



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Student Name: Kristian Nash

Student ID: 2130196

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Lecturer Name: Dr Laila Maazouz

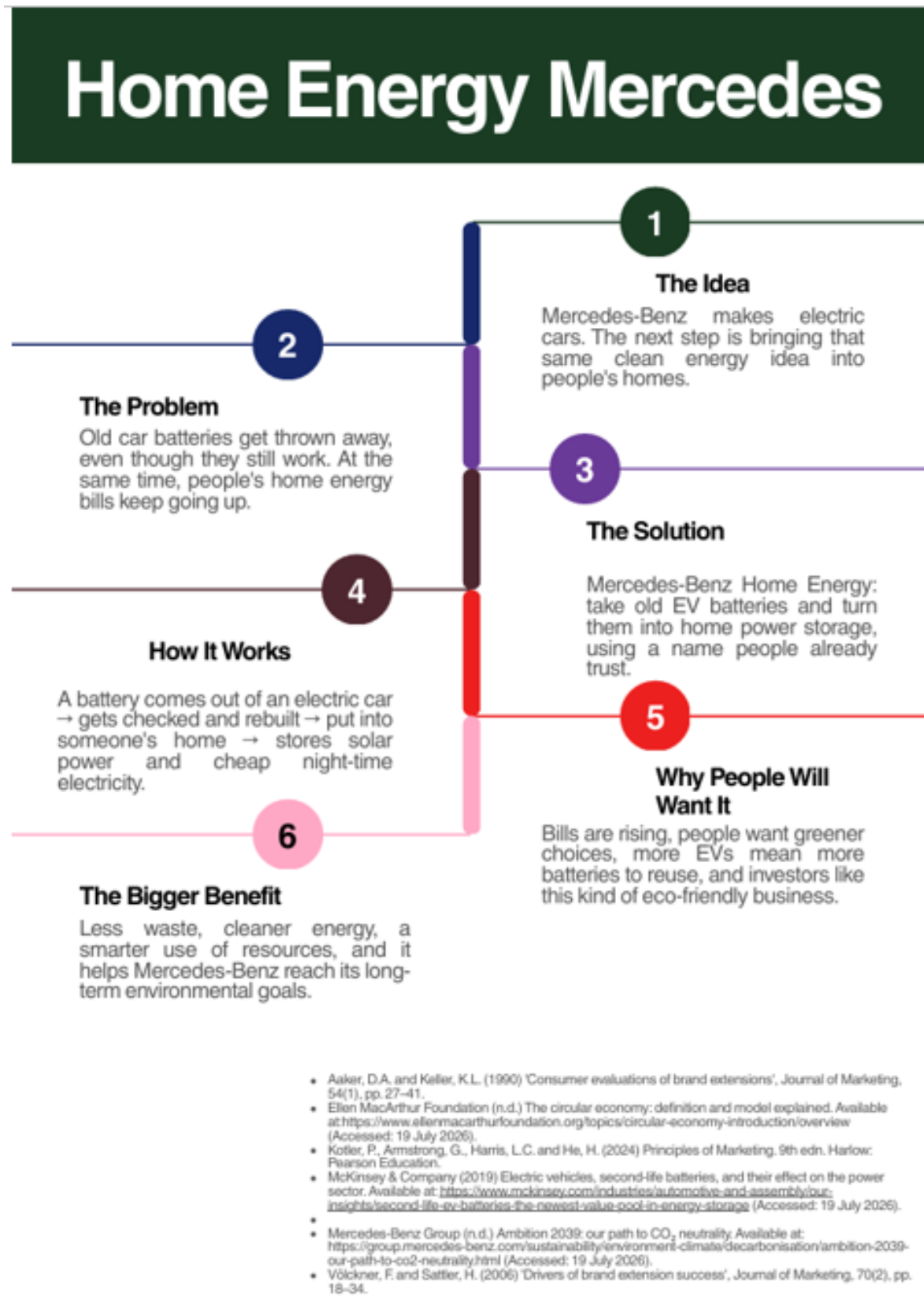
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Element 1: Poster



Element 2: STDP Analysis

This part looks at the market for Mercedes-Benz Home Energy. This product is a home battery. It is made from old Mercedes-Benz EV batteries. The market can be split into small groups. This helps the company understand who to sell to. This process is called segmentation (Jobber and Ellis-Chadwick, 2023). After the market is split into groups, the company can choose the best group to target. Then the company decides how the product is different from other products. Finally, the company decides how it wants people to see the brand. This whole process is called STDP, which stands for Segmentation, Targeting, Differentiation and Positioning (Kotler et al., 2024).

Geographic Segmentation

Mercedes-Benz Home Energy should target countries with high EV sales. Europe and North America both fit this need well. In 2024, electric car sales grew fast around the world. In Europe, EV sales keep rising because of strict co2 rules (IEA, 2025). Europe also leads the home battery market. It holds about 42% of the world market share (Precedence Research, 2025). This makes Europe a strong starting point. The UK and Germany are good first markets. Both countries already have many loyal Mercedes-Benz customers and both have high electricity prices, which makes a home battery more attractive to buyers.

