

The Star That Drives the World - Mercedes-Benz

Author: Armaan Singh Malik
Institution: Sun City School, Gurgaon, India
Mentors: Kanika Gupta (Ascensions Careers)

Abstract

This case study is about Mercedes-Benz, one of the most famous luxury car brands in the world. It explains how the company started with Karl Benz's first automobile in 1886 and grew into a global brand known for luxury, safety, technology, and prestige. The study looks at Mercedes-Benz's brand image, different types of cars, marketing methods, sales, electric vehicle growth, financial performance, challenges, and future plans. It also explains how models like the S-Class, G-Class, AMG, Maybach, and EQ electric cars help the brand attract different customers. Mercedes-Benz uses premium showrooms, Formula One, social media, and strong customer service to stay popular and aspirational. However, the company also faces challenges from competitors like BMW, Audi, and Tesla, especially in the electric vehicle market. Overall, Mercedes-Benz shows how a company can protect its history while also changing with new technology and customer needs.

Keywords: Mercedes-Benz, luxury cars, branding, electric vehicles, safety, innovation, marketing, sustainability, AMG, Maybach.

1. Introduction

This case study examines **Mercedes-Benz**, one of the world's best-known luxury carmakers, to understand how a brand can sustain leadership for more than a century. It traces the journey from **Karl Benz's 1886 Patent-Motorwagen**—often called the first automobile—to today's lineup that spans flagship **S-Class** sedans, rugged **G-Class** SUVs, high-performance **AMG** models, ultra-luxury **Maybach**, and the growing **EQ** range of electric vehicles. The analysis covers seven pillars: **history, brand positioning, product portfolio, marketing and communications, financial performance, consumer perception, and future outlook.**

Mercedes-Benz stands for **innovation, safety, and luxury**. Many features now standard across the industry—**crumple zones, ABS, airbags, advanced driver assistance**—were championed by the brand, reinforcing a promise of protection and comfort. Its positioning blends **heritage and modernity**: the three-pointed star signals tradition and prestige, while cutting-edge interiors, connectivity, and electrified drivetrains point forward. Marketing supports this mix through **premium retail experiences, Formula 1** credibility, and digital storytelling that keeps the brand aspirational yet selective. Financially, Mercedes-Benz competes at the top of the luxury segment with strong contributions from **Europe, North America, and Asia-Pacific**. The central question

ahead is how effectively the company can scale **electrification and sustainable mobility** while preserving the craftsmanship and status that define its identity.

2. Company Background

Mercedes-Benz has a long and interesting history. It begins with **Karl Benz**, a German engineer who built what many people consider the **first real automobile** in **1886**. His car had an engine and ran on its own, without horses. A few decades later, his company **Benz & Cie.** joined with another famous maker of engines and cars called **Daimler-Motoren-Gesellschaft (DMG)**. In **1926**, the two companies **merged** and started using one name: **Mercedes-Benz**.

The name “**Mercedes**” came from **Mercedes Jellinek**, the daughter of a businessman named **Emil Jellinek**. He loved Daimler cars, raced them, and helped sell them. Because of his influence, the company used his daughter’s name for a successful line of cars, and later it became part of the brand name we know today.

The company’s headquarters is in **Stuttgart, Germany**. Over the years, Mercedes-Benz has become known for **luxury, safety, and strong engineering**. Many features that make cars safer like better braking systems and stronger body designs were promoted by Mercedes-Benz. Today, the company is called **Mercedes-Benz Group AG** and makes a wide range of vehicles, from comfortable family cars to high-performance models and **electric vehicles**. It remains a **world leader** in luxury mobility.

3. Brand Identity & Positioning

Mercedes-Benz is one of the most famous luxury car brands in the world. It is often described with four words: **luxury, innovation, safety, and prestige**. These qualities make it different from ordinary car companies. When people see the **three-pointed star logo**, they immediately think of high status, success, and engineering excellence.

Traditionally, Mercedes-Benz appealed to **wealthy customers**, such as business leaders, professionals, and celebrities. These buyers choose the brand not just for transportation but also for the **comfort, advanced features, and social prestige** that come with owning a Mercedes-Benz. Cars like the **S-Class** and **Maybach** are global symbols of power and luxury.

However, in recent years, Mercedes-Benz has also started reaching out to **younger audiences**. Models like the **A-Class, CLA, and GLA** provide an entry into the brand at a lower price point, making luxury more accessible. This strategy helps the company grow while keeping its reputation strong.

