



BMW DEALER NETWORK IN CHINA

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BMW
GROUP



CONTENTS.

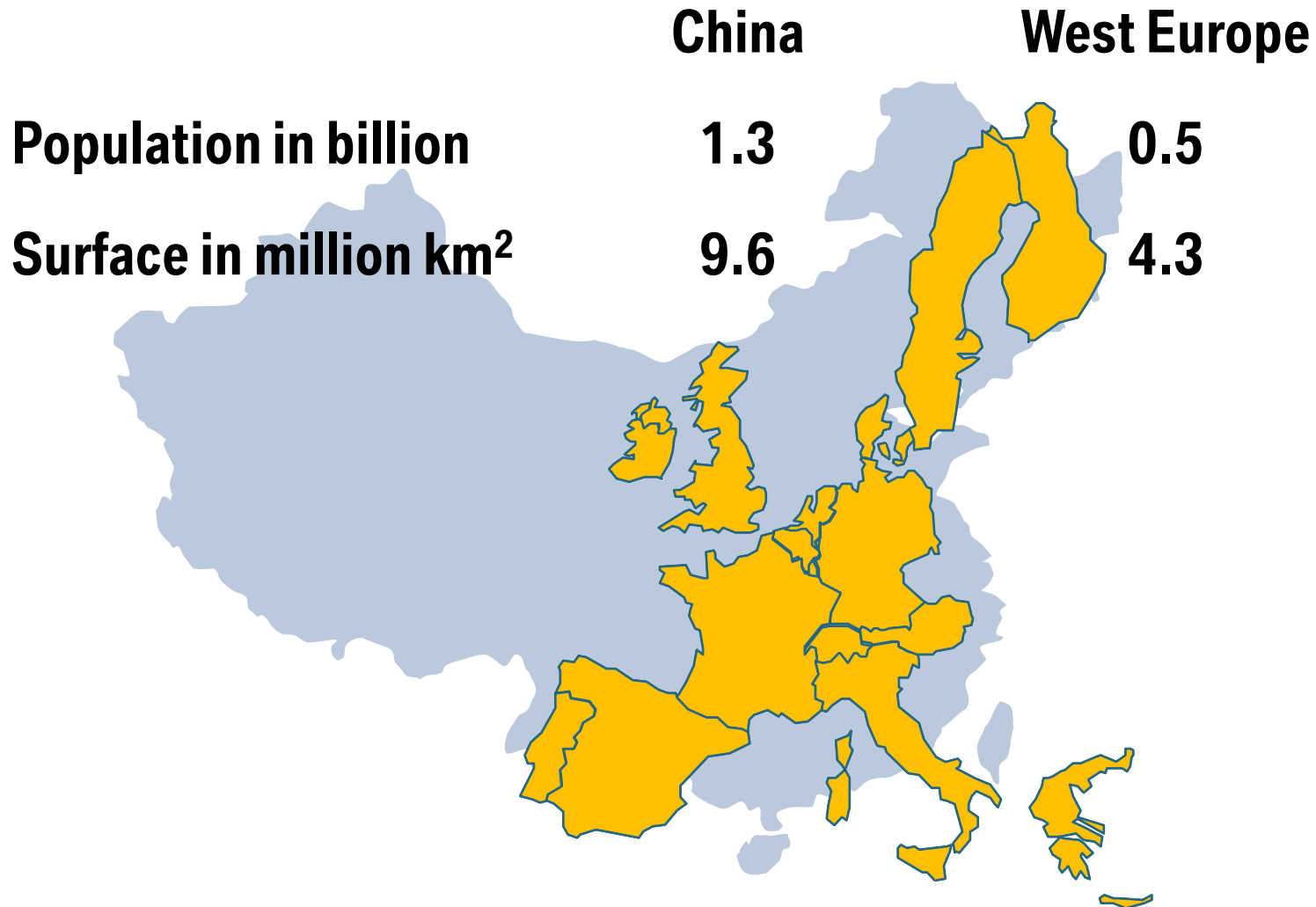
Leading in city coverage

Best quality dealer network

Sustainable development

New business growth engine

MAINLAND CHINA IN COMPARISON TO WESTERN EUROPE: MORE THAN TWICE THE POPULATION AND LAND AREA.



ECONOMIC DEVELOPMENT HAS BEEN SUPPORTED BY GROWING URBANIZATION IN CHINA.

