

COUNTRY: TAIWAN  
BRAND: MERCEDES-BENZ  
2009

**WE  
SELL  
IN  
RECE\$SION  
OR  
ELSE**

COUNTRY: TAIWAN  
 BRAND: MERCEDES-BENZ  
 PRODUCT TYPE/ DESCRIPTION: PROMOTION  
 OF MAJOR PRODUCT LINES  
 CAMPAIGN TITLE: SP FOR A LUXURY BRAND –  
 MERCEDES LEVERAGES BRAND CHARM TO  
 EMPOWER SP CAMPAIGN



## MARKETING CHALLENGE AND OBJECTIVES

As high fuel prices and the global financial crisis struck in 2008, the first and biggest challenge was that consumers were willing to wait indefinitely for a better time to make purchase decisions. In fact, this consumer behavior is reflected in the market's annual sales number, which dropped 30% compared with sales in 2007. The second challenge was that the market had become chaotic and unpredictable as the result of the many sales promotional offers offered by other car manufacturers to lure consumers, including frequently offering free packages and regularly slashing prices. One of the luxury brands, Volvo, even directly cut prices by 30%. However, instead of joining the price war, Mercedes Taiwan decided to offer a number of flexible payment plans and a lucky draw event, hence making itself rationally inferior in sales promotional offers compared to its competitors. This was our final challenge to overcome.

In sum, the advertising objective was to propose a unique claim to distinguish Mercedes' SP campaign from the bloody price war and to make consumers feel that now is the best time to own the best available product.

## TARGET MARKETS

Because this was a national SP campaign for major product lines, our target was 30 to 55 year olds, who have a high level of assets and can afford to spend US\$50,000+ on a new car. Although high-asset luxury car buyers still have money to buy new cars despite being impacted by the financial crisis, we found that they are passive and do not want to take action because they are either waiting for better deals or aware of the backlash that may come from buying a new car in poor economic times.

Furthermore, we found two insights about luxury car buyers. First, they were confused or struggled to recall the different offerings in all the SP ads, since the real negotiation points of offers in this segment are seen in dealerships rather than in advertisements. Second, they tended to be more hesitant about buying brands that made big SP offers in ads because this made them view the brands as cheap and value-declining. This is the ultimate taboo in luxury brands!

## STRATEGY

By consulting previous consumer studies, we made two important insights for our strategy. First, we absolutely did not need to convey the content of the SP program; we simply needed to let them know that this was the best time to buy a Mercedes. Second, we had to ignite their passion to own a new Mercedes and provide them a good excuse in this recession.

The vital question we asked ourselves is, "If the 'beef,' the rational benefits of our SP program, is worse than that of our competitors, what do we have that is better?" The answer was our BRAND, the strongest emotional weapon in the luxury car segment, and leveraging it to distinguish and empower our SP campaign. The Star, which clearly

represents Mercedes branding, also implies hope, dreams and luck. As this is what people especially hunger for in tough times, it became the key creative approach of our campaign.

"The closest you can come to the Star" was the key claim that emphasized this rare chance to get the best offerings from Mercedes and urged consumers to visit a showroom or contact sales to learn more about our various "Star Promotion" payment options. This allowed our target audience to project themselves as not only smart consumers who buy the best products with the best timing, but also as confident and capable people who triumph over the survival test of a recession. With other brands offering more free accessories or deeper price cuts, our consumers needed to feel confident that they were not penny wise, pound foolish.

In Taiwan, TV commercials are the most cost-efficient channel for message coverage whereas print ads are the most targeted media channel for people of means and can include more details about our SP program. Considering our client's budget, US\$460,000 for one month nationally, we mainly invested in these two media outlets only with one TVC and three print ads to deliver our key theme - "The closest you can come to the Star." In addition, since the client had to quickly respond to the market, we were asked to produce the creative works efficiently in terms of both cost and time, i.e. 2 days for print and one week for TVC. Keeping the creative idea simple was essential.

How did the client verify that this SP campaign was a success? It used final sales numbers as a direct checking point and market share as a relative index to compare with the market. In addition, showroom traffic and number of phone calls to the hotline served as two additional KPI for advertising results.

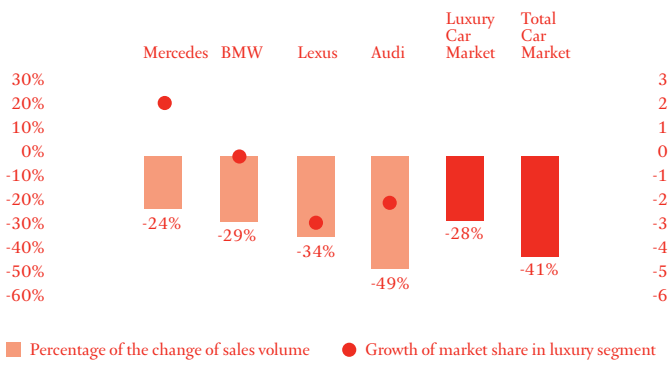
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CAMPAIGN RESULTS AND MEASUREMENTS

The past two decades have been the toughest times in recent history, as the total automobile market shrank by 41% and the luxury segment by 28%. However, last year's annual sales results testify to the success of this SP campaign as Mercedes was the one and only luxury brand with growth in market share during this difficult period (from 26% in 2007 to 28% in 2008), while it still maintained the highest selling price among its competitors. For example, compared to rival BMW, Mercedes sold 400 more units in 2008 and won a larger market share (28% for Mercedes versus 26% for BMW). The attached figures clearly demonstrate that Mercedes suffered significantly smaller losses in annual sales volume and successfully increased its market share.

The annual sales of major four luxury brands in 2008



During the SP campaign period, the number of calls to the Mercedes hotline multiplied sevenfold while visits to the official website tripled its average, demonstrating twice over this campaign's success. Although we could not track the number of showroom visitors due to dealership policy, Mr. Edward Yu, marketing director of Mercedes-Benz Taiwan, witnessed the results of this SP campaign and shared, "The campaign cleverly removed us from a bloody competition, allowing us to stand out and win both in terms of business and branding. Moreover, it proved again that branding is a crucial and worthy investment, especially in a recession."

機會稍縱即逝，現在就踏出那一步  
 50/50專案，1/2車價讓您即刻掌握夢想

千載難逢的機會，Mercedes-Benz隆重推出「50/50靈活分期與多元租賃尊榮專案」，讓您50%即可自在擁有，限時限量，機會稍縱即逝，讓聰明的您用最靈活的方式運用財富。詳細優惠內容請洽各展示中心。

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