

Choosing the Best Media for the Message

The United States has arguably the most competitive car market in the world. No one spends more money on advertising than car companies—\$18.4 billion a year—and during any given night of prime-time television, viewers watch more than two dozen car commercials, some of them back-to-back.¹ If, like our client BMW, you're a smaller player, it's easy to get lost in the fray.

BMW is a small company in the land of giants, totally independent and consistently among the world's most profitable car companies. BMW has less than a 2 percent share of the U.S. market, compared with 5 percent in Europe.² In 1992, BMW sold only 54,000 vehicles in North America. In 2005, it sold 266,000 vehicles.

BMW's advertising budget is just over 1 percent of the total spent by carmakers.³ Still, the brand plays a lot bigger than that number indicates. In an automotive marketing landscape of "zero percent financing" and "employee discounts

for everyone” and of cars zooming around sharp turns or winding through strangely empty mountain roads, BMW has learned how to juice the orange, thanks in part to how the company embraces creative leverage.

BMW has chosen to play only in the premium category, focusing on quality and not volume. It goes head-to-head with Lexus (a premium marque launched by Toyota in 1989) and Mercedes-Benz, made by Daimler-Benz (which merged with Chrysler in 1998). Customers who buy cars in this class are saying something about themselves; these cars are often driveway jewelry for those who know nothing about turbos or stability control.

The business challenge for a relatively small builder of premium cars like BMW is to make sure that it has an exceedingly strong brand voice. The company needs to nurture the premium image and, at the same time, own the performance aspects that differentiate its cars.

What James Bond Taught Us About Marketing

As soon as we came on board with BMW in early 1995, we were asked to launch the beautiful new Z3 sports car, due in showrooms the following spring. Since 1990, the Mazda Miata had been the only truly affordable sports car in the classic British tradition of cars like Triumph, Austin-Healy, and MG. But now, BMW was about to beat both Mercedes and Porsche to market with a well-engineered, sexy two-seater. And it would be priced right. The challenge for BMW was to introduce this car in America without investing \$40 million, which is the average launch budget for any new car in this market.

BMW had already made a critical product placement decision. Properly fitted by “Q” with every conceivable weapons system, the Z3 would be James Bond’s new ride in *GoldenEye*. BMW supplied prototypes to filmmaker MGM and agreed to cross-promote the movie in its Z3 launch advertising in the weeks before the film’s premiere. This tie-in was the cornerstone of the car’s launch. Our job was to come up with the ads.

BMW apologized for giving us this project as our first assignment. As a new agency we had to serve both MGM and BMW—two company’s with two vastly different objectives and two very different cultures—not to mention the legacy of James Bond.

Our creative team placed its bets on moviegoers’ affection for 007. Our story line was that all of England was upset that Her Majesty’s favorite secret agent had forsaken his British Aston Martin for the German Z3. Our first storyboard had the queen herself distraught to tears because James had chosen a BMW. That didn’t get far. The Broccoli family, which owned the production rights to Bond, were friends of the royal family. But both BMW and the MGM people loved the approach, so we were able to work around the diplomatic issues and still make the point. We moved the ad’s venue to the House of Lords, where a member announces, “My lords, today we have news that rocks the very rock that is England. James Bond is driving a BMW—on the wrong side of the road.” (To view this spot, go to www.juicingtheorange.com. Click on “See the Work.”)

The Z3 had only two short scenes in the movie—90 seconds total on the silver screen—but the cross-promotion gave *GoldenEye* the biggest opening weekend in MGM history. BMW almost doubled its own goal for preorders. We pulled

off one of the most successful launches of the year for a fraction of the \$40 million we could have spent.

The partnership with Bond and MGM served as an important prelude to BMW films. BMW marketing executives proved to themselves and the world that you didn't have to follow the conventions of the category to launch a new model. On the agency side, we got a good whiff of Hollywood and saw how it might help us break out of the restrictive covenants of automotive advertising.

Driving on the Internet

By 1999, the campaign we had launched in 1997 to celebrate BMW's performance advantages had run into problems. Tracking research assured us that people's perception of BMW's performance was increasing, and sales continued to be strong, but competitors with bigger budgets were copying our style. Mitsubishi, for example, was using the same type of black-and-white photography, the same editing style, and the same musical formats we had pioneered with BMW. Our share of voice in the world of automotive TV advertising was still only 1 percent. If we started looking like the rest of the pack, we'd be invisible.

