Why Americans Are Keeping Their Vehicles Longer And Creating More Auto Warranty Opportunities

Description

By James Schulze

This article discusses how Americans are now holding on to their vehicles longer, and how this trend is increasing opportunities for auto warranty companies. It also explains the different auto warranty leads and how they can best be used to sell more auto warranties.

Americans are keeping their vehicles longer. A primary driver behind the increased length of ownership is the rising cost of vehicles. Car prices rose fast between 2021 and 2026. New cars hit **$49,855**, showing a **4.0%** CAGR up from **$41,000**. Used cars reached **$32,461**, showing a **2.9%** CAGR up from **$28,100**.

For auto warranty companies, that creates opportunity as the vehicle service contract (VSC) marketplace is growing. The U.S. auto extended warranty and VSC marketplace grew at a CAGR of **3.8%** from 2021 to 2026, reaching a total market size of **$42.3 billion**.

Older vehicles are more likely to be outside their original manufacturer warranties and face increasingly expensive repairs as mileage accumulates. Consumers planning to keep their vehicles longer have more reason to consider how they will handle unexpected repair costs.

Auto warranty companies that want to take advantage of this growth are using auto warranty leads, aged auto warranty leads, real-time auto warranty leads, and direct mail auto warranty data to pick up market share (read our blog, â??What Are Auto Warranty Leads? A Complete Guide For Automotive Marketersâ?•).

Americans are driving older vehicles

According to S&P Global Mobility, the average age of passenger cars and light trucks in the United States continues to reach record levels as consumers keep their vehicles longer. The reasons arenâ??t complicated. New vehicles are expensive. Financing a replacement can mean taking on a significant monthly payment and interest expense. Auto insurance costs have also increased. And, to cope with high vehicle prices, according to Edmunds, a record **23.9%** of new car buyers now take out 84-month loans or longer to lower their monthly payments. Longer loans generally mean longer vehicle ownership.

For someone driving a reliable vehicle that is paid off, or stuck with a 7-year loan, keeping a vehicle can make financial sense or be required based on the loan length. But keeping a vehicle longer doesnâ??t eliminate costs. It changes them. Instead of taking on a new car payment, the consumer assumes greater risk of repairs as the existing vehicle ages.

Older vehicles create financial risk

Modern vehicles can remain on the road for a long time, but they arenâ??t inexpensive to repair. As vehicles age and accumulate mileage, components wear out. Electronics fail. Air conditioning systems, transmissions, engines, and other major components can create substantial unexpected expenses.

A recent catalyst to rising repair costs is the new tariffs. They have significantly increased the cost of car parts, driving up prices for both auto manufacturers and everyday drivers. The primary cause is a broad **25%** Section 232 tariff on foreign-made auto parts. Because the automotive supply chain is deeply global, these taxes hit almost every component used to build or fix a vehicle.

A consumer may keep an older vehicle specifically to avoid a large monthly payment, only to face a repair costing thousands of dollars. An auto warranty or VSC can provide another way to manage that financial risk, depending on the coverage purchased.

For auto warranty companies, more older vehicles means more consumers who may have a reason to consider protection.

The opportunity begins before a vehicle gets old

The auto warranty opportunity doesnâ??t begin only when a vehicle becomes old. A consumer with a vehicle that is approaching the end of a manufacturerâ??s warranty may start researching extended coverage. Someone purchasing a used vehicle may investigate protection before or shortly after taking ownership. Another consumer may decide they intend to keep their current vehicle much longer than originally planned.

Auto warranty companies can reach these consumers through real-time auto warranty leads, aged auto warranty leads, and targeted direct mail data. Each requires a different marketing strategy.

Real-time auto warranty leads capture current interest

Real-time auto warranty leads allow companies to reach consumers shortly after they express interest in coverage. That makes speed-to-lead critical.

At The Leads Warehouse, many auto warranty leads are generated through co-registration (co-reg). During another online consumer experience, a consumer is given an opportunity to express interest in receiving information about auto warranty coverage.

Companies purchasing real-time leads need the technology to immediately receive the lead, route it to a salesperson, and begin the contact process.

Vehicle information can also strengthen the opening. An agent who knows the consumerâ??s vehicle can establish context around the specific car they own instead of beginning with a generic pitch.

Fresh intent has value, but the sales organization needs to act on it. An auto warranty company must be able to accept real-time auto warranty leads on an API posting and contact the leads within **8** seconds of the posting.

