

smart –
**Continuous Conceptual Innovation
with “Limited” Product Innovation**

The Strategic Role of Communication to reinforce Brand Equity

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Case study

Summer of 1973, Radek Jelinek, an eleven-year-old boy from Brno, then Czechoslovakia, stood still for a moment in the Colosseum arena. His imagination went way back to the ancient gladiators and their tough survival quests and to something that he had heard during his trip: *“Start by doing what’s necessary; then do what’s possible; and suddenly you are doing the impossible”*. Two weeks after he had left with his parents for a vacation in a place other than another communist country, he did not know that the impressions of this very first trip to the “free world” would change his life forever.

End of 2018, right after his appointment as Mercedes-Benz Italia S.p.A. President and CEO, Radek Jelinek was just returning from his first business trip to Böblingen, Germany, headquarter of the smart GmbH. It was a sunny day, and he had just met up with Annette Winkler, the smart CEO worldwide, to discuss the importance of, and the next steps to take in, the Italian market for the smart brand. Their paths crossed several times during their Daimler careers, the previous time had been one year before in Guanajuato, Mexico, when Jelinek was running Mercedes-Benz Mexico as President and CEO. They were celebrating the launch of a “smart city” campaign in Guanajuato, laughing and remembering the floods of water when a tropical rain shower hit the show during the press conference held in the dungeons of this ancient city, with Annette speaking to the press barefoot, holding her Louboutin high heels up in the air.

Back then, Jelinek was in his 30th anniversary year with Daimler, where he had started as an intern; he later completed his thesis at the three-pointed star enterprise in Kassel, Germany, and escaped with only a backpack the drowning communist enterprise, defeated by liberal capitalism. From this town in central Germany he moved to the Daimler HQ in Stuttgart and later gained experience in highly volatile Argentina, followed by his first position of responsibility as CEO in a near-civil war situation in Chavez’s Venezuela. The 2007 Daimler-Chrysler de-merger when he was CEO of Chrysler in Germany, including the ensuing financial knockout worldwide when the company was transferred to Cerberus and later to the newly founded FCA Group, enriched his curriculum. When he hit the Italian shores for the first time in 2011, looking for a new job, he was appointed CEO of the Mercedes-Benz Brand Center and Retail in Milan. Facing the Italian market for the first time, he tried to understand the potential of the smart brand and learn about its history in Italy, even though the Mercedes-Benz side of the business had far more resources and obtained far more results.

He was now reflecting on how smart as a product became a fashion icon and a success over time. The result of creativity, courage to innovate and hard work from the smart team in the market, as well as keeping the Italian management focused on pushing for a rather low-margin niche vehicle over a long period of time while maintaining a continuous conceptual freshness by giving the impression of continuous innovation in a context of limited product innovation.

Introduction

Originally envisaged by Swatch, the Swiss watch company, and Mercedes-Benz, the German automaker, symbol of elegance and power, the tiny smart (Swatch-Mercedes ART) car soon became a Daimler-only project and, when launched in the market, a revolutionary icon, which combined demands for symbolic, experiential and functional benefits. Its innovative size, with a length of 2.50 m, able to accommodate two seats and fit in every parking space, entails a strong environmentally friendly approach, thanks to its low fuel consumption and minimum carbon dioxide emissions ahead of its time. smart's USP was based on the unique Tridion safety cell construction with rear engine position and rear-wheel drive, providing the best performance in class 4-star NCAP crash test rating and thus an unusually high safety concept for a sub-compact car. The last two decades saw smart consistently implementing technical innovations, while always keeping in mind the idea to provide a practical vehicle for use in the urban traffic without compromises. Strong emotional value, especially among the youngest clientele, is an asset that embraces all the vehicles produced by the company, which is today in its third generation: a result of mixing its original DNA, built on innovation and fancy design, with a future-oriented approach. As of 2019, smart decided to completely move its production to fully electric vehicles, produced in a 50/50 partnership with Geely, one of China's largest automakers, starting a new chapter in the story of the brand, which retains the iconic products as its strong point, but in a new guise, so as to provide some guidance to the ongoing internal discussion at Daimler aimed at discontinuing the smart brand due to its unsatisfactory profitability.

The case will take as background the history of smart in Italy, a market that accounted, for a long period, for roughly 30% of total worldwide sales. Success in the Italian market, which itself became a case-history in the industry and within the Daimler group, has been linked to the capability of the management to continuously fuel the perception of innovation, through a continued stream of innovative communication campaigns, thus maintaining high engagement with the target market, and eventually engendering a willingness to buy in potential customers.

The case will thus analyze the strategic role of promotion and communication in reinforcing smart brand equity, and how a continuous series of innovative marketing actions, deployed in a coherent long-term strategy, provided the conceptual foundation to sustain the brand over time.

Smart's history

The idea and the origins (1982-1998)

Mercedes-Benz entered the compact car segment only in 1982, with the 190 model (also called the Baby-Benz by enthusiasts). The brand, considered a luxury car icon and an absolute technology and innovation leader in the industry, feared it might weaken the brand image, a subject of extensive controversy. Yet, volume growth, especially in the growing compact and sub-compact car segments worldwide, was set as a goal, to ensure long-term survival as well as the rejuvenation of the brand, whose average customers' age was in the late sixties.

Subsequently, the 1997 entry into the sub-compact car segment with the all new A-class was no less controversial. The almost "religious debate" concerning how a small car could jeopardize the Mercedes-Benz brand value was a trending topic in the mid-1990s. However, the oil crisis and the need to ensure retailers' profitability on the long run paved the way for the new volume strategy of Mercedes-Benz.

The worldwide success of Nicolas Hayek's innovative approach, with his Swatch brand, to a high-cost Swiss made watchmaking establishment showed how to reconquer the lower end of the market lost to Japanese brands with innovation and simplicity, and without compromising on accuracy and flamboyant marketing. The innovative, colorful, interchangeable wristband approach, with a high-quality low-cost quartz wristwatch, also made its way into the similarly rather conservative car industry.

The idea was to approach the lower end of the car market with an aspirational urban micro-compact car featuring high standards of safety, a revolutionary turning radius, a fresh young design with multi-color inter-changeable door panels, innovative marketing and a lean distribution concept.

Following its low segment expansion strategy, Mercedes-Benz very soon proved to be the ideal partner, due to its innovative engineering capabilities and a strong dealer network spread worldwide.

If the decision to introduce the sub-compact A-class was difficult to take in Stuttgart, this micro-car, in the eyes of many at the Untertürkheim Headquarters, was almost seen as blasphemy. Also, the financial business case was extremely tight and did not promise great returns on investments. Yet the long-term strategic belief in a fast growing and sustainable urban micro-mobility was decisive to give the project the green light.

However, Mercedes-Benz brand defenders did not go as far as to allow its star to be placed on the hood of a tiny city car. The smart brand was born as the acronym of S-watch M-ercedes ART, suggesting at the same time the idea of a smart urban vehicle.

The original project was driven in 1993 by the Swatch team, for the development of an urban vehicle based on an electric or hybrid concept, in cooperation with Volkswagen. After only one year, VW abandoned the project and Hayek turned to Mercedes. A 50/50 joint venture between Daimler-Benz AG and SMH SA (Société Suisse de Microelectron & d'Horlogerie) was established in 1994, the MCC AG (Micro Compact Car AG). Yet the possibility of an electric/hybrid vehicle did

not seem feasible, so the Swatch team abandoned the project and the development of a gasoline-powered car became solely a Daimler-Benz enterprise.

