

**Compared International Marketing
Of BMW company**



By Ana Nichita

Student ID: 1917452

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Doctor: Tushara Balendran

University of Wales Trinity Saint David

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1.0 Introduction

International marketing is a particularly important branch of marketing, especially in terms of managing a business that has expanded or intends to expand internationally. Having a good marketing strategy is very important not just at the national level, but at the international level as well because success depends on the proper implementation of strategies and achievement of marketing goals (Czinkota & Ronkainen, 2013). Even if the same practices of marketing can be implemented locally and internationally, however, given that international marketing is quite different, there is a need for different types of strategies, and companies must prepare a product mix and various elements of the marketing mix, so that it can capture the buyer's attention, considering the region, culture, religion, economy, etc. However, even if the strategies are different, still, due to globalization, the role of the promotional mix is the same in different operating countries. So, international marketing requires increased attention, financial resources, human resources, time investments (Cateora et al., 2020). Although international marketing creates new opportunities, sales, expansion, it still needs to respond to the opportunities and threats that are existing in the external environment of the business. The purpose of this paper is to compare, to see the difference and the common elements of the marketing mix of BMW products in the United Kingdom and Romania, 2 countries with different economies, policy and strategies of marketing.

1.1 Background information on BMW

BMW is over 100 years old. Specifically, it dates from 1913 and was founded by Karl Friedrich Rapp. At first, the German company, based in Munich, produced aircraft engines. Even though he was successful, following the Treaty of Versailles, he was banned from producing engines. Thus, in 2017 it was renamed Bayerische Motoren Werke (Bavaria Motor Works - BMW).

The beginnings of BMW are marked by powerful transformations. After the First World War, the company went, in turn, from the construction of aircraft engines to the production of brakes for train cars, engines for various applications (including commercial cars, with a possible connection with Astra Arad buses in the 1920s), motorcycles and, since 1929, automobiles (Bmw.com, 2020). With the preparation of car production, the company established in 1928 the "Central Advertising Office", which brings a significant improvement in the quality of communication, but also new promotional tools.



Figure 1: BMW Logo

Source: (BMW, 2020)

In March 1930, the "BMW Blätter" ("BMW Pages") was launched, an illustrated lifestyle magazine, distributed in dealerships, which customers received free of charge. The publication would appear every six months until 1941. At the same time, in December 1929, for the first issue of the BMW Flugmotoren-Nachrichten magazine, the graphic designer Henry Ehlers made a picture of two planes in the air, with the propellers rotating. The BMW logo is formed in the propeller disc, with the white-blue dials, next to the three letters of the brand (Avery & Bergsteiner, 2011). This work is becoming very popular and has given rise to the myth that the brand logo symbolizes the propeller of an airplane, with white blades superimposed over the

blue sky. Even so long time ago, it could be observed good and efficient marketing strategies of BMW. Everyone remembers and knows their motto: The pleasure of driving.

According to the BMW group (www.bmwgroup.com), their products can be found in over 150 countries, operate 30 production facilities in 14 countries and have almost 150,000 employees. BMW also owns the iconic mini and Rolls Royce. As of the annual report of 2019, the number of vehicles BMW manufactured is 2,564,025 (Bmw.com, 2020). The net income of BMW in 2019 is £5.022 billion and the operating income is £7.412 billion.

2.0 The macro-environment

The external forces including social, technological, natural, political, and legal that influence the decisions of a company is called a macro environment (Itani & Mason, 2014). Thus while making a business decision, a company requires to examine the forces of changes in interest rate, government regulations, cultural tests, competitors, and so on. The company BMW operates 30 production facilities for providing services in more than 150 countries. As the government regulations, technological advancements, cultural tastes, number of competitors vary from country to country, BMW needs to make different strategies for different countries (Bhatia, 2016). This part will examine the impact of the forces of the external environment in two different countries including the UK and Romania.

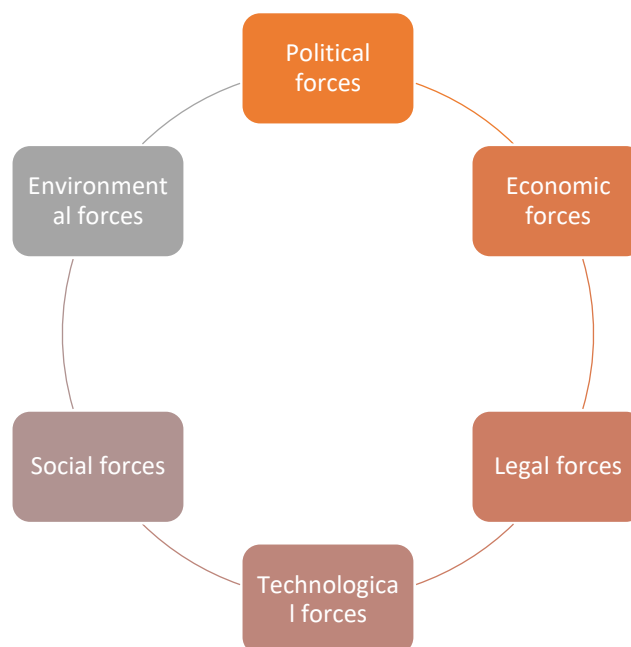


Figure 2: Forces of the macro environment

Source: (Czinkota & Ronkainen, 2013).

Social forces

It includes lifestyle, cultural tastes, organisational image, population growth, career attitudes, age distribution, cultural trends, industrial reviews, consumer buying trends, health consciousness, and so on. Considering the culture and society is a must for internal business as these are changing rapidly for digital technology. The lifestyle of the people of the UK has changed highly for which the automobile industry like BMW needs to consider the new trends (Global Marketing Professor, 2020). Thus BMW using digital technology so that it can provide a superior customer experience. Considering the lifestyle and expectations of the people of the UK, BMW has come up with cars that have lower emissions. The people of the UK have an appetite for luxury cars which is a threat for BMW as the local producer Ford and Vauxhall can provide this.

