

MOBILE

Mercedes trades old luxury for new with ride-sharing app

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Mercedes/Via ride-share promotional photo

By FORREST CARDAMENIS

German automaker Mercedes-Benz is looking to the future with an on-demand ride-sharing service.

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The service is being offered in conjunction with mobility service Via and will launch in Orange County, CA, whereas ride-sharing services generally concentrate on urban areas. The initiative fits in with Mercedes' ongoing strategy of staying at the forefront of technological innovation and environmental consciousness.

"This deal should make patrons feel good about Mercedes and see the brand as one that is catering to the needs of consumers," said Jeff Hasen, founder of [Gotta Mobilize](#), Seattle. "Whether it turns into more car sales remains to be seen, but the service that it is providing should increase Mercedes' likability and approachability marks."

Hitch a ride

Via currently operates in much larger cities such as New York and Chicago, but the partnership with Mercedes represents its first bid in suburban markets. Mercedes will provide Metris passenger vans, ensuring that the largest number of people can fit inside, therefore minimizing carbon emissions.

With the mobile application, passengers will select individual pick-up and drop-off points and, for just \$5, will be transported in a "premium ride with experienced drivers." Via will then calculate the best routes and drop-off points and adjust them as needed.

To begin, rides will only be offered Monday through Friday from 2 p.m. to 8 p.m. They will service Ladera Ranch, Saddleback College, retail spaces and malls in Mission Viejo and the Laguna Niguel/Mission Viejo Metrolink station.

The service marks a strong contrast from mobility startups such as Uber, Lyft and Hailo, which are primarily thought of as private services in which a single consumer or group pays a variable rate based on distance. With Via, rides will always cost \$5 and consumers be placed in the van with one another.



Mercedes Metris van

"We're delighted to be working with Mercedes-Benz to explore new ways to extend our vision for convenient, cost-effective and environmentally friendly alternatives to existing transportation," said Daniel Ramot, co-founder and CEO of Via, in a statement. "Ride-sharing provides a unique solution to the challenge of reducing the number of single-occupancy vehicles on the road, without the high-cost and limitations of creating new public transit infrastructure.

"By utilizing Mercedes' world class vehicles and experiences in mobility services as well as Via's passenger aggregation and route optimization technology, we're excited to bring on-demand transportation to south Orange County," he said.

Although this relative lack of privacy may fly in the face of what is traditionally considered luxury, it serves a new set of values that are particularly in vogue with young consumers, namely sustainability and environment impact. It provides convenience and an on-demand service that buses cannot without contributing to constantly growing air pollution and climate change.

"Mercedes has been at the forefront of developing innovative mobility solutions. In the urban market, we have car2go, the largest carsharing fleet in the world," said Rasheq Zarif, senior manager of Mercedes-Benz' Business Innovation Group North America, in a statement. "We are looking to the future and focusing on the challenge of mobility in the suburban environment

"As the nature of mobility shifts, it's not compelling to remain a vehicle manufacturer but to develop into a mobility provider," he said. "Partnering with Via helps us take an active role in testing new ways of future mobility."

Before striking this partnership, Mercedes tested the services to ensure it would be both popular and financially viable.



Mercedes RanchRide

In Nov. 2014, Mercedes-Benz introduced mobility services to two communities in South Orange County, CA, to test how such options work in suburban areas.

A few automakers have committed themselves to figuring out how to optimize mobility across the globe, especially in urban centers where congestion and pollution are rampant problems. Mercedes-Benz' Business Innovation group created RanchRide to bring this concept into less scrutinized areas ([see story](#)).

The new way ahead

Mercedes has brainstormed a number of innovations that showcase technological advancements and environmental and social consciousness while also appealing to younger consumers in particular.

For example, the automaker has looked beyond the millennial market with its "mobile club lounge."

The "Vision Tokyo" concept model is an electric-powered, autonomous driving vehicle aimed at the urban trendsetters of Generation Z. A variety of technological advances are presenting automakers with enormous opportunities to redefine the luxury automotive market ([see story](#)).

Other luxury automakers were among those who investigated ways to combat congestion and pollution.

In March 2014, Audi of America teamed up with MIT and General Electric to track more than 150 million taxi trips in New York to address urban transportation problems.

The "HubCab Project" sifted through data from a transportation tracking tool to uncover commuter patterns for optimizing ride-sharing. The team viewed increased ride-sharing as an important step to reducing emissions, congestion and the costs for mobility infrastructure ([see story](#)).

"Orange County seems like the right market for this partnership, given its relative affluence," Mr. Hasen said. "The auto makers have had to re-imagine much of what they've done for generations."

Final Take

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