

ABOUT BMW

With its BMW, MINI and Rolls-Royce brands, the BMW Group is the world's leading premium producer of cars and motorcycles. The international group operates 28 production and assembly plants in 13 countries and maintains a global sales network with representatives in more than 140 countries.

In 2013, the BMW Group sold about 1.963 million cars and 115,215 motorcycles around the world. In financial year 2012, its earnings before taxes totaled about € 7.82 billion while revenues reached € 6.85 billion. On December 31, 2012, the company's global workforce totaled 105,876 people.

From the company's very beginning, long-range thinking and responsible business practices have been the linchpins of the BMW Group's commercial success. The company has firmly integrated environmental and social sustainability along its entire value chain, comprehensive product responsibility and a clear commitment to the conservation of resources into its strategy.

ABOUT HELMUT MEYSENBURG

Helmut Meysenburg earned a degree in engineering at the University of Karlsruhe. Meysenburg, who is married and has a son, began his career in 1995 at the Boston Consulting Group in Munich. He joined the BMW Group in 1999. Since then, he has held a number of different positions in marketing, sales and corporate planning. Today, he serves as the department head of product and brand strategy and oversees brand strategy, market research and market and competition forecasting.

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THE INTERVIEWER

The interview was conducted by
Professor Andrea Gröppel-Klein in December 2013.

Success with pleasure

*MIR interview with Helmut Meysenburg, Head of Brand Strategies,
Market Research, Competition at BMW Group*



“Sheer driving pleasure” is the essence of the BMW brand. For this reason, we have an ideal candidate for our real-world interview in this MIR issue about emotions in marketing. Mr. Meysenburg takes us behind the scenes of the world brand from Bavaria, the success of which makes one think that the promised thrill behind the wheel is definitely not a product of chance ...

MIR: *Mr. Meysenburg, BMW's advertising slogan is “sheer driving pleasure”. This is astonishing language to use in a slogan. After all, one would think that, for such technical products as cars, hard facts like horsepower, acceleration and gas mileage would be the key elements of the sales pitch. Why did BMW choose to use this emotional hook for its communications?*

HELMUT MEYSENBURG: Pleasure is a key component of the BMW brand. Sheer driving pleasure, sheer joy about the car and sheer delight about mobility. At BMW, technology is not an end in itself. Rather, it is the means that empowers people to do something primal: to move, to proceed forward, to enjoy the feel of speed, but also to travel safely and comfortably. Of

course, emotions are not just triggered by the dynamics. They are also set off by the design of the exterior and interior, the innovations and, finally, the quality.

MIR: *How do you try to keep this emotional promise?*

HELMUT MEYSENBURG: We believe this emotional promise embodies all of those things that we want to ultimately provide the customer. In these terms, I am not just referring to the vehicle and its driving performance. I am also including services and customer assistance. As far as cars go, design is right at the top of the priority list. The emotionalizing potential of the exterior design is very important.



MIR: *What exactly sets off this feeling of pleasure?*

HELMUT MEYSENBERG: As I just said, it all starts with the design. From there, it is a matter of the vehicle's entire concept, the driving experience itself, the quality and craftsmanship in the interior and the integrity of the entire package – and we are really determined to ensure that the driver and front-seat passenger experience is something more than the ride itself. For instance, with the aid of Connected Drive, people have access to certain online services and information. We are the first premium automaker to integrate a Head-Up Display into the vehicle that projects information onto the windshield. This is something people have seen in the cockpits of jet planes. As a result, driving not only becomes safer, but you also feel more connected to the vehicle. This is a source of pleasure, too. The most critical factor for us is that the entire package creates a harmonious whole and appeals to our customers.

MIR: *When a car is being developed, is the emotional impact of individual elements consciously considered in the design work? For instance, do you ask consumers to comment on interior elements or colors?*

HELMUT MEYSENBERG: We conduct a range of studies and customer clinics to get feedback about new concepts, including the design, of course, as well as about innovations like information services and infotainment. We take a few extra steps in other areas, including communications and measure people's state of excitement, the things they feel and perceive ...

MIR: *May I interrupt you for a moment? Do you measure electrodermal reactions or biofeedback reactions?*

HELMUT MEYSENBERG: We have measured electrodermal response for some communications tools. We have also tested neuromarketing topics to determine which areas of the brain were activated when films or images were viewed and what emotions this triggered. But we think this is still rather fundamental research. That said, we are keeping our eye on the work being conducted in this area. Specifically, we test our brand communications in our "Communication Monitor". Here, we measure both the impact of communications on perception of the brand and the style, something that you might call the hands-on execution of the communications.

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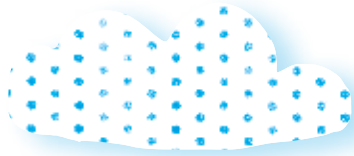
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MIR: *How do you go about obtaining this feedback? What do you do exactly?*

HELMUT MEYSENBERG: We ask the subjects to judge what they like and don't like and, in the end, what fits the brand.

MIR: *Do you use something like "emotions management", something that extends beyond the design of individual vehicle elements?*

HELMUT MEYSENBERG: Let me give you two examples. The first is: our BMW World in Munich. We not only display products here, but also give people an opportunity to experience all brands of the BMW Group – BMW, the sub-brands BMW M and BMW i, MINI, Rolls-Royce Motor Cars and BMW Motorcycles – in a unique setting. In addition, new vehicles are delivered to our customers here. Picking up a new car is an emotional moment for anybody. At the BMW World, we turn it into an unforgettable experience. The second example: In the United States, short films were shot in 2002, including one by Guy Ritchie with Madonna. The series was called "The Hire", and people could watch them online. It was really successful and emotional, and it created quite a buzz. We showed short films in which a BMW played the leading role more or less. This was something new, and we even threw in very well-known actors

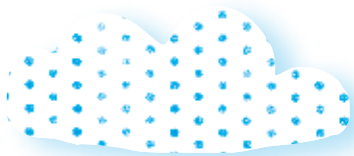


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and directors. This was emotions management in its purest form. I was working in the United States at the time, and we received online comments like: "My next car will be a BMW, so help me God."

