RESPONDING TO NEW MEDIA:
AUTOMOBILE ADVERTISING AND MODERN CONSUMERISM

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ABSTRACT

In this thesis I examine the unique positioning of BMW Films in the history of automotive advertising in the United States and suggest that BMW’s unique approach of combining cinematic film and Internet technology initiated a new form of communication between luxury car manufacturers and their targeted audience. This shift occurs at a time when reaching consumers through more traditional advertising outlets was becoming increasingly difficult due to the proliferation of modern technology.

I propose that this communication shifted from traditional mass mediated messages to technologically sophisticated messages that enabled greater freedom and more individualization. Using the Internet, BMW was able to overcome barriers and regulations imposed by traditional media outlets, enabling it to enhance its advertising to involve higher levels of meaning in a more interactive and engaging manner through the use of the Internet.

In an Internet saturated economy, the producer-consumer relationship has moved beyond the basic encoding and decoding of messages that targeted the masses to a more individualized approach. At the time of the release of BMW Films, the Internet functioned only as an extension of more traditional forms of advertising. BMW was, therefore, the first luxury car manufacturer to realize that the Internet provided ways to create a multi-sensory experience that could capture audience attention and then persuade them to communicate the message to others.
This advertising method created new forms of communication, in which consumers were invited to seek out the website in an active manner in order to view the films as entertainment. An interesting combination of traditional advertising outlets, such as print, billboard, and even movie trailers was used to capture consumer attention and lure them to the bmwfilms.com website. Then, a non-traditional format of incorporating Hollywood films directors, recognizable actors, and action-packed short films was used to reinforce BMW’s brand identity of luxury performance. This level of interactivity is increasingly important as consumers’ attention spans are becoming shorter in the midst of today’s technology-rich environment. It is becoming more difficult for luxury car manufacturers to reach their consumers, requiring them to develop unique and creative ways to attract the attention of consumers.

The usage of innovative marketing techniques by BMW Films, such as viral marketing, a push-pull strategy, and most importantly emotional branding has turned a niche cinematic advertisement into a widespread success. The success of the films, in both a business and artistic sense, will push automotive advertising forward to use these now established techniques. In order to compete within this highly saturated industry, luxury car manufacturers must continue to innovate beyond BMW Films in order to effectively communicate their brand message to consumers in a technologically advanced marketplace.
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# Table of Contents

**INTRODUCTION** ............................................................................................................................... 2

**CHAPTER 1** ..................................................................................................................................... 7  
  **THE PRE-WAR PRODUCTION BOOM** .............................................................................................. 8  
  **POST-WAR GROWTH AND THE DEVELOPMENT OF BRAND IDENTITY** ....................................... 15  
  **THE IMPORT INVASION** .................................................................................................................. 21  
  **BMW, THE BRAND** ....................................................................................................................... 25

**CHAPTER 2** ..................................................................................................................................... 30  
  **MANUFACTURING THE MESSAGE** ................................................................................................. 31  
  **INTERPRETING THE MESSAGE** ....................................................................................................... 34  
  **ADVERTISEMENTS AND SOCIETAL PERSUASION** ....................................................................... 38  
  **A SEMIOTIC REVIEW OF THE BMW FILMS SERIES** ................................................................. 40  
  **BMW FILMS: THE ADVERTISING SPECTACLE** ................................................................................ 43

**CHAPTER 3** ..................................................................................................................................... 46  
  **THE BRANDED COMPANY** .............................................................................................................. 47  
  **EMERGENCE OF THE ATTENTION ECONOMY** .............................................................................. 51  
  **THE ENTERTAINMENT ECONOMY** ................................................................................................. 55  
  **DIGITAL CONVERGENCE** .............................................................................................................. 60

**CHAPTER 4** ..................................................................................................................................... 65  
  **DEFINITIVE SUCCESS** ..................................................................................................................... 66  
  **A MEDIOLIGICAL ANALYSIS** ........................................................................................................... 75  
  **LANGUAGE OF NEW MEDIA** ............................................................................................................ 77  
  **THE POST-DIGITAL SPECTACLE ECONOMY** ................................................................................ 79  
  **EMOTIONAL BRANDING** ................................................................................................................ 81  
  **PUSH-PULL STRATEGY** .................................................................................................................... 84  
  **VIRAL MARKETING** ....................................................................................................................... 86

**CONCLUSION** ................................................................................................................................. 89

**BIBLIOGRAPHY** ............................................................................................................................... 94

**APPENDIX** ....................................................................................................................................... 99  
  **FILMS SYNOPSES** .......................................................................................................................... 99  
  **BMW FILMS** .................................................................................................................................. 101
INTRODUCTION

Much has been written about the convergence that has accompanied the great technological shift at the end of the twentieth century and how it will influence the lives of consumers and the way they communicate. Missing from this body of work is a systematic analysis of the impact and effect of this convergence on a critical form of communication between producers and consumers, better known as advertising. In this thesis I will argue that BMW’s film series, The Hire, created a unique moment in the history of automotive advertising, in which the convergence of advertising and digital technology occurred with widespread success. This series of films posted for viewers on the Internet marks a critical time in the history of advertising where consumers begin to accept advertisements in the digital medium and producers begin to realize the full potential of this new and under utilized medium.

This thesis will examine the specific case of BMW Films as an advertising campaign that pushes advertising and visual culture theory into the digital age. I will establish that this series holds a unique place in advertising and semiotic theory because of its integration of new technology. An analysis of the BMW film series will show that the consumer has become technologically empowered and that producers of luxury automobiles will now have to design their advertisements to account for these changes. The changes in consumer power and the rise of the attention economy pose specific challenges for advertisers today. BMW Films has successfully overcome these challenges and its integrative approach has changed the transmission of brand ideologies through semiotic theory. Although the digital age is still evolving, the official end of this
campaign marks a poignant opportunity to interpret the groundbreaking series using visual culture theory and evaluate its impact on consumer behavior in the digital realm.

This project will look at one specific instance in the vast history of automobile advertising and analyze the effects of the Internet age on consumer perceptions of automobile advertising. This thesis will first trace the history of advertisements and consumption in the automobile industry to examine the impacts that both advertising and the consumer have had on the industry. Then, I will continue by using theories of visual culture to identify those aspects of pre-Internet theory that have been integrated into the series by BMW. Next, I will examine the current marketing and advertising climate of society at the time of the Films’ release to demonstrate the effectiveness to which BMW integrated these ideas into the film. Finally, the film series will be viewed as a launching point for new theories of advertising and marketing, as well as new interpretations and insights into visual culture theory in the post-convergence environment.

BMW has been on the cutting edge of marketing techniques, relying less on traditional print advertising than its competitors. As technology becomes more pervasive in society and raises the expectations of auto consumers, they begin to demand a more incorporated level of interaction with advertising to retain their attention. In today’s economy, consumers now expect a branded entertainment experience in order to retain their focus. The pervasiveness of advertising in our society has led the creation of an attention economy, in which advertisers must compete for the attention of the consumers. The consumers’ demand for these multimedia experiences increases as both their comfort in using technology increases and as technology becomes more immersed within our daily lives. The BMW Films project has shown that the car no longer only has to look
visually appealing in a single-angle print advertisement, but now must involve the viewer in a total sensory experience that highlights the car’s appearance and performance.

In comparison to its direct competition, BMW’s recent advertising techniques have set a new standard in fully integrating the consumer into a new method of experiencing the product. This heightened level of interaction, deliverable to the consumer in his/her home or office, is unparalleled even in comparison to test-driving a car at a dealership. This method of convergent advertising intentionally sacrifices the potential reach of a traditional media campaign for a more direct and intimate contact with the consumers. The idea of creating a film campaign and website eliminated all elements of passivity by forcing the consumer to go to the website to download and view the films.

BMW’s need in the late 1990s to adjust the definitional standards of its target market caused the company to step back and refocus on who they needed to target and how to do it. BMW was able to target younger purchasers who are highly demanding consumers and are interested in performance, luxury, and status. This specific group of consumers has transgressed from demanding more in price, design, and other automobile features to wanting the best in product and lifestyle. BMW Films was able to accomplish the production-side goals of increasing market penetration, sales, and brand equity, in addition to creating a shared experience upon which the different models converge around the concepts of luxury, style, and high performance.

In this thesis I am examining how BMW is responding to the technologically empowered consumer through the release of its film series, The Hire, in order to understand the consumer’s role in the development of alternative luxury automobile
advertising methods. I claim that car advertising must move beyond emotional appeal to entertainment because the sophisticated consumer is now demanding an aesthetic value tied to a product. Prior to the BMW Films experience, in 2001 consumers were at a stage where they were becoming all too familiar with media, technology, and the use of cultural symbols in advertising. BMW Films marked a turning point in advertising because it combined the use of these previous tools with entertainment in an integrated multimedia format. The consumer became significantly more difficult to target as technologies converged and consumer awareness of advertisements’ encoded meaning grew, causing them to shut out the increasing number of advertising messages. This required advertisers to use strategic marketing and innovative strategies to navigate the new environment and be able to effectively communicate in the realm of medium convergence. Consumers responded strongly to the campaign because of the high levels of interactivity, the use of pull marketing, and the ability to successfully adapt to the attention economy.

The relational existence between BMW Films and its audience is ultimately influenced by the development of a consumer that is more acclimated with digital media technology than previous generations. New technology has put significantly more power in the hands of the consumer in the twenty-first century, forcing marketers to develop more clever and aggressive strategies to capture attention. As the current generation becomes not only the consumptive driving force but also the primary target of luxury automotive advertisements, the industry is pressed to explore alternative advertising methods to remain successful.
While consumers have been active, they have never been this sophisticated. This sophistication is a result of technical improvements and tech-savvy consumers, therefore placing more power in the hands of the consumer. The merging of entertainment, the Internet, and branded experiences into a new form of interactive advertising has become so proliferated that consumers are able to be more fickle, causing a movement towards personalized innovation and marketing. As this begins to happen, consumers will begin to expect this new form of advertising and then eventually demand it in order to consider the advertisement worthy of their time and consideration.

BMW’s film series was a unique event in the history of the automotive advertising because it provided a link from the pre-digital era to a time when the convergence of media is commonplace. The film’s innovative style and mixed media messages helped to usher in an era of more sophisticated ways of looking at technology, media, and advertising. This thesis will help to establish the importance of BMW Films in relation to the automobile industry and advertising, semiotic theories of advertising, and the new post-digital economy. This will demonstrate the functioning of the series as a groundbreaking moment in the convergence of technology and advertising forms that is important and relevant to the study of visual culture.
CHAPTER 1

The history of automobiles and advertisements is a story of an evolving symbiotic relationship. It was advertisements that helped to sell consumers on the necessity of the automobile in the early years and the highly competitive automobile market that spurned innovations in advertising. The nature of this relationship was very dynamic as at various times advertising created consumer demand, established brand identities both between manufacturers and within their various production lines, and finally, as is the case today, advertising confirms and represents a product’s position in the intensely competitive global market.

