

# Customization at bmw case study

Business



Recommendation 5 Perceptual Map 5 Appendix 6 Problem Statements The BMW Individual Collection program has experienced a decline in sales volume.

There appears to be a lack of commitment from BMW's retailers and structural issues surrounding the corporate involvement of the program. Jeremy Shaver, the production planning manager believes that the BMW Individual Collection program has high potential and with an appropriate strategic marketing plan, the program brand building benefits is enormous.

It is critical to identify and develop a niche market segment to reinvigorate the ICC program. Background and forecast The BMW Individual program was launched in Canada in September 2002, which targeted consumers whose purchase preference was product uniqueness. The program was successful at the beginning. However the sales have dropped since 2004 due to lack of support from the corporate level down to the retailers level.

Jeremy Shaver is considering reviving BMW's Individual collection program.

He is confident that the ICC program will be a promising plan if it drives to an appropriate segment market with full collaboration among corporate, retailers and competent product planner. Segmentation Analysis The BMW individual collection program was tailored for those who wished to customize a vehicle to reflect their prestige and status in society. The price range for a BMW is between \$36,000 and \$130,000. BMW offers premium vehicle to high income consumers who look for purchasing luxury items.

According to It, we have Identified four market segments that prefer BMW ICC program: 1) Young Single Wealthy This segment consists of men and a few women in ages 25-34 with high earning annual disposal income would be The vehicle model is an entry level luxury, stylish, sporty, convertible/coupe and fuel efficiency.

The method of acquiring product knowledge would be from dealerships with lease/Balancing options so that they could have the latest model/style of BMW products. Or, they can purchase used car via internet or from friends. ) Young Couple Wealthy This segment consists of young couple with no dependents in their ages 30 to 40. The annual disposal income Is In a range from \$80, 000 to \$120, 000. The vehicle model Is a median level luxury, stylish, sporty, convertible/coupe, functionality and efficiency. Me noon AT aqualung prop De Trot learns buy options.

3) Family Wealthy cut Knowledge would Pips wit n lease or This segment consists of wealthy family with dependents in their ages 35 to 50. The annual disposal income is in a range from \$100, 000 to \$140, 000. The vehicle model is a median level luxury, stylish, sporty, safety, functionality and reliability.

The method of acquiring product knowledge would be from dealerships with lease options. 4) Mature Wealthy This segment consists of wealthy family with no dependents in their ages over 50.

The annual disposal income is in a range from \$120, 000 to \$160, 000. The vehicle model is a high level luxury, stylish, safety, comfort and reliability. The method of acquiring product knowledge would be from dealerships with <https://assignbuster.com/customization-at-bmw-case-study/>

buy option. 5) Public Figures This segment consists of popular musicians, artists, athletes, business people, and other public figures.

These individuals generally value personal service, appreciate and demand highly individualized products, are wealthy, and want to be perceived as unique. The vehicle model is a high level luxury, stylish, high performance and reliability.

The method of acquiring product knowledge would be from dealerships and buy option. The segments that would likely appreciate the customization option In above 5 segmentations, Young Couple Wealthy, Mature Wealthy and public figures segments would probably appreciate the customization option because they are wealthy truly enjoying driving high performance cars which can indicate their image and social status.

The BMW ICC program should mainly focus on these segments as their primary target market. Recommendations BMW should rebind and remarketed the ICC program immediately Provide an adequate support structure from Corporate Headquarters for the program BMW Canada should provide financial incentives to the dealers who offer the ICC program. Ensure that appropriate ICC Program training being provided to dealers' sales force. Higher incentive commission to the sales force would help to grow the program sales.

The ICC program could be extended to all BMW products I. E MINI, Motorcycle Maintain effective communication between the retailers and BMW individual vehicle group to know what changes needs to be incorporated R investment to determine future customer desires for customization

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Manufacturing design analysis to determine most cost effective way to produce customization while maintaining quality.

This will help maintain or increase margins Monitor and keep track continuously to gain feedback from dealers on how to improve the program Place better advertisements and promotion to attract target customers with the ICC program Perceptual Map Appendix Segmentation Chart segment# 1  
 2 3 4 5 Segment Name Young single wealthy Young couple wealthy Family wealthy Mature wealthy Public Figures Qualifying Dimensions Who?

Mostly Young Male and a few Female with high earning in age 25-34 Adult tit high earning in age 30-40 High earning families in age 35-50 Older Male and Female in age over 50 popular musicians, artists, athletes, business people and others What? Sporty, Stylish, convertible/coupe, Sporty, stylish, comfort. SAVE model Suit the family needs, stylish, sedan model Customizable luxury cars to suit lifestyles Customizable luxury cars, stylish, Where?

BMW Dealers ' Internet/Friends BMW Dealers BMW Dealers BMW Dealers BMW Dealers When? A few years into career Midway into career Young families starting out Prior to Retirement Why? Little to no debt or financial commitments Looking for options to tit lifestyles Larger vehicles for family needs No financial burden. Really want in retirement How?