China urbanization forecast by 2025



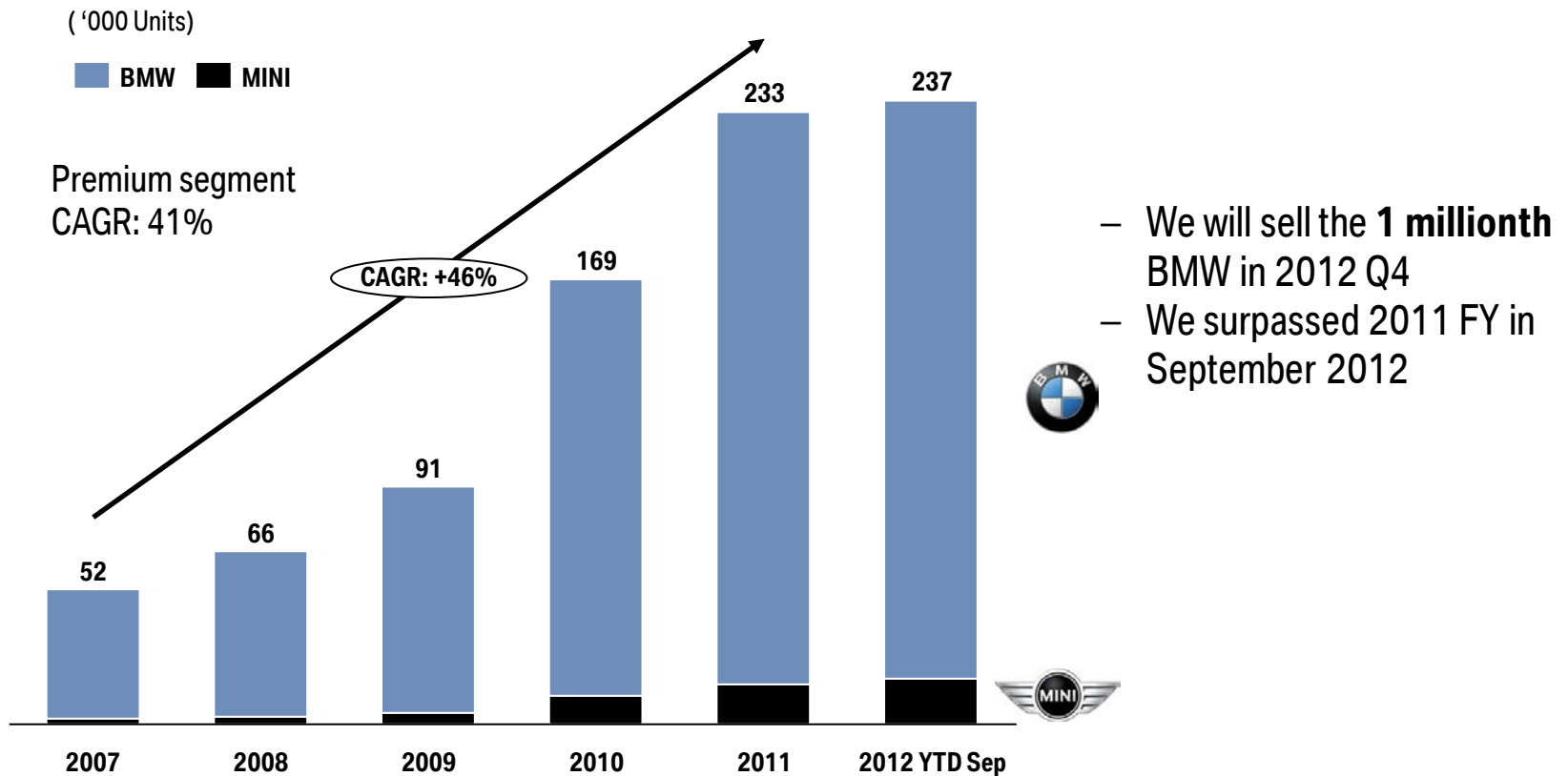
Source: McKinsey Urbanization Report

350 million people will be added to China's urban population **by 2025.**