Since its introduction at the Paris Motor Show in 1998 the smart sold over 2 million cars worldwide, of which almost 600 thousand units in Italy alone. Italy, in fact, has become by far the largest market (excluding numbers from German factories’ employees). Yet the beginning was anything but smooth.

The market entry phase (1998-2002)

The initial distribution approach by MCC (Micro Compact Car), society founded by Daimler with Swatch and then directly owned by Daimler, was a 2-level distribution concept in which the Mercedes-Benz national sales company was not involved. Indeed, MCC’s franchisees consisted of 22 private investors, located in the main Italian cities.

The product launched was the W 450 series two-seater coupe with a gasoline and later a diesel engine, it featured a semi-automatic transmission, panorama roof, and alloy wheels, a configuration rather more typical for the more expensive higher segment vehicles. Nonetheless, the new entry was considered an expensive toy with doubtful vehicle safety. Due to showroom separation from the Mercedes-Benz dealer body, the public did not know its parent company and thus its reputation. As Mr. Barra (at that time Head of smart) stated: “I still remember, as if it was yesterday, the day smart was launched in the smart centers. As soon as we arrived, the dealership was full of hundreds of people who had come to see the new smart. The next day, however, when we entered the smart center, the dealership was completely empty, and we started questioning the reasons behind this. We discovered that people were really skeptical regarding the new small “toy”. The skepticism led to a poor sales result, in 1998 smart only sold 1,234 units. The smart management understood that the smart center network would not be able to guarantee the achievement of the sales targets (16,000 units in 1999) and in the early 2000s Daimler decided to distribute the product directly through MPC (3-level distribution), thus changing the distribution model and involving the Mercedes-Benz national sales companies (NSC) and its dealer network. Therefore, a more “solid” network was established, offering Mercedes dealers who were not smart centers the chance to acquire this mandate, improving capillarity and also allowing smart to be associated with the Mercedes brand (see exhibit II: distribution network).

At the same time, a dedicated Italian smart management team immediately stepped into the challenge to reverse the trend. As Mr. Barra stated: “The presence of a very dedicated and energized smart team was the driving force that achieved the turnaround.”

The management, after a context analysis, focused on six main strategic pillars to approach the challenge, which are detailed below.

- **Improve the safety image of the car.** The management team decided to broadcast an “impactful” advertising campaign to change the perception on safety. The memorable “Godzilla” com-

munication strategy (see exhibit 18.: Communication, TV-commercial in Italy) campaign showed the monster’s huge foot resting on the roof of the car without damaging the Tridion cell (utilized as the reason-to-believe concept in the commercial) visualized through the symbolic “X-ray image” (see exhibit 9: Production facilities and technologies).

- **Communicate that Mercedes-Benz is the parent company behind the product.** A fundamental additional element of the “reason-to-believe” concept that the car should not be considered a toy, but a high-quality product was developed through the so-called “smart is a Mercedes” communication strategy. A straight-forward campaign showing a smart car with the slogan “Now smart is a Mercedes”, not only suggesting who the parent company was but also associating it to the 140 Mercedes-Benz wide outlet network with its reliable service and reputation (see exhibit 6: Communication – outdoor).
- **Give the car VIP status with enhanced visibility and dedicated test drives.** A specific VIP visibility plan was developed to raise its coolness level among end-users and to attract the press, by a) selecting clubs perceived as prestigious at the time – like the Billionaire Club in Sardinia that displayed 25 yellow models (see Exhibit 17: Additional examples of Communication – outdoor); b) using VIP ambassadors and offering test drives, c) sponsoring sports events that usually attracted HNWI customers, such as the Italian Open tennis tournament in Rome; c) introducing the smart to the “cool” young scene in Italy via young ambassadors; and d) with the five impressive smart towers located in some of the most important or wealthiest urban areas in Italy (Rome, Casalecchio di Reno (BO), Parma, Vicenza, Treviso) (see exhibit 10: distribution channels – retail).
- **Enlarged sales channel.** The management aimed at achieving both capillarity in terms of distribution and at showcasing the new car without utilizing a massive TV advertising budget. So, the decision was to identify a nationwide institution and set up a cooperation agreement, thus opening up a “non-automotive” distribution network nationwide. At that time, Banca di Roma was one of the largest retail banking institution, with around 1,200 branches (its advertising claim was: “Only one car can open 1,200 doors”). The car was then displayed in many of the branches with an innovative channel-specific offer: by opening a bank account with a maximum overdraft of 25 million Italian Lira (equivalent to 13,000 Euros, the same as the price of the car), customers were given immediate access to credit services, without advance payments, fixed rates, or monthly instalments. The channel substantially supported target achievements, with 4,300 units sold in 15 months (see Exhibit 3: Additional channels).
- **Innovative marketing activities keeping up with the times.** The original buyers’ profile of a smart car (54% men, 46% women) was that of a highly educated professional (91% were using the Internet in 1999, compared to a much lower average in the Italian population), with above-average income, young (average age under 40) or “youthful”, trendy and with strong urban mobility needs, who appreciated the size, maneuverability, exterior styling, and low fuel consumption. Thus, the focus was on sports (ATP Italian Open in Rome), culture (the Festival of the Two Worlds in Spoleto) and VIP events (smart evenings for VIPs at the tennis tournament,

the Billionaire Summer Party on the Costa Smeralda) (see Exhibit 17: Additional examples of Communication – outdoor);

- **Commercial offers based on instalments.** The ambitious price-list of smart was mitigated by clever financing offers with low or variable monthly instalments, making it accessible in this way to younger and mid-income customers.

The result was a monthly sales growth from initially around 600 units/month to approx. 2,500 in less than a year. In 2002, smart sold 31,500 units (see exhibit 14: Retail sales volume performance in Italy (units)).

In a short timeframe, the smart brand image was completely transformed, from a practical, pragmatic, safe car to a trendy, fashionable and desirable aspirational object.

The organization was lean by design. The small team, composed of a maximum of 5-6 members specifically dedicated to smart and independent from the Mercedes-Benz brand, was a key aspect for the brand success. The names behind the success were Fabrizio Barra, who joined the company in 1998 as Head of smart and maintained this role almost without interruption until 2015, Antonio D’Amato who joined the company in 1999 as Key Account Manager and then as District Manager, and Francesco Melucci, who was in charge of sales campaigns and dealer network steering since 1998 (see exhibit 20: Management team).

The “Product offensive strategy” phase (2002-2007)

A new phase for the brand started in 2002, with the introduction of derivatives like the cabrio and the iconic crossblade . Despite the limited volume of some of the special models sold (e.g., the crossblade sold 322 units up to 2006) (see exhibit 14: Retail sales volume performance in Italy (units)), iconic derivatives and limited editions strongly contributed to the increase of smart brand equity.

A breakthrough change in brand portfolio strategy materialized in 2004, with the introduction of two new regular models, the forfour and the roadster, aimed at enlarging the market scope and segment coverage of the brand, and enhancing perception among both dealers and end-customers.

This move was planned to enter both the high-volume “sub-compact car” segment and specific niche segments. This move implicitly meant abandoning the brand historical unique selling proposition (USP) – the 2.50 m length –, while entering in direct competition with other traditional brands with far less expensive cars.

Despite achieving its sales peak in 2005 (almost 42,000 units sold in Italy) (see exhibit 14: Retail sales volume performance in Italy (units)) market results for the newly launched products were far from satisfactory and the volume was mainly achieved from sales of the historical fortwo model. In its best year – 2005 – smart forfour sold 12,300 units (4,100 diesel), while roadster sold 2,500 units over its 4-year life cycle, before being discontinued.

