



# BMW GROUP IN CHINA

**DR. CHRISTOPH STARK**  
**PRESIDENT & CEO, BMW GROUP REGION CHINA**  
**MAY 2011**

**BMW**  
**GROUP**



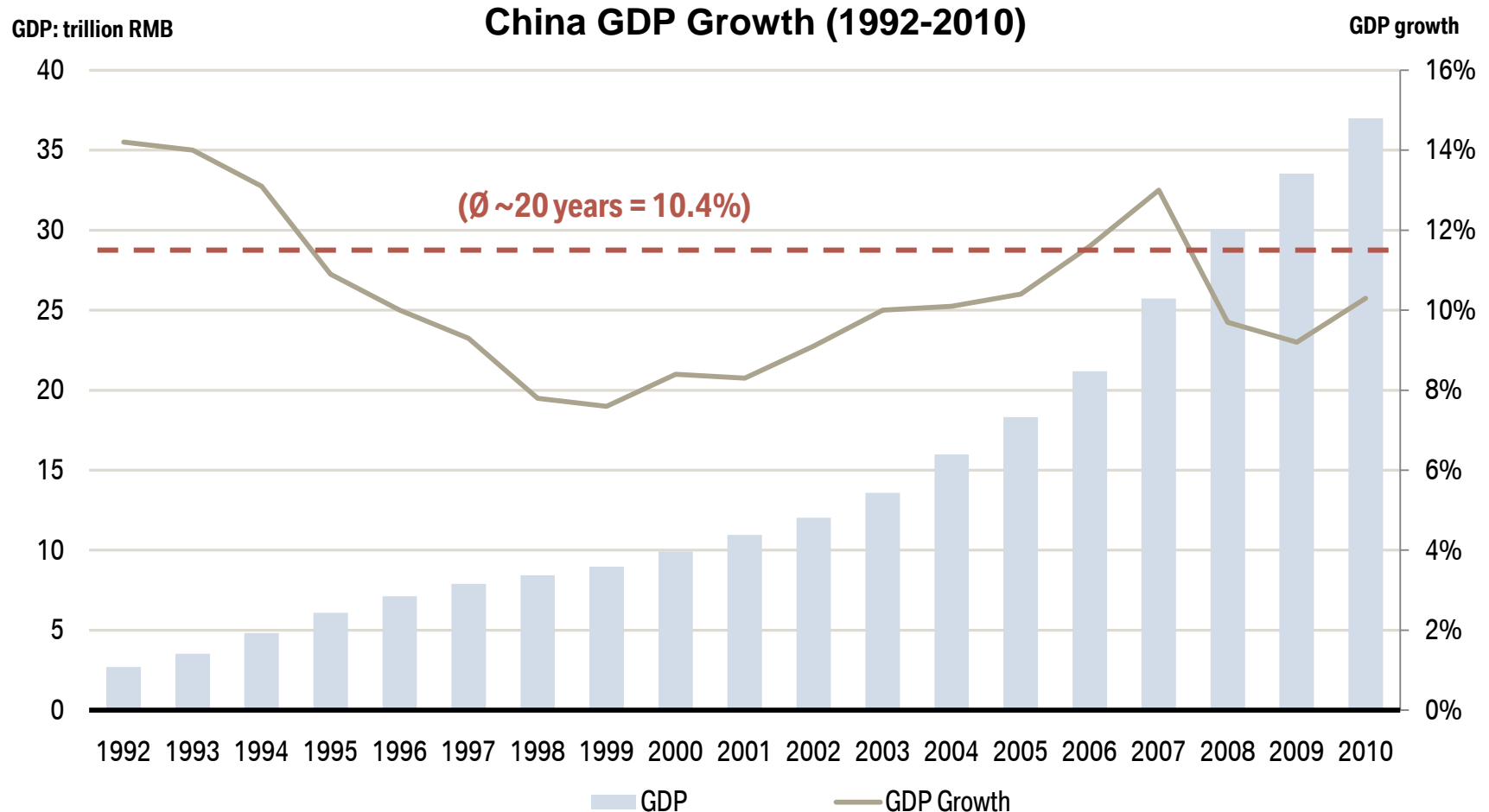
# INVESTOR PRESENTATION. AGENDA.

**Looking back: Strong Economic Growth in China.**

The BMW Group Model.

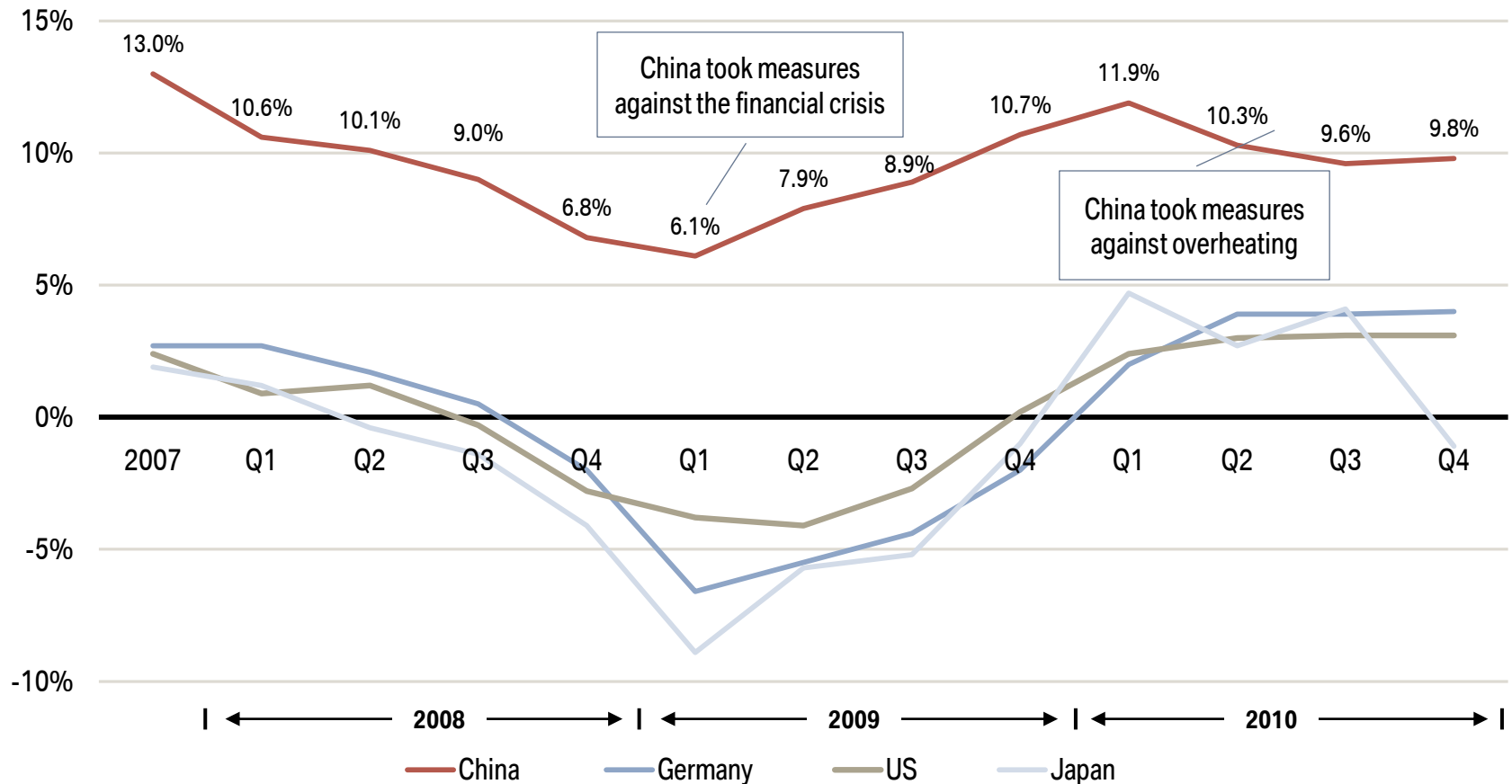
A Promising Future.