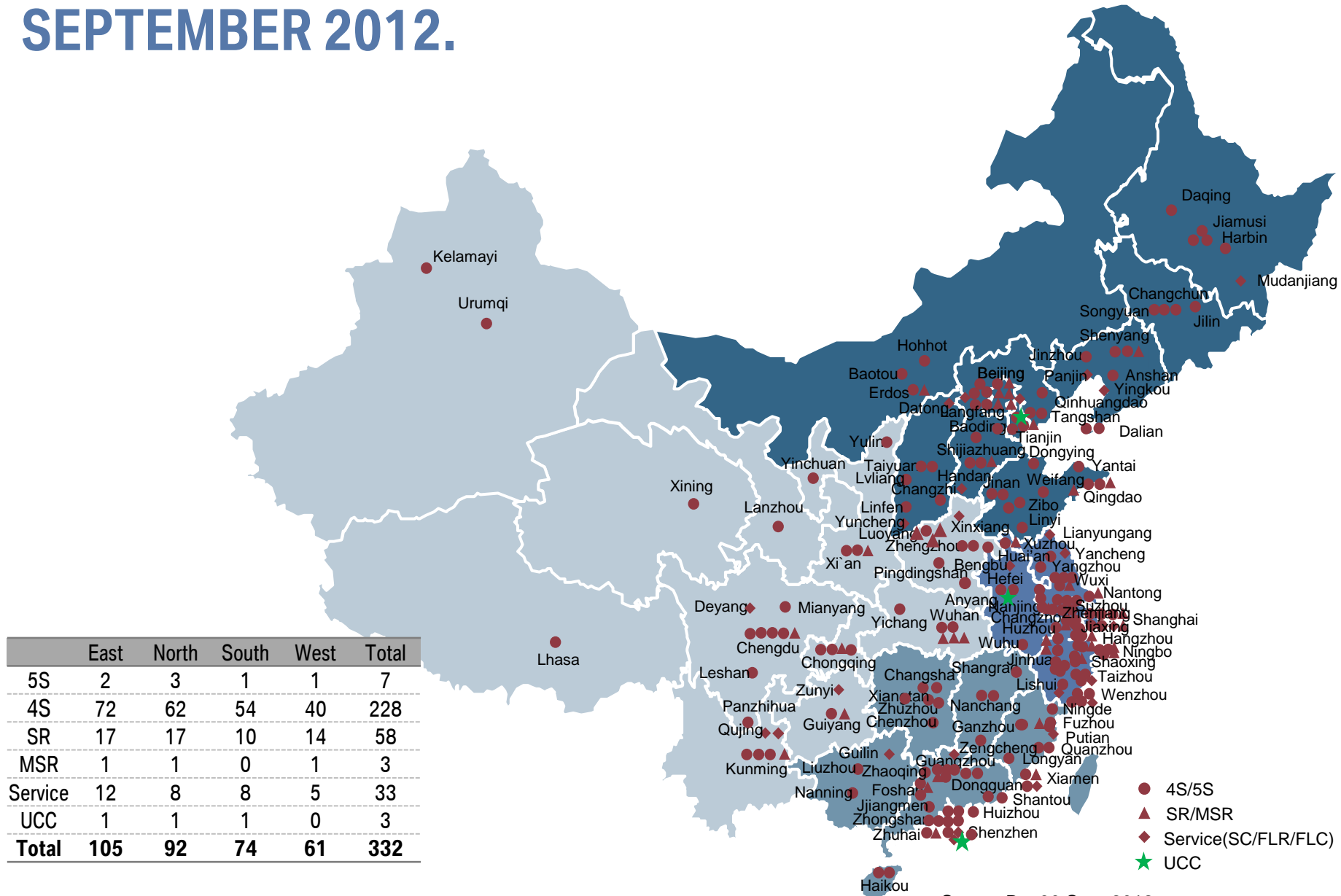
(more than the population of the United States today)

BMW AND MINI ARE OUTPERFORMING THE PREMIUM SEGMENT'S GROWTH.

BMW Group Sales Development (2007-2012)