We needed something fresh. As we approached the summer of 2000 there were no immediate plans for introducing a new model. BMW's basic brand message—that it was the “Ultimate Driving Machine”—wasn't going to change, but we needed to stake out a new way to express it. The clichés of the high-performance automobile category—fast edits, wet roads, hard rock beats—were verboten. Fortunately, our longtime client, Jim McDowell, BMW's vice president of marketing, threw the door wide open and challenged us to start from scratch.

One of our creative teams working on the BMW account had just completed a big, complicated shoot directed by Tim Burton (*Edward Scissorhands*, *Batman Returns*, *Sleepy Hollow*) for Timex watches. We did two *Matrix*-like TV spots for a Timex model called i-Control. The campaign also included an Internet component, involving virtual trading cards of the villains and heroes in the spots. The trading cards were actually short action films that featured the watch functions.

The Timex work sparked a nearly unthinkable solution for BMW: what if we broadcast short films on the Internet instead of doing thirty-second spots on television?

The timing seemed right, but the idea also felt slightly beyond us. Everyone was flocking to the Internet, but in many ways we marketers were behind consumers in knowing how to use the technology effectively. Furthermore, technology was giving consumers more choices for engaging with each other, and they were disengaging from unwanted marketing, shooting the messengers and the senders alike. At Fallon we were holding intense discussions about how we could use the Internet as a tool for creative leverage.

For example, we couldn't help noticing the success of the 1999 Victoria's Secret Super Bowl spot. The ad's sole purpose was to drive traffic to a Web cast for an upcoming New York fashion show. Before the game was over, the site got more than a million hits—so much traffic that the servers crashed. The stock of the parent entity, Intimate Brands, jumped 10 percent that week.⁴

(Skeptics may roll their eyes at that connection, but how could Wall Street ignore the public attention gained by the Victoria's Secret campaign?)

For BMW, research showed that their target market—men aged twenty-five to thirty-five—was on the Web in a significant

way. Luxury-car shoppers were increasingly using the Internet to research their next car purchases and BMW shoppers topped the list. In 2000, a full 85 percent were using the Internet to gather information before they hit the showrooms.⁵ Our connection planners saw this as a sign that BMW customers would not only be receptive to an innovative use of the Internet, they would applaud it.

By contrast, television use was down in this same demographic, and BMW's McDowell was becoming increasingly frustrated by the inefficiency of television. An early advocate of the Internet, he had declared the fledgling medium "mission critical" for BMW years before. As far back as 1996, BMW had won awards for the Web sites we designed for them. A 1999 survey by AMCI, an automotive research company, ranked our BMW Web site first of forty-one automotive sites.⁶ McDowell also made sure that BMW's Web efforts were not an afterthought. While some organizations were dabbling, McDowell made sure his company's Internet campaigns were part of the overall media budget, where funds were more readily available.

A Media Planner's Role Is Too Limited Today. Meet the Connection Planner.

In their 1999 book, *The Experience Economy*, Harvard professors and authors Joe Pine and Jim Gilmore advanced the thesis that your customer's experience with your brand is a part of your company's economic offering beyond the prod-

uct or service. The experience has its own value proposition.^a Our corollary theory is that how people experience your brand should be part of your marketing communications plan. As advertising evolves, an agency becomes equally concerned with creating experiences as they do making ads.

In 1999 we introduced a new position: the connection planner. A connection planner goes beyond traditional media planning to find compelling connections between a brand and its customer. The connection planner starts where the media planner leaves off. They seek out the places where brands and people meet in the real world, and then connect the two in way that is often more credible and engaging than conventional advertising.

For example, for Virgin Mobile, our connection planners observed that our most powerful medium was Virgin Mobile's own customers. Because these kids are highly social and constantly communicate with their friends, Virgin Mobile now randomly rewards customers with enhanced services like periods of free text messaging, or free ring tones—out of the blue. As a result they talk to their peers about how great their cell phone company is and, like Lee Jeans influencers, move the market in Virgin Mobile's favor.

