

AUTOMOTIVE

Mercedes, BMW most cars resold in under a year: report

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BMW 3 Series

By BRIELLE JAEKEL

Mercedes and BMW both top a list from research firm iSeeCars that shows consumers resell these brands' vehicles within under a year the most, but its reasoning bodes well for the manufacturers instead of being damaging.

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The BMW 3 series and 5 series topped the list as the vehicles most resold as used within the first year of manufacturing, just ahead of the Mercedes C-Class. While this may seem like a bad characteristic, it is more likely to be beneficial to the brands, as they often provide incentives to trade in.

"While some might be surprised that these luxury brands top the list, these auto manufacturers offer their dealers incentives to buy new cars to use as loaner vehicles, which are then sold as used when they are still under a year old," explained Phong Ly, CEO of iSeeCars.com. "This is a marketing strategy with a two-fold purpose.

"It puts brand-new models in the hands of current owners when they bring their cars in for service, increasing the likelihood that they will buy another car from that brand," he said. "In addition, it essentially increases the brand's new car sales, which help to give them the ability to claim the title of top luxury brand,' something that BMW and Mercedes-Benz compete for every year."

Resell stats

Mercedes and BMW are both known for their incentives to trade in and return for regular servicing. This means customers are more likely to buy again from the brands in the future as well as drive sales for the automakers as a whole.

These brands made up six of the 11 models on the list and are the only ones within the 11 brands considered to be luxury vehicles.



BMW 3 Series

BMW's 3 series tops the list with 8 percent of the model being resold within the first year, beating out the 5 series that saw 7.1 percent. Mercedes C-Class, which saw 6.1 percent resold in the first year, came in at third.

The average percentage for all cars being resold as used within one year was 1.5 percent this year.

BMW X3 and 4 Series also made the list at sixth and seventh, respectively, both at about 3.9 percent. The Mercedes E-Class came in at eighth, also with 3.9 percent.



Mercedes E-Class

Another major reason that consumers maybe trading Mercedes and BMW more than any other automaker could be their luxury status. Many consumers may come in at the entry level for the status of having a luxury vehicle, but then quickly become disappointed and trade in.

Additional insight

A another recent report, from L2, showed that between standard luxury and ultra-luxury auto brands, there is a substantial gap in digital offerings with the latter falling increasingly behind.

L2's Auto 2017 Digital IQ Index shows that higher end luxury automakers such as Ferrari are continuing to focus on traditional media, neglecting offerings such as search and email. While these brands do particularly well on social, the lack of multichannel strategy can see these brands falling to those that do better ([see more](#)).

The automotive show is making a comeback in a big way now that millennials are increasing their participation, causing a 57 percent rise in attendance within four years, according to another report by Foresight Research.

While millennials are perceived to be preoccupied with digital devices and have shorter attention spans causing a low interest in events such as auto shows, new research is showing the opposite. A new report from Foresight Research shows that younger consumers are interested in events, and auto shows provide an activity while also being informative ([see more](#)).

"Some consumers who buy these luxury models, especially the top three, are doing so as their first foray into the brand, only to discover that although they own the status symbol they were seeking, these particular models, especially the entry level trims, don't provide the level of luxury they expect," Mr. Ly said. "Disappointed, they trade-in these cars exceptionally early."

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