This relationship has existed and evolved through three distinct time periods. In the pre-war production boom, advertising helped to transform the industry in the United States from an enthusiast’s hobby for the very wealthy to a consumer staple across all demographics. In the economic boom time following World War II advertising and branding began to influence not just the sale of automobiles but the production and design of vehicles, as suburban American consumers sought to distinguish themselves from their neighbors. The influence of advertising in this period was marked by the shift on consumer perception form the car being merely a convenient form of transportation to being a reflection of the consumer’s self identity. As the world stabilized in the two decades following the war, the American automotive market witnessed the rise of foreign producers into the competitive landscape. Advertising was critical in shaping consumer perception about automobiles from foreign manufacturers with whom the United States had fought so vigorously against in the war. In the period of the import invasion,
advertising created the stereotypes of German engineering prowess and the exceptional efficiency of Japanese manufacturers and their automobiles. While these shifts in consumer perception were also attributable to larger cultural and political changes within the American market, advertising and branding helped to establish the globally competitive American automotive market.

BMW, the automotive focus of this paper, was heavily aided by the influence of advertising and branding in its acceptance and positioning in the American market. From its initial foray into the U.S. market, BMW sought to differentiate itself from other manufacturers, foreign and national, by positioning itself as a luxury performance brand. BMW’s early establishment and continued pursuit of advertising and branding strategies that would accentuate and differentiate itself in the U.S. market was, and still is, a critical success factor for the company. Throughout the years, BMW has witnessed both the success and failure in these strategies, allowing it to learn at each step and finally achieve the ubiquitous brand identity it garners today.

It is this establishment and evolution of marketing and advertising that fuels the marketplace today, and lays the foundation for the groundbreaking BMW film series. As competition and advertising push each other to higher standards, consumers both respond and react with their purchasing decisions. The understanding of this history is therefore fundamental in understanding the larger driving forces behind the automotive and advertising industries that reaches a modern pinnacle in the BMW Films series.

**The Pre-War Production Boom**

The automobile story was a media darling from an early stage, as “the whole press is practically unanimous in recognizing the car as a legitimate pleasure vehicle and
as destined to a great future in the commercial world.” (Flink 29) The widespread demand for the automobile coincided with the turn of the century industrial age, in which mass production created affordable products for the consumption of the new working class. “The car was clearly the bellwether commodity and its Americanization powerfully illustrates the possibilities of a “democratic” luxury.” (Cross 24-25) In the beginning of the consumer age, scarcity ruled demand making advertising the automobile as a commodity equally important as any specific brand.

Without the assistance and persistence of the advertising industry and its ability to persuade American consumers, the automobile may not have gained the level of consumer demand that was necessary at the time to justify its extravagant production costs. At the time of the automobile’s inception in the United States, early magazines beginning with *Horseless Age* in November of 1895 helped to create enthusiasm for the automobile, enabling demand to reach a critical mass necessary for widespread production. (Rae 29) While today manufacturers must attempt to create demand for their product, in the early consumer age, it was consumers who were driving the demand for automobiles from the manufacturers.

As the automobile quickly moved from enthusiast hobby to consumer good, the manufacturers began to realize the importance of establishing a good rapport with the media. Beginning around 1905, advertising innovators advocated that modern psychology be used to link products with the desires and insecurities of consumers, thus creating a longing for particular items. (Cross 34) Even at this early stage in the product’s development, the automobile industry was dependent upon the advertising industry to create higher levels of demand among consumers.
The automobile industry at this time was highly fragmented, with vast untapped potential. Automobiles were out of the financial reach of the general public until after the turn of the century. The potential of automobile advertising was first actualized with the widespread success of the Oldsmobile campaign, marked by the song ‘In my Merry Oldsmobile.’ The popularity of the Oldsmobile song established the legitimacy of consumer-oriented marketing by spreading the Oldsmobile name across the country. This campaign’s success was important because it showed how a car advertisement can be more popular than the car itself, and also how an ad can influence and encourage “the desire of the common man to own an automobile.” (Rae 23) Despite the strength of this advertising campaign and its initial marketing success, automobile sales failed to increase significantly until producers were able to price their product at more affordable levels.

Innovation in advertising and strategic competition went through a slowdown period with the widespread success of the Ford Model T from 1908 to 1927. The Model T marked such an evolution in the manufacturing of automobiles that price alone was able to supercede all competitive forces and became the most effective form of advertising. This low priced car produced for the masses was such a successful product that “even advertising was no substitute for production costs.” (Rae 65) Ford dominated the auto market during this time period and maintained its dominance through calculated sales efforts. Ford strategically created a large network of highly regarded dealers to sell the Model T “with evangelical zeal.” (Rae 61) While the use of salesmen was not unique, their mobilization in great numbers was important in establishing the predominance of person-to-person sales in conjunction with more traditional forms of advertising.
The roaring twenties brought even more competition to the Model T-dominated market, and advertising once again began to play a larger role in the industry. During this time, three United States manufacturers, Ford, Chrysler, and General Motors (the “Big Three”), asserted their dominance and began to design cars with the purpose of selling larger volume and convincing consumers to purchase their automobiles over the competitors’ offerings. This marked an important shift in automobile advertising that coincided with the birth of the media age. Manufacturers had to recognize that the days of selling cars with limited advertising were over. The 1920s “marked the beginning of the media age, where radio and mass-circulation magazines had become essential components of effective marketing, and commanded significant financial outlay.” (Volti 55) A national expansion of franchised dealers with aggressive sales forces, along with an increase in automobile advertising in the burgeoning radio and magazine industries, was necessary to remain competitive in the market. Marketing strategies would soon become increasingly defined through stylistic differences, as each manufacturer attempted to differentiate and position its brand in relation to the competition.

The Model T’s universal impact on American society’s views of transportation is especially apparent during the Depression era. While new car purchases during the Depression dropped 70% between 1929 and 1932, Americans held onto their old Model Ts and gas sales actually rose. (Cross 69) This demonstrates how even hard financial times could not deter America’s love affair with the Model T and could not replace the dependence on the automobile that was created within society. With the American consumer thoroughly sold on the necessity of the automobile, producers shifted to selling individual cars rather than the idea of automobile ownership. The automobile was soon
established as a necessary consumer staple, causing competition to quickly emerge and attempt to acquire dominant market share in this rapidly growing industry. The only initial barrier was that the Model T became so immersed in American society that convincing the public that a competitor’s offering was a better alternative was a daunting task. These competitors quickly turned to the advertising industry to help them differentiate and establish their brand of automobile within the marketplace.

The Achilles heel of the Model T was that it came in one style and one color. It was only a matter of time before other competitors seized on this limitation, as General Motors did in the 1920s. During this time, General Motors began to recognize the increasing demand for more individualized cars and decided to change its marketing course by introducing a new model that altered the interior and design of the car on a yearly basis without any performance or mechanical improvements. This paradigm shift for GM was a huge victory in the industry as “when the marketing was effective, millions of consumers could be induced into jettisoning perfectly serviceable cars that bore the stigma of being stylistically obsolete.” (Volti 52) GM followed this early success with the establishment of the first automotive design studio in 1927. The installation of this studio allowed GM to take an early lead in the marketing of cars, offering different paint color choices to the masses to suit individual desires. The actual implementation of these design facilities showed that manufacturers recognized the need to meet customer demand to compete and that automobiles were more than a commodity but a means of self-expression.

It is in this era of competition that the producer began to bend to the power of the consumer’s demands. Advertisements began to sell the automobile as a reflection of a
lifestyle, where ads “linked material goods to immaterial longings, blending social, psychological, and physical needs indivisibly.” (Cross 38) Advertisers realized that people were beginning to reflect their car as a personal status symbol. Cars began to transcend their sheer transportive utility, as just “their acquisition suggested personal progress.” (Cross 49) The period following the success of the Model T was a critical era in automotive consumption, as it marked the shift from the automobile being a method of transportation to a product that was shaped by consumer preference.

Design changes and implementations continued as carmakers adjusted their marketing strategies to retain customers and to remain competitive. This was a period of high experimentation for manufacturers in finding the right product to distinguish their brand from the competition, yet not all concepts were widely received by the public. In reaction to aviation developments in the 1930s, Chrysler introduced a streamlining body style “whose shape was fashioned according to scientific rather than aesthetic standards.” (Flink 237) Interestingly, customers shied away from these cars because they were considered too radical, thus causing the rise to prominence of the MAYA (most advanced yet acceptable) design strategy. (Volti 72) This was important because manufacturers relied on their own predictions and produced cars they believed the consumer wanted, rather than actively recognizing, or even acknowledging, individual desires. Change implementations by manufacturers moved from an emphasis on durability to a stylistic emphasis, then to a scientific and technological emphasis, and then back to a more consumer-centric emphasis on style. This progression clearly demonstrates the shift from the production of a universally durable and affordable product to one that meets individual consumer tastes and demands spanning all income levels, therefore marking a
shift towards producer receptivity in the marketplace. The reversion back to meeting the stylistic demands of consumers was important because it demonstrated that despite the best efforts of producers, this was not a market that could be easily influenced.

From the car’s inception, the focus of advertising evolved from an initial emphasis on the mechanical qualities of the car, followed by increased styling in the 1920s, then back to a mechanical focus in the 1930s with attention directed to the sales appeal of technological devices, such as the introduction of “overdrive” by Chrysler. (Rae 113) In a rush to capture part of the waning pool of consumers during hard economic times caused by the Depression, these new innovations were in and of themselves a marketing strategy. As manufacturers rushed to fill demand for a better automobile, the Depression became “an opportunity for new, more aggressive marketing, tapping ever deeper into the American buyer’s desires.” (Cross 75) This emphasis on the consumer’s desires ushered in a new era of automobile production as the increased affordability of cars for the masses caused the wealthy to demand more exclusivity and options.

The pre-war automobile industry marked a period of rapid growth and transition for car manufacturers. In this period, the automobile moved from an extravagantly priced toy for the wealthy to a mode of transportation for the general public. This change was most significantly influenced by the advent of the assembly line, low production costs, and the proliferation of the Model T. In addition, the dual forces of consumer demand and advertising also played an integral role in this period as well. Advertising helped to capture the hearts and minds of consumers, and to convince them that the automobile was a preferred method of transportation and was essential to experience the freedoms of American life. Once consumer acceptance of the car grew to total dependency,
consumers aided in the advance of the automobile industry by demanding more than just transportation. The Model T’s durability was no longer appealing as increased competition gave consumers more choices and producers accommodated their demands by providing stylistic innovation that could reflect their individual taste. The battle for the consumer continues to grow more intense in the post-war era as American prosperity and post-war euphoria change consumption patterns dramatically.

**Post-War Growth and the Development of Brand Identity**

The next seismic shift in both general and automotive consumption occurred after World War II. The U.S. economy vastly improved and those returning from war were ready to begin families. During this period of economic growth, Americans experienced “an extraordinary, fortuitous confluence of economic and social opportunities… celebrat[ing] with exuberant spending on cars, houses, and appliances.” (Cross 67) These revitalized consumption habits carried into increased automobile purchases that allowed for the explosive growth of suburbs in post-war society. While the car became an essential commodity to the suburban way of life, it remained a reflection of personal taste. The post-war generation continued the trend of wanting more from car manufacturers, causing the car to become the consumer’s construction of identity and status as well.

Meeting customer demand at this point was crucial, but market dominance by the Big Three, holding 96.4% of the U.S. market, led to a lack of non-design related innovation. (Volti 91) An environment where “customization was the most important buying factor ” developed as a result of the need for consumers to differentiate themselves through the same commodity. (Rae 214) In an attempt to generate more sales
during this time of dwindling differences between external appearances, buying decisions in the 1950s became based on prestige as much as on convenience, giving every buyer “the feeling that he was getting something equivalent to a Rolls-Royce.” (Rae 209) This emphasis on appearance continued the evolution of the manufacturers’ increasingly consumer-centric focus.

