

THE BIRTH OF **MOBILITY CULTURE**

TECHNOLOGY'S INFLUENCE ON HOW WE GET FROM HERE TO THERE



ALLISON+
PARTNERS



METHODOLOGY

This report was compiled using data from an online survey of 1,035 people in the U.S. over the age of 16 conducted in January 2019. Fielding was conducted using the Qualtrics Insights Platform and the panel was sourced from Lucid.

No matter where we live, our transportation options are more robust than ever. The intersection between mass transportation and personal vehicle options remains crowded, with an autonomous future on the horizon. Through this report, we study how American consumer values and behaviors are evolving as access to new mobility options increase.

THE DEFINITION OF TRANSPORTATION IS CHANGING

The definition of transportation is changing, with new mobility solutions such as e-bikes, carsharing, lease/subscription options, autonomous vehicles and, of course, more innovations nipping at the heels of the privately owned automobile. However, despite these new innovations, the car still remains at the center of today's transportation equation. The study revealed the vast majority of consumers still equate the car to offering a sense of freedom (71 percent), while an even larger portion (85 percent) sees a vehicle as providing accessibility to get to where they want and need to go.

While cars remain in use with roughly 70 percent of licensed Americans driving their vehicles daily, 38 percent of those without a driver's license say they have no need for one. With Gen Z, the numbers become even more significant — nearly 70 percent of Gen Z respondents do not have their driver's licenses and 30 percent of those who do not currently possess their driver's license have no intention or desire to get one. **This decline in driving sentiment points to evidence that alternatives to personal transportation have gained momentum.** In fact, nearly one-third of those surveyed (31 percent) reported regular use of rideshare services as an alternative method of transportation, and more than half (56 percent) used public transit.

Other attractive alternatives to vehicle ownership have emerged, both from automotive OEMs adapting to new market forces and third-party providers. And consumers are interested. **An overwhelming majority of drivers (73 percent) said they would be interested in a vehicle subscription service with an all-in-one payment allowing for the vehicle use, including insurance, roadside assistance and maintenance, rather than owning or leasing a vehicle.**

THIS DECLINE IN VEHICLE USAGE POINTS TO EVIDENCE ALTERNATIVES TO PERSONAL TRANSPORTATION HAVE GAINED MOMENTUM.



CARS ARE BECOMING SYNONYMOUS WITH TECHNOLOGY

Still, at the center of this change remains one core ingredient – the car itself. And it's not just older consumers who value them. Younger, more tech-oriented consumers are just as enthusiastic about the industry's advancements. Gen Z and millennials reported the highest interest in experiencing more technology integrations in their cars, such as Amazon Alexa, Apple CarPlay and Android Auto (37 percent and 36 percent, respectively). While many within the auto industry believe these groups are more interested in technology than cars, the two are actually complementary, as cars become more a piece of technology themselves with HMI advances, self-driving features and smartphone integration.

Consumers are also increasingly attracted to auto or transportation brands that value innovation and disruption, with technology as the main motivator. Tesla, arguably the most successful tech-forward auto brand to date, had the fourth highest-selling vehicle in California in 2018 (the Tesla Model 3), despite its relative infancy within the OEM landscape. Additionally, a growing number of smartphone owners indicated Apple CarPlay, which converts one's infotainment system into a virtual iPhone experience, is a must-have feature for their next car purchase.





WHEN ASKED WHY THEY WOULD PURCHASE AN AUTONOMOUS VEHICLE, GEN Z CONSUMERS CITED:

67%
CONVENIENCE

65%
RELAXATION

CAR CULTURE SHIFTS FROM “ME” TO “WE”


According to the survey, consumers expect to still use cars but engage with them in unique ways in the future. Half of all respondents believe they will use some form of an autonomous vehicle by 2029. Younger generations, including Gen Z, have also begun to see benefits that move beyond convenience to relaxation and social experiences. When asked why they would purchase an autonomous vehicle, Gen Z consumers cited relaxation as a primary factor (65 percent) – almost equal to convenience (67 percent).

This indicates not only will the car itself change drastically, but its role in our lives will also evolve. **Cars will certainly remain the primary mobility solution, but the overall transportation sector will introduce a much more integrated mobility ecosystem**, with expanded rideshare, car sharing, vehicle subscription options, micro-mobility solutions (such as e-scooters and e-bikes) and more. Cities will become more integrated as planners adjust for new mobility options, a lower need for parking and smarter integration with mobility providers.

