

BMW European Delivery is one of those gems within the wonderful BMW world and it represents one of the most amazing experiences that you could get when purchasing a BMW. Having experienced two of them myself, I can come to you today and tell you what an amazing adventure that was, a unique experience that made me change the way I think about purchasing a BMW.

Since we have officially launched our blog, we have posted many stories, photos and videos of people that went to Germany and pick up their cars at the BMW delivery centers. Along with the great stories, there were many questions that I kept collecting and decided that one day, I will have one of the BMW representatives get into more details with us.

With that thought in mind, about a month ago, I contacted the Head of the BMW European Delivery program in the U.S, Mrs. Keri-Lynne Shaw, requesting an interview. Keri-Lynne agreed immediately and below, you will see one of the best interviews I have conducted to this date. Despite her important role and title, she was a great person to talk to, very enthusiastic, outgoing and with an impressive knowledge of the BMW brand and family.

The interview was an hour long and time just flew by. I really hope you will enjoy it since a lot of work has been put into this and in the same time, I am hoping that it will answer many of the questions that you might have had, regarding the BMW European Delivery process.

**Horatiu: When did the European Delivery program first take effect?**

**Keri-Lynne Shaw:** I don't have the exact year, my records only go back to 1994, but I understand that it's been around since the 80's.

**Horatiu: What prompted BMW to start such a program?**

**Keri-Lynne Shaw:** Build owner loyalty. Any kind of program that connects the customers to the brand and immerses them in the world of BMW, is a positive brand loyalty experience. Our customers are more likely to buy a BMW again if they take part in this program.

**Horatiu: How did it expand and evolved in the last few years? What factors were key to the rapid evolvement of the program?**

**Keri-Lynne Shaw:** Since I have been here, we almost doubled sales, interesting with a declining dollar against the Euro. We had a little downturn this year with the economy and European travel, and of course the Euro hasn't helped us, but since I got here in 2004, we almost doubled sales. So, we were very very successful.

So, it has been a positive increase and much of that has been exposure with the dealers, because if we don't have the dealers buy in, we are never going to get the customer. We have to convince the dealer that it is not additional work and that it is a special way to not only connect their customer to BMW but to their BMW center as well.

So, the key is to get the dealers to get it and really believe in the program, and that's what we have worked on for the past four and a half years, to make sure dealers are on board. Having

advocates in the store is the key and we've enhanced the program internally to make it easier to use.

**Horatiu: How is the BMW European Program unique and does it help build brand loyalty among consumers? What makes the BMW ED program stand out from its competitors?**

**Keri-Lynne Shaw:** If I'm being frank, it's our cars, but it's tough to say in the end. Ultimately, if you look at some of the other competitors, and there have been a lot of articles out there about what makes each program unique, but in the end, we all offer a similar program.

Porsche charges, we offer discount. Mercedes offers more of a discount, but does that make their program better? Do we sell more cars than them? Yes we do. I think it comes down to the cars, I don't think the customer says: "Hey, do you know what? I want to take a European Delivery, which car should I buy?" Customers are saying "I'm going to the local BMW center and tell them I'd like to take European Delivery. Or, I'm going to be in Munich for business, I'm going to pick up my car there", or they might be saying "I always wanted to pick up my BMW where it was born." Granted, there are many factors that play a role in the car buying experience and I'm thrilled that we have an offer that is unique and offers customer's something special. Many of our competitors, including the Japanese don't have the ability to connect to their customers in this way, which really sets us apart.

Everybody offers a great program, there are nice facilities out there, but the BMW Welt is the newest and most exciting aspect of our program. It's interesting to mention that we still sold more cars than anybody through European Delivery, even when we had the old Freimann center. So, honestly it is not necessarily about where we deliver, it's about the car and about the experience, and making the customer feel special. Now we have all the tools, the factory, the BMW Welt, and the new reopened Museum. Now, I think we have everything covered. I don't think it necessary matters as much where, but rather that people just want something different, something perhaps that their neighbor doesn't have.

