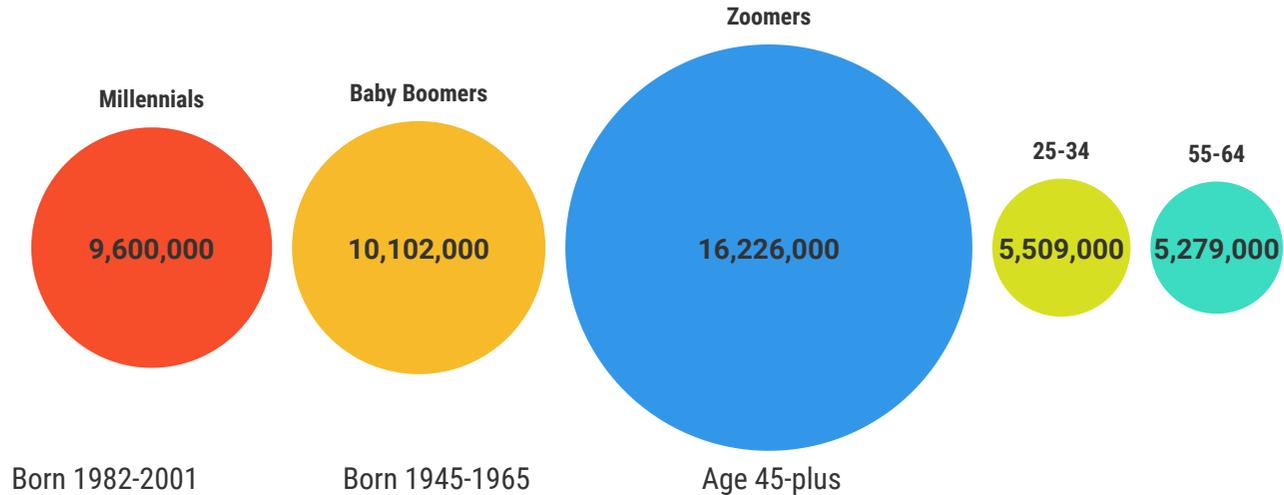
Motor Mouth: Why automakers shouldn't forget the boomers
Carmakers continue to target young millennials, but the cold, hard numbers point to another trend

We're not the only ones talking about it

Other commentators have highlighted the importance of Baby Boomers (and those even older) to the auto market -- and the over-reliance of marketers on Millennials.

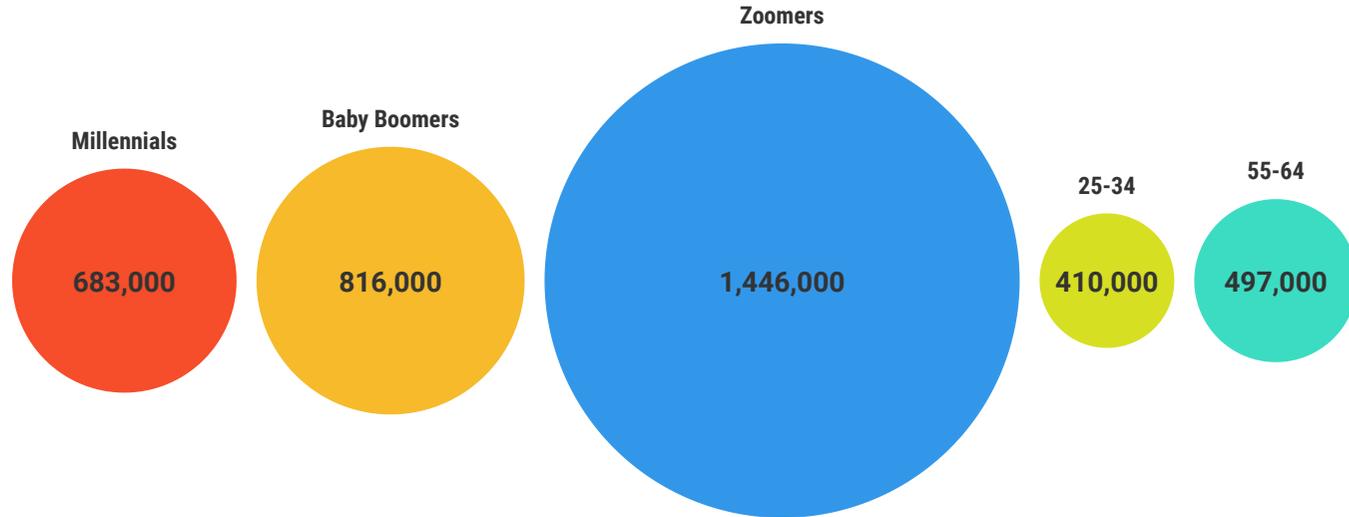
So let's take a hard look at the numbers and trends, using Vividata Spring 2019 as our source.

