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MARKETING MANAGEMENT- I

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For Mercedes-Benz

By

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Executive summary

The assignment has focused on the marketing management of the chosen business organisation Mercedes Benz. The definition of communication along with two major communication models and the significance of Integrated Marketing Communication has been analysed in this assignment. Both online and offline promotional strategies of the automobile company have been discussed here. In this assignment, the branding and branding equity of Mercedes Benz has been analysed through the brand equity model of Keller. The customer journey has been discussed with a diagram of the customer journey map. The total engagement models of the company have been analysed in a proper manner to get a better understanding of the marketing.

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Introduction

In this report, there will be a discussion on communication and its definition. There will be an evaluation of the SHANNON and WEAVER models of communication as well as an analysis on the integrated marketing plan. There will be an analysis of the new strategies of promotion which include online and offline promotion. The branding and branding equity will be discussed along with the Keller's brand equity and the advantages and disadvantages of Keller's brand equity. Furthermore, the customer's journey will also be discussed. The company that this analysis will be focused on is Mercedes Benz. Benz was the pioneer of this generation and the whole industry of automobiles, especially towards the end of the 19th century. Mercedes Benz is a Germany based company that was first started by Carl Benz. It is a multinational brand that consists of luxury cars, trucks, and buses. This company tends to focus on things like sponsorship events that gain attention to the company. The three pillars of Mercedes Benz are golf, New York's fashion week and tennis. The Mercedes Benz team for F1 has dominated the tracks with 5 years under its belt for the winners of Championships. The drivers for Mercedes Benz are Lewis Hamilton, Valtteri Bottas and Nico Rosberg.



Figure 1: Mercedes Benz Logo

(Sources: Mercedes, 2022)

Communication

Communication

Communication is basically the process of interaction with other people whether an individual or a group of people either directly or indirectly. The process involves the sharing and receiving of information from the source to the audience and vice versa (Fischer, 2019). This is the base of human lives and depending on the different elements like the people who are communicating, the context or subject matter, the cultural or socio-economic backdrop of the communication, etc. decide on the outcome of the communication. In a world-renowned brand like Mercedes-Benz, communication is a core and essential element. Effective communication helps in the company's operations, processes, efficiency, and productivity and impacts every single layer of the brand. Communication is important because it is a channel of propagating the ideas and other information to the public from the company (Narvaez Estrada, 2021). It is important to communicate because that is how people come to know about the brand, its products and services, the work that is done, etc. Communication is also a way through which Mercedes-Benz interacts with each other within the company to reach the organisational goals and targets as well as communicate with various other stakeholders. Moreover, it helps in reducing errors or mistakes through effective communication.

Shannon and Weaver's model of communication

The Shannon and Weaver's model of communication was a theory formulated by two American scientists, Malcolm Shannon, and Warren Weaver, two important personalities in the world of mathematics (Balume Kayani et al., 2021). According to this theory, there are two main elements in communication, the sender, and the receiver. Besides these two elements, there are other important factors like noise and channel. The sender encodes the message that it wants to communicate in its brain and converts into understandable language either verbally or nonverbally and the receiver receives the message and converts the same to understandable bits.

and pieces in its brains. The receiver hence must decide the message before understanding it. However, since noise is present, at times the original message may not reach the receiver in the intended way. Hence, the receiver gets the partial message which he/she managed to recall amidst the noise. This is the main loophole in the model. The message during the process may get distorted or interpreted differently in a different way (Mehrmanesh and Ghasemi, 2018). Hence companies like Mercedes-Benz must considers these factors when communicating with the public and make the message clear and precise that no important information is lost or interpreted differently that could possibly affect their marketing and sales.



