



Phoenix Automotive Audit: Mercedes Benz Research

Phoenix Marketing International (PMI) has researched consumer reaction to over 250,000 advertisements, and tracks leading brand indicators for hundreds of companies across several industry verticals. PMI's Auto Audit features an industry leading diagnostic model that goes beyond ad awareness and recall measures to help marketers understand how their creative executions drive consumer response. The PMI approach delivers specific insight into the key drivers of creative performance and in getting consumers to take action and engage with the brand.

Recently, PMI reviewed the advertising performance across luxury vehicle manufacturers to determine what factors were driving consumer response in the hotly contested luxury market. One brand emerged as the consistent top performer over the past 18 months – Mercedes Benz. Over this time Mercedes has successfully delivered on several challenging communications issues – introductions of new and redesigned vehicles (E Class and M Class), brand image ads (The Best or Nothing) and sales event ads. How has Mercedes managed to be a consistent top performer in putting out ads that are not only creative and engaging, but also drive consumer response? The PMI Auto Audit provides an interesting perspective into the key drivers of Mercedes' advertising performance over the past year and a half.

Where Mercedes has managed to excel is in cutting through the preponderance of automotive ads and lifting consumers' impression of their brand and improving purchase consideration with likeable ads that are highly salient to luxury consumers. On a more basic metric, like advertising recall, Mercedes also performed significantly above the luxury market norm. Correct brand identification and wearout are areas of opportunity for Mercedes though, here they underperformed the norm.

	Luxury TV Rolling 3 Month Norms	Mercedes Benz
% Recall	29%	30%
% Correct Brand ID	96%	95%
Lift to Brand Impression (Top-2 Box)	26%	30%
Lift to Purchase Consideration (Top-2 Box)	22%	27%
Likeability (Top-2 Box)	31%	36%
Wearout (Top-2 Box)	17%	13%
Salience (Top-2 Box)	55%	62%

In- Market Response

Despite being one of the most recognized brands in the world, and a longtime leader in the luxury vehicle segment, Mercedes advertising still has to achieve the same objective as any other brand – getting consumers to take action. Phoenix tracks consumers’ level of engagement with the advertising with its proprietary In-Market Advertising Performance Index (In-Market AdPi). This metric determines an ad’s ability to inspire viewers to take an action such to engage with the brand, such as visiting a dealer, looking for information at dealer and manufacturer websites, and connecting with other consumers (online and socially) regarding the brand. Mercedes advertising has proven to be highly compelling with consumers, as evidenced by the strong In-Market AdPi performance. The high level of actions taken, or intended, is an indication of the strength of Mercedes messaging and points to strong creative executions that connect with luxury automotive shoppers

Creative Performance

	Luxury TV Rolling 3 Month Norms	Mercedes Benz
In-Market AdPi®	130	134
% Net Actions Taken (Recallers)	38%	43%
% Net Intent to Take Action (Non-Recallers)	48%	54%

What is it about certain ads that truly connect with consumers? Some brands are very good at communicating and connecting with customers and prospects, and PMI’s Creative Advertising Performance Index (Creative AdPi) pulls back the curtain on those connections.

Mercedes’ creative approach over the past 18 months indexes well above the norm by featuring their vehicles in ways that speak directly to the needs of luxury consumers in a way that makes shoppers want to take action, with the M and E class ads being great examples of how this was achieved. Summarily this depicts Mercedes as a vehicle they’d really love to buy and extends a strong halo effect by portraying a company that buyers in the luxury market want to be associated with. A great illustration of how Mercedes delivered this messaging and connected with consumers is the ad “The Best or Nothing”.

Looking further into the detail behind Mercedes strong creative performance, Mercedes creative approach exceeds the luxury market norm, delivering across all key connection points. One of the strongest aspects of Mercedes messaging is that it consistently contains a strong focal connection, usually highlighting relevant themes such as fuel efficiency, performance and quality. Building on this, the creative is also strongly relevant by portraying Mercedes vehicles in situations that are relatable and addressing issues that

important to luxury vehicle consumers. Often times Mercedes' ads feature real-life vehicle demonstrations to highlight unique features, which is not only appreciated by viewers, but also further enhances the ad's relatability and relevance. On these dimensions, the M Class and E Class ads show how Mercedes' creative approach achieves strong connections on important themes like relatability and relevance.

Consumers also respond well when a brand's creative approach creates a cognitive connection by showing new information about the brand and being informative. Mercedes has consistently delivered on these key dimensions as well. Mercedes ability to combine unique visuals with meaningful information allows the brand to build strong styling and engagement connections with consumers. Here Mercedes is able to show their brand as cool and innovative while gaining the attention of luxury vehicle shoppers with unique and entertaining content. Finally, Mercedes has been able to create a powerful empathetic connection in the market with creative concepts and ad content that reinforces themes of safety, credibility and being inspiring. Here again, their brand image campaign ("The Best or Nothing") is a great illustration of how Mercedes forges and reinforces these connections with luxury consumers.

	Luxury TV Rolling 3 Month Norms		Mercedes Benz
Creative AdPi®	126		136
Shows a Vehicle That I'd Really Love To Buy	100		110
Makes Me Want To Take Action	100		108
Spoke Directly To Me	100		107
Portrays a Company I Want To Be Associate With	100		109
FOCAL CONNECTION:	100		110
ENGAGEMENT CONNECTION:	100		106
RELEVANCE CONNECTION:	100		108
COGNITIVE CONNECTION:	100		108
EMPATHETIC CONNECTION:	100		112
STYLING CONNECTION:	100		106

Summing It All Up

Mercedes Benz tremendous brand equity and brand recognition contributes to their leadership in advertising performance among luxury vehicle consumers. However, Mercedes performance, both in driving consumer brand engagement and strong creative reaction, is the result of Mercedes carefully crafting messages that connect with consumers on multiple dimensions. Mercedes approach of delivering relevant, creatively stylish, yet relatable, messages and concepts that clearly convey the benefits of Mercedes vehicles, is a straightforward and powerful formula. And one that resonates with highly sought after luxury vehicle consumers.