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# Improving the Cross-Cultural Marketing Strategy of Chinese Automobile Industry

Case company: BMW

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## **ABSTRACT**

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‘Cross-cultural marketing refers to marketing activities conducted by companies in two or more different cultural environments.’ This marketing campaign emphasizes to manage the parties who have different cultural backgrounds and aim for reaching a transaction. Cross-cultural marketing requires companies to design organizational structures and company management mechanisms which are based on different forms of cultural atmosphere. This can help to maximize their cross-cultural marketing capabilities. This thesis discusses whether multinational corporations should adopt a global standardization strategy or a localization strategy in the process of transactional operations, especially through the background of economic globalization. According to the 4Ps theory, this thesis analyses the cross-cultural environment of BMW's company in China and studies how BMW's marketing strategy is implemented in China. It concluded that the marketing activities of multinational companies should be based on their global marketing strategies and the Chinese culture. Based on the combination, what strives to adapt to the culture of the Chinese market, attract consumers, and establish consumers’ loyalty and satisfaction.

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Keywords      Cross-Cultural, Chinese Market, 4Ps, Auto Industry, Customer Behavior.

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# 1 INTRODUCTION

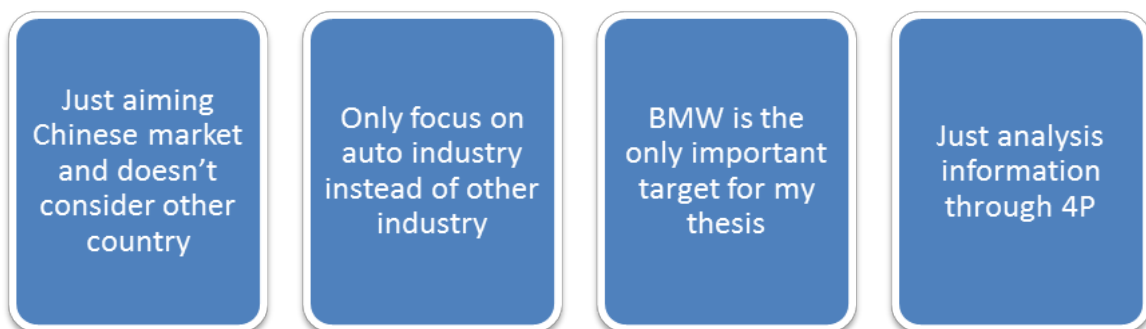
The accelerating process of economic integration and the sustainable development of the regional economic cooperation organization encourages enterprises to accelerate the pace of foreign operations. Simultaneously, the vast Chinese market is attracting more foreign investment. This situation not only prompts the development of Chinese automobile industry, but also motivates the evolution of the Chinese automobile market which means it has been gradually transformed from the seller's market to the buyer's market.

As consumer durable goods, vehicles have different market and marketing approach from other consumer goods. The different cultural concepts made many foreign companies face a great cultural predicament when they do cross-cultural marketing in Chinese auto market.

## 1.1 The aim of the Thesis and Research Problems

The aim of this thesis: 1. The auto purchasing behavior of most Chinese people. 2. how cultures influence people's purchasing behaviors. 3. How cultures influence organizational marketing behaviors. 4. The reasons why BMW gained success earlier in China more than other company such as Benz. 5. Suggestion for BMW's marketing strategy.

## 1.2 Limitations of the Thesis



**Table 3.** Limitations of the Thesis

## 1.3 Structure of the Thesis

This thesis uses the PEST method to do a segment for the Chinese luxury sedan market. At the same time, I obtained more than 50% Chinese customers' preferences for luxury



vehicles through the questionnaire. Then from the marketing 4Ps perspective, a comprehensive analysis of the marketing strategy in the Chinese automotive industry will be presented. This thesis will be based on Chinese automobile industry and convey some data that support a fancy position to understand the cultural influence of customer purchasing behavior and organizational marketing behaviors. Meanwhile, this chapter also supports advantages and disadvantages in the BMW development process through their product strategy, sales channels, price strategy and modes of transmission in Chinese market. Subsequently, using the SWOT analysis method to establish a competitiveness level comparing mode between BMW Group in China and Audi Group in China, and the same national cultural background is like a foundation for this analysis.

However this article is just aiming at the Chinese auto market and it does not consider other country or industry. Also in this thesis BMW is the only target company. In conclusion, the survey data are not comprehensive, the analysis is insufficient, and the results obtained cannot be used as a professional reference.

## **2 THE MACRO ENVIRONMENT OF THE CHINESE AUTOMOBILE INDUSTRY**

With the rapid development of the economy, the development of the automobile production has been highly valued by people. This chapter describes the current situation of the China's automobile industry. At the same time, it uses the PEST analysis model commonly used in marketing management to evaluate the macro environment of China's new energy automobile industry and summarizes the macro environment of China's automobile market.

### **2.1 Political Environment Analysis**

According to 'Chinese automobile industry PEST analysis' by Yan Zhang (2008), with the increase in the sales volume of automobiles in China, the environmental pollution and energy consumption problems are more and more serious. According to the 'Ministry of Environmental Protection' (2009), the share of major pollutants discharged by motor vehicles is high. The share of carbon monoxide concentration was 92% and the share of emissions was 88%. Also the share of hydrocarbon concentration and emission is between 50% and 60%.

Based on those numbers, Yan Zhang (2008) indicated that the automobile industry is a highly polluting and energy-consuming industry. 'Xin Lang online newspaper' (2016) argued that China's policy of encouraging automobile consumption has been adjusted since 2009. At the end of 2009, the State Council's executive meeting formally decided that by 2020, the unit's GDP will fall by 40%-45% compared to 2005, and it will be incorporated into the national economy as a binding indicator. At the same time, China also presented Long-term Social Development Planning. In response to environmental and energy pressures, China started to introduce some policies and regulations, which included some standards, management plans, and financial subsidies. These policies and regulations offer a guide for the rational development of the automobile industry.

On December 23rd, 2010, Beijing announced the 'Implementation Rules for the Interim Provisions on the Control of the Number of Small Passenger Cars in Beijing'. The policy claimed that from January 1st, 2011, cars will have purchased in the limited quantities, which used to obtain license plates. Yan Zhang (2008) maintains that the policy

will serve as a demonstration of other cities. Naturally this measure has had a certain negative influence on the automotive industry development.

In 2011, the " Tax Law " was issued and implemented to affect the large-displacement passenger car market and limit the expansion of low-speed vehicle production capacity. At the same time, the national launch of the third phase of the 'Passenger Vehicle Fuel Consumption Limits Standard' in 2011 (which no longer targets a single vehicle model, but introduction of vehicle models into the overall scope of assessment). Nan Li (2014) pointed out that this policy has caused the automotive industry facing enormous energy conservation and emission reductions.

This policy is a key part to adjust the product structure of the Chinese auto industry. In the same year, the encouragement policy about the production and consumption of energy-saving and new energy vehicles was released. The contradiction among the three major pressures of energy, low-carbon and traffic has become increasingly prominent with the development of the automotive industry. 'To a certain extent, these problems have prompted the optimization of automobile industry structure, such as upgrading of automobile technology; energy conservation and emission reduction; elimination of outdated production capacity' (Nan Li, 2014).

## OTHER EVENT INFLUNCE CAR INDUSTRY

EVENT	INFLUNCE
<i>'Limits of Fuel Consumption of Passenger Vehicles'</i>	Help to curb the momentum of excessive growth of energy demand.
<i>The 'Automobile Industry Development Policy'</i>	Requires local governments to eliminate policies that contrary to automobile consumption.
<i>Joining the World Trade Organization</i>	Abolishing the administration of import quota for automobile products, continue to reduce auto import tariffs.
<i>Administrative Measures for the Used Car Market</i>	Diversification of business subjects in the used car market.
<i>Consultation Draft for the Implementation of Automobile Brand Sales Management</i>	It is proposed that if car manufacturers authorize the import of cars, they can drink domestic cars and sell on the same network.
<i>Outline of the eleventh 'Five-Year Plan' for development of the automotive Industry</i>	Encouraging the development of independent brands.
<i>Auto Industry Industrial Policy</i>	To a certain extent, eased the " policy bottleneck " that has long plagued the development of China's auto industry

**Table 4.** Other events influence car industry.

## 2.2 Economic Environment Analysis

Jin Liu (2015) indicated that the key elements that constitutes the economic environment include changes in the GDP developing, the inflation and trends, the tightness of fiscal and monetary policies, the level of interest rates and unemployment rate, the level of disposable income of residents, the market demands, the exchange rate movements, the energy sources, and supply costs.

China's automobile sales ranked more than 15 million. In 2011, vehicle purchase tax exceeded 17.92 billion Yuan, which as an increasing phenomenon of 54.0% year by year. And it also related to taxes such as automobile VAT. At the same time, the consumption tax also increased. Jin Liu (2015) argues that the automobile consumption continuous increasing will promote the development of tax revenue. However excessive tax burden will give suppression to the fierce competition in auto consumption. The rapid growth of China's auto consumption has made great contributions to expand domestic demands and increasing taxation.

According to Sohu online news (2017), since the reform and opening-up policies, the economy has been developing rapidly in China, which means the people's living standards have been significantly improved, and all capital income has increased. At the same time, automobiles have become a trend. With less transportation, the automotive industry has a large market demand.

The following influenced policies and events from Sohu news in 2017 helped the car industry to develop greatly. The first event is 'Cars go to the countryside' (up to the end of 2010, subsidies for automobile trade-in policies had raised from 5,000 to 18,000 Yuan.). The second event is 'Promotion of related industries', the average annual investment for railway construction will be over 700 billion Yuan in the next two years. According to the highest ratio of 1: 10 for railway investment and related industries, China's investment in railway construction in the next two years will generate at least 7 trillion Yuan of economic effect every year. Regarding highways, China also accelerates the construction of highway projects such as the National Expressway Network.). The third event is 'The macroeconomic situation is positive.' (The UN Department of Economic and Social Affairs predicts that the world economy is beginning to go out of recession. In 2011, the economy of various countries will recover slowly, and GDP will

continue to grow.). These events point out that automobiles will enter a high-speed phase. Because in 2010, GDP per capital is close to U.S.\$4500. According to the history of the international automobile market, per capital exceeds. After 3000 dollars, it will enter the stage of high-speed popularization of automobiles. At the same time, the opening of buses between village and village will promote passenger car demand. (Sohu online news, 2017)

Car ownership:

In 2011, the first time that the auto ownership achieved more than 100 million marks in China, which was followed by the USA with 285 million. It can be concluded that there is a huge potential for the China's automobile market. However, the progress of automotive industry is depended on the developing level of economic through the medium and long term. (Jing Liu, 2015)

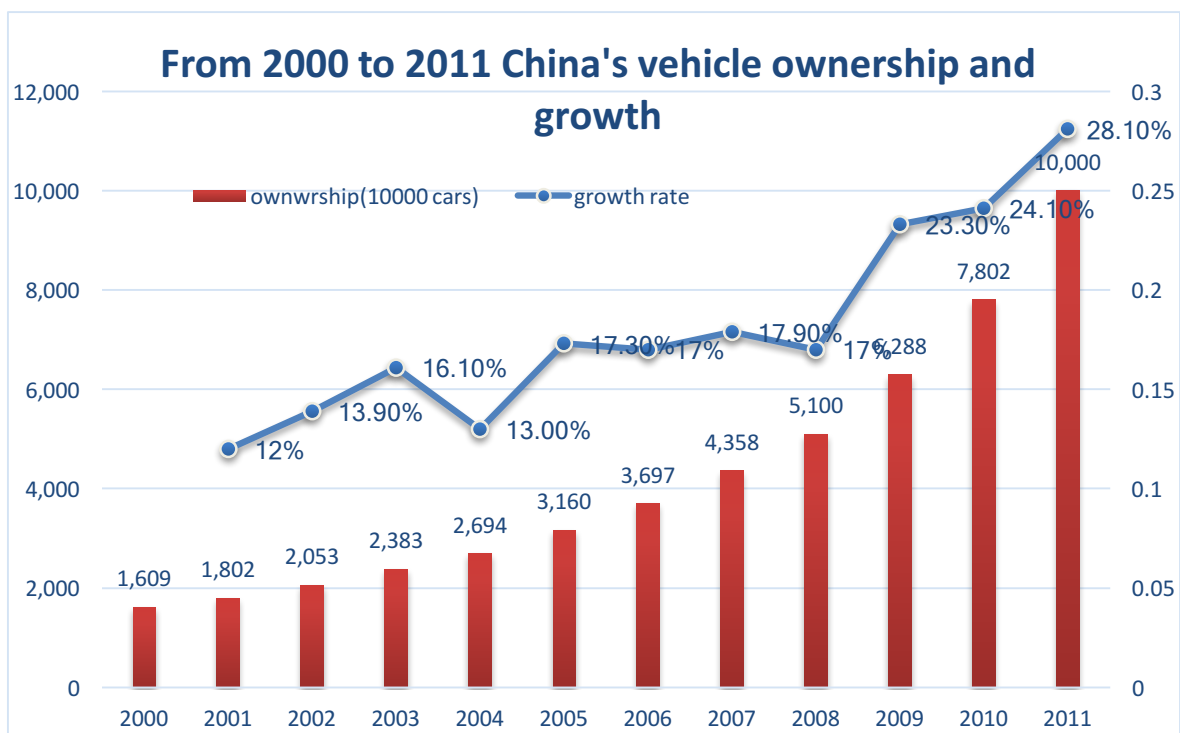


Figure 1. From 2000 to 2011 China's vehicle ownership and growth

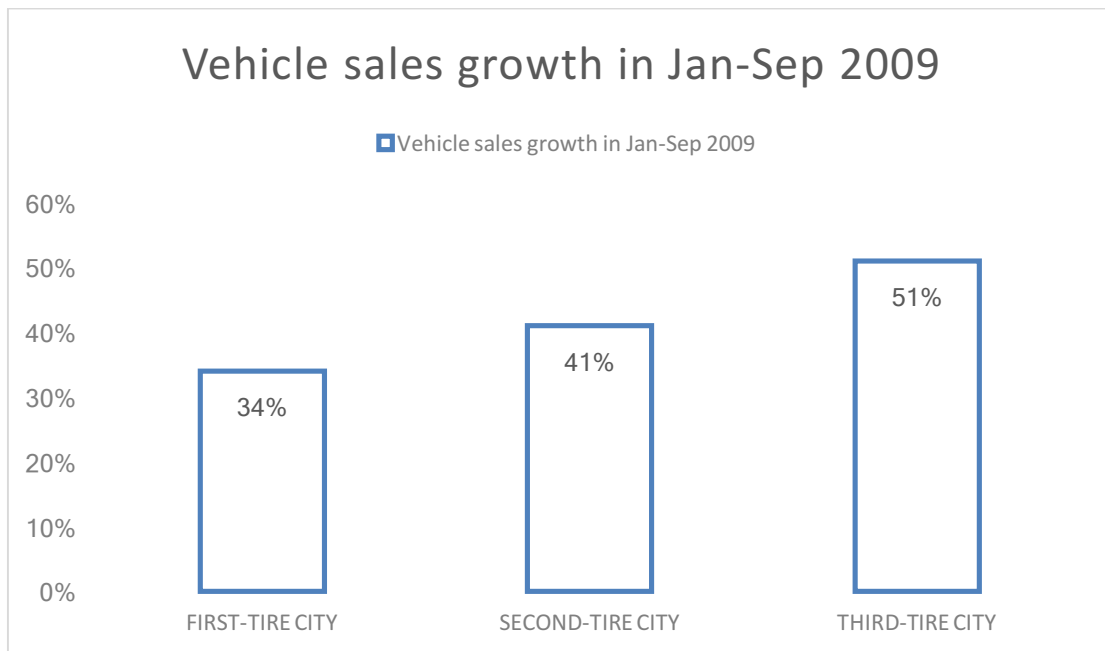
According to China Car Website (2012), the core driving force for the growth of the automotive industry comes from the increase of people's income level and per capital GDP. When the people's income rises and the GDP goes up, the sales of cars and the ownership of thousands of cars increases significantly. The National Information Centre (2011)

believes that raising household income and GDP per capital are important prerequisites and conditions for expanding the auto market.

According to the automotive industry development experience, per capital GDP ranked 3,000 U.S. dollars in 2008. That means automobile consumption will enter a new period which shows a rapid growth. In 2008, per capital GDP ranked 3,263 U.S. dollars in China. The Social Blue Book (2010) of the Chinese Academy of Social Sciences mentioned that China's per capital GDP was close to U.S.\$4000. And as the income level of Chinese residents continues to rise, the developing of consumption structure will continue to grow, and the automobile consumption will experience a sustainable increase. After 2009, China entered the second period of automobile sales growth of an average growth rate of about 20% for 10 years. Meanwhile, the ownership of thousands of people in China's autos is still low, and there is still a large gap between the popularity of automobiles, which also shows that there is great potential for China's car demand.

Judging from the history and research of the international auto market, the R value ( $R = \text{car average price} / \text{GDP per capital}$ ) value is mainly determined country's passenger car market development tendency through mid-term to long-term. According to international experience, when R value is between two to three, passenger cars begin to enter the family. (Jing Liu, 2015)

With the growth of China's economy and the continuous follow-up growth in the second and third tier cities, the growth potential of China's passenger vehicle market is huge. After the first-tier cities entered the rapid spread, the second-tier and third-tier cities also began to enter the fast-growing period. Beijing is the first city to enter the 2-3 range of R values, and then Beijing has become China's largest passenger car market. After Beijing, the R value of many second and third-tier cities and regions has also begun to decline rapidly. The Chinese passenger car market has a huge market potential. (National Bureau of Statistics, 2009)



**Figure 2.** Vehicle sales growth in Jan-Sep 2009

### 2.3 Social Environment Analysis

The cultural and social environment includes the people's values, customs, education, population status, religious beliefs. Customs and habits refer to the unwritten norms that have been passed down from generation to generation to form people's behaviour and thinking habits. The aesthetic concept refers to people's different evaluations of good and bad, beautiful and ugly, like and dislike.

Autohome News (2016) indicated that cars are changing our lives. At the same time, they have brought convenience and trouble. At present, there are two different public opinions. Some people think that the car extends the radius of our daily live, which means we cannot live without cars. Others believe that the possession of private cars will bring more and more problems. Most people regard the car as a product of a kind of civilized development, and they are not been regarded as an attitude to life.

Judging from the sex ratio of car buyers, the proportion of car purchases by men in 2009 was 75% for men and 25% for women. With the increase in the level of professionalization of women and the change of concepts, the number of women buying cars occupies a considerable proportion. According to the same standard, this group focuses on the



appearance of cars and the exquisite interior. In the future, there will be more automotive products to meet women's needs. (China Business Industry Research Institute, 2009)

In 2010, consumers' attention on new energy vehicles has continuously increased. Electric cars are more concerned than hybrids. Pure electric passenger vehicles have become the main target of subsidies, and electric vehicles will become the protagonists of domestic new energy vehicles soon.

