



# BMW DEALER NETWORK IN CHINA

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**BMW BRILLIANCE AUTOMOTIVE**

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**BMW**  
**GROUP**



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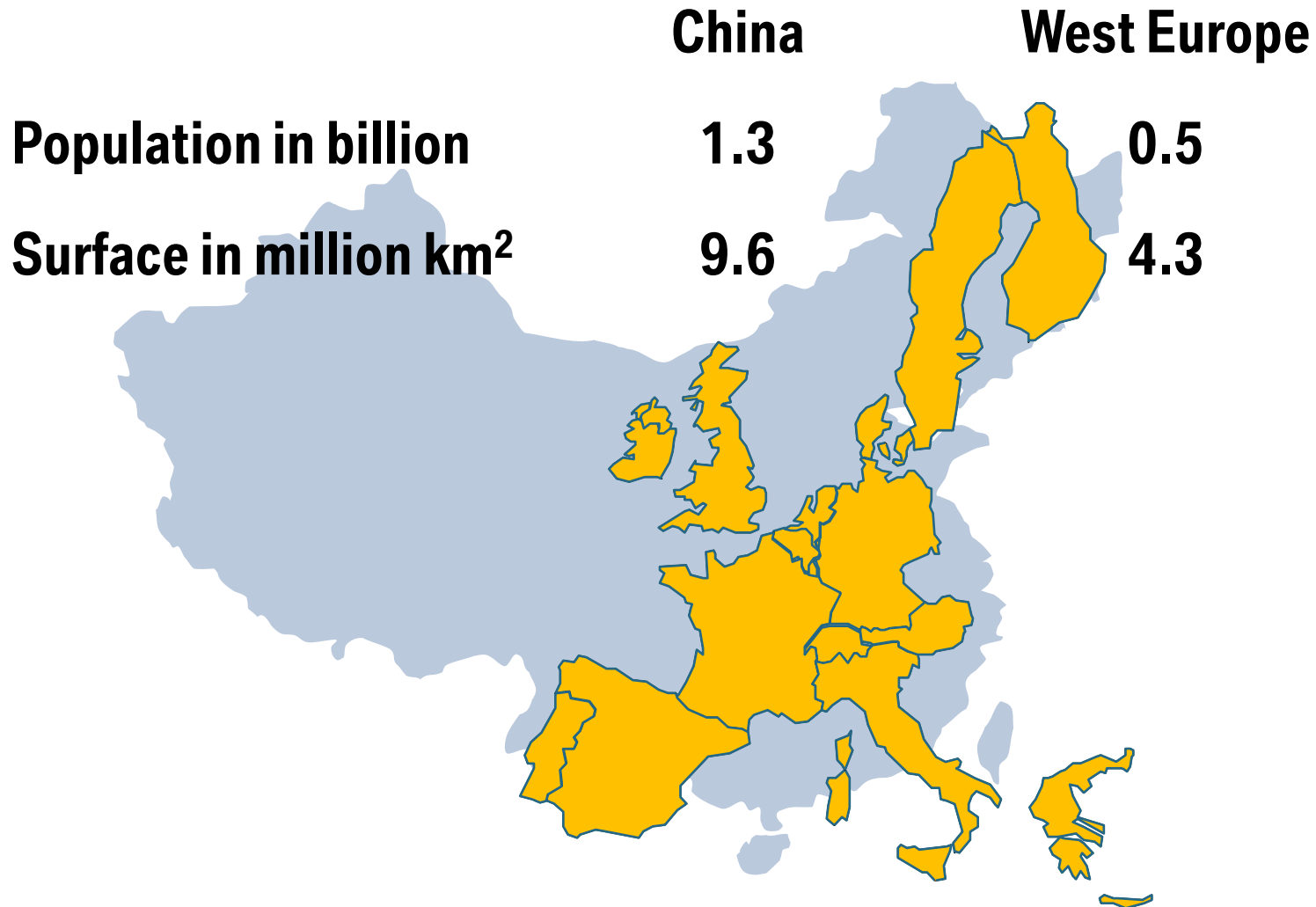
**Leading in city coverage**