332 BMW DEALER OUTLETS ARE IN OPERATION BY SEPTEMBER 2012.

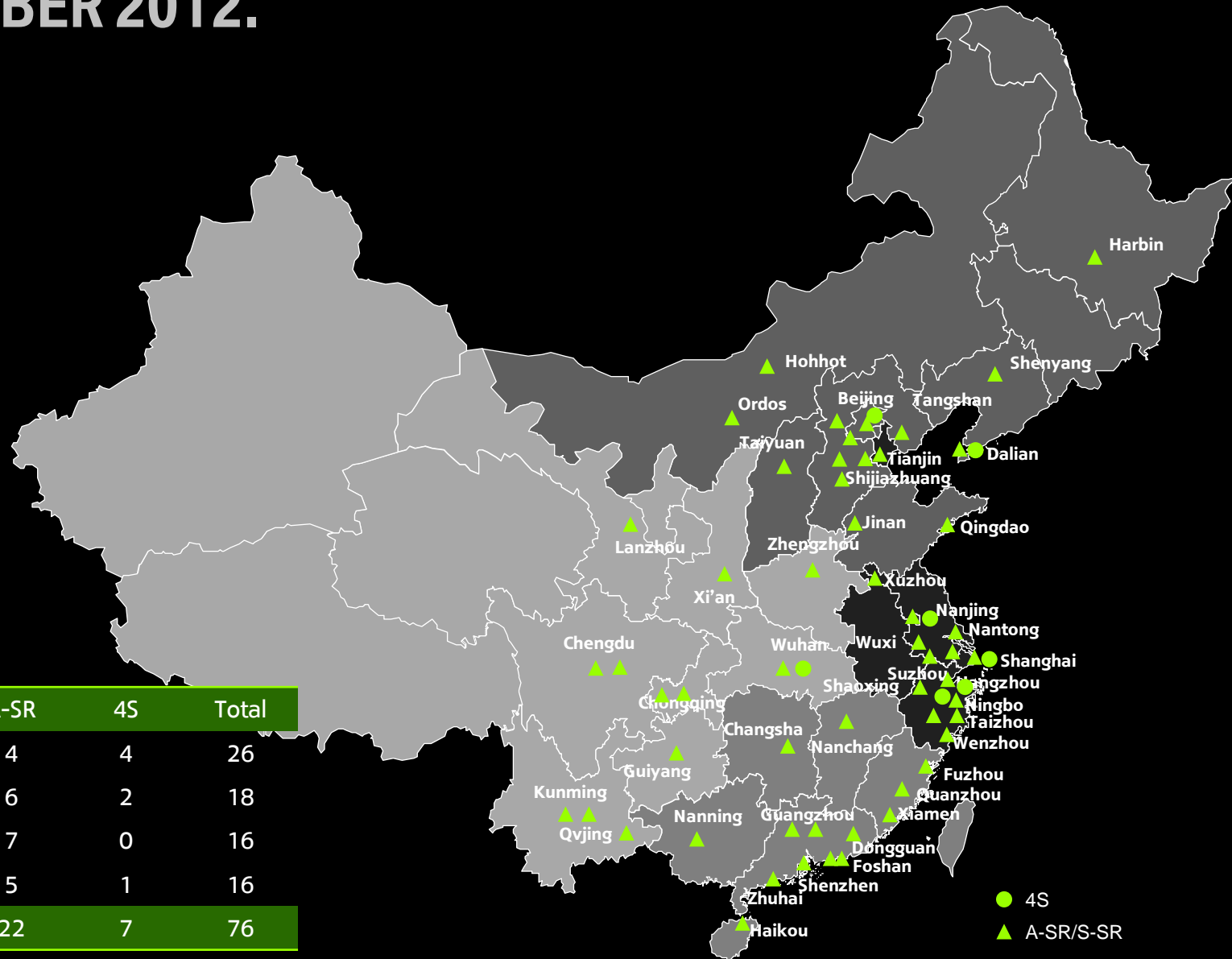


	East	North	South	West	Total
5S	2	3	1	1	7
4S	72	62	54	40	228
SR	17	17	10	14	58
MSR	1	1	0	1	3
Service	12	8	8	5	33
UCC	1	1	1	0	3
Total	105	92	74	61	332

- 4S/5S
- ▲ SR/MSR
- ◆ Service(SC/FLR/FLC)
- ★ UCC

Status: By 30 Sep. 2012

76 MINI DEALER OUTLETS ARE IN OPERATION BY SEPTEMBER 2012.



	S-SR	A-SR	4S	Total
East	18	4	4	26
North	10	6	2	18
South	9	7	0	16
West	10	5	1	16
Total	47	22	7	76

● 4S
▲ A-SR/S-R

Status: By 30 SEP. 2012
Page 7

STRICT SELECTION CRITERIA ENSURES BMW PREMIUM SERVICES WITH DIVERSIFIED INVESTORS.

- Synergy Capability
- Training Resource
- People Development



- Government Relationship
- Local Market Advantage
- Land Resources

Dealer Selection Criteria



1. Good experience in automotive industry
2. A mature management team
3. Know-how in the local market
4. Good/Excellent land resource
5. Healthy financial capability and willingness for investment
6. High commitment to the brand

CONTENTS.

Leading in city coverage

Best quality dealer network

Sustainable development

New business growth engine

WE KEEP INVESTING IN MORE TRAINING FACILITIES AROUND CHINA.

Training Center

Shanghai (2009)

Beijing (2005)

Training Base

Nanjing – ME (2005) & BP (2011)

Chengdu – ME(2007)

Shenyang – ME(2008)

Guangzhou – ME(2009)

Wuxi –ME (2012)

Fujian – ME(2012)

Wuhan – ME(2012)