At the same time, 'China Business Industry Research Institute' (2011) points out that the per capita disposable income of Chinese residents has a stable increase from 2003, which increased by 9.6% every year. Also the high-end tendency of the passenger car market is becoming increasingly apparent. Medium-sized cars continue to be the focus on auto companies with their good profitability and high sales growth; mid-to-high-class cars have continued to rise due to insensitivity to prices and related expenses. The year-on-year increase has declined. The small car market will continue to keep pace with the market, but the mini-cars will continue to deteriorate with the external environment.

#### **2.4 Technological Environment Analysis**

Today, most of the equipment manufactured by automobiles depends on imports. As the opening year of the twelfth 'Five-Year Plan' said that 2011 was a year in which the automobile industry development policies were centrally introduced and improved. The new version of the 'Automobile Industry Development Policy' has aroused great concern among auto companies and the media. This 'constitution' of the auto industry belongs to a programmatic policy and relates to the direction of future automotive industry development.

Wouter Baan (2017) indicates that the orientation of the new policy is to promote the structural adjustment and merger, and the reorganization of the auto industry; promoting the auto manufacturing companies to achieve independent innovation strategy; to vigorously cultivate; continuously improve their own research and development capabilities and accelerate the development of their own brands; develop auto industry with new energy and actively developing the traditional energy vehicles' energy conservation.

Gao Xu (2017) puts forward the view that at present, the China's auto manufacturing industry has a higher production technical standard and a small production scale, which means it is hard to reduce production costs. So the Chinese auto industry will have more challenges than other industries. Moreover, based on various reasons, China's auto industry still stagnates at a low level. And China did not have design capability and independent development through development of new products' process. This presents that auto industry in China should try their best to use some effective ways in the shortest possible time. The pace of introducing, absorbing and digesting foreign advanced technologies, carrying out technical innovations, improving product quality, improving product performance, and gradually forming independent development capabilities.

### **3 CHINESE CONSUMER BUYING BEHAVIOR**

To understand the target consumer behaviour is the foundation of marketing activities. In marketing practice, a deep understanding of consumer behaviour in the target market has become a prerequisite for building competitive advantage. (Xiaoyan Yang, 2003) This chapter takes the Chinese market as an example and gives several aspects that should be noted when developing a multinational company in China.

#### **3.1 Brands and Decision Making**

Continuous development of China attracted more and more foreign companies to build their own businesses in the Chinese market. The support of most western commentators in China is that successful marketing requires enterprises to have much resources, technology and adaptability. However, the first thing is to understand the intentions, behaviour and attitudes of Chinese consumers, when foreign enterprises enter Chinese market. (Xiaoyan Yang, 2003)

The strength of a company's global brand is often related to the equity of the company. History will have an important impact on Chinese consumer behaviour. Countries with brand origin also affect consumer behaviour. From other academic reports, it is found that Chinese consumers have a strong preference for domestic and foreign products and brands, but some consumers may have "foreign responsibility" for foreign luxury goods. Based on the global brand purchase mode, "familiarity, trust and preference" are the three most important checkpoints of brand loyalty. Familiarity of brand is a cognitive process, and familiarity will directly affect it. Consumers like brands, familiarity arouses emotional responses. Therefore, stronger global brands will increase consumers' interest in global brand purchase intention. (Xinyue Yao, 2007)

#### **3.2 Consumer age**

China's consumer groups are quite different from each other. According to different ages, different classes, different genders, different regions and other characteristics, people can be divided into different consumer groups. (Guowei Wang, 2010)

Among them, the typical consumer groups with the most market potential are the 80's group (people born in 1980-1989) and 90 group (people born in 1990-1999). Under-

standing their characteristics is the basis for companies to develop brand marketing. The psychological characteristics of the 80's group can be attributed to these aspects: optimism for consumerism, risk taking, consumerism more emphasis on the pursuit of happiness, and enjoyment of life rather than the traditional sense of "achievement". Enterprises should formulate appropriate marketing strategies for the characteristics of the only child after the 80's group, highlighting "enjoy life," "realization of personal value," and "quality and grade." (Zhicheng Li, 2015)

The 90's group experienced greater changes in their growing society and marketing environment. Their different beliefs, values, the concept of consumption, psychological characteristics are based on the 80's group. Compared to the 90's group consumer characteristics, 80 group are converted into consumption values. At the same time, they also want to get the symbolic values of commodities which exceeded the material value of goods or services. (Guowei Wang, 2010)

The biggest difference between the use-value of the 90's group and the 00's group (people born in 2000-2009) of consumers may be the change in purchasing methods, or that they prefer to buy online. For the post-90s generation psychology, enterprises should pay attention to interactive experience marketing strategies, personalized limited marketing strategies and self-style online shopping strategies. (Zhicheng Li, 2015)

With the rise of people in the 80's and the 90's group start to enter into the workplace, they generally not want to work and live under enormous pressure. A new group, PL employment, will gradually emerge (P is perfection; L is leisure and low life). (Wouter Baan, 2017)

Today's PL family's mainly in the 80's group. PL family consumption has become their mainstream fashion regarding leisure, such as wild tourism, hiking, and self-driving tours. Regarding emotions, the PL family may pursue a perfect harmony and cannot be married. And the changes in consumer behaviour of young consumers around the recent holidays are enough to see the rise of this group.

### **3.3 Face**

According to a survey of 1,104 people conducted by public opinion China and Sina.com, 84.2% of the respondents confirmed that the 'face consumption' of young people

around them is widespread. The respondents are the 70's group (people born in 1970-1979) and the 80's group accounted for 31.5% and 44.0% respectively. Nowadays, for many young people, 'face consumption' and advance consumption are commonplace. (Felix, Poh, 2017)

According to a survey conducted by a domestic automotive website, the 80's group is becoming a new force in the automotive consumer market. About half of those in the 80 and 90 group indicated that they had bought a car or planned to buy a car, before their age of 30. In the investigation of 'face consumption', 48.4% of people choose "contempt"; 39.9% said "sympathy"; 36.5% felt "indignation": 30.3% said "indifferent"; 5.1% choose "identification." In the investigation of 'Which situation will easiest promote of 'face consumption?', the top three categories are "dress" (75.3%), "gift" (60.7%), and "car" (59.5%). (China Youth Daily Social Survey Centre, 2012)

Throughout the ages, the concept of "face" has been deeply entrenched in Chinese people's thinking and can be regarded as a core rule that governs the social life of most people. Lin Yutang once said that 'the three goddesses who rule China are face, destiny, and grace'. Among these three things, the face is abstractly unpredictable, but it is the most delicate standard that regulates Chinese social interaction. Recent literature studies have shown that compared with other countries, Chinese people are accustomed to forming a good impression in the minds of others through constant impressions to obtain a good reputation among the people. Reflected in consumer behaviours, Chinese people value decent consumerism too much, and value too much for consistency with their own identities, and the same-sex psychological and human consumption that are consistent with others around them. With the rapid growth of China's economic power, the number of wealthy and middle-class people has rapidly expanded, and the Chinese face-saving has become increasingly apparent.

In Chinese people's 'face consumption', people want to be able to show their status by showing off their high consumption and gain respect from others. Similarly, the pursuit of social status will make consumers pay attention to tangible attributes (brands, fame and prices) in their purchasing decisions. At the same time, consumers will not pay much attention to the intangible attributes (quality) of the product. Therefore, regardless of the social class and income of consumers, they always tend to buy products that can reflect social status to show their face.(Peng Guo,2017)

Face consumption is mainly to meet the requirements of vanity rather than to satisfy physiological requirements. A brand name is a kind of symbol, a synonym for high-price goods. Brand-name consumption is used to identify individuals' identities. This behaviour is very common in modern consumer society. At the end of 2011, the total annual consumption of the Chinese luxury goods market had reached US\$ 12.6 billion, which accounted for 28% of the global share. (By the World Luxury Association on 11th January 2012)

'Face-saving consumption' shows the desire of people to promote their social status and recognition through consumption. It also reflects the need for people to reflect their own personalities and lifestyles through consumption. Companies can segment markets based on this demand of consumers to introduce differentiated products and services. Enterprises can also embody aesthetic and emotional appeals in the design of products and services to improve the quality of products and services. Ultimately help companies enhance their brand image. Firms can use psychological pricing in their pricing strategies to reflect consumer confidence and superiority. (Yushou Peng, 2009)

### **3.4 New customer group**

#### **3.4.1 Consumption of new customers: young influx of men and the elderly.**

Richer social life has made men attracted to non-essential materials. And this reason is the promote power which bring the rapid growth of China's male consumption.

Regardless of whether online or offline, the number of male consumers has increased substantially, and the types of consumption have become more diversified. The amount of consumption has come closer to that of women. Especially online, whether it is for their own shopping or to help women with the family purchases, the annual expenditure of Chinese male consumers is even higher than that of women, reaching 10,025 yuan. (Wang Wei, 2016.)

Taking skin care products as an example, other institutions have pointed out that compared to the overall increase of 11% in China's skin care market, the growth rate of the male consumer's goods market in the Chinese skin care market has more than double the overall increase, reaching 24% by different sources. The survey shows that 73% of the male consumers in first-tier cities believe that personal metering is very important

for job hunting and dating; 88% of male consumers in first-tier cities will access beauty and fashion information online; and 83% of males in first-tier cities, who are aged 18-35, think that it is necessary to use skin care products. (Huo, 2016.)

In addition to the “tidal male economy”, China’s population structure has become increasingly mature, and it has also made the “silver economy” popular. The ageing of the Chinese population has become an indisputable fact. According to official surveys, the total number of elderly people in China has exceeded 200 million. In the past ten years, the income of the elderly population in China has increased significantly, and the consumption structure has changed from survival to cultural leisure. (Lu Jia, 2016.)

In this context, the silver-haired people's lifestyle is becoming more and more active and diverse. From the BCG study of the global aging population, the elderly is pursuing a young and fashionable lifestyle, which means old people are no longer just staying at home, looking after their children and grandchildren, watching TV to pass every day. When asked about "ideal retirement," the Chinese new generation of older people (46 to 55 years old) has changed significantly from the older generation of 55 and older. The new generation of older people are more willing to walk out of their homes and pursue colourful life. Especially in tourism, cultivating hobbies and interests, engaging in hiring, volunteering, and physical exercise, the occurrence percentage points of these behaviours are 10 to 12 times more than the older generation. ( Lu Jia, 2016.)

The old-age consumer market in China will be a blue ocean, which means the old-age market will become large scale, because the demand will be increasingly diversified, the supply of the old-age consumer industry will be insufficient, and the characteristics of the old people's willingness to consume will become obvious. Let’s take elderly tourism industry as an example. According to the statistics of the China Tourism Administration, the Chinese elderly tourism market witnessed a tremendous increase during 2012-2015, with an average annual growth of 21.5%, exceeding the overall growth of the market by 16.8%, and reached 826 billion RMB in 2015. (Enron, 2016.)

In the era of silver economy, economic speed and economic quality should be equal. From the perspective of consumption, the growth of some durable consumer goods has gradually shown a trend of saturation, and consumption agencies have shifted to middle-aged-oriented services. How to guide the development of the elderly consumer

services in the direction of high-level, high-quality, personalized, and diversified is a challenge that companies need to solve. (Enron, 2016.)

#### 3.4.2 A completely different lifestyle and needs: new singles.

Many source of data show that the Chinese society has ushered in the biggest wave of “single wave” in history. The results of other institutions show that currently the number of single people in China has reached nearly 200 million, and the population of solitary residents has risen by 6% in 10 years. Singles over the age of 35 accounts for 16% which increases 4 times than ten years ago. At the same time, through 21% single women, 0.36% people said that they are happy to get married, and above 80% people said they would prefer not to be single. (He Wei, 2016.)

In the upper strata of society, with stable economic income, more and more urban white-collar workers and gold-collar workers have chosen to become ‘single aristocrats’. The reasons for being single are different. Some people are reluctant to break their existing state of life; some adhere to a high standard of choice of spouse; others feel that the cost of marriage is too high, and they prefer to invest more in themselves. Promoting self and pursuing individual freedom among urban women, which leads the proportion of women who choose to be single is particularly high. They are economically independent and begin to reflect on the role of women in traditional marriage. They no longer rely on men and believe that marriage is no longer a force. The company targeted products and services tailored to single customers, which will become a major marketing trend in the future. For example, the single KTV; restaurant single seats; small refrigerators; high-end retail stores offering a wealth of imported products; and real estate developers launching exquisite small-sized and personalized design residences. ( Guo Jun, 2016.)

#### 3.4.3 Pay more attention to healthy green life and environmental protection.

People began to care about their own health and extend their concern to the environment and sustainable development. According to BCG's consumer survey results, the eight social and environmental consumption indicators, which including education and social security, the proportion of consumers dissatisfied with food safety and medical care was the highest and reaching 57% and 47% of the respondents. The 2016 China Green Consumer Report released by Alibaba Research Institute shows that Chinese consumers’



desire for green consumption and environmental protection is unprecedentedly high. Their pursuit of a healthy and green lifestyle is not only reflected in the willingness to choose alternatives during the consumption process. (Jin Ling, 2016.)

In the GFK's consumer survey results, 73% of respondents said that enjoying life in a way that is detrimental to the environment will make them feel guilty, which is ranked 7th among the 23 participating countries. In addition, up to 80% of respondents believe that brands and companies must be responsible for the environment. These data all indicate that the concept of environmental protection has been rooted in the hearts of the people in China, and the environmental awareness of Chinese consumers is at a very high level. In recent years, the proportion of “environmental-friendly consumers” in Ali's users has jumped from 3.4% in 2011 to 16.2% in 2015, and has increased to 66 million in quantity, which has increased 14-fold in four years. Green consumer spending is forming mainstream consumption habits, and the price premium on environmental protection products has also increased by 33%. (Zhou Xiaomeng, 2016.)

#### 3.4.4 The digital era has created a keen interest: the second element and virtual social customer base.

Whether people were born before or after the digital era, everybody is involved in the era of digital and highly connected mobile networks now. Students, white-collar workers or retired seniors all use smart phones and are connected to the Internet. Each of the “new three majors” of smart phones, laptops, and tablets is almost a standard in the digital era. PwC shows that today Chinese consumers spend a lot of time on digital devices at the global level. (Zhou Xiaomeng, 2016.)

## 4 HOFSTEDE ANALYSIS IN CHINA

The Chinese culture is rooted in the countryside and developed based on agriculture. The famous scholar Qian Mu believes that Chinese culture is a typical continental farming culture, and Western coastal commercial culture are two fundamentally different types of culture. This section analyses the cultural differences between the east and west of China from the perspective of Hofstede to further explore the parts that cross-cultural marketing in China needs to pay attention to. (Zhang Guoxiu, 2016.)

Hofstede's (5 difference values) in China: In power distance part is ranking a high level which is 80. And for the individualism is 66 low, the same as masculinity high value. The uncertainty avoidance is 30 low and long-term and short-term orientations is 118 high. The following article will give specific explanation for why these 5 values exist in China. Theoretical Basis and Cultural Measurement Model In the 1970s and 1980s, Hofstede conducted a questionnaire survey of more than 100,000 employees in 53 countries and regions, summarizing the four dimensions of ethnic culture from the perspective of values: Individualism and Collectivism, Power Distance, Uncertainty Avoidance, Masculinity and Femininity, long-term orientation, short-term orientation. (Zhang Guoxiu, 2016.)

Individualism Versus Collectivism. This dimension supports the degree to society which can accept power in an organization for unequal distribution. In a culture where power is widely separated, and the upper level is highly attached to the subordinates. The open boss in people's minds is ideal. In the case of a small power distance in culture, the degree of employee participation in decision-making will be relatively high. At the same time, subordinates have corresponding autonomy within the scope of the prescribed duties. (<https://www.hofstede-insights.com/models/national-culture/> 06.04.2018)

Power distance means that in a less social structure, people are not concerned with things other than themselves and close family members. Conversely, collectivism means that in a relatively close social structure, people who are exposed can be divided into external groups and internal groups. Under this premise, people will begin to look forward to and be loyal to the inner groups to be cared for. (<https://www.hofstede-insights.com/models/national-culture/> 06.04.2018)

Uncertainty avoidance is the attitude taken by members of society in the face of risks, new things or uncertain events. In societies with large uncertainty avoidance, people are more conservative and are reluctant to take risks and are more likely to reject new things. People will reduce stress by building various rules and systems that increase predictability. In a society where there is relatively no uncertainty, people can accept uncertain situations with a relatively calm attitude. At the same time, in this case people will show relatively greater tolerance for unknown things. Keeping it easy and accepting new things is what they like. (<https://www.hofstede-insights.com/models/national-culture/> 06.04.2018)

Masculinity Versus Femininity is the dominant value standard in the society and refers to the opinions of members of society on personal achievement and living attitude. Male personality is dominant in a masculine society. In this case, people will pursue personal wealth and career achievements. At the same time, people will appreciate the ability of high decision-making, pay more attention to competition, have more ambitious ambitions and pursue greater career achievements. (<https://www.hofstede-insights.com/models/national-culture/> 06.04,2018)

Long-term positioning and short-term positioning demonstrate the value of a country's long-term interests and the value of recent benefits. Cultures and societies with long-term positioning will be more focused on planning for the future and paying more attention to future considerations. At the same time, people will use more dynamic perspectives and methods in the process of dealing with things. They will pay attention to frugality, protection and reserve. (<https://www.hofstede-insights.com/models/national-culture/> 06.04.2018)

The short-term positioning of culture and society will be more biased towards reviewing the past and based on the present. People will pay more attention to immediate interests, pay attention to social responsibility, and pay attention to respecting traditional culture. In the process of management, people will focus on the current profit. (<https://www.hofstede-insights.com/models/national-culture/> 06.04.2018)

#### **4.1 Characteristics of Western Rural Culture**

The core concept of Chinese traditional culture and society is collectivism. Collectivism is a unique feature of Chinese rural culture. Collectivism emphasizes the commonality

of human nature and emphasizes collective interests. Collectivist people have a deep sense of belonging to the collective and are loyal to the collective interests. The concrete manifestation of collectivism is the emphasis on family ethics and patriarchal system, the pursuit of peace in social order and interpersonal relationship, and the advocacy of the doctrine of the mean. Historically, the formation of a family-centred relationship in rural China has emphasized the establishment of collectivist values that are based on kinship and intimacy and interpersonal relationships. (Juan Wang, 2007, *Times Economics Journal*: 18-19)

Power distance. Chinese culture emphasizes the relationship between human and people. The so-called “five-intellectuals” means that fathers and sons have relatives, monarchs and courtiers are righteous, couples are different, young and young are orderly, and friends have faith. Everyone in society is given a clear position, and then establishes an order of courtesy. Liang Xiao(2018) believes that China is a social structure with family-centred “ethical standard, professional separation”, which is different from Western “personal standard and class opposition”. This kind of ethical relationship is the expression of power. China has long been a country with a high level of rights. There is a clear hierarchical gap in China's rural society. The enjoyment of special rights is seen as a glory, and the display of rights and wealth is a sign of success. Individual behaviour is still strongly constrained by higher-level organizations. Leaders' opinions and ideas have a great influence on the lower level.