The brand portfolio restructuring continued in 2007, when:

- On one side, the diesel versions were discontinued in all carlines due to new European regulatory requirements concerning emissions and the current gap in the model’s technical and financial feasibility
- On the other side, the new version of the vehicle (W451 model) was launched, featuring a 2.70 m length while maintaining its fashionable urban micro car style, very handy maneuverability, and distinctive design

As of 2007, only the fortwo, the forfour and the cabrio are displayed in showrooms, all other derivatives having been discontinued due to lack of sales volumes, and consequent lack of financial viability for production.

“Those years were very active not only in terms of product portfolio restructuring, but also in terms of innovation of marketing plan activities”, as Antonio D’Amato, smart District Manager, recalled. The management progressively focused on three main directions: (a) a continuous stream of **limited editions** to maintain the hype and the sense of newness and innovation, (b) **co-marketing** and promotional activities with top companies in different industries, to increase visibility and awareness and to intercept the most relevant socio-economic and technological trends of the moment, and (c) provocative and memorable **advertising**, to communicate “coolness” and to increase recall, engagement, persuasion and trial potential.

In terms of **limited editions**, the following ones (see Exhibit 2: Product extension), have been the most successful in the market:

- **smart special edition “mat” 2006.** “Mi piaci perchè sei mat” (i.e., “I like you because you are mat”, a wordplay with “matte” and the Italian word “matto”, mad), a campaign on the limited edition model in a new, exclusive and fashionable matte color range, which sold 1,300 units in just two months and paved the way for one of the main pillars of success for the smart in Italy, the Limited Special Editions Made in Italy (see Exhibit 2: Product extension).
- **smart Yin & Yang 2007.** A limited edition smart cabriolet, with the pulse version in black and the more exclusive passion version all in white with a leather interior, featured on billboards and on the web (see Exhibit 2: Product extension).

Several **co-marketing activities** were implemented over the period, such as:

- **TIM¹ 2002.** The “Only smart charges you up and recharges you” campaign, offering a prepaid phone card as well as a “0 Euro first instalment”. TIM also acquired 1,000 units for its field force. 3,500 units were sold through this campaign. Its success relied on the capacity of smart to cre-

1. TIM S.p.A., also operating under the name Telecom Italia, is an Italian telecommunications company headquartered in Rome and Milan, which provides telephony services, mobile services, and DSL data services. It is the largest Italian telecommunications services provider in revenues and subscribers

ate a partnership with the biggest Italian telecommunication company when cellular phones were booming, giving customers a prepaid phone card in order to attract them and increase the brand’s visibility (see exhibit 6: Communication – outdoor).

- **Smart Games NGage with Nokia² 2003.** Introduction of smart center walk-ins together with Nokia’s NGage play console inviting users to test-drive a smart. The partnership with Nokia was crucial since the Finnish company was at that time the dominant player in the cellular phone market. Considering the interest of consumers for this market, such a campaign and partnership also allowed to increase the visibility of the brand (see Exhibit 17: Additional examples of Communication – outdoor).
- **Q8 gas³ stations 2003.** The “Take a 10,000-km trip” campaign, with prepaid Q8 fuel cards allowing approximately a year’s free gas for the car, particularly of interest to consumers who paid attention to gas prices. 2,750 units were sold thanks to this promotional activity (see Exhibit 17: Additional examples of Communication – outdoor).
- **smart featuring the John Richmond⁴ fashion brand 2004.** Distinctive outer design with fashionable elements displayed on billboards in partnership with one the trendiest fashion brand at the time (see Exhibit 8: Additional examples of Product extension).
- **smart Banco di Sardegna⁵ 20,000 Euro loan 2004.** Another co-operation with a bank, this time Banco di Sardegna, offering a loan of up to 20,000 Euro when buying a new smart without any down payment and flexible instalments. This allowed smart to find a way to attract consumers by promoting an alternative paying method to the ones traditionally used by other automotive brands (see Exhibit 3: Additional channels).
- **smart forfour with Santander Mastercard 2005.** 2,500 Euro credit on a Santander⁶ co-branded Mastercard when purchasing the new smart forfour (see Exhibit 3: Additional channels).
- **smart forfour Glitter with Apple iPod Nano 2005.** To further push the forfour newbie model in its very competitive and price-sensitive segment, smart produced eight new special models in glittering colors including a Becker Audio with Apple’s brand-new iPod Nano (similar colors), the trendiest technological item launched by Apple in 2005 and soon to become a must-have (see Exhibit 8: Additional examples of Product extension).
- **smart Milano Esselunga⁷ Xmas gift 2005.** The deal with the supermarket chain Esselunga from Lombardy holds the Guinness Book record for the highest number of cars given to customers

2. Nokia Corporation is a Finnish multinational telecommunication, information technology, and consumer electronics company, founded in 1865.
3. Kuwait Petroleum International, often referred to by its trademark Q8, refines and markets fuel, lubricants and other petroleum products in Europe.
4. John Richmond is an English fashion designer based in Italy.
5. Banco di Sardegna S.p.A. is an Italian credit institution owned by the BPER Banca Group.
6. Banco Santander, S.A., doing business as Santander Group, maintains a presence in all global financial centers as the 16th-largest banking institution in the world
7. Esselunga S.p.A. is an Italian company operating in the large-scale retail sector in northern and central Italy with supermarkets and superstores.

in a Christmas lottery, 1,000 smart forfour units. The Esselunga campaign was launched on TV, radio, the web and billboards. (see exhibit 18: Communication – TV-commercial in Italy)

In addition, some specific advertising **campaigns** contributed to maintain high the attention on the product while reinforcing its perceived coolness:

- **smart forfour pre-launch teaser campaign 2004.** Featured on the web and billboards, the “Finally free” campaign had four people emphasizing more space for more passengers in preparation for the launch of a product without its main asset, its 2.50 m length. The main slogans were: “Not a word until 04.24.04”; “Four without... until 04.24.04”; “Breaking news: it will come out on 04.24.04”; “Hibernate in October. Set the alarm for 04.24.04” (see exhibit 6: Communication – outdoor).

The organization remained lean, closely connected to customers and dealers, despite the strong volume growth.

The consolidation phase (2008-2014)

After the first phase, characterized by a clear brand vision and a consequent boost both in terms of sales and brand image, the smart management team faced new challenges in order to consolidate its presence in the market. Indeed, the lack of product innovation, characterized by the use of the same platform since its origins, except for some facelift changes (in 2002 and 2007), the limited product portfolio (two main models) and the financial crisis in 2009, put the brand under pressure to maintain the visibility of the car as well as to preserve retailer feasibility. Moreover, the introduction of the first initial electric version with a low autonomy radius in 2010 was showing some positive effects, though more in terms of communication than of volume impact (a total of 600 units were sold in 2010-2015).

In order to face this new phase and consolidate the brand until the arrival of the all new W453 in 2014, the management focused on three main marketing streams: (a) sustaining and reinforcing product “coolness” through limited special editions, (b) developing co-marketing activities with strategic partners, and (c) implementing unconventional marketing and commercial activities. With regard to **limited editions**, the following ones were the most remarkable:

- **smart “black tie” limited edition 2009.** Billboard campaign 1st qt. 2009 with 1,500 units based on the pure (basic) line, alloy wheels and chrome pack at just 10,890 Euro (see Exhibit 8: Additional examples of Product extension).
- **smart “white” limited edition 2009.** Billboard campaign 2nd qt. 2009 presenting 2,000 units based on the pulse line, alloy wheels, chrome pack and front fog lights in chrome at 11,500 Euro (see Exhibit 2: Product extension).
- **smart “high tech” limited edition 2009.** Billboard campaign summer 2009 hinting at satellite technology (navigator, radio CD mp3 player, iPod controller, Bluetooth, start&stop feature, sold 1,000 units at 11,700 Euro (see Exhibit 8: Additional examples of Product extension).

