

# Selling the design

AcademiX met this summer with Walter Schauer, then managing director of BMW Canada's retail division in Toronto. Schauer marketed the creations built for the German car manufacturer for many years.

## Can you walk us through a typical day of work for you at BMW?

A typical day at work usually starts at 8 am. When I get in, I usually spend some time with our customer-facing staff, sales staff and technicians to get a first-hand look at what is going on. Before I go into my office, I have a good cup of coffee and go through the daily activities with my assistant. Usually the days are filled up with meetings with my managers. For example, a daily schedule could include meetings with service, parts, sales, complaint management, controlling, the business development centre and HR. When not busy with meetings, I try to hang around in the showroom to talk to the salespeople and to customers who are waiting to be served by staff. This helps me to develop a strong grasp of the business through first-hand experience.



### **How and why does one become a representative of such a brand?**

First, one needs to be passionate about the brand that you are representing. Secondly, one needs to be determined, focused, hard-working and intelligent, all the while trying to think one step ahead of the game. Obviously, the necessary education is a must.

In my case, I started as an analyst level in the central controlling department at BMW in Munich, Germany. After a couple of years the numbers game was not interesting enough for me, so I decided to move into the sales division. I was responsible for overseeing all of BMW's European sales subsidiaries. At a multinational company like BMW, one not only needs to be flexible in different functions of the company, but one also needs to be mobile. In 1997, I accepted an offer to become CFO of BMW Canada, where I also started the financial services division. In my years in those functions the sales in Canada quadrupled and financial services grew exponentially. So, on top of being flexible and mobile, it is important to be able to contribute to the successful development of the brand through one's own management and leadership. Furthermore, I think you really need to be a people person – employee satisfaction plays a key role in this business.

After seven years in that role, I decided to stay on a local contract in Canada and I received the opportunity to manage the flagship store, BMW/MINI Toronto, where I am now. Here again, the BMW Toronto brand grew from the number four position to the largest dealership in the country.

## **“The average client is looking for a high performance, sporty, reliable and safe car”**

### **What does an average client look for in a BMW?**

The average BMW client is looking for a high performance, sporty, reliable and safe car. A BMW is a driver's car, and compared to our other competitors you will hardly ever find a BMW customer in the passenger seat of his car. It's a car that is fun to drive and it has many dynamic characteristics. BMW drivers are very passionate about the brand and remain very loyal to the company. BMW drivers have high expectations from the brand: to always be at the edge of the model development, to show entry into new model segments, to incorporate innovative design and to always integrate the newest technologies.

### **What models sell more than others, and why?**

In North America, BMW's success was primarily based on the introduction of the 2002ti, a predecessor of today's 3-Series. With this car, BMW practically invented a new segment, the sporty and luxurious mid-sized segment. BMW traditionally was, and still is, the leader in this segment. The BMW 3-Series, with its numerous concept variances (sedan, coupe, touring, convertible, roadster and sports utility line), is the most dominant representative of BMW in North America. Due to the success of the 3-Series, BMW has also grown to become a leader in the family mid-sized segment (5-Series, X5). It's also

very important for BMW to represent niche segments, such as with the 6-Series, the M (sports) cars, as well as the ultimate 7-Series segment.

However, over and above the base variances, there are numerous country variances visible in different parts of the world. In Europe, there are a high percentage of four-cylinder and diesel models, which are currently not offered in the North American market. As well, the Sports Utility Series (X-Series) was more popular in North America than in Europe.

### **What is happening with sales figures now that gas prices are soaring?**

BMW has always been focused on efficient and dynamic features, such as the lightweight construction of vehicles, fuel-efficient engines and other energy-saving features. Also, it has continuously reduced fuel consumption in their offerings. Therefore, BMW has not been hit as hard as some of our North American competitors, which have vehicle lines with much higher fuel consumptions. There is however a trend, more so in the market, for more fuel-efficient cars. This trend seems to be taking the market back to smaller cars. BMW acted proactively by launching the very fuel-efficient 1-Series, as well as the MINI brand, which helps to reduce the average fuel consumption of every car sold in North America (which is an emission target for the coming year).

BMW showroom  
in Toronto

**“Major car shows are a great opportunity to meet designers”**

**Does BMW seek clients’ opinions to work on their next models?**

BMW continuously receives feedback from customers to see how current models are perceived and what future trends could look like by inviting target customer groups into so-called “product clinics,” where new designs, features and concepts are tested on a small audience. BMW also has a very sophisticated reporting system of customer feedback regarding products, sales and the service experience, which is being consolidated on a worldwide level and could have an impact on future model generations. For example, with the launch of the last 7-Series model, the iDrive was one of the features not easily understood by many of our clients. The consequence was that the new iDrive features in other models (5- and 3-Series) were slightly changed to more represent customer needs.

**Does success in sporting events have an influence on car sales?**

For BMW, as a high-performance, sporty car, it is very important to be represented in high-profile sports

events such as Formula 1. Naturally, customers expect that BMW can be a winning team, so success on the race track is very important to the company. A victory in a sports event doesn’t have an immediate effect on car sales, but it strengthens the brand in its statement of BMW as a sporty, performance-oriented, driver car. The brand image as such is a motivator for a purchase decisions.

**How does BMW launch special models?**

As BMW is a highly emotional brand, it is important to bring emotions into the launch of a new model. Traditionally this means a model will be launched at an event at dealerships, where target customers are invited to preview and see the first cars available in the country. Usually, an event consists of a great showroom display, catering, music and introductory speeches. The unveiling of a car creates excitement for the first few hundred customers, who will then pass on their positive experiences. The customers invited to launch events are loyal customers as well as early adopters, depending on the type of model that is being launched.

**Do you meet with car designers or are they always cooped up in their labs?**

Usually, major car shows present a great opportunity to meet car designers, such as the Frankfurt, Tokyo and Detroit international auto shows. I usually attend the Detroit Auto Show, as well as the Toronto International Auto Show. Subject to availability of senior management, there are usually car designers for the specific models being launched. They are available to discuss future model strategy, design requirements and customer demands. However, this is more of an informal get-together than a meeting.

**Would you like to build your own car?**

No, I would rather drive the cars. I leave development, design, engineering and production to the experts, who I know are doing the best job at this. I have a lot of trust and faith in their abilities to put the best cars on the road, which I then love to drive. I currently drive an M6 convertible, and I couldn’t ask for anything else! We also have an X6 and two MINI Coopers in our family. 🍀