THE STUDY ON UNDERSTANDING CONSUMER SATISFACTION IN BMW CARS

Mrs.A.Sangeetha priya

(Assistant Professor) Department of Commerce with Computer Applications

Sri Krishna Adithya College of Arts and Science

DEEPAK.V

III B.COM CA Department of Commerce with Computer Applications

Sri Krishna Adithya College of Arts and Science

ABSTRACT

The automotive industry is highly competitive, with numerous brands vying for consumers' attention. Among these brands, BMW has established itself as a leader in the luxury car market. With its rich history, innovative designs, and commitment to performance, BMW has built a loyal customer base. However, in today's fast-paced and ever-changing market, understanding consumer choice and marketing success is crucial for sustaining competitiveness.

INTRODUCTION

The global automotive industry is undergoing rapid transformation, driven by technological advancements, evolving consumer preferences, and increasing competition among luxury car brands. BMW (Bayerische Motoren Werke AG) has long been recognized as a leader in the luxury automotive segment, offering a blend of performance, innovation, and prestige. With a strong global presence, BMW competes with other premium brands such as Mercedes-Benz, Audi, Lexus, and Tesla, all striving to capture market share in an industry shaped by changing economic conditions, sustainability concerns, and digitalization.

OBJECTIVES OF THE STUDY

1. To identify the key factors influencing consumer choice when purchasing BMW cars.
2. To evaluate the effectiveness of BMW's current marketing strategies in driving consumer engagement and sales.
3. To explore the relationship between consumer choice and marketing success in the luxury car market.
4. To analyze the demographic and psychographic characteristics of BMW's target audience.
5. To examine the role of brand awareness, perception, and loyalty in driving consumer choice. To identify opportunities for BMW to improve its marketing strategies and enhance consumer engagement.

STATEMENT OF THE PROBLEM

The luxury automobile market is becoming increasingly saturated, making it challenging for BMW to differentiate itself and attract new customers. Furthermore, the rise of electric and hybrid vehicles has altered consumer preferences, with many buyers now prioritizing sustainability and environmental concerns.

In addition, the COVID-19 pandemic has significantly impacted the automotive industry, leading to changes in consumer behavior and purchasing patterns. As a result, BMW needs to adapt its marketing strategies to respond to these changes and stay competitive in the market.

SCOPE AND LIMITATIONS

● Geographic Scope

The study focuses on the global luxury car market, with a specific emphasis on the United

States, Europe, and Asia-Pacific regions.

● Demographic Scope

The study targets current and potential BMW customers, including:

1. Age: 25-60 years old

2. Income: Middle to upper-income households

3. Education: College-educated individuals

4. Occupation: Professionals and executives

RESEARCH METHODOLOGY

o **Research Design**

1. Research Approach: Mixed-methods approach, combining both qualitative and quantitative methods.

2. Research Type: Exploratory and descriptive research.

o **Data Collection Methods**

1. Surveys: Online surveys using Google Forms or SurveyMonkey to collect quantitative data from BMW car owners and potential buyers.

2. Interviews: In-depth interviews with BMW dealerships, marketing executives, and industry experts to gather qualitative insights.

3. Focus Groups: Focus group discussions with BMW car owners and enthusiasts to explore their perceptions and opinions.

4. Secondary Data: Analysis of existing literature, industry reports, and BMW's marketing materials.

SAMPLE SIZE

The sample size for the study is 100 only.

REVIEW OF LITERATURE

1. **Meuter et al. (2000)** This study explores how self-service technologies can significantly enhance customer satisfaction. By offering more control and convenience, these technologies meet consumer demands for efficiency, leading to a more positive shopping experience.

2. **Collier & Evans (2011)** The authors discuss the impact of self-service on customer behaviour, emphasizing increased autonomy. Customers are more likely to engage in self-service when they perceive it as beneficial, resulting in a shift in traditional retail interactions.

3. **Reddy & Terziovski (2005)** This research highlights the operational efficiencies gained through self-service implementations. The reduction in checkout times allows staff to focus on customer service, ultimately improving the overall store performance.

4. **Fornell et al. (1996)** The study presents a framework for measuring customer satisfaction, crucial for assessing the effectiveness of self-service technologies. Understanding these metrics helps retailers tailor their services to enhance customer experiences.

5. **Davis (1989)** The Technology Acceptance Model outlines how perceived usefulness and ease of use affect consumer acceptance of new technologies. This model is essential for understanding why customers may choose self-service options over traditional methods.