- **smart pulse “snob” limited edition 2009.** Campaign realized in September which showed a hotel valet in uniform opening the door of a well-equipped black pulse car (alloy wheels, A/C, steering wheel paddles, panorama roof, start&stop feature) at 8,150 Euro limited for 350 units at dealer stock (see Exhibit 8: Additional examples of Product extension).
- **smart “black power” limited edition 2009.** Edition with 1,050 units based on the pure line, October 2009 campaign featuring a black car and a fashion model.
- **smart MORE limited edition 2011.** In January 2011 the smart MORE limited edition, more than a sports car, was launched. With Brabus styling and equipment, only in black and white with matching Tridion cell at an unbeatable price (see Exhibit 2: Product extension).
- **smart TEEN 2012.** Special edition with 300 special models with Brabus alloy wheel and navigator for novice drivers (“new driver approved”) at 11,900 Euro, February print campaign (see Exhibit 8: Additional examples of Product extension).
- **smart cityflame 2013.** The cityflame car featured yellow body panels with a black Tridion cell, interior in the same colors, black alloy wheels (see Exhibit 8: Additional examples of Product extension).
- **smart BoConcept Ltd edition Cabrio 2013.** 50 stylish limited edition units made in collaboration with the BoConcept furniture brand, billboard and digital campaign (see Exhibit 8: Additional examples of Product extension).

As well as the various limited editions realized over the years, and in order to achieve nationwide visibility also outside large cities, smart continued to build strategic partnerships with some top Italian companies and institutions, such as Benetton⁸, Poste Italiane⁹, Ferrovie dello Stato¹⁰. Among the various **co-marketing activities** developed during this period, the most relevant were:

- **smart “Revolution” campaign 2010.** Ten years later, after the successful past campaigns with Banco di Sardegna and Santander, in May 2010 smart returned to cooperate with a bank, this time BNL BNP Paribas¹¹. Radio and billboards showcased “The only two-seater with more than

8. Benetton Group is an Italian fashion company, present in the most important markets in the world with a network of about 5,000 stores.

9. Poste italiane S.p.A. is an Italian company that deals with postal, banking, financial and telecommunication services, public telematics, collection and payment operations and postal savings collection.

10. The Ferrovie dello Stato Italiane Group is one of the largest industrial companies in the country. 100% owned by the Ministry of Economy and Finance since 1992, the Ferrovie dello Stato Italiano SpA parent company controls its operating companies in the four sectors of supply chain, transport, infrastructure, real estate services and other services.

11. Present in Italy since 1967 as BNP and since 1979 as Paribas, the BNP Paribas Group has been operating on the Italian market for over 50 years. In 2006, the banking group of French origin consolidated its presence in Italy with the acquisition of BNL, which, following the integration process, oversees the commercial banking business. Today, Italy is one of BNP Paribas' four domestic markets together with France, Belgium and Luxembourg. Thanks to the acquisition of BNL and the presence of other Group companies, BNP Paribas provides Italian clients with products and services, from traditional to innovative, that meet the needs of individuals, professionals, companies and institutions.

800 doors” campaign, combined with an advantageous financing offer, in order to attract customers with an easy form of payment method (see Exhibit 3: Additional channels).

- **smart GENIUS 2011.** In May 2011, smart finalized a deal with Unicredit¹² Bank, promoting a campaign via its landing pages, FB, video banners and outdoor billboards asking one simple question: “Would you like 1,900 Euro?” The answer was the smart genius, a car equipped with GPS for just 11,900 Euro and credit of 1,900 Euro at Unicredit Bank. (see Exhibit 3: Additional channels).

Furthermore, smart continued its activity of **unconventional campaigns**, finding appealing ways to continuously attract new customers. Most of the campaigns were focused on finding innovative financing options, communicated in a creative way. In that period, the whole country was hit by a severe crisis (in 2009 the GDP in Italy fell to -5.3% with a consequent rise in the unemployment rate to 8.6%, the highest level since 2001. Indeed, the number of unemployed people reached 2,145 million, 369 thousand more than in the same period in 2008) and a part of its historical target was also experiencing a decrease in personal wealth. The most famous campaigns were:

- **“smart one year younger” 2008.** An intelligent trade-in campaign, realized in the first year of economic and financial crisis¹³, which extended the value of a used smart for a year (see Exhibit 17: Additional examples of Communication – outdoor).
- **smart “WANTED” campaign 2010.** A campaign built around the concept of “Wanted: We want your smart. We evaluate it as if it were 2 years younger”. Buy a new one for just 97 Euro a month and with a Pioneer navigator included, launched for a fast start in January-February 2010. On one side, this campaign attracted customers thus increasing the car’s value and on the other side it strongly reduced the monthly instalment amount for the purchase of a new car, allowing potential customers to consider it an affordable purchase even during a crisis’ period (see Exhibit 17: Additional examples of Communication – outdoor).
- **smart “eco green” campaign 2010.** A smart painted like a panda in a fresh green forest, hinting at eco-incentives up to 1,500 Euro for the trade-in of a used smart, on radio and billboards in March (see Exhibit 17: Additional examples of Communication – outdoor).
- **smart MAKE-UP 2011.** An initiative inviting smart owners to visit their dealerships and have their vehicles washed and cleaned while evaluating and test-driving a new smart. Over-evaluation of trade-in and interesting financing for the new car, aligned with all the smart brand’s marketing strategy during this year, focused on one side on creative content and on the other side on finding attracting ways to encourage consumers to consider purchasing a smart car

12. UniCredit is a Pan European Commercial Bank, with a fully plugged in Corporate & Investment Banking. Leveraging on an international network of representative offices and branches, UniCredit serves clients in another 18 countries worldwide.

13. Total net wealth decreased between 2007 and 2008 by about 1.9% (€ 161 billion), affected by a significant reduction in financial assets (-8.2%) and an increase in liabilities (3%). This is related to the drastic decrease of the GDP in 2008, which has been the lowest for over 30 years (<https://www.bancaditalia.it/pubblicazioni/ricchezza-famiglie-italiane/2009-ricchezza-famiglie/index.html>)

despite the recession. Communication through print, radio and outdoor billboards (see exhibit 6: Communication – outdoor)

- **“We want your smart” campaign 2011.** 1,300 Euro over-evaluation for vehicles registered before 2007, in order to encourage purchases of the new generation of vehicles, with monthly instalments from 93 Euro, aligned with the low instalment rates already promoted with the WANTED campaign in 2010. September-November billboard campaign showing a used smart car through a camera’s focus lens (see Exhibit 17: Additional examples of Communication – outdoor).
- **smart Seventyfive 2012 2nd qt.** billboard campaign promoting the offer of 75 Euro/month (155 Euro – 80 Euro fuel = 75 Euro) and the possibility, after two years, to return or re-finance the car if the customer is not satisfied (4,600 units) (see Exhibit 17: Additional examples of Communication – outdoor).
- **smart Liability Insurance 95 2012** After the success of the Seventyfive campaign, a new one was launched offering car insurance (158 euro – 63 Euro Insurance = 95 Euro) for three years, thus allowing customers to save money and time, as insurance was already included. May – December billboard campaign (3,600 units) (see Exhibit 17: Additional examples of Communication – outdoor).
- **smart SuperCar 2013** Billboard campaign featuring a red smart car with open doors placed between two Mercedes-Benz SLS supercars with their gull-wing doors open at a price lower than 11,000 Euro (see exhibit 6: Communication – outdoor).
- **smart Self-sufficient Sprint 2013** Well-equipped, with new Tridion cell colors, 114 Euro paid by smart, 114 Euro paid by you (monthly instalments), billboard and digital campaign (see Exhibit 17: Additional examples of Communication – outdoor).

