

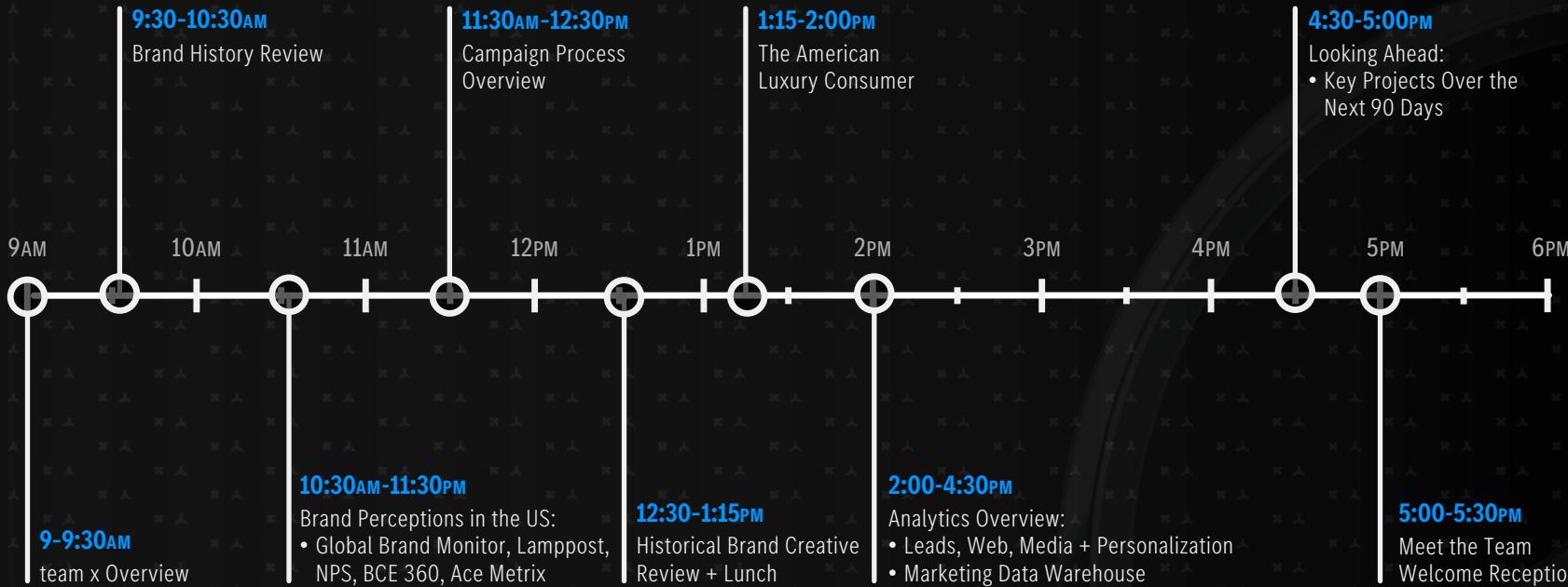
# Anna McGregor Onboarding

**July 11, 2024**



## AGENDA

July 11, 2024





**Alex Gellert**  
CHIEF EXECUTIVE OFFICER

**Alex Grossman**  
CO-HEAD, STRATEGY

**Cynthia Davis**  
CHIEF CLIENT OFFICER

**Charles Levitte**  
DIGITAL ANALYTICS DIRECTOR

**Ellen Gates**  
ANALYTICS DIRECTOR

**Francesco Deluca**  
GROUP ACCOUNT DIRECTOR



**Jake Parker**  
NA PROGRAM DIRECTOR



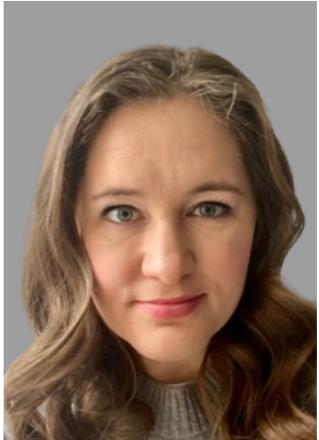
**Jessica Deacon**  
US LEAD  
GROUP ACCOUNT DIRECTOR, team X



**Julia Breckwoldt**  
ACCOUNT DIRECTOR



**Melissa Whitcomb**  
GROUP MEDIA DIRECTOR



**Megan Fediuk**  
GROUP DIRECTOR, MARTECH



**Scott Hensley**  
EXECUTIVE LEAD



Meet  
team x USA

team x

# Integrated Agency Team



# team x



## Facts + Figures

**30+**

years in business

**250+**

team members

**OMC**

member of the  
Omnicom network

**22**

employees of  
20+ years

**100%**

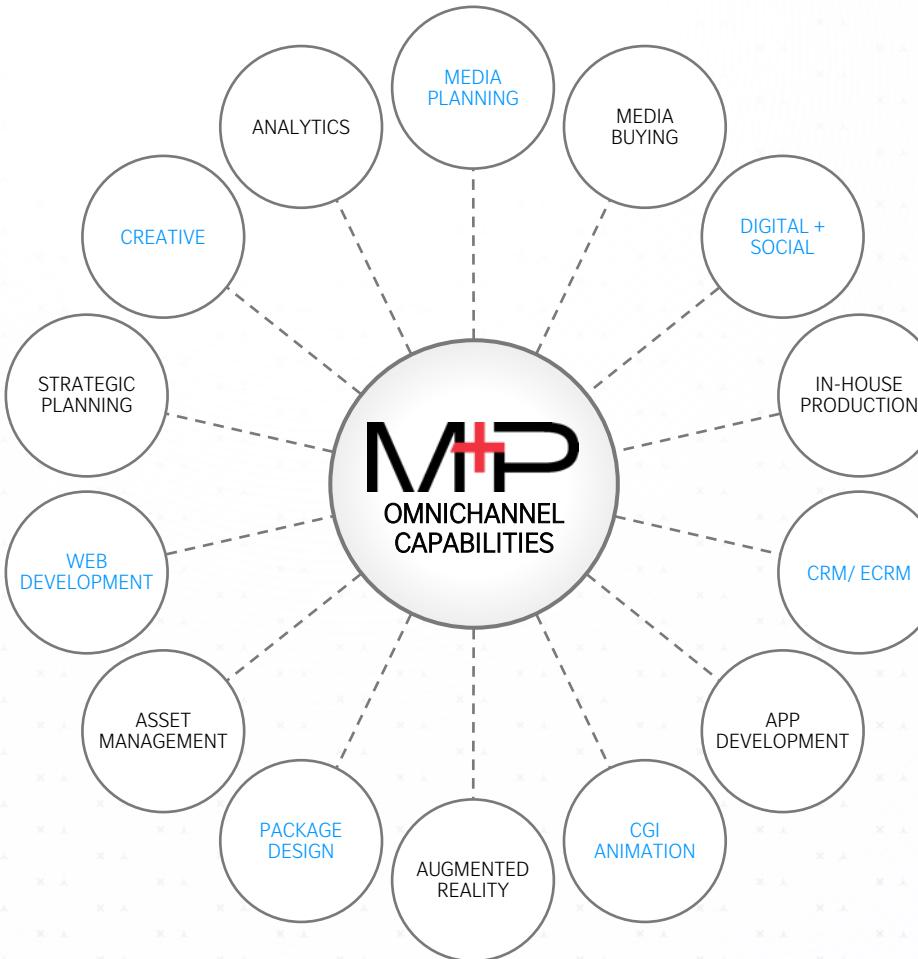
fully integrated  
solution

**55**

interns have become  
full-time employees

## Current Clients





# Credera is a global boutique consulting firm that helps leading brands unlock extraordinary results

Our mission is to make an extraordinary impact on our clients, our people, and our communities

**4,000+**Employees  
Globally**1999**Year Firm  
Established**96%**Client Retention  
Rate

# Credera's capabilities span the disciplines of full-service management, experience design, and technology solutions consulting.



## Management Consulting

Create winning strategies, design modern organizations, and drive global transformational outcomes through leadership and change.



## Innovation

Reimagine. Redesign. Realize. Disrupt. A structured approach to enable clients to identify, create, develop, and take new products and services to market.



## Experience Design

Create new digital experiences that create long-lasting, emotional connection and engagement with brands.



## MarTech

Implement, customize, and activate technology that powers profitable and harmonious cross-channel experiences.



## AI Consulting

Accelerate your journey building an enhanced data culture.



## Data

Capture and refine data to optimize business value through improving efficiency and accelerating decision making.



## Cloud

Maximize cloud technology to its fullest potential and enable IT agility.



## eCommerce

Go beyond a functioning consumer website by leveraging a dynamic strategy, robust implementation, and actionable optimization.

# Global Partnerships

Credera partners with leading digital platforms and cloud providers

Our global partnerships industrialize our consulting offering and accelerate our clients' dynamic customer experience (DCX) ambitions.



# Origin of team X

---

In 2021, Mercedes-Benz globally conducted a holding company consolidation review.

---

After a year long process, Omnicom was selected to be the Global AOR for all marketing, media and communications.

---

team x is the first of it kind solution, uniting creative, comms, media and performance marketing under one holding company.

The very best  
of Omnicom.

team x

# Offices

**1,500**

team xers worldwide

**6** continents

**44** countries

**47** cities

**14** time zones



## Advisory Board

The advisory board oversees everything related to team x



**Florian Adamski**

CEO  
Omnicom Media Group



**Alex Gellert**

CEO  
Merkley + Partners



**Tonio Kroger**

CEO  
Antoni



**Oliver Schrott**

CEO  
OSK



**Luke Taylor**

CEO  
Omnicom Precision Marketing



**Andrew Robertson**

CEO  
BBDO

## Global Leads

The global leadership team is based in Berlin, with Nats Sijanta overseeing the Global Leads across disciplines



**Nats Sijanta**

Global Business Lead



**Tilman Gossner**

Global Lead  
Creative Content



**Anke Peters**

Global Lead  
Client



**Joshua Teong**

Global Lead  
Strategy



**Ed Freed**

Global Lead  
Technology



**Claudius Nowak**

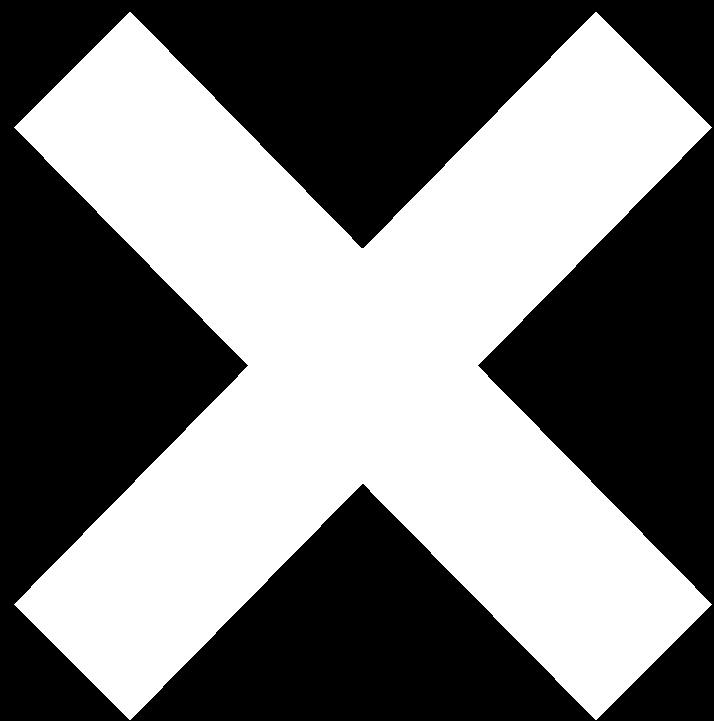
Global Lead  
Communications



**Jammie Ogle**

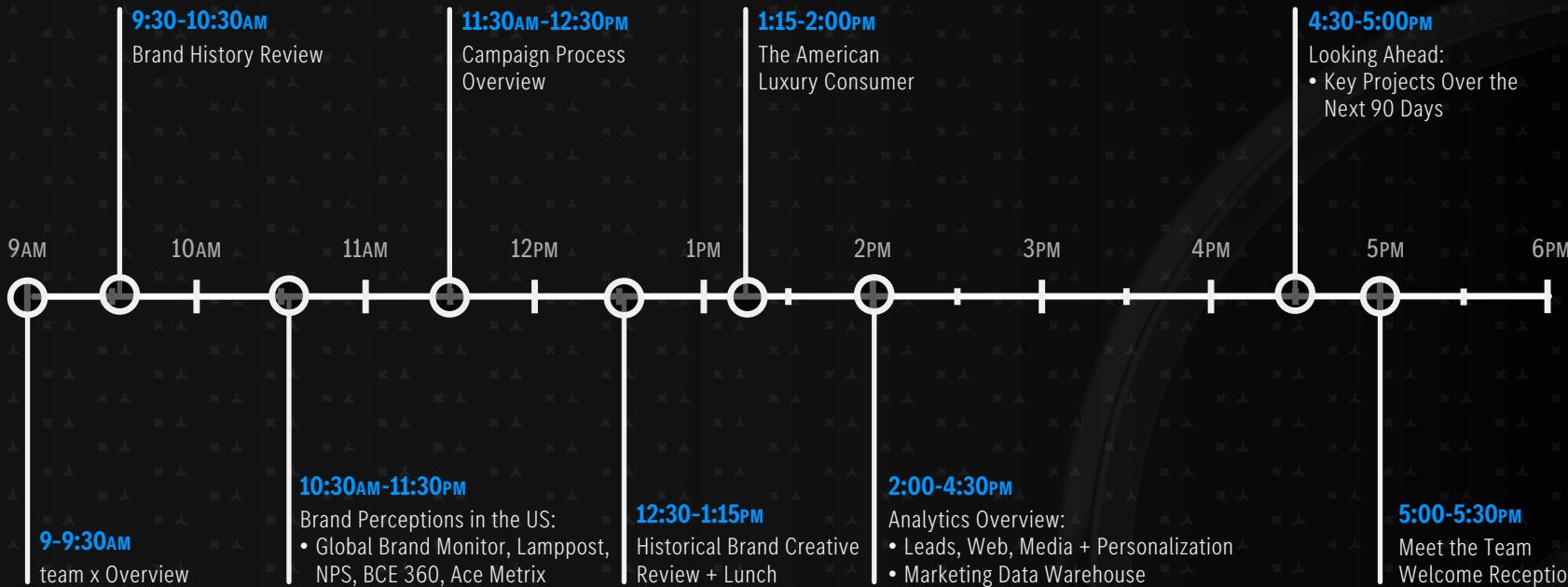
Global Lead  
Integrated Delivery

**This is what's going on at team X:**



## AGENDA

July 11, 2024



## **Brand History Review**

## STRATEGIC PLANNING

# Planning exists to make any and all ideas better



### Strategists

Develop strategies that inspire and focus the creation of communications that efficiently and effectively achieve business and marketing objectives.



### The Voice of the Consumer

Study and analyze consumer attitudes and behaviors (both online and off) and provide insight into the brand's target audiences to represent the voice of the consumer in conversations about strategy and creative.



### Brand Stewards

Live and breathe the brand, the product, its ethos. Provide guidance and vision, establish brand architectures and communications strategies. Ensure that creative is on-strategy, brand commensurate and maintains a defined brand persona across communications.



### Social Strategists

Identify and measure growth opportunities within the social space, leveraging partnerships with influencers and brand ambassadors that are relevant to the brand's target audience.



### Cultural Anthropologists & Trend Watchers

Monitor the cultural context, reporting back through discussions with creative teams and clients.



### Researchers

Ask new questions and mine data for actionable insight. Gather information and make recommendations on research needs (qualitative and quantitative) and sometimes execute that research.



### Moderators & Facilitators

Moderate focus groups and lead brainstorming sessions and workshops.



### Creative Thinkers

Distill insights into thoughts that can be used as inspiration and guidance for communications. Develop creative briefs, positioning and key messaging ideas.



### Collaborators

Partner with client and agency team members across disciplines to help them develop and focus strategy, creative, measurement and analysis



### Change Agents

We're in the business of changing what people think/feel/do, not documenting it.

# Some of the data that drives us

## KEY MERCEDES STUDIES



HQ

Global Brand Monitor

NPS (Net Promoter Score  
Benchmarking)

BCE360° Touchpoint  
Monitoring

MBUSA

MBUSA Lamppost  
Brand Tracker



LAMPPOST  
INSIGHTS

Ace Metrix Ad  
Effectiveness Monitoring

**ACE**  
metrix. | an  
iSpot.tv  
company

## OTHER RESOURCES

KANTAR

**BCG** BOSTON  
CONSULTING  
GROUP

J.D. POWER

McKinsey  
& Company

Brandwatch

**statista** The Statista logo, featuring the word "statista" in a bold, sans-serif font next to a bar chart icon.

VOGUE  
BUSINESS

ALTAGAMMA  
CREATIVITÀ E CULTURA ITALIANA

SUZY

helixa

**sparks & honey**

Ipsos

**HIGHSONBIETY**

BAIN & COMPANY

Edelman

Pew Research Center

**BOF**

FUTUREWATCH

# The research we participate in or conduct varies from year to year

Product Research	Insight Research	Positioning Testing	Creative Development Research	Copy Testing	Ad + Brand Tracking
Consumer discussions about the strengths and weaknesses of the product can be a rich source of insight into unmet wants / needs, reasons for adoption / rejection and points of difference.	Qualitative research to dig deeper into consumers' needs, desires, motivations and behaviors. Can provide insight into specific consumer segments, brand challenges and other areas.	Exploration of various positioning areas to determine which is the most resonant with the target or works hardest at reaching the brand's objectives. Can be qual, quant or both.	Exploration of creative concepts during the creative development process. Can be used to understand strengths of different approaches, refine ideas and distill effective creative principles.	Used to evaluate how effectively advertising satisfies the objectives it was created to address and identify opportunities to refine concepts before production.	Ad tracking evaluates the effectiveness or likely effectiveness of individual ads. Brand tracking identifies potential shifts in brand health measures and equities over time.

# Planning Principals: Investigating the 5Cs

How are we cross shopped?  
What do competitors do and say?  
Where is our advantage over them?



What's the role for communications at different consumer touchpoints?

What are the brand/product assets and differentiators that can help us succeed? What have we learned from previous campaigns?

Who is our target consumer and what are the relevant insights into their beliefs and behavior that will help us connect with them?

What's happening in the world at large that we can tap into or need to be mindful of?

# Our Story



## AN ORIGIN STORY

Karl Benz invented the automobile in 1886.



From that beginning, we've appealed to the heart and mind with character, style and substance

MIND

HEART



**“The best of the good.”**



**“The best or nothing.”**



“Luxury has always been part of our soul. It ties together our values and virtues. It’s who we are. It’s what we do best. Luxury is our home field advantage and our leading edge.” - 2020

“We are now fully focused on being a luxury and tech car company building the world’s most desirable cars.” - 2022

“We remain committed to offering electric versions of the entire lineup this decade, but we have to ensure our combustion-engine cars remain competitive.” - 2024

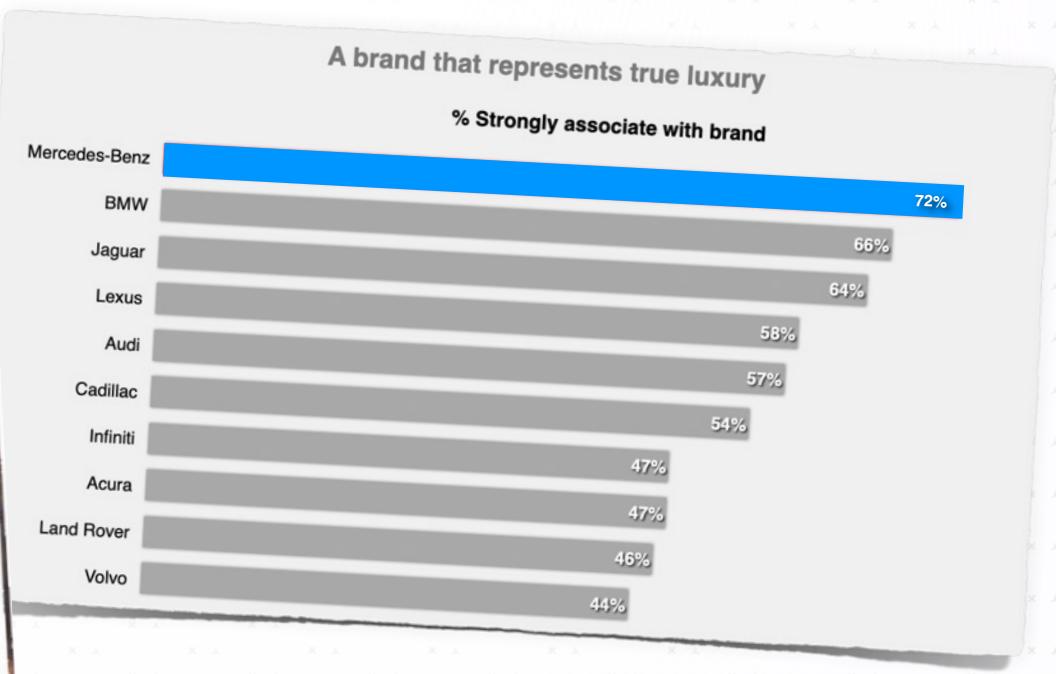
Think and Act Like  
a Luxury Car Brand



Ola Källenius

Chairman of the Board of Management of  
Mercedes-Benz Group and CEO of Mercedes-Benz

# Luxury has always been Mercedes-Benz's identity in the US



We've always defined luxury from the top down

**900,000+**

S-Classes sold since 1972

**31%**

of all 2019 registrations  
> \$120,000 came from the US



**2013**

First compact introduced

# Even the A-Classes we introduced were well-equipped, high-option vehicles

The US A220 launched with over 25 standard features not included on the A250s in other markets

- › Progressive line
- › 43.2 cm (17-inch) 10-spoke light-alloy wheels
- › All-season tires
- › Panoramic sliding sunroof
- › Heated windscreen washer system
- › LED High Performance headlamps
- › Radio remote control with panic switch
- › Leather multifunction sports steering wheel
- › Touchpad without Controller
- › THERMOTRONIC automatic climate control
- › Comfort Seats
- › 4-way lumbar support
- › Driver's seat, electrically adjustable with memory function
- › Seat Comfort package
- › Power front right seat with memory function
- › Rear armrest
- › ISOFIX child seat attachment points
- › Light linear-grain aluminum trim
- › Double cup holder
- › 916 Fuel tank
- › Reversing camera
- › Tire pressure monitoring system
- › Blind Spot Assist
- › HD digital radio
- › Extended MBUX functions
- › Smartphone integration

If someone  
knows us, it's  
not because  
they took a taxi



As a luxury brand, Mercedes-Benz has always been driven to create desire



The Brand Core

# Delivering on the intelligent and emotional sides of our brand sparks desire

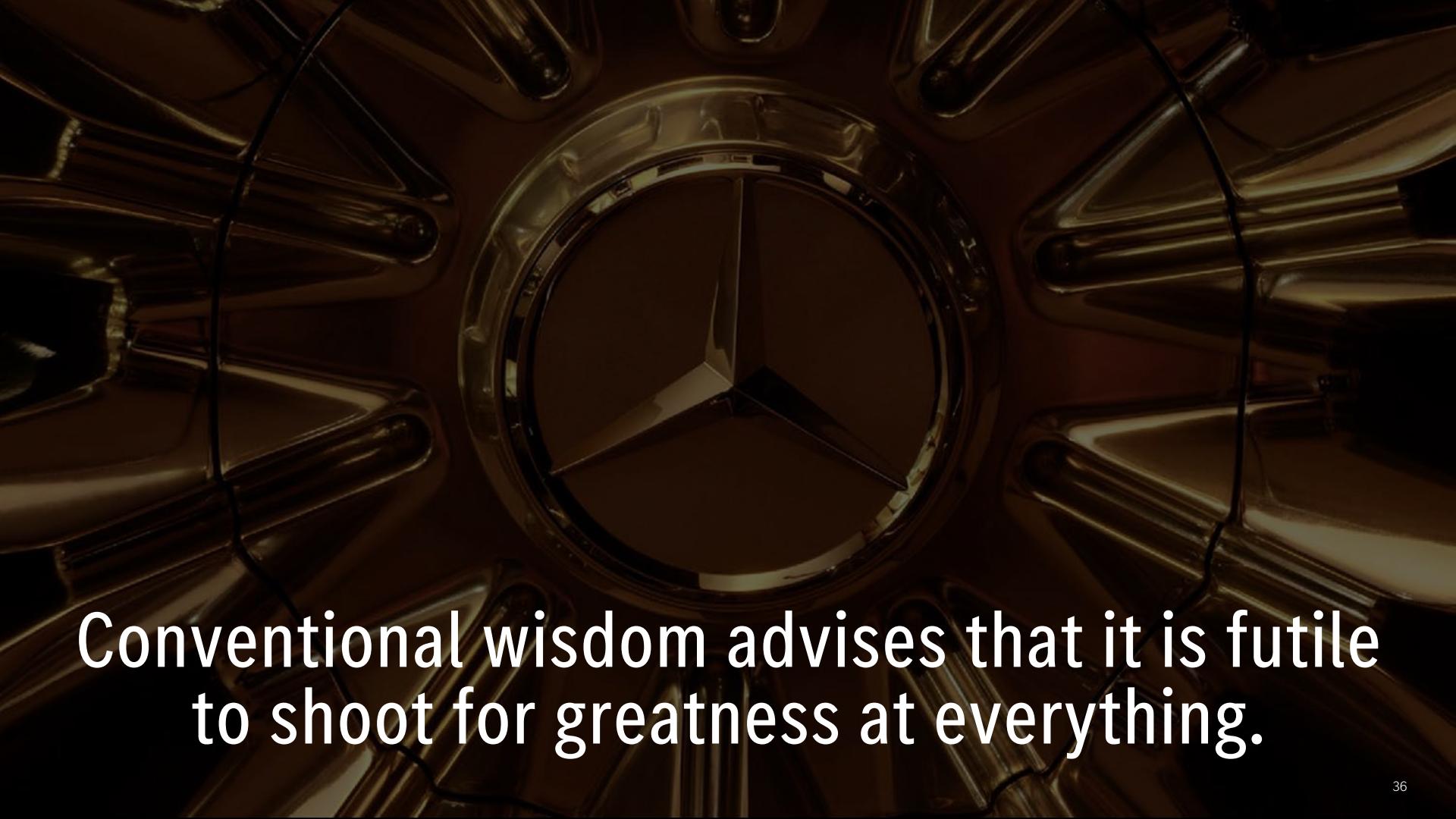
AUTOMOTIVE  
EXCELLENCE

The substance  
of desire



MODERN  
LEADERSHIP

The values and  
style of desire

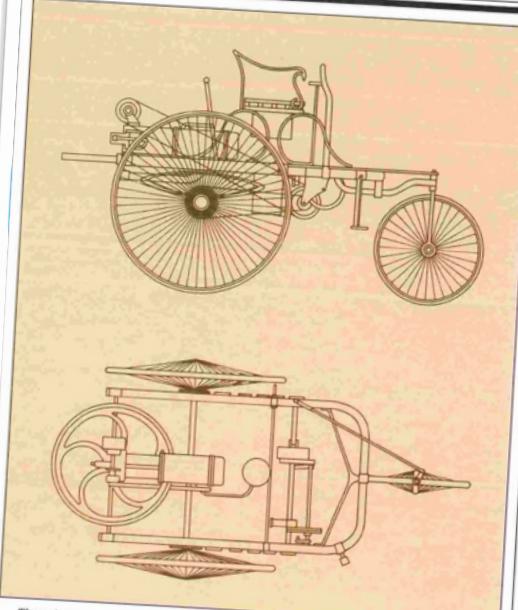


Conventional wisdom advises that it is futile  
to shoot for greatness at everything.

# Sacrifice? Compromise? Conventional Wisdom?

**What makes a Mercedes-Benz a Mercedes-Benz.**

The founders of Mercedes-Benz invented the automobile. They also invented a stubborn and singular philosophy of excellence. For 97 years, as for 97 years, the result is a series of automobiles engineered like no other cars in the world.



These drawings accompanied patent issued for first Benz automobile on January 29, 1886.

Every automobile since the beginning of automotive history has been a compromise. Every automobile must strike a balance between the desirable and the possible. Maximum economy and maximum performance cannot be had from the same engine. The softest ride and



Gottlieb Daimler



Karl Benz

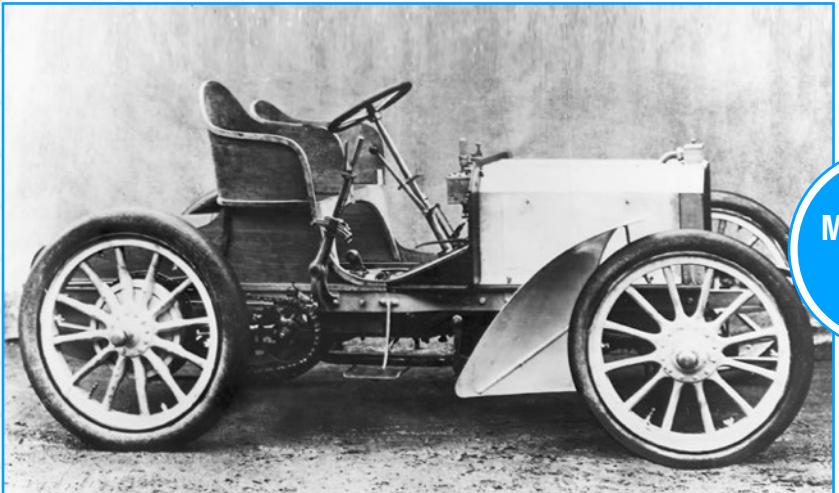
the optimum handling cannot be had from the same suspension. The most interior space and the greatest maneuverability cannot be had from the same chassis. The most quality cannot be had for the least price. Automotive designers must, therefore, delicately juggle all these factors, attempting to score as high as possible in every area—without giving up too much in any other area.

A Mercedes-Benz is designed to sacrifice less than any other car. It is designed to be the most perfectly balanced automobile pos-

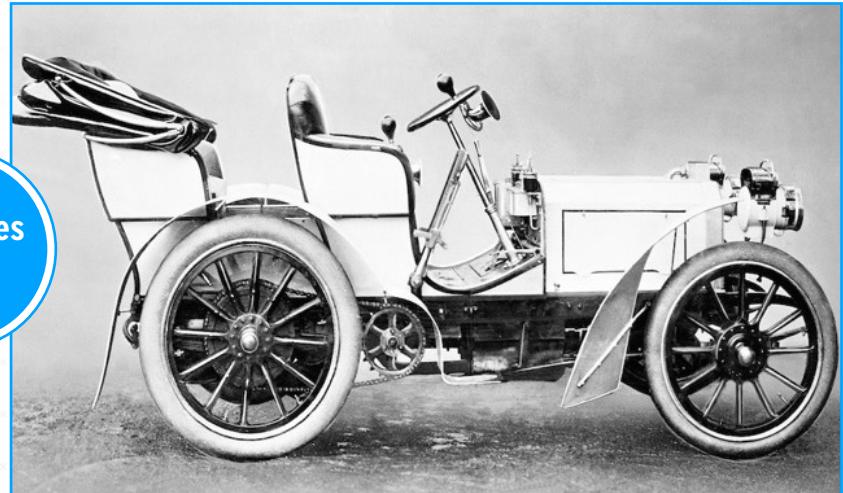
These are all dirty words for Mercedes-Benz.

# Designed to sacrifice less than any other car

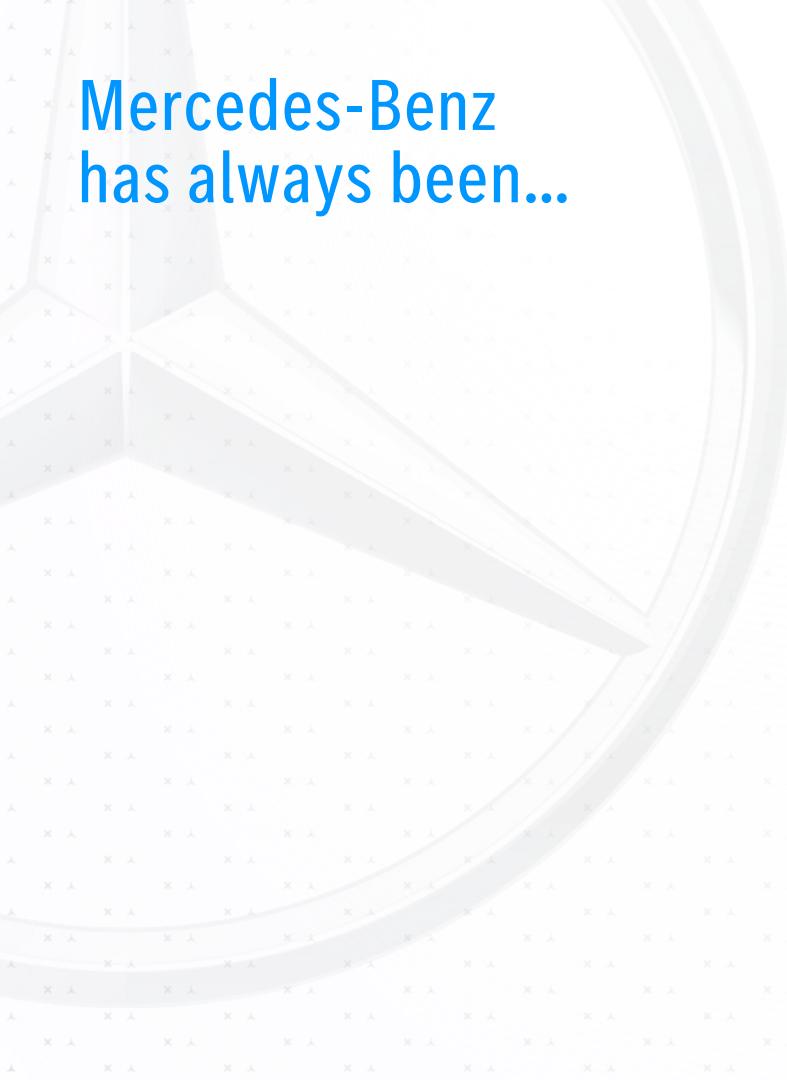
In 1901, the first car ever to wear the Mercedes name was built for comfort AND for speed.



**“Racing” configuration**



**“Comfort” configuration**



# Mercedes-Benz has always been...

Safety + Design

Performance + Comfort

Sustainability + Indulgence

Power + Grace

Disruptive + Authentic

Classic + Mold-Breaking

Modern + Iconic



A heritage of  
visionaries,  
pioneers, creators  
and their inventions

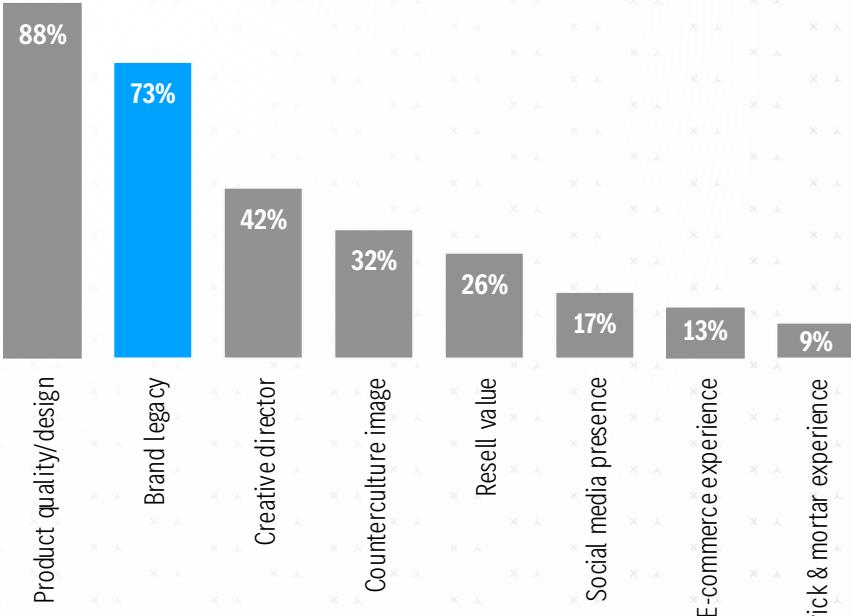
# As an iconic luxury brand, our heritage remains an asset



We're not the best because we're the oldest;  
**we're the oldest because we're the best.**

## Which factors are the most important for brands?

(US streetwear enthusiasts, \$80K+)

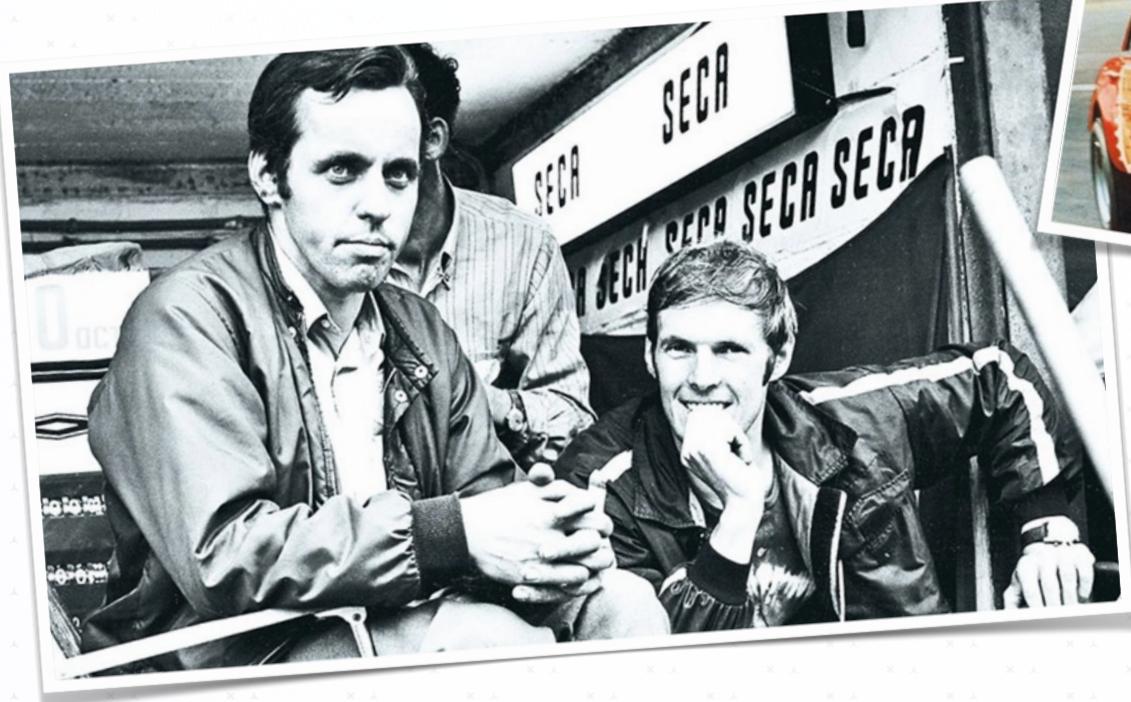


# Bertha Benz

Venture Capitalist / Marketing  
Innovator / Practical Engineer /  
Mother of the Automobile



# The Rule-Breakers



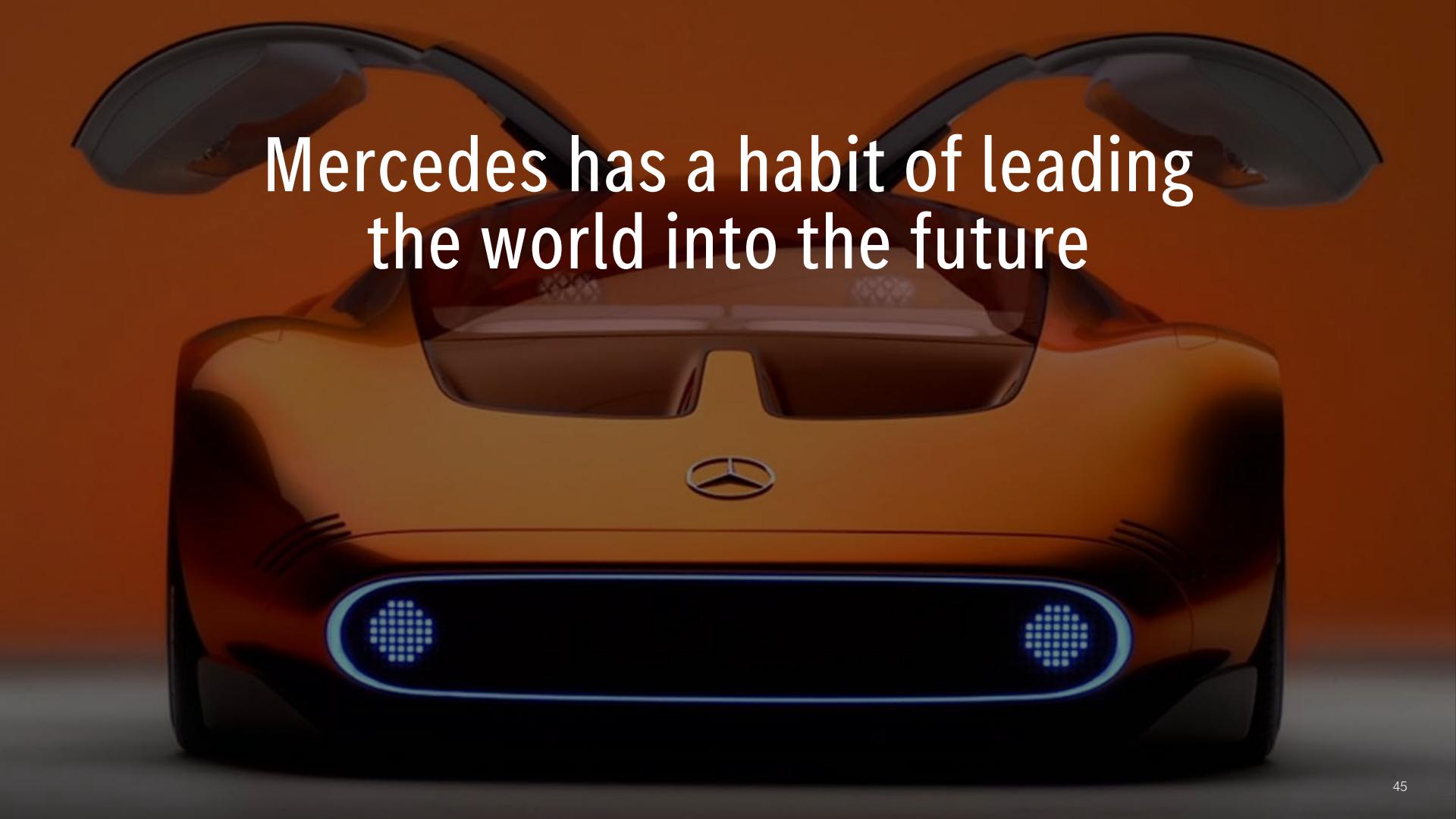
Hans Werner Aufrecht  
and Erhard Melcher

The man who gave “Mercedes” its name may have said it best...



“I don’t want the car of today, or  
the one of tomorrow. I want the  
car of the day after tomorrow.”

- Emil Jellinek, 1904

A dark, low-light photograph of a futuristic-looking Mercedes-Benz car. The car has a light-colored, possibly orange or yellow, body with a dark stripe along the side. A large, illuminated digital display is integrated into the front grille area, showing a grid pattern. The Mercedes-Benz logo is visible on the hood. The background is dark and out of focus.

