

AUTOMOTIVE

Mercedes, Lexus luxury leaders at the dealership

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Positive brand association is key for Mercedes-Benz dealerships. Image credit: Mercedes-Benz

By SARAH RAMIREZ

German automaker Mercedes-Benz and its dealerships have an advantage over other luxury carmakers when it comes to successfully managing brand attributes that impact dealer performance.

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According to a new report from Cox Automotive and *Automotive News*, brand perception, product range and customer loyalty are among the factors that can have a positive or negative impact on a dealer. Although the automotive industry has seen an evolution in digital strategies, in-person experiences remain essential for affluent drivers.

“We are looking through the lens of what matters to dealer performance,” said Jonathan Smoke, chief economist at **Cox Automotive**, Atlanta. “No other scorecard pulls these specific criteria together even though there are a few measures like loyalty and brand perception that are consistently followed in the industry.

“It was surprising to see how different the brands were in the attributes that impact their dealers,” he said. “The luxury brands had less variation than in non-luxury, but nonetheless there were still major differences between the top brands for dealers and the bottom brands.”

Fourteen luxury automakers were evaluated for the Retail Brand Scorecards. The new rankings were released to coincide with the National Automobile Dealers Association annual convention, which ended on Jan. 27 in San Francisco.

Driving school

Analysts from Cox Automotive judged carmakers on six attributes, including customer segmentation, range and age of offerings, shopper loyalty and attitudinal. Brands received grades between A and F and were assigned a final grade-point average on a 4.0 scale.

With a GPA of 3.95, Mercedes-Benz topped all luxury automakers. Toyota Corp.’s Lexus and fellow German automaker BMW followed with respective scores of 3.88 and 3.70.



BMW received strong marks for its range of luxury vehicles. Image credit: BMW

Although Mercedes did not win a single category outright, it scored straight A's with the exception of an A- for vehicle range.

BMW received the highest score for range among luxury brands and placed third for digital traffic from sources such as Cox Automotive's Kelley Blue Book and Autotrader. However, Porsche and Tesla edged out BMW in the competition for digital traffic.

Despite receiving high marks from customers regarding loyalty and perception, U.S. automaker Tesla placed 13th out of 14 brands. Tesla received a failing grade for product offerings and a C+ for age of offerings.

Luxury runner-up Lexus ranked third for luxury product offerings and second regarding customers' attitudes towards the brand. Mercedes ranked second for its product offerings, underscoring how important the category is to a brand overall.

Embedded Video: <https://www.youtube.com/embed/i0mtiM9srRk>

Lexus' spot to promote Lexus Plus, a new dealership experience

"Mercedes-Benz and Lexus were successful because they excel in every dimension that matters for dealers," Mr. Smoke said. "Mercedes-Benz was the only brand in luxury to receive all A's and one A-.

"Lexus was just behind by receiving one B+ but otherwise A's," he said. "It speaks to how hard it is to be a top-performing brand in this ranking."

Consumer connections

Other industry reports have shown Mercedes and Lexus have built a strong relationship with affluent drivers.

Mercedes-Benz is considered the most emotionally intelligent premium automotive brand among affluent U.S. consumers, driven in part by the quality of its vehicles.

According to a report from the Luxury Institute, Mercedes may have come out on top, but Toyota Corp.'s Lexus edged out Mercedes when it came to empathy, trustworthiness and generosity. Meanwhile automakers BMW and Tesla received mixed marks from drivers ([see story](#)).

Both Mercedes and Lexus have also worked to enhance the dealership experience.

Lexus is paralleling the disconcerting experience that can be had at dealerships to a maze in a creative campaign, as the automaker looks to revolutionize the car-buying experience.

"The Maze" is a Lexus spot made in creation with agency of record Team One that touts the debut of its new dealership experience named Lexus Plus. The concept has been established in 12 different markets and promotes transparency and negotiation-free pricing ([see story](#)).

In a tongue-in-cheek move, Mercedes-Benz catered to drivers who are still years away from getting their license with a marketing effort for its scaled-down toy models.

Dubbed the Lil' Benz Dealership, Mercedes' pop-up allowed children to test drive its toy cars. Providing a kid-friendly version of the dealer experience, visitors were given coloring book owner manuals and customized toy driver's licenses ([see story](#)).

"To be top in class, you have to be excellent in every way," Cox Automotive's Mr. Smoke said.

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