PROFILE OF THE COMPANY

1.Full Name: Bayerische Motoren Werke AG (BMW Group)

2.Founded: March 7, 1916

3. Headquarters: Munich, Germany

4. Chairman: Oliver Zipse (as of 2024) 5. Key Brands: BMW, MINI, Rolls-Royce, BMW

Motorrad

(motorcycles)

6.Industry: Automotive, Motorcycles, and Financial Services

7. Revenue: Approximately €142.6 billion (2023)

8.Operating Profit: €14.4 billion

9. Total Employees: Around 149,000 globally

10. Vehicles Sold: More than 2.4 million BMW and MINI cars in 2023

COMPANY OVERVIEW

BMW,or Bayerische Motoren Werke AG,is one of the most prestigious and

renowned automotive brands in the world. The company was established in Munich,

Germany, under the name Bayerische Flugzeugwerke (BFW).

Shortly after, in 1917,the company changed its name to Bayerische Motoren Werke (BMW), reflecting its broader ambitions to move beyond aircraft engine manufacturing.

During World War1 , BMW became a leading supplier of aircraft engines to the German military.The first full motorcycle produced by BMW, the BMW R32, was launched in 1923 and became an instant success

due to its innovative boxer engine design.BMW began producing its own designs by the early 1930s, with models like the BMW 303 in 1933.

during World War II, BMW returned to its roots in aircraft engine manufacturing,

producing engines for the Luftwaffe, the German air force. The war took a toll on BMW,

as its production facilities were heavily bombed. After the war, BMW faced financial

difficulties on vehicle production. They survived by producing household items,

bicycles, and eventually motorcycles again in the late 1940s.

DATA ANALYSIS & INTERPRETATION (SUMMARY)

TABLE NO.1

TABLE SHOWING MODELS THAT INTERESTED IN THE RESPONDENTS

S.NO	FACTORS	FREQUENCY	PERCENTAGE
1	BMW M1 SERIES	6	6%
2	BMW M3 SERIES	15	15%
3	BMW M5 SERIES	41	41%
4	BMW I SERIES(SUV)	22	22%
5	BMW X SERIES (HYBRID)	13	13%
6	OTHERS	3	3%
	TOTAL	100	100

SOURCE: PRIMARY DATA

INTERPRETATION: this data shows that respodents are interested in different models in bmw company bmw m1 series(6%),bmw m5 series(15%),bmw m5 series(41%),bmw x series(22%),bmw i series(13%),and others(3%). most of the respondents are choose m5 series of the bmw cars.

INFERENCE: Majority of the 42% respondents interested in bmw m5 series

TABLE NO.2

TABLE SHOWING THEPRIMARY REASON FOR CONSIDERING BMW CARS.

S.NO	FACTORS	FREQUENCY	PERCENTAGE
1	BRAND PRESTIGE	31	31%
2	DRIVING PERFORMANCE	28	28%
3	DESIGNS AND AESTHETICS	22	22%
4	TECHNOLOGICAL FEATURES	12	12%
5	PRICE AND VALUE FOR MONEY	2	2%
6	SUSTAINABILITY	5	5%
	TOTAL	100	100

SOURCE: PRIMARY DATA

INTERPRETATION: This respondents are shown for primary reason to buy a bmw cars most of them buying brand prestige (31%) and driving performance (28%), designs and aesthetics (22%), technological features (12%), price and value for money (2%) and sustainability (5%).

INFERENCE: Majority 31.0% respondents are buying for brand prestige

TABLE NO.3

TABLE SHOWING THAT HOW MUCH THEY SPENDING ON BMW VEHICLE.

S.NO	FACTORS	FREQUENCY	PERCENTAGE
1	UNDER $30000	13	13%
2	$30000 - $50000	25	25%
3	$50000 - $70000	32	32%
4	OVER $70000	30	30%
	TOTAL	100	100

SOURCE: PRIMARY DATA

INTERPRETATION: The above table is shown that respondents are how much they spend for bmw vehicle,13% are under $30000,25% are $30000-$50000,32% are $50000 And over $70000

INFERENCE: Majority 32.0% respondents are willing to spend $50000-$70000

CHI SQUARE TEST

GENDER	OBSERVED(E)	EXPECTED(O)
MALE	66	50
FEMALE	34	50
TOTAL	100	100

SOURCE: Primary Data

Since there are 2 categories, the expected frequency for each category:

E=1002=50E = \frac{100}{2} = 50E=2100=5

Compute chi-square statistic:

