

BMW CLUBS – A DYNAMIC COMMUNITY

BMW Clubs - A dynamic community

1.0. Policy and basis of club work

- 1.1. 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 Group.
- 1.2. They contain ideas and recommendations for contractual terms regarding the founding of clubs, the public image of the clubs, the structures of the BMW Clubs International Organisation and their collaborative potential, as well as defining the respective rights and duties of the clubs and of BMW Group. They also provide surveys of the traditions and philosophy of the BMW Clubs Organisation, cooperation between BMW Clubs and BMW Group, and various organisational aspects.
- 1.3. The chapter on collaboration with subsidiaries, importers and dealers is aimed at BMW marketing sections, especially those which may have had any experience with clubs.

2. Tradition and philosophy of the BMW Clubs

- 2.1. The promotion of brand loyalty and brand identification is a prime concern of any company.
- 2.2. 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.
- 2.3. The activities of the clubs and the fascination of the brand mean that BMW Group is fortunate to be able to count on members of officially recognized clubs around the world who, through their personal commitment, are able to convincingly transmit BMW's corporate philosophy and brand image to the public.
- 2.4. 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.
- 2.5. 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 Europa e.V. and simultaneously

bound into a cover organisation, the **BMW Clubs International Council**, with representatives from the worldwide BMW Club Organisation, BMW AG and its subsidiaries.

- 2.6. By drawing all organizational activities together in the BMW Clubs International 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 Group, which was rooted in the tradition and commitment of the clubs.
- 2.7. The internationally active clubs use their communications potential in close collaboration with BMW Group. In concert with BMW Group and the BMW Clubs International Council, 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.
- 2.8. The advantages are the promotion of activities on a national level, more streamlined administration, and a greater involvement of BMW subsidiaries and importers.
- 2.9. Of crucial importance is the correct implementation of BMW's pictorial and written trademarks. The global distribution of **Guideline no. 5: DESIGN GUIDELINES FOR APPEARANCE** is meant to ensure that the design features agreed between BMW Group and the BMW Clubs 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.
- 2.10. For BMW Group, corporate design is not an end in itself. Rather, it is the external mark of a close affiliation with BMW Group: a sense of being part of a specific brand in which clubs publicly endorse the BMW image as a reflection of their attitude.

3. BMW Clubs and BMW Group

- 3.1. BMW Group, as represented by BMW Group Classic, and the BMW Club International Organization, as represented by the BMW Clubs 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.
- 3.2. Through this collaboration BMW Group aims to accentuate emotional values and ideals, which cannot be highlighted strongly enough against those of other brands.

- 3.3. 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:
- 3.3.1. Dynamism - as reflected in mental attitude, competitiveness and sportiness
 - 3.3.2. Innovation - as reflected in tradition, creativity and vision
 - 3.3.3. Aesthetics - as reflected in design, functionality and individual style.

3.4. Rights and duties of BMW Group

- 3.4.1. BMW Group undertakes to
- 3.4.1.1. Support the work of the BMW Clubs through communication and information
 - 3.4.1.2. Give the Council moral and financial support and ensure the upkeep of the BMW Clubs International Office
 - 3.4.1.3. The extent of the means granted shall be reviewed on an annual basis. Furthermore, BMW Group shall promote collaboration between the national BMW Clubs and their subsidiary companies, bind the latter into the BMW Clubs International Organization, and encourage them to emulate the example of BMW Group.

3.5. Rights and duties of BMW Clubs

- 3.5.1. 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.
- 3.5.2. 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 Group.
- 3.5.3. Details of the duties of BMW Clubs are laid down in Guideline Nr. 2.

4. Practical club work

- 4.1. The founding of a BMW Club shall be governed by specific directives as prescribed by general legislation and by the statutes of the BMW Clubs International Council, e.g.:
 - 4.1.1. A minimum of 30 financial members (or in the case of an umbrella organisation, at least two participating clubs), through democratic processes elect an executive and create a binding constitution and be a non-commercial entity.
 - 4.1.2. The new club to be approved by the national umbrella organisation or BMW Clubs International Council in collaboration with BMW AG
- 4.2. When organizing club activities, the primary considerations shall be:
 - 4.2.1. 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.
 - 4.2.2. The organization of a program, which, in content and presentation, is guided by the requirements of the BMW Philosophy, the BMW Lifestyle and BMW Standards.

