The University of Akron
IdeaExchange@UAkron

Honors Research Projects

The Dr. Gary B. and Pamela S. Williams Honors College

Spring 2017

An Assessment of Tire-Buying Among Millennial Consumers

John R. Hojnacki
jrh184@zips.uakron.edu

Caleb P. Ohrn
cpo7@zips.uakron.edu

Ben M. Nelson
bmn31@zips.uakron.edu

Addie A. Hujar
aah77@zips.uakron.edu

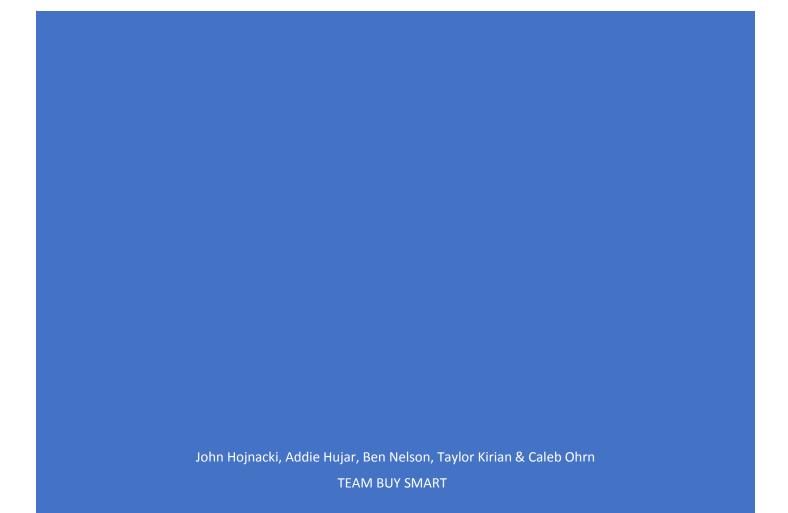Taylor J. Kirian
tjk75@zips.uakron.edu

Recommended Citation

AN ASSESSMENT OF TIRE-BUYING AMONG MILLENIAL CONSUMERS

John Hojnacki, Addie Hujar, Ben Nelson, Taylor Kirian & Caleb Ohrn

TEAM BUY SMART

Table of Contents

1. Project Scope and Overview

The goal of this project was to suggest alternatives that would revolutionize the purchasing process of consumer tires through the elimination of pain points, with a focus on Millennial consumers. This requires a keen understanding of the preferences of Millennial consumers, the tire-buying process, and key developments in technology and trends. Certain areas therein would naturally overlap; for example, technological trends preferred by Millennial consumers or retail trends and advancements that are impacting all consumer-products buying processes.

The scope of this project and corresponding proposal is limited to the retailing process. In order to stay within this scope, this proposal will not include alterations or improvements to products or fundamental changes to production processes or physical facilities. The project will also use the current online tire buying platform as a primary base, with a secondary focus on the physical "brick-and-mortar" retailing process.

In this report, we will present key findings from academic and peer-reviewed studies conducted on the purchasing habits of Millennial consumers. We will also connect these findings with companies that have applied these concepts to successfully capture the Millennial market. Using a survey and interviews, we will connect these findings with the tire-buying process. This is ultimately to create a bridge between the academic conclusions and the real-world decision making process in the area of purchasing tires. Ultimately, the goal is to understand how Millennial consumers make purchasing decisions and how Goodyear can capitalize on this knowledge to alter and improve the tire-purchasing process.

1.1 Summary of Findings

The initial phase of this project was an inquiry into the findings of peer-reviewed research in the area of Millennials consumption habits and Millennial consumer trends. During this phase, we discovered that Millennials are dynamic consumers who are unlike the consumers of previous generations. In an age where we are bombarded with messages and information almost constantly, Millennials have adapted to absorbing and processing information quickly. In addition, they are keenly aware of the consumer freedoms offered by online shopping and easy inquiries into company practices and procedures. These changes have driven a change in the way Millennial consumers interact with manufacturers and retailers.

We ultimately concluded that Millennials, more than their predecessors, are ethically conscious consumers, prefer instant gratification, and utilize social reference groups to make purchasing decisions. In demanding ethical companies, Millennials look to a firm's commitment to social responsibility demonstrated through philanthropy efforts, fair labor practices, and environmental stewardship. In addition to ethics, this group of consumers demand that their needs be met instantly through direct-delivery, shortened shipping periods, and ease of access. In addition, Millennials want to be able to access large amounts of information, preferably from third party sources (like customer testimonials or independent reviews). Millennials also utilize social reference groups because they demand honesty and authenticity from the companies with whom they form relationships. Millennials do not want to be "sold to" in a traditional sense; instead, they want information on the product and the producer and the freedom to make the decision that is best for them. Instead, they use their peers, parents, and even

strangers who offer opinions in the form of online reviews and blog posts to make purchasing decisions.

Once the initial scholarly review was conducted, we sought to collect and assess the opinions of Millennial consumers through a survey and interviews. We also visited Goodyear stores and assessed our reactions, hesitations, and experiences as Millennial consumers. We found that many of the trends that exist in Millennial consumers in the wider marketplace held true for tire buying. Consumers in this area wanted independent recommendations about the best products, desired environmentally friendly options, and wanted to spend very little time purchasing tires.

Our most interesting finding was that there is a significant disparity between impressions and perceptions of tire-buying and the actual experience. Our survey, interviews, and personal experience revealed that Millennial consumers perceive purchasing tires to be a very difficult, stressful, and intimidating process. However, inquiries of Millennials who had already purchased tires reported that the process was quick, easy, and enjoyable. This is a keen insight for people hoping to engage people in the tire-buying process and became the basis for our conclusions.

2. Secondary Research

For the purposes herein, our focus will be on the Millennial consumer. Generally, "Millennial" is a term used to refer to the generation born between 1984 and 2004. Therefore, Millennials will fall between the ages of 13 and 33. Despite this designation, there is no definitive authority on generations, so there is some flexibility to stretch that window to years

before and years after. Millennials are the second largest consumer block in the United States, and will soon overtake Baby-Boomers (Beauchamp & Barnes, 2015) as the largest consumer generation. Contrary to this finding, a Pew Research demographic study conducted in the same year indicated that Millennials were in the workforce in greater numbers than Baby-Boomers, so it is logical to conclude that Millennials have surpassed Baby-Boomers as the largest consumer group in the United States (Fry, 2015). In addition, Millennials in The United States are significantly more diverse than Baby-Boomers (Kurtz & Yellin, 2016). Most researchers cite Millennial's comfort and integration of technology as their key defining characteristic. Most Millennials were born into the internet-age and grew up adapting to rapidly changing electronic technology; many experts agree that this has made Millennials more able and willing than any other generation to adapt willingly (even eagerly) to quickly changing technology (Bucuta, 2015).

