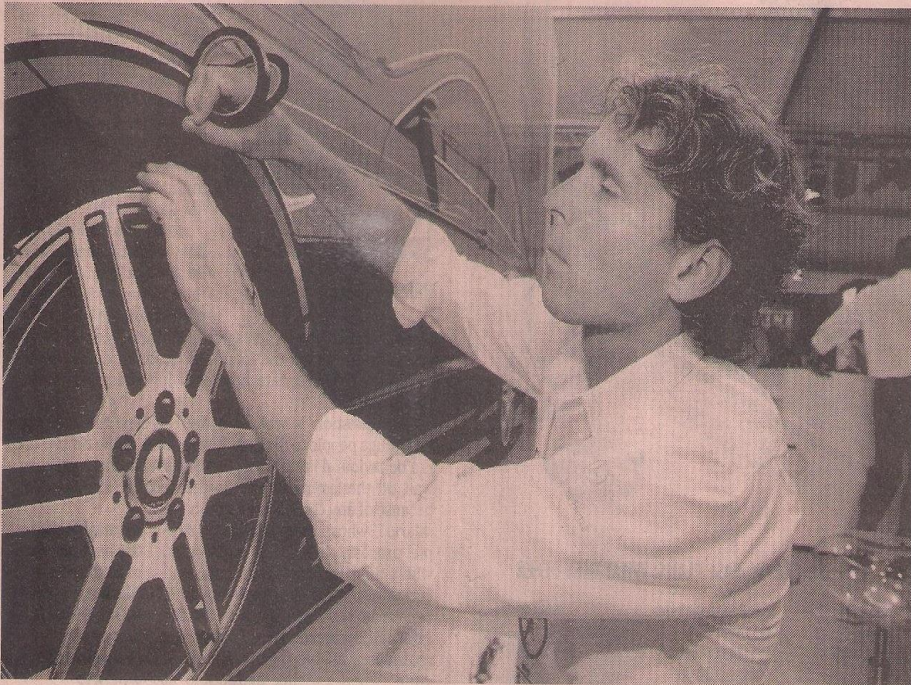


Merc's made-to-order test

The car maker is investing in a flexible manufacturing line to offer personalisation



SANGEETA TANWAR

Mercedes-Benz is betting big on customisation to stand apart in the luxury car space. Its customisation services — covering all models unlike other players that extend it to high-end ones — are aimed at providing buyers a rich experience by replacing the standard practice of picking up mass cars “off the rack” from showrooms. With buyers opting for customised vehicles, Mercedes-Benz stands to command a premium for exclusive, made-to-order car models. The carmaker is offering “customisation and individualisation” services in all the Mercedes-Benz Dream Car models and AMGs (that is completely built units or CBUs). About 15 to 20 per cent of its overall CBU customers seek unique customisation options.

“Our Designo customisation service ensures that particular design specifications are carefully implemented using traditional craftsmanship and the customers own a car that is produced according to their tastes and preferences,” says Roland Folger, managing director and chief executive officer, Mercedes-Benz.

For example, Designo individualisation options enable customers to shape cars as per their own specifications by opting for made-to-order topstitching, head restraints, dashboard, door handles, armrests and handbrake. Further, as part of Designo extras, the buyers can avail themselves of a wide selection of exclusive additional features, ranging from carbon fibre exterior packages to seat massagers.

Products made to the specifications of an individual’s preferences go a long way in fulfilling her need for uniqueness among discerning and upmarket customers. Therefore, the benefits of customisation for car makers such as Mercedes-Benz is the ability to stand out by offering exclusivity, uniqueness and power and therefore get dedicated customer patronage, says Jones Matthew, professor, marketing, Great Lakes Institute of Management, Gurgaon.

“Individualisation also allows producers to charge a heavy premium on the customised product, thereby assuring a significant source of profits. Such customisation signals to the market that the company is not only rich in consumer insights but also has the resources to translate those insights

heavily in highly skilled handcrafters, built a strong and continuous supply of high-quality raw materials for paints, leathers, trims, etc. and set up flexible manufacturing capacities. It nurtures and trains a small group of handcrafters who have expertise in working with different raw materials and fabrics for fashioning the interiors as well as exteriors of a car. Designo stone trim, for instance, is fashioned from granite following a patented procedure which includes a careful selection, cutting into water-thin sheets and turning it into a finished product.

Mercedes-Benz has also developed Designo app for iPad users and its sales personnel. The app enables different combinations for customisation. The customer can also receive instant price quotes for the model she wishes to get customised.

Since Designo customisation happens only during the manufacturing in Germany, the ideal lead time for a car to be ordered, manufactured and shipped to India is about five to six months.

The pricing of personalised vehicles varies depending on the level of customisation sought by the customer. For example, for a customer who is configuring an AMG G 63 to her taste, the car is available with six different paint options to choose from at the ex-showroom price of ₹2.38 crore. However, in case the customer goes for paint options called “crazy colours” like solar beam yellow, sunset beam orange and alien green, the price can run into thousands for each model as these exclusive options are available on orders only at a special price.

The challenges for micro-marketers like Mercedes-Benz are multiple. In order to cater to customer demands, it needs to put in place a highly sensitive and synchronised design-production-marketing team able to translate individual customer tastes into actual product specifications.

Matthew points out that while offering customisation services, Mercedes-Benz needs to ensure it has the ability to source product components in very small quantities as per individual customer’s specifications. It also needs to build capacity to run customised production schedules as separate from the regular production lines.

The overwhelming demand and lead time involved in customisation can be quite a challenge. “At the same time, catering to customer wants is not feasible or pragmatic in certain situations. For instance, the manufacturer has to be sensitive towards government regulations and homologation requirements in order to cater to the customer’s varied demands,” says Folger.



UNIQUE TOUCH

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into valuable and aspirational products with an order size of ONE,” elaborates Matthew.

Providing a high level of customisation across models is no mean task, as it calls for detailed planning and effective implementation of ideas at the manufacturing floor.

To offer a truly personalised product to customers, Mercedes-Benz has invested