

Media Information
15 January 2021

New sales and marketing strategy: BMW Group optimistic about 2021 after posting record Q4 sales

- Pieter Nota: Strong demand and profitable growth expected
- Gains of more than 50 percent: electromobility as significant growth driver
- Plans to double sales of fully-electric vehicles
- Annual investment of triple-digit million amount up to 2025 in digitalisation of sales and marketing creates basis for best customer experience
- Digital aftersales upgrades will drive highly profitable optional equipment business
- Performance marketing for personalised, targeted customer approach
- Customers to receive individual tailored offerings, with all products and services from single source
- Retail partners play crucial role at point of sale and in providing service

Munich. After achieving an all-time sales high in the fourth quarter of 2020, the BMW Group is optimistic about the current year. The company is realigning its Sales and Marketing division in close collaboration with its retail partners – with the aim of offering the industry's best premium customer experience.

“We are optimistic about 2021 and look forward to resuming our profitable growth, thanks to strong demand for our fresh product line-up,” said **Pieter Nota**, member of the Board of Management of BMW AG responsible for Customer, Brands, Sales. “We want to increase sales of our electrified vehicles by more than half in 2021. This underlines the importance of electromobility as a major growth driver for our company,” Nota continued. The company also aims to double sales of fully-electric vehicles this year. The introduction of the fully-electric MINI* and BMW iX3* last year will be followed in 2021 by the start of production for the fully-electric BMW iX in Dingolfing and the BMW i4 in Munich. The BMW Group has now increased the number of electrified vehicles (fully-electric and plug-in hybrid) in its line-up to 13 models, available in 74 markets around the globe. The BMW Group plans to virtually double the number of

electrified vehicles it offers to 25 models by 2023: More than half of these will be fully electric.

Sales channels quickly and systematically adapted in 2020 Customers will have option of buying custom vehicles entirely online

The BMW Group forged ahead with digitalisation of its sales and marketing last year, partly in response to the coronavirus pandemic and customers' desire for the sales process to be as contact-free as possible: Sales representatives in more than 60 markets are now able to advise customers and sell vehicles from any location. They can configure vehicles together with the customer using a shared screen, for instance, or give them a virtual tour of the cars they have in stock.

The second step was for the company to take the sales process for retail partners largely online via its high-traffic websites in key markets. This will be rolled out in other markets in 2021.

As part of its new sales strategy, the BMW Group, with its retail partners, is planning to give customers the option of buying their individually configured custom vehicle entirely online in the future and having it delivered to their front door – creating an entire online customer journey that is completely seamless: from configuration to ordering and through the use phase. This will allow customers to experience BMW Group products and services customised for them in the best possible way.

Electric vehicle owners can also configure products and services from BMW Charging and MINI Charging individually to create a charging solution tailored to their needs – for charging at home or on the go.

Annual investment of triple-digit million amount up to 2025 in digitalisation of sales and marketing

“We will be investing a triple-digit million euro amount annually up to 2025 in the digitalisation of our sales and marketing and are working together with our retail partners to offer the industry’s best customer experience going forward,” said Nota. “If customers choose to share their data with us, thanks to digitalised processes, we can get to know their wishes and preferences better than ever. We know which products or services they might be interested in. Having this as a basis enables us to provide an individual offering, customised for them, including all features and services, from a single source,” Nota continued.

Digital aftersales upgrades will substantially contribute to highly profitable optional equipment business in the future

The BMW Group also wants to significantly expand the range of vehicle functions available as digital aftersales upgrades. This will make it easier for customers to equip their vehicle with options that meet their wishes and individual mobility needs.

Customers will also be able to activate additional features, such as driver assistance systems, selected light and sound packages, or even suspension set-up. These features are also offered for a limited time – benefiting customers who lease or rent their vehicle and only drive it for a certain period.

The company expects the proportion of vehicle functions available as digital aftersales upgrades to account for a significant percentage of its highly profitable optional equipment business in the future.

Customers decide how data is used

The high standards customers expect from BMW Group products and services set the benchmark for handling their data. Customers decide for themselves

whether to make personal data available to the BMW Group so it can optimise their experience of the company's products and services.