In Romania, people are looking for cars that can offer a safer driving experience along with advanced technologies. Moreover, the demand for autonomous driving technology is growing and BMW is trying its best to serve it to the people of Romania. People are looking for cars that have good fuel efficiency and are convenient for the environment. In Romania, BMW needs to think of per capital expenditure as it is lower (Romania Insider, 2020). Thus they need to offer cheaper cars for the citizens of Romania. This factor is significant for BMW as they need to cope up with the trends and the capability of the people of Romania. For example, the BMW 4 series, which is the highest-selling car in Romania. The cultural dimension model of Hofstede has been included and related below for cultural forces. This is a tool for cross-cultural communication that expresses the impact of the cultures on the values of its members.

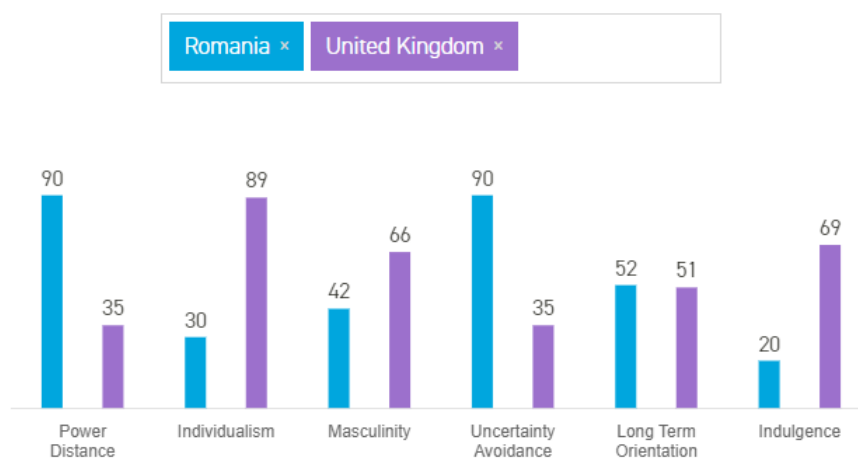


Figure 3: Country Comparison Using Hofstede's Cultural Dimension

Source: (Hofstede Insights, 2020).

Power distance: It states that all the people are not equal in society and thus it expresses the assertiveness towards inequality. The score of the UK as of PDI is 35 (Hofstede Insights, 2020). It states that imbalances should be decreased. In contrast, the score of Romania is high in PDI which is 90. It can be said that the people of Romania like hierarchical order and they expect to be told in an organisation where the power is centralised.

Individualism: It states the significance of group versus individual interests. The UK scored 89 here and it means the people of the UK are extremely individualist. They teach their children to be interdependent from an early age (Kauerhof, 2017). On the other side, the score is 30 for Romania. It means the people of Romania are collectivistic. They have long-term commitment among the family or group.

Masculinity: It states what type of values are taken into account as significant in society. The score of the UK (66) expresses that they are highly success driven. In contrast, Romanian is a feminine society as this scored 42 in the masculinity dimension.

Uncertainty Avoidance: It expresses the level of comfort the people of society feel with uncertainties. UK scored 35 in this dimension which states that they are not that much scared of uncertainty (Hofstede Insights, 2020). They can change their plan and programs for dealing with situations whether it be surprising or unknown. On the contrary, the score of the people of Romania is 90 which means they have a preference to avoid uncertainty.

Long Term Orientation: It states whether the people of a country parade a predictable historic point of view or a realistic future-oriented perspective. Both the UK and Romania scored 51 and 52 respectively and these are intermediate scores. Thus this is difficult to define whether they dominant preference or not.

Indulgence: This is a new dimension that states the level of controlling the compulsions and wishes of the people the way they were raised. The score of the UK (69) defines that they have weak control over desires and wishes thus they are categorised as indulgent (Hofstede Insights, 2020). Romanian is classified as restraint means they have a propensity to pessimism.

Political forces

It includes the forces of foreign trade, tax policy, terrorism, environmental laws, trade restrictions, fiscal policy, political stability or instability, overseas, labour laws, environmental laws funding grants, and so on (Mohajan, 2017).

In the UK, the business of BMW got impacted negatively for two crucial factors including trade wars and Brexit. Thus they had to review their business strategy for dealing with the unconditional pressure of these two forces. Despite having some complications, BMW abled to overcome the situation efficiently. In 2018 and 2019, BMW had to deal with several challenges for the changes in the trade policy of the European Union. The stock of BMW was down at the end of the year which is 18.6% and but the performance in the UK was satisfactory (Statista, 2020). Political risks and uncertainties are a great threat to automobile brands that can create high pressure and impact negatively on business planning.

The scenario is not that much different in Romania. This is always changing and uncertain. The government of Romania is lack of long term political strategy. But still, there is a huge opportunity for the automobile companies to do business despite having their manufacturer. The trade policy of Romania is flexible enough for which BMW build a car factory of 1 bln euro in Romania. As of government policy, the businesses are encouraged to recruit and keep employees from different backgrounds.

Economic forces

It includes financing capabilities, taxation, disposable income, wages rates, unemployment rate, interest rate, exchange rates, economic growth, and so on. There is a notable impact of the global economic environment on the automobile business. Economic and political factors are the core factors behind the highest sales of BMW motorcycle in 2018 (Cateora et al., 2020). The UK economy could not do better in recent years due to the slower economic growth in Europe and China. For this automobile company, BMW was in less healthy shape. The economic growth rate in the UK is in good shape now. As of the report of 2019, a total of 1,360,577 motor vehicles were produced in 2019. The unemployment rate of the UK is 3.9% which less that of Romania (countries, 2020).

As the wages raged and the employees are getting benefited, BMW started growing again. In contrast, BMW had a strong performance in Romani. They have delivered 1,252,837 vehicles in 2019. The unemployment rate of Romani is 4.3% in 2020. A total of 382 million people are unemployed which is a great opportunity for automobile businesses like BMW to use those human resources (Kauerhof, 2017). It costs lower in manufacturing motor vehicles in Romania

as their average wage is 13,478 dollars. But the matter of fact is the economic boom is stated fading out from 2008 for the financial crisis.