# OVERVIEW CHINA MACRO ECONOMY. CHINA HAS BEEN ENJOYING STRONG GROWTH OVER THE PAST 20 YEARS.



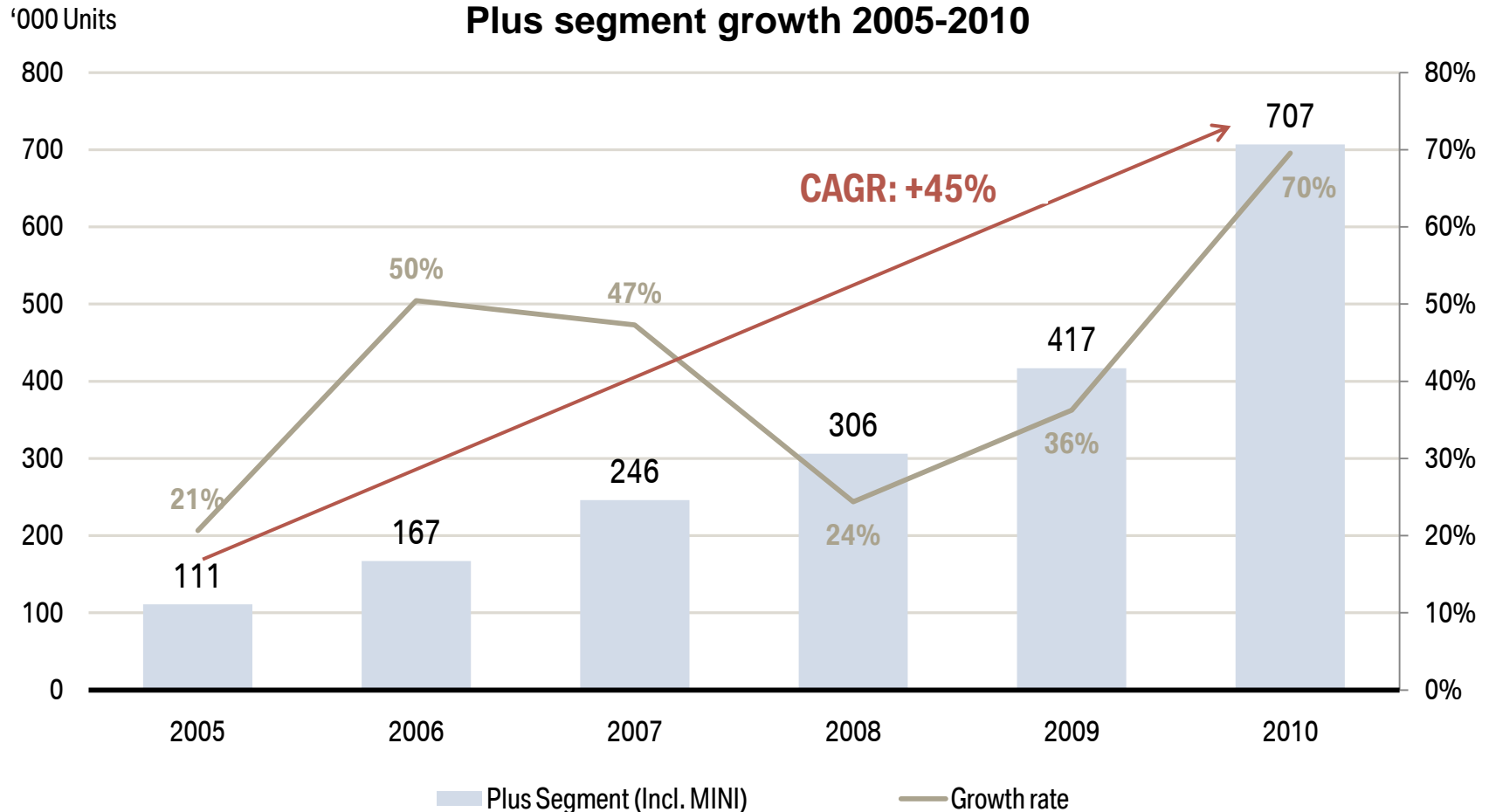
# OVERVIEW CHINA MACRO ECONOMY. CHINA RESPONDED TO THE CRISIS WITH BIG STIMULUS PACKAGES FINANCED BY THE TRADE SURPLUS.

## Major economy GDP growth



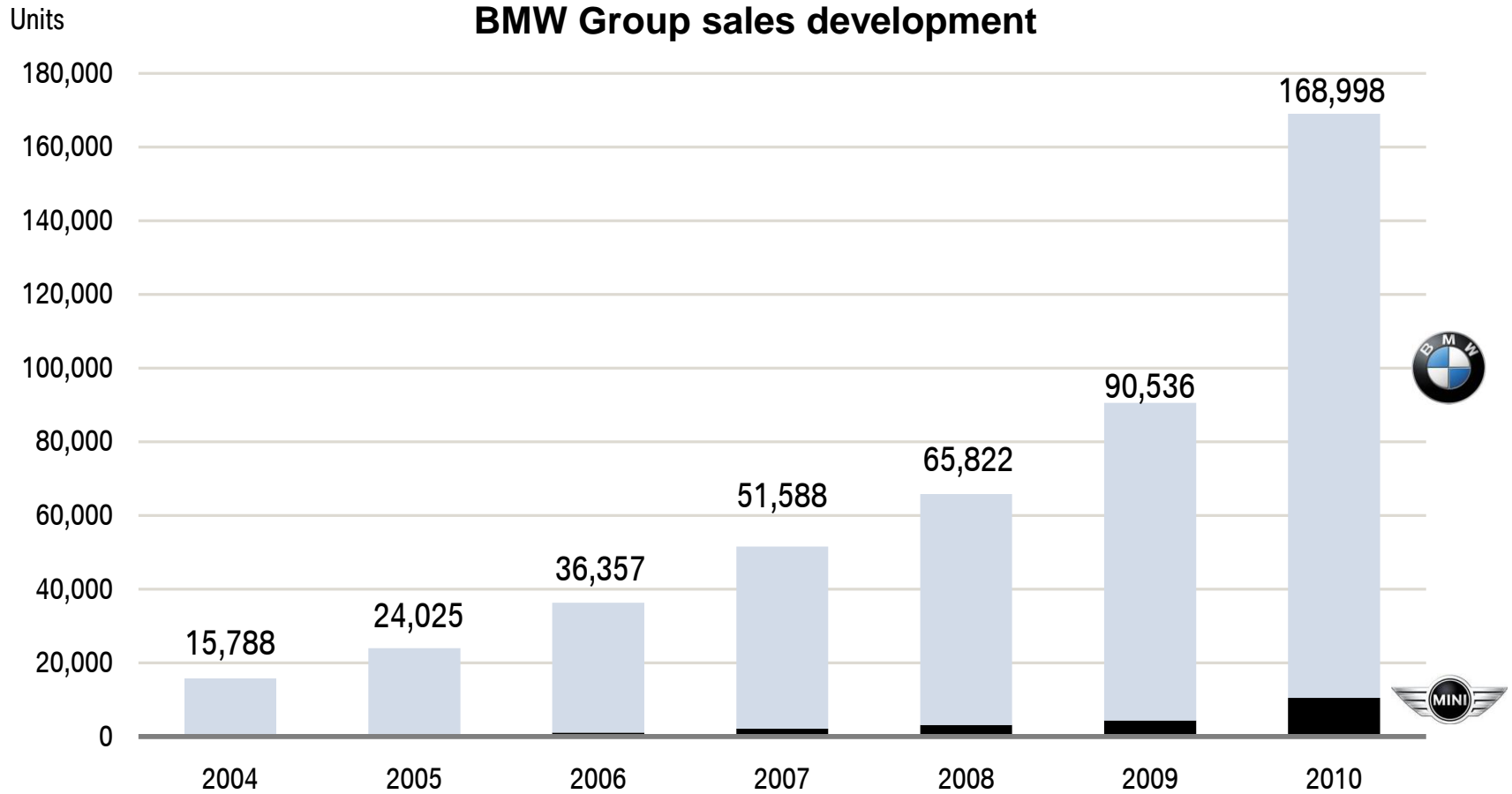
# AUTO MARKET DEVELOPMENT.

