Chapter 2

General Overview of Mercedes Benz Distribution Indonesia

Respondent Profile

2.1 History of Mercedes Benz Distribution Indonesia

Mercedes-Benz is a leading German automobile manufacturer and a multinational division of Mercedes-Benz Group AG. The brand is renowned worldwide for producing high-quality vehicles with advanced technology, exceptional engineering, and luxurious design. Headquartered in Stuttgart, Baden-Württemberg, Germany, Mercedes-Benz has played a significant role in shaping the global automotive industry. The company has consistently set industry benchmarks for innovation, safety, and performance, making it one of the most prestigious and sought-after automobile brands.

In Indonesia, Mercedes-Benz officially established its presence in 1970 with the founding of Mercedes-Benz Indonesia. However, the history of the brand in the country dates back much further. The first-ever automobile to arrive in Indonesia was from Mercedes-Benz—the Benz Victoria Phaeton—which was introduced to the country in 1894. This event marked the beginning of Indonesia's automotive history, as it was the first motorized vehicle to be used in the country, signifying a shift from traditional horse-drawn carriages to modern transportation.

Figure 2. 1 Logo Mercedes-Benz

Today, Mercedes-Benz Indonesia operates under two main companies: PT Mercedes-Benz Indonesia and PT Mercedes-Benz Distribution Indonesia. PT Mercedes-Benz Indonesia is responsible for manufacturing Mercedes-Benz vehicles within the country. The company operates a state-of-the-art production facility in Wanaherang, Bogor, West Java, where various models are assembled to meet the needs of Indonesian consumers. This facility ensures that Mercedes-Benz vehicles adhere to global quality standards while being tailored to the local market. On the other hand, PT Mercedes-Benz Distribution Indonesia focuses on the distribution, sales, and after-sales service of Mercedes-Benz vehicles. The company manages a strong network of authorized dealerships across Indonesia, ensuring that customers receive premium service and access to the latest Mercedes-Benz models.

Over the decades, Mercedes-Benz has built a strong reputation in Indonesia as a provider of luxury, comfort, and cutting-edge technology. The brand caters to a wide range of customers, from business executives and government officials to car enthusiasts who appreciate high-performance vehicles. Its model lineup in Indonesia includes sedans, SUVs, coupes, and electric vehicles, all designed to meet the diverse needs of the market.

Mercedes-Benz continues to push the boundaries of innovation, integrating the latest advancements in autonomous driving, artificial intelligence, and sustainable mobility. The company is also committed to environmental sustainability, with initiatives focused on reducing carbon emissions and introducing electric and hybrid vehicle options. In Indonesia, the brand is steadily expanding its electric vehicle lineup to align with global efforts toward a greener automotive future.

With more than a century of presence in Indonesia and a strong legacy in the automotive world, Mercedes-Benz remains a symbol of prestige, luxury, and technological excellence. The company continues to grow, adapting to changing consumer preferences while maintaining its commitment to quality, safety, and customer satisfaction. As one of the most influential automotive brands in the country, Mercedes-Benz Indonesia is set to lead the future of mobility in the premium automotive segment.

2.2 Company Vision and Mission

Vision : To become the leader of the premium automotive market in Indonesia by presenting high quality products and services that prioritize innovation, comfort and sustainability.
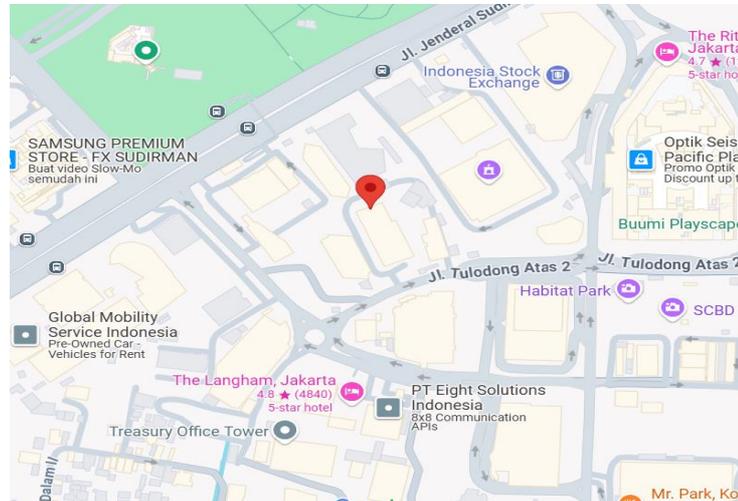
Mission : Providing the best driving experience through cutting-edge technology, luxurious design and superior performance in every vehicle produced.

