BRAND MANAGEMENT STRATEGY

Analysis of BMW Company

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1. Introduction

BMW (Bavarian Motor Works) Group, created by Karl Friedrich Rapp in 1913, is the leading manufacturer and seller of cars globally. It is a well-known German corporation and manufacturer of cars and motorcycles. Its headquarters is located in Germany. BMW Group defines its mission statement as "to be the most successful premium manufacturer in the car industry." The company's vision statement is "to be the most successful premium manufacturer in the industry." This statement shows that the organization wants to describe its growth path. This document will implement principles, theories, and concepts of brand management for analyzing the brand development strategy of BMW Company.

2. Brand Attributes

Brand attributes refer to a collection of aspects that highlight the personality and physical features of the brand. The organization's brand attributes assist in making brand identity. Organizations should make high-value product attributes, and brand personality endorses product value. While doing so, the business can build up the overall brand image and improve customers' brand identification to facilitate the organization's competitiveness and sustainable management (Sen, 2019).

2.1. Brand Identity

Brand identity can be explained as the personality of the company and a promise to its consumers. BMW is modifying its brand identity with every new generation of clients. The communication logos of the company have been reshaped, having innovative design principles and a new logotype.

Figure 1: BMW Logo

The company's new design is a depiction of the modified brand identity, considering the consumer at the center of all actions. Pared-down and 2-dimensional expresses clarity and openness. The different transparent version of the logo is a highly clear invitation for consumers to get into the company's world.

2.2. Brand Image

BMW Group has constantly been a huge brand in the automobiles manufacturing industry. It owns three brands, BMW, MINI, and Rolls Royce, offering special automobiles for the upper class and rich customers. Furthermore, the company is considered a highly valuable brand with a brand value of USD 24.82 billion (*BMW: Brand Value 2021 | Statista*, n.d.).

2.3. Brand Personality

Brand personality plays a significant part in making, developing, and keeping up strong brands (Dikcius et al., 2013). BMW is a brand for a life span just the once you purchase a BMW car, it is not possible to switch to another brand. BMW has five personality aspects: sophistication, genuineness, competence, excitement, and ruggedness. For several decades, the company has gained an image of accuracy, luxury, and quality. The company has attained its brand personality since the start of the brand, and individuals get into this brand with much gratitude and high regard.

3. Brand Equity

Brand equity refers to the increasing brand value that expresses the clients' thinking process, emotion, or expression. The customer-based brand equity of BMW is evenly strong on the right and left-hand sides. Likewise, it is strong from bottom to top, having the maximum brand awareness of car manufacturers and greater customer loyalty and recurring purchase rates. BMW has effectively paid attention to the advanced product attributes as well as the imagery linked with driving and owning a BMW (*BMW: Keller's Brand Resonance Pyramid*, n.d.).

Figure 2: BMW: Keller's Brand Resonance Pyramid

3.1 Salience / Awareness

- Premium and luxury vehicles maker.

- Brand recall => 60% top of mind

- Brand identification => 100%

3.2 Performance

- Powerful engines and electric engines

- striking and up to date design

- Safety aspects and advanced technology

- Fuel efficiency and material of high quality

- Handmade interiors

- Premium price and branded retail stores

3.3 Imagery

- Stylish leader and innovator

- Trendy and sporty, Explorer

- latest technology

- Environmental friendly and adventurous

- Stylish and attractive

- joyful in driving

3.4 Feelings

- pleasure, fun, and enthusiasm

- Self-respect and self-assurance

- Comfortable and safe

* Powerful and booming

3.5 Judgements

* Satisfactions of high quality

* Latest technology and high performance

* Innovative, Modern and distinctive

* reliable and market leader

3.6 Resonance

* Loyalty and community (upper social class)

* Emotional affection and commitment (millions of followers on Facebook).

4. Brand Positioning

The BMW brand is positioned (with respect to opponents) by price. The premium price of its vehicles is intended to assure high-quality customer engineering, which can show success or status clearly for social appreciation. The car's driving ability, along with its advertised image and looks, differentiates BMW from its competitors. It is positioned to appeal to customers addicted to more than a normal automobile in exchange for their money.

4.1 Customer Segmentation

According to Keller & Swaminathan (2013), market segmentation divides the market into groups of similar customers with similar needs and consumer behavior. Businesses can find new segments by exploring the hierarchy of distinctiveness that customers will think about when picking a brand to get a competitive advantage (Chapman & Feit, 2015).