## TOTAL PV MARKET HAS BEEN DEVELOPING QUICKLY WITH AN EVEN FASTER PLUS SEGMENT GROWTH.



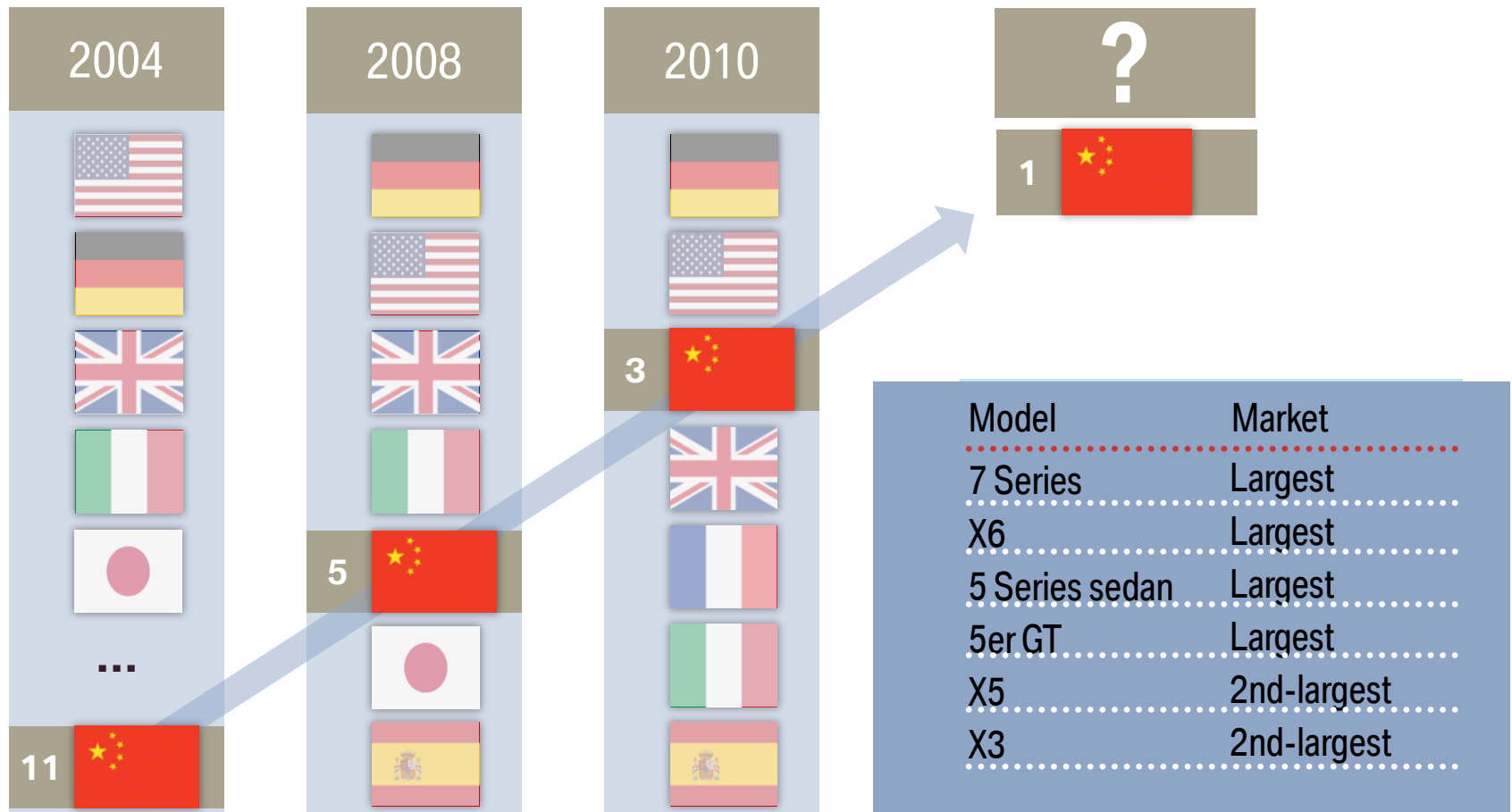
Source: Sales data

# BMW GROUP RETAIL DEVELOPMENT. SUCCESSFUL DEVELOPMENT FOR BMW & MINI. BOTH BRANDS GREW FASTER THAN THE PREMIUM MARKET.



Source: Sales data

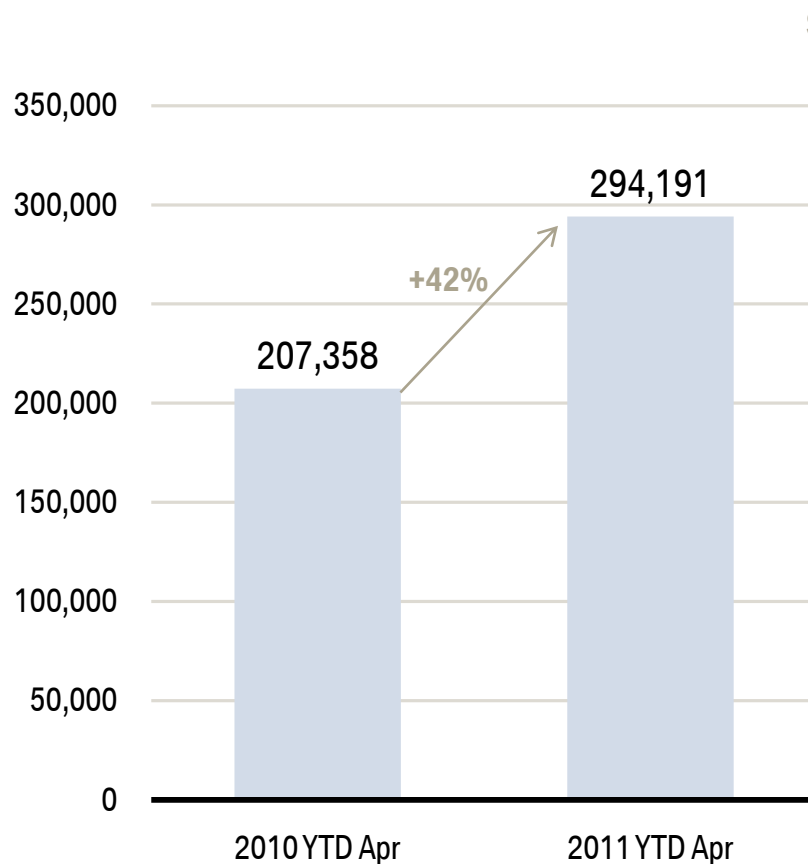
# BMW GROUP RETAIL DEVELOPMENT. CHINA HAS BECOME BMW GROUP'S THIRD-LARGEST MARKET AND THE LARGEST MARKET FOR KEY MODELS.



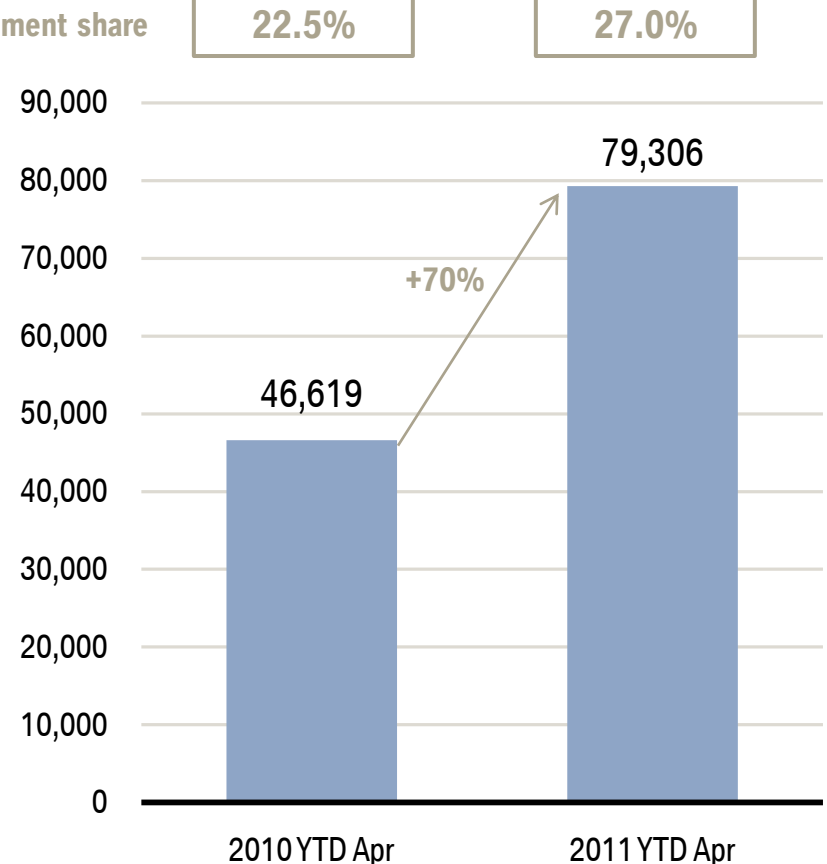
# 2011 YTD MARKET STATUS.

## BMW GROUP WAS OUT-GROWING A FAST GROWING PLUS SEGMENT IN THE BEGINNING OF 2011.

### Plus Segment Development



### BMW+MINI Development



Source: Sales data



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# OUR SUCCESS FACTORS. HOW DID WE MAKE IT?