**Best quality dealer network**

**Sustainable development**

**New business growth engine**

# MAINLAND CHINA IN COMPARISON TO WESTERN EUROPE: MORE THAN TWICE THE POPULATION AND LAND AREA.



# ECONOMIC DEVELOPMENT HAS BEEN SUPPORTED BY GROWING URBANIZATION IN CHINA.

## China urbanization forecast by 2025



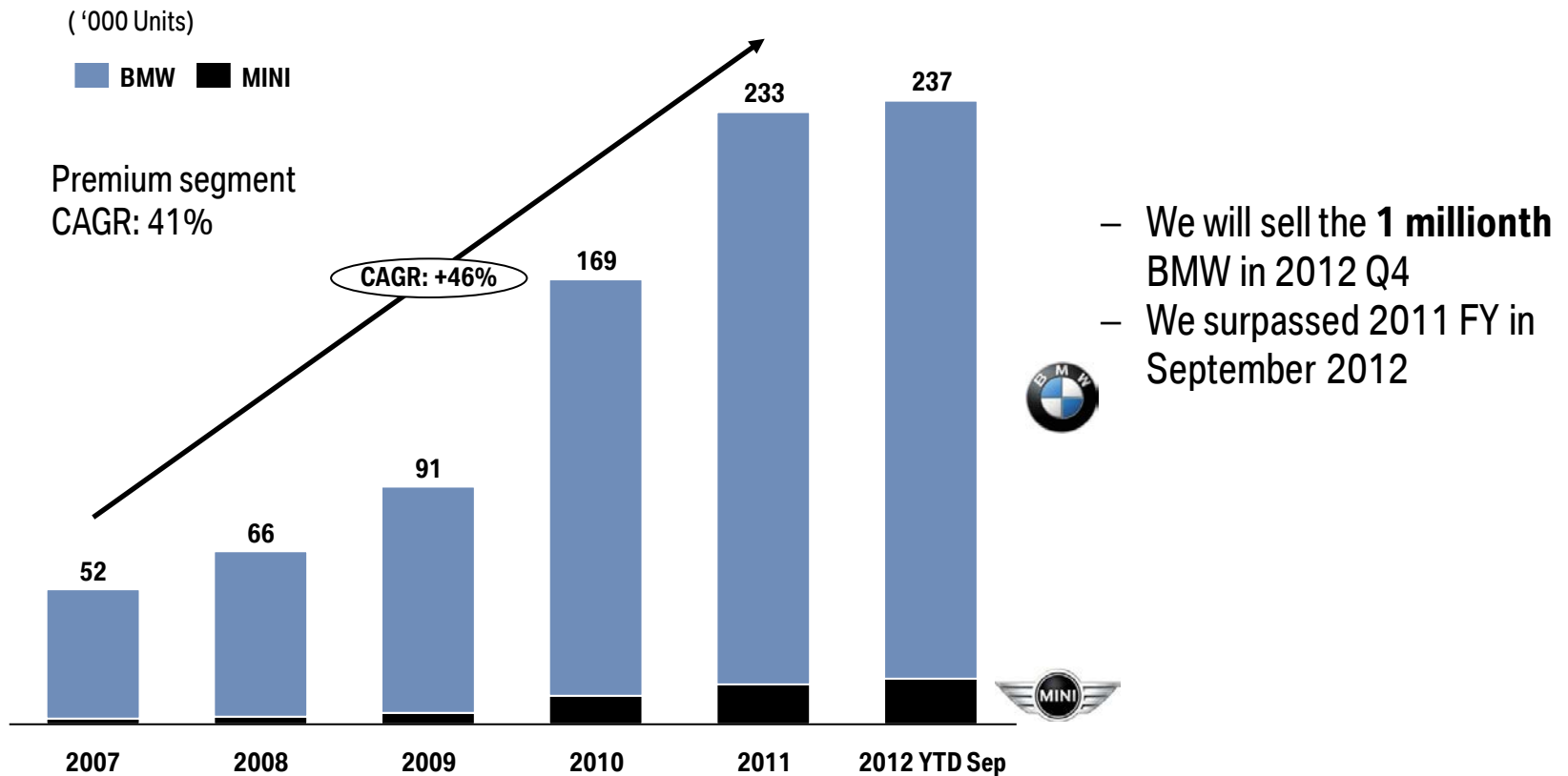
Source: McKinsey Urbanization Report

**350 million** people will be added to China's urban population **by 2025.**

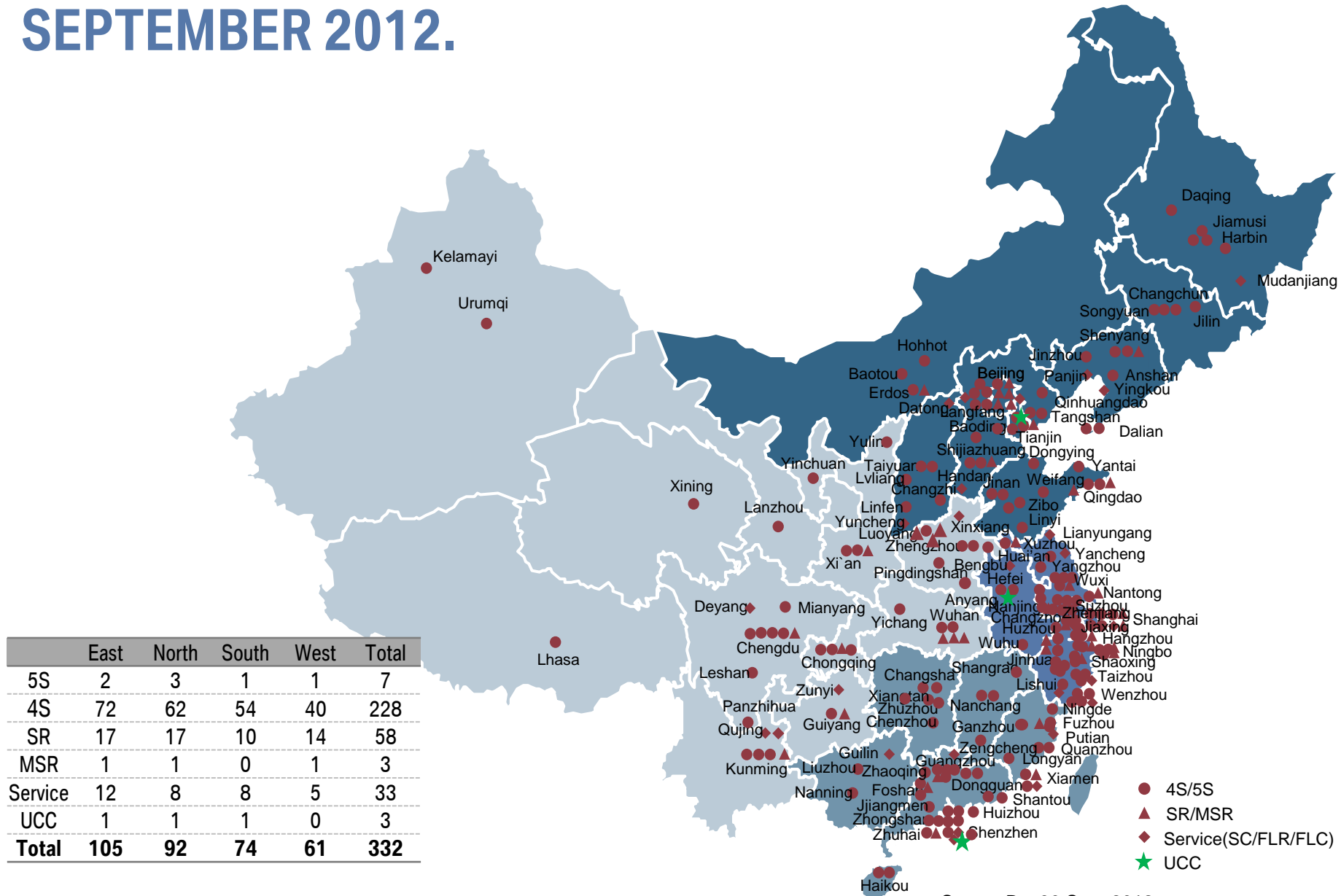
(more than the population of the United States today)