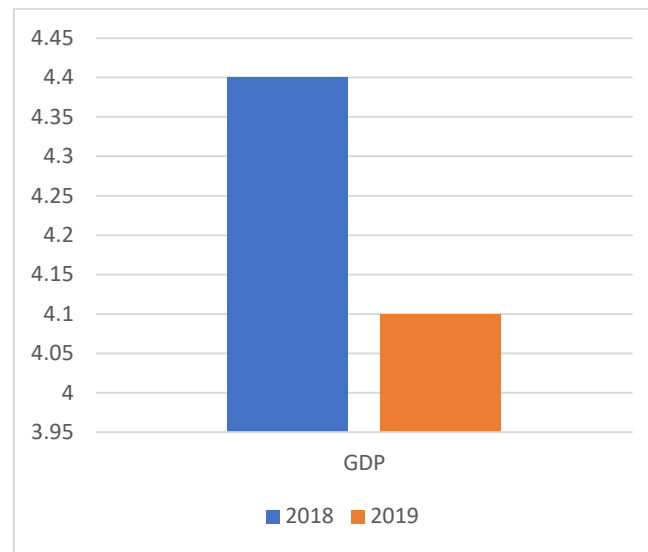


Figure 4: GDP growth rate of Romania

Source: (Romania Insider, 2020).

Technological forces

It includes potential return on investment, technological maturity, level of innovation, potential copyright infringements, target market communication, emerging technologies, distributing services, and so on (Czinkota & Ronkainen, 2013). The growth of the automobile industry is not possible without the help of technology. Digital technology is the key factor behind the faster growth of the automobile industry. As there is a competition between the automobile industries in the UK, BMW has invested in autonomous driving technology and digital technology for providing better and safer customer experience (Cateora et al., 2020). This is now a core focus of BMW as the lifestyles of the people of the UK are altering with digital technology. R&D expenses of BMW have grown by 12.8% in the UK.

The situation is quite similar in Romania. The focus of BMW on innovation and research is praiseworthy. They have spent 6890 million euros for research and development in Romania. Compared to the previous year, the rate is 2.6% higher. They are also focusing highly on R&D for coming up with cars that are efficient in every way (Mohajan, 2017). Technology is the strongest point of BMW for succeeding in Romania despite having some strongest rivals such as Ford and Dacia. It can be said that the situation in both companies is similar to the aspect of digital technology.

Legal forces

It includes competitive legislation, health, and safety law, safety standards, labour laws, future legislation, advertising standards, equal opportunities, product safety, product labelling, consumer rights, and so on. For example, the new laws of the EU will impact on the business of BMW for the Brexit issue (Global Marketing Professor, 2020). The laws of the UK and Romania that BMW needs to consider are about labour laws, safety standards, and law about consumer rights. Thus the braking system, crash tests, windscreen, tire pressure, cooling water level, battery efficiency, lighting to steering are inspected properly by the service specialist of BMW. BMW complies with all of the laws of both Romania and the UK. For example, they provide above-average wages, social benefits, health insurance, accident insurance, and so on. The law regarding consumer rights of both the UK and Romania is strict enough and for this BMW ensures that they do not send any faulty or vends cars (Car Sales Statistics, 2020). BMW complies with all the regulations and laws of the countries where they operate their business. Thus they monitor activities for preventing unethical behaviour by managing the corporate audit, legal affairs, corporate human resources, and organisational development effectively.

Environmental forces

It includes the decline of raw materials, promoting positive business ethics, environmental legislation, climate and weather, reduction of carbon footprint, greenhouse gas emissions and so on (Pratap, 2020). The company BMW has a sustainable business plan and for sustainability and longevity, considering environmental factors and controlling carbon footprint is a must. BMW has focused on electric models for the efficient sustainable strategy. The government of the UK appreciates the business that can manage the carbon footprint efficiently. For higher growth and sales, BMW tries its best to have the lowest carbon footprint. The amount of CO₂ emissions BMW has cut from the new vehicles is 42% in the European market. There is an environmental law of the EU regarding vehicle emission law for which BMW needs to comply with the WLTP cycle. For working in accordance with this, BMW has sold almost 140,000 electric vehicles in 2019 (Romania Insider, 2020). Among all the countries of the EU, Romania is the highest renewable electricity producer. For this, it costs lower for BMW to manufacture electric cars in Romania. BMW also has a resource management strategy for preventing wastage and having better energy efficiency. By this strategy, BMW able to bring down the CO₂ emissions to 128g in Romania and the Romanian government appreciated this. This is how BMW is dealing with the new environment laws regarding consumer rights.

After examining all of the factors of the macro-environment, it can be said that technology played a bigger role in growing the business of BMW in both countries. Legal, political and environmental factors are the most considering factors of the automobile industry in making business strategy as these can impact negatively (Car Sales Statistics, 2020). For example, the financial problem has been raised for the ongoing pandemic of COVID-19. For this economic slowdown, businesses like BMW will face a noticeable decline in sales and growth. It is seen that Romania is seeking financial help from the World Bank and the IMF despite having the firmest growing economy in the EU. It can be expected that the automobile industries will go through a tough time for the next three years to overcome the negative economic impact of COVID-19.

3.0 Porter's 5 forces model

The business analysis tool that assists in examining the level of competition among the companies within a particular country or state is called Porter's five forces model (Kauerhof, 2017). This significant tool helps in making strategic decisions while expanding a business or starting a new venture. This model states about the five forces including the rivalry, power of buyers, new entrants, power of suppliers and threat of substitutes. The level of forces that BMW needs to deal with while carrying out operations in the UK and Romania is demonstrated below.