Demographic Segmentation

The target customer is an adult aged 35 to 60. They likely have a high income. This is because home batteries and EVs both cost a lot of money. Most buyers will own their own home. This point is important. A person cannot easily fit a home battery in a small flat. They need space, such as a garage or a utility room. Many of these buyers will also have a family. Families often use more electricity than single people, so they have more to gain from lower energy bills.

Psychographic Segmentation

This part looks at values and lifestyle. The target customer cares about the environment. They also enjoy new technology. Many people today say they will pay more for green products. A recent PwC survey found that 80% of people are willing to pay more for sustainable goods (PwC, 2024). This is also true for luxury customers.

Research shows that even luxury buyers can care deeply about sustainability (Zhao, Peng and Yu, 2023). This means Mercedes-Benz can sell a green product without losing its luxury image. The target customer also likes to feel good for their choices, and a trusted brand name can help them feel confident.

Behavioural Segmentation

This part looks at how people act and what they want. The main benefit customers want is to save money on energy bills. They also want to feel good about being green. A key group is people who already own a Mercedes-Benz EV. These customers already trust the brand. They are called loyal customers (Kotler et al., 2024). This makes them an easy group to reach with a new product, since they already charge an EV at home and have the most to gain from a battery.

Target Market

Based on the segmentation above, the target market is clear. It is homeowners aged 35 to 60. They have a high income. They already own or want to own an Electrical Vehicle. They care about the environment. They live in the UK, Germany or similar countries. This group is not huge in size, but it is growing quickly each year. Targeting this group first allows Mercedes-Benz to test the product with people who already trust the brand this lowers the risk of the launch.

Differentiation

Many companies already sell home batteries. Tesla, LG, Sonnen and BYD are all strong competitors. Mercedes-Benz Home Energy is different in three main ways. First, it uses real batteries taken from Mercedes-Benz cars. This is not just a marketing story. It is a true circular economy product (Ellen MacArthur Foundation, n.d.). Second, it carries the trust of the Mercedes-Benz name. This name has stood for quality for over 100 years. Third, it connects to the Mercedes-Benz app. This links the car and the home together in one place. No other competitor can offer this exact link.

Positioning

The brand extension will be positioned as the smart, premium and honest choice for green energy at home. It will not try to be the cheapest product on the market. Instead, it will be the most trustworthy and the most connected to a luxury lifestyle. This fits

with brand extension theory. Research shows that a strong link or 'fit', between the old brand and the new product is very important for success (Aaker and Keller, 1990; Völckner and Sattler, 2006). Mercedes-Benz Home Energy has a strong fit, since it uses the same batteries, the same values and the same trusted name as the cars. This positioning should be kept the same across every advert, every dealership and every page of the website, so that customers see one clear and consistent message wherever they find the brand.

In summary, the STDP process gives Mercedes-Benz Home Energy a clear direction. The company knows which customers to focus on, why the product is different and how the brand should be seen. This clear plan should make future marketing decisions easier and lower the risk of the launch.

Element 3: Marketing Mix (7Ps)

This part explains how Mercedes-Benz Home Energy will use the marketing mix. The 7Ps model is used here. This model fits well because the product also includes a service, such as installation and after sales support (Booms and Bitner, 1981). Each of the seven parts is explained below. Together, they show how the product will be built, priced, sold, promoted and supported in a way that matches the Mercedes-Benz brand. Each part must also work well together. If one part does not match the others, customers may become confused about what the brand stands for.

Product

The product is a home battery. It stores clean energy for a house. Inside, it uses batteries taken from old Mercedes-Benz EVs. The batteries are tested and rebuilt first. This process makes them safe to use. The product also comes with a smartphone app. This app lets customers see how much energy and money they save. The product has a long warranty. A long warranty builds trust, which is key for any brand extension to succeed (Aaker and Keller, 1990). The battery will also come in more than one size. This lets a small family choose a smaller unit, while a larger family can choose a bigger one. The product will also carry the three pointed star logo. This small detail matters, because it reminds the customer that the product comes from a brand they already know and trust.

Price

The price will be premium but still fair. It will cost less than a new lithium battery. This is because used EV batteries are cheaper to build with (McKinsey & Company, 2019). Research also shows that many people are ready to pay a little more for a sustainable product. Studies show a price premium of up to 10% is common for green goods (PwC, 2024). Mercedes-Benz can use this trend. The final price should show good value not just a high cost. The company could also offer a discount for customers who already own a Mercedes-Benz EV. This would reward loyal customers and make the price feel fair. Payment plans could also be offered, so customers can pay over time instead of all at once.