There is a high degree of evasion of uncertainty in the future. In rural China, people have a relatively negative attitude towards risks, new things and the future. They avoid risk, follow the rules, and discourage innovation, risk-taking, and self-expression. (Lu Jing, 2016.)

The flexible society has a clear tendency. Chinese traditional culture does not encourage individual success, does not support competition, and does not agree with the survival of the fittest. On the contrary, traditional Chinese culture encourages people to care and help each other, which will be promoting the common prosperity and development. Since ancient times, Chinese people have emphasized that the humanities are concerned with the integration of nature and humanity, and they value family harmony and social harmony, and emphasize the pursuit of moral spirit. (Liang Xiao,2018)

## 4.2 Characteristics of Eastern Coastal City Culture

The tendency of individualism is increasingly evident. Individualism is the core concept of society and is a distinctive feature of social culture. People emphasize personal and personal interests, emphasize individuality in human nature, and light commonalities; respect individual will and interests over collective norms and collective interests; individual behaviour has greater freedom of choice. (Niu Dai, 2017)

The power distance has gradually narrowed. The social legal system is relatively complete, the government's intervention in the economy is less, and the ideology is more liberal and open. People have multiple options for development; the concept of “equality in life” is deeply entrenched, people’s concept of hierarchy is weak, and the superior and the inferior believe that they are born with each other. It is equal, the subordinate's reliance on the superior is limited, and prefers to consult, the subordinates are easy to approach and dare to refute their superiors; the administrative power of the organization is decentralized, the hierarchy is not pyramidal, and the members of society exist in society or in the organization. The degree of tolerance of the hierarchy (that is, power distance) is low. (Liang Xiao, 2018)

The degree of avoidance of future uncertainty is reduced. The attitude towards risks, new things and the future is more active, with a greater risk-taking spirit, tolerating treacherous personal ideas and behaviours, encouraging innovation and self-expression.

Rigid society tends to increase. Pay attention to personal wealth, achievements, encourage competition, personal struggle, worship individual heroes, and respect the survival of the fittest.

## **5 CROSS - CULTURAL MARKETING (BASED ON 4PS)**

According to the definition of cross-cultural psychologist Harry Triandis(2016) : Culture refers to groups of thoughts, cognitions, beliefs, values, communication methods, behaviors, etc. that use the same language, in the same historical stage, and within a certain geographic area. The standard formed by the aspect.

‘Culture moves through all marketing activities, and marketing has in fact become an integral part of culture. Whether it is recognition, boycott or rejection, the judgment of marketers' behavior is carried out under a certain cultural background. The interaction between these behaviors and culture determines the success or failure of marketing. Therefore, culture is an indispensable factor in an international marketing campaign.’ (Harry Triandis, 2016)

Cross-cultural marketing refers to the adoption of corresponding marketing strategies in the marketing activities of subsidiaries in different countries, different culture types and different stages of development in multinational marketing. These strategies enable companies to circumvent the cultural risks they face, reduce cultural conflicts, promote cultural integration, and ultimately achieve the goal of a smooth marketing program. Faced with a complex international environment and wanting to raise brand awareness around the world, companies need to properly handle the impact of foreign cultures in complex cross-cultural environments. Therefore, based on the cultural construction, enterprises can harmoniously blend with the local culture and eventually form a unique cross-cultural marketing approach. (Liu Hongwei, 2016.)

### **5.1 Cross - cultural product Strategy**

Product is one of the most basic elements of marketing. The notion of modern products is very different from traditional product concepts. Products can be defined as the system organization of core products, tangible products and additional products. At the same time, the product can be simply defined as a tangible material with useful value. (Xingshan Zheng. 2010. Cross-cultural management. Renmin University of China Press.)

### 5.1.1 PACKAGE

In modern marketing, the importance of packaging is not limited to the protection and transportation of goods. Packaging has gradually become one of the important factors in promoting and expanding product sales. “Unified packaging strategies, layered packaging strategies, combination packaging strategies, complementary product packaging strategies, changing packaging strategies, anti-counterfeit packaging strategies and reusable packaging strategies. These are parts of packaging strategies” (Liu Hongwei, 2016.)

With the process of packaging innovation, more emphasis on packaging functions, packaging concepts, new packaging materials development, scientific packaging design and development, packaging operations mechanization, automation and packaging management mechanisms, packaging technology methods are bound to change with the modern development trend. But no matter how it changes, the protection, convenience, and information transfer functions are still the most important functions of packaging in the process from production to sales to use and disposal. (Ma Jie, 2016.)

Protective is the most basic function of packaging, which means protecting the content and ensuring that the product is in good condition to reach the consumer. The packaging should be protected from moisture, volatility, pollution and microorganisms. In some cases, it is also necessary to prevent exposure, oxidation, heat or cold, and absorption of undesirable odors; it is also often necessary to prevent the loss of ingredients, skin aroma and damage during dispensing. Whether the protection of the item is effective or not is inseparable from the relationship between the packaging and the juice. Through the scientific packaging structure and suitable packaging materials, the packaging can protect the product well, such as the cushioning effect of paper and foamed plastic, and the avoidance effect of metal and glass. The protective function of the package should be effective from the time the product is used until it is completely consumed. (Liu Hongwei, 2016.)

Convenience is another important function of packaging. This convenience includes several aspects, the first is the convenience of processing itself, easy to produce, sprinkle, reuse, etc.; the second is the convenience of inventory transportation, easy to identify, move and save space; the third is the convenience of use, easy to identify before purchase, easy to carry, open, use, store, reuse and so on after purchase. The convenience

function of packaging is an important factor in product promotion, inspiring consumers' willingness to purchase, and increasing the value of goods. (Ma Jie, 2016.)

The packaging must have the function of conveying information about the content of the product. This function is realized through packaging design. The information conveyed includes application information and marketing information. Applicative information such as the brand and name of the product, composition, use methods, etc.; sales information refers more to the attractiveness of packaging design, such as unique shape, novel design, outstanding color, elegant fonts, different textures, etc. ( Li Hongxia, 2016.)

### 5.1.2 NEW PRODUCTS DEVELOPMENT

The speed of product replacement is quickened, resulting in shorter and shorter market life for the product. With limited competition in products and markets, companies should continue to increase the development of new products. “The high-performance products, product multi-functionalization, product miniaturization, product diversification series, product simplification, product energy saving, personalized productization of energy products, and international product standards. These are directions of new product development”(Zhang Chunhui, 2016.)

At present, there are two definitions of new products. One is the traditional definition of technology, and the second is the modern definition of marketing perspective.

The definition of the traditional technical point of view is that new products are produced by technological breakthroughs, and products that have undergone significant changes and new performances in the product itself.

The new product definition refers to a product with new meaning that can enter the market and provide new benefits (new utility) to consumers (users) and be recognized by consumers (users). In practice, there are many "technical" new products that are traditionally defined, and there are also many "market-based" new products that enable consumers (users) to gain new benefits and be recognized by consumers (users). More are new products developed based on certain technological advances and changes in conditions. (Chen Wei, 2016.)



New products can be classified into innovative, imitative, improved, serial, cost-reduced and relocated types according to the research and development process.

For an enterprise, new product development refers to the entire business management activities of the company from the concept of generating new products to the final listing of products. There are four components: 1. New product development starts from the consumer (user) and meets the needs of consumers. 2. The new product development department must develop new products in line with the overall goals of the company. 3. New product development is not only the development of the product itself, but the overall development of the product, that is, from the product itself, packaging, brand, product name, pre-sales and after-sales service, etc., so that consumers are fully satisfied. 4. The focus of new product development activities is to obtain reasonable profits and strive for longer-term profit. It should be an activity that enables both consumers (users) and businesses to benefit from it. (Chen Wei, 2016.)

New product research and development includes three ways. The company introduces technology and then conducts research and development, that is, the company introduces mature technology and its marketable products at home and abroad and develops new products of the company from the surface. The introduction of technology is a shortcut to the current development of new products. Enterprises conduct basic research, applied research, and development research. Basic research refers to research activities that do not have a general social application for understanding natural phenomena and exploring the laws of nature. It is only a new or systematic regular understanding of the object being studied. Applied research is the use of basic research results, for the purpose of a certain social application, to explore possible technical approaches or to propose new methods, ideas, techniques, solutions, interpretations from production, and to obtain samples and processes within the scope of small laboratory experiments. (Jie Ni. Modern Marketing 2009. Tsinghua University Press.)

For the development significance:

1. Strengthen strategic advantages;
2. Bring sustainable competitive advantage;
3. Maintain the company's research and development capabilities;

4. Make full use of production and operation resources;
5. Enhance brand equity;
6. Affect human resources;
7. Enhance the corporate image.

### 5.1.3 COMBINATION

As the market changes, the product will also change. Some products will bring higher profits to the company, while sales of the other part will decrease. Therefore, companies should increase their efforts to analyze, evaluate and adjust the company's product portfolio. Finally achieve the goal of optimizing the product portfolio. Strengthen the competitiveness of enterprises to reduce production costs, because the combined use of infrastructure can be beneficial to the extension and development of the industrial chain is conducive to the expansion of industrial norms, optimization and upgrading will help promote local economic construction, increase residents' income, increase demand and help expand employment. Facilitate the establishment of a more well-known and more representative regional enterprise. (Yanqiu Li. 2007. Channel strategy alliance value analysis. Business era. Longyuan Journal Network. )

### 5.1.4 BRANDS

The outstanding characteristics of the market today are consumer individuation and competition homogenization. Brands have gradually become one of the important factors for consumers to purchase goods. At the same time, the brand is also one of the focuses of corporate competition. The competition among modern enterprises is mainly the competition among listed brands. For the company, the brand means the company's honor and the company's sincerity. To a certain extent, a brand is also an intangible asset of a company and plays a significant role. Therefore, companies should use the brand's influence and force to improve the product's market competitiveness. "Available strategies include brand strategy, brand attribution strategy, brand integration strategy, brand extension strategy, multi-brand strategy and brand repositioning strategy." (Zhong Yi, 2016.)

1. Differentiate your opponent

Brands can help consumers identify the source of their products. At the same time, brand can also make ‘yourself’ stand out from your competitors. In medieval Europe, craftsmen used brands to mark their own handicrafts. This behavior is to allow customers to easily identify the source of the product and the producer of the product. Therefore, this phenomenon fully demonstrates the importance of brand recognition for business development. Today's companies differentiate themselves from other brands by giving them different names, logos, and styles. (Wang Weihong. 2010.)

## 2. More profit

‘Brands not only enable products to sell at higher prices, but also avoid simple price competition and maintain product price stability.’ (Yang Yuli. 2010.) There is often such a scene in life: the same shoes, if you buy in the street stalls, generally dozens of dollars, but if you go to the store will be a few hundred dollars. This is a premium for the brand, which can make the same product sell at a higher price because the added value that the brand brings to the consumer is not available from street stalls.

## 3. Competitive advantage

The competitive advantage formed by the brand through unique positioning is hard to be changed and shaken unless the company gives up. When a brand becomes a representative of a certain category, the resulting competitive advantage cannot be shaken by a competitor, and this competitive advantage can help the brand become a market owned by the industry. (Zhong Yi, 2016.)

## 4. Get loyal

Brand loyalty represents consumers' love for the brand, buying tendencies and spending habits. The main thing is to evaluate whether the brand meaning system can win the user's love and create enough loyalty. It appeals to the user's behavioral response. After guiding the consumer's brand reaction, the final brand must establish a brand relationship with the consumer - resonance. Let consumers have a sense of belonging, enhance loyalty, and actively participate in brand communication and marketing. ( Zhong Yi, 2016.)

It was universally acknowledged that consumers buy products from companies because they can bring real benefits to them. For example, consumers buy mineral water, first because mineral water can quench their thirst, which is the benefit that products bring to consumers. When a consumer chooses a brand, then the brand must have its own value, such as bringing spiritual and emotional satisfaction to the consumer, which is the value of the brand. The brand itself has the value of intangible assets, and the value of this is the consumer's cognition and loyalty. If a brand gains consumer loyalty, then the brand product has the value of intangible assets. And the brand assets can not only bring benefits to consumers, but also bring benefits to the company. (Shen Jian. 2010.)

For consumers, every purchase decision has a certain risk. When consumers become loyal to a brand, they trust all the brand's products. Because brand conversion usually takes some risk, that is to adapt to the risk and the use of risk. So, consumers generally do not switch brands.

#### 5. Conducive to new products

Brands can reduce the risk and difficulty of bringing new products to market by leveraging the brand's existing reputation. Since new products enter the market, the risk is very high (under normal circumstances, more than 80% of new products will fail), and the input cost is also quite high. By effectively utilizing the brand, the risk and difficulty of entering new products can be reduced. At the same time, product positioning should also be centered on brand positioning. According to the brand positioning, combined with the advantages of the product, the product is given certain brand positioning functions. For example, companies can base their brand on new products based on existing brands. At the same time, the goodwill of the original brand is extended to new products. This approach can reduce the risks and costs of distributors to a certain extent. (Zhang Shihong. 2010.)

#### 6. Aggregate resources

Brands can attract outstanding talents, suppliers, partners, social funds, and government policies to serve the company. (Huang Qi. 2005.)

#### 7. Channel support

‘Brands can receive positive response and support from distributors, wholesalers, retailers and other middlemen.’ (Huang Qi. 2005.) The members of these sales channels have direct help with the brand and it is crucial that it can sometimes make the brand successful.

After learning about the consumer's possible demand for the brand, these sales channel members may not even ask the manufacturer for any form of marketing support and are more willing to accept the manufacturer's proposed marketing suggestions such as inventory, ordering, and display products.

#### 8. Extend your life

Brands can exceed the life cycle of products and always maintain their market position even if their products have been improved and replaced. In general, a product has a life cycle and will experience the entire process from market launch to market elimination, including four stages of introduction, growth, maturity, and recession. But the brand is different since it can go beyond the product's life cycle. The brand's life is much longer than the product. It can be adjusted as the market changes, if it can keep pace with changes in the market and consumer progress. By improving or innovating products and maintaining the unity of the brand, the brand can continue for a long time. (Lin Zuocheng, 2016.)

#### 9. Unlimited assets

As a virtual asset, brand equity will not only not be depreciated and lost but will continue to increase in value through consumer purchases. The brand's value to consumers: shopping basis, quality assurance, good feelings, personality display, identity and mutual commitment. (Yanwei Li. Cross-cultural marketing entry strategy research. 2003. Master's thesis of Sichuan University. China Knowledge Network.)

### **5.2 Cross - cultural pricing Strategy**

Price is the only part that can create revenue, and price has relationship with acceptance of the product, the market share of the product, and the change in the quantity of the product's demand, which ultimately affects the profitability of the product. (Wang

Fanghua, Fu Baohui, Xiao Zhibing. 1998. Cultural Marketing. Shanxi Economic Publishing House.)

### 5.2.1 PRICING

Pricing strategy is not only an important tool for enterprises to compete for the market, but also the core content of managing prices. (Luo Jinghu, 2015.)

At the beginning of pricing, products must weigh the strategic attributes of the company and the market position after the product is listed. According to the quality characteristics of the product and the needs of the market, the demand table and demand curve of the product are measured, and the competitor's product, cost and price strategy are fully referenced. (Luo Jinghu, 2015.)

When pricing products, people must conduct professional market research, look at the market reality and potential demand of products, competitors' product characteristics, cost, price and other variables, and outline the market demand curve of products to refer to pricing and market demand. (Wu Renna, 2017.)

According to the target consumer's product positioning and the company's own brand value, the product is given a price strategy under the USP strategy, giving the product its own unique selling point and added value. Comprehensive use of cost-oriented and target profit methods. Fully consider the market status and competition situation of the product market and formulate a long-term price system under specific marketing strategies. Many operators implement the price means tools are very simple, resulting in unreasonable prices, product market sales prices are chaotic, not systematic, and difficult to manage, and directly shorten the product life cycle. (Luo Jinghu, 2015.)

The market situation is changing violently, the society is constantly improving, the raw materials are constantly rising, and the operating expenses are not only high. Today, the pricing behaviour of enterprises must not treat the problem rigidly.

Therefore, when pricing products, people should have certain forward-looking and market volatility tolerance. The price should not be too high, which will affect the market development of products. And the price cannot be too low, which cannot afford the increase in market development expenses and costs. (Wu Renna, 2017.)

### 5.2.2 PRICE ADJUSTMENT

Based on marketing mix theory, price is a key factor for companies' success in market competition. This requires companies to adjust product prices in a timely manner based on the dynamic changes in the market. The price adjustment strategies of enterprises include two kinds of aspects: active adjustment of prices and passive adjustment of prices by enterprises. (Shi Bingbing, 2016.)

In the market economy environment, product pricing not only affects the market share of new products, but also involves the status and influence of companies in market competition, and even affects the survival and long-term development of the company. However, how products are priced, different companies have different methods, and new products have different market outcomes. (Shi Bingbing, 2016.)

On May 20th, 2014, Luo Yonghao's hammer technology brought Smartisan T1 debut. The pricing of the 'Hammer' Smartisan T1 handset was indeed a bit high, as reported on June 24, 2014, according to Sohu.com: At least several million people viewed the launch of the 'Hammer' mobile phone from various sources. However, within 48 hours after the conference was over, the sales volume of the 'Hammer' mobile phone only exceeded 50,000 units. It has not reached the wrong estimate of Luo Yonghao's gambling of 500,000 units.

From the above cases, we can see that in the marketing mix, 'the pricing strategy is the "most painful and dangerous" strategy'. (Huang Qi. 2005.) It requires a lot of market research before the marketing to research the customer's psychological expectations, the competitors' pricing strategies and their own brands. Capabilities also require the company's decision makers to have considerable marketing intelligence and decision-making capabilities.

If companies develop new products that are not available on the market, they will first enter the market and can use the Rouge pricing method to obtain high profits in the previous period. In the initial stage of trial sale of new products, new products are formulated at higher prices, and after the market is expanded, the products tend to grow or mature, and prices are gradually reduced. This kind of strategy can guarantee that the test sale will receive huge profits in the initial period and can guarantee that the unpre-

dictable cost of new products in production and sales will be compensated. (Shi Bingbing, 2016.)

