

BMW's International Marketing Strategy Analysis

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Abstract: This research explores BMW's international marketing strategies, illuminating the company's dynamic approach to global expansion and local market adaptation. Renowned for its luxurious and high-performance vehicles, BMW has successfully established a prestigious brand image worldwide. This study investigates the pillars of this international success, emphasizing its innovative product strategy, effective localization, comprehensive customer engagement, and commitment to sustainability. The study further dissects BMW's market segmentation, positioning, and targeting approaches, which have helped the company build customer loyalty and generate a competitive advantage in diverse markets. The adaptability of BMW's marketing mix—product, price, place, and promotion—across different geographic regions is also examined, underlining how the company balances standardization and customization. Additionally, the research reveals BMW's increasing reliance on digital marketing and its impact on the brand's global reach and customer experience. Lastly, the paper discusses BMW's sustainability initiatives, shedding light on how the company addresses emerging global concerns and market demands, particularly the transition towards electric vehicles. This comprehensive study provides insights that may guide other multinational corporations in designing and implementing their international marketing strategies. It also contributes to the academic literature on international business and marketing by providing a nuanced understanding of how a premium automotive brand like BMW navigates complex and diverse global markets.

Keywords: domestic marketing, international marketing, branding

1. Introduction

The development of BMW has been of considerable interest to the business community in recent years. On May 11, the China Association of Automobile Manufacturers (CAAM) released the latest monthly production and sales data. 2.133 million and 2.159 million vehicles were produced and sold in April, down 17.5 percent and 11.9 percent, respectively, from a year earlier, and up 76.8 percent and 82.7 percent, respectively. Because of the epidemic caused by production supply stagnation, car production and sales at the same time last year there was a precipitous decline, the situation is very unpromising. But BMW Group announced its sales figures for the first half of 2022, with a total of 378,727 BMW and MINI brand vehicles delivered in the country, with sales of pure electric models

continuing their strong momentum, up 74.6% year-on-year. BMW under heavy test can still have such a large sales volume is a very difficult thing. Recent theoretical development has revealed that BMW is one of the most popular cars not only sold domestic but also abroad. Therefore, BMW can be regarded as the most successful and profitable luxury car brand in the world, so how BMW development is an important research question. Aiming at BMW's marketing strategy, our team is very interested in BMW's international marketing, so we decided to conduct research on the theme of "How BMW opens the international market". We decided to use a qualitative analysis research method to analyze BMW in domestic and foreign markets using the swot template. And we also compare the different between BMW's marketing strategy in different area. We hope that our research will help BMW to better open up the international market and let more people know about BMW and buy BMW. At the same time, we hope to enhance the international influence of BMW and promote the development of the automotive industry and economic growth.

2. Literature Review

BMW, one of the world's leading luxury automobile manufacturers, has been recognized for its successful international marketing strategies. This literature review explores the key elements of BMW's international marketing approach, focusing on the company's strategies, challenges, and successes in expanding its global presence. The analysis draws upon various academic articles, industry reports, and case studies to provide a comprehensive overview of BMW's international marketing efforts.

2.1. Market Segmentation, Targeting, Positioning and Branding

BMW's international marketing efforts have been underpinned by effective market segmentation and targeting strategies. By identifying distinct customer segments based on factors such as age, lifestyle, and income, BMW has been able to tailor its marketing messages and product offerings to specific target groups [1]. note that this approach has allowed the company to effectively reach and engage its desired customers in different international markets.

BMW's strong brand image and positioning have played a crucial role in its international marketing success. According to [2], the company has strategically positioned itself as a provider of high-performance, luxury vehicles focusing on precision engineering and driving experience. The iconic slogan "The Ultimate Driving Machine" has become synonymous with BMW and has contributed to its differentiation in the competitive luxury automobile market.

2.2. Marketing Strategy

2.2.1. Product Strategy

BMW's product strategy is characterized by continuous innovation and a diverse product portfolio. The company has successfully introduced new models that cater to various segments, including electric and hybrid vehicles [3]. Emphasize that BMW's ability to adapt its product offerings to changing consumer preferences and environmental concerns has been instrumental in its global expansion.

2.2.2. Distribution Channels

Selecting appropriate distribution channels is a crucial aspect of BMW's international marketing strategy. BMW has established a global network of authorized dealerships, ensuring a consistent brand experience across different markets. Additionally, the company has embraced e-commerce and digital channels to enhance customer accessibility and reach [4]. Highlight the importance of a

well-managed distribution network in ensuring efficient delivery and after-sales services, which are essential for customer satisfaction.