Through a cross-channel research study we conducted on behalf of Nordstrom, we discovered that busy women shopping the Web wanted more than just product detail; they wanted fashion inspiration because, while they love fashion, they often don't have time to go to the mall. Instead, they use the Web as a surrogate store experience.

They expect that, like the store, the experience will be fun, uplifting, and an enjoyable way to spend time. That's why we are experimenting with ways to deliver fashion, music, and inspiration, directly to the shopper's desktop, in a shoppable format. And by choosing not to invest in the ever less relevant TV advertising, Nordstrom is able to do what it does best: cater to its best customers while making the shopping experience truly enjoyable.

A traditional media planner might recommend that a luxury car manufacturer should showcase its brilliant new coupe in *Architectural Digest*. We could place the ad in an issue with a readership study. We could pay a premium for better placement or match the ad theme to the cover story editorial. All valid counsel from a traditional media planner. The only problem is that every luxury car in America is doing exactly the same thing.

The connection planner starts where the media planner leaves off. The connection planner works to create opportunities in the real world that are more credible and engaging than conventional advertising. A connection planner recommends, for example, that BMW invite enthusiasts to a driving experience where they can push competing luxury cars to the limit and personally sense the difference, because the brand's karma is about the drive. That could force the advertising agency to divert money from the media budget to fund the event—as it should, if the brand experience is more effective than a TV campaign.

Do You Think We Can Get Guy Ritchie?

Once we started thinking about the content of the films, we were immediately drawn to the great car chases in movies like *Bullitt*, *The French Connection*, and *Ronin*. These scenes are riveting and memorable and, if you truly love cars, almost hypnotic. The team thought that if they could capture the exhilaration of a Hollywood car chase on the Internet, BMW's target audience would seek out the films. An emotional connection doesn't have to be profound to be effective.

The final concept was to produce five separate episodes about a professional driver who is hired to help someone out of a difficult situation. "The driver" would be the ultimate personification of the BMW performance message. With unassuming grace, he survives these impossible scenarios with few words and effortless motion. We actually created a dossier for him (a story of the driver's history and credentials) describing in great detail how he became so accomplished and mysterious. We would call the overall campaign "The Hire."

We took thirty minutes to explain the idea. Jim McDowell and his team took only three minutes to approve it. We were scared out of our minds, because now we had to make the films work. From theory to reality in 5.6 seconds.

From the start, one of the most important strategic decisions we made was that the films would stand on their own as legitimate entertainment. Everything about the films, from who was in them to how they looked to how they were marketed, had to be in keeping with the standards of a big-budget Hollywood production. If the films looked like the products of an ad agency, people would be turned off. Because we

weren't broadcasting the films but inviting people to watch them on a Web site, they would have to be so good that people would seek them out. In keeping with this thinking we even turned the normal ratio of production to media on its head. We planned to spend 75 percent of the campaign budget to produce the films, and only 25 percent on media to drive traffic to BMW's Web site.

We believed that the best way to signal that these short movies were legitimate was to get famous directors. With the help of Hollywood screenwriters, we created about fifteen scripts and asked A-list directors to pick one. Most of them were intrigued by the Internet's potential impact on their industry. Here was an opportunity to experiment.

We also wanted to get the right actor to play the lead—not necessarily a star, but someone with some indie clout. Clive Owen was our first choice, based on his 1998 performance in the film *Croupier*. He had the right touch of gravitas and mystery, and the British accent added to the story.

Luck was also on our side: the Screenwriters Guild went on strike, so the best directors in Hollywood suddenly had holes in their schedule that could easily accommodate a short project. The late John Frankenheimer (*Ronin*, *The Manchurian Candidate*) signed on, and others soon followed: Ang Lee (*Crouching Tiger, Hidden Dragon*), Wong Kar-Wai (*In the Mood for Love*; *Happy Together*), Guy Ritchie (*Snatch*; *Lock, Stock, and Two Smoking Barrels*), and Alejandro González Iñárritu (*Amores Perros*).

Despite our luck, "The Hire" was so much different from traditional advertising we felt like we had started a new business. Fallon Internet experts sat down with Fallon writers, art

directors, and production designers. Even though collaboration is one of our mantras, this was the earliest we had gotten all these different disciplines together.

