



LIME 3 SEASON

CASE STUDY

SPJIMR • AUTOMOBILE • BMW



BMW India

Headquartered in Gurgaon (National Capital Region), BMW India is a 100% subsidiary of the BMW Group. BMW India has been the leading luxury car manufacturer for the second consecutive year since 2009. BMW India achieved a market share of over 40% in 2010 (from 9% at the end of 2006). With 6246 cars delivered to customers in the calendar year 2010 (73% increase in twelve months). BMW India has achieved the “highest sales by a manufacturer in the luxury car segment in a year”. BMW India is confident of further increasing its sales owing to the growth potential in the Indian market.

BMW Plant Chennai has presently increased its production capacity to 10000 units per year on a single shift basis. BMW Plant Chennai will be structurally expanded to increase the production capacity further. Additional land has been procured from Mahindra World City for this expansion (18.3 acres). A new Vehicle Dispatch Centre will also be constructed inside the BMW Plant Chennai by 2012.

Investment

The BMW Group’s has invested a total of 1.1 billion Indian Rupees in its Indian operations and is expected to invest around 1.8 billion Indian Rupees (approximately € 30 million) by the end of 2012.

BMW India Product Portfolio:

CKD Portfolio (Complete Knocked Down)

Models	Variants
BMW 3 Series	BMW 320i, BMW 320d, BMW 320d Dynamic , BMW 320d Exclusive
BMW 5 Series	BMW 523i, BMW 520d, BMW 525d, BMW 530d
BMW X1	BMW X1 sDrive18i, BMW X1 sDrive20d, BMW X1 sDrive20d Exclusive
BMW X3	BMW X3 xDrive 20d, BMW X3 xDrive 30d

CBU Portfolio (Complete Built-up Unit)

Models	Variants
BMW 5 Series	BMW 535i
BMW 6 Series	BMW 650i
BMW 7 Series	BMW 730Ld, BMW 740Li, BMW 750Li, BMW 760Li
BMW Grand Turismo	BMW GT 3.0L Diesel
BMW Z4 Roadster	BMW Z4 sDrive35i
BMW X5	BMW XDrive30d, BMW XDrive50i
BMW X6	BMW XDrive30d, BMW XDrive50i
BMW X6 M	BMW X6 M
BMW M3 Coupe	BMW M3
BMW M3 Convertible	BMW M3

Dealer Development

BMW India is the pioneer in bringing luxurious dealerships to India. BMW India has set a decisive course in India by setting up BMW dealerships of international standards across all metropolitan centres of the country. BMW India has set very high standards in service quality and customer care in India.

By end of 2012, BMW India will aggressively expand its dealer network by increasing the number of outlets to 40 across major metropolitan centres and emerging markets in India (from the present 24 outlets).

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Currently, BMW India is present at 24 locations in the Indian market; BMW Studio (New Delhi), Deutschen Motoren (New Delhi), Deutschen Motoren (West Delhi), Bird Automotive (Gurgaon), Bird Automotive (Ambience Mall, Gurgaon), Navnit Motors (Mumbai), Infinity Cars (South Mumbai), Infinity Cars (Indore), Krishna Automobiles (Chandigarh), Navnit Motors (Bangalore), Navnit Motors City Showroom (Bangalore), Kun Exclusive (Hyderabad), Kun Exclusive (Chennai), Bavaria Motors (Pune), OSL Prestige (Kolkata), OSL Prestige (Bhubaneswar), Parsoli Motors (Ahmedabad), Parsoli Motors (Surat), Platino Classic (Kochi), Kun Exclusive (Coimbatore), Sanghi Classic (Jaipur), Munich Motors (Raipur), Bavaria Motors (Goa) and Krishna Automobiles (Ludhiana).

Manpower

BMW India has doubled its manpower to 400 in 2010. Up to 1200 jobs will be created in the dealer and service network by end of 2012.

