

Mercedes-benz - one of the world's most successful premium brands

[Business](#), [Marketing](#)



Mercedes-Benz is one of the world's most successful premium brands. Its technical perfection, innovative design features and numerous car legends have made the Mercedes star one of the world's best-known trademarks today.

During the years, Mercedes Benz was known as the leading car manufacturer but then during late 1990's and 2000's, it saw major changes happening with competitiveness that was rising in the European car market. Other luxury brands like BMW, Audi and Jaguar were competing against each other while Mercedes as traditionally remained strong. They were tapping and expanding the new market segments like the Mercedes-A class, which majorly focused on a market segment that was more price sensitive than those in which the brand was competing in usually.

Mercedes-Benz was facing a new threat. It was not a company but a new legislation called (Block Exemption). This legislation changes the rule of dealers being exclusive to work in the same re-seller market, allowing freedom to companies to sell or service any car they wish. This caused a problem for Mercedes. Mercedes was sold in the UK through a franchise network of some 138 dealerships where all were autonomous on their own and 3 were owned by DCUK (Daimler Chrysler UK). Because dealers managed their own relationships like customer research, data base management, acquisition and retention process

The Challenge

It was seen through researches that the customers of Mercedes seemed less than happy with the service they were receiving. DCUK had collected this information about the standard of service not being as high as it was earlier

and resulted in reduced satisfaction among customers. There was a difference in what was told and in the end what service was provided for example if a customer came for a test drive, the same contact was not seen to have any follow up through the dealership. The relationship between the various dealerships and the company was lacking coordination of data which was resulting in a lot of confusion of customer data which in turn led to conflicting services being provided. This led to a new strategic approach towards Mercedes-Benz and its relationship with customers.

The Solution

At the start of the twentieth century, DCUK sort to revise a whole new Customer Relationship Management for Mercedes-Benz. There were many researches done which highlighted many areas to improve, mainly in the process of contact established to generating the sale and as well as ownership experience provided to the end customer. They first established to get the showrooms and services areas improved. With each marketing area, a new structure was taken out giving a more centralized team.

One team for each MA giving responsibilities like management of data, customer support and regional marketing. They worked closely with each team highlighting all pain areas specially complaints to show that complaints are a source of improvement and also deepening the bond between its customers as well. The sales team being the lead contact with the initial customer, now had to work on making that lead convert into a sale and also maintain a through follow up by regular communication. The customer support team which manages telephone enquiries, follow-up was done

thoroughly, which ensured consistency of the customer contact and also accurate data gathering. Their job didn't end there and regular contact was maintained through a mix of mails, telephone calls, face to face to make sure each contact had the correct feeling of ownership of not just owning an ordinary car but a Mercedes-Benz.

DCUK had known that with correct follow up done, there was still a lot to be done. They made sure that now the data that was collected was very important for the success of the Mercedes-Benz's CRM. Instead of the earlier data being managed separately by each dealership, they enforced a more centralised and single database. Using correct Information Technology, every customer's information was entered in a more organised manner, improving the quality of data. Sales team was in a more systemised way adhering to storing of as much of data of the customer building a better profile accessible by each department of Mercedes-Benz. It was important to show the results that CRM was imperative and hugely successful to prove the high expenditure.

One problem of facing CRM was the new dealer network as most dealerships along the way had gone through structural reorganisation, buying and selling of various dealership and major change in staffing and roles. Some MA's had more experience than the other which imposed the fact that CRM as a process was not going to pave the way of results for Mercedes-Benz but the success would depend on engaging the hearts and minds of both leaders and employees throughout the network. Training was designed and also needed

in the implementation and running of a successful CRM. This training was divided into four different modules -

1. CRM best practice workshops
2. CRM uncovered
3. System and processes
4. Soft skills

The Results

To win the hearts and minds of everyone, the success of CRM had to be shown. An MA was chosen to test out processes and to confirm the benefits. It was established that CRM had its results showing steady improvements in every measure of customer satisfaction and customer loyalty. It was seen that cross selling and up selling had become advantageous and MA's reported of having the relationship between customers and Mercedes-Benz were extended and deepened. Staff have realised that every effort of their matters in the success of CRM. With ongoing change in the market it is meant to be sure that continuing efforts have to be made to support this disruptive market. It is now sure that the future of Mercedes-Benz lies within the journey of matching the highly acclaimed product with its outstanding customer experience.