



BMW GROUP PERFORMANCE IN CHINA

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BMW BRILLIANCE AUTOMOTIVE**

2014.07.09 Beijing

**BMW
GROUP**

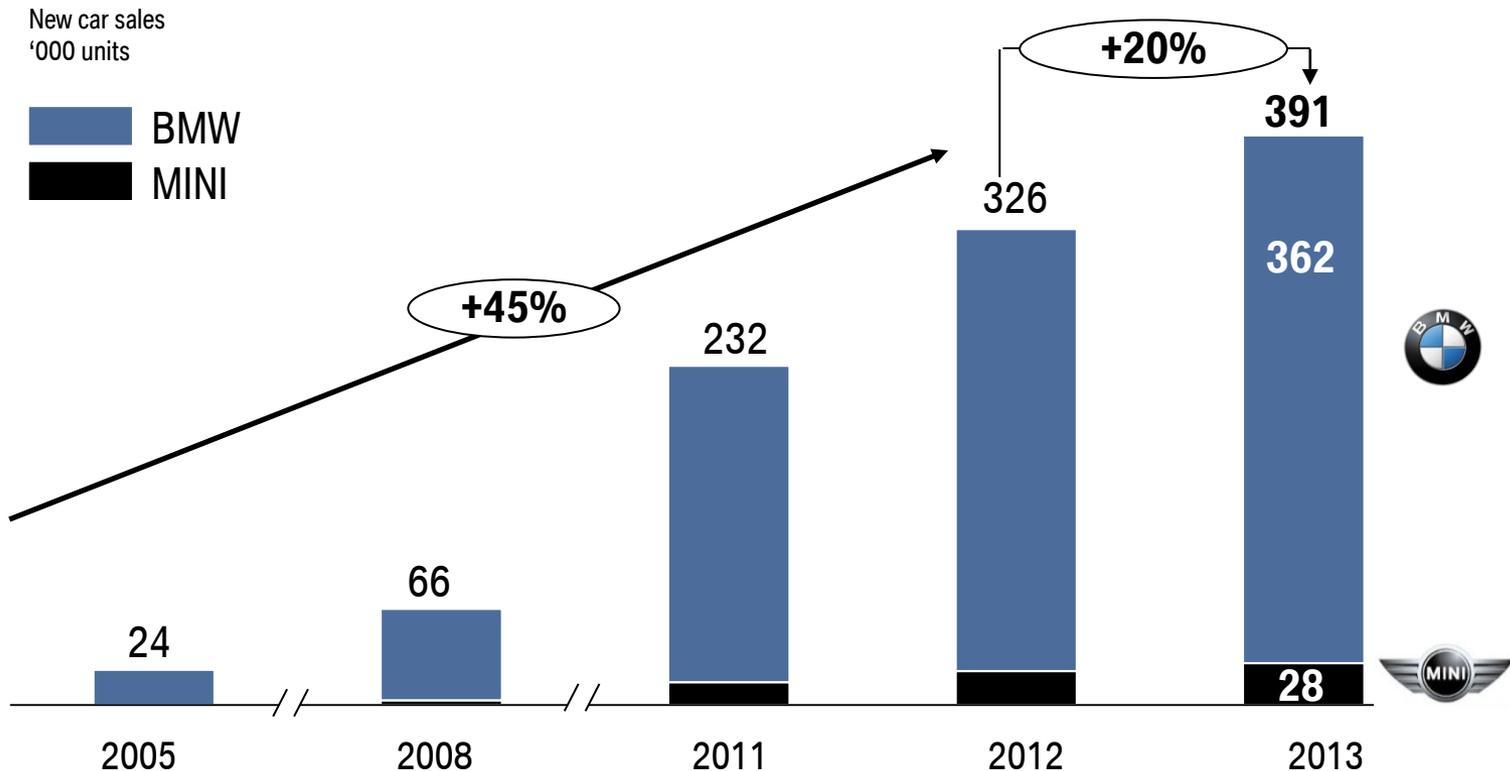


CONTENTS.

- **BMW Group Performance in China**
- **BMW Group Dealer Network in China**
- **BMW Customer Base in China**
- **High Quality Development**
- **Sustainable Development**

SUSTAINABLE DOUBLE DIGIT GROWTH FOLLOWS THE 45% GROWTH (CAGR) BETWEEN 2005 AND 2012.

