

Major Assignment 2 Individual Industry Report

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## **Analysis of Mercedes Benz Brand**

This document sets out to provide an industry report on the Mercedes Benz Automobile and its composition leading to a world leading classification of a brand in the automobile industry.

## The Brand

A brand is much more than a trade name given to a product or service. It is more akin to a body which is synthesized from many forms of industrial design, engineering, exposure, experience, application and environment. Media is one of the main channels which carries a brand into prominence, but a true brand is one born of free will from its creator which is provided to the consumer on its own terms, being accepted by the consumer is the true test of achieving a status as a brand as they are the component that drives sales in the brand, being product or service.

A brand originally were developed as labels of ownership: name, term, design, symbol. However, today it is what they do for people that matters much more, how they reflect and engage them, how they define their aspiration and enable them to do more. A brand then, in its self becomes the product or service to which human beings attach a bundle of functional product and service characteristics and emotional and/or symbolic meanings that add value. A brand also has the strategic purpose of differentiating itself from competitors.

In physical form a brand simply may be stated as arranged elements such as names, slogans, logos, but this is a part of brand identification, instead of the brand. A brand stands on its own, it is status and persona of a product or service which is created by the history of a product or service, which in turn is created by the consumers, which in turn adds more value to a brand image over a longer period of time.

A brand in the contemporary ceases to be just a brand and means of identification to a product or service, a brand becomes the personality of an organization, or the sum of the characteristics of a product or service perceived by a user. This leads to building brand equity, the value of a brand within its market place.

A brand infers meaning behind a company, such as quality or reliability, and speaks to corporate ownership. The brand of a corporations and enterprises is considered one of its greatest assets.

A brand transferred to a label is the product of consumers and culture, opinionated views created by society and consumers which seldom reflect the true essence of the brand as intended by its origin and its creator.

## Mercedes Benz Brand

The Mercedes-Benz brand is largely synonymous with automobiles, but rarely do consumers realize the true significance of this brand and the reason why this brand of automobiles commands the retail figures in the market. In order to illustrate the brand we must delve into the history of this automobile brand for evidence in this report.

- The Mercedes-Benz was the world's first commercial automobile, replacing the horse and carriage in January 1886
- Mercedes-Benz provided the most technologically advanced components and engines for aircraft during World War Two
- Mercedes-Benz as a brand name was employed in 1926
- Mercedes-Benz as a brand has contributed many of the technological and safety innovations that have become commonplace in modern automobiles
- Mercedes-Benz as a global brand provides passenger, commercial and industrial vehicles
- Mercedes-Benz has been competing in motor racing events since motor racing inception the Paris to Rouen automobile race 1894 through to the current generation of Formula 1

We can attain the facts which give this automobile its value as a brand. This company was the foundation of the automobile industry and in turn every automobile manufacturer. The brand identity as employed by Mercedes-Benz in 1926 is currently still in service and will unlikely ever change in the future. The Mercedes brand is global and it caters for many other industries than just the automobile industry. Combined with a pedigree of racing achievements from the inception of motor sports we can see that this brand carries a great deal of history which in turn creates a great value in the brand. The brand of Mercedes-Benz has proved to its consumers time and time again why it is the premium automobile manufacturer, it leads in technological innovation which it shares with other automobile manufacturers.

Mercedes Brand as a luxury brand distinguishes itself from the competitors where by offering in its product a level of craftsmanship that other manufacturers seldom provide. To buy into the marque means that the consumer is entitled to the entire network of services from the manufacturer even down to personally collecting their vehicle directly from the factory.

All consumers want a personal experience and this brand provides it. From services provided in airports where servicing and dealerships are set up in airports where consumers who travel frequently and do not have time for routine maintenance, the brand goes above and beyond by also detailing the vehicle, provide the owner a complimentary gift basket, they provide a flower delivery and gift buying service. Toni Andreevski, Mercedes-Benz Australian spokesman has commented that the service, "it's about marketing, it's a way for us to add value to the brand by giving customers a tangible benefit, it's a different form of advertising, we could have spent half a million dollars on a billboard, but instead we are giving people the Mercedes experience, rather than a photo of it."

We can see that this is yet another innovation from Mercedes-Benz in the form of value adding to their brand. Once again other luxury automobile manufacturers have followed in providing a similar service to their consumers and value adding to their brand.

## Mercedes-Benz Brand in Pop Culture

A true test of a brand is to be accepted in pop culture, if a brand is synonymous within pop culture then that is brand that has made it as a global brand.

The Mercedes-Benz brand has always been portrayed in pop culture as a pinnacle brand, being compared to other products such as Rolex watches and Hugo Boss suits. In movies it is portrayed as the ultimate vehicle for movie and television executives, Janis Joplin idealized this by her song where she asks the "Lord" to buy her a Mercedes-Benz, even though this was aimed at the opposite end of the brand, originally written as something of a negative commentary about stereotypical and materialistic individuals who place too much value on brands like a Mercedes-Benz. This has created a label of sorts for this brand which also applies to its consumers.

