

BMW Clubs - A dynamic community

Policy and basis of Club work

The "**guidelines**" have been drawn up to provide answers to all key questions on the work of the Clubs for the benefit of the Club members concerned and their partners in the organisations of the BMW AG.

They contain ideas and recommendations for contractual terms regarding the founding of Clubs, the public image of the Clubs, the structures of the international Club organisation and their collaborative potential, as well as defining the respective rights and duties of the Clubs and of BMW AG. They also provide surveys of the traditions and philosophy of the BMW Club organisation, cooperation between BMW Clubs and BMW AG, and various organisational aspects.

The chapter on collaboration with subsidiaries, importers and dealers is aimed at the BMW marketing organisation, which has so far not had any experience with Clubs.

Tradition and philosophy of the BMW Clubs

The promotion of brand loyalty and brand identification is a prime concern of any company.

Information frequently reaches its destination in diluted or even distorted form, and there isn't always a chance to rectify this through the immediate feedback of a dialogue. It can, however, be done by means of contacts through the marketing and trading organisation and by the activities of efficient and motivated brand clubs.

The activities of the Clubs and the fascination of the brand mean that BMW is fortunate to be able to count on nearly **200.000** members of organized Clubs around the world who, through their personal commitment, are able to convincingly transmit BMW's corporate philosophy and brand image to the public.

This is achieved by the multiplying effect of a Club Member's direct contacts with relations, friends, acquaintances and colleagues. Club events help to broaden the scope of impact even more.

It is a tradition among BMW Clubs to grasp the initiative on behalf of the brand. Because the steady expansion of the Clubs demanded some form of coordination, the International Association of BMW Clubs was established in 1977. In 1981 this association was transformed into the forerunner of the current BMW Club Europe and simultaneously bound into a cover organisation, the **International Council of BMW Clubs**, with representatives from the worldwide Club organisation, BMW AG and its subsidiaries.

By drawing all organisational activities together in the Club Office and gradually raising coordination work to a global level, a systematic basis was created for a cooperative partnership between regional Club organisations and BMW which was rooted in the tradition and commitment of the Clubs.

The internationally active Clubs use their communications potential in close collaboration with BMW AG. In concert with BMW AG and the International Council of BMW Clubs, a further level was established in Europe in 1989 with the introduction of the umbrella organisations. These permit the Clubs to make use of contacts with their domestic BMW marketing organisation.

The advantages are the promotion of activities on a national level, more streamlined administration, and a greater involvement of BMW subsidiaries and importers.

Of crucial importance is the correct implementation of BMW's pictorial and verbal trademarks. The global distribution of **guideline no. 1: The design of BMW Club logos** is meant to ensure that the design features agreed between BMW AG and the International Council are unambiguously adhered to. This also applies to the branding programme relating to the corporate design, which covers anything used by Clubs and their Members internally or in public, from letterheads to Club identity cards.

For BMW, corporate design is not an end in itself. Rather, it is the external mark of a close affiliation with BMW: a sense of being part of a specific brand in which Clubs publicly endorse the BMW image as a reflection of their own attitude.

BMW Clubs and BMW AG

BMW AG, as represented by BMW Mobile Tradition, and the international BMW Club Organisation, as represented by the International Council, have concluded an organisational structure which lays down the rights and duties of all parties and presents a binding framework for the activities of the Clubs.

Through this collaboration BMW AG aims to accentuate emotional values and ideals which cannot be pointed up sharply enough against those of other brands.

In line with their own desire to bring their commitment and brand loyalty to bear in the communication process between company and public, the Clubs pledge to be guided in their actions by the traditional BMW values:

- Dynamism - as reflected in mental attitude, competitiveness and sportiness
- Innovation - as reflected in tradition, creativity and vision
- Aesthetics - as reflected in design, functionality and individual style.

Rights and duties of BMW AG

BMW undertakes to

- support the work of the BMW Clubs through communication and information
- give the Council moral and financial support and ensure the upkeep of the international BMW Club Office.

The extent of the means granted shall be reviewed on an annual basis. Furthermore, BMW AG shall promote collaboration between the national BMW Clubs and their subsidiary

companies, bind the latter into the international Club organisation, and encourage them to emulate the example of BMW AG.

The rights and duties of BMW AG shall be laid down in an agreement which shall specify the details of collaboration with the Club organisation.