Another part of its identity is its **commitment to safety and technology**. Mercedes-Benz has always been a pioneer, introducing safety features like airbags and ABS before many competitors. Today, it is investing heavily in **electric mobility** through the EQ series, showing that innovation is still at the heart of the brand.

In short, Mercedes-Benz successfully combines its **heritage and modernity**. It remains a **dream brand for older buyers** seeking prestige and for **young professionals** who want style and innovation. This balance is what makes Mercedes-Benz a global leader in luxury mobility.

4. Product Portfolio

Sedans (C-Class, E-Class, S-Class)

Mercedes-Benz sedans are the **core of the brand's luxury identity**. The **C-Class** is often called the “baby Benz,” offering young professionals an affordable entry into the brand while still delivering premium comfort and technology. The **E-Class** sits in the middle, combining executive style with cutting-edge safety and driver-assistance features, making it popular among business users. At the top is the **S-Class**, considered the flagship of Mercedes-Benz. For decades, the S-Class has set benchmarks in luxury, safety, and innovation. Many automotive technologies debut in the S-Class before trickling down to other cars in the industry. Together, these sedans show how Mercedes balances accessibility, executive prestige, and ultimate luxury.

SUVs (GLA, GLC, GLE, GLS, G-Class)

The SUV lineup reflects changing customer preferences for larger, more versatile vehicles. The **GLA** and **GLC** are compact SUVs designed for city driving and young families, offering style and practicality. The **GLE** is a mid-size SUV that blends performance with space, appealing to executives with active lifestyles. The **GLS** is the “S-Class of SUVs,” offering three-row seating with maximum comfort. Finally, the **G-Class**, also known as the **G-Wagon**, is an icon. Once a military vehicle, it is now a symbol of luxury toughness, loved by celebrities and off-road enthusiasts alike. These SUVs help Mercedes reach both practical family buyers and ultra-wealthy trendsetters.

Sports Cars (AMG GT, SL-Class)

For customers who value performance and driving excitement, Mercedes offers a range of sports cars. The **AMG GT** is a pure performance machine, designed to compete with brands like Porsche and Aston Martin. With its bold styling, powerful engines, and racing DNA, it showcases Mercedes-AMG engineering. The **SL-Class**, meanwhile, is a luxury roadster that combines open-top driving with comfort and prestige. It has a long history as one of Mercedes' most stylish and glamorous cars. Together, the AMG GT and SL-Class represent the brand's sporting side while reinforcing its luxury appeal.

Vans

Mercedes-Benz also makes vans, such as the **V-Class** for luxury transport and the **Sprinter** for commercial use. While not as glamorous as sedans or sports cars, vans are an important part of the company's portfolio. The V-Class is popular with families and businesses that need comfortable, spacious travel, while the Sprinter is widely used for logistics, ambulances, and

shuttle services worldwide. These vehicles show that Mercedes-Benz also prioritizes practicality and reliability, not just luxury.

EQ Series (Electric Vehicles)

The **EQ series** is Mercedes-Benz's step into the future. Models like the **EQC, EQS, and EQB** focus on **electric mobility** with long driving ranges, advanced battery technology, and futuristic interiors. The EQS, often described as the “electric S-Class,” showcases how Mercedes combines sustainability with luxury. The EQ range is vital for meeting global climate goals and competing with Tesla and other EV makers. By investing in electric technology, Mercedes is preparing itself for the next era of mobility.

Mercedes-AMG and Maybach

Mercedes-AMG and Maybach represent the **extremes of performance and luxury**. **AMG** is the high-performance division, offering sporty, powerful versions of almost every Mercedes model. These cars appeal to enthusiasts who want both speed and comfort. On the other hand, **Maybach** caters to the ultra-rich, offering handcrafted luxury vehicles with unmatched comfort, exclusivity, and prestige. A Maybach is often chauffeur-driven and customized, serving as a rolling statement of wealth. Together, AMG and Maybach ensure Mercedes-Benz is not only a luxury brand but also a leader in both performance and ultra-luxury.



