

BMW Brand & Group Vision, Mission, Slogan, Strategy and Goals

VU Strategic Management

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Speaking from my own experience, BMWs are the ultimate driving machines. Well, except maybe after Ferraris, Lambos and Co. The company started off at the beginning of 19th century in Munich by producing aircraft engines, and has survived few wars, multiple depressions and has overcome some really really bad times in the past, including near bankruptcies and harsh competitor attacks.

In early 70's, BMW introduced 3 and 5 series sedans, and in late 70's, 7 series sedans. The naming scheme is today still in use. Their straight six engines are known for their sportiness, agility, lightness and dependability. Short after first BMW M3 series was introduced, which has redefined motorsport world in the following decades, BMW almost unintentionally created new market segment and dominated world's racetracks.

Nowadays, BMW has a broad spectre of vehicle segments and many different classes, and has few different brands under its roof.

BMW Group Vision:

"We are Number ONE. We inspire people on the move: We shape tomorrow's individual premium mobility." [1]

VW and Toyota concerns, have already multiple car brands, like Audi, Skoda, Lamborghini, Micobushi and Lexus, under their roof. They, as the largest car manufacturers in the world, are putting other car companies into dangerous zones. BMW Group recognises this and answers appropriately. BMW Group vision is well aligned with their operations. They strive to be number ONE in the premium mobility class. This explains the purchase of Rolls-Royce in 1998, which already used larger BMW engines by then, and the purchase of MINI in 2000. BMW Group has put new lives into these new aquired brands, and has made them more successful than ever. Rolls-Royce brand stud always for the ultimate individual mobility and has always been leader in luxury car manufacturing segment. MINI brand targeted younger population and city driving.

Together with these two brands, covering entry, mid and high vehicle

range, BMW group has a chance of becoming number ONE in the individual premium mobility segment, defeating, or at least taking larger parts of the market from its main concurrents from Germany and Japan. All vehicles from these three brands are really inspirative for the people driving and driven in them. In my opinion, BMW Group vision is BHAG, yet, still achievable though.

BMW Brand Vision:

"The BMW brand stands for one thing: sheer driving pleasure. Sporting and dynamic performance combined with superb design and exclusive quality." [3]

Sportiness and dynamic performance giving pleasures to drivers while driving, is what BMW cars always used to be. It all started off with superb and highly performant engines that used to be built in planes and helicopters. After second world war, the BMW started producing cars equipped with large and powerful engines. This went on until they produced first M model, which had light body and was very dynamic. The combination of strong engine and light car body, together with low gravity points and rear wheel drive, was the recipe for the sheer driving pleasure. From here on, BMW kept on improving their success recipe, of providing sheer driving pleasure, and working on design improvements. Their main market, in the mid and late 90s, was Germany and their main concurrent was Mercedes Benz. Demand for quality products in Germany was always high and BMW had to work on quality just to stay in the game.

Starting late 90's, 1999 to be more exact, BMW produced their X5 model which was the first SUV model of this company. They had a huge success with X5, especially in USA, and have decided to produce the whole range of X models starting from X1 to X9. [1]

For a car to be sporty and dynamic, it needs to be light, powerful, and has to have low gravity center. This can not be said for the BMW X SUV models which are large, heavy and with high gravity center points. They may be powerful, but this parameter alone, is simply not enough for a vehicle, especially an SUV, to be sporty. Body drag of such vehicles is simply too high.

When people think about BMW, they think about M3, or bigger M5 sedan in worst case, which is significantly heavier and larger than M3, which is a small, light, very dynamic and powerful car. M3 model, which revolutionized motorsport industry, gave the BMW an image of a "bad boy".

This tendency of expanding SUV X model range does not converge with the part of a BMW's Vision where they state sheer driving pleasure, sporting and dynamic performance.

BMW Brand **Slogans** vary slightly from country to country and have changed a bit over last few decades.

BMW Brand **Slogans** over years in UK and AT [4]:

The world's finest ride. 73 UK
Sheer driving pleasure. 79 UK
For the joy of motoring. 79 UK
Sheer riding pleasure 79 UK
The ultimate driving machine. 89 UK
Freude am Fahren. 2000 AT

The list of slogans illustrates well the BMW's differentiation from standard car producers, at the beginning, to the "driver's machine" over years. With introduction of M models, which were well accepted by the market, BMW started entering league of its own. I think that slogans have been appropriate until now. Today, where one of BMW's R&D goals is on autonomous driving, it is to expect that the corporate slogan is going to change, at least for the autonomous driven cars, which by many standards, are only vehicles to be transported in, from point A to B without experiencing "sheer riding pleasures". AI technology needs a lot more time to mature to that level, so that it can deliver sporty experience on it's own.

Strategy:

"Our clear strategic focus is on electrification and autonomous driving."
[1]

"In the first nine months of 2017 alone, we have allotted more than 700 million euros more in research and development than in the previous year. Also in the next years we will make a lot of upfront investments. Our R&D ratio will further increase next year: from about 6% in 2017 to between 6.5 and 7% in 2018. After 2018, it will settle back down towards its current level" [1]

Nowadays, there are already companies, mainly in the USA, which basically initiated these trends in battery electrification cars and "letting them ride" on their own. Some examples are TESLA, GOOGLE and UBER which currently lead in these fields. BMW position may be endangered here, and they have to jump in on the current trends, especially electrical driving. However, as already stated above, I am not

quite sure how if the autonomous driving is the right approach for BMW brand, which is more sport oriented car/bike company, except maybe if they implement these systems in big heavy, or small city cars. In that case, they could have outsourced R&D to other companies and concentrate on sportiness that really matters. The current strategy is, from my personal view, more as a response to the current trends in the industry, but is well aligned with the slogan statement.

Goals:

“We aim to expand our segment share in the luxury class significantly in the coming years. In this regard we strengthen our brands – and our financial basis. Examples of this in 2018 include: - the Rolls-Royce Phantom. - the i8 Roadster. - the 8 Series Coupé. - the BMW M8. - the X7.” [1]

BMW Group goals are, in my opinion, only partly SMART. Although they have clearly defined, measurable, terminated and realistic goals, they are not that ambitious. Current goals are more of a response to the markets current state, or to express, they are more defensive than offensive in goal setting approach.

In conclusion, many car makers have been disrupted by the latest innovations from TESLA, GOOGLE and Co. BMW Group is doing good job in holding current market share. They have clearly and properly stated MOST concept. They are transforming organisation so that more can be invested into R&D projects, as a part of adaptation to the new market trends. At the moment, goal is to concentrate and expand luxury segment where newcomers have problems to enter. Strategy is clearly on electrification and autonomous driving. That is a good approach for BWM Group. On one side, they are protecting what they are good at, on others, responding to the customer demands and fighting to hop on the train for the future.

Sources

- [1] BMW Group Sneak Preview Model Year 2018 Strategy Update Munich, 4 December 2017
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