BMW Group Sales Development

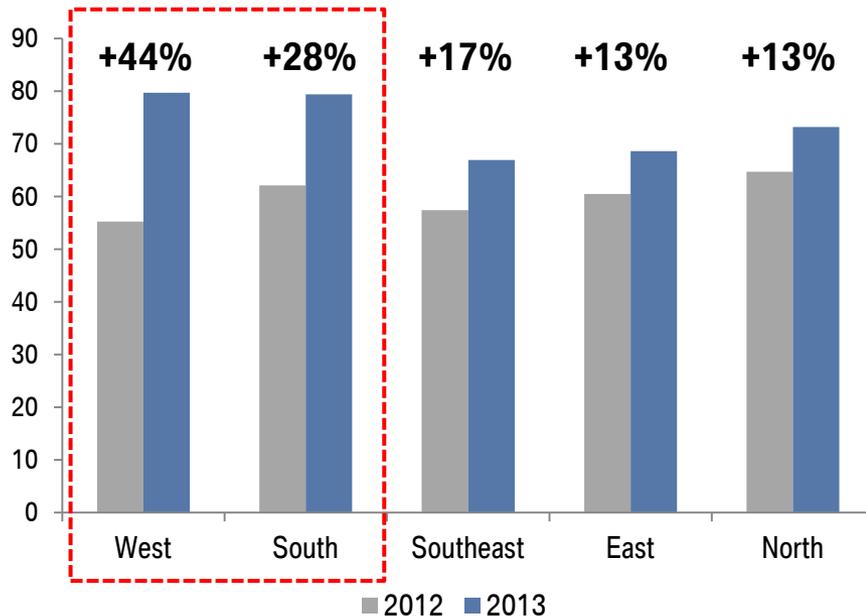


BMW segment share:	22.8% in 2006	→	25.5% in 2013
MINI segment share:	0.7% in 2006		2.2% in 2013

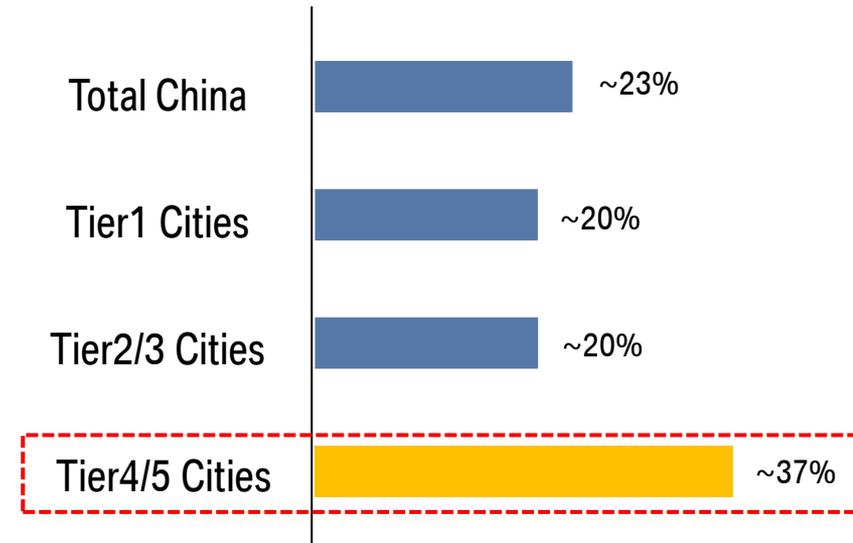
WEST/SOUTH REGION AND TIER 4/5 CITIES LEAD THE GROWTH.

**BMW Sales Growth by Region
2013 vs. 2012**

New car sales
'000 units



**BMW Sales Growth by City tier
2013 vs. 2012**



– West and South regions provided stronger growth potential in 2013.

– The early network expansion into lower Tier cities was a major contribution to BMW's success in 2013.

SUSTAINABLE AND PROFITABLE GROWTH THROUGH A LONG-TERM VIEW.

BRAND



PRODUCT



QUALITY



FUTURE-PROOF
RETAIL PRESENCE



13 TIMES CONSECUTIVELY, BMW WAS AWARDED THE “BEST CAR BRAND” BY AMS CHINA.

Best Car Brand



BMW was awarded as **Best Car Brand** with **“Well made”**, **“Good looks/styling”** and **“I like this brand”** in the “best cars 2014”

BMW 3 series



BMW 3 series was awarded **“Best Domestic Mid-sized Car”** & **“Best Mid-sized Car”** in the “Best Cars 2014”.

STRONG FOCUS ON EXPERIENTIAL HAS REINFORCED THE BMW BRAND IDENTITY & PRESENCE IN CHINA.

Brand Development



Expanding bigger customer base & interactive branding

Experiential Marketing



Unique experience to the customers across the country.

New Car Launch



LOCALIZATION OF PRODUCTION WITH CHINA-SPECIFIC PRODUCTS KEY TO THE GROWTH IN CHINA.