New Mercedes E Class, G Class EV, Maybach EQS launch in next 6 months

Source: https://www.autocarindia.com/car-news/new-mercedes-e-class-g-class-ev-maybach-eqs-launch-in-next-6-months-432166?utm_source=chatgpt.com

5. Marketing & Communication Strategies

Premium Showrooms

Mercedes-Benz invests heavily in **premium showroom experience** because the buying process is as important as the car itself. A Mercedes-Benz showroom is designed to feel like a luxury lounge, with elegant interiors, personalized service, and often even cafés or relaxation areas. Customers are not just browsing cars; they are stepping into the Mercedes lifestyle. Sales staff are trained to offer individual attention, from customizing the car's color and interior finishes to arranging test drives. This high-touch experience reinforces the brand's exclusivity and sets it apart from mass-market dealerships.

Social Media and Digital Campaigns

In the modern era, Mercedes-Benz has embraced **social media platforms like Instagram, YouTube, and TikTok** to connect with younger audiences. The brand showcases not only new car launches but also behind-the-scenes stories, technology explainers, and lifestyle content. Campaigns often highlight sustainability, innovation, and design, aligning with the values of millennials and Gen Z. Unlike the old days of one-way advertising, Mercedes-Benz uses social media for two-way engagement, where followers can comment, share, and interact with the brand. These digital campaigns make Mercedes more accessible without losing its premium aura.

Formula One Sponsorship

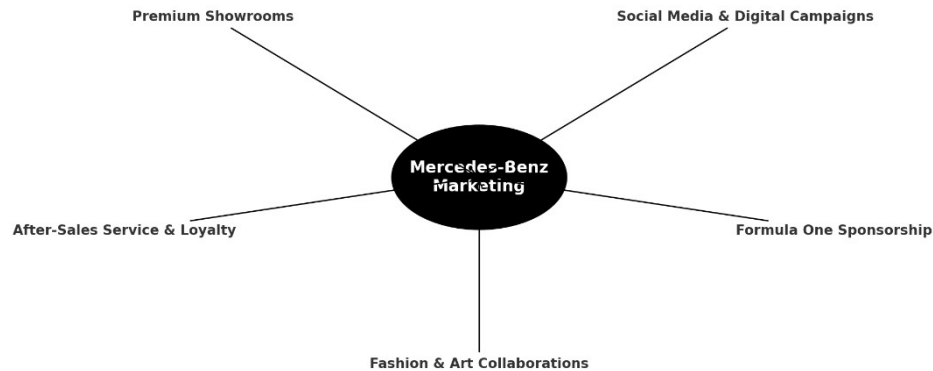
Mercedes-Benz's sponsorship and ownership of the **Mercedes-AMG Petronas Formula One Team** is a central pillar of its marketing. Formula One represents speed, technology, and global visibility—values that align perfectly with the brand. The team's success, including multiple world championships with drivers like Lewis Hamilton, has boosted Mercedes' reputation for innovation and performance. The F1 connection also creates powerful emotional engagement, as fans associate the excitement of racing with the cars they see in showrooms. It bridges motorsport prestige with everyday luxury driving.

Fashion and Art Collaborations

Beyond cars, Mercedes-Benz invests in **fashion shows, art exhibitions, and cultural partnerships**. It has sponsored events like **Mercedes-Benz Fashion Week** in multiple countries and collaborated with contemporary artists and designers. These partnerships position the brand not only as an automaker but also as a **cultural tastemaker**. By associating with art and fashion, Mercedes appeals to aspirational customers who value style and creativity as much as engineering. This strategy expands the brand's identity beyond mechanics, making it part of global lifestyle trends.