## BRAND BUILDING



## PRODUCTS



## CUSTOMER ORIENTATION & LOCALIZATION



## PARTNERS



## PEOPLE



**OUR BRANDS: THE MOST CHERISHED TREASURE.  
WE MAKE EVERY EFFORT TO STRENGTHEN OUR  
POSITION AS THE MOST SUCCESSFUL PREMIUM  
BRAND.**



# OUR BRANDS: BMW. BMW IS THE LEADING BRAND IN THE AMS CHINA BEST CARS 2011 SURVEY (18,000 PARTICIPANTS).

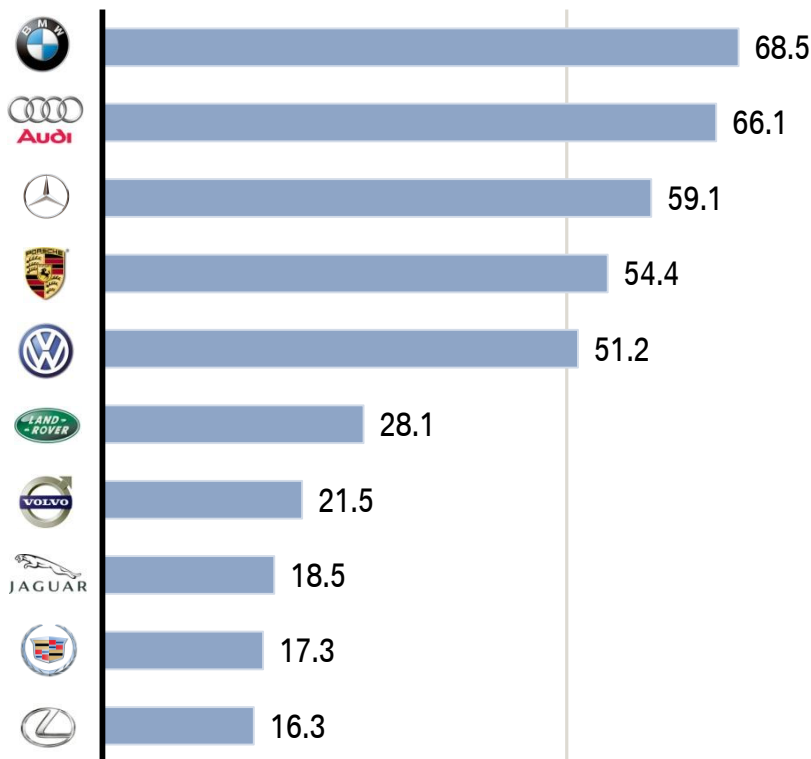


## 13 Criteria

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. **Overall, I Like This Brand**

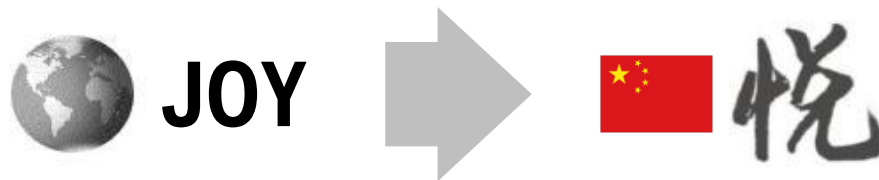
➔ **BMW is NO.1 in 4 main categories out of 13.**

Rank of category 13: Overall, I like this brand



Source: AMS China

**JOY IS BMW.  
THE JOY SPIRIT HAS BEEN SUCCESSFULLY  
TRANSLATED INTO CHINESE LANGUAGE AND CULTURE.**



# BRAND CAMPAIGN IN 2010. THE CHINESE MEDIA HIGHLY APPRECIATED THE JOY CAMPAIGN.



The introduction of this concept has gained BMW an upper hand in branding over competitors.