Through this evolution, transportation will become more of a social experience than it is today – and the “me” prioritized within car culture will shift to “we.”

WELCOME TO THE BIRTH OF MOBILITY CULTURE.

The transportation values of the past that are synonymous with American car culture exclusively, with what one buys and drives serving as a direct reflection of one’s self, is evolving into one that places a priority on shared timed, shared experiences and shared values.



56%
OF GEN Z

THINKS A CAR REPRESENTS
ESSENTIALLY NO MORE THAN A
MEANS OF TRANSPORTATION.

GEN Z GROWS UP IN MOBILITY CULTURE AND WILL DRIVE IT FORWARD

Gen X transitioned from analog to digital with the rise of the personal computer. Millennials grew up forever-connected to the Internet. In this same way, Gen Z is more comfortable with connected technology, digital devices, AI and machine learning than any previous generation. They will not only grow up in a mobility culture, but also accelerate its impact on transit adoption spurred by their acceptance for rapidly changing technological standards.

For Gen Z, technology is king, ubiquitous and, as a result, the car has become less aspirational. In fact, Gen Z survey respondents ranked alternate reality experiences, VR and smart homes as more of an interest than autonomous cars. Instead, **Gen Z sees cars more as appliances than any other generation. More than half of Gen Z respondents (56 percent) said a car represents essentially no more than a means of transportation.**

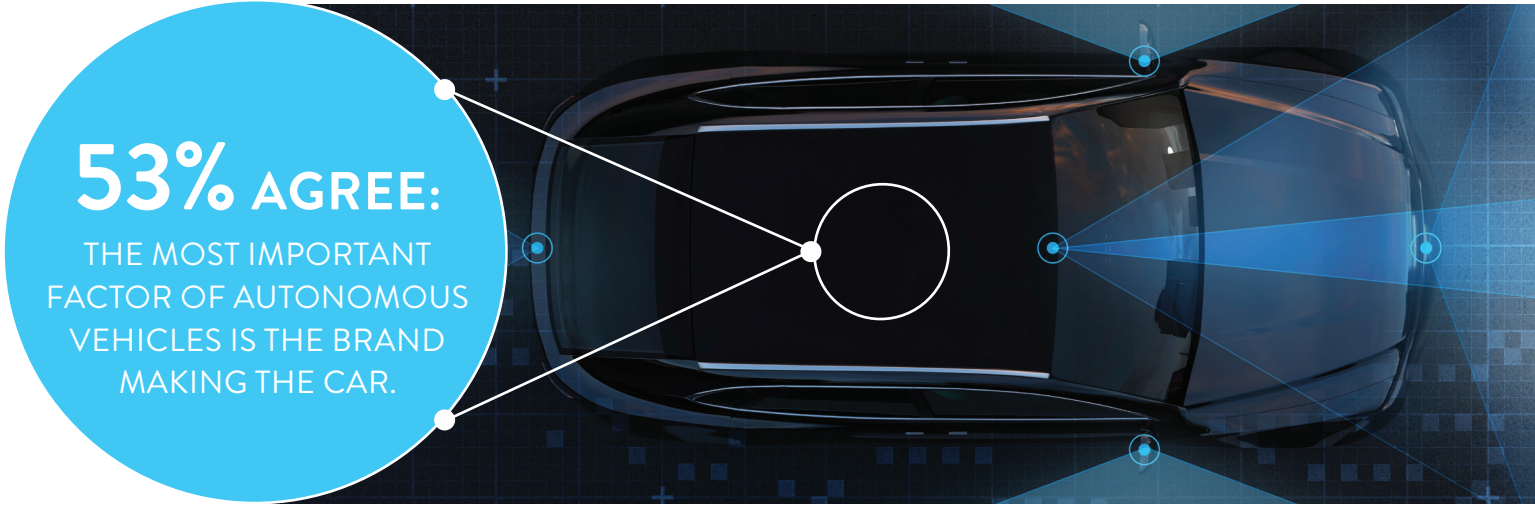
This is where the cultural shift becomes more apparent. Where a 16th birthday was traditionally marked by a trip to the DMV or purchase of a first car, today these cultural rituals are now less a teen rite of passage.