Groups we're comparing



We've done a separate run for ages 25-34 and 55-64 to see what would happen if an advertiser switched the target from 25-54 to 35-64. This would mean dropping the youngest group (25-34) and add the next oldest (55-64). How would you do on the exchange?

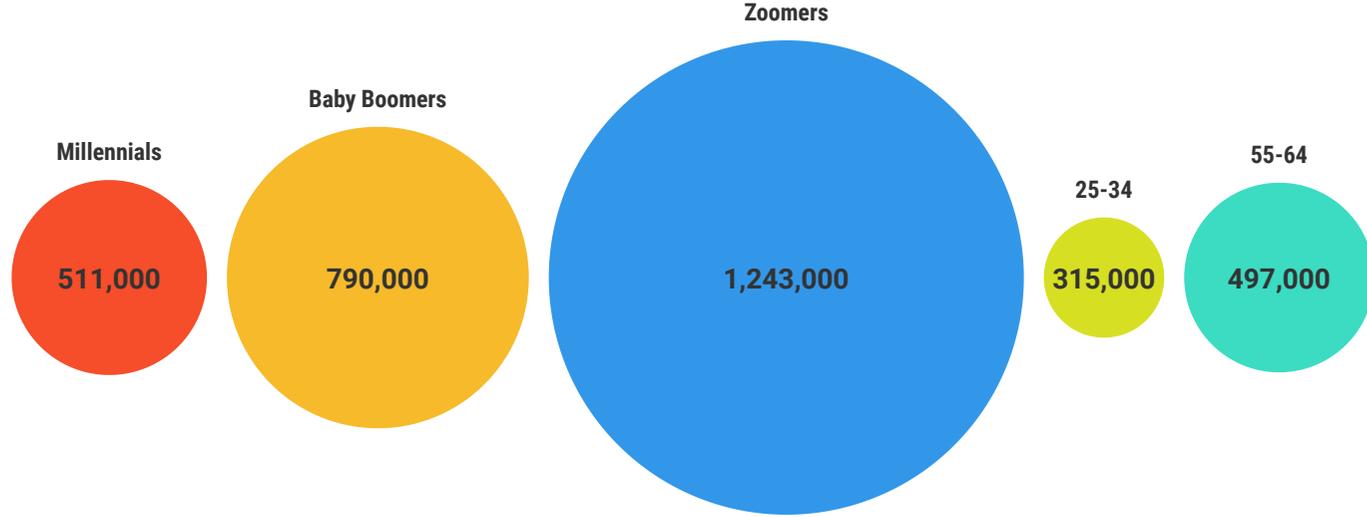
Who drives the most?



DROVE 25,000 KM IN PAST 12 MONTHS

The "older" age groups contribute significantly more high-mileage drivers than do Millennials. Dropping the 25-34 age group for the 55-64 group produces a net gain of 87,000 high-mileage drivers.

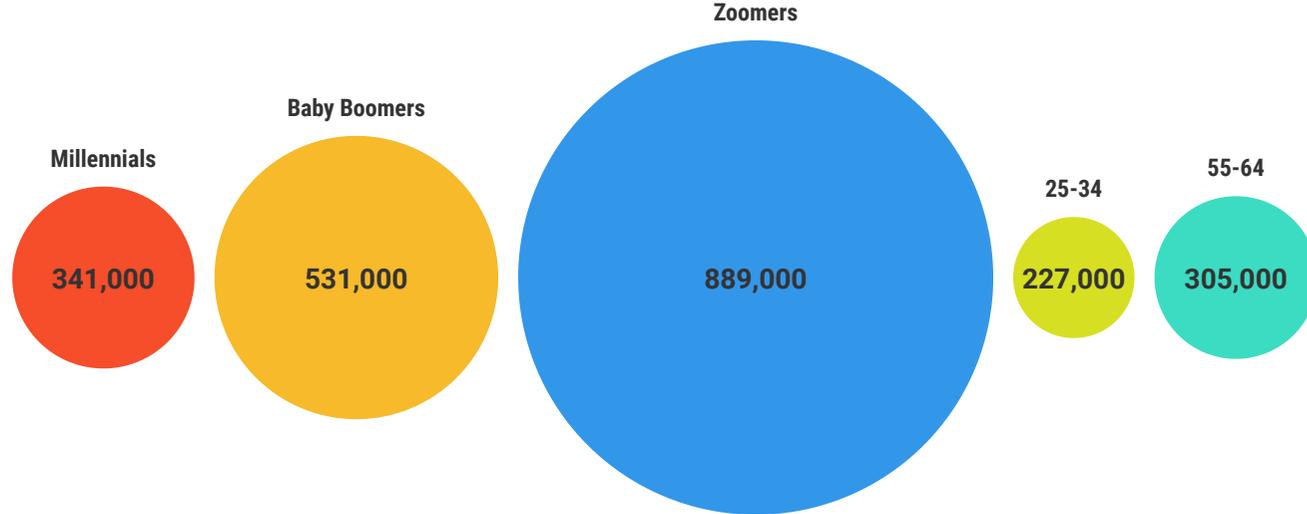
Who spent the most on their most recently-acquired vehicle?