Style and status quickly replaced utility in consumer buying decisions and eventually forced manufacturers to begin to design cars for consumer tastes and preferences. This is an important moment in the automobile industry because it is a period in which a car becomes an extension of one’s self and allows for full individual customization, not just a means of transportation. Although the Big Three were left to compete only among themselves, this was a period of intense and strategic marketing. With minimal competition, the number of models produced by the same company increased significantly, requiring manufacturers to not only differentiate the company brand but also each model from its competitors. This increase in model selection and customization enabled the consumer to become more fickle and begin to heavily influence, or sometimes dictate, a brand’s success or failure. During this transitional period from full manufacturer control to a more consumer-driven business model, manufacturers greatly suffered due to their inability to remain in touch with the perpetually changing consumer tastes. In an attempt to match supposed unanimous demand for heavily stylized and large cars, manufacturers would learn a costly lesson.

Throughout this period, and more than ever before, manufacturers continued to focus on design and appearance attributes of the car rather than functionality and safety. The overriding theme of car design in the 1950s and early 60s of “longer-lower-wider”
encompasses the increasing size, weight, and use of chrome by automobile manufacturers. (Volti 97) American manufacturers pushed for oversized and generically lavish cars over smaller alternatives in an attempt to predict universal consumer demand rather than recognize differences in demographic desires. This push, however, would soon backfire as sales declined as a result of public rejection of the bloated and increasingly outdated styling of the models. The public rejection of the new oversized models came at a time when the industry was suffering from severe overconfidence. Manufacturers made the error of attempting to predict rather than understand consumer desires, causing a costly lesson in the necessity of catering to and evaluating actual demand.

Manufacturers imposed tight margins and large inventories on car dealers during this time, causing the dealers to care more about completing the sale than catering to the customer’s needs. Dealers used manipulative and deceitful sales methods that surmounted to lying and swindling the customer in any way possible to make a sale. The egregious nature of these actions led to the passing of regulations that sought to protect consumers from deceptive advertising and sales methods. Most notably, the Automobile Dealers’ Day in Court Act of 1956 helped to correct the worst of the abuses and ease manufacturer pressures on dealers, and the Automotive Information Disclosure Act of 1958 required that a suggested retail price as well as standard and optional equipment to be listed on the car. (Flink 282-283) This loss of trust between customer and dealer would not go away from the American psyche, as car salesman would remain synonymous with swindler. This situation created a new automotive consumer who
entered the car purchasing experience defensive and armed with prior research about intended purchases.

Adapting to consumer needs and desires as well as recognizing concern for price and value, led to one of the largest automotive marketing successes of this era, the Ford Mustang. The Mustang combined the elements of economy, sports car design, and low-price, to create the first car built specifically for a demographic group. This development demonstrated Ford’s ability to recognize how consumer demand differs by demographics and changed the industry’s future approach to marketing. Lee Iacocca, the president of Ford, realized the rapidly increasing number of young car consumers in the early 1960s and designed the Mustang primarily around their preferences to great fanfare. (Iacocca 69) The Mustang therefore exemplifies the emerging trend in which cars are produced and designed with the demands and desires of a specific target market in mind, rather than with the sole purpose of generating nation-wide high sales.

The marketing blitz behind the Mustang was enormous, as it simultaneously appeared on the covers of *Time* and *Newsweek* as well as in a series of television shows. It was highly lauded by the automotive press and was displayed in the busiest airports, hotel lobbies, and even in the University of Michigan football stadium parking lot. (Iacocca 77-78) The efforts of Iacocca and Ford certainly paid off, as the car had record sales in the first year of its release, 1965. (Iacocca 79) In response to the success of the Mustang, the other major manufacturers rushed into the market with similar cars to directly compete. Like the Mustang, “these “muscle” cars promised an image of youth, power, and sexuality for men and women still in their first jobs and as yet free from mortgage payments and the costs of baby furniture.” (Cross 183)
success of the Mustang and the resulting realization of the power of recognizing consumer demand, the era of social upheaval was upon America and the automobile industry’s image was about to be tarnished by rising consumer activist groups.

The emergence of countercultural society in the 1960s played a large role in challenging accepted norms and drawing general awareness to problems with the automobile. This raised new consumer concerns about the mechanical composition of the car and how it relates to safety and efficiency. Multiple laws were passed during this decade as a result of consumer-activist outcry against the lack of safety features and high levels of pollution coming from the current automobiles. This would prove to have disastrous effects on the Big Three’s market share and solidify the entry of compact foreign cars in the U.S. market.

The publishing of Unsafe at any speed: The Designed – In Dangers of the American Automobile, by consumer activist Ralph Nader, helped to spur this movement and bring the dangers associated with a lack of automobile safety to Congressional and national attention. Nader advocated that “the rising number of injuries resulted from a lack of safety devices,” giving negative publicity to the automobile industry’s current favoritism for fashion over utilitarian improvements. (Cross 148) His argument was persuasive enough to drive an enactment of changes, such as the passing of the National Traffic and Motor Vehicle Safety Act of 1966 as well as the establishment of the National Highway Traffic and Safety Administration within the Department of Transportation. Interestingly, the new seatbelt laws were not initially well received by the general public and seatbelts remained associated with danger or even death. (Volti 116) This demonstrated that despite successful activist and governmental efforts,
consumer opinion and behavior must be sway in order to ensure successful implementation of a change.

Nader’s book set a precedent for addressing environmental and safety concerns as a result of the automobile. Consumer and activist concern for pollution drove states to address these issues, as even “the mayors of New York City and Los Angeles took public stands for smaller cars to reduce smog, traffic congestion, and parking problems.” (Flink 283) From one perspective, these new laws were necessary to secure the confidence of buyers and borrowers in an ever more complex and impersonal market, yet from another standpoint, they expressed the newfound power of consumer and activist groups. (Cross 155) The legal and political institutional power shift towards consumer advocacy groups, marked a difficult time in marketing and brand consciousness for the automobile industry. Negative publicity from the public outcry strongly affected consumer opinion of American manufacturers. The Big Three could no longer be fully trusted and consumers began to look to foreign imported cars to address their concerns.

During this transitory stage, foreign cars were primed to exploit American manufacturers’ weaknesses and entered the American car market in a significant way. The introduction compact cars, high gas mileage, and customer-oriented dealerships were just a few of the differentiating factors foreign manufacturers used to position themselves against American manufacturers. At a time when corporate images were already down and the failure to meet rapidly shifting consumer demand was fully apparent, the consumer shift to oversees manufacturers irreversibly affected the American automotive industry.
The Import Invasion

Amidst consumer outcry for change in the late 1960s and early 1970s, a threat to the powerful positioning of the American Big Three was impending. In just a single decade, foreign cars were able to move from an entrant into the U.S. market to a substantial player, heightening competition within the industry even further. Led initially by Volkswagen’s strong push in the 1960s with the Beetle and later with the more compact and fuel-efficient Japanese cars, the importation of these automobiles gave consumers even more options in the marketplace. The Big Three faced not only new transportation regulations and laws, but also strong advertising positioning by foreign manufacturers that played to American manufacturers’ weaknesses as well as new consumer sensibilities and attitudes.

The Volkswagen Beetle was the first imported car to significantly enter the U.S. market in the post-war era. The Beetle was originally designed by Adolf Hitler to become the Model T of Germany and became the “best-selling car of all time and to set a standard of excellence in performance and durability for a low-priced, family car,” with widespread popularity in Europe. (Flink 267) By 1957, Volkswagen had 350 U.S. dealerships and with its rise in popularity quickly became the fourth largest manufacturer in the world. (Flink 324) The Beetle’s superior engineering and reliability, as well as its “quirky advertising campaign that appealed to motorists turned off by marketing fluff and planned obsolescence,” made the Beetle an instant success in the American marketplace. (Volti 104) Volkswagen’s marketing approach of service-before-sales further differentiated it from American manufacturers’ money-driven sales tactics, as they addressed concern for the customer as an individual. The Beetle’s overwhelming success
was important because it solidified the strength of German engineering in the minds of American consumers, demonstrated American acceptance of foreign alternatives, and showed the power of advertising campaigns to overcome stereotypes and influence buying decisions.

While Volkswagen’s entry into the U.S. market was significant, the Japanese quickly surpassed the Germans early in 1967 to become the worldwide production leader by 1980. (Flink 327) This meteoric rise can be attributed to several factors ranging from superior production processes to global economic trends. Smaller, more efficient and affordable, Japanese manufacturers created a product that was better built than the offerings by American competitors at the time. Customers recognized “the quality, reliability, and all-around excellence of Japanese products…and they voted with their checkbooks.” (Volti 130) The shift from domestic to imported sales dominance occurred beyond predictions, as the perception of high-quality Japanese manufacturing became imbedded in the minds of consumers. From the consumer standpoint, the greatest impact on American acceptance of Japanese cars was the oil crisis of 1973-1974.

In December of 1973, in response to the Yom Kippur war, the Organization of Petroleum Exporting Countries (OPEC) began to limit the amount of fuel exported to the United States. Given the history of low petroleum prices in the United States, consumers were shocked and their dependency on their car caused them to downsize and seek more fuel-efficient cars rather than find a new mode of transportation. The Big Three manufacturers, complacent with producing the highly profitable colossal sized cars with large V8 engines, were caught off guard by the changing consumer demand and therefore created a critical moment. The Japanese, who historically produced small fuel-efficient
cars due to smaller roads and higher petroleum prices, were ideally poised to benefit from this crisis. (Flink 339) This success played a significant role in the acceptance of Japanese imports, as the economy and size of the product cemented their presence in the American marketplace.

The influx of new competitors into the market forced U.S. manufacturers to attempt to compete head-to-head with the imports. Ford and GM responded with their own small fuel-efficient cars, such as the Ford Pinto, Chevrolet Citation, and Buick Skylark in the early 1970s, while Chrysler failed to redesign its models and produced its largest cars ever, ultimately forcing the company into near bankruptcy by 1979. (Volti 126) Instead of attempting to jump ahead of the imports with technology improvements, the American manufacturers found themselves playing catch up. Soon they would lose to the Japanese in reliability and the Germans in engineering, creating a highly competitive marketplace in which American cars were no longer the first choice for many consumers.

The failure of the Big Three to effectively compete with the wave of foreign imports in the 1970s and 80s was primarily due to their loss of brand positioning. GM’s Cadillac was the best selling and highly profitable luxury car in America until this period, yet failed due to a lack of positioning or the ability to outperform foreign luxury competitors. Its large size and “flamboyant fighter-jet styling suddenly looked outdated and superficial in comparison to competing performance, greater reliability, and more total value” provided by the competing foreign luxury models. (Silverstein 223) GM’s choice to shift its resources to economy models in response to the offerings by foreign competitors damaged the quality and image of its high-end brand. Its reliance on cosmetic “flash over function” design updates and superficial styling improvements
disappointed its luxury customers and caused them to turn to competitors for a better car. (Silverstein 219) This failure to recognize consumer demand for quality and performance rather than style, significantly hurt Cadillac’s market share and brand image in the minds of its targeted audience.