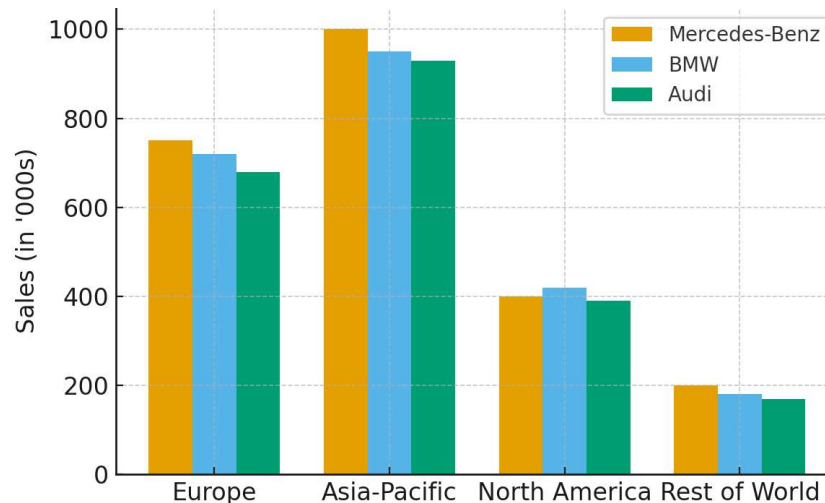
After-Sales Service and Loyalty

Finally, Mercedes-Benz places strong emphasis on **after-sales service**. Buying a luxury car is only the beginning of the relationship. Customers are offered extended warranties, 24/7 roadside assistance, maintenance packages, and digital service reminders. Some markets even provide pickup-and-drop services for repairs. By ensuring customers feel supported long after purchase, Mercedes builds long-term loyalty and repeat business. This service excellence is a key reason why Mercedes-Benz remains one of the most trusted names in luxury automobiles.



Graph 1: Five Pillars of Mercedes-Benz Marketing Strategy

6. Sales by Region Comparison



Graph 2: Luxury Car Sales by Region

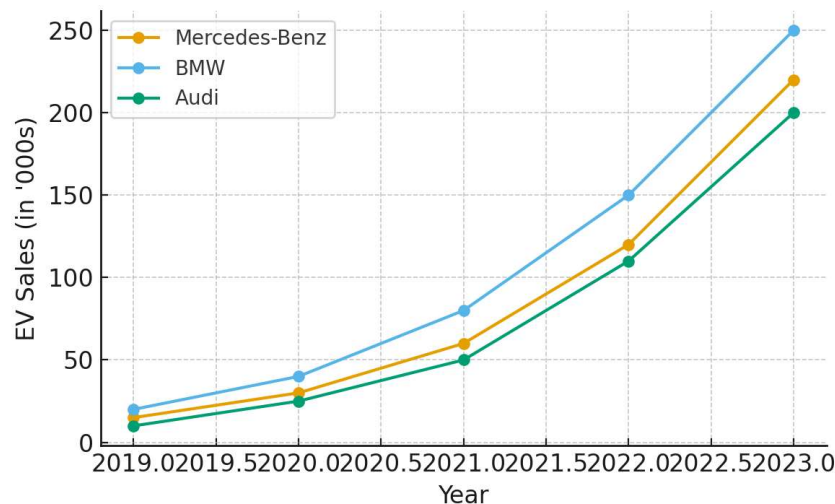
The bar chart shows a comparison of **luxury car sales by region** for Mercedes-Benz, BMW, and Audi. The data is approximate but gives a clear picture of global market trends.

In **Europe**, all three brands perform strongly, with Mercedes-Benz slightly ahead of BMW and Audi. This reflects the brands' historic roots and strong customer loyalty in European markets. In the **Asia-Pacific region**, sales are the highest overall. Mercedes-Benz leads here as well, reaching close to one million units, with BMW and Audi following closely. This highlights how Asia, especially China, has become the fastest-growing and most important market for luxury cars.

In **North America**, BMW edges out Mercedes-Benz by a small margin, showing its strong popularity in the United States. Audi remains slightly behind both. Meanwhile, in the **Rest of the World** category, all three brands have smaller sales numbers, with Mercedes-Benz again holding a slight lead over its competitors.

Overall, the chart suggests that while the three German automakers are close competitors, Mercedes-Benz often maintains a slight advantage in most regions. Its strength in Europe and Asia-Pacific ensures global leadership, while BMW and Audi continue to challenge it strongly, particularly in North America.

7. EV Growth Trends



Graph 3: EV Sales Growth of Mercedes-Benz, BMW, and Audi from 2019 to 2023

The line chart illustrates the **growth of electric vehicle (EV) sales** for Mercedes-Benz, BMW, and Audi between **2019 and 2023**. The data is approximate but highlights clear trends in how these three German luxury automakers have expanded their presence in the EV market.

In **2019**, all three companies began with relatively low EV sales. BMW led slightly with around 20,000 units, followed by Mercedes-Benz at 15,000 and Audi at 10,000. This reflects the early stage of luxury EV adoption, when Tesla was dominating the global electric car space.

By **2020**, sales had roughly doubled for each brand, with BMW continuing to lead. Mercedes-Benz and Audi were close competitors, showing steady progress. In **2021**, the market began to accelerate more sharply. BMW reached around 80,000 EV sales, while Mercedes-Benz and Audi followed with about 60,000 and 50,000, respectively. This marked the beginning of strong growth momentum for all three.