SPENT \$40,000 - \$50,000

The "older" age groups contribute significantly more purchasers at this price point, than do Millennials. Dropping the 25-34 target for the 55-64 target produces a net gain of 182,000 buyers.

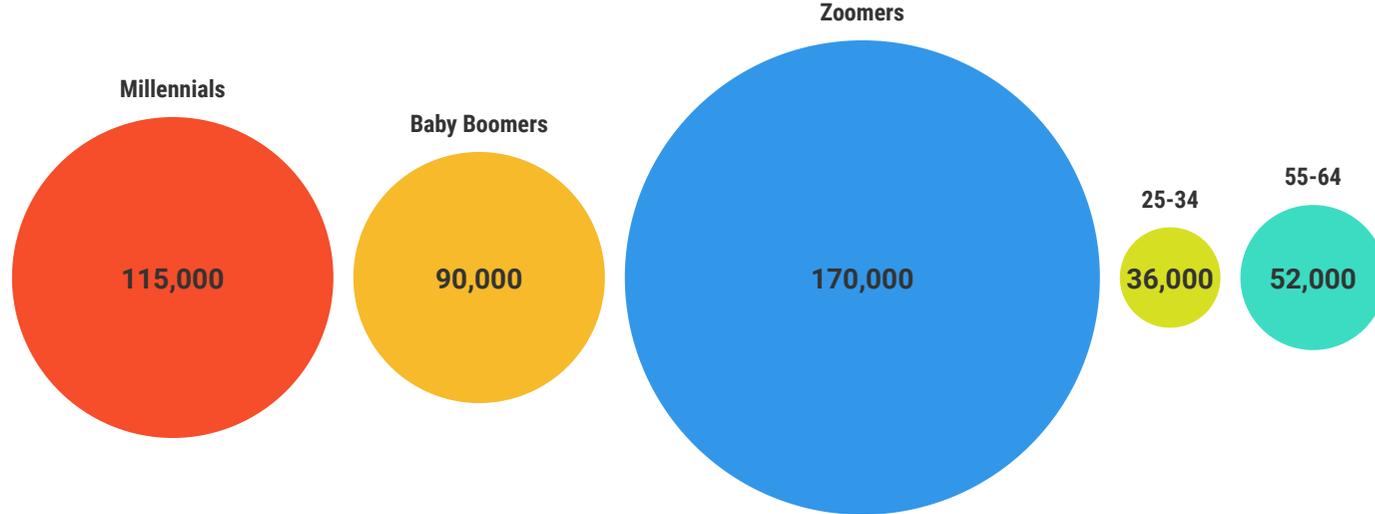
Who spent the most on their most recently-acquired vehicle?



SPENT \$50,000 - \$75,000

The "older" age groups contribute significantly more purchasers at this price point, than do Millennials. Dropping the 25-34 target for the 55-64 target produces a net gain of 78,000 buyers.

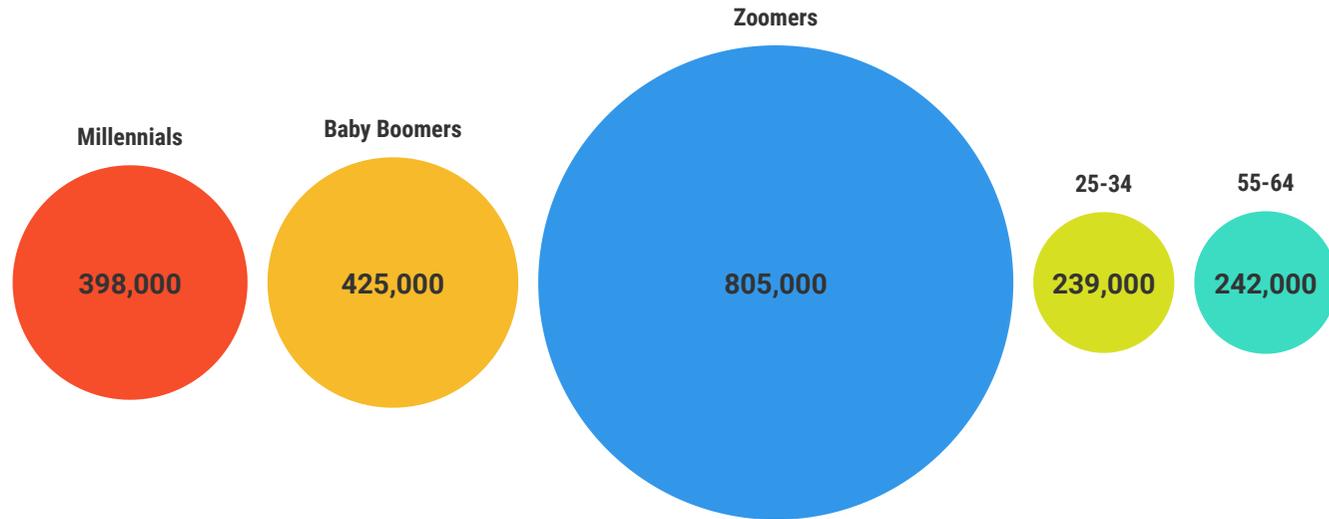
Who spent the most on their most recently-acquired vehicle?