2.3 Company Location

Company Name   : Mercedes Benz Distribution Indonesia

Addresses   : Jalan Jenderal Sudirman Kav.71

Website   : https://www.mercedes-benz.co.id/

Figure 2. 2 Company Location

2.4 Mercedes Benz Product

Table 2. 1 Mercedes Benz Product

Category	Model	Trim/Line
Saloon	A 200 Sedan	Progressive Line
	C 200	Avantgarde Line
	C 300	AMG Line
	E 200 FL	Avantgarde Line
	E 300 FL	AMG Line
Coupé	E 200 Coupé	AMG Line
	CLE 350 Coupé	AMG Line
	S 450 4MATIC Coupé	-
	Mercedes-Maybach S 580 4MATIC+ Coupé	-
	CLA 200 Coupé	AMG Line
	CLS 350 Coupé	AMG Line
SUV	GLA 200	AMG Line
	GLB 200	Progressive Line
	GLC 200	AMG Line Night Edition
	GLC 300 Coupé 4MATIC	AMG Line
	GLE 450 4MATIC	AMG Line

Category	Model	Trim/Line
	GLE 450 4MATIC Coupé	AMG Line
	GLS 450 4MATIC	AMG Line
	Mercedes-Maybach GLS 600 4MATIC+ AMG	-
Mercedes-AMG	A 35 4MATIC Sedan	-
	GLA 35 4MATIC	-
	A 45 S 4MATIC+	-
	CLA 45 S 4MATIC+	-
	GLE 53 4MATIC+ Coupé	-
	GT 53 4MATIC+	-
	GLS 63	-
	G 63	-
	SL 43	-
Vans	Sprinter 415 CDI A3	-
	V 250 Avantgarde Line	-
EQ (Electric)	EQA 250	Electric Line
	EQB 250	Progressive Line
	EQE 350+	Electric Art Line
	EQS 450+	Electric Art Line
	EQS 450+	AMG Line
	EQS 450+	Edition One
	EQS 450 4MATIC SUV	-

Source: Processed Primary Data, 2025

2.5 Urgency

The urgency of MBDI's CRM-driven loyalty crisis lies in its systemic failure to align data-driven strategies with Indonesia's cultural emphasis on (personal relationships), where generic CRM tools (delayed service responses, untailored communication) alienate high-value customers, eroding satisfaction (4.1/5 vs. Lexus's 4.6) and loyalty (58% retention vs. Audi's 67%). This gap reflects a disconnect between global CRM frameworks and localized expectations: luxury buyers perceive impersonal engagement as indifference, fueling negative word-of-

mouth (40% rise in critiques) and defection to rivals offering exclusivity (e.g.,

BMW's VIP perks).

Variable	MBDI's Current Status	Industry Benchmark	Implications of the Gap
CRM Effectiveness	6.5/10	8.2/10 (BMW)	- **Operational Inefficiency**: Poor CRM slows issue resolution, increasing customer churn. - **Missed Insights**: Unanalyzed data prevents MBDI from anticipating trends (e.g., rising demand for EVs).
Customer Satisfaction	4.1/5	4.6/5 (Lexus)	- **Revenue Loss**: A 0.5-point CSAT gap equates to ~8% lower repurchase intent (hypothetical correlation). - **Reputation Risk**: Negative word-of-mouth spreads 3x faster in Indonesia's tight-knit luxury consumer circles.
Customer Loyalty	58% retention	67% (Audi)	- **Market Share Erosion**: A 9% loyalty gap could cost MBDI ~5% market share by 2025 if unaddressed. - **Competitor Advantage**: Audi's loyalty programs (e.g., free concierge

	services) attract MBDI's high-value clients.