For the client, working with A-list film directors meant giving up control. Having produced TV commercials for thirty years, BMW had developed a fairly rigid process. Every car scene was carefully staged and timed to the second. There were *rules*. The car never strays over the white line. Everybody wears a seat belt. Network clearance demands that cars appear to be going no more than the legal speed limit, or you need that annoying subtitle that tells you these are professional drivers on closed roads. Now these hotshot directors would control the shoot. The cars would get dirty, banged up, and shot at, as the adventure required.

Our experience with Bond helped pave the way. Bond's modus operandi has always been to wreck a few expensive cars per film. At first this was very difficult for the people at BMW to accept. You can imagine the arguments between the filmmakers and the executives at BMW: "The air bags should deploy when the car hits the ground that hard"; "But the script calls for Bond to keep driving." For "The Hire" BMW marketers were, if not comfortable, at least prepared for how filmmakers would treat their cars on the set.

Issues with how the cars would be treated weren't the only complication. Directors didn't want to follow the script; the films couldn't get past corporate firewalls during the testing phase; the client invited the editor of *Car and Driver* to be a guest on the shoot, but Madonna has a rule against press being on the set. Under the steady hand of Jim McDowell, the team responded to these challenges by developing a kind of fearless

versatility. Collaboration—often associated with slowing down a process—was the only way to keep the trains running on time.

If “The Hire” were going to be a failure, it wouldn’t be because we came up short on our commitment to the vision. The films would premier on the Internet, but otherwise we ran the marketing campaign as if these were legitimate Hollywood films. We ran ads in the movie pages and in *Variety* and the *Hollywood Reporter*. We produced TV spots that looked and



Going big. Yes, it’s massive, but the beauty of this outdoor ad for “The Hire” is in how it mimics the conventions of a Hollywood movie poster. These films debuted on your computer, but you’d think they were coming to a multiplex near you.

felt like movie trailers. We posted huge movie posters in prominent urban locations. If our experiment worked, then the buzz coming from Hollywood would give our little films credibility.

In March 2001, we presented a rough cut of the first film to dealers. Some denied the power of the Internet to change their business. Others were curious. Still others didn't seem to care either way. They had long waiting lists, and so "going dark" on TV didn't concern them as much as it would have if their lots had been overflowing with new cars. A West Coast dealer asked, "Is Mercedes or Lexus doing anything like this?" We didn't think they were. "Then do it," he said.

Will Anybody Watch Little Movies on Their Desktop?

"Ambush," the first film in the series, premiered on April 25, 2001. We started to get hits on the site before we went public, and that started the Internet buzz among film aficionados as well as car buffs. We made sure that writers who followed Hollywood knew about the directors involved, hoping that they'd cover the films without shrugging them off as just advertising. It worked. They were accepted as innovative little movies—legitimate entertainment.

For another company, the public's positive reaction might have been a victory, but BMW isn't so easily impressed. BMW is comfortable with innovation, but it also demands excellence and hates inefficiency. An engineering company, they measure everything. BMW executives wanted to know how we would compare the efficiency of this approach to a traditional TV campaign's reach and frequency. We had to be able to answer this question.

The Reviews Are In

"A decidedly unique movie premiere was hosted by an even more unique film studio at Cannes, world cinema's perennial showcase of all that is new and exciting. The studio? BMW of North America, known far and wide as one of the world's premium manufacturers of luxury on wheels, has entered the movie business." *Movie Maker Magazine*, Fall 2001

"Startlingly effective." *New York Times*, June 16, 2001

"The ultimate in new-media, high end branding has arrived." *Time*, May 7, 2001

"**** Thrilling." *Variety*, May 3, 2001

"BMW has struck gold." *USA Today*, June 19, 2001

"The movies kick butt." *News Media*, May 30, 2001

When we were younger and our clients were smaller, we'd say, "Trust us—this will be great." Today, blanket assurances are not an option. A creative idea never has a chance to become creative leverage if the executive suite doesn't approve it—every leap of faith must be supported. When we venture into new territory, we lay out the metrics so that the CFO can understand the risks and rewards.

