



Mercedes-Benz

CASE STUDY

# Mercedes-Benz digital solutions provide fair pricing to all customers

Innovative data and pricing systems redefine the future of automotive retail

When you're trying to buy a car, you more than likely go into the process prepared to haggle. It's become a kind of culture of the business. You may have gotten good product advice in the dealer showroom, but you feel that you need to check out the internet or other dealers to make sure you get the best price, no matter where or who you are. On the flip side, the car dealer may have thought, "Did I give the right discounts?"

While most of our consumer transactions revolve around fixed, unambiguous prices, purchasing a car remains the exception. In an effort to deliver better employee and customer experiences, Mercedes-Benz decided it was time to use innovative digital solutions to take the doubt out of the car buying business.

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## **Business situation**

### **Multiple systems complicate and vary vehicle sales and purchases**

Mercedes-Benz is part of Daimler – one of the largest producers of premium cars and the world's biggest manufacturer of commercial vehicles. But when it came to sales processes, it had no standard or centralized system for managing prices and applying product discounts. Deals were often made locally and manually, meaning employees had to interact with multiple legacy customer relationship management (CRM) systems when working on a particular account.

Moreover, Mercedes-Benz's headquarters had limited visibility into what was being offered across regions, leading to complicated, time-consuming approval and contract management practices and varying prices.

It wanted more consistency and efficiency in its operations in order to continue to grow and delight customers. "We had to separate the systems and make them interactive in a more modern and sustainable way," said Zimeng Yang, project manager at Mercedes-Benz.

This objective soon became part of Mercedes-Benz's wider strategic goal, known as "Retail of the Future." Innovative digital technology is used to identify market behavior and customer wants to help Mercedes-Benz make better business decisions that tailor to these expectations.

When it was ready to launch its strategic campaign, Mercedes-Benz turned to our local Avanade team – a longtime trusted partner – to help it deliver flexible, agile solutions that would meet the company's goal.

## Solution

### Microsoft Dynamics 365 applications standardize operations

Using Microsoft Dynamics 365 technology, Avanade helped Mercedes-Benz implement a modern solution for its sales systems. The Pricing Engine (PEN) is a back office pricing application that calculates, configures and manages discount and pricing rules. The pilot application, available in Sweden, automatically generates the end price of any vehicle based on the specifications requested and discounts available. It standardizes the sales price for all dealers so they know exactly what to charge customers.

This consistency – no matter where the purchase is sought – means customers don't worry about whether or not they're getting the best deal. "For each car, there is only one price for the whole market, for the whole country," said Yang, who described how dealers initially addressed customer skepticism by taking them to multiple dealers to show the same price. "The customer now has trust in fair and uniform pricing."

There's another bonus to this pricing capability. Because PEN monitors the various configurations of Mercedes-Benz's vehicles in order to determine prices, it can also identify market behavior. In other words, it knows what features customers choose to buy and what they forgo, allowing Mercedes-Benz to tailor both its marketing campaigns and manufacturing decisions to meet customer expectations.

For many years, a similar solution has supported commercial fleet customers. The Fleet Database (FDB) is a Dynamics 365 solution that supports the end-to-end sales process of business vehicles. Imagine a business comes to Mercedes-Benz to buy thousands of vehicles for work purposes. It naturally wants to know what kind of discounts it can get. The sales manager is responsible for considering all the factors – customer loyalty, make and model, specialty needs, etc. – and then managing the financial and legal approval of the contract.

FDB makes this process quicker and seamless with mobile capabilities. Sales managers only need to log onto a single system from anywhere and on any device to gain immediate visibility and access to account information. Using FDB, Mercedes-Benz employees in all regions can retrieve the same discounts, check company policies, send documentation for approval, and receive notifications and reminders about each stage of the process. This standardized system allows Mercedes-Benz's headquarters to monitor and manage sales plans more consistently across regions.

## Results

### Future-ready system improves decisions and employee and customer experiences

“We’re proud that we created a new application where we make no compromises – no business compromises and no technical compromises. It’s simply an excellent model for every new application” said Yang.

This solution demonstrates how a single, yet powerful, platform can deliver benefits across the business:

- **Transparency:** Previously complex pricing and sales functions are now more accessible and user-friendly. It’s easier to track errors and test data before information is released.
- **Mobility:** Controllers can address ad hoc requests more conveniently – on the spot, from anywhere. The Resco mobile sales tool equips them with on-the-go access to calendars, activities, direct order creation, electronic signatures and more.
- **Assurance:** With intuitive sales systems, employees gain the ease and confidence to manage accounts and sales with efficiency and speed while customers can enjoy their products knowing that they got the best deal and service. Power BI also enables employees to analyze sales figures, market behaviors and trends so they can take next best actions.
- **Speed:** The accessibility, mobility and consistency of these tools enable Mercedes-Benz to accelerate deals and contracts. The audit intake time reduced significantly because customers no longer need to compare prices. Previously, the time between the first offering and the actual purchase order used to be four to five days. Now, it only takes an average of two days.

“We improved the customer experience because they don’t have to think about the price. This is the price. In the direct sales market, it’s much easier for the customer to make a decision,” said Yang.

As a company operating in a competitive industry, Mercedes-Benz can also make better business decisions to secure its market edge now and in the future.

## About Mercedes-Benz

We are one of the biggest producers of premium cars and part of Daimler, the world’s biggest manufacturer of commercial vehicles with a global reach. We provide financing, leasing, fleet management, insurance and innovative mobility services.



#### About Avanade

Avanade is the leading provider of innovative digital and cloud services, business solutions and design-led experiences on the Microsoft ecosystem. Our professionals bring bold, fresh thinking combined with technology, business and industry expertise to help make a human impact on our clients, their customers and their employees. We are the power behind the Accenture Microsoft Business Group, helping companies to engage customers, empower employees, optimize operations and transform products, leveraging the Microsoft platform. Avanade has 38,000 professionals in 25 countries, bringing clients our best thinking through a collaborative culture that honors diversity and reflects the communities in which we operate. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at [www.avanade.com](http://www.avanade.com)

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