Figure 2: Communication

(Sources: Mehrmanesh and Ghasemi, 2018)

Integrated Marketing Communication

Integrated Marketing Communication or IMC is a process that is employed for bringing together different elements in marketing communication such as public relations, social media, analytics and data on audiences, principles of business development and advertising into a unified brand image and identity that is consistent across all media channels. IMC allows Mercedes-Benz and other private companies as well as public organisations to provide and deliver an interactive, engaging, and seamless user experience for their products and services

while also at the same time building the image with various stakeholders (Dash and Sharma, 2019). By implementing IMC strategies, Mercedes-Benz can create, innovate, and execute multi-channel marketing and advertisement that targets the specific group or audience to attract maximum traction and utilise available resources efficiently. This is important because businesses cannot invest huge amounts of money on marketing strategies that are not specific as it will only lead to losses and wastage of resources. Mercedes-Benz has made good use of IMC in their business operations. The company has several products on offer at different price points targeted at specific groups. For example, the brand has a product line-up for the GenZ, the businesspeople, ultra-rich, etc. Accordingly, the brand markets these products to the target group (Ryana et al., 2019). Moreover, several innovations like test drives, the interactive and intuitive Mercedes Me entertainment system is an amazing addition to the plethora of features the company offers.

New Promotional Strategies

Online promotion

Utilise the email list

There is a great need for strong marketing when in brick-and-mortar stores. There are strategies needed for all kinds of promotion (Wu, 2021). different kinds of email addresses need to be collected, customers who are existing and potential customers. Emails can even be sent to people who are interested in the company.

Boosting organic social presence

When there is an online business, companies need to take every opportunity for the online engagement to be high. It is known as one of the easiest and convenient ways to help the social media platforms to help it grow. It needs to make sure that there are enough images and aesthetically pleasing videos. Amazing images of the products are posted or showcased on social media. Hosting giveaways is a very essential way to attract customers.

Offline promotion

Business cards

Companies need to start investing business cards that are well made that are most effective to get business done professionally. The brand needs to be set apart from the others. Choosing a unique design helps in the reflection of the values of the brand and the innovation. The company needs to ensure that everyone who is a part of the company has a card to share the details of the business with a client (Risitano et al., 2020). A business card tends to be an extension of the brand so that it is helpful for the business as it makes it consistent.

Creating pamphlets and flyers

Another strategy that works for a business is known as printing material for marketing and promotion. This sends out a message from the side of the brand. It may be a very old tactic, but it still gets a lot of positive results. Being creative and innovative can help get the attention of the customers and even potential customers. Informative flyers should be printed out with discount coupons for the customers (Deepak and Jeyakumar, 2019). Contact information should also be included in the pamphlet flyers which will help the customers get in touch with the company.

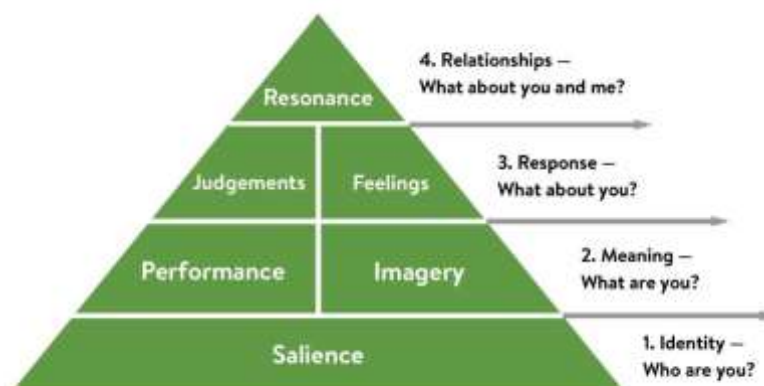


Figure 3: Keller's Brand Equity Model

(Sources: Deepak and Jeyakumar, 2019)

Branding and Branding equity

Keller's brand equity model

Keller's brand equity model refers to the customer-based brand equity model that is also a pyramid. The creator of this model has said that the logic of this model is very simple and has a strong hold on the brand. The right type of brand image needs to be created (Candelo, 2019). There is an ideal image created for the brand and its encounters and its experiences. Each of these experiences with the brand that leaves the customers and the future customers. It also holds thoughts that are very positive along with convictions and emotions. If a company is able to prove that the brand image is able to provide value, then the equity of the brand and the conviction of the customers are most likely to spread to others. There are four levels to Keller's brand equity model, and these include identity, meaning, response and relationships. Firstly, companies like Mercedes Benz need to start with the brand identity and move on to the understanding and communication of the meaning of the brand that it holds. It depends upon the primary characteristics and features, reliability of the product, durability, and serviceability. The design and style of the product as well as the price of the product. The imagery of the social currency of the brand. Next, it depends on what kind of response the brand tends to evoke from the customers. It also shows the understanding of the relationship that has been built with the customers over time.