However, because of the huge profits in the initial period of trial sales, it will quickly attract competition and high prices cannot be sustained. Therefore, this is a short-term pricing strategy, which is more applicable to new products that have no competitors and are easy to open the market. The entry of the Apple mobile phone into the Chinese market is a typical and successful case of rouge pricing. The company first developed a smart phone, entered the Chinese market at a high price, and obtained super profits in the previous period. (Zhao Shuang, 2017.)

Differential pricing means that the same product takes different prices for different customers or different market segments. If the company's products or services are tailored or changed according to the requirements of the customers, it is necessary to determine the prices separately according to the different costs of different customers. The existence of differential pricing requires the following two conditions: 1. The product has two or more markets. 2. Different markets have different price elasticities and use different prices to maximize profits. (Zhao Shuang, 2017.)

The pricing strategy should be initiated during the planning stage of new product development. The product development team should optimize the business plan when preparing the planning decision review point. Because the pricing strategy determines the estimated price of the product, the pricing strategy is the basis for determining the potential revenue of the product, and the decision is reviewed by the senior management of the company at the time of the planning decision review point. Prior to the availability decision review point, the new product development team must make necessary modifications and updates to the pricing strategy. At the availability decision review point, the new product development team should be able to make clear explanation to the company's senior leadership on new product pricing. (Chen Xiaoxia, 2017.)

### **5.3 Cross - cultural place strategy**

“Distribution channel management” refers to coordinate and integrate the work activities of all participants in the marketing channel through planning, organization, incen-



tives and control, and cooperate with them to complete sales tasks efficiently and efficiently.

A distribution strategy is the best way to determine when a product reaches the customer. The evaluation of the company's distribution structure generally use economic standards (whether to obtain the maximum profit), control standards (the degree of control of the producers on the channel, such as the use of agents will increase control problems) and adaptive standards (producers whether it can adapt to environmental changes). (Zhao Shuang, 2017.)

These kinds of cross-cultural distribution strategies require that the company's marketing activities need to be modified according to the characteristics of the target market to adapt to the needs of the local target market. According to the characteristics of each country or region, the distribution channels that need to implement cross-cultural marketing must also adjust the distribution channels accordingly. (Philip Kotler. 1997. Marketing Management - Analysis, Planning, Execution and Control. 8th Edition. Shanghai People's Publishing House.)

#### **5.4 Cross - cultural promotion Strategy**

‘Business operations must not only strive to develop marketable products, but also provide timely and effective information to target customers for products or services to achieve good communication between producers, operators and consumers. But it only to stimulate consumer interest and meet their needs, which help to achieve purchasing behaviour.’ (Li Guangdou. 2005.)

##### **5.4.1 ADVERTISING**

Advertising is the communication method with the buyer, and the delivery of information is accomplished through the paid media. Advertising can influence the awareness of consumers to a certain extent, promote enterprises or products, change consumers' impressions, arouse more attention from consumers, and affirm the purchase behaviour of consumers psychologically. (Chen Xiaoxia, 2017.)

Businesses sell their products or services directly to target customers through their own salespeople or other sales agencies. Including tentative marketing strategies, targeted marketing strategies and inductive marketing strategies.

#### 5.4.2 BUSINESS PROMOTION

Commercial promotion refers to the use of discounts, displays, precious sales, and other methods to encourage consumers to buy immediately. This is a short-term push aimed at increasing the active distribution of middlemen and end-consumer purchases. (Chen Xiaoxia, 2017.)

#### 5.4.3 PUBLIC RELATIONS

Public relations are a business activity of a company. Correctly handle the relationship between business and the internal and the external public. This kind of action will help to establish a good image of the company's promotional events. Public relations activities include media activities, information exchange, gift celebrations, public relations advertising, theme activities and public welfare. (Xijian Li. 2010. The localized marketing strategy of multinational corporations and its enlightenment. Development of Wanfang data.)

## 6 RESEARCH METHODOLOGY

The most common and acceptable definition about "research" is that "research is finding some knowledge." To be more specific, "research is a process of logically and systematically searching for information on a specific topic" as defined by S. Rajasekar, P. Philominathan and V. Chinnathambi.

Unfortunately, more than 80% people would prefer the artistic explanation which came from C.R. KOTHARI, who thought research is the movement from known to unknown. And from this opinion, the movement is based on people's "questions" about the fact and known things. Then, with the experiments, observations, comparisons, and analysis through the existing knowledge, the researcher will discover hidden truths. (In this context, knowledge refers to information about things that can be collected from different sources)

The "research" discussed in this article is more inclined to made research as an academic activity. Based on that requirement, the relatively definition was proposed by Clifford Woody. His definition defines "research" as a systematic approach. This method involves clarifying the problem, making hypotheses, collecting and analysing data, drawing conclusions. The research result not only helps to solve related problems, but also as a generalization of relevant theories.

### 6.1 What is Research Methodology

'Methodology' refers to the overall direction and type of research that can make the research results more convincing.

Quantitative data in common specific forms of behaviour the survey is particularly useful, for example, when the question is "Why do people have this behaviour?". Based on their own ability to find the appropriate method of investigation and method of the topic, this method is best able to answer " Why uses this? The problem of "data". 'Quantitative data may also come from non-participant observations or other measurements, and data collected through qualitative processes are cod and quantified.' (Guo Guoqing. 2000.)

The approaches that will emerge from this article are: self-administered questionnaires (respondents themselves answer a series of questions). This method helps to collect relatively simple data onto the topic, the goal is to obtain a general overview of the problem, this method requires the questionnaire to have a clear problem, and the design is smooth and not too long.

## **6.2 Research Process**

The most important part of the survey is the formulation and design of the questionnaire. For the design of the survey, related design can be performed according to the structure of the questionnaire. Because the contents of the questionnaire are many, the structure of the questionnaire is generally consistent. Then, the questionnaire structure includes the common seven parts, which are the title of the questionnaire, and the explanatory words of the survey, as well as the questions of the questionnaire and the answers of the survey. (Joe Shuang, 2017.)

The title of the questionnaire is to give the core information about the questionnaire so that the surveyor has a better understanding of the questionnaire. The next step is to fill out the form of the online survey. The instructions in filling in the form are based on the requirements of the questionnaire, relevant instructions for filling in, and the relevant requirements for filling out, and related explanations. This step is also able to give the investigator some opportunity to learn about the relevant subjects, to make the study smoother. ( Xu Yaohua, 2017.)

In addition, the most important part of the questionnaire is the answer to the questionnaire and the design of the question. Questionnaires can be categorized as closed questions (giving several answer choices after each question, the respondents can only select their own answers among these selected answers) and open questions (allowing respondents to answer the questions in their own words). The survey method of the questionnaire helps to accurately reflect the purpose and questions about the investigation, helps to highlight the key points, and makes the respondent happy to cooperate, and ultimately achieve the purpose of the investigation. Helps to record and reflect the facts of the respondent's response and increase the credibility of the results. At the same time, it also facilitates statistics and sorting through data. (Joe Shuang, 2017.)

### 6.3 Reliability and validity of questionnaire

The evaluation and analysis of the reliability and validity of the questionnaire has always been a neglected topic in the questionnaire survey. In statistical surveys and scientific research, this paper uses a questionnaire survey. To ensure the accuracy and scientific of the questionnaire results, it is first necessary to determine whether the design of the questionnaire meets the requirements, and whether the results of the survey are credible and effective. This paper does not directly use the results of the questionnaire to analyse and infer, but to evaluate the reliability and effectiveness of the questionnaire itself. After such a rigorous investigation process, the accuracy of the investigation, the scientific conclusion of the statistical analysis, and the quality of the research results cannot be unaffected and questioned. (Bailey K D. 1994.)

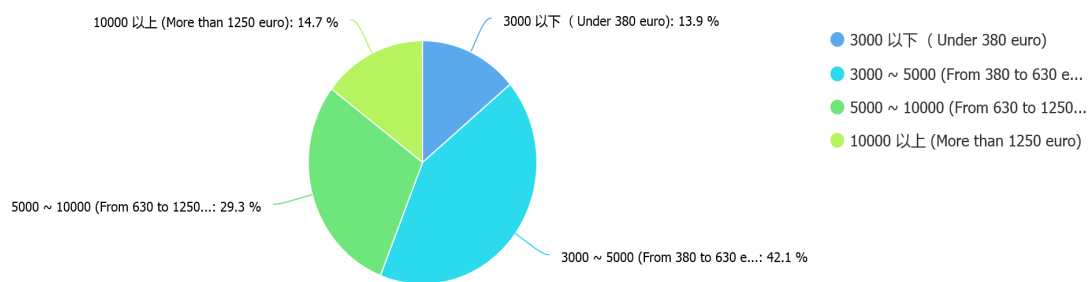
The reliability of the questionnaire refers to whether the results of the questionnaire are consistent or stable and to what extent. The reliability of the survey is determined by the degree of agreement between the results of the survey under the same survey items. When the respondents in this paper received the same questionnaire in different time and space, the difference was small. This situation indicates that the questionnaire has high stability. Taking the consumer behaviour questionnaire in this paper as an example, this paper compares the results of the same questionnaire surveyed by the same questionnaire in the short term. There is a high degree of similarity in the consumer's brand inclination, the price that consumers can accept, and the colour that consumers love. Therefore, the questionnaire survey in this paper has a high degree of reliability. (Bartko J J. 1996.)

The validity of the questionnaire refers to the correctness of the results obtained after the measurement. Therefore, the level of effectiveness is also affected by the degree of closeness between the measurement result and the measured target. In the questionnaire of this paper, validity refers to whether the questionnaire can correctly and clearly reflect the theories and concepts it measures. Take the consumer behaviour questionnaire of this article as an example. The questions in this questionnaire are related to the income of the respondents. After the questionnaire was collected, the income statistics obtained by the questionnaire were slightly different from the real income of the residents provided by the government. Then, the validity of this questionnaire in this article is still high. (Bailey K D. 1994.)

## 6.4 Findings from questionnaire

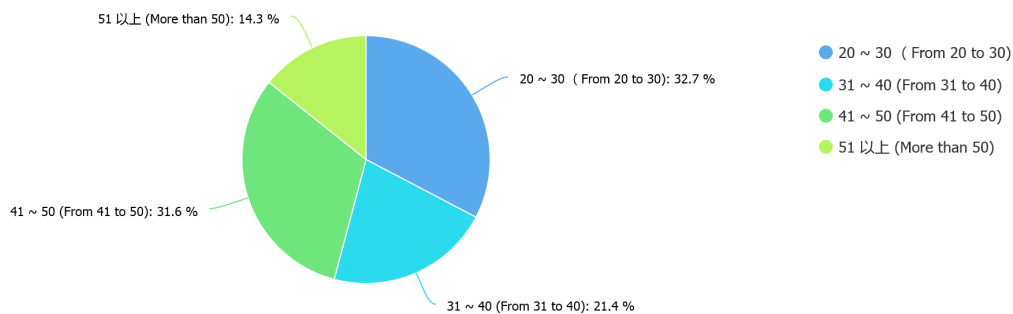
The first question is asking the gender of respondents. And the result is that female accounts for 47.7% and male account for 52.3%. Total 266 people joined this research. This result shows the respondents' gender is almost average.

The second question is the monthly income of interviewee. Most interviewees' income is between RMB3000 and RMB5000, and the following is from RMB5000 to RMB10000, then more than 10000, and the lowest one is less than RMB3000. This result shows that around 42.1% respondents can save money to buy a BMW car and 64% people can afford BMW car if they want. And only 13.9% people cannot afford the price of BMW.



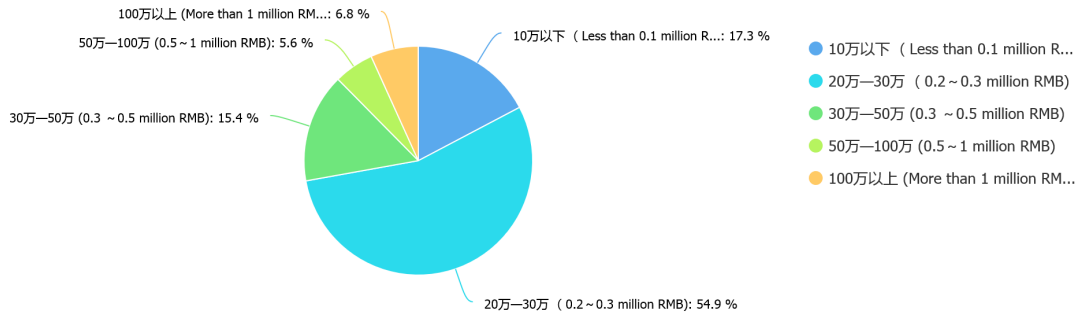
**Figure 3.** Monthly income of the interviewees

The third question is about the age of interviewee. Most of them are from 20 to 30 and between 41 and 50 years of age. Based on question number two, these age groups have enough deposit or source of funds to buy a BMW car.



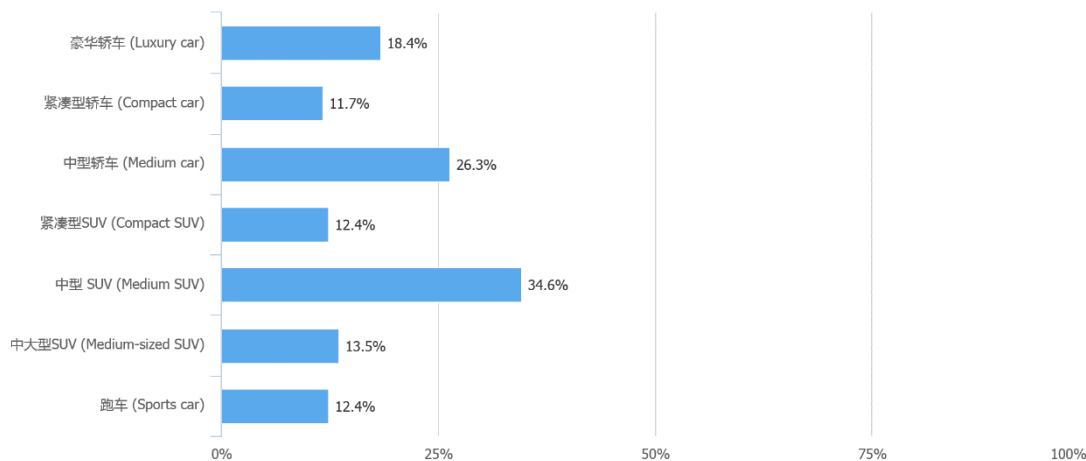
**Figure 4.** The age of the interviewees

The next question is the answer for the respondents' car purchase budget (million). Almost a half of people choose 0.2 ~ 0.3 but 27.8% people can afford BMW car's price. And if there are some good reasons, the 54.9% people also can choose a basic style of BMW cars.



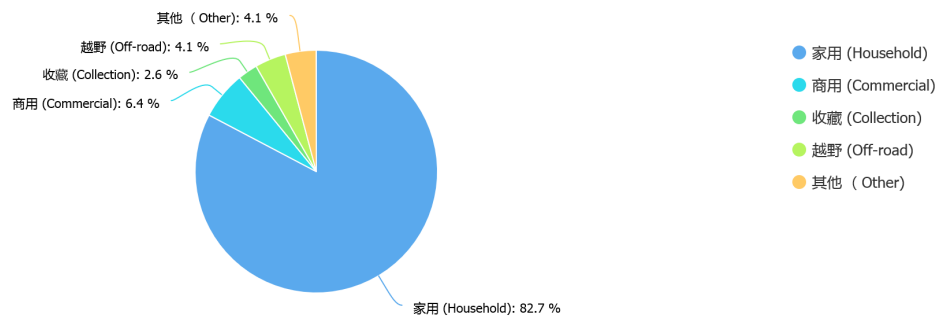
**Figure 5.** The respondents' car purchase budget (million)

The following question is 'What type of a car do you like'. For this question, a medium SUV is the first choice, which was followed by medium car account for 26.3% and then is luxury car account for 18.4%. These three popular types, which BMW has and most of these styles are famous category.



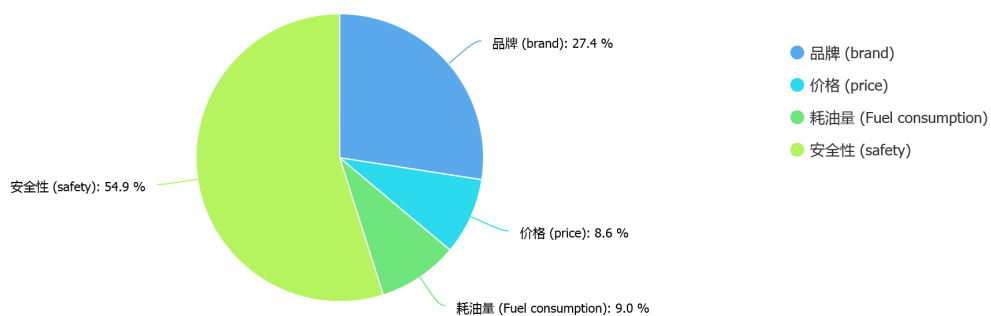
**Figure 6.** 'What type of car do you like?'

About the car use, 82.7% people choose 'household', which means BMW should pay more attention to family design, because more and more customers buy cars just for their family members.



**Figure 7.** Car use

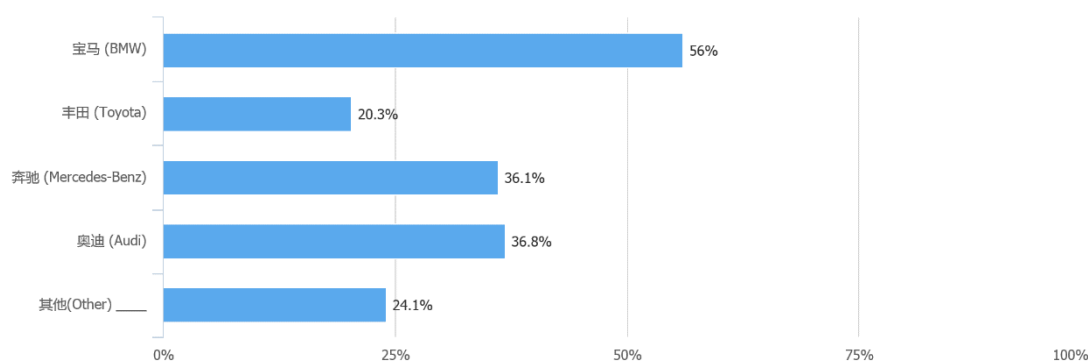
For the question ‘If you want to buy a car, you will pay more attention to’, most interviewees choose safety, which means cars avoid accidents during driving and protect the safety of pedestrians and occupants. They are generally classified into active safety, passive safety, post-accident safety and ecological safety. In road traffic accidents, the safety performance of the car itself is also a factor that cannot be ignored. Car safety performance is good, often to avoid accidents or reduce the degree of casualties. BMW should pay more attention to the braking system, the airbag, ABS and EBD to improve their safety level. (Car Encyclopedia Compilation Committee. Car encyclopedia. year 2010. China Encyclopedia Publishing House,) and for this question most people think safety and brand are more important and did not care more about price and fuel consumption. (Wang Jianhong, 2015.)



