

A breakthrough in traditional Advertising by BMW– Innovation through Communication

David Ogilvy – the father of advertising and a master of the creative dark arts was never short of a quote or two:

“The consumer isn’t a moron. She is your wife.”

Advertising is a powerful tool that businesses have used for decades in reaching potential customers to purchase their products or services, as well as reinforcing faith in the business of existing customers.

AN EFFORT WELL REWARDED

A video tribute by BMW for Mercedes-Benz CEO Dieter Zetsche on his retirement proves that business rivalries need not always be cutthroat - sometimes they're just in good fun. For the video, BMW hired a lookalike of Mr Zetsche, complete with his signature walrus moustache, to enact a scene from his retirement. As the video begins, 'Dieter Zetsche' is seen bidding goodbye to his employees as he prepares to leave office. The video then shows him being driven home in a Mercedes-Benz S-Class. On reaching home, however, he opens his garage door - only to reveal

the video ends with a note of gratitude for Mr Zetsche, saying: "Thank you, Dieter Zetsche, for so many years of inspiring competition"



BMW's video has received a lot of praise online.

The video has gone viral with over 3 million views on YouTube and another 1.5 million on Facebook as many applauded BMW's creativity. Mercedes-Benz also responded to the video with a "thanks" on Twitter - but with a catch, of course. The German automakers thanked their competitors for the suggestion, but added that their CEO had already decided to switch to EQ - Mercedes-Benz's new electric vehicle brand.

BACKGROUND NOTE

About BMW

BMW original initials for *Bayerische Motoren Werke* in German, or *Bavarian Motor Works* in English is a German multinational company which currently produces automobiles and motorcycles, and also produced aircraft engines until 1945.

The company was founded in 1916 and is headquartered in Munich, Bavaria (München). BMW produces motor vehicles in Germany, Brazil, China, India, South Africa, the United Kingdom, and the United States. In 2015, BMW was the world's twelfth largest producer of motor vehicles, with 2,279,503 vehicles produced. The Quandt family are long-term shareholders of the company, with the remaining shares owned by public float.

Automobiles are marketed under the brands BMW (with sub-brands BMW M for performance models and BMW for plug-in electric cars), Mini and Rolls-Royce. Motorcycles are marketed under the brand BMW Motorrad. The company has significant motorsport history, especially in touring cars, Formula 1, sports cars and the Isle of Man TT. Sometimes the model series are referred to by their German pronunciation: "Einser" ("One-er") for the 1 Series, "Dreier" ("Three-er") for the 3 Series, "Fünfer"

("Five-er") for the 5 Series, "Sechser" ("Six-er") for the 6 Series and "Siebener" ("Seven-er") for the 7 Series. These are not actually slang, but are the normal way that such letters and numbers are pronounced in German.

The organization of Advertising and Promotion Marketing

Communication process that applies to advertising and promotion

BMW the famous German car making company, focuses on four values in order to create brand identity. The brand provides customers with products which are dynamic, aesthetic, exclusive and innovative. BMW's success is due to brand's continuous research and development activities to achieve better performance and nurturing new ideas and implementing them. However in 2005 the brand discovered that their promotional approach is being perceived as inhumane by car buyers. So, they reconstructed ad approaches and shifted the focus of their advertisements from performance ideas to information. However the basic tagline remained unchanged which is "BMW- the Ultimate Driving Machine". According to Company's US marketing director Jack Pitney, the emergence of the form as a "company of ideas" helped the brand to capture larger scale of market as they were able to convince general public how BMW's aesthetic and innovative ideas convert a car into an ultimate driving machine.

Communication process that applies to advertising and promotion

Communication processes of various forms are applicable in advertising and promotions. The main function of communication process is to answer questions and queries of prospects and to impress them. A communication process model is formed with nine elements. Such as: Sender, Receiver, Message, Media, Encoding, Decoding, Response, Feedback and Noise.