Mercedes has a habit of leading  
the world into the future

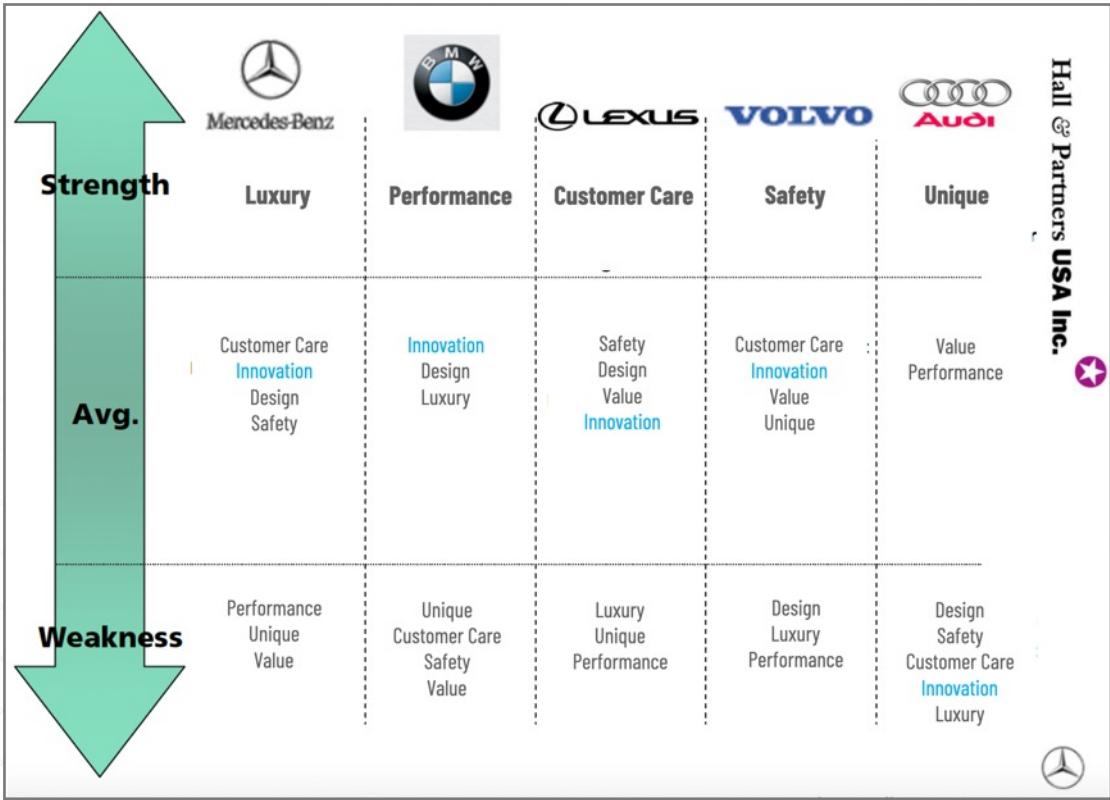
Mercedes never  
rests on its laurels,  
never settles for  
yesterday's idea of  
luxury automotive mastery



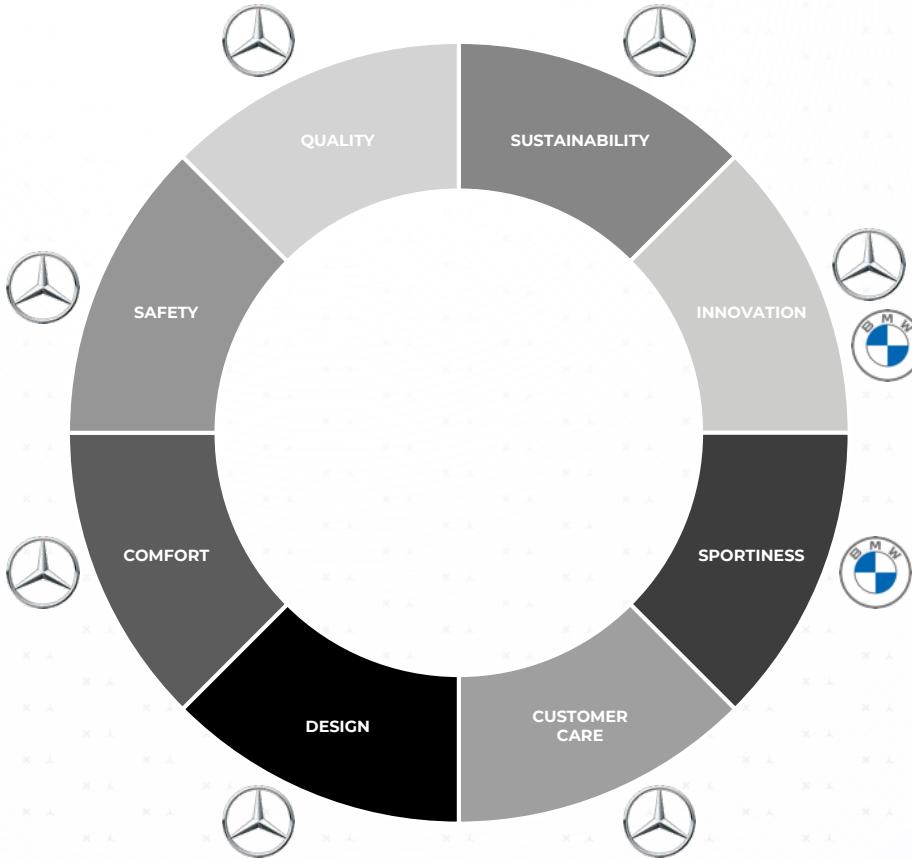
# Strength/weakness of car manufacturers

In 2005, each of our core competitors had:

- › A distinct strength
- › A collection of weaknesses
- › And there was a bunch of stuff in the middle that didn't set anyone apart

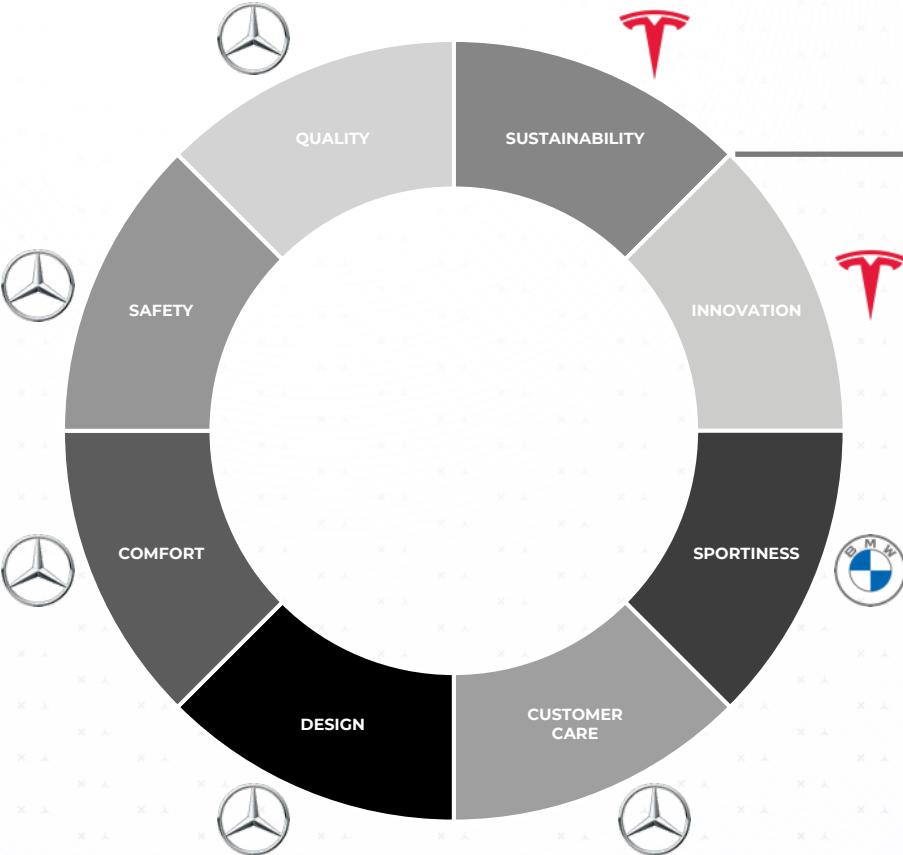


# By 2017, we dominated the landscape



# By 2022, the category was changed

The category was so changed that a territory considered of marginal importance two decades ago had proven power to conquer luxury owners and bring new people into the category



## Technology & Innovation

- Passionate innovation
- Leads in terms of alternative drivetrains
- Holistic sustainability
- Empowers the mobility of tomorrow
- Makes a contribution to society

## EASE

- Leader in autonomous driving
- Leader in connectivity & integration
- Solutions that anticipate my needs

## LOVE

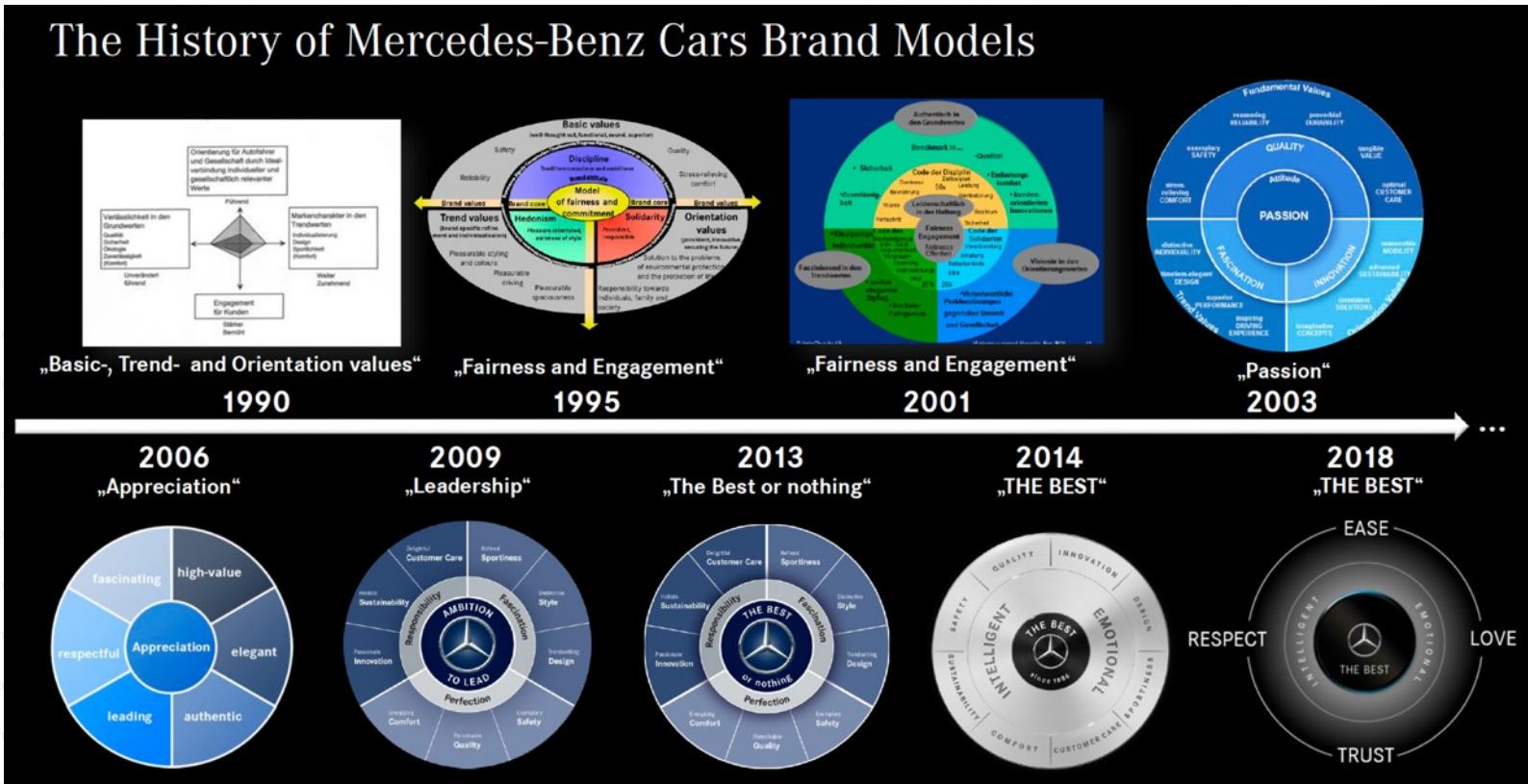
- Open to change

## RESPECT

- Up-to-date, modern luxury
- Attention to detail

# The Brand Wheel frequently evolves to help us manage and measure Mercedes-Benz's ambition to lead the way

## The History of Mercedes-Benz Cars Brand Models

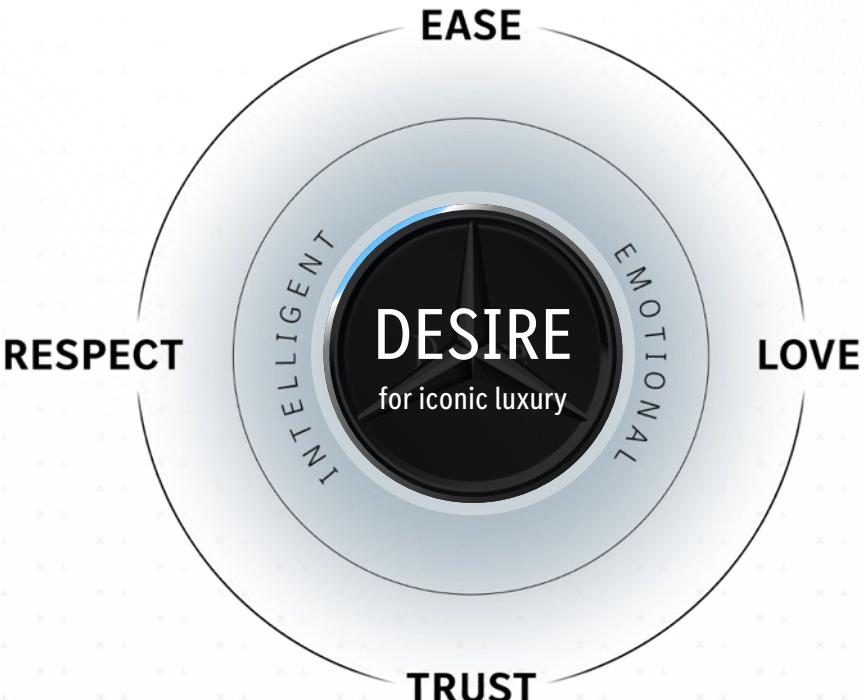


# Today's Brand Wheel is more focused on luxury and emotion

but delivery of wide-ranging, visionary, automotive greatness remains a key part of the Mercedes-Benz promise and how we measure brand health

**AUTOMOTIVE  
EXCELLENCE**

The substance  
of desire



**MODERN  
LEADERSHIP**

The values and  
style of desire

# Our Owners

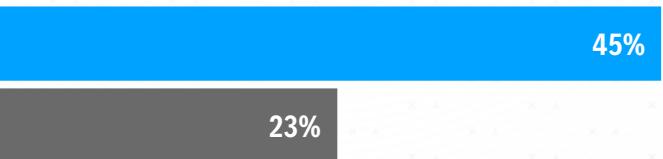


# People with the ambition to succeed are drawn to the Star

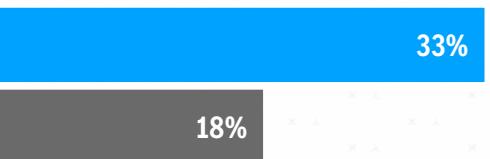
It's a reward for hard work



A symbol of accomplishment

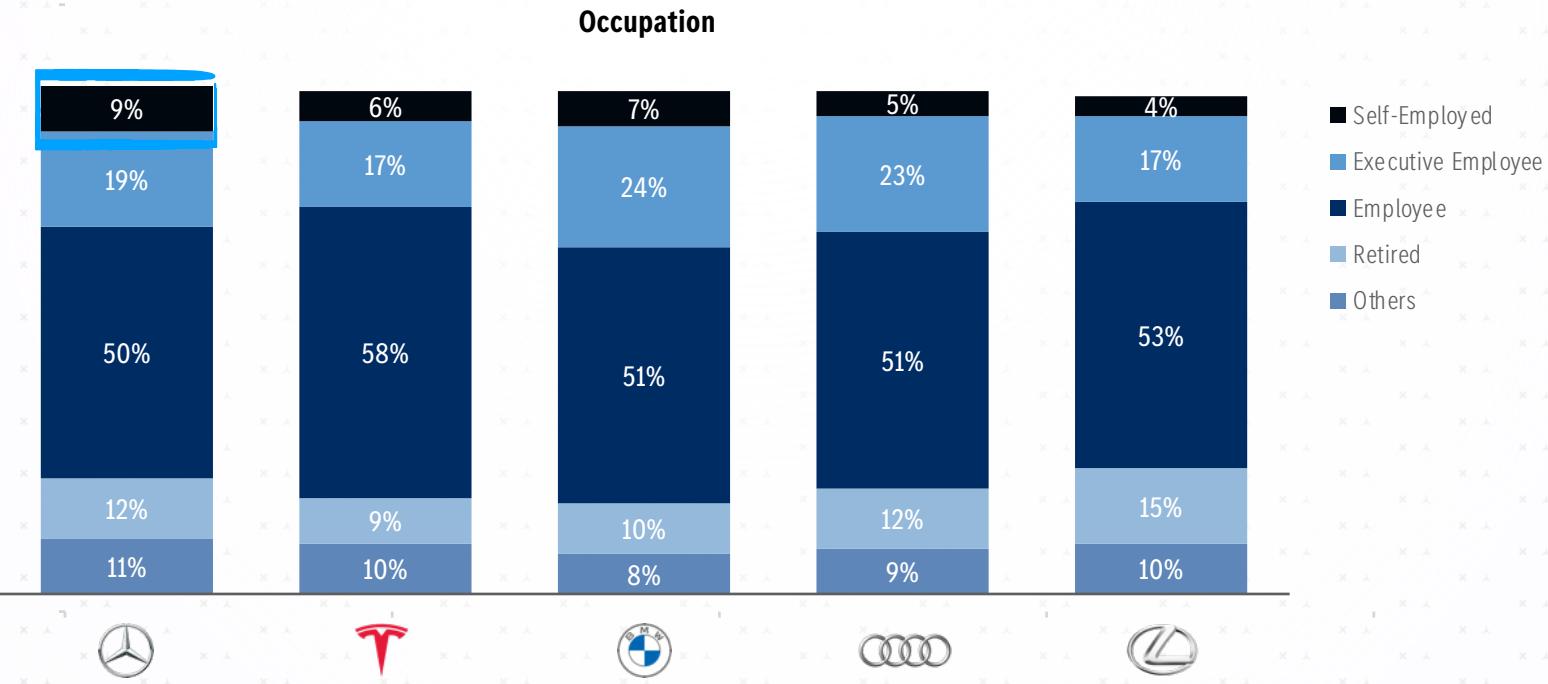


An affirmation of success



■ Mercedes-Benz Owners  
■ Non-Owners

Entrepreneurs, bootstrappers and rising stars have a special affection for our brand and see it as a symbol of arrival

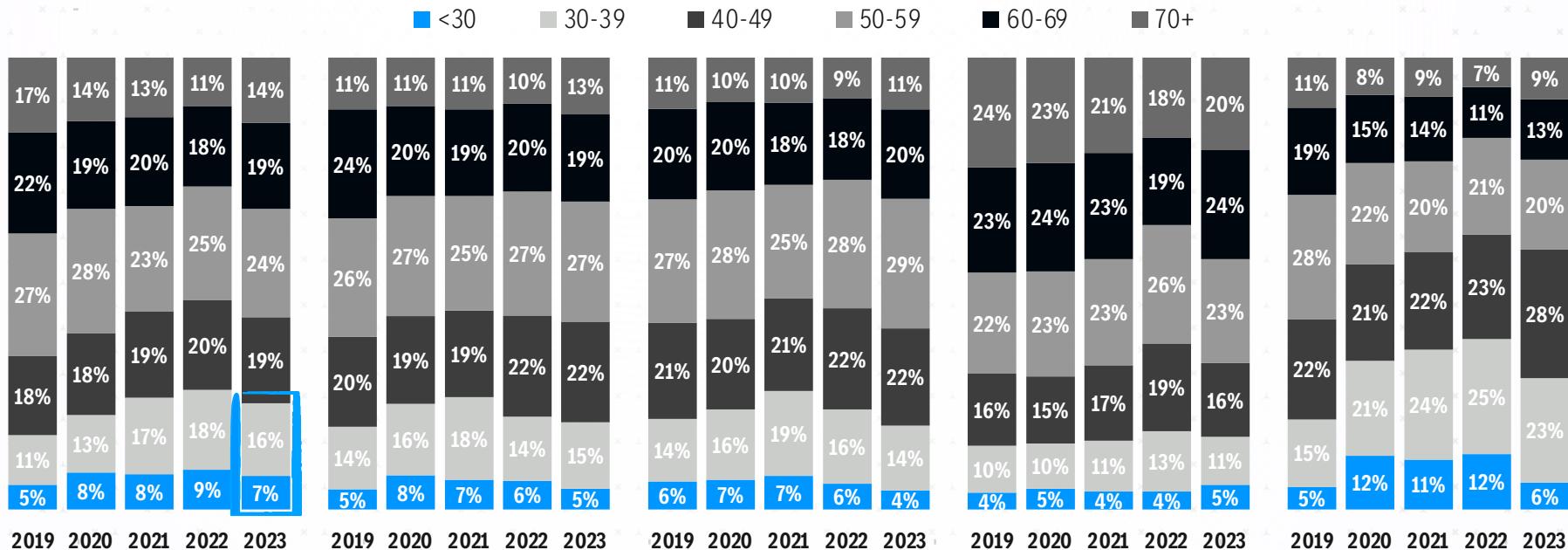


# Mercedes and its owners embody what it takes to move the world forward

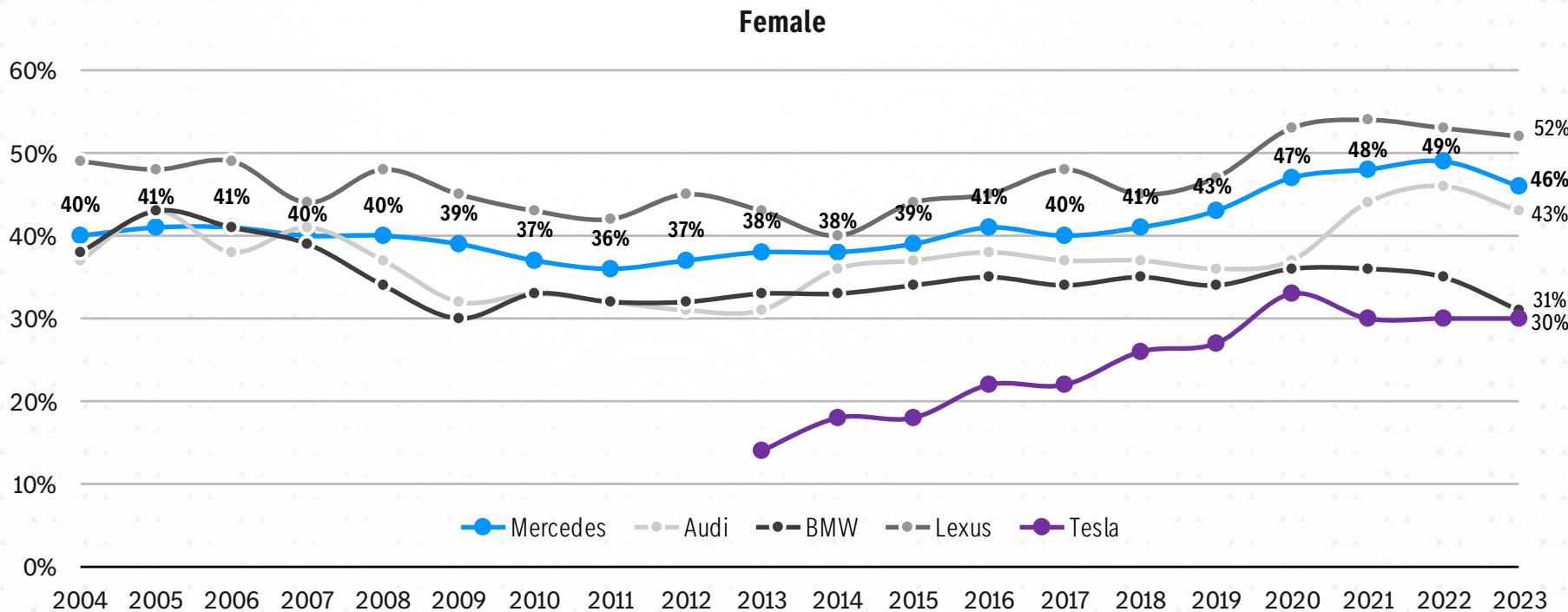


# These ambitious owners have trended younger...

**Age Distribution**

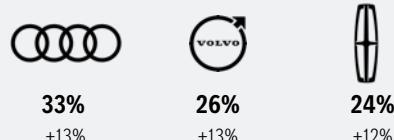
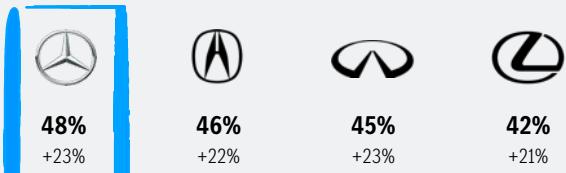


# More female



# More diverse

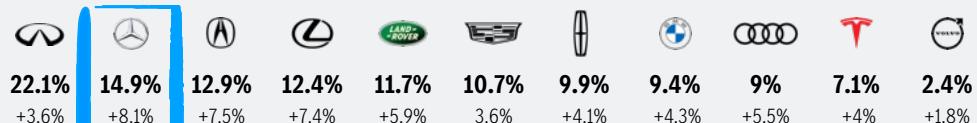
## Brands by Share of BIPOC Owners



Key:  
**N% = Share**

+N% = Growth since 2013

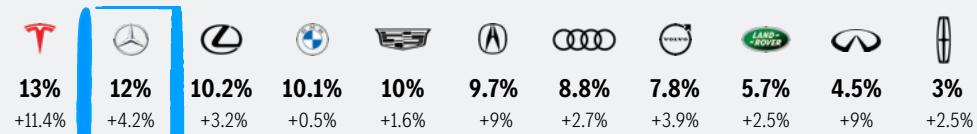
## Brands by Share of Black/African-American Owners



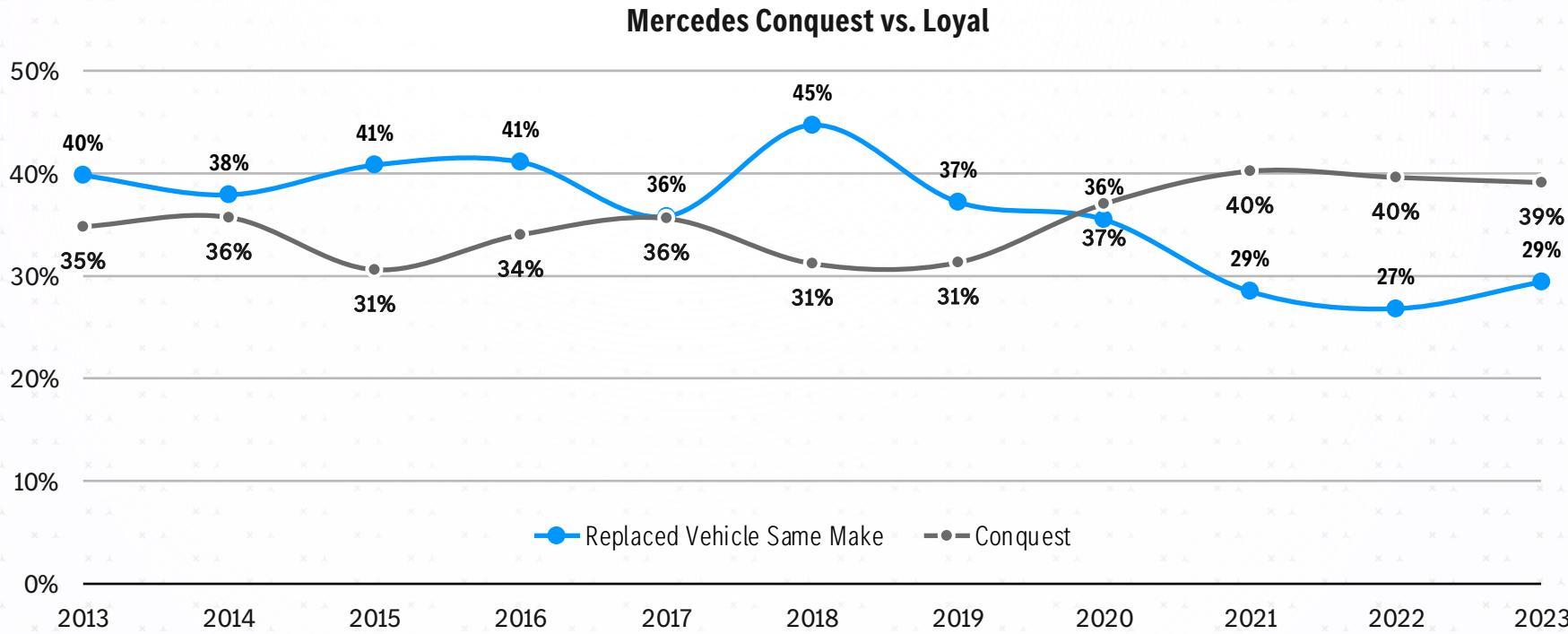
## Brands by Share of Hispanic/Latino Owners



## Brands by Share of Asian Owners



# More conquests to our brand than ever before





# Our Balancing Act

# Perceptions of Mercedes are changing

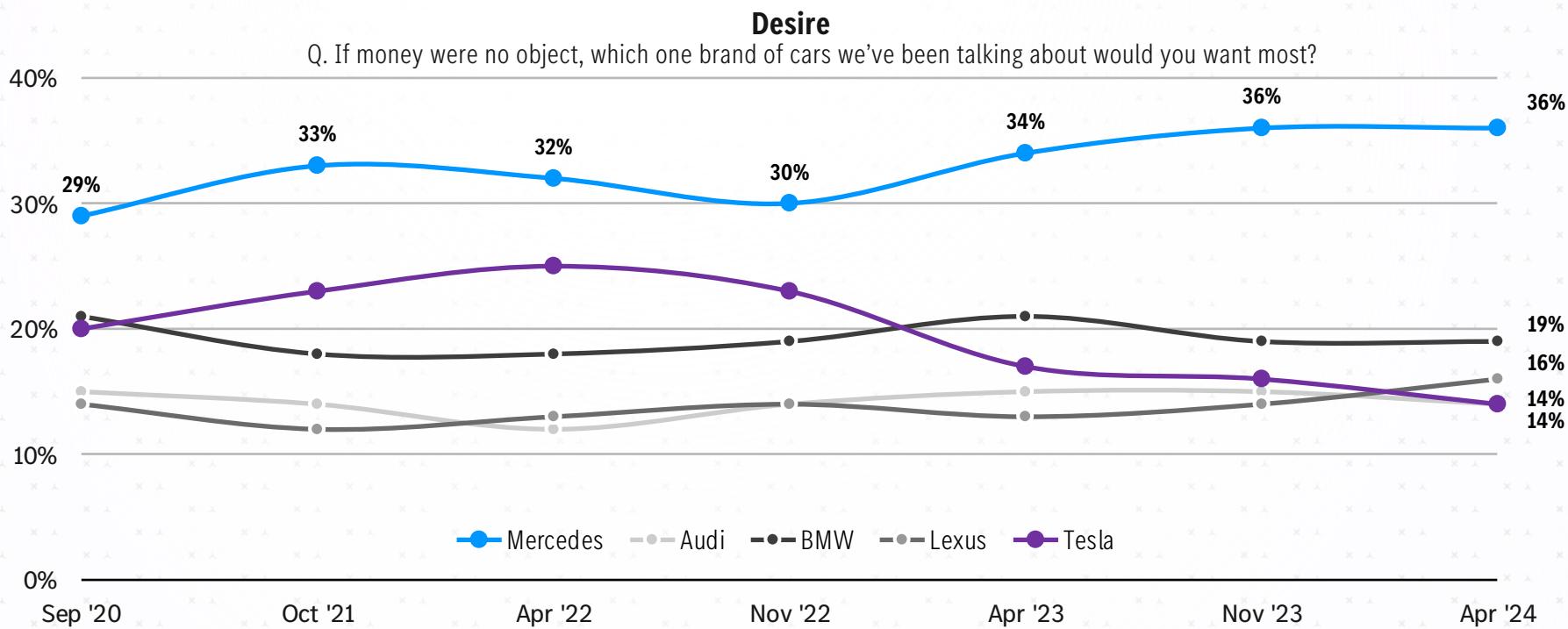
After a 3-year absence,  
Mercedes-Benz is once again  
recognized as one of the  
**most innovative companies  
in the world**

## 50 Most Innovative Companies of 2023

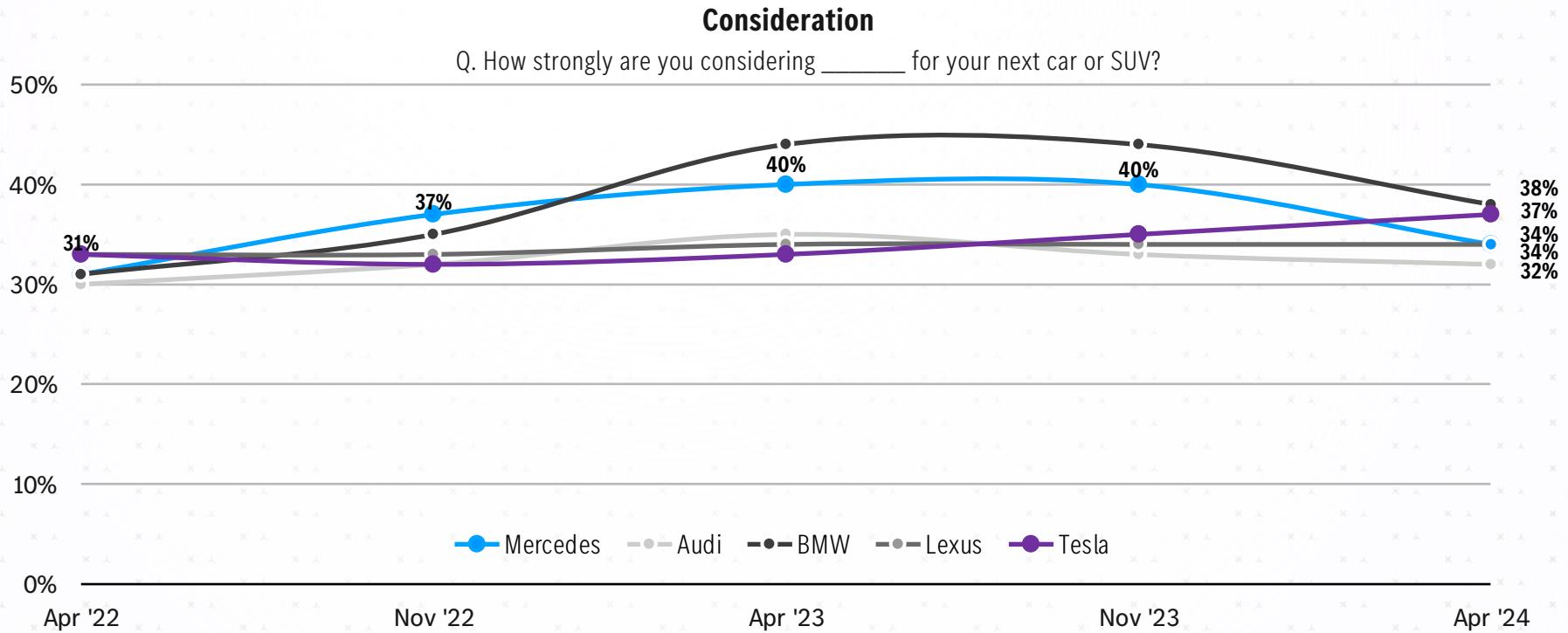
- 01. Apple
- 02. Tesla 
- 03. Amazon
- 04. Alphabet
- 05. Microsoft
- 06. Moderna
- 07. Samsung
- 08. Huawei
- 09. BYD Company 
- 10. Siemens
- 11. Pfizer
- 12. J&J
- 13. SpaceX
- 14. Nvidia
- 15. ExxonMobil
- 16. Meta
- 17. Nike
- 18. IBM
- 19. 3M
- 20. Tata Group 
- 21. Roche
- 22. Oracle
- 23. BioNTech
- 24. Shell
- 25. Schneider Electric
- 26. P&G
- 27. Nestlé
- 28. General Electric
- 29. Xiaomi
- 30. Honeywell
- 31. Sony
- 32. Sinopec
- 33. Hitachi
- 34. McDonald's
- 35. Merck
- 36. ByteDance
- 37. Bosch
- 38. Dell
- 39. Glencore
- 40. Stripe
- 41. Saudi Aramco
- 42. Coca-Cola
- 43. Mercedes-Benz Group **
- 44. Alibaba
- 45. Walmart
- 46. PetroChina
- 47. NTT
- 48. Lenovo
- 49. BMW 
- 50. Unilever



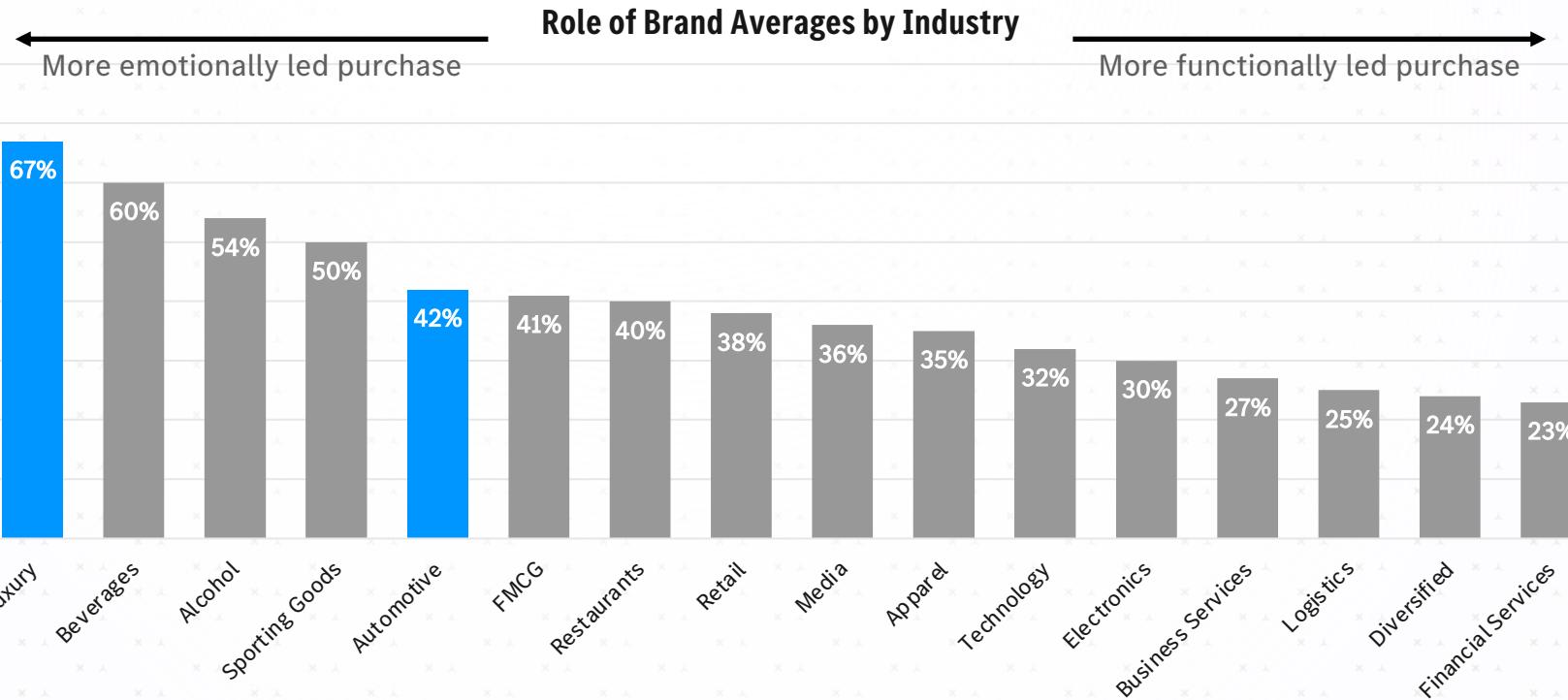
# Our brand is more desirable than at any time since the start of the pandemic



# Increasing desire has not resulted in increased consideration



# Mercedes-Benz has always been... Luxury + Automotive



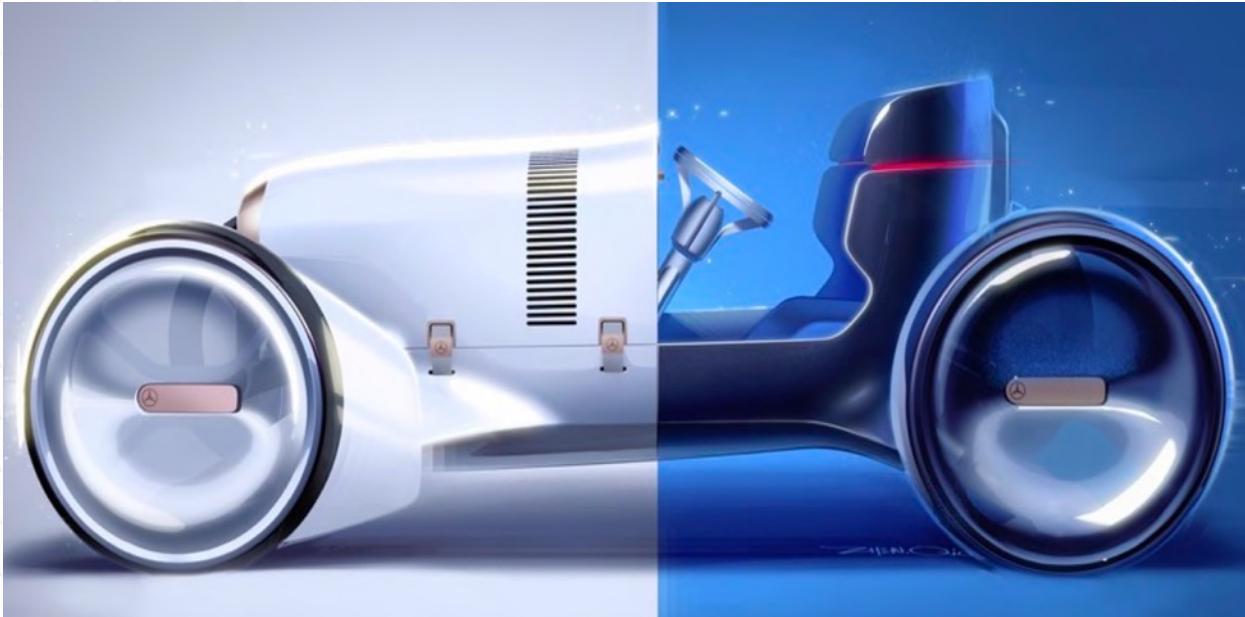
Source: Interbrand analysis with data sourced from Best Global Brands 2020, Avg. is 39%

# The Balancing Act: Think and Act Like a Luxury Brand / Move Heavy Metal

Timeless  
Iconic Heritage

Timely  
Visionary Innovation + Creativity

Today  
Competitor + Consumer Behaviors

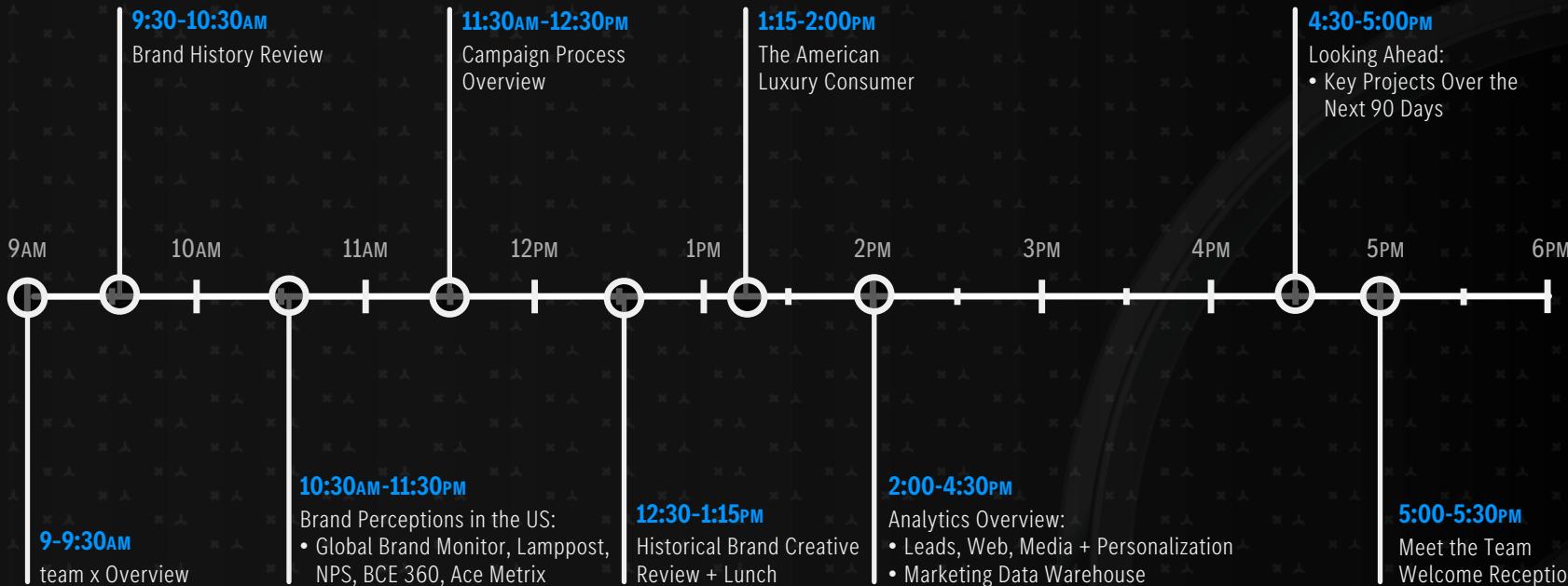


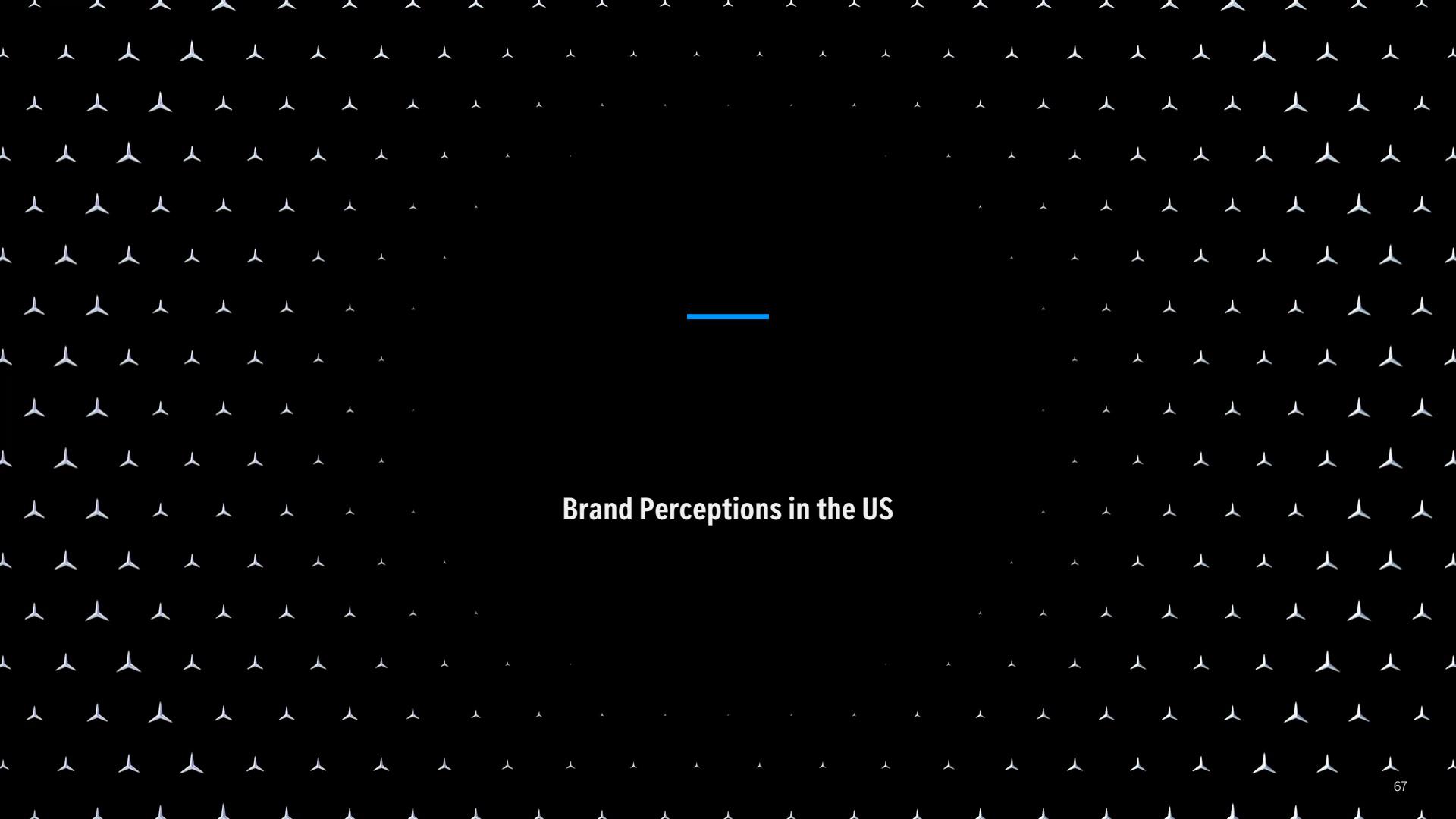
GLS cross shopped against...