Aged auto warranty leads can become more relevant over time

Longer vehicle ownership creates an interesting opportunity for aged auto warranty leads. Normally, marketers assume consumer intent depreciates over time. Auto warranty leads can be different because the vehicle itself is aging.

A consumer who expressed interest six months ago now owns a vehicle that is six months older with additional mileage. Someone shopping for a vehicle when the lead was generated may now own it. A manufacturerâ??s warranty may be closer to expiration or already expired. The consumerâ??s need for protection could therefore be greater today than when the lead was originally generated. Since the original manufacturer warranty is almost certainly lower than the record 84-month financing terms, aged auto warranty leads create opportunities with these car buyers.

That doesnâ??t mean every aged lead improves with age. Vehicles are sold, and circumstances change. But aged auto warranty leads can represent legitimate timing opportunities rather than simply older inquiries.

Their lower cost per lead (CPL) allows companies to work significant volume within their marketing budget (read our blog, â??Auto Warranty Leads Prices In 2026 â?? What Companies Should Expect To Payâ?•). With the right dialer, CRM automation, scripting, and follow-up, companies can continually look for consumers whose timing has changed.

Direct mail is huge for auto warranty

Direct mail remains a major marketing channel for auto warranty companies, and it provides another way to capitalize on Americans keeping their vehicles longer. Unlike an opt-in auto warranty lead, direct mail doesnâ??t require the consumer to have recently requested information about vehicle protection. Instead, companies can use accurate consumer and vehicle data to identify the audiences they want to reach.

At The Leads Warehouse, we provide auto warranty data for direct mail campaigns. Available data can include:

- Vehicle year

- Vehicle make
- Vehicle model
- Geography
- Other consumer and vehicle attributes

This allows an auto warranty company to proactively reach owners of vehicles that fit its target criteria. Since direct mail does not fall under TCPA regulations, companies can use targeted data with detailed consumer demographics. These demographics can include accurate vehicle information that is normally not collected at the time of opt-in with an Internet lead. Direct mail VSC companies must remember compliance rules related to the U.S. Postal Service.

As Americans keep vehicles longer, that targeting becomes particularly relevant. Companies can build campaigns around vehicles approaching the ages or stages where additional protection may become important.

Different channels create different opportunities

Real-time leads, aged leads, and direct mail consumer data each serve a different purpose.

- **Real-time auto warranty leads â??** These leads provide fresh consumer intent and require immediate activation. The auto warranty companyâ??s tech stack must include a CRM or dialer that can take API postings.
- **Aged auto warranty leads â??** These leads provide lower-cost volume and require persistence, automation, and appropriate scripting. The auto warranty tech stack is equally important, as dispositions on high-volume calls can create target lists for future campaigns.
- **Direct mail auto warranty data â??** These data allow companies to proactively target vehicle owners without waiting for a recent online inquiry. Direct mail leads require specific scripting, and agents must be trained on inbound call best practices.

Companies donâ??t necessarily need to choose one channel. A diversified auto warranty marketing strategy can use all three lead types to reach consumers at different points in the vehicle ownership cycle.

Since inbound calls, SMS, and emails are almost always required for auto warranty companies, standard practices including caller ID management, 10DLC registration, and email domain authority are critical for success.

Conclusion

The trend of Americans keeping their vehicles longer is changing the automotive market. Consumers may avoid the expense of replacing a vehicle, but they assume greater responsibility for maintaining and repairing the one they already own. As vehicles age, accumulate mileage, and move beyond manufacturer warranties, protection against unexpected repairs can become increasingly relevant. For auto warranty companies, that creates multiple opportunities. Real-time auto warranty leads identify consumers expressing current interest. Aged auto warranty leads provide volume and opportunities where timing may have changed. And, direct mail data allows companies to proactively reach vehicle owners who fit their target audience.

The Leads Warehouse has worked with automotive marketers for more than 20 years. We provide aged and real-time auto warranty leads with vehicle information, along with targeted auto warranty data for direct mail campaigns. Are you ready to talk about how you can grow your auto warranty sales pipeline?

About the author

James Schulze is the President and CEO of The Leads Warehouse, a marketing data company with over 20 years of experience in bringing lead generation solutions to companies selling into the home, automotive, financial, insurance, health and life, and legal sectors. He works directly with clients to optimize conversion strategies and ROI across multiple verticals.

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If you would like more information on how you can grow your auto warranty sales, give The Leads Warehouse a call at **1-800-884-8371** or visit our website at https://theleadswarehouse.com.

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