**Figure 8.** If you want to buy a car, you will pay more attention to

For the asking ‘If you want to buy a car, which brand will you choose?’ most people choose BMW, but Mercedes-Benz and Audi are important competitors of BMW.

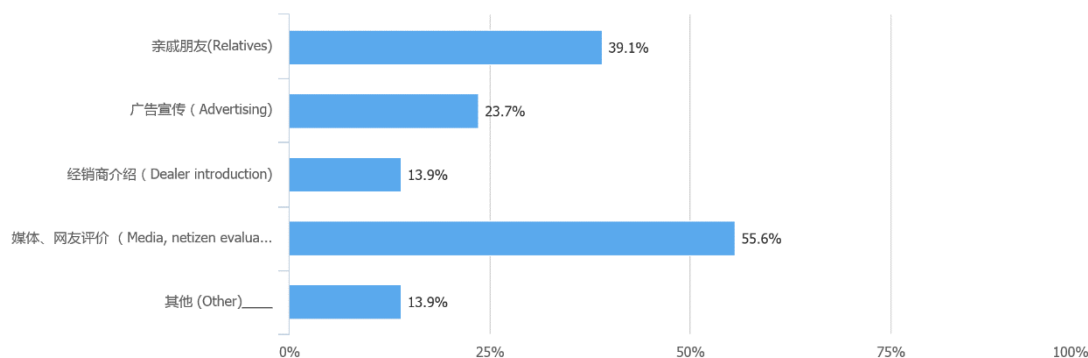




**Figure 9.** If you want to buy a car, which brand will you choose?

The colour for most Chinese people accepts are black, white and red. ‘When you buy a car, you care about appearance or interior’, 84.6% people thought they are both important. The main reason that affects car purchase is personal income, car price and used environment. The policy is not so effective for people purchasing their cars.

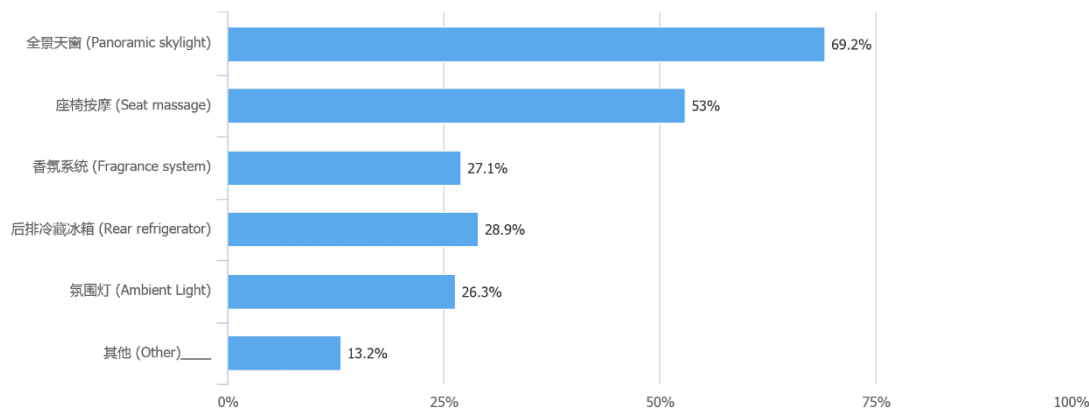
55.6% people thought the biggest impact on your purchase of a car is media and netizen evaluation. The relatives recommend, and advertising are also as 2 important effective parts.



**Figure 10.** The biggest impact on your purchase of a car

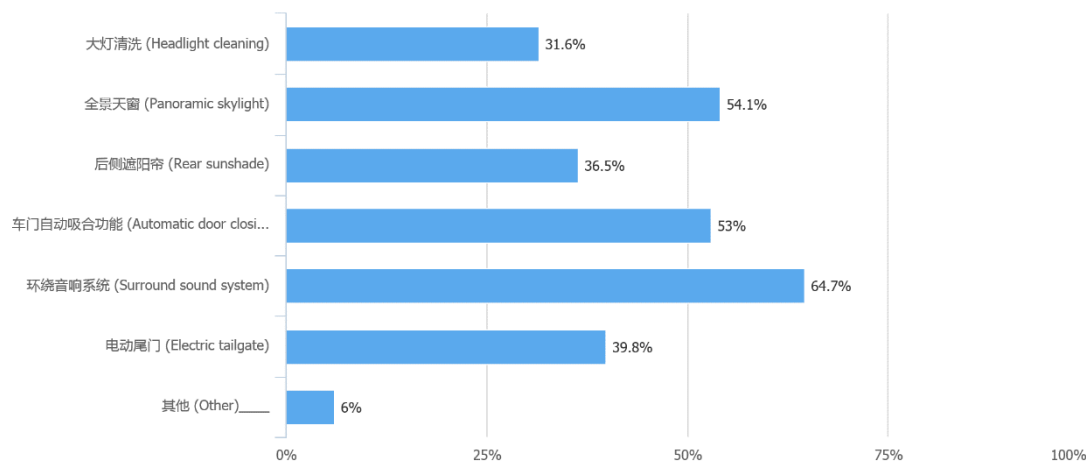
About respondents’ favourite car interior, the panoramic skylight and seat massage are most popular ones. BMW Company can consider adding those function based on this table. The new BMW 7 Series starry skylight window brings the vast river of stars to your eyes. Whether it's day or night or daylight, the panoramic skylight allows passengers to see the sky, and plenty of light creates a spacious, open space. When the car is full of lights, it gives a beautiful and luxurious impression; when it is in direct sunlight, the front and rear electric sunshade curtains can be adjusted separately to enjoy the com-

fort and coolness. The first-class rear seats in the BMW 7 Series are a great partner for a relaxing and comfortable trip. The rear passenger's legroom is large and comfortable, with an interactive entertainment system with massage control and a comfortable foot-rest for a good rest. In addition, the front passenger seat can be moved forward, and the backrest is folded forward to increase the rear leg space. The folding table and rear entertainment experience make the rear of the BMW 7 Series even more fun. (Wang Jianhong, 2015.)



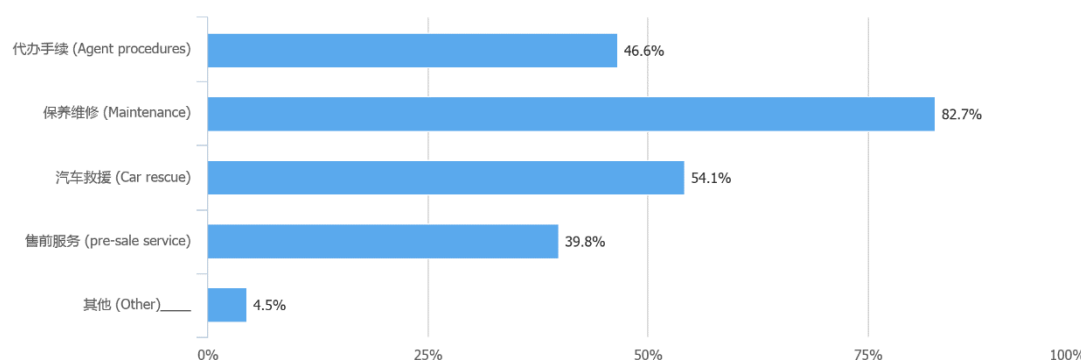
**Figure 11.** Favourite car interior

Surround sound system is the most popular exclusive customization, and the panoramic skylight and automatic door closing function can also be considered in BMW cars. The sound of BMW's original car is also based on the situation. If you choose the high-end model, then it is possible to standardize high-end audio, such as Harman Kardon, B&O, Baohua Weijian B&W. If your model is low-profile, then the standard sound is generally the same, most of them are stereo of 6 speakers, no amplifier output. (Liu Lin, 2015.)

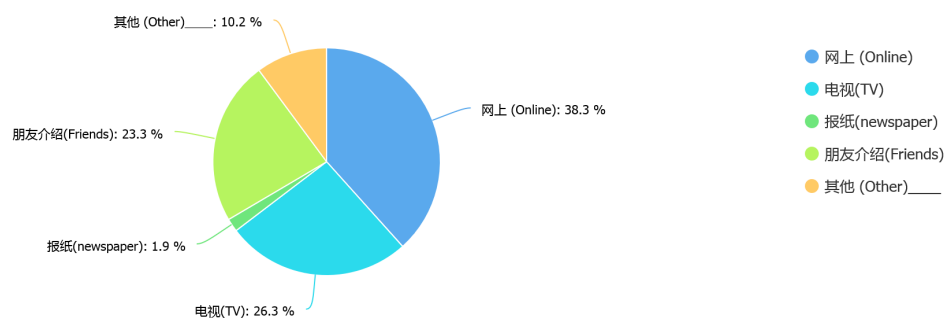


**Figure 12.** Exclusive customization

‘Which service do you need most from vendors?’ 82.7% people choose maintenance. As BMW with 3.2 million owners in China, the first customer satisfaction of BMW for 5 consecutive years, and the first time that MINI has won customer satisfaction for 6 consecutive years, how to upgrade the after-sales service system and maintain its leading edge in the future? Kang Bo, vice president of after-sales service of BMW Brilliance Automotive Co., Ltd., summarized the six advantages of BMW in after-sales service. First, the cultivation of talents; Second, more than 580 after-sales service networks and 31 fast-repair centres nationwide, providing a better experience for luxury car customers; Third, reliable original quality, avoiding repeated repairs; Fourth, service innovation; A sound logistics system; Sixth, regarding price, BMW also made corresponding adjustments. (Liu Lin, 2015.)

**Figure 13.** Which service do you need most from vendors?

The question ‘How did you know about BMW?’, the most answer is from online, friends and TV. From August to December 2000, BMW’s fifth-generation advertising consisted mainly of five print ads and one TV break. BMW's fifth generation has long-term advertising campaigns in a wide range of daily and popular magazines, targeting the public. It also promotes professionals through professional magazines and advertisements for magazines that are specific to an interest. The TV show "Silent Power" is an important part of this advertising mix. In addition, human resources public relations are also an indispensable propaganda media. (Liu Lin, 2015.)



**Figure 14.** How did you know about BMW?

For the asking ‘Do you think the quality and price of the BMW is matching?’ 77.1% thought it’s matching and 22.9% thought it’s not.

‘The BMW car you most want to own’ answers are most as 5, 6, and 7 series.

The new BMW 5 Series Sedan is available in two styles. M sports suit, equipped with M aerodynamics kit and 19-inch M exclusive wheel and other exterior components, and a new M sports leather steering wheel and other personalized configuration, all-round sensation, stimulate driving passion. The deluxe set features delicate, elegant design elements such as high-gloss chrome and matches the exclusive wheels. The interior of the car has a luxurious set of Nappa leather with brown wood for an elegant atmosphere. ([http://www.bmw.com.cn/zh/topics/experience/aboutus/bmw\\_group.html](http://www.bmw.com.cn/zh/topics/experience/aboutus/bmw_group.html) 09.07.2018)

Regarding exterior design, the 6 Series maintains the dynamic style of BMW Coupe. The long hood, low roof line and front and side skirts give the car a dynamic and elegant posture. In order to distinguish it from other models, the headlights, engine cover, water tank grille and forward air vents have all been completely redesigned. The introduction of LED brake lights in the design of taillights, in addition to greatly reducing the reaction time, can also adjust the size and brightness according to different environments. ([http://www.bmw.com.cn/zh/topics/experience/aboutus/bmw\\_group.html](http://www.bmw.com.cn/zh/topics/experience/aboutus/bmw_group.html) 09.07.2018)

‘The BMW 7 Series is a model of contemporary luxury. We believe that technological innovation, quality details, human expression and any interior atmosphere are indispensable. We have tried to make technology more poetic. (Karim Habi – BMW Automotive Design Director) The BMW 7 Series presents BMW's quest for design in an elegant

form, with a dynamic body proportion, precise lines and Sculptural surface. The forehead of the BMW 7 Series can be seen at any angle, from the front face, the extended side body and the powerful rear. The BMW 7 Series represents a high level of precision and quality craftsmanship. A floating design rear view mirror confirms this. The rear-view mirror and the window frame seem to be seamless. It not only creates a modern and elegant effect, but also effectively reduces air resistance. Other fine details include the third-generation intelligent drag-resistance air intake grille with vertical chrome strips, high-precision and uniquely designed wheels, and seamlessly merged Hofmeister corners. The interior is made of fine materials, and the chrome trim and seat trim in the black fine-grained high-grade wood finish blends harmoniously with the exclusive ivory white Nappa extended leather interior. The instrument panel also embodies a high level of craftsmanship, matching the wood strips and electroplated strips during production to create a seamless overall picture. The BMW Personal Edition with its own colour and material design offers different options for the design of the BMW 7 Series. These include interior colours, truffle-brown exquisite Merino sheepskin and hand-crafted details such as fabric-like stitching, hand-woven trim strips and contrasting seams. ([http://www.bmw.com.cn/zh/topics/experience/aboutus/bmw\\_group.html](http://www.bmw.com.cn/zh/topics/experience/aboutus/bmw_group.html) 09.07.2018)

The last question is “Your impression of BMW is?”. Most people’s answer is good quality and expensive. The high price reflects BMW's affirmation of its own strategy, service function, and brand value. BMW's price strategy reflects the quality of BMW's indicators. At the same time, the price of BMW also conveyed BMW's successful brand image.

## 7 CASE COMPANY STUDY- BMW

This chapter introduces BMW's marketing strategy in China. Through the analysis of the strategy, it gives further reasons and methods for BMW's successful marketing. Finally, through the analysis of BMW's marketing strategy, it gives advice on BMW's marketing strategy and promotes BMW's competitive advantage.

### 7.1 Company Introduction

The BMW Group is one of the world's most successful car and motorcycle manufacturers. BMW has three brands: BMW, MINI and Rolls-Royce. At the same time, BMW also provides auto finance and high-end travel services. As a global company with sales network in more than 140 countries and regions, the BMW Group has 31 production and assembly plants in 14 countries. In 2015, the BMW Group sold approximately 2.247 million vehicles and nearly 137,000 motorcycles worldwide. At the same time, the BMW Group achieved a profit of 92.18 billion Euros. As of the end of 2015, the BMW Group had a total of 122,244 employees. (Teng Biao, 2015.)

In addition to developing and optimizing the internal resources of the Group, the BMW Group also utilizes resources outside the Group in a cooperative manner. The BMW Group attaches great importance to the network operation, so as to be more flexible and faster. According to the success rule of "Independent work is addition, teamwork is multiplication", the BMW Group has always sought to develop long-term cooperation with partners.

Since the 1970s, regarding marketing strategy, the BMW Group has been pursuing its own sales company in every important market in the world. Today, BMW's sales network consists of 27 sales companies and 3,200 independent agents in more than 120 countries on 5 continents. Those markets with smaller sales volume provide services through designated importers. BMW's strategic goal is to seek development in Asia. ([http://www.bmw.com.cn/zh/topics/experience/aboutus/bmw\\_group.html](http://www.bmw.com.cn/zh/topics/experience/aboutus/bmw_group.html) 12.07.2018)

#### 7.1.1 BMW in China

Dr. Wei (President and CEO of BMW Brilliance) said: "Innovation is an important cornerstone of BMW Brilliance's corporate strategy. The opening of our new R&D center

once again proves it. These new facilities not only strengthen the strength of our Shenyang R&D center, but also being a hub connecting creation and application once again confirms our commitment to 'being China in China'."

The BMW Brilliance research and development is clearly focused on new energy vehicles, which means they make new energy technologies as a breakthrough to realize the concept of design in China. And they make the full process development to mass production delivery. (Teng Biao, 2015.)

In 2011, BMW Brilliance has started research and development of new energy vehicles and established a high-voltage power battery laboratory. BMW Brilliance has produced four new energy vehicles, including the ZINORO 1E pure electric vehicle, the BMW 530Le and the ZINORO 60H and BMW X1 plug-in hybrids. Next year, the new BMW 5 Series will also introduce plug-in hybrids. (KRISHNANGIRISH, 2016.)

BMW Brilliance is committed to the development of core technologies related to new energy vehicles. For China new energy vehicle power battery industry, it has set a new benchmark and provided technical support for large-scale industrial production by local Chinese suppliers. This action has promoted the vigorous development of China's power battery industry. (KRISHNANGIRISH, 2016.)

In 2018, BMW Brilliance will build the first high-voltage power battery center for luxury car companies in China, which to further expanding BMW Brilliance's competitive edge in the new energy field. Based on BMW Brilliance's advanced digital production technology, the company can achieve collinear production of traditional energy vehicles and new energy vehicles, which can make the company achieving greater production flexibility. (Teng Biao, 2015.)

Facing the future, BMW Brilliance is committed to participating more deeply in the construction of China's new energy vehicle ecosystem and continues to maintain its leading position in the field of electric mobility. The R&D center will provide strong technical support for BMW Brilliance's future launch of more new energy vehicles. (KRISHNANGIRISH, 2016.)

The BMW Brilliance R&D Center has advanced R&D equipment that can perform a variety of vehicle testing, not limited to a variety of test workshops, laboratories and

benches, such as: climate simulation, vibration and noise testing, emissions transfer hub experiments, and complete the road test in a real climate. (Teng Biao, 2015.)

BMW Brilliance's local R&D team is responsible for system and component development, vehicle testing and certification for specific models in China. For example, the BMW 3 series and 5 series and X1 long wheelbase models as well as the new BMW 1 series sports sedan. In the process, the R&D center participated in the development of local suppliers' related technologies and the establishment of quality standards, which promoted the local presence of international suppliers. It also strongly supported the rapid development of BMW Brilliance, and made Shenyang more attractive for investment. (KRISHNANGIRISH, 2016.)

The continuous improvement of BMW Brilliance's local R&D system provides a better platform for introducing more international talents and cultivating more local talents. The BMW Brilliance R&D Center has many first-class international experts, and regularly selects Chinese engineers to exchange and study in Germany. It also strives to create a team culture of creative thinking and cross-cultural communication. At present, the proportion of Chinese engineers and technicians has exceeded 75%. The establishment and development of the new R&D center will attract more high-tech talents, including IT engineers, in Shenyang and Northeast China. (Teng Biao, 2015.)

In May of 2018, BMW Brilliance New Dadong Factory officially opened, and the forward-looking application of “Industry 4.0” design concept. The advanced production equipment and highly digital production methods became the benchmark for innovation and sustainable production. In January 2017, BMW Brilliance Built BMW's only engine plant outside Germany, which means Shenyang became the largest production base in the BMW Group's global production system. The opening of the new R&D center has enabled BMW Brilliance to continue the localization path to achieve “China Manufacturing 2025”, which helps to sets a new paradigm. (KRISHNANGIRISH, 2016.)