BMW X7	33.9%
Cadillac Escalade	15.9%
Land Rover Range Rover	14.4%
Lincoln Navigator	12.1%
Lexus LX	8.3%
Lexus TX	8.2%
Jeep Grand Wagoneer	5.7%
Genesis GV80	5.2%
Lexus GX	5.0%
Infiniti QX80	5.0%
Audi SQ7	3.8%
BMW XM	3.2%
Audi Q7	2.7%

## AGENDA

July 11, 2024





## Brand Perceptions in the US

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## KEY MERCEDES STUDIES



HQ

Global Brand Monitor

NPS (Net Promoter Score  
Benchmarking)

BCE360° Touchpoint  
Monitoring

MBUSA

MBUSA Lamppost  
Brand Tracker



Ace Metrix Ad  
Effectiveness Monitoring



## OTHER RESOURCES

KANTAR



J.D. POWER

McKinsey  
& Company



sparks & honey

HIGHSNOBIETY



BoF

Pew Research Center

statista

VOGUE  
BUSINESS



Interbrand

FUTUREWATCH

# Global Brand Monitor

# The annual MB Brand Monitor set up

WHO WAS ASKED?	HOW AND WHEN?	HOW MANY?
<ul style="list-style-type: none"><li>› Premium car buyers (customers/non-customers)</li><li>› Benchmarking against BMW, Audi, Tesla, Lexus</li><li>› First car registrations in last five years</li></ul>	<ul style="list-style-type: none"><li>› Online interview</li><li>› Conducted from January to March 2024</li></ul>	<p>USA report:</p> <ul style="list-style-type: none"><li>› n=623</li><li>› Includes 117 MB owners</li></ul>

## THE BENCHMARK OF NOTHING?

### Are we winning or losing vs. the best competitor?

We are always indexed to the best competitor:

100+<100

## EVALUATION IN ABSOLUTE RATINGS

### Are we winning or losing in absolute ratings?

Change of the scale values compared to the previous wave:

↑ ≥ 0.2 (sig.)

↗ < +0.2 to ≥ +0.1 → < +0.1 to > -0.1 ↘ ≤ -0.1 to > -0.2

↓ ≤ -0.2 (sig.)

# We also look at the data from some additional perspectives

## All Competitors vs. the Competitive Set Average

1. What does the landscape look like if we index all competitors to the average rating, rather than just Mercedes vs. its best competitor?
2. How meaningfully better, weaker or different are we?

### Difference of averages 10-point scale:

Overall	
Much better	$\geq +0.4$
Significantly better	< +0.4 to $\geq +0.2$
Somewhat better	< +0.2 to $\geq +0.1$
As good as	< +0.1 to > -0.1
Somewhat weaker	$\leq 0.1$ to > -0.2
Significantly weaker	$\leq -0.2$ to > -0.4
Much weaker	$\leq -0.4$

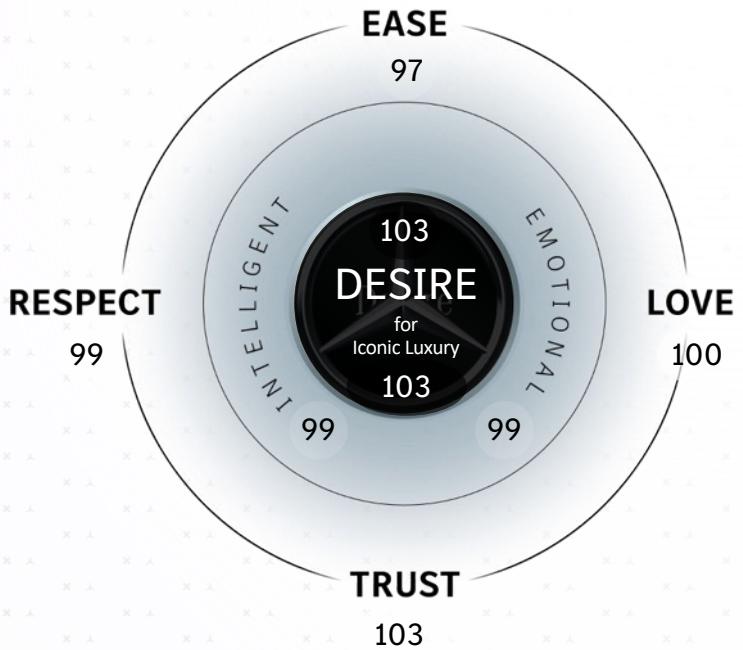
## Mercedes vs. BMW

1. What does the landscape look like if we just focus on Mercedes in comparison to BMW?
2. How meaningfully better, weaker or different have we been over time?
3. What does this look like for the brands' Customers vs. Non-Customers?

### Difference of averages 10-point scale:

	Non-Customers	Customers	Overall
Much better	$\geq +0.4$	$\geq +0.6$	$\geq +0.4$
Significantly better	< +0.4 to $\geq +0.2$	< +0.6 to $\geq +0.3$	< +0.4 to $\geq +0.2$
Somewhat better	< +0.2 to $\geq +0.1$	< +0.3 to $\geq +0.15$	< +0.2 to $\geq +0.1$
As good as	< +0.1 to > -0.1	< +0.15 to > -0.15	< +0.1 to > -0.1
Somewhat weaker	$\leq 0.1$ to > -0.2	$\leq 0.15$ to > -0.3	$\leq 0.1$ to > -0.2
Significantly weaker	$\leq -0.2$ to > -0.4	$\leq -0.3$ to > -0.6	$\leq -0.2$ to > -0.4
Much weaker	$\leq -0.4$	$\leq -0.6$	$\leq -0.4$

# 2023 Brand Monitor results revealed directional declines vs. 2022



BRAND CORE	2021	2022	2023
Desirable	99	101	98
Desire for modern luxury	104	103	101
Emotional	96	98	97
Intelligent	98	96	98
Is a brand that I trust	98	101	98
Is a brand that makes my everyday life easier	99	96	98
Is a brand that I respect	98	100	100
Is a brand that I like	98	100	97
Average	98	100	98

# Key Brand Monitor Takeaways from 2023



Absolute ratings improvements are widespread.

Mercedes improved absolute ratings on 6 of the 8 Brand Wheel criteria, but BMW improved more. This results in MB's benchmark position declining from 5 last year to 2 in 2023.



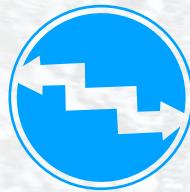
Mercedes and BMW Customers gave starkly different appraisals of their brands this year.

This year's Brand Wheel declines are the result of weakening ratings from MB customers compounded by improved Customer ratings for BMW.



Customers caused Brand Core dip.

The two Brand Core criteria, **desirable** and **up-to-date modern luxury**, both declined significantly with our Customers, with **desirable** the biggest loser across all criteria. Mercedes slightly out-performed BMW with Non-Customers.



The Tesla brand had a rough year.

Tesla is still strong on tech but doesn't compete when it comes to the Brand Wheel criteria.

# Based on 2023 results, we set 4 key goals for the 2024 brand monitor

**#1**

MB Brand Image



Reclaim best in class ranking in desire to beat BMW (US) and Audi (CAN) to establish separation.

**#2**

Technology | Innovation | Electric



Improve to #2 in Tech/Innovation and maintain #2 position in leader in electric. (US)  
Focus on new statements: car related digital experiences, lead in digital customer experiences, leads in electric drive and intro autonomous driving. (CAN)

**#3**

TEV Positioning



AMG improve in Desire & Thrill across North America.  
Maybach improve in Sophisticated/Beyond Luxury. (US)

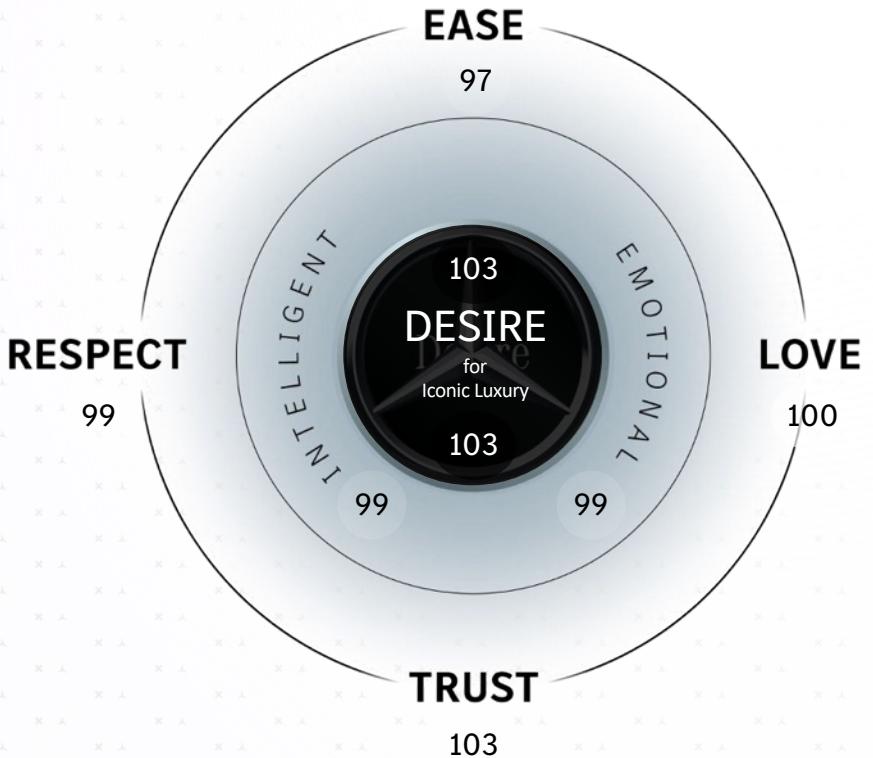
**#4**

Customer vs. Prospects



Focus on customer pain points in customer communications.

# 2024 Results: Restored power at the Brand Core



BRAND CORE	2023 INDEX	ABSOLUTE CHANGE	2024 INDEX	INDEX CHANGE
Desirable	98	↑	103	+5
Desire for iconic luxury			103	new
Emotional	97	↑	99	+2
Intelligent	98	↑	99	+1
Is a brand that I trust	98	↑	103	+5
Is a brand that makes my everyday life easier	98	↑	97	-1
Is a brand that I respect	100	↗	99	-1
Is a brand that I like	97	↗	100	+3
Average	98		100	+2

# 2024 ratings improvements are even more comprehensive than last year's

**97% of key criteria improved**

#of criteria with change of the scale values compared to the previous wave:

		<b>MB</b>	<b>BMW</b>	<b>Tesla</b>
Significant improvement	$\geq +0.2$	24	20	24
No significant improvement	$< +0.2 \text{ to } \geq +0.1$	10	10	6
No or no interpretable change	$< +0.1 \text{ to } > -0.1$	1	5	5
No significant worsening	$\leq -0.1 \text{ to } > -0.2$	0	0	0
Significant worsening	$\leq -0.2$	0	0	0
<b>TOTAL (2023/24 key criteria)</b>		35	35	35

**69% improved SIGNIFICANTLY**

Areas with significant ratings improvements:

## **Brand Wheel**

- › is desirable
- › represents emotionality
- › represents intelligence
- › is a brand that I trust
- › is a brand that makes my everyday life easier

## **Technology**

- › represents passionate innovation
- › leads in electric drive
- › leads in terms of alternative drivetrains
- › is a leader in autonomous driving
- › is a leader in connectivity and integrating personal devices in the car
- › stands for simple and intuitive handling
- › demonstrates exceptional expertise in car manufacturing

## **Traditional Strengths**

- › represents delightful customer care

## **Aesthetics**

- › stands for a luxurious experience at all customer touchpoints
- › represents an excellent impression of value
- › represents trendsetting design
- › represents leading exterior design
- › represents refined sportiness

## **Sustainability**

- › represents durability
- › stands for data security
- › makes a contribution to society
- › advocates fairness in society
- › advocates for diversity in society

# Great wins in 2023 growth fields

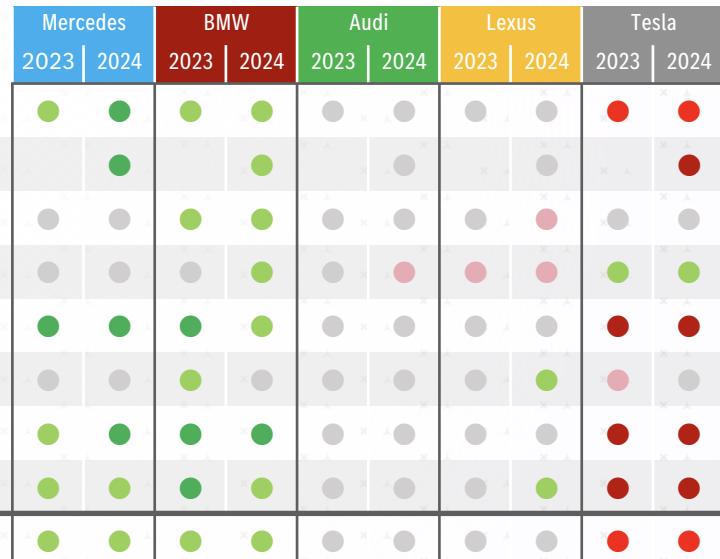
BRAND CORE	TECHNOLOGY	AESTHETICS	SUSTAINABILITY
			
Desirable +5 Trust +5 Love +3	Passionate innovation +3 Connectivity and integration +3 Expertise in car manufacturing +3	Refined sportiness +3	Durability +5 Data security +2
<b>Back on top</b> (leader on 4 of 8)	<b>Leapfrogged Tesla on Passionate Innovation,</b> completing a +9 improvement during the past two years	We can now <b>compete with BMW on Sportiness</b> like never before	<b>Most improved Strategic Field</b> based on ratings

# Brand image improved, regaining the best-in-class position in desire and setting the benchmark for iconic luxury

**Brand vs. Best Competitor**

	2023 INDEX	ABSOLUTE CHANGE	2024 INDEX	INDEX CHANGE
is desirable	98	↑	103	+5
represents iconic luxury			103	new
represents emotionality	97	↑	99	+2
represents intelligence	98	↑	99	+1
is a brand that I trust	98	↑	103	+5
is a brand that makes my everyday life easier	98	↑	97	-1
is a brand that I respect	100	↗	99	-1
is a brand that I like	97	↗	100	+3
Average	98		100	+2

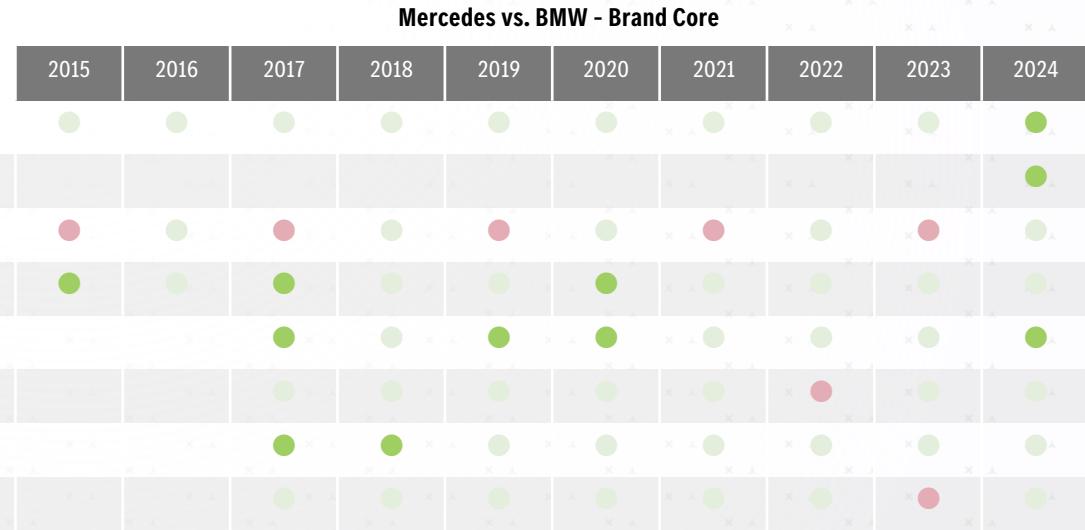
**Brand vs. Competitor Average**



Tesla and Lexus were the brands that improved on ease, potentially related to making it easier to move away from ICE (Lexus through HEVs and PHEVs and Tesla through affordable EVs)

- › Improve ease of life to fend off Lexus and distinguish ourselves from BMW
- › Prioritize competition with BMW to further entrench our best-in-class position

# Strongest Brand Wheel performance vs. BMW since 2017, although differences between the two brands remain insignificant



Desire, Iconic Luxury and Trust were our biggest strengths over BMW

› Focus on evolved Iconic Luxury can be opportunity to create more distance from BMW

# Traditional strengths continue to differentiate Mercedes from Tesla

	Brand vs. Best Competitor				Brand vs. Competitor Average				
	2023 INDEX	ABSOLUTE CHANGE	2024 INDEX	INDEX CHANGE	Mercedes	BMW	Audi	Lexus	Tesla
	2023   2024		2023   2024		2023   2024	2023   2024	2023   2024	2023   2024	2023   2024
represents exemplary safety	102	↗	103	+1	●	●	●	●	●
represents perceivable quality	103	↗	103	0	●	●	●	●	●
represents energizing comfort	102	↗	100	-2	●	●	●	●	●
represents delightful customer care	102	↑	102	0	●	●	●	●	●
Average	103		102	-1	●	●	●	●	●

Mercedes only significantly leads in 2 out of 4 traditional strengths

› Energizing comfort must be reinforced to prevent further slippage

# Great accomplishment on passionate innovation, but still need to narrow the gap with Tesla on alt. drivetrains and autonomous driving

	Brand vs. Best Competitor				Brand vs. Competitor Average				
	2023 INDEX	ABSOLUTE CHANGE	2024 INDEX	INDEX CHANGE	Mercedes 2023   2024	BMW 2023   2024	Audi 2023   2024	Lexus 2023   2024	Tesla 2023   2024
represents passionate innovation	97	↑	100	+3	●   ●	●   ●	●   ●	●   ●	●   ●
leads in electric drive	64	↑	63	-1	●   ●	●   ●	●   ●	●   ●	●   ●
leads in terms of alternative drivetrains	91	↑	91	0	●   ●	●   ●	●   ●	●   ●	●   ●
is a leader in autonomous driving	78	↑	79	+1	●   ●	●   ●	●   ●	●   ●	●   ●
leads in digital customer experience	93	↗	94	+1	●   ●	●   ●	●   ●	●   ●	●   ●
is a leader in connectivity and integrating personal devices in the car	96	↑	99	+3	●   ●	●   ●	●   ●	●   ●	●   ●
stands for simple and intuitive handling	98	↑	100	+2	●   ●	●   ●	●   ●	●   ●	●   ●
offers solutions that anticipate my needs	99	↗	99	0	●   ●	●   ●	●   ●	●   ●	●   ●
demonstrates exceptional expertise in car manufacturing	101	↑	104	+3	●   ●	●   ●	●   ●	●   ●	●   ●
Average	91		92	+1	●   ●	●   ●	●   ●	●   ●	●   ●

Shifting focus to a more even mix of PHEV, EV and ICE can help us improve on alternative powertrain leadership, but it is unlikely that any of the traditional OEMs will unseat Tesla's pure-play dominance of leads in electric drive

- Must create more awareness and interest in our leadership position in autonomous driving
- Opportunity to further solidify improved performance on connectivity with 2024 Holiday

# Mercedes still dominates the overall Aesthetics field, but competitors closed the gap this year

**Brand vs. Best Competitor**

	2023 INDEX	ABSOLUTE CHANGE	2024 INDEX	INDEX CHANGE
intelligently integrates tradition and future	103	↗	104	+1
stands for a luxurious experience at all customer touchpoints	103	↑	102	-1
represents an excellent impression of value	100	↑	98	-2
represents attention to detail	101	↗	100	-1
represents trendsetting design	101	↑	100	-1
represents leading exterior design	101	↑	100	-1
represents leading interior design	103	↑	103	0
represents refined sportiness	97	↑	100	3
shapes luxury culture also in non-automotive areas of life			98	new
is a brand that I can personally identify with			100	new
creates a sense of unity between the brand and its customers			100	new
offers experiences that exceed customer expectations			100	new
Average	101		101	0

**Brand vs. Competitor Average**



Could become vulnerable to BMW growth, especially when it comes to design

- Return to marketing more traditional MB ICE vehicles
- EQS FL can be an opportunity to recalibrate EV design language and return to iconic Mercedes values

Standout ratings growth for Mercedes, but Tesla continues to be the brand most associated with sustainable mobility

Brand vs. Best Competitor					Brand vs. Competitor Average				
	2023 INDEX	ABSOLUTE CHANGE	2024 INDEX	INDEX CHANGE	Mercedes 2023   2024	BMW 2023   2024	Audi 2023   2024	Lexus 2023   2024	Tesla 2023   2024
represents responsibility	100	↗	96	-4	●	●	●	●	●
represents holistic sustainability	91	→	86	-5	●	●	●	●	●
represents durability	99	↑	104	+5	●	●	●	●	●
stands for data security	95	↑	97	+2	●	●	●	●	●
makes a contribution to society	93	↑	91	-2	●	●	●	●	●
advocates fairness in society	96	↑	93	-3	●	●	●	●	●
advocates for diversity in society	96	↑	95	-1	●	●	●	●	●
stands for sustainable battery technology			82	new	●	●	●	●	●
sets the standards for CO2 neutrality			81	new	●	●	●	●	●
Average	96		95	-1	●	●	●	●	●

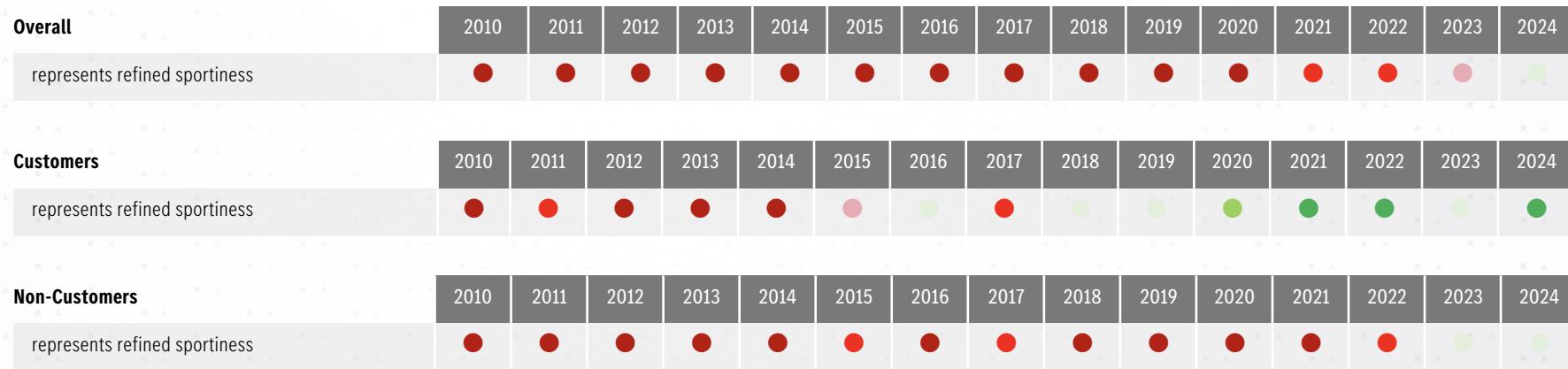
**B**iggest overall ratings improvement in any strategic field behind major improvements in durability

Tesla being a pure play electric brand, overshadows our growth in pure sustainability fields

- › Look to make improvements in contribution to, fairness and diversity in society through multicultural efforts
  - › No one is standing for data security, opportunity to establish leadership, but unclear how important that is to US customers today

# When it comes to Aesthetics, the remarkable progress on sportiness deserves its own slide

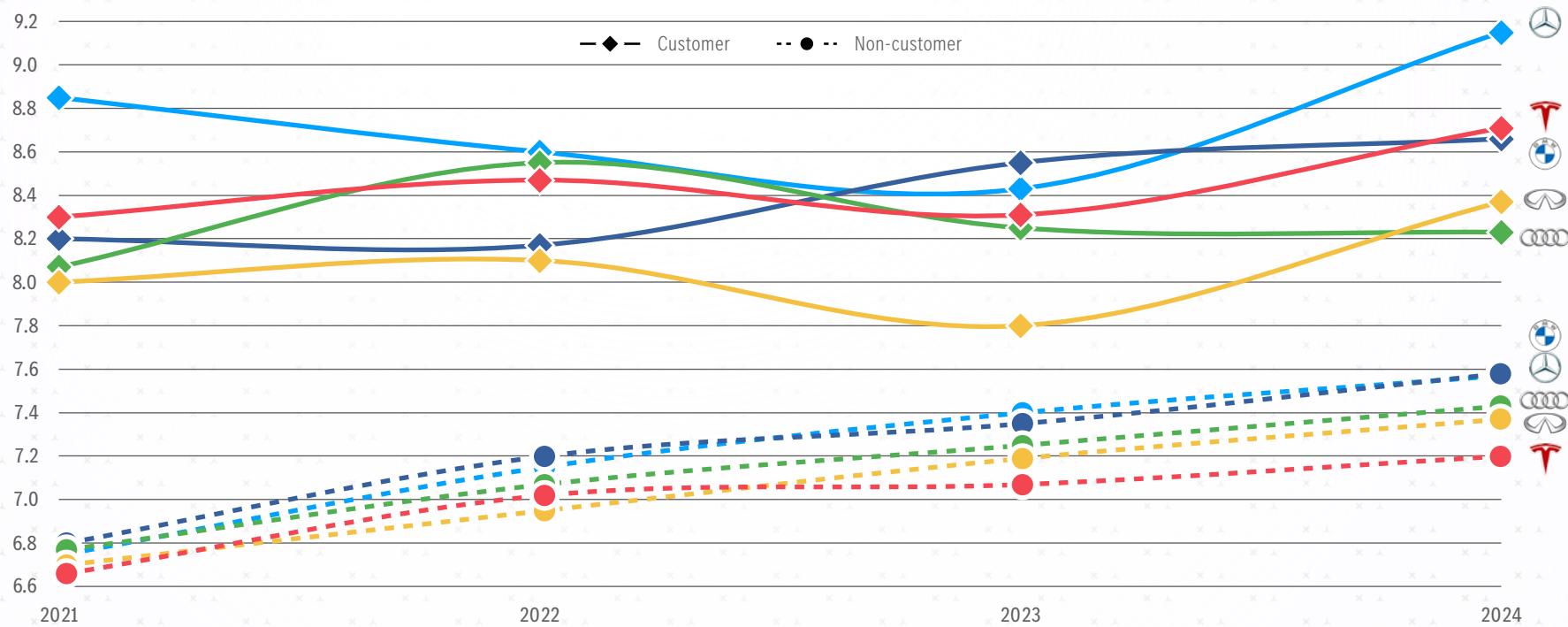
**Mercedes vs. BMW - Represents Refined Sportiness**



New sportiness credibility likely impacted by growth of F1 and AMG

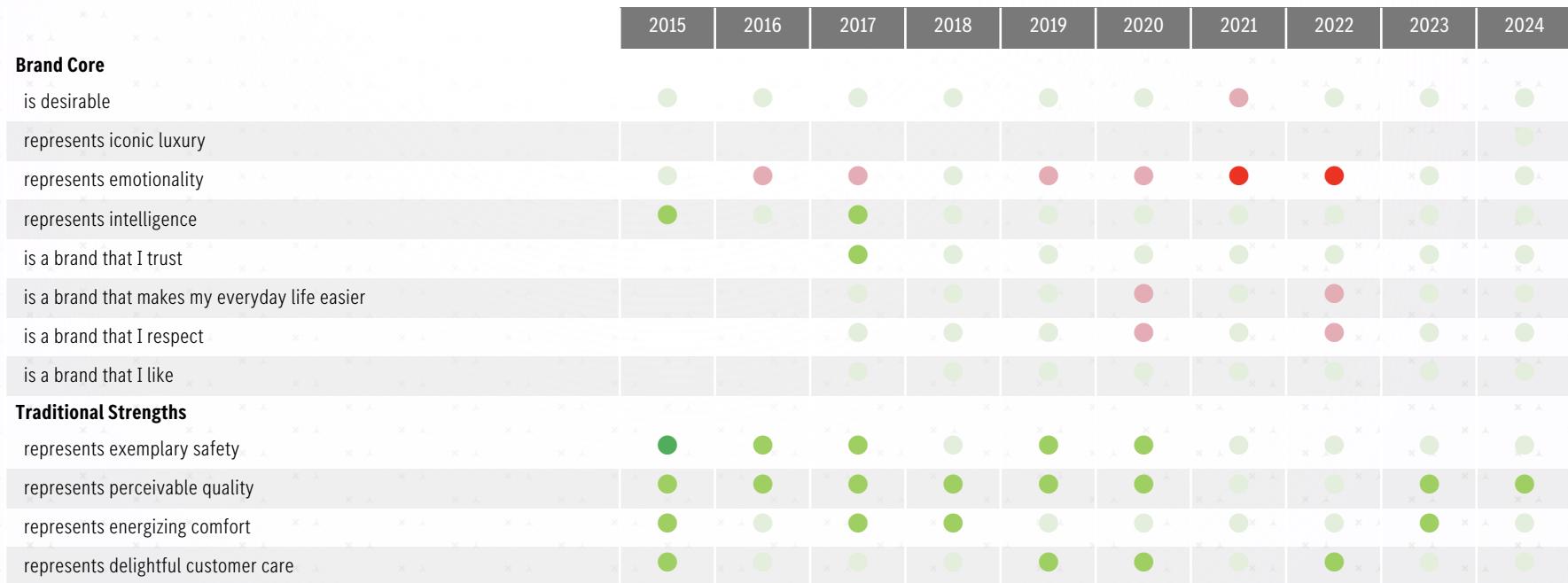
- › AMG sentiment "Is a brand that brings thrill into my life" rose +0.8 points during 2-year span
- › Conquest customers who prioritize sportiness

# 2024 results show a complete 180-degree turn with Customers



# An increasingly close race when it comes to Non-Customer perceptions of the two brands

Mercedes vs. BMW (Non-Customers)



BMW's favorable PR hasn't translated into any meaningful advantage

› Opportunity to reestablish our edge on traditional strengths

# Mercedes did things significantly better when it comes to Customers

Mercedes vs. BMW (Customers)



Our scores with customers rebounded strongly.

Rebounded scores are consistent with improvements seen elsewhere (i.e. this year's post-Masters wave of the Lamppost Brand Tracker)

› Prioritize targeting new customers

# Key Brand Monitor Takeaways



Absolute ratings gains are even more widespread than they were last year.

99% of criteria improved this year vs. 91% last year. Additionally, 69% of criteria improved significantly vs. just 52% last year.



A rebound with customer ratings played a huge role in driving gains across the board.

This is consistent with what we see in other recent studies like Lamppost. Prioritize conquering new customers.



While we outpace BMW in most areas, it's still a close race.

We need to protect our Brand Core and Traditional Strengths to ensure we keep our edge against BMW. We have an opportunity to conquest performance enthusiasts like never before.



Tesla is in a category of its own.

Tesla sticks out like a sore thumb next to the rest of the luxury auto category. While the brand remains strong in tech and sustainability, more and more of its volume and consumers are mainstream, not luxury.

# MBUSA Lamppost Brand Tracker

# MBUSA Lamppost Brand Tracker Methodology



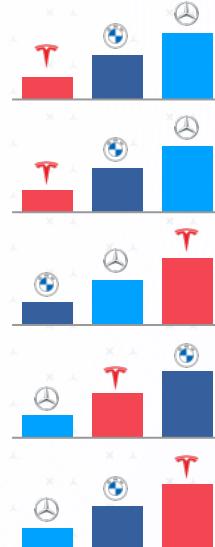
L A M P O S T  
I N S I G H T S

MBUSA's Lamppost Brand Tracking study gives us the ability evaluate a wider range of brand measures, attributes and special topics

- › Started in 2020
- › Bi-annual Brand Tracking study (run once in the fall and once in the spring)
- › 15-minute mobile-optimized survey
- › Market Overview among 1,000 Car Intenders
- › Oversample for statistically reliable sample size among current owners of Mercedes-Benz, Audi, BMW, Lexus and Tesla (minimum n=75)
- › 7th and most recent wave was fielded in April shortly after the close of the Masters Tournament
- › Gives us a more US-centric view of MB and Competitors
- › Each wave has a module that lets us study a topic that's of particular interest

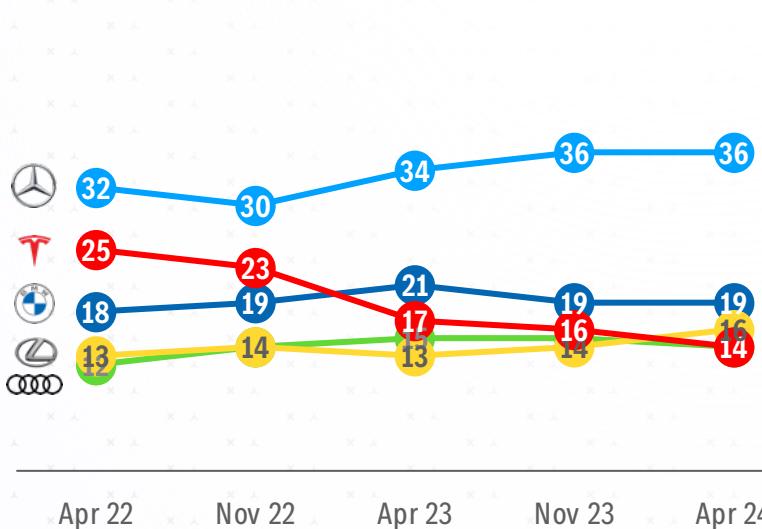
# MBUSA Lamppost Brand Tracker

						
	Drive Desire	<b>36%</b>	14%	19%	14%	16%
	Maintain #1 Position In Luxury	<b>44%</b>	25%	34%	29%	32%
	Improve Tech/Innovation Credentials	<b>23%</b>	32%	22%	22%	21%
	Improve Brand Consideration	<b>34%</b>	37%	38%	32%	34%
	Improve EV Maker Awareness	<b>44%</b>	86%	45%	32%	33%

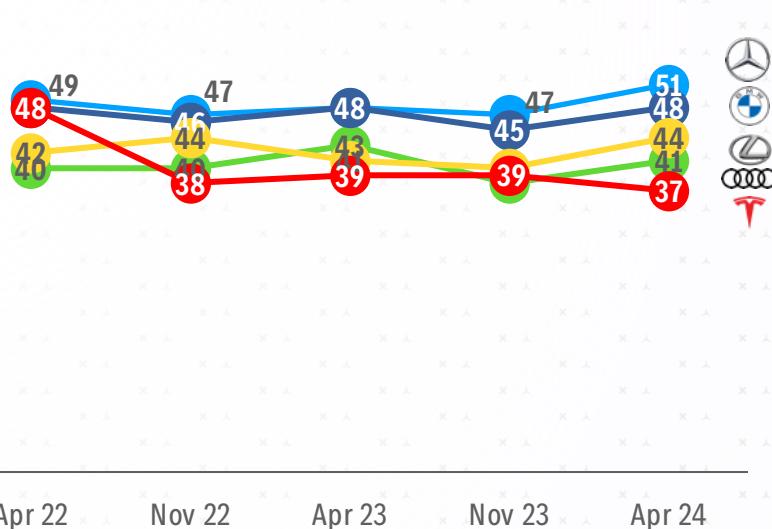


# Overall, our brand looks strong

## Brand Desire

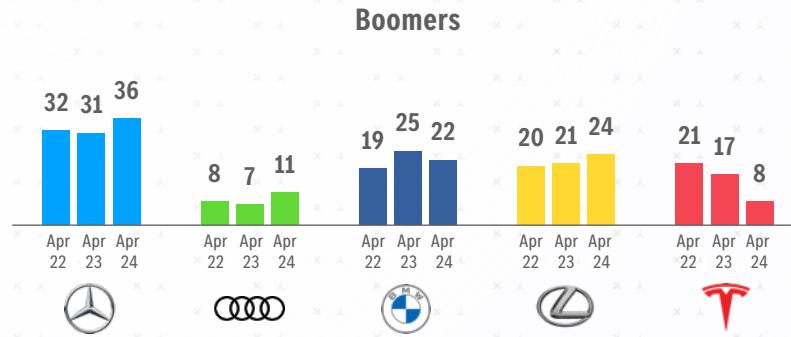
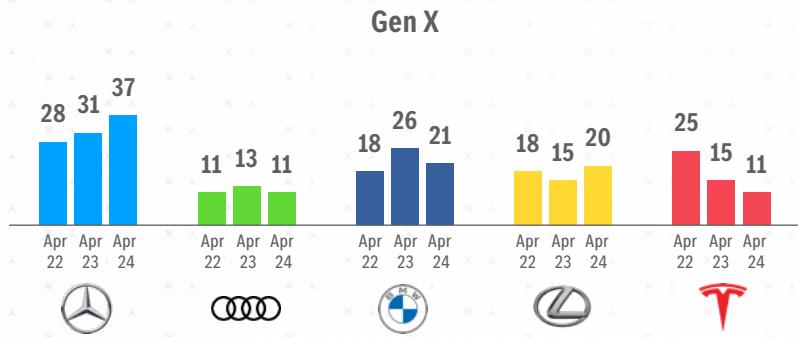
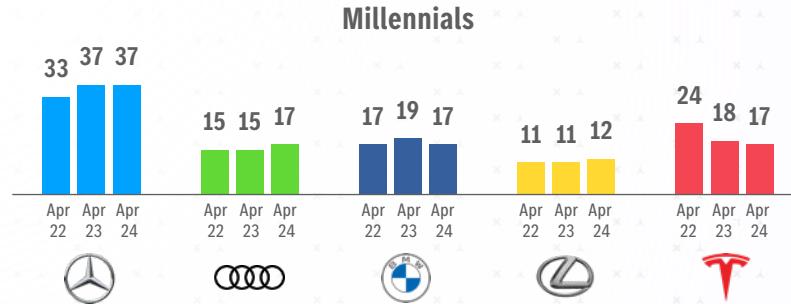
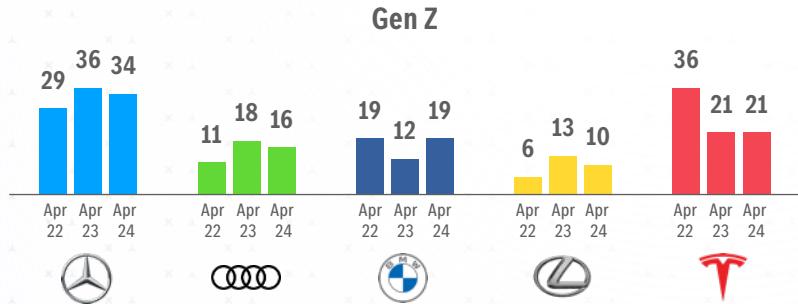


## Brand Love



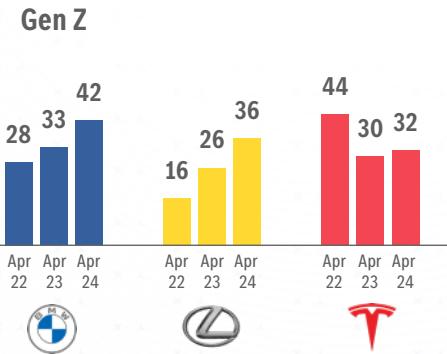
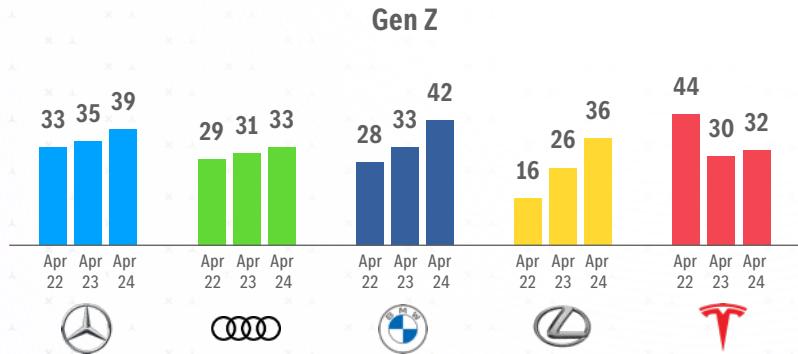
## BRAND DESIRE

Desire for Mercedes has grown steadily among Xers, an audience that recently has begun to take notice of Lexus

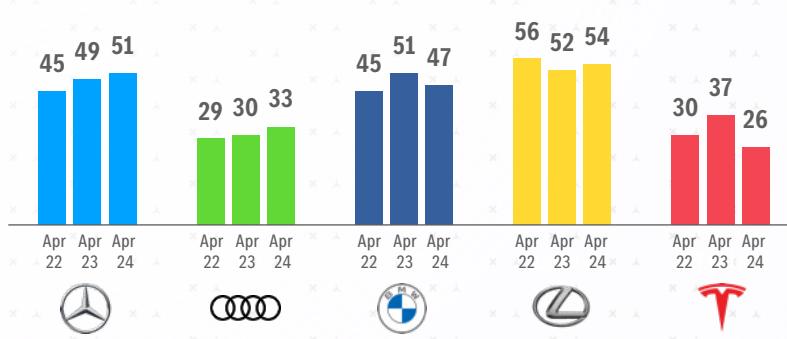
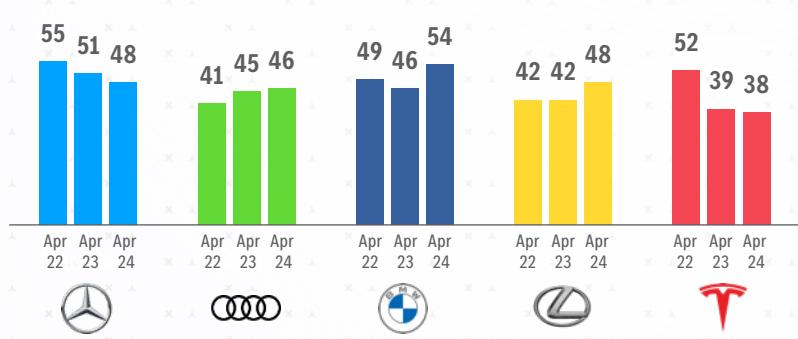
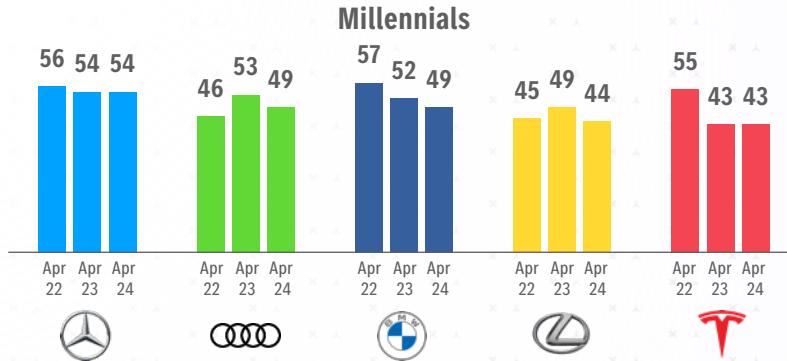