Inverse to this lack of interest in driving comes the excitement for autonomous technologies, making it likely this generation will fuel the adoption of autonomous vehicles – due largely to a high trust level with technology. Ultimately, 60 percent believe they will use autonomous vehicles by 2029.

Built upon this trust, along with an insatiable appetite for the latest tech in gadgets, future mobility options like the long-promised high-speed rail and more aspirational mobility technologies like Hyperloop and even flying taxis are top of mind.

DESPITE CHANGES, BRANDS REMAIN RELEVANT

According to the survey, **almost half of respondents (46 percent) agree that the most important factor of autonomous vehicles is the brand making the car.** The challenge for brands that operate during the birth of mobility culture is how to define loyalty. In this culture, consumers no longer simply make purchase decisions based on product alone. Consumers also value how a company treats its employees, makes and stands behind their commitments to the environment, and gives back to the community as much as they do the product, if not more. The brand and its alignment with consumer values has begun to supersede less-tangible features, such as product quality, aesthetics and reliability.



53% AGREE:
THE MOST IMPORTANT
FACTOR OF AUTONOMOUS
VEHICLES IS THE BRAND
MAKING THE CAR.

MARKETING IMPLICATIONS

For marketers, the changing definition of transportation and birth of mobility culture require a different approach. Whereas car culture reinforces an outward reflection of self, alignment of consumer and societal values drives mobility culture. In order to stay ahead of this shift, marketers should be mindful to:

- + **Reinforce how technology enhances the experience.** With consumers conditioned to expect technology innovation at a faster rate than the traditional new vehicle introduction timeline, it's important for marketers to reinforce how technology features enhance the ride experience, contribute to vehicle safety and support a future where transportation options come together in concert.
- + **Demonstrate an understanding of the shift from “me” to “we.”** It will be more important to underscore the benefits of a particular mobility option to communities of people (such as a city, university or corporate campus), rather than to individual drivers. Instead of simply reinforcing long-term cost savings when asking a car buyer to convert to an electric vehicle, marketers should consider spotlighting larger societal contributions, such as reducing the carbon footprint, easing noise pollution or making transportation safer. It is not mobility for the sake of mobility, but rather mobility with a purpose behind it.

- + **Focus on building relationships during the journey, not at the finish line.** As consumer relationships with cars evolve, automotive and transportation industry marketers must change how they engage with younger audiences, especially Gen Z. The industry is accustomed to a checkered-flag mentality – getting to the finish first determines the winner. However, younger consumers value authentic relationships with brands, and it takes time to foster that trust. Understand their values, what advancements in automotive technology excite them and, equally important, their concerns about the future of mobility. Use this information to inform how to communicate and engage with them about the brand.
- + **Consider new avenues for introducing mobility options.** The traditional auto show has been the core of how automakers, motorcycle brands, RV makers and others have introduced new vehicles to a rabid group of automotive enthusiasts. The goal has not only been to capture media attention, but also get consumers into a brand's sales funnel. However, due to the shift in values and attitudes, marketers must now plan for a more values-based, communal and experiential local market activations, where influencers help create and share the story and consumers can experience brand value in a real and authentic way. Activations that include AR and VR as complements to ride-and-drives will become more prevalent in mobility marketing's future.



ABOUT ALLISON+PARTNERS

Allison+Partners, an MDC Partners company, is a global marketing and communications agency driven by a collaborative approach to innovation and creativity. The firm was named The Holmes Report's 2018 "Best Agency to Work For," PRWeek's 2018 "Best Place to Work," The Holmes Report's 2017 "Digital Agency of the Year," The Holmes Report's 2016 "Asia Pacific Corporate Consultancy of the Year," PRWeek's 2015 "Midsize Agency of the Year" and In2 SABRE's 2015 "Most Innovative Agency." Allison+Partners has 30 offices worldwide and is organized around six practices: Consumer Marketing, Corporate, Global China, Healthcare, Public Affairs and Technology. All Told, which combines research, content, creative, digital and measurement expertise into one offering, works across these practices to deliver integrated storytelling for clients. The agency also has a network and deep affiliations with firms worldwide through MDC Partners (NASDAQ: MDCA), a progressive marketing and communications network, championing the most innovative entrepreneurial talent. For more information, visit www.allisonpr.com.

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