

Your monthly source of expert, high-quality data and opinion piece on the used car business

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Why do OEMs need to track their network UC performance?



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In today's volatile automotive landscape, Used Cars (UC) have shifted from being a secondary business line to becoming a strategic lever for OEM profitability. As new vehicle (NV) production remains unstable and margins continue to tighten, the UC market offers a vital opportunity to preserve brand value and support dealer networks.

However, despite its growing importance, UC performance remains a blind spot for many OEMs.

A strategic blind spot

Why UC performance remains unclear for OEMs?

The UC performance remains a blind spot for many OEMs due to the fragmented nature of the market. Unlike the NV market, where brands benefit from centralized systems and structured reporting, UC operations are typically managed through diverse tools and with greater dealer autonomy. This weaker connection between the OEM and the retail network leads to **inconsistent data, limited visibility, and difficulty in monitoring core performance indicators such as pricing, stock rotation, and listing quality.**

Yet, in a context where NV profitability is under pressure, UC performance must become a strategic focus and that starts with understanding how the network performs.

What should OEMs track?

To build an effective UC strategy, we recommend manufacturers to start with a consistent set of KPIs across their markets. The most actionable indicators include:

- **Stock level and vehicle age** - to optimize inventory turnover and availability.
- **Price positioning vs. market value** - to ensure competitiveness and avoid margin erosion.
- **Time to sell** - to monitor the efficiency of sales processes.
- **Brand retention** - to control the current prices and the residual values of used cars.

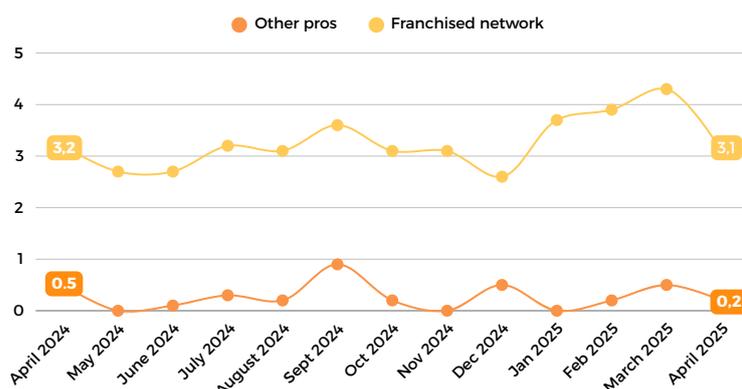
These metrics are not only vital for sales performance but also play a crucial role in protecting Residual Values (RVs): the golden KPI when it comes to long term brand strength and financial products.

Ongoing pricing pressure across Europe

The market gap measures the difference between a vehicle's true market value and its advertised price—an essential gauge of pricing strategy. A positive gap (when advertised prices exceed those of their market value) indicates stronger pricing power and a better trade-in value.

Over the past year in Spain, one of the top three brands has shown that its official dealers can achieve a higher market gap than independent professionals. This pattern highlights the benefits of brand retention: if more used cars remain within the official network, the brand will have better control over pricing and be able to protect residual values. In other words, higher brand retention drives a more positive market gap, allowing official dealers to maintain stronger margins and enhance the brand's reputation in the used-car market.

Average market gap Spain (%)



Source: autobiz, vehicles 0-96 months

More than performance: boosting online visibility

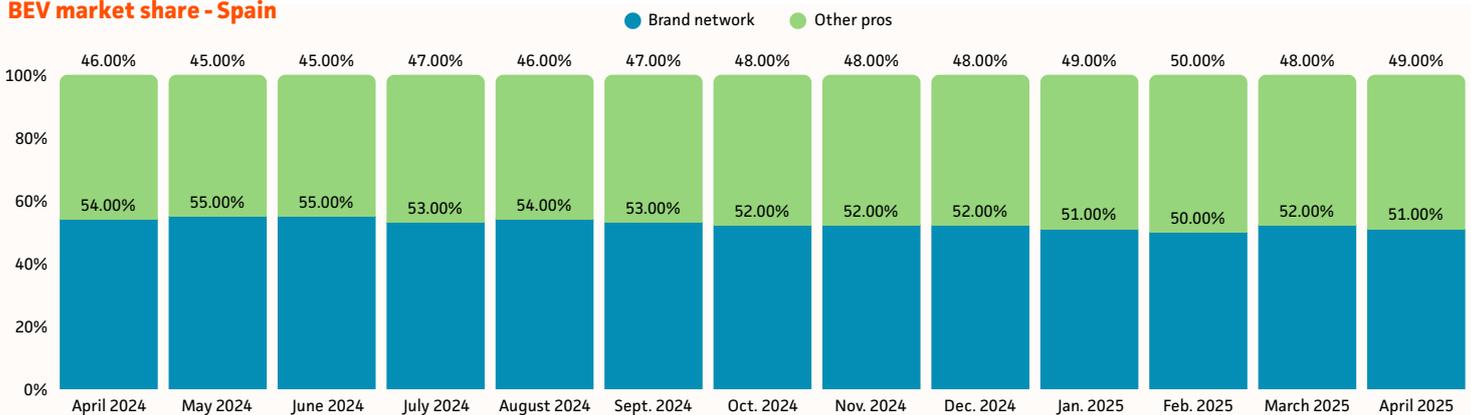
Tracking KPIs is only the first step. To truly elevate their UC businesses, OEMs must go one step further by **defining clear brand guidelines for their networks**. This includes:

- **Standards for online listings** (e.g., number of photos, vehicle descriptions).
- **KPIs per car profile** (e.g., low-mileage, young used cars).
- **A UC label to bring consistency, visibility, and consumer trust**.

This label should not only help organise the market offer, but also be measurable in terms of market share, allowing OEMs to evaluate how their branded stock performs against the competition.

Electric vehicles further amplify this complexity. The gap between dealer network and independent BEV inventories illustrates how market maturity and digital presence vary significantly from country to country.

BEV market share - Spain



Source: autobiz, vehicles 0-96 months

The Spanish UC market shows stability in ICE stock distribution, with dealer networks consistently holding a 55% share, whilst **BEV stock reflects a gradual shift toward independent dealers**, reaching parity with networks at 50% by February 2025. This trend highlights the flexibility of independents in adapting to BEVs, as official dealerships grapple with the tools, expertise, and processes needed for this emerging category.

Whilst ICE is a well-established category within the network, BEVs still require new processes and investment creating space for more flexible players to take the lead in this evolving market.

The percentage of used cars from a brand listed online by official network dealers is important, especially for cars under 18 months old. A high brand retention rate ensures pricing consistency, strengthens brand image, and preserves residual values. **Vehicles sold through the official network fetch higher prices than those from independent sellers, assisting the final trade-in value.** We'll tackle this topic more deeply in a future edition by exploring brand awareness.

The path forward: insight as a competitive advantage

Once visibility is achieved, the next step is strategic refinement. Comparing network performance with peers, analysing by vehicle type, and tracking results geographically allows OEMs to identify gaps and act with precision.

This approach transforms UC monitoring into a powerful tool, not only for improving performance, but ultimately for building resilience and gaining competitive edge in a fast-moving and complex market.

Want to know more?

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