The Chi-Square formula:

χ2=∑(O−E)2E\chi^2 = \sum \frac{(O - E)^2}{E}χ2=∑E(O−E)2 where:

- OOO = Observed frequency
- EEE = Expected frequency

BMW Model Preferences Chi-Square Calculation :

MODEL	O (Observed)	E (Expected)	(O - E)	(O - E)²	(O - E)² / E
BMW M 1 SERIES	6	16.67	-10.67	113.85	6.83
BMW M 3 SERIES	15	16.67	-1.67	2.78	0.17
BMW M 5 SERIES	41	16.67	24.33	592.06	35.52
BMW X SERIES SUV	22	16.67	5.33	28.42	1.70
BMW I SERIES HYBRID	13	16.67	-3.67	13.49	0.81
OTHERS	3	16.67	-13.67	186.98	11.22
TOTAL	100	100	-	-	56.25

Degrees of Freedom (df) = 5

Significance level= 0.05

Table value= 11.070

MODEL	O (Observed)	E (Expected)	(O - E)	(O - E)²	(O - E)² / E
BMW M 1 SERIES	6	16.67	-10.67	113.85	6.83
BMW M 3 SERIES	15	16.67	-1.67	2.78	0.17
BMW M 5 SERIES	41	16.67	24.33	592.06	35.52
BMW X SERIES SUV	22	16.67	5.33	28.42	1.70
BMW I SERIES HYBRID	13	16.67	-3.67	13.49	0.81
OTHERS	3	16.67	-13.67	186.98	11.22
TOTAL	100	100	-	-	56.25

Degrees of Freedom (df) = 5

Significance level= 0.05

Table value= 11.070

RANKING ANALYSIS

A ranking is a relationship between a set of items such that, for any two items, the first is either 'ranking higher than', 'ranked lower than' or 'ranked equal to the second. In mathematics, this is known as a weak order or total pre order of objects. It is not necessarily a total order of objects because two different objects can have the same rating. The ranking themselves are totally ordered, for example, materials are totally pre ordered by hardness, while degree of hardness are totally ordered.

1. TABLE SHOWING THE RANKING FOR THE PRIMARY INVESTMENT GOAL OF THE RESPONDENTS:

FACTORS	VERY POSITIVE	POSITIVE	NEUTRAL	NEGATIVE	VERY NEGATIVE	MEAN SCORE	RANK
PERFORMANCE	58	31	6	4	1	4.41	2
DESIGN	63	16	18	0	3	4.36	3
VALUE FOR MONEY	42	13	27	3	15	3.64	5
INNOVATIONS	37	31	22	9	1	3.94	4
BRAND RECOGNITIONS	65	20	14	1	0	4.49	1

HYPOTHESIS: Brand recognition is the most influential factor in customer preference, ranking highest with a mean score of 4.49.

Value for money is the least important factor, suggesting that BMW buyers prioritize performance, design, and brand reputation over cost.

ALTERNATIVE HYPOTHESIS: Brand recognition is not the sole deciding factor, as customers may prioritize performance or design instead.

Value for money plays a larger role than expected, influencing purchasing decisions more than the rankings sugg

FINDINGS

Majority of the 42% respondents interested in bmw m5 series

Majority 31.0% respondents are buying for brand prestige

Majority 32.0% respondents are willing to spend $50000-$70000

SUGGESTIONS

- Consumer Preferences Vary Across Models: Certain BMW models, such as the M 5 SERIES, outperform expectations, while others, like the M 1 SERIES, underperform.

- Market-Driven Production Strategy: Aligning production with demand trends can optimize inventory management and reduce inefficiencies.

- Targeted Marketing & Pricing Strategies: Understanding demographic preferences enables BMW to refine advertising, promotions, and pricing to attract potential buyers.

CONCLUSION

This study on **consumer choices in BMW cars** highlights significant variations in customer preferences, providing valuable insights into market trends and purchasing behaviour. The findings indicate that some BMW models, such as the **M 5 SERIES**, significantly exceed expected demand, while others, like the **M 1 SERIES**, fall below projections. This suggests that consumer choices are influenced by factors such as **performance, design, pricing, and technological advancements**.

REFERENCES

- Kotler, P., & Keller, K. L. (2020). Marketing Management.

- Zeithaml, V. A., et al. (2018). Services Marketing.

- Meuter et al. (2000), Davis (1989), Reddy & Terziovski (2005), etc.

- Reliance Retail official sources, IBEF, McKinsey reports.

-