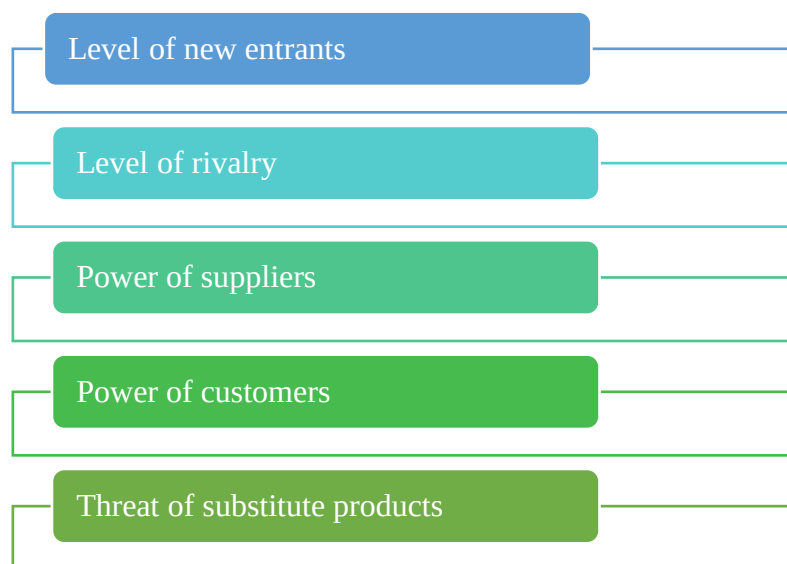


Figure 5: Porter's five forces model

Source: (Bhatia, 2016).

The threat of entry: It refers to the capability of the new organisations for entering into the industry. The level of the threat of the new entrants is very lower for BMW in the UK. In the automobile industry of the UK, there are some established brands. To enter into the market of the UK, a company needs to overcome some barriers such as technological barriers, large capital investment, brand quality, skilled human resources, fierce competition and so on (Research-Methodology 2020).

This threat of new entrants in Romania is somewhat at a moderate level and there are some valid reasons behind this. One of the major advantages is the fastest growing economy. Moreover, Romania has a very narrow automobile cluster. For having flexible trade policies and so many production facilities, a new rival can take place or the leading brands can expand their business. Another core reason is the rate of potential development within the industry is much higher as the Romanians are ready to provide engineering services, utilities and production facilities to their foreign partners (Ali et al., 2019). Still, it will take time for a new company to acquire the expected market share in Romania by building brand recognition.

Bargaining power of suppliers: The amount of pressure that the suppliers can put on a business is referred to as the bargaining power of suppliers. The power of suppliers relies on different factors such as the relation of the suppliers with the industry, size of the firm, and so on. There is a good relationship between the automobile industries and its suppliers. As BMW has a total of 12,000 suppliers around the world, they do not sacrifice the quality over price (Cateora et al., 2020). In the UK, so many suppliers of BMW have their auto firms. For instance, the relation between BMW and Great Wall Motors.

In Romania, BMW also has some local suppliers that facilitate the production process of BMW and help for manufacturing vehicles at the lowest cost. The suppliers of BMW in Romania include Dacia, Force Motors and so on. The power of these suppliers relies on the financial strengths and the size of the firm of BMW. As BMW has a good global presence and a good reputation for its top-notch quality products, the local suppliers of Romania have a high concentration over the business of BMW (Bmw.com, 2020). BME has some specific requirements that the suppliers need to fulfil for sustainable and ethical business practices. It can be said that the bargaining power of suppliers in Romania is moderately low.

Bargaining power of buyers: This is the level of pressure that the buyers can put on a company (Kauerhof, 2017). The most significant factor that impacts on the sales and profitability of a business is the power of consumers. The brand recognition and the production

quality matter impact on the purchasing behaviour of the customers. Thus the companies require to invest more in the development and research to cope up with the trends and demands of the customers. In the UK, BMW highly focuses on customer experiences besides the product quality.

In Romania, BMW also focuses on after-sales services so that they can hold and retain potential customers from the market (Ali et al., 2019). The power of buyers in Romania is at a moderate level as the customers consider technological innovation, brand equity, customer experience and brand quality that BMW focuses on. BMW also invests highly in the advertising and marketing of the product in Romania as there are some established car manufacturers.

The threat of substitutes: The level of risk and uncertainties that a company requires to deal with for offering similar products and services by other companies is called the threat of substitutes. It impacts directly on the demand of the customers. Rival brands are the substitutes of BMW and there are so many competitors of BMW in the UK including Tesla, Lexus, Audi, Mercedes-Benz and so on (Bmw.com, 2020). They also have a good market share in the UK. So it can be said that the threat of substitutes is slightly higher in the UK.

On the other side, the situation is completely different. The threat of substitutes of BMW in Romania is lower despite having some local manufacturers such as ROMAN, EI Car, Dacia, Astra and so on. This is because of the quality of the brand. The local manufacturers of Romania have not a good presence in the international market. Thus BMW holds a good number of market share despite being an international company as it has sustainable business goals and maintains the quality of the products.

The intensity of rivalry: This is the level of competition among the existing companies. The level of competition is high for BMW in the UK. There are so many established competitors in the market including Toyota, Land Rover, Mercedes, Tesla, Audi and so on (Cateora et al., 2020). These companies are also quite aggressive in investing in R&D, consumer behaviours, marketing, innovation, etc. Thus most of the shares are held by these companies. Companies like Tesla and Audi are the luxury car brands that provide good customer experience.

The situation is slightly different in Romania as the local manufacturer such as Ford, Dacia and ROMAN sometimes fail to fulfil the expectations of the customers. There is a large number of customers that cannot afford luxury cars brand. Thus BMW holds a good share by providing quality full products at a lower price (Kauerhof, 2017). Thus it can be said that level of rivalry in Romania is at the medium level for BMW.

4.0 SWOT analysis

SWOT analysis is a useful tool that assists an organisation in evaluating and examining its strengths, opportunities, weaknesses and threats (Cateora et al., 2020). This framework is significant for minimising risks, addressing lacking, building on what an organisation does well and taking advantage of possible opportunities for success. SWOT analysis is a renowned framework for auditing and carrying out an internal analysis. The core purpose of this model is to identify the strategies that will assist in creating a specific business model for the firm. It also cooperates in predicting the altering trends that facilitate the decision-making process.