The year **2022** saw a major jump, as governments worldwide introduced stricter emission rules and more customers began considering EVs. BMW crossed 150,000 units, while Mercedes-Benz climbed to 120,000 and Audi to 110,000. By **2023**, the growth became even more pronounced. BMW surged to 250,000 EVs sold, maintaining its lead. Mercedes-Benz followed with about 220,000, and Audi with 200,000.

The chart shows that while BMW consistently held the largest share among the three, all have achieved **exponential growth in EV sales** within just five years. Mercedes-Benz has gained ground quickly, showing strong ambition to challenge BMW's lead, while Audi has kept pace.

Overall, the data demonstrates how luxury automakers are successfully transitioning toward **electric mobility**, responding to both customer demand and environmental pressures. This rapid growth also suggests that the next decade will see EVs become a core part of their global product strategies.

8. Financial Performance (2021–2023)

Year	Mercedes-Benz Revenue (€B)	Mercedes-Benz Profit (€B)	Mercedes-Benz Market Share (%)	BMW Revenue (€B)	BMW Profit (€B)	BMW Market Share (%)	Audi Revenue (€B)	Audi Profit (€B)	Audi Market Share (%)
2021.0	135.0	14.0	6.5	111.0	12.0	6.0	54.0	6.0	4.9
2022.0	150.0	20.0	7.0	123.0	18.0	6.4	61.0	8.0	5.1
2023.0	153.0	19.0	7.2	132.0	16.0	6.6	64.0	7.5	5.2

Table 1: The table shows the **financial performance** of Mercedes-Benz, BMW, and Audi over three years (2021–2023).

In **2021**, Mercedes-Benz earned the highest revenue (€135 billion) and profit (€14 billion), with a market share of 6.5%. BMW and Audi were behind, with BMW at €111 billion revenue and Audi at €54 billion.

By **2022**, all three brands grew strongly. Mercedes-Benz's revenue jumped to €150 billion, with profit rising to €20 billion and market share improving to 7%. BMW also improved, reaching €123 billion revenue and €18 billion profit. Audi followed with €61 billion revenue and €8 billion profit. This year was especially strong for Mercedes-Benz, as it widened its lead.

In **2023**, growth slowed slightly for Mercedes-Benz, with revenue at €153 billion and profit dipping to €19 billion, though market share still improved to 7.2%. BMW rose to €132 billion revenue but saw profit fall to €16 billion. Audi had stable growth, with €64 billion revenue and €7.5 billion profit.

Overall, Mercedes-Benz remained the **strongest luxury carmaker**, consistently leading in revenue, profit, and market share. BMW stayed competitive, while Audi performed well but remained behind the other two.

9. Challenges

Mercedes-Benz, despite being one of the strongest luxury automobile brands, faces several important challenges in today's global market. One of the biggest is **intense competition**. Traditional rivals like BMW and Audi constantly compete for the same customer base with similar levels of luxury, performance, and technology. In addition, **Tesla** has emerged as a powerful disruptor in the electric vehicle (EV) market, attracting younger, tech-savvy buyers who see Tesla as a symbol of modern innovation. This puts pressure on Mercedes-Benz to match or exceed both traditional and new competitors.

Another major challenge is the **transition to electric mobility**. Governments worldwide are introducing stricter emission norms, and customers are increasingly demanding greener alternatives. While Mercedes has invested heavily in its EQ series of electric vehicles, scaling EV production while keeping quality and performance intact is both expensive and complex.

At the same time, the company faces **sustainability pressures**—not only in vehicles but also in production processes, supply chains, and raw material sourcing. Balancing **exclusivity with accessibility** is another issue. Expanding into entry-level luxury models brings new buyers but risks diluting the brand's prestige. Finally, **global economic uncertainties** such as inflation, changing fuel prices, and geopolitical instability can directly affect demand for high-value luxury cars. Together, these challenges require careful strategy to ensure long-term leadership.

10. Future Outlook

Mercedes-Benz is preparing for one of the most important shifts in its long history: the move towards an **all-electric future by 2030**. This goal reflects not only government regulations and climate targets but also the changing expectations of customers who are increasingly looking for cleaner and more sustainable forms of mobility. To achieve this, Mercedes is investing billions in the development of **battery technology** that promises longer driving ranges, faster charging, and improved efficiency. These advancements are crucial for competing with brands like Tesla, as well as for meeting the standards set by global markets.

