

AUTOMOTIVE

What global brands can learn from Mercedes' mistake

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Mercedes' issues an apology to China. Image credit: Mercedes

By BRIELLE JAEKEL

German automaker Mercedes has issued a public apology after offending the Chinese government, in another example of how global brands need to tread carefully in regard to cultural sensitivities.

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Both Mercedes and hospitality brand Marriott International are among the many who have recently attracted criticism from the Chinese government and have been forced to publicly apologize. While it can be difficult to manage, it is vital for global brands to stay on top of cultural differences so as to not alienate their audiences.

"Ensure that global understanding is baked into all official communications," said Brian Buchwald, cofounder and CEO of **Bomoda**, regarding how to handle a situation similar to this. "The traditional model for many global brands, not necessarily Mercedes, is to push content to markets like China for localization.

"Instead, it would be best to include a China perspective in the upfront content creation," he said. "This doesn't just mean being respectful of Chinese sentiment, but having team members with a deep understanding involved in the strategy and execution.

"Respond to issues consistently across markets. Chinese consumers are knowledgeable and sensitive to a perceived double standard of what is expressed through Chinese channels like Weibo and more western platforms like Instagram."

Mr. Buchwald agreed to comment as an industry expert. **Mercedes** was reached for comment.

Mercedes mishap

Mercedes posted a photo of one of its vehicles on Instagram, along with the quote "Look at situations from all angles, and you will become more open," from the fourteenth Dalai Lama.

Unfortunately for the auto brand, the Chinese Government thinks of the Dalai Lama as an outlaw and vigilante. The Tibetan Buddhist figurehead has been forced into exile as he participated in the uprising in Tibet, hoping to overthrow the Chinese Government.

Criticism began to pour in from China against Mercedes for using the quote, but not before the post received almost 90,000 likes.



Screenshots of Mercedes' post began to go viral in China.

After the Chinese media condemned the actions of Mercedes, the German brand took to Weibo to publicly apologize to the people of China.

"We fully understand this incident has hurt the feelings of Chinese people, including Mercedes-Benz's employees in China," said Mercedes' post on the Chinese social application.

This mishap follows a similar conflict with Marriott and China, after the hotel brand listed Tibet and Taiwan as their own nations on its digital channels.

The Chinese Government then blocked Marriott's digital platforms until the brand publicly apologized and fixed the error.



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Marriott's Chinese Web site indicates it is offline for now.

Also, Airline Delta and fast-fashion retailer Zara were both forced to issue similar apologies for the same reason.

China's important

While it is important for brands to respect all cultures, it can be trickier with China given the government's strict regulations. However, it is necessary to have a strong presence there, as most brands see the country as a significant revenue driver.

In just the past few years, China has evolved from being the "factory of the world" to the consumer of the world, according to an executive from Chinese ecommerce giant Alibaba.

Speaking at the National Retail Federation's Big Show on Jan. 16, Alibaba's North American vice president Lee McCabe laid out some of the impressive data on China's massive growth as a global importer, and not just exporter, of goods. The thesis of his talk was that, for any retailer, and especially luxury retailers, there is no reason not to sell in China on a large scale ([see more](#)).

Chinese women buying ready-to-wear fashion, jewelry and cosmetics have primarily driven China's recent spectacular growth in luxury consumption, according to Bain & Company,

Per Bain's "2017 China Luxury Market Study," China's luxury consumption is outstanding and outpaces much of the world. In addition to the value of Chinese consumers traveling outside of Asia, Bain's report also notes that Chinese domestic spending has outpaced overseas purchases in the last year ([see more](#)).

For this reasons it is imperative for global marketers to take the time to develop effective strategies that do not and not let scandals get away from them.

"Be mindful of the chatter in user-generated content and in comments within one's own feed," Bomoda's Mr. Buchwald said. "Respond quickly to a brewing issue.

"While it may seem small or a nuisance at the outset, it can quickly ignite into something large scale," he said.