

Example of bmw tapes the emerging chinese luxury market case study

[Sociology](#), [Shopping](#)



- Contrary to the popular opinion that luxury items may not fulfill the needs in collectivist cultures, luxury cars like BMW can meet the needs of Chinese citizens, their collectivist values notwithstanding. Firstly, the Chinese economy is doing very well, and consequently, this has increased the purchasing power of its citizens. The number of citizens who own vehicles is increasing by the day. Additionally, more and more Chinese are purchasing luxury cars, similar to the one vended by BMW. Secondly, Chinese nationals associate such a car with prestige and social status. Additionally, the sedan models vended by BMW are more preferable to the Chinese nationals. It is for this reason that China is BMW's second largest market.

- The desire for luxury in China might be driven by other factors. For instance, the increasing number of car dealerships means that more vehicles are available for purchase. Additionally, the enshrinement of savings into the Chinese cultures means that citizens have money to spend. The double digit growth in the income of Chinese nationals in the recent years might also be fueling the need for luxury among the citizens (Hawkins & David 256).

- While customizing a product to suit local preferences is a brilliant business strategy, it should be done moderately. As evidenced by the literature in the book, different regions in China have different tastes and preferences. It is arguable that tastes and preferences are even more diverse in different ethnic regions in China. It is advisable to customize the products to cut across the preferences of a larger group of Chinese nationals as opposed to extremely local preferences. This is because by extreme customization, BMW runs the risk of changing the entire concept in the design of their vehicles (Wang 56).

- Guanxi is the network of working relationships; a concept that is rooted in the Chinese culture. Foreign companies can build Guanxi by not only aligning themselves with local nationals, but also respecting their input. Additionally, stronger relationships can be forged by taking part in Chinese cultural events (Erdener & Wong 72).

Works cited

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