The shaping phase: prepare for the future, innovating the platform (2014-2019)

In December 2014, smart launched the all new W453 (see Exhibit 18: Communication – TV-commercial in Italy), based on the Twingo platform, from the cooperation with Renault, as one of the results of the partnership agreement with the Daimler Group signed in 2010, where each entity acquired a 3.1 percent stake in the other. This partnership opened up a period of collaboration between the two automotive brands, which together developed different car models, such as the electric smart fortwo and forfour in 2017.

The W453 model is the current retail version, 2.69 m long and 10 cm wider than the past model (see Exhibit 2: Product extension), in order to guarantee more comfort to the passengers. The for-four was simultaneously launched with the two-seat model and the following year, in 2015, the cabrio version of the fortwo entered the market. Then the EQ version, the new generation of electric drive cars, hit the market in 2017, selling approx. 3,000 units in 2019.

The launch version of the W453 arrived with a significant price increase due to constraints derived from new emission technology upgrades. Still with a 3-cylinder turbo 0.9 l (90 h) and a nat-

urally aspirated 1.0 l (71 hp) engine, and later also with a 61 hp engine version for young newbie drivers, according to Italian law.

The price increase did not have a clear corresponding perceived-value increase. On the contrary, the lack of one of the main historical brand’s USP – the automatic transmission –, a key and much appreciated characteristic of smart vehicles, implemented in order to reduce stress when driving in the traffic and appreciated as a sign of distinctiveness in the local market, created some ambiguity in a market not accustomed to manual transmission for smart cars. “We had to face a serious potential crisis in that moment, and we spent long times with the dealers and with customers to find a solution, to find a way to turn this perceived disadvantage around”, as Fabrizio Barra commented. The outcome was a communication campaign highlighting “Manual version now also available”, enhancing the traditionally manual transmission Italian car drivers were accustomed to (a large share of cars are sold with manual transmission in Italy), while limiting the negative sales volume impact, despite an early product run-out and some ramp-up delays of the new arrival. In the end, 2014 concluded with an all-time-low volume performance at approx. 16,000.

Another aspect that the management had to take into consideration was that since the launch only minor facelift upgrades had been performed, especially around light technology, featuring various LED-enhancements. Therefore, as in the previous phases mentioned above, in the period of 2014-2019, the main challenge for the smart team was also to maintain product coolness.

With additional marketing budget support from the smart HQ, the “smart cities” program was launched in 2014 in selected cities worldwide. In Italy, these were Rome in 2014, Florence in 2016, Genoa in 2017, Milan in 2018, and additional dedicated lead generation activities were put in place to boost the new model launched and the brand image. Particular attention from the press and commercial success led to the Roman “smart Angels” activity (repeated later on in 2017 in Genoa). The smart Angels were 500 well-connected university finalist students as well as fresh graduates in Rome who promoted the sale of smart cars within their networks. Supported by a creative media-campaign as well as a five hundred euro commission per sold unit, this created quite a buzz around smart again. More than 1,200 candidates were assessed to be chosen for the assignment and over 350 additional units were sold within three months in the Italian capital (see Exhibit 3: Additional channels).

The general Italian marketing strategy kept focusing on limited special editions, communicated through traditional billboards in major cities (Rome, Milan, Naples, Florence, Genoa, Turin) and supported by flexible local third-party suppliers able to execute minor styling enhancements on the exterior and inside of the car. Hambach (France) smart manufacturing plant also provided special colors for the limited editions. In this period, the most **important limited editions** were:

- **smart “Brabus Tailor Made” styling 2015.** An attractive exterior and interior Brabus-style design also for basic versions and without pushing the price tag completely out of the segment (see Exhibit 8: Additional examples of Product extension).
- **smart Brabus and Brabus Xclusive 2016.** Brabus 109 hp turbo boosted engine with an attractive interior design and special exterior colors, featured on outdoor billboards and digital media (see Exhibit 2: Product extension).

- **smart “Red & City” in smartForstore 2016.** Digital and billboard e-commerce campaign featuring a red Tridion cell with a white vehicle body at instalments of 129 Euro including liability insurance, to be purchased online (see Exhibit 8: Additional examples of Product extension).
- **smart featuring Lapo Elkann’s Garage Italia 2016.** Special edition, pink-wrapped with Dalmatian black dots, digital and outdoor billboard campaign (see Exhibit 8: Additional examples of Product extension).
- **smart forfour Night-view 2017.** A limited edition promoted through a radio, digital and outdoor billboard campaign focusing on the four-seater visuals and visibility (see Exhibit 8: Additional examples of Product extension).
- **smart sapphire metallic blue 2017.** Limited edition of the smart fortwo based on a distinctive color; TV, radio, web and billboard campaign (see Exhibit 8: Additional examples of Product extension).
- **smart “urbanrunner” 2017.** Metallic paint, Brabus styling, vehicle equipped with LED lights; on billboards, radio and web (see Exhibit 8: Additional examples of Product extension).
- **smart #escila “get out of it” 2017.** Campaign featuring a white-gray cabriolet with Brabus styling; on radio, web and billboard campaign (see Exhibit 8: Additional examples of Product extension).
- **smart special edition “parisblue” 2017.** Special sapphire blue paint, well-equipped vehicle, also in Brabus Xclusive styling; digital and billboard campaign (see Exhibit 8: Additional examples of Product extension).
- **smart electric “Bella carica” (“nicely charged”) campaign 2017.** A special edition realized with Enel¹⁴ (energy provider, also cooperation partner for charging infrastructure); digital and billboard (see Exhibit 2: Product extension).
- **smart “welcome black” 2019.** Campaign promoting the special edition of the matte black fortwo smart with a black panther featured on web and billboard campaigns (see Exhibit 8: Additional examples of Product extension).
- **smart “Ciao, ciao benzina” 2019.** smart EQ TV, digital and billboard campaign for the electric smart vehicles (see Exhibit 2: Product extension). Self-ironic 30-sec videos showing an electric smart EQ in remote outdoor locations with the customer hopelessly hoping to find a charging station (e.g. in the Andean region or the North Pole) to underline the purpose and limited autonomy of a city-car
- **smart EQ special edition Ushuaia 2019.** Exclusive EQ cabrio version limited to 100 units in cooperation with Ushuaia and Hi night-clubs in Ibiza. Web and billboard campaign. “If you go to Ibiza just for the beach, it is not for you”, “If the bouncer rejects you, it is not for you”, hinting

14. Enel S.p.A. is an Italian multinational energy company and one of the main global integrated operators in the electricity and gas sectors. It is strongly active in sustainability with ENEL X, that is the Enel Group company that provides innovative products and services for energy transformation at home, city and industrial level, with a view to sustainable development.

at the party fun side of this special edition. All one hundred smart cabrio limited edition customers were invited to an exclusive leisure and party weekend in Ushuaia, Ibiza (see Exhibit 8: Additional examples of Product extension).