- BMW shall focus on the task of the strategic direction of Club work. In this BMW shall be represented by BMW MOBILE TRADITION.
- Direct financial backing shall be aimed at the key areas of supporting the International Council, furthering Club work in new marketplaces, and theme- and project-related financing.
- Future Club work, beyond the leadership function, shall focus on the up-and-coming markets of Southeast Asia and Latin America.
- The Council's capacity to act shall be enhanced and supported by a Club Office. The effectiveness of the Council is enhanced through the active involvement of representatives of the BMW subsidiaries.
- BMW shall develop guidelines for all relevant tasks along with a new set of regulations.

Rights and duties of BMW Clubs

In accordance with their self-perceived purpose, the BMW Clubs shall, as far as they are able, promote the dissemination and application of the corporate philosophy and of information on BMW products and services. To be able to carry out these duties in the spirit of the brand, the Clubs shall pledge to pursue a communications strategy which adheres verbally and visually to the BMW identity. This will ensure the tradition BMW values such as dynamism, innovation and aesthetic are incisively conveyed.

- The rights of the Clubs include the use of the BMW emblem and brand name in accordance with the licensing agreement, as well as the capacity to act as informal ambassadors of BMW.
- Details of the rights and duties of BMW Clubs are laid down in the agreement between BMW AG and the international BMW Club organisation.

Practical Club work

The founding of a Club shall be governed by specific directives as prescribed by general legislation and by the Statutes of the International Council, e.g.:

- a minimum of 20 persons (or in the case of a cover organisation, at least two participating Clubs) to approve the founding of the organisation, to elect an Executive and to pass a binding constitution.
- the new Club to be approved by the national umbrella organisation or International Council in collaboration with BMW AG.

When organising Club activities, the primary considerations shall be:

- the acknowledgement in conduct and self-presentation of the high standards of the brand and the stipulations of BMW's Corporate Culture and Corporate Identity.

- the organisation of a programme which, in content and presentation, is guided by the requirements of the BMW Philosophy, the BMW Lifestyle and BMW Standards.

Club structure

The Club shall determine through its Statutes who is to represent the Club in public and with which rights (as a rule this is the Executive), and how these persons shall be elected from among the Members (commonly through the election of an Executive within the framework of a Club committee meeting).

A Club based on this structure has at its disposal two mutually independent organs with differing tasks: the Executive and the Club Committee. A Club may also be directed solely by a democratically elected Executive.

The duties of the Annual General Meeting shall include:

- receiving the accounts for the preceding financial year and, after due examination, discharging the Executive.
- electing a new Executive at the end of tenure (normally two years). In the interests of continuity it is recommended to elect the President, Secretary and Events Manager in the first year, and the Vice-President, Treasurer and Press and Marketing Representative in the second.

In order to ensure that the Executive has the confidence of the majority of Club Members for the duration of its tenure, the Statutes should include a paragraph stipulating that, upon written application from at least three-quarters of the members, the Executive or an individual member thereof can be dismissed by a two-thirds majority.

The duties of the Executive

(President, Vice-President, Secretary, Treasurer, Events Manager, Press and Marketing Representative) shall be as follows:

- The implementation of resolutions passed at the General Meetings.
- Ruling in all Club matters for whose settlement a General Meeting cannot be convened.
- The organisation and running of Club activities.
- The organisation of motorsport and touristic events as well as driver training courses.
- The implementation of social and cultural initiatives which underscore the fact that the standards of a BMW Club exceed those expected of other brand clubs.
- Liaising with the respective national umbrella organisation, e.g. the BMW Club Europe.

Club statutes

The founding of each Club is subject to the relevant national legislation. However, there are a number of key points, particularly concerning integration into the global organisation of BMW Clubs, which must be included in any Statutes, namely: The objectives of the Club.

The observance in essence of the following directives is mandatory:

- The work of the Club shall not be geared towards any financial gain or business interests. Its sole objective shall be to provide a politically neutral and interdenominational basis on which anyone interested in automobiles and motorcycles

shall have the opportunity to seek advice on all technical, financial and touristic matters, to compare notes, and to contribute to the leisure programme through various events.

