

Marketing mix for bmw

[Technology](#), [Cars](#)



Executive Summary

As one of the most significant inventions in human history, the amount of cars had increased rapidly in the recent years. The competition had been much more intense in automotive manufacturing. Therefore, it was necessary for BMW to find a useful marketing mix. A survey and two interviews were conducted and the Internet was used to search for some data as methods to gain the result. The findings will show the marketing mix of its major competitor and talk about two marketing mixes and a SWOT analysis for BMW. The strengths of two marketing mixes and the errors of research would be discussed. In the conclusion, there would be a judgment about the preferred marketing mix.

1. 0 Introduction

The purpose of this research is to elaborate the marketing mix of BMW's car which is a common transport in our daily life. People can drive it to anywhere on the land they want. BMW's car will make people more comfortable when traveling. The target market for this product is the upper middle class in a company. This product's market is successful because it gives consumers chance to test drive and its marketing mix will change in different locations (BMW's Experiential Marketing Mix, 2009). The reason for choosing this product is that my family has a BMW's car and I want to know why it is so popular in the world. The SWOT analysis of BMW is divided in 4 main parts, including strengths, weaknesses, opportunities and threats. The analysis shows that BMW has many advantages but also has some problems need to be solved. Additionally, the 4Ps were used to determine the product, price, place and promotion of BMW. The outcome of research hope to find which is <https://assignbuster.com/marketing-mix-for-bmw/>

the preferred marketing mix for BMW and the reason why it can be outstanding in hundreds of automobile manufacturers.

2. 0 Methods

I conduct two researches in order to obtain the result. First, I make a survey of 50 people, both males and females above the age of 35 years in Nanjing to make sure the target market of BMW. Although not all the people in the survey have driven BMW's cars, they must represent the opinion towards BMW's car in Nanjing and the target market can probably be determined through the survey. In addition, I do two interviews with business managers in order to get more professional views about BMW's marketing mix. These two researches may help me understand the marketing mix of BMW more deeply. I also search some information on the Internet in order to find the demand for BMW's car around the world in a year and some other data about BMW. All these data can help me understand the marketing mix of BMW more intuitive.

3. 0 Findings

The research indicates that Mercedes Benz is the main competitor for BMW which is also one of the famous luxury car manufacturers in the world. Mercedes Benz is very popular among the bosses in China for its high quality and comfortable ride feels. The bosses also think Mercedes Benz's luxury car is the symbol of power. In order to better adapt to the market, Benz has developed some new cars with relatively low price. Their marketing strategy focused on approachable and energetic side (Gaurav Phuge). It also has many advertisements on TV, magazine and billboard.

The SWOT analysis of BMW is shown in the following table (2013).

Strengths:

Brand		reputation	
Environment	friendly		vehicles
Quality		products	
Highly	skilled		workforce
CSR			

Weaknesses:

High	cost		structure
Weak	brand		portfolio
Perception	of	high	prices

Too few acquisitions and strategic partnerships

Opportunities:

Increasing		fuel		prices	
Positive	attitude	towards	“	green”	vehicles
Expand		brand		portfolio	

Changing customer needs

Threats:

Intense			competition
Rising	raw	material	prices
Decreasing		fuel	prices

Growing euro exchange rate

In the SWOT analysis, the increasing fuel prices will become a opportunity for BMW, because BMW's energy-saving technology is advanced. With the

increase of fuel price, consumers may pay more attention to energy and they may choose BMW. On the other hand, if the fuel price decrease, BMW's advantage will become smaller. Basing on the SWOT analysis, there are two marketing mixes for BMW. The first one is that the price of BMW will be reduced by 3 percent over the next six months. Its target market is focused on the mid-market. The product of this marketing mix pays more attention on the innovation.

The new features, such as panoramic sunroof and automatic temperature control system, will be added to increase the product freshness. Moreover, BMW will launch new products every three or four months to expand the type of products. In this marketing mix, cars will not only sell in 4s car shop, but also sell online. People become able to buy cars at home. The promotion of this marketing mix focuses on the Internet and TV. BMW will make some small films and launch them on some famous websites and television channel. The second one is that BMW pay attention to strengthening its position as the market leader in the premium segment of automobiles and the price will not decrease and may even increase to 1 million.

The design style of the car will remain unchanged, but the quality of the product will be enhanced and the safety system will continue to improve. Furthermore, the after-sales service will keep improving. The car can be only bought in the 4s car shop, but the number of the car shop in China will be increased to 220 at the end of 2014. The promotion of this marketing mix still focuses on the traditional media, such as newspaper and magazine. However, BMW design different advertisements for different areas, and there will be some discounts at the festival to attract more consumer. I also do

some research on the Internet. The Sales of BMW and Mercedes Benz from 2006 to 2012 are shown in the following graph.

In the graph, sales of BMW are higher than Mercedes Benz's from 2006 to 2012. The difference has become bigger since the depression in 2009.

4. 0. Discussion

Two marketing mixes are in two different ways. The first one decides to open up a new market and attract new consumers. It focuses on the innovation, new market, new form of advertisement and new products. The new product will also focus on the energy-saving technologies to meet the opportunity of increasing fuel price. The risk of the first one may be higher than the second one. Yet, the second one is relative relatively conservative. It do what BMW always good at-high quality, but the price is much higher than the first one. This may be caused by different target market.

The first marketing mix's target market is people at the average income level. They may pay attention to the practicality of cars. However, the second one's target market is consumers with high level salary. They always consider quality and safety as the main factor. In the interview, both two interviewers have different jobs and want to buy different cars. However, some things are same. They both like to search for information and they hope cars can have some new features. Thus, promotion online, like making a small film, and launch cars with new features may be good choose to promote cars. During the whole research, there are still some factors which might influence the accuracy of the research. The research is conducted only in Nanjing. The result may be different in other locations. Furthermore, not

all the participants in the survey are in the target market of BMW. Even though there still will be some other factors influencing the result, the error is in an acceptable range.

Conclusions and Recommendations

Comparing both two marketing mixes, the first marketing mix, which contains a relatively low price, selling online, new form of advertisement and car with new features, may be more preferred for BMW. With the technology development, the difference between product quality is not as large as before. Consumers may pay more attention to feature of the product. Moreover, with time going, the premium segment nearly saturated, and the competition will be more intense. There will not be much space for BMW to develop. However, if the price is relatively low, more people can afford for it. Even though the profit the profit of mid-market is not very high, its huge demand can compensate this disadvantage. When competing with Benz, if BMW chooses the first marketing mix, it can seize the market earlier. This will make BMW have advantages in the next five years' competition.