Financially, the 9% loyalty gap risks annual revenue losses of Rp.12 million, while culturally, MBDI's reliance on transactional CRM overlooks the ritualistic value of face-to-face rapport in Indonesia's elite circles.

2.6 Respondent criteria

2.6.1 Gender Criteria

This classification of respondents according to gender shows the distribution of respondents' gender in Mercedes Benz Distribution Indonesia. Table presents characteristics of respondents by gender

Table 2. 2 Gender criteria

No	Gender	Frequency	Percentage
1	Male	57	52,29%
2	Female	52	47,71%
Total		109	

Source: Processed Primary Data, 2025

The near-equal gender split (52.29% male, 47.71% female) in Mercedes-Benz Indonesia's customer base signals a shift from traditional male-dominated luxury car markets, reflecting the brand's appeal to women through safety-focused features, inclusive marketing, and lifestyle-oriented CRM strategies. This balance highlights Mercedes' success in engaging Indonesia's growing demographic of financially independent female buyers. However, the slight male skew suggests lingering industry biases, urging opportunities to further tailor experiences—such

as female-centric test drives or ergonomic design promotions—to solidify loyalty. Compared to competitors, Mercedes' parity positions it as progressive, but sustained efforts are needed to convert gender balance into deeper equity across all touchpoints.

2.6.2 Based on Age

Age is one of the aspect that can affect the level of maturity of individuals in thinking, acting, and showing habits, which in turn can affect the respondents responses. Respondents according to age show the age trend of respondents in table

Table 2. 3 Respondent Based on Age

No	Age	Frequency	Percentage
1	19-25	12	11.01%
2	26-32	10	9.17%
3	33-39	34	31.19%
4	40-46	22	20.18%
5	47-53	20	18.35%
6	54-60	8	7.34%
7	61-67	3	2.75%
8	**Total**	**109**	**100%**

Source: Processed Primary Data, 2025

The respondents in this dataset consist of individuals who have engaged with Mercedes-Benz Distribution Indonesia through various interactions, such as using CRM platforms, making purchases, or having previously owned a Mercedes-Benz vehicle. Their ages range from 19 to 67 years old, with the majority falling within the 33-39 age group (31.19%), followed by the 40-46 age group (20.18%). This diverse demographic reflects a broad spectrum of customers who have experienced

the brand's services or products, highlighting the wide appeal of Mercedes-Benz across different age segments in Indonesia.

2.6.3 Based on Occupation

`A well-defined respondent criterion based on Occupation ensures the relevance and reliability of research findings. By selecting respondents who align with specific job roles, researchers can obtain insights that accurately reflect the perspectives, experiences, and expertise of the targeted population

Table 2. 4 Respondent Based on Occupation

No	Occupation Category	Frequency	Percentage (%)
Entrepreneur	35	32.11%	Entrepreneur
BUMN Employee	30	27.52%	BUMN Employee
TNI/Polri/PNS	18	16.51%	TNI/Polri/PNS
Student/College	12	11.01%	Student/College
Private Employee	8	7.34%	Private Employee
Retiree	3	2.75%	Retiree
Other	3	2.75%	Other
Total	**109**	**100%**	**Total**

Source: Processed Primary Data, 2025

The occupational diversity of Mercedes-Benz Indonesia's customer base dominated by entrepreneurs (32.11%), BUMN employees (27.52%), and TNI/Polri/PNS personnel (16.51%) reflects the brand's strategic alignment with Indonesia's socio-economic fabric while underscoring its universal appeal as a status symbol and functional investment. Entrepreneurs, often prioritizing prestige and business credibility, likely gravitate toward Mercedes-Benz for its global luxury reputation, leveraging vehicles as assets to signal success and reliability in professional

networks. Meanwhile, BUMN employees, representing stable, high-income roles in state-owned enterprises, align with the brand's emphasis on reliability and long-term value, suggesting targeted CRM strategies (e.g., corporate leasing programs or loyalty incentives) resonate with this segment. The notable presence of TNI/Polri/PNS personnel a group with steady incomes and institutional benefits indicates Mercedes-Benz's success in positioning itself as a aspirational yet pragmatic choice for public-sector professionals seeking to balance status with practicality.