Advantages and disadvantages of brand equity model

Advantages

Awareness and differentiation

The branding of the products makes the customers aware about what the product is about. If there is no branding the customers will not be able to recognise the products or the services. There are plenty of products that have similar features and products itself that are the same. Some of the products even look the same. These are even used for the thing and have the same

level and power of satisfaction. Having a brand image helps customers differentiate the products from the companies.

Premium prices

The branding helps to keep charging a price that is premium. This helps the product hold a strong value for the brand and can charge a price that is higher than most than the competitor companies which will lead to profit margins that are higher for the organisation.

Barrier to entry on the market

If there is a brand that is strong that has been established that is under the portfolio to the company of Benz in the market that is a barrier for the entrance of competitors that come in. There are future competitors as well that will come to know that Benz is a strong brand that is leading in the market.

Disadvantages

Huge development costs

The biggest disadvantage of branding can be the huge costs that go into the creation of a brand. Brands are not created in one night; it takes a long time.

Limited quality flexibility

There is a limited quality of the products that are produced by Mercedes Benz. This emerges from the fact that the business offers great products of quality (İnci et al., 2021). The only reason the customers buy these products is because most are all premium products.

Changing the perception for the brand is hard

The other biggest disadvantage of branding is that there are certain reasons that the brand may ruin the reputation that becomes very difficult. Once the reputation is damaged, it can never be regained. The status of the brand can never come back.

Customer journey

Connected customer journeys led to more efficient marketing

One of the most important visions that are laid out by the companies that direct to consumers and Omni channels journey. Most customers use sources online in the journey of buying a car. It helps to understand the customers better.

Personalisation will increase brand loyalty

Mercedes Benz can support the drivers of the company with personalisation. There are plenty of departments in Mercedes Benz that allow the members of the team to serve the customers by doing the right thing at the right time.

Digital innovation delights drivers and customers

Even though the customers spend a lot of time online, most of the time customers decide only after experiencing the dealership. Customers feel the efforts that have been driven from the company. Effort is getting the dealership from Benz on a CRM that is single, a system for customer management.

A company culture shifts fuel technology advancements

When the customers of Mercedes Benz call in with the question about the car, these customers are not asked about the registration number of the car. All the history and information are visible to the agent which is able to focus on the needs of the customers.

Customer touch points

The brand point of customer contact is related to the customer touch points, which are analysed through the feedback from the customers in a proper manner. Mercedes Benz can identify the touch point, which can help the management to create a proper customer journey map and satisfy the customers in a proper manner at every step of the purchase (De Keyser et al., 2020). It is essential for an organisation to ensure that its customers can have a seamless purchasing experience across all distribution channels.



Figure 4: Customer touch points

(Source: Becker and Jaakkola, 2020)

Pre-purchase

The initial touch point of the customers can analyse the outcomes of online advertisement and social media marketing of the organisation. It is essential for the management of Mercedes Benz to ensure that the advertisement links will lead to content which is relevant and provide details to the customers about the products (Becker and Jaakkola, 2020). A better customer experience can be created by developing a proper landing base with reliable content and helping the customers to sign up to the homepage of the website of Mercedes Benz. The social media platform is utilised by the organisation to review the feedback of the customers through interaction with the content. A proper relationship between the marketing management and potential customers can be developed on the social media platform of Mercedes Benz in a proper manner (Herhausen et al., 2019). The customer should be provided with a proper billing process for an improved customer experience.

Purchase

It is evident through market analysis that 97% of consumers generally consult the reviews of a product provided by previous customers. This process influences the purchase decisions made by the consumers largely. Necessary information related to point of sales is provided on the web page or through the words of a sales representative. This is the final touch point, which can ensure that the purchases are completed in a seamless and frictionless manner (Følstad and Kvale, 2018). It is important for the management of Mercedes Benz to monitor the overall procedure to receive positive feedback from the customers.