Local production



Sales contribution

2014 YTD MAY

59%

Imported (BMW & MINI)



41%



BETTER SALES FUNNEL MANAGEMENT BRINGS HIGHER CUSTOMER SATISFACTION AND CONVERSION RATE.

Better Operational Steering Through More Transparency



Retail Support

Modular Loyalty Platform



Central Data Analysis Services for Dealers



Sales Funnel Management On-site Coaching



Test Drive on-site Coaching



Business Development Center



AFTERSALES SECURES CUSTOMER LOYALTY THROUGH FOCUSING ON CUSTOMER NEEDS.

Maintaining Joy. Customer Experience

Efficient



BMW 1-hour Oil Service
BMW Fast Lane Service
BMW Body & Paint Quick Repair
BMW Evening Service
Appointment Booking Standard
Parts Supply Network
Dealership Coverage
PuMA Quality Offensive

Transparent



CBS (condition based service)
BMW/MINI SRP (Service Repair Package)
E-Workshop
Workshop Visibility
Aftersales Service Day
Car Usage Training

Care



Customer Care Hotline
Accident Hotline Service
Roadside Assistance
Mobility Service
High Value Customer (HVC)
MINI Service Separation
End of Warranty Check

Process

People

Quality in Service

FUTURE RETAIL IN CHINA – MAKING RETAIL FUTURE-PROOF.

Future Retail is a global BMW Group initiative to:

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

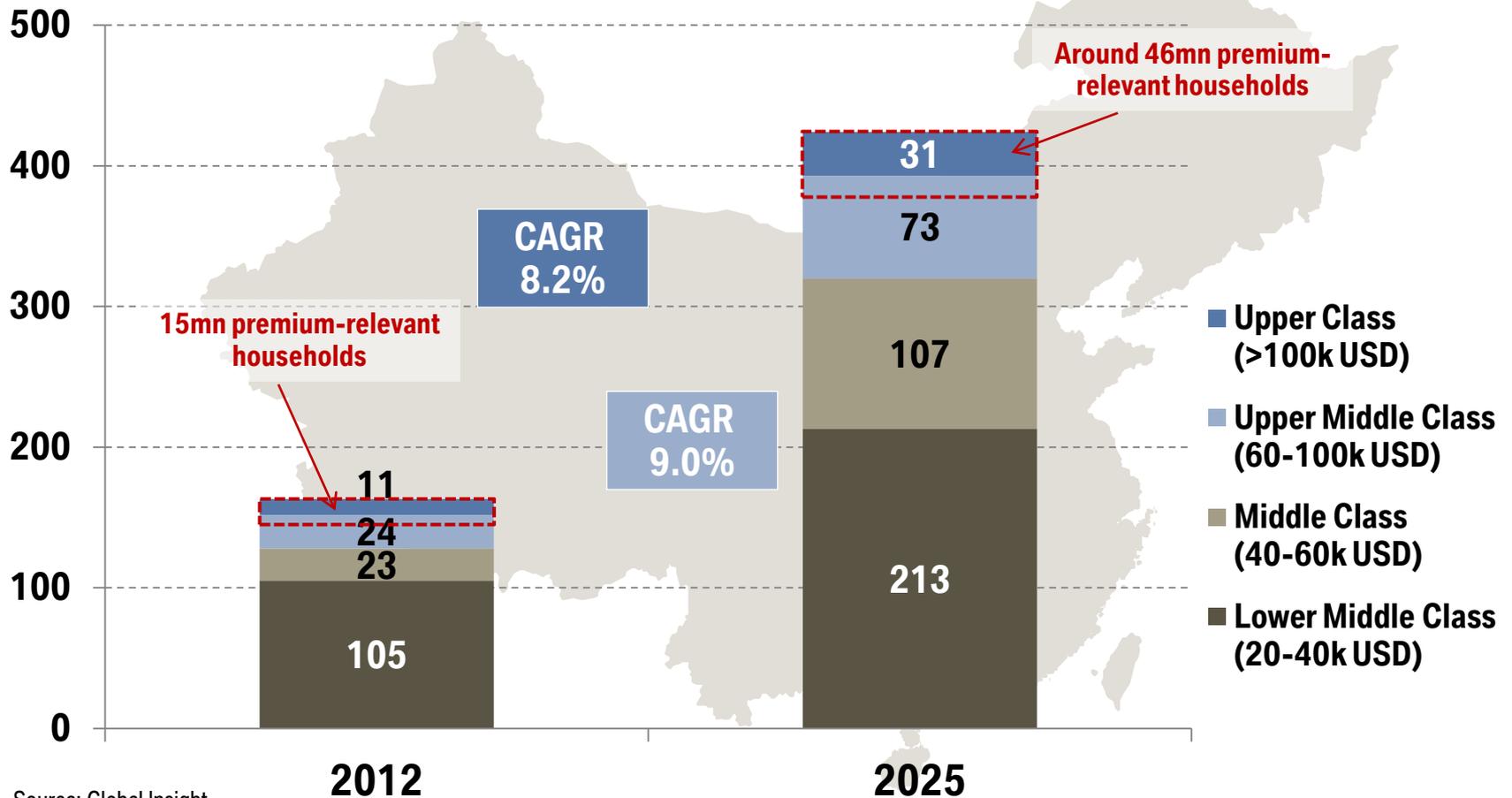


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CHINA: FURTHER GROWTH OF PREMIUM-RELEVANT UPPER AND UPPER MIDDLE CLASS.

Income class definition by annual household income
(inflation and purchasing power parity adjusted, base year 2005)



Source: Global Insight

BMW DEALER NETWORK KEEPS HEALTHY EXPANSION, WITH 428 BMW DEALER OUTLETS IN OPERATION BY END OF MAY 2014.

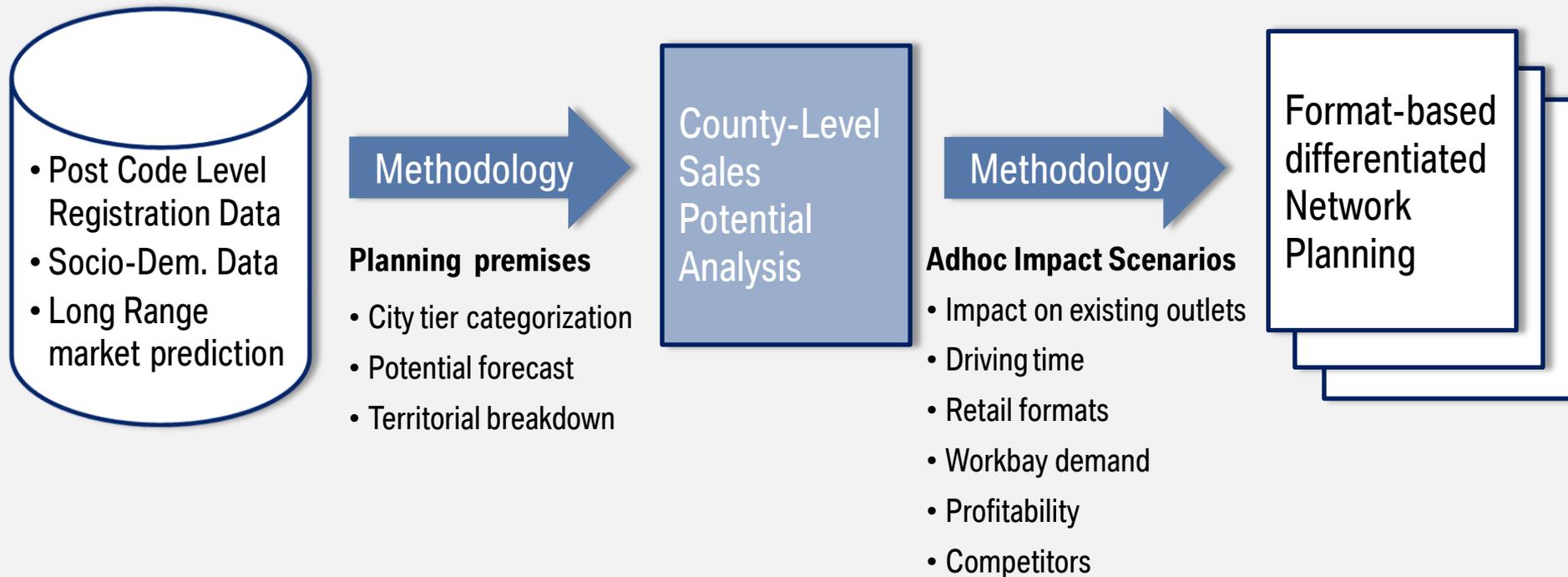


	North	East	South east	West	South	Total
Total	83	93	69	86	97	428

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

Status: as of May. 31st, 2014

STRUCTURED APPROACH FOR LONG TERM DEALER NETWORK PLANNING.



FIT THE NETWORK FORMAT TO THE NEED AND LOCATION.