# BMW AND MINI ARE OUTPERFORMING THE PREMIUM SEGMENT'S GROWTH.

## BMW Group Sales Development (2007-2012)



# 332 BMW DEALER OUTLETS ARE IN OPERATION BY SEPTEMBER 2012.

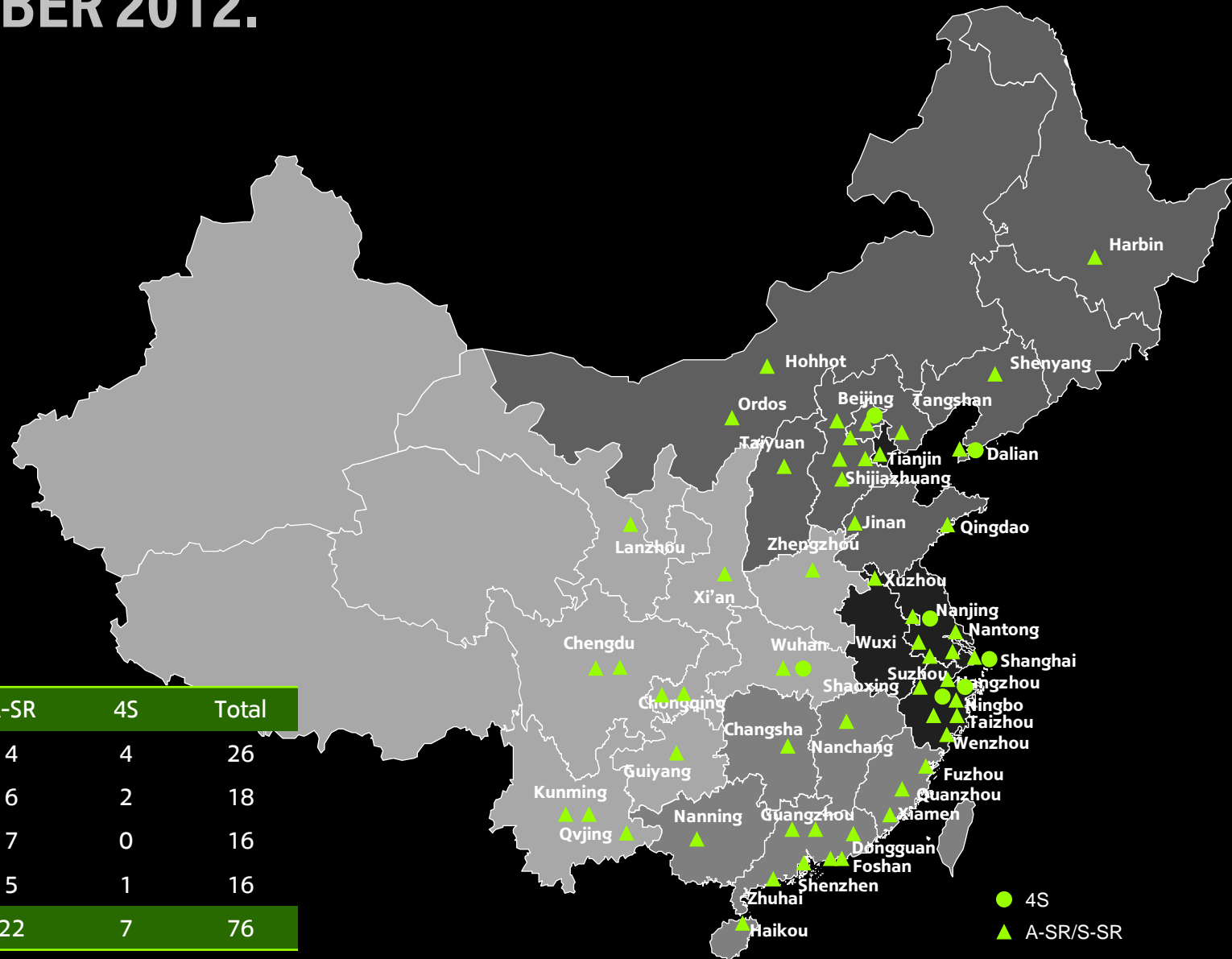


	East	North	South	West	Total
5S	2	3	1	1	7
4S	72	62	54	40	228
SR	17	17	10	14	58
MSR	1	1	0	1	3
Service	12	8	8	5	33
UCC	1	1	1	0	3
<b>Total</b>	<b>105</b>	<b>92</b>	<b>74</b>	<b>61</b>	<b>332</b>

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

Status: By 30 Sep. 2012

# 76 MINI DEALER OUTLETS ARE IN OPERATION BY SEPTEMBER 2012.



	S-SR	A-SR	4S	Total
East	18	4	4	26
North	10	6	2	18
South	9	7	0	16
West	10	5	1	16
<b>Total</b>	<b>47</b>	<b>22</b>	<b>7</b>	<b>76</b>

● 4S  
▲ A-SR/S-R

Status: By 30 SEP. 2012  
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# STRICT SELECTION CRITERIA ENSURES BMW PREMIUM SERVICES WITH DIVERSIFIED INVESTORS.

- Synergy Capability
- Training Resource
- People Development



- Government Relationship
- Local Market Advantage
- Land Resources

## Dealer Selection Criteria



1. Good experience in automotive industry
2. A mature management team
3. Know-how in the local market
4. Good/Excellent land resource
5. Healthy financial capability and willingness for investment
6. High commitment to the brand



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# WE KEEP INVESTING IN MORE TRAINING FACILITIES AROUND CHINA.

## Training Center

Shanghai (2009)

Beijing (2005)

## Training Base

Nanjing – ME (2005) & BP (2011)

Chengdu – ME(2007)

Shenyang – ME(2008)

Guangzhou – ME(2009)

Wuxi –ME (2012)

Fujian – ME(2012)

Wuhan – ME(2012)