There are some advantages and limitations of SWOT analysis. The advantages include the source of information, identifies core competencies, reverses the weaknesses, builds strengths, sets objectives, maximizes the responses to opportunities, overcomes threats, low cost, applicable to any organisation, comprehensive data integration and so on (Kauerhof, 2017). The limitations of SWOT analysis that are not in control include subjective analysis, lack of prioritisation, insufficient development facilities, poor industrial relations, government legislations, price increase, economic environment, lack of efficient labour, faulty products, etc.

SWOT analysis BMW UK

Strength	Weaknesses
▪ Research & development ▪ Large product range ▪ Global distribution network	▪ Premium prices ▪ Vehicle recalls ▪ Higher manufacturing costs
Opportunities	Threats
▪ Autonomous driving technology ▪ Strategic partnerships ▪ Customer engagement and digital marketing	▪ Regulatory pressures ▪ Competitive threats ▪ Growing costs of raw materials

SWOT analysis BMW Romania

Strengths	Weaknesses
▪ Brand value (Czinkota & Ronkainen, 2013). ▪ Competence in electric cars ▪ Excellent driving experience	▪ Controversial recalls ▪ Rising manufacturing costs
Opportunities	Threats
▪ Offering eco-friendly mobility ▪ The demand for autonomous vehicles ▪ Electric cars	▪ Economic fluctuations ▪ Market uncertainty ▪ Increasing government regulations

Strengths: BMW has invested much in research and development for maintaining its position in the competitive automobile market. BMW contributed 18.6 billion euro to the economy of the UK by investing in R&D (Do Quang, 2017). They have a good presence in the UK for their large product range including financial services, motorcycle and cars. There are good engagement and relationship between BMW and its customer in the UK. BMW made it possible by implementing digital technology. The worldwide automobile sales of BMW in 2019 is illustrated below.

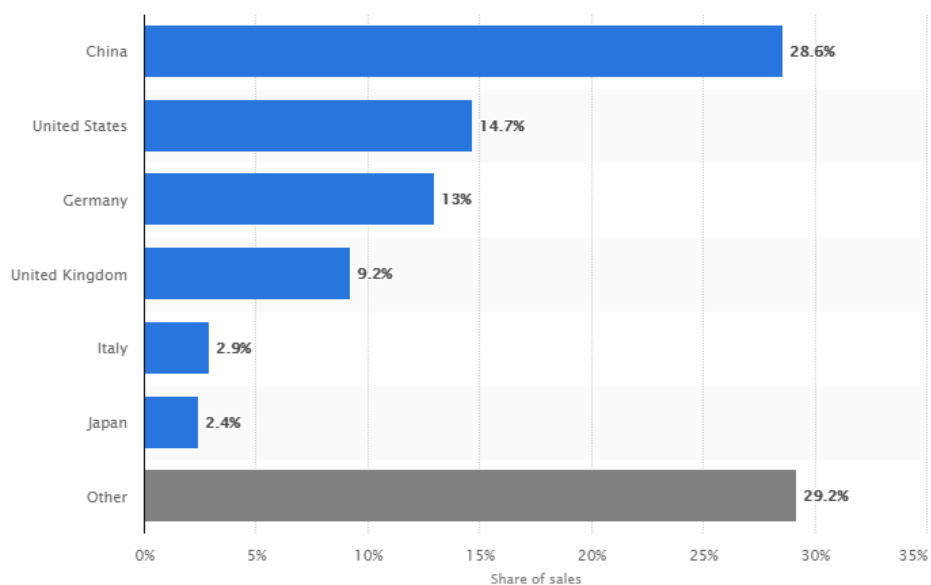


Figure 6: Worldwide sales of BMW in 2019

Source: (Car Sales Statistics, 2020)

In contrast, the strengths that drive the growth of BMW in Romania include competency in manufacturing electric cars, brand recognition and excellent driving experience. As BMW is the third most prestigious brand in the automobile industry, the local manufacturers of Romania cannot cope up with this (Romania Insider, 2020). BMW can offer luxury cars with better comfort compared to its rivals for having available natural resources in Romania.

Weaknesses: It includes higher manufacturing costs, vehicle recalls and premium price. In the UK, BMW needs to charge a high price of some specific product for increasing the manufacturing cost. This issue is facing after the Brexit. For the fire hazard, BMW had to recall a total of 268000 vehicles in the UK (Ali et al., 2019). Thus it created confusion in the purchasing behaviour of the people of the UK. The major weakness of BMW in Romania is the rising manufacturing costs. In the beginning, it was comparatively lower. But this is increasing for the recent financial crisis in Romania. Moreover, the controversial recall is another weakness as BMW had to recall 1.6 million vehicles all over the world.

Opportunities: With the help of advanced technology and AI, BMW can focus more on autonomous technology for giving more premium service. It will also assist them in engaging their stakeholders. On the other side can increase the brand value in Romania by offering eco-friendly vehicles with autonomous technology (Do Quang, 2017). Romania can produce renewable electricity on a large-scale which will be convenient for BMW to manufacture more electric cars.

Threats: The major threats that BMW faces in the UK include intensive competition, regulatory pressure and the growing cost of raw materials. The major rivals of BMW such as Tesla and Audi also growing their economy by manufacturing electric cars. As the power of suppliers in the UK is at a moderate level, this is creating a competitive pressure in BMW's business (Bmw.com, 2020). On the other hand, government regulations and uncertainty are increasing in Romania. Thus it may hamper the growth of BMW. Moreover, the fluctuations take place frequently on the economy of Romania and this is a matter of thinking for BMW to deal with this.