2.2.3. Marketing Communications

BMW has successfully leveraged various marketing channels to build brand awareness and engage customers globally. The company's marketing campaigns often combine traditional media, such as television and print, with digital and social media platforms [5]. assert that BMW's consistent messaging and storytelling have helped create an emotional connection with consumers and enhance brand loyalty.

2.2.4. Summary

This literature review highlights key aspects of BMW's international marketing strategy, including branding and positioning, product strategy, market segmentation, distribution channels, and marketing communications. By understanding and implementing these strategies effectively, BMW has established a strong global presence and maintained its position as a leader in the luxury automobile market. However, further research is needed to explore the evolving challenges and opportunities in BMW's international marketing efforts, particularly in emerging markets and changing consumer behaviors.

3. Analysis of Domestic Marketing Environment Based on SWOT

3.1. Strengthens

One strength for BMW in the domestic market is that Germany can provide strong support for the automobile industry. In the global automobile market, in addition to the United States and China, Germany is one of the world's top three and four automobile markets. Germany can be called the "car kingdom". It not only has a history of more than 100 years of automobile production and processing, but also has many German local luxury car brands such as BMW, Porsche, Audi, etc., through continuous innovation and improvement, so the car is a proud business card of Germany. The country itself has a large amount of support and investment in automobiles, so there is no doubt that the country has full support for the vigorous development of the automobile industry. As one of the famous German automobile brands, BMW has been valued by the country.

The second strength is that the country itself has a large demand for cars. Germany is one of the most densely populated countries in the European Union. Germany is a highly developed industrial country with a total economic volume ranking first in Europe and fourth in the world. Well, with the continuous development of the economy, the quality of life of Germans has been continuously improved. According to the authoritative data of the global network [Economic Reference News], 501 out of every 1,000 Germans owned private cars in 2008. Since then, the proportion has increased year by year, and the proportion of private cars in 2019 has reached a record. Shi Xin Gao. About half of German families own at least one car, about 2.6 million Germans own more than three cars, and about 17% of German families do not have a car. Therefore, the German market maintains a relatively large demand for cars. BMW sold 118,388 vehicles (+19.8%) in the first half of 2021. The market for BMW cars is gradually opening up.

And one of the strengths is large brand influence. German cars are known for their good quality, reliability and safety. BMW's engine design is particularly outstanding. For BMW, it not only impresses the public in terms of performance, but also has a very high gold content of the BMW brand. BMW's service concept is customer-centered, which has won the satisfaction of many customers. BMW has a high position in the hearts of many people.

3.2. Weaknesses

One of the weaknesses is that it costs a lot. A large number of BMW's models are very oil-burning. Burning oil was originally a common problem of European cars, but BMW belongs to the top of European cars. Although burning engine oil is a common problem of German cars, BMW is obviously the first to bear the brunt. In the list of oil-burning models, BMW occupies 4 seats in the top five. Moreover, the current fuel price in Germany is 25 cents higher than the EU average and more than 40 cents higher than France's, which undoubtedly increases the economic burden on the Germans.

The characteristics are not clear enough is the weaknesses. In a big car country like Germany. Volkswagen is the biggest competitor of BMW. Mercedes-Benz of Daimler AG and Audi of Volkswagen are essential competitors. Mercedes-Benz is the inventor of automobiles. In the global luxury car camp, its influence is second to none. The advantage of Mercedes-Benz is that it is comfortable to ride and the interior is luxurious, which is the most prominent in the top three in Germany. At the same time, Audi cars also occupy many markets. Audi cars are the most popular in BBA, and all its models have a significant discount.

3.3. Opportunity

One opportunity for BMW in the domestic market is Cooperation with China. China is the world's largest automobile market. In 2003, BMW successfully established a joint venture called BMW Brilliance Automobile Co., Ltd. with the local Brilliance Automobile Group in China. In 2021, the BMW Spartanburg factory exported 257,876 BMWs to about 120 countries, accounting for nearly 60% of the total output, of which China accounted for 24.1% of the total export volume and ranked first in the world. BMW's X5 model sold more than 50,000 for the first time in 2021. This model is deeply loved by China. Consumers love it. The strong partnership between BMW and China will certainly add a lot of color to BMW's success in the market and future sales growth.

Another opportunity is BMW's ambition for pure electric cars. BMW's Dingolfing factory in southern Bavaria, Germany, will produce battery modules for MINI pure electric vehicles in 2019, and the BMW Group will invest more than tens of millions of euros.

The last point concerns Germany's economic growth after the epidemic's end. After the end of the epidemic, Germany's economic recovery as a whole became better, and German manufacturing showed signs of recovery. Germany's economic growth will also promote the development of the automobile industry, which is also one of the favorable factors for BMW.