Post-purchase

Mercedes Benz has more than 47 million followers on Instagram, which has provided it with an opportunity to interact with its existing customers and analyse the behaviour of potential customers. The feedback collected from the social media platforms helps the management to understand the areas of improvement in terms of customer experience (Afthanorhan et al., 2019). Customer service feedback surveys can help the automobile company to modify the products and services according to the requirement of the customers. On the other hand, providing the customers with signed-up email services enables the management to upsell and cross-sell their products.

Explaining the customer journey map

The customer journey map of Mercedes Benz includes five steps, which are awareness, consideration, purchase, retention and advocacy. The overall journey ensures that the customer experience is on a satisfactory level (Alvarez et al., 2020). It can help the business organisation to identify the areas of improvement in terms of customer retention. Visualising and understanding the experience of the customers with the company is possible with the help of customer journey mapping.



Figure 5: Customer Journey Map

(Source: Alvarez et al., 2020)

Awareness

Through online advertisement or offline marketing, the management of Mercedes Benz is able to provide relevant information to the customers in a proper manner. The automobile company uses online advertisement, email as well as radio or TV print and word of mouth method for the advertisement.

Consideration

Social ads, blogs and other media help potential customers to find interest in the products of a business organisation. Generally, reviews of previous customers help current customers to make the right purchasing decision (Min, 2021). The management of Mercedes Benz to provide the customers with a link to sign up for the products and services uses the direct email marketing method.

Purchase

Using The E-Commerce method or invoicing process in the store of a business organisation can help customers to have a seamless shopping experience. Mercedes Benz provides their customers with an opportunity to utilise the website to understand the price range of the products (Artusi and Bellini, 2020). The sales executive is responsible for helping the

customers make accurate purchase decisions and providing them with a seamless procedure of purchase.

Retention

The community forum and FAQ knowledge base can provide the customers with an opportunity to analyse the review of previous customers regarding the required products. The customer retention procedure can be enhanced in a proper manner through this step.

Advocacy

Using social media platforms, blogs and other promotional platforms can provide the automobile organisation to interact with the targeted audiences. It is essential to assess the feedback of the customers to identify the areas of improvement regarding the products and services of an organisation (Batra, 2018). The management of Mercedes Benz utilises social media platforms to interact with customers and understand their perspectives.

Strengths and weaknesses of the customer journey map

Strengths

- With the help of customer journey mapping, Mercedes Benz can generate business value (Labajan and Koomsap, 2019). It is important for the management to create a proper journey map, which can increase the value of customers in different ways.
- The process of customer journey mapping provides the management with an opportunity to greatly improve the experience of the customers. This way Mercedes Benz can effectively improve the loyalty of the customers and ensure improved customer retention.
- The management of Mercedes Benz is able to lift the acquisition rates of the customers (De Keyser et al., 2020). This way the company can observe a faster growth of the customer base in a proper manner.
- The management of Mercedes Benz is able to identify customer pain points with the help of customer journey mapping. This way the areas of improvement can be identified and the

opportunities for miscommunication can be reduced (Becker and Jaakkola, 2020). Business improvement projects can be conducted in a proper manner with the help of this procedure.

Weaknesses

- The customer journey mapping process is dependent on the cross-functional support of every area of the organisation. Minimum resistance to working across business groups can create difficulties in properly mapping the journey of the customers.
- Different persons required different methods of journey mapping which can be a complex procedure for the management (Herhausen et al., 2019). The journeys undertaken by the customers might be similar but a unique map is required for each persona.
- The customer needs to consistently follow the map, which can help the organisation to evaluate their behaviour. In some cases, the journey of the purchase can become fragmented. This procedure can create obstacles for the business organisation to match the experience of the customer and identify the areas of improvement.
- The customer journey mapping software helps the organisation to get shared access and updates on the experience of the customers. However, the strategic documents can be hidden due to a lack of access in some cases (Følstad and Kvale, 2018). This can create disruptions while maintaining a core communication document by the management of Mercedes Benz.