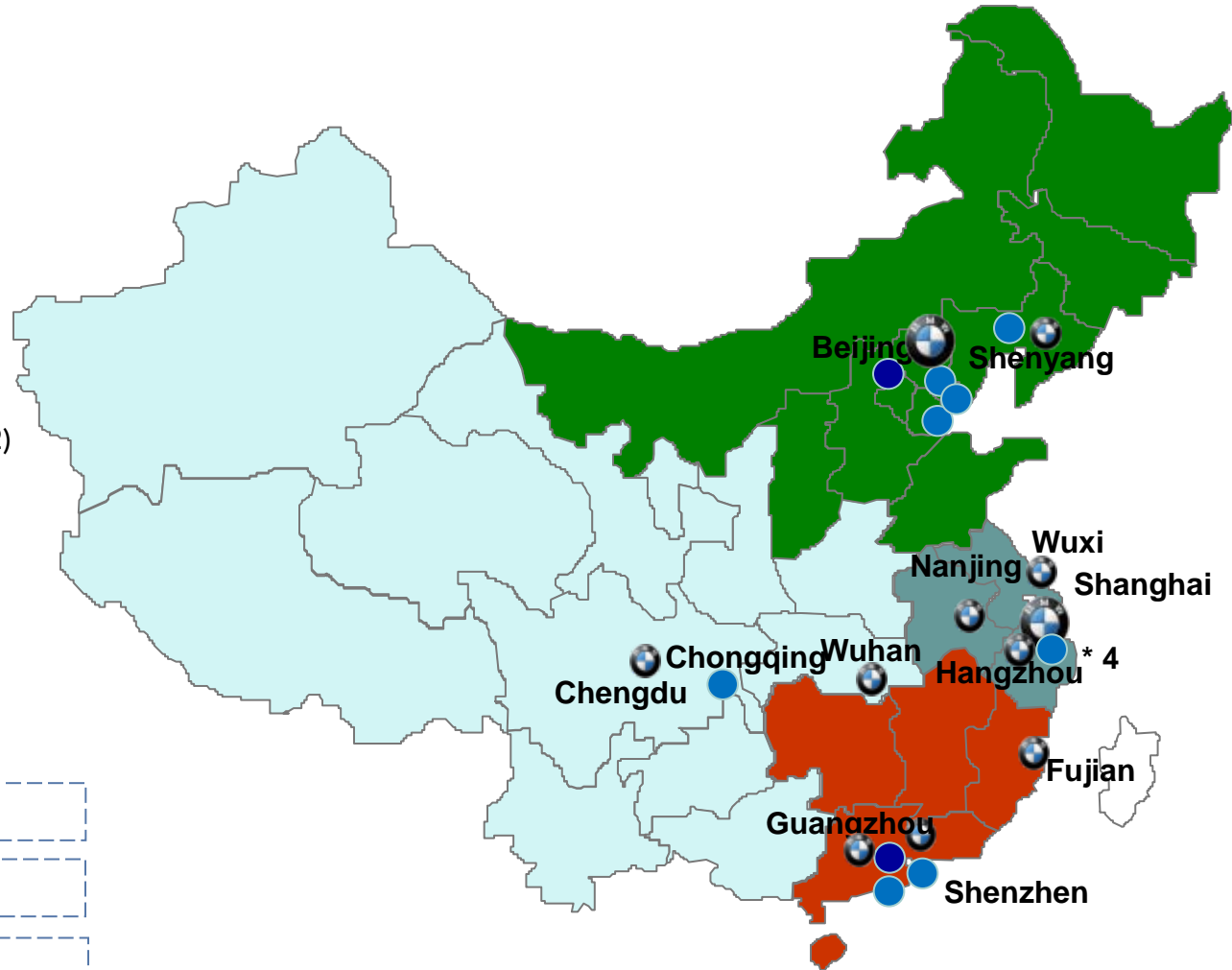
Hangzhou – ME(2012)

Guangzhou – ME (2012)& BP(2012)

## Tem. Training Site:

BJ Lizeqiao: (2010)

Shenzhen Sungang (2011)



• Training Center: 2



• Training Base : 9



• Temp. Training Site: 2



• Body and Paint Site: 11

# BEYOND BEST CLASS TRAINING, WE PROVIDE FULL SCOPE HR SERVICES TO DEALER STAFF.

- Annual Dealer Remuneration Survey
- HR Director Summit
- Dealer Staff Motivation Analysis



Retention

Selection

- Dealer Apprentice Program
- Assessment Center
- Recruitment Tools
- Recruitment Training



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Retail  
Qualification



- Dealer Management & Leadership training
  - New Investor Orientation
  - General Manager Camp
  - Leadership Development Programs

People  
Management

Development

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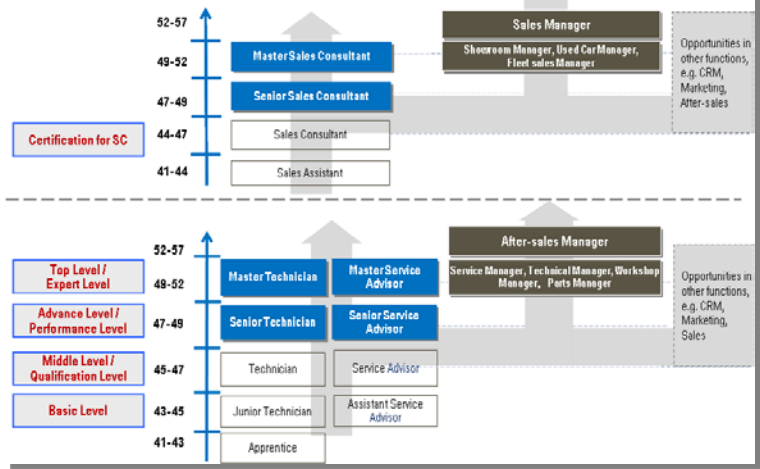
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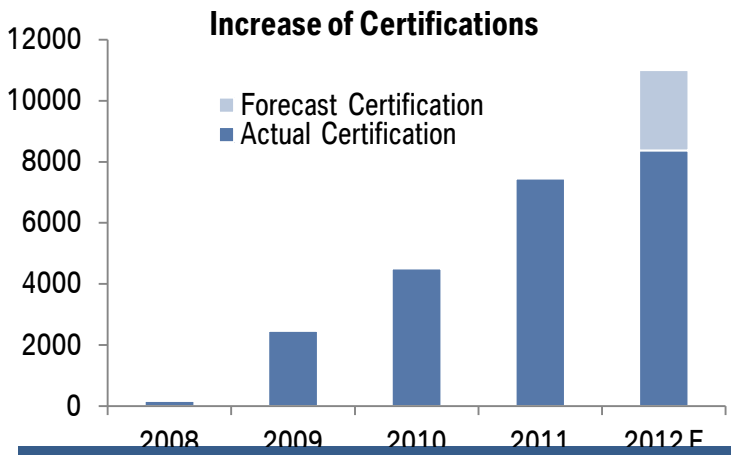
- New Dealer Package
- Certification Program
  - Sales consultant
  - Aftersales
  - Technician
  - Body&Paint
- Product Launch Training

# STICK TO PREMIUM SERVICE COMMITMENT, WE CONTINUOUSLY IMPROVE STAFF QUALIFICATION AND RETENTION.

## Grading System



## Staff Certification



## 15-Year Loyal Service Award



## Car purchase program for performing staff



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# 5S DEALERSHIP IS BMW CHINA'S PRACTICE FOR SUSTAINABILITY STRATEGY IN DEALER NETWORK.