Companies segment their markets through the following variables: Geographic, Demographic, Behavioral, and Psychographic (Kotler & Kotler, 2001). Geographic segmentation explains the selection of potential markets considering their location (Kotler & Kotler, 2001). Demographic segmentation consists of groups that can be recognized in terms of age, income, sexual category, profession, marital status, race, family size, religion, and ethnic group (Kotler & Kotler, 2001). Behavioral segmentation divided the markets as per the purchase behaviors of the individual (Kotler & Kotler, 2001). Lastly, Psychographic segmentation means market segmentation according to personality traits, social class, way of life (Kotler & Kotler, 2001).

Geographically, the main markets for BMW having 65% of sales are North America and Europe. These regions are greatly industrialized, meaning inhabitants are monetarily positioned to purchase expensive cars with higher incomes. The demographics segmentation of BMW includes men and women of age between 25-40 years with high-income levels. Behaviorally, these individuals carry a winning image in their mind prior to purchasing the car; they, in addition, would be keen to have a modern or sports look. Psychographic Segmentation of BMW includes individuals who are socially aware of making the world a healthier place to live and want to go for a hybrid rather than diesel or petrol versions.

4.2 Targeting strategy

Targeting can be defined as selecting the segments that the business believes to be prospective consumers and pursuing them. Different targeting strategies that companies adopt as per their requirement include differentiated, undifferentiated, and concentrated targeting strategies (Wright & Esslemont, 1994). In the differentiated targeting strategy, over one promotional strategy would be planned. In an undifferentiated targeting strategy, a similar promotional message is delivered to everybody. In the concentrated targeting strategy, just one promotional strategy is intended to talk about the profits anticipated by a particular group of consumers.

BMW uses a differentiated targeting strategy. Using this kind of marketing, a company chooses to target numerous market segments and produce different products for all of them. BMW Company targets groups aged 25 to 40 as these individuals carry a successful image. The company concentrates on being labeled as a "luxury car" and "an international or foreign car." BMW offers a variety of motorcycles and cars which fulfill all diverse expectations and needs of customers. Some of them would like to purchase a pleasant big secure vehicle for the family for daily traveling at a reasonable cost.

On the other hand, other customers would like a speedy, comfortable, and top-quality vehicle for speed rides with associates. Furthermore, motorcycles are divided into diverse groups. These all vehicles are at a different price, worth, appearance, and abilities.

4.3 Positioning Map

According to Keller & Swaminathan (2013), brand positioning refers to designing the corporation's offer and image to take up a distinctive and valued position in the mind of target customers.
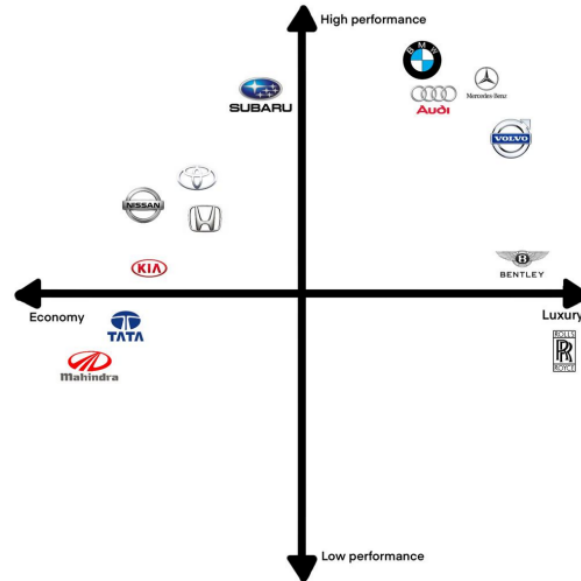
Figure 3: BMW Positioning Map

BMW has paid attention to high performance instead of luxury by the brand positioning map. Although it is a luxury car yet, the key center of attention is performance. The unique value proposition of BMW has been acknowledged as 'Ultimate Driving Performances,' and the automobile is created according to the UVP. For maintaining the UVP of the company, BMW has to keep up an improved engineering system.

4.4. Points of Parity and Difference

Referring to Kevin L. Keller, the competitive frame of reference is the marketplace where a business competes. Mercedes-Benz and BMW contend in the similar first-class cars market; they possess a similar competitive frame of reference. Points of parity associations are similar to rival companies (Keller & Swaminathan, 2013). The similarities might be due to the similar type of product or since one brand is taking similar actions to counter the rival company's PODs. Whereas Point of Disparity can be defined as benefits or attributes that customers robustly connect with a brand, positively assess, and think they might not get a similar attribute or benefit from a competitive company.

To logically contend in the high-end cars market, Mercedes-Benz and BMW should have POPs. To contend with each other and against other first-rate brands, for instance, Audi, both automobiles manufacturer must keep up a reputation for the superiority of their vehicles: high quality build, design, finishing, engine, etc. In addition, they should be linked with efficiency and performance; because of this, these big German companies join in prominent motorsport competitions: BMW takes part in numerous motorsport competitions, for instance, "Dakar Rally" and "Le Mans 24 Hours". Mercedes takes part in Formula One through its racing team

Mercedes AMG. But, brands must **build up unique benefits or attributes** (PODs) in order to catch the attention of consumers and have a competitive advantage over rival companies.

