

Bmw case



What was BMW's motivation behind the idea of producing the films? BMW's motivation behind the idea of producing the films was one to simply communicate, and focus on "what makes a BMW a BMW". In fact, there was no product launch to advertise and BMW was able to use this time to shift its strategy from 'push' to 'pull'. The goal of this advertisement was to "produce the most exciting, fun thing people had ever seen come out of their computer". In terms of numbers, this campaign was used to maintain growth and sales, which had been growing excessively since 1992: from 60 000 units sold to 180 000 units (exhibit 1).

In terms of target, BMW wanted to attract younger generations while still keeping its current target audience. This would enable the brand to increase the already high brand loyalty (44.7%, Exhibit 8a), by getting customers from a younger age, and therefore following them throughout their lives. In terms of image, the goals of this campaign were to strengthen the company's brand image in luxury segment, and differentiate it from other competitors. Who was the target market for the BMW Films campaign?

With its campaign, BMW was hoping to reach customers between the ages of 25 to 44 who were new to the luxury car market, without affecting their current customer base, being 46 year old male, married with no children with a median income of about \$150 000. This target audience was therefore well educated, two thirds were very active males engaged in sports and other activities. BMW wanted to target people who wanted a perfect product, stylish and which offered great driving experience.

Last but not least, the target was highly attracted to technology, as the “Internet was used by 85% of customers before buying a BMW”; the films on the Internet therefore targeted perfectly these people. How successful has the campaign been? Why or why not? There are two ways of defining a successful campaign: the effectiveness and efficiency. In terms of effectiveness, it is important to compare the results according to the initial goals. Overall, the campaign was really successful: BMW sales increase by 12.5% compared to 2000.

Concerning viewers, films were viewed 11 million times in the first four months, and were seen by 1 981 049 people in total. The short films were recommended by 94% of the people who registered on the website, showing how incredible and successful the buzz was. Last but not least, two million people registered on the site after viewing the films and 60% signed up to receive newsletters and other information. In terms of numbers, this campaign was therefore obviously very effective: it was a tremendous buzz and gave the brand a “cooler” and younger image.

Concerning target audience, in comparison with the overall goals, BMW was very successful here again. In fact, the median age of the people who registered on the website was 31, exactly in the target market goal. Moreover, the higher segments of viewers were in the range of 25 to 34 years old (35%) and between 35 to 44 years old (22%). These segments include both young people targeted by BMW and its current target market. 63% of viewers were educated and 68% of profile visitors owned non luxury makes, and were therefore new to the luxury segment.

Here we can clearly see that all target objectives were reached by BMW. In terms of strategic goals, the company was also successful: it perfectly produced “ the most exciting, fun thing people had ever seen”, and focused their message on what makes a BMW a BMW. Here is what a viewer said: “ BMW lets the directors do whatever they want and they’re not constantly shoving the BMW logo in your face or anything”. Here again, BMW reached its entire strategic goal.

Overall, the campaign was extremely effective in terms of achieving goals and communication to customers. Although effective, it is important to calculate the efficiency of this campaign. In order to do so, it is necessary to calculate the Cost per Thousand (CPM), and compare it to an ad airing during the super bowl. The calculations are detailed in Appendix 1. I have focused my analysis on the movies which aired on the internet, their costs of production and number of viewers, to compare it to the super bowl commercials.

Overall, even without considering the costs of publicity (trailers on TV, print advertising) which reached \$14 million, the CPM is way higher than for super bowl commercials (\$ 7571 against \$ 31. 25 respectively). Therefore, the efficiency of the BMW film series was low, as costs were way higher compared to the audience reached. In conclusion, this BMW campaign was very effective but not efficient. BMW should now focus on an “ encore”. I believe that the company should create a DVD to give to dealerships in order to reach potential customers and already existing customers who didn’t view the movies.

In addition to that, BMW should produce three to four new films with Clive Owen. This would enable BMW to answer the demands and desires of their customers, without disappointing them. When using A Brand New World, I believe that BMW was really able to create brand strength and not only brand awareness. This campaign really enabled the company to create an emotional attachment with both its customers and potential customers.

Appendices Appendix 1: Cost per Thousands comparison | BMW FILMS ON WEBSITE | AD DURING SUPERBOWL | | Cost of production/ ad |\$ 15 000 000 | \$ 2 500 000 | | Circulation | 1 981 049 | 80 000 000 | | Cost Per Thousand (CPM) |\$ 7571 |\$ 31. 25 | Appendix 2: Target effectiveness, Example of non BMW owners reached [pic]