



# BMW GROUP IN CHINA

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**BMW BRILLIANCE AUTOMOTIVE**

MAY 22, 2012

**BMW**  
**GROUP**

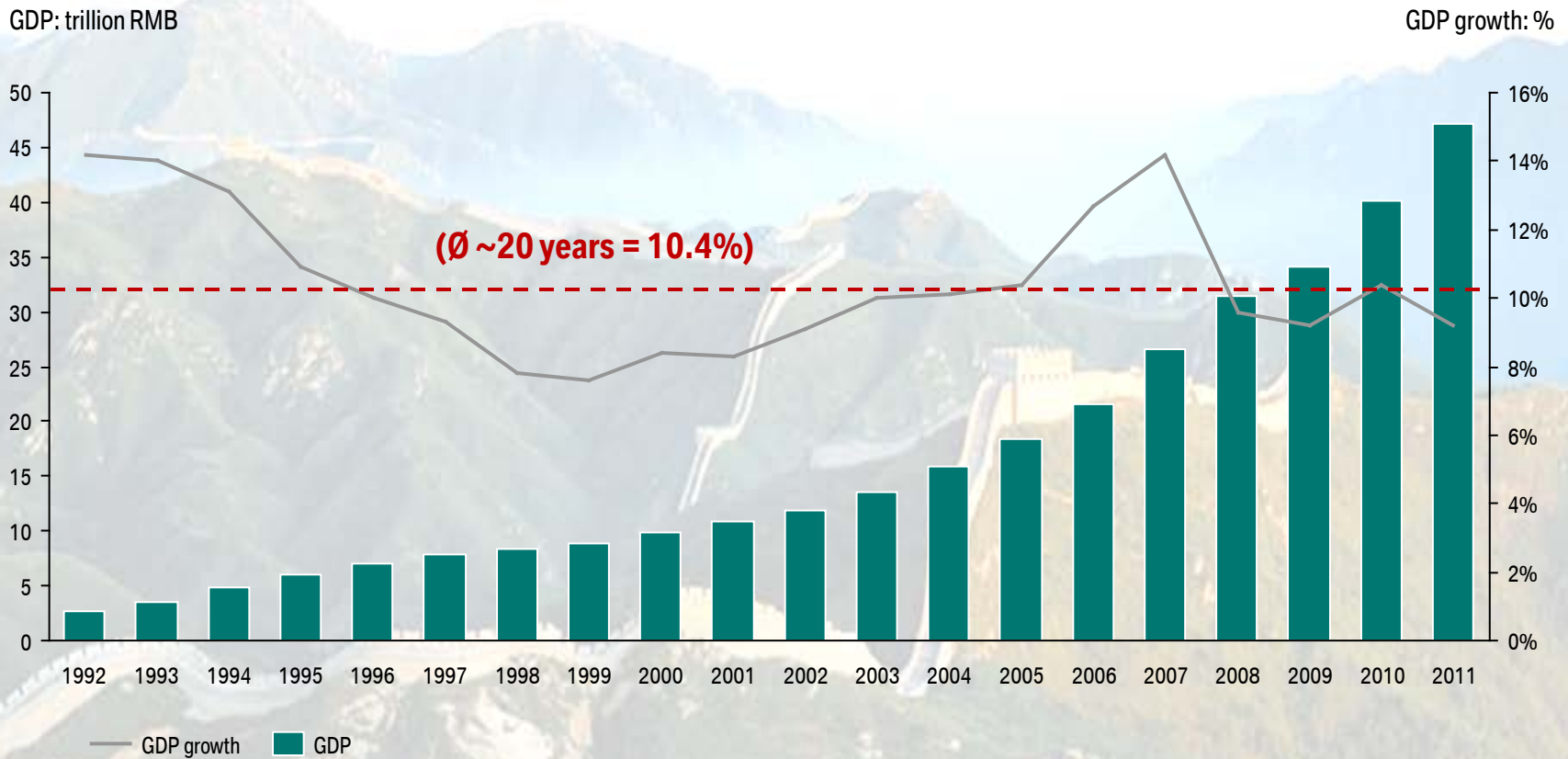


# CONTENTS.

- **Looking back**
- **The BMW business model**
- **BMW retail network in China**
- **Outlook**

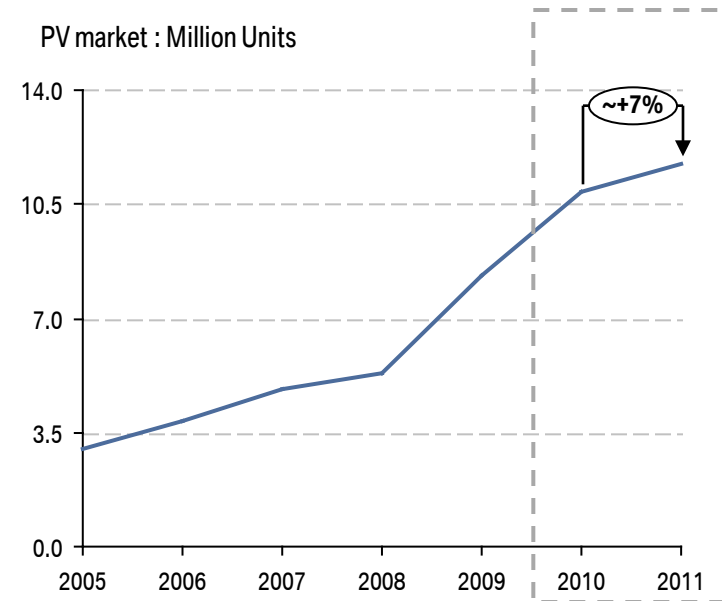
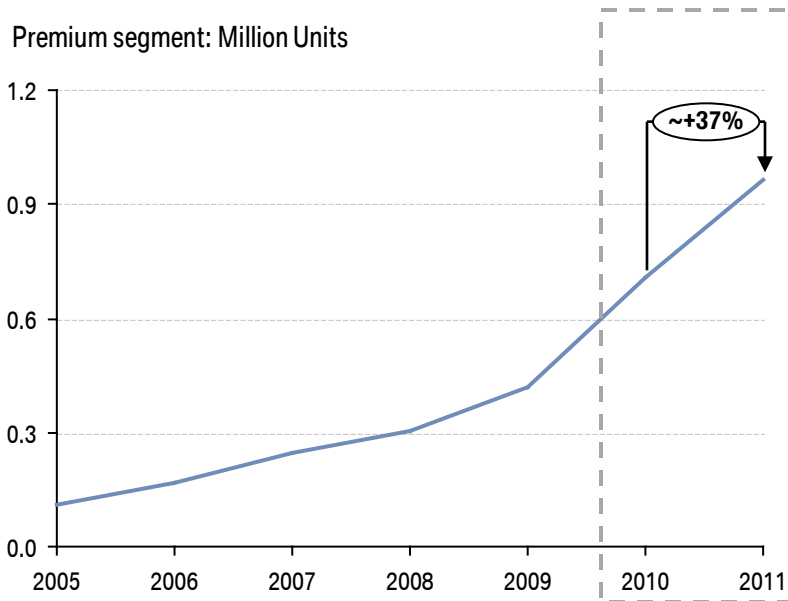
# CHINA HAS ENJOYED STRONG ECONOMIC GROWTH OVER THE PAST 20 YEARS.