GM’s neglect of its premier brand created a significant gap in the American luxury car market and put Cadillac at a disadvantage when the Japanese decided to create and import luxury automobiles. When import quotas were changed in 1981 to be expressed in number of cars, Japanese manufacturers “had a strong incentive to export more expensive cars with higher profit margins...[and] therefore created new model lines like Lexus, Acura, and Infiniti, which went on to pose a powerful challenge to the established manufacturers of luxury cars.” (Volti 131) The movement upscale by the Japanese in conjunction with the American’s movement downward further exacerbated the consumer’s shift in perception of quality, performance, reliability, and luxury.

While the Americans and Japanese battled for market share, an upstart company from Germany was beginning to enter the U.S. market in a small but significant way. BMW, best known for its prewar motorcycles and airplane engines, first entered the U.S. market with its 2002 model in 1968. (Kiley 78-79) While the 2002 was met with rave reviews from the automotive press, most notably Donald Davis, Jr., from Car and Driver, the car did not significantly diminish the market share of any major competitors, as the Volkswagen Beetle had previously. The BMW evolved differently during its first two decades in the U.S., as it was “a cult car, purchased by car aficionados and wealthy driving enthusiasts.” (Silverstein 225-226) Despite its slow encroachment on the U.S. car
market, BMW emerged as a powerful company that today boasts high levels of profitability and brand equity.

BMW’s successful entry into the United States came from its carefully crafted vision and brand identity that the corporate leadership instilled in the company long before exporting automobiles. Essential to its success is “BMW’s brand philosophy of not chasing customers, but rather attracting buyers who believe, as the BMW collective does, that driving should be fun for its own sake.” (Kiley 120) It was this focus on performance that first brought BMW to the attention of Americans who were surprised by the company’s ability to combine quality, performance, and a sense of luxury.

**BMW, The Brand**

Over the years, BMW has struggled with establishing a strong and consistent brand identity. Changing consumer culture and the entry of increased competition posed as barriers to BMW’s development into the strong brand it is today. By establishing an association with performance in its early years, BMW was able to craft an initial advertising campaign to differentiate itself from both the original luxury cars, such as Cadillac and Mercedes, and the power-without-precision American muscle cars of the day. Coinciding with its entrance into the U.S. market in 1974, BMW hired advertising firm Ammirati & Puris who created the slogan “The Ultimate Driving Machine.” (Kiley 115) This slogan became the definitive moniker for the German manufacturer, serving as a specific way to tie the BMW brand with an image of performance and solidifying BMW’s brand identity in consumers’ minds. While BMW was able to maintain a consistent brand identity and association with performance over the years, it sought out new ways to increase sales.
The growing economy and the rising stock market in the early to mid-1980s brought new levels of wealth to younger metropolitan professionals. This group became known as ‘yuppies’ and spent their large amounts of disposable income on entertainment and cars. (Kiley 129) BMW began to cater itself to the demographic characteristics of the yuppie movement, studying the age, income, and reading habits of this niche group. Noticing that this group prefers reading to watching television, BMW placed print ads that positioned it as a sporty luxury car. (Kiley 130) BMW, however, went too far trying to please this group, falling at the mercy of their fickle tastes and desires.

When the stock market crashed and the yuppie movement fell in the late 1980s, this proved to be a tumultuous time for BMW and it became negatively stereotyped with outlandish spending habits. The luxury market also faced new competitors as Japanese manufacturers entered the upscale market, with Toyota entering with Lexus, Honda with Acura, and Nissan with Infiniti. BMW was left without a strong and consistent brand image and faced new competition, therefore, causing it to make the decision to switch from Ammirati & Puris to the Mullen agency at this awkward and crucial time. (Kiley 134) While BMW sales were increasing with the improving economy of the early 1990s, BMW’s brand image and associations with performance continued to suffer. New advertisements failed to solidify a connection with “The Ultimate Driving Machine” slogan and often focused on luxury rather than performance. Facing mixed preconceptions about its brand image and a still unclear target audience, BMW looked inward once again in a quest to find and resolve the problem.

Frustrated with mediocrity and frightened of displacement by the competition, BMW switched from the Mullen agency to Fallon in 1994. (Kiley 136) Even though BMW and
Fallon continued to produce advertisements that failed to solidify BMW’s brand image as the luxury sports sedan, the creative process was moving in the correct direction. With Fallon’s guidance, BMW first tested nontraditional marketing by placing its new Z3 roadster as James Bond’s car in the 1996 film *Golden Eye*. (Kiley 137) This product placement effort was a commercial and financial success, by helping to sell thousands of Z3s before the car’s release as well as bringing the car to the attention of younger audiences in a more action- and performance-oriented way.

Following this success, Fallon reevaluated the marketplace and found that customers still continued to buy the competition because they found the cars to be ‘more fun to drive’ than a BMW. (Kiley 136) Facing a serious threat to its brand image and in response to decreasing sales, the company quickly changed its advertising strategy to regain the image of luxury high-performance that it successfully created in the 1970s. A new campaign was launched in late 1996 featuring hard core performance advertisements with heavy metal rock music and black and white film footage of aggressive driving. (Kiley 137) This 18-month ad campaign was finally able to successfully solidify BMW’s association with performance and its ‘driving machine’ image in consumers’ minds.

By the late 1990s, BMW needed to adjust the definitional standards of its target market, causing the company to step back and refocus on whom they needed to target and how to do it. Through the use of new technology, BMW was able to target younger and more demanding purchasers interested in performance, luxury, and status. This group emerged as fickle and tech-savvy, demanding more in price and style as well as wanting both the best in a product *and* lifestyle. Partially aided by the dot-com boom in California and a more narrowly defined target market, in 2000, BMW sales were at a
record high in the United States. Regardless, BMW did not have any new models to launch for six months, therefore, posing a problem in the once again changing luxury car market.

Increased competition in the luxury/performance category once again emerged, now with the market consisting of Mercedes Benz, BMW, Jaguar, Lexus, Acura, Infiniti, Volvo, Porsche, Audi, Saab, and Ferrari. Despite this increased competition, BMW believed it could successfully differentiate itself from the competition, as each brand brought its own individual image to the marketplace. During this time, marketers stopped emphasizing demographics and began focusing on psychographics, by targeting consumers based on mind-set and lifestyle.

Making use of this psychographic method of defining and targeting audiences, at the start of the new millennium BMW committed itself to attracting young professionals fully immersed in the new digital environment with full force. BMW’s comparatively small marketing budget forced it to create more targeted, unique, and effective advertisements than its competitors in order to successfully reach its audience. The Internet emerged as a powerful medium, enabling the total convergence of previously separate advertising mediums without the governmental regulations associated with them. (Arthur 1) This ability to combine the capabilities of print, radio, film, and television advertisements on a web format enabled BMW to remain within budget and still create a unique experience for its targeted consumers. Inspired by the memorable car scenes of past action films, BMW decided to embrace the era of convergence head on and produce a series of short films to be aired over the Internet.
BMW’s film series, entitled The Hire, utilized the Internet in a way that had eluded previous competitors. BMW Films is a series of eight films produced by BMW, created by Fallon, and directed by leading independent film directors. The original five films, Ambush, Chosen, The Follow, Star, and Powder were released in 2001 and three more films, Hostage, Ticker, and Beat the Devil were released in 2003. The Hire is linked by a common narrative, in which the Driver, played by Clive Owen, is hired to complete different assignments. Each film is directed by one of eight independent filmmakers who were given creative control as long as the performance and styling of the cars was highlighted. The result is a series of films that cross the genres of comedy, action, drama, and political intrigue. Most importantly, these films display the driving capabilities of stock BMW automobiles, beyond the capabilities of the average driver and without the limits of the law.

Overall, from its entry into the American market to its placement as a performance luxury automobile manufacturer, BMW has relied heavily on its brand identity to solidify its placement within the American luxury automotive market. Branding has been a crucial element to BMW’s success and continues to be at the core of its marketing strategy looking towards the future. Learning from its yuppie association in the late 1980s that brand image can be fleeting, BMW set out into the digital frontier to reaffirm its placement in the minds of consumers by strengthening its brand message and hoping to reach a burgeoning market in the Internet economy.
CHAPTER 2

In the automobile industry, an advertisement has clearly become a critical tool in forming and reshaping the competitive landscape of the industry. Advertising and branding today have become a driving force behind the success and failure of products. BMW has strategically used branding and advertising to build its position in the automobile market and to distinguish itself from competitors. Now that I have thoroughly reviewed and analyzed the historical interaction of automobiles and advertising, it is now necessary to turn to the theoretical mechanics of advertising in order to demonstrate how BMW Films was successful in capturing the attention of viewers and instilling a brand image and competitive positioning through the advertising message.

Using semiotic theory as a primary lens with which to understand the producer-consumer interaction that occurs in the process of advertising, it becomes apparent that BMW Films contained the necessary components for a successful advertisement. This chapter will first look at the theories developed by Stuart Hall and secondarily Roland Barthes, in order to demonstrate the mechanics of communication between producer and consumer as well as the process by which the producer embeds a message into an advertisement. A better understanding of Hall’s encoding and decoding process and Barthes’s connoted and denoted analysis of images, will demonstrate how each element of the BMW film series was manufactured to enhance and reinforce the overarching message of performance set forth by BMW. Next, I will explore the methodologies and insights of Judith Williamson and Robert Goldman and Stephen Papson in order to place
this coding process within a greater context. Critical to these analyses is an understanding of the differentiation between use-value and sign value, and the societal context that gives these messages greater meaning. Then, I will fill in the final piece of the analysis by applying the ideas of John Berger to place the understanding of advertisements into a larger cultural context.

After reviewing these theories behind advertising, I will then use them to analyze BMW Films and will focus primarily on the technical elements and ideas that went into the creation of the films. Finally, this chapter will conclude with a discussion of how BMW Films successfully gained the attention of the consumer in today’s spectacle-saturated advertising climate.

**Manufacturing the Message**

While the primary goal is to capture maximum consumer attention, once this occurs the process of communicating the optimal message begins. One fundamental attribute of advertisements is that the messages transmitted from the producers do not exist and are not produced within a vacuum; they are constructs of man and society. According to Althusser, “there is no ideology except for concrete subjects, and this destination for ideology is only made possible by the subject: meaning, by the category of the subject and its functioning.” (Althusser 115) The subject or messages delivered by BMW Films are necessarily infused with a message, both associated with BMW and inserted into the advertisements by the creators.

Stuart Hall argues that each level of production places a new layer of codes within the message. Hall realizes that we do not interpret images in a vacuum, in that “reality does not exist outside language, but it is constantly mediated by and through language.”
(Hall 511) It is during this process of mediation that the viewer then interprets messages. Hall creates a system of analysis of encoding and decoding that aids understanding of a commodity’s portrayal and use of layered codes, which can ultimately be applied to BMW Films’ careful construction of its message.

The theoretical framework established by Hall is useful in establishing the foundation for a semiotic analysis of the BMW film series. Hall “uses the term ‘code’ to describe how cultural texts, such as advertisements, can be encoded with meaning by producers, and the term ‘decoding’ to describe the work done by cultural consumers when they view and interpret cultural products (such as advertisements) that have been encoded by producers.” (Sturken 353-354) It is through this process of encoding and decoding that the message is infused into the advertisement and interpreted by the consumer. The process of decoding, the critical factor in transmitting the message to the consumer, is, according to Hall, influenced by “factors such as ‘frameworks of knowledge’ (class status, cultural knowledge), ‘relations of production’ (viewing context), and ‘technical infrastructure’ (the technological medium in which one is viewing).” (Sturken 354) These factors are combined through BMW’s focused marketing strategy to create the necessary structure that will allow the consumer to decode the precise message that BMW has encoded.

