Understanding Target Market

BMW Company

BMW is a company based in Germany, and it was established in 1916 to make military aircraft. Later it switched to building automobiles dealing with multiple brands BMW, Rover, Rolls-Royce, and Mini. BMW acquired these additional brands beginning as early as 1994 until the present time. The company is still outstanding on the sale of high-class cars. The company promotes a culture of top performance and teamwork, which makes it be highly ranked. The company has set up two main goals: one of them is to remain profitable, and secondly, it’s to raise the long-term value of BMW. The company has focused on making it collaborations stable between its three brands. Also, it employs employees who can enhance the spirit of teamwork and ready to take risks. It is also planning on how they can make universal engines that can be used by different car models. (Kasi, 2010)

Regarding customer analysis, the target group of its products is the young audience. Different car models have different clients. The BMW targets people of 20-65 years of age, MINI targets people aged 25-45 years finally Rolls Royce targets individuals who are 40 years and above. Regarding gender, these automobiles target both male and females.  These cars are associated with people who have a high income that is professionals and executives. By geographic, these cars are sold both locally and internationally and mostly in the urban areas. (Dudovskiy, 2016)

**SWOT Analysis**

This company has various strengths. One of them is that its cars are classic, comfortable and less fuel consumption. The cars are additionally safe because of the technology involved; this makes them more durable. They are also environmentally friendly. Out of this, they have a strong reputation that makes them be known all over the world. This particular company has successfully maintained its corporate social responsibility, and also it has a high recognition in China; this attracts them more customers, which help them achieve their targeted sales.

On the other end, the companies still have some weaknesses. One of them is that their cars are very costly which may imply that the customers may be few. It has a high-cost structure that in a way may make the brand name to be weaker in some market segments. Brand portfolio diversification is also a weakness to the company. The company also has some opportunities including, plans for expansion, increase the price of fuel.

Despite the BMW Company performing at its best, it still faces stiff competition from other companies that make classic cars, for example, Mercedes-Benz, Acura, and Lexus among others. This acts as a threat to BMW Company, but hard work and dedication are enough to ensure that it out does the competition. The decrease in prices of fuel, the rise in the price of raw materials and rise in euro exchange rate all pose a threat to the company.

**PEST Analysis**

The external environment also has a great impact on the business. For example, the legal-political environment, which entails the rules and regulations of the country, determines the operation of the company. On the automobile industries, the government is stringent especially on issues related to the environment, foreign policy and also taxes. The BMW Company for this case made a decision to make pollution badges compulsory. Economic environment determines the purchasing power of the customers. In some financial situations, the customers may be in a position to buy the cars and in some cases, they may not be able. When the purchasing power of potential customers declines, the rate of exchange goes down. (Bhasin, 2016 )

On the technological environment, the company has employed a high level of technology, which makes them remain among one of the best automobile company in the world. Apart from that, it is still carrying out research to ensure that it has the most recent technology. (Kasi, 2010)

**Conclusion**

BMW Group is competitive, and leader in many ways and they are looking to better not only their design but what they offer customers and the mobility industry; by showing innovative direction, investment and an edge of technology not only in the build of the vehicle but also in what is offered to their customers. BMW is not afraid to diverse sophisticated and will always focus on delivering the best customer service and use this as a driver to success. In conclusion, it is clear that BMW Company is a leading company in the automobile industry. Being a company dealing with high-class cars, most of the consumers are those that value comfort and luxury, which attracts a lot of young audiences. BMW is faced with various weaknesses and threats, but it is doing its best to prevent being overtaken and the strengths which motivate BMW to keep pressing on. The external environment also plays a role in the company operation, but the company is trying to cope adequately with this environment. Mostly it has focused on implementing a high level of technology.**References**

Bhasin, H. (2016 ). Marketing strategy of BMW. *Strategic Marketing Articles*, 30-36.

Dudovskiy, J. (2016). *BMW Segmentation, Targeting, and Positioning.* Research Methodology.

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