

The New Model for Modern Luxury



The link between BMW and luxury has always existed, but the changing definition of modern luxury, and its influence on customer dynamics, is causing many

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businesses like BMW to get traction on the issue and rethink their approach to driving customer loyalty. The new luxury model is largely defined by the emotional experience that a product provides. Modern luxury consumers want to be inspired, not just about owning the product itself, but by what the product means to them and how it makes them *feel*.

The New Model for Modern Luxury requires BMW dealerships to focus additional attention on creating environments where trustworthy, constructive relationships can develop and evolve with the full spectrum of BMW customers--from Generations X and Y, to the more traditional luxury consumer. We must tug the passion points--the qualitative aspects of service that shed light on individual relationships, their worth, their loyalty. The journey that is ownership of “The Ultimate Driving Machine” is now defined by the four-dimensional landscape of BMW’s “Product, People, Process, and Place.” We can no longer assume that the product alone will drive customer loyalty.





**“WE MUST FOCUS ON HOW
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A SENSE OF INDIVIDUAL
EXPERIENCE.”**

TRADITIONAL LUXURY VS. MODERN LUXURY

Historically, traditional luxury was defined on the basis of the thing itself. Luxury products served as a status symbol, and these products were accessible to few. However in today's time, with the proliferation of luxury items across new platforms, a greater breadth of luxury products and services are now available to a greater population of discerning consumers who are side-stepping status altogether. This is evident in the automobile industry where brands like Lexus, Acura, and even Buick claim luxury status. This proliferation has created a distinct challenge to traditional luxury brands as they come to terms with larger competitive sets and significantly increased expectations for the prices they charge. It is no longer just about producing the best thing; it is now about producing *the best overall experience*--an experience that is personal and customized to the individual.

A NEW MODEL FOR MODERN LUXURY

The New Model requires a shift of perspective. We must pivot our focus from the things themselves to how these things make our customers *feel*, and whether they help create a distinction--a sense of individual experience. From the BMW328, to any present-day series, BMW has always produced some of the world's most iconic and recognized products in terms of style, performance, and features. An ongoing commitment to delivering “The Ultimate Driving Machine” continues. As a result, we must raise the bar for the other three elements that define the modern luxury experience; *People, Process, and Place*.

It is often the beginning that defines the depth and longevity of any relationship. In order for BMW to play the significant role of “partner” with its customers on their journey of vehicle ownership, we must create the feeling that they are unique, known, and understood right from the start. We must enliven their senses from the moment they begin to tangibly interact with the brand. This includes everything that happens from the moment BMW emerges from an advertisement or marketing campaign--from their first virtual interaction or dealership experience, to their purchase and beyond each repair or inquiry. By making a connection of distinction, the journey of ownership becomes intimately intertwined with the product, the service, and the modern luxury definition.

PEOPLE

The new definition elevates the importance of relationships as a significant aspect of the luxury experience. Discerning consumers want to do business with people they know and like. In a modern luxury environment, this relationship provides benefits, insight, and guidance. It maximizes the feeling of being special--the feeling of being known. The relationship element is

“FEELING, EXPERIENCE, AND RELATIONSHIPS MUST BE PLACED IN TOW WITH SHEER DRIVING PLEASURE.”

an essential advantage in our ability to create a feeling of personal connection with each customer. Without it, our ability to customize the ownership experience is out of reach.

Immediately, we must remove any stigma or negative perception about sales and service people. The new model requires these individuals to evolve into partners, mentors, and even coaches. The traditional salesperson

whose main focus is to close the sale, is quickly shunned by the younger consumer of our modern world. Historically, market demographics determined selling points, and the needs and wants were predictable--luxury consumers were easily defined. But the new model has blurred the distinction of customer segments, and consumers are seeking out something that is all their own. There



is no longer a place for an elitist attitude. Such an approach will quickly erode the customer's experience and negatively impact their comfort with the brand.

The New Model for Modern Luxury maintains a focus on the attitude of BMW sales and service teams. Being of common action and voice are critical to the overall experience we seek to create. This requires the sales and service person to know and understand the prospective customer, then be able to respond in such a way that places feeling, experience, and relationship in tow with "sheer driving pleasure."

PROCESS

The BMW Modern Luxury proposition is not just communicated through its "People." It is also communicated through the sales and service "Process." Vehicles carrying the BMW brand are designed to enhance the driving experience. Additionally, under the new model, we must intertwine a new enhancement with the distinctions that modern luxury consumers seek. It is not one of aesthetic or technology, but rather, of experience. And in this case, the experience is one of increased, personal time. In an effort to continue the experience of distinction for the

modern luxury consumer, we must also focus on the "Process" of our sales and service teams.

In an effort to maximize the personal time of our customers, BMW must consider how efficient its processes are during the sales and service experience. Essentially, we must consider how easy it is to do business with BMW. The New Model for Modern Luxury requires us to have our customers' personal time at top of our minds during every interaction before, during, and after the sale.

Where once traditional sales processes eschewed any mention of time, under the new model, a lack of consideration for a person's personal time is considered disrespectful. The

"FOUR-DIMENSIONAL COMMUNICATION WILL BECOME THE COMPASS POINTS FOR MOST EVERY DEALERSHIP ROUTINE."

potential pitfalls are no longer limited to the dealership experience either. Respect for individual time is communicated through the internet and other media outlets. With the advent of digital resources, consumers are accustomed to digesting





large amounts of information and as a result, the input received as part of the sales process must not repeat any information that is readily accessible elsewhere. Communications must focus on how the vehicle will enhance a customer's overall personal time and thus, tie the element of "Process" into the experience of personal distinction.

PLACE

An awareness of the influence that "Place" has on The New Model for Modern Luxury completes the experience of distinction. Understanding how atmosphere, form, texture, and light influence perception and the senses is to understand how we shape the state of mind of the modern luxury consumer. The focus here is on what our customers are seeing, smelling, tasting, hearing, and touching throughout their dealership experience.

We must consider whether the ensemble of these elements is aligned with the new luxury proposition. The customer experience is easily degraded by interactions such as the unprofessional disposition of a mechanic, a dirty

coffee station, or an uncomfortable chair. Creating the proper atmosphere is part of the process that characterizes the value of the product in relation to the customer's experience of owning it.

IN CLOSING

The new BMW program will focus on how each dealership is communicating through its landscape of "Product, People, Process, and Place." With the guiding power of BMW's masterful superiority in luxury-class product and performance, this four-dimensional communication will become the compass points for most every dealership routine. It will instill a sense of relationship, partnership,

and experience--the distinction that luxury customers seek. The program will also focus on the leadership group,

and on developing the motivational techniques required to support their team as they deliver on the new model. If we are defined by the objects we chose to travel through life with, then the journey of BMW ownership must become an experience with a potent emotional quality. And if the focus is on the journey, little can disappoint.

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