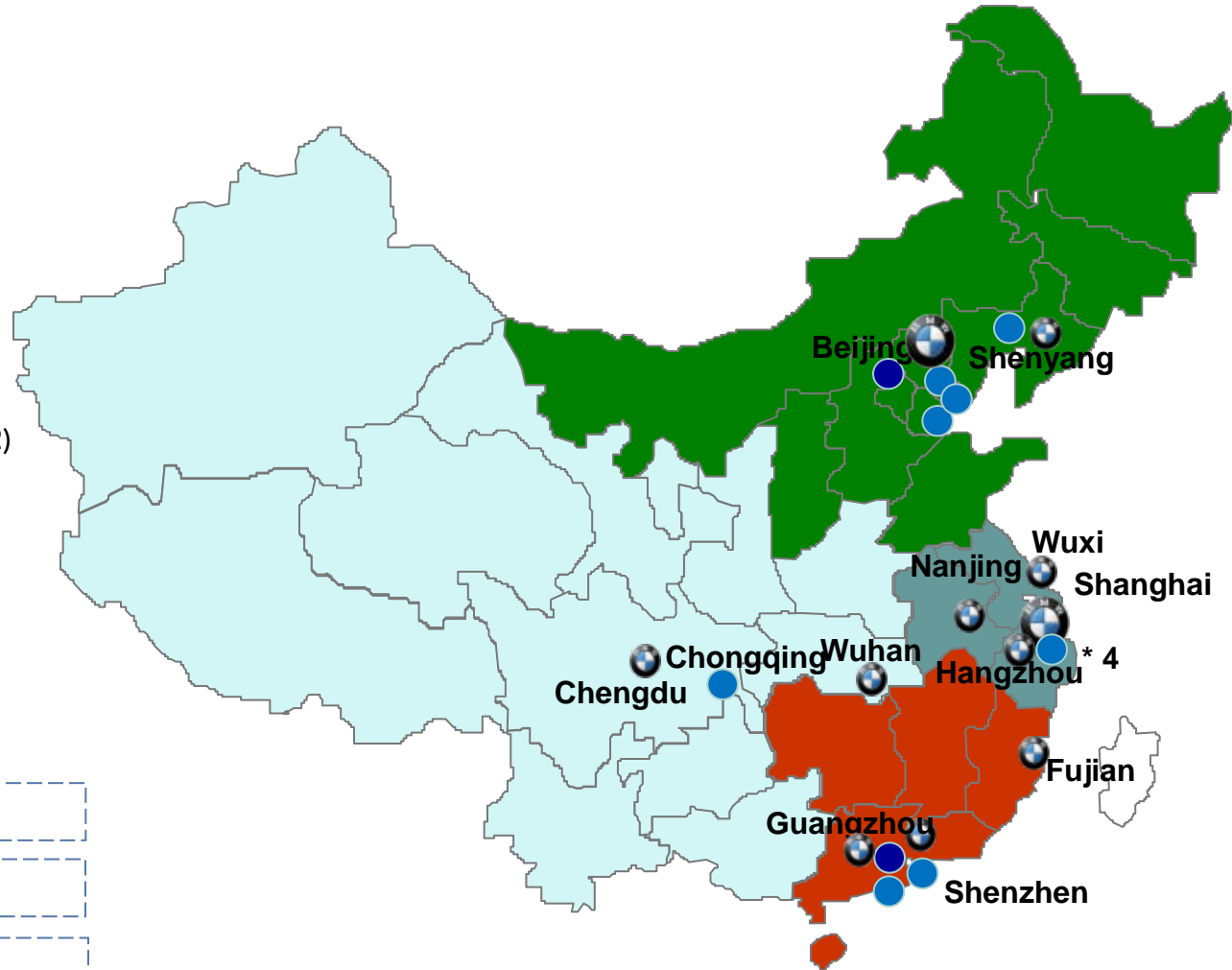
Hangzhou – ME(2012)

Guangzhou – ME (2012)& BP(2012)

Tem. Training Site:

BJ Lizeqiao: (2010)

Shenzhen Sungang (2011)



• Training Center: 2



• Training Base : 9



• Temp. Training Site: 2



• Body and Paint Site: 11

BEYOND BEST CLASS TRAINING, WE PROVIDE FULL SCOPE HR SERVICES TO DEALER STAFF.

- Annual Dealer Remuneration Survey
- HR Director Summit
- Dealer Staff Motivation Analysis



Retention

Selection

- Dealer Apprentice Program
- Assessment Center
- Recruitment Tools
- Recruitment Training



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Retail
Qualification



- Dealer Management & Leadership training
 - New Investor Orientation
 - General Manager Camp
 - Leadership Development Programs