The use of Chinese cultural elements and wisdom helped portray an international face of a top brand.



The JOY campaign has elevated the substance of BMW brand and also fulfilled in-depth communication with Chinese customers with tribute to Chinese culture.





# MULTI-TIER PRODUCT LINE. MOST BMW GROUP PRODUCTS ARE ALREADY OFFERED IN CHINA TO MEET THE HUGE LOCAL DEMAND.



# MULTI-TIER PRODUCT LINE. LOCALIZED PRODUCTS GENERATE ADDITIONAL OPPORTUNITIES.

All new BMW 5 Series LWB (locally produced)



7 Series LWB China 60 Years Edition (imported)





# MULTI-TIER PRODUCT LINE. ALSO WORLDWIDE SPECIAL EDITIONS ARE WELL PERCEIVED IN CHINA.

## 7 Series Steinway & Sons Limited Edition

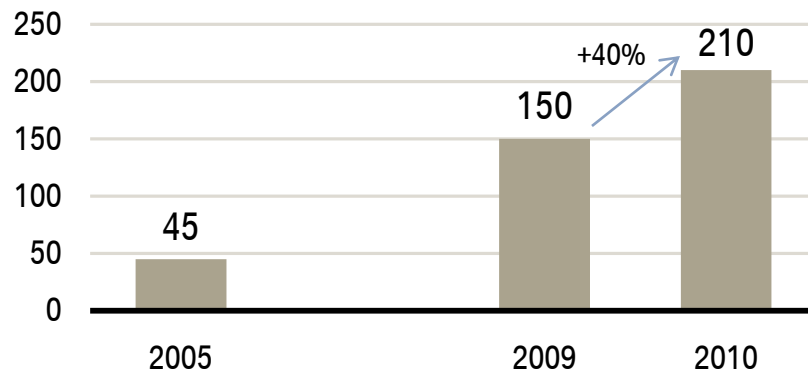


## M3 Tiger Edition: All cars sold out even before official launch!

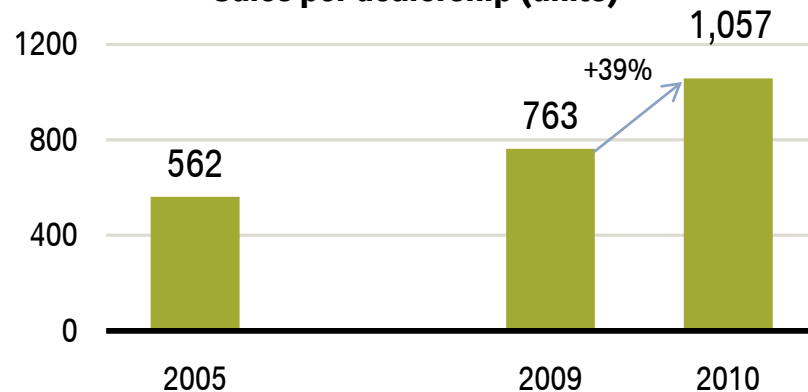


# COMMITTED PARTNERS. FAST DEVELOPMENT OF DEALER NETWORK NOT ONLY IN QUANTITY BUT ALSO IN TERMS OF QUALITY.

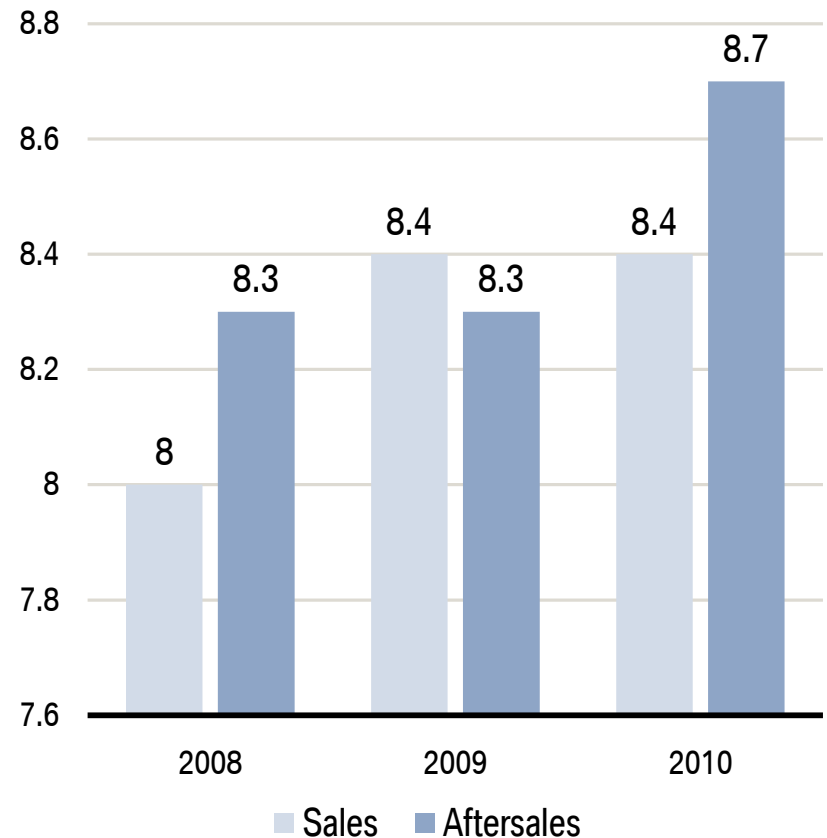
