

The Influential Factors on Maybach Sales

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Abstract. The vehicle market suffered as a result of COVID-19. Most vehicle companies' sales decreased year after year; however, Maybach's sales climbed year after year. Based on this fact, the following issue is posed in this paper: Why can Maybach improve annual sales in a falling car market? This study examines Maybach's product strategy, pricing strategy, and channel strategy, combining a theoretical understanding of marketing mix theory with relevant studies based on marketing mix theory. Finally, it is determined that Maybach's product strategy is the cause of their increased sales, and it is suggested that Maybach extend its product line. Maybach's price strategy is the reason for their increased sales, and it is suggested that Maybach offer specific price concessions to loyal and repeat customers. Maybach's channel strategy is responsible for the company's increased sales, and it is advised that Maybach develop an official social media account. This report makes precise recommendations for Maybach in order to earn more loyal customers in the future.

Keywords: Maybach, Product-strategy, Price-strategy, Place-strategy.

1. Introduction

1.1. Research Background

People have been impacted economically as well as physically as a result of the pandemic. In this context, the car industry has taken a double hit. Various indicators in the domestic car sector showed a dip in the first quarter of 2022. The China Automobile Association reported a wholesale amount of 2.224 million domestic cars, an 11.7% decline year on year [1]. Domestic car sales fell 39% year over year to 6.135 million units from January to March. The number of insured vehicles was 5.684 million, a 15.3% decline year over year [2]. Meanwhile, as a result of China's present promotion of healthy and ecologically friendly forms of transportation, many individuals prefer to buy electric automobiles rather than traditional gasoline vehicles. The growth of new energy vehicles is unavoidable, and in the future, an increasing number of people will purchase new energy vehicles, further reducing the market share of traditional fuel vehicles. Sales of new energy passenger vehicles climbed by 121.2% year on year and by 63.7% month on month in March 2022, while sales of fuel vehicles declined by 18.8% year on year and increased by 20.2% month on month [2].

Maybach is marketed as a luxury vehicle. As a result, Maybach's goods have a luxury design and interior, powerful performance, and relatively high costs. These products are primarily marketed to wealthy consumers who desire noble and expensive services. As demonstrated in the graph, COVID-19 and the rise of the electric vehicle market in 2019–2022 had little impact on the market. Furthermore, Maybach's sales continued to rise.

Mercedes-Benz has achieved headway in high-end luxury cars, according to Jan Madeja, President and CEO of Beijing Mercedes-Benz Sales and Services Co., Ltd. In the first half of 2022, S-class sedans increased by 13% year on year, with global sales reaching 21700 units, maintaining the company's market leadership; Mercedes-Benz increased by 62% year on year, marking a new high in sales for the same period [3].

Prior to this, numerous researchers have undertaken comprehensive investigations on various aspects pertaining to Maybach as the subject of exploration. Wang Zhili conducted a study on the topic of air suspension system alerts specifically for the Maybach s480 model, as documented in his book. The Maybach s480 was utilized as the subject of investigation in order to explore this issue [4]. Wang conducted a study in the context of "World Auto" to look at the enhancements and

improvements made to numerous components of the new Maybach S-Class model, drawing from the most recent model that Mercedes-Benz introduced [5].

1.2. Research Gap

Despite the fact that there are many aspects of Maybach to examine, the epidemic has resulted in a decline in the overall sales of the automotive industry, a rise in the market share of new energy vehicles, and an increase in Maybach sales. However, the reasons for this phenomenon have not been deeply discussed and studied by relevant scholars in the academic community. Thus, there is a research gap on the reasons why Maybach has been able to increase sales over the past four years.

In order to fill the gap, this investigation will focus on the case of Maybach and investigate the issue of how Maybach significantly increased their sales in the context of COVID-19. More specifically, the analysis aims to study the important factors that affect consumer purchasing intentions in the luxury car market. To provide effective solutions for other automobile enterprises when encountering the impact similar to COVID-19 in the Chinese market again, and to give accurate suggestions for the subsequent development of Maybach.

2. Case Description

Wilhelm Maybach, a German engineer, founded the Maybach brand in 1909. After its establishment, Maybach Company focused on producing high-quality engines and became an engine supplier to many famous automakers, such as Mercedes-Benz and Rolls-Royce. At that time, Maybach cars were the preferred vehicles for nobles, government officials, and celebrities. They have become symbols of identity, status, and wealth, winning an important position in the global luxury car market. However, with economic and social changes, as well as increasing competition in the luxury car market, Maybach experienced a downturn in the late 20th century. So, after 1997, the Maybach brand was acquired by the Daimler Benz Group. However, due to high costs and poor sales, it once again withdrew from the automotive market. Until 2014, as a subsidiary of Mercedes-Benz, the Maybach S-Class, an upgraded version of the Mercedes-Benz S-Class, re-entered the automotive market. Finally, it once again occupies a place in the luxury car market.