The Internet, of course, comes equipped with better metrics than television advertising. The number of film views, the

amount of time spent on the site, and the number of discrete users were available to us on the servers' logs. In addition, we commissioned an online study of film viewers (by Action Marketing Research, a firm specializing in quantitative tracking) to profile our audience and verify that we were attracting the right kinds of people.

To isolate the impact of the films, we set up a comprehensive "pre-post" study by Communicus, a highly respected third-party research firm. Before the films launched, we put twelve hundred current BMW owners and prospective luxury-car buyers through a battery of questions about BMW and its competitors. After the films premiered, we asked four hundred of those prelaunch respondents the same battery of questions. We wanted to see whether exposure to the films raised the level of interest among BMW owners and owners of competitive makes. This pre-post method allowed us to do two things: isolate those people exposed to the films, and determine the effect of "The Hire" on their brand perceptions, purchase intent, and plans to visit a dealer. The research had eighteen image measurements, and all eighteen of them improved both for owners and for nonowners who saw the films.

Given the high action content of the films, we expected the image improvements in performance and handling. But we were surprised by the lift in other unpredictable measures, including value for money, and, of all things, safety. We've seen this kind of effect before. Our conclusion was that if your brand engages people in unexpected and entertaining ways, overall favorability will increase dramatically. That's what juicing the orange is all about.

The Numbers

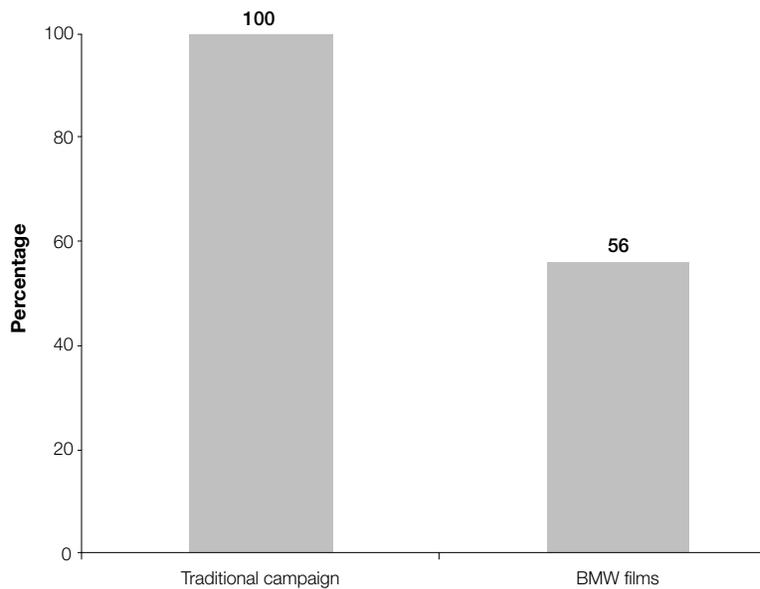
By October 2001, only nine months after the first film premiered, bmwfilms.com had attracted more than 10 million film views by 2.13 million people. More than half of these film viewers were right on target: BMW owners and “luxury intenders.”

But because “The Hire” was an untested new approach to marketing communications, we also had to come up with new metrics. We invented the “brand minute,” which is calculated

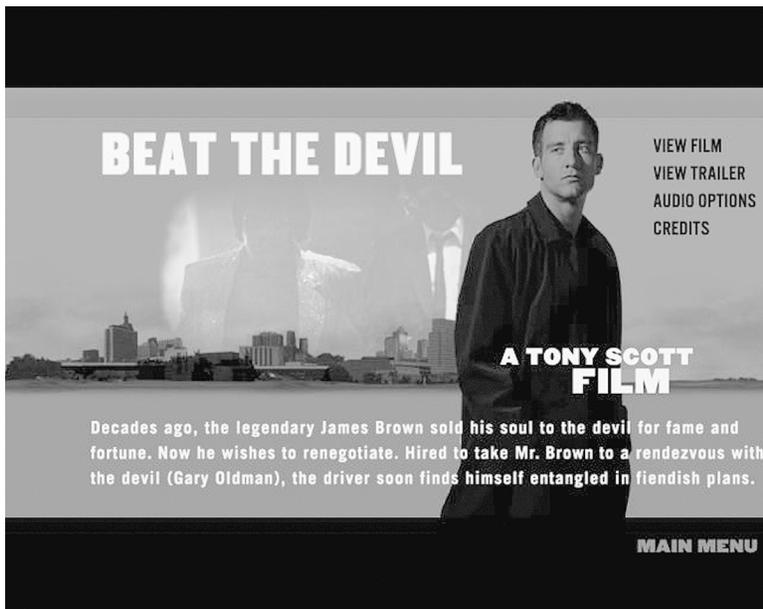
BMW/Fallon brand-minute analysis, 2001–2003