SPENT \$75,000+

Millennials contribute slightly more purchasers at this price point than Boomers, but significantly fewer than Zoomers. Dropping the 25-34 target for the 55-64 target produces a net gain of 16,000 buyers.

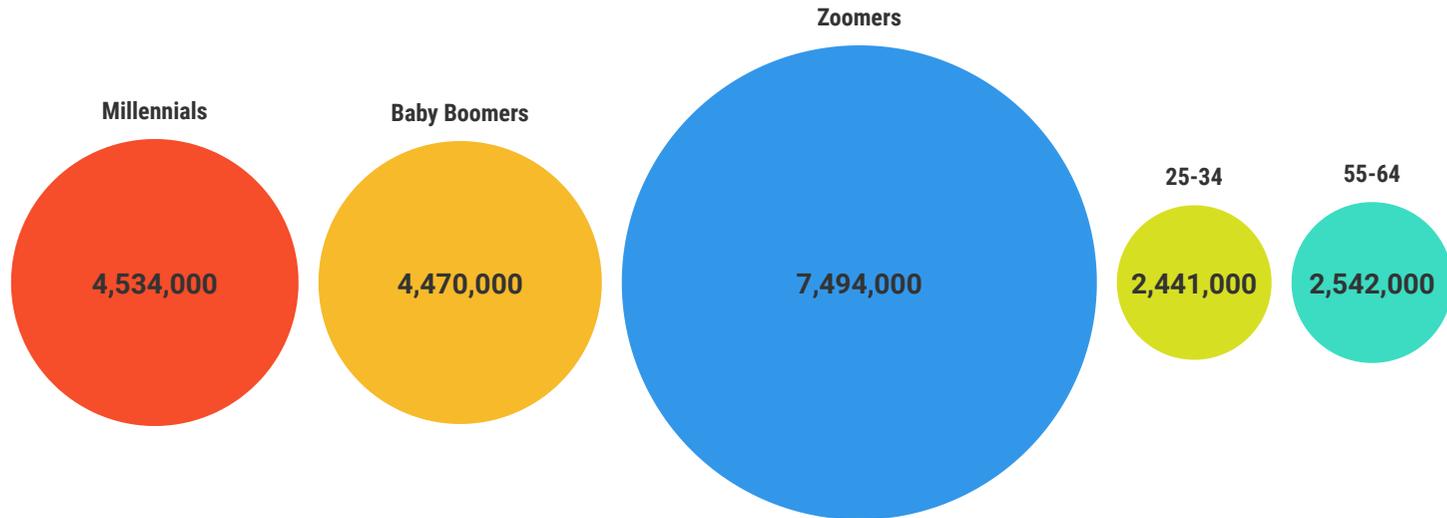
Who intends to purchase a new vehicle in the next 12 months?



INTEND TO PURCHASE NEW VEHICLE - NEXT 12 MONTHS

Zoomers account for 55% of all Canadians who intend to purchase a new vehicle in the next 12 months. Targeting 55-64 instead of 25-34 produces a net gain of 3,000 buyers.

Who goes online for buying information?



VISITED AUTO WEBSITE - PAST MONTH

Zoomers account for over half of all Canadians who visited an automotive website in the past month. Targeting 55-64 instead of 25-34 produces a net gain of 101,000 monthly visitors.

The picture is clear...



However you slice and dice the "older" market compared to the Millennials, the older market is where the action is

- They drive more
- They spend more on cars
- More of them intend to buy a new car in the next 12 months
- More of them visit automotive websites (aren't they supposed to be techno-phobic compared to Millennials?)

Isn't it time more auto makers took a different road?