As well as these limited editions, smart continued to realize innovative advertising **campaigns**, focused on promoting financial support and brand image, such as:

- **smart 41 Euro and 77 Euro (forfour) 2015.** Attractive monthly instalments (400 Euro in December), billboard and digital campaign.
- **smart “Radically Open” 2016.** Second quarter digital and CRM campaign for the fortwo cabrio with attractive monthly instalment rates (see Exhibit 17: Additional examples of Communication – outdoor).
- **smart ForAll Gran Premio 2016.** Hinting at Grand Prix racing, a well-equipped turbo engine driven car (“having it is a huge win”) at affordable monthly instalments, billboards and digital campaign (see Exhibit 17: Additional examples of Communication – outdoor).
- **smart “Party” 18th Anniversary campaign 2016.** With a JBL sound system, LED lights and various other additional equipment, with customer benefit of a 3,000 Euro radio featured on the vehicle, web and billboard campaign hinting at the 18th birthday party campaign (see exhibit 6: Communication – outdoor).
- **smart motorcycle trade-in 2017.** A new form of trade-in, including motorcycles, to open up a larger group of consumers.
- **smart Factor 150 summer 2017.** Picture showing a beach location with a smart cabrio placed between sun loungers on a sunny summer day, hinting at a 150 sun protection, with monthly instalments of 150 Euros. Radio, digital and billboard campaign.
- **smart “switch to EQ” campaign 2018.** Inspired by the first Formula E race in Rome TV, web and digital campaign to promote the growing volume of electric smart cars (see Exhibit 17: Additional examples of Communication – outdoor).
- **smart #parisblue 2019.** The return of the successful 2017 campaign (see exhibit 6.21.: Communication – outdoor).
- **smart “Ready to park and charge” campaign 2019.** Charging and parking app, 500 Euro credit, digital campaign (see exhibit 6: Communication – outdoor).

Through all these strategies, the yearly volumes increased to over 25,000 units, putting Italy again in first place worldwide, representing a quarter of the overall smart sales until the final run-out of its internal combustion engines (ICE) in 2019, when Daimler decided to fulfill the original smart concept as an urban electric micro car from 2020 onwards.

The organization evolved to prepare for the new upcoming challenge of the new EV-based product portfolio changeover.

Electric future 2020

In early 2019 the decision was taken to convert the smart into a full-electric brand from 2020 onwards worldwide. The internal combustion engine production was discontinued in mid-2019 to pave the way for a city vehicle that again represents the avant-garde of urban mobility.

In Italy, dedicated teams work together with energy providers like Enel not only to prepare the necessary charging infrastructure but also to develop apps to easily book charging stations and find convenient parking solutions in larger cities. Due to limited space availability, in rather medieval downtown city structures this is representing a major challenge and cooperation with local authorities is crucial to allow charging stations to be placed in public spaces.

From 2024 on, smart will manufacture its cars in China with a new 50/50 joint venture partnership with Geely, nowadays the largest electric vehicle manufacturer worldwide. The main reason for the JV has been the search for an economically feasible platform in order to produce units on a large economy scale for international markets and to open up other segments. For the retail, this decision represents a major challenge due to the dip in volume caused by the higher price of electric cars until a larger offering will reach the showrooms.

However, as Maurizio Zaccaria, Head of smart, explained: "Dieter Zetsche's announcement of the switch to pure electric cars at the Frankfurt Motor Show in 2017 created a sense of bewilderment, especially in a country like Italy, which had always achieved significant sales volumes with conventional engines and which, at the same time, did not have a benchmark situation with regard to public charging infrastructures. Nevertheless, performance is more than encouraging, having been ranked first in 2019 in the electricity market. Indeed, the expected initial drop in volumes has been contrasted with a new energy and renewed vitality for the smart brand, which has always occupied a marginal place in the Daimler family during its 20 years of existence. The switch to pure electric, identifying smart as the absolute trend setter of eco-sustainable urban mobility, has made smart a key element of the Ambition 2039 strategy, that is the Daimler program that will make the company the first Carbon Neutral producer".

A brand new challenge at the gates of smart's Italian Headquarter.

Alternative scenario and core questions

The smart management has been confronted with a series of continuous challenges across the years in order to stay competitive on the market, using a strategy focused on “continuous conceptual innovation combined with limited product innovation”. Starting from the launch, where the tiny smart was considered an expensive toy with doubtful vehicle safety, the management has been able to put into action effective marketing strategies that overturned consumer beliefs. Then, during the years, a strong focus on communication, specifically oriented to target smart as a cool and fashionable car, allowed the car to remain cutting-edge and face any possible criticism that might emerge. However, the limited product innovation requires continuous deep emphasis on different and innovative conceptual innovation, in order to avoid a product decline phase. Moreover, smart’s decision to become completely electric, if on one hand is aligned with the avant-garde vision that always characterized the brand across the years, on the other hand represents a great challenge, considering the higher price and the change of the country of production. Therefore, considering all these aspects, how to remain competitive on the market? How can the management keep on finding creative ways in order to still attract customers?

In order to discuss possible solutions to put in action, students should focus on communication as a mean to reinforce brand equity. To do that, the following points should be discussed in class:

- Which are the elements of Brand Equity that sustain and reinforce the smart brand development over time, while maintaining its uniqueness, differentiation and coolness? (20 min.)
- How to increase the relationship among Corporate Brand Identity, Image and Reputation? (20 min.)
- How to guarantee and develop continuous innovation, while maintaining status? (20 min.)
- How to manage Company crises and overcome them? (20 min.)
- How to maintain the coolness and sustainability of the Brand’s competitive advantage? (20 min.)
- How to innovate without product innovation? (20 min.)
- How would you imagine the future of smart, given the most recent challenges in the automotive industry?

Full list of exhibits available here:

- Exhibit 1: smart history: timeline and main events
- Exhibit 2: Product extension
- Exhibit 3: Additional channels – examples
- Exhibit 4: smart global and Italian sales performance
- Exhibit 5: Italian competitive set performance
- Exhibit 6: Communication – outdoor

Further exhibits available at “Teaching case (Additional exhibits)” –

<https://flipbookpdf.net/web/site/774ecb1247dbe51cd09b5be5b8843c64003e344b202101.pdf.html>

- Exhibit 7: Product evolution – line up smart
- Exhibit 8: Additional examples of Product extension
- Exhibit 9: Production facilities and technology
- Exhibit 10: Distribution channels – retail – smart Towers
- Exhibit 11: Distribution network
- Exhibit 12: additional channels - examples
- Exhibit 13: Salesforce
- Exhibit 14: Retail sales volume performance in Italy (units)
- Exhibit 15: Italian volume allocation (percent by model)
- Exhibit 16: Italian competitive set
- Exhibit 17: Additional examples of Communication - outdoor
- Exhibit 18: Communication – TV-commercial in Italy.
- Exhibit 19: Organization – Main activities and roles
- Exhibit 20: Management Team
- Exhibit 21: Market penetration of smart in the cities
- Exhibit 22: smart retail history by country