Necessity to diversify retail formats

- Enhancement of **Brand Accessibility**
- Approach and development of **new customer** groups
- **Optimization** of retail channel network
- Increase of network **coverage**
- Development of more **flexible and scalable** types
- Meet **customer's** demands and expectations
- Improvement of dealer **profitability and stability**

“Brand Enhancement
and Profit
Stabilization”

4S/5S



Service Center



Fast Lane City



Used Car Center



BMW Premium Selection Showroom



Showroom



Fast Lane Rural



M Showroom



2003-2006

2007-2009

2010

2011

2012

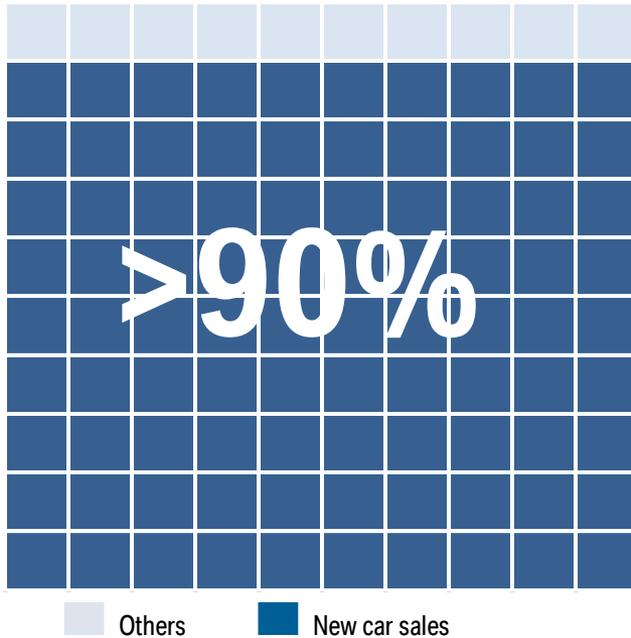
CONTINUE TO EXPAND PROFIT DRIVERS TO ACHIEVE SUSTAINABLE GROWTH TOGETHER.

Before



More Profit Drivers

China Market Average New Car Sales %



Over 90% revenue contribution comes from new car sales only in China.