In the case study of BMW all the elements of this communication model worked. BMW is the party sending a message to their prospects so they are the sender. BMW encoded the message "The ultimate driving machine" to be their tagline. The message of this car manufacturing company was simple. The message which they conveyed to the prospects is that they are a company of ideas who focus their innovation to maximize performance of driving experience. The communication channels which BMW used to receive their customers are magazines, internet, BMW websites, external billboards, tradeshow, telesales campaigns etc. These are the media elements. Viewers are decoders of the message. Consumers are the receivers of the message. The response of the consumers to the brand message of BMW being a "performance driven car" was not favorable to the brand. Feedback clarified the fact that BMW was perceived to be inhumane brand due to overemphasis on mechanic performance. Noise occurred due to the unplanned distortions which lead to misinterpretation of brand message by prospects.

The organization of the advertising and promotions

The organization of advertising and promotions industry works under a centralized system. Advertising agencies are hired by the advertiser to innovate and execute part or all of their advertising efforts. As BMW of North America hired MIDC Partners Kirshenbaum Bond and partners. This company will work with creating brand image of BMW in The United States for national, regional and dealer levels. The deal is for at least 3 years and of a whopping amount of \$160 million. Media organizations offer a way to reach prospects. Commonly media provides with information or

entertainment to the viewers. However, according to the promotional planner media creates an environment so that company's communication message may reach the customers.

A Media's primary objective is to sell itself as a tool for companies to reach their customers. Another type of organization is specialized marketing communication service. Interactive agencies like websites, public relation firms like Agenda, ABI and sales promotion agencies are specialized marketing communications services. All these organizations work together in advertising and promotions industry for achieving a common goal. And that is to communicate the brand message effectively with consumers and to create a positive as well as remarkable impression amongst them.

How promotion is regulated

The regulation of promotional activities depends upon the risk and likely impact of promotion. If the promotion contains high risk factors the firm approaches to immediately withdraw it or edit it in future campaigns (Bagwell, 2007). In case study of BMW it is observed that they changed and reinforced their promotional approach in 2005 after a thematic study on luxury car buyers. The promotional activity changed its regulatory directions to build new brand image. After discovering that their message is not being correctly perceived by buyers BMW reinforced and recruited a new ad agency in 2006. Who replaced Company's overemphasis on "**performance driving**" over the past 33 years with the concept "**company of ideas**" Thus regulatory tools are applied to control the flow and effect of promotional activities.

Current trends in Advertising

The current trends in advertising are related with implication of technology to communicate brand message with widespread audience. Advertising is a dynamic profession. Relating to the fact that now advertisers not only have to think about creative aspects of a commercial but also they have to evaluate profitable ways to reach and communicate with customers. Integrated marketing communications is a new trend in advertising approach. It unifies all marketing communication messages which eventually sends a single message which promotes the brand's goals. Globalization poses a dilemma on:

1. Whether to focus on global advertising or local advertising
2. How useful will be standardization of ads

The most important factor to consider is that advertisement is a purposeful act. So it must be created in such a way that it will have some impact or effect on people who sees the ad.

Creative aspects of current advertisement

Advertising is a dynamic medium so creativity is a must thing to get attention via this medium. Without creativity it will be impossible to cut through the clutter of advertisements in competitive market. Creative aspects of advertising strategy focus on creating an intelligent and sharp advertisement which will motivate consumers to buy the product. Aspects of advertising strategy included in this ad are:

1. Putting product in the center of advertisement
2. Reminding the consumers about BMW by focusing on their business rivals
3. "Free at Last" read the cheeky option before video ends
4. The video ends with a note of gratitude for Mr. Zetsche, saying: "Thank you so much, Dieter Zetsche, for so many years of inspiring competition."

5. The Company is in maturity stage of product life cycle so the appeal they have used is “Reminder” by striking on consumers mind.
6. BMW has tried to change the product positioning; it being sporty was related to youngsters. Retirement is when you can leave your past behind and embrace your future. A retired man driving BMW – with a caption helped BMW to reposition in the minds of consumers.
7. The video has gone viral with over 300 million views on YouTube and another 1.5 million on Facebook as many applauded BMW’s creativity.

Additional Readings and References

1. <https://www.ndtv.com/offbeat/bmws-tribute-to-mercedes-benz-ceo-on-retirement-is-as-funny-as-its-touching-2044043>
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