**Horatiu: I think this is what sold me on before. I loved the fact that I could save money and enjoy a great experience.**

**Keri-Lynne Shaw:** And that's the whole thing, if you have taken delivery before, you don't want to take it any other way.

**Horatiu: What is your title and how long have you been involved with the ED program?**

**Keri-Lynne Shaw:** Manager, European Delivery, but I also manage Military and Diplomatic Sales. I have been here for just over four years.

**Horatiu: Would you please describe some of the challenges you have experienced due to the increased volume of European deliveries?**

**Keri-Lynne Shaw:** An important challenge is making sure we offer the best possible service and experience to our customers when they are thousands of miles away. Bridging the gap between two cultures and managing American expectations in a country with completely different views.

But every day is a challenge, you know, we think we got the process down, but then we decide to make it better, we streamline constantly. We have put new systems in place, in the last couple of years, completely new systems, and we are now totally connected to the rest of BMW. Before, we were completely separate and very manual, so we certainly are more sophisticated than we have ever been.

So, now we have better ability to pull information from what already exists, much easier, but we are constantly looking to make it better. If I have “n” dealers calling me one day on a particular issue, then we need to send out the information and we try to make sure they are in loop. The call volume is massive and our employees also need to focus on processing orders. And they are not just handling paperwork; they also answer hundreds of calls weekly. So, it takes them away from processing the papers. And the papers have to be accurate, 100%, or Germany will refuse the order.

**Horatiu: True, I did hear before about orders that were incorrect and they needed to be fixed.**

**Keri-Lynne Shaw:** Now we have the dealers build the cars online, we don’t build them anymore. When you grow that fast, you have no choice but work together and make it better. And the whole team contributes to that, it doesn’t matter what level they are at. We are always brainstorming, and finding ways to make things more efficient.

**Horatiu: I think you guys are doing a great job with such a small team, it’s just amazing.**

**Keri-Lynne Shaw:** I think so too, we have the right team in place. As far as the BMW Welt, the customer service is top notch at the Welt, I mean really top notch. And they are so efficient, if a customer shows up late, it causes problems for them, but they always make fantastic accommodations. They really get it, they do understand that the customers have certain expectations and standards, but because of their efficiency, I think the flexibility portion is sometimes a little more difficult to handle.

If a customer doesn’t show up on time or a day later, or their flight is delayed, and since we don’t know if a customer’s flight is delayed, it causes them ( the BMW Welt staff) to be a little bit on their toes. But I can tell you, in all years I have been here, the amount of customer complaints, is absolutely minimal. And that makes me very very happy.

**Horatiu:** The Welt is indeed amazing, I mean in comparison to the old delivery center Freimann, it’s so much different, the experience has reached new levels, but even there, BMW customer service was impeccable.

**By increasing the capacity with the new Welt, does it help you process more orders and deal easier with the production slots?**

**Keri-Lynne Shaw:** The issue with the slots is that we are fighting with the other markets to get the slots, with Germany and other European countries. It’s first come, first served, if you have a hot car and you don’t get it in fast enough, then we have to give our customers the opportunity to choose another date.

So, unlike Freimann, where we knew exactly what we had per day, it is a little bit more challenging now, but it's better now in comparison to when Welt first opened. We do have a certain allocation, but after an amount of time, it can be taken by another market.

It is also a little bit more challenging to do the short term deliveries, because that was something that really increased our business. We could have turned it around in three weeks from the moment the customer would place the order. Germany will work with us if there is a slot open, but it is more challenging.

And certainly, the system is 'just-in-time' now, they build the cars 10 days before pick-up, it is like clockwork, we no longer have cars just sitting there built. The system is much better; cars are delivered to the Welt from the factory just a day or two before the delivery.

**Horatiu: Here is a little secret, I was one of the guys that in December last year had to change my pick up date a week before I was scheduled, but you guys were great and very accommodating.**

**Keri-Lynne Shaw:** Oh, so you were the one. (Here is the part where Keri-Lynne was jokingly giving me a hard time). Yes, we are accommodating when possible and do our best to satisfy the customers, within reason of course. A great customer experience is our number one goal.

