



PESTLE ANALYSIS

Mercedes – Benz

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PESTLE ANALYSIS – Mercedes-Benz 2024

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ENVIRONMENTAL

POLITICAL FACTORS

- **Political stability, government policies, trade agreements, tariffs, and sanctions are crucial to Mercedes-Benz's operations and market access.**
- **Trade tensions between the U.S. and China have led to higher tariffs, affecting pricing and profitability.**
- **Increasing focus on reducing carbon emissions and promoting sustainable transportation leads to stricter regulations.**
- **Investments in electric and hybrid vehicle technologies are driven by government regulations on fuel efficiency and emissions.**



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ECONOMIC FACTORS

- GDP growth, inflation rates, and consumer purchasing power significantly influence luxury vehicle demand.
- Economic downturns lead to reduced sales as consumers become cautious with spending.
- Currency fluctuations impact profitability due to operations in various countries.
- A strong euro may dampen demand by making vehicles more expensive in foreign markets.

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SOCIAL FACTORS

- Shifting consumer preferences and demographic changes necessitate adaptations in marketing and product offerings.
- The rise of ride-sharing services results in declining car ownership among younger consumers.
- Investments in mobility services to adapt to environmental consciousness and changing consumer behaviors.
- Focus on appealing to tech-savvy, environmentally conscious millennials and Gen Z.



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TECHNOLOGICAL FACTORS

- Advances in electric powertrains, autonomous driving, and connected car technologies drive industry innovation.
- Heavy investment in research and development to maintain a competitive edge.
- The EQ sub-brand focuses on electric vehicles; its partnership with NVIDIA enhances AI and autonomous driving.
- Significant resources allocated to keep pace with competitors like Tesla and BMW.



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LEGAL FACTORS

- Compliance with safety, emissions, and consumer protection laws is critical to avoid fines and reputational damage.
- Increased scrutiny and investment in cleaner technologies following industry-wide emissions scandals.
- The importance of adhering to environmental regulations to maintain consumer trust.
- Legal requirements shape product development and compliance strategies.



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ENVIRONMENTAL FACTORS

- **Climate change and sustainability goals influence industry transformation.**
- **Commit to carbon neutrality by 2039 and offer electric versions of all models by 2022.**
- **Investment in electric vehicle production and circular economy principles.**
- **Focus on using recycled materials and improving battery recycling processes.**