4.3. Club structure

- 4.3.1. 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).
- 4.3.2. 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.

4.4. The duties of the Annual General Meeting shall include:

- 4.4.1. Receiving the accounts for the preceding financial year and, after due examination, discharging the executive.
- 4.4.2. 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 Event Manager in the first year, and the Vice President, Treasurer and Press & Marketing Representative in the second.

4.4.3. Executive member removal clause:

Provision for removal of a committee member should be included in the statutes. Grounds for removal should reflect local legal requirements and include primarily actions that are not in the best interests of the club (e.g. dishonesty, not fulfilling the responsibilities and expectations for which they were appointed, etc.)

4.5. The duties of the executive

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

- 4.5.1. The implementation of resolutions passed at the General Meetings.
- 4.5.2. Ruling in all club matters for whose settlement a General Meeting cannot be convened
- 4.5.3. The organization and running of Club activities
- 4.5.4. The organization of motorsport and touristic events as well as driver training courses
- 4.5.5. 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
- 4.5.6. Liaising with the respective national umbrella organisation, e.g. BMW Club Europa e.V.

4.6. Club statutes

- 4.6.1. 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.
- 4.6.2. The observance in essence of the following directives is mandatory:
 - 4.6.2.1. 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.
 - 4.6.2.2. Above all, the aim shall be to collaborate with all BMW Club associations at home and abroad, with BMW Group in Munich

and its marketing organisations, dealers and suppliers, and with the authorities and institutes responsible for road transport and/or motor vehicles.

4.6.2.3. The definition of conditions of membership:

Club membership shall be open exclusively to BMW owners and others interested in the brand that support the purpose and aims of the BMW Club and are willing to abide by the rights and duties of club members (full membership).

4.6.2.4. The criteria for acceptance into the BMW Clubs International Organisation, which include the following:

4.6.2.4.1. Each club, in its statutes, shall acknowledge the Constitution of the BMW Clubs International Council and the agreement on which this collaboration is based.

4.6.2.4.2. All clubs shall adhere to the Licensing Agreement concluded between BMW Group and the BMW Clubs International Council regarding the use and application of the BMW emblem and brand name.

4.6.2.4.3. Further information is available in the applicable guideline.

4.7. Public image of clubs

4.7.1. 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 any permission from the BMW Clubs International Council and BMW Group, and is 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.

4.7.2. The BMW Clubs International Council, in collaboration with BMW Group, 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.

4.7.3. Precise instructions on the creation of a club logo are contained in Guideline no. 5: DESIGN GUIDELINES FOR APPEARANCE (outline directives for the public image of BMW Clubs worldwide).

4.8. 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 Group. 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.

4.9. 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.

5.0. Organization of BMW Clubs

- 5.1. The structure and operating principles of the BMW Clubs International 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.
- 5.2. In this the BMW Clubs International Council serves as a point of contact. The BMW Clubs International Office constitutes the organisational hub and liaison office for the BMW Clubs International Council and associated BMW Clubs.
- 5.3. Direct contact on a national level with the relevant subsidiary of BMW Group 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.
- 5.4. In their present form, the BMW Clubs represent a well-organised, 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.

5.5. Role of the BMW Clubs International Council

5.5.1. The BMW Clubs 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.

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

5.5.3. The tasks of the BMW Clubs International Council are

5.5.3.1. To provide strategic and conceptual guidance for the entire club organization to systematically develop the clubs

5.5.3.2. To ensure that the BMW Philosophy and Corporate Identity are reflected in the conduct and image of the BMW Clubs

5.5.3.3. To coordinate and mediate between BMW Group and the BMW Clubs

5.5.3.4. To act as an information hub for the clubs to ensure global communication

5.5.3.5. To run the BMW Clubs International Office

5.5.3.6. To act as a mouthpiece for the clubs vis-à-vis BMW Group and as a source of information of behalf of BMW Group

5.5.4. The clubs, which fall under the jurisdiction of the BMW Clubs International Council, currently carry out a liaison between BMW Group and the public.