The personal BMW ID (identification number) customers use to access the entire BMW Group digital ecosystem, as well as the new My BMW and MINI apps, serve as an interface for individualised customer dialogue and already enable many new features – from using a smartphone as the car key to integration of Amazon Alexa.

New marketing agency model “THE MARCOM ENGINE” enables implementation of new marketing strategy

The new marketing agency model “THE MARCOM ENGINE” lays the foundation for a personalised and targeted customer approach at BMW and MINI in the future. The BMW Group has reorganised its marketing agency landscape in Europe for this purpose. Instead of over 80 partners operating regionally, the company will concentrate on two higher-level agencies, whose portfolios complement each other perfectly, for implementing the new marketing concept.

Customers can experience new sales and marketing approach for the first time with launch of BMW iX and BMW i4

Customers will benefit from the BMW Group's new sales and marketing strategy for the first time with the introduction of the new BMW iX and BMW i4. BMW and MINI customers will be able to take advantage of a steadily expanding range of additional vehicle functions available as digital aftersales upgrades, as well as a seamless and especially customer-centric configuration process with personalised options.

Customers value premium service for maintenance and repairs

The BMW Group is also working with its retail partners to further optimise the service and maintenance offering for customer vehicles. An average of about

15 million customers a year rely for service on no fewer than 3,527 BMW and 1,650 MINI retail partners worldwide, underlining the importance of this offering.

To step up its e-mobility ramp-up, the company has already trained more than 2,000 staff at its German retail outlets in the safe use of high-voltage systems through special vocational training and further education programmes.

The company will continue to expand its product offering: for example, through remote diagnostics. If the vehicle indicates an error message in the vehicle display, the customer will be able to call their BMW partner directly from the vehicle. If the customer agrees, vehicle data is then transmitted over-the-air and the service employee can perform remote diagnostics. If the car needs to be brought into the workshop, a service appointment can easily be arranged at a convenient time.

No premium without sustainability – also for sales and marketing

The BMW Group's belief that there can be "no premium without sustainability" also applies to sales and marketing. The company already helps customers make appropriate, sustainable decisions about products and drive trains today. This contributes to the strong sales of electrified vehicles, which resulted in the BMW Group being able to overfulfill the EU's CO2 targets in 2020. The BMW Group is also training employees and retail partners to become ambassadors for its sustainability ambitions. In addition, the sales organisation is promoting topics such as recycling and use of secondary material.

Further information on the BMW Group's new sales strategy can be found in the following interview with Pieter Nota on our BMW Group Blog.

<https://www.bmwgroup.com/en/company/bmw-group-news.html>

Corporate Communications

Media Information

Date 15 January 2021

Topic New sales and marketing strategy: BMW Group optimistic for 2021 after posting record Q4 sales

Page 6

Consumption/emissions data:*MINI Cooper SE:** fuel consumption combined: 0.0 l/100 km, power consumption combined 16.8-14.8 kWh/100 km, CO2 emissions combined: 0 g/km**BMW iX3:** fuel consumption combined: 0.0 l/100 km; power consumption combined: 17.8-17.5 kWh/100 km; CO2 emissions combined 0 g/km

If you have any questions, please contact:

Corporate Communications

Christina Hepe, Corporate Communications

Email: christina.hepe@bmw.de Telephone: +49-89-382-38770

Eckhard Wannieck, head of Corporate and Culture Communications

Email: eckhard.wannieck@bmw.de Telephone: +49-89-382-24544Media website: www.press.bmwgroup.comEmail: presse@bmwgroup.com**The BMW Group**

With its four brands BMW, MINI, Rolls-Royce and BMW Motorrad, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. The BMW Group production network comprises 31 production and assembly facilities in 15 countries; the company has a global sales network in more than 140 countries.

In 2020, the BMW Group sold over 2.3 million passenger vehicles and more than 169,000 motorcycles worldwide. The profit before tax in the financial year 2019 was € 7.118 billion on revenues amounting to € 104.210 billion. As of 31 December 2019, the BMW Group had a workforce of 126,016 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company has therefore established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy.

www.bmwgroup.comFacebook: <http://www.facebook.com/BMWGroup>Twitter: <http://twitter.com/BMWGroup>YouTube: <http://www.youtube.com/BMWGroupView>Instagram: <https://www.instagram.com/bmwgroup>LinkedIn: <https://www.linkedin.com/company/bmw-group/>