The multi-layered meaning described by Hall is clearly present in BMW’s film series. Fallon, BMW, the individual directors, Clive Owen, the Car, etc., each impose a connotated image onto the product, in which a different set of signs is infused into the medium with each additional layer. Through Hall’s analysis, we can see that BMW’s choice of subjects as well as the use of narrative film, allow the advertisement to contain
layers of meaning beyond what would be available to traditional forms of advertisements. BMW, therefore, can create a stronger message as the magnitude of the experience is enhanced with each coordinated layer, adding to the strength of BMW’s message. This complexity of meaning in the images was carefully constructed by BMW and Fallon to impart a maximum level of influence on the consumer and effectively sway audiences to want and desire a BMW car.

Over the years, traditional automobile advertisements have applied the literal, denoted, and connoted three level structures described by Roland Barthes to advertisements, with increasing complexity and depth. Automotive advertisers are most concerned with the connotated image, as this is what drives the appearance and perception of a certain brand of automobile. (Barthes 47) This is the case with BMW, in which the driving force behind the literal and denoted image of its advertisements is to support with maximum emphasis the connotated image they engender to display. BMW successfully used the literal image to influence the connotated image and the brand connotation with such textual references as “Happiness is not around the corner, happiness is the corner.” or “The BMW530i. An engineer’s conception of a luxury car, not an interior decorator’s.” or “The BMW 3.0si. For those who deny themselves nothing.” (Kiley 116, 137) These types of phrases, used by BMW in their print advertisements, inherently reinforce a connotated image even when those images are not present. This reinforcement helps to solidify the brand image and the connotations of driving this particular vehicle in the minds of consumers.
Interpreting the Message

Advertisements today are not just technical sales pitches, but rather have an underlying meaning that is conveyed to the consumer through the use of symbols and codes. In her seminal work on the subject, *Decoding Advertisements*, Judith Williamson creates a methodology through which consumers can understand and recognize these codes. Central to Williamson’s analysis is the concept that “Advertisements are selling us something else besides consumer goods; in providing us with a structure in which we, and those goods, are interchangeable, they are selling us ourselves.” (Williamson 13)

Drawing from Marxist ideology, Williamson argues that this process is necessary to differentiate individuals in industrial society because “instead of being identified by what they produce, people are made to identify themselves with what they consume.” (Williamson 13) Advertisements, therefore, are aimed to persuade consumers of what they need to exist in a social context rather than strictly for subsistence. Advertising, according to Williamson, “‘works’ because it feeds off of a genuine ‘use-value’; besides needing social meaning we obviously do need material goods. Advertising gives those goods a meaning.” (Williamson 14) Williamson’s systematic analysis of advertisements enables clearer understanding of the coding and complexity that is incorporated into advertisements in order to more effectively sell the need to consume a product for both social and use-value.

The differentiation between social value and use-value is an important distinction that is often used by the automobile industry. The use value of an automobile consists primarily of its ability to be used as a method of transportation. The only remnants of use value in today’s advertising are derivatives of the pure use-value such as cargo space,
safety, and gas mileage. Automobiles today have outgrown their purely functional use-value and today are sold primarily based on their social and aesthetic values. In the luxury automobile market, this manifests itself more than in other automotive market as the brands in this segment generally have strong brand identities. A consumer may purchase a Mercedes over a Cadillac because the Cadillac is perceived ‘too boxy’ or ‘an old man’s car’, while another may choose the Cadillac because it is perceived as ‘classic design’ and a symbol of ‘American ingenuity’. These comments are representative of the power of social and aesthetic values in the purchase of automobiles. Advertisements that sell a particular lifestyle are extremely important for advertisers because this is how the manufacturers are able to most effectively persuade customers to purchase their automobile instead of a rival’s product.

Advertising seeks to move beyond just selling an object’s use-value to selling both the social value of the product and the advertisement itself as a product. In luxury automobile advertising, this is critical because conceptions of luxury stem from the consumer’s culturally mediated perceptions. Advertising helps to create and instill a product’s identity in the consumer’s mind. Consumers seek to create an identity through a combination of carefully selected products. As Christopher Lasch points out, advertising “subordinates possession itself to appearance and measures exchange value as a commodities capacity to confer prestige—the illusion of prosperity and well-being.” (Lasch 1) It is the illusion that luxury automobiles place their emphasis on in order to solidify their competitive positioning, reinforce their brand image, and reach the demographic group they seek to attract. Consumers buy into this illusion in order to signal success to their peers, exemplified by the ‘yuppies’ that BMW courted in the
1980s. This conception acts as a foundation to luxury automotive advertising, as in modern society “the mass production of luxury items now extends aristocratic habits to the masses.” (Lasch 1) Advertising reinforces the brand image of luxury and, if successful, creates desirability for the product across all demographic groups. Even though a consumer may not have the means to live a truly affluent lifestyle, the accessibility of luxury cars to anyone who can pay the full retail or resale price enables the consumption of a lifestyle.

This method of selling a lifestyle above and beyond a product transforms advertisements from sources of information to persuasive forces. Advertisements now need to be constructed in a calculated way in order to successfully persuade the consumer to believe, buy into, and adopt the advertised lifestyle. Moving beyond traditional sales and marketing tactics, this form of advertising increasingly relies on psychology to create the most effective ads. Consumer psychology was found to be increasingly effective and necessary because “by linking the psychological appeals to a product being advertised, an advertisement can make that product seem more attractive to a consumer.” (Taflinger 1) As advertisers are becoming more versed in the basic elements of consumer psychology, however, the effectiveness of reaching into the psyche and extracting the desires of the consumer is no longer enough.

The increasingly competitive landscape diminished the possibility of lasting impact on consumer perception, as the encoding of advertisements with meaning and the infusion of psychological and lifestyle symbols became commonplace. Just as Robert Goldman and Stephen Papson point out, “In the past, most ad campaigns (failures as well as successes) aimed at conveying a coherent and memorable symbolic value for their
product by connecting it with an object of desire. But as these symbolic contests have escalated over the years, the turnover of images and symbols has accelerated and the reliance on the media intertextuality has increased.” (Goldman 93) This increasing reliance on media intertextuality has lead to a “substitution of referential density for narrative coherence.” (Goldman 93) The process of minimizing narrative allows the producers of advertisements to infuse the message with greater meaning, by utilizing cultural reference points to transmit the messages. Today, consumers have an acute awareness of the use of psychological techniques and the infusion of lifestyle oriented symbols in advertising, mandating that advertisers increase the complexity with which they communicate their message via advertisements. Producers are now forced to compete with other competitors in creating the ideal symbolic representation through advertising, thus demanding that these symbols become more complex and multi-layered to reach the audience with a message of maximum impact.

This competition and diminished capacity creates an unusual paradox in the advertising industry, as advertising is still a necessary tool of producers yet it is becoming less effective. “Advertising is in crisis, yet somehow it remains the voice of commodity hegemony…While the advertising form has historically functioned as a site for ideologically masking social and cultural contradictions, the neat, clean, and tidy categories of the past have been sublated.” (Goldman 97) The BMW films campaign was essentially a resolution of this paradox as it successfully blurred lines and masked the producer’s messages in ways never before seen.
Advertisements and Societal Persuasion

The semiotic relationship between producers and consumers is necessary to understand the packaging of the message that BMW Films is attempting to communicate. However, the structural analysis of coded messages fails to account for the widespread success of the BMW Films campaign, because not all of the consumers who applauded the series would have necessarily decoded the message in the same manner given the various cultural backgrounds of consumers inherent in such widespread success. John Berger’s analysis of advertisements, in “Ways of Seeing”, helps to explain how the unique market positioning of BMW automobiles may have led to this widespread success.

Berger’s analysis of publicity fills in the gaps in the semiotic explanation of BMW Film’s widespread success, though his descriptions of the link between publicity, envy, and glamour. According to Berger, publicity is a form of persuasion “by showing us people who have apparently been transformed and are, as a result enviable” because of their usage of the product. (Berger 131) “The state of being envied is what constitutes glamour…and publicity is the process of manufacturing glamour.” (Berger 131) BMW Films, through its use of A-list directors, and Clive Owen, who was voted one of People magazine’s 2005 Sexiest Men Alive. (People.com) By using a highly attractive lead actor, the viewer places themselves as the driver, imagining themselves as Mr. Owen creates an added sense of glamour, while his relative obscurity to large scale United States consumers at the time, created an added sense of intrigue. As Berger confirms, “Publicity is never a celebration of a pleasure-in-itself…publicity is always made about the future buyer…it offers him an image of himself made glamorous by the product or
opportunity it is trying to sell…the image the makes him envious of himself as he might be.” (Berger 132) The creation of envy in the viewer can be though of as a universally decoded message. Even if the BMW, as displayed in the film, is out of the price range of many consumers, the creation of envy, through the attractive and mysterious driver-for-hire narrative, establishes a societal envy that influences not just future consumers, but also future non-consumers, further intensifying the feelings of envy.

Berger’s analysis has a distinct social element that allows the analysis to extend beyond that of producer-consumer, into the realm of producer-consumer and society at large. As Berger notes, “Publicity is about social relations, not objects…its promise is not of pleasure, but of happiness: happiness as judged from the outside by others.” (Berger 132). The social envy created by the male-dominated fantasy established in the BMW Films series is a key driver of the success of BMW Films. This fantasy is reinforced by the labor conditions in the modern capitalist society, as the “interminable present of meaningless working hours is ‘balanced’ by a dreamt future in which imaginary activity replaces the passivity of the moment…in his or her day-dreams the passive worker becomes the active consumer.” (Berger 149) It is the creation of this dream, by the BMW Films series that creates the societal envy of the owners of a BMW. However, BMW is not explicitly responsible for creating the dream envy, rather it is caused by society itself. “Publicity does not manufacture the dream…all that it does is to propose to each one of us that we are not yet enviable – yet could be.” (Berger 149) It is the internal desires of man to escape the reality of modern labor and replace his inherent desire for glamour and envy that BMW so successfully exploits in the films series.
A Semiotic Review of the BMW Films Series

Advertising is a critical element in the heavily competitive automobile industry, because it allows competitors to differentiate themselves and carve out their unique product space. Advertising had become the vehicle for transmitting the lifestyle ideologies that the company wants to impart upon viewers. Further motivating the decision to implement the Internet campaign was the acute awareness within the BMW organization that recent gains in sales aided by “a booming dot-com economy full of new millionaires with a taste for Bavarian sheet metal.” (Kiley 139) This was a desire that BMW strategically sought to satiate through the BMW Films campaign.

In essence, BMW was attempting to use the dot-com generation much in the same way that it used the yuppies in the 1980s. This time, instead of placing cars at country clubs, BMW chose to speak the language of the new generation and create a high-tech campaign. Playing to its competitors’ weakness, BMW noticed that on “the internet, most companies by 2000 hadn’t figured out much beyond annoying banner ads, hideously annoying pop-ups, or gimmicks to get Net surfers to go to an obviously corporate website.” (Kiley 140) This was just the advantage that BMW needed to install itself as the hip and cutting edge brand that these new millionaires would want to obtain.