## China GDP growth (1992-2011)



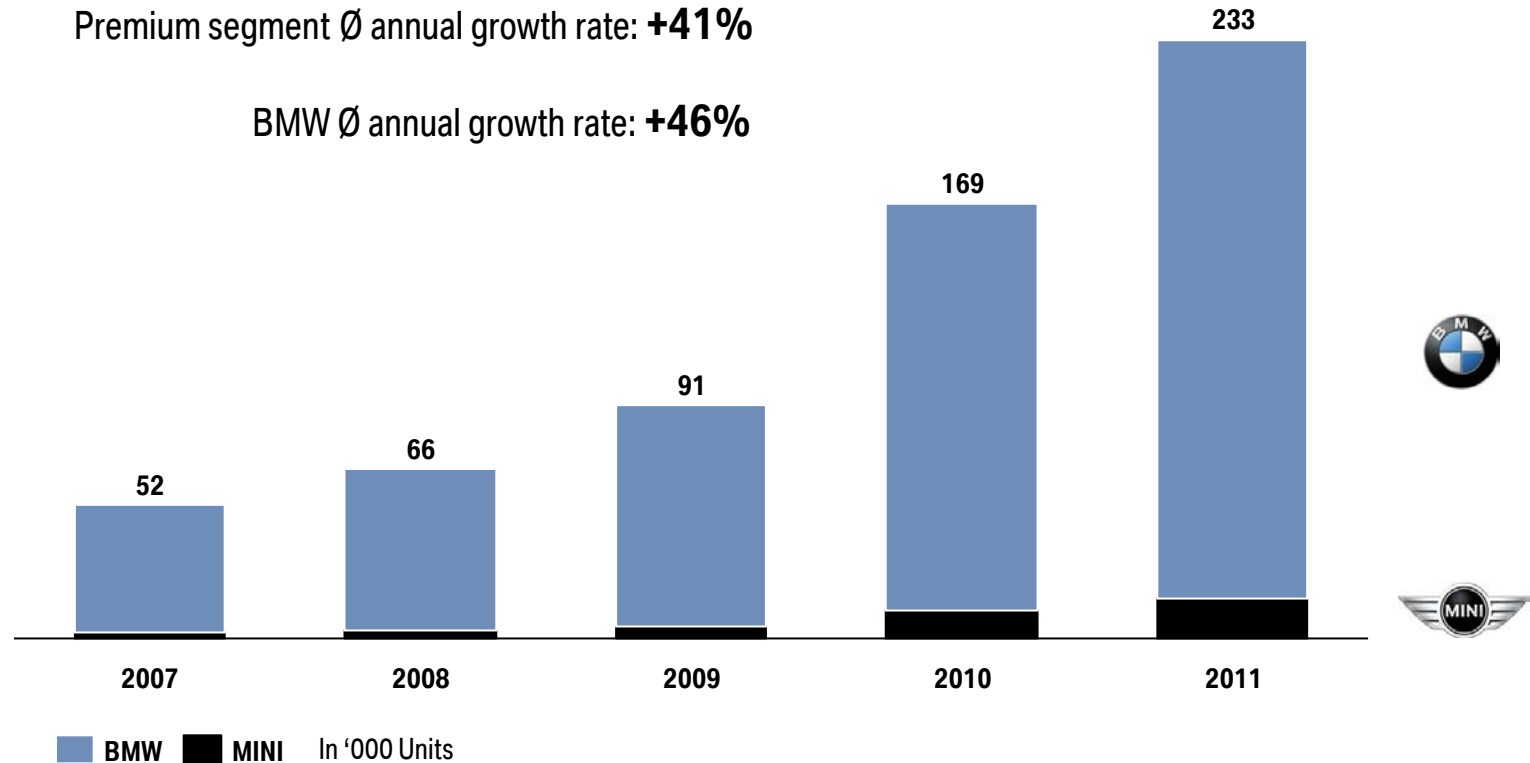
# ALTHOUGH THE PV MARKET GROWTH RATE SLOWED IN 2011, THE PREMIUM SEGMENT HAS CONTINUED ITS RAPID GROWTH.

## PV and premium segment sales development (2005-2011)



# BMW & MINI HAVE SUCCESSFULLY DEVELOPED OVER THE YEARS, OUTPERFORMING THE PREMIUM SEGMENT GROWTH.

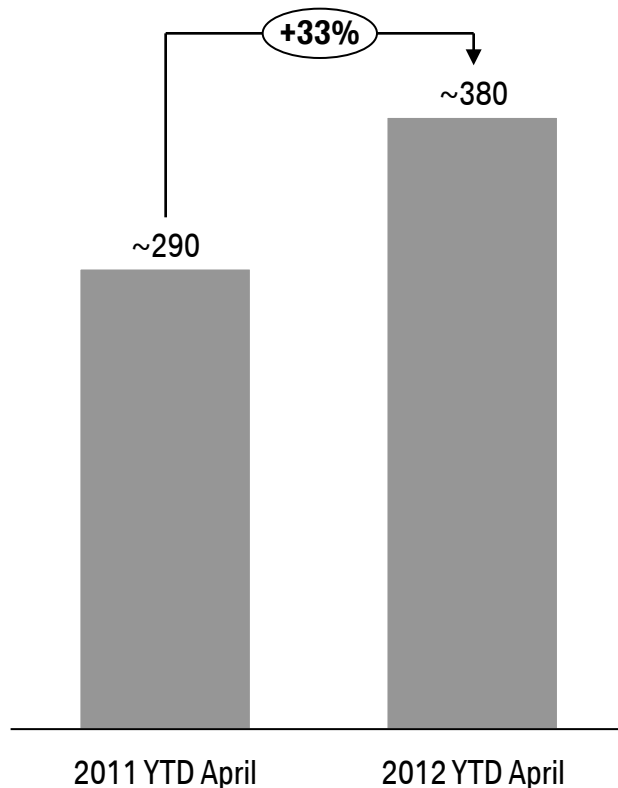
## BMW Group sales development (2007-2011)