**Horatiu: Even though we touched this subject a bit, I still would like to ask you how many people are currently working in your team. Do you feel you need to increase the manpower in order to keep up with the escalating number of orders?**

**Keri-Lynne Shaw:** We have 6 people on our team.

There is always the need for more people, but in today's environment we do the best with what we have and ensure we have the right people in place to manage the orders. We have a brilliant team and will continue to work with available manpower for now. That is the reason for constant change, to stay ahead of the increased number of orders and the needs of our dealers and customers.

**Horatiu: What type of support are you receiving from corporate?**

**Keri-Lynne Shaw:** Limited as far as budget is concerned but again, we are in a tough economy and BMW has many areas to focus on. We have a strong customer support network that promotes our program. Marketing does support us with several ads each year as well. But on some level, we are dependant upon our customers to spread the word.

**Horatiu: I have a question regarding the BMW dealerships. Since you guys work so close and you basically rely on each other work, is there anything that they can do to help you more?**

**Keri-Lynne Shaw:** Sure, promote our program! Besides our customers, they are our biggest advocates.

**Horatiu: It might sound like a cliché, but would you please describe the most rewarding part of your job?**

**Keri-Lynne Shaw:** Customer satisfaction. I've made so many special friendships as a result of this position and watched many people glow with excitement and pride of driving their car on the roads it was meant to be driven. It is a special bond with their car and of course with BMW and we are so happy to have hosted them.

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**Horatiu: How has the fluctuation of the dollar over the past year affected European Delivery sales?**

**Keri-Lynne Shaw:** Steady growth and as I mentioned before, the numbers are still way up from previous years. I think the economy itself has had an impact on car sales overall.

**Horatiu: Considering its recent gain to the Euro, have you seen an increase in sales volume?**

**Keri-Lynne Shaw:** Too soon to tell, it is still fluctuating and we don't see changes until a few months afterwards, since our customers generally plan a month in advance of pick up.

**Horatiu: I have recently heard from several sources that the Military and Diplomatic sales have increased in the past year or so. Any reason to that?**

**Keri-Lynne Shaw:** An increase in the amount of troops overseas is the most significant reason. And many of them deployed several times. Sales are through the roof with Military. We are up 50% this year and that's very significant, but this could change in the future, based on many external factors.

I can't tell where the bulk comes from, but there are many overseas agents in many different countries that work directly with BMW AG, we handle the delivery process, but they negotiate everything with the customers. So, the North American dealers don't get involved until the end of it, when the customer's car is shipped here. Diplomatic sales have not seen an increase.

**Horatiu: So, basically the customer can choose their U.S dealership and have it arranged to pick up the car there?**

**Keri-Lynne Shaw:** Yes, that is correct. It is definitely a simple process and it has been improved over the years as well.

**Horatiu: In January 2007, BMW decided to offer Performance Center Delivery in conjunction to the ED program. Can you please tell me if it had any positive effect on the ED sales and if yes, then could you give an estimate, in percentage maybe?**

**Keri-Lynne Shaw:** Let me first start by saying that it's a little bit of a challenge for us. The Delivery Center is working with a limited capacity as well, so we have had to look at a way to make this work, since those customers already had a very formal delivery in Munich. The question was if there is a way to shorten it a little bit at the Performance Center? We had to make some accommodations, just because of manpower and space to make sure they are not completely overwhelmed. Don't get me wrong, we are very pleased when a customer chooses to take delivery at both places.

I can't provide a percentage on European Delivery sales as a result of, but so many of our customers had been asking for this and we finally implemented it. We've had great success with it and it is a win-win for everyone.

**Horatiu: As you mentioned earlier, the Welt in itself is a state of the art delivery center. Do you think it will prompt more BMW customers to want to experience the European Delivery program?**

**Keri-Lynne Shaw:** Absolutely!! It represents the history of BMW. Couple that with the new museum just opened and total access to the 3 Series factory, it's a magnificent set up. It's really something for everyone.