## BRAND LOVE

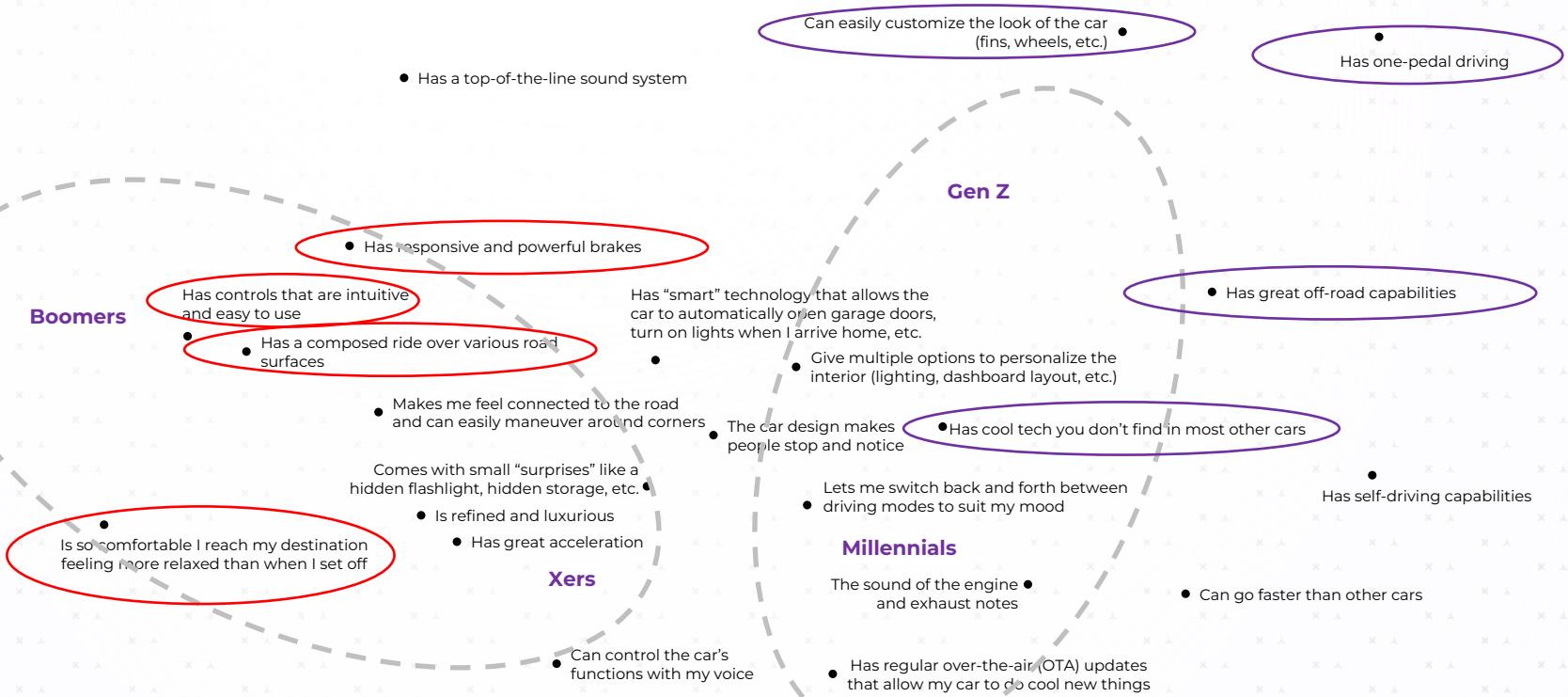
While desire is on the rise for Mercedes among Xers, we have seen a slow erosion in terms of brand love - an audience that BMW has recaptured (and Lexus made strong gains since last year)



% rating 8/9/10, where 10=a brand I love



# Different generations have different ideas of fun



#2

# Gen Z and Millennials give the brand more leeway with artistic and fashion-forward imagery than older cohorts

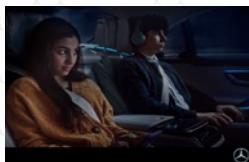
## Mercedes Brand Stretch



	Gen-Z	Millennial	Xer	Boomer
Fits extremely well	42	51	49	37
Fits somewhat well	33	35	37	42
Doesn't quite fit, but I like it	15	10	10	16



	Gen-Z	Millennial	Xer	Boomer
Fits extremely well	20	31	19	12
Fits somewhat well	24	30	27	20
Doesn't quite fit, but I like it	28	21	24	26



	Gen-Z	Millennial	Xer	Boomer
Fits extremely well	25	34	21	7
Fits somewhat well	33	33	33	30
Doesn't quite fit, but I like it	21	18	18	29



	Gen-Z	Millennial	Xer	Boomer
Fits extremely well	20	23	12	4
Fits somewhat well	16	23	13	3
Doesn't quite fit, but I like it	15	16	17	11



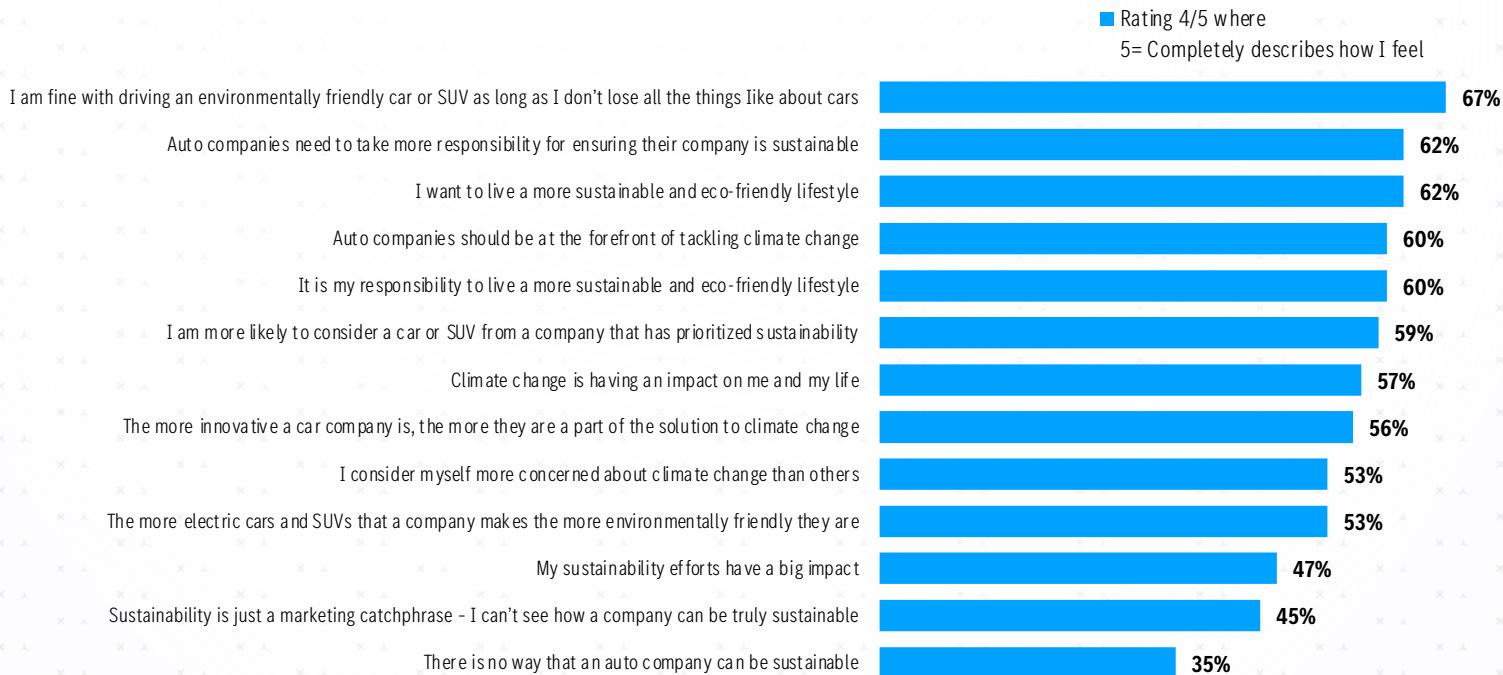
	Gen-Z	Millennial	Xer	Boomer
Fits extremely well	30	41	28	8
Fits somewhat well	31	23	21	12
Doesn't quite fit, but I like it	25	20	23	21

## The “Pick Your Powertrain” approach does more than just drive retail traffic, it’s a potent brand shaper, too

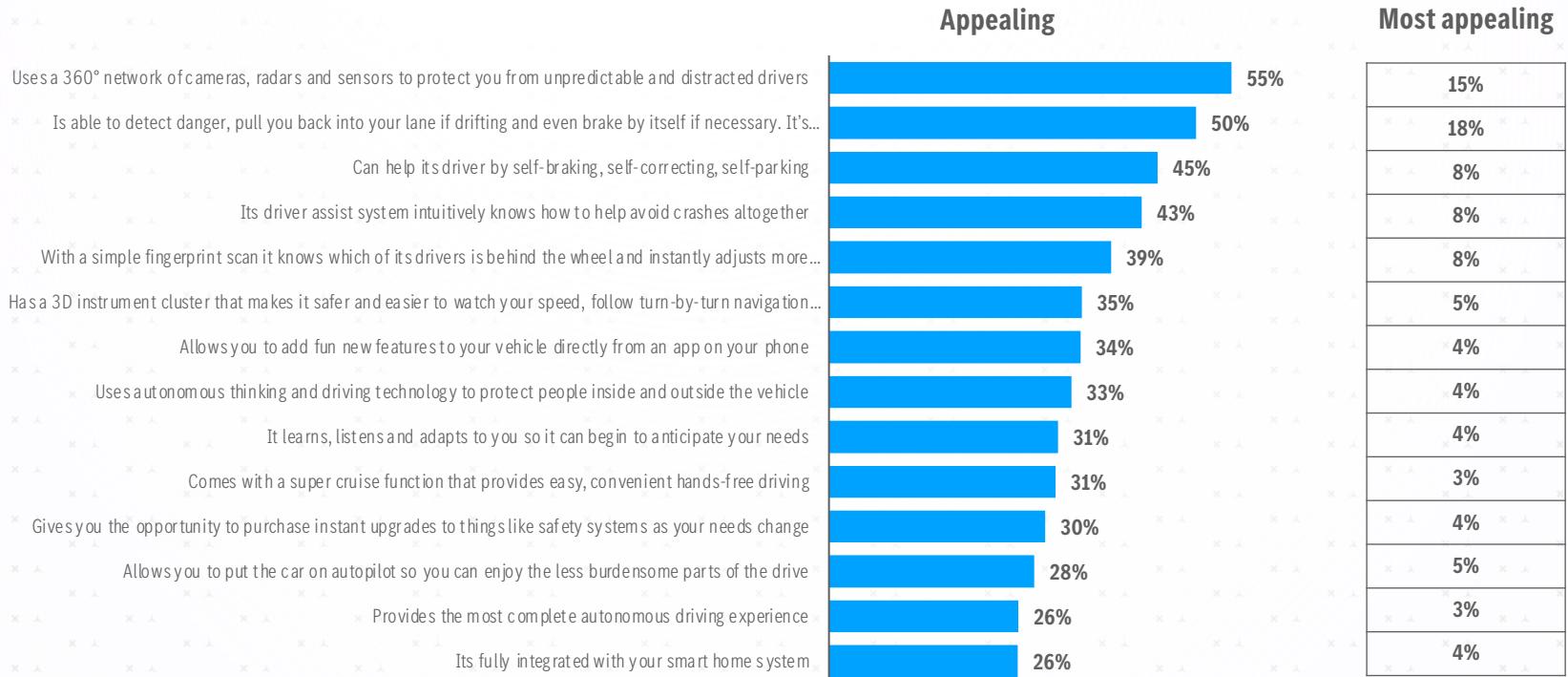
Creating awareness of any Mercedes-Benz alternative drivetrain positively impacts imagery, but there is a cumulative benefit to knowing about multiple drivetrains.

	<b>Not aware of any alternative drivetrain</b>	<b>Aware of EV only</b>	<b>Aware of PHEV only</b>	<b>Aware of both EV and PHEV</b>
Represents up-to-date, modern luxury	48%	56%	57%	63%
Makes my everyday life easier	18%	24%	33%	37%
Innovative	16%	25%	28%	39%
Gives me the ability to enjoy the driving experience	31%	34%	43%	55%
I would feel proud to drive	45%	54%	58%	66%

# People value sustainability, but they don't want to give up what they love about driving



# People like autonomous driving technology, but its most appealing when framed around safety



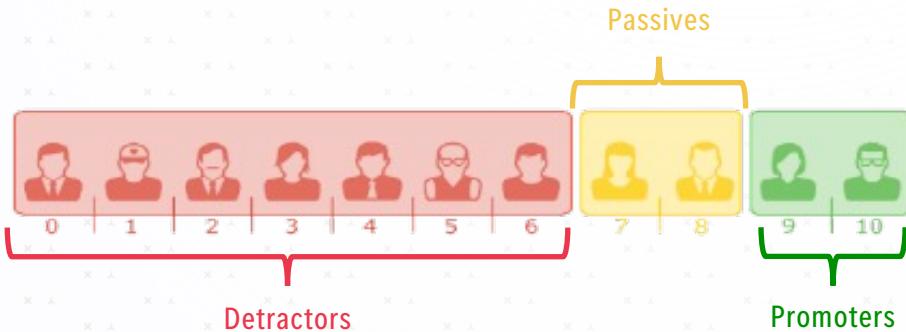
# NPS Benchmarking

# NPS (Net Promoter Score) Methodology

NPS (Net Promoter Score) is a strategic customer loyalty KPI to ensure future success of Mercedes-Benz. It is pooled from both the Brand Monitor and BCE360° and ask consumers how likely they are to recommend the brand to your family, friends or colleagues.

## Question:

How likely are you to recommend the brand to your family, friends or colleagues?



$$\text{Net Promoter Score} = \text{Promoters} - \text{Detractors}$$

How to interpret Net Promoter Score:



# Satisfaction with sales, after-sales and product-related experiences are the main drivers of NPS performance



## CUSTOMER JOURNEY SATISFACTION

Touchpoint experience along the customer journey have to excite, esp. in Sales and Service. Negative experiences can easily create “detractors”.

The effect lasts at least until the next TP experience. An immediate reaction (outbound call) could turn a negative experience into a positive.



## PRODUCT SATISFACTION

Satisfaction with the Vehicle has a strong impact on the NPS with power to push “passives” to NPS “promoters”. Quality issues lead to detraction but also the price-value relation matters.

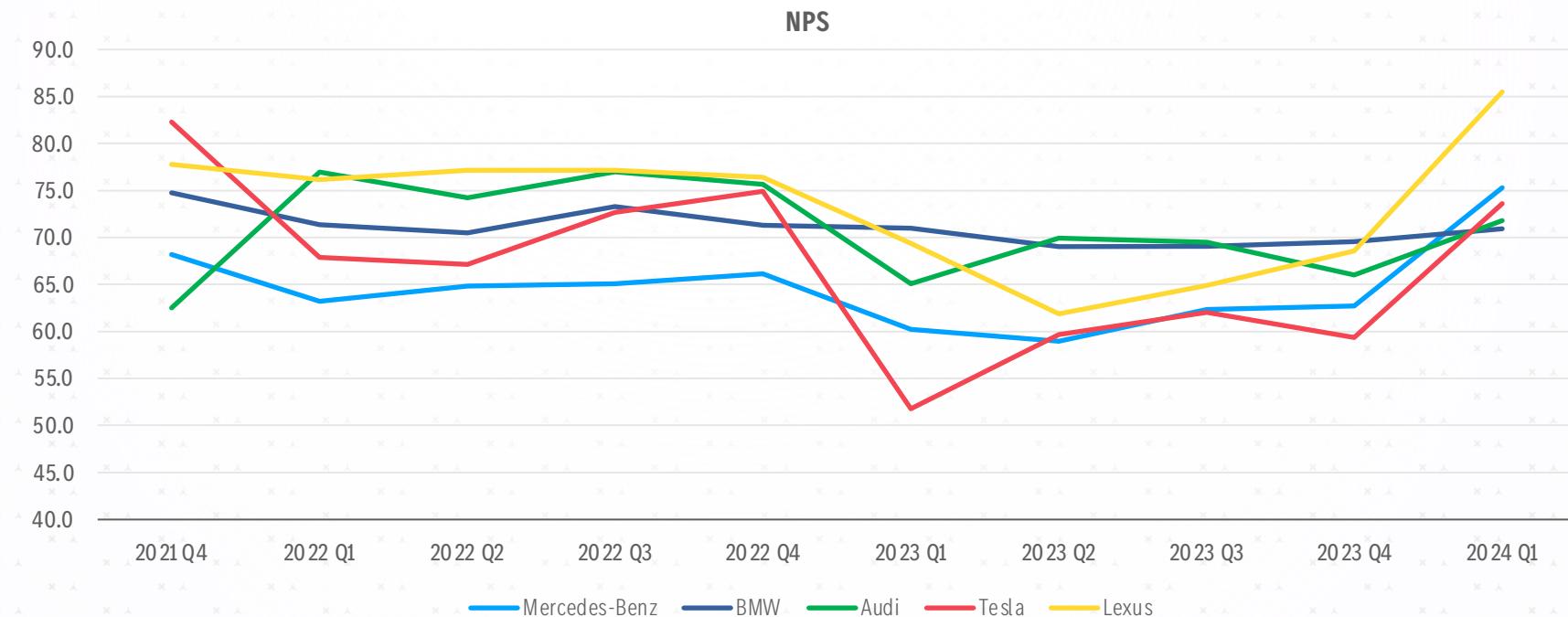
**We need to avoid negative product experiences, as they impact the Brand NPS for years!**



## ADDITIONAL EFFECTS

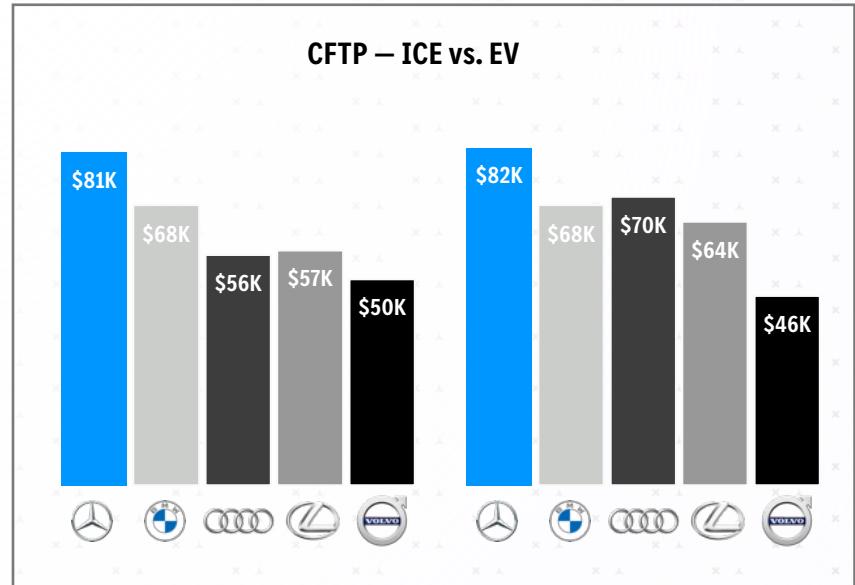
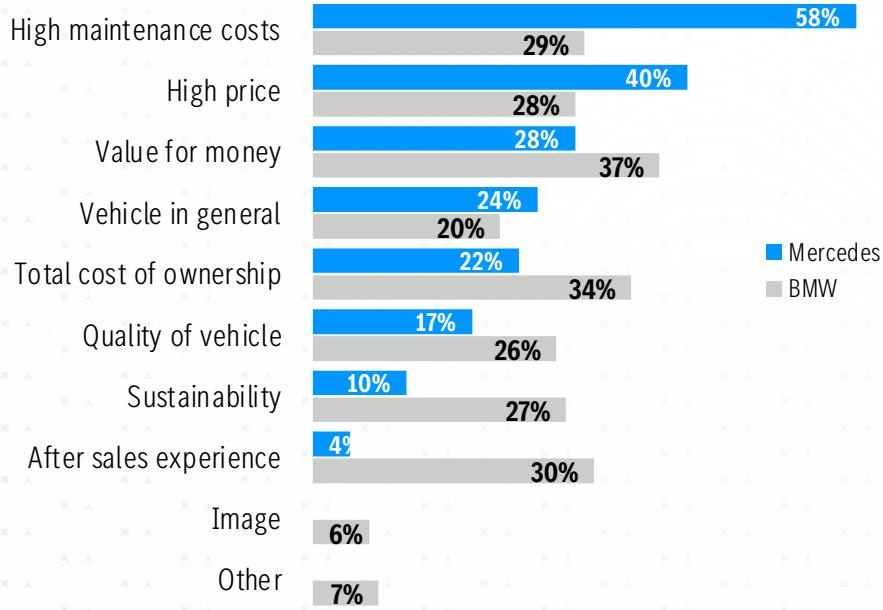
- › Satisfaction with brand
- › Additional effects (press, politics, etc.)

In Q1 2024 MB's Net Promoter Score (NPS) hit its highest point yet after seeing a 13-point gain



# NPS decline may be predictable outcome of the strategic shift towards focus on profitable growth

Our shift to a “pure” luxury strategy is a pain point that may turn price-sensitive customers into detractors.



# Key NPS Takeaways



**NPS is an important metric, but a lot of things outside of our control impact it.**

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Satisfaction with product, process, brand as well as additional effects (press, politics, etc.) all play a role.



**Focusing on “pure” luxury is going to turn off price-sensitive customers.**

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Right now, price is the biggest reason for detraction. That will continue to come up as we focus on more of our top-end vehicles.



**Dealers can help out here.**

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Dealer satisfaction and the overall shopping and service experiences create lots of moments in the customer journey that can be moments of delight or pain.



**There's an action plan.**

- 
1. Improve product satisfaction
  2. Improve sales satisfaction
  3. Improve after-sales satisfaction
  4. Improve touchpoints in awareness phase



BCE 360

# BCE360 Methodology

Developed to measure consumer experiences at 30 touchpoints across the customer journey.

- › Quarterly
- › US, UK, Germany, South Korea and China
- › 600 respondents per wave
- › Primary US competitive brands are BMW, Tesla and Lexus
- › Key metrics include Brand Strength, Reach, Luxury Experience, Share of Luxury Experience (SoLX), and Experience Quality (XQ)
- › A broad study that extends well beyond marketing
- › The 30 touchpoints often sound more straightforward than they actually are:
  - Each of the 30 “level 1” touchpoints is a collection of “level 2” touchpoint experiences
  - There’s limited visibility into the underlying performance and impact of the different level 2s
  - Minimal diagnostic information
- › Works better as a smoke alarm than an MRI
- › Not all touchpoints are equally affected by MBUSA

Example: Level 1 & 2 touchpoints

## General website (of manufacturer or dealership vehicle locator)

Website of Mercedes-Benz

Website of Mercedes-Benz dealership

Vehicle locator (search for vehicles on stock)

Micro site / Webspecial dedicated to new car/model launch (e.g. EQ Hub)

Financing/Leasing pages

Insurance pages

Other

# Q1 2024 BCE findings show impressive results with MBUSA meeting all eight goals

✓ Improve from last place NPS score

✓ Maintain #1 in Brand Strength

✓ Maintain #1 in Luxury Brand Experience

✓ Maintain #1 position in Experience Quality\*

✓ Ensure US contributes 100 for Global Experience Quality\*

✓ Achieve #1 in XQ Awareness

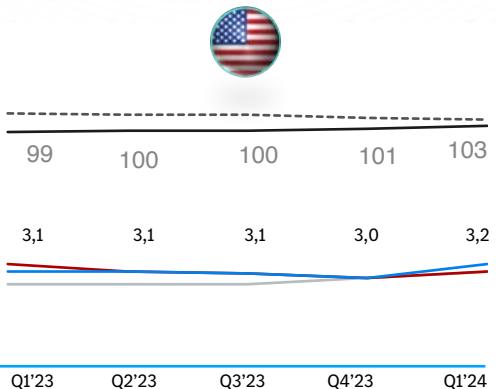
✓ Achieve #1 in XQ Consideration

✓ Achieve #1 in XQ Digital

\*26 touchpoints weighted by touchpoint reach, Question: How did you experience the brand shown at the touchpoint?

**Experience Quality (XQ)**  
decisive performance driver for TAALALB measurement.

US performance has improved for the last two quarters



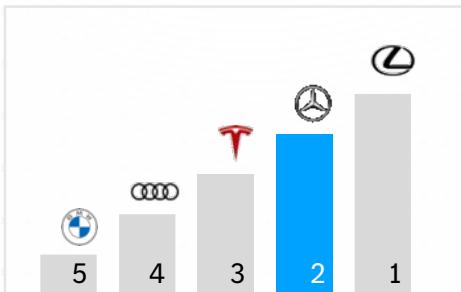
# MB is now second best in terms of Brand NPS with a strong improvement compared to last year



NPS

▲ +12

(Diff to Q4 2023)



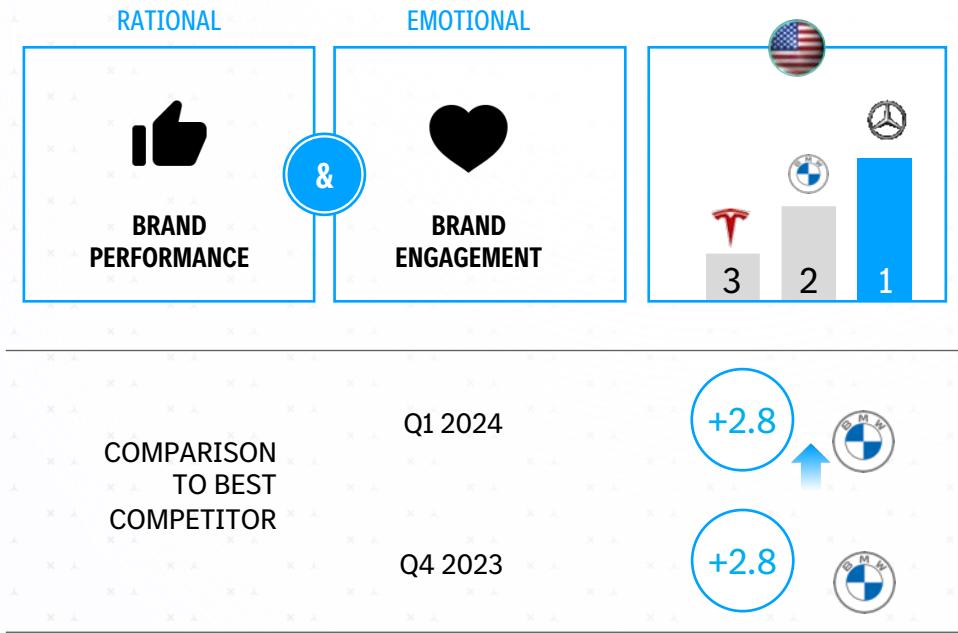
## OBSERVATIONS

NPS shot up 12 points from Q4 '23 placing us 2nd overall behind Lexus Internal Customer First Swarm and elevated priority focus on customer satisfaction and product quality are likely contributors to improvement

## TOP ACTION FIELDS

Continue positive development in order to overtake Lexus

# For Brand Strength, MB is the strongest premium brand, but the advantage remains small over BMW



## OBSERVATIONS

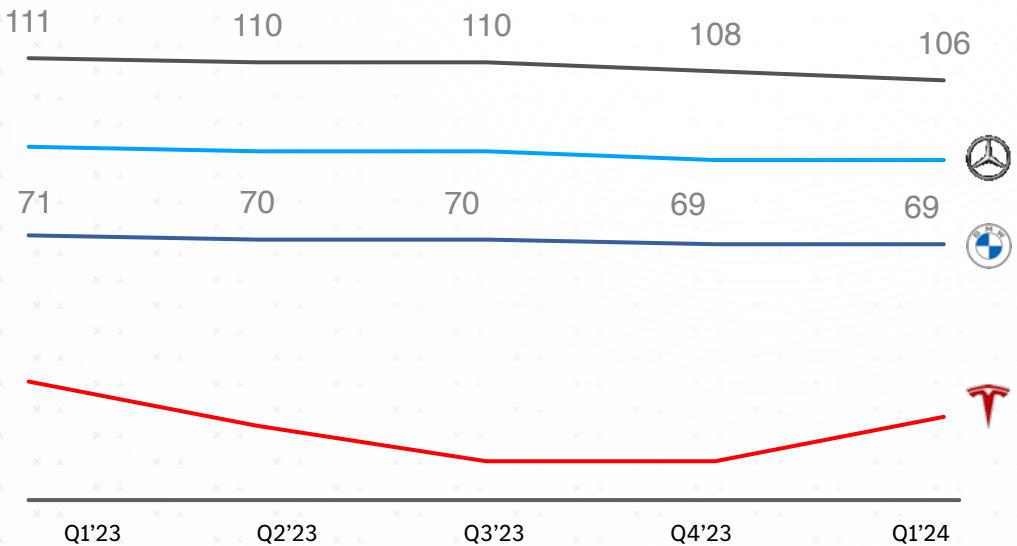
Brand Strength remains number 1 in all markets with the support of marketing campaigns driving desirability and luxury perceptions.

## TOP ACTION FIELDS

Look to grow lead over BMW further

# MB ranks first for the Luxury Net Brand Experience Score

## Luxury Experience Gap



## OBSERVATIONS

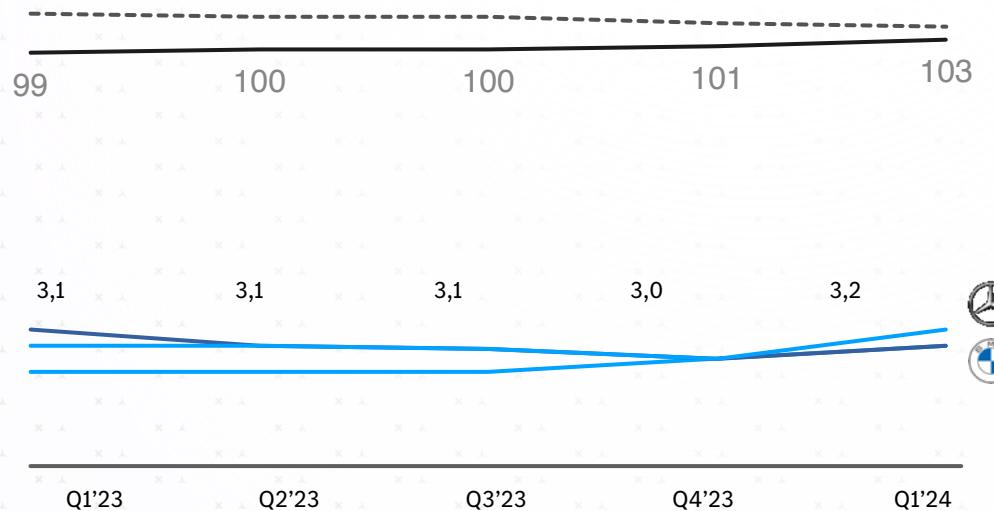
Despite softening over the past two quarters, Mercedes still holds a strong lead over other competitors when it comes to Luxury Experience

## TOP ACTION FIELDS

Prevent any further slippage on Luxury measurements

# MB's Experience Quality across the 26 touchpoints strengthens the first place (Index 103)

## Experience Quality



## OBSERVATIONS

Mercedes increased its lead in Experience Quality thanks to increases in XQ Awareness and Digital

Have led the category for two consecutive quarters now

## TOP ACTION FIELDS

Improve XQ Retail Scores to further strengthen lead over BMW

# Needs improved XQ Retail in order to reach TAALALB target 105

**TAALALB Target for 2025: 105**



## OBSERVATIONS

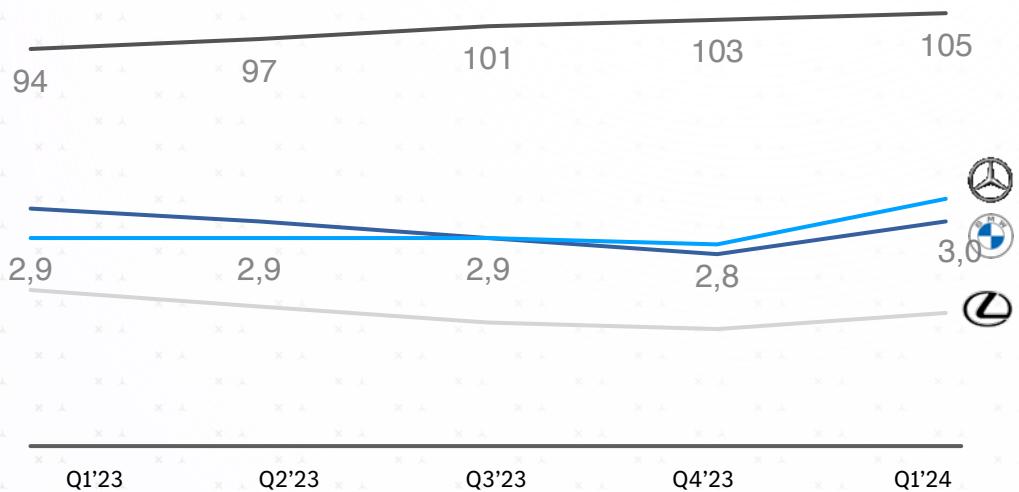
With an Experience Quality Index of 103, the US is now contributing more to the TAALALB Global target than ever before

## TOP ACTION FIELDS

Must continue to improve in order to reach global target of 105

# Experience Quality in the Awareness phase giving MB a good advantage on TAALALB target

## XQ Awareness



## OBSERVATIONS

MBUSA's XQ Awareness index is the highest it's ever been at 105

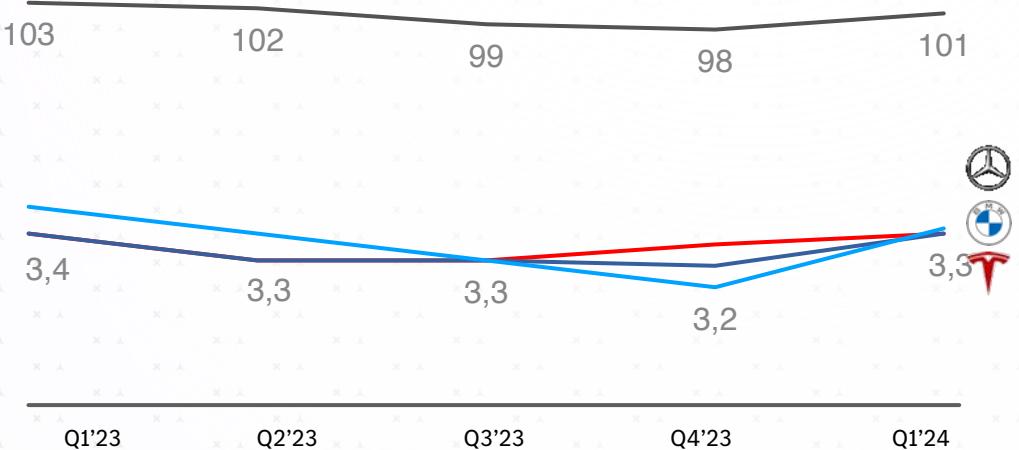
Some of the index gains can be attributed to a softening in BMW's scores

## TOP ACTION FIELDS

Continue strong momentum in XQ Awareness to maintain TAALALB target and widen competitor gap

# MB is now BIC in XQ Consideration

## XQ Consideration



## OBSERVATIONS

After a dip in Q3 and Q4 of '23, MBUSA raised its XQ consideration index by 5 points in Q1 2024

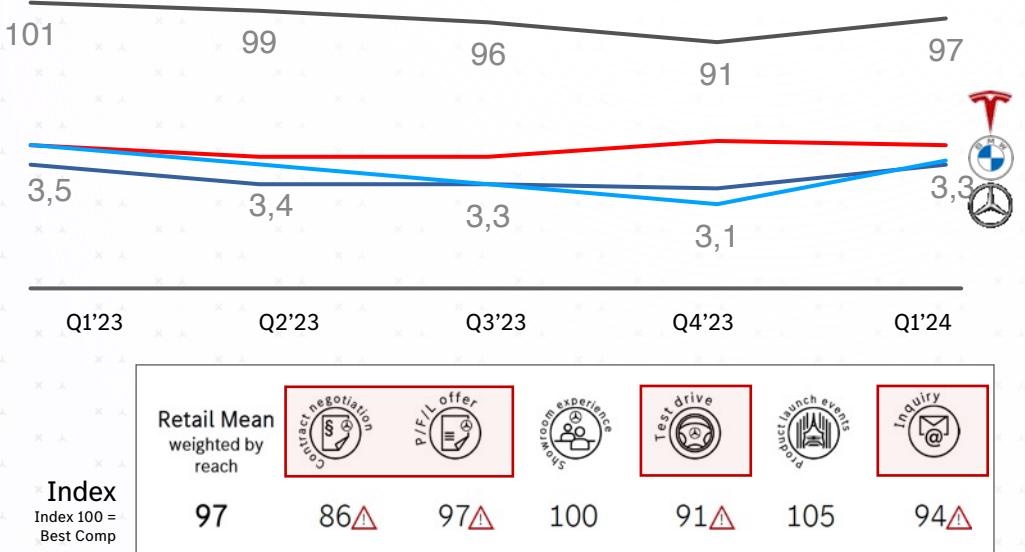
MBUSA now leads all competitors thanks to improvements in XQ Digital

## TOP ACTION FIELDS

Improve XQ Retail in order to strengthen BIC position

# After a low point in Q4, the weighted retail touchpoints index in the USA improves again, but must improve further to overtake Tesla

## XQ Retail



## OBSERVATIONS

MBUSA rebounded by growing its XQ Retail Index by 6 points in Q1 '24

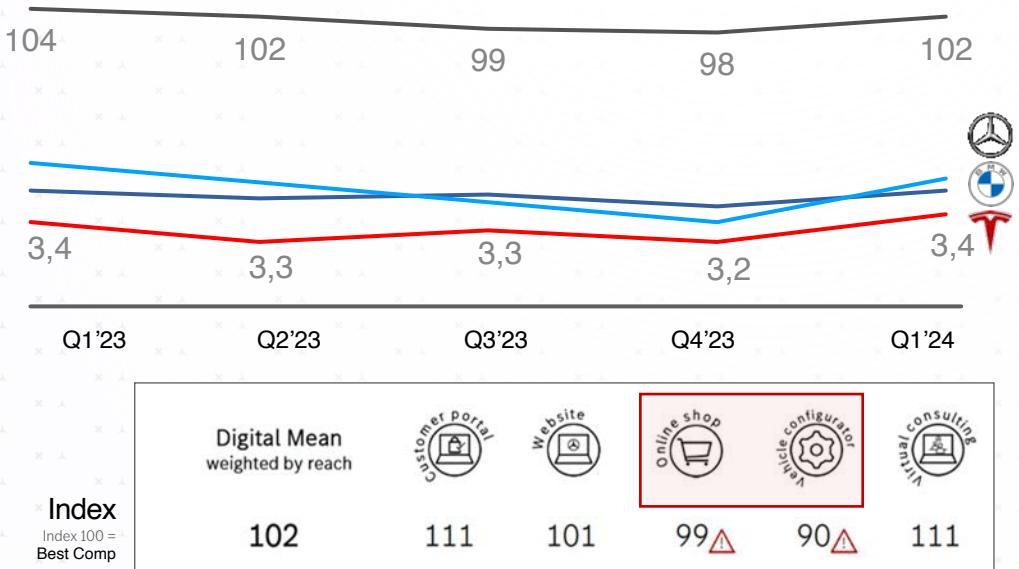
MBUSA is now 2nd to Tesla

## TOP ACTION FIELDS

Improve on contract negotiation, P/F/L offer, Test drive and Inquiry

# The negative trend in the US stopped and the digital TP index increases again

## XQ Digital



## OBSERVATIONS

After dipping in Q3 and Q4 of '23, MBUSA rebound to an index of 102

MBUSA's digital TP of website ranks #1 by JD Power. Important considering factor is MBUSA.com vs. dealer website are not asked separately.

A user could have used both or even more applications which could affect results and previous declines

## TOP ACTION FIELDS

Continue to improve on the online shopping experience and the vehicle configurator

# Complete KPI Checklist

 Improve from last place NPS score

 Maintain #1 in Brand Strength

 Maintain #1 in Luxury Brand Experience

 Maintain #1 position in Experience Quality\*

 Ensure US contributes 100 for Global Experience Quality\*

 Achieve #1 in XQ Awareness

 Achieve #1 in XQ Consideration

 Achieve #1 in XQ Retail (non-marketing)

 Achieve #1 in XQ Digital

## Marketing Field of Action

- › Maintain strong performance in Tier 1 and Tier 3 marketing efforts to continue to drive XQ Awareness and Consideration
- › Continue strong performance in Presence on TV, OOH, Digital and Customer Portal
- › Outside marketing teams to continue Customer First Swarm to maintain #1 XQ position

# Key BCE360 Takeaways

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## More smoke alarm than MRI

BCE 360 is useful for pointing towards shifting strengths and weaknesses, but its less helpful as a diagnostic tool.



## MBUSA is contributing more to Global TAALALB goal than ever

MBUSA's XQ index is at its highest point ever at 103. Globally, we're closer to our goal of 105 than ever before.