# 2012 YTD MARKET STATUS. BMW GROUP HAS OUTPERFORMED THE PREMIUM SEGMENT.

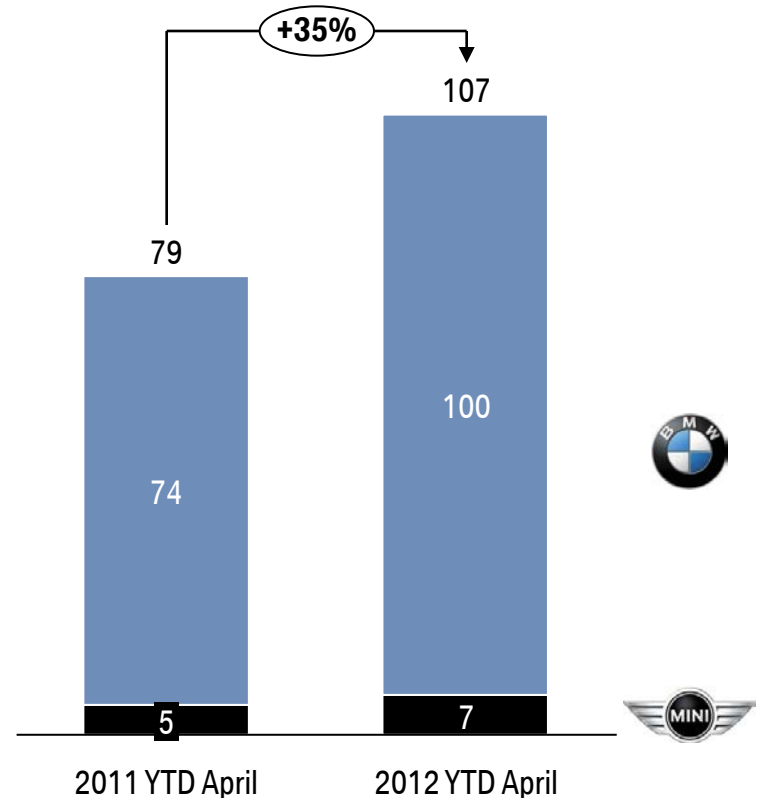
## Premium segment development

'000 Units

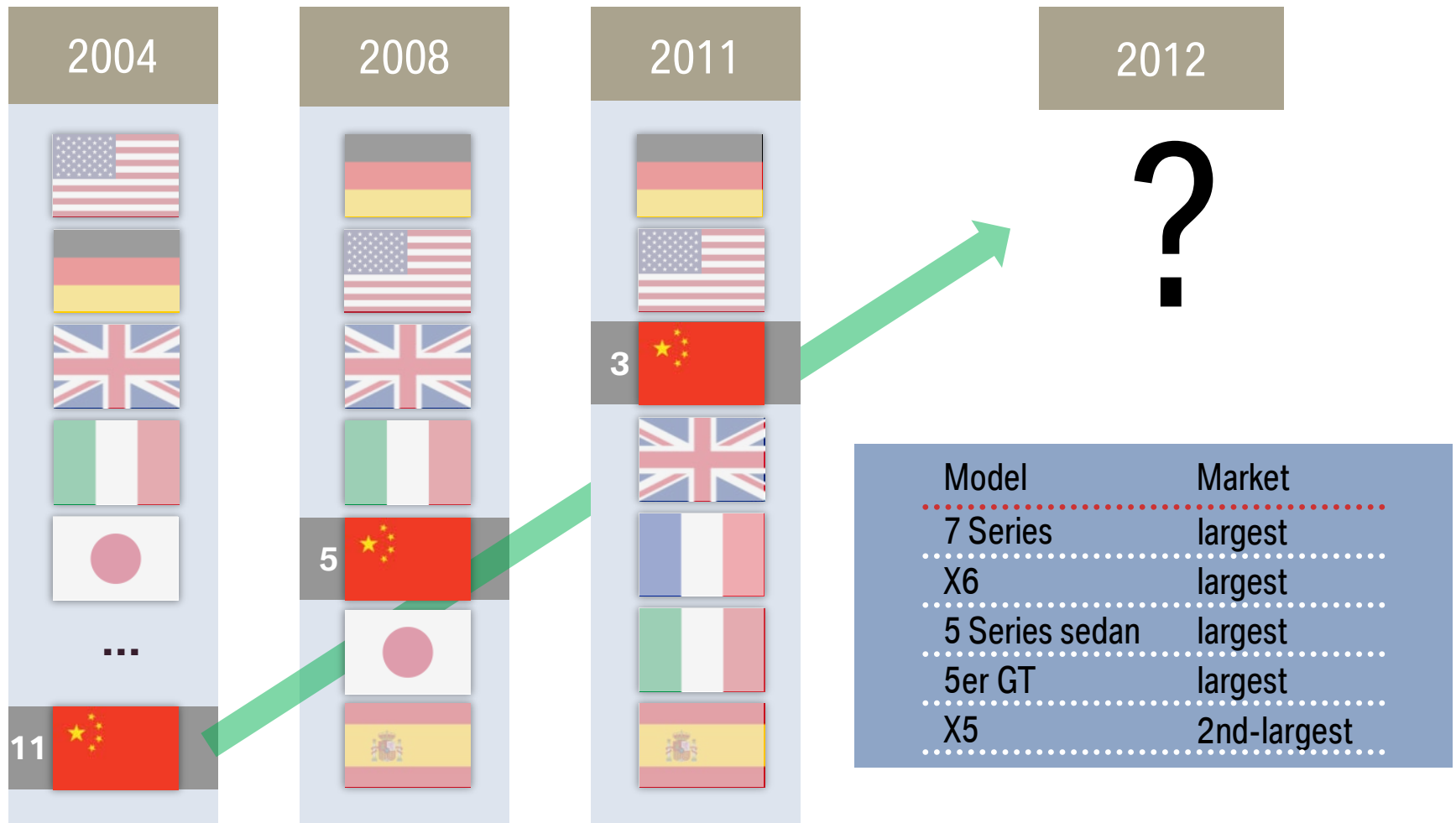


## BMW+MINI development

'000 Units



# CHINA HOLDS A PROMINENT POSITION WITHIN BMW'S GLOBAL RANKING.



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# COMPETING WITH SUBSTANCE. PRESENTING THE BEST QUALITY TO CUSTOMERS.