## BMW Dealer Network Development



## Sales per dealership (units)



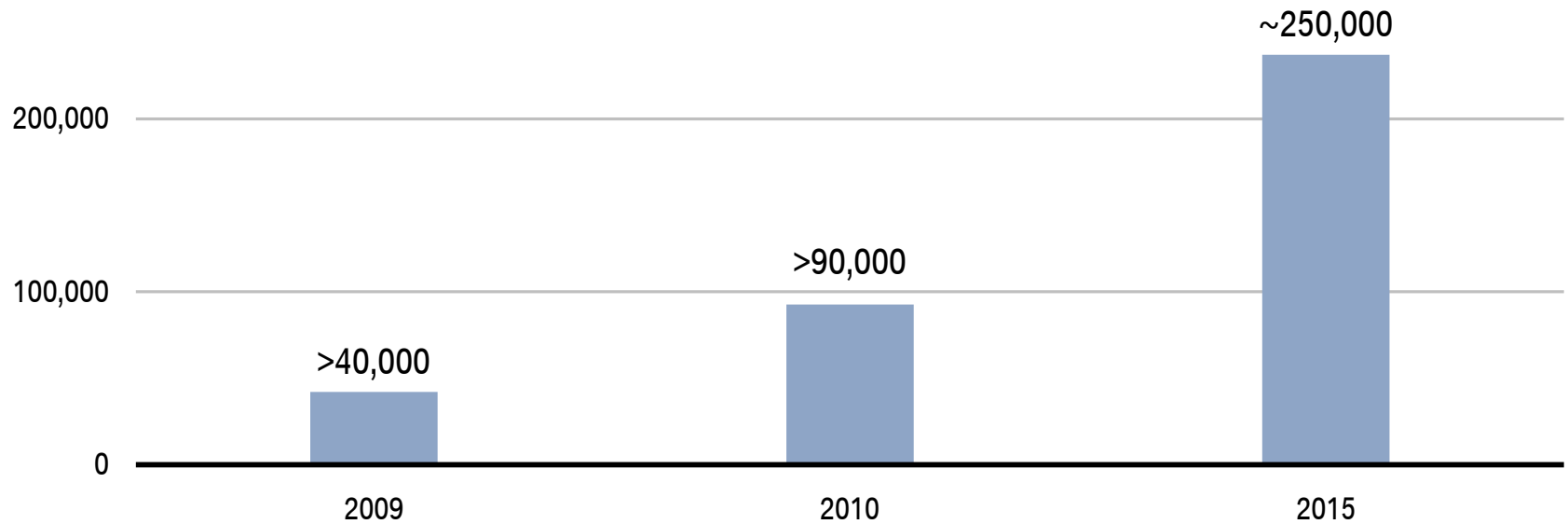
## BMW customer satisfaction



Source: BMW internal analysis

# INVESTMENT IN PEOPLE. DEALER NETWORK TRAINING. INVEST IN OUR PEOPLE ALSO IN THE STAFF OF DEALER- SHIP TO ACHIEVE HIGHER CUSTOMER SATISFACTION.

**Dealer Training Man Days Development (unit: man days)**



**BMW Shanghai Training Center**

# CUSTOMER ORIENTATION. BMW GROUP IS FULLY DEDICATED TO CUSTOMER SATISFACTION.



# INVESTOR PRESENTATION. AGENDA.

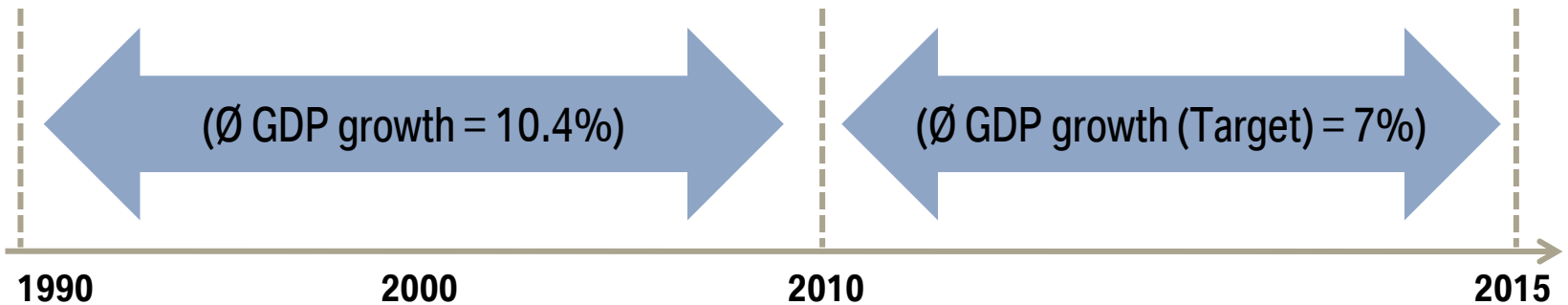
**Looking back: Strong Economic Growth in China.**

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**A Promising Future.**



# CHINA'S ECONOMIC DEVELOPMENT. THE 12TH FIVE-YEAR PLAN (2011 – 2015) AIMS AT A MORE MODERATE GROWTH PATH.



**Economic growth  
from export/  
investment driven to  
consumption driven**



**Income  
redistribution and  
improving people's  
living hood**



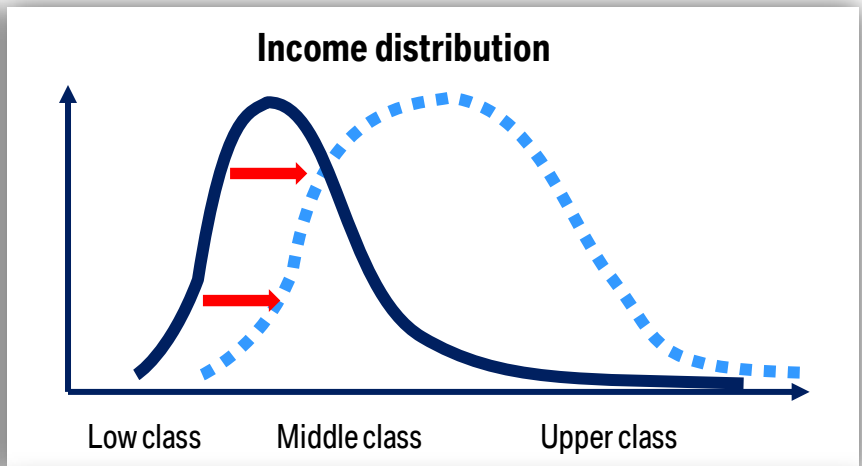
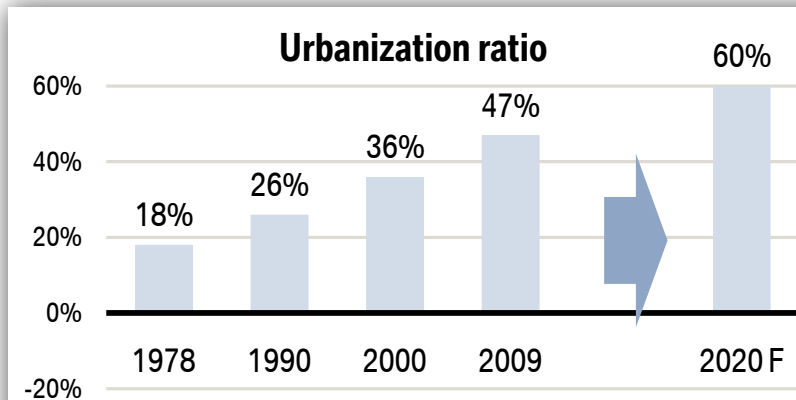
**Urbanization and  
regional  
development**



