Understanding Target Markets

Chad J. Don

Professor Meraj Khan

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Bayerische Motoren Werke AG, also known as BMW is one of the most intelligent target marketing companies within the industry today. On the other hand, they do not target a wide enough market, but rather the luxury locomotive buyers. These individuals include the highest paid employees in the market and the average to higher income employees in the stable economies. The company has not been able to be in the top four international sellers, but it is still fighting to improve their market niche without affecting their quality (Bowles & Cooper, 2012). This paper analyzes the target marketing strategies at BMW.

BMW has strategies that aim at beating the international market odds and gain some customers. An example is the German company alliance with a company that was not expected to alliance with BMW. The alliance yielded the BMW Roll Royce GmbH which enjoyed the better part of the automobile market between the UK and Germany (Smith, 2013). Understanding the market competencies and measuring the attractiveness of products is the main marketing strategy embraced by BMW currently. This means that Michael Porter competitive advantage strategy and Ansoff’s corporate strategy are used to expand and remain competitive in the international markets at BMW (Kumar, 2016). According to Khan and other researchers, BMW is company that has succeeded in luring a lucrative market to purchase their products through selling through movies. However, he thinks that use of James Bond movies which are full of fiction and exaggerating some BMW features in such movies is an issue of ethical concern since it is somehow deceptive to consumers (Khan, Mahmood, Lodhi, & Aftab, 2016).

BMW is affected by international politics. Emerging markets, for instance Russia, China, India and others are affected by political and legal forces to points where consumption patterns change abruptly. BMW is dependent on the highest spenders, because their vehicles do not only provide the locomotion services, but also comes with expensive luxury. There is also some political forces in the motor industry where nations such as Japan impose higher taxes on imported vehicles to promote the market of the locally manufacture models. Economic factors that affect BMW include the purchase power of the consumers, and most consumers in the developing and underdeveloped cannot afford the prices quoted for BMW models. Secondly, the money markets affect the company since it sells globally, and has to embrace the local prices in every country they sell to (Bowles & Cooper, 2012).

BMW is clearly a luxury, and has been created to serve the higher income individualswithin international markets. As a result, the vehicles designed by this company promote social classism. This is a social problem globally. Technology is the most influential factor of the four. The company is always researching for more innovation with every brand they plan to launch. They have currently produced vehicles where the driver can pick calls through a wave of the hand over the GPS gadget, without touching it and can also pack the vehicle in constricted spaces without necessarily being inside the vehicle. With the next brand, the company will be looking to beat these inventions and come up with better technologies. Their consumers are pleased by more inventions and innovation because these are luxuries vehicles and super bikes (Bowles & Cooper, 2012).

Figure #1: BMW PEST analysis

Currently, the company has specialized in high technology in both production and products. The production process has embraced robotics similar to what is happening in the better competitor’s production yard, General Motors. The company, however, has launched fewer brands compared to GM, and still holds a 2% market share of the world’s market. The best opportunity is the emerging markets where affordability is rising, and the demand of high quality and luxurious brands takes centre stage. They have an opportunity grow into the potential markets without compromising their quality. These opportunities into the emerging markets are current in nations such as Russia, Saudi Arabia and Japan, but they are future in nations such as South Africa, Nigeria, India, Kenya and the Latin Americas (Bowles & Cooper, 2012).

The major threat includes the introduction of the electric cars. This poses a high technology requirement need. Apple is planning to invade the motor vehicle industry. With the creativity the company has shown in the electronics and software industry, all luxury vehicle producers have a reason to fear. The I-car to be launched will have controls done without having to use a windscreen to see the road outside. This increases the technology advancement threat to BMW in the near future (Bowles & Cooper, 2012).

The target markets for BMW include the developed nations following the high purchase power and need for luxurious locomotives in such nations. However, the emerging markets are showing signs of optimism, with the company finding markets in places like Brazil and South Africa. The company is affected by international political and legal factors such as importation taxes, and economic factors such as the fluctuation of currency values in the destination markets. The company seems to increase the problem of classism and is very much affected by technology since they want to remain on top of luxurious locomotives market. The company will need to improve on their technologies before inventions such as the I-cars and the electric cars take the better share of the market.

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