Products



Customer orientation



Brand-building



Localization



Partners



People



# BMW PRODUCT LINEUP. MOST BMW GROUP PRODUCTS ARE ALREADY OFFERED IN CHINA.

## Locally-produced



## Imported



# MINI PRODUCT LINEUP. EXCITING MINI PRODUCTS IN CHINA.

MINI家族 在中国。	MINI	MINI CLUBMAN	MINI CABRIO	MINI COUNTRYMAN	MINI MINI COUPÉ	MINI ROADSTER
ONE	 MINI ONE	 MINI ONE CLUBMAN		 MINI ONE COUNTRYMAN		
COOPER	 MINI COOPER	 MINI COOPER CLUBMAN	 MINI COOPER CABRIO	 MINI COOPER COUNTRYMAN	 MINI COOPER COUPÉ	 MINI COOPER ROADSTER
COOPER S	 MINI COOPER S	 MINI COOPER S CLUBMAN	 MINI COOPER S CABRIO	 MINI COOPER S COUNTRYMAN	 MINI COOPER S COUPÉ	 MINI COOPER S ROADSTER

 BE MINI.

MINICHINA.COM.CN

# UNDERSTANDING THE DIVERSE CUSTOMER BASE.

**Directors/Executive management  
of (multi-) national companies**



**Traditional company owners**



**Directors/managers in SOE**



**Young, self-made company owners / co-owners**



**Young professionals, executives**



# CUSTOMER ORIENTATION

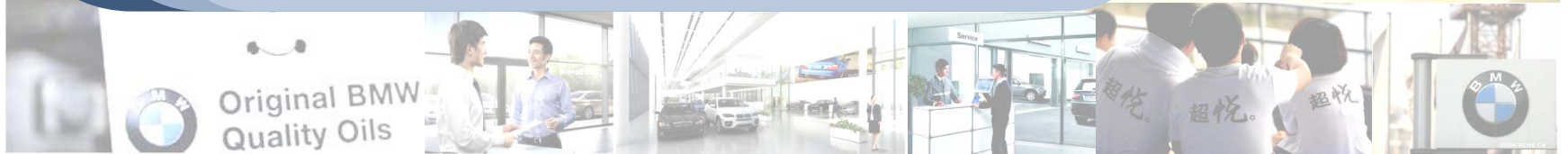
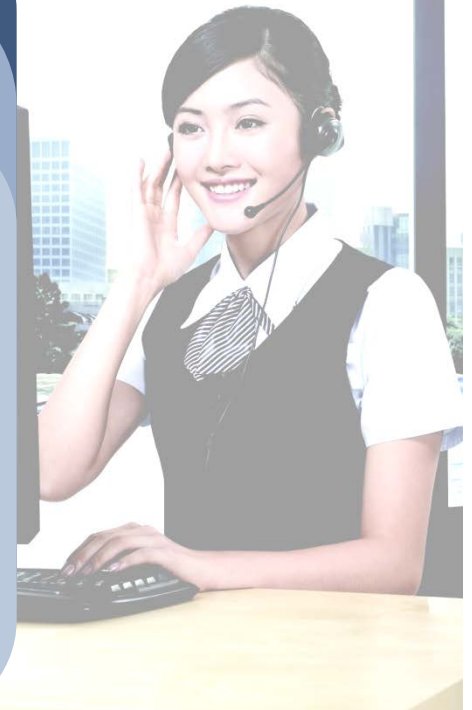
## BMW GROUP IS FULLY DEDICATED TO CUSTOMER SATISFACTION