# 5S FURTHER EXTENDS THE SUSTAINABILITY CONCEPT WHICH COVERS THE WHOLE VALUE CHAIN.



# HOW IS 5S DEALERSHIP CHARACTERIZED IN TERMS OF SUSTAINABILITY?



## 5S Dealership

### Economic



Sustainable  
Mobility



Sustainable  
Training



Customer  
Orientation

### Environment



Sustainable  
Design



Recycling &  
Waste  
Management



Sustainable  
Service  
Operation

### Social



Attractive  
Employer



CSR on  
Dealer  
Level



Customer  
Involvement



# FOCUSING NOT ONLY ON HARDWARE, 5S DIFFERENTIATES FROM OTHER OUTLETS BY THE EFFORTS IN CUSTOMER INVOLVEMENT, HEALTH & SAFETY AND EMPLOYEE CARE.



Waterborne paint



Paint Shop Ventilation



Car Wash Water Recycling



Wind turbines



Health & Safety training



Social Contribution – BMW  
JoyHome



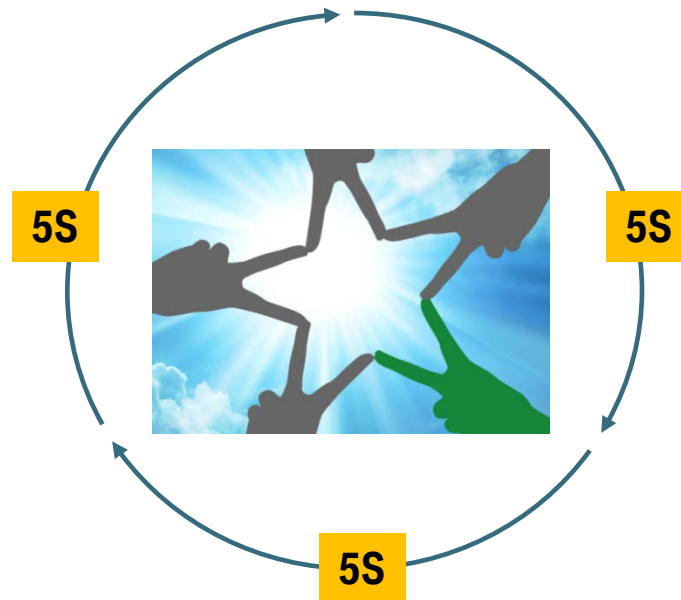
Waste & Recycle training

# MULTI-WIN GIVEN THE GROWING AWARENESS OF SOCIAL AND ECOLOGICAL ASPECTS IN THE MARKET.

## Joint Efforts & Joint Joy

### Customer Benefit

- Enhanced customer's retail experience
- Good citizenship demonstration
- Platform for the lifestyle of environment conservation



### Dealer Benefit

- Higher customer & staff satisfaction
- Enhanced process/ resource efficiency
- Better link to local community
- Platform for BMW marketing & events

### BMW Benefit

- Contributing to BMW Group Sustainability Strategy in value chain
- Supporting to BMW's brand image
- Competitive differentiation

# 5S CONCEPT WON POSITIVE FEEDBACK FROM THE MEDIA.



“ The introduction of the 5S leads BMW dealers into a new era. ”



“ The 5S concept, developed in China, may be rolled out globally. China is also becoming an important source of BMW’s global brand strategy. ”

