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Case Study: BMW Films

With the launch of its eponymous filmmaking arm in 2001, renowned luxury automaker BMW heralded a new style of automotive marketing. Although carmakers placing their products in popular films and television shows was nothing new, the advent of BMW Films reversed the process by wrapping the film around the product. In a series of short online films known as “The Hire,” starring Clive Owen as the heroic, enigmatic “Driver,” BMW sought to promote its brand in an unorthodox way. Instead of depicting BMW cars in a typically glamorous light, “The Hire” focused on action, narrative, and production value – indeed, nothing about the films suggested an advertisement.

In the films – brought to life by acclaimed Hollywood directors like Ang Lee and John Frankenheimer – BMW sought to promote not one car but its entire brand. The Driver is tough, cunning, and able to handle any situation thrown at him – and by extension, so is his ride. The BMW is showcased as the pinnacle of driving performance and automotive engineering. This is precisely the brand identity BMW believes sets itself apart from its competitors in the luxury car arena.

The other unique aspect of “The Hire” was its initial release exclusively on the internet, at BMWFilms.com. These advertisements were in fact supported by their own advertisements: traditional 30-second TV spots which played like movie trailers and directed viewers to the website. At the cusp of the “web 2.0” era, this strategy was extremely ahead of its time; seven years later many advertisers and entertainment distributors alike continue to have trouble creating successful online-only content.

For this reason, we believe BMW’s greatest success with “The Hire” is in reaching younger (read: Internet-savvy) consumers. Specifically, young males represent both the typical luxury car purchaser and the typical action-movie audience. We believe that BMW Films would have created the most interest, therefore, in the BMW 3-Series, its entry-level sedan. *To upwardly-mobile professional males, age 25-37, the BMW 3-Series is the luxury automobile that offers the peak of driving performance and the latest technology.*

It is natural for BMW to focus on male consumers; based on sales of its 2001 models, 64% of its customers were men. Of these, 71% are married, and 65% are childless. And their upwardly-mobile credentials are clear: 76% have at least a bachelor’s degree, and their median annual income is \$142,000 – nearly triple the figure for the nation overall. According to a 2006 American Community Survey, there are 41 million men between the ages of 25 and 37 in the U.S.

In addition, the 3-Series represents one of BMW’s most sufficient product lines, accounting for half of its unit sales in 1989. This strength has remained stable as well; from 1986 to 2000, sales doubled.

Obviously, the internet film series is a clear and effective way to reach this product’s target market. But this method alone is not enough. Potential customers are broadly accessible through a number of other channels. BMW should advertise in publications which appeal to upwardly mobile professionals, such as *Fortune*, *BusinessWeek*, and the *Wall Street Journal*; as well as in publications which attract car enthusiasts like *Car & Driver*.

Similarly, television advertising should focus on financial news channels and programs like *Top Gear*. Online banner and search advertising should also follow in this vein, targeting the websites for the aforementioned publications, as well as business-oriented sites like Bloomberg and LinkedIn. Traditional product placement in Hollywood films and TV shows should also continue, reinforcing the image cultivated in “The Hire.”

The ideal 3-Series consumer has a clearly delineated personality. He works hard to attain the finer things in life. He is ambitious, and his ambition has been rewarded. He has the talent and the drive to achieve peak performance, and he demands the same from his automobile.

He is motivated by success, and the car he drives must reflect that success to the outside world. More than that, he has worked for what he has achieved, and his car must be an equally high performer. Mere styling and flash is not enough. The BMW 3-Series buyer desires the most sophisticated engineering and technological prowess available.

The consumer with complete confidence in himself must have complete confidence in his automobile brand. He must feel that he can slip behind the wheel of his next upgrade and immediately know he is getting the best. After owning the BMW 3-Series, he will be loyal for life. As he graduates to more advanced, more expensive models, the BMW driver will always remain, in some small way, the young man who first revved the engine of the car which let the world know he'd arrived.

The target consumer will approach this purchase from a cognitive perspective (*Schiffman & Kanuk*, 2007, p. 215). Rather than relying on repetitive triggers, and unable to rely on trial and error in search of positive or negative reinforcement, the consumer must seek out, absorb, and process information. He must learn about his luxury driving options and determine which one is most attuned to his wants, needs, and motivations. We believe this process will lead the target consumer described above to the BMW 3-Series.

From the standpoint of Involvement Theory (p. 220), the 3-Series is without a doubt a high-involvement purchase. The acquisition of a car is a complex, expensive, long-term decision. Every salient measure of involvement is ranked quite high in the consumer's mind. The financial and psychological risks are great; a wrong decision cannot be easily amended. Performance, style, status, price, and safety are all highly relevant decision factors.