To better understand Millennials and their buying habits, we need to see what interests them or, more importantly, what gets them to purchase a product. Millennials are expected to spend $200 billion in the year 2017, and businesses are eager to earn a portion of that amount (Donoughe, 2017). Millennials are eager to spend their money on brands that they believe in, but are also interested in expanding their horizons by trying new brands that grab their attention. A recent study assessed Millennials while they were shopping in a grocery store. Despite the vast difference between groceries and the tires that comprise Goodyear's product line, the study offered pertinent and useful insights into how companies can strategize how they should package their service or product. The study confirmed that Millennials possess a

significant amount of buying power, but tend to be difficult targets for marketers and retailers, since they are not following traditional marketing or retailing norms (source).

Marketing to Millennials is complex and requires retailers to take an aggressive approach. The grocery-store study and corresponding analysis resulted in the presentation of five important ideas that every retailer and manufacturer should consider when marketing to Millennials. First, manufacturers should be upfront and bold in their packaging; an easy suggestion offered to meet this need was to offer product packaging with bold, noticeable lettering. The researchers went on to say that 84 percent of Millennials believe that they can digest your whole story at first glance, and offering strong, bold packaging offers a story that resonates with Millennials (Donoughe, 2016). This study confirms the idea that now, more than ever, companies need to optimize their products for the "glance and buy" generation.

Despite the close relationships Millennials have with brands, the study also found that brand loyalty among Millennials is fickle. The research indicates that the Millennial consumer's opinion of companies, and their associated brands, can change drastically over short periods of times (Reisenwitz & Iyer, 2009). If companies are able to stay consistent to their brand, they are more likely to capture Millennials. Simply put, if Millennials feel that a company offers and authentic and consistent brand, it is easy to build and maintain brand loyalty (Tyson, 2017). This brand loyalty quickly becomes strong enough that Millennials will stop evaluating alternatives and maintain loyalty to their preferred brand. Though it may seem counterintuitive, "big" brands still have the ability to maintain the authenticity that appeals to Millennials. This phenomenon is clearly demonstrated in Coca-Cola. One interview subject commented that it was reassuring that Coca-Cola is very authentic in their maintenance of consistent packaging

and transparency in consumer engagement. The test subject felt that Coca-Cola has stayed true to "who they are", and that level of authenticity is crucial in attracting and retaining Millennial consumers.

Another conclusion drawn from the grocery-store study suggests that companies also need to make a "promise" to their Millennial consumers. This step is crucial, since Millennials are seeking to build strong relationships with trusted brands. Brands that succeed in capturing Millennials demonstrate a clear commitment to and strong communication of these promises to their Millennial consumers.

This groundbreaking and enlightening study went on to conclude that retailers and producers alike have not realized that Millennials are inherently distrustful of traditional sales techniques (Newman, 2015). The study stated that nearly 84 percent of Millennials distrust traditional advertising and may even choose to decline the purchase if the sales technique is too forceful. Millennials do not want to be "sold to", they want to feel like the product is made particularly for them as opposed to the notion that mass-produced and undifferentiated products are marketed to fit their needs. .

Further analysis suggested that Millennials are eager to try new products that are introduced through social channels; these social channels can take the form of direct (face-to-face) interactions or social media interactions. In this sense, Millennials are more likely to trust a blogger or a magazine that they are to trust typical sales and marketing strategies. This is crucial for marketers to take into consideration when they are planning the marketing scheme for their products.

This study shows that there are many facets to consider when trying to capture the

Millennial consumer. Catering to these needs can be a varied task; some changes would be easy

and affordable, while others would take a significant investment of time and money.

Consumers in the Millennial generation are split-second decision makers who desire to

ascertain a company's full brand from first impressions. Brands that are able to take these

factors into consideration and deliver on their promises will see more engagement from

Millennial consumers. This engagement drives income from the top through the bottom lines

and will be essential in maintaining success over the coming years.

Some companies have already capitalized on understanding and implementing

strategies that appeal to the unique desires of Millennial consumers. Next, we will present the

tools and strategies some companies have used to capture the attention and market share of

Millennial consumers. These companies have utilized strong ethics, environmental

consciousness, quick delivery of information and purchases to capture this new group of

consumers.

2.1 Success Stories

Finding "best practices" through the consideration of successes in other companies can

be key to capturing an evolving market. Amazon has added many features that are attractive to

Millennials which has helped them capture a large portion of sales from Millennial consumers.

Amazon Prime has been a monumental shift in how consumers attain their purchases, as they

offer delivery of their product in two business days. This is resonating strongly with Millennials;

we have seen that Millennials are impatient consumers and Amazon allows their customers to research, buy, and receive a product quickly without leaving their home (Adkins, 2013).

Amazon Prime has such a well-known brand name, which is also important to Millennials (Adkins, 2013). Amazon shows how Millennials can build brand loyalty and perceive a relationship with companies that are comfortable and familiar to them. This trust is developed through repeat purchases and a strong brand reputation.

The competitive advantage offered by Amazon is their low-priced, feature-rich loyalty program.. With plenty of appealing, "need-to-have" features at a lower price, Millennials are attracted to Amazon Prime and are willing (perhaps even eager) to invest in the loyalty program. (Adkins, 2013). This loyalty program adds value for existing Amazon customers through complimentary two-day shipping, which is a feature that outpaces most, if not all, of their competition. If a Millennial consumer needs a unique item not readily available at local, "same-day" retailers, Amazon is a convenient option for that consumer. The ability to go out and buy almost anything and have it shipped directly within two days is crushing competition.

Here, you can see the impact Amazon's strategies have had on building strong, brand-focused relationships. The table below shows the results of a survey by W00T, a firm which helps companies market to the younger generations.