- Above all, the aim shall be to collaborate with all BMW Club associations at home and abroad, with BMW AG in Munich and its marketing organisations, dealers and suppliers, and with the authorities and institutes responsible for road transport and/or motor vehicles.
- The definition of conditions of membership:
Club membership shall be open exclusively to BMW owners and others interested in the brand who support the purpose and aims of the BMW Club and are willing to abide by the rights and duties of Club members (full membership).
- The criteria for acceptance into the international BMW Club organisation, which include the following:
Each Club, in its Statutes, shall acknowledge the Constitution of the International Council of BMW Clubs and that of the agreement on which this collaboration is based.
All Clubs shall adhere to the Licensing Agreement concluded between BMW AG and the International Council regarding the use and application of the BMW emblem and brand name.
Further information is available in the applicable guideline.

Public image of Clubs

BMW Clubs and their Members are entitled to use the BMW emblem and brand name within the scope of activities defined in the Statutes and pending permission from the Council and BMW AG, and are therefore perceived by the public as representatives of the brand. It follows from this that the BMW Clubs shall be guided by BMW standards in the image they convey to the public.

The International Council of BMW Clubs, in collaboration with BMW, has formulated directives for the visual presentation of logos in guidelines which are binding for all Clubs. These outline directives are not, however, meant to imply uniformity and conformism. The aim is rather to achieve a plurality while at the same time respecting necessary and binding regulations. In this way, the individuality traditionally associated with BMW owners is positively endorsed.

Precise instructions on the creation of a Club logo are contained in guideline no.1: The design of BMW Club logos (outline directives for the public image of BMW Clubs worldwide).

Writing paper

- The letterhead shall display the Club emblem in the top right-hand corner, with the Club name adjacent to the left in the characteristic typeface associated with BMW. The first page of a letter shall display the contact information. Any additional pages shall display only the Club name and emblem at the top. Two extremely useful small-format products complete the range of printed items: a calling card and a Club identity card.

Three-dimensional accessories

- Three-dimensional accessories primarily include anything required for the preparation of venues for events, e.g. flags, display units and table stands. Their format and design are similarly specified in the outline directives.

Organisation of BMW Clubs

The structure and operating principles of the BMW Club organisation are designed to promote international understanding among BMW owners and at the same time draw on the potential of the Clubs for conveying the brand message.

In this the International Council serves as a point of contact. The International Club Office constitutes the organisational hub and liaison office for the International Council of BMW Clubs, the BMW Club Europe and associated BMW Clubs.

Direct contact on a national level with the relevant subsidiary of BMW AG is left to the Clubs themselves. They can pursue this either as a national Club or as a national association of Clubs with regional subdivisions. The advantages are evident: the encouragement of initiatives on a national level, administrative streamlining, and closer involvement of BMW subsidiaries.

In their present form, the BMW Clubs represent a well-organized, global circle of BMW devotees who are disseminating the BMW ideal to all corners of the world with exceptional commitment and a correspondingly broad impact.

Role of the International Council

The International Council represents the top executive level of the worldwide organisation of BMW Clubs. It coordinates all activities and determines the strategic orientation of the Clubs.

The International Council receives the backing of BMW AG in strategic, communicatory and financial respects. BMW is a partner in the Council.

The tasks of the International Council are

- to provide strategic and conceptual guidance for the entire Club organisation to systematically develop the Clubs
- to ensure that the BMW Philosophy and Corporate Identity are reflected in the conduct and image of the BMW Clubs
- to coordinate and mediate between BMW AG and the Clubs
- to act as an information hub for the Clubs to ensure global communication
- to run the International Club Office
- to act as a mouthpiece for the Clubs vis-à-vis BMW AG and as a source of information of behalf of BMW AG

The nearly 300 Clubs which fall under the cover of the International Council currently number approximately 200.000 members; they carry out a mediating role between BMW and the public.

The Members of these Clubs are opinion-formers and multipliers who can have a positive or negative impact on the public image of the brand. Through their activities they support and complement the company's communications work on a national and international level.

Collaboration with BMW subsidiaries, importers and dealers

Club work in the intended sense can evolve into a mediating role between dealers and marketplace, provide motivation for dealerships, and persuasively convey product appeal through active events organisation.

The acceptance of such Club activities is reflected in the success of the driver training courses on the Nürburgring and of veteran rallies throughout the world, and in Club support for dealerships whenever new models are introduced.