Mercedes-Benz represents grace and precision superior to anyone; the "C-Class" is a just-right illustration. Safety innovation is one more Mercedes' POD: the company established a system capable of discovering forthcoming crashes known as "Pre-Safe." On the other hand, BMW is highly related to speed, performance, and handling distinction. The 3 Series Sedan can be considered an excellent model in this regard.

5. Brand Extension and Secondary Associations in Branding

When launching new goods or services, brand extensions may be utilized to capitalize on the beneficial aspects of an existing brand's reputation. When customers are not aware of your brand extension, secondary brand associations may play a critical part in gaining their trust. BMW places a strong emphasis on the association of their brand with Germany. Germany is synonymous with dependability, effectiveness, and long-term durability in the automobile industry. Because of this, it is only logical for BMW to desire to relate to those phrases.

5.1. Opportunities to extend the brand

A product line extension uses an existing product's brand name for marketing a new item in the same product category as the original product. On the other hand, a category expansion occurs when a brand that is well-known for one sort of goods begins offering another type of product. BMW has a robust product line and delivers a wide range of goods and services to its customers. Their goods are aimed squarely at the high-end car market. It is divided into three major segments: automobiles, motorbikes, and financial services. BMW also owns the Mini Cooper and Rolls Royce brands, among other things. BMW is currently concentrating on the electrification of its goods.

Beyond new car launches, BMW is using its brand to create new lifestyle items to differentiate itself from the competition in the automotive business. BMW bicycles and BMW skateboards are examples of such goods.

5.2. Co-Branding

Collaboration with another firm to align brand expansion is known as co-branding, and it entails forming partnerships with other companies in the same product area to achieve this. Co-branding is advantageous since it lowers the total cost of ownership.

Louis Vuitton and BMW have a flawless co-branding partnership. BMW, the German automobile manufacturer, collaborated with Louis Vuitton to design the perfect travel companions for the plug-in hybrid BMW i8. Because of the partnership, a unique collection of four suitcases and bags was created.

5.3. Licensing

Expansion of a brand A trademark license is a process of fully capitalizing on a trademark asset by utilizing the images and ideas that consumers associate with a trademark to develop businesses in complementary product categories successfully. A trademark license is a legal agreement between a company and a third party. Having received approval from Beijing to operate its Chinese joint venture, BMW will spend 3.7 billion euros to acquire majority control of the company. The move comes as global automakers seek a stronger grip on operations in the world's largest automobile market.

5.4. Celebrity Endorsements and event sponsorship

Another approach you may use is celebrity endorsements, which can be quite effective. It has been a long time since Sachin Tendulkar has been associated with BMW India as an ambassador. His garage is crammed with high-end automobiles, the majority of which have the BMW emblem, for obvious reasons.

6. Conclusion

In general, BMW is a very successful brand, which has been achieved via various effective development techniques throughout time. Many resources have been invested in reaching their target market and adapting their methods in response to changes in customer behavior. BMW has achieved a high level of brand recognition via its successful international operations.
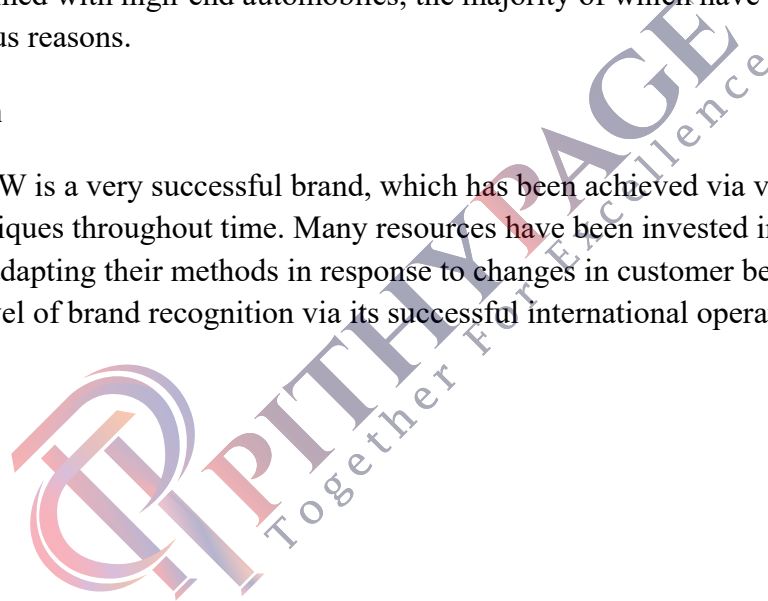
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