Generation Y (16-34 year olds) most liked technology brands

Tech Rank	Brand	% Liked	Overall Top 100 Rank
1	Amazon	77%	2
2	Google	73%	6
3	Facebook	70%	10
4	YouTube	68%	12
5	Apple	61%	19

Adkins, A. (2013, June 10). Why Amazon is Killing it with Millennials (and Advertisers). Retrieved from

http://engage.synecoretech.com/marketing-technology-for-growth/bid/181115/Why-Amazon-is-Killing-it-with-Millennials-and-

Advertisers

We believe the fact that Amazon is resonating with Millennials (especially over other major competitors) is a crucial part of their success story. They created a well-known, trusted brand with which consumers were comfortably building a relationship. This allows Amazon to attract users to their loyalty program, and customers soon found that signing up for Amazon Prime was beneficial for in a way that other competitors could not match.

Recently, competitors have been trying to match Amazon's service in order to try and win over some of their market share. Walmart has just announced that they will offer free two-day delivery to their consumers and with no membership fee at all (Del Rey, 2017). The only requirement is that the consumer has to have a minimum order total of thirty-five dollars. This move has great potential to resonate with Millennials; Walmart is a widely known and reasonably trusted brand among Millennials. The absence of a membership fee may even attract consumers who have not been willing to subscribe to Amazon's Prime loyalty program.

Millennials are a unique group of individuals that have diverse needs that companies need to take into account.

The first trend these companies have utilized is pursuing strong brand ethics. The presentation of and commitment to ethics has been beneficial to multiple companies and studies suggest that Millennials respond strongly to these values.

2.2 Ethically Conscious

Another trend resonating with many Millennial consumers is the desire to be ethically conscious and socially responsible. Brands with a strong corporate responsibility message are standing out to Millennials as a good place to make purchases. A consumer's willingness to purchase from a company is 60% determined by their perception of the company and only 40% driven by their perceptions of the company's products (Smith, 2012). Millennials prefer to purchase from companies that are committed to ethical business practices, including fair sourcing of raw materials, fair treatment of employees, and careful treatment of the environment (Smith & Brower, 2012). Pertaining to these issues, Millennials are not satisfied with a good narrative alone; Millennials seek hard facts and information about how the products are produced and distributed in an ethical manner (Aruna & Santhi, 2012).

A good company image is often more important than a good product. This trend has been proven by TOMS. By maintaining high level of corporate social responsibility and sharing their efforts with consumers, TOMS has had great success as consumers have a high perception of the company due to its philanthropic efforts. By providing this sense of community and

belonging in making a difference for children and adults across the globe, TOMS has provided

an excellent customer experience and has attracted Millennials to share in this vision.

With a focus on customer experience, TOMS has appealed to Millennials by providing a

sense of community and belonging with their product, making consumers feel as if they are

part of a greater movement in providing for those less fortunate. TOMS has a philosophy of

"one for one" in which for every one product purchased, one product will be donated to a

person in need (TOMS, 2017). Customers see a direct link between their purchases and the

responsibility of the company which therefore increases their likelihood to make a purchase

(Naeini, Dutt, Angus, Mardirossian, Bonfanti, 2015). Pictures of those who have been helped by

the purchases made from TOMS are plastered on the company website and social media

promotes these stories. The website states, "What started as a company has become a

movement" (TOMS, 2017).

Another brand that embodies the ethically conscious mindset is Tom's of Maine, a

personal care company that has seen exponential growth in awareness since 2006. Since the

start of their business, Tom's of Maine's overall goal has been not to just make a profit, but to

also operate in a sustainable manner and be a positive force for good in the communities

(Tom's of Maine, 2017). This has caught the recent attention of Millennial consumers due to an

elevated concern for product safety and environmental consciousness. In fact, the natural-

source-oriented Tom's of Maine gained 17.1% of sales in the 52-weeks, ending Feb. 21, 2016

(Nanninga, 2016). Other than the products and company positioning, the business also has a

corporate giving standard of 10% of profits per year to nonprofit, community based

organizations committed to environmental goodness. This standard combined with sourcing,

manufacturing, and packaging details displayed in videos allows for a transparency that many

consumers find appealing. Pam Scheeler, Tom's of Maine Claims Support Leader and Natural

Standards Advocate, best sums it up by stating, "At Tom's of Maine, we believe one thing that

makes our products good is how we make them. That's why we've always been committed to

high quality standards and never use artificial colors, flavors, fragrances, preservatives or

animal testing. You deserve the peace of mind that comes with knowing the products you

choose not only work, but also share your values." As important as it sounds to Millennials to

have products that share their values, it is just as important to have that product instantly.

2.3 Instant Gratification

Not only are Millennials looking for a company to be ethically conscious and

responsible, but they are also looking for instant gratification when making purchases. Instant

gratification is a large part of the Millennial lifestyle. As this becomes more and more standard

in this generation's life, it will become a crucial part of how products are marketed to

Millennials. The need for immediacy takes many forms for the Millennial consumer. In

particular, Millennials expect to have vast amounts of information at their fingertips. They are

more apt than previous generations to absorb more information and filter through less reliable

information as they continue to search rather than find fewer sources with more reliability.

Furthermore, these consumers have an innate need to control the purchasing process, often

equipping themselves with significant amounts of information before beginning the purchasing

process (Bucuta, 2015).

One brand that meets the impatient Millennial demands is Aldi. With smaller layouts

and a more tailored selection of products, many Millennials are turning to Aldi as a cheaper

grocery store that offers convenience and quick selection for the busy, fast-paced lifestyle (Bonnett, 2016). One strategy that Aldi is known for is private label branding. These brands often times cost less than comparable national brands, but they offer other benefits as well. For example, Aldi announced that it was "eliminating artificial colors, partially hydrogenated oils, and MSG (monosodium glutamate) from its store brand food products" (Bonnett, 2016). Its' Simply Nature, Specially Selected, and Fit & Active brands are instantly recognizable in the store due to Aldi's limited portfolio. Therefore, in the age of health consciousness and instant gratification, Aldi is able to strike a balance between two important parts of the Millennial makeup. Aldi has made it easy for Millennial consumers to find and buy what they consider to be healthy products.