Aftersales



Financial Services



Fleet Sales



Customization



Used Car

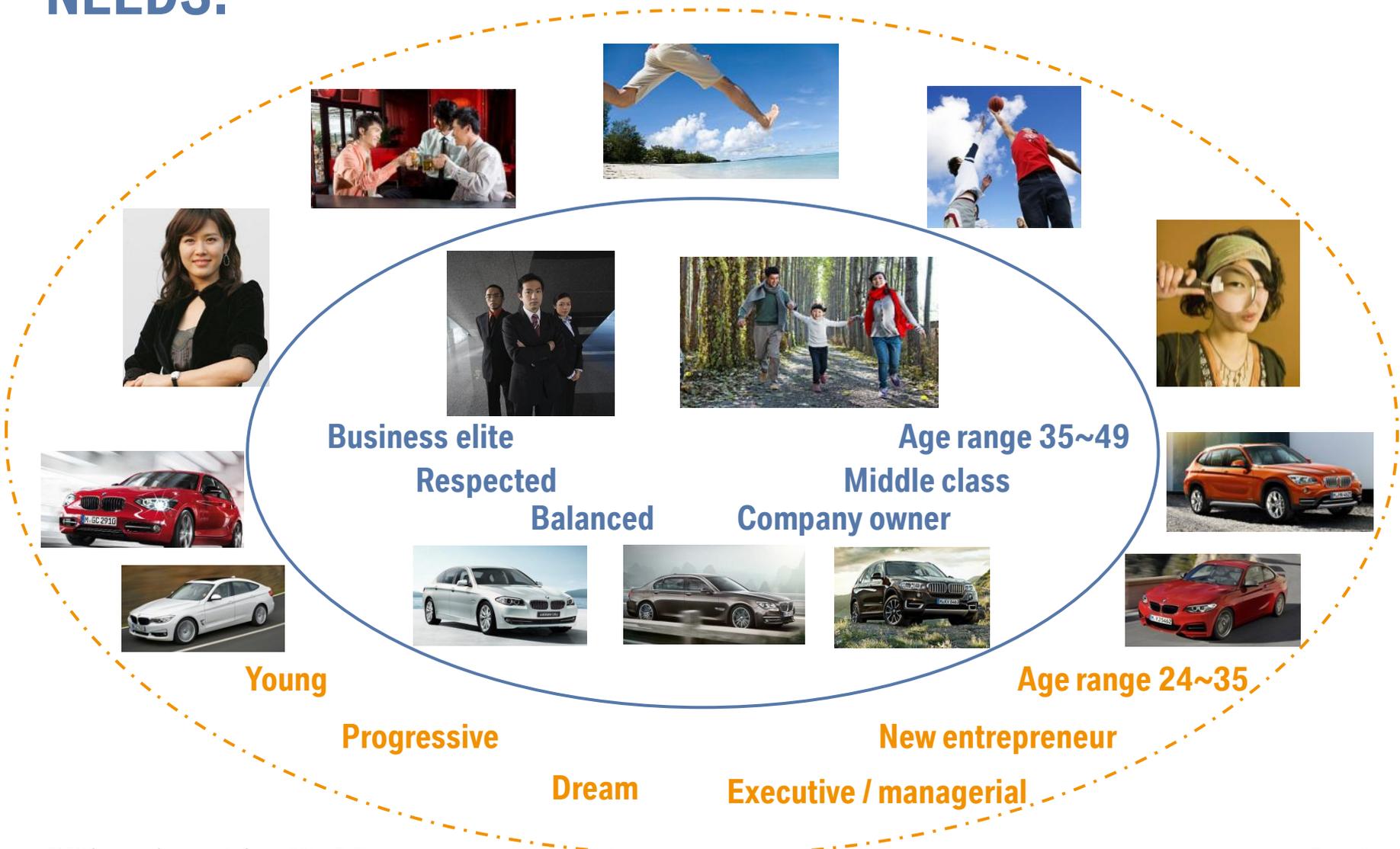
BMW PREMIUM SELECTION.
BMW 尊选二手车。



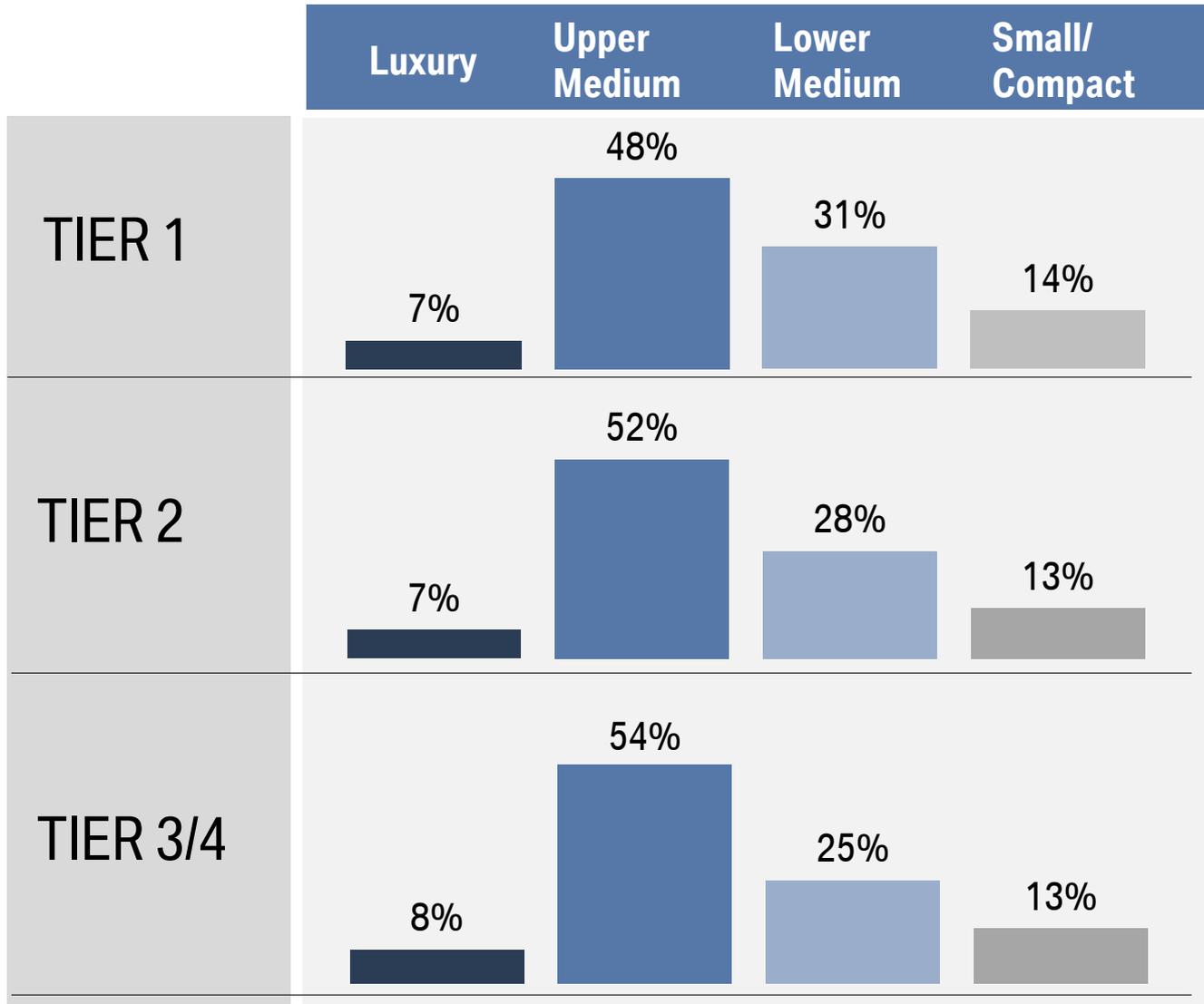
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UNDERSTANDING THE DIVERSITY OF CUSTOMER PROFILE TO BETTER SATISFY CUSTOMERS' DIFFERENT NEEDS.