During the epidemic, Maybach's sales were not significantly affected. According to statistics from a certain institution, the total global sales of Maybach models in 2020 were 13000 units, of which 70% were born in the domestic market. According to statistics, the total sales of the Maybach brand reached 15,700 units in 2021, a 50% increase from last year. At the same time, the Chinese market accounts for 69% of the global total annual sales of the Maybach brand, exceeding two-thirds. After experiencing the epidemic, Maybach's sales increased significantly. In the first half of 2022, Mercedes-Benz released a strategy of "focusing on luxury" and adjusted the investment focus of its products. Focus more than 75% of the investment on two series: "high-end luxury" (Mercedes Benz S-Class, G-Class, AMG, and Maybach) and "core luxury" (Mercedes Benz C-Class and E-Class). No longer focusing on entry-level models and overly niche products. This focused strategy helped Mercedes-Benz's S-Class sedan sales grow by 6% year-on-year, while the total sales of high-end luxury models increased by 8% year-on-year. Mercedes-Maybach set a new sales record in 2022, with a year-on-year increase of 41% [5]. Throughout 2022, thanks to strong performance in the markets of Japan, South Korea, the Middle East, and China, Mercedes-Maybach's sales increased by 37% year-on-year to 21600 units, setting a historic high. Among them, Mercedes-Benz's monthly sales in the Chinese market exceeded 1100 units.

3. Analysis on Problem

To evaluate the reasons for the phenomenon that Maybach sales will increase every year during COVID-19, that is, 2020–2022, some theoretical support is required as the theoretical framework's foundation. The marketing mix theory will be used in this article. The 4Ps marketing mix theory is a

widely used marketing strategy theory that may be used to aid businesses in planning and implementing efficient marketing plans. The marketing mix consists of four major components: product, pricing, promotion, and place.

Prior to this, many scholars had applied the marketing mix theory to analyze the marketing strategies of other companies, answered the question of why sales could increase or occupy a large market share, and provided effective suggestions. Kang Yingduo employed the marketing mix theory as the theoretical framework to analyze and compare the marketing strategies of Huawei and Apple, finally summarize the products of Apple and Huawei, and provide suggestions for future product development [6]. Jiang et al. applied the marketing mix theory and found that Heze Jihao Automobile 4S stores have a series of problems [7]. Mou and Zhao also analyzed the current situation of the large user market and the demand for vehicles by using the marketing mix theory as the theoretical framework [8]. They conducted strategic analysis from four aspects: product, price, channel, and promotion, and proposed marketing strategies for pure electric vehicles to enter the large user market [8].

Due to the application of marketing mix theory in the analysis of marketing strategies in all three papers mentioned above, this paper can also apply marketing mix theory to analyze Maybach's marketing strategies. Based on the marketing mix theory, this paper analyzes Maybach's marketing strategy from three aspects: product strategy, price strategy, and channel strategy.

3.1. Reasons for Product Strategy

Maybach's sales continue to increase due to product strategy reasons. Hao Pingping has already confirmed that improving the aesthetic level of a product can drive an increase in product sales [9]. Therefore, Maybach's product upgrade can lead to an increase in sales. The more detailed strategies that Maybach used to improve its product could be shown as follows:

In recent years, Maybach has been dedicated to consistently enhancing its goods in order to fulfill market demand and provide a superior luxury experience. For starters, Maybach is constantly striving to improve the aesthetic and design of its products. They modernize and distinguish the car model by modifying elements such as body lines, air intake grilles, and headlights. At the same time, Maybach works with leading luxury companies like Trussardi, an Italian custom furniture firm, and Hermès, a French luxury brand, to give vehicles more elegant interior and design options.

Second, Maybach optimizes inside space while also improving comfort. They have more opulent seating and interior material options, as well as luxurious features including back seat massage and adjustment functions. Maybach has also improved the suspension system and reinforced cabin sound insulation to deliver a more serene and comfortable riding experience.

Third, Maybach is always improving the vehicle's driving performance to deliver superior handling and power performance. They have added more powerful engine technology as well as better chassis suspension and driving mode selection, providing the vehicle with improved acceleration and handling stability.

Fourth, Maybach has implemented innovative technology and intelligent features in a variety of vehicle types. Touch-screen control, voice control, a HUD head-up display, a driving assistance system, intelligent navigation and entertainment systems, and other features are included. Maybach has also included WIFI, internet, and smartphone integration to make driving more convenient.

Fifth, Maybach fosters sustainable development and incorporates electrification technology into several of its vehicles. They are dedicated to developing more environmentally friendly and energy-efficient automobiles, as well as cooperating with renewable energy and charging infrastructure suppliers to accelerate the growth of electric mobility. Maybach has always been at the forefront of the luxury vehicle business, meeting the needs of consumers with taste and the pursuit of luxury through these product advancements.

3.2. Reasons for Price Strategy

The increase in Maybach's sales can also be attributed to the implementation of effective pricing strategies. Maybach, a prominent luxury sub-brand operating under the Mercedes-Benz umbrella, strategically positions its products at premium pricing points to align with their exceptional quality and esteemed value. The pricing of Maybach vehicles is typically elevated, rendering it a luxury brand that is sought after and coveted by discerning consumers.