With a focus on experience simplification, Netflix has also appealed to Millennials by simplifying the process in which they can access entertainment. 65% of people aged 16-24 and 58% of people aged 25-34 have used Netflix at some point. The success of Netflix resonates in its mission statement and the long-term view of the business. Netflix's View states, "We are about a personal experience that finds for each person the most pleasing titles," (Netflix, 2017). One strength of the company is their ability to use analytics to suggest content its users may be interested in, further simplifying the process. Netflix allows users to customize their offerings instantly and offers a customized product within seconds. (Netflix, 2017). Millennials are also interested in making sure their purchases are aligned with others they deem important; this is crucial for companies to try and seize trends that will interest large groups that will include Millennials.

2.4 Social Awareness

Millennials are utilizing friends and family to help make their purchase decisions. More than generations in the past, Millennials use social reference groups to inform their purchasing decisions. Social reference groups can take many forms, including face-to-face interactions with friends, family and coworkers, long-distance relationships maintained through phone calls and emails, or social media connections. The latter two have grown in impact over the past couple decades and have a major influence over Millennials. Millennials utilize these social groups to form and evaluate their purchasing decision. The opinions of their social connections can make or break their decision to purchase a product (Vijay and Varsha, 2013).

A keen understanding of their social reference group has also made Millennials more aware of the qualities and preferences unique to them. Furthermore, the sheer number of messages received and processed by Millennials has increased exponentially. Though all living generations have grown accustomed to the vastness of information accessible, Millennials are better able than any other generation to filter through these messages to find information pertinent to them and their decision making (Bucuta, 2015). The combination of this awareness and ability to filter information has increased the need for customized and personalized marketing messages (Talbott, 2012).

With the vast amount of information available and accessible to Millennials, it is no surprise that Millennials are looking to this information to make more informed purchasing decisions. For many, the first step in making a purchasing decision is to go online to explore the brand and product (Agrawal, 2016). For Millennials, more importantly than exploring the brand or product, is to explore what others are saying about the brand and its products. 84% of

Millennials are influenced by user-generated content online when making a purchase decision, either positively or negatively (Trends, 2012). This includes customer reviews on company web sites, social media posts, and question and answer message boards. Along with this trend, 50% of Millennials use their smartphones while shopping in-store to access more in-depth information regarding a product (Trends, 2012). In addition, a Forbes article which cites several studies and other observations concluded that Millennials are likely to use blogs and other "social" sources to inform their purchasing decisions (Schawbel, 2015).

In terms of utilizing social reference groups, TOMS has especially connected with Millennials. TOMS uses social media extensively to promote its causes. It has benefitted from the fact that its target market is the most active on social media as it targets young adults. Social media serves as a channel for Millennials to see what others are saying about a brand or product. Results from a recent survey published in Trends magazine showed that, when making purchase decisions, 84% of Millennials seek out and are influenced by online, user-generated content (Trends, 2012). TOMS partnered with other companies, such as Google and AOL, to develop a website devoted to allowing users to share experiences and upload images furthering the trend with Millennials and social media (Naeini et al, 2015).

In order to capture Millennials, distributors or producers should provide proxies for reference groups and secure strong customer relationships. This often takes the form of customer reviews, which are utilized heavily by Millennials (Kieler, 2015). Furthermore, both the information about Millennials use of reference groups and long-standing research about the power of word-of-mouth advocacy make the need for strong, successful customer relationships more relevant than ever before. With the knowledge that Millennial Consumers

deem it important to follow trends, the majority of trends are set in the social networking arena. This arena has expanded tremendously and has greatly influenced how Millennials actually make their purchases.

2.5 Mobile Shopping/Technology Use

A final trend among Millennials is the use of mobile devices for shopping. As smartphone use has become more prevalent, there has been an increasing effort among companies to focus their efforts on creating mobile friendly websites, apps, and content to engage the mobile consumer. While shoppers of all generations have begun to interact with companies through their mobile device, Millennials are particularly likely to either complete or augment the shopping experience using their mobile device. Whether it be through reading reviews on a product, placing an order via an online app, or comparing prices in-store, Millennials have been quick to take advantage of the convenience that technology offers. According to a study done by the Pew Research Center in December 2016, over 40% of all US adults have made an online purchase using their just their cell phone, but the younger generations are far more likely to do so. When broken down by age, results show that almost 70% of all US adults age 18-29, and 56% of those age 30-49 have used their cell phone to make a purchase. This is particularly striking in light of the fact that only 22% of all US adults had made any type of online purchase in 2000 . Even in-store, smartphones have dramatically impacted the shopping experience. Of all US adults, 45% say they have used their cell phone to compare prices for the product they are looking at and 45% say they have looked up a review while standing in the store (Smith & Anderson, 2016). This highlights the importance of having an online strategy that supports and is consistent with the instore experience.

While drawing customers into the brick-and-mortar storefront used to be the main focus of businesses, stores must now also have the mobile platform in place to keep their mobile savvy customers in the store long enough to be converted into paying customers. Some stores have taken this concept and run with it, starting programs that initiate the mobile connection with customers as soon as they enter the building. Through the Wi-Fi network, stores are able to communicate with the potential customer as soon as their device is connected to the network. One company that does extremely well with this is Verizon, and it should come as no surprise given its status as one of the largest mobile phone networks. When a customer enters a Verizon store, their phone immediately begins to offer assistance and asks questions that help identify the reason for the visit. Whether the customer is looking for a new phone, or looking for help with their current phone, they are given relevant information at their fingertips to make the experience better. In addition, Verizon Personnel are able to assist customers faster and more efficiently as they are able to look up account information through the connection and get right to helping the customer.

While the Verizon case is a very specific example of how a company could interact with its customers via mobile, it is important to note that what Verizon is doing is simply taking advantage of the willingness of customers to use their mobile devices while shopping. The applications of this knowledge are unlimited. In many cases the customer starts with a simple search on a specific product, whether they are actually in the store or not at the time. If a company has created content that will rise to the top of the search results, they have the best chance of keeping a customer's attention. If Amazon.com is the top hit, now the customer is in "price-compare and review" mode, a dangerous thing for a brick and mortar store, unless the

store in question is one of the few standalone Amazon stores. Companies have a wide array of options before them when deciding on a mobile strategy, but what is most important is that companies take the time to address the issue.

2.6 Concluding Insights from Secondary Research

As many companies have realized and started to comprehend, Millennials have become (or are soon to become) the biggest consumer group in the United States. Although most businesses recognize this, they have a hard time identifying what the Millennial consumer wants in a product or service offering and how their company can adapt to fully capture Millennial attention and loyalty. Due to the large size of this group, it is hard to pinpoint trends that are true for most Millennials, however, through the research and case studies that have been presented, there seem to be definitive patterns and ideas that most find attractive and follow.