MIR: *In this issue, we have an article that explores the topic of "passion brands". One example cited in the story is the legendary Wörthersee get-together of the Golf GTI community. Do BMW customers have something like this? And what approach do you take to dealing with brand communities or passionate BMW fans?*

HELMUT MEYENBURG: We have a lot of fan clubs that organize events. These include clubs in which drivers of a certain vehicle type will get together. We really are happy when such fan communities contact us and ask to do things like visit a plant or tour the BMW World.

MIR: *This sounds more like passive support. Do you play an active role in such communities or do you provide support to them?*

HELMUT MEYENBURG: We have our own BMW Classic department that works with such clubs and handles practical jobs as well, things like tracking down replacement parts that are no longer available in retail. It maintains relationships with the owners of older BMW models. We also organize our own racing events and outings. The legendary BMW Motorcycle Days are held in Garmisch-Partenkirchen each year. For several years now, very successful tours have been made by BMW 3 Series drivers in China. These rides have also been held in Europe. A lot is done in this area because we encourage the emotional attachment to the brand and driving.

MIR: *How do you actually define your target group? When doing communications tests, do you for instance draw a distinction between new-car and used-car buyers?*

HELMUT MEYENBURG: The more important factor for us is whether an individual knows a premium brand, is considering one or has already bought one.

MIR: *If I am correctly informed, the average age of the new-car customers of many premium brands is around 55. Do you conduct studies to determine whether the slogan "sheer driving pleasure" has the same impact on various age groups?*

HELMUT MEYENBURG: Pleasure does not come down to a matter of age. When we introduced our BMW 1 Series, we used the slogan "joy is ageless". It expresses just that fact.

MIR: *And does this apply to both men and women? ... The question suggests itself.*

HELMUT MEYENBURG: I would assume that the difference in this regard would not be too big.

MIR: *Now that we are talking about women and men, we come across a comparison that is frequently made: Relationships with brands can take on marriage-like qualities: People fall in love with them, learn to respect them – despite a flaw or two, people get frustrated with them, forgive them and remain true to them forever or get a divorce. What do you think of such analogies?*

HELMUT MEYENBURG: Such analogies certainly are used: You love your brand and excuse its imperfections. On the other hand, other customers are simply looking for a change. They want to try something different and then come back again.

MIR: Does that mean that loyalty is not so important to you?

HELMUT MEYSENBURG: Yes, it is. This desire to try something new is both a curse and a blessing because we can also profit from it to the same degree. Every customer is important to us, and we want to have the right vehicle for every customer.

MIR: And what do you have to offer to the customers looking for a long-term relationship?

HELMUT MEYSENBURG: The dealer plays a key role here. We focus on how we can better understand the relationship between the customer and the brand and determine what really drives loyalty.

MIR: When talking about emotions, we cannot forget about one of your products in particular: the MINI. It has been said that people's affection for this car is inbred because it reminds them somewhat of a baby schema. Do you measure this emotional impact?

HELMUT MEYSENBURG: Let's stick with the analogy of a relationship. One study we conducted found that nearly half of the surveyed customers had given their MINI a name – the MINI had really been personalized. And it was not just a character. It had even become a member of the family. We are talking about a very emotional attachment here.

MIR: Let's move away from the individual brands and talk about BMW's corporate culture. If you watch a new commercial about the new electric car, spontaneously think the ad is just great and really get a thrill out of viewing it, can you just wave it through? Or do you still subject the ad that you think is so tremendous to a whole battery of pretests?

HELMUT MEYSENBURG: As a market researcher, I must be disciplined: If something excites me – that's fine. But am I really the person who is supposed to get excited when watching the ad? Our own emotions are important. In such decision-making processes, however, another customer-focused evaluation criterion is added through market research.

MIR: Do you then see yourself as an "emotions controller"?

HELMUT MEYSENBURG: That doesn't have a positive ring to it. No, as a market researcher, I am actually the individual who tries to introduce customer-relevant factors into decisions.

This would be something more like a "neutralizer" in terms of: The fish has to like the bait.

MIR: But we also have gut feelings. In such situations, your reason will tell you to select concept A. But your gut will say concept B. How do you react in such situations?

HELMUT MEYSENBURG: It really depends on what is at issue. Sometimes, it is important to listen to those gut feelings. Other times, you have to try to turn off your gut. When a variety of gut feelings from experienced and enthusiastic employees get together in one room, it is the job of market researchers to provide neutral facts. At the end of day, it is the customers' opinion that counts.

MIR: You just said that your decision makers are all very enthusiastic. But if the media are to be believed, many executives are burned out and the stress they face is not only positive, but also negative. Is this also the case in your company and what does BMW do to prevent employees from getting burned-out?

HELMUT MEYSENBURG: We take this issue seriously because employees are our most important form of capital. We need the smartest people, the best employees and the best working conditions. And we pay careful attention to prevent ourselves from becoming burned-out, despite all of our enthusiasm, and to maintain each individual's ability to perform.

MIR: This sounds very promising for the future. I wish you much success, sheer driving AND working pleasure with your team. I also would like to thank you for your very detailed and interesting answers!

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