Attachments

Exhibit I – smart history: timeline and main events

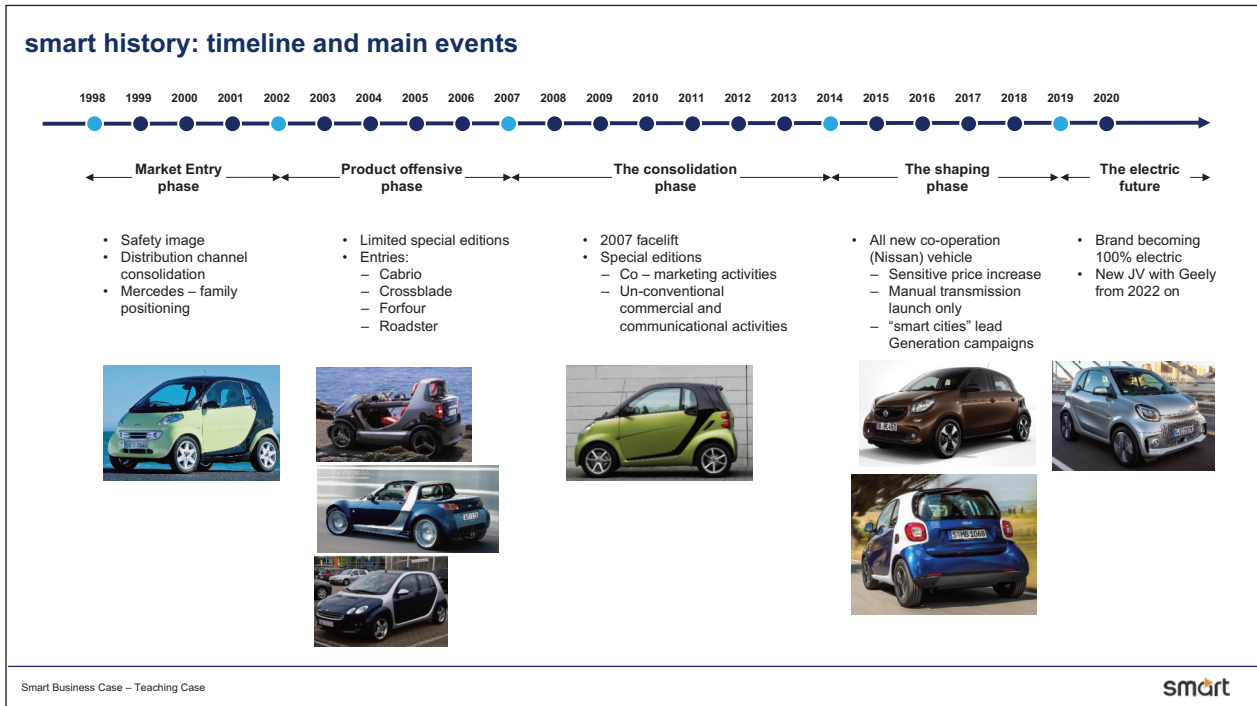










Exhibit 2 – product extension

**Product extension
smart limited editions**

<p>The power of colors (2006)</p>  <p>>> mi piaci perché sei mat.</p> <p>smart mat aquamarina the power of colors.</p>	<p>smart Yin & Yang (2007)</p>  <p>>> Limited Edition Yin & Yang. Dovrai meditare solo sul colore.</p> <p>smart Center CHIA</p>	<p>smart “white” limited edition (2009)</p>  <p>il prezzo speciale 11.500€ il prezzo da record 9.400€</p> <p>>> smart White limited edition. Comandi al volante e un prezzo da record, ecco la nostra idea di sportività.</p>	<p>smart MORE limited edition (2011)</p>  <p>>> smart more limited edition. Più che sportiva. Con personalizzazioni Brabus e Tridion in tinta a un prezzo inimitabile.</p>
<p>smart new W453 (2015)</p>  <p>2.69 mt</p>	<p>smart Brabus (2016)</p>  <p>Testa calda.</p> <p>>> Nuova smart BRABUS. L'unica con race start. Testa alla prova negli smart center e su smart.com.</p>	<p>smart electric “Bella carica” (2017)</p>  <p>Bella carica.</p> <p>>> Nuova smart electric drive.</p>	<p>smart “Ciao , ciao benzina” (2019)</p>  <p>Ciao, ciao benzina.</p> <p>Nuova smart EQ fortwo. All electric, now! 100% elettrico, 100% per la città.</p>

Smart Business Case – Teaching Case smart


Translation of the advertisement

- smart special edition mat “The power of colors” (2006): “I like you because you are Mat: the power of colors”
- smart Yin & Yang (2007): “Limited Edition Yin and Yang: You only need to meditate on the color”
- smart “white” limited edition (2009): “smart White limited edition: steering wheel controls and record price: this is our idea of sportiness”
- smart MORE limited edition (2011): “smart more limited edition. More than sportive. With Brabus personalization and Tridion cell at an unbeatable price”
- smart Brabus (2016): “Hot-headed. New smart brabus. The only one with race start function. Test it at smart centers and on smart.com”
- smart electric “Bella carica” (“nicely charged”) (2017): “Nicely charged. New smart electric drive. With 160 km of autonomy, 8 years warranty on the car battery and from 0 to 60 km/h in 4.9 sec., each volt is a thrill”
- smart “Ciao , ciao benzina” (2019): “Bye gas. New smart EQ fortwo, all electric now. 100% electric, 100% for the city”


Exhibit 3 - additional channels - examples

Additional channels - examples
Banking


Banca di Roma (2001)




Banca di Sardegnna (2004)




Banking smart "Revolution" campaign - BNL (2010)



Banking Santander Mastercard (2005)



Banking smart GENIUS - Unicredit (2011)



Smart Business Case - Teaching Case smart

Translation of the advertisement

- Banca di Roma (2001): "Only smart people buy it at the Bank" and "Only one car can open 1,200 doors"
- Banco di Sardegnna (2004): "smart with two or four doors? 374 counters for you, at Banco di Sardegnna"
- Banking Santander Mastercard (2005): "Happiness and cash: we take your old car + give you a Mastercard with 3,000 euro credit"
- Banking smart "Revolution" campaign- BNL (2010): "The only two-seater with more than 800 doors"
- Banking smart GENIUS - Unicredit (2011): "Would you like 1,900 euros? Choose smart genius"

Exhibit 4 - smart global sales performance history in comparison with Italian volume (units)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
World	17.080	79.881	102.119	114.246	115.597	114.691	139.649	143.063	112.125	100.621
Italy	1.234	13.878	28.336	28.735	31.383	30.152	34.808	41.825	33.321	31.834
Italy/World	7%	17%	28%	25%	27%	26%	25%	29%	30%	32%

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 Total
World	134.826	116.963	97.528	101.996	103.722	100.792	89.844	119.382	144.479	135.025	128.802	116.781 2.429.212
Italy	33.825	29.245	26.048	24.123	21.473	20.444	15.857	24.091	28.321	26.666	24.623	35.729 585.951
Italy/World	25%	25%	27%	24%	21%	20%	18%	20%	20%	20%	19%	31% 24%

Exhibit 5 – Italian competitive set performance, 2018-2019

December 19 = 20 g.l.