Overall, consumers are able to quickly adapt to changing technology like no other generation has before. Although many companies recognize the importance of a mobile presence, the presentation of what the company stands for is also pertinent information for Millennials. Transparency and authenticity are two very important characteristics that attract Millennials to a specific brand, and may lead to brand loyalty. It is more than just a product or service; it is about the brand and company as a whole. Ethically and environmentally conscious businesses that are concerned with corporate social responsibility inspire Millennials to support their cause; they see it as a win for them and the world around them. Additionally, Millennials have been called the "glance and buy" generation; immediacy and instant gratification are an inherent part of their social and purchasing attitudes. Despite this fast-paced mentality,

Millennials crave uniqueness and customization; something that keeps them in the social circle they are so connected with. They are quick to sift through the many advertisements thrown at them in the span of a day, and instead turning to fellow consumers, friends, or family who they generally trust more. This adds another important element to the Millennial buying process. Some companies have begun to leverage Millennials mobile connectedness to their social groups while shopping by giving them additional offerings or assistance while in store. This has allowed for a more cohesive and tailored experience that many Millennials enjoy.

In conclusion, Millennials are unlike any other consumer group the business market has seen. They are adaptable, socially connected, and skeptical, but they crave authenticity and upstanding ethics. With the correct approach and platform, Millennials can be effectively reached and influenced.

3. Primary Research

Once we had established trends for Millennial consumers, we wanted to connect our scholarly research to the tire-buying process. We also wanted to see how our secondary research would be reflected in a population of real Millennial consumers. In order to achieve these objectives, we wanted to perform primary research and see how our peers felt about certain aspects of the general purchasing process and an additional, targeted focus on tires and tire buying.

3.1 Primary Research Methods

To conduct our research on millennials and tire buying, we decided on three different methods through which we would gather information: online surveys, in-person interviews, and

on-site visits. We expected that the surveys would give us a large pool of data to analyze, the interviews would provide us with a better gauge of millennial sentiment, and the on-site visits would allow us to experience personally what we were researching. We developed our survey with the intent to find out as much as we could about millennial's experience with buying tires. Before distributing our survey via email, we worked with the Marketing department to test-run our survey on a group of students to get feedback on the questions and flow of the survey. Our in-person interviews were conducted throughout the course of the semester with millennial students, primarily from The University of Akron with a few exceptions. Our on-site visits consisted of each of us individually visiting a local Goodyear store to see what it was like and to speak with an associate.

3.2 Results of Primary Research

The primary research that was conducted was based around the original prompt given to us by Goodyear that stated, "Goodyear wants to understand how the tire purchasing experience can be redesigned in order to diminish pain points in the purchasing journey and create an experience that is compelling and worthwhile to millennial customers." Therefore, the aforementioned survey, interviews, and site visits were all about trying to answer this prompt: What are the pain points in the millennial tire buying experience? As the data from the primary research was collected, it became evident that the original problem statement was not the actual problem. There are not any major pain points in the millennial tire buying experience, however, there are significant problems with the way that millennials perceive the tire buying process. The thought of buying tires was far more unpleasant than the process itself;

this conclusion was continually bolstered through the data from the survey, responses from interviews, and personal experiences from site visits.

Overall, our demographics were reasonably representative and sufficient to make reasonable extrapolations. The survey respondents were 57% male and 43% female. Additionally, 95% of survey-takers were between the ages of 16 and 31, representing the millennial consumer group well. Moreover, 70% of respondents owned or leased their car, while 27% shared with their family. This ensured that the people taking the survey have been or will be in a situation where they will need to purchase tires for their car. Of the 97% of people who owned or shared a car, 61% had purchased tires before while 39% of the respondents had not. This was how the survey then segmented-tire buyers and non-tire buyers. The goal was to contrast the experiences of those who had bought tires with the opinions of those that had not. By comparing the perceptions of those who had never bought tires to the experiences of those who had, it became evident that the true problem was the difference in opinions between these two groups.

A key perception of those who had not bought tires before was that the tire buying process was intimidating. When asked whether they found the thought of the tire buying process to be intimidating, 56% either strongly agreed or agreed with this statement. When this was further segmented out by gender, about 70% of females and 37% of males indicated that they were intimidated by this process. Furthermore, when reviewing the open-ended responses from both the survey and interviews, many people indicated that they were nervous to begin the process as tire buying is something that they have little assistance with. One interviewee stated, "I feel intimidated by the whole process. I don't know what I'm looking for". Another

survey-taker said, "I feel like I would be taken advantage of and end up paying way more than I need to." Similar sentiments were echoed by many others who had not purchased tires before.

In addition to the respondents and interviewees who expressed their trepidation about the tire buying process, the five members that made-up our research team were all very intimidated as well. All five of us had not bought tires before; if we needed a new set, we outsourced this process to our parents. Throughout our paper, "outsourcing" is a term we came to use that describes the phenomenon of Millennials going to their parents, significant other, or older family friend to help them when purchasing tires. Many millennials discover they need new tires and immediately call someone they trust to make the tire buying decisions for them. According to our survey results, nearly 64% of millennial tire-buyers outsource the tire buying process to their parents. This is a significant number of people that are turning to someone that they find to be more knowledgeable about the tire buying process in general. It further shows that the millennial buyer will try to refrain from the processes that they feel are too significant or costly to make an uninformed purchase decision.

Another perception that millennial consumers who had not bought tires before had was that tire sales personnel were untrustworthy. About 40% of those respondents indicated that they do not trust tire sales personnel. Even though this is less than half, when dealing with a characteristic such as trust, industries should always aim to raise the level of trust. Moreover, although these people have most likely never directly interacted with any tire sales personnel, seeing as they have not bought tires before, they still have this distrust embedded in them. Some comments from the open-ended questions on the survey said, "I don't trust any dealers or tire salesmen," and "They just push the most expensive tires."