**Energy saving and  
environment  
protection**



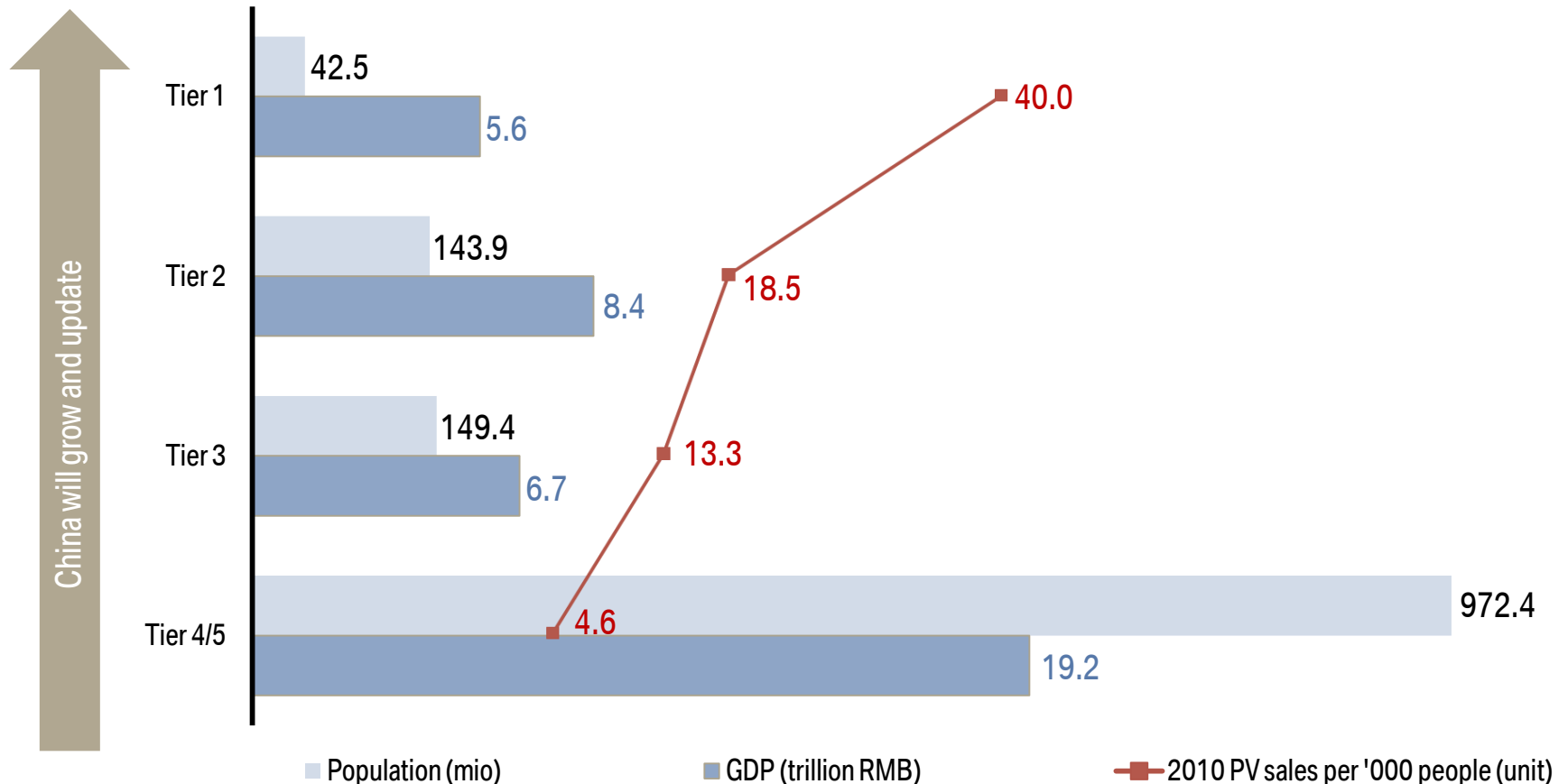
# GDP DEVELOPMENT DRIVERS. URBANIZATION AND GROWING MIDDLE CLASS WILL GENERATE TREMENDOUS DEMAND FOR MOBILITY.



Source: State Information Center, McKinsey research

# ENORMOUS AND EVER GROWING CUSTOMER BASE. TIER 3-5 CITIES PROVIDE HUGE POTENTIAL FOR PLUS SEGMENT.

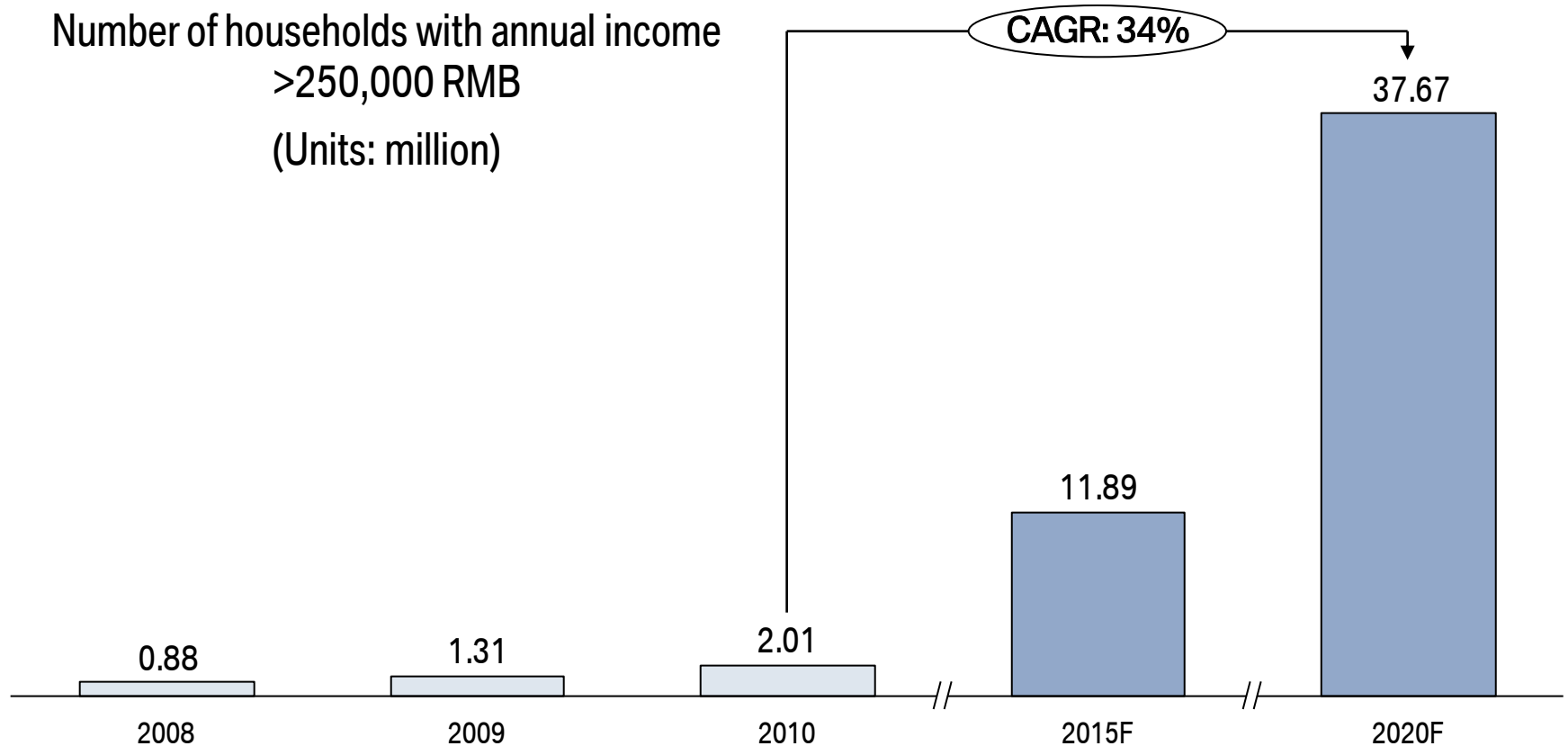
Different tier market status\*



\* According to the macro-economic and auto industry developing status, all the cities are divided to 5 tiers; population and GDP data as 2009; auto industry data as 2010



# GROWING PURCHASING POWER. DRIVEN BY THE OVERALL ECONOMIC DEVELOPMENT, THE NUMBER OF HIGH INCOME HOUSEHOLDS WILL CONTINUE TO GROW FAST.