Pursuant to the Elaboration Likelihood Model (p. 223), a decision of this magnitude requires a central route to persuasion. Potential consumers must be educated about the technological superiority boasted by the BMW 3-Series, as well as its relative affordability within the luxury car arena. The process is information-intensive and highly cognitive. The BMW consumer did not achieve his success by making rash or ill-informed decisions.

However, while the final analysis must be conducted by the more rational left brain, there is clearly an initial appeal to be made to the more freewheeling right half (p. 220). BMW Films presents a very compelling peripheral route to persuasion. Although "The Hire" communicates virtually no advertising message, not even a logo, viewers cannot separate themselves from the fact that the film they are watching has been produced by (and for the benefit of) BMW. When viewers imagine themselves as The Driver, they channel the adrenaline of the "ultimate driving experience." Before they have done an iota of research or set foot inside a showroom, potential customers have established some level of emotional connection to BMW. This is what impels them to learn more about the brand, and the ways in which the 3-Series satisfies their every driving need. Verbal communications thus complement visual, reaching the consumer holistically.

The path of brand loyalty, then, is quite clear. Initially the consumer experiences covetous loyalty (p. 229), an emotional attachment to the brand based on his desire for high status and high performance. After experiencing that status and performance for himself, the consumer graduates to premium loyalty, rooted in a deep, thorough connection with the brand. This sort of relationship marketing (p. 214) engrains BMW in the hearts and minds of its customers.

By promoting the BMW brand, the films evoke a stimulus generalization. Several different makes and models star throughout, tackling myriad hazards in a variety of environments from urban to jungle. Every vehicle performs smoothly, powerfully, flawlessly. This is the common trait of BMW vehicles across the board.

The young male viewer of “The Hire,” thus enamored of the BMW brand, then begins the cognitive process of selecting the specific car which is right for him. Through stimulus discrimination, he will identify the 3-Series as the perfect fit for a high achiever, early in life, just starting out on the road to greater success.

Given the strong positive response generated by its first set of films, producing a second series makes perfect sense for BMW. The tone of the comments cited in the case study (e.g., “What an awesome way to demonstrate what a BMW can do...”) suggest the films struck just the right chord with BMW’s target demographic of young men. The episodic nature of “The Hire” means the campaign can last for as long as it continues to evoke this sort of passion, seeding the psyches of youthful car buyers with covetous loyalty.

Of course, like any good idea from Hollywood or Madison Ave., BMW Films is bound to spawn imitators. Competitors such as Mercedes, Jaguar, Lexus, and Audi are likely to produce their own cinematically-styled marketing campaigns. They may try to challenge BMW’s online presence with streaming content. They may try to reach a broader audience by, for example, screening their films in movie theaters prior to the coming attractions. Or they may focus more intently on the traditional route of product placement, aggressively inserting their own brands into existing action-oriented movies and TV shows.

We propose, though, that these copycat efforts will not meet with the same success. BMW’s brand identity affords it a unique position to benefit from this unique approach. Its top-of-the-line technology and renowned German engineering equip BMW with a performance edge over American and Japanese rivals. And although Mercedes enjoys some of those advantages as well, this stuffer, more image-oriented brand will not profit from the stimulus generalization tactic. Mercedes drivers care more about glamour than action; they would not likely be enthusiastic about seeing their preferred vehicle riddled with bullet holes while eluding criminals.

We would recommend BMW resist the temptation to expand the franchise into a feature-length film, however. While it might seem like a logical creative extension, this overreach would likely strip “The Hire” of much of its cachet.

As a series of brief online vignettes, “The Hire” stands out from most other popular entertainment. It can present BMW in a variety of styles and tones. But a full-length action movie centered on The Driver would probably get lost amid the slew of cookie-cutter car chase movies released every year. And in a theater, as opposed to on a website called BMWFilms.com, the brand connection would more readily fade from audiences’ minds. A 90-120 minute version of “The Hire” distributed online would crash and burn as well – such a length is simply not viable in a streaming format. In either case, the expense of producing, distributing and promoting the movie would be hard to justify.

BMW’s foray into filmmaking was tremendously successful. It pinpointed an important target market: young, upwardly-mobile men. It established a strong psychological connection with that market by reinforcing the BMW brand identity: the luxury automobile that delivers the peak of performance and technology. And it lead these new customers to an ideal entry-level option, the 3-Series. In this way, BMW Films reinvigorated, for a new generation, the lifelong appeal of the “Ultimate Driving Machine.”