

Bmw films

Business



Case Analysis - BMW Films BMW is actually producing and selling luxury automobiles (cars priced between \$35,000 - above) that meet the tastes and preferences of well-educated, married and technology savvy elite customers with stable purchasing power and absolutely no affordability issues. In simple words, BMW's core target market is customers from affluent elite and upper - middle social classes that enjoy high income levels (ranging \$75,000 - above per annum). In contrast, competitors such as Lexus, Acura, Mercedes Benz, Ferrari, Cadillac and Infiniti also have established brand names and reputation in the market of luxury vehicles. Also, the competitors target elite and upper-middle customers with income level of \$75,000 and above. Therefore, it is justified to argue that luxurious automobiles industry is one of the most competitive industries across globe and USA.

It should be mentioned that BMW has developed a strong brand strategy, which is communicated with potential customers through use of traditional and integrated marketing communication channels. The sales of company's brands across USA peaked in 2000 to over 0.21 million units, which is the evidence of nationwide acceptance, recognition and inclination of customers towards BMW's brands. The company recorded negative growth rate during 1986 - 1992; however, the product development approach later resulted in phenomenal growth during 1993 - 2001. On average, BMW grew on average 10% per annum in mentioned time period. Nevertheless, the major weakness was mixed performance of distributors, i.e. some had been providing excellent customer experience whereas some were unable to maintain quality due to certain inefficiencies in distribution network.

Since BMW's core target market is elite technology savvy customers, it should be argued that BMW Films was a good marketing campaign because

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it involved the element of integrated marketing communication. The campaign was quite successful because it attracted mass audience toward BMW products and increased awareness and brand recognition among customers. For instance, over 9 million users viewed / downloaded the films produced by BMW. Also, the growth rate increased because it helped removing ambiguities about performance of company's brands in the minds of potential customers. The basic motivation behind the idea was that such unique marketing campaign was never launched by any other automobile group.

The main strengths of BMW were enhanced brand recognition, market reputation and goodwill, high customer loyalty, high sales volume and extensive financial resources due to profits from increasing sales. The weakness was certain inefficiencies in distribution network that had been affecting overall performance and customer experience. The opportunities include increase in market size followed by growth in international trade volume due to various trade agreements. Obviously, the growth in core markets will also increase demand of BMW luxury vehicles. The major threat was selling of low-priced substitute products from competitors through efficient distribution channels.

The company used ' market penetration' strategies to increase sales of existing products and to reduce excessive inventories at hand. However, the main strategies of BMW were ' product and market development' because it manufactured, assembled and marketed new and innovated existing products to existing US, European and new Asian markets. However, the company did not use any diversification strategy by acquiring businesses / firms in different sectors.

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