# MEANWHILE, VARIOUS PROJECTS ARE IN THE PIPELINE AIMED TO FURTHER ENHANCE BRAND IMAGE AND NETWORK QUALITY.

## Objective:

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

### Multi Channel Retail

Experience Center



Brand Store




Experience Center




### Premium Retail Experience


New Furniture



New Roles



New Tools



### Retail Enabling

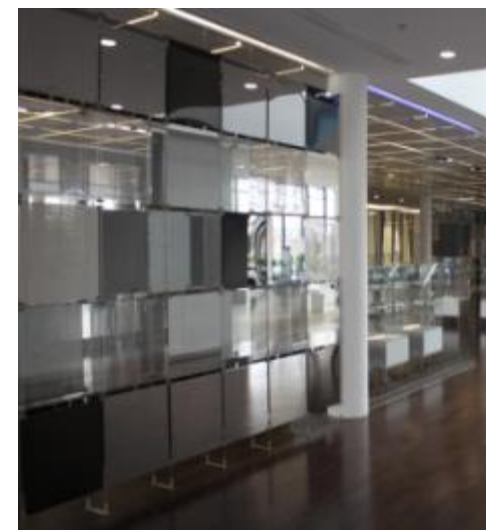
Employer Branding



Dynamic Product Experience



# SAMPLES: 4S UPGRADE



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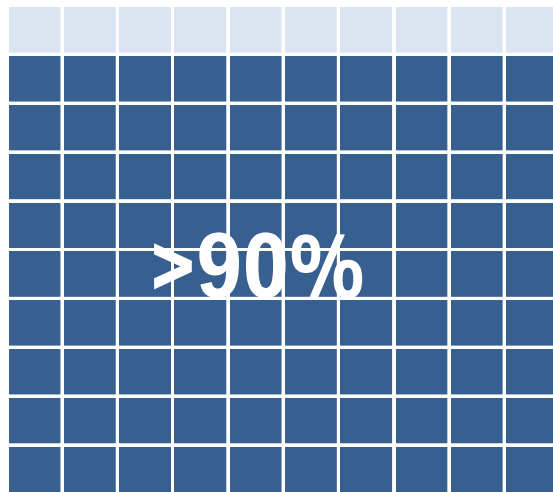
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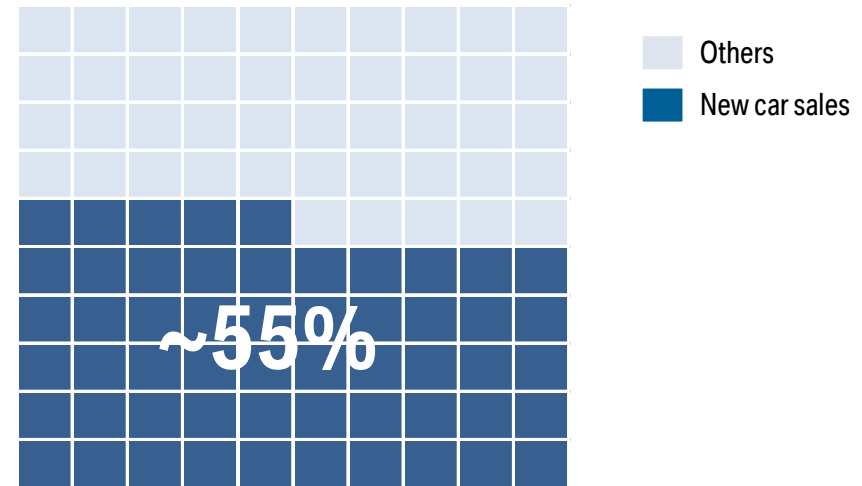
# COMPARED TO MATURE AUTO MARKET, CHINA STILL OFFERS OPPORTUNITIES BEYOND NEW CAR SALES.

China Market Average New Car Sales %



Source: Deloitte Research (2012 China automobile dealer risk research report)

US Market Average New Car Sales %

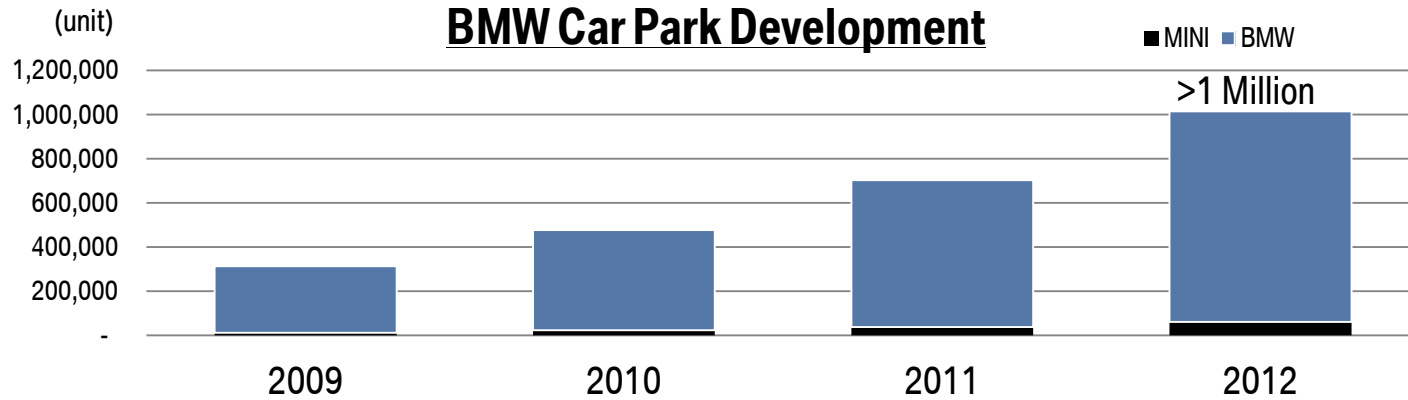


Source: USA NADA (National Automobile Dealers Association) industry analysis



- Over 90% revenue contribution comes from new car sales only in China, much higher than the number in mature market.
- A more balanced business model is expected driven by used car sales and aftersales, which are also becoming two major profit centers now.