**Attention & Care**

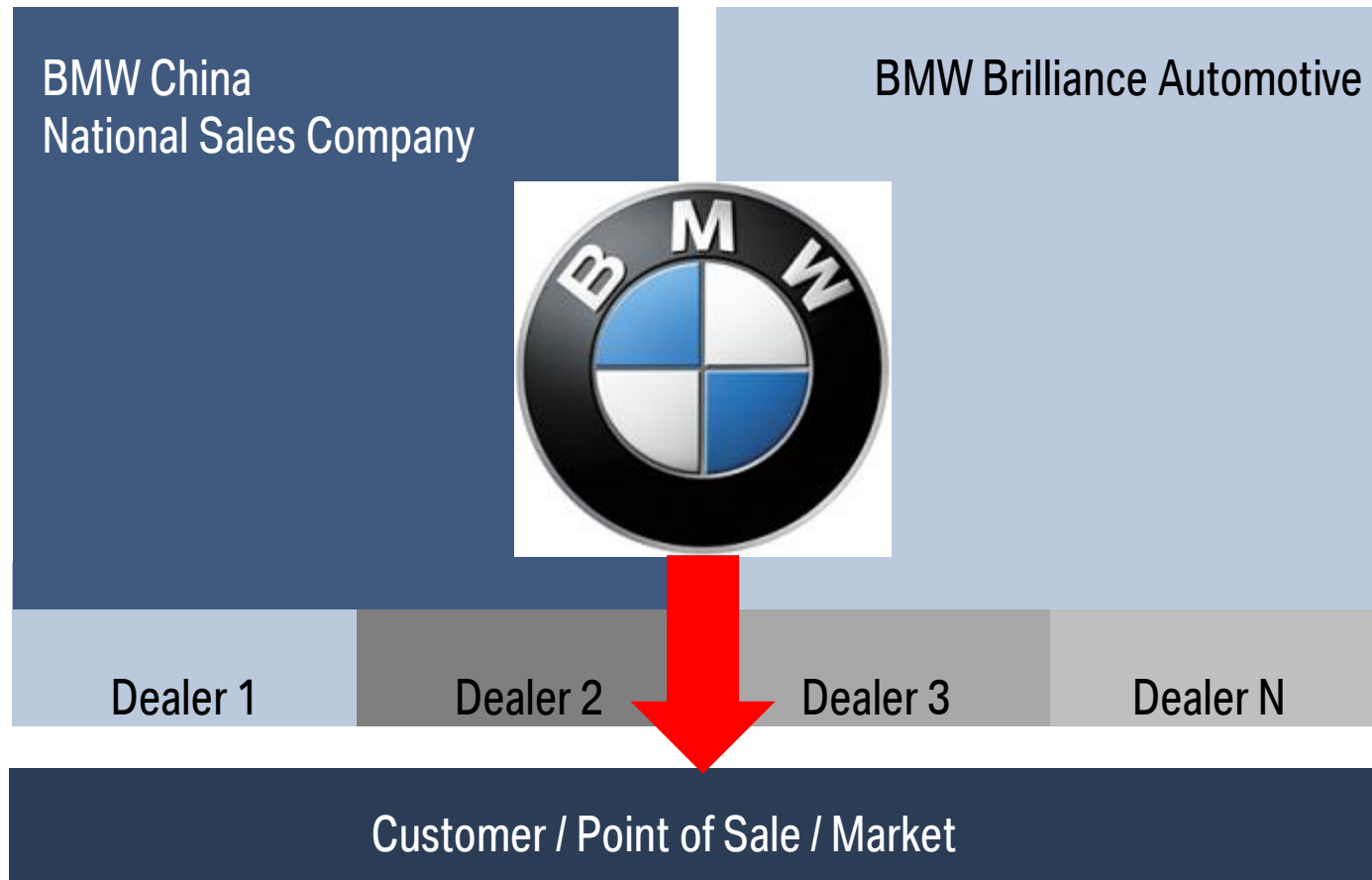
**Understanding & Action**

**Fulfillment & Success**

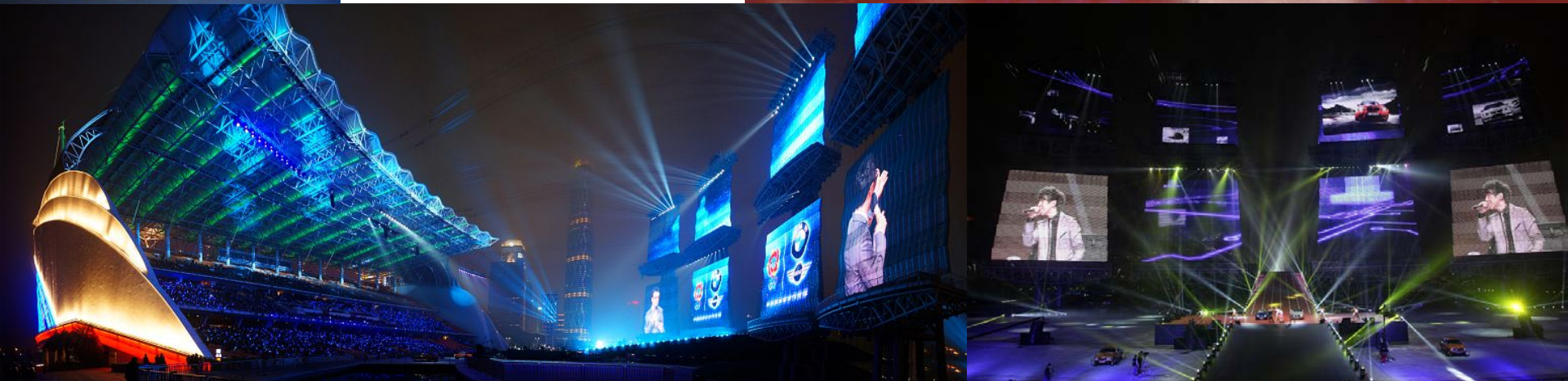
**Customer Orientation**



# MULTIPLE ENTITIES, ONE FACE TO THE CUSTOMER.



# PEOPLE-CENTERED MARKETING STRATEGY HIGHLIGHTING EXPERIENCE AND EMOTIONS (1/3).



# PEOPLE-CENTERED MARKETING STRATEGY HIGHLIGHTING EXPERIENCE AND EMOTIONS (2/3).

## Mission 3 Campaign



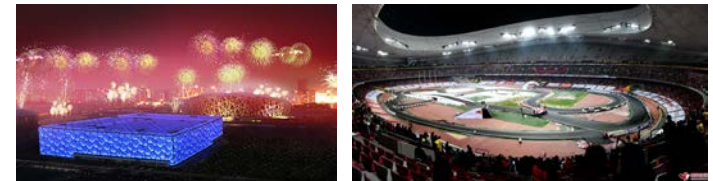
## MINI Chinese Job



## M Annual Event



## BMW Brand day





# PEOPLE-CENTERED MARKETING STRATEGY HIGHLIGHTING EXPERIENCE AND EMOTIONS (3/3).



## 2012 Beijing Auto Show



# CCF - BMW WARM HEART FUND CONTINUE TO BUILD ON ITS SUCCESSES.

➤ On June 5, 2008, BMW China and BMW Brilliance jointly set up CCF - BMW Warm Heart Fund



# THIS PERFORMANCE MAKES BMW THE LEADING AUTOMOTIVE BRAND IN CHINA.



- BMW has earned **NO.1** in 'I like this brand' in a row from 2002-2012.
- BMW is NO.1 in 4 main categories out of 13.



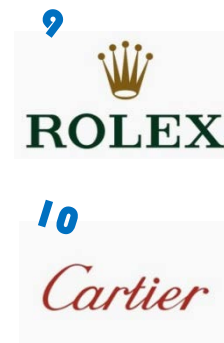
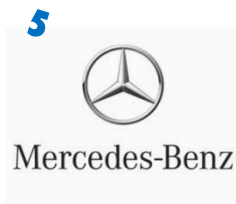
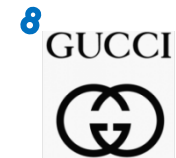
## Criteria

1. Well Made
2. Very Reliable Car
3. High Safety Standards
- 4. Advanced Technology**
- 5. Environmentally Friendly Cars**
6. Good Customer Service
7. Good Value For Money
8. High Re-sale Value
- 9. Good Looks/Styling**
10. Makes Sporty Cars
11. Successful In Racing
12. Has Good Advertising
- 13. I Like This Brand**

