

# Marketing bmw assignment

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BMW manufactures its cars and various parts at 25 sites in 14 countries on five continents and sells the products through a network of 43 sales subsidiaries in more than 140 countries worldwide. Its production network consists of 17 plants, seven assembly plants and one contract production plant. Furthermore to its extensive production BMW also has a very impressive distribution network. BMW distribution consists of around 3, 200 dealerships. Weaknesses: Product recalls will negatively impact brand image and sales According to Marketing (2012) Over the last few months BMW has been forced to recall some of its most popular models.

In March 2012, BMW announced a recall of 1. Million 5-series and 6-series cars globally due to a battery cable cover in the trunk that may have been incorrectly installed. The problem could lead to wearing out of the battery cable, which could lead to electrical problems, trouble turning on the ignition and, in some very serious cases, fire. The recall affected 367, 000 cars, manufactured between 2003 and 2010, in the US. Similarly in January 2012. Furthermore, in October 2010, BMW recalled 21, 711 luxury sedans in China due to faulty brake system.

The recall involved 21 , 383 imported BMW 5, 6, and 7 Series vehicles manufactured between December 2001. Significant product recalls like these negatively impact the consumer confidence in BMW's products which could negatively affect its brand image. Unfunded pension obligations According to Marketing (2012) The company has very large unfunded pension obligations. These unfunded pension obligation could force the company to make regular cash contributions to bridge the deficit between pension assets and

liabilities. This could lead to profits being reduced and the financial position of the company being in a bad place.

**Opportunities Poised to benefit from the growing demand for hybrid electric vehicles** According to Marketing (2012) The worldwide demand for electric vehicles (Eves) and plug-in hybrid vehicle (PHEW) is estimated to grow consistently over the next few years. BMW have been developing hybrid cars and have already successfully launched the BMW Activities 5, Bum's first fully hybrid saloon. Increasing demand for cars in BRICE nations According to Marketing (2012) BMW have witnessed increased demand in emerging markets, such as BRICE countries (Brazil, Russia, India and China).

These countries are also expected to achieve strong growth in the future. For example Brazil new car ales are expected to hit 4. 1 million units in 2015 this if correct will be an increase of 54. 6% since 2010. **Threats Competition in the global automotive market** According to Marketing (2012) The automotive market is a very fiercely fought one. The factors deciding competition include product quality and features, safety, price, environmental performance, as well as efficiency of product development and manufacturing system, establishment of sales and service systems and sales finance.

Increased competition though could lead to driving down unit price, if this succeeds n happening the company's financial results will be severely lowered resulting in possible financial trouble. **Product and Branding Strategies** BMW offer many vehicles of all shapes, sizes and prices. The product range starts with the 1 series which is the smallest of the available

cars. (“ 320-horsepower BMW M135i headlines new three-door 1 Series range,” n. D. ) BMW 3 Series (“ 2012 BMW 3 senses,” n. D. ) BMW 5 senses (“ 2012 BMW 5-Series M Performance,” n. D. BMW 7 senses (“ 2009 BMW 7 senses Pictures,” n. D. ) BMW X5 (“ BMW X5 X5 saddened M sport 2. D (Bibb” n. D. ,) BMW X6 (“ The new BMW X6 ADD,” n. . ,) BMW X6 (“ M Sport package for the BMW X6,” n. D. ) BMW Z (“ The Generations war: BMW Z vs.. BMW Z vs. 2009 BMW u,” n. D. ) Branding strategy BMW has many branding strategies, These include BMW’s model range of Efficient Dynamics vehicles. By putting research and development resources into creating their efficient dynamics range BMW are branding themselves as environmentally conscious as they seek to deliver cleaner cars for the public.

This as a result will appeal to a larger number of people because as the world develops people are taking more interest in being as green as possible. BMW achieve these cleaner cars by installing Auto Start-Stop technology in the car which basically cuts out the engine when the car is in neutral and the clutch is released, installing an Optimum shift indicator, this feature alerts the driver when to switch up or down gear in order to achieve the best fuel consumption and finally by fitting the cars with reduced rolling resistance tires.

These tires can offer massive savings in fuel usage. (“ Tomorrows Technologies,” n. D. Para. 1) Along with BMW’s desire to be branded a clean car maker they also strive to create cars that are great to drive, fun and sporty. BMW go about their business with the slogan “ The Ultimate Driving Machine” and they strive to live up to that saying with every car they make.

One way BMW try to achieve the ultimate driving machine is to make all their cars rear wheel drive, this adds to the driving experience greatly. (“ Technical Data,” n. D. Para 1) (“ automobile updates,” n. D. ) Pricing Strategies Price List BMW 1 senses 26, 040 Euros – 50830 Euros BMW 3 senses 34, 450 Euros – 63, 720 Euros BMW 5 senses 45, 570 Euros – 76, 260 Euros BMW 6 senses 108, 710 Euros – 184, 060 Euros BMW 7 senses 92, 140 Euros – 188, 890 Euros BMW XSL 35, 670 Euros – 52, 110 Euros BMW XX 43, 690 Euros – 54, 560 Euros BMW XX 81, 540 Euros – 154, 150 Euros BMW XX 84, 600 Euros – 159, 060 Euros BMW Z 45, 860 Euros – 77, 570 Euros (“ BMW MODEL PRICELIST MARCH 2013,” n. D. ) BMW Special Offers BMW have recently announced a special finance offer for potential customers when purchasing a new BMW 1 series.

The special offer is for 3000 Euros towards your deposit with the customer paying monthly installments for 37 months with an A. P. R of 8. 59%. (“ BMW 1 Series Finance Offer,” n. D. ). Terms and Conditions apply but this is an example of Bum’s Pricing Strategy, BMW have analyses the potential market and determined that there is the potential of more 1 Series’ being bought if the repayments on the car were made easier. Along with the easier repayments there is also a mental side to this offer.

BMW know that consumers love to feel they have got a good deal and by highlighting special offer consumers feel they are getting a good deal which could push up sales. Promotion Strategies BMW partake in many events and various other promotional activities in order to boost the knowledge of BMW but also to increase its reputation amongst the worldwide public. According

to Baker (2012) In recent months during the London Olympics BMW provided 3, 000 cars to ferry the athletes and officials from the Olympic village to the various events.

BMW provide these cars as it is an excellent opportunity to get their brand out in the public with important people seen in them which is like free advertising. Not only do BMW provide cars for big occasions they also sponsor big sporting events in order to get free advertising on Television. One of the sporting events BMW have bought the naming rights to is the BMW PGA championship. Along with having the BMW name in the title they also have their cars questioned throughout the golf course so that TV cameras can pick up the cars as the golfers go about their round.

This is great advertisement for BMW and again their cars are being seen in the company of important people. This is all part of their promotion strategy. (“ BMW Championship,” n. D. ) Roy McElroy beside the BMW logo, a great advertisement for BMW Mclean (2012) BMW also try to keep good relations with the public, they have tried to keep up with the times and have their own Facebook account. The account is liked by almost 13. 2 million people showing what a big following they have across the world.

Not only do BMW have Facebook they have a verified Twitter account meaning they can keep in touch with the public leading to good public relations while also making use of the internet for advertising, information and customer service. With regards to Direct marketing as I have learnt from personal experience with my father once you have purchased a car from BMW or have made a serious enquiry, BMW will take your E- mail address

and email you with their latest offers, promotions and model launches. This is because they have the view that you don't just sell 1 car to a person, if you retreat that person right they are worth 3/4 cars.