5.5.5. 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.

5.6. Collaboration with BMW subsidiaries, importers and dealers

5.6.1. Club work in the intended sense can evolve into a liaison between dealers and marketplace, provide motivation for dealerships, and persuasively convey product appeal through active event organization.

5.6.2. The acceptance of such club activities is reflected in the success of club rallies throughout the world, and in club support for dealerships whenever new models are introduced.

5.6.3. 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 Group (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 Group 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.

5.7. BMW Clubs and public relations

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

5.7.2. 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.

5.7.3. At organized 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.

5.7.3.1. Club events, by reflecting the keen involvement of members, can have a motivating impact on trade employees and regional BMW Group representatives.

5.7.3.2. Social and cultural initiatives on the part of the clubs help break down the disparity in values between BMW Group and the public.

5.8. Conclusions:

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

5.8.2. The significance of websites, regular club publications, periodical newsletters (electronic or hardcopy) is not to be underestimated. They promote the exchange of information, provide a link for less active members, and offer a fundamental medium for communication measures.

- 5.8.3. A club journal is not a 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. This applies equally to club web sites.
- 5.8.4. 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 Group: high-quality journalism in a visually aesthetic package.
- 5.8.5. Should financial resources not permit the publication of a magazine, the alternative of a factually informative newsletter is recommended.
- 5.8.6. If a club has the necessary means and expertise at its disposal, an appropriately maintained website is highly recommended for communicating with and gaining new members.

6.0. Duties of the BMW Clubs International Office

- 6.1. Initiator and mediator of beneficial cooperation between the clubs and the units, subsidiaries and the affiliated dealerships of the BMW Group:
 - 6.1.1. Identification, evaluation and preparation of potential cooperative benefits
 - 6.1.2. Set-up and maintenance of relevant data and information
 - 6.1.3. Initiation, monitoring and conducting negotiations
- 6.2. Generation and provision of communication media, -processes and -tools coordinated and customized for the various target groups.
 - 6.2.1. Development and launch of a suitable media-mix
 - 6.2.2. Definition and implementation of communication processes
 - 6.2.3. Generation of a basic framework and a toolbox in order to simplify and standardise the communication
- 6.3. Steering and managing administration and regulatory organisation (authority) for club issues worldwide:
 - 6.3.1. Administration and management of the BMW Clubs International Council
 - 6.3.2. Steering, implementing and monitoring the realization of the guidelines and decisions, which passed the BMW Clubs International Council

- 6.3.3. Set-up, maintenance and administration of a worldwide membership database on national club level
- 6.3.4. Definition and implementation of communication processes
- 6.4. Development of future-orientated structures for the efficient management of the BMW Club Organisations worldwide:
 - 6.4.1. Continuous monitoring and analysis of the worldwide club structures
 - 6.4.2. Elaborating conceptual alternatives in order to develop or enhance club structures within the different regions and markets
 - 6.4.3. Strategic orientation and implementation of worldwide organisation and club structures
- 6.5. Over and above this, the BMW Clubs International Office acts as a permanent contact point for BMW Group Classic and other company divisions, as well as for organisations and individuals seeking information about the BMW Club Organisation.
- 6.6. Address:

BMW Clubs International Office

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7.0. Future outlook for clubs

- 7.1. As BMW Group 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 Group is focusing not on the traditional brand club, but on the BMW Club as a socially integrated institution.

7.2. The following **guidelines** are available from the BMW Clubs International Office:

- Guideline no. 1: MISSION STATEMENT
- Guideline no. 2: CONSTITUTION
- Guideline no. 3: BMW CLUBS – A DYNAMIC COMMUNITY
- Guideline no. 4: ACCEPTED BMW CLUBS
- Guideline no. 5: DESIGN OF THE BMW CLUB EMBLEM
- Guideline no. 6: BMW CLUB AWARDS