# BMW IS THE MOST ADMIRED AUTOMOTIVE BRAND AMONG CHINESE CUSTOMERS.

World's most valuable luxury brands 2012

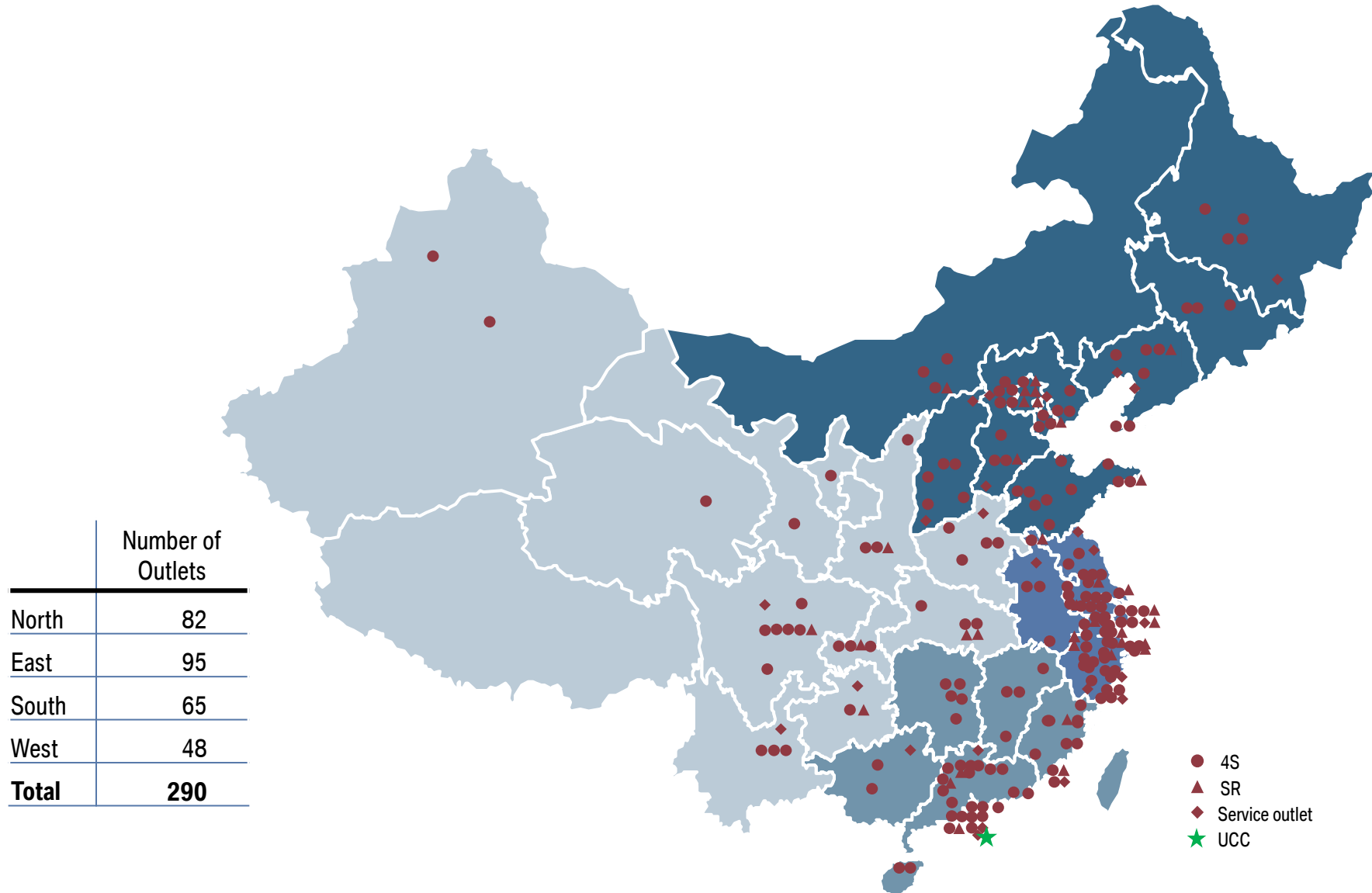
胡润百富  
HURUN REPORT



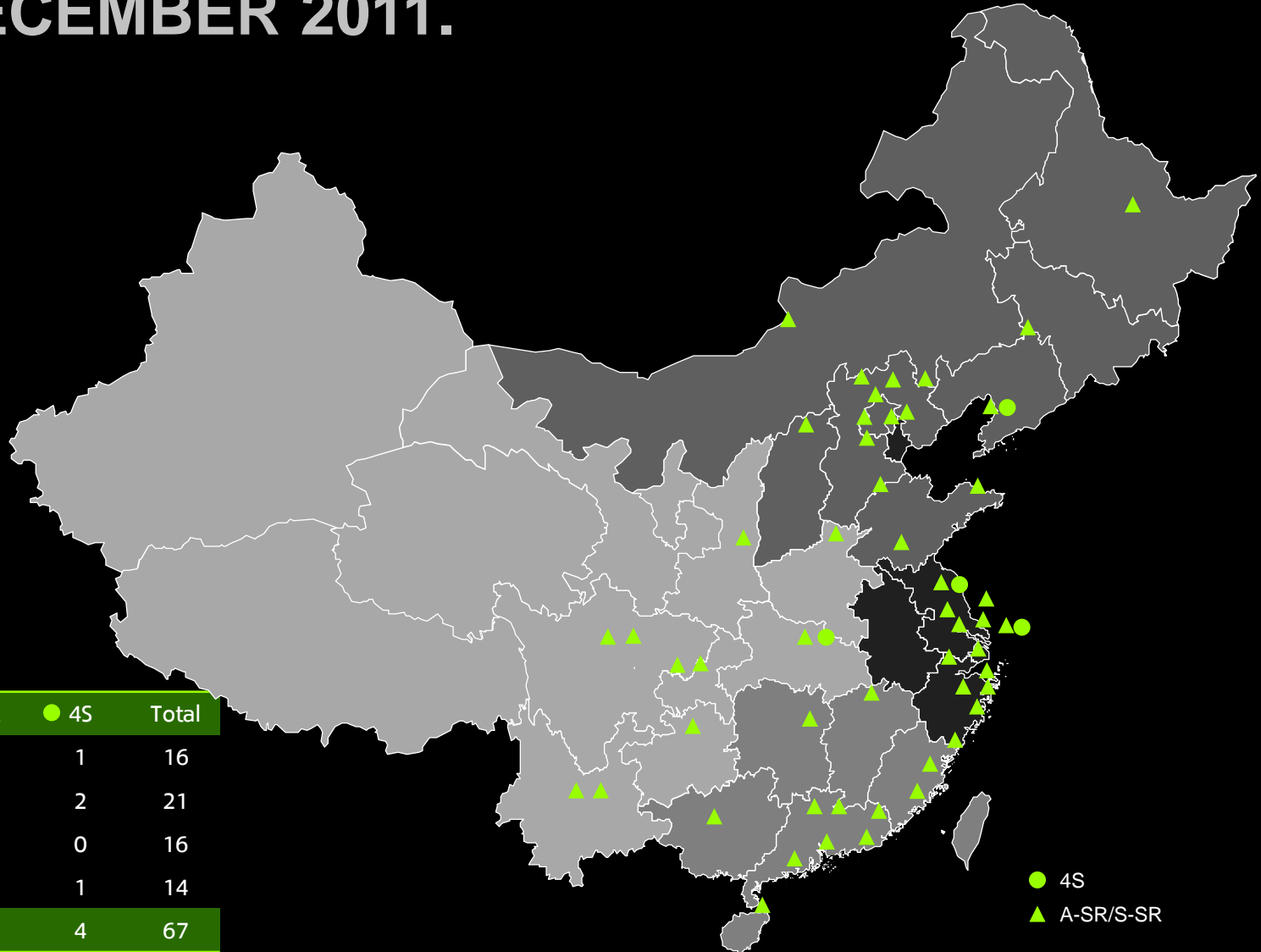
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# 290 BMW DEALER OUTLETS WERE IN OPERATION BY THE END OF 2011.