The total engagement models

The focus of the structured model of total engagement is on the alignment of 4 major elements. These elements include brand advertising, customer experience, and culture and customer value propositions. An engaged customer is loyal to the brand, received improved services, and modified products.

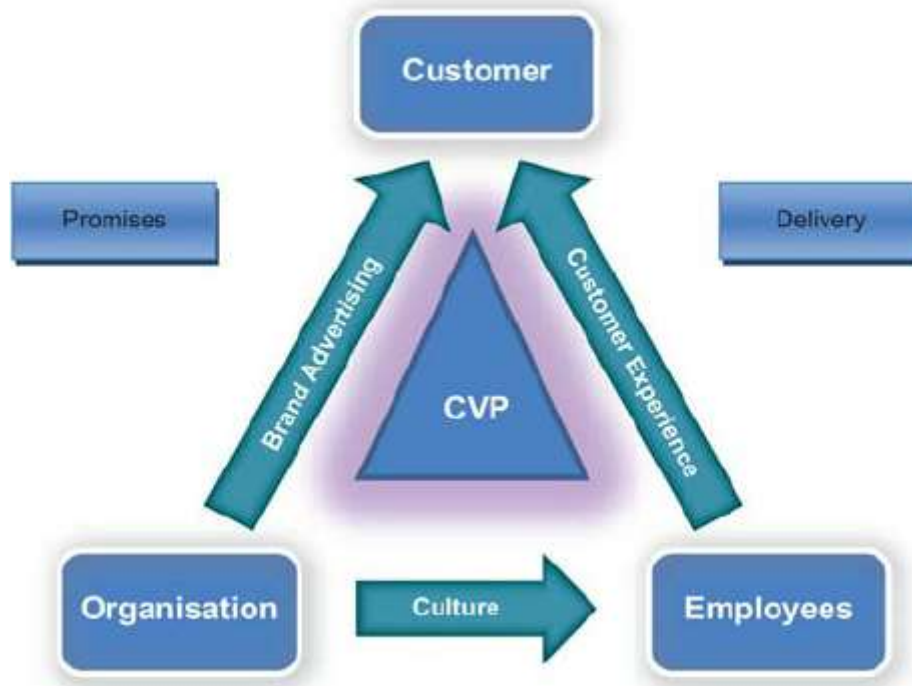


Figure 6: Customer Engagement Model

(Source: Afthanorhan et al., 2019)

Significance

It is essential for the business organisation to understand the behaviour of their engaged customers to improve their services and products. The management through the analysis of the Customer Value Proposition can properly understand the key strategic elements of a business (Afthanorhan et al., 2019). This way the management can offer the customers the required product in an efficient manner. The organisation can influence the employees through culture and the employees can improve the customer experience through brand advertising.

Conclusion

The assignment has analysed the marketing management of the automobile organisation Mercedes Benz based on various structured models. Communication and new promotional strategy have been properly discussed to get a better understanding of the marketing of the automobile company. The SHANNON and WEAVER model has been utilised in order to get a better understanding of the communication method of Mercedes Benz. In this assignment,

the customer journey has been analysed along with branding and branding equity. Strengths and weaknesses of a customer journey map have been provided along with an explanation of the mapping process. The significance of the total engagement model has been discussed in a proper manner to understand the aspects of a customer value proposition. In this assignment, recommendations have been provided for the management of Mercedes Benz to improve the customer satisfaction and retention process in an efficient manner.

Recommendations

The management of Mercedes Benz can effectively improve its marketing strategies, which can help them to raise awareness of the brand in a proper manner. It is essential for the organisation to manage and evaluate the journey of the customers with the help of various communication channels. The marketing team needs to increase the web traffic to the website of the organisation as one of the major objectives of the brand awareness strategy (Alvarez et al., 2020). Digital content can encourage engagement with customers by promoting the products in a more effective manner. This way the marketing management can effectively ensure that the current and future expectations of the stakeholders can be fulfilled.

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