With every strategic risk we take, we develop a plan to measure results. The Internet's metrics proved ideal for comparing the BMW films campaign to a traditional TV campaign.

We indexed the historical cost of a brand minute of TV advertising to our target market at 100. We learned that the cost of a brand minute with BMW Films was 44% lower.



Source: BMW/Fallon Brand Minute Analysis, 2001–2003.



“The Hire” home pages. These home pages continued the themes of the campaign without interruption. We were in new territory here in 2001, leading people to branded entertainment on their computers.

More Branded Entertainment on the Internet

Since the launch of its site in 1995, Amazon.com has grown from an online bookseller to an Internet megastore, expanding its product offerings to include almost everything: CDs, jewelry, apparel, toys, tools, electronics, and even gourmet food.

By 2004, Amazon.com hadn't used television advertising for two years and had no intention to return. With fifteen million tech-savvy shoppers coming to your site every week, you don't need advertising; you already have critical mass. The challenge is to get your site's visitors to cross-shop more categories.

Our solution was to invite shoppers to think of Amazon.com as a more than a digital shopping mall, but as a destination. We opened "Amazon Theater," a digital cineplex that showed a new short Internet film every week for five weeks, starting in mid-November. Each of the five films revolved around the theme of karmic balance. For example, in "The Tooth Fairy" (which stars Chris Noth of *Law and Order* and *Sex and the City*) a busy, distracted dad has to tear apart the house to find the tooth his attention-starved daughter has hidden from him.

In addition to the pure entertainment value, each story unobtrusively integrated a wide variety of Amazon.com products into its story line. At the end of each film, the products appeared in the credits, which viewers could then click on if they were interested in buying.

The idea was to broaden people's understanding of what the Amazon had to offer. People who only associated the company with books and music now saw that their site offered clothes, toys, and gifts. Almost half a million people saw the films the first week, and Amazon.com enjoyed the best holiday season of any online retailer, with sales that were up 30 percent.

as the amount we would have paid to expose a BMW prospect to a minute of television advertising. This became our benchmark. (We suspected that a brand minute spent on your computer is a more engaging experience than a brand minute spent watching TV, but we had no proof so we stuck to our formula.) We could now predict the campaign's breakeven point. When the number of brand minutes delivered by this experiment equaled the number delivered by a conventional TV campaign, we could consider "The Hire" a success.

Many people told us that we were crazy and that no one would watch films, by BMW or any other marketer, on a computer. The brand-minute benchmark told another story. Measured against a conventional flight of television advertising, the films were more than twice as effective.

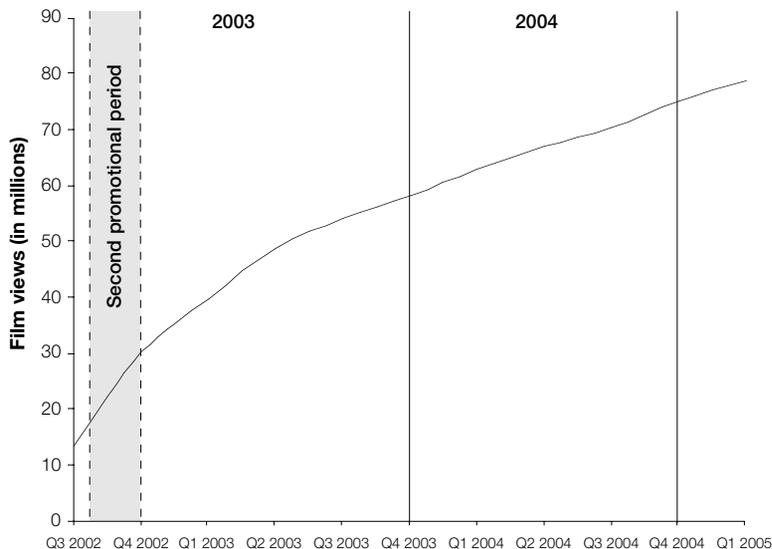
After two seasons, we had reached more than fifty million film views. In the aggregate, between 2001 and 2003, BMW films' total cost (production plus media) of achieving a minute of brand exposure was 44 percent less than the cost of a conventional media buy.⁸ Moreover, the seeding and buzz marketing generated enormous free publicity. Thanks to our public relations partners