3.4. Threat

The first point about the threat is that there is great competitive pressure on German brands. Cars with the same brand positioning in Germany and BMW are: Audi and Mercedes-Benz. These three brands have many of the same characteristics, so it is difficult to distinguish between the three. Therefore, BMW should not take the embankment lightly, but continue to innovate and develop.

The rise in the cost of materials is a significant threat. The rising cost of raw materials will affect BMW's financial situation in 2022. The price of steel, aluminum and other materials used in automobile production has risen sharply, leading to the rise in the production cost of BMW, affecting the company's profitability.

3.5. BMW's Marketing Strategy in Germany

Due to its innovative marketing strategy, BMW has maintained its position as one of Germany's top luxury car manufacturers. One of the main strengths of BMW's marketing strategy is its focus on

customer engagement. BMW interacts with its customers through various channels such as social media, events and test drives to understand their needs and preferences. BMW also offers personalized services to its customers, such as personalizing cars to meet specific needs. This helps increase customer loyalty and helps BMW maintain its position as a premium luxury car brand.

Another key strength of BMW's marketing strategy in Germany is its focus on innovation. BMW has maintained its position as an innovative brand by introducing new and improved car models to meet the needs of different segments of luxury car buyers. BMW has also been able to integrate technology into its marketing strategy, such as using augmented reality to showcase its cars to potential customers.

However, one of the weaknesses of BMW's marketing strategy in Germany is its high price point. Compared to other luxury car brands, BMW cars are relatively more expensive, making it difficult to attract customers in the lower and middle-income brackets. This limits BMW's potential market share in Germany.

4. Foreign Marketing Strategy Analysis

4.1. Strengthen

One strength BMW has is that its brand awareness and presence are extremely high in the world. BMW has a wide influence in the world, and the high brand awareness helps the company to bring related products and services to the global market more quickly and efficiently without requiring high advertising costs to package the products so as to get the desired publicity effect. Based worldwide, BMW's business relies less on its home market to generate most of its revenue, nor on a specific geography. The broad sales in the world make BMW not limited to a small range, and the number of sales can quickly and greatly increase, thus bringing great profits. The sale of many products also makes BMW's productivity rise rapidly.

Also, BMW's brand image is very strong. BMW is one of the most valuable automobile brands in the world. It does not pursue the expansion of automobile production but only pursues the production of high-quality, high-performance and high-level cars. It is representative of high-end cars. A good brand reputation helps BMW to have a significant competitive advantage and gain the trust of more consumers.

In addition, BMW has a mature development strategy and a clear plan. BMW has a very long history, and already has its own set of marketing methods. In the face of future challenges can be leisurely, with clear strategies and countermeasures [6].

Furthermore, BMW has advanced technology and strong innovation ability. With state-of-the-art technology, unique luxury and exceptional comfort, few competitors offer the same value as BMW. BMW has research and development centers all over the world: China, Japan and the United States, and its strong research and development capabilities enable BMW to constantly launch new performance products and enable the brand to move forward steadily.

4.2. Weaknesses

BMW is slightly overpriced. BMW's car range costs more than most brands, but only a few consumers can afford it. When BMW is imported into international markets, high tariffs will raise prices, and many consumers will choose cheap cars.

4.3. Opportunities

The chance to cooperate with China helps a lot. Since entering China, BMW has exported international standards for manufacturing and service to China through cooperation with Brilliance.

In collaboration with Brilliance, BMW has expanded the Chinese market and has a solid position in China's car sales. This partnership provides a strong guarantee for BMW's success in the market and sales growth. ('Principles and Practice of Marketing'. McGraw-Hill Education.)

The improvement of people's consumption level. With the development of the economy, more and more consumers have economic solid strength, and these consumers tend to pursue higher-quality products and services. As consumers' preference for brands increases, their sensitivity to price decreases, and BMW is also able to fully meet consumers' needs for brand, quality and service.

4.4. Threats

One of the threats is that the global car market is highly competitive. The global car market is highly competitive. More than 100 car brands are worldwide, and more cheap and good-performing car brands are starting to emerge. Mercedes-Benz and Audi, which are in the same class with BMW, are also mighty and pose a greater threat to BMW. With car overproduction, rapid technological changes, new entrants and saturation of the largest markets, competition is intensifying further.

Restrictions of various national regulations influence a lot. Due to environmental changes such as global warming, more and more countries have stricter environmental regulations. Many countries have higher requirements on vehicle emissions, making it more difficult for the technical aspects of vehicle manufacturing. BMW needs to spend more effort working on compliant engines, which will also increase BMW's manufacturing costs. In a competitive market, these costs may not be recoverable and lose more.