## 7.2 BMW SWOT analysis



**Figure 15. BMW SWOT ANALYSIS.**

### 7.2.1 Strengths

1. The widespread existence in the world.

([https://mp.weixin.qq.com/s/DQ2qVE7ssBGO\\_QDxFOIWpg](https://mp.weixin.qq.com/s/DQ2qVE7ssBGO_QDxFOIWpg) 09.09.2018)

At present, the BMW Group has 31 production bases worldwide, with 17 in Europe, 7 in Asia, 3 in North America, and 2 in Africa and South America.

The Dingolfing plant in Germany is one of BMW's largest production bases. Since 1977, the Dingolfing plant has produced more than 1.6 million 7 Series, which is the produc-

tion site for each generation of BMW 7 Series luxury cars. At the same time, Ding Gefen also produces four 4-series GC models, BMW 5 Series, the previous 6 Series and M5, M6 and the latest BMW 8 Series, and produced the body for the Rolls-Royce Phantom, and then shipped to the Goodwood factory in the UK (Goodwood Plant) for vehicle manufacturing. (Su Juanjuan, 2016.)

The Munich factory is BMW's oldest factory and was built in 1922. Now it mainly produces BMW 3 Series sedan and station wagon, 4 series coupes, and also produces 4, 6, 8- and 12-cylinder gasoline engines and 8-cylinder diesel engines, as well as high performance engines for M3, M5 and M6.

The Leipzig plant in Germany was completed and put into operation in 2005 and is a newly built factory in BMW. Mainly responsible for the BMW 3 Series sedan, 1 series sedan, as well as the 2-assembly wagon, 2 series coupes, M2 and i3, i8 and other models of the assembly task. Since its production in 2005, the cumulative production capacity has exceeded 2.3 million units. (Su Juanjuan, 2016.)

The Regensburg plant in Germany produces 1 series of three-door and five-door sedan, and a 3-series wagon, a 4-series convertible, and M3 and M4 convertibles, as well as a BMW four-wheel drive system. The new BMW X2 model was also born in Regensburg.

The Eisenach plant in Germany was completed in 1992. It does not manufacture whole vehicles, and mainly produces tools used by BMW for the processing of large metal parts for automobiles.

The Landshut plant in Germany was incorporated into the BMW Group in 1967. Produce engines for almost all BMWs, from motorcycles to cars to F1 cars. At the same time, it will also produce hanging parts, light metal cast engine and chassis parts, and body plastic parts. In addition, carbon fiber body components, electric drive, and transmission system components are also from Landshut, where the parts produced will be exported to 28 production sites in 13 countries around the world. (Su Juanjuan, 2016.)

The Wackersdorf plant in Germany is mainly responsible to produce body parts for the 3 Series and BMW Convertibles.

The Berlin plant in Germany is in the German capital Berlin. It is also one of BMW's earliest sites. It used to produce aero engines. It mainly produces BMW brand motorcycles. It has been producing BMW cars since 1979 and is the main production base for brake pads.

BMW Brilliance Shenyang Tiexi Factory is in Shenyang, Liaoning, China. It is the latest BMW factory in China. Production of the current 3 Series, 1 Series sports sedan, 2 travels and X1 UKL platform models. Last year, Tiexi Factory was officially approved as a national AAAA-level tourist scenic spot. It is the first and only automobile manufacturing factory in the domestic automobile industry to receive this honor. Currently two BMW factory capacity is about 450,000 / year, planned in 2019, the production capacity to 520,000. At the same time BMW Brilliance in Shenyang also has an engine plant, supply of various types of heart for the domestic BMW models. (Su Juanjuan, 2016.)

The Spartanburg plant in the United States is in South Carolina, USA. It was completed and put into production in 1994. It is currently producing BMW X3, X4, X5, X6 and X7 models and is the main producer of BMW SUV models. Recently affected by the US multilateral trade war, the BMW SUV models imported by the United States may increase prices.

The Hams Hall plant in the UK is in England and was completed in 2001. The award-winning B38 turbocharged engine on the i8 was born here. The 1.6t and 2.0t four-cylinder petrol engines with BMW's unique variable valve timing technology are also available for the mini model. (Huang Xiaohong, 2015.)

In 1998, the Rolls-Royce brand became a brand of the BMW Group. But the old Goodwood factory in the UK is still the birthplace of Rolls-Royce cars for Rolls-Royce cars. Every hand-built Rolls Royce car still tells its glorious history in Goodwood.

The Swindon plant in the UK is in the south of England, mainly for the MINI car to produce body parts, instrument panels and closures.

The MINI brand sedan is produced at the Oxford plant in the UK and is the MINI's final assembly plant in the UK. In 2017, BMW produced a total of 378,486 Mini cars, 60% of which were manufactured by the Oxford factory.

The South African Rosslyn plant is in South Africa and produces the BMW 3 Series. One quarter is sold locally, and three quarters are exported. In the 35 years since 1983, Rosslyn has produced 5 generations of 3 series, a total of 1,191,604 units. The current 3 series has 1 unit from the Rosslyn factory, and some domestic imported 3 series cars were born here. Now the 3 Series has been discontinued at the Roslin plant, and the new BMW X3 is being produced here. (Huang Xiaohong, 2015.)

The Steyr plant in Graz, Austria, was built in 1979 in Austria. It is the largest engine production base in Europe. Mainly responsible to produce 6-cylinder gasoline engine and 4,6-cylinder diesel engine and is also the research and development base of BMW diesel engine. This factory produces 6,000 engines per day for the BMW Group. At the same time, it is also responsible to produce the new 5-series of the whole vehicle. The new generation of Z4 sedan will also be born here. The foundry of Steyr in Austria is also the birthplace of the Mercedes-Benz G-Class off-road vehicle.

BMW's Chennai Plant in India has produced the BMW 3 Series, 5 Series, X1 and X3, and the MINI Countryman in the form of CKD.

The BMW Thailand Rayong factory started construction in 1998 and began to assemble and produce in CKD (full set of imported kits) in 2000. It has produced 3, 5, 7 series, X3, mini, X1, 1 series, X5 and Motorrad motorcycles. The Thai factory is not large, with a production of 80,000 units in 2016, of which 60% are exported to the Asian market.

The BMW Arakari plant began operations in the fall of 2014 and consists of a body, painting and assembly shop with an annual production capacity of 30,000 units. The models produced include the MINI COUNTRYMAN, the five-door version of the BMW 1 Series, the BMW 3 Series Sedan, the BMW X1 and the BMW X3.

To ensure that production matches market demand around the world, the BMW Group also produces “parts kits” for export to parts of the world based on BMW's globally harmonized standards, in collaboration with local parts assembly plants. Currently, the BMW Group has component assembly plant partners in six countries: Thailand, Malaysia, Russia, Egypt, Indonesia and India.

2. Strong brand images.

(<http://itech.ifeng.com/44830161/news.shtml?&back> 09.09.2018)

BMW's brands are using a young mindset to make more loyal customers feel obsessed. At the same time, the brand itself is personalized and young. This new image has left a deep impression on the new consumer groups. (Huang Xiaohong, 2015.)

Because of the arrival of the new era of consumption, more and more brands are beginning to pursue personalization. But catering to young people's expression of attitude; highlighting personality is just a marketing routine that the brand has shown. What really makes the young consumer group respond is the product innovation behind the brand, the connection between the user and the brand, and the fascination with their own personality. World-class brands like BMW are reflected in these aspects.

The core competitiveness of the brand is the product itself. If there is no innovative product, the marketing method is very damaging to the brand for the increasingly discerning users. BMW is the first car manufacturer to launch a new energy-powered car in the BBA, the three German automotive brands. When Audi and Mercedes announced in 2017 that they would launch dozens of new energy vehicles in the next year, BMW launched the pure electric i3 and hybrid supercar i8 as early as 2014. And this series is defined as a brand of new energy vehicles. Such large-scale actions are rare among all car brands in the world. Around this new brand, BMW has continuously and innovatively launched various types of communication and marketing methods. Therefore, this kind of brand communication based on product innovation is the marketing method of origin. (Huang Xiaohong, 2015.)

In the Internet industry's trend of "connection", BMW has been boldly trying to use a variety of marketing methods in recent years to achieve the connection between users and brands. This connection is touching the hearts of friends.

Instead of letting others like themselves, they are not allowed to be more obsessed with themselves. This should be a classic discourse in love. I believe that it is also used in BMW's brand communication strategy. Especially for the automobile brand, the image given to the consumer group should be brand awareness of safety, technological innovation, and technological sense. For example, at the 100th anniversary of BMW in 2016, BMW launched a number of concept cars such as the BMW VISION NEXT 100, motorcycles and other products, these young people who are more promising for the future,

add a little adoration and fascination to BMW's product innovation and technological advantages. (Huang Xiaohong, 2015.)

### 3. Strong research and development capabilities.

At present, BMW's global R&D network covers 13 cities in China, Germany, the United States, Japan and five countries in South Korea. In 2017, BMW's total R&D investment reached 6.108 billion Euros, accounting for 6.2% of annual revenue, an increase of 18.3% compared with the previous year. From 2018, BMW will increase its investment in future travels year by year. It is expected that the investment in new models, electrification and autonomous driving will increase by hundreds of millions of Euros. The total annual R&D investment in the next few years will be It reached 7 billion euros. (Xiao Sanzhen, Zhou Guoliang. 2006)

In China, R&D investment is reflected in the establishment of R&D centers in Beijing, Shanghai and Shenyang. The establishment of R&D centers in three cities also makes China the country with the largest R&D network outside of Germany.

The Beijing R&D Center is responsible for strategy development, customer demand management, vehicle testing and certification, and localization research. The Shanghai R&D Center is responsible for the research and digital application of innovative technologies and creative design, including the development of autonomous driving, connected driving and application apps. The Shenyang R&D Center is mainly responsible for vehicle development of new energy vehicles, quality control of production models and local production support. (Zhang Anying, 2016.)

In the past few years, BMW has not only increased its investment in R&D and future travel but has also accelerated its transformation into high-tech travel service companies. It is also continuing to develop in four areas: ACES (automation, interconnection, electrification, and sharing). In terms of automation, in April of this year, the BMW Group Autopilot R&D Center was officially put into use in Munich, thus supporting the ultimate realization of fully autonomous driving (Level 5). At present, BMW is working with its partners on the construction of autonomous driving standards, platforms, and back-end systems to achieve the practice of highly automated driving (third level) and fully automatic driving (fourth level).

Regarding interconnection, BMW Cloud Connect currently has nearly 1 million users in China and has established digital travel ecosystem and online store functions in China. Regarding electrification, BMW's new energy sector has entered the "second stage" and launched a variety of models including the iX3 concept car, the i Vision Dynamics concept car and the 7-series plug-in hybrid concept car. In 2025, BMW will introduce 25 electric models, 12 of which are powered by pure electric. In addition, BMW is also promoting the construction of a new energy ecosystem. Currently, BMW has built China's largest public charging network in China and has the nation's largest luxury new energy vehicle sales network. Regarding sharing, at present, the BMW Group has set up four brands "Charge Now", "Reach Now", "Drive Now" and "Park Now" in the world of charging service, car sharing service and parking service, and has carried out related globally. In addition, the BMW Group has also reached an agreement with the Daimler Group to jointly build a travel ecosystem. ( Zhang Anying, 2016.)

### 7.2.2 Weakness

#### 1. BMW's main market performance is poor.

BMW's record performance is poor, with sales in the four geographic markets including the rest of the United States, the United Kingdom, Europe and the Americas. From the US to \$14822.1 million revenue in fiscal year 2009, which decreased 6.4% compared to 2008. Similarly, revenues from the UK reached \$56,873 million in fiscal 2009, which is a 17% decrease compare with 2008. (Xiao Sanzhen, Zhou Guoliang. 2006)

In the same year, other European countries (excluding Germany and the United Kingdom) accounted for 25.5% of total income. Its revenues from the region reached \$18,061,100,000 in fiscal 2009, which decreased 18.2% compared to 2008. The rest of the Americas accounted for 3.6% of the total revenue in fiscal 2009. The remaining income from the Americas reached \$25173 million in 2009, which decreased 7.2% compared to 2008. In the United States, the contribution of fiscal revenue declined, and the rest of the UK, Europe and the rest of the Americas offset the growth of Germany and Africa, Asia, and Oceania. As a result, BMW's main market performance is poor and may ultimately affect the company's financial performance. (Xiao Sanzhen, Zhou Guoliang. 2006)

#### 2. Reduce production and delivery.

Faced with the high inventory pressure of dealers, some car companies began to adjust production and cut prices. In 2015, BMW cut its output in China and reduced the supply of vehicles to dealers. In April, BMW sent a letter to the dealers, which lowered the sales target for the second quarter, saying that the dealers only need to complete the 85% target of the sale, and they can get the number of bicycles. The company's production and delivery of automobiles has witnessed a significant decline between fiscal year 2007 and fiscal year 2009. In 2009, total vehicle production was 1258417 vehicles, compared to 1541503 vehicles delivered in fiscal year 2007. 1286310 units compared to 1500678 units in fiscal 2007.

### 7.2.3 Opportunities

#### 1. The rise of new energy vehicles.

China's new energy vehicles achieved sales of 507,000 units in 2016, accounting for 1.8% of new car sales, and China's holdings reached 1 million. The number of public charging piles in the country has exceeded 150,000. The development of key materials for power batteries is accelerating, performance indicators are steadily increasing, and costs are significantly reduced. Research on safety technologies such as power battery cells, battery packs, and battery pack management has been comprehensively promoted. (Ma Hong, 2017.)

Drive motor technology has also made new breakthroughs. The common basic technology has further broken through, and magnetic silicon steel, rare earth permanent magnet materials, insulator materials, position sensors, integrated chip design and power electronic systems have made new progress. (<https://mp.weixin.qq.com/s/gGyUBVMoS336aXxg48jGJQ> 10.09.2018)

In the past year, China concentrated on a series of policies on the development of electric vehicles, from automobiles to infrastructure, to parking lots, charging stations, including all aspects of fiscal and taxation. At the national level, a series of major policy measures have been introduced from the aspects of acquisition, subsidies, tax and fee reduction, research and development support, production access, business innovation, infrastructure, and especially standardization. (Ma Hong, 2017.)



The trend of world development is also consistent, and low-carbon, electric, and intelligent are the common choices of all countries.

## 2. China's auto market still has room for growth.

China's new generation of consumer groups is pursuing fashion trends. The opportunity for passenger cars is huge and the opportunities are obvious. Currently, it is an A-class car and a compact SUV. With these developments, other varieties will also welcome new opportunities. At the same time, China's regional market is clearly differentiated. The first- and second-tier markets are large in scale and low in growth rate, but the trend of restricted purchases and restrictions is obvious; the growth rate of the third- and fourth-line markets is fast, and the potential market space is large; the growth rate of the eastern regional market is slowing, and the demand in the central and western regions is expanding. The scale of China's logistics market is developing. Urban logistics, inter-city logistics and urban and rural logistics have all shown growth, including group development like the logistics industry. Finally, new energy technologies have entered a new phase, and consumers' acceptance of new energy products has continued to increase. The cumulative effect of the policy will promote the development of new energy vehicles into a new phase. ( Liu Yunxi, 2017.) ([https://mp.weixin.qq.com/s/LgO2F\\_QL-axm59DKdW68cg](https://mp.weixin.qq.com/s/LgO2F_QL-axm59DKdW68cg) 11.09.2018)

### 7.2.4 Threats

#### 1. Currency risk.

BMW is a globally operating company. Many branches and sub-publics of multinational corporations are set up abroad, so it has many foreign currency businesses. Some domestic enterprises also have some international businesses, and there will be regular foreign exchange receipts and payments. Under the floating exchange rate system, sudden changes in exchange rates may bring economic gains or losses to multinational companies. Therefore, exchange rate risks must be managed to prevent losses caused by exchange rate changes in order to obtain maximum economic benefits and foreign exchange risks. Management can make the cash flow of multinational companies more stable, reduce the uncertainty of future earnings, and increase the discounted value of future cash flows.

Corporate interest rate risk refers to the volatility uncertainty of the company's future income, asset or bond value due to fluctuations in interest rates. In the context of interest rate liberalization, changes in interest rates expose companies to financing and investment risks, which is the main form of corporate interest rate risk. In addition, changes in interest rates will affect the company's operating cash flow and corporate value. In short, the company's interest rate risk performance includes financing interest rate risk, investment interest rate risk, operating interest rate risk and value interest rate risk. (<https://mp.weixin.qq.com/s/dDH3oTbDopRDouc35450xw> 01.09.2018)

## 2. Environmental protection regulations.

In 2018, China introduced a series of environmental policies and regulations. The first is to promote the reform of the freight structure. Highway to railway. In the long run, it is not conducive to the growth of heavy truck sales. Urban bus, sanitation, postal, rental, commuting, and light logistics will be fully electrified. This move will further promote the development of new energy commercial vehicles. Also, eliminate old vehicles and strengthen environmental protection. Because of the demand for replacement, it can effectively stimulate the sales growth of automobiles that meet the emission requirements. The key areas will implement the national emission standards in advance. And in 2019, people and company will fully supply vehicle gasoline and diesel that meet the national standards. This move has increased the pressure on car companies to cope. Strengthen mobile source pollution monitoring. Promote the use of portable exhaust gas detection equipment. Finally, reduce VOCs emissions control. This policy has a greater impact on the automotive painting process. (Liu Yunxi, 2017.)

### 7.3 BMW 4Ps analysis

#### 7.3.1 Strategy making process

##### 1. Market potential

Through the study of external information resources and internal information resources, BMW present a quantitative forecast of the size of the automobile market by 2015.

##### 2. Identify product items

BMW has a wide range of products. Most BMW series are famous, like the Mini-series and Rolls-Royce. For different markets, BMW will launch different main products. For example, in Asia market BMW highly focused on sport utility vehicle (SUVs), which was followed by the Mini-series.

### 3. Grasp the market entry opportunity

BMW's market in Europe is quite mature, so the opening of the Asian market is the main target.

### 4. Visionary market positioning.

In strategic planning, the BMW Group has developed six major development directions: brand and design, product layout, technology research and development, consumer experience and service, digitization and profitability. The future technical focus of the BMW Group will enhance the core technologies of new energy and research and development in the digital field and plans to upgrade the motor from the existing third-generation products to the fifth generation by 2020. For the future development of the automobile, the BMW Group will gradually focus on the digitalization field, focusing on the development of digital technology, which is closely related to the autonomous driving, and finally maintain its leading position in the field of driverless technology.