In contrast, when the perceptions of those who had not purchased tires before were compared to those who had, most of the sentiments regarding their experience purchasing the tires was largely positive. Respondents were asked to rate their tire buying experience on a 5-degree bipolar scale based on four characteristics: enjoyableness, stressfulness, easiness, and quickness. 78% of those survey-takers found the process for enjoyable than not, 83% stated that it was not stressful rather than stressful, 92% found the tire buying experience to be easy rather than hard, and 78% found the experience was quick rather than slow. This shows that 80-90% of people were neutral or found the process to be easier, quicker, less stressful, and enjoyable. In addition, comments were made during the survey and interviews about the process such as, "It's always a pretty easy experience." Another survey-taker said, "It was relatively easy to find tires," and someone commented, "Pretty easy experience. Can definitely do it on my own." These open-ended responses show the major changes in attitude between non-tire buyers and tire buyers. Many people also talked about how quick buying tires was. One stated, "It was not a hard process," and another said, "It was relatively simple." Although there seemed to be presumed pain points amongst people who had never bought tires before, the aspects that intimidated many of the future tire buyers were not concerns of the people who had bought tires before. Perhaps one of the most important findings was the shift in our team's attitude toward the tire buying process. After we went in to get our tires checked, not even to purchase new tires, all five of us felt much more prepared and confident for the next time we have to buy tires. All of us agreed that it was much easier than expected and not nearly as intimidating or scary as we thought it would be.

The reality of the sales process was different than many of the opinions previously stated before. One survey respondent indicated that due to their past experiences they usually "take whatever the Auto Shop guy typically recommends." Another survey-taker said, "I personally like going into an auto shop. I have been going for a long period of time, and I know they will not rip me off." Plus, some of the people on our team had some doubts about what the sales personnel were going to be like. None of us knew much about tires, so we were afraid of getting upsold. Again, like the other times, our thoughts and hesitations were misguided. Each of us had a pleasant site visit and did not feel pressured by the sales person at all. They were helpful and gave us insight that made us more confident in the tires that we currently have. Furthermore, even though many people who had not bought tires before did not think they would trust a tire sales person, the majority of them indicated they would rather buy tires in-store rather than online. In fact, both people who had and had not purchased tires before both indicted that they would prefer to buy tires in-store via sales personnel versus online. About 74% of survey-takers stated that they would prefer to purchase tires in-store rather than online, and 72% would not use an app to buy tires. This shows that despite the increasingly digital marketplace, many millennials would prefer to buy their tires in a setting where they can tell the differences between products.

Furthermore, another finding from some of our primary research was that consumers would be willing to pay more for eco-friendly products. Based on our secondary research, it is important for companies to be environmentally conscious especially when serving the millennial buying segment. 62% of survey-takers stated that they either strongly agreed or agreed that knowing a tire-producer makes eco-friendly products makes them more likely to

purchase their tires. Moreover, 32% of the people surveyed indicated that they would be willing to pay $101+ more per set of eco-friendly tires, while 43% stated that they would be willing to pay $1-100 more per set. These results emphasize the importance for companies to invest in corporate responsibility and offer some options for environmentally friendly products (Hujar et al, 2017).

3.3 Site Visits

In order to better understand the emotions and impressions of Millennial tire buyers, each member of the team completed a site visit. We each picked a Goodyear store and had a conversation with the associates. Depending on our comfort level, we either acted like we needed tires or asked questions based on our current situation; for example, some of us had vehicles which had newer tires because we acquired them in that condition. So with the knowledge that our tires were in good shape, we asked the associate how to examine our tires and inform us on how to know when replacement would be necessary. Each of these experiences offered us insights into how we felt about the tire-buying process and allowed us to better understand our other findings. We discussed and compiled our experiences and impressions in the following section.

Prior to our Goodyear site visit research, each one of us was nervous and anxious about going into the store. Several team members put off the visit for several weeks, even though it was only for research purposes. When faced with the prospect of going into a Goodyear store, we all agreed that we were so uncomfortable with the situation that we put it off even if we were geographically close to a Goodyear store.

Each team member, none of whom had purchased tires, recounted different feelings of discomfort and intimidation. One team member noted that even though he had no intent to purchase tires, just speaking with the tire salesperson in the store felt intimidating. Another team member felt as if the salesperson would not want to waste time speaking with him as he also knew that he was not going to buy tires. They felt as if the salesperson would be annoyed with their unwillingness to purchase tires. A third person felt as if the store would be dirty and greasy and not very customer friendly. Overall, the number one feeling described prior to the visit fell along the lines of discomfort or intimidation. None of the researchers had previously been to a Goodyear store to purchase tires, but all felt intimidated. Further discussion allowed the team to draw the conclusion that these feelings were rooted in lack of experience and ability to formulate expectations about the tire-buying process.

During the visit, each researcher was greeted by a welcoming, friendly salesperson or technician who was very willing to help. In each experience, the salesperson guided the discussion and was able to help each person, even when they were unsure what they were looking for. The visits were quick but allowed us to accomplish the goal of finding the right tires for what they were looking for. One team member told the technician he worked with that he expected that his tires were in good shape. The technician in that case still went out and inspected the team member's tires and taught him how to look for all-weather certification and tread depth. All of this was completed despite the team member informing the technician up-front that his tires were probably in good shape.

Another team member reported that the interaction was incredibly easy and pleasant. He also reported that he knew very little about tires other than the make, model, and year of

his vehicle. He was still able to get a solid recommendation that met his needs despite his lack of knowledge. He proceeded to get a quote and ask questions about installation. He reported that he never felt pressured to purchase tires and found the interaction easy and informative.

The store site visits allowed team members to inform and add context to our other findings, both primary and secondary. Though our primary research led us to the conclusion that there was a disconnect between the impressions prior to purchasing and the actual experiences of purchasing, we actually had the opportunity to experience what we would have experienced as an actual consumer. This allowed us to better understand how our own preconceived notions and biases influenced our impression of the tire purchasing experience.

After the visit, each team member felt as if they had enough information to do some independent research on the tires they were quoted. Each team member reported that they had a noticeable increase in confidence after completing a site visit. Despite their conscious or subconscious preconceived notions, they did not feel pressured by the salesperson and each team member felt that they could confidently go back to that store when they need to purchase tires. Each researcher agreed that the next visit would be much less stressful and they would not feel intimidated now that they know what to expect. As our primary research revealed, the perceptions they had of the process prior to visiting the store proved to be incorrect as there was no reason for them to be intimidated.

Our conversations about and understanding of the underlying problems were greatly informed by our own individual site visits. When combined with other primary research findings, we were able to draw significant conclusions from our primary research.