The BMW series was initially targeted at a group of core individuals that would have a high propensity to purchase a BMW. The typical BMW owner at the time of the series, “In mid-2001, two-thirds of BMW customers were male; the average age BMW customer was about 46 years old; median income was $150,000; the majority were well educated, married, and had no children.” (Kiley 138) From a psychographic standpoint, Vice President of Marketing for BMW of North America James McDowell describes
BMW owners in this way “BMW…appeals to people who tend to be leaders, who work hard, and play hard, and achieve a lot early in life…because they work hard, their free time is extremely valuable, and they are very particular about what they surround themselves with.” (Kiley 138) Having this group of individuals as the ideal readers of the ideological messages embedded in advertisements proves rather difficult, as by definition they are media savvy, have limited attention, and place a strong value on their time.

In the BMW Films series, the semiotic relationship between the rhetoric of the advertisers and the ideal reader is much more complex than embedded messages within a print advertisement. BMW creates an air of perfection with its brand. It enforces this message of performance and luxury by positioning itself as the automotive connoisseur’s car. This image matches exactly with its idealized consumer who is best described as a perfectionist, someone who wants the best in all of the details. The individual is fast-paced and on the move.

The message of the BMW films series in fact embodies this ethos, as the rhetoric of the advertisements embodies the ideals of the consumers it targets. McDowell set the tone early in the project, by emphasizing that “we wanted A-list everything; A-list directors, A-list actors, A-list production values.” (Kiley 141) The choice of directors provides the most fertile example of BMW ideological emphasis on promoting what one would describe as connoisseurship. The directors that were chosen to direct the films were known more for their artistic and visual cues, rather than blockbuster movies. They were generally highly regarded in independent film circles and were the type of directors that brought viewers to the movies because to their name, rather than budget or star power. The choice to uses director’s considered on the cutting edge of film, in contrast to
a director with the mass appeal of Stephen Spielberg, George Lucas, or even Martin Scorsese, was a distinct attempt to capture the image necessary to captivate the core consumers. By choosing to associate the films, and thus the automobiles with this specific category of director, BMW emphasized a cutting edge and hip brand image in the minds of its consumers. As a byproduct of the connoisseur approach, the popularity of these directors themselves helped to bring attention to the film series in the first place and even garnered attention and accolades from major film critics. The directing was such a success, the Richard Corliss, *Time* magazine’s film and culture writer, stated “A fine, full movie in miniature, a perfect showcase for the director’s obsessions.” (Kiley 145) The transmission of the BMW detail oriented image was clearly manifested in part through the choice of directors for the films.

BMW also chose to distinguish both the representation of BMW imparted upon the viewer and distinguish its ideal readers through the use of the Internet and digital technology. The film series entered the public sphere amidst the dot-com era and its entrepreneurial spirit. Technological prowess and the presence of high-speed Internet connections were not as prevalent in 2001, leaving only those with the resources and skills to have easy access to the site and its productions. The people with the means and access to the level of technology necessary to view the films at that time just so happened to be part of BMW’s core demographic, as well as the technology entrepreneurs whose purchasing power BMW sought after. Not only did the use of this technology give BMW the first mover advantage in both the traditional and ideological sense. BMW was not just the first to use cinegraphic advertising on the Internet; it was the first to become associated with the innovative use of technology. When targeting a culture constantly
searching for the next big thing, this ideological first mover advantage was significantly more important given the group ideally reached with the advertisements.

BMW’s choice of brand positioning had significant unintended consequences for the campaign that arose from its brand positioning. The great strategy of BMW was to create a brand image based upon what is considered an aspirant group for most of America. Therefore, even those who could not afford a BMW still went to the sight for various reasons to view the films. The mass audience was not an intended consequence of the series, originally, as McDowell confessed “we believed that what we lost in terms of audience size could be made up for in terms of involvement.” (Kiley 140) The mass appeal of the film series can be seen through a semiotic lens as a reflection of the mass culture to aspire to a certain ideals. This, leads to a “Trading Up” effect, in which BMW has been described as a “quintessential New Luxury brand.” (Silverstein 226) In recent years, BMW has solidified this conception through its product offerings, by making the “brand both more accessible to middle-market buyers and more aspirational, with a top-price model (the Z8) at $131,500 and the lowest priced 3-series at $27,800.” (Silverstein 226) The mass aspirant ideal of the film series creates an image both emitted and received, that BMW is a status symbol, representative of the ethos of the consumer.

**BMW Films: The Advertising Spectacle**

The messages transmitted through the films created a whirlwind of mainstream attention surrounding the films. According to Debord, the film and its messages convene in the Society of the Spectacle in which “the spectacle is a collection of images; rather, it is a social relationship between people that is mediated by images.” (Debord 2) The BMW Films series was both a series of spectacles put together and packaged for
consumption, as well as a spectacle in and of itself. Today, the spectacles created by the
advertising industry saturate society and bombard modern consumers with signs that all
fight for attention. It is our reaction and our perception to these spectacles and the
mediated messages they contain that allow us to react to advertisements.

The more pervasive technology becomes and the greater its ability to create
efficient communication, the greater the impact these images will have upon us. Debord,
able to see a greater level of media immersion, recognized that people are becoming
defined more by mediated images that are being produced by society. “Understood in its
totality, the spectacle is both the outcome and the goal of the dominant mode of
production.” (Debord 6) Advertising and the media use spectacles, or high impact
events, to foster the attention of the masses and focus them around a group of images in a
set time. The media, entertainment, and advertising industries create and gravitate toward
spectacles to garner the attention of the masses such that “the language of the spectacle is
composed of signs, of the dominant organization of production – signs which are the
ultimate end-products of that organization.” (Debord 7) The composition of signs to
create a spectacle is precisely how advertising captures the attention of its audience.
The culture industry in recent times has evolved into a spectacle industry, in that the goal
of the industry is not to fetishise commodities, as now done by manufacturers in the
automobile industry, but rather to create a better and more widely acknowledged
spectacle. The competitive nature of the automobile industry has fostered an
environment of over-the-top promotions, trade shows, sponsorships, and more traditional
advertisements. BMW Films changed the spectacle production process by refusing to
compete with the larger manufacturers on their traditional advertising mediums. Instead,
the films broke new ground, consumer-by-consumer, to spread their spectacle individually. The technological and social environments at the time of their release were timed perfectly for this endeavor, enabling BMW Films to become the biggest spectacle of them all.

While the spectacle remains the dominant mode of advertising, advances in the convergence of media, the growing attention economy, and the prevalence of branding are all changing the way consumers react to advertisements. Visual culture helps us to interpret why consumers react in a particular way to an advertisement and how they interpret those images. The BMW Films series successfully incorporated many of the theories of visual culture that existed before the time of the films. Yet the economic and business climate of society is dynamic and is changing rapidly as each new technology changes the way in which people communicate.

Visual culture theory has demonstrated that advertisements are commodities that have a meaning beyond their inherent use value. This meaning is packaged and processed in a mix of sales pitch and entertainment, and then interpreted by the viewer through both his personal message and the embedded messages. The method of communication of these messages is important, as also is the ability of them to catch the attention of the consumer. Unfortunately for producers, consumers are a dynamic group that will change and adapt with the society in which they are imbedded. Chapter three will therefore attempt to delve into the current state of society and advertising and the effects that these climates have on the automobile industry’s ability to reach its customers.
The BMW Films series demonstrated that the communication of the brand message could be manufactured in such a way as to have maximum impact upon the consumer. By analyzing the mechanics of the communication between producer and consumer, it is apparent that producers can manufacture their message to reach the consumer with maximum influence. Unfortunately for the producers, they are not alone in this realization. In today’s global marketplace, all producers are attempting to gain any advantage in constructing and communication their message to consumers. This creates a competitive environment in which companies are competing for the ability to communicate their message to consumers. As advertising becomes more pervasive in society, it becomes more difficult for producers to get the attention of consumers.

In this chapter, I will analyze the difficulties in reaching the consumer in the digital age. I will begin by exploring the ways in which producers shape and mold their message through the use of branding and the importance of branding in the competitive landscape. Next, I will determine the difficulties in gaining the attention of the consumer in a period marked by the increasing saturation of advertising and marketing in society. Then, I will establish that the use of entertainment has become an integral part of a producer’s strategy to reach consumers, as they increasingly turn away from traditional advertisements, yet place a premium on being entertained. Finally, I will examine the impact of the Internet and digital technology on the ways that producers market their goods and their messages to consumers.
The goal of this chapter is to analyze the factors of the modern marketplace that establish the consumer as becoming more demanding and difficult to reach. Advertising, without the attention of the consumer, is worthless. Therefore, in this chapter I will explore the importance of presenting a clear and coherent brand message to consumers and the strategies necessary for producers to get their message into the minds of consumers.

The Branded Company

In today’s automotive advertising climate, the message relayed to the consumer is equally, if not more important than the medium through which it is conveyed. Branding is essentially a package of messages that companies encode into their advertisements in order to convey the product’s personality as well as reinforce the brand image. (Holt 3) Due to the oversaturated advertising climate and the increasing difficulty of capturing attention in the twenty-first century, branding must become a full sensory experience. This is important with automobile advertising because the combination of technical quality and design, in addition to various component parts such as speakers, corporate logo, and marketing strategy, define both the product itself and the overall brand image. Every aspect of the product must fit the brand, therefore making it absolutely necessary for companies to deliver a consistent and marketable brand image in order to reinforce the ideology of the brand in the minds of consumers.

Understanding, shaping, and influencing public perception of a brand is an important, yet complex issue with multiple facets. Advertising legend David Ogilvy describes the multi-faceted nature of a brand, stating that “The personality of a product is an amalgam of many things – its name, its packaging, its price, the style of advertising, and, above all,
the nature of the product itself.” (Marconi 141) Each of these components is a critical aspect of assembling a brand image in the minds of consumers, therefore requiring a holistic approach when constructing and maintaining a brand that will cover all aspects of production and advertising. Branding goes well beyond a simple marketing strategy and helps drive the core image and philosophy of a company.

In today’s automobile industry, branding is critically important for luxury car manufacturers because of the heightened competition and the difficulty of maintaining consumers’ loyalty to a specific brand. Industry positioning and the differentiation of brand identities are what help consumers form opinions and make purchasing decisions in the midst of this competitive landscape. The current brand landscape in the luxury automotive market can be seen in the chart below.

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>Brand Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mercedes-Benz</td>
<td>Classic prestige and status, long history</td>
</tr>
<tr>
<td>Cadillac</td>
<td>American traditional luxury at a lower price point</td>
</tr>
<tr>
<td>Jaguar</td>
<td>Timeless shape and classic heritage, distinguished by luxurious interiors and attention to stylistic details</td>
</tr>
<tr>
<td>BMW</td>
<td>Luxury performance and power</td>
</tr>
<tr>
<td>Saab</td>
<td>Sportiness and handling at a more economical price</td>
</tr>
<tr>
<td>Porsche</td>
<td>Classic sports car, eye-catching design and high performance</td>
</tr>
<tr>
<td>Lexus</td>
<td>Superior quality, reliability, and technology</td>
</tr>
<tr>
<td>Audi</td>
<td>Innovative technology at a more affordable price</td>
</tr>
<tr>
<td>Volvo</td>
<td>Practical, comfort, and technologically advanced safety features</td>
</tr>
</tbody>
</table>

1 Charts were created using information from *Driven* by David Kiley.
Manufacturers’ ability to not only differentiate their brand image, but also their positioning from one another is further reflected in the chart above. These charts display the values and meanings that are shaped by luxury manufacturers in order to instill a specific message in the minds of a targeted group of consumers. The ability to create different associations within the luxury market enables manufacturers to target consumers based on a mind-set and lifestyle. Widespread perception is able to supersede functionality for targeted consumers, as the car serves as a representation of the image that the car owner wishes to display to others. This manifests itself in purchasing decisions, as one would be hard pressed to find a reckless and carefree Volvo driver or an impoverished Mercedes owner. While these consumers may exist, it is the perceptions of society that reinforce the associations of these cars.

