

Let's Talk



The power of simplicity is the lesson from a highly effective retail campaign for luxury brand Mercedes Benz which utilised TV, print, radio and online to maximum effect.

Background

As the economy faltered in late 2008 Australian consumers had already started to switch from spending to saving mode. 'Big ticket' items - like luxury cars - were suddenly off the shopping list for millions of consumers worldwide and the car industry globally was feeling the pain. Mercedes Benz in Australia was not immune.

Objectives & Challenges

The luxury car market was particularly hard hit by the sudden drop in car sales. Not only was 'saving' the order of the day, conspicuous consumption was also less socially acceptable. Furthermore, the industry was already under pressure as a result of the government's Luxury Car Tax introduced in July 2008.

By late January 2009, Mercedes-Benz had a growing backlog of stock in Australia. The company knew it had to shift some of its product and determined that they needed to sell 2,421 vehicles by April 8 - a period of 60 days.

The question was: How do you retail a prestige product without devaluing the brand, against a backdrop of a severe economic downturn?

Insight

Agency Clemenger BBDO knew it had to radically rethink the approach to a retail message if there was to be any hope of moving so many vehicles. The key was to give consumers a sense of justification for making a luxury purchase in difficult times. In other words, they needed to shift the perception of a purchase from 'excessive' to that of 'clever bargaining'.

The Solution

Although communicating the scenario of a 'great opportunity' was a primary campaign objective, imparting a sense of urgency was also key; this campaign had a definite close date that needed to be communicated and momentum built. However, the automotive category was overloaded with hyperbolic offer-based deals.

CASE STUDY: MERCEDES

The Solution (continued)

To stand apart, the campaign took a direct and honest approach, signalling Mercedes was realistic about the economic situation and open to striking a deal; 'Let Talk'.

The text-based creative was deliberately simple in execution; it communicated a clear and simple opportunity to consumers, without clutter or hyperbole.

The media strategy alternated between 'high impact' spaces (high viewership TV, print and radio spots) to generate awareness, and smaller spaces to ensure frequency - the power of pestering.

Every 10 days for the length of the campaign, communications on TV, radio, print and online were updated to communicate the number of cars left to sell. As the numbers fell, the sense of urgency increased. It was obvious that there was a limited time to take up this opportunity.

The Role of Free TV

Television was a central component of the campaign because of the need to get the 'opportunity' message to as many potential customers, as quickly as possible.

Results

Weekly car orders increased by 40.9 per cent over the duration of the campaign. This was driven by an increase of 6.5 per cent in the number of dealer enquiries (either walk-in or on the phone), and an increase in enquiries online of 41 per cent (from a base of 26 per cent more web visits to the Mercedes-Benz homepage).

During the first month of the campaign, Mercedes-Benz market share increased from 16 to 23 per cent; an increase of more than 40 per cent on pre-campaign levels.

By the campaign end date of 31 March, Mercedes had completely cleared the target of 2,421 cars. From a projection of the vehicle registration figures from July 2008 - Jan 2009 it is calculated that the campaign delivered 1,084 incremental vehicle registrations.