3.4 Discussion of Primary Research Results

The findings in our primary research support or conclusions from our secondary research. In our secondary research, we identified three major trends in Millennial consumer behavior: a desire to choose environmentally friendly and ethically sourced products, a need for quick access to large amounts of information, and the extensive use of social reference groups. Our primary research allowed us to formulate questions that would examine how these "macro-market" trends manifest in the tire-buying process. Our primary research findings indicate to us that Millennial consumers are willing to invest more in tires that are sustainably sourced and build a relationship with a firm that is committed to producing environmentally-friendly products. In addition, our primary research indicated that Millennial consumers would like to have more information before purchasing tires and would utilize direct and indirect social reference groups to inform their decision.

Earlier, we discussed how Millennials are changing the landscape with their concern for the environment. Our survey indicated that this trend would hold true for tires as well. In order to determine how committed Millennials were to improving the environment, we asked them to specify a dollar premium (an amount over a normal purchase price) they would be willing to pay for environmentally friendly products. Our findings indicate that 73.3% of respondents would be willing to pay at least $100 more for an environmentally friendly set of tires. In addition, 57.8% of respondents said that would be more likely to buy from a producer who offered eco-friendly products. These survey results confirm that our secondary research findings hold true to tire-buying.

In addition to increased concern over the environment, Millennials are increasingly concerned with having information at their fingertips. Our discussion on Millennials desire for instant gratification was less focused on satiating a need directly; instead, our discussion focused on Millennial's desire to access information about the product they are purchasing. Millennials, more than any other generation in the past, is willing to absorb more information, whether legitimate or illegitimate, and filter through it later. For example, Millennials are inclined to access consumer reviews. Consumer reviews offer a tremendous amount of widely varied information that Millennials can use as a reference point for decision making. In fact, our survey indicates that 90.2% of respondents would use consumer product reviews prior to making a decision.

These consumer reviews also reflect a third trend characteristic on Millennial consumers: the use of social reference groups. Millennials are very in-touch with their peers. Their opinions are incredibly influential to their decision making. Our survey indicates that in addition to consumer reviews, Millennials are likely to seek help when making a decision to buy tires; in fact, 55% of consumers were helped by a parent in making their decision. This supports an increased focus on seeking channels to increase peer-to-peer, or "word-of-mouth", marketing.

4. Recommendation to Goodyear

As we have discussed, the main problem with the tire buying process is the perception that millennials have about it. To combat the negative perceptions, our recommendation to Goodyear is to develop an informational marketing campaign targeted at millennials. This

marketing campaign should be designed to educate them about three key areas: the basics of tire maintenance, how to pick the right tires for a vehicle, and what to do when tires are needed. We believe that the best way to change millennials perceptions of the tire buying experience is to provide them with more information about it. A marketing campaign of this nature could largely take place through well-established communication channels that have large exposure to millennials, such as ads on YouTube, Pandora, and various social media platforms. On YouTube, short video ads could take a humorous twist on common scenarios. For example, a clip could show a millennial getting a flat, pulling to the side of the road, and then calling his parents after looking at the flat tire in bewilderment. "Mom, I think I have a flat tire." The clip could then take the next 15-20 seconds to have the mom give the son a quick lecture on what to do, making the whole process seem easy. Audio ads on Pandora could follow a similar theme. Narrator: "Picture this, you need new tires." Millennial: "What?!! Where? What do I do?" Narrator: "Don't panic, go to Goodyear." On social media, simple infographics could be created to illustrate "How to pick the right tire for your car," "The three easy steps to getting your tires replaced," "The five things you need to know to sound like a tire-pro," and "How to change a flat tire."

A framework commonly used in marketing describes the consumer buying process as a series of five steps: need recognition, information search, alternative evaluation, purchase decision, and post-purchase. An informational marketing campaign would be targeting the information search step for millennials. Consumers search for information through both internal and external searches. An internal search consists of consumers relying on their own knowledge or past experiences to help guide their purchasing decision while an external search

consists of consumers looking to outside sources (web, catalog, peers) to guide the purchasing decision. In the case of millennials, there is a widespread lack of internal knowledge to rely on during the buying process. Furthermore, we hypothesize that it is this lack of internal information that is causing millennials to have a negative perception of the process even before they begin it. By helping the millennial consumer base to be more informed about tires, and the tire buying process in general, we believe that Goodyear could significantly improve the perceptions that millennials have of the process. In addition to improving the perceptions held by millennials, we also believe that a marketing campaign such as we are describing would be specifically addressing the desire of millennials to be more informed about general car maintenance. Through our survey, we found that millennials overwhelmingly (83%) wished they knew more about general car maintenance. We also received many comments through our open-ended responses and interviews that supported that finding. Selected comments are included in the table below.

Exhibit 1. Selected comments demonstrating desire for education
"A lot of online sites and store websites use various technical terms that may be hard for the average car owner to understand."
"Not many college students know how to buy tires or what kind of tires are best for their car. I wish there was a free class on automobile maintenance."
"I would love to be more educated on the process before I buy. My lack of education makes me feel like I would make a bad purchase decision."

"I want to be involved in the tire process, but I'm not super informed. It's hard to make decisions when you don't know what you're talking about."

4.1 Limitations of Research

Our research was conducted on college students from The University of Akron. While we surveyed a large group of students from all walks of life, it is still only representative of college-attending millennials. Furthermore, the majority of our respondents were business majors. Due to these factors it is possible that there are views of the tire-buying process that were not captured through our research.

Several sections of our survey were only available to answer based on answers to previous questions. For example, a millennial who had not yet purchased tires would only be asked questions that gauged perception, rather than evaluating the purchasing experience. On the flip-side, millennials who had purchased tires were asked questions about the actual experience, not what they thought it would be like. Thus the questions that we asked each group (purchasers/non-purchasers) differed in nature and did not allow us to directly contrast the thoughts of those had purchased versus those who didn't on some topics. In coming up with our conclusions we often had to compare the responses from different questions, extrapolating to identify the general feelings of each group. If we had intended to focus our research on contrasting perceptions, we would have structured our survey in such a way as to tie the questions asked of each group more closely together for ease of interpretation.