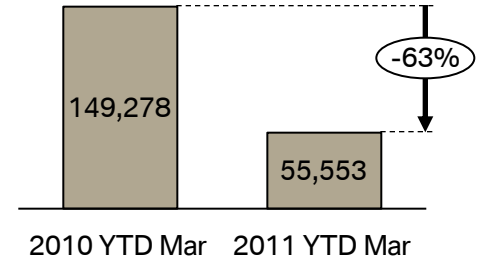


Source: State Information Center

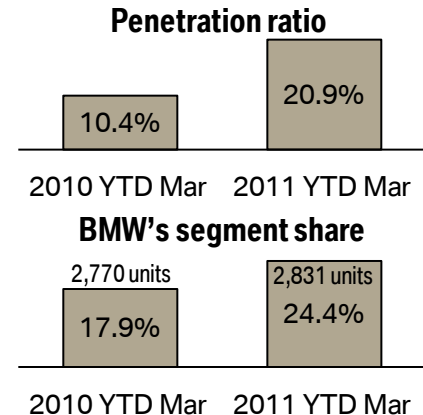
# BEIJING REGISTRATION LIMIT POLICY. THE POLICY IMPACTS THE TOTAL MARKET, BUT ALSO BRINGS OPPORTUNITIES TO BMW AND PLUS SEGMENT.



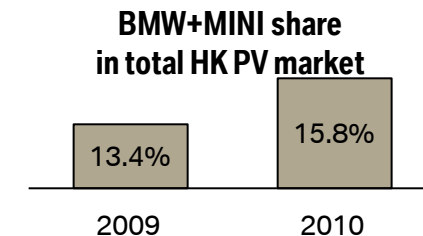
- Beijing PC market decreased by 63% YTD March. Pull forward effects to be considered.



- However, Plus segment's penetration ratio in Beijing doubled
- Moreover, BMW's segment share in Beijing was further improved



- BMW has a strong track record in confined markets, e.g. No.1 in Premium segment in Hong Kong in 2010 (Share of 15.8% in total HK PV market for BMW and MINI together, ranked 2<sup>nd</sup>).



# CONTINUE WITH OUR SUCCESSFUL STRATEGY ... ... AND FINE-TUNE IT.

## BRAND BUILDING



## PRODUCTS



## CUSTOMER ORIENTATION & LOCALIZATION



## PARTNERS



## PEOPLE



# SUSTAINABILITY THROUGH E-MOBILITY. BMW 5 SERIES LWB PHEV CONCEPT CAR WAS INTRODUCED IN SHANGHAI, “FROM CHINA, FOR CHINA”.





# SUSTAINABILITY THROUGH QUALITY. AFTER SALES SERVICE CAMPAIGN.

## BMW售后服务。悦常在,驾无忧。

➡ The 1<sup>st</sup> service branding campaign in China.



The visual for the BMW After Sales Service Campaign features a collage of three images on the left: a female BMW consultant on a headset, two male consultants at a computer, and a technician working on a car wheel. The main image shows a blue BMW convertible driving on a winding road through a scenic, hilly landscape at sunset. The BMW logo and 'BMW After Sales Service' text are in the top right corner.

**BMW售后服务。悦常在,驾无忧。**

驾乘之悦一旦启航，BMW的售后服务就即刻启航，保障您的驾乘乐趣从不间断。高效便捷的预约快修通道，价格统一的服务服务套餐，助您无忧出行的道路救援等诸多售后服务举措，BMW都愿为您贴心准备，以确保无论面对任何状况，皆有BMW提供的全力支持方案，助您一路畅行无忧。驾悦常至。

更多售后问题，请拨打售后专线4000006666，或登陆[www.bmw.com.cn](http://www.bmw.com.cn)

**BMW售后服务**  
悦常在，驾无忧。



The visual for the BMW After Sales Service Campaign features a silver BMW sedan parked in a modern, glass-walled building. In the foreground, there is a white cup of coffee on a saucer with a sugar cube, and a newspaper. The BMW logo and 'BMW After Sales Service' text are in the top right corner.

**BMW之悦。等待不到1小时，愉悦一路。**

驾乘之悦一旦启航，您愿漫长等待吗？BMW预约快修通道，精力为您全情投入，预约服务电话预约，即可享受机场保障1小时完成的快修服务。空气滤清器、发动机油等常规11项服务，也仅需2个小时即可完工。BMW服务，以超乎期望的快速高效，为您全力以赴，驶遍下至驾乘之乐的万物皆悦。

**BMW预约快修通道。**

**BMW售后服务**  
悦常在，驾无忧。

# SUSTAINABILITY THROUGH QUALITY. CUSTOMER EXPERIENCE AT THE DEALERSHIP.

**Top standards for  
retail facilities**



**Customer-  
orientated  
facilities**



**Efficient  
workshop**

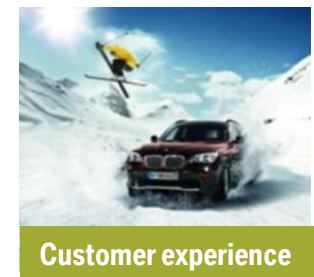


# SUSTAINABILITY THROUGH PARTNER INTEGRATION. THE 5S DEALERSHIP CONCEPT AIMS AT SUSTAINABILITY AT THE DEALERSHIP LEVEL.





# SUSTAINABILITY THROUGH LOCALIZATION. CHINESE PEOPLE ASSOCIATE BMW WITH THE OLYMPIC SPIRIT IN THEIR MINDS AND HEARTS.



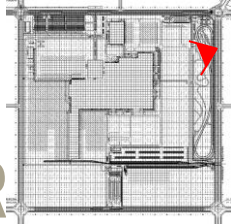


# SUSTAINABILITY THROUGH LOCALIZATION. OFFICIAL PARTNERSHIP WITH EXPO CHINA PAVILION.





# SUSTAINABILITY THROUGH LOCALIZATION. THE BMW BRILLIANCE PLANT PHASE II SHOWS OUR OVER- PROPORTIONAL PARTICIPATION IN THE MARKET.





# SUSTAINABILITY THROUGH CSR. BMW TAKES RESPONSIBILITY THROUGH THE BMW WARM HEARTS FUND.



**BOTTOM LINE.  
BMW GROUP IS LOOKING FORWARD TO A PROMISING  
FUTURE.**