5.0 Segmentation

Demographic segmentation: BMW started its business in the UK in 1980. The demographic strategy of BMW ranges from age, occupation, gender, education and life stage (Kauerhof, 2017). People who are between 20-60 are the main target customers of BMW. They consider both women and men. Their focus is on the level of comfort and the performance for which they manufacture luxurious cars besides offering cheap cars such as 1-series for the people who do not belong to a large family. BMW started its operations in Romania in 2018 (Romania Insider, 2020). They have abled to compete with the strongest local manufactures for considering consumer trends and their proper market segmentation. The growing economy has helped BMW to rise their business. The target people of the BMW in Romania are the people between 30-40 as they look for both the performance and luxury. For attracting the customers that are making rapid money, BMW invested highly in digital technology.

Geographic segmentation: BMW generates a maximum of its revenue from Western Europe and North America. This is for the industrialisation and modernisation. The second-largest automobile market in Europe is the UK. As of the recent statistics, BMW owns a 7.3% share. The showroom of BMW available in every city of the UK (Statista, 2020).

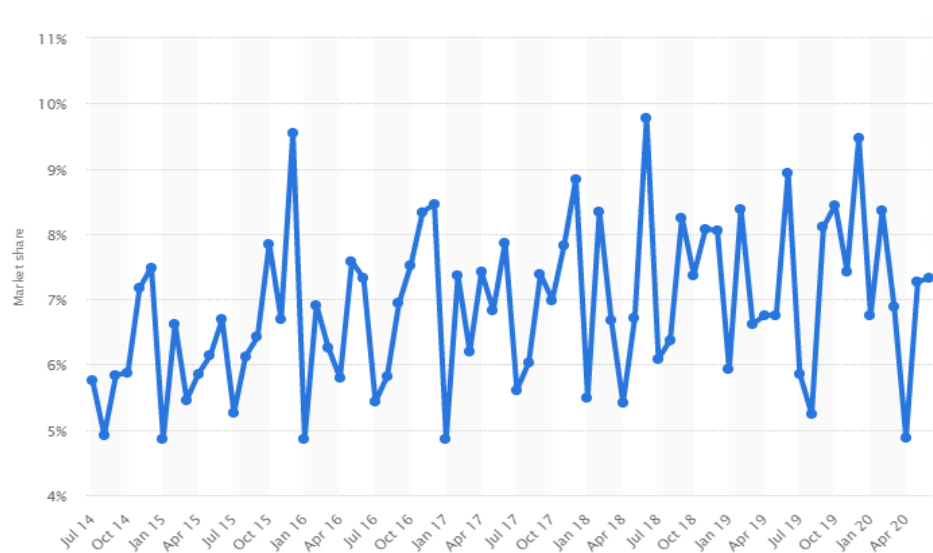


Figure 7: Market share of BMW in the UK from 2014 to 2020

Source: (Statista, 2020)

The scenario is slightly different in Romania as the percentage of car users is very low compared to the UK. Moreover, BMW started its business in Romania recently. BMW has showroom only in the major cities of Romania as the market penetration is low.

5.1 Targeting

The target customers of BMW are the people who seek luxury cars, energetic, young, socially conscious and driving enthusiasts (Research-Methodology, 2020). In the UK, they have divided their target customers into three different levels including upper conservatives, post-moderns and upper liberals. The customers that belong to the upper conservatives class are wealthy businessmen or prominent businessmen who are not driving enthusiasts. As they prefer good transport and ultimate comfort, BMW has Rolls Royce, 7 and 5 series. Customers who belong to post-moderns class are influenced customers, innovators and unmarried entrepreneurs that prefer sporty vehicles and for this BMW has Z4, 3 series and M. People who belong to upper liberals are the professionals that have weekend outings and a big family. To satisfy their needs, BMW came up with X5.

On the other hand, the strategy is a little bit different in Romania. As this is a country of a growing economy, they started the business with 5 series and 3 series. After making the place, they targeted successful individuals who prefer post-modern technology (Bhatia, 2016). They have X-series for off-road, 7 series for the people who prefer luxurious experience, 6 series for the unmarried entrepreneurs, 1-series for who prefer comfort and performance and M-series for the people who prefer motorsports car.

5.2 Positioning

The capability of influencing the perception of the buyers regarding the brand is called market positioning (Ali et al., 2019). The positioning strategy of BMW is almost the same in both the UK and Romania. They emphasized on the premium segments of the cars in the countries that are economically developed. BMW able to show its great performance due to its sensitive response to the demand of the customers. They have divided their market into different segments. For instance, the 3 to 7 series vehicles are for the customers that are affluent and wealthy enough (Pratap, 2020). They came up with M-series and Z4 for the customers that are technologically influenced. For instance, in the global compact-EV market, BMWi3 placed number one and this is shown below.

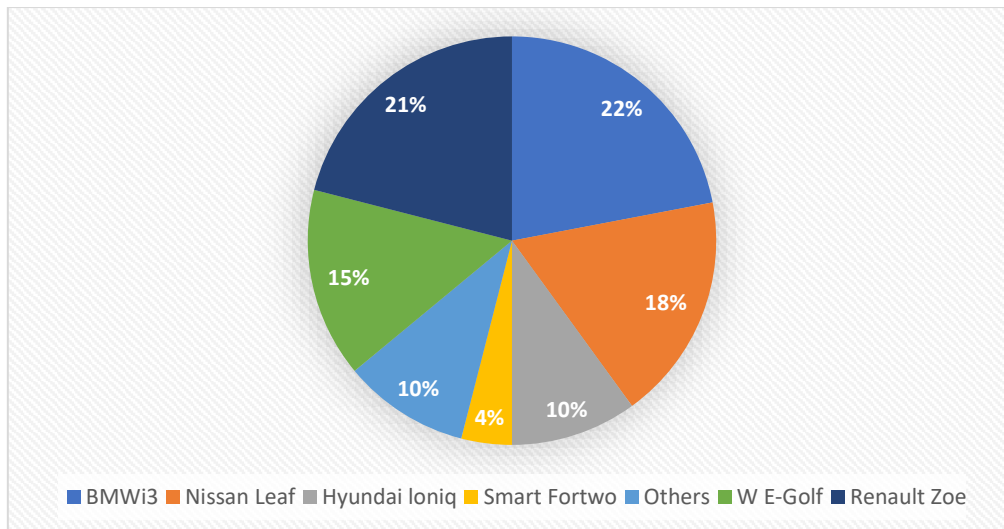


Figure 8: BMWi3 in global compact-EV market

Source: (Statista, 2020)

They understand the demands and behaviour of the customers better than other companies as they invest much in research, development and innovation. Later they have focused on the performance and comfort of the car as the customers are taking these as the crucial factors. Moreover, they always have respect for the rules and regulations of government. BMW considers all the important factors while entering into a new company. For example, the car that costs higher in the UK may cost slightly lower in Romania for reduced manufacturing costs (Do Quang, 2017). This is how BMW made their position and continued growing its business.