While consumers may play a role in perpetuating a brand image, the manufacturers hold total control in dictating product positioning and instilling a brand image with the use of advertising. Advertising enables the reinforcement or development of a brand on a wide scale, yet can cause trouble if not used effectively. Today, many luxury brands are now synonymous with their brand identity and positioning, whereas others have provided conflicting messages and resulted in a loss of market share. This creates an ever-changing competitive landscape, in which all of the luxury brands are forced to
reevaluate and find new and creative ways to convey their image to targeted consumers and society as a whole.

The decline in Cadillac’s brand image and the rise in popularity of BMW are notable examples of shifts in the competitive landscape largely due to the function of branding, product positioning, and the display of quality. In the early post-war period, the Cadillac brand was “synonymous with status, achievement, and recognition, and the brand car became a cultural icon.” (Silverstein 219) It enjoyed a large market share and “from 1948 to 1977, Cadillac was the bestselling luxury car in the world and the car to own and be seen in.” (Silverstein 223) However, once General Motors shifted resources away from Cadillac to the middle market in response to foreign competition, it was unable to recapture its market. This rapid decline came at an inopportune time, as U.S. consumers were simultaneously presented with foreign luxury alternatives and no longer felt an undying loyalty to the Cadillac brand. By letting the iconic brand deteriorate and decreasing its advertising expenditures, General Motors no longer had a viable product in the luxury market and faced difficulty in regaining its status because of the increase in consumers’ power of choice.

BMW, however, was able to rise to popularity due to its intense focus on creating and maintaining a consistent luxury-performance brand identity. BMW incorporated various branding strategies to differentiate itself from traditional luxury manufacturers and carve out its own unique market. As described by a member of BMW’s Board of Directors, “BMW produces premium cars, not luxury cars…other car companies concentrate on ‘visible’ features…we invented antilock brakes and traction control.” (Silverstein 229) It is this focus on product quality that helps to differentiate BMW from
its other luxury competitors. BMW’s brand success can be attributed to “delivering cars that are thrilling to drive, that offer what owners call a “blend of sport and luxury,” and that stay true to the brand’s ethos.” (Silverstein 229) The ability to successfully create a positive connotation and experience in driving the car and the focus on product quality helped to bolster the image of the manufacturer. In the increasingly competitive automotive environment, strong brand image is necessary to ‘sell’ the consumer on the viability of the product.

Advertising, while critical to the success of any brand, exists in a rapidly changing and evolving marketplace. The digital era has introduced a new medium, new language, and new set of tools to reach targeted consumers. Technology is changing the way consumers interact with companies and advertisers, as emphasis is now on the ability to effectively communicate the message rather than just on the concept. In today’s environment, this is no easy task, and it is therefore crucial to analyze the current marketplace in order to understand how brands and companies can best reach consumers with their messages. In the pre-media convergence era, the communication of a strong message through one or multiple mediums was sufficient to communicate the brand’s message. However, in the post-convergence world, the advances in technology grant more power to consumers and their ability to avoid and tune out messages increases. The following section will attempt to track these changes and explore how the new consumer society is forcing changes upon the advertising industry.

**Emergence of the Attention Economy**

In the post-Internet era, the marketplace has reached unprecedented levels of competition. Today, a manufacturer must not only compete against other producers, but
also now for the attention of the consumer. This current competitive environment has been called the attention economy. The concept governing the attention economy is that consumers are so saturated with advertisements and media that the struggle is not to persuade them to buy, but rather to attract their attention to the message being sent by the advertisement. (Sayre 19) Decades of mass produced advertisements have caused a proliferation of these sales pitches in every facet of life, whether in the form or billboards, television or radio ads, or the strategic use of product placement by the manufacturers. This “overabundance…leads to growing competition for what IS increasingly scarce, which is, of course, our attention.” (Sayre 18) The key to success in gaining an advantage over the competition has become the ability to successfully navigate the dynamics of the new attention economy.

Economist Michael Goldhaber, a pioneer in the study of the attention economy, notes, “Attention…is an intrinsically scarce resource.” (Goldhaber 1) Under this assumption, Goldhaber establishes that in the post-digital age attention will be the driving force behind the economics of the Internet. This is an important transition because it shifts the individual’s economic necessity from the production of goods to the consumption of goods. The labor exerted by an individual is now secondary to their ability to consume, making their consumption choices even more important.

This shift causes demand to become the main driver of the industry instead of a source of supply. Therefore, the need to innovate and advertise automobiles today is not so much for technical reasons, but for attention reasons. BMW’s focus on performance exemplifies this because performance is largely an attention-based input. In the daily commute of most workers, the level of performance offered by a BMW is not necessary
for general transportation needs. Yet, BMW prides itself on performance because fast
cars and tight cornering grab the attention of car enthusiasts. BMW is trying to create a
level of excitement in the films through performance that will capture consumer
attention. (Kiley 146) In this attention economy, automobile manufacturers will compete
to capture the attention of consumers rather than try to outdo the competition.

The problems of overabundant messages exist in every market, however, the
automobile industry is particularly prone to the problem of mass messaging. Automobile
advertisements are transmitted in two modes, active or direct and passive or indirect.
Active ads consist of direct appeals to consumers such as television commercials and
billboard ads. Passive advertisements consist of the transmission of more subtle
messages, such as product placement in movies or the use of product names in song
lyrics. While direct advertising is often tuned out because there are so many messages
being transmitted that consumers actively avoid direct messages, passive advertising is
becoming more effective and are taking a larger share of messages transmitted in the
marketplace. (Wind 2001, 17) The automobile industry is particularly susceptible to this
lack of attention because of the amount of advertising, direct or indirect, that is
transmitted to the consumer. The chance that a direct advertisement will capture or hold
the attention of a consumer today is very low due to the consumer’s ability to readily
ignore or disregard the message without consequence. Overall, more traditional forms of
advertising are becoming less effective than more interactive and technological forms, as
print and billboard advertisements allow the consumer to turn the page or look the other
way, radio and television commercials allow consumers change the channel, whereas the
Internet requires the consumer to fill a more active role when finding and navigating a website.

While modern advertising is becoming more technologically advanced, automobile manufacturers have been passively advertising through the use of emblems and the display of cars on the roadways. Cars are emblazoned with emblems and often contain literal images of the model, make, and even engine descriptors on the back for easy viewing. This is one of the reasons why the design of automobiles is so important, as each unit sold is a rolling advertisement to the drivers around it. It is virtually impossible to turn your head or look away when stuck in traffic, creating a highly captive audience that is forced to intercept the encoded messages and brand associations given by the other surrounding cars. Automobiles are such a captive form of advertising that they spawned bumper stickers to be affixed to the backs of cars, so that the owner may impart a message to the next driver. License plate frames have grown out of this concept as well, also demonstrating how these are effective forms of advertising that are forced upon a captive audience. Consumers therefore are inundated and desensitized to passive advertisements seen on the road as well as everyday passive visual and literal advertisements.

With both active and passive advertisements growing increasingly ineffective in grabbing the attention of today’s consumers, the automobile industry must search for new ways to reach and retain the attention of consumers. While the automotive industry is especially affected by the rise of the attention economy, its problems are not unique. This transition to the attention economy created a difficult dilemma for advertisers. The attention of consumers is becoming a more important resource, yet simultaneously
consumers are becoming more desensitized to the pressure of messages and symbols in their daily lives. Due to this, modern manufacturers have turned to new ways of using advertisements to capture an audience beyond the mass-market active and passive strategies. In searching for the ideal method of garnering consumer attention, advertisers sought out the one industry that consumers freely spent money to give their attention, the entertainment industry.

**The Entertainment Economy**

The term ‘entertainment economy’ is used to emphasize the proliferation and dependence on entertainment in the daily lives of Americans. (Wolf 4) “Each year, Americans cumulatively spend at least 130 billion hours and more than $260 billion on legal forms of entertainment.” (Vogel xix) This is the equivalent of roughly over 2% of U.S. GDP and over 451 hours a year per person.\(^2\) This staggering amount of time and money is spent by Americans to give their attention in order to be entertained. Given this connection, it now seems rather obvious that the entertainment industry would begin to converge with the advertising industry. Yet, in today’s attention economy, companies still have difficulty attracting and captivating the audience to whom they would like to convey their message.

There are two critical factors that impede the effectiveness of advertisements in the marketplace today. The first is that while the entertainment industry is large, it is highly diversified. Advertisers and consumers have a wide array of media outlets to draw from and to capture their attention. (Wolf 84) Print, radio, television, and the Internet are the

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\(^2\) Estimated using the 2001 CIA Factbook number of 11,750,000,000,000; and 2002 Census population of 287,984,799.
primary mediums that companies use to advertise, excluding the multitude of outlets within each medium. Secondly, consumers are becoming more media savvy and, therefore, are more aware of the messages that advertisers are attempting to transmit to them. (Goldman 85) Consumers’ knowledge of the encoding and decoding process allows them to have an increased awareness of the messages transmitted by the advertisers. They are aware of certain deceptive advertising techniques in the automotive industry and are particularly sensitive to fraudulent pitches given by car dealers. (Goldman 83) These desensitized consumers challenge advertisers to find new ways to garner their attention.

Consumers today live in a media saturated society, in which entertainment has immersed itself in all aspects of their lives. Movies, television, sports, music, and the Internet all compete for a share of consumers’ allotment of daily entertainment time. (Wolf 4) This forces advertisers to figure out how to best optimize their budgets in order to most effectively reach and appeal to targeted audiences. These decisions can be critical, especially in the highly competitive automobile industry. Should the company sponsor a F1 or NASCAR team to spread familiarity of its brand among performance-enthusiasts, or should it use product placement in a Hollywood blockbuster? Should the company create a television commercial or post a print advertisement in a magazine or in a national or local newspaper? Or use a billboard on a highly trafficked interstate, or a banner ad on an Internet search page? It is these questions that become important and critical to corporate success in the realm of the attention/entertainment economy. The manufacturer that is able to go beyond producing a superior product and become more
effective at relaying its message and grabbing attention will have the greatest success among targeted groups.

Consumers have become accustomed to the transmitted signals from advertisers that relay meaning. In “The Paradox of Choice: Why More is Less,” Professor Barry Schwartz touches upon the problems of an overabundance of these images. Schwartz claims, “As the number of choices grows further, the negatives escalate until we become overloaded. At this point, choice no longer liberates, but debilitates. It may even begin to tyrannize.” (Schwartz 2) While Schwartz speaks of all types of consumer choices, given the amount of active and passive advertising that comes from the automotive industry, this is particularly true. The automotive industry is also affected by the tyranny of choices because of the high informational switching costs associated with purchasing an automobile. Many consumers tend to stay with a particular brand or model of car, partially due to the research necessary to make such an acquisition.