4.2 Suggestions for Further Research

To properly develop an information campaign to reach the millennial market, we would suggest that Goodyear conduct further research on root cause of the perceptions held by millennials. As mentioned, it is only our hypothesis that these perceptions are driven by the lack of internal knowledge. We began our primary research with the goal of identifying the pain points in the process, not knowing that what we were dealing with was just a perception issue. Thus, we believe it would be prudent to have more information specifically related to perceptions before undertaking any significant investment. Future research should ask questions of participants that can be directly contrasted between those who have purchased tires and those who have yet to.

4.3 Conclusion

We began this project last fall with the intention to discover what it was about the tire buying process that was so unpleasant to millennials. What we discovered through our research went against the assumptions we started with. Our research led us to conclude that the biggest issue facing millennials in regards to tire buying is the negative perception that they have of the process. This conclusion is especially insightful because it encourages key decision makers to shift their focus away from traditional process improvement to other areas, such as public relations or information dissemination. In other words, the part of the process that needs to be improved is the perception of the process itself. If Goodyear were to take action based upon our findings, they should focus on ascertaining why these negative perceptions exist and how they can combat them to develop relationships with new customers.

References

Adkins, A. (2013, June 10). Why Amazon is Killing it with Millennials (and Advertisers). Retrieved from http://engage.synecoretech.com/marketing-technology-for-growth/bid/181115/Why-Amazon-is-Killing-it-with-Millennials-and-Advertisers

Agrawal, A. (2016, August 03). 6 Things To Know About Marketing To Millennials. Retrieved May 11, 2017, from https://www.forbes.com/sites/ajagrawal/2016/08/03/6-things-to-know-about-marketing -to-millennials/#193a413e7f2c

Aruna, S. and Santhi, P. (2015). Impulse Purchase Behavior Among Generation-Y. *The IUP Journal of Marketing Management*, 14(1): 21-33. Retrieved from Business Source Complete database.

Beauchamp, M. and Barnes, D. (2015). Delighting Baby Boomers and Millennials: Factors that Matter Most. *Journal of Marketing Theory and Practice*, 23(3): 338-350. Retrieved from Business Source Complete database.

Bonnett, M. (2016). Private Label Food Trends-US-February 2016. Retrieved February 04, 2017, from http://academic.mintel.com/display/763455/

Bucuta, Anca (2015). A Review of the Specific Characteristics of the Generation Y Consumer. *International Conference 'Marketing - from Information to Decision' 8th Ed.* Retrieved from Business Source Complete database.

Del Rey, J. (2017, January 31). Walmart is going after Amazon Prime with free two-day shipping and no membership fee - Recode. Retrieved from http://www.recode.net/2017/1/31/14448274/walmart-free-two-day-shipping-amazon-prime-35

Donoughe, L. (2016, October 24). Wines Millennials Want: Five Stand-Out Qualities Millennials Are Looking For - Wine Industry Advisor : Wine Industry Advisor. Retrieved from http://wineindustryadvisor.com/2016/10/24/wines-Millennials-want-five-stand-out-qualities

Donoughe, L. (2017, January 23). The value of alignment in the Millennial market. Retrieved from http://www.bizjournals.com/bizjournals/how-to/marketing/2017/01/the-value-of-alignment-in-the-Millennial-market.html

Fry, R. (2015, May 11). Millennials surpass Gen Xers as the largest generation in U.S. labor force. Retrieved May 11, 2017, from http://www.pewresearch.org/fact-tank/2015/05/11/millennials -surpass-gen-xers-as-the-largest-generation-in-u-s-labor-force/

Hujar, A., Nelson, B., Kirian, T., Ohrn, C., & Hojnacki, J. (2017, April 30). *Honors Forum Primary Research* [Survey Results, Interview Notes & Site Visit Narratives]. Akron, OH.

Kieler, A. (2016, September 27). Nearly 70% Of Consumers Rely On Online Reviews Before Making A Purchase. Retrieved May 11, 2017, from https://consumerist.com/2015/06/03/nearly-70-of-consumers-

Kurtz, A., & Yellin, T. (n.d.). Millennial generation is bigger, more diverse than boomers. Retrieved May 11, 2017, from http://money.cnn.com/interactive/economy/diversity-millennials-boomers/

Naeini, A., Dutt, A., Angus, J., Mardirossian, S., & Bonfanti, S. (2015). A Shoe for a Shoe, And a Smile. *Business Today*, *24*(11), 90-95.

Nanninga, M. (2016). Oral Care-US-June 2016. Retrieved February 04, 2017, from http://academic.mintel.com/display/774565/?highlight

Newman, D. (2015, April 28). Research Shows Millennials Don't Respond to Ads. Retrieved May 11, 2017 from https://www.forbes.com/sites/danielnewman/2015/04/28/research-shows-millennials-dont-respond-to-ads/#473f80c35dcbrely-on-online-reviews-before-making-a-purchase/

Reisenwitz, T.H. & Iyer, R. (2009). Differences in Generation X and Generation Y: Implications for the Organization and Marketers. *Marketing Management Journal, 19(2), 91-103.*

Schawbel, D. (2015, January 20). 10 New Findings About The Millennial Consumer. Retrieved May 11, 2017, from https://www.forbes.com/sites/danschawbel/2015/01/20/10-new-findings-about-the- millennial-consumer/#2a9bcafc6c8f

Smith, A., & Anderson, M. (2016, December 19). Online Shopping and E-Commerce. Retrieved February 2, 2017, from http://www.pewinternet.org/2016/12/19/online-shopping-and-e-commerce/

Smith, J. (2012, December 10). The Companies with the Best CSR Reputations. Retrieved May 11, 2017 from https://www.forbes.com/sites/jacquelynsmith/2012/12/10/the-companies-with-the-best-csr-reputations/#41d3fd844404

Smith, K. and Brower, T. (2012). Longitudinal study of green marketing strategies that influence Millennials. *Journal of Strategic Management*, 20(6): 535-55.1 Retrieved from Business Source Complete database.

Tom's of Maine. (2017). Retrieved February 01, 2017, from http://www.tomsofmaine.com/company

Tyson, M. (2016, January 20). Millennials Want Brands To Be More Authentic. Here's Why That Matters. Retrieved May 12, 2017, from http://www.huffingtonpost.com/matthew-tyson/ millennials-want-brands-t_b_9032718.html

Understanding the Millennial Consumer. (2012). *Trends Magazine,* (113), 5-9

Vijay, V. and Varsha, J. (2013). A dual system approach to understanding "generation Y" decision making. *Journal of Consumer Marketing*, 30(6): 484-492.