

TOPIC : CASE ANALYSIS: CULTURE CLASH BMW

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Introduction and Research Focus

The article investigates how global brands like BMW can successfully manage their branding across different cultural contexts, using Australia and Germany as case studies. The focus is on understanding how brand perception, consumer preferences, and competitive dynamics differ between these two countries, and how BMW can adapt its branding strategies accordingly.

Theoretical Framework

The study is grounded in the belief that successful global branding strategies must meet three criteria:

- Coherence with Brand Heritage: The brand must stay true to its core identity and values, ensuring consistency across markets.
- Resonance with Consumer Demands: The brand's offerings must align with local consumer preferences and needs, which may vary significantly across cultures.
- Differentiation from Competitors: The brand must establish a unique position in each market, distinguishing itself from both local and global competitors.

Research Methodology

- Data Collection: The study collected data via an online survey targeted at BMW owners in Australia and Germany. Respondents were recruited through BMW driver clubs, business contacts, and mail-outs.
- Sample: The study analyzed responses from 41 Australian and 52 German BMW owners, focusing on their perceptions of BMW's core brand values, their purchasing criteria, and their views on BMW's competitors.

Hypotheses

The study formulated several hypotheses to test the differences in brand perception, consumer preferences, and competitive landscapes between the two countries:

- H1a & H1b: The perception and acceptance of BMW's core brand values (dynamic, cultured, and challenging) are hypothesized to differ between Australia and Germany.
- H2: The associations linked to BMW's core values are expected to differ between the two countries.

- H3 & H4: The purchasing criteria and core trade-off criteria (factors that lead consumers to choose BMW over competitors) are hypothesized to vary between Australian and German consumers.

- H5: The alternative brands considered by BMW owners are expected to differ between the two countries.

Findings

- Brand Perception (H1a & H1b):

- The core values of BMW—dynamic, cultured, and challenging—are perceived similarly in both countries, with "dynamic" being the most strongly associated value. However, the nuances of these values differ slightly. For instance, in Australia, "dynamic" is followed by "cultured" and then "challenging," whereas in Germany, "challenging" takes precedence over "cultured."

- Core Value Associations (H2):

- The study found significant differences in the associations linked to BMW's core values:

- In Germany, "dynamic" is associated with symbolic items like "uniqueness of the car" and "exclusive ambience," reflecting a more design and identity-focused interpretation.

- In Australia, "dynamic" is associated with performance metrics like "sporty driving capabilities" and "high-speed performance," indicating a preference for tangible performance attributes.

- For "cultured," Germans associate it with functional attributes like "superior finish" and "crash ratings," while Australians link it more with symbolic attributes like "elegant styling" and "exclusive ambience."

- "Challenging" is perceived similarly in both countries, with a slight tendency in Germany to associate it more with "uniqueness of the car."

- Purchasing Criteria and Trade-Offs (H3 & H4):

- Germany:

- German BMW buyers prioritize rational and functional criteria such as "reliability," "crash ratings," and "made to last." This reflects a more pragmatic approach to vehicle purchasing.

- The top purchase criteria in Germany are "reliability" (4.735), "crash ratings" (4.618), and "superior finish" (4.529).

- Australia:

- Australian BMW buyers place a higher value on sensory and symbolic attributes, such as "sporty driving capabilities," "elegant styling," and "swiftness of the engine."

- The top purchase criteria in Australia are "reliability" (4.643), "made to last" (4.536), and "superior finish" (4.536).

- Trade-Offs:

- In Australia, "sporty driving" is the most significant factor influencing the decision to purchase a BMW, aligning with the core value "dynamic."

- In Germany, no single factor stands out as the decisive factor. Instead, a combination of factors like "value for money," "elegant styling," and "superior finish" influences the decision, reflecting a more balanced and rational decision-making process.

- Competitor Landscape (H5):

- Germany:

- BMW's main competitors are Audi (39%) and Mercedes (33%).
- The market is more consolidated, with few strong competitors.

- Australia:

- The competitive landscape is more diverse, with Audi (20%), Subaru (14%), and a significant proportion (42%) considering "other brands" like Toyota, Honda, and Holden.

- Subaru, in particular, is a strong competitor due to its reputation for high-performance engines and all-wheel-drive vehicles, which resonate with the Australian market's preference for rugged, performance-oriented vehicles.

Strategic Implications

For BMW

- Germany:

- Focus on reinforcing rational attributes like reliability and quality while maintaining the "dynamic" brand essence to differentiate from Audi and Mercedes.

- Australia:

- Leverage the "dynamic" core value by emphasizing performance-related features. Additionally, broaden appeal by highlighting attributes like superior finish and elegant styling to differentiate from local competitors like Subaru.

- General Lessons:

- Cultural Adaptation: The study highlights the importance of adapting brand strategies to local cultural contexts. While maintaining a coherent global brand identity, companies like BMW must tailor their messaging and product offerings to resonate with local consumer preferences.

- Competitor Analysis: Understanding the competitive landscape in each market is crucial. What works in one country may not be effective in another, as seen with BMW's different competitor sets in Germany and Australia.

Conclusions and Recommendations

- Brand Consistency vs. Local Customization: The study demonstrates that while BMW's core values have universal appeal, their interpretation and the importance of associated attributes can vary significantly across markets. This suggests that global brands should adopt a flexible approach, allowing for local customization within a consistent global framework.

- Further Research: The study acknowledges limitations, such as the focus on only two countries and a single brand. Future research could expand to other markets and brands, providing a broader understanding of how global brands can effectively manage cross-cultural differences.