## Achieved 8 key marketing KPI goals

In the last quarter, we achieved our goal in all eight of the core marketing KPIs



## BCE goes beyond marketing

BCE measures 30 touch points, of which only a handful are affected by marketing



# Ace Metrix

# Ace Metrix Methodology

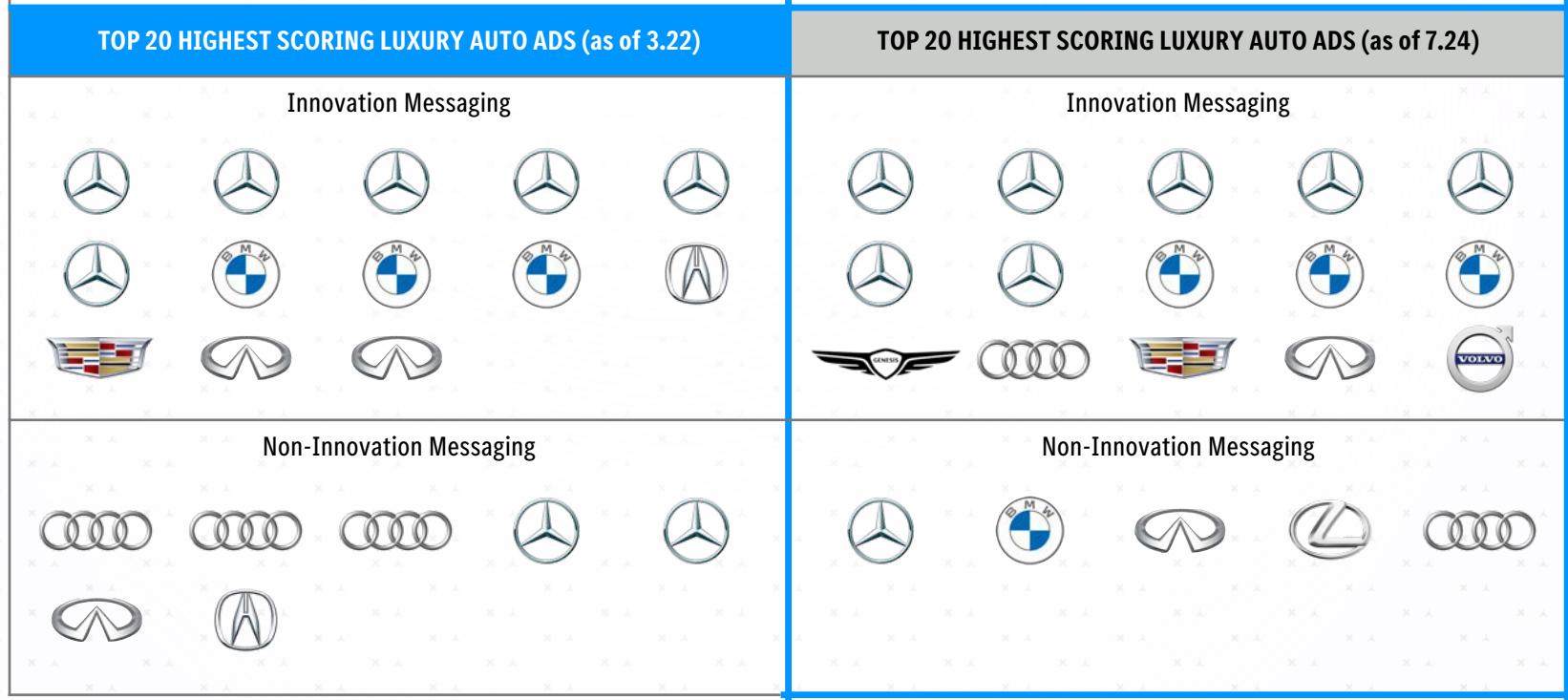


**Ace Metrix gives us quantitative insights into the performance of ours and our competitors' advertising by surveying ~450 people every time a new national ad airs.**

Key measures from Ace Metrix:

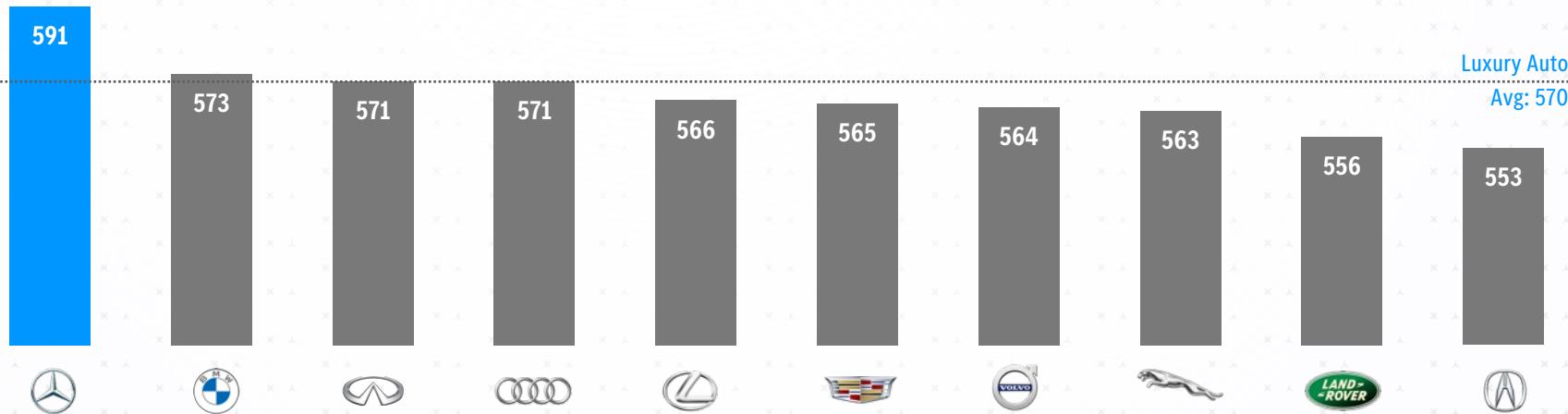
- › Ace Score
- › Component Scores (Attention, Likability, Watchability, Information, Change, Desire and Relevance)
- › Scores by Age/Gender
- › Verbatim responses

# High-tech luxury remains a recipe for success with the US audience



# Historically, Mercedes-Benz sets the benchmark for great luxury auto advertising on Ace Metrix

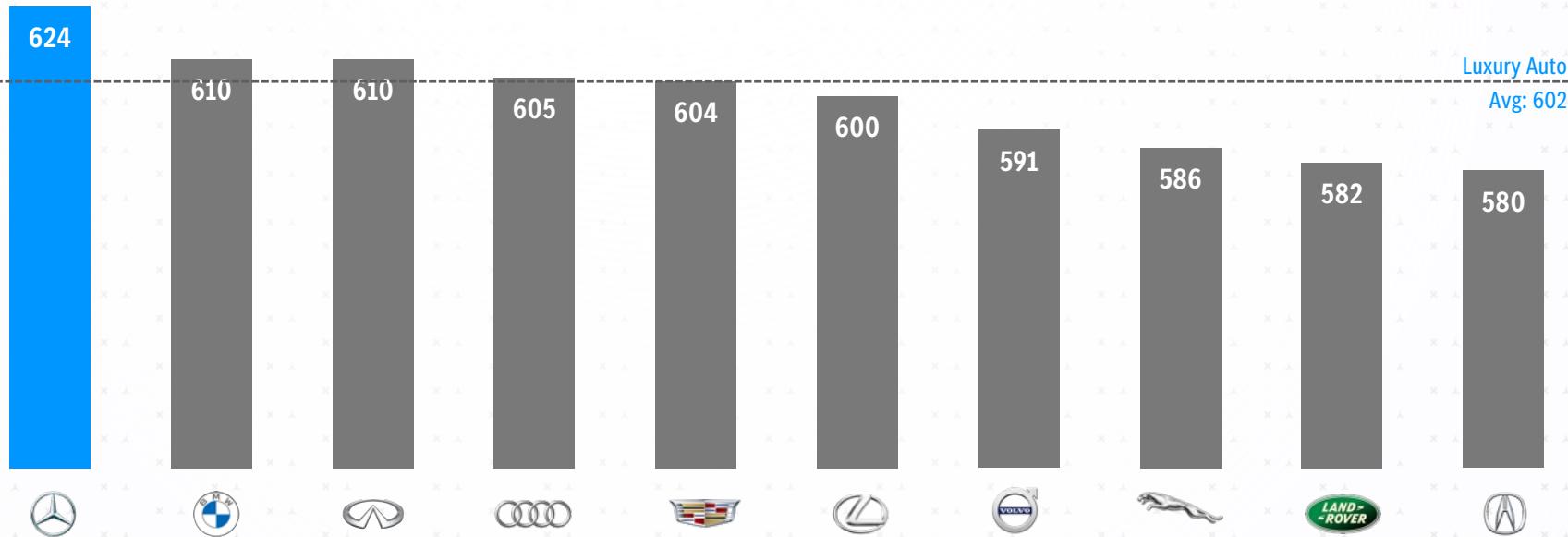
**Historic Non-Event Average (2010-1H24)**



**Luxury Auto  
Avg: 570**

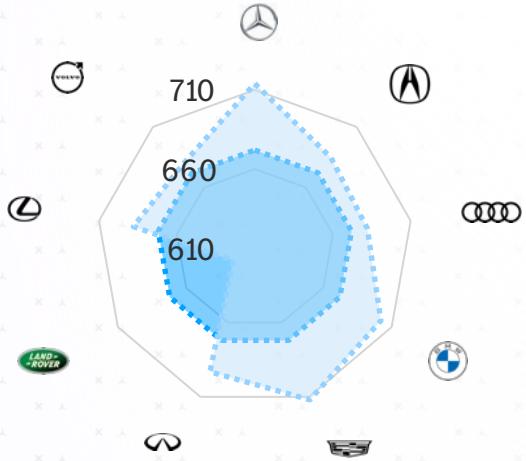
# Mercedes advertising also creates the highest levels of Desire

Desire (2010-1H24)

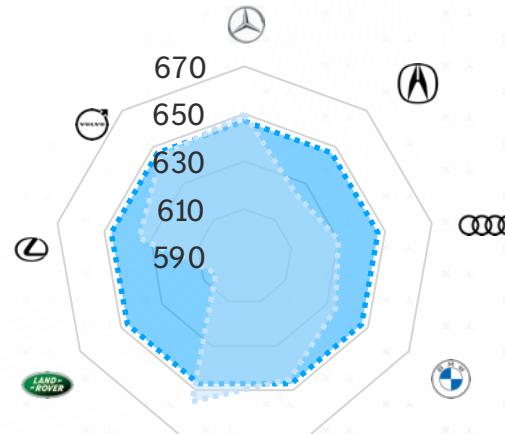


# The strength of the brand's marketing extends across different groups

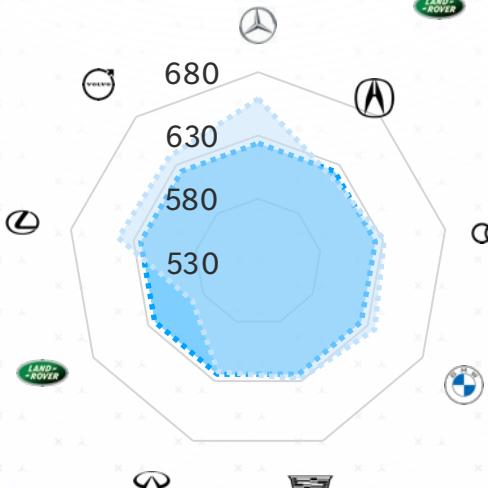
Ace Score: Black/African-Americans



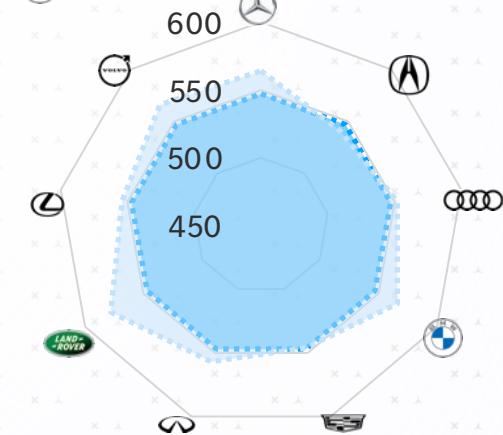
Ace Score: Hispanic/Latinos



Ace Score: Asians



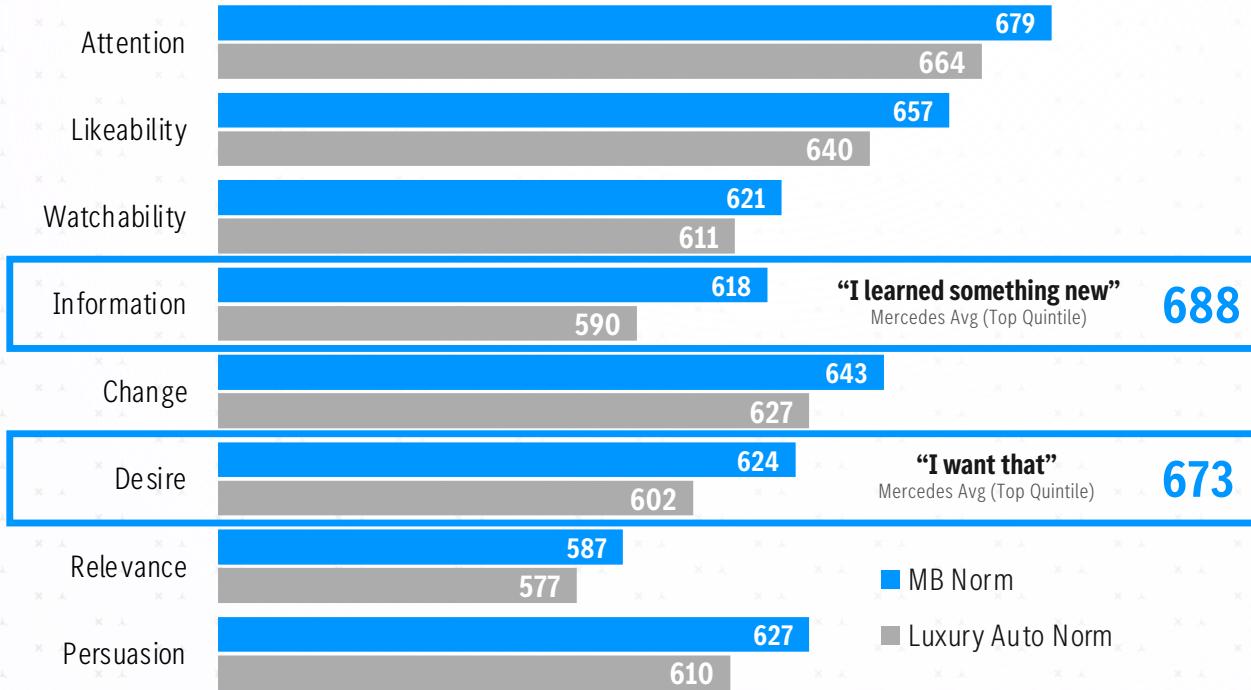
Ace Score: White/Caucasian



Historic Luxury Auto Norm by Audience  
2021-1H24 Luxury Auto Brand Norm by Audience

# Desire and Information are both important components of the highest scoring Mercedes ads

## Ace Metrix Component Scores



Auto advertising plays by its own rules

Auto ads are seen as more creative and effective when they comprise both rational and emotional messages.

KANTAR BRANDZ

# Key Ace Metrix Takeaways

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## High-tech and luxury is a recipe for success.

While innovation has always been a core tenet of luxury auto-advertising, it's become more important than ever for brands to deliver on the promise of high-tech and luxury.



## Mercedes-Benz continues to set the benchmark.

Mercedes leads all Luxury Auto competitors when it comes to overall Ace Scores and Desire scores.



## Creative optimized for the US performs best.

Global work has typically underperformed with the US audience. A US edit can considerably improve the effectiveness of ads created overseas.

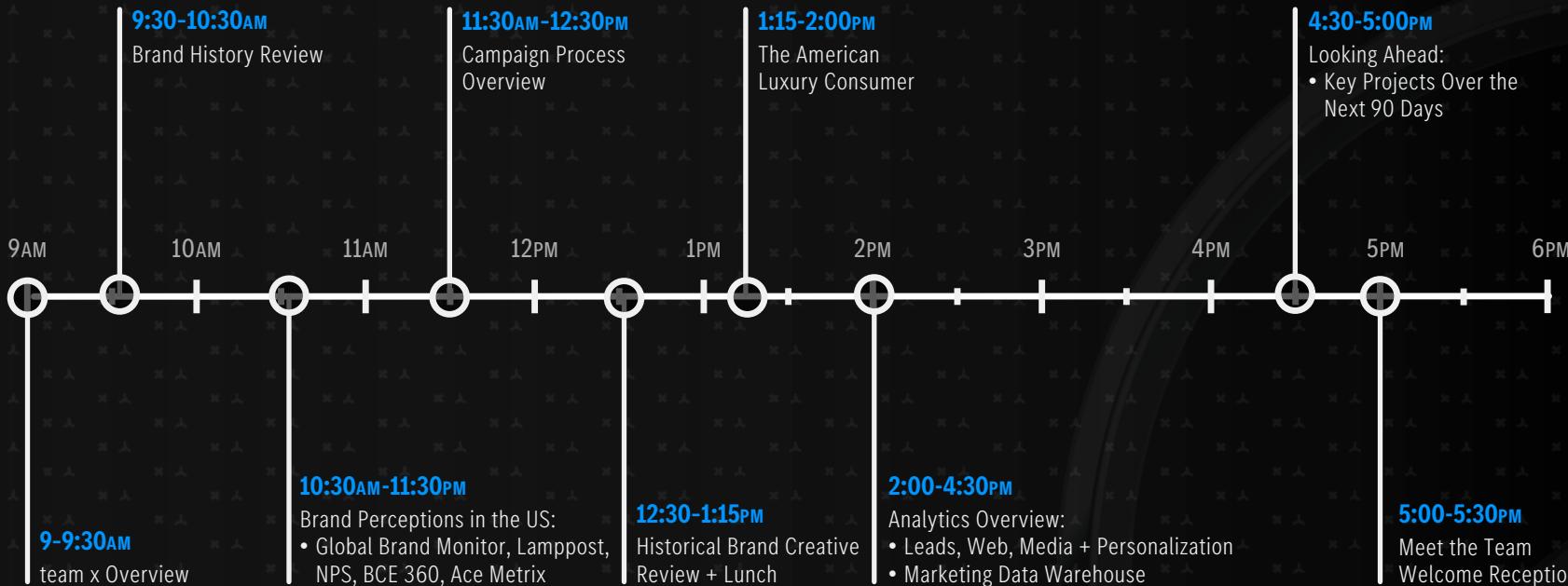


## Auto advertising plays by its own rules.

The best auto advertising walks and chews gum at the same time. It's both rational and emotional, stirring desire and giving its audience new information to consider.

## AGENDA

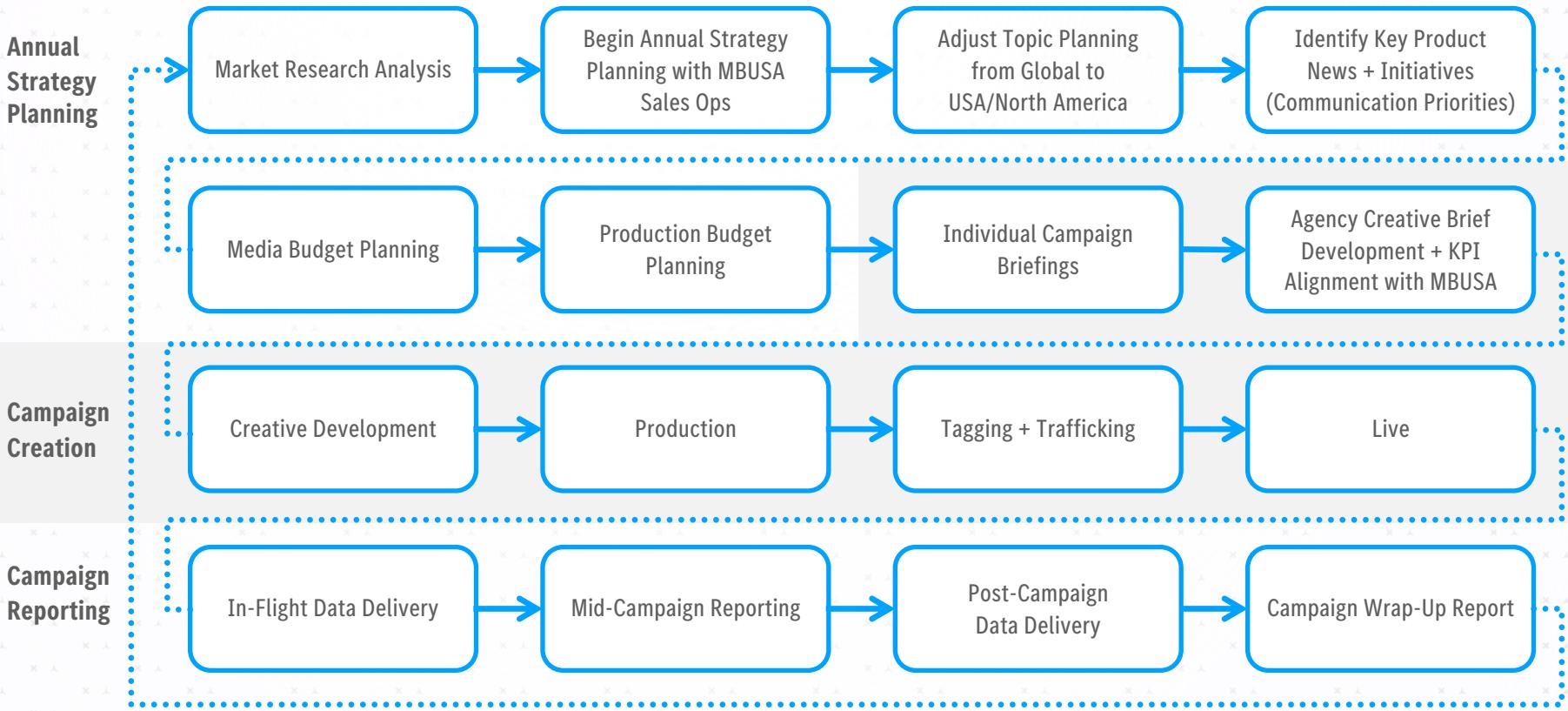
July 11, 2024



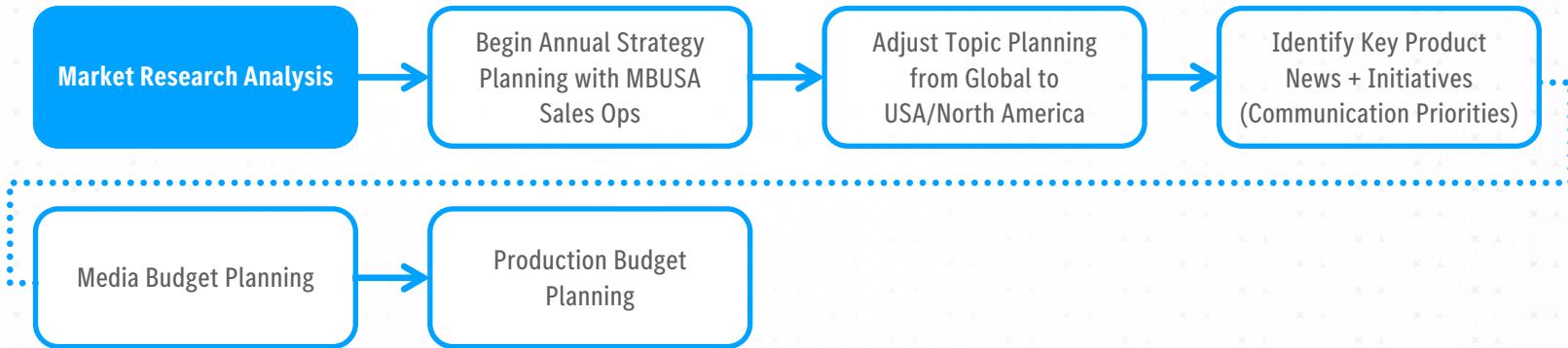


## Campaign Process Overview

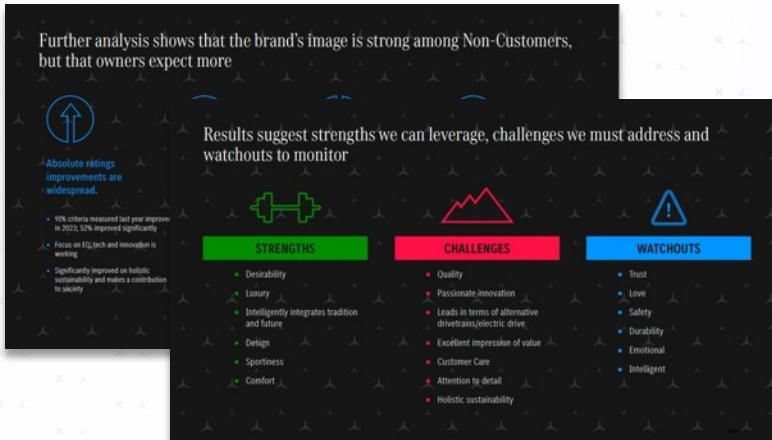
# Campaign Process Overview



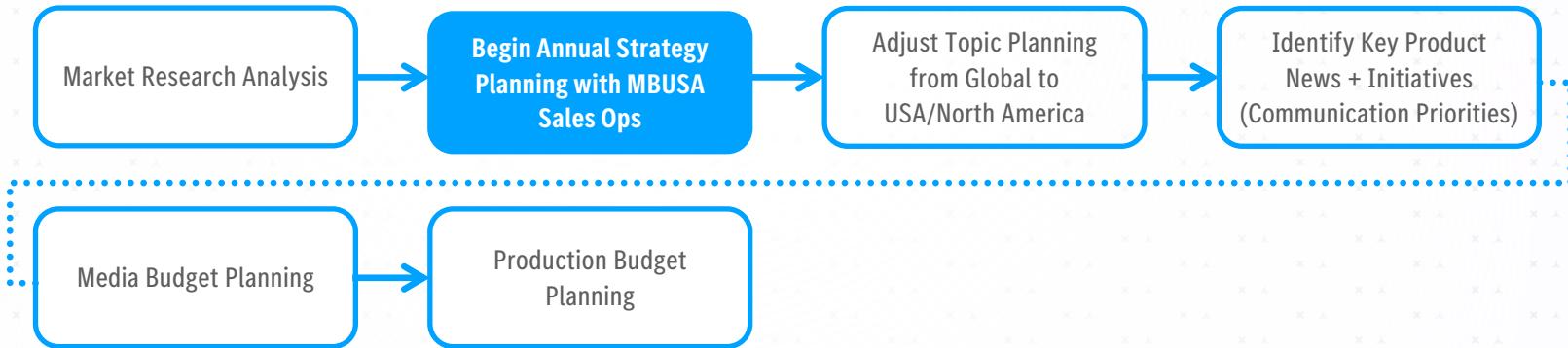
# Annual Strategy Planning



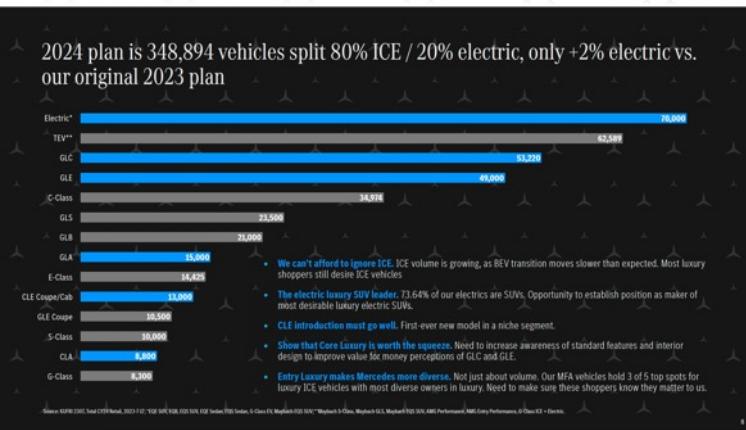
Review market research and competitive landscape to identify key communication themes for improving, maintaining, or addressing any deficiencies in the brand's health.



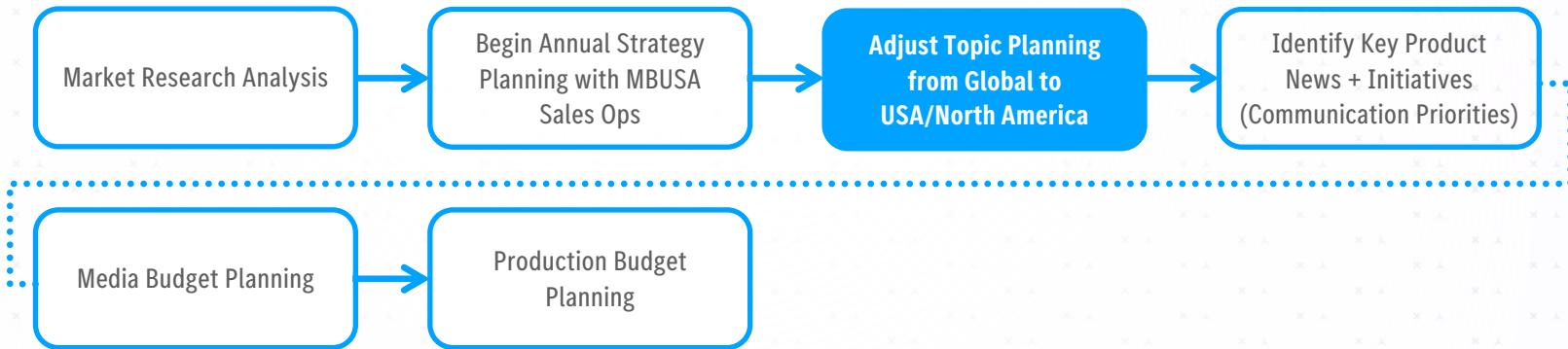
# Annual Strategy Planning



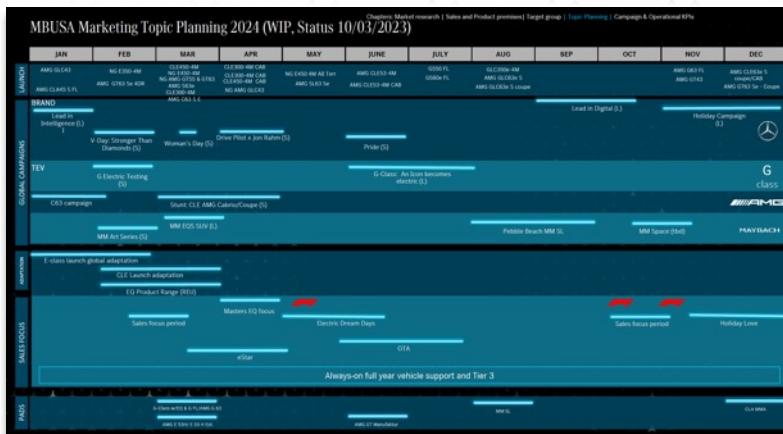
Collaborate with MBUSA Sales Ops to understand the product launch calendar and inventory objectives to determine what requires marketing support to help meet sales goals.



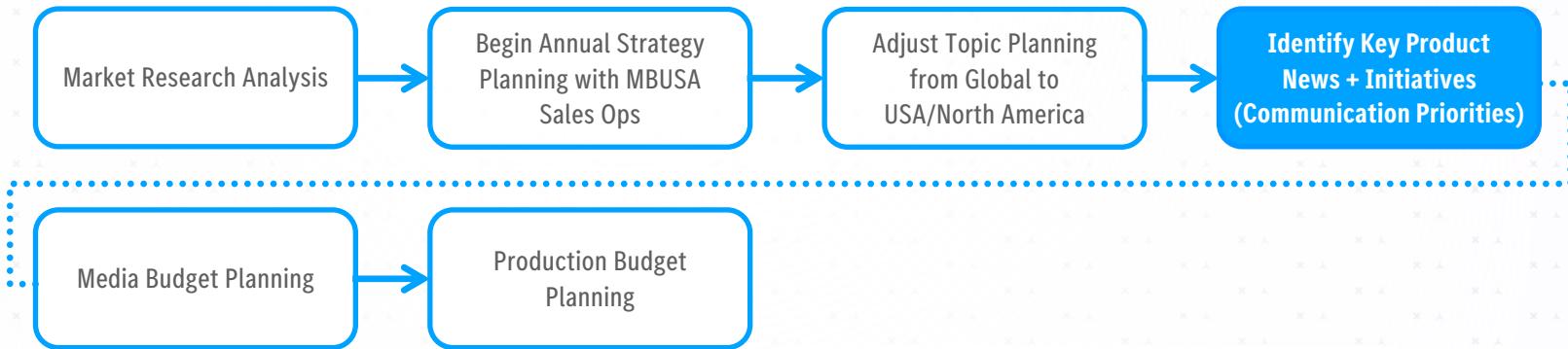
# Annual Strategy Planning



Assess which Global Topics from MB HQ will be activated locally in the US and when based on the market's communication priorities, inventory supply levels and cultural relevance.



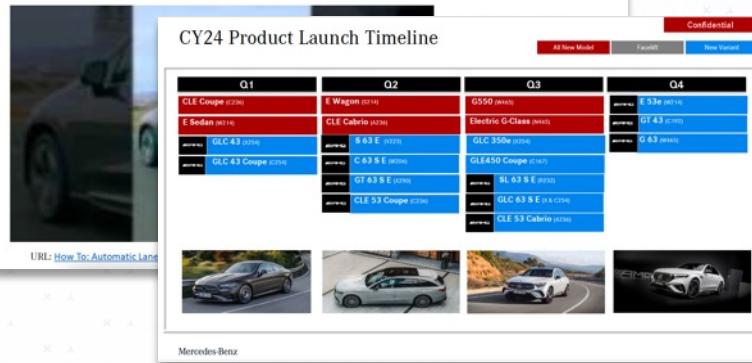
# Annual Strategy Planning



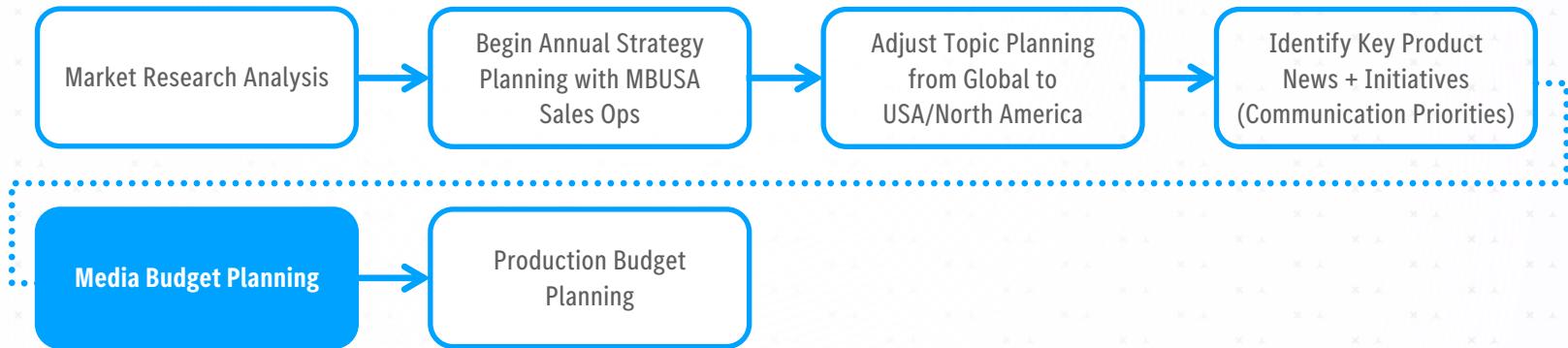
Flesh out the USA/North America calendar by identifying which key communications themes and products still need support and plan initiatives accordingly.

Automatic Lane Change Assist: Now available on all capable models

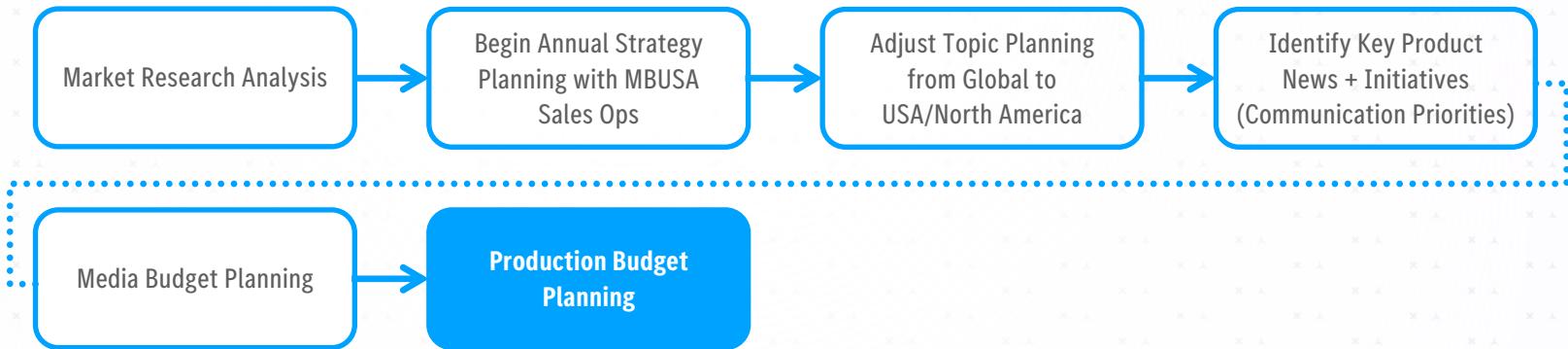
When Active Distance Assist DISTROニック & Active Steering Assist are engaged, Automatic Lane Change Assist can initiate a lane change automatically to overtake slower moving vehicles.



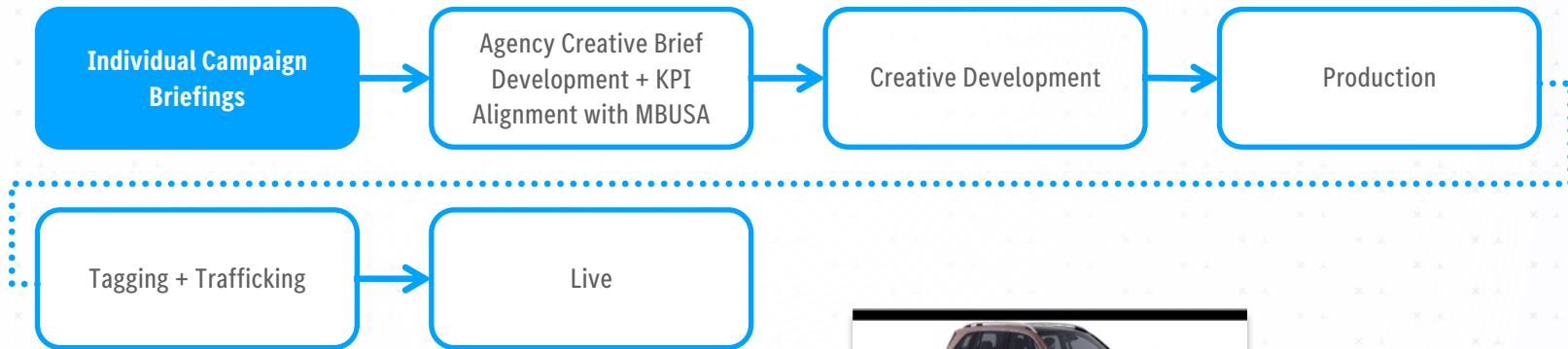
# Annual Strategy Planning



# Annual Strategy Planning



# Campaign Creation



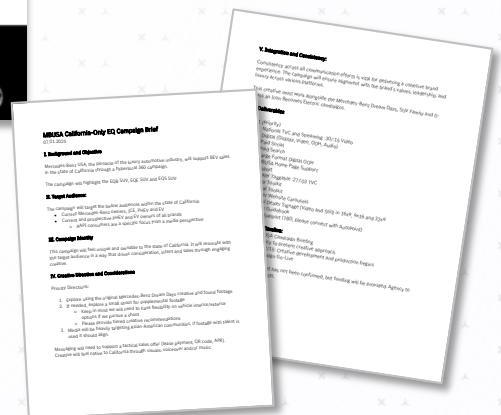
MBUSA provides the following information to kick off the creation process for each individual campaign:

- › Business Situation + Production Information
- › Campaign priorities
- › Deliverables

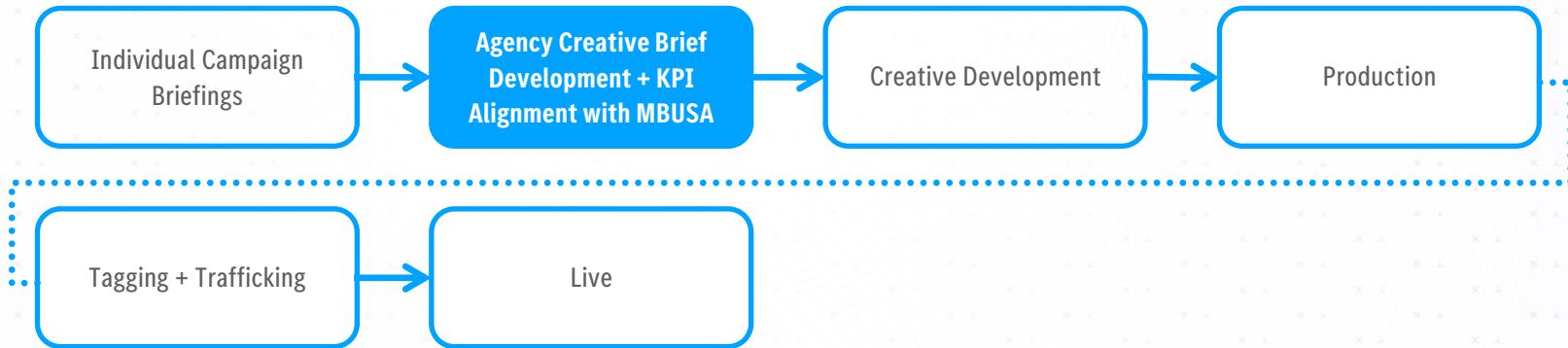


MY22 EOB Business Brief

Mercedes-Benz



# Campaign Creation



- › The creative brief frames the business issue for a creative solution.
- › A tool for alignment, efficiency and effectiveness.
- › Designed to inspire and focus.
- › Less is more. Strategy means sacrifice.
- › Should be revisited throughout campaign creation and reporting/feedback loop.

**2024 Masters Campaign Creative Brief**  
10.20.23

**BRAND PROBLEM**  
We need to amp up desire for our iconic luxury brand while working harder than ever to drive consideration for Mercedes products.

**AUDIENCE**  
Masters viewers. They show up every year in hopes of witnessing a history-making performance in an iconic competition.

**CHALLENGE**  
How can we clearly communicate the extraordinariness of our products in a way that feels elevated and luxurious, not overly rational or sales-y.

**MISSION**  
Redefine automotive performance

**CURRENT STATE**  
"Performance means one thing – going fast"

**STRATEGIC SPRINGBOARD**  
Legendary and Visionary Performance

**DESIRED STATE**  
"Mercedes performance is unmatched in every way"

**MESSAGING POINTS**

**Tech Performance:**

- DRIVE PILOT: America's first fully certified Level 3 autonomous driving system
- MB ADAS: Cameras, radars and sensors that help drivers perform gracefully under pressure
- Electric SUVs: The most powerful SUVs in the world
- G-Class Electric/Electric SUVs: Electric unleashed to go anywhere it wants
- M-AMG S63 E Performance: The most powerful V-class of all time is powered by ultimate performance hybrid tech
- Electric Powertrain: Fast today and even faster tomorrow with Performance Acceleration on demand

**Luxury Performance:**

- Manufaktur Personalization: Extreme personalization for extreme individuals
- Maybach EQS SUV: The most luxurious electric vehicle in the world comes in quiet or loud

**MANDATORIES**

- Consistent visual approach throughout
- Unmistakably electric
- Look to integrate Jon Kahn
- Visually romance the increasingly available Hyperscreen
- Look for a visual consistency with upcoming Electric Dream Days event
- Must cover Canadian market needs (see addendum)

**KEY TOUCHPOINTS**

- Client to provide feedback on brief: 10/20
- Agency/Client to share approved brief with integrated teams, late October
- Agency to share platform ideas and media thought starters, mid-to-late November
- Agency to release print campaign to ANGC, late 12/9
- Agency to share tactics, extension ideas and media mix for selected campaigns, mid-December
- Client/ANGC concept approvals, by early January
- Production handoff to agency, mid-January
- Live, April (Note: MB Canada requires earlier handoff dates for adaptation)

# The Creative Brief

## CREATIVE BRIEF TITLE

mm.dd.yy

## BRAND PROBLEM

What's the brand or business issue, opportunity or challenge that communications can help address.

## AUDIENCE

A brief description of who we need to influence

### CURRENT STATE

What does the audience think, feel or do now?

### STRATEGIC SPRINGBOARD

**What's the idea that can be  
a catalyst for change?**

### DESIRED STATE

What do we want them to think, feel or do?

## MESSAGING POINTS

- What are the brand or product proofs that will make them believe?
- What will surprise them?
- What will get them talking to us or each other?

## KEY TOUCHPOINTS

Where, when and how can we reach and engage them?

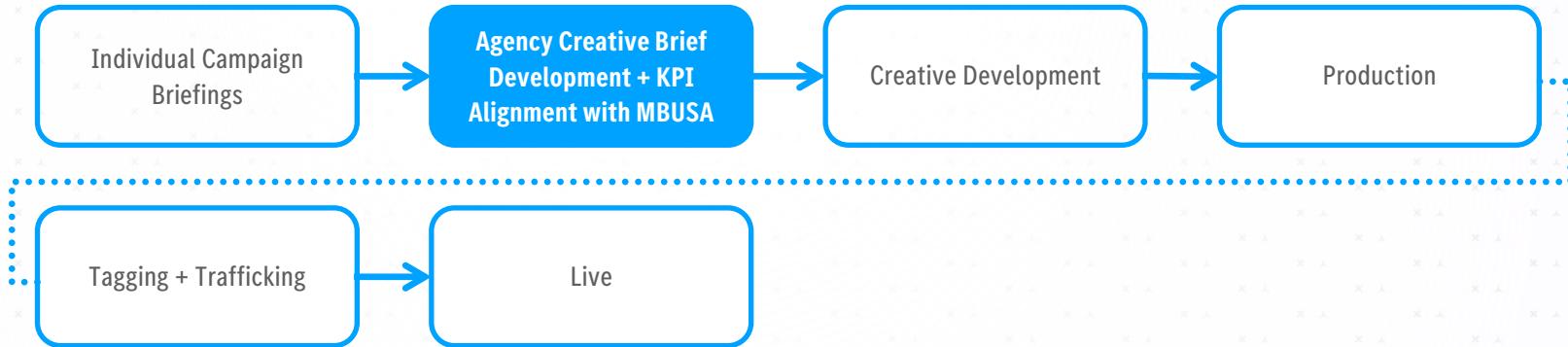
## TIMING

- DATE: Client approval of brief
- DATE: Client presentation
- DATE: Revisions
- DATE: Client approval of revisions
- DATE: Go live

## MANDATORIES

Language or executional details that must be included

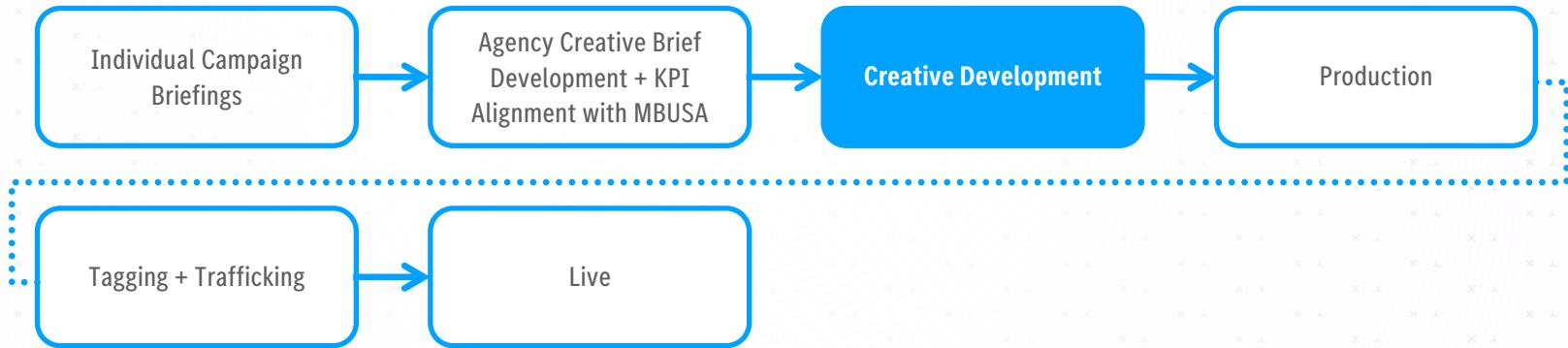
# Campaign Creation



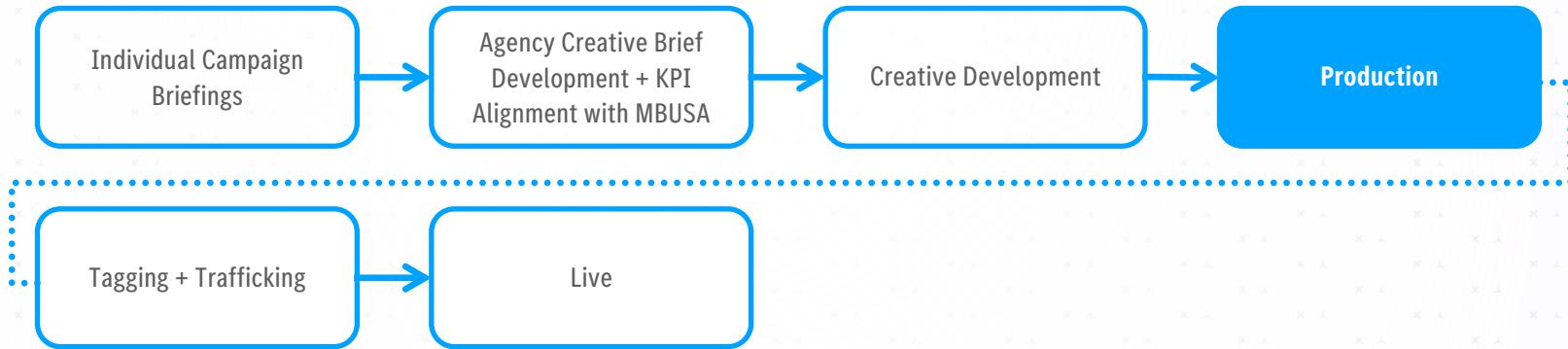
KPI Scorecard presented to MBUSA for approval with objectives and measurements listed for each stage of the consumer journey. KPIs to align with business objectives and media effectiveness.