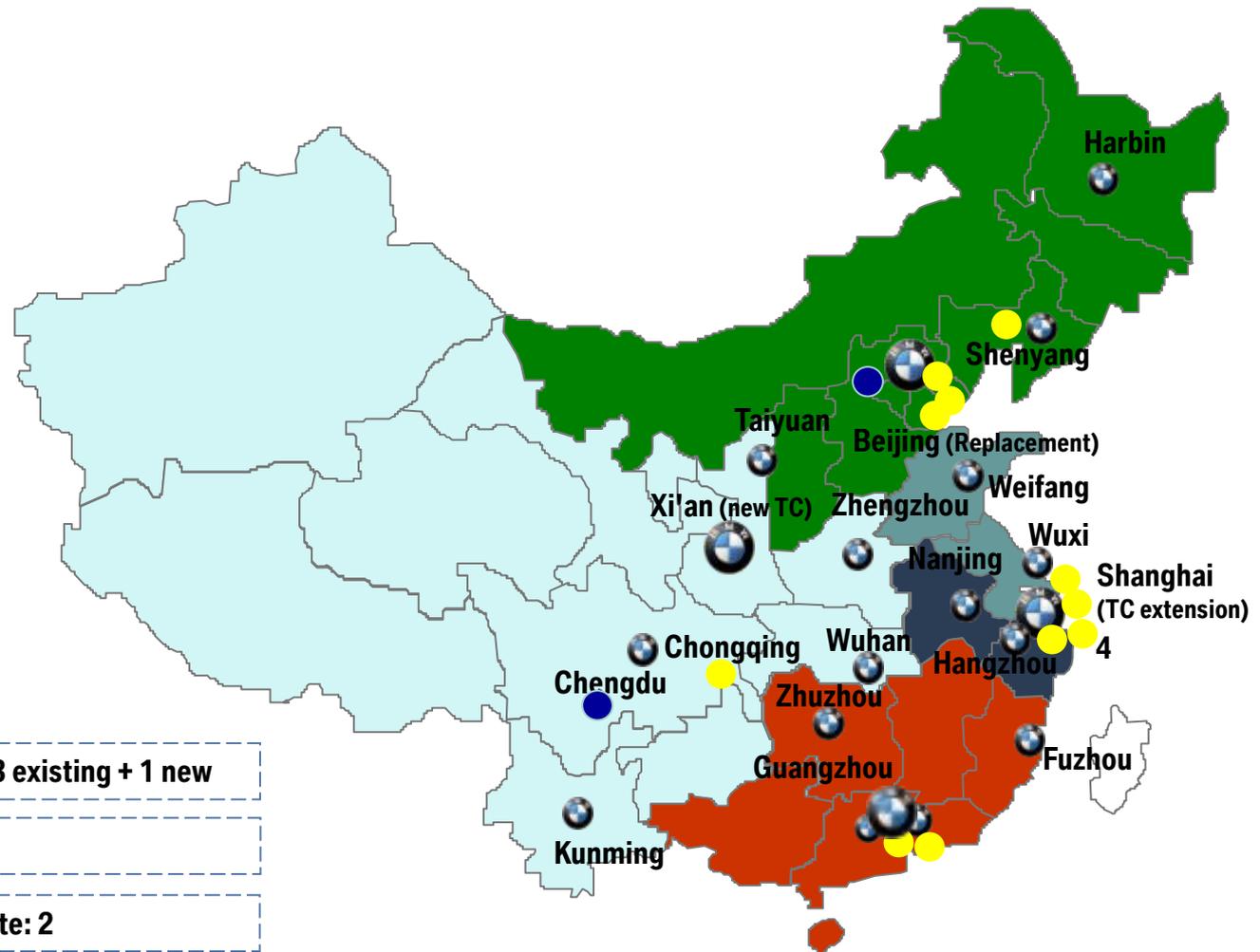
STRONG MODEL MIX ACROSS ALL TIERS IN CHINA.