Place

The product will be sold in two main ways. First, through Mercedes-Benz dealerships. This lets customers see, touch and ask some questions in person. Second, through the Mercedes-Benz website. This option is easy and modern. Installation will be carried out by trained partners. The first launch will take place in the UK and Germany. These countries are strong EV markets already (IEA, 2025). Later, the product can expand into more countries. Selling through dealerships also means staff can explain the product next to the cars themselves. This helps customers see the clear link between the car battery and the home battery, which supports the brand story. A simple online booking system will also let customers arrange a home visit at a time that suits them. This makes the buying process feel modern and convenient, which matches what customers expect from a premium car brand.

Promotion

The promotion will tell a simple story. Old batteries get a new life. This message is honest and easy to understand. Adverts will show real customers using the product in their own homes. Social media will help reach younger, tech-savvy buyers. The campaign will also link to Mercedes-Benz's wider climate plan, called Ambition 2039 (Mercedes-Benz Group, n.d.). This link shows that the product is part of a bigger, genuine plan not just marketing. Short videos could show the full journey of a battery, from an old car to a family home. This kind of story is easy to share online and can help the message reach more people at a low cost.

People

Staff will need good training to sell this product well. This includes both sales staff and engineers. Staff must explain the product clearly and answer questions with confidence. In service marketing, the people involved are seen as a key part of the whole offer (Booms and Bitner, 1981). Friendly and skilled staff will help build trust with new customers. Training should also cover safety, since staff must explain how the battery is tested and rebuilt. A customer support team will also be needed. This team can help customers after the sale, for example if they have a question about the app or the warranty. Staff should also be trained to explain the sustainability story clearly, since this is a key reason many customers will choose to buy the product in the first place.

Process

The process must feel simple for the customer. First, the customer orders online or in a showroom. Second, a trained engineer visits the customer's home. Third, the engineer checks that the home is ready for a battery. Fourth, the battery is installed safely. Fifth, the customer gets help setting up the app. This process should feel smooth and easy, just like buying a Mercedes-Benz car. Clear updates should be sent to the customer at each step. This keeps the customer informed and reduces any worry about when the work will be finished. A short follow-up call, a few weeks after installation, could also be used to check the customer is happy and to answer any final questions. A clear, well-managed process like this also reduces the chance of mistakes, which helps protect the trust that customers place in the Mercedes-Benz name.

Physical Evidence

Physical evidence means anything a customer can see or touch. This includes the design of the battery itself. It will look sleek and modern, matching the style of Mercedes-Benz cars. The packaging will also look premium and high quality. The showroom display will let people see the real product before they buy. All of this helps build trust before a customer commits to a purchase. The app itself is also a form of physical evidence, because customers see it and use it every day. A clean, simple

app design will remind the customer of the quality they expect from the Mercedes-Benz brand.

In summary, all seven elements of the marketing mix must work together. The product, price, and place must feel fair and easy. The promotion, people, process and physical evidence must all match the trusted, premium image of the Mercedes-Benz brand (Kotler et al., 2024).

Element 4: Reflection

This part reflects on my experience of making this brand extension project, from the first idea through to the finished poster and this written report.

At the start, I found it hard to link a car brand to a home product. I had to think in a new way. I read about brand extension theory. This reading helped me understand why 'fit' is so important (Aaker and Keller, 1990; Völckner and Sattler, 2006). Once I understood this idea, my project became much clearer. I chose a home battery because it uses old EV batteries. This choice gave a strong and honest link to the Mercedes-Benz brand. I also have experience with the premium brand in my personal life so choosing them made sense to me.

Making the poster taught me how to explain ideas in a short space. I had to remove extra words and keep only the key points. This was hard for me at first, because I am used to writing longer answers. However, it helped me learn how to communicate clearly and quickly. This is an important skill for any future marketing job. I also learned how to use simple pictures and icons to explain an idea without using too many words. This is a skill I had never really practised before and I now feel much more confident using it.

Doing the research also taught me a great deal. I learned how to find good, trustworthy sources, such as reports from the IEA and McKinsey. I learned to check if a source was reliable before I used it. I also learned how to use Harvard referencing correctly. This is a skill I will use in every future assignment I complete. At first, I found it hard to judge which sources were strong enough to use, but with practice, I became much quicker at spotting a reliable, recent source.

Presenting the poster in class was a new experience for me. Speaking in front of others can feel scary. I practised my talk many times before the class. This practice helped me feel more confident on the day. I also learned to keep eye contact and to speak slowly and clearly. I believe this experience will help me in job interviews in the future.

Good marketing is not about long or complicated words. It is about being clear enough that any reader understands the message straight away.

Overall, this project helped me grow both personally and professionally. I now understand brand extension theory much better than before. I also improved my research, writing and speaking skills. I feel more ready for future marketing tasks, both in my studies and later in my career. Most importantly, I feel much more confident turning a marketing theory into a real, practical business idea.

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