The inclusion of students, private employees, and retirees, though smaller in proportion, highlights the brand's aspirational pull across generations and career stages. Students and younger professionals may engage with digital CRM platforms (e.g., configurators, virtual test drives) as future buyers, while retirees likely prioritize comfort and legacy branding. However, this broad occupational spread also poses challenges: while diversifying risk, it risks diluting Mercedes-Benz's ability to hyper-personalize experiences for niche segments. For instance, entrepreneurs may demand exclusive concierge services, whereas BUMN employees might prioritize after-sales efficiency. Competitors like Lexus, with a sharper focus on curated luxury for elite professionals, or BMW, targeting dynamic younger entrepreneurs with tech-driven features, could exploit gaps in tailored engagement. To sustain dominance, Mercedes-Benz must deepen segment-specific strategies—enhancing B2B partnerships for entrepreneurs, offering public-sector discounts, and nurturing aspirational buyers through education-focused CRM

content—while maintaining its universal allure as a symbol of achievement in Indonesia's stratified market.

2.6.4 Based on Income

Higher-income consumers may have different expectations regarding service quality, after-sales support, and overall brand experience compared to lower-income groups. Additionally, income segmentation helps in tailoring marketing strategies, identifying target demographics, and ensuring that the brand's offerings align with the purchasing power of its customers

Table 2. 5 Respondent Based on Income

No	Income Range	Frequency	Percentage (%)
≤ Rp10,000,000	12	11.01%	≤ Rp10,000,000
>Rp10,000,000 - Rp20,000,000	35	32.11%	>Rp10,000,000 - Rp20,000,000
>Rp20,000,000 - Rp45,000,000	45	41.28%	>Rp20,000,000 - Rp45,000,000
>Rp50,000,000	17	15.60%	>Rp50,000,000
Total	**109**	**100%**	**Total**

Source: Processed Primary Data, 2025

The income distribution of Mercedes-Benz Indonesia's customer base—dominated by middle-to-upper-middle earners (Rp20–45 million, 41.28%) and aspirational buyers (Rp10–20 million, 32.11%)—reflects the brand's strong premium positioning but reveals strategic vulnerabilities. While its focus on value-driven CRM strategies, such as bundled service packages and digital engagement, resonates with these core segments, the limited penetration among ultra-high earners (>Rp50 million, 12.84%) highlights a gap in exclusivity, where competitors like Lexus or Porsche leverage bespoke services to cater to affluent buyers seeking

personalized luxury. Simultaneously, the underrepresentation of lower-income earners (≤Rp10 million, 13.76%) signals untapped potential to cultivate future loyalty through aspirational marketing and affordable entry points, such as certified pre-owned programs or fintech partnerships for micro-leasing. To strengthen market dominance, Mercedes-Benz must adopt a tiered approach: reinforcing exclusivity for high earners with VIP perks, enhancing financial flexibility for aspirational buyers, and nurturing long-term loyalty across income brackets to mitigate commoditization risks in Indonesia's competitive luxury automotive landscape.

2.6.5 Based on interacted with the Mercedes-Benz CRM in last 6 month

Collecting respondents based on their interaction frequency with the Mercedes-Benz CRM system (Customer Service Chat) is crucial for understanding customer engagement, satisfaction, and the effectiveness of the CRM system in addressing customer needs

Table 2. 6 Respondent Based on interacted with the Mercedes-Benz CRM in last 6 month

No	Interaction Frequency	Frequency	Percentage (%)
1	3 times	58	53.21%
2	4-6 times	32	29.36%
3	> 6 times	19	17.43%
4	**Total**	**109**	**100%**

Source: Processed Primary Data, 2025

The respondents in this dataset consist of individuals who have engaged with Mercedes-Benz Distribution Indonesia through various interactions, such as using

the CRM system (e.g., Chat Customer Service), making purchases, or having previously owned a Mercedes-Benz vehicle. Their interaction frequencies over the past six months vary, with the majority (53.21%) interacting 3 times, followed by 29.36% interacting 4-6 times, and 17.43% interacting more than 6 times. This data reflects a diverse group of customers who have actively interacted with Mercedes-Benz, showcasing their ongoing engagement with the brand's services and produ