6.0 Marketing mix

Product

BMW divided its business into three categories including motorcycles finance and cars. There are also three categories in cars including Mini, Rolls Royce and BMW. Mini Cooper is a small car that is for the people who have a small family. Rolls Royce falls under the luxury car segment. The motorcycles that BMW offers are adventure, sport, urban mobility, roadster, tour and heritage. They have a plan for bringing a battery-electric MINI by 2020 (Romania Insider, 2020). In the UK, BMW focuses on the luxury and sports segments as there are key players in the market. But the focus is different in Romania. They focus most on Mini cooper so that people that are earning money rapidly can afford this segment.

Price

The pricing strategy that BMW follows is pricing strategy as they need to compete with luxury car brands Volvo, Marting, Audi, Mercedes Benz and so on. The average price of the BMW cars is within 32000\$ - 100000\$ (Bhatia, 2016). As Rolls Royce cars are the most luxurious cars of BMW, the price of this car is above 300000\$. BMW applies this premium pricing strategy in the UK as it is related to a premium image. On the other hand, BMW applies both premium and competitive pricing strategy in Romania which is called differential pricing. There is a good impact on marketing and innovation on the changes in prices. As most of the people of Romania have an average income, BMW sold a good number of Mini cars and the number is increasing day by day.

Place

BMW has a strong production and distribution network. Besides they have a dealership in every country. They have 140 Rolls-Royce dealerships, 1580 MINI dealerships and 3500 BMW dealerships. BMW sells its motorcycles in 95 countries. With 30 production facilities, BMW distributes its products in more than 150 countries which is huge in number (Car Sales Statistics, 2020). The locations of BMW are in the major cities of the UK such as Swindon, Farnborough, Goodwood, Dublin, Oxford and Hams Hall. BMW started its operation in Romania recently. Despite this, they have a good distribution channel in Romania. Their products are available in the major cities of Romanian including Iasi, Brasov, Cluj-Napoca, Sibiu and Bucharest.

Market entry methods of BMW in the UK: BMW selects the market entry methods through scientific market research. BMW gets concrete results from the market through this research. The market entry methods of BMW in the UK is a joint venture (venture, and Morgan, 2020). It refers to a business arrangement where two or more parties join together in economic activity for completing a specific task. There are so many car manufacturers in the UK including Jaguar, Nissan, Honda, Aston Martin and so on. BMW ventures with different companies for manufacturing their different parts. For example, recently Daimler and BMW invested £1bn in a new car venture for providing advanced services like pay-per-use cars, driverless vehicles and so on.

Market entry methods of BMW in Romania: The strategy is different in Romania. BMW started its business in Romania through foreign direct investment (FDI). FDI is the process of controlling ownership in a new country by a company that has an entity in another country (Research-Methodology, 2020). As the economy of Romania growing day by day besides the

individual income of the people, BMW selected this country to expand its business. Another major reason behind this is the low competition among the local manufacturers. For instance, BMW invested 1 billion euros for building another car factory which is 40km away from the border of Romania. This is for beating the local manufacturer Dacia and Ford.

Promotion

This is a critical part of every single automobile company. BMW has to invest highly in marketing and advertising for competing with its competitors. The estimated selling expense of BMW in 2019 is 7 billion euro. They use both digital and traditional channels for advertising such as print sponsorships print advertising, video marketing, motor shows and so on (Xu, & Berkely, 2014). They maintain all the major social media platforms such as Twitter, Instagram, Facebook for promoting their products. Almost product of BMW gets media coverage for these people discussed on media and internet about their products frequently.

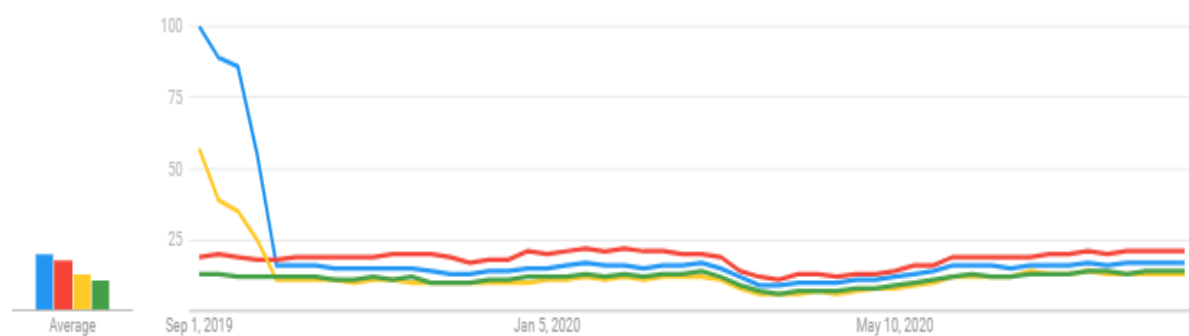


Figure 9: Interest over time in the UK

Source: (Pratap, 2020).



Figure 10: Interest over time in Romania

Source: (Pratap, 2020).

It is examined in the google trend that BMW placed after Ford as of the interest over time. In Romania, BMW placed first in terms of the interest over time comparing with Dacia and Ford. These results state that the promotional strategy of BMW is effective enough.