Beyond electrification, Mercedes-Benz is focusing on **AI-driven driving technologies**. Features such as autonomous driving, advanced driver-assistance systems, and smart connectivity are no longer futuristic concepts but are becoming core to the luxury car experience. By leading in these innovations, Mercedes aims to blend safety, comfort, and technology in ways that strengthen its reputation as a pioneer.

At the same time, the company is emphasizing **experiential luxury**. This means moving beyond simply selling cars to offering customers immersive experiences, exclusive services, and personalized ownership journeys. Within its portfolio, **Maybach** and **AMG** are being expanded to attract the ultra-luxury and high-performance segments. These brands cater to the wealthiest buyers who demand exclusivity and individuality.

By combining **sustainability with prestige**, Mercedes-Benz is appealing to both traditional luxury customers and new eco-conscious generations. This dual focus ensures that the brand remains relevant and competitive, positioning it strongly for the next era of global mobility.

11. Conclusion

Mercedes-Benz has always been more than just a car manufacturer; it is a **symbol of innovation, safety, and luxury** that has shaped the global automobile industry for over a century. From Karl Benz's invention of the first automobile in 1886 to today's advanced vehicles, the brand has consistently pushed the boundaries of engineering and design. Its ability to balance **heritage and modernity**—maintaining timeless prestige while introducing cutting-edge technologies—makes it one of the strongest and most respected names in the world.

As this case study shows, Mercedes-Benz's success comes from its strong brand identity, wide product portfolio, effective marketing strategies, and commitment to customer satisfaction. Yet, like all companies, it faces challenges such as intense competition from BMW, Audi, and Tesla, as well as global demands for cleaner, more sustainable vehicles. The company's ambitious goal of becoming **all-electric by 2030** reflects both the pressure and the opportunity of this new era.

For the future, Mercedes-Benz's strength will lie in how well it adapts to **electric mobility, sustainability goals, and the changing expectations of younger, eco-conscious buyers**. If it

continues to innovate while staying true to its legacy of luxury and safety, Mercedes-Benz is likely to remain a leader in the global automotive market.

For a high school student studying business and branding, Mercedes-Benz offers an excellent example of how **tradition, innovation, and strategy** combine to build a brand that not only survives but thrives through constant change.

Bibliography

Daimler AG. (2023). *Mercedes-Benz Group Annual Report 2022–23*. Mercedes-Benz Group.

Retrieved from <https://group.mercedes-benz.com>

Statista. (2023). *Mercedes-Benz – global car sales 2019–2023*. Statista Research Department.

Retrieved from <https://www.statista.com>

LVMH, Kering & Automotive News Europe. (2023). *Luxury automotive industry reports*.

Automotive News Europe. Retrieved from <https://europe.autonews.com>

Forbes. (2023). *The World's Most Valuable Brands: Mercedes-Benz*. Forbes. Retrieved from

<https://www.forbes.com>

BBC News. (2022, September). *How Mercedes-Benz plans to go all-electric by 2030*. BBC.

Retrieved from <https://www.bbc.com/news/business>

Business Insider. (2022). *How Mercedes, BMW, and Audi compete in the global luxury car market*.

Insider Inc. Retrieved from <https://www.businessinsider.com>

Tesla, Inc. (2023). *Industry impact and EV competition: The rise of electric vehicles*. Tesla

Newsroom. Retrieved from <https://www.tesla.com>

References

Mercedes-Benz Group. *Annual Report*. Mercedes-Benz Group, n.d., <https://group.mercedes-benz.com>.

Statista Research Department. “Mercedes-Benz: Global Car Sales.” *Statista*, n.d.,

<https://www.statista.com>.

“Luxury Brands’ Auto Strategies and Market Share.” *Automotive News Europe*, n.d.,

<https://europe.autonews.com>

Forbes Staff. “The World’s Most Valuable Brands: Mercedes-Benz.” *Forbes*, n.d.,

<https://www.forbes.com>

“How Mercedes-Benz Plans to Go All-Electric by 2030.” *BBC News*, n.d.,

<https://www.bbc.com/news/business>

“Mercedes vs. BMW vs. Audi: Who’s Winning the Luxury Race?” *Business Insider*, n.d.,

<https://www.businessinsider.com>

Tesla, Inc. “The Rise of Electric Vehicles and Industry Impact.” *Tesla Newsroom*, n.d.,

<https://www.tesla.com>