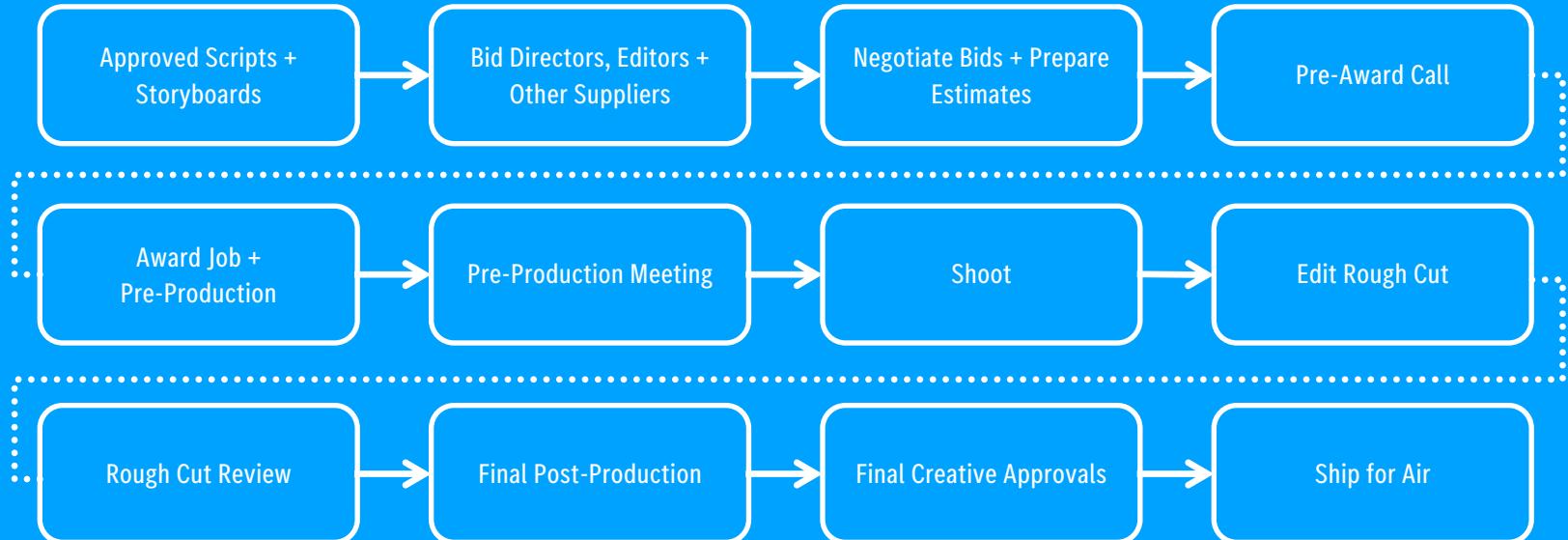
# Campaign Creation



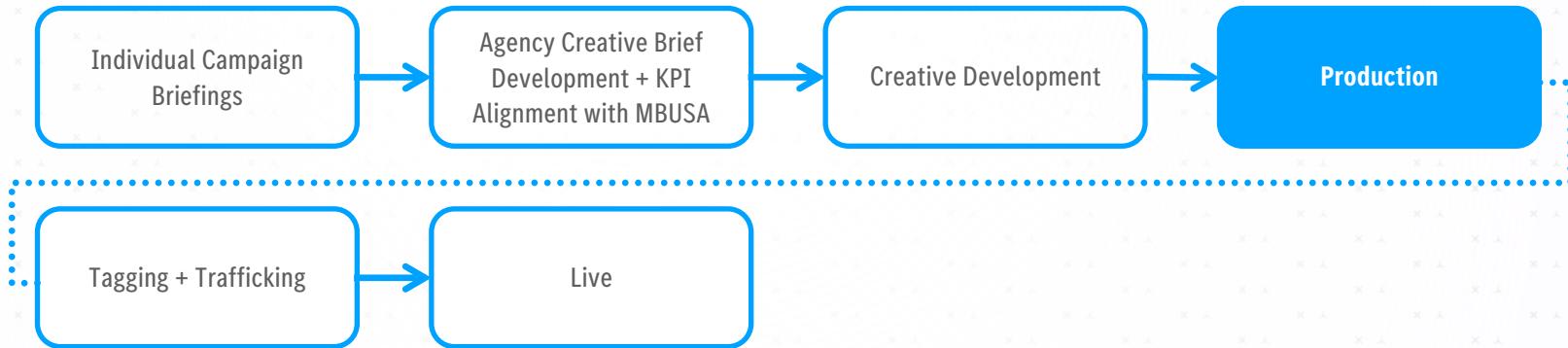
# Campaign Creation



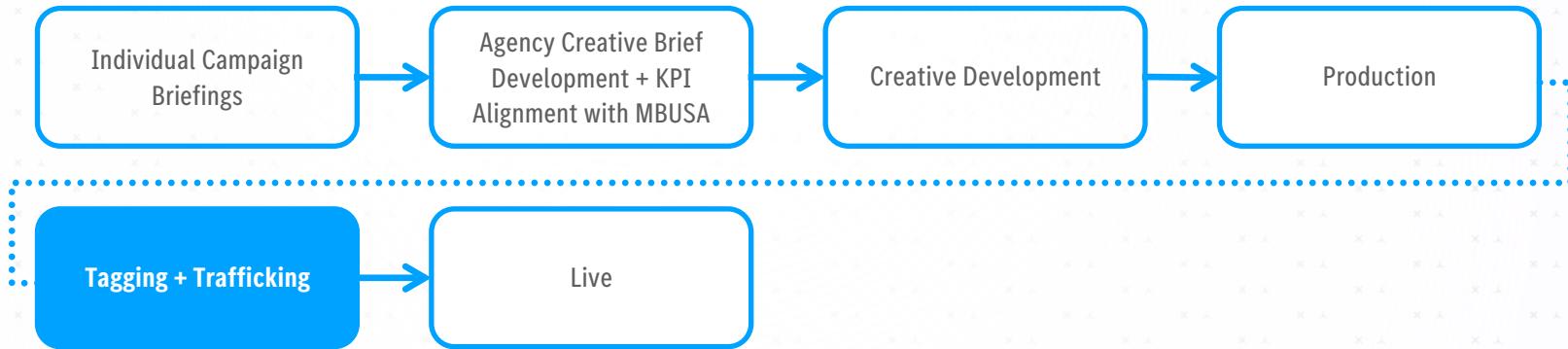
# Production



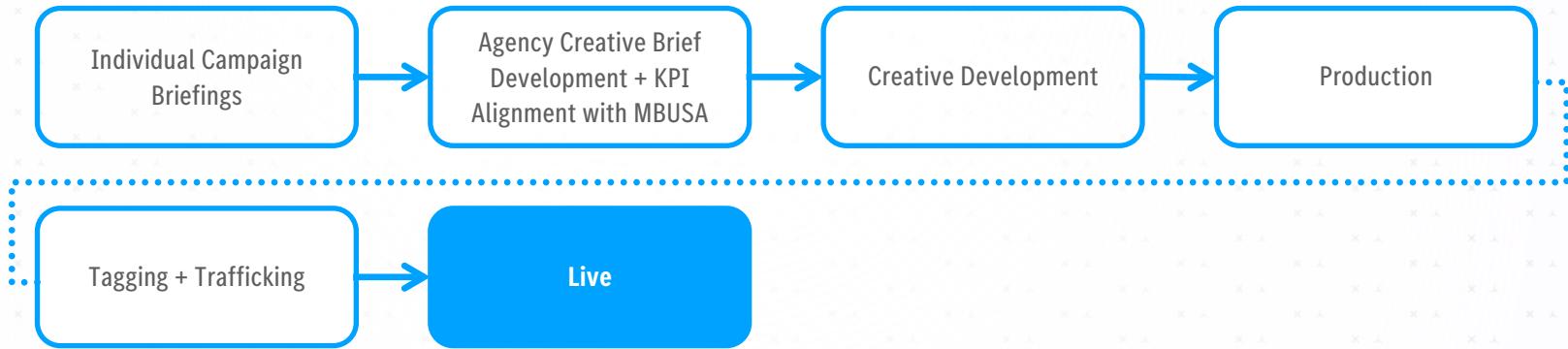
# Campaign Creation



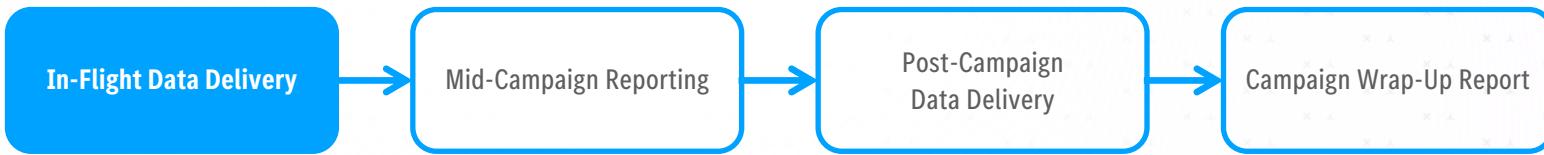
# Campaign Creation



# Campaign Creation

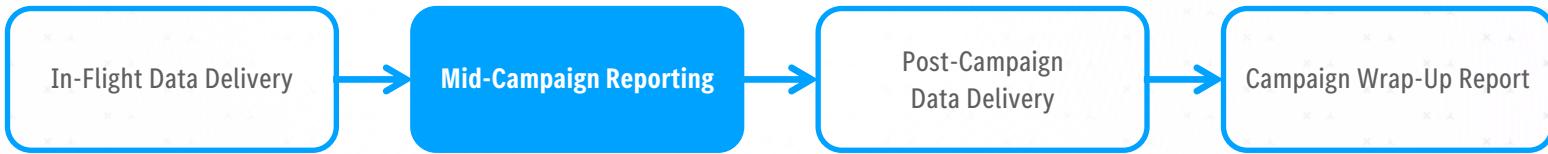


# Campaign Reporting



Excel based report that contains raw data by channel and partner. Data includes delivery metrics (impressions, clicks, etc.) but does not include insights or optimization recommendations.

# Campaign Reporting



Assess the campaign midway through its flight to identify areas that are under- and over-performing and provide optimization recommendations to stay on track to reach KPIs.

Team: 2024 Pick Your Powertrain  
Campaign Key Highlights  
Date Range: 5/1-5/9

<Mid-Campaign Optimizations>

On 5/5, we shifted our bidding strategy as below:

- 1. Display & Video model specific non-offer will drive to the model page
- 2. Social: Pausing Non-Offer ads
- 3. Paid Search: PMAX updated to drive to inventory page

<Post Mid-Campaign Updates>

**Paid Media:**

- Over the last 2 weeks, DOOH has seen a 122% increase in delivery in comparison to the preceding 2 week window, and is now on pace to deliver
- In the 1st week since non-offer URLs were switched to respective VDPs, Intent Action CPA's and CVR improved significantly becoming 32% more efficient and CVR on Intent Actions also increasing by 32%

**Paid Social:**

- On 5/5, non-offer assets were paused in offer campaigns across Meta and TikTok. Now, one asset is live per hyperlocal campaign. As expected, this has caused decreased performance (-50% lower CTR) across Meta and TikTok.
- TikTok offer campaigns have driven 16x clicks to the special offers site during this period.
- PHEV - VA drove highest CTR 0.75%
- ICE - KS AZ drove the second highest CTR at 0.64%
- ICE - KS AZ drove the third highest CTR at 0.94%

**Meta offer campaigns drove 88K clicks to the special offers page**

- PHEV - VA drove highest CTR 2.41%
- ICE - FL drove highest CTR 2.84%
- ICE - MA + MD 2.34%

**Paid Search:**

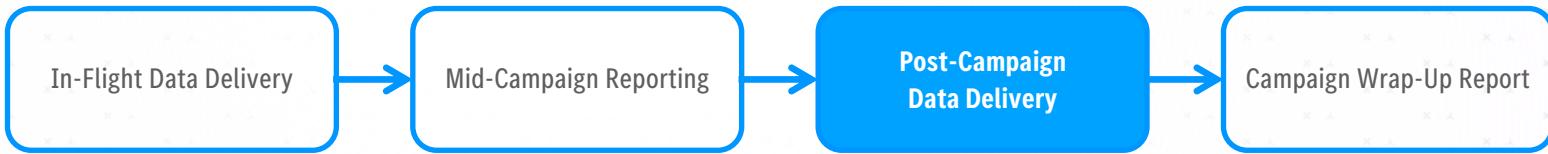
Since shifting the PMAX campaign's destination URL from the special offer page to the inventory page on 5/5 we have seen a significant shift in impressions (+177.8%) comparing 5 days of the new URL performance to the 5 days prior.

- Clicks did increase (+13%) while the Conversion Rate (-13.8%) and CTR (-59.16%) both dropped PwP. With the decrease in CVR and CTR occurring after the URL was updated, this could be a direct result of the new landing page.
- Overall, it has only been 5 days since this change and we do not recommend any changes at this point to allow for more data to gather.

**OneWeb:**

- 3.5M website visitors, 10,714 leads, 0.301% visitor-to-lead conversion rate (5/1-6/2)
- Post Mid-Campaign Update: Overall visitor-to-lead conversion rate remains stable
- Special Offers Landing Page traffic and Bounce Rate remain stable
- Increase observed for class and inventory pages for both GLE and EOE, however, bounce rates for these pages increase significantly (between 20-70% increases in bounce rates), as more paid traffic is directed to them
- GLE class page pageviews increased 43% and GLE inventory pageviews increased 65% between 5/26-6/9 compared to the previous period (5/11 - 5/25)
- EOE class page pageviews increased 31% and EOE inventory pageviews increased 200% between 5/26-6/9 compared to the previous period (5/11 - 5/25)

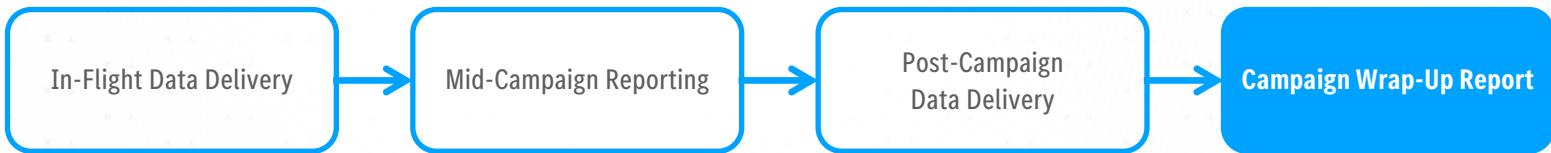
# Campaign Reporting



Finalized delivery numbers and key metrics.

Period	State Level	Campaign & Partner Details	Metrics	Data Source	Total Planned/Estimated	Week	Wk-Avg	Wk-SD
						7/3/2024		
<small>All Media (**Sponsorships are not included)</small>								
near TV	National	Cable	A25-54 GRPs	Merkey	100,70	23,05	2,06	
	National	Cable	A25-54 Impressions*	Merkey	121,081,600	27,610,700	2,465,200	35
near TV - QR	ICE	Cable	Sessions	GA	N/A	59		
	EV	Cable	Sessions	GA	N/A	111	44	
near TV - QR	PHEV	Cable	Sessions	GA	N/A	27	10	
	ICE	Cable	Leads Started	GA	N/A	3	4	
	EV	Cable	Leads Started	GA	N/A	23	4	
	PHEV	Cable	Leads Started	GA	N/A	5	1	
deo (did not do state targeting)	National	Always On Streaming, Uplink Network Streaming, HGTV Smart Home, NBC sports, Auto Endemic, Programmatic	Impressions	DCM	96,439,420	5,350,440	13,050,037	
	National	EV	Completed Views	Innovid for VCR (Back into impressions)	45,098,882	4,868,900	11,875,534	
		PHEV	Impressions	DCM	2,310,450	633,100	833,807	
		ICE	Impressions	DCM	568,116	1,295,739		
	Video (estimated)	EV	Completed Views (estimated)	Innovid	1,956,663	4,857,304		
	Video (estimated)	PHEV	Completed Views (estimated)	Innovid	2,486,857	5,936,644		
	Video (estimated)	ICE	Completed Views	Innovid	462,386	1,179,122		
deo	National	YouTube	Impressions	DV360	47,637,485	5,526,125	6,799,547	
			Completed Views	DV360	10,184,421	588,721	712,816	
			Conversions	DV360	N/A	29	35	
splay	ICE	Programmatic, Auto Endemic	Impressions	DCM	268,382	5,074,258		
	EV		Impressions	DCM	110,057,376	475,964	6,616,003	
	PHEV		Impressions	DCM	89,948	2,134,326		
splay	ICE	EV	Clicks	DCM	N/A	773	24,260	
	PHEV		Clicks	DCM	N/A	1,249	26,537	
splay	ICE	EV	Conversions	DCM	N/A	242	8,608	
	PHEV		Conversions	DCM	N/A	669	11,867	
gital OOH	ICE	Programmatic	Conversions	DCM	N/A	2,754	48,987	
	EV		Conversions	DCM	N/A	346	7,007	
	new		Impressions	TTD	6,795,819	-	75,263	
			Impressions	TTD	N/A	-	430,031	
			Impressions	TTD	N/A	-	11,344	

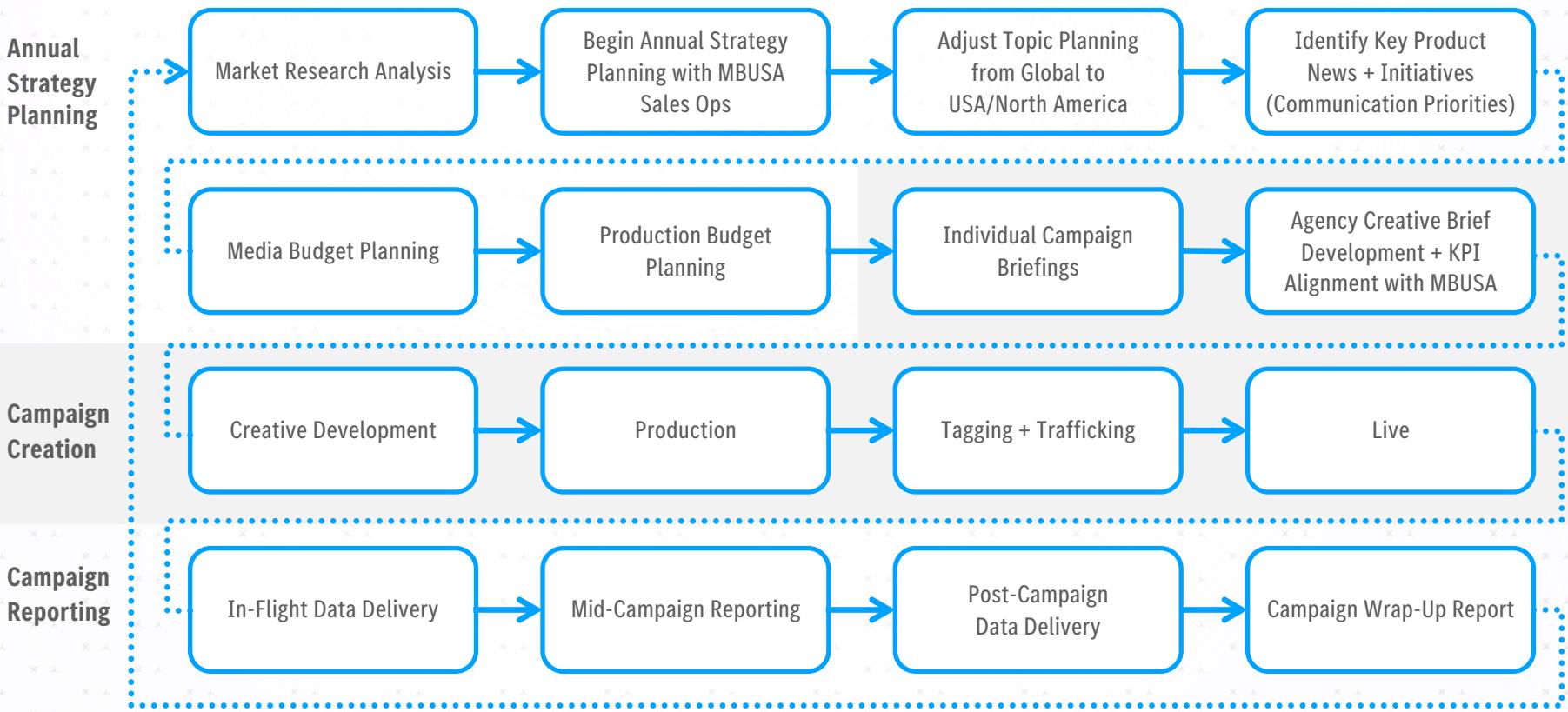
# Campaign Reporting



Comprehensive report after the campaign ends that outlines what we did well, what did not work, and what we should do differently across all hubs, to inform the approach for future campaigns.

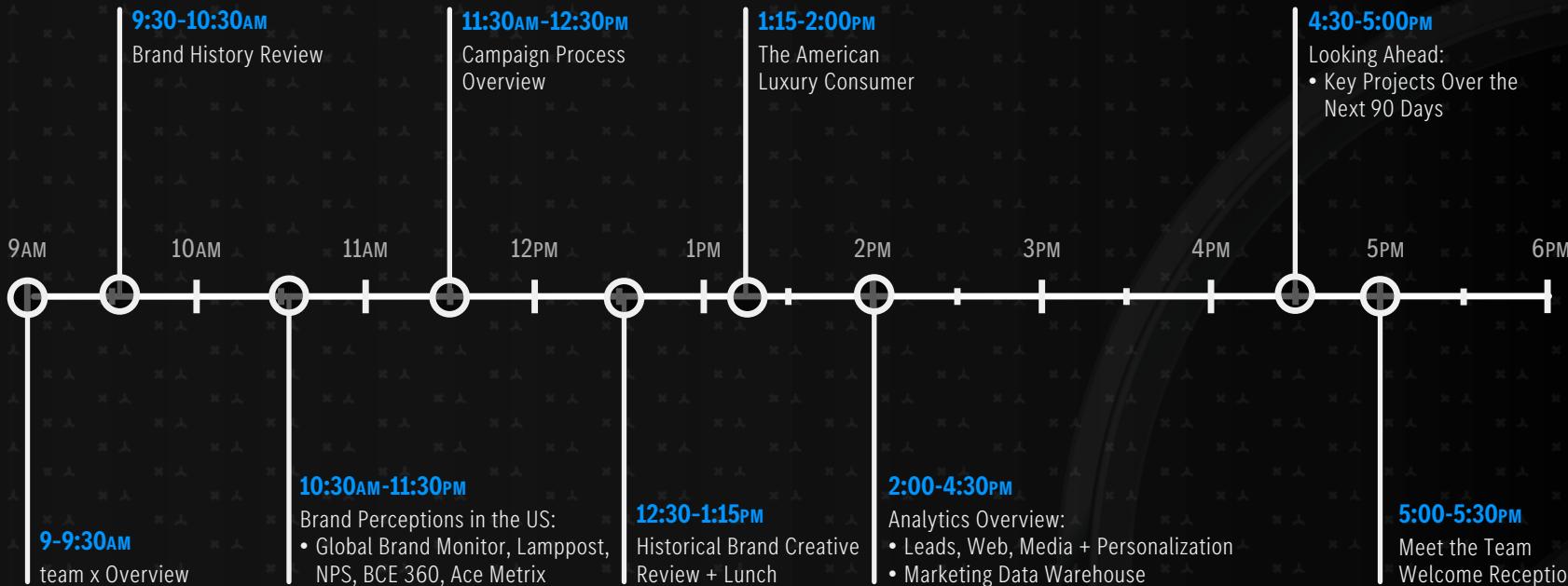


# Campaign Process Overview



## AGENDA

July 11, 2024





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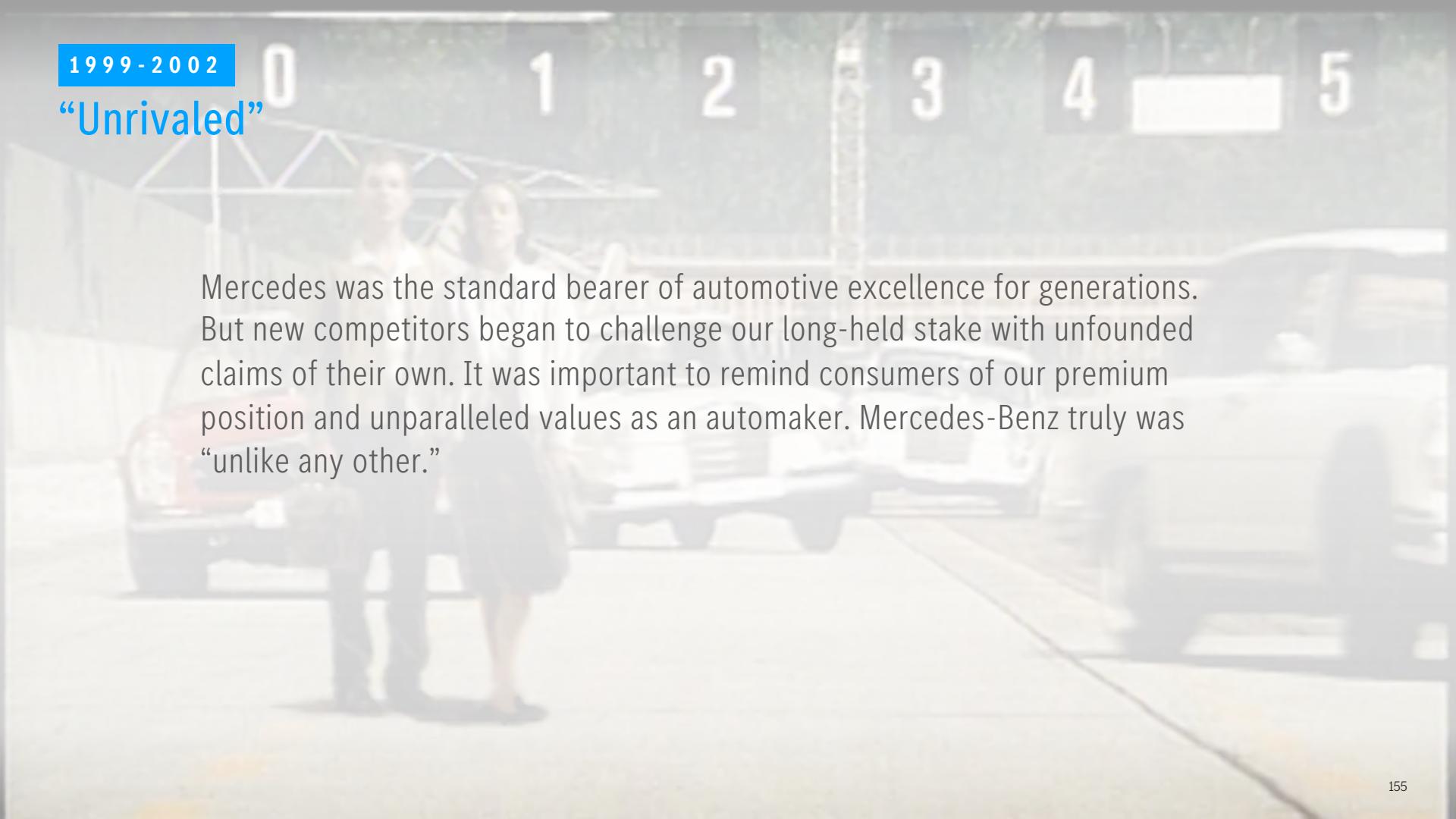
## Historical Creative Review



30 Years  
in 45 minutes

1999 - 2002

“Unrivaled”



Mercedes was the standard bearer of automotive excellence for generations. But new competitors began to challenge our long-held stake with unfounded claims of their own. It was important to remind consumers of our premium position and unparalleled values as an automaker. Mercedes-Benz truly was “unlike any other.”

2003 - 2005

## “Love Mercedes”

Caring, pride, affection, obsession. Words that describe the Mercedes-Benz ethos also perfectly describe Mercedes-Benz owners themselves. This period of work celebrated the unique bond held between company and customer, between a car and its owner. Rare is the brand that receives as much love as it puts out.

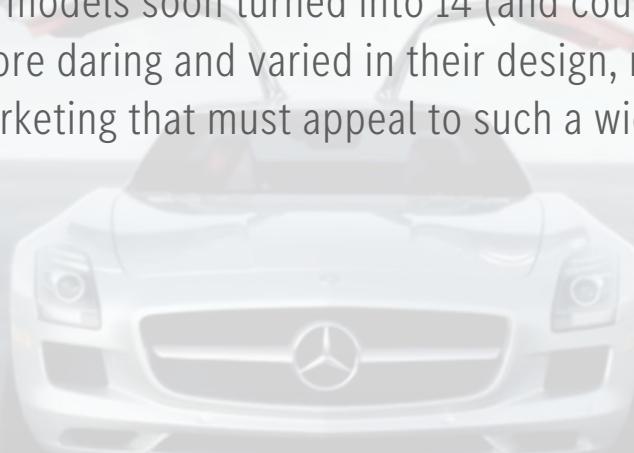
2006 - 2010

## “Heroic Engineering”

A rare dip in quality led to eroding consumer confidence. While the issues were quickly addressed and fixed, it was still important to remind consumers that craftsmanship and engineering excellence are the very DNA of this company. The three-pointed star would not be diminished.

## “Redefining Perceptions”

This era saw an unprecedented expansion of the company's product line. What was once just a few core models soon turned into 14 (and counting). As Mercedes-Benz offerings became more daring and varied in their design, more youthful in their appeal, so too would the marketing that must appeal to such a widening target.



## “The Most Loved Brand”

With an ever-expanding line-up of products, services and sub-brands, it was no longer possible to give each its full day in the sun. Support for new and volume product remained a priority, but Mercedes increasingly aimed to develop marketing that could create a brand halo effect while delivering a human touch that built love for the Star among loyalists, prospects and dreamers.

## “The World’s Most Desirable Cars”



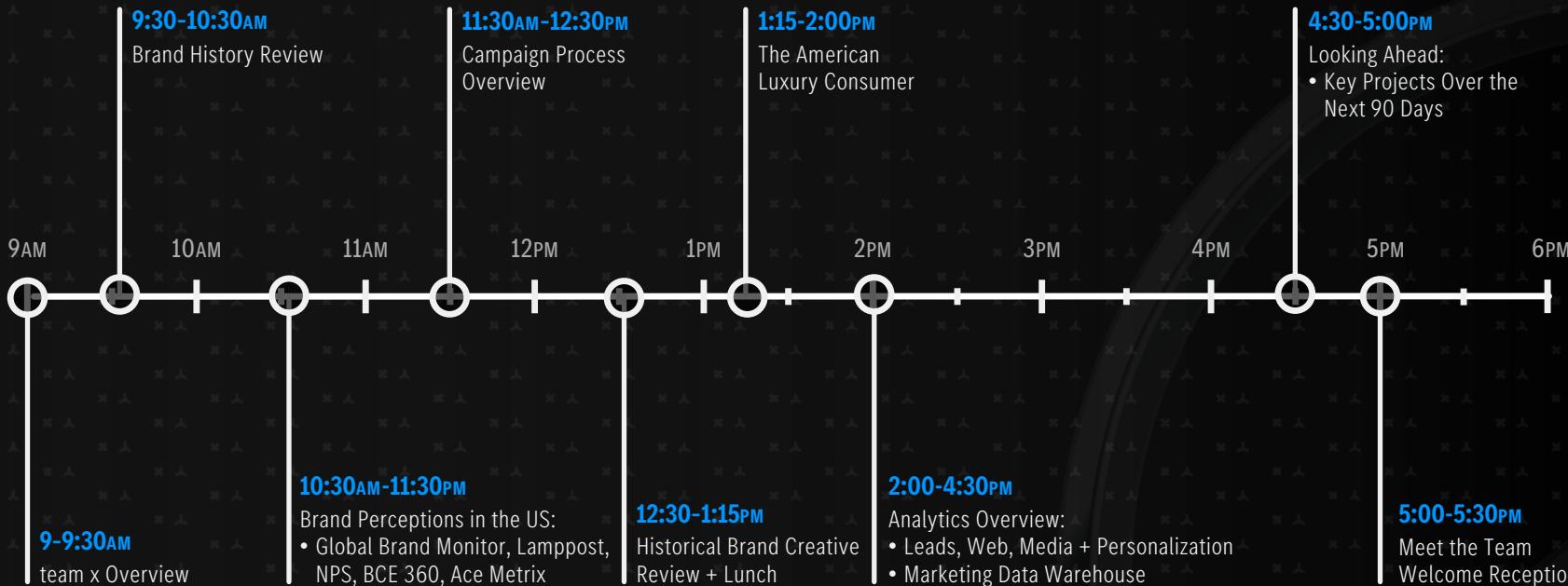
With the introduction of electric, Mercedes set sights on becoming the world's most desirable electric luxury brand. We focused on elevating our luxury leadership ("think and act like a luxury brand") and reclaiming our innovation positioning, all while transforming our product portfolio over the next decade to drive company profitability. As of late 2023, due to market conditions and slowed EV adoption, the marketing strategy was recalibrated to begin blending ICE, EV and PHEV communications with more overt retail messaging.

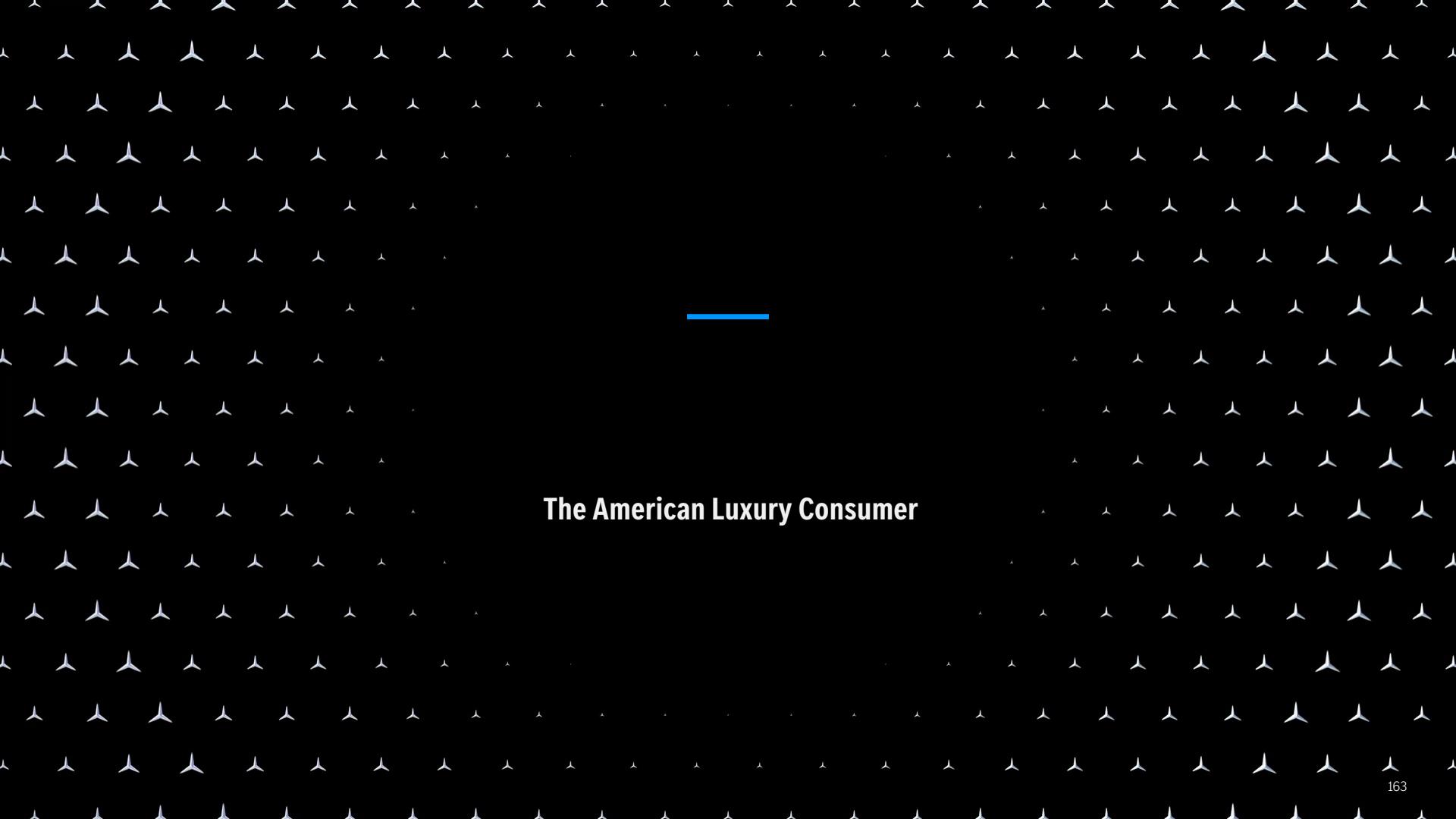
## Sales Events

- › Until 2020, creative was produced to support 3-4 national Sales Events each year (Spring Event, Summer Event, Winter Event, CPO Event)
- › Since Sales Events represented a limited time period during the year, campaign creative would live for 2-3 years
- › The work conveyed a sense of urgency, but also balanced with the appropriate tone and messaging for Mercedes-Benz

## AGENDA

July 11, 2024





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## The American Luxury Consumer

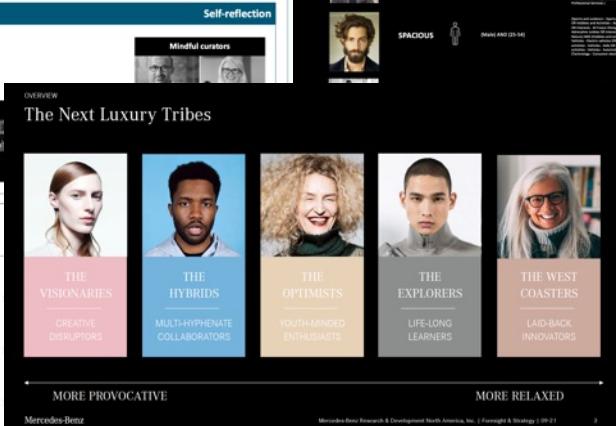
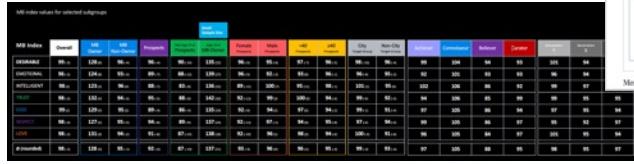


The American luxury consumer is complex, broad, tech-obsessed and never stands still



The American  
luxury consumer  
is complex

# There is no single luxury consumer



#### PERIODS OF USE: SEARCH DETAILS

Which leads us to market specific data to validate hypothesized segments of most relevance and guide each market's planning. (1/2)

SOUTH KOREA		USA		CANADA	
TECHNOLOGY HIGH ADVISERS	PERFORMANCE INDICATORS	TECHNOLOGY HIGH ADVISERS	PERFORMANCE INDICATORS	TECHNOLOGY HIGH ADVISERS	PERFORMANCE INDICATORS
3x 100	3x 100	3x 100	3x 100	3x 100	3x 100
17.2%	21.6%	30.9%	27.6%	20%	20%
<b>BUSINESS</b>	<b>EASY RIDER</b>	<b>BUSINESS</b>	<b>EASY RIDER</b>	<b>BUSINESS</b>	<b>EASY RIDER</b>
3x 100	3x 100	3x 100	3x 100	3x 100	3x 100
23.1%	23.4%	27%	27%	45.7%	45.7%

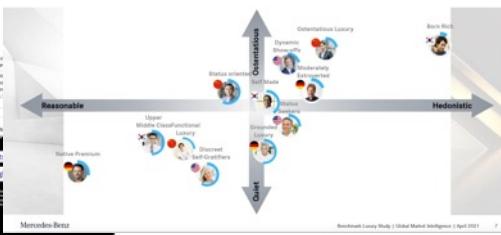
RUSSIA		JAPAN		CHINA	
TELECOMMUNICATIONS REVENUE\$	TELECOMMUNICATIONS PROFITABILITY%	TELECOMMUNICATIONS REVENUE\$	TELECOMMUNICATIONS PROFITABILITY%	TELECOMMUNICATIONS REVENUE\$	TELECOMMUNICATIONS PROFITABILITY%
\$x 395	+3.1%	\$x 212	+3.2%	\$x 470	+3.4%
38.0%	23.1%	38.2%	11.7%	39.0%	33.0%
BUSINESS		BUSINESS		BUSINESS	
\$x 95	+3.0%	\$x 208	+3.3%	\$x 383	+3.4%
23.1%	33.0%	23.2%	10.7%	24.0%	48.0%

E-Class (W214) W214 - E | Performance Content

Source: CME Audience 2020

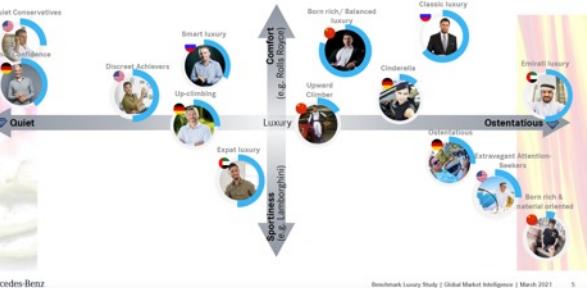
Management Summary

What different kind of respondent profiles can be found in the markets?



## Management Summary

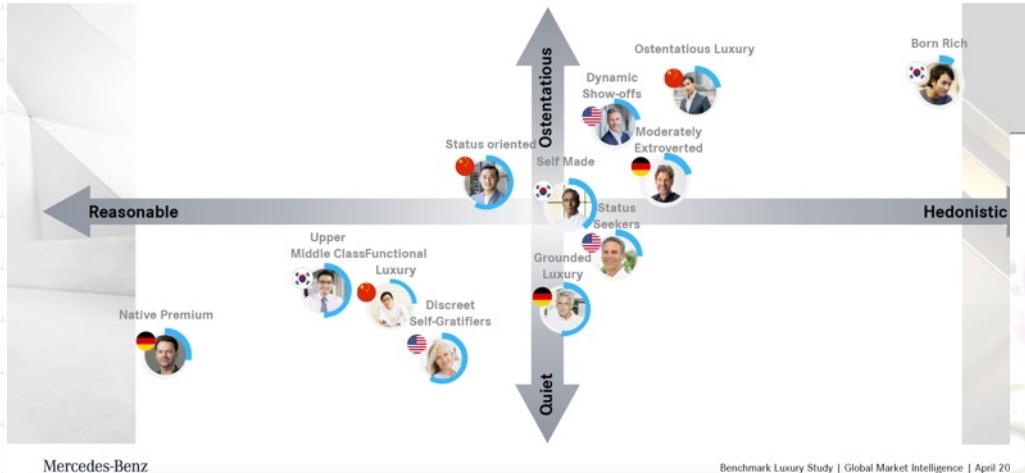
What different kind of luxury profiles can be found in the markets?



