## Case Study: BMW of North America: Dream It. Build It. Drive It.

Brief Description: Set in 2011, this case describes how BMW, the leading luxury car manufacturer in the U.S., successfully implemented a new marketing initiative based on its online video services and increased sales of customized vehicles. The case addresses the challenges of catering to the North American consumer, where most car buyers want or have become conditioned towards immediate gratification with their purchases.

Main Learning Objectives:

* To underscore the importance of consumer behavior in strategic planning
* To illustrate the complexity of strategically managing the supply chain for a modern manufacturing company and the implications effects of ‘mass customization’ on supply (value) chain

# Preparation & Analysis

# Go online, research and take down a few notes on a strategic marketing concept called “mass customization” to prepare for an in-class discussion.

# Read the case study *BMW of North America: Dream It. Build It. Drive It. HSBP #TB0301IMD159* from the HBS Course site *and* review the following videos which directly pertain to the case

* Understanding Robots – Mass Customization <http://www.youtube.com/watch?v=HJzzPXeDdX8>
* BMW X3 Build Video <https://www.youtube.com/watch?v=E-dWWk6TiF8>
* BMW X3 Ad <http://www.youtube.com/watch?v=RKTgCdXvoqs>
* Martha Stewart customizes a BMW X3 <http://www.youtube.com/watch?v=8Ddq6O_QAz0>

# **Individual Assignment:** After spending time researching the concept of ***mass customization,*** viewing the above videos, and reading the case answer and provide your rationale for each of the following questions in an overall 1 page brief essay format.

1. **Assuming that most modern cars share very similar characteristics, what do customers really buy – a product or an experience? In your opinion, what drives car-buying decisions?**
2. **Do you think customers really need “millions of combinations” for their car? Can they be happy with available standard options? What are the upsides and downsides of mass customization from both the consumer and manufacturer’s perspective?**
3. **Put yourself in Josef Weirda’s shoes. What would your decision be regarding using video streaming technology for other models such as the X5 or X1? In effect, would you apply a similar “Dream It. Build It. Drive It.” program for the launch of the X4 in 2014? What is the basis for your decision?**