People
Management

Development

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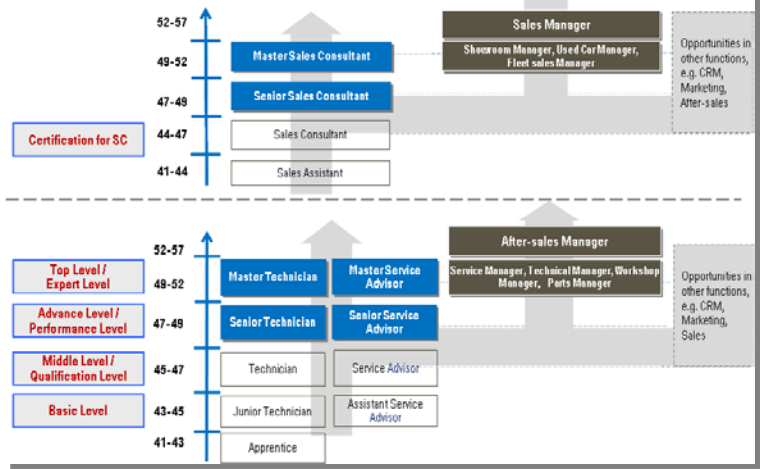
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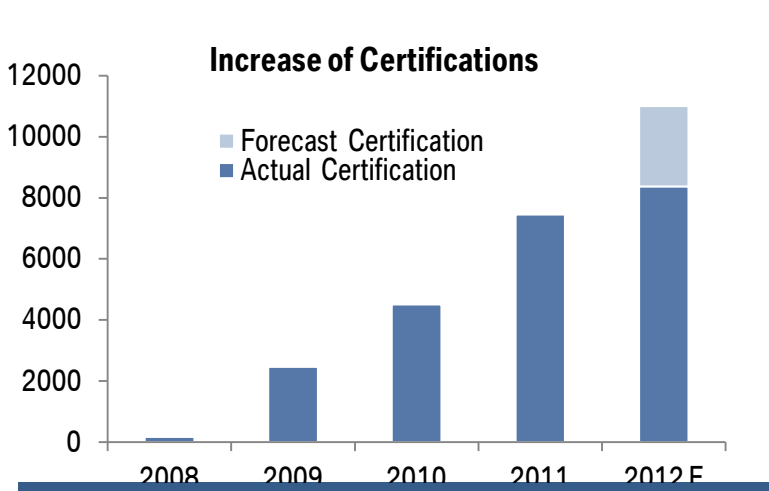
- New Dealer Package
- Certification Program
 - Sales consultant
 - Aftersales
 - Technician
 - Body&Paint
- Product Launch Training

STICK TO PREMIUM SERVICE COMMITMENT, WE CONTINUOUSLY IMPROVE STAFF QUALIFICATION AND RETENTION.

Grading System



Staff Certification



15-Year Loyal Service Award



Car purchase program for performing staff



CONTENTS.

Leading in city coverage

Best quality dealer network

Sustainable development

New business growth engine

5S DEALERSHIP IS BMW CHINA'S PRACTICE FOR SUSTAINABILITY STRATEGY IN DEALER NETWORK.



5S FURTHER EXTENDS THE SUSTAINABILITY CONCEPT WHICH COVERS THE WHOLE VALUE CHAIN.



HOW IS 5S DEALERSHIP CHARACTERIZED IN TERMS OF SUSTAINABILITY?



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, HEALTH & SAFETY AND EMPLOYEE CARE.



Waterborne paint



Paint Shop Ventilation



Car Wash Water Recycling



Wind turbines



Health & Safety training



Social Contribution – BMW
JoyHome



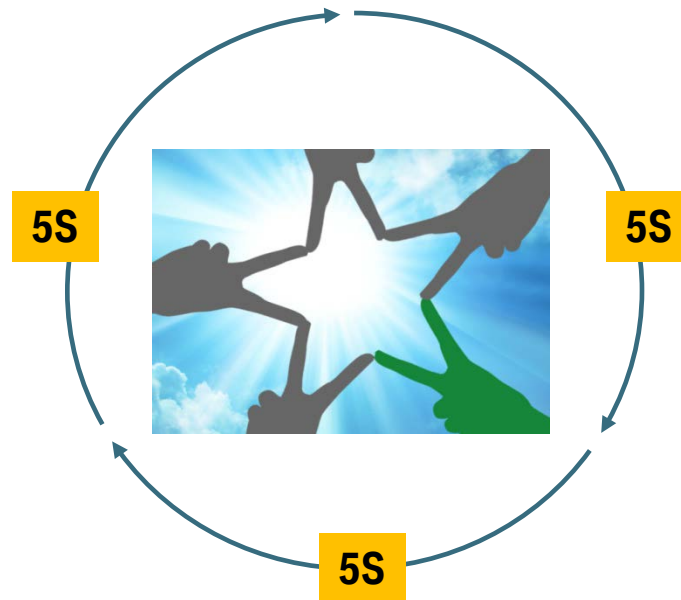
Waste & Recycle training

MULTI-WIN GIVEN THE GROWING AWARENESS OF SOCIAL AND ECOLOGICAL ASPECTS IN THE MARKET.

Joint Efforts & Joint Joy

Customer Benefit

- Enhanced customer's retail experience
- Good citizenship demonstration
- Platform for the lifestyle of environment conservation



Dealer Benefit

- Higher customer & staff satisfaction
- Enhanced process/ resource efficiency
- Better link to local community
- Platform for BMW marketing & events

BMW Benefit

- Contributing to BMW Group Sustainability Strategy in value chain
- Supporting to BMW's brand image
- Competitive differentiation

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. ”

MEANWHILE, VARIOUS PROJECTS ARE IN THE PIPELINE AIMED TO FURTHER ENHANCE BRAND IMAGE AND NETWORK QUALITY.