# The American luxury consumer spans the continuum between quiet and ostentatious

Management Summary

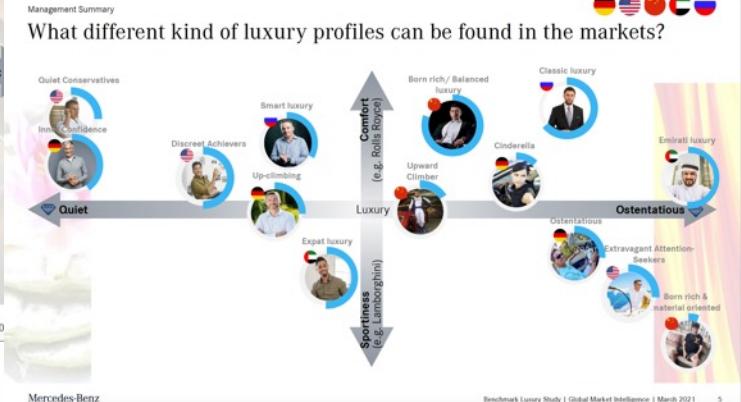
What different kind of respondent profiles can be found in the markets?



Benchmark Luxury Study | Global Market Intelligence | April 2020

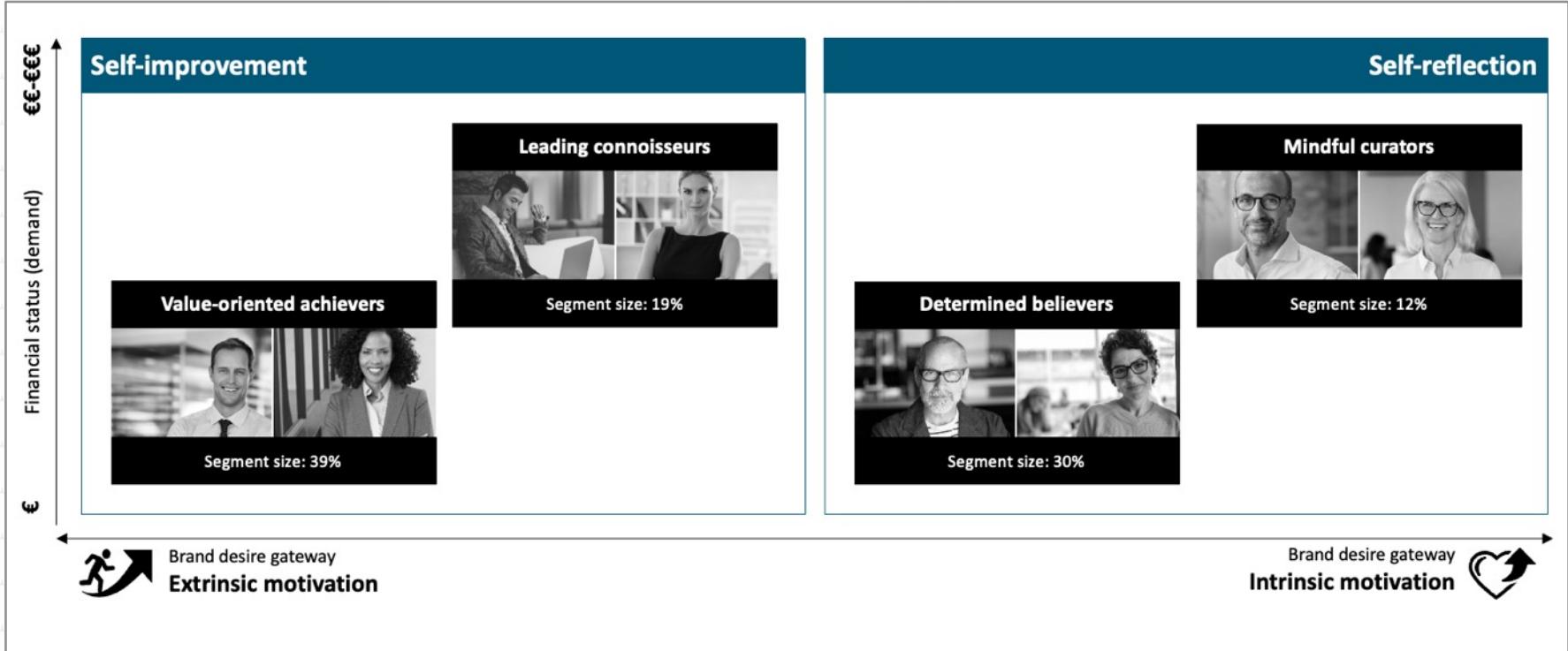
E/S Segment

UHNWI



Benchmark Luxury Study | Global Market Intelligence | March 2021

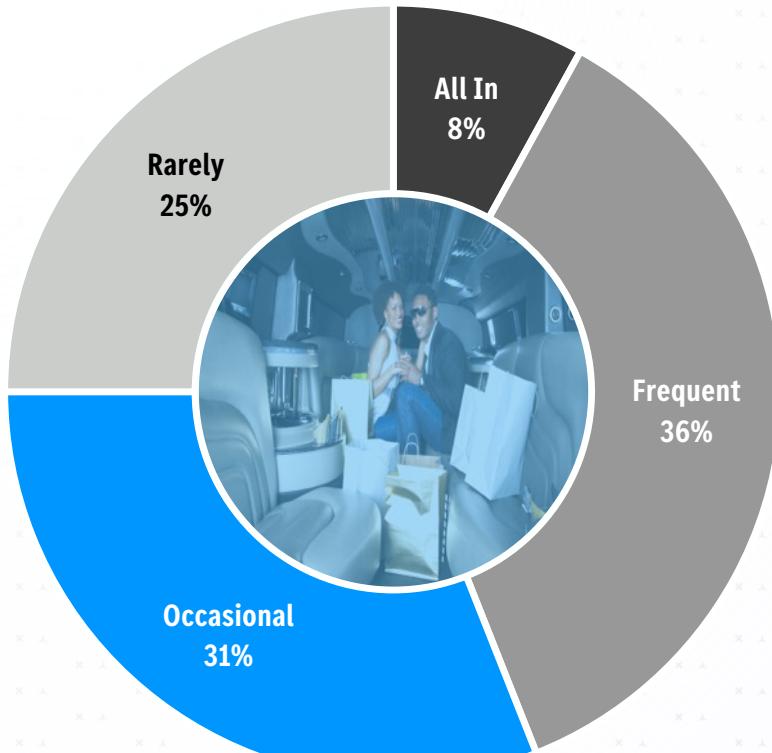
# The American luxury consumer is both extrinsically and intrinsically motivated



# The American affluent consumer travels between luxury and premium

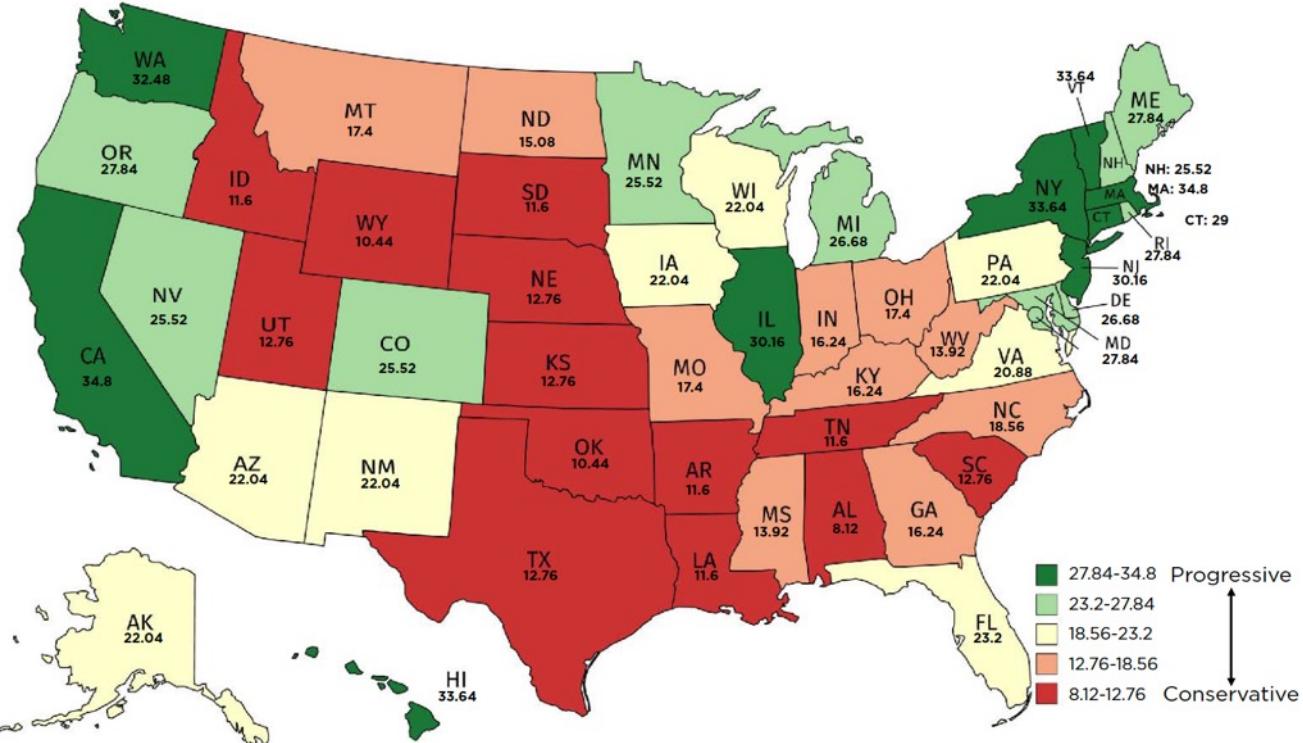
Most of them mix and match across different categories, trading up and down based on priorities

Luxury Purchase Engagement (US Affluent)



# The American luxury consumer is progressive and conservative

Values + Beliefs Component Score (50-State Progressive-Conservative Index)

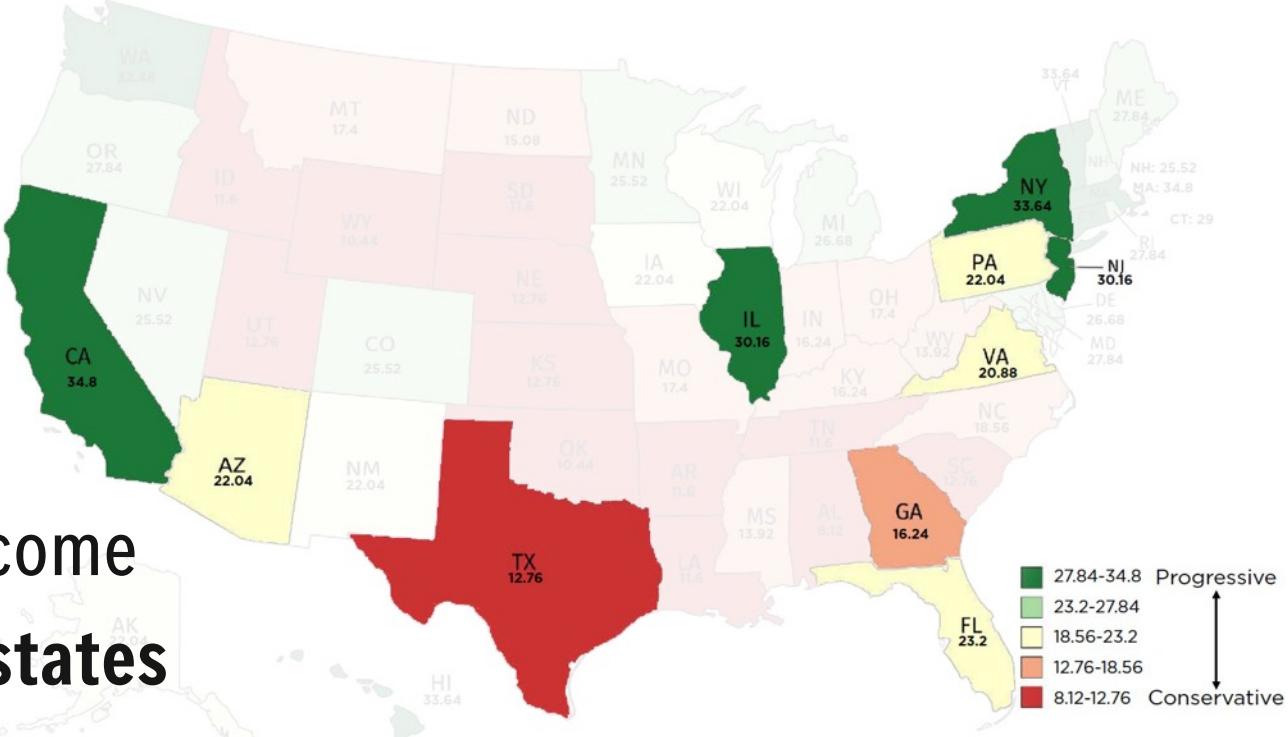


Inputs: Climate Opinion: "corporations should do more for global warming" % agree; Climate Opinion: "schools should teach about global warming" % agree; LGBTQ Equality Policy Tally (2021); WalletHub Women's Equality Score; Guns Per Capita; Religiosity. See appendix for source details.

# The American luxury consumer is progressive and conservative

Values + Beliefs Component Score (50-State Progressive-Conservative Index)

72%  
of sales come  
from 10 states



Inputs: Climate Opinion: "corporations should do more for global warming" % agree; Climate Opinion: "schools should teach about global warming" % agree; LGBTQ Equality Policy Tally (2021); WalletHub Women's Equality Score; Guns Per Capita; Religiosity. See appendix for source details.

## Dealers are more conservative than owners



**6-to-1**

Rate that dealers donate to  
Republicans vs. Democrats

### Owner Political Affiliation vs. Overall Auto Owners

Political Party  
Associate With



	Audi	BMW	Mercedes-Benz	Tesla
Democratic	1.10x	1.07x	1.01x	1.26x
Republican	.63x	1.04x	1.19x	.69x
Independent	1.17x	1.03x	.85x	1.22x

A photograph of a woman with her arms raised in excitement, smiling, while on a boat. She is wearing a green ribbed sweater and sunglasses. The background shows a coastal town and the sea.

The American luxury consumer's ideas of luxury are broad

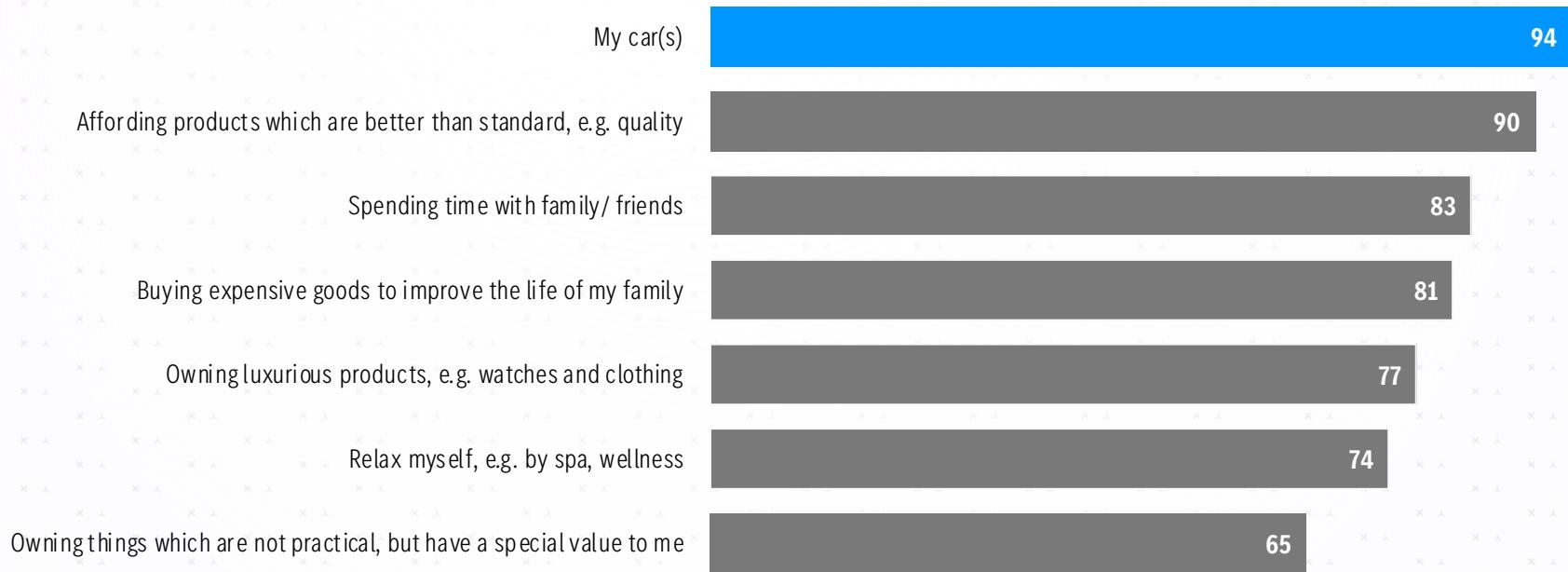
The American luxury consumer desires a wide array of different kinds of luxury



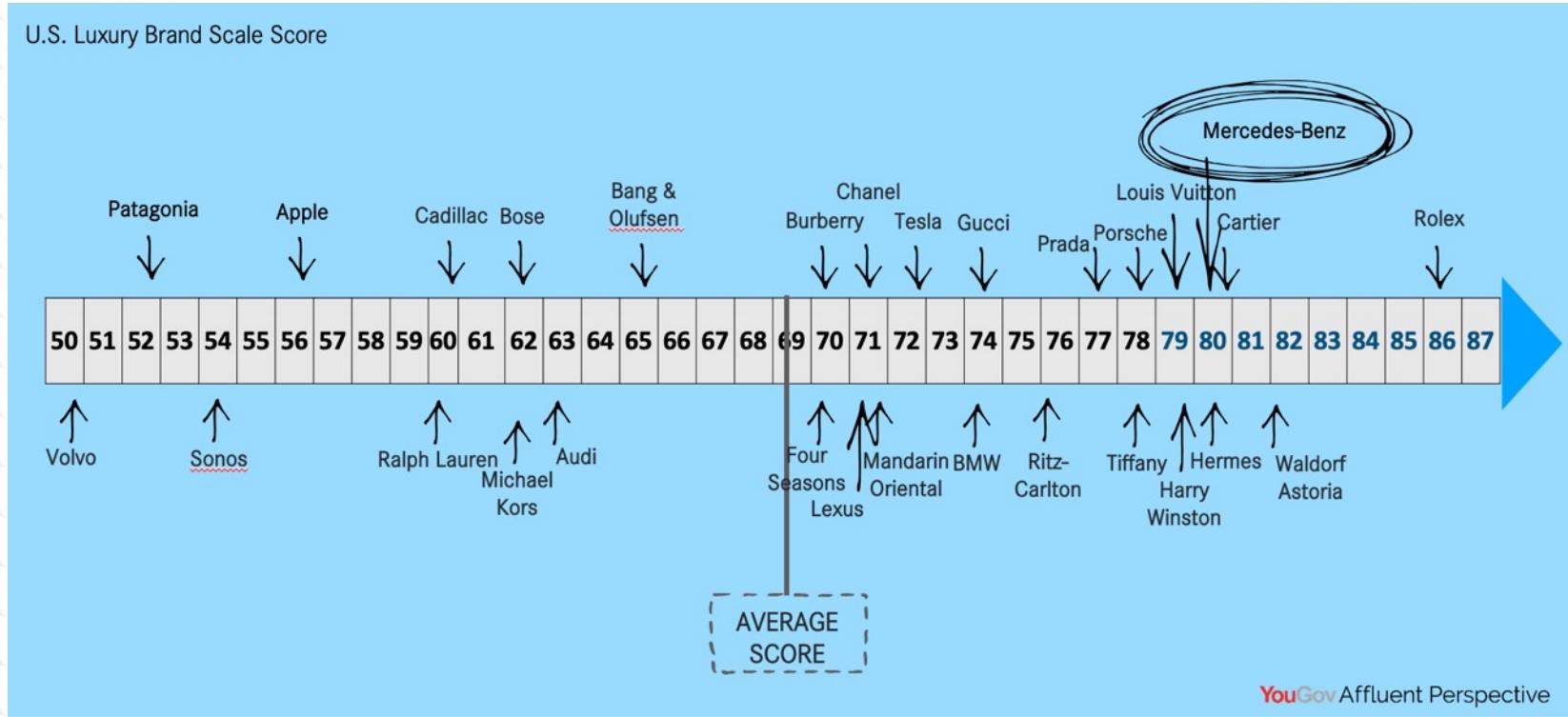
# The American luxury consumer thinks of their car as the luxury they experience most often

## Everyday Luxury

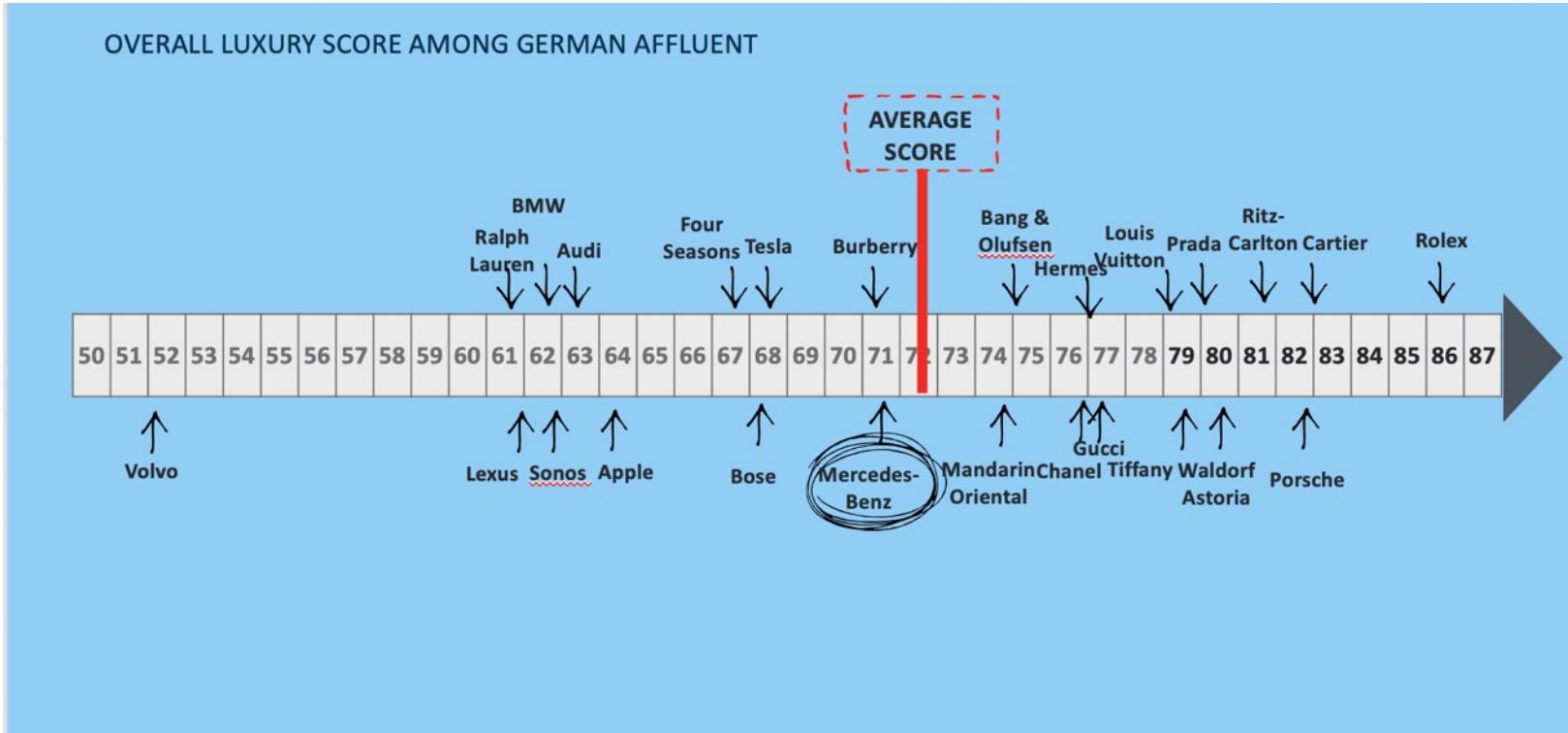
Please think about your everyday life. To what extent do you experience the following aspects as your personal everyday life luxury?



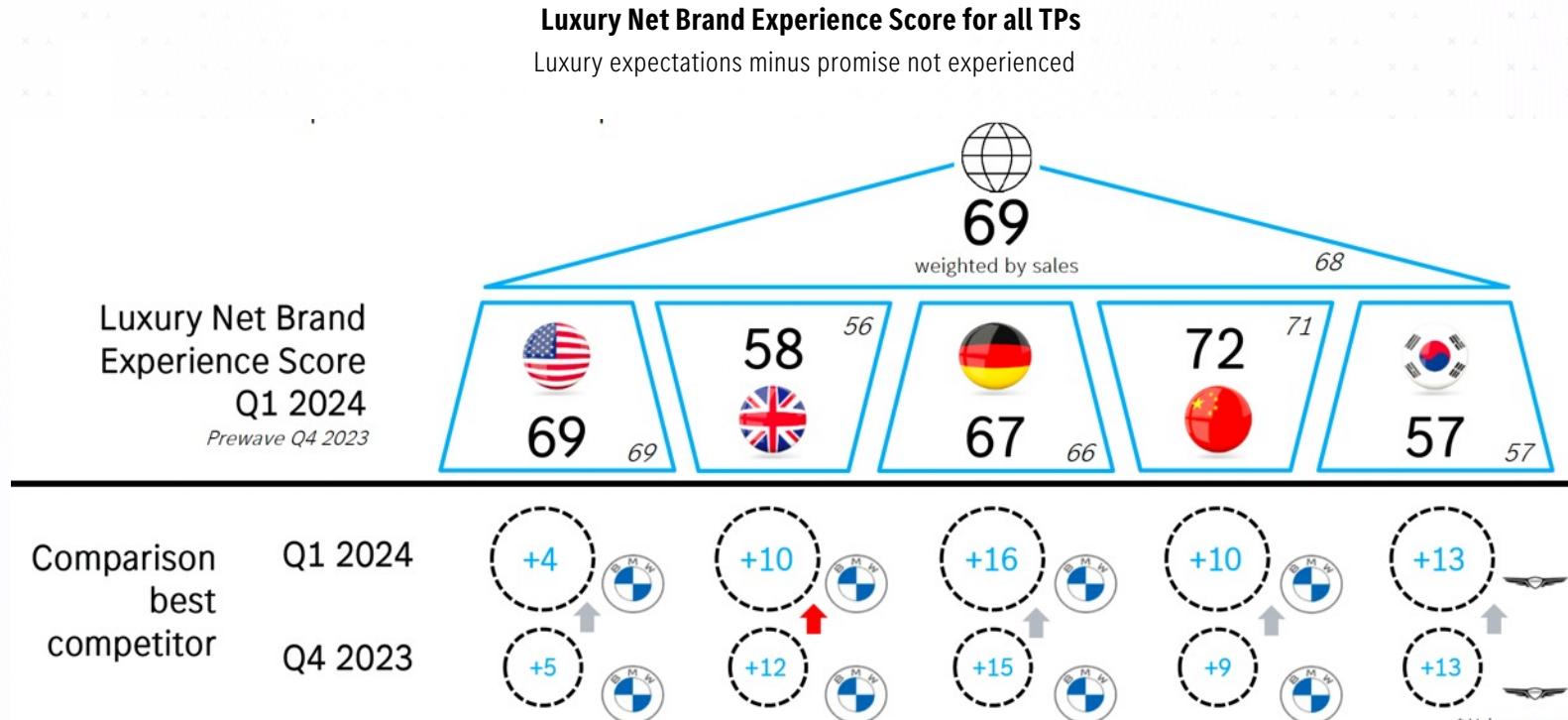
# The American luxury consumer thinks that Mercedes is one of the brands that defines luxury



The American luxury consumer has a different idea of the brands that define luxury than the German luxury consumer has



Luxury perceptions of Mercedes are high and well-established, but it's also a less competitively distinct position than it is in other markets



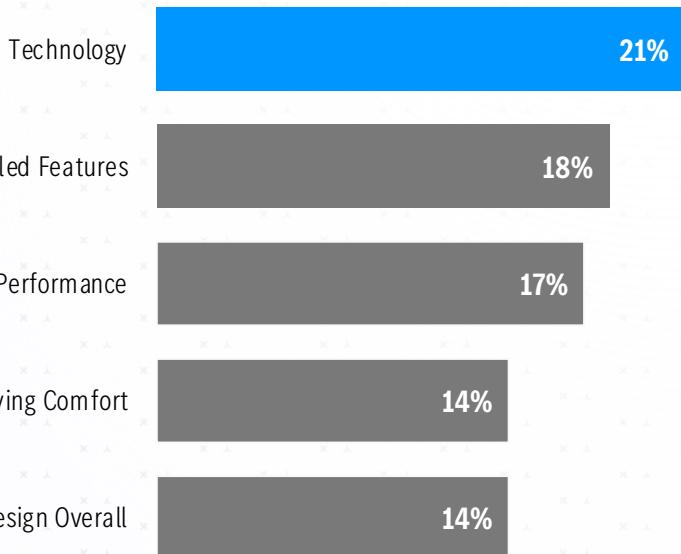
A man with dark hair and a beard, wearing a dark suit and white shirt, is looking down at a glowing blue digital globe. The globe is centered in the lower right portion of the frame, showing a network of lines and dots forming a grid over the Earth's surface. The background is dark, suggesting an interior space like a car or a dimly lit room.

**The American  
luxury consumer is  
obsessed with tech**

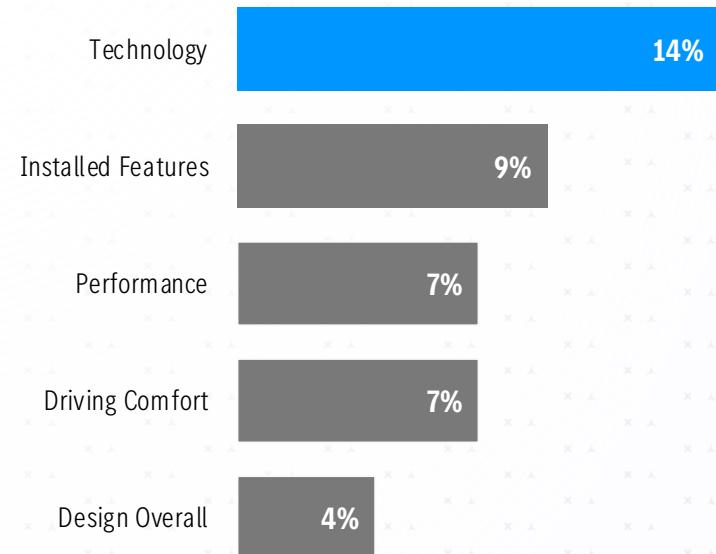
# The American luxury consumer thinks technology is the key to improving their perceptions of vehicle luxury

Luxury Definition of Current Car (Top 5)

## Luxury Characteristics



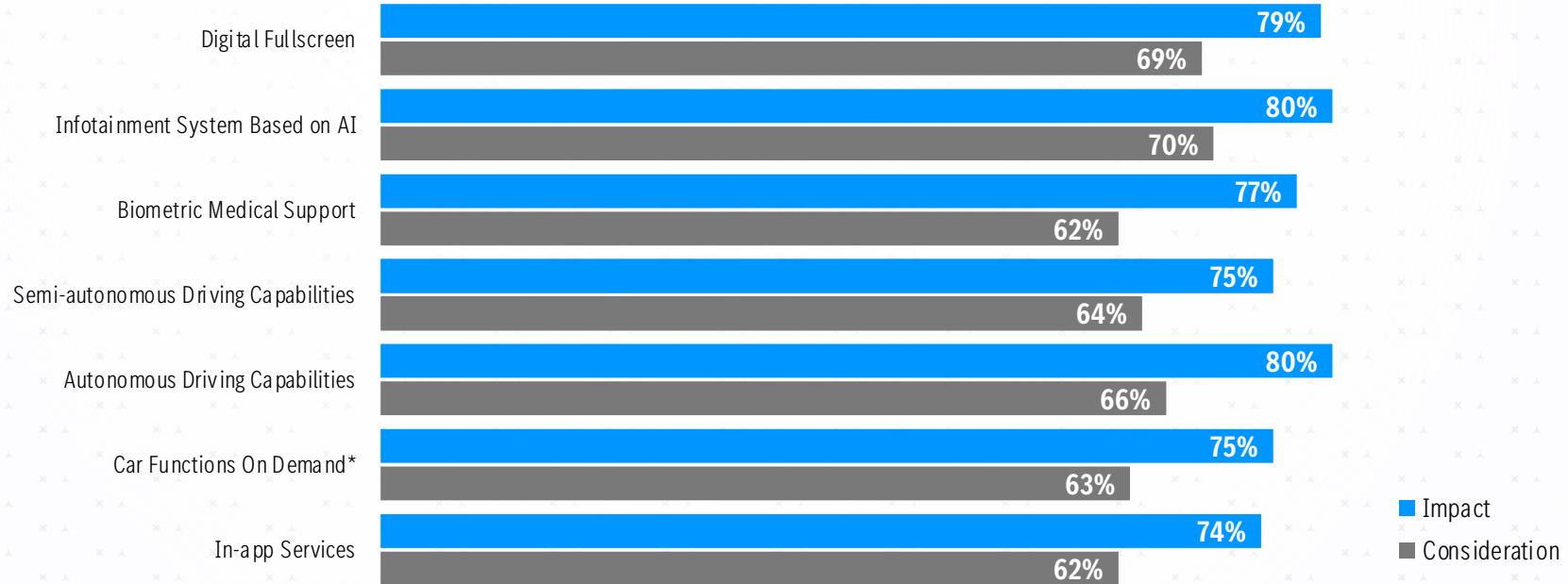
## Improving Luxury by Improving...



# The American luxury consumer is impressed by big screens, biometrics, AI and self-driving

Future Technological Features - Luxury Impact and Consideration

Top 2 Boxes



# The American luxury consumer's wallet can be opened by tech, not just luxury

Tesla owners don't rate it for its luxury, it's about tech, innovation and performance

Car Characteristics (%) - Luxurious

34%



9%



Car Characteristics (%) - Innovative

5%



16%

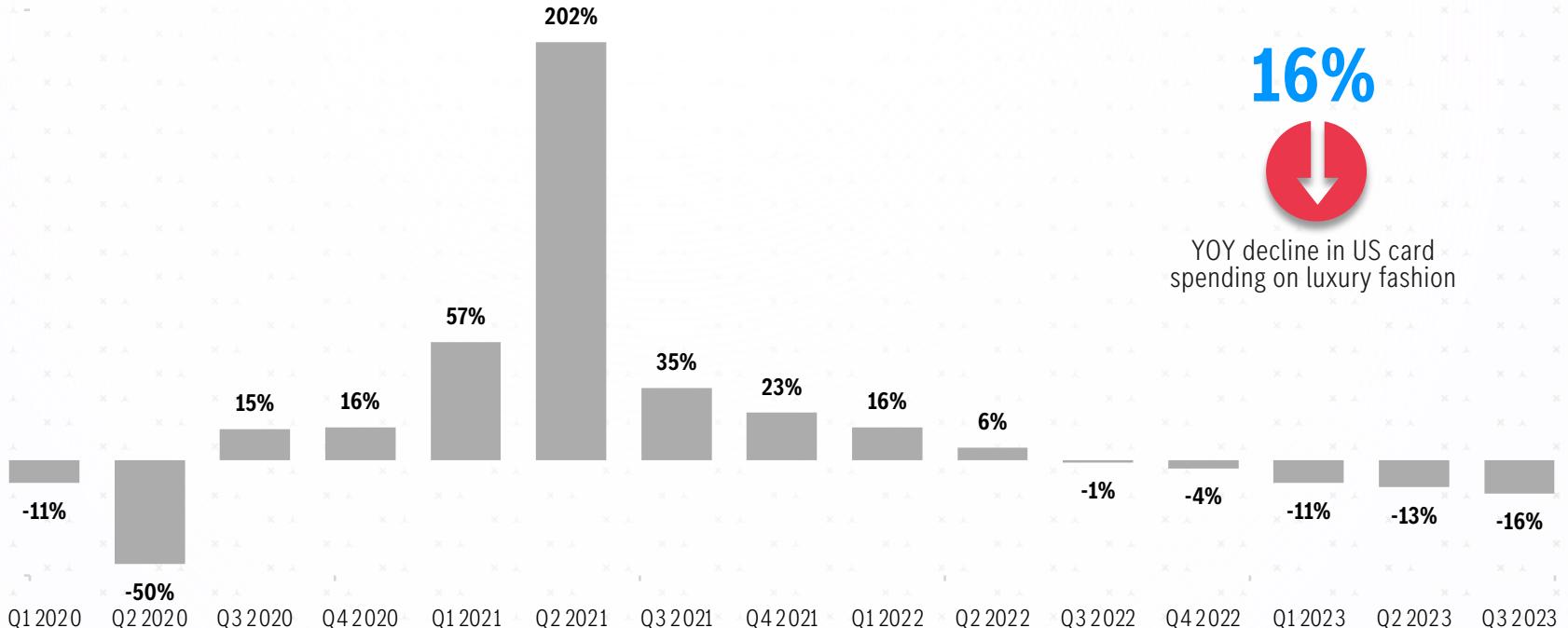


The American luxury consumer never stands still



# The American luxury consumer is spending less on luxury fashion

US Card Spending Data Growth for Luxury Fashion (YoY)



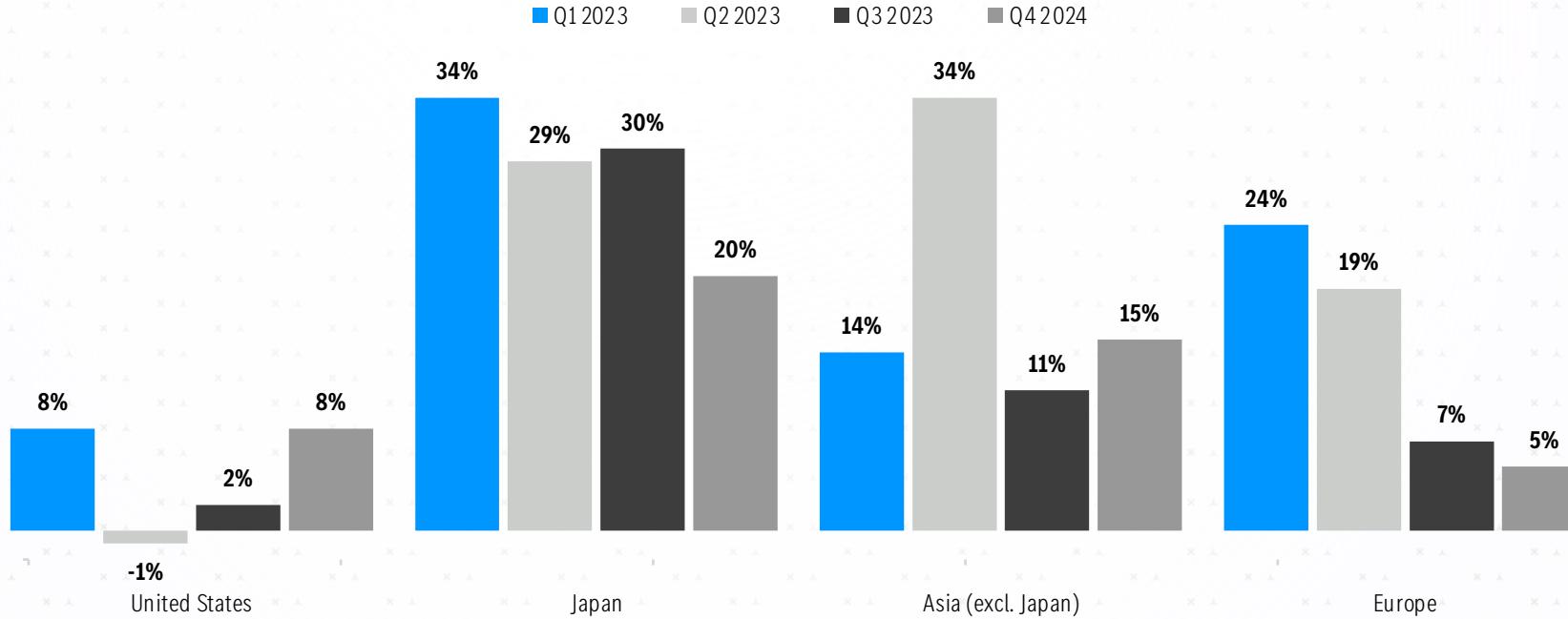
16%



YOY decline in US card spending on luxury fashion

# The American luxury consumer isn't as sold on LVMH's luxury as other regions

LVMH Quarterly Organic Revenue Change by Region vs. Same Period of 2022



# The American luxury consumer still desires luxury but is increasingly trading down

WALMART Published May 17, 2024 6:00am EDT



## Walmart gains high-income shoppers as elevated prices persist

Walmart recently said two-thirds of share gain in general merchandise was from higher-income shoppers



# The American luxury consumer doesn't always need to have the “real” thing

A graphic illustration featuring three identical armchairs arranged in a row. The chairs are rendered in a high-contrast, graphic style with thick black outlines. They are colored yellow, blue, and red from left to right. The background is a solid medium blue. A white computer cursor arrow is positioned on the backrest of the middle chair.

03-27-2024 | CO.DESIGN

## The rise of dupe culture: This app scours the internet for fancy furniture knockoffs

Dupe, a new app created by veteran entrepreneur Bobby Ghoshal and Ramin Bozorgzadeh, is already being hyped by some big names in tech.

# The American luxury consumer is looking for luxury auto dupes, too

“After test driving my G80 I found the safety features and comfortability in driving a better fit than the Mercedes C43”

“I love the look of Genesis inside and outside and its features and the price was better! I also think Genesis exterior looks more modern than the Mercedes and I love it!”

