

Younger and upper-income car buyers are rethinking their need for a new vehicle – GfK AutoMobility research

Above-MSRP prices and economic uncertainty are driving key auto intenders to consider used options

NEW YORK, NY, UNITED STATES, September 8, 2022 /EINPresswire.com/ -- For many drivers, buying or leasing a new vehicle every few years has become a default strategy – especially among young drivers and those earning over \$100,000 a year. But economic unrest, vehicle shortages, and price tags routinely exceeding the Manufacturers Suggested Retail Price (MSRP) have led some auto “intenders” to think the unthinkable – that “used” may be an option worth considering.

According to July 2022 insights from GfK [AutoMobility™](#), intending not to buy a new vehicle is now at its highest level in the US since 2016, with 57% of all consumers saying that have no intention to purchase a new car.

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This trend is strongest among generations who arguably matter most to car makers: Generations Y (ages 25 to 42) and X (43 to 57). GfK data shows that, among likely car buyers (“intenders”) in these key age groups, only 37% plan to buy a new car in the next 2 years – down from 45% in July 2020. Levels are similar for those intending to get a new or used vehicle in the next 3 months, 6 months, or 1 year.

The move away from new car purchase also cuts across income groups. Among 3-month “intenders” earning \$50,000 to \$100,000 a year, 44% are planning to get a new vehicle – a drop of 10 points from the level two years ago (54%). But even households earning \$150,000 or more are backing away from a “new-or-bust” strategy; while 72% of 3-month intenders in this income group now say they expect to buy a new car, that is 5 points below the level (77%) at the beginning of this year (January 2022).

Almost one-fifth (19%) of 3-month intenders in the \$100,000 to \$150,000 income group are equally considering new and used vehicles, and another 21% are looking at used cars only.

The industry has even seen the new-vehicle decline hit its most successful category of recent years – Full-Size Pickups, with demand for “FSPs” falling for the first time in two years among

near- and long-term intenders. Although the drop from 11% to 10% of all intentions – and 9% to 8% of 3-month intentions -- may seem small, it represents the first about-face in the seemingly unstoppable growth of FSPs over the past 2 years.

“Consumers buying new cars is the life blood of the auto industry – the best way for dealers and OEMs to maximize revenue and profits,” said Julie Kenar, Senior Vice President at GfK AutoMobility. “But intenders can only tolerate so many headwinds – gas prices, inflation, and the highest prices for a new car that the industry has ever seen. OEMs and dealers need to consider what this shift could mean for them in the long term; if dyed-in-the-wool new car buyers – especially young ones – find that going used is not such a bad deal, after all, that has major implications for the status quo.”

GfK AutoMobility™ is the leading Auto Intenders Brand and Attitude Insights research in the US. Since 1982, GfK’s Automotive Purchase Funnel has been the bedrock for analysis and insights throughout the automotive industry. The funnel consistently tracks performance throughout each stage of the purchase process, determines competitive strengths and weaknesses, assesses consumer responses to marketing actions, and provides you with overall guidance and diagnostics for managing marketing actions.

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