#### 7.3.2 Product strategy

Starting in 2017, BMW announced that there will be many new cars coming out. BMW has also started this process, and there are always models starting and updating. And BMW will also shift the rear drive more on economical vehicles, such as the new generation 1 series, to share parts with the future MINI. ([https://mp.weixin.qq.com/s/1mByWE\\_-RfDPEytgAmrcZA](https://mp.weixin.qq.com/s/1mByWE_-RfDPEytgAmrcZA) 01.07.2018)

In addition, BMW has made it clear that it will not produce electric vehicles by 2020, but hybrid and plug-in hybrid models are still an important part of the product line. Many new technologies that were originally used at higher levels, such as LCD meters, central control large screens, and automatic driving assistance systems, will be more decentralized. ([https://mp.weixin.qq.com/s/1mByWE\\_-RfDPEytgAmrcZA](https://mp.weixin.qq.com/s/1mByWE_-RfDPEytgAmrcZA) 01.07.2018)

BMW rushed to release the 8 Series Coupe on the eve of the 24 Hours of Le Mans.

BMW's latest flagship SUV X7 has been officially released at the end of the year and is expected to enter China in 2019. It will use the same CLAR platform as the BMW 7-series/8 Series.

BMW's iX3 is a purely electric version of the X3. The production car is expected to be launched in 2020 and will be put into production in China.

Now BMW is also launching the GC version for the 2 Series, keeping BMW's rear-wheel drive platform to compete with Mercedes-Benz CLA. Especially when the next-generation 3 Series is expected to be bigger, a more compact rear-drive sedan can just fill the gap for BMW.

The BMW 3 Series is unstoppable in both the hearts of fans and the history of BMW. Regarding global sales, BMW has been doing all these efforts after being overtaken by Mercedes. In contrast to the time when the Mercedes-Benz C-Class and the Audi A4 are replaced, the 3 series that took the lead in spurring the sales of the other models is naturally what BMW hopes.

The G20's seventh-generation BMW 3 Series is expected to be officially unveiled at the Paris Motor Show in 2018. The X5 of the fourth-generation G05 has released an official map online last month and is another new car that is applied on the CLAR platform. Since the X5 has been replaced, it is followed by the third generation X6 codenamed G06. In addition, it is expected to be replaced by a 1 series, which is expected to be released at the end of the year. In the same period as the release of the 8 Series concept car, BMW introduced the Z4 concept car. With the release of the 8 Series, BMW's latest family-style design will be gradually updated to each model. Next, BMW will launch a high-performance M version for a series of SUVs. This is also after the X5 and X6, X3 and X4 also joined the M department.

### 7.3.3 Price Strategy

#### 1. High price strategy

In the field of high-end luxury cars, the endurance of the BMW brand value is at the forefront. BMW adheres to the high pricing strategy. The BMW Group only produces high-end luxury cars, and ranks among the top seven in the global auto sales. However,

in 2011, BMW's EBIT margin rose to 11.8%. From the perspective of mature European and American markets, BMW's price is generally 15% to 20% higher than Audi's in 2004. Although Audi's terminal price has increased with the changes in the market structure, it still does not exceed BMW. (<http://finance.ifeng.com/leadership/qysj/20120323/5792821.shtml> 03.07.2018)

According to data provided by the BMW Group, global luxury goods consumption is close to 1 billion Euros, while high-end luxury cars are the symbol of this level of the market, expected to reach 250 million Euros. The world's largest luxury car manufacturer has vowed to carry the "high end" to the end. The BMW Group does not hide its ambition to invest more energy in high-end luxury cars. The number of affluent people in the world continues to grow. Obviously, this will directly lead to sales growth of high-end cars, which will exceed the growth rate of the overall automobile market. The core competitiveness of high-end cars, including quality, product materials and design, will still have a market. (Guo Yanfeng, 2017.)

## 2. Pricing standards

As a high-end luxury car, the BMW 1 Series entry-level sedan is priced at 270,000 to 370,000 Yuan, and the higher-level 3 series is from 350,000 Yuan. BMW's product pricing standards depend first on the technical content of the product itself. Secondly, to measure the market competition of the same level of products, whether there is a direct competitor, and the market segment is blank or in a competitive environment. Third, the added value of the new model compared to the previous generation. Then, look at how much the potential customer is craving for a new product. In short, different levels of product pricing first consider their own positioning but does not rule out the higher-level products with higher-level products that are higher than the entry-level configuration, such as the 1 Series sedan with a six-cylinder engine. It will be more expensive than the four-cylinder 3 series. BMW's products are very rich. Take the BMW 5 Series sedan as an example. The engine is from four cylinders to V8. It depends on whether it is a long version or a normal version. Therefore, when pricing the 5 Series, consider whether it is a four- or six-cylinder engine, different configurations, and a long wheelbase or a short wheelbase. The large optional range determines the broader price range. (Guo Yanfeng, 2017.)

Mature market customers decide to buy a car. It is layered. Usually, it is necessary to decide which level of car to buy first. Secondly, it will choose the high, medium or minimum configuration. Consumers often have a commonality, first choosing internal assembly, followed by engine level. For example, if European buys a MINI brand, the first thing to decide is whether to choose a two-color roof and then decide what engine level. The premise that this type of selection does not occur is that it will not swim between different levels of models.

Although in immature emerging markets such as China, there is a possibility that consumers will choose a relatively low-profile high-grade car from a price perspective. But in fact, the BMW Group, which has been in mature markets such as Europe and the United States for many years, has maximized the profit of the entire product portfolio with a layered pricing ladder. For example, the third-tier luxury sedan, which is not the highest in terms of bicycle profit margins, Max Warburton, an analyst at Sanford C. Bernstein in London, said in a research report that the total revenue before tax for this model is expected to reach 2,900 since 1995. Billions of dollars, profits reached \$ 17 billion. The large enough sales volume is a key factor in the overall profitability of the 3 Series. (Guo Yanfeng, 2017.)

### 3. Market rules

In 2012, Mercedes-Benz's highest-class S-class sedan made a large profit of more than 300,000 yuan, followed by BMW, Audi, Volvo, and Lexus. However, the price cuts are unusual. As demand exceeds supply, luxury car manufacturers will also raise the price. From May to July 2012, BMW officially increased its product prices by two officially, all imported models, including all three models of the X1, all six models of the X5, and all three models except the X6. The highest increase reached 22,000 yuan. (Liu Yuxu, 2016.)

In fact, product pricing is a very subtle corporate decision. If the pricing is accurate, it can not only contain competitors, but also optimize its own profitability. BMW's third domestically produced model X1 was officially unveiled in China, and the price of 282,000 to 498,000 Yuan made the industry stunned. Dai Lei, senior vice president of marketing at BMW Brilliance, said: "This is very competitive throughout the life cycle

of the BMW X1. The price of the Audi Q3, which competes directly with the BMW X1, did not appear in the first-hand plan of the FAW-Volkswagen until 2013.

#### 7.3.4 Promotion Strategy

(<http://auto.sina.com.cn/news/2008-11-14/0812428434.shtml> 03.08.2018)

BMW's promotion strategy is not eager to increase sales because today's consumers face countless advertising and business information. To effectively provide information to target customers, BMW has adopted a variety of promotional methods, including advertising and public relations activities.

BMW's advertising requirements are centered on the quality of BMW. BMW believes that more and more media today have an influence beyond the international arena, and it is necessary to use advertising to convey consistent information. BMW uses a variety of advertising media, such as television, newspapers, magazines, etc. to advertise. These activities mainly introduce consumers to BMW as the first luxury car brand, as well as BMW's achievements and BMW's successful experience. Then, BMW will use the seventh series as the main promotional product. In the description of the product, BMW attaches importance to the concept of design, safety, comfort and comprehensive after-sales service to the audience. At the same time, it is very special that BMW's advertising communication always tries to remove the core value of the brand. (Liu Yuxu, 2016.)

BMW will also conduct public relations activities based on sports marketing. BMW held two public relations events in the BMW International Golf Gold Cup and the Asian BMW Appreciation Tour. The BMW International Gold Cup was the largest amateur golf tournament in the world at the time. The purpose of the event is to promote communication between BMW and its target market. This is because golf has always been considered a gentleman's sport. In other words, most amateurs who like golf are socially motivated. These people are BMW's target market.

BMW regularly holds press conferences. The conference was mainly composed of a series of discussions between BMW and customer representatives and automotive experts. Attract potential customers to try out BMW through the spread of TV and radio programs. At the same time, these activities have strengthened the communication between BMW and customers to a certain extent.

### 7.3.5 Place Strategy

BMW established its Asia Pacific branch in Singapore in 1985. Asia Pacific company heads the sales of Singapore, Hong Kong, Taiwan, South Korea and other branches. BMW takes a direct sales approach. BMW has more than 3,000 direct sales personnel in Asia, who directly create BMW's sales miracle. (<http://auto.sina.com.cn/news/2008-11-14/0812428434.shtml> 09.08.2017)

During the probation period, BMW began to constantly search for Chinese partners. This move enabled Chinese partners to leverage foreign capital to achieve mergers and reorganizations that were not possible. During the stable expansion period, BMW established a four-in-one BMW store. It extends the brand, culture and value of BMW. At the same time, BMW also regards the development of dealer network as the focus of its work. For better meet the growing and diversified customer needs, BMW has rapidly developed authorized dealers around the country to expand its national sales and service network. The establishment of new outlets in the economically developed eastern and southern second- and third-tier cities has opened new areas where service facilities have not been established in the past, forming intensive mesh coverage in China. The average number of service outlets per thousand vehicles has outperformed that of major competitors. (Ling Jianwei, 2016.)

In the face of various problems brought about by market expansion, BMW put the legitimate interests of dealers at the forefront. BMW has developed a marketing strategy. At the same time, provide sales support to dealers. In addition, BMW maintains good communication with dealers and strengthens mutual trust. BMW has representative offices in key provinces or key markets to conduct daily communication and management of dealers.

### 7.4 Difference between BMW in abroad market and Chinese market

The import is that if it is not produced in China, it is imported from abroad. However, it is understood that BMW has 31 production bases worldwide, 17 in Europe, 7 in Asia, 3 in North America, 2 in Africa and 2 in South America. In fact, according to BMW's ranking of factories around the world, BMW's Shenyang Tiexi factory ranked second, Berlin's factory ranked first, and the US South Carolina factory ranked third. Therefore,



importing BMW is not necessarily better than domestic production. (Xiao Sanzhen, Zhou Guoliang. 2006)

The BMW Group is a globally advanced automaker. Parts procurement is bound to be global, and BMW-Brilliance Automotive (BBA) is no exception.

Imported parts for BBA are generally sourced from German logistics packaging factories, but the source is not only limited to Germany, but also from the Czech Republic, Poland, China and other places. For a BMW plant, the production parts will come from all over the world. For a BMW parts supplier, their products will be supplied to many BMW factories around the world.

The local suppliers of BBA are also within the global procurement framework of the BMW Group, and the standards and requirements are unanimous. Many local suppliers are wholly-owned by BMW Group's global suppliers in China, especially important components (sorting parts, etc.) such as De Cosmere, ZF, Faurecia, Lear, and Bentler. It is itself a global Tier 1 supplier to BMW, and many of its secondary suppliers and source materials are also controlled by the BMW Group's procurement strategy. (Xiao Sanzhen, Zhou Guoliang. 2006)

To put it simply, imported parts are used in the same factories around the world. Local suppliers are also under a unified global standard, and the quality is controllable. There are certain differences in the comparison of Germany, but it does not mean poor quality.

BMW Brilliance has two major factories in Dadong and Tiexi in China, and both factories have four complete processes for stamping, welding, painting and final assembly. At the same time, in the core engine, BMW Brilliance Engine Factory is BMW's first whole process in the world (including casting, machining, final assembly, and the cylinder head and crankshaft are processed in the factory), and the engine produced here is also Will be sold back to Germany. The domestic and foreign engine assembly technology is the same. It is a temperature difference assembly. Simply put, the nitrogen is cooled and contracted, and then heated back to normal temperature. The gearbox is imported and installed directly. (Xiao Sanzhen, Zhou Guoliang. 2006)

The engine is assembled in the engine factory of BBA. It is the engine production area outside BMW Europe. The cylinder head is imported from Germany, the crankshaft is

processed in the factory, and the camshaft is purchased domestically. All precision machining and testing equipment are among the highest standards in the group. At present, the N55 engine is imported from the whole machine. It is not domestically able to do it, but because the amount of walking is too small.

The axles and gearboxes are currently supplied by ZF, and the localization rate of the parts is not expected to be high. The BBA Tiexi plant has ZF's assembly workshop. This form of construction with BMW is also the same in other parts of the world. Existence, future axle suppliers may also have Bentler. (Xiao Sanzhen, Zhou Guoliang. 2006)

Some people say that the chassis of the engine transmission is imported after being assembled abroad, which is not in line with the current situation. As for the transfer of core technology, it does not involve production links and will not be discussed here. Part of the design of the N20 engine is not from the BMW Group, but belongs to a specialized engine design company in Europe.

BBA's Shenyang Tiexi Plant is arguably one of BMW's most advanced plants in the world, with advanced concepts, new equipment models and high automation. The production of stamping parts basically does not require manual operation, the molds are all imported, and the processing precision is very high; the production units of the welding process are basically all industrial robots, which are all flexible robotic arms; the painting workshop is also high in automation. All raw materials are imported, and the environmental protection standards are extremely high. The detection and judgment have professional instruments and indicators, which are unusual from the hard conditions of production. (Xiao Sanzhen, Zhou Guoliang. 2006)

The premise of quality control is the standard and meeting the national product standards is the basic requirement. The BMW Group has standards, and the internal standards are applicable to factories around the world. BBA is no exception. No matter which country's factory, it always emphasizes "BMW manufacturing". In terms of specific judgments, due to BMW's selling price and market positioning, compared with the economic models of other manufacturers, it leaves more room for quality costs, and the factory inspection is even slightly higher than the German factory. Big performance problems must not be there. The attention on the production line for gaps, gaps, and abnormal sounds is not worse than Germany. (Xiao Sanzhen, Zhou Guoliang. 2006)

Although the reliability of imported BMW and domestic BMW is different, but strictly speaking, the difference is not big. As for the 3 series, according to statistics, three to five years of vehicle failure, 329 imported, 340 domestically produced. From these data, the difference between the two is not big. In fact, the biggest difference between BMW Brilliance and imported BMW is the length and the wheelbase. The domestically produced is obviously longer than the imported one. (Ling Jianwei, 2016.)

There is a difference between BMW produced in China and BMW produced in Germany. The most intuitive is the long wheelbase with Chinese characteristics. The same platform, the same 3 series, Li is China's unique BMW Brilliance. Although the design is also from Germany, due to the difference between the design long axis and the standard axis, some parts are unique to China. The difference between this part is mainly reflected in the distance behind the B-pillar and the trunk. The dimensions of the axle, interior, rear door and accessories are also changed, which will directly affect the vehicle handling and ride. Chinese car owners have their own aesthetics. The market is so big, and Germany must also cater to Chinese customers. (Xiao Sanzhen, Zhou Guoliang. 2006)

Domestic BMW's imported parts ratio is still not low, and friends familiar with automobile production know that there will be continuous component changes and optimization within the life cycle of a car. The imported parts used by BMW Brilliance are derived from the German design department. Considering the implementation process and the import transportation cycle, objectively speaking, many optimization changes will be executed later than the German factory, and this will result in a certain point in time. Regarding specific changes, domestic BMW will have some lag. (Ling Jianwei, 2016.)

After all, the R&D designers in Germany are not all-powerful gods. They cannot fully understand China's environment and working conditions. In some cases, the same production standards for the same parts and components will occur, but only in China, the resulting problems will be after-sales. After the feedback, BMW had to make separate optimization and problem-solving measures for the situation in China. When the problem of Chinese characteristics occurs, this will give the customer the impression that "domestic is not as good as imports". Once this problem is properly solved, it has turned into a potential comparative advantage for domestic BMW. At present, the new models in the BBA preparation, air-conditioning filter will increase the activated carbon coating

to deal with the PM2.5 problem, China proprietary. (Xiao Sanzhen, Zhou Guoliang. 2006)

## 7.5 Successful practice for BMW

### 7.5.1 A Targeted Marketing Campaign

In 2017, BMW continued to carry out many online and offline innovative marketing activities in the fields of music, culture and sports, so that more customers can feel the unforgettable experience brought by BMW. ([http://www.sohu.com/a/161980588\\_430289](http://www.sohu.com/a/161980588_430289) 08.08.2018)

In the past, people's perception of the brand mainly through the specific "products", and then through the "experience", and in the final stage, the brand and the customer will form an "emotional relationship." A successful brand is like a friend, sincere, inclusive and friendly. BMW is not only a "product brand", but also an "experience brand" and an "emotional relationship brand". This is the success of BMW's comprehensive high-quality development in 2017. In 2017, BMW continued to carry out many online and offline innovative marketing activities in the fields of music, culture and sports, so that more customers can feel the unforgettable experience brought by BMW. (Han Tao, 2016.)

#### 1. BMW M Festival, phenomenon-level fan economic marketing

The BMW M family released a video in May to showcase the essence of the BMW M family brand with Bruce Lee's water philosophy, and the video has sparked a major discussion. This opened the prelude to the marketing of BMW M Festival activities and launched a wave of online fan-level coverage of the phenomenon.

BMW uses Weibo as the main battlefield for marketing, and the topic of customization is a long-lost violation of Bruce Lee. The first philosophical concept of Bruce Lee's "Water" is used to develop a video, to build a communication matrix on Weibo, and to promote the widespread spread of M-video throughout the network.

Focus on the "BMW-Sports Car" and "Li Xiaolong-Kung Fu" to cover the crowd circle in real time, capture the crowds involved in the pre-interaction, and accurately reach the target users through the product video to achieve accurate transmission throughout the

whole process, and promote the medium number. The video harvested up to 1885 10,000 times in a short period of time. (Wu Renna, 2017.)

Subsequently, following the video of Bruce Lee's water, BMW has created a dedicated M creative short video with the theme of “stable”, “quasi” and “ruthless” to spread the core performance of the product and deepen the spirit of BMW M.

As the BMW Group's annual event for global M fans, the "BMW M Festival" has been held for seven consecutive years at the Nürburgring in Germany, attracting tens of thousands of M fans from around the world every year.

## 2. The new BMW 5 Series new car is listed on the social precision marketing

In 2017, the new BMW 5 Series was launched, with the launch of a new car launching event. BMW and Sina, based on the strong social attributes of the Weibo platform, carried out a layer of precision penetration for the new BMW 5 Series listing, creating a “performance art” in the marketing industry. ". Based on the established old car owners and accurately pointed to the radiation circle layer, the old and new, to circle the layer of infection, to create the BMW 5 Series "our time" communication scene and establish emotional resonance with the goal. ( Zhao Shuang, 2017.)

### The first step: building resonance

Based on Sina's 90 million car users, the new BMW 5 Series pan-level audience will be built, and user tags will be tapped to lock 16 representative car owners of the BMW 5 Series, which will spread to the circle and infect the circle. Through the boot header, the product is widely exposed and accurately touched.