Currency risk is also serious. BMW operates companies around the world, with a variety of currencies involved, and the exchange rate fluctuations will have a huge impact on the profits of the entire group. Any adverse change in global currencies such as the euro, yuan, dollar and pound could be disastrous for BMW. Network influence. With advanced technology today, almost everyone can surf the Internet. BMW is originally an influential company. When there is a little defect, it may be infinitely magnified, and the rapid spread of information will cause hot discussion. This situation will make more consumers resist BMW.

4.5. International Marketing Strategy of BMW

BMW has a global presence and with its innovative marketing strategy, BMW has been able to maintain its position as one of the world's leading luxury car manufacturers. One of the critical strengths of BMW's global marketing strategy is its focus on sustainability. BMW is committed to reducing its carbon footprint by developing electric and hybrid vehicles. This helps BMW attract customers willing to pay a premium for eco-friendly cars.

Another key strength of BMW's global marketing strategy is its focus on localization. By offering locally built vehicles tailored to local preferences, BMW can meet customers' needs in different parts of the world. For example, BMW offers longer cars and more legroom in China, where customers prefer to be driven by a chauffeur. This helps BMW meet the needs of different luxury car buyers worldwide.

However, one of the weaknesses of BMW's global marketing strategy is its reliance on traditional marketing channels. BMW relies heavily on television and print advertising, which may not effectively attract a younger generation that consumes media primarily through digital channels. BMW needs to focus more on digital marketing channels, such as social media and influencer marketing to reach a broader audience and increase customer engagement.

5. Comparison of BMW's Marketing Strategies in Germany and Globally

BMW's marketing strategies in Germany and globally have similarities, such as their focus on innovation, customer engagement and brand image. However, there are also some differences between the two strategies. For example, BMW's marketing strategy in Germany focuses more on personalization and individual service. In contrast, its global marketing strategy focuses more on localization to meet the needs of different segments of luxury car buyers.

5.1. BMW's Overall Strengths and Weaknesses

5.1.1. Strengths

Strong brand reputation: BMW is known for its German engineering, high-performance cars and luxury design. Over the years, the company has built a strong brand reputation, which helps it attract loyal customers and offers a premium price for its cars. **Diverse product lineup:** BMW offers a wide variety of vehicles to meet the diverse needs of its target audience. The company has models ranging from compact cars to SUVs, which helps to appeal to a wide range of consumers. **Innovative technology:** BMW is known for its innovative technology, such as using carbon fiber, which helps the company differentiate itself from its competitors. **Strong dealer network:** BMW has a strong dealer network worldwide, which helps the company reach its target audience and provide excellent customer service [7].

5.1.2. Weaknesses

High price: BMW's premium pricing strategy may be a weakness for the company as it may limit its appeal to a broader audience. **Limited market share:** Although BMW is a leading brand in the luxury segment, it has a limited market share compared to more mainstream brands. **Reliability issues:** BMW has faced some reliability issues over the years, which may affect customer loyalty and brand reputation. **Dependence on several key markets:** BMW is heavily dependent on several key markets, such as China and the U.S., which could make the company vulnerable to economic and political changes in these markets.

5.2. Differences in Different Markets

BMW's marketing strategy varies slightly from market to market, depending on local consumer preferences and market conditions. For example, in the United States, BMW's marketing emphasizes the company's performance and luxury, while in China, BMW's marketing focuses more on its position as a premium brand. Another difference between these two strategies is their focus on sustainability. While BMW's global marketing strategy emphasizes sustainability, its marketing strategy in Germany does not emphasize this aspect as much. This may be because sustainability is more important to global than to German customers. In addition, in emerging markets, BMW may be more focused on enhancing the value of its cars because consumers may be less familiar with the brand and its reputation.

6. Conclusion

This thesis mainly studies BMW's marketing strategy for domestic and international markets. We use SWOT model to analyze BMW's advantages, disadvantages, opportunities and challenges. Through the research, we found that BMW has different marketing methods for different markets. In its home market of Germany, BMW has maintained and consolidated its position as one of Germany's top luxury carmakers with its innovative marketing strategy, while also giving customers a high degree of

attention. But its high price has also limited its growth, causing more middle-class people to abandon it. BMW's popularity in the international market has helped it boost sales quickly and become popular worldwide. But the global market is more competitive, and BMW is threatened by the proliferation of cheaper and better-performing brands. And increasingly stringent emission regulations in various countries have prompted BMW to improve. All in all, BMW is a very successful brand with a very high reputation, but some shortcomings remain [8]. BMW is undoubtedly expensive in terms of pricing, which has led some middle-class people to abandon it in favor of a slightly cheaper brand. If the price is lowered a little, with BMW's influence, it can attract more customers, sales will also be greatly increased. BMW still needs to innovate and create more environmentally friendly vehicles that are not subject to regulations. In future work, this advice can be modified to find the favorable patterns to some degree and to discover the rare rules as well.

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