



Extended Warranty Market Expected to Reach \$284.7 Billion by 2032 with an 8.4% CAGR | Featuring Asurion, CARCHEX

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NEW CASTLE, DE, UNITED STATES, October 14, 2024 /EINPresswire.com/ -- Allied Market Research published a report, titled, "[Extended warranty Market](#) by Coverage (Standard Protection Plan and Accidental Protection Plan), Applications (Automobiles, Consumer Electronics, Home Appliances, Mobile Devices & PCs, and Others), Distribution Channel (Manufacturers, Retailers, and Others), and End User (Business and Individuals): Global Opportunity Analysis and Industry Forecast, 2023–2032". According to the report, the global extended warranty market was valued at \$129.7 billion in 2022 and is estimated to reach \$284.7 billion by 2032, exhibiting a CAGR of 8.4% from 2023 to 2032.

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Additionally, the growing demand for extended coverage is fueled by consumers' inclination toward longer vehicle ownership periods, surpassing the manufacturer's original warranty coverage. The growth of the extended warranty market is fueled by rise in demand for protection against unforeseen product failures, and the integration of advanced technologies to streamline operations and improve customer satisfaction. On the other hand, increased adoption of smartphones, computers, home appliances, and other similar products foster the growth of the extended warranty market. However, unit shipment for personal computers (PC) have been on the decline globally and thus, the decline in sales of PCs have lowered the demand for extended warranty policies.

The extended warranty market is a component of the insurance industry that allows customers to purchase additional coverage beyond the regular manufacturer warranty for a variety of products, mainly vehicles, electronics, appliances, and other high-value items. Usually offering insurance against unforeseen repair expenses or malfunctioning devices after the manufacturer's warranty has expired, extended warranties shield consumers against these risks. Often providing coverage for several years after the manufacturer's initial warranty, these warranties can cover maintenance services, repairs, and occasionally even replacement parts for

a defined amount of time. Rising vehicle complexity, with modern cars featuring advanced technologies leading to pricier repairs, primarily propels the market.

An extended warranty, sometimes called a service agreement, a service contract, or a maintenance agreement, is a prolonged warranty offered to consumers in addition to the standard warranty on new items. Extended warranty is offered by the warranty administrators, retailers or manufacturers. These types of warranties are provided for various products; however, automobiles and electronics are common examples. Warranties which are sold through retailers such as Best Buy may include significant commission for the retailer as a result of reverse competition.

Prime Determinants of Growth

The extended warranty market is expected to witness notable growth owing to surge in awareness for extended warranty and rise in penetration of laptops, smartphones, and tablets. Moreover, expansion of products and services and untapped potential of emerging economies are expected to provide lucrative opportunities for the growth of the market during the forecast period. On the contrary, decline in sales of PCs limit the growth of the extended warranty market.

The standard protection plan segment to maintain its leadership status throughout the forecast period

Based on the coverage, the standard protection plan segment held the highest market share in 2022, accounting for more than three-fourths of the global extended warranty market revenue and is estimated to maintain its leadership status throughout the forecast period. This is primarily attributed to a range of factors, including the rise in need for manufacturers to assure product quality and reliability, growing compliance with industry standards and regulations, and the increase in need for risk mitigation & liability management. However, the accidental protection plan segment is projected to attain the highest CAGR of 11.5% from 2023 to 2032. This can be attributed to growing awareness of the potential financial risks associated with accidental damage has led consumers to seek additional protection beyond standard warranties. Furthermore, the growth of e-commerce platforms and online retailing has made it easier for consumers to access and purchase accidental protection plans along with their products. The convenience of adding these plans to their online purchases has contributed to the increasing adoption of accidental protection plans among consumers.

