

COMMERCE

What impact will Mercedes' move have on the brand?

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Mercedes-Benz GL

By SARAH JONES

After 50 years in New Jersey, Mercedes-Benz USA is moving its headquarters to Atlanta.

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The automaker unveiled its plans for a new “state-of-the-art” facility in Georgia at a press conference Feb. 3, which it says will help the company grow further. This new move allows the automaker to expand its efforts, but will this relocation affect its legacy in the United States?

"No, not at all," said Rob Frankel, branding expert at marketing consultancy firm [Frankel & Anderson](#), Los Angeles. "My money says the vast majority of Americans – even those who own Mercedes – had no idea Mercedes-Benz even had a facility in New Jersey.

"Mercedes' heritage is Germany, not America."

Mr. Frankel is not affiliated with Mercedes-Benz, but agreed to comment as an industry expert.

Mercedes-Benz did not respond by press deadline.

Making moves

In December, a rumor began circulating that Mercedes was looking to move out of its headquarters in Montvale, NJ.



Mercedes-Benz Montvale headquarters

This came from the automaker hiring commercial real estate firm CBRE Group, Inc. to locate a new home, possibly outside of New Jersey. Mercedes has operated a facility in Montvale since 1972, and employs more than 1,000 people in the state ([see story](#)).

Officials from Bergen County tried to convince the automaker to retain its location. Part of this effort included billboards developed by state Assemblywoman Holly Schepisi and digital billboard maker Judge Outdoor, which were placed along key roads, flashing through text that asked Mercedes to #PleaseStay.



Billboard

According to the [Wall Street Journal](#), Atlanta simultaneously tried to woo the car company with around \$23 million in tax credits and incentives.

On Jan. 6, Mercedes announced that while it had weighed its options with New Jersey, it had decided the best option would be to move to Atlanta. This move is intended to help the brand be more profitable and to become more efficient.

In a brand statement, Stephen Cannon, MBUSA president and CEO, said, "Atlanta is a premier city which places us closer to our ever-growing Southeast customer base, our port in Brunswick, GA, and to Mercedes-Benz U.S. International, our Alabama manufacturing facility, which accounts for half of the vehicles we sell here in the U.S. For our employees, Atlanta offers a strong quality of life, terrific schools and wonderful cultural

and recreational opportunities."

The move affects about 1,000 employees, and will be done in stages beginning in July to not disrupt operations. Until construction of the new headquarters is completed in early 2018, employees will work out of a temporary space in Sterling Pointe II, a 186,000-square-foot, office facility within the Perimeter Center complex in Dunwoody, GA.



Image from Mercedes-Benz Photo Pass

The permanent 12-acre grounds will be located at the intersection of Abernathy and Barfield roads in Sandy Springs. This places the automaker near to Georgia 400 and Interstate 285.

"Mercedes-Benz is a marquis brand which deserves a marquis setting," Mr. Cannon said in a statement. "Our ambition is to be more than just a great car company – we want to be among the best companies in the world, and Atlanta will serve as the perfect foundation to foster that ambition for the future. We are looking forward to calling Atlanta home."

Mercedes only anticipates about 40 percent of its current employees to make the move south, according to [Automotive News](#). To fill these vacant positions, Mercedes plans to hire hundreds of new workers from the Atlanta area, creating new jobs in the Georgia city.

A number of other luxury automakers have their North American headquarters in the south. Bentley is located in Herndon, VA, and Porsche built a new building for its headquarters in Atlanta within the past couple of years. BMW, Maserati and Jaguar Land Rover retain their U.S. headquarters in northern New Jersey.



Mercedes S-Class

Ch-ch-changes

Mercedes has been working to bolster its operations on a global level.

Daimler Greater China is improving its operations with a new Mercedes-Benz Research and Development Center in Beijing.

The conglomerate invested \$141 million in Beijing-based research and development facilities, with \$17 million going into the newest location. China is rapidly becoming the central market for automakers, and many brands are rushing to secure a customer base ([see story](#)).

As it leaves the northeast, Mercedes is also splitting with some of its traditional partners.

New York Fashion Week is undergoing a lot of changes as it will no longer be hosted by Lincoln Center and Mercedes-Benz made an announcement that it will no longer be the title sponsor of the event.

Following the February shows, Mercedes-Benz will step down from its title sponsorship, but will remain a sponsor of the event and in September 2015, the shows will be moved out of Lincoln Center. Mercedes-Benz's decisions to leave the lead sponsorship will likely affect the brand's interaction with fashion and have some effects on fashion week ([see story](#)).

This move will likely not make a huge splash among Mercedes consumers.

"There's no news value here, other than the 'business locates where it finds profitability' theme," Mr. Frankel said. "Georgia is much friendlier to business than New Jersey is."

Final Take

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