BMW Brand

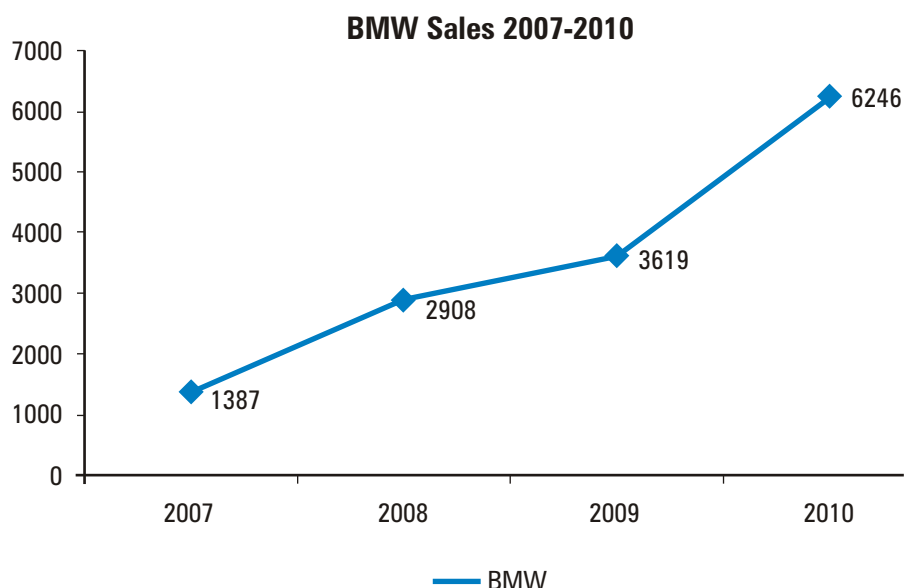
The BMW brand has its own identity, comprising various attributes that give it its distinctive character. The most outstanding characteristic of the BMW brand personality is the ability to evoke JOY. JOY is always sure to put a heartfelt smile on people's faces. Joy is so powerful and so enduring because it is multi-faceted, because it is continually coming up with new ideas. Spreading Joy requires understanding what it is, how it comes about, what values it conveys, and where it is headed.

Joy is both the driving force and the ultimate goal of everything the brand does. It is the central differentiating criterion and has a multi-faceted character that offers Quality, Service, Sustainability, Exclusivity and Safety to the customer.

In India, BMW has successfully implemented key brand initiatives such as the BMW Art Cars exhibition in Mumbai, BMW Golf Cup International in India, association with leading fashion events such as the India Couture Week, formal dining and wine tasting events at BMW Dealerships and Art Exhibitions at the BMW Studio One where customers and prospects can indulge with the brand in an exclusive environment.

BMW India Sales

BMW India retained the Number One position in the luxury car segment in India for the second consecutive year. BMW India achieved a market share of over 40% in 2010 (from 9% at the end of 2006). With 6246 cars delivered to customers in the calendar year 2010 (73% increase in twelve months). BMW India has achieved the "highest sales by a manufacturer in the luxury car segment in a year". BMW India is confident of further increasing its sales owing to the growth potential in the Indian market.



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BMW India 2011 Sales

Mon	3 Series	5 Series	6 Series	7 Series	Gran Turismo	X1	X3	X5	X6	Z4	Total
Jan	164	271	1	17	7	15	2	9	9	5	500
Feb	176	264	1	38	8	110	0	10	12	1	620
Mar	315	380	1	60	11	203	0	30	17	10	1027
Apr	240	255	1	32	5	215	0	18	13	1	780
May	195	264	3	23	4	190	0	8	18	2	707
Jun	163	246	3	30	9	403	2	17	14	3	890
Total	1253	1680	10	200	44	1136	4	92	83	22	4524

Luxury Car Segment – Indian Auto Industry

The Automotive industry in India is one of the largest in the world and one of the fastest growing globally. Passenger vehicle sales during 2010 were up 29 per cent with more than 2.5 million passenger vehicles sold in the Indian market. The two wheeler segment saw a growth of more than 25 per cent with close two 12 million vehicle sales.

The Indian Luxury segment has been growing at a very consistent pace in the last two years. Luxury car sales for 2010 were recorded 15,815 vehicles which was a 75 per cent jump from the previous year which saw 8,717 vehicles sold.