# MINI ALSO MADE BIG STRIDES FORWARD AND 67 DEALER OUTLETS WERE IN OPERATION BY 31ST DECEMBER 2011.



	S-SR	A-SR	● 4S	Total
North	9	6	1	16
East	15	4	2	21
South	11	5	0	16
West	10	3	1	14
<b>Total</b>	<b>45</b>	<b>18</b>	<b>4</b>	<b>67</b>

● 4S  
▲ A-SR/S-SR

# BMW IS THE PIONEER TO EXPLORE NEW RETAIL FORMATS FOR HIGHER CUSTOMER SATISFACTION.



**4S**



**Showroom**



**Fast Lane Rural**



**Service Center**



**Fast Lane City**



**Used Car Center**



**M Showroom**

**2003 - 2006**

**2007 - 2009**

**2010**

**2011**

**2012**



# SHAPING THE FUTURE OF RETAIL, 5S DEALERSHIPS BECOME A CRUCIAL FEATURE OF BMW'S SUSTAINABILITY STRATEGY IN CHINA.



## 5S dealership

### Economic



Sustainable  
Mobility



Sustainable  
Training



Customer  
Orientation

### Environment



Sustainable  
Design



Recycling &  
Waste  
Management



Sustainable  
Service  
Operation

### Social



Attractive  
Employer



CSR on  
Dealer  
Level



Customer  
Involvement

# FOCUSING NOT ONLY ON HARDWARE, 5S DIFFERENTIATES FROM OTHER OUTLETS BY THE EFFORTS IN CUSTOMER INVOLVEMENT, COMMUNITY LIFE AND EMPLOYEE CARE.



Waterborne paint



Paint Shop Ventilation



Car Wash Water Recycling



Health & Safety training



Social Contribution – BMW  
JoyHome



Waste & Recycle training



Wind turbines

# 5S CONCEPT WON POSITIVE FEEDBACK FROM THE MEDIA.



“ The introduction of the 5S leads BMW dealers into a new era. ”



“ The 5S concept, developed in China, may be rolled out globally. China is also becoming an important source of BMW’s global brand strategy. ”

# VARIOUS OUTLET TYPES TO ENLARGE THE SERVICE CAPACITY.



Service Centre



Fast Lane city



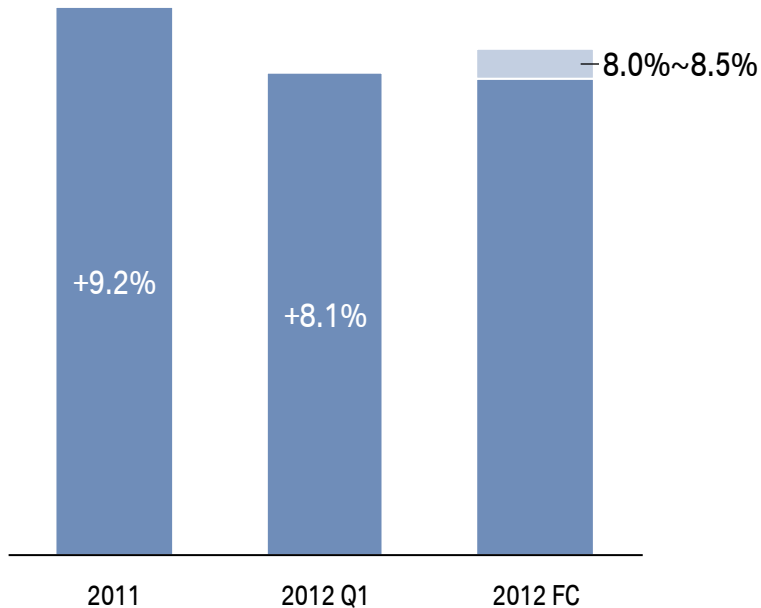
Body & Paint extension

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# BUOYANT OUTLOOK ON CHINA DESPITE SHORT-TERM CONSOLIDATION.

## China GDP growth



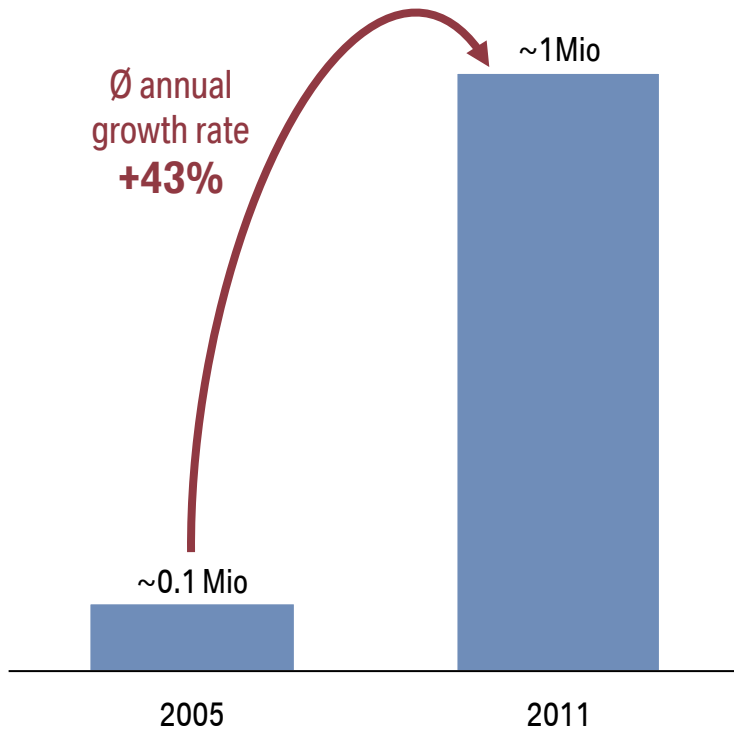
## Risks to China's growth

- global economy is at a precarious stage and export growth slowed down
- domestic demand rising slower than expected
- continuing concerns of inflation, especially with rising oil prices
- real estate market cool down

China is **accelerating the transformation of the pattern of economic development** and heading to make economic development more **sustainable and efficient**

# CONTINUED MOMENTUM FOR PREMIUM AUTO SEGMENT.

## Premium segment development



- ✓ Mid-term passenger vehicle market growth of 9% per year.
  - LMC, 2012
- ✓ Luxury growth expected to outpace overall market.
  - Global Insight, 2012

# BMW'S NEW 3 SERIES TWINS TO "GROW" IN THE MARKET.

**New 3 Series Long Wheelbase**



**New 3 Series**





# THE NEW TIEXI PLANT – EXPANDED CAPACITY UTILIZING WORLD-CLASS TECHNOLOGY.

## New Tiexi Plant

- “Cleanest” production within BMW Group (Benchmark comparison 2011)
- Lowest energy consumption
- Lowest VOC emission
- Lowest level of process waste water