Although that were the case, Mercedes-Benz used the song in commercials for their brand during the nineties and again in 2007. The company took this negative view of the brand and reversed it to portray it as a positive, the brand consumers accepted it as their anthem and gained acceptance of the brand further into pop culture, so this 'Labeling' became null and void.

Today we have in pop culture an element called 'Name Dropping' which mainly applies to the Hip Hop music genre, but all forms of musicians and writers have utilized it once in their careers, name dropping is a term where by the artists drop name brands of luxury items in their lyrics. During the nineties and contemporary years, Mercedes has been a favorite brand utilized for its effortless blend of style and prestige.

## Mercedes-Benz Brand and its competition

We can say that the Mercedes-Benz brand really is in a class of its own. Although the majority of consumers do not know the true history of the marque and brand, they often question its validity for such a premium image and price point. The most information usually a consumer receives is from sources in pop culture, where by they are informed on the prestige of the brand but not 'Why' it is one, this is something we look at through the history of the brand. Consumers do not know the history therefore they make decisions upon the brand based on pop culture which leads to them to compare with competing brands.

Although other products in the class may have more features usually these features were innovations from the Mercedes-Benz brand, yet the consumer is unaware. At a price point the Mercedes-Benz brand is quite expensive to buy into, to aid this situation the brand has sought to introduce vehicles to suit the entry price point for more consumers. Analysts see Mercedes-Benz diluting its brand with less expensive cars, which they believe is counter intuitive in value adding to the brand. However as we can see from this report we can clearly see that this measure will not drastically effect the brand at all. In fact we can see that it may even elevate the brand further by allowing more consumers to become a part of the brand, consumers who perceived this brand and marque beyond their reach will be able to experience the brand for themselves.

We can see that the Mercedes-Benz brand is the inception of the brand of 'the automobile', therefore it will always remain a preoccupation of the industry and the consumers regardless of knowledge of the brand and its history. There could not be a automobile industry without this brand as it is the founder of it.

Although there are competing brands and manufacturers, there really is never any real direct competition to this brand and marque, perhaps one or two products from other manufacturers may compete head on with a product, but this is usually a quest of performance and friendly competition rather than of brand or prestige war. The market always needs competitors and variety, If we look at this analysis and put it on a human time line we could say that the Mercedes-Benz brand and marque is the mother of all other varieties in the classification. Therefore 'competition' is really is void.

We can see how the Mercedes-Benz brand was the initiation of the automobile industry, has kept concurrent with technology, culture and the brand remains at a top echelon of the products, services, added brand value it strives to provide.

## **Mercedes-Benz Brand in the future**

Once again Mercedes-Benz has taken to innovating on its existing brand by opening it up and creating a new image to cater for the new generation. It has begun to revise its identity for the emerging new-modern world by applying a new slogan, "The Star always shines from above", targeting expansion of its model portfolio to appeal to a larger consumer base.

Dr. Klaus Maier, Executive Vice President Mercedes Car Group, responsible for Sales and Marketing states, " leading with trailblazing innovations, a clear brand positioning and management, and targeted expansion of its model portfolio. In addition to having exciting products, a strong brand primarily distinguishes itself by a presence and positioning that is immediately and unmistakably recognizable – at any time, in any place and in any medium.

The brand identity is a visible expression of what Mercedes-Benz stands for: it emphasizes the company's position as the world's most traditional automobile manufacturer, and is also a reflection of innovative creativity. The new brand identity of Mercedes-Benz revives our entire presence, and ensures an unmistakable image which combines tradition with a future-oriented approach".

By creating this new imagery, it reflects the brand's personality into the future. To change the brand as welcoming and accessible to the masses. Implementing and combining new technologies such as the Apple iPod, another brand which was a great innovation and future driven, combining this with the tradition of Mercedes-Benz brand further more entices the next generation of technology savvy consumers to buy into the brand as it is a sign of welcome with collaborations with other popular innovative brands.

In order to reflect the Mercedes-Benz brand the focus of the future will be shifted from the product more towards the consumer. To build the prominence of the all encapsulating brand further. The label of the brand, from being symbolic as measure of personal achievement to being accepted by the next generation of youth and consumers as more than symbolic but as a consumer orientated product first and foremost .

## Conclusion

We can see that the results of analysis of this brand is akin to many other brands in their quest for awareness and growth. In the instance of Mercedes-Benz , the brand is the industry so to speak, therefore it is the crucial brand that must be on edge at all times, to be the innovative founding company of an entire industry as it is from its roots.

We can see that despite the labeling of this brand in the past decades, the brand has always overcome negative criticism, sought to innovate upon its image and stay at the leading end of its industry as a brand. The constant application of innovative services and research and forecast as to the expectancies of the next generation continue within the brand while opening the brand to be be more accessible to the masses and sharing of technological advances with other brands for a unified and exciting new generation.

## References

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