Majority of Americans Would Consider Buying Used Vehicles

Dealerships that sell both used and new vehicles are most popular place to buy used cars

DETROIT, Dec. 3, 2019 /PRNewswire/ -- Nearly 70 percent of Americans (69%) would be likely to consider a used vehicle for their next auto purchase, according to a survey from Ally Financial conducted online by The Harris Poll among more than 2000 American adults.

Even though 69% of Americans would be likely to consider used vehicles for their next vehicle, they expressed concerns about their reliability and repair needs, the survey found.

More than half of consumers (53%) said they would feel most comfortable buying used vehicles at a dealership that sells both new and used vehicles. This was much higher than any other category, including purchasing the car from another individual (12%), a used-vehicle-only dealership (10%), and nearly seven times higher than purchasing from an internet-based company (8%).

"While there's a lot of hype around internet auto sales within the industry, the majority of consumers are most comfortable purchasing at a franchise dealer who is part of the community and where they can ask questions," said Matthew Arnold, senior regional vice president of Auto Finance at Ally Financial. "The challenge is for car buyers to feel more confident about their shopping experience and purchase, and the internet is a great resource for consumers before visiting a dealership."

According to the survey, consumers would be more likely to purchase a used vehicle over a new vehicle with the following attributes:

- Higher-quality used vehicles (40%)
- Vehicle certified by dealer or factory (39%)
- Detailed maintenance/repair history report of the vehicle (36%)
- A vehicle service contract that extends the warranty or covers major repairs (34%)

Used car owners say they currently own used because:

- It was less expensive than a new vehicle (61%)
- They liked the brand/model of the used vehicle (40%)
- They were able to get more car for their money (34%)

New vehicle owners/lessees indicate that reliability and warranty concerns were a bigger factor in choosing new vehicles than a desire for having the latest model. Their top reasons for currently owning/leasing new vehicles are:

- They prefer being the first driver/owner (38%)
- They prefer the peace of mind of having a factory-backed warranty (35%)
- They are concerned about the reliability and future repairs of a used vehicle (33%)
- They prefer having the latest model (12%)

A previous Ally survey found that even though consumers are buying used vehicles many still holdoutdated perceptions.

"With new vehicle prices approaching $38,000, it's a good time to have a refreshed look at used vehicles," Arnold said. "Vehicle quality from the factory has greatly improved in recent years and that is carrying over to the used vehicle market. Yet, there are still several common-sense steps consumers should take before purchasing," Arnold added.

Arnold recommends the following steps when researching used vehicles:

- **Get a vehicle history report –** The minimal cost is worth the investment, and some car dealers will provide it for free upon request.
- **Consider buying certified pre-owned (CPO)**– CPO vehicles are backed by the manufacturer and are a good option for used car buyers concerned about reliability.
- **Give yourself peace of mind with a service contract**– Vehicle service contracts can help cover unexpected repairs and replacements parts.
- **Do your homework** – Go online and check independent sources on vehicle reliability and dealership reviews. You can also check the local market value for a specific model based on its mileage and condition.

To learn more about car buying and ownership, go towww.ally.com/do-it-right/car.

Methodology: The survey was conducted online by The Harris Poll on behalf of Ally Financial from May 7-9, 2019, among 2,012

U.S. adults ages 18 and older. This online survey is not based on a probability sample therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variable and subgroup sample sizes, please contact Ally Financial public relations.

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