## Leading through:

- Environmentally-friendly architecture and technologies
  - to save heat, energy and water
  - to ensure sustainable, clean production

# UNCOMPROMISING IMPROVEMENT OF QUALITY IN AFTERSALES.

**BMW售后服务。悦常在,驾无忧。**

驾驶之旅一旦启动, BMW的售后服务就即刻启动,保障您的驾乘乐趣从不间断。高效便捷的预约快修通道, 价格统一的服务套餐, 让您无忧出行的道路救援等诸多售后服务举措, BMW都为您悉心准备, 以确保无论面对任何状况, 您有BMW提供的全方位解决方案, 助您一路畅行无忧, 悦悦常在。

更多售后服务, 请致电客户专线400006666, 或登陆www.bmw.com.cn

**BMW售后服务**  
悦常在, 驾无忧。

## BMW售后服务。悦常在,驾无忧。

**高效。BMW预约快修通道。**  
一小时的惬意等待, 愉悦一路。

BMW售后服务  
悦常在, 驾无忧。

**关爱。BMW道路救援。**  
一个电话由衷放心, 一路无忧前行。

BMW售后服务  
悦常在, 驾无忧。

We are the first mover in many service initiatives:

- Service Repair Package
- Fast Lane Service
- Accident Hotline

# COMPREHENSIVE FINANCIAL SERVICES TO ADD IMPETUS TO FUTURE GROWTH.

## Majority of vehicles are still bought without financing

- BMW Finance Automotive China started operations by end of 2010
- ~11% penetration in 2011



BMW之悦。未来科技，今日实现。

BMW 汽车有限公司 北京分公司 北京市朝阳区东三环北路 1 号 BMW 大厦 10 层 100020 北京 中国  
销售热线: 400-810-0066 经销商: 400-810-0066

BMW 集团动力集团  
BMW Group Powertrain

# FUTURE MOBILITY ENGINEERED TODAY. PERSISTENT PURSUIT OF SUSTAINABLE DRIVING.

“BMW again heads the ranking of Dow Jones Sustainability Index in 2011 and thus becomes auto industry’s most sustainable auto manufacturer for seven consecutive years.”

## Intelligent Technologies



## Active Hybrid

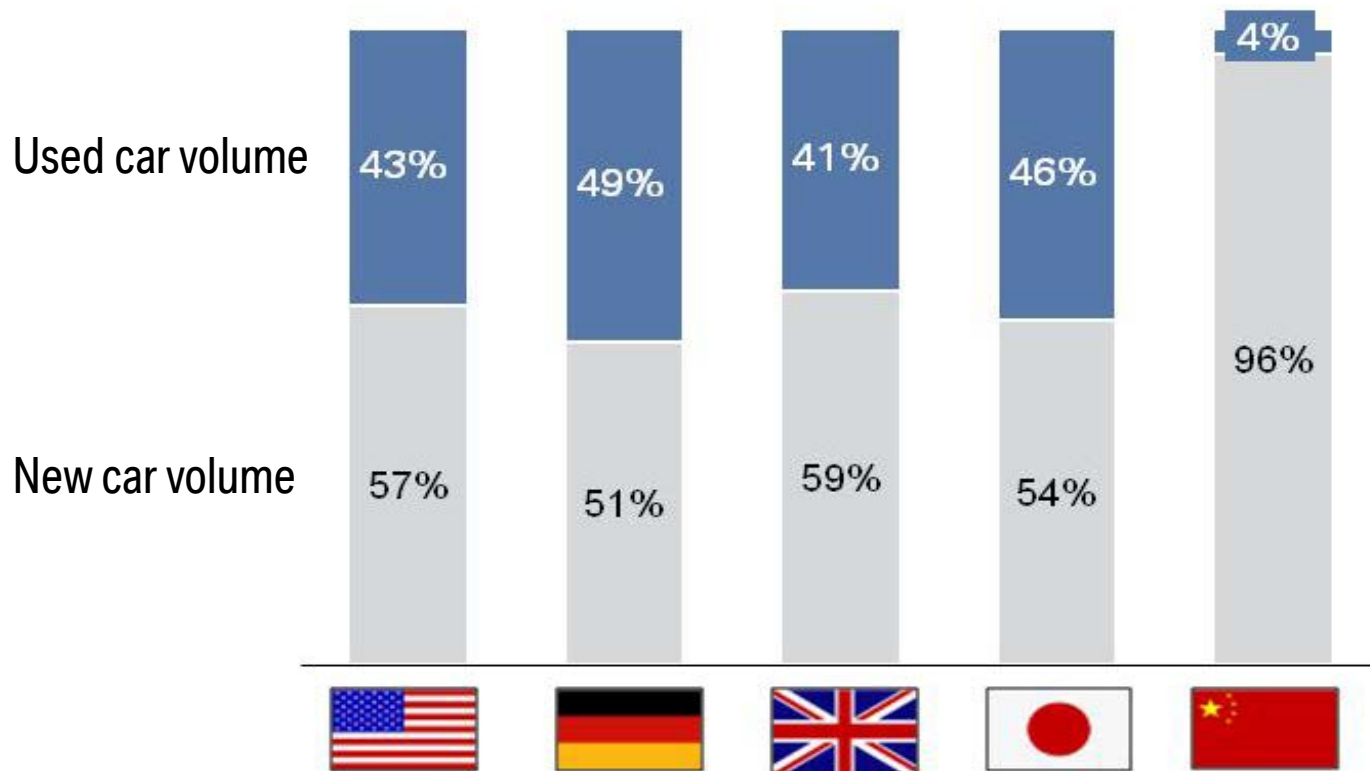


## BMW i



# IN COMPARISON WITH MATURE MARKETS, CHINA'S NASCENT USED CAR MARKET HAS OPPORTUNITIES FOR LARGE GROWTH.

Sales split of BMW Dealers worldwide(2010)



# USED CAR IS A STRATEGIC BUSINESS AREA TO SUPPORT NEW CAR BUSINESS.

- **BMW Premium Selection** is a worldwide BMW used car program (since 2006 in China).
- BMW Premium Selection is **Number ONE** among competitors.
- Clear **Used Car Strategy** to develop the dealer organization with **1<sup>st</sup> UC Center** in Shenzhen as role model
- Used Car will become a business unit, providing **additional profit to dealers** and **support New Car sales**



**THE PROVEN “BMW MODEL” WILL ENSURE OUR CONTINUING BRIGHT FUTURE.**