at Rubenstein Associates, Inc., in New York, BMW netted a calculated value of \$26 million in free media coverage, and BMW was credited as having the “first-mover” advantage.

We also learned that Internet branded entertainment like “The Hire” had an annuity effect—the brand enjoyed the benefits of the campaign long after the initial promotion stopped. Even though BMW stopped promoting the films in June 2003, film views continued to rise. By the time BMW officially retired the site on October 21, 2005, film views had surpassed

The annuity effect

Long after we stopped promoting “The Hire,” viewing of the films continued to increase, proving that we had created messages that people would seek out. In a surprising testament to the global power of the Internet, more than half the film views came from outside the United States, even though most of our promotion took place domestically.



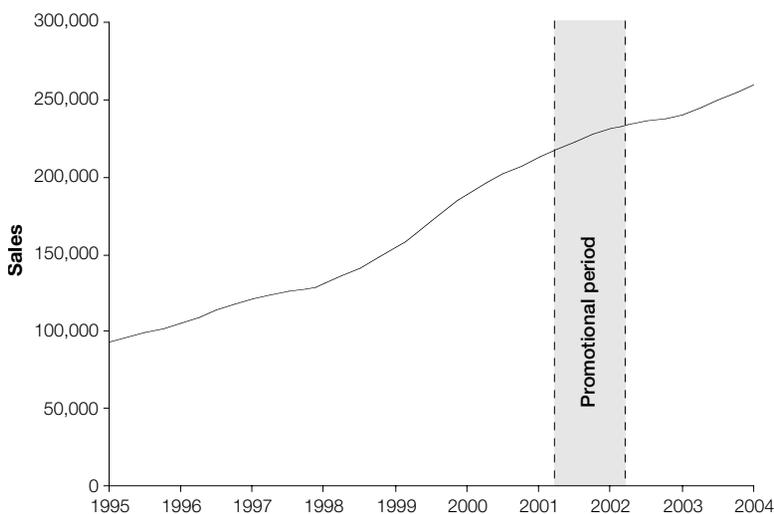
Source: bmwfilms.com server logs, 2001–2005.

ninety-three million. That's a lot of brand minutes with no additional media investment. Demand for the films continued to grow offline, too. More than thirty thousand people have gotten BMW's free DVD, either over the Internet or from a dealer.

What about the ultimate measure, sales? BMW was already on a roll when the promotion began. So even though we cannot directly link the sales impact of BMW films and the surrounding publicity, we can see that BMW sales momentum continued despite the absence of television support. In a year when BMW had no new car launches, sales rose 12 percent, faster than either Mercedes or Lexus.⁹

Kill your television

BMW took a risk that most marketers are now wrestling with. Should it take money from its TV advertising budget to invest in reaching its audience on the Internet? Despite a lower profile on television, BMW sales continued to grow.



Source: BMW sales reports.

Let Them Come To You

BMW films are a good example of the power of creative leverage in this new media environment, where consumers are in control. The films worked, not because the Internet made them easy to see but because the team made them *worth* seeking out. Creative leverage requires thoroughness and commitment. There is no half-brilliant idea.

As we marketers head into these uncharted waters, collaboration will become increasingly important, as different disciplines are forced to work together. The challenge for creative marketers will be to find those touch points between a brand's identity and the consumer's experience of that brand. Our connection planners take us beyond the well-worn path of conventional media. But their new directions require greater flexibility, nimbleness, and courage as we get farther and farther outside our own comfort zone of traditional media.