**Hyundai's Genesis brand is a dark horse in U.S. luxury vehicle market**

PUBLISHED FRI, APR 5 2024 6:00 AM EDT

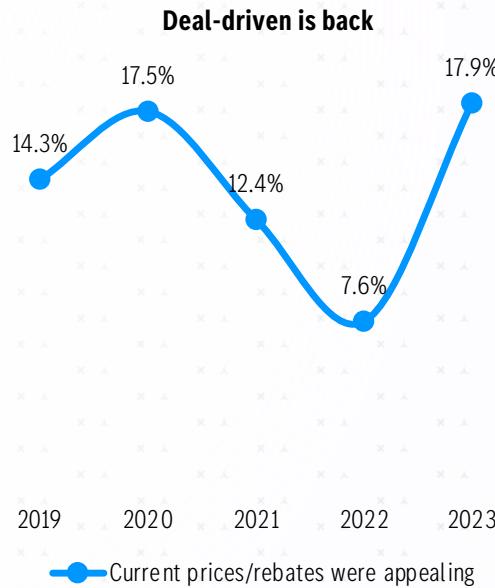
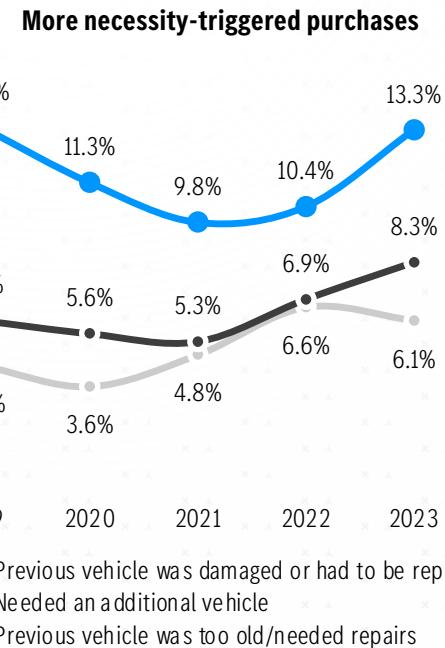
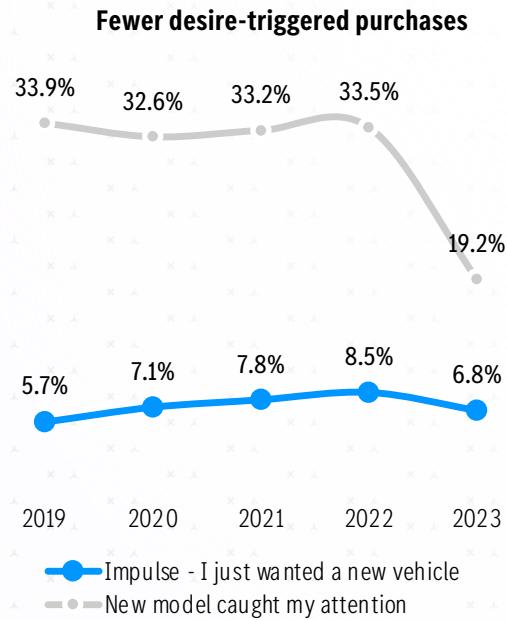
Michael Wayland  
@MIKEWAYLAND

**CNBC**

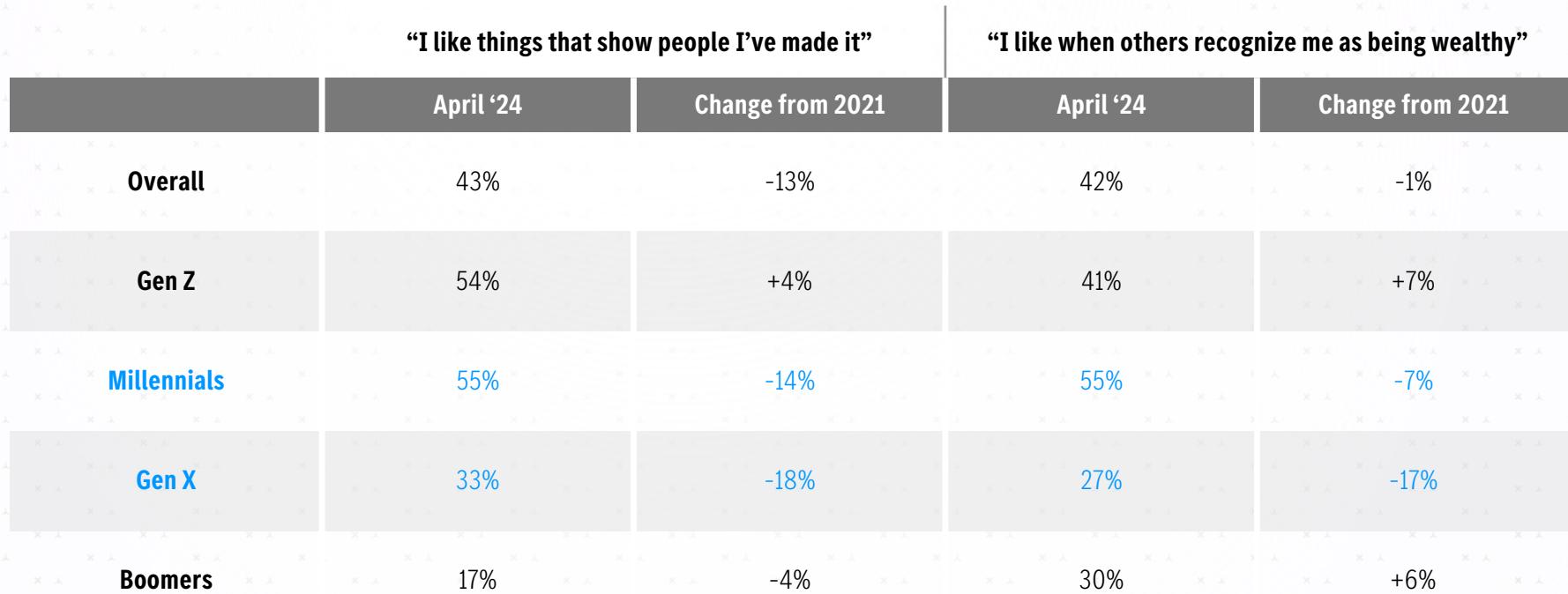


# The American luxury consumer's vehicle shopping triggers are shifting away from wants and towards needs and deals

## Factors that influenced to buy/lease new vehicle now



# The American luxury consumer doesn't want people to think they're a snob



# The American luxury consumer is looking to be less ostentatious

- › Fashion brands are leaning into quieter, more understated forms of luxury
- › Celine, Dior, Burberry and Gucci are leveraging their heritage and digging out a classic and understated version of luxury
- › Consumers opting to purchase or invest in timeless pieces



Gucci 2022



Gucci 2023

# The American luxury consumer is looking for IYKYK ways to signal their wealth



**Forbes & Lomax toggle switches**



**Loro Piana baseball cap**



**Loretta Caponi towels**

The American luxury consumer loves Mercedes for being innovative, authentic, making them feel smart, helping them enjoy driving, but never being snobby

#### Mercedes Drivers of Love (Overall)

Personality Attributes	Brand Imagery Statements
Innovative	Makes me feel safe and secure
Authentic	Shows others I care about the environment
Exciting	Makes me feel smart
Dependable	Makes my everyday life easier
A leader	Cutting edge of technology
<b>Not snobby</b>	Gives me the ability to enjoy the driving experience  <b>Not makes me the envy of people around me</b>

# Three keys to winning with the American luxury consumer

1

Assume that **Mercedes already represents luxury**

2

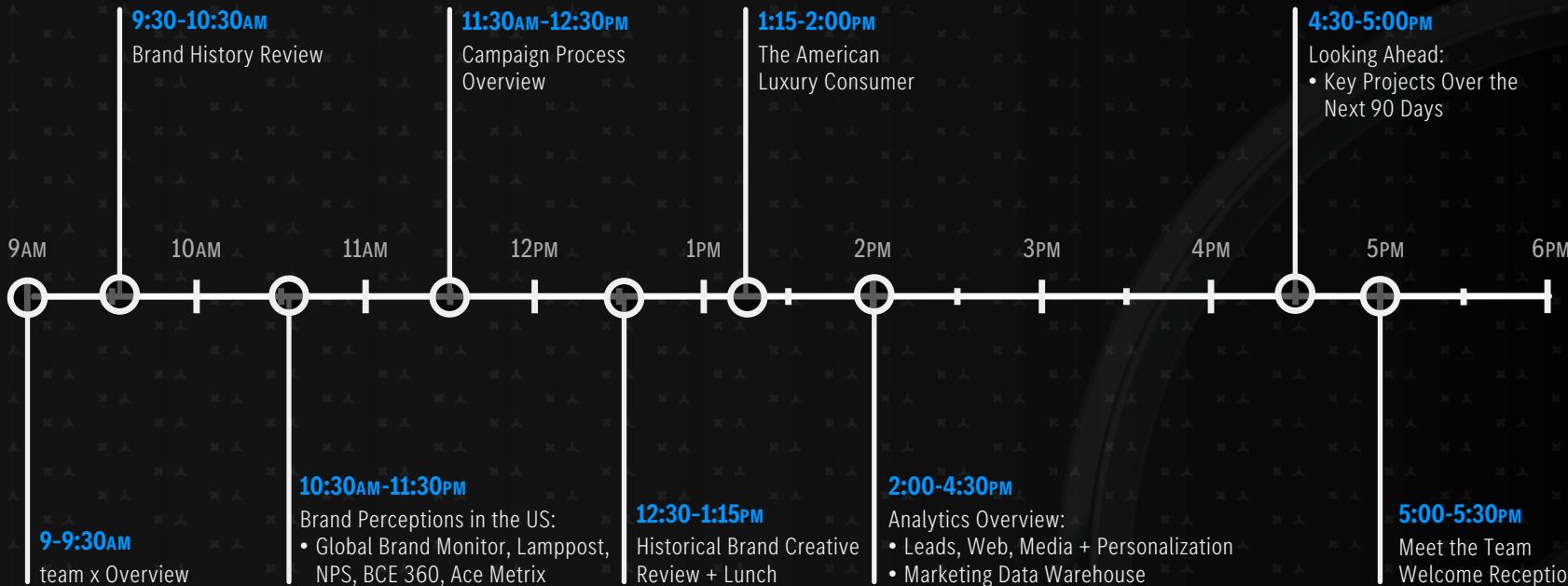
Create luxury marketing that makes  
Mercedes **not just desirable**, it  
makes it **likable and lovable, not  
snobby or elitist**

3

Kick Tesla's derrière on tech  
and innovation

## AGENDA

July 11, 2024



## Analytics Overview

# Workstreams that power data-driven insights and capabilities

WORKSTREAMS	WHAT WE DO
<b>Media Analytics</b>	<ul style="list-style-type: none"><li>› Campaign Analysis Plans and KPI strategy, benchmarks and targets</li><li>› Campaign reporting and insights</li></ul> <ul style="list-style-type: none"><li>› Campaign tracking requirements and monitoring</li><li>› Support for Digital Experience reporting and insights</li></ul>
<b>Digital Analytics</b>	<ul style="list-style-type: none"><li>› Monthly deep dive reporting and support for campaign reporting</li><li>› Ad hoc analytics and analysis support across Digital Experience</li></ul> <ul style="list-style-type: none"><li>› AB test design and analysis</li><li>› KPI Strategy and governance</li><li>› Dashboard development</li></ul>
<b>Infrastructure/ Data Engineering</b>	<p>Manage the data systems that power Marketing Analytics, Reporting, and Customer Insight</p> <ul style="list-style-type: none"><li>› GCP Monitor, Ops, &amp; Maintenance in collaboration with MB CCoE</li><li>› Data Engineering - ELT, Triggers</li><li>› Data structure optimization</li></ul>
<b>Instrumentation</b>	<ul style="list-style-type: none"><li>› GA tagging implementation and support</li><li>› Media tagging implementation</li></ul> <ul style="list-style-type: none"><li>› AB testing implementation</li></ul>

# KPIs Align with Business Objectives & Media Effectiveness

**Every stage of the consumer journey has multiple levels of measurement & key performance indicators**

<b>Top KPI</b>	Desired Business Outcome or Close Proxy to Top Business Outcomes Sourced from MBUSA teams
<b>Primary KPI</b>	Top Channel KPI Primary Optimization KPI Sourced from Channel Teams & Platforms
<b>Secondary KPI</b>	Secondary KPIs Provide Depth of Understanding Sourced from Channel Teams & Platforms

## Areas for Evolution:

- › Moving past observed metrics to calculated metrics like cost-per lead or cost-per visit
- › Valuation of high value actions & lead scoring
- › Consistent & expanded upper funnel metrics like brand awareness, ad recall and partnership valuation

## Key Considerations:

- › Business KPIs are only reported after the fact, not in flight
- › Limited transparency into post-lead metrics

# Key Accomplishments This Year

- › **GA4 Migration:** upgraded primary source of digital engagement data (Google Analytics) across 8 properties in US and Canada
- › **MDW CCoE Migration:** finalized migration of Marketing Data Warehouse to MB's Cloud Center of Excellence, putting the infrastructure fully into MB stack
- › **Campaign Benchmarking:** introduced detailed campaign benchmarks to facilitate measurement and campaign performance evaluation
- › **Campaign Analysis Plans:** evolved process to ensure alignment on success metrics and reporting requirements for marketing campaigns
- › **Analytics team alignment:** implemented collaborative processes between Media and Digital to improve impact and insight through collaboration

# Campaign Reporting

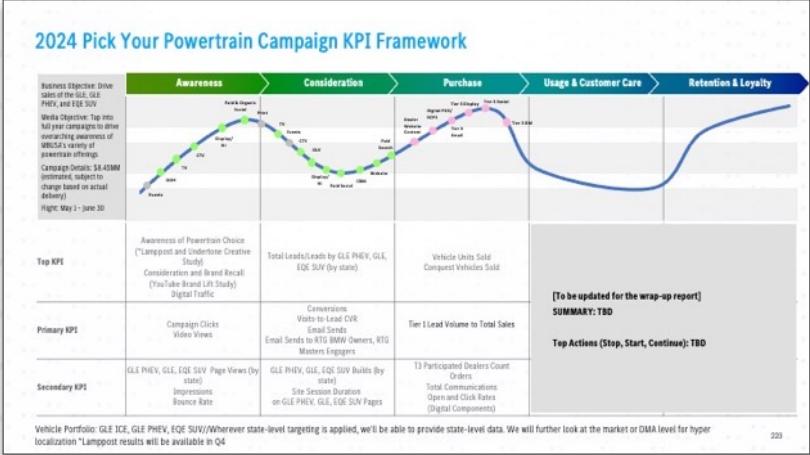
**Campaign reporting is standardizing & integrating across all channels and campaigns into one common standard**

Historically, only tentpole campaigns received detailed reporting deliverables. Topics or always-on tactics fell under a consolidated channel level reports.



# Standard Set of Reporting Deliverables

## KPI Matrix



Developed in parallel with the tactical plan

## Benchmark Summary

**PYP 2024: Channel x Partner Benchmark & Target**

Channel	Partner	Benchmark	Benchmark Source	Target/Target Rationale
Display / High Impact	Programmatic Display (DV360)	1.16% CVR	2023 EOD; Programmatic	1.22% CVR; Increased by 5%
	Teads	0.22% CTR	2023 EOD; Teads	0.21% CTR; Increased by 5%
	Undertone	0.72% CVR	2023 EOD; Undertone	0.74% CVR; Increased by 5%
	Auto-Endemic Campaign (Cars, CarGurus, Heart Autos, Edmunds)	1.63% CVR	2023 EOD; AE Campaign	1.72% CVR; Increased by 5%
Social	Meta Always-On	\$4.65 CPM, \$1.01 CPC, 0.76% CTR, \$29 CPL	Q1 2024; Meta	5-10% Increase
	Meta Offers	0.69% CTR, \$1.10 CPC	2023 EOD; Meta	5-10% Increase & 5-10% haircut for Cost per res due to local targeting
	TikTok Always-On	\$2.88 CPM, \$0.78 CPC, 0.67% CTR	Q1 2024; Meta	5-10% Increase
	TikTok Offers	0.68% CTR, \$0.67 CPC	2023 EOD; TikTok	5-10% Increase & 5-10% haircut for Cost per res due to local targeting

2024 PYP Measurement Plan | May 2024

325

Developed once the KPI matrix is approved and comparable campaign is agreed upon

# Example: 2024 Pick Your Powertrain Campaign KPI Framework

Business Objective: Drive sales of the GLE, GLE PHEV, and EQE SUV		Awareness	Consideration	Purchase	Usage & Customer Care	Retention & Loyalty
Top KPI		Awareness of Powertrain Choice (*Lamppost and Undertone Creative Study) Consideration and Brand Recall (YouTube Brand Lift Study) Digital Traffic	Total Leads/Leads by GLE PHEV, GLE, EQE SUV (by state)	Vehicle Units Sold Conquest Vehicles Sold		[To be updated for the wrap-up report] <b>SUMMARY: TBD</b>
Primary KPI		Campaign Clicks Video Views	Conversions Visits-to-Lead CVR Email Sends Email Sends to RTG BMW Owners, RTG Masters Engagers	Tier 1 Lead Volume to Total Sales		<b>Top Actions (Stop, Start, Continue): TBD</b>
Secondary KPI		GLE PHEV, GLE, EQE SUV Page Views (by state) Impressions Bounce Rate	GLE PHEV, GLE, EQE SUV Builds (by state) Site Session Duration on GLE PHEV, GLE, EQE SUV Pages	T3 Participated Dealers Count Orders Total Communications Open and Click Rates (Digital Components)		

# KPIs Align with Business Objectives & Media Effectiveness

**Every stage of the consumer journey has multiple levels of measurement & key performance indicators**

<b>Top KPI</b>	Desired Business Outcome or Close Proxy to Top Business Outcomes Sourced from MBUSA teams
<b>Primary KPI</b>	Top Channel KPI Primary Optimization KPI Sourced from Channel Teams & Platforms
<b>Secondary KPI</b>	Secondary KPIs Provide Depth of Understanding Sourced from Channel Teams & Platforms

## Areas for Evolution:

- › Moving past observed metrics to calculated metrics like cost-per lead or cost-per visit
- › Valuation of high value actions & lead scoring
- › Consistent & expanded upper funnel metrics like brand awareness, ad recall and partnership valuation

## Key Considerations:

- › Business KPIs are only reported after the fact, not in flight
- › Limited transparency into post-lead metrics

# Example: PYP 2024: Channel x Partner Benchmark & Target

Channel	Partner	Benchmark	Benchmark Source	Target/Target Rationale
Display/ High Impact	Programmatic Display (DV360)	1.16% CVR	2023 EDD; Programmatic	1.21% CVR; Increased by 5%
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# Standard Set of Reporting Deliverables

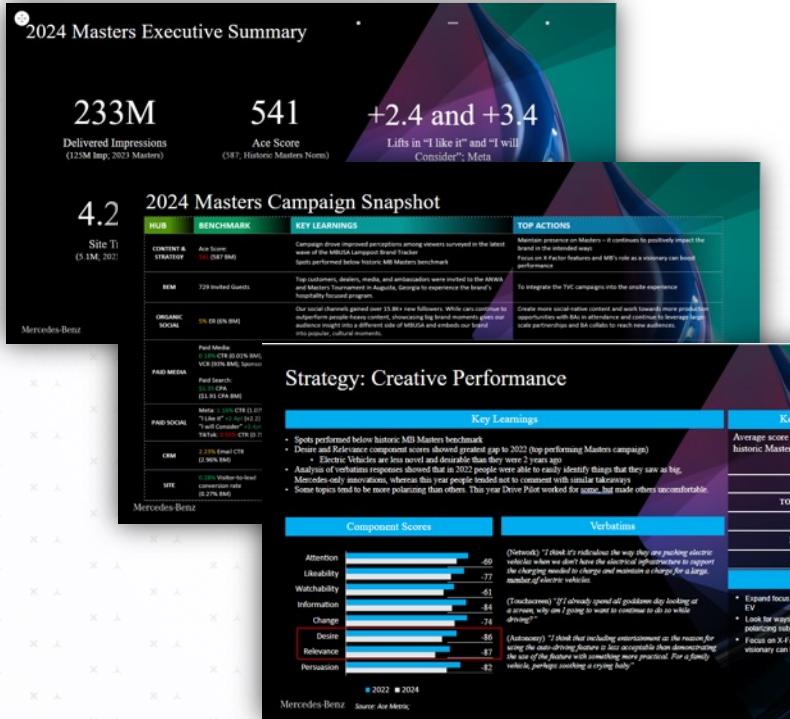
# Bi-Weekly Data Delivery & Mid-Campaign Report

The same XLS template is used for both bi-weekly data delivery & mid-campaign reports.

Every other week during campaign flights data is delivered in an XLS format via email to campaign owners

Mid-Campaign reports also include insights and optimization recommendations for approval

# Standard Set of Reporting Deliverables



Delivered 6-8 Weeks Post Campaign  
Format: PowerPoint

Pick Your Powertrain will be in a new format that focuses less on detailed performance and more on:

- What worked well
- What did not work
- What would be done differently next time

# Master Reporting Calendar

team x | Data & Analytics Reporting

# Digital Analytics

# Introducing the Marketing Data Warehouse (MDW)



REPORTING



INSIGHTS



INTELLIGENCE



ACTIVATION

- › **Description:** Inform the business on outcomes and progress towards objectives
- › **Process:** Alignment on objectives and KPI governance
- › **Outcomes:** Performance dashboards and in-depth reports

- › **Description:** Uncover performance drivers and opportunities for improvement
- › **Process:** Deep dive analysis to investigate high priority business questions
- › **Outcomes:** Actionable insights and recommendations

- › **Description:** Derive intelligence from customer data using data science
- › **Process:** Iterative model development; test and learn
- › **Outcomes:** Models and algorithms that are ready to deploy

- › **Description:** Fuel personalization throughout customer lifecycle
- › **Process:** Creative design & technical implementation
- › **Outcomes:** Intelligent experiences and campaigns that drive results

Unified Customer View

# MDW Purpose and Composition by the Numbers (as of today)

**30+**

DATASETS

MDW Purpose

MDW captures the digital journey of MB customers to enhance their interaction experience

**125**

TABLES

High-Level Process

Machine learning models predict customer actions allowing for the quantification of customer behaviors

**87**

PIPELINES

Usage

We use the machine learning models to tailor experience to meet the customer's needs

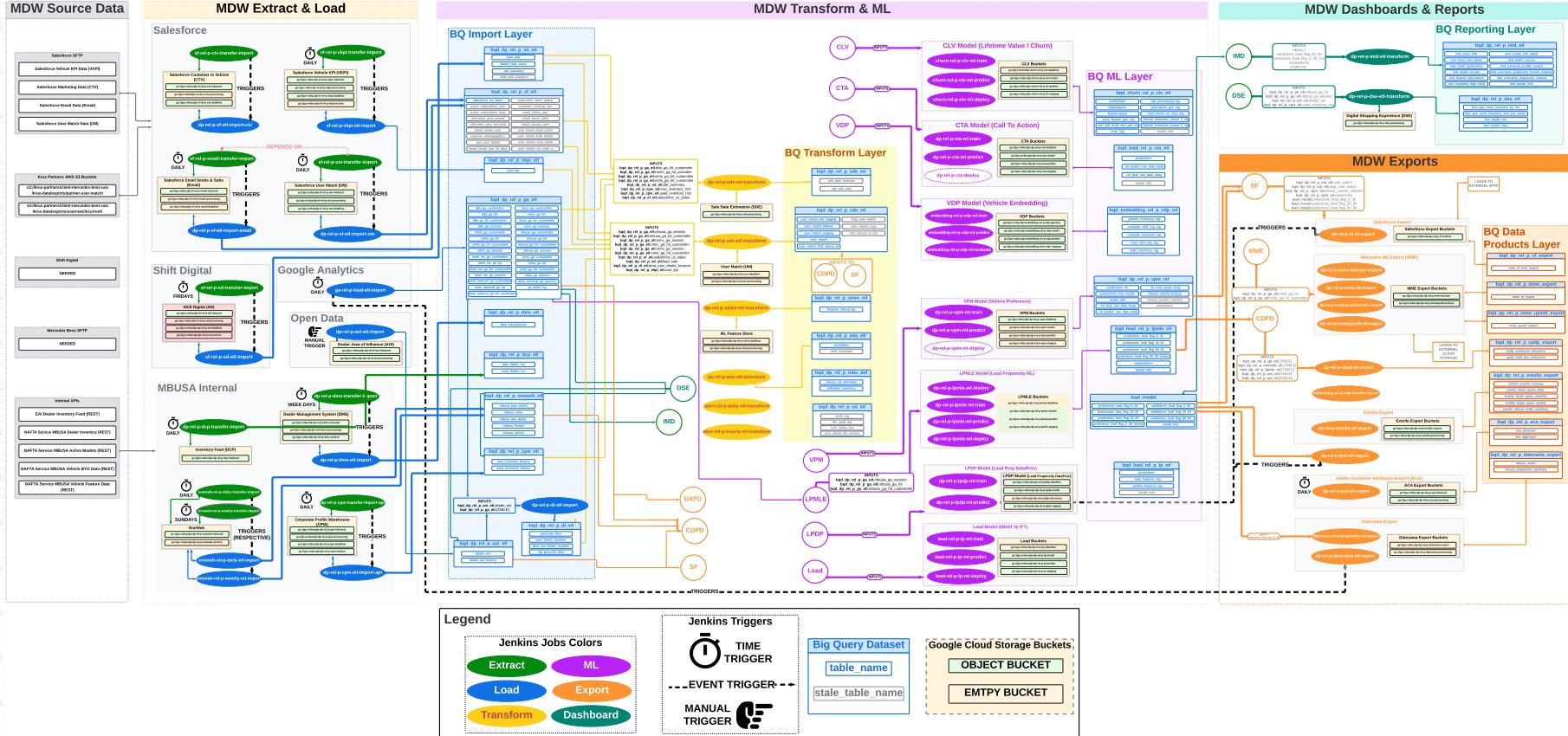
**70+**

TB OF DATA

Results

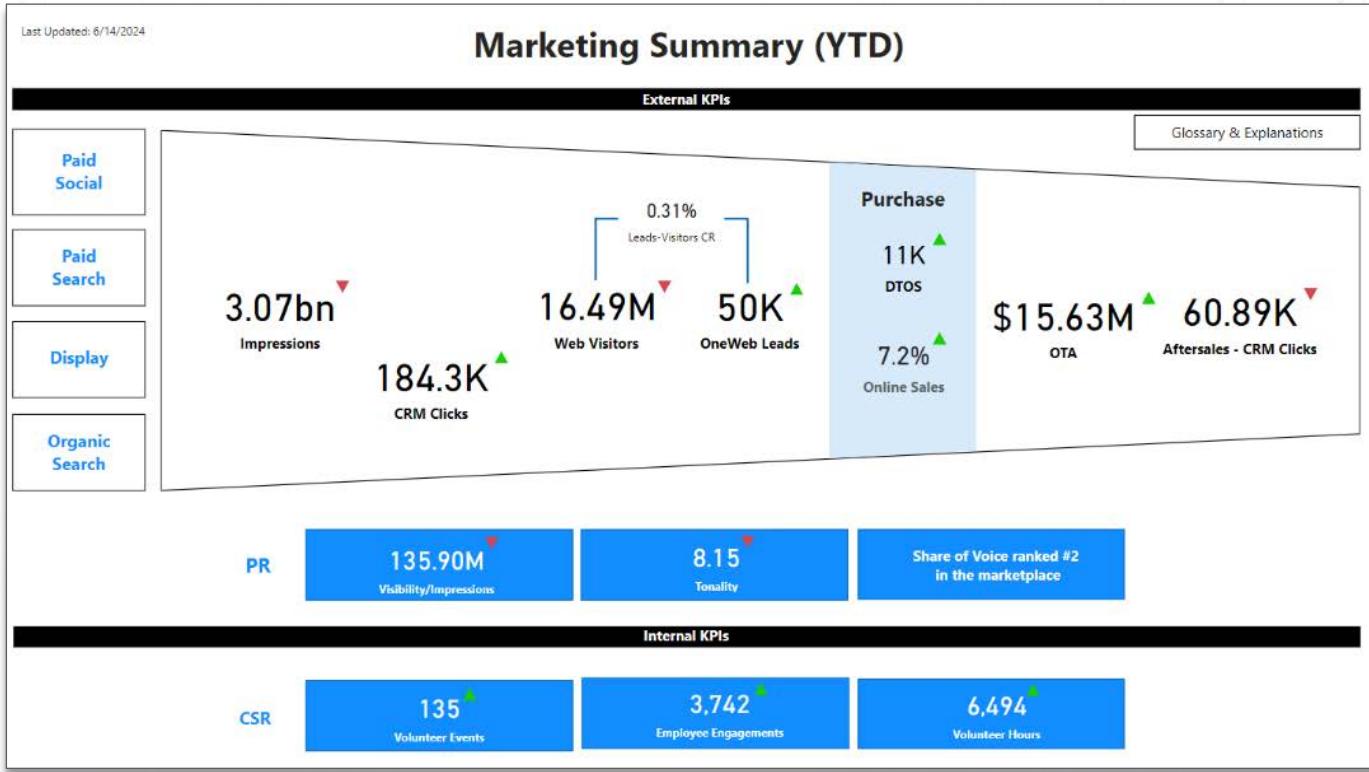
A data driven approach that improves customer experience and drives measurable business impact for Mercedes-Benz

# MDW Data Flow and Orchestration of Components



# Executive Dashboards & Reports

## Marketing Dashboard



Timing: 10<sup>th</sup> of the month

# Executive Dashboards & Reports

## MBBP Report

Internal



OneWeb Lead Volume remained flat MoM while DTOS slightly increased 2% MoM

### Digital Business: May 2024 YTD

#### Current Performance vs. MBBP Targets

DTOS – 30.8% (New), 39.3% (Used) Target Reach

#### Data Details:

- May OneWeb Lead Volume (New & Used) remained flat (1% increase) MoM
- May DTOS (New & Used) increased 2% MoM. May DTOS New Car increased 10% MoM, while DTOS Used Car decreased 15% MoM

#### Additional Notes:

- Current leads pipeline does not include Tier 3 (Dealer) data; Dealer Inspire leads scheduled for 7/1/24 and Dealer.com leads expected early August
- DTOS represents all lead sources stated below\*

OneWeb Leads –  
New Car

**33,405**

2024 Actual

OneWeb Leads –  
Used Car

**16,390**

2024 Actual

DTOS – New Car

**8,816**

2024 Actual/YTD 2024  
Target

DTOS – Used Car

**3,702**

2024 Actual/YTD 2024  
Target

*Note: Data represents 1/1/24 – 5/31/24*

*\*Lead Sources Include: Tier 1 (OneWeb, MBFS, eShots, TrueCar, Sales Program) and Third-Party*

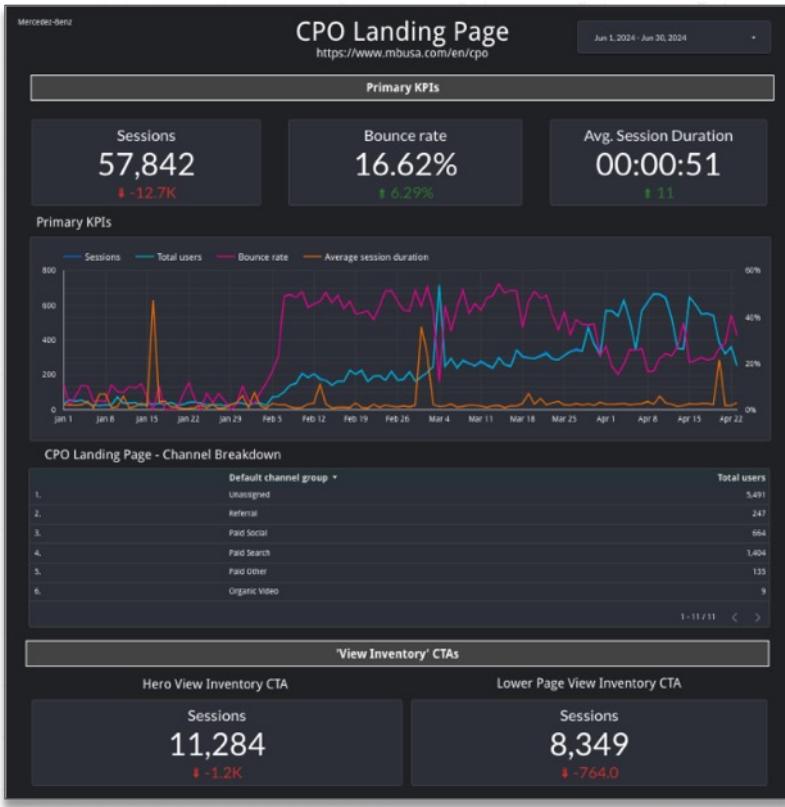
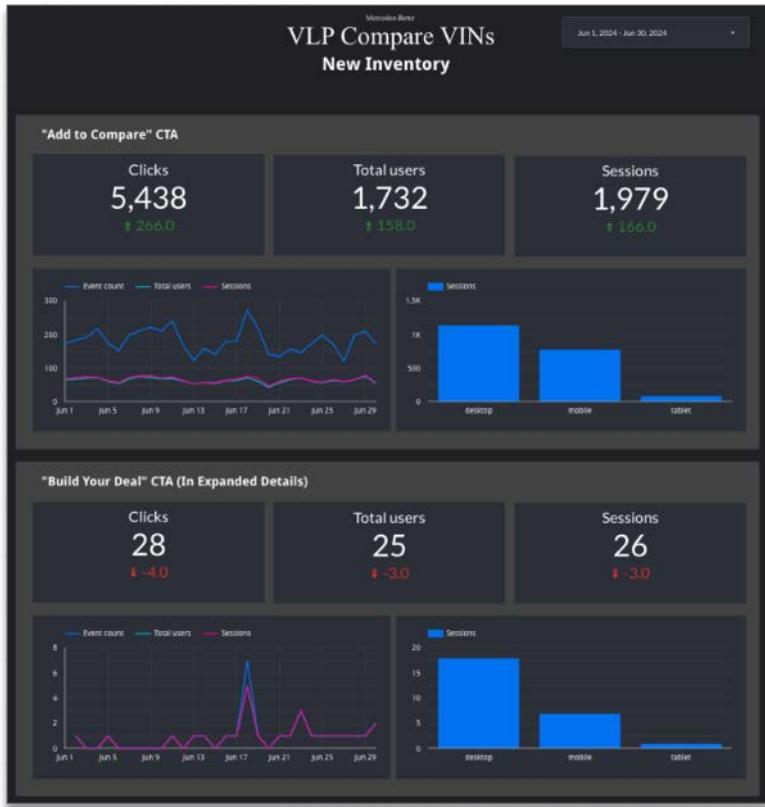
Mercedes-Benz

1

Timing: 3rd and 10th of the month

# Dotcom Dashboards

## Monitoring Website Features



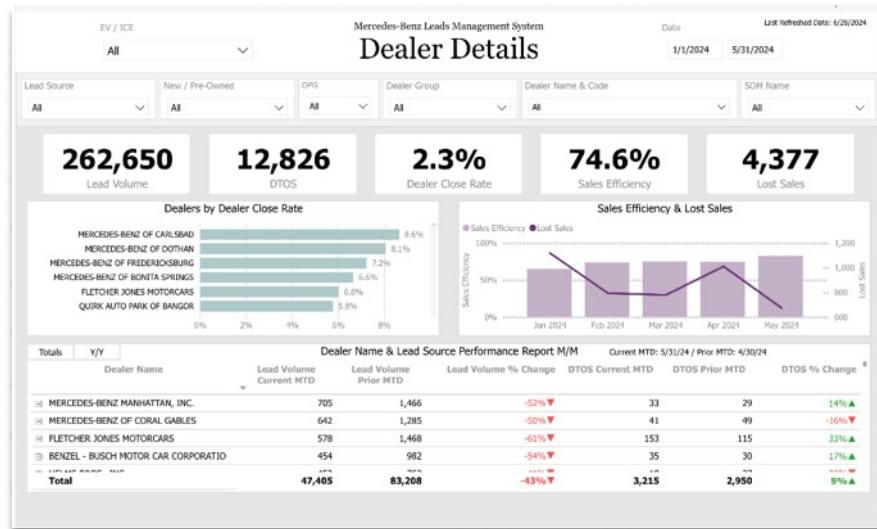
# MLMS Dashboards

## Highlighting Leads Program Performance

### Corporate



### Field Team



*Coming soon!*  
Dealer Dashboard!

# Deep Dive Monthly Reports

## Actionable Insights

### MBUSA / MBCA Websites

**May KPIs Actuals & MoM Comparison**

Priority	April Actuals		May Expectations		May Actuals	MoM Difference	Match Expectations
	Visitors	Conversion Rate	OneWeb Leads	% Paid Traffic			
Personalized Visits	3,728,004	0.28%	10,564	59%	3,333,648	-11%	✓
Bounce Rate	43%	0.32%	+0.04 percentage points				
New Inventory Visit Rate	11%						
New Inventory VDP Visit Rate	29%						
Pre-Owned Inventory Visit Rate	18%						
Pre-Owned Inventory VDP Visit Rate	25%						
Special Offers Visit Rate	4%						
Saved Inventory Rate	0.10%						
Saved Build Rate	0.06%						
Newsletter Signups Rate	0.04%						
Electric Visits	967,951						
Electric Visit Rate	18%						
Electric Leads	761						
Completed Deals	265						

Legend: ▲ KPI expected to increase MoM | ▽ KPI expected to decrease MoM | ✓ Matches Expectations | ✕ Does Not Match Expectations

Sources: Databricks, Google Analytics, 4/1/2024 – 5/31/2024

**Primary KPIs: Website improves conversion rates YoY, despite decline in visitors**

**May MoM Key Metrics**

- 11% Visitors
- +0.05 Conversion Rate (percentage point)
- +1% OneWeb Leads

**Factors Contributing to MoM Trends**

- Overall, less traffic due to conclusion of Masters campaign
- Lower funnel traffic and increase in leads due to Pick Your Powertrain campaigns

**May YoY Key Metrics**

- 28% Visitors
- +0.00 Conversion Rate (percentage point)
- 27% OneWeb Leads

**Factors Contributing to YoY Trends**

- Electric Dream Days live in Spring of 2023, causing influx of traffic and leads

**OneWeb Leads, Visitors, and Conversion Rate**

**Channel Breakdown: Increase in overall site conversion rate driven by paid traffic increase in leads MoM**

**Paid vs. Organic Traffic**

**Lead Forms Submitted\* and Conversion Rate by Channel**

**ANALYSIS:**

- Paid Channel leads remain stable (+1%), despite a 14% decline in traffic
  - Decline in traffic driven by Paid Search (-17%), however Paid Search drove increase in overall leads (+5%)
- Organic Channel traffic and leads remains stable, -1% and -2% respectively

**Paid Search:**

- 17% sessions; +5% leads
- Corporate Google Brand General campaign drove the largest increase in leads (+190)
- PIP search campaigns drove ~46k sessions and high conversions at 102.7% CVR

**DISPLAY & VIDEO:**

- +6% sessions; +85% leads
- PIP was the primary focus for May and brought ~230k sessions
- 3k sessions from the Maybach EQS SUV campaign in May

**ACTION:**

Monitor traffic and leads in June after the conclusion of the Pick Your Powertrain campaign

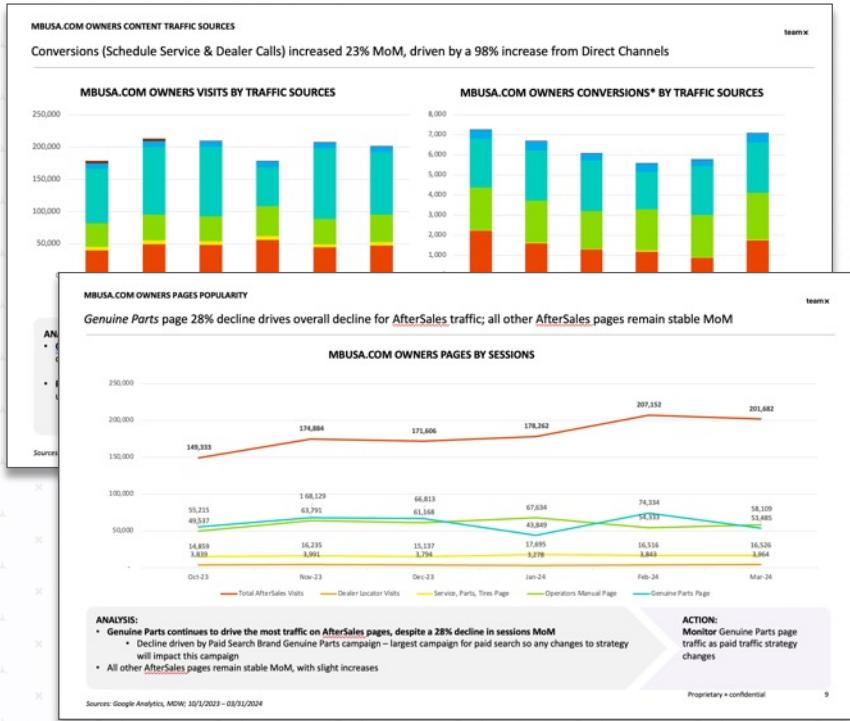
Sources: Google Analytics, 12/1/2023 – 5/31/2024

\*Lead Form Submissions\* are captured in GA and may not match Salesforce volumes or trends

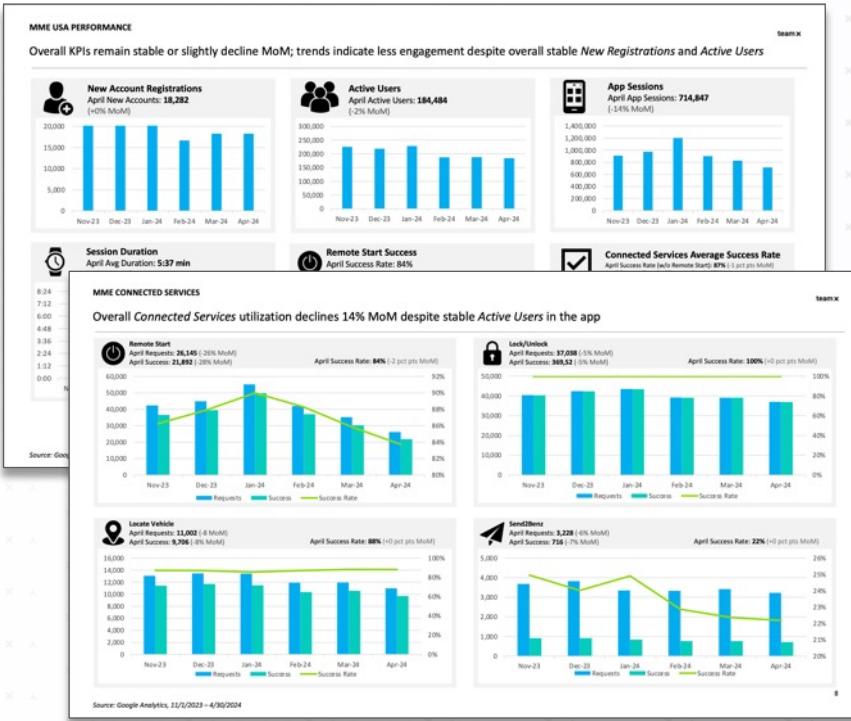
# Deep Dive Monthly Reports, continued

## Actionable Insights

### After-Sales



### MME / MBFS



# Future Conversations

Two Main Points  
of Feedback

**Speed to insight is critical**

**Standard of reporting for all campaigns has elevated and expanded past tent-pole events**

## Blockers

Manual reporting process required across channels and partners

Limited resource to provide expanded reporting schedule to all campaigns

## Opportunities

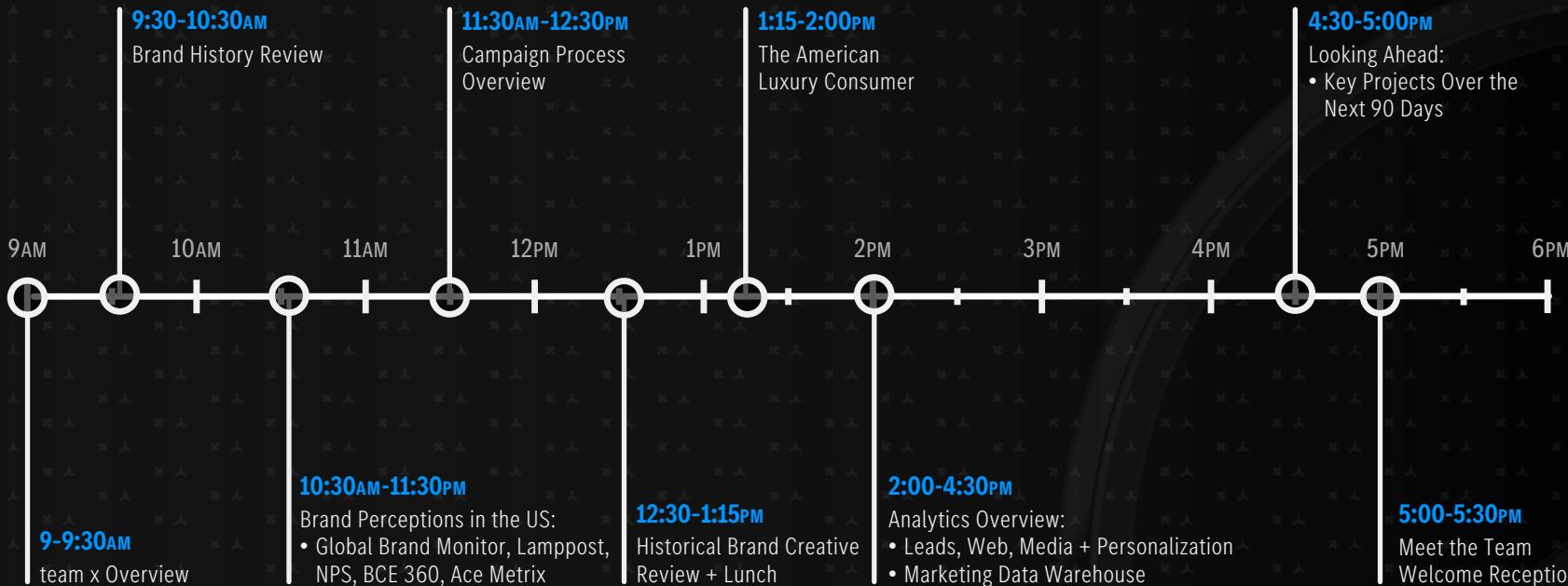
Expansion of MDW to include media data

Shared data visualization layer for self-serve data

Tiered support model based on campaign size

## AGENDA

July 11, 2024





## Looking Ahead

# Partnering Together

- › Continue to elevate input briefs with increased insight and inspiration
- › Champion single-minded input briefings
- › Build links to sources of data and insight
- › Collaborate openly early and often
- › Sharing is caring
- › Break down silos
- › Align on preferred agency creative brief format

# Questions for discussion

- › Briefing best practices
- › Wrap-up report schedules
- › Strategic integration

# Upcoming Key Projects

## 30 Days

- › Dream Days Bi-Weekly Data Delivery, w/o 7/15
- › Dream Days Mid-Campaign Report, w/o 7/29
- › MBBP Monthly Report, w/o 7/29
- › Masters Post Campaign Wrap Up Reporting
- › Pick Yor Power Train Post Campaign Wrap Up Reporting
- › Mercedes-AMG Brand Monitor Reporting and Action Plan
- › Mercedes-Maybach Brand Monitor Reporting and Action Plan
- › Q1 2024 BCE 360 & NPS Report Wrap up
- › MBUSA Lamppost Brand Tracker Presentation + AMG Module reporting
- › 2025 Marketing Strategy Kick-Off

## 60 Days

- › Dream Days Bi-Weekly Data Delivery, w/o 8/12
- › Masters 2025 Campaign Briefing
- › Dream Days Post Campaign Wrap-Up Reporting
- › Sales Focus Period II Post Campaign Wrap-Up Reporting
- › Ace Metrix: updating cheat sheet and norms

## 90 Days

- › Dream Days Wrap Report, w/o 10/7
- › Sales Period 2 Bi-Weekly Data Delivery, w/o 9/16
- › MBBP Monthly Report, w/o 9/2
- › Q2 2024 BCE 360 & NPS Report Wrap-Up



We love being your resource as  
brand stewards, researchers  
and creative thinkers!