Li has said that the pricing of products serves as a positive moderating factor in both direct and indirect associations with online sales, suggesting that elevated prices are indicative of superior product quality [10]. Hence, implementing a strategic pricing strategy can effectively stimulate a rise in sales.

3.3. Reasons for Place Strategy

Maybach has established an exclusive Maybach dealer network to ensure that products receive professional sales and after-sales service support. These exclusive distributors are usually located in luxury shopping areas and major commercial centers in important cities to attract Maybach's target consumer group.

Also, Maybach provides personalized customization services, allowing consumers to customize vehicles according to their own needs and preferences. Maybach's sales personnel play a key role in this process, engaging with consumers firsthand and providing professional advice and customization options to meet their personalized needs.

Moreover, Maybach actively utilizes the internet and digital technology to provide consumers with opportunities for online car purchases and digital experiences. Consumers can access product information, configuration options, and make reservations or inquiries through Maybach's official website or mobile application. At the same time, Maybach also interacts with consumers through social media and online platforms to enhance brand influence and market communication.

At the same time, Maybach collaborates with other luxury brands and high-end retailers to expand product exposure and channel coverage. For example, Maybach collaborates with luxury hotels, high-end fashion brands, and top-tier events to enhance brand awareness and reputation through joint events and collaborative promotion.

Finally, Maybach focuses on providing customers with a high-quality after-sales service experience. Maybach dealerships provide professional repair, maintenance, and vehicle accessory services to ensure that customers' vehicles remain in optimal condition. In addition, Maybach also offers unique events and membership systems to enhance customer loyalty and long-term relationships with customers.

Researchers also demonstrated the importance of distribution strategy. One of the papers written by Yan Hao has already discussed the characteristics of personalized new media, a wide audience, diverse content forms, and real-time information dissemination, which can drive the sales of feed products to increase [11]. It indicates that Maybach can also increase sales driven by new media.

4. Suggestions

4.1. Suggestions on Product Strategy

Due to the fact that Maybach currently only has two models, the Maybach S-Class and the Maybach GLS, the product line is still too limited. Many consumers loyal to the Maybach brand do not have more models to choose from. Thus, Maybach can enhance the attractiveness of its products by developing new car models, such as launching more SUVs or electric models, while expanding its product line can also attract more consumers.

Li Bin's research on the market competition and market segmentation strategy of a certain pizza chain restaurant brand is grounded in a comprehensive examination of competition analysis and

SWOT analysis [12]. This observation suggests that prior studies have substantiated the effectiveness and rationality of diversifying the product line as a means to augment consumer loyalty [12].

4.2. Suggestions on Price Strategy

Maybach has the capacity to offer consumer refunds and loyalty discounts as a means of acknowledging and incentivizing loyal customers. As an illustration, individuals who engage in the acquisition of an additional Maybach automobile are eligible to obtain a specific reduction in price, with the magnitude of the discount increasing in proportion to the number of Maybach automobiles purchased.

According to Yang Yuhong, numerous organizations aim to bolster client loyalty through the implementation of price reductions and a range of loyalty incentives such as rebates and subsidies. Additionally, it may be inferred that loyalty discounts possess the attribute of incentivizing consumer purchases [13]. Based on the available evidence, it is evident that prior research has substantiated the efficacy and reasonableness of Maybach's utilization of loyalty discounts, which has the potential to augment consumer loyalty.

4.3. Suggestion on Place Strategy

There is basically no official account for Maybach on the online platform, and they are mostly official accounts for Mercedes Benz. Therefore, Maybach can operate its own independent accounts in various locations, which can establish strong and close connections with customers of the Maybach brand. Customers can also obtain more direct product information about Maybach.

Li Yu stated in "Reflections on Weibo Marketing Caused by the" E-commerce Price War "that Weibo marketing in the information age has the advantage of forming high-loyalty consumers [14]. Therefore, opening official accounts on various social media platforms can enhance customer loyalty.

5. Conclusion

Under the backdrop of the decline of the automobile market during COVID-19, this article conducts an investigation into the marketing of Maybach. It explores how Maybach can increase its sales every year during the COVID-19 epidemic period, 2020–2022. Through the analysis of Maybach's product strategy, price strategy, and place strategy, the final conclusion is that Maybach's sales increase is due to their product strategy, price strategy, and place strategy.

At the theoretical level, this article reviews relevant literature on marketing and verifies the practicality of marketing mix theory in marketing. On a practical level, the analysis, results obtained, and relevant suggestions provided in the paper can provide reference value for automotive companies and other companies selling products. At the same time, targeted suggestions were provided for Maybach to gain more loyal consumers.

This article does not investigate consumers' psychological changes after the change in Maybach's strategy in order to understand where product strategy, price strategy, and channel strategy convinced consumers to purchase Maybach's products. Subsequent analyses can utilize a questionnaire survey to investigate the feelings of consumers after Maybach changes his strategy.

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