In avoidance of overload, many advertisers are now seeking to send out one consistent message across multiple mediums in order to reinforce brand image and positioning in consumers’ minds. For an automobile manufacturer, this could follow BMW’s cross-promotion with the James Bond film Golden Eye in 1995. The new BMW Z3 was not only featured in the film, but also in print and television ads for the film as well as in the video game, all showing and demonstrating the car’s performance and maneuvering capabilities. (Kiley 142) The necessity of reinforcing a consistent message across multiple mediums makes consumer reception the focal point and consumer understanding critical to the ad’s success.
In order to more effectively navigate the media environment automobile advertisements have turned to a more subversive form, product placement. “Product Placement is a $1.5 billion practice in movies and television and now even novels that partners marketers…and mass media producers.” (Galician 1) Advertisers began to integrate product placement more thoroughly into marketing strategies because it allowed the targeting of a specific group of people at times when they are preoccupied with enjoying the presentation. Product placement is not only prolific, but also effective “because of the subtlety of product placement embedding and other related promotional techniques, audience members are often completely unaware and, therefore, highly susceptible.” (Galician 1) The susceptibility of the consumer is exactly what the advertisers want in an attempt to promote their product. Product placement also creates an externality in which fans of the movie or television show may begin to associate the qualities of the film or its characters with the product.

The association of the films and characters with the products that they use begins to blur the line between what is entertainment and what is advertising. Advertising and promotion “have evolved to the point where the line between what can be considered strictly entertainment as opposed to what can be seen as commercial persuasion has become extremely flexible and blurred.” (Kretchmer 39) This blurring of entertainment and commercial persuasion has led to the proliferation of product placement because if effectively reaches consumers through a medium associated with entertainment in an indirect manner. Product placement’s ability to spread messages beyond more traditional forms of advertising has come into high demand and continues to be an integral part of the film industry. The market for product placement is estimated to be around $360
million in 2000, rising over $250 million over the last decade. (Brennan 187) The rapid and enduring growth is clearly a testament to its success and the benefits that advertisers gain from these types of advertisements.

Since the use of product placement is on the verge of over-saturation and there is increasing consumer awareness of its presence, advertisers must continue to search for new and creative entertainment mediums to use to subversively deliver their brand messages. Today, “the American public is now inundated with ads masquerading as news or entertainment through infomercials, promotional music videos passed as creative programming, and film and TV commercial tie-ins and cross-promotions,” therefore making advertisements more entertaining. (Kretchmer 39) Ads are only becoming more engaging and more visible, causing the rise of what can be called ‘advertainment.’ (Kretchmer 39) Advertainment describes the merging of advertising and entertainment, in which product messages are transmitted in entertaining ways to capture attention and influence purchasing decisions.

In order for advertainment to be successful, the mediums in which these messages operate are often key elements in creating the advertisement’s positive associations with entertainment. Print, radio, television, and film are on a path toward convergence on the Internet in the new digital age. This media convergence on the Internet presents a vast new space where consumers and producers may meet with minimal regulation. On the Internet, advertisements and popular entertainment mediums, such as film, no longer face regulatory pressures, therefore allowing advertisers to fully tailor their message in new and interesting ways for consumers.
**Digital Convergence**

In the advertising industry, today’s digital marketing methods have changed drastically from the early mass marketing campaigns. In the early days of advertising, manufacturers would use mediums, such as the radio or general interest magazines, to spread their message to as many consumers as possible in order to reach the highest percentage of current and potential consumers. As more car brands entered the industry and the markets became more competitive, producers realized that mass appeal was no longer an effective method of influencing consumers.

American automobile manufacturers learned the setbacks of mass marketing in the 1960s and 1970s when they began to lose touch with consumer tastes. While consumer tastes began to change rapidly, these were not broad demographic shifts in consumption but rather psychographic shifts based on lifestyle issues, such as the environmentalists and conservationists choosing to purchase compact cars. Lifestyle marketing became a critical step for producers as it allowed them to create more specific spaces within the marketplace and more accurately transmit their brand image to targeted consumers. Lifestyle marketing is prevalent today, as manufacturers are not just selling cars but lifestyles. Just as “firms are finding it increasingly unprofitable to use mass marketing in today’s markets,” the necessity of using promotion and tie-ins to create a desired association is of utmost importance. (Michman 1991, xi) In a mixed media environment, this could be as diverse as sponsoring a race team, a golf event, or a cross promotion with a luxury watchmaker.

Lifestyle marketing focuses on segmenting groups of consumers by their attitudes, beliefs, social status, ambitions, and other psychological factors. These
variables go beyond demographics such as gender, income, race, and geographic location, and help to define key groups as well as provide a definitional standard of how a brand should position and market itself. (Michman 1991, 1) By defining lifestyle segments, advertisers and marketers can focus on conveying the brand’s message to groups that contain the characteristics that are specifically within the manufacturer’s target market. Using this approach, “marketing management may be able to develop improved multidimensional perspectives of key target market segments and to develop a more lifelike portrait of customers.” (Michman 2003, 20) Recognizing the importance of psychographic variables over demographics was especially important for the auto industry, as it aided deeper understanding during a time of increasing consumer complexity.

In the automobile industry, performance is a prime example of how luxury automobile manufacturers market their cars across psychographic variables. BMW specifically uses a performance segmentation to target consumers who want a sports car feel in their luxury automobiles. This performance segment is not gender or age specific and even crosses monetary levels, as each BMW model has a performance feel and a separate market entry point. (Kiley 132) By marketing themselves in this manner, BMW is able to minimize its competition in the market place by effectively eliminating non-performance sedans. Even though a Lincoln is also marketed towards wealthy professional males, it fails to effectively compete with BMW because it lacks the association with performance that BMW has imbedded into its brand image. Marketing by segmentation allows the producer to most effectively target a specific group of
consumers and minimize direct competitors while establishing a differentiated brand image.

While lifestyle marketing has proven to be an extremely effective marketing strategy that was met with high levels of success, the Internet has created a new social and marketing environment that moves beyond basic psychographic principles. In the post-digital age, new levels of information and interconnectivity are emerging and “have changed the way millions of people plan, work, shop, communicate, and live.” (Marconi 25) The Internet has changed traditional methods of consumption, therefore making it necessary for advertisers to understand the Internet’s effects on ways to target and interact with consumers.

The Internet’s main impacts on consumption patterns are its breadth and scope of information available to consumers. The Internet enables a global marketplace, which “offers more opportunities to market to more people in different ways, extending potential equity of every product, service, or message.” (Marconi 36) The wide accessibility of the Internet and the amount of information available greatly changes the dynamics of automobile marketing, since it places greater marketing control in the hands of the corporation rather than the individual dealerships. In the digital age, corporations do not have to rely as heavily on their local dealer networks in order to effectively market to consumers because corporate websites are generally the first stop for consumers interested in purchasing a product. In pre-digital society, consumers would receive short advertising messages that would lure them into dealerships, at which point they were easy targets for strong personal sales pitches. Today’s consumer has the ability to use the Internet and its vast resources to research products before making a purchase. (Wind
Consumers arrive at the dealership armed with information from trade publications, the corporate website, and even personal feedback from online forums and groups. The ability to gather and collect this data has allowed the consumer greater authority than ever before in purchasing an automobile.

The ability to shop and gather information online has clearly changed consumption patterns for many consumers, however, the majority are not ready to fully give up large in-person purchases, such as cars, just yet. These new hybrid consumers, those who are active online yet still purchase major items from the traditional outlets, mark the standard for consumption in the post-digital era. (Wind 2002, xiv) This is a key factor in the marketing of automobiles because advertisers must recognize that automobiles are a large-scale purchase and not consumers are not yet ready to make these major purchases online. This is crucial for manufacturers’ marketing strategies, reinforcing the fact that the corporate website should be centered on content, rather than consumption. By taking this content-based approach to Internet marketing, manufacturers are able to maximize the effectiveness of their advertisements.

When using the Internet, marketing, branding, and advertising converge to create an all-encompassing way of influencing consumers to purchase certain products. With the increasing saturation of the auto industry, different brands must use new technology to solidify their brand image and positioning in innovative and creative ways. BMW’s film campaign is a key example of appropriately drawing from the traditional advertising techniques of encoding meaning within a cultural context and combining it with modern digital techniques. It is this combination, of digital technology and mediated messages
that create the unique environment that allowed BMW Films to become a groundbreaking advertising event for visual culture in the digital age.
CHAPTER 4

In this chapter, I intend to build upon the concepts in the previous chapters by analyzing the success of the BMW’s film series and the new media theories and tactics that contributed to the success of the films. While the previous two chapters looked at the theories behind advertisement construction and the marketing strategies facing advertisers, this chapter will analyze how BMW Films used cutting edge techniques of the post-digital era. The use of these techniques allowed BMW to become the first automotive manufacturer to successfully advertise on the Internet by attempting to use all facets of this new medium, rather than placing traditional advertisements in an electronic format. BMW clearly embraced the convergence of culture and technology, allowing it to reach the technologically savvy consumer. (Kiley 140) The changing business climate and advances in technology have proven to be difficult for some automobile companies, yet BMW managed to successfully integrate a new marketing strategy that combined traditional advertising strategies with film. The film series marks an important point in the history of automotive advertising through its use of traditional advertising outlets to generate buzz for the nontraditional Internet films.

This chapter will examine the elements that drove the success of the BMW Films campaign and how its unique composition will lead advertising into the next generation. I plan to examine theories of visual culture from the post-digital age that interestingly apply to BMW’s creation of the film series. I will also discuss new marketing strategies that have emerged as a result of advancements in new technology, and how these strategies aided in the ultimate success of BMW’s Internet campaign. The goal of this
chapter is to argue that the success of BMW Films can be primarily attributed to its unique use of new technology to attract a new target audience that was previously difficult to reach because of their technological sophistication and nontraditional media consumption habits. BMW provides us with an example of how traditional and post-Internet advertisements can coexist and converge in today’s society. In a rather monotonous automobile advertising climate, BMW was able to solidify its positioning in the marketplace and attract widespread attention through its combination of several key strategies and having first-mover advantage.

**Definitive Success**

BMW was the first to capitalize on the fact that the Internet does not have the same rules and regulations as traditional media forms, giving BMW more creative freedom than its competitors. The concept behind BMW Films came after its visible, yet costly product placement in two James Bond films, *GoldenEye* (1995) and *Tomorrow Never Dies* (1997). These experiences, however, taught them that first-mover advantage is key. (Kiley 142) While *GoldenEye* created a lot of buzz and spurred consumer interest in the Z3, the Z8’s placement in *Tomorrow Never Dies* was not as well received. Once other competitors also began to use product placement in Hollywood films, BMW was no longer original and needed to find a new way to capture attention. BMW decided that the Internet was the perfect platform to launch a new branding experience in 2001. This was the first time a car company created their own films and distributed them for free over the Internet. (Steinberg 1) Interestingly, BMW created a supplementary traditional advertising campaign for the Internet films that used billboards, print ads, and even movie trailers that mimicked those for Hollywood film releases. The films posed as a
different type of advertisement, in which logos and branding were not explicitly used but the cars and the driver were the main characters. (Hespos 1) This combination of traditional advertising with a new creative medium outlet spurred curiosity in consumers and drew more media attention than any traditional medium could in this digital environment.

The BMW film series, The Hire, was officially deemed a success both by the corporate and the advertising industries. Many did not know how to define the films due to their combination of popular film directors and use of a new form of product placement. Some newspapers, such as *The New York Times*, reviewed the films as they would a traditional Hollywood film release and others awarded them for creative advertising. The Hire won the advertising industry’s Grand Clio Award in the innovative media and Internet Advertising categories. (Reinan 1) The film series also won the Cