



# Research on Mercedes Benz marketing strategy of Hefei Yuanxing Automobile Service Co., Ltd

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## ABSTRACT

*With the continuous improvement of Chinese people's income, the living standard has been greatly improved. It is almost common to buy vehicles. However, in recent years, the competition in the automobile market has become extremely fierce. This paper selects Hefei Yuanxing Automobile Service Co., Ltd. (hereinafter referred to as Yuanxing Benz) as the research object, and analyzes its marketing strategy through literature query and field investigation. SWOT is used to analyze the opportunities and threats in its external environment and the advantages and disadvantages of the enterprise itself. 4P marketing strategy is used to analyze the company's automotive products, prices and promotion. Finally, it is suggested that the company should accurately locate, highlight product advantages, reasonably price and construct diversified marketing channels. Through the marketing mix, further promote the synchronous improvement of the company's product sales and profits.*

**Keywords:** Yuanxing Benz, 4P Theory, Marketing Strategy

## I. INTRODUCTION

In recent years, China's national economy has continued to rise. With the improvement of national living standards, cars have become an important necessity of life. The increasing demand for family passenger cars makes the automobile sales market develop rapidly. As the country with the largest automobile production scale and sales volume in the world. The latest sales data from January to September 2021, Mercedes Benz's global cumulative sales reached 1.725 million, a year-on-year increase of 0.6%. From January to September, Mercedes Benz's cumulative sales in China reached 526000, a year-on-year increase of 5%. According to this situation, Mercedes Benz will usher in a new sales growth in China.

With the rapid development of China's economy, various enterprise management and marketing theories have also developed rapidly. Many scholars and enterprises have applied some foreign advanced theories to specific practice. The analysis of the internal and external environment faced by Yuanxing Benz enriches the application of the theory, provides a practical case for the improvement of the marketing strategy of automobile sales companies in second tier cities in China, also provides a reference for other personnel to study the marketing strategy of automobile sales companies, enriches the analysis and content of the marketing strategy of automobile sales companies, and has profound theoretical significance.

Based on the external environment and industry environment of the enterprise, pay more attention to the realization of the marketing value of the enterprise. Therefore, based on a large number of theoretical research at home and abroad, combined with the current situation and media environment of Mercedes Benz automobile brand, the author analyzes its marketing combination strategy in the new era of mobile Internet, and puts forward the marketing strategy optimization scheme of Mercedes Benz automobile brand, which has certain practical significance.

## II. RESEARCH METHOD

In the process of this study, the literature collection research method is used: a large number of data are analyzed and collected through various network information resources such as China HowNet, various data at home and abroad are consulted, and the previous research results are summarized, analyzed and summarized, which provides a relevant academic reference for the writing and research of the article.

Secondly, the case study method is used. Through the strength investigation, Yuanxing Benz provides accurate research information for the research, and fully understands its marketing environment, industry environment and current marketing status.

### III. DISCUSSION

#### 3.1 Relevant literature research experience

Zhang Huanyu (2017) proposed in the research on online marketing strategy of automobile dealers that there are three main ways to innovate automobile marketing methods in China: formulating marketing strategy; Improve the marketing management concept; Improve the importance of brand building.

Niu Yue (2018) proposed in the discussion on new ideas of enterprise marketing strategy under the new economic background that under the current new economic situation, the situation of the marketing market is intertwined. If local enterprises want to seek development in such a fierce competitive environment, they must change their ideas and establish a new market-oriented marketing strategy.

Deng Changyong (2021) stated in economic and management science that the success of Mercedes Benz lies in its development strategy of rejuvenation and ten modernizations. His enlightenment is that if an enterprise wants to survive in the fierce market competition, it must carry out targeted market segmentation according to the characteristics of its own products and determine the direction of product development through market segmentation, And constantly use social resources to enhance their brand influence, firmly attract the attention of consumers through high-end technology, and pay attention to the interests of customers while realizing the brilliance of the enterprise.

#### 3.2 Research meaning

The use of STP theory, pest theory and SWOT analysis is conducive to the application of the theory, provides a practical case for future improvement, also provides a reference for other personnel to study the marketing strategy of the automobile sales company, and enriches the analysis and content of the marketing strategy of the automobile sales company. It has very important reference value for Yuanxing Benz competition and creating an advantageous situation of sustainable competition. It has both theoretical and practical significance.

#### 3.3 Research innovation

Innovation in research content. Firstly, this paper uses the research means of field investigation to go deep into Yuanxing Benz, communicate and communicate directly with staff and customer groups, and strive to study and analyze the formulation and implementation of Yuanxing Benz's marketing strategy truly and objectively. At the same time, based on literature research and combined with the current situation of the industry, contact marketing theory to ensure the enforceability of the scheme, and fit the reality of Yuanxing Benz.

#### 3.4 Comparison of competition between Mercedes Benz and its luxury car (BBA) at the same price

BMW's sales volume was the highest in August, and Audi's sales volume was the last in September and October. Mercedes Benz sold 31700 vehicles in August, 31400 vehicles in September and 56600 vehicles in October. After entering October, Mercedes Benz's sales volume soared. Mercedes Benz's overall sales volume in three months was slightly lower than BMW, but Mercedes Benz's sales growth rate was the highest in November. It shows great sales potential. As shown in Figure 1-1, the data comes from the data of China Auto home.

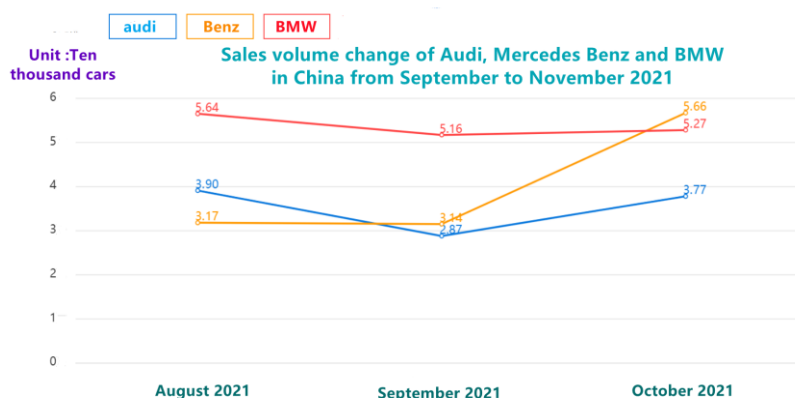


Figure 1-1

#### 3.5 SWOT analysis of Yuanxing Benz

SWOT analysis is through the analysis of the internal and external competitive environment and the situation under the competitive conditions. That is to list all kinds of internal advantages, disadvantages, external opportunities and threats related to the enterprise, and use the idea of system analysis to match and analyze these factors, so as to draw a decision-making conclusion.

	opportunity (O)	Threaten (T)
Internal environment	<ol style="list-style-type: none"> <li>1. With the development of the Internet, online automobile sales flagship store is a new sales channel model;</li> <li>2. Emission standards are becoming more and more stringent, which is an opportunity for Mercedes Benz brands with strict technology;</li> <li>3. Increase in national infrastructure construction;</li> <li>4. Under the premise of the downturn of the real estate market, financial loans will tend to loans for automobile consumption, which is conducive to the improvement of automobile sales;</li> <li>5. The continuous rise of car ownership, the follow-up of after-sales service and the improvement of output value promote development.</li> </ol>	<ol style="list-style-type: none"> <li>1. Negative opinions on quality problems of Mercedes Benz vehicles all over the country;</li> <li>2. Several luxury car brand sales companies coexist in Jilin Province. At the same time, there are two car sales companies with the same brand in Changchun, which has high competition intensity;</li> <li>3. The introduction of environmental protection regulations and policies has a great impact on luxury vehicles with large engine displacement;</li> <li>4. Unstable economic situation;</li> <li>5. The vehicle purchase tax policy will affect the automobile sales market in recent years;</li> </ol>
	Advantage (A)	Weakness (W)
external environment	<ol style="list-style-type: none"> <li>1. High brand awareness, German brand, considered as one of the most successful high-end automobile brands in the world;</li> <li>2. Lixingxing group owns Beijing Benz shares, and the ex factory price is superior to other Benz sales companies;</li> <li>3. All business processes are in accordance with the group's unified requirements and standardized procedures;</li> <li>4. The group gives guidance and support in the business process;</li> <li>5. Good financial position.</li> </ol>	<ol style="list-style-type: none"> <li>1. The price of vehicle sales and after-sales maintenance is high;</li> <li>2. The main target group is relatively single, the market is not broad enough, and lacks medium and low-end market competitiveness;</li> <li>3. The sales volume is not large and the anti risk ability is weak;</li> <li>4. All approval systems are cumbersome and take a long time;</li> <li>5. Single sales channel and high turnover of sales personnel;</li> <li>6. Restricted by the group's marketing strategy, some marketing strategies are not suitable for the local market;</li> <li>7. Publicity is not in place.</li> </ol>