Brand	Model	body Type	Ytd19	q.m.19	Ytd18	q.m.18	VAR %	VAR Q.M.	FY18	q.m.18
ITALY OTHER	OTHER TYPE	Other BT	4	0,0%	2	0,0%	100,0%	0,0%	2	0,0%
TOTAL ITALY OTHER			4	0,0%	2	0,0%	100,0%	0,0%	2	0,0%
CITROEN	BERLINGO	Other BT	0	0,0%	68	1,4%	-100,0%	-1,4%	68	1,4%
CITROEN	C-ZERO	Other BT	99	0,9%	108	2,2%	-8,3%	-1,2%	108	2,2%
CITROEN	E-MEHARI	Other BT	11	0,1%	37	0,7%	-70,3%	-0,6%	37	0,7%
TOTAL CITROEN			110	1,0%	213	4,3%	-48,4%	-3,2%	213	4,3%
DS	DS3	Premium Small SUV	12	0,1%	0	0,0%	0,0%	0,1%	0	0,0%
TOTAL DS			12	0,1%	0	0,0%	0,0%	0,1%	0	0,0%
PEUGEOT	208	Other BT	1	0,0%	0	0,0%	0,0%	0,0%	0	0,0%
PEUGEOT	ION	Other BT	28	0,3%	32	0,6%	-12,5%	-0,4%	32	0,6%
PEUGEOT	PARTNER	Other BT	2	0,0%	33	0,7%	-93,9%	-0,6%	33	0,7%
TOTAL PEUGEOT			31	0,3%	65	1,3%	-52,3%	-1,0%	65	1,3%
RENAULT	ZOE	Other BT	0	0,0%	1	0,0%	-100,0%	0,0%	1	0,0%
RENAULT	ZOE	Premium Small Car Hatch	2.165	20,3%	1.027	20,6%	110,8%	-0,2%	1.027	20,6%
TOTAL RENAULT			2.165	20,3%	1.028	20,6%	110,6%	-0,3%	1.028	20,6%
JAGUAR	I-PACE	luxury mid-size SUC	211	2,0%	88	1,8%	139,8%	0,2%	88	1,8%
TOTAL JAGUAR			211	2,0%	88	1,8%	139,8%	0,2%	88	1,8%
AUDI	E-TRON	Luxury Mid-Size SUV	113	1,1%	0	0,0%	0,0%	1,1%	0	0,0%
TOTAL AUDI			113	1,1%	0	0,0%	0,0%	1,1%	0	0,0%
BMW	I3	Premium Compact MPV	487	4,6%	179	3,6%	172,1%	1,0%	179	3,6%
TOTAL BMW			487	4,6%	179	3,6%	172,1%	1,0%	179	3,6%
MERCEDES	CLASSE B	Premium Compact MPV	0	0,0%	0	0,0%	0,0%	0,0%	0	0,0%
MERCEDES	EQC	Luxury Mid-Size SUV	22	0,2%	0	0,0%	0,0%	0,2%	0	0,0%
TOTAL MERCEDES			22	0,2%	0	0,0%	0,0%	0,2%	0	0,0%
FORD	FOCUS	Other BT	0	0,0%	0	0,0%	0,0%	0,0%	0	0,0%
TOTAL FORD			0	0,0%	0	0,0%	0,0%	0,0%	0	0,0%
VOLKSWAGEN	GOLF	Premium Compact Car Hatch	107	1,0%	113	2,3%	-5,3%	-1,3%	113	2,3%
VOLKSWAGEN	UP!	Other BT	15	0,1%	53	1,1%	-71,7%	-0,9%	53	1,1%
TOTAL VOLKSWAGEN			122	1,1%	166	3,3%	-26,5%	-2,2%	166	3,3%
NISSAN	EVALIA	Other BT	9	0,1%	22	0,4%	-59,1%	-0,4%	22	0,4%
NISSAN	LEAF	Other BT	1.231	11,6%	1.449	29,0%	-15,0%	-17,4%	1.449	29,0%
NISSAN	NV200	Other BT	176	1,7%	26	0,5%	576,9%	1,1%	26	0,5%
TOTAL NISSAN			1.416	13,3%	1.497	30,0%	-5,4%	-16,7%	1.497	30,0%
MITSUBISHI	I-MIEV	Other BT	1	0,0%	1	0,0%	0,0%	0,0%	1	0,0%
TOTAL MITSUBISHI			1	0,0%	1	0,0%	0,0%	0,0%	1	0,0%
TESLA	MODEL 3	Luxury Mid-Size Sedan	1.943	18,2%	0	0,0%	0,0%	18,2%	0	0,0%
TESLA	MODEL S	Luxury Large Sedan	258	2,4%	263	5,3%	-1,9%	-2,8%	263	5,3%
TESLA	MODEL X	Luxury Large SUV	249	2,3%	201	4,0%	23,9%	-1,7%	201	4,0%
TOTAL TESLA			2.450	23,0%	464	9,3%	428,0%	13,7%	464	9,3%
SEAT	MII	Other BT	2	0,0%	0	0,0%	0,0%	0,0%	0	0,0%
TOTALE SEAT			2	0,0%	0	0,0%	0,0%	0,0%	0	0,0%
SMART	FORFOUR	Other BT	613	5,8%	164	3,3%	273,8%	2,5%	164	3,3%
SMART	FORTWO	Other BT	2.359	22,1%	1.050	21,0%	124,7%	1,1%	1.050	21,0%
TOTAL SMART			2.972	27,9%	1.214	24,3%	144,8%	3,6%	1.214	24,3%
HYUNDAI	IONIQ	Other BT	8	0,1%	13	0,3%	-38,5%	-0,2%	13	0,3%
HYUNDAI	IX35	Other BT	0	0,0%	0	0,0%	0,0%	0,0%	0	0,0%
HYUNDAI	KONA	Other BT	470	4,4%	47	0,9%	900,0%	3,5%	47	0,9%
TOTAL HYUNDAI			478	4,5%	60	1,2%	696,7%	3,3%	60	1,2%
KIA	NIRO	Other BT	17	0,2%	0	0,0%	0,0%	0,2%	0	0,0%
KIA	SOUL	Other BT	15	0,1%	0	0,0%	0,0%	0,1%	0	0,0%
TOTAL KIA			32	0,3%	0	0,0%	0,0%	0,3%	0	0,0%
MELEX	378	Other BT	17	0,2%	3	0,1%	466,7%	0,1%	3	0,1%
MELEX	ALTRI TIPI	Other BT	0	0,0%	0	0,0%	0,0%	0,0%	0	0,0%
MELEX	DRAGHETTO	Other BT	0	0,0%	11	0,2%	-100,0%	-0,2%	11	0,2%
MELEX	N.CAR	Other BT	12	0,1%	4	0,1%	200,0%	0,0%	4	0,1%
TOTAL MELEX			29	0,3%	18	0,4%	61,1%	-0,1%	18	0,4%
Other	Other types	Other BT	4	0,0%	3	0,1%	33,3%	0,0%	3	0,1%
TOTAL		No Seg	10.661	100,0%	4.998	100,0%	113,3%	0,0%	4.998	100,0%

Exhibit 6 - Communication - outdoor

Communication – outdoor

Now smart is a Mercedes (1999)

TIM partnership (2002)

smart forfour pre-launch teaser campaign (2004)

smart MAKE-UP (2011)

smart SuperCar (2013)

smart "Party" 18th Anniversary campaign (2016)

smart "Ready to park and charge" campaign (2109)

Smart Business Case – Teaching Case

smart

Translation of the advertsing

- TIM partnership (2002): “Only smart charges you up and re-charges you (or you get one less instalment)”
- smart forfour pre-launch teaser campaign (2004): “Breaking news: it will come out on 04.24.04”
- smart MAKE-UP (2011): “Enhance your smart. Take it to our smart centers, we’ll make it more beautiful than ever. For free”
- smart SuperCar (2013): “One supercar for 10,965 euro: smart with integrated navi touch screen, alloy wheels, air conditioning, ESP, car roof, start&stop, softip transmission”
- smart “Party” 18th Anniversary campaign (2016): “Possessed by optionals. We celebrate 18 years with a screaming bundle offer! JBL sound system, LED & sensor and sport pack”