

# Niche marketing of bmw flashcard



**ASSIGN  
BUSTER**

The problem statement of this case is identifying and evaluating the strategies for success of New Mini in targeting and positioning in the niche market. About BMW & New Mini With the three brands, BMW, MINI and Rolls-Royce Motor Cars, the BMW Group has its sights set firmly on the premium sector of the international automobile market. To achieve its aims, the company knows how to deploy its strengths with an efficiency that is unmatched in the automotive industry. From research and development to sales and marketing, BMW Group is committed to the very highest in quality for all its products and services.

The company's success to date is proof of this strategy's correctness. Profile of MINI Situation Analysis Competitor analysis The direct competitors of BMW's new MINI include- beetle, Golf GET, Fiat 500, BMW I-Series, Audi A4, Mazda MIX-5 (Mazda), Mazda 3, Alfa Romeo Mito etc. During the beginning of twenty first century there was a high demand growing for efficient compact cars due to increasing cost of fuel and growing environmental awareness. And the premium compact sector was getting crowded by those above mentioned companies.

BMW then introduced the idea of new MINI. The new MINI came up with original mini. Here goes the positioning cue for some other competitors' brands- Audi A4 Luxury Fiat 500 Sport vivo CO Safety Golf-Beetle Practical Dodge Caliber American BMW MINI Fun & CEO-friendly What was the Success/failure reason for new MINI? After the introduction of new MINI the company had a very successful first year in terms of sales. In the U.K alone 30000 cars were sold and in USA popularity grew higher.

Now if we consider the reasons for this outstanding success, we may find the following issues- > The original mini continued to serve the demand of market for small and sophisticated car from after its introduction in sass till the end of sass. But there was an untapped market of young class who could have chose the mini if it appears with trendy and fashionable style maintaining the looks of mint. BMW first realized this. Beside, after the emergence of twenty first century, CEO-friendly product drew much attention of young generation. BMW MINI also tuned its focus towards CEO-friendly mini car. People also became aware of cost of fuel as it got expensive after sass. So, BMW came up with the idea of fuel-efficient mini car. Addition to this, Bum's marketing department used persuasive advertising campaign to promote the brand. The adventurous nature of promotion campaign created hype in the market among young people which in turn brought higher revenues. These are the bottom-line reasons for amazing success of Bum's new MINI. Goal of BUM'S MINI to young people who wanted a funky and more stylish alternative to mass-market small cars.

Initially, BMW had a success story due to precise tuning with the demand of market. But as time rolls by, BMW would no longer sustain this benefited position against its competitors if it doesn't initiate some sensible promotions for its product. To be market leader in the mini car market, BMW MINI need to redefine the mini car concept Just it did previously before it gets saturated. Continuous innovation and added features will make it more compatible with the growing demand of customers. It can identify some other niche markets within the mini car segment and craft its marketing tools suitably for these niches.

SOOT ANALYSIS OF BMW GROUP A SOOT analysis will be used to see the various Strengths, Weaknesses, Opportunities and Threats of the BMW Group. Strengths: 1 . Strong marketing strategy. 2. Customers recognize the strong brand name of BMW Group Company. 3. Strong brand image I. E. BMW, MINI Cooper and Rolls Royce. 4. Every 2 to 3 years BMW introduces its new version of cars I. E. Constant innovation and technology. Weaknesses: 1 . There is an increasing number of duplicate spare parts of BMW and MINI Cooper. . The manufacturing costs of BMW cars are very high as compared to its competitors.

This is also a reason for high pricing of BMW cars. 3. Not a mass market company like Toyota and their volumes are small. Opportunities: 1 . There is an opportunity for BMW Group to increase further innovation and technology in their cars due to increasing competition in car industry. 2. BMW Group should also look to make new collaboration with other car manufacturers I. E. Introducing new brands. 3. BMW Group should also look to produce cheaper cars by new innovation and technology. 4. Expansion of the BMW Group in Asia Pacific, Asia, Africa and Australia.

Threats: 1. Recession which has affected businesses in every part of the world. 2. To maintain the same level of innovation and performance. 3. The growing competition in the automobile industry I. E. Competitors of BMW Group include Mercedes, Audi, Jaguar, Ford, Lexus. 4. The earnings of the BMW Group are Dollar dominated, so the increasing strength of Euro is another threat for the company. Question Answer By focusing on every sub-segment of the luxury car market rather than to pursue every segment of the automobile market, BMW has a more concentrated strategy 1 . At

existed for the New MINI? NAS. BMW identified the sub segments of the customers with very specific needs and characteristics. It identified that some customers seek fun and sports, some customers are fashionable and trendy. Depending on these needs and characteristics, the new MINI was designed as bigger, safer, and more luxurious than its predecessor without losing the character, fun and excitement of the original mini underrate a car that was up to date. 2. How can firms like BMW benefit from selling niche market products like the New MINI?

By doing more with less-using technological innovations to reduce fuel institutions, designing and engineering for optimum respectability, without compromising fun and by offering customization BMW can- Enhance the brand loyalty: there are several associations and clubs: Enhance Brand Image: Differentiate its customers from the crowd; Positioned it-self against the other car manufacturer. Increase the sales thus increase the profit margin; Establish the credibility: Streamline marketing costs and efforts: no longer need to advertise to a broad general target and can be narrower and more specific with marketing communications.

SQ NO 3: The new Mini was priced at 11000 in the I-J when it was launched in 2001 . Discuss whether BMW should consider increasing price in the future? Price: The prices of BMW Group are based on a differentiated strategy. This means that they charge extra for premium quality. This difference in prices is due to each cars different engine size, gear levels, fuel consumption, sports version The pricing strategy that the BMW Group adopts is based on several key trends. One most important trend of BMW is labeled as “ premium-taxation”.

Premium-taxation trend of BMW causes popularization of markets. This trend triggers the consumers to demand and pay much higher prices for the perceived quality. BMW should increase price gradually. As MINI is positioned based on 1. Fun 2. Cheeky. 3. Stylish. 4. Customizable. 5. Minimalism. 6. Up market positioning relative to old mini SQ NO 4: To be successful niche market product must be differentiated. Explain how BMW went about creating the product differentiation needed to ensure the new minim's success?

This strategy enables these companies to attain monumental sales in the global markets and gives them the ability to capture the growing markets of developing countries. This strategy however is essentially a differentiation strategy, as it does not offer a new or different product. The automobile companies simply enter the fierce market brands competing on the basis of cost leadership. The current lifestyle of the majority of individuals living in the modern society permits them to change their vehicles on a consistent basis. People no longer treat automobiles as a fixed asset, which is a long term investment.

Cost however is not the only factor that influences the automobile sales throughout high- tech. They demand vehicles which are not only equipped with the latest technological innovations; they also possess environment friendly technology. The primary reason for BMW's success in the global market has been its ability to offer innovative automobile vehicles. The company has managed to differentiate itself from the rest of the competitors; due to its focus on introducing the latest cutting edge technology to the market, before anyone else.