The manufacturers segment to maintain its leadership status throughout the forecast period

Based on the distribution channel, the manufacturers segment held the highest market share in 2022, accounting for around half of the global extended warranty market revenue. This is attributed to manufacturers providing aftermarket products and extended warranty by covering specific parts or certain types of defects. Moreover, under manufacturer distribution channel,

extended warranties cover repair of consumer durable goods, cost of replacement, and other such defects caused from a manufacturing defect or poor workmanship. However, the retailer's segment is projected to attain the highest CAGR of 9.4% from 2022 to 2032. This is due to the fact that they partner with third-party warranty providers or collaborate with manufacturers to provide extended warranty plans as optional add-ons at the time of product purchase. Hence, consumers seek to purchase extended warranty services from retailers, which in turn, drive the market growth. In addition, retailers provide claim handling and administrative services to their customers, which accelerate the growth of retailers in the extended warranty market.

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The automobiles segment to maintain its leadership status throughout the forecast period

Based on application, the automobiles segment held the highest market share in 2022, accounting for nearly one-third of the global extended warranty market revenue. Car manufacturers and their dealers use extended warranties to acquire new customers and retain existing customers and to maintain brand loyalty for their product offerings. This, therefore, is one of the major trends for the market growth. Furthermore, extended warranty plans are offered by auto dealers and manufacturers at the time of vehicle purchases, which are typically included in price of vehicles. However, the home appliances segment is projected to attain the highest CAGR of 10.7% from 2022 to 2032. Consumer electronics providers largely offer extended warranties, as these helps improve customer retention and loyalty with low-cost marketing plans. Therefore, it is one of the major factors for the market growth. Furthermore, to provide better user experience, retailers and home appliance providers are partnering to enhance awareness and benefits of extended warranty plans by educating buyers about available products and services.

The individual's segment to maintain its leadership status throughout the forecast period

Based on end user, the individuals segment held the highest market share in 2022, accounting for nearly two-thirds of the global extended warranty market revenue. This is attributed to rise in demand for customized plans and several benefits & schemes provided under extended warranty to individual consumers propel the market growth. Furthermore, damage caused by theft, unauthorized repair, burglary & accident such as earthquake, storm, malicious damage and battery leakage are largely covered under extended warranty for personal users. However, the business segment is projected to attain the highest CAGR of 10.4% from 2022 to 2032. This surge can be attributed to business consumers who often consider extended warranties as a means to protect their investments in high-value equipment and technology, ensuring operational continuity and minimizing financial risks. In addition, manufacturers are producing high-quality product warranties against failure, breakage, or other problems.

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North America to maintain its dominance by 2032

Based on region, North America held the highest market share in 2022, accounting for nearly one-third of the global extended warranty market revenue. This is attributed to the introduction of complex and sophisticated consumer products, along with the growing consumer awareness to ensure the longevity and reliability of their high-value purchases. Further, the significant presence of government authorities and regulatory agencies to provide better consumer protection services is contributing to the market growth within the region. However, the Asia-Pacific is projected to attain the highest CAGR of 11.1% from 2022 to 2032. This surge can be attributed to growing focus on after-sales services and increased customer-centric extended warranty solutions tailored to the diverse needs of the Asia-Pacific consumer market. In addition, supportive government efforts to promote consumer protection standards across the developing economies in Asia-Pacific have increased the demand for extended warranty, particularly in China, Japan, and India, which, in turn, is expected to foster the growth of the extended warranty market.

Leading Market Players: -

AXA
AMERICAN INTERNATIONAL GROUP, INC.
ASSURANT, INC.
AMTRUST FINANCIAL
ASURION
CARCHEX
CARSHIELD
ENDURANCE WARRANTY SERVICES, LLC
EDEL ASSURANCE
SQUARETRADE, INC.

The report provides a detailed analysis of these key players in the global extended warranty market. These players have adopted different strategies such as product launch, partnership, and agreement to increase their market share and maintain dominant shares in different regions. The report is valuable in highlighting business performance, operating segments, product portfolio, and strategic moves of market players to showcase the competitive scenario.

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