# ALONG WITH CAR PARK INCREASE, AFTERSALES SEE HUGE POTENTIAL FOR SUSTAINABLE GROWTH.



## ‘Maintaining Joy’ & brand commitment ‘Efficiency’ ‘Transparency’ and ‘Care’



### 2012 Aftersales Brand Campaign

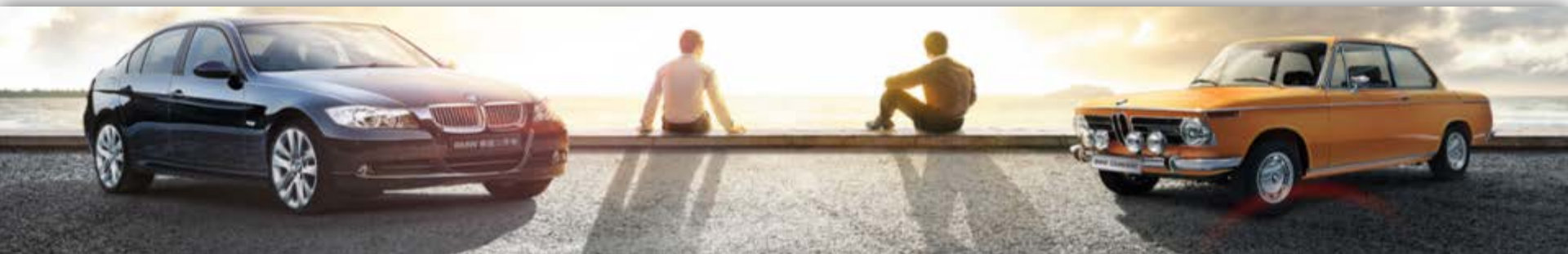
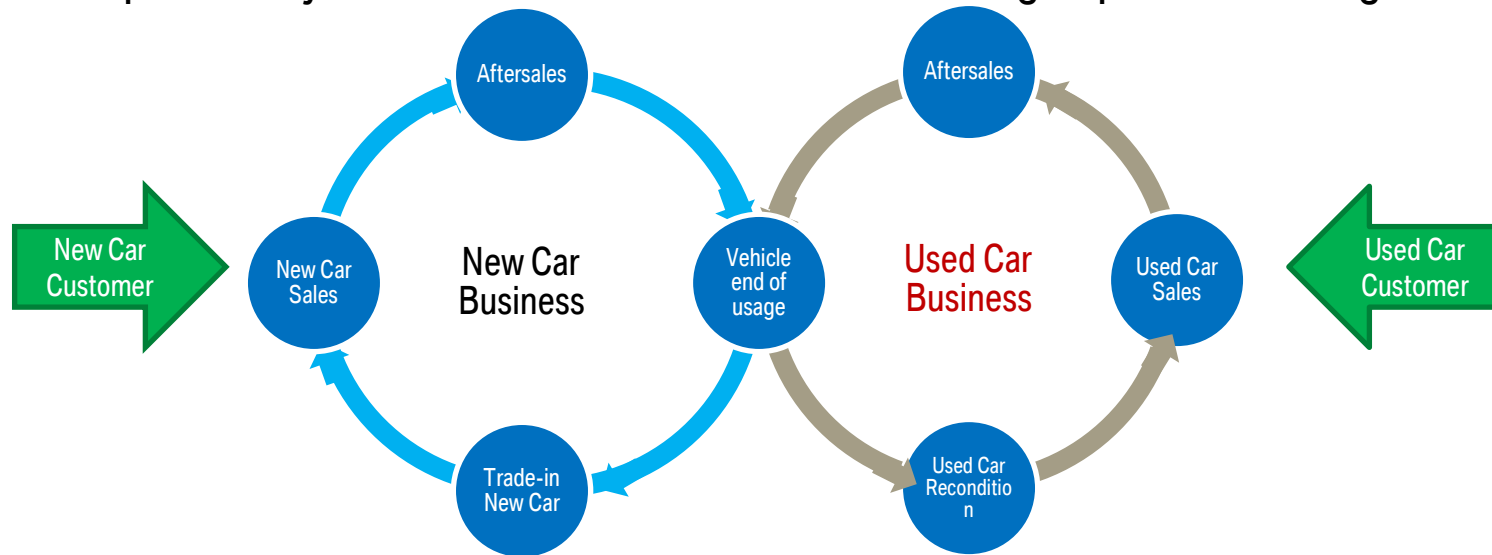
- Focus on communication on “Care” with Accident Hotline.
- Accident Parts is over 40% of BMW Aftersales parts business.
- BMW is the 1<sup>st</sup> mover on this service in Automotive companies.





# USED CAR BUSINESS CONTRIBUTES TO BMW FUTURE GROWTH AND PROFITABILITY ENHANCEMENT AS ANOTHER GRWOTH ENGINE.

- Improve market values and used car image for BMW and MINI.
- Support conquest of new customers for BMW and MINI.
- Increase profitability of the used car business both for BMW group and dealer organization.



# THANK YOU FOR YOUR ATTENTION!