Objective:

1. Increase the number of possible contact points with customers and prospects.
2. Increase the services and benefits offered in its retail channels.
3. Enhance the retail experience at all touch points .

Multi Channel Retail

Experience Center



Brand Store




Experience Center




Premium Retail Experience


New Furniture



New Roles



New Tools



Retail Enabling

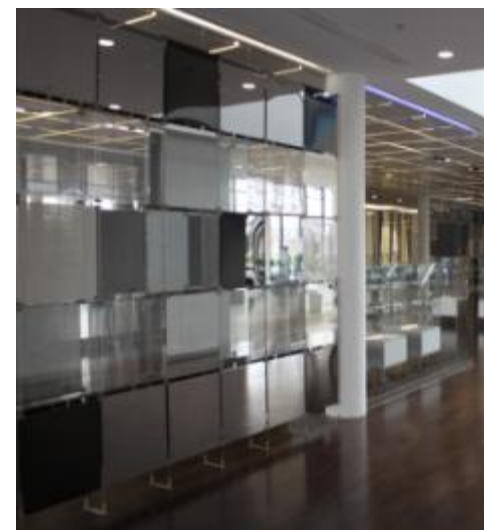
Employer Branding



Dynamic Product Experience



SAMPLES: 4S UPGRADE



CONTENTS.

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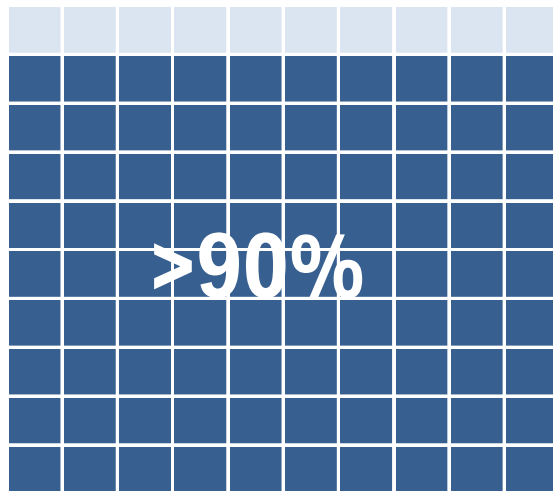
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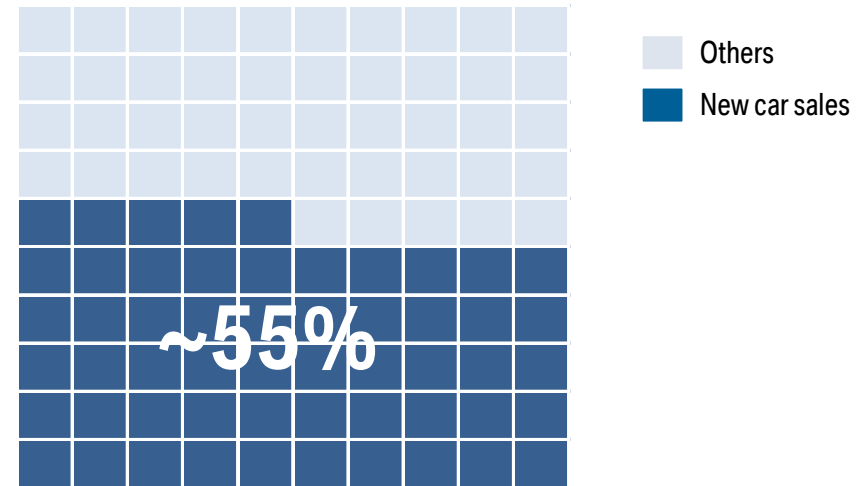
COMPARED TO MATURE AUTO MARKET, CHINA STILL OFFERS OPPORTUNITIES BEYOND NEW CAR SALES.

China Market Average New Car Sales %



Source: Deloitte Research (2012 China automobile dealer risk research report)

