

“I DON’T UNDERSTAND YOUR GENERATION”

Our parents said it about us, and most of us have probably said it about our children. However, for the first time since the invention of the automobile, there are now four generations working and shopping in dealerships. Learning how to communicate with different generations is critical to your future success. Although experts may differ slightly on the birthdates, the generations can typically be categorized as follows:

Generation	From	To	Population
Traditionalist	1900	1945	75 million
Baby Boomer	1946	1964	80 million
Generation X	1965	1980	46 million
Gen Y/Millennials	1981	1999	76 million

Traditionalists - actually two generations with similar beliefs, were impacted by two World Wars and The Great Depression. Their early life was one of hardship and sacrifice. 50% of male Traditionalists are war veterans. As a result, loyalty and following orders are major characteristics of Traditionalists. Radio, newspapers and rotary phones were the main methods of communication. In business, Traditionalists used typewriters and regular mail to correspond.

Baby Boomers comprise the largest generation ever born in the United States. They grew up in an age of economic growth, sexual freedom, space exploration, rock and roll music, and the explosion of television. From 1952 to 1960 Americans purchased **46 million** televisions. As a result, Baby Boomers tend to be optimists, but since there were so many joining the work force at one time, they are also competitive - believing hard work and long hours were the way to get ahead. Baby Boomers in business were part of the first revolutions in business speed and communication – including the first computers, word processing and FedEx.

During Generation X’s birth years the divorce rate in the United States tripled. Many Gen Xs are the product of single parent or blended family homes, and this generation coined the term “latchkey kid”. Gen Xs saw the introduction of the 24-hour news cycle, video games, desktop computers, and cell phones. They are defined by self-reliance and a healthy skepticism. Early on, Gen Xs saw leaders knocked from their pedestals, from Nixon and Watergate to Clinton and Lewinsky. The recent recession has reinforced that skepticism, as most Gen Xs do not believe job security exists anymore. Business communications continued to accelerate with the use of email.

Generation Y, or Millennials, were raised in a period of unique wealth and a trend towards more coddled parenting styles. The recent recession is the first feeling of hard times for many Gen Ys. These are the kids that “soccer moms” were transporting from activity to activity. They are on track to be the highest educated of any generation, but look at learning as a life-long experience and are often in no rush to finish college (bad news for parents of teenage Gen Ys). In addition, whereas Gen Xs were anxious to start a career and strike out on their own, more than 50% of Gen Ys in college today plan to move back in with their parents after graduation. Email is too slow for Gen Ys – they text and use social media sites such as Facebook and Twitter to get what they want, when they want it. All this makes Generation Y more socially conscious, less experienced with face-to-face communication, less independent, and more stressed than previous generations.

In addition to needing to recruit and retain Gen X and Gen Y employees, dealerships will see sales to Baby Boomers start to shrink, as the first of the Baby Boomers are turning 65, an age when car purchases drop dramatically. How can stores improve their sales to Gen X and Gen Y? By having a sales force that mirrors them – better educated and more gender-balanced.

RECRUITING GEN Y

One of the biggest generational challenges facing dealers today is how they can more effectively recruit and market to Gen Y. Due to their sheer size, this group in the very near future will dictate dealership profit and loss as the Traditionalists and Baby Boomers ride off into the sunset. The changes to the sales process, work scheduling and communications will cause the same amount of trauma and change as was dictated by the internet. Some options to consider in your efforts to more effectively recruit include:

Recruiting – A four pronged approach should be implemented to attract quality recruits:

1. A button on your website that gives perspective employees information about what it is like to work there, including training, benefits, and life/work balance.
2. Placards/signage in the customer lounge and showroom floor showing a woman stating that job opportunities are available.
3. Quarterly emails to your customer list stating that job opportunities are available.
4. Postings on craigslist for “customer service reps” with benefits such as training salary, flexible hours, opportunity to work with a great team, etc. Do not mention it is an *auto* sales job in your posting.

Flexible work schedule – Life/work balance is critical (notice which word they put first). Dealers must determine methods for creating a 40-hour work schedule with at least one weekend off each month. Flexibility can be achieved by staffing according to traffic flow. Our research shows that 70% of sales occur in 30% of the time the sales department is open. By staffing the showroom and prep center according to demand *and employing lower cost staff*, sales people can sell more cars in fewer hours. Examples of lower cost staff include document processors and delivery coordinators.

Revised pay plan – The traditional pay plan based on gross with random spiffs will not attract quality Gen X and Gen Y sales people who have never sold cars. They would rather be paid \$14 per hour to work in sales at a Best Buy or Apple Store rather than take on the financial risk of a straight commission pay plan. Today, typically more than half the new car deals are “minis” and the other half require excellent negotiating skills, a skill lacking in Gen X and Gen Y. Gen Ys in particular do not have the thick skin required for aggressive selling, having typically grown up in a coddled environment where everyone is a winner (ala youth soccer). A pay plan that provides a good training salary, typically \$2500 or more for two months and then provides a combination of salary and compensation per unit sold (not gross) with bonuses works well.

Training – Training and orientation are absolutely critical to retaining Gen X and Gen Y. According to Lancaster and Stillman in their book, *“When Generations Collide”*, when asked “Have you ever left a job because of lack of training opportunities?” only 3% of Traditionalists responded, “Yes”, compared with 15% of Baby Boomers and 30% of Gen Xs!

Gen Ys want to be part of a team and your training program should recognize that by teaching about other departments. In addition, Gen Ys need more than a basic job description. According to Cam Marston in *“Motivating the ‘What’s in it for me?’ Workforce”*, Gen Ys do better when their role is defined - an overall picture of the job when executed properly and specific responsibilities. Finally, all managers and employees need training on feedback – how to ask for it, how to give it, how to receive it, and what is appropriate behavior.

CHANGE IS A CHOICE

There are a host of additional changes that will enhance recruiting efforts with the newer generations and not all will sit well with the Traditionalists and Baby Boomers. Real change takes real change; making a few tweaks to your existing processes won’t allow you to attract generations X and Y who are rapidly becoming your showroom/internet shoppers and service customers. The dealers who decide now to build processes and make changes to the traditional model will gain “first mover” competitive advantages.