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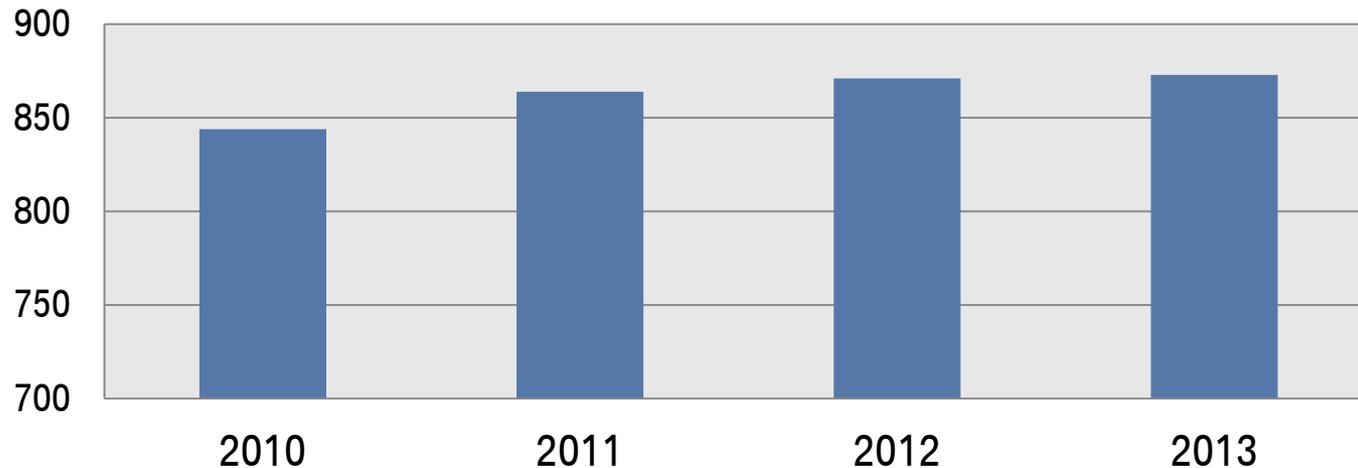
EXTENSIVE NETWORK OF TRAINING FACILITIES SUPPORTS HIGH QUALITY RETAIL DEVELOPMENT.



-  • Training Center: 3 existing + 1 new
-  • Training Base: 15
-  • Temp. Training Site: 2
-  • Body and Paint Site: 11

CONTINUOUS INVESTMENT IN PEOPLE AND PROCESSES RESULTS IN TOP RANKINGS IN J.D. POWER AFTERSALES CUSTOMER SATISFACTION.

BMW shows **continuous improvement** and achieves **top ranking** among luxury brands for past consecutive years, according to J.D. Power CSI result.



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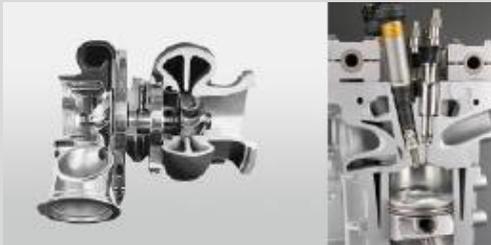
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SUSTAINABILITY FROM DESIGN THROUGH TO RETAIL.

Product Design

Production

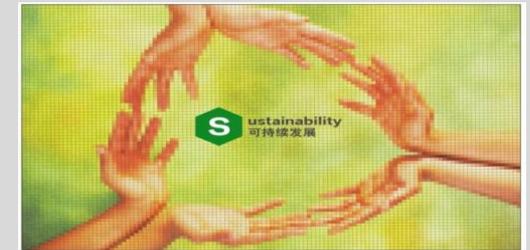
Retail



e.g. Efficient Dynamics



e.g. BBA Tiexi Plant



e.g. 5S Dealership

BMW IS THE 1ST TO INTRODUCE THE 5S CONCEPT – THE BALANCE BETWEEN ECONOMIC, ENVIRONMENT AND SOCIAL ASPECTS.



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

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



Health & Safety Training



Social Contribution



Waste & Recycle training



Wind Turbines

TOGETHER WITH OUR DEALERS, BMW CONTRIBUTES TO A SUSTAINABLE SOCIAL DEVELOPMENT.

200+ Dealers' WHF Activities from 2011-2013



THANK YOU FOR YOUR ATTENTION!