People

The number of employees works in the 150 locations of BMW is 1,50,000. BMW announces its vacancy policy on their official website for the convenience of the employees. Their human resource management policy is effective enough as they support their employee by providing better incentive plans. There is a contribution of companies like BMW in reducing the unemployment rate of the UK and Romania which are 3.9% and 5.2% respectively (countries, 2020). BMW recruits employees from all over the world regardless of their religion and ethnicity. In Romania, they also recruited fresh graduates to beat the local manufacturers.

Process

This is about communication between the customers and the employees. It explains how the employees of BMW interacts with its customers (Itani & Mason, 2014). The customer management policy of BMW is the same in both countries including the UK and Romania. BMW provides high hospitality by applying digital technology. Both the dealer and sub-dealer of BMW were instructed to comply with the local policy while interacting with the customers. Thus BMW has a good reputation for after-sales service.

Physical evidence

This is about the packaging. It includes the packaging and design of the products. The appearance of the product of BMW is praiseworthy. Comparing to some strongest competitors such as Honda and Audi, the design of the product easily attracts the customers (Statista, 2020). BMW maintains this premium quality designed and packaging in its every location including Romania and the UK. Moreover, the website of BMW in the UK is more organised and structured than that of Romania. An individual can easily go through the BMW website in the UK and can understand what to do for booking a test drive. On the contrary, it seems difficult for the foreigners in Romania to go through the quick links of BMW on their website for

collecting information about services, test drive, shop, privacy policy and so on (venture and Morgan, 2020). This is for the language barrier and the complex layout of the website.

7.0 BCG Matrix

This is a tool that assists a company in designing their long-term strategic planning by evaluating their potentiality, brand portfolio and the strategic position (Mohajan, 2017). It examines the portfolio of the products of a company and then helps in deciding where to develop or invest. It divides the products into stars, cows, dogs and question marks. The application of the BCG matrix for BMW is discussed below. It will help BMW in finding profitable ventures.



Figure 11: BCG Matrix on BMW

Source: (Bhatia, 2016).

Cash cows: The units of products that assist the company in generating higher income and getting a higher return on investment are called cash cows. The cash cow products of BMW include the Rolls Royce as it helped to increase their net profit by 26% (Statista, 2020).

Stars: The emerging products that have higher growth possibilities in the future are considered stars. The products of BME can be considered under this segment are BMW M, Z4 and 3,5,6,& 7 series. These are known as touring and sedan cars. BMW needs to focus highly on this for turning them into cash cows.

Question marks: The products that have a higher chance of uncertainty and cannot provide a promising future like stars and cash cows are considered as question marks. The question marks products of BMW include the SUV series, BMW X3 and BMW X5.

Dogs: The products of a company that could not contribute to financial gain are considered as dogs. The dog products of BME include BMW Z4 and Z3 as these failed to meet its expected sales number (countries, 2020).

So it can be said that BMW needs to work on products such as and BMW X5, X3 and SUV series, BMW as these products unable to achieve a good market share. Moreover, these may provide financial leverage. They also need to think of the alternatives to the products that are under ‘dogs’ such as BMW Z3 and Z4.

8.0 BMW’ product life cycle

It refers to the time that a product of a company takes between introducing to the market and declining from the market (Ali et al., 2019). It has four stages including introduction, maturity, growth and decline.

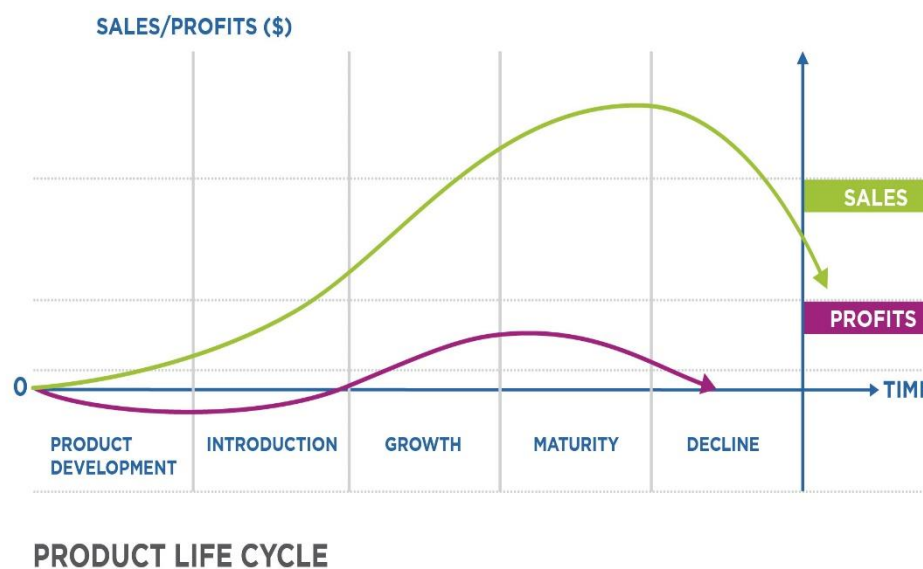


Figure 12: Product life cycle model

Source: (Itani & Mason, 2014).

But this concept of marketing does not go with the product of BMW. BMW has two stages of PLC where decline and maturity do not exist. BMW gets positive feedback and response from its customers after introducing a new product in the market. This is for their high investment in R&D and digital technology. For instance, the 3 series and X5 series of BMW was in the growth stage after introducing in 2001 (Global Marketing Professor, 2020). Later the three different versions of X5 abled to win the heart of the customers of BMW as the website of BMW offers free access to its core customer to the dealerships. It can be said that the marketing strategy of BMW is the key factor behind managing the introduction and growth stage successfully. The strategy that they follow in the introduction stage and growth stage is a market expansion strategy and global market expansion strategy.

Conclusion

This is what the international marketing strategy of BMW is all about. This paper has been critically contrasted and compared the marketing strategies that BMW uses in two different countries including the UK and Romania. It has been identified and discussed which forces are unfavourable or favourable for the company while operating business in two selected countries. The segmentation, targeting and position have also been discussed with proper examples and figures. Finally, it has been applied to the BCG matrix on BMW and recommended where they should focus on for better profitability and outcome.

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