

# Bmw case study essay sample



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### Statement of the problem

The issue at BMW is to keep their product line within the introductory and growth stages. At BMW the main issue is to prevent their motor brands from falling to the decline and withdrawal stage. This means that there has to be a new model in the market from time to time in order to replace the declining model. There has to be a strategy to keep the product within the life cycle of about seven years although this varies with the model and with the market. So the main problem is to try and keep the product within the introductory and growth stage.

### Summary of the facts

The case of BMW can be taken as one of the most innovative way of managing a brand in the market. BMW tries to keep its brands in the market within the introductory and growth stages and avoids the product from going to declining and withdrawal market stage. This is managed through brand and management of the brand. BMW brands its cars in series. A new series is given a period of about seven years in the market and when it approaches the decline stage a new series is introduced to replace it. This keeps the series new in the market.

### Analysis

BMW's newness of the product life cycles does not follow the normal product life cycle of three stages. A normal product life cycle as given in Figure 11 shows that a product will be introduced in the market at the first stage. Then the second stage will be marked by increased demand of the product which

leads to high growth. After this there is the period of market saturation and decline in the demand of the product in the market. This eventually culminates to withdrawal of the product due to low demand. BMW does not allow its product to go through this life cycle. It concentrates on the first two stages. Instead of allowing its product to go to the declining and withdrawal stage, the company comes up with another series that reflects the newness of the same product even though the difference between the two is not that large. Therefore we can say that it is management of the product cycle through branding. The branding strategy is therefore used to make a new consumer appeal for the same product in the same market. This has been an important strategy that has helped the BMW model from losing its credibility in the market.

### Recommendations

Being a preeminent luxury car and in the European market and all over the world, the BMW strategy has been effective in ensuring that the company has its brands in the market selling as a luxury brand through the management of the brand. The strategy of introducing new model of every series within a period of about seven years has been effective in ensuring that the product remains in the introduction and growth phase of the product cycle. This is an important model that can be adapted by other companies in the management of their own brand. This is because the decline phase has a lot of effects on the brand in the market as it may lead to loss of market value of that brand and efforts to reintroduce it in the market may fail. Ensuring that the brand does not end up in the declining phase is important in order to add value to the product in the eyes of consumers and

rewrites a luxurious experience of the product. Therefore it would be more beneficial if a product is maintained in the market at the first two stages of the product life cycle. However one should not take a blank assumption that the product will perform in the market like what BMW has done. For BMW is has been an experience created over along period of time and therefore a product will take time to create such an experience with the customers as well. Patience and proper marketing strategies will be very useful to achieve the BMW brand management status.

## Conclusion

BMW model of brand management is quiet different from the normal product life cycle as shown in figure 11. It does not go through the 3 product life cycle stages but it goes through the first two and then another model is introduced to replace it. The best marketing strategies for the three series would be the one which emphasize on constant marketing and advertising in order toe create customer awareness before the end of the life cycle. BMW marketing strategy can by described as an effective one that has helped to keep the brand in the luxurious segment of the market for a long time.