US Market Average New Car Sales %

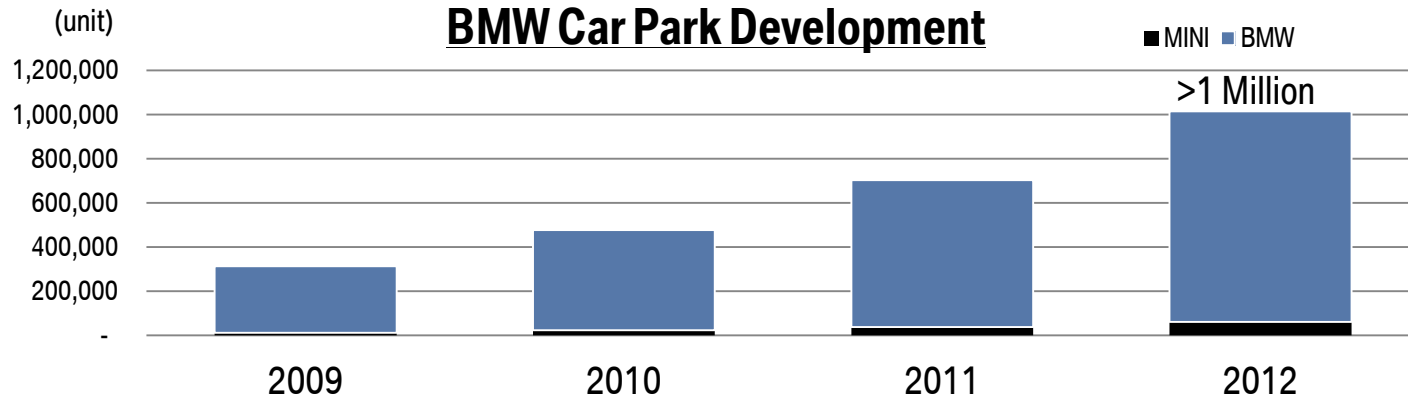


Source: USA NADA (National Automobile Dealers Association) industry analysis



- Over 90% revenue contribution comes from new car sales only in China, much higher than the number in mature market.
- A more balanced business model is expected driven by used car sales and aftersales, which are also becoming two major profit centers now.

ALONG WITH CAR PARK INCREASE, AFTERSALES SEE HUGE POTENTIAL FOR SUSTAINABLE GROWTH.



‘Maintaining Joy’ & brand commitment ‘Efficiency’ ‘Transparency’ and ‘Care’



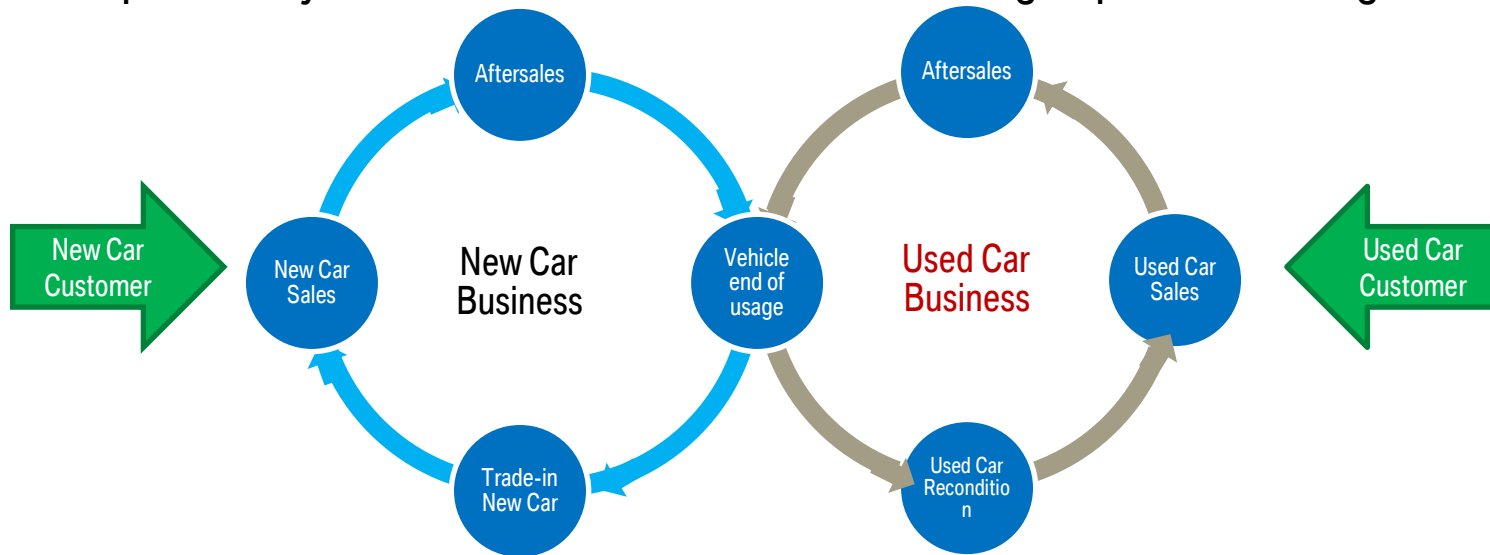
2012 Aftersales Brand Campaign

- Focus on communication on “Care” with Accident Hotline.
- Accident Parts is over 40% of BMW Aftersales parts business.
- BMW is the 1st mover on this service in Automotive companies.



USED CAR BUSINESS CONTRIBUTES TO BMW FUTURE GROWTH AND PROFITABILITY ENHANCEMENT AS ANOTHER GRWOTH ENGINE.

- Improve market values and used car image for BMW and MINI.
- Support conquest of new customers for BMW and MINI.
- Increase profitability of the used car business both for BMW group and dealer organization.



THANK YOU FOR YOUR ATTENTION!