BMW dealers regard the Clubs as partners whose competence and connections are relevant factors in whether their business succeeds or not. That is why successful trading partners of BMW AG (subsidiaries and importers alike) promote and support the Clubs by means of information, donations, courses and training which keep Members up to date on BMW activities. In this way a cooperative partnership can evolve between Clubs and dealer organisations which is vindicated by the mutual support and shared successes that ensue.

Chart with Representatives of the regional BMW Clubs – International Council / BMW Mobile Tradition – Representatives of BMW Markets (According to Guideline 4, no. 3.1, plus classic vehicles plus accepted clubs.

BMW Clubs and public relations

Public relations, by definition, denote the efforts on the part of a company to win and maintain sympathy and confidence among the population at large. Public relations means promoting an exchange of views and utilizing contacts with the populace to influence public opinion.

The BMW Clubs should also be regarded as a PR medium and a channel of communication which can reach many different social groups and large sectors of society.

At organised events, through publications and in personal dialogue, Clubs and their Members act on behalf of the brand and cover various areas of presentation and action.

- Club events, by reflecting the keen involvement of Members, can have a motivating impact on trade employees and regional BMW representatives.
- Social and cultural initiatives on the part of the Clubs help break down the disparity in values between BMW and the public.

To sum up:

The Clubs play a significant role in conveying company objectives in a manner which is credible and appeals to the public.

The significance of regular Club publications or periodical newssheets is not to be underestimated. They promote the exchange of information, provide a link for less active Members, and offer an eligible basis for communication measures.

A Club Journal is no conventional motoring magazine but rather a journalistic tool which, taking its lead from the brand orientation and Club-related themes, conveys a very specific feeling to its readers - one which evokes positive emotions, implies exclusivity and promotes a sense of individuality.

In this context, a subject framework for such publications emerges which ranges from technical information, motorsport, lifestyle articles and corporate philosophy to coverage of Club events and travel reports. The editorial manifestation is as one would expect of any medium associated with BMW: high-quality journalism in a visually aesthetic package.

Should financial resources not permit the publication of a magazine, the alternative of a factually informative newsletter is recommended.

If a Club has the necessary means and expertise at its disposal, an Internet homepage is recommended for communicating with and gaining new members.

Duties of the International BMW Club Office

- Initiator and mediator of profitable cooperation between the Clubs and the units, subsidiaries and the affiliated dealerships of the BMW AG:
 - Identification, evaluation and preparation of potential cooperative benefits
 - Set-up and maintenance of relevant data and informations
 - Initiation, monitoring and conducting negotiations

- Generation and provision of communication media, -processes and -tools coordinated and customized for the various target groups.
 - Development and launch of a suitable media-mix
 - Definition and implementation of communication processes
 - Generation of a basic framework and a toolbox in order to simplify and standardize the communication

- Steering and managing administration and regularity organisation (authority) for Club issues worldwide:
 - Administration and management of the International Council of BMW Clubs
 - Steering, implementing and monitoring the realization of the guidelines and decisions, which passed the International Council of BMW Clubs
 - Set-up, maintenance and administration of a worldwide membership database on national club level
 - Definition and implementation of communication processes

- Development of future-orientated structures for the efficient management of the BMW Club organisations worldwide:
 - Continuous monitoring and analysis of the worldwide club structures
 - Elaborating conceptual alternatives in order to develop or enhance club structures within the different regions and markets
 - Strategic orientation and implementation of worldwide organisation and club structures.

Over and above this, the International BMW Club Office acts as a permanent contact point for BMW Mobile Tradition and other company divisions, as well as for organisations and individuals seeking information about the BMW Club Organisation.

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Future outlook for Clubs

As BMW AG continues to develop, so too do the BMW Clubs. For the future, the demand will be for qualitative rather than quantitative growth. There will be a shift in focus: "saturated" markets will experience a slow-down in development, while the new marketplaces will see a more active growth in the Club sphere. Beyond that, the competence of the Clubs and the consolidation of international relations will continue to be enhanced. For the future BMW is focussing not on the traditional brand club, but on the BMW Club as a socially integrated institution.

The following **guidelines** are available from the International BMW Club Office:

guideline 1: Design of the BMW Club emblem

guideline 3: Friend of the Marque

guideline 4: Constitution of the International Council of BMW Clubs

guideline 5: BMW Clubs – A dynamic community

guideline 6: Accepted Clubs

guideline 7: Prof. Dr. Gerhard Knöchlein BMW Tradition Award