### The second step: Preliminary cognition

The aggregated four resources directly hit the new BMW 5 Series new car on the market, and the live broadcast conference. Gain insight into the user's browsing habits, interests and target the target circle to make accurate touches.

### The third step: an in-depth interpretation

Based on the accurate crowd search, the BMW 5 Series is targeted to the target audience plus the second-level interactive audience, and the use of accurate advertising means that the BMW 5 Series products are well-received.

Integrated boot header plus product efficiency plus live broadcast promotion, so that the BMW 5 Series models highlight the precision penetration, micro blogging live broadcast volume reached 770,000.

### 3. The new BMW Shanghai Experience Center was unveiled

On March 25th, 2017, the new BMW Shanghai Experience Center was unveiled, becoming the most open, participatory and interactive car brand experience center in China. It is the latest example of BMW's "customer-oriented" brand strategy and continues to lead the car for BMW. The industry is fully innovative to set a new paradigm.

The design of the new BMW Shanghai Experience Center is based on the BMW Group's "Next 100 Years" concept, linking tradition and the future. The total area of the experience center has increased to 45,000 square meters. The 24,000 square meters BMW driving center can provide more than 10 professional driving trainings, and the number of open product experience models has increased to 50. Open, participatory, interactive, and in-depth experience, BMW's brand marketing features are concentrated here. (KRISHNANGIRISH, 2016.)

### 4. 2017 BMW X tour innovation upgrade, open the second decade

The launch of the 2017 BMW X Tour was launched in the form of an innovative car cinema, mobilizing the air live broadcast room and convening 100 BMW X family models to gather at the Chongli Tai Dance Ski Resort to witness the second decade of the BMW X Tour. Open. Through a review of the glorious history of the past ten years, the conference highlights the spirit of innovation and exploration of the BMW X Tour in the past ten years. From the beginning of the new decade, the BMW and BMW X journeys are in line with the spirit of the times and are committed to leading healthy living and modern luxury. (Han Tao, 2016.)

After a decade of legendary journey, BMW re-innovated, combined with the form of running, and launched the 2017 BMW X tour with the famous American relay event

Hood to Coast and the “2017 BMW Mountain to Seaman Relay”. 2017 New The newly-launched X tour has a theme of “Every mile is extraordinary” and is committed to providing customers with a more authentic, innovative and unforgettable experience.

As of 2017, in the 11 years, the BMW X tour has traveled to more than 150 cities across four continents, including Asia, Europe, Australia and Africa. It has attracted 390,000 registered people with a total mileage of more than 40,000 kilometers.

Marathon promotes a spirit of initiative and green health, a fun-filled lifestyle around the world, BMW sponsors the Berlin Marathon and Tokyo Marathon in the six Grand Slam tournaments; in China, the first collaboration with the Shanghai Marathon in 2013, BMW It has sponsored four Chinese top marathons such as Shanghai Marathon and Xiamen Marathon for many years. In addition, among the 10 running groups participating in this Shanghai International Marathon, 6 running groups were directly sponsored by BMW to further expand the depth and intensity of the marathon promotion activities. (Han Tao, 2016.)

Through the long-term promotion of global marathon events, BMW continues to improve and deepen the brand connotation with a healthy lifestyle as the core and pass this emotional bond to consumers around the world. (Han Tao, 2016.)

##### 5. MINI Urban Matters "The most charming city" brand exhibition

On October 28th, 2017, the BMW Group's MINI brand was unveiled at the Shanghai Xintiandi Taipinghu Park for the “MINI City's Most Charming” brand exhibition. The exhibition lasted until November 7. This is the first time that MINI has demonstrated the brand's innovation in all dimensions in China. It has declared a new brand strategy in the field of building, fashion and design that has an important impact on urban life.

The MINI LIVING project launched in 2016 is dedicated to transforming the core concept of the brand – creative space utilization into a new urban life solution. This exhibition is the first time that the innovative concept of MINI shared space (MINI LIVING) has appeared in China. China is the fastest growing market in the world, and this design concept will also be the first to become a reality here. MINI LIVING is opening a new development space for the MINI brand. (Wu Renna, 2017.)

Sina 2018 comment: The above-mentioned BMW 5 Series new car marketing is a good example of precision circle marketing. The Weibo platform can be said to be a social interaction platform based on the relationship of people and interests. BMW can gain insight into the interests of car owners through microblogging big data. Points and concerns to accurately find potential car owners, intelligent distribution to these people, and delivery of new car listing information can be said to be twice the result with half the effort. BMW Bruce Lee video communication case let us see the impact of short video plus social platform combination marketing. At present, more and more users are attracted by the rich short video content on Weibo. BMW will use Weibo interactive platform as the main position of brand short video communication, which can quickly detonate hotspots and continue to ferment and spread, thus forming a hot public opinion. (Liu Lin, 2015.)

AutoKol 2018 Comments: BMW has always been the car brand in the forefront of marketing, whether it is the BMW X tour that has formed a strong brand effect in terms of public influence for 11 consecutive years, or the BMW M Festival that reached its climax for the first time in China, or It is a marathon sponsorship project that has been popularized by many media groups, and even the most fascinating brand exhibition of MINI City on the Taiping Lake. Even if it is a regular new car, Product test drive, road show display, BMW can make it extraordinary and creative. It can be said that many different types of public relations and communication activities held by the BMW brand have become the benchmark and vane of the entire automotive industry. (Liu Lin, 2015.)

### 7.5.2 A Precise Segmentation for Targeting Customers

BMW's superior power performance and brand image are BMW's main advantages. BMW's brand positioning is from the beginning of driving the best car to the later driving pleasure. The BMW Group follows a high-end brand strategy. As a high-end product supplier appeared in the market. To this end, BMW has introduced a custom model with its own style, which is to sell a certain type of car to a certain category of people. The launch of every new BMW and range of BMWs demonstrates BMW's leadership as a true innovator in the automotive industry. To meet the different requirements of different countries and regions, BMW adopts a centralized unified brand strategy. This strategy is "brand globalization." At the same time, BMW has further promoted the strategy of "marketing localization". These strategies are all aimed at serving those tar-



get groups, who come from different countries but have the same or similar requirements. (Joe Shuang, 2017.)

### 7.5.3 A Competitive Positions

1. The core content of advertising is the spread of BMW quality.

BMW not only closely adheres to the core values of the brand in advertising. At the same time, BMW has also achieved the goal of promoting new products at low cost through brand extension. This initiative creatively spreads the essence of the brand.

Many cities have opened BMW fashion stores because BMW not only symbolizes extraordinary car technology and craftsmanship, but also means a “smooth, elegant, stylish, laid-back and relaxed” lifestyle. Cars and clothing are the vehicles that embody BMW's core values. BMW hopes to showcase BMW's superior quality and perfect details through the clothing of BMW Lifestyle Store and cultivate talents to become potential consumers of BMW. (Shi Bingbing, 2016.)

2. Public relations activities with sports marketing as the carrier.

One of the main drawbacks of advertising is that it does not have direct contact with the target customer, and public relations activities can achieve this. The BMW International Gold Cup was the largest amateur golf tournament in the world at the time. The purpose of the event is to promote communication between BMW and the target market. The purpose of the BMW Appreciation Tour is to showcase the basic features of BMW at the Advanced Exhibition Centre. showing BMW's innovation, beauty, and its elegance.

Conclusion: BMW has a global marketing strategy

- Product: an efficient and dynamic product.
- Price: based on a differentiated strategy.
- Promotion: different slogans and advertisements
- Place & Distribution: venture company

## 7.6 Suggestion for BMW in China

### 1. increase brand marketing efforts

Create public recognition "because it is a BMW." BMW should strengthen its brand marketing strategy. First, people must pay attention to the common improvement of hardware and software. Because of the superb, advanced brand image coupled with good performance and quality, it will increase consumers' willingness to purchase. In the end, the goal of increasing sales is achieved. (Lin Zuocheng, 2016.)

Second, the significance of the brand is to let customers feel the added value brought by the brand. So, in BMW's marketing process, increasing added value has become a top priority. The performance of BMW in the Chinese consumer group should be upgraded to the extent that it can support each other. This requires BMW to focus more on promoting personal consumption. In domestic marketing, the concept of family should be emphasized. Because the car is the equivalent of enjoying comfort and convenience with the family, the luxury car is defined as an extension of the family to show that the car is a mobile home. The focus is on creating a sense of family. (Fuyu Wu. 2013.)

### 2. Improve integrated advertising marketing

Advertising marketing includes branding, communication, public relations planning and so on. Although BMW has done a good job in all aspects, it still lacks overall integration. This kind of integration is not a model, but changes by adapting to different market situations and different market stages, and showing the main line, periodization, centralized release time, extensive advertising, and orderly core media.

In the advertising strategy, the communication plan is carefully planned and planned; the concept of the publicity and the clarity of the staged subjects are systematically injected into the target consumer group in an orderly manner.

### 3. Strengthen integrity to create

The main feature of the Chinese market is that there have been more changes in the choice of brands. At the same time, brand loyalty is lower than other countries and regions. Faced with this problem, the key to consumer orientation is the integrity of the

brand itself. The creation of honest service is also the focus of marketing strategy. (Pan Fulin Ji Lin Zhang Chunying. 2013.)

In this regard, BMW should further improve security issues. At the same time, BMW can also provide courses for the public to learn about after-sales services. Effective ways to improve integrity are regular free parts replacement and car repair activities.

#### 4. The development of art marketing strategy

BMW's art-related marketing strategy will be the overall trend in the future. This kind of development can not only establish the elegance of the brand, but also the new cooperation can increase the attention of the society and trigger new hot spots. BMW can make full use of its brand image and some elegant cultural and artistic projects to become long-term partners. The goal of this kind of marketing is to face high-level people. The win-win mechanism of strong cooperation has greatly promoted BMW's marketing. (Pan Fulin Ji Lin Zhang Chunying. 2013.)

For nearly half a century, the BMW Group has launched and participated in more than 100 cultural and artistic cooperation projects around the world, focusing on modern and contemporary art, classical music and jazz, as well as architecture and design. The BMW Group gives the artist full creative freedom and strong support in the long-term and sustainable cooperation with the artist. The cultural and artistic cooperation project represented by "BMW Art Car" provides innovative inspiration for the artist's creation, and promotes cross-cultural communication and dialogue, and the corporate image of the BMW Group is continuously strengthened.

## 8 CONCLUSION

According to the purpose of this paper, First of all, most Chinese car purchase behavior is based on the analysis of consumer groups, and the impact of culture and face consumption. Today, cars are luxury goods and consumer goods for the Chinese. Even if they are popular models in the market, they will have certain preferential strengths as the market competes. But some cars are even harder to find if they are a fare increase. This is China's current consumption behavior, even if it is a loan to buy a car, more and more people buy luxury cars. This is also influenced by culture. The consumption of face in culture is a very prominent part. If there is a problem in the concept of consumption, it will affect the judgment of cultural reality and affect the choice of cultural policy, thus affecting the production and development of culture. Therefore, it is necessary to clean up the various cultural concepts that have been formed over the years to better promote correct cultural construction and promote correct and positive consumer behavior. For the impact of culture on organizational marketing behavior, we can draw conclusions from BMW's design.

Today, with the development of commodity economy and increasing market competition, more and more enterprises are turning their targets to the international market and conducting transnational operations. Cross-cultural marketing strategies play an important role in the process of transnational operations. Therefore, formulating the correct cross-cultural marketing strategy and fully understanding the cultural characteristics of consumers is the basis for enterprises to win in international competition. (Fons Trompenaar. Peter Woolliams. 2008.)

Then, this requires companies to combine their own advantages and characteristics based on the analysis of the target market culture and customs. At the same time, choose the appropriate product positioning and the price. These are distribution and promotion methods suitable for the company. It can be concluded that developing cross-cultural marketing strategy is consistent with the company. In the end, it aims to establish a corporate image and enhance the competitiveness of the company.

Through the analysis of BMW's cross-cultural marketing strategy in China, this paper finds that BMW has many places worth learning and learning from other companies in the process of transnational operation. First, when entering a foreign market, enterprises

must fully understand the cultural customs of the target market, understand the needs of the consumer groups through detailed market research, and then position their products. They should also continue to develop products that consumers love and improve the quality to enhance the competitiveness of enterprises. At the same time, companies should set different prices for different target groups according to different target markets, and then choose different price strategies to compete with other companies according to different sub-products and specifications.

In the international market, because each target market is different, companies should conduct effective channel management while setting a reasonable distribution model. Develop subtle channels to maintain the advantages of market segments. At the same time, it meets the different needs of consumers and opens unique and effective channels for products. Regarding advertising, enterprises can make their own advertising forms of this product more diversified. Enterprises can also adopt various promotional means and choose appropriate public relations marketing channels, which help to obtain the support of the target market government and social recognition.

However, cross-cultural marketing also has some problems need to pay attention to. Cross-cultural marketing is based on the premise that consumers have different cultural preferences. Single standardized marketing has been difficult to adapt to the needs of consumers in the target market and needs to meet the needs of the target market with appropriate products, prices accepted by the target market consumer groups, convenient channels, convenient communication and promotion.

Secondly, cross-cultural marketing focuses on the characteristics of consumer culture and psychology. Cross-cultural marketing strategies require companies to comply with the cultural customs of the target market when conducting transnational operations, thereby causing emotional resonance and recognition of products in the target market consumer groups. Finally, marketing activities should be avoided to violate local cultural traditions. Cultural adaptation requires that enterprises should fully consider the needs of consumers in the target market when making marketing decisions, consider the cultural customs of the target market, and avoid the cultural activities of the target market.

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## 宝马汽车消费者行为分析调查问卷 BMW Consumer Behavior Analysis Questionnaire

希望您能抽出几分钟时间，提供您的感受和建议。每位受访者的宝贵意见都将起到重要的作用。十分期待您的参与。现在我们就马上开始吧！

We hope you would like to take a few minutes to provide your feelings and suggestions. The valuable opinions from you will play an important role. We are looking forward to your participation. Now let's get started!

### 1.您的性别 (Gender) \*

女 (Female)

男 (Male)

### 2.您的月收入 (Your monthly income) \*

3000 以下 (Under 380euro)

3000 ~ 5000 (From 380 to 630 euro)

5000 ~ 10000 (From 630 to 1250 euro)

10000 以上 (More than 1250euro)

### 3.您的年龄 (Age) \*

20 ~ 30 (From 20 to 30)

31 ~ 40 (From 31 to 40)

41 ~ 50 (From 41 to 50)

51 以上 (More than 50)

## 4.购车预算（万）（Car purchase budget (million)）\*

- 10万以下（Less than 0.1 million RMB）
- 20万—30万（0.2~0.3 million RMB）
- 30万—50万（0.3 ~0.5 million RMB）
- 50万—100万（0.5~1 million RMB）
- 100万以上（More than 1 million RMB）

## 5.你喜欢什么类型的车 (What type of car do you like) [多选题]\*

- 豪华轿车 (Luxury car)
- 紧凑型轿车 (Compact car)
- 中型轿车 (Medium car)
- 紧凑型SUV (Compact SUV)
- 中型 SUV (Medium SUV)
- 中大型SUV (Medium-sized SUV)
- 跑车 (Sports car)

## 6.您的购车用途 (Your car use)\*

- 家用 (Household)
- 商用 (Commercial)
- 收藏 (Collection)
- 越野 (Off-road)
- 其他 (Other)

7.假如您要买车，您最重视它的 (If you want to buy a car, you will pay more attention to) \*

- 品牌 (brand)
- 价格 (price)
- 耗油量 (Fuel consumption)
- 安全性 (safety)

8.如果您想要购买汽车您会选哪个品牌 (If you want to buy a car, which brand will you choose?) [多选题] \*

- 宝马 (BMW)
- 丰田 (Toyota)
- 奔驰 (Mercedes-Benz)
- 奥迪 (Audi)
- 其他(Other) \_\_\_\_\_

9.您喜欢汽车的什么颜色 (What color do you like for cars?) [多选题] \*

- 红 色 (red)
- 黑色
- (black) 白色
- (white) 银
- 色 (Silver)
- 蓝色 (blue)
- 其 他 (Other)\_\_\_\_\_

10.您买车在乎外型还是内设 (When you buy a car, you care about appearance or interior) \*

- 外型 (Appearance)
- 内设 (Internal
- design)  两者都有

11.影响您购买汽车的主要原因 (The main reason that affects your purchase of a car) \*

- 经济收入 (Income)
- 汽车价格 (Car prices)
- 使用环境 (Used environment)
- 国家政策 (Policy)

12.对您购买汽车影响最大的是 (The biggest impact on your purchase of a car is) [多选题] \*

- 亲戚朋友(Relatives)
- 广告宣传 (Advertising)
- 经销商介绍 (Dealer introduction)
- 媒体、网友评价 (Media, netizen evaluation) 其他 (Other)\_\_\_

13.您所喜欢的汽车内饰 (Your favorite car interior) [多选题] \*

- 全景天窗 (Panoramic skylight)
- 座椅按摩 (Seat massage)
- 香氛系统 (Fragrance system)
- 后排冷藏冰箱 (Rear refrigerator)
- 氛围灯 (Ambient Light)
- 其他 (Other)\_\_\_\_\_

14.您更倾向于哪种专属定制 (Which kind of exclusive customization do you prefer) [多选题] \*



- 大灯清洗 (Headlight cleaning)
- 全景天窗 (Panoramic skylight)
- 后侧遮阳帘 (Rear sunshade)
- 车门自动吸合功能 (Automatic door closing function)
- 环绕音响系统 (Surround sound system)
- 电动尾门 (Electric tailgate)
- 其他 (Other)\_\_\_\_\_

15.您最需要销售商提供哪方面服务 (Which services do you need most from vendors) [多选题] \*

- 代办手续 (Agent procedures)
- 保养维修 (Maintenance)
- 汽车救援 (Car rescue)
- 售前服务 (pre-sale service)
- 其他 (Other)\_\_\_\_\_

16.您是从哪里知道宝马汽车的 (How did you know about BMW?) \*

- 网上 (Online)
- 电视(TV)
- 报纸(newspaper)
- 朋友介绍(Friends)
- 其他 (Other)\_\_\_\_\_

17.您认为宝马车的质量和价格是否匹配 (Do you think the quality and price of the BMW is matching) \*

- 匹配 (Yes)
- 不匹配 (No)

18.你最想拥有的宝马车型 (which BMW car you most want to own) \*

例如 (e.g) : 宝马的车系有1、2、3、4、5、6、7、i、M、X、Z等几个系列。

19.你对宝马的这个品牌的印象是 (Your impression of BMW is) \*

2018/9/25

宝马汽车消费者行为分析调查问卷 BMW Consumer Behavior Analysis Questionnaire - 腾讯问

18.你最想拥有的宝马车型 (which BMW car you most want to own)

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