**Horatiu: What is the most popular car in the program?**

**Keri-Lynne Shaw:** The 3 Series.

**Horatiu: Are the twin-turbo engines the ones that pushed the sales more?**

**Keri-Lynne Shaw:** Definitely, it's a large percentage. 3 Series are 60% on average, 1 series went up, they are now number two, 15% and the 5 Series is about 13%. And that fluctuates every month, in September, 1 Series was at 18% and the 5 Series at 14%. So, a significantly portion is the 3 Series.

**Horatiu: It is interesting to see those numbers; I know the 1 Series Coupes weren't doing too great for a while. Did the fact that vehicles were coming out of the dealerships' allocation, had anything to do with it?**

**Keri-Lynne Shaw:** Well, they still sort of are. We do get a small portion, our fair share, but once we max out of our share, we need to ask the dealers to give up one of their allocations. But in the beginning, of course, with any new product, they don't give us a full allocation.

So, when we ask the dealers, it does affect our sales just a little bit. But we pretty much fall on line with what the sales are like out at the dealerships.

**Horatiu: And since we're on this subject, as a personal curiosity, can you tell me which of the 3 Series body type is most popular as far as ED sales go?**

**Keri-Lynne Shaw:** Are you reading my mind?? Last year coupes and convertibles were exceptionally hot, but they were new. When the sedan was released, it was the number one seller. So this varies based on what is hot and new in the market.

**Horatiu: The first BMW diesels, from what we hear, will be available before the year end, or early 2009. Will the BMW 335d be available for European Delivery right from the beginning? And will they come out of the dealer's allocation?**

**Keri-Lynne Shaw:** I am working on getting my fair share, that's my fight. So, we should get our fair share from the get-go, but in case we won't, then I need to ask the dealers to give some of their allocation.

Ideally it will come from our pool, but initially it may come from dealer allocation as we have done in the past with other hot new products. We only get our share of the allocation and that's not always enough to meet demand.

**Horatiu: Well, I can tell you right now that, based on the amount of emails and questions I receive, the demand for the diesel engines will be fairly high, especially the 335d.**

**Keri-Lynne Shaw:** Yeah, it's exciting and believe me, I am looking out for the interest of this program and if I can help the dealers gain extra cars, because we were able to support the allocation, that's what I'm ready to do.

**Horatiu: Same question for the new 7 Series, a car that created some controversy among the BMW fans, but in the same time, it is one of the most awaited releases in the past years. Will ED be available as soon as the car is being released?**

**Keri-Lynne Shaw:** Yes. We can generally release the first car two weeks after retail launch date in the US. The new 7 Series will probably come out of the dealer's allocation at first, so it will be based on what the dealer gets and in what production month they have allocation.

**Horatiu: The new BMW Z4 will go into production soon at the Regensburg Plant in Germany, after its recent move from Spartanburg. Do you anticipate the 2009 BMW Z4 to be part of the European Delivery program?**

**Keri-Lynne Shaw:** A very enthusiastic YES! We are very excited about that, the new Z4 will be available through the European Delivery program as soon as it becomes available to order. But again, it might come out of the dealer's inventory, it just depends on what production looks like and if production moves around the world, we have to take whatever we can get and if the dealers support it and gives us a car then we're in great shape.

**Horatiu: Since we are getting closer to the end of this interview, would you like to share with us the most fascinating BMW European Delivery experience or story that you have heard so far?**

**Keri-Lynne Shaw:** I will have to think about that one. There are many!! I love the one where a father brought his three daughters to Munich and told them that he was picking up a car for himself. He brought them to the delivery center (against their will I might add) and surprised them with 3 identical 3 Series for each of them. I wonder if he might adopt me.

**Horatiu: Well, we can always ask him. Let's pull out his name from the database. I'm joking of course, and yes, it is indeed a great story, something to remember.**

Keri-Lynne, thank you so much for the great interview and sharing with our readers all these information about the BMW European Delivery program. It was a pleasure talking to you; keep up the amazing work and good luck with everything.

