



GEN Zs IN AUTO – INFLUENCERS TODAY, CUSTOMERS TOMORROW



This article looks into the future of India's automotive landscape with Generation Z at the helm, exploring how these digital natives, with their thirst for innovation and commitment to sustainability, will be reshaping the future of Automotive in India.

Is the automotive market ready to meet the demands of tomorrow's key decision-makers?

India has an estimated 116 million people in Generation Z, which is roughly two out of every five urban Indian consumers aged 15 to 55. This makes India the country with the largest Generation Z population in the world

Although currently influencers or co-decision makers in family vehicle purchases, Gen Zs are poised to become primary decision-makers. Hence, while the average age of the Indian car buyer still ranges between 32 and 35 years, the automakers, for future product development must consider the expectations of a much younger cohort, a generation that is very different from Millennials and Gen X.

And it is not just about the sheer base of

these future-customers, but also their digital native mindset that makes Gen Z an interesting study.

As per research conducted among this cohort, some significant differences that this generation displays over their previous generations are that of confidence, **independence, freedom of expression, higher awareness, and sensitivity towards global concerns such as environment and sustainability.** They are more likely to research and compare products online, read reviews, and seek recommendations from their peers before making purchase decisions.

There are some important aspects are likely to influence vehicle buying decisions for this Generation

1. The Tech Mindset

It is not new information that Gen Zs are more cued on to technology than any other generation before them. For them, the digital world is as real as the offline world itself. While technology is a given and expected in every part of life and their being, it is expected that there is **seamless integration between tech in the non-auto world and their automotive experience**. Recent studies have shown that this generation is not afraid to ask questions like- *"If my phone can do this, why can't my car?"*

This also holds true for Generative AI. The personalization and customization in the driving experience that technology can offer is only a start. For example, Electric Vehicles (EVs) that offer a higher degree of automation and tech integration – software-driven features, autonomous driving and AI – would be more intuitive and relevant in a digital future. No points for guessing that the brands that are likely to integrate tech seamlessly will have a much higher acceptance from this Generation



2. Not Shy to Try (Exploratory Mindset)

With higher exposure, comes a sense of fearlessness as well. This generation is **not unwilling to take risks or make practical/ rational choices** basis the information available to them. Increasingly, we have seen a younger audience being more receptive to brands that are new and offer a varied experience as long as they are meeting their expectations.

To cite a case –there has been a very high migration to electric 2-wheeler from the younger generation. They are less dependent on their parents/ peers for decision-making as information is available to them at the click of a button.

"I am very satisfied with my current EV 2W. The storage capacity is sufficient along with features like remote locking, USB charging, and removable battery are my most favourites." (24 year-old male, Bengaluru)

This makes the competition more intense and staying ahead of the game is extremely important. The adaptability towards 'anything new' is definitely not a barrier.

3. Convenience & Experience (And why not?)

In the age of instant doorstep deliveries and personalized content, the sense of convenience and customization in every aspect has become hygiene.

While this trend tends to see some bit of overlap with the previous generations as well, the difference is that the **idea of 'success' has been internalized earlier** as compared to what was experienced by parents. They **value brands that can help them in a journey of self-discovery and are able to enrich it.**

Generative AI is likely to play a much higher role due to this changing definition of Success. While traditional values that make a car successful are likely to continue, the differentiation will be sought from **higher levels of personalization, and an elevated sense of experience** that the vehicle can provide.

Convenience is also a big part of the experience – especially during the purchase journey for Gen Zs – and slowly becoming more hygiene. Some common expectations voiced are that all brands should have a physical + online presence, immersive experiencing of vehicle via VR from the comfort of one's home and so on, from the GenZs.

4. But of course, Sustainability!

Additionally, affluent Gen Zs place a high value on sustainability and environmental consciousness. They are more likely to support brands that prioritize eco-friendly practices and offer electric or hybrid vehicle options. This, added to the minimalistic mindset which is the 'in thing'; overdone and blingy designs tend to be less preferred over subtlety.

It is also to be noted that for them sustainability should not necessarily come at an additional cost. Sustainability is a mindset and should be treated as such by brands for them to gain more acceptance.



In Conclusion

Gen Zs , being more woke , are already demanding attention towards them. They believe that the brands today are still paying more attention to higher age groups – a sentiment that is echoed in India much more than other countries. **There is a need for brands to start paying more attention to this cohort to remain relevant.**

The age of '**always-online**' consumers will bring about significant changes in the expectations from brands and businesses in the automotive market. The use of generative AI technology has enabled personalized experiences, enhanced design, and improved overall customer satisfaction. Additionally, the always-online nature of Gen Z consumers necessitates a strong online presence, along with transparency, and a focus on sustainability. By embracing these changes and catering to the evolving expectations of Gen Zers, automotive brands can be more future-ready and relevant in this dynamic automotive market.

*Written by the Ipsos India Auto Expert Apeksha Jain
Please get in touch for any queries: Balaji.Pandiaraj@ipsos.com*

*All the images are sourced from Freepik.com