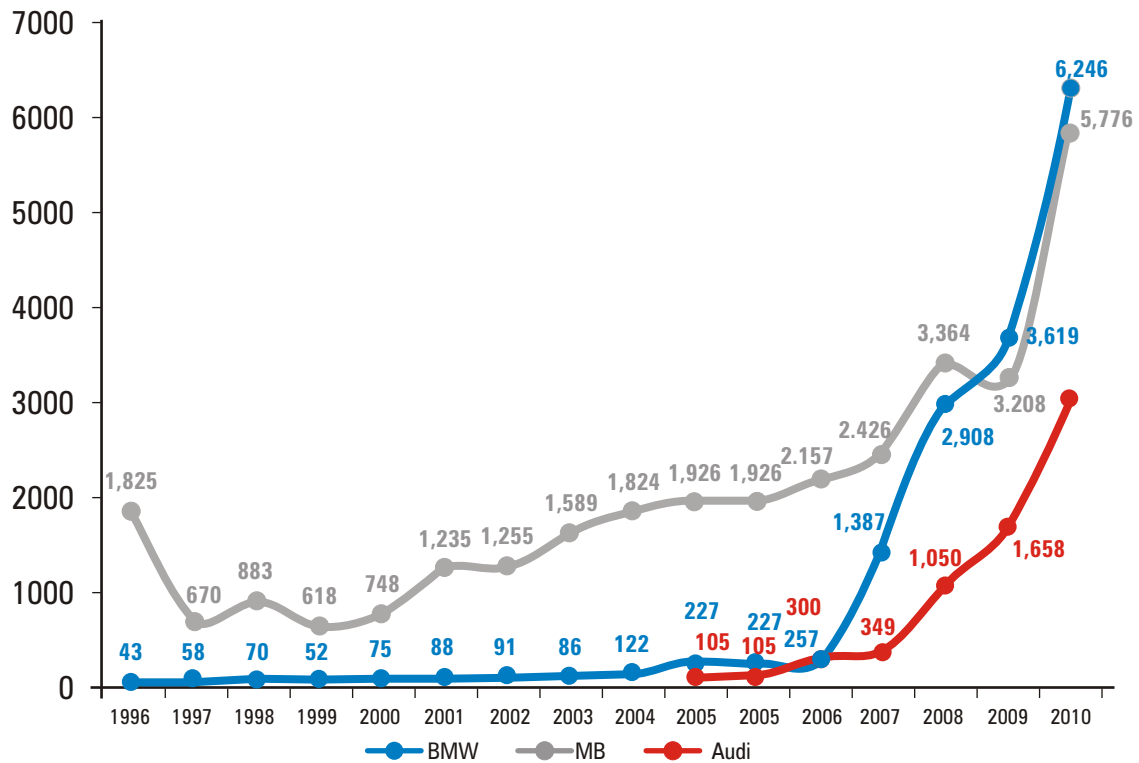
BMW, Mercedes Benz and Audi are the 3 dominant players in the luxury car market which also includes companies like Aston Martin, Ferrari, Porsche, Jaguar, Bentley and Rolls Royce present. For the past two years, BMW has been the number one player in this segment by selling the highest number of cars in the luxury segment in India.

BMW India and Competition Product Mapping

BMW	Mercedes-Benz	Audi	Jaguar	LandRover	Porsche
BMW 3 Series	MB C Class, CL Class	Audi A4			Porsche Cajun
BMW 5 Series	MB E Class	Audi A6	Jaguar XF		Porsche Cayman
BMW 6 Series	MB CLS - SL Class		Jaguar XK		Porsche Panamera
BMW 7 Series	MB S Class	Audi A8, R8	Jaguar XJ		Porsche 911 Turbo
BMW Grand Turismo		Audi A7			
BMW X1		Audi Q3		Evoque	
BMW X3		Audi Q5		Freelander 2	
BMW X5	MB GL - ML Class	Audi Q7		Range Rover Sport, Discover 4	Porsche Cayenne
BMW X6				Range Rover Evoque	Porsche Cayenne S
BMW X6 M					Porsche Cayenne S Turbo
BMW M3 Coupe		Audi RS 5			
BMW M3 Convertible					
BMW Z4 Roadster	MB SLK Class Roadster	Audi TT Roadster			Porsche Boxster, Boxster Spyder

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Retail Sales - India



Challenge

Prepare a market strategy for strengthening the leadership position of BMW in India and widening the gap between BMW India and its competition based on.

- A scientific evaluation of consumer perceptions in the luxury car segment
- Changing social patterns and value system of the consumer in the Indian society
- Drivers of luxury consumption in India
- SWOT analysis of Marketing and Product strategies of competitors visa-vis BMW

Mentor

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