Through the analysis of Table 1-1, we can see that Yuanxing Benz has more opportunities to face the external environment. If we can match the advantages of each internal environment with the opportunities of the external environment, make full use of the existing national policies and the new consumption situation in the automobile sales market, and actively give full play to the advantages of the internal environment, we can realize the rapid growth of enterprise sales performance.

In terms of so combination strategy, Yuanxing Benz should give full play to its own resource advantages and actively make use of external opportunities. Use their own brand advantages to develop new sales markets, obtain scale advantages and make profits; At the same time, conduct data analysis, expand new consumer groups, lock in potential customers and quickly occupy the market.

In terms of Wo combination strategy, match the internal disadvantage factors of Yuanxing Benz with external opportunity factors, make full use of the technical advantage resources of Benz brand, make use of the strength in technical indicators and financial loan management, promote the improvement of internal strength, and provide differentiated marketing schemes according to the selected target market to meet the diversified needs of customers.

In terms of St combination strategy, Yuanxing Benz expands its internal advantageous resources to the maximum and minimizes external threat factors. Facing the strong competitive pressure in the automobile sales market, it is only necessary to fully mobilize its internal advantageous resources and improve the quality of sales service and after-sales service. The marketing focus is mainly on diversified promotion forms, Try to pursue advantages and avoid disadvantages in the sales market.

For the WT portfolio strategy, it matches the internal disadvantages of Yuanxing Benz with external threats, and faces the problems of weak competitiveness in the middle and low markets, inadequate factory publicity, and greater market competition pressure. The defensive strategy is more suitable for Yuanxing Benz, actively improve its strength from all aspects, pay close attention to the market competition situation and adjust its strategy in time, Keep the existing customer resources, so as to gradually increase the sales market share.

### 3.6 Promotion strategy to enhance brand effect

Word of mouth marketing plays a certain role in promoting the sales of Mercedes Benz: finding potential consumers, cultivating customer brand loyalty, competing with competitive brands, and saving the cost of advertising. For the word-of-mouth communication and marketing of Mercedes Benz, my suggestions are: do a good job in the management and service of stock customers, and provide value-added services to customers based on different stages of customer life cycle. Only when they exceed their psychological expectations will they bring surprises and deep impression, and there will be further free publicity by customers, So as to realize the growth of incremental sales driven by stock customers. In addition, details determine results, always pay attention to details, and make customers satisfied and bring good reputation through the ultimate pursuit and improvement of details.

### 3.7 Limitations and deficiencies of the study

The research only focuses on a Mercedes Benz store in Hefei, which may be accidental. The data are generally representative, but relatively accurate. At the same time, the research does not carry out in-depth analysis on the pricing process and regional marketing.

#### IV. CONCLUSIONS

1. Determine their own core resources, competitive advantages, external opportunities and challenges by using SWOT analysis method. Market segmentation is carried out according to the differences of influencing factors, taking the middle and high-income consumers in Hefei as the main target customer groups, and implementing differentiated marketing strategies, so as to expand the market share and obtain the market leading position.
2. Analyze and improve marketing problems from the perspective of products, prices, channels and promotion, so as to improve its core competitiveness in the automobile sales market.
3. The enterprise marketing strategy in line with its own development is of great benefit to gradually improve the marketing countermeasures of the company's products, so that it can improve the marketing strategy according to the market competition environment and customers' differentiated needs, so as to promote the development of brand, service and product management, so as to meet the multiple challenges from direct competitors and brand competitors.
4. Mercedes Benz has released the plan for the next few years on July 7, 2021. In the next few years, it will vigorously invest in the production and sales of new energy vehicles. For an automobile sales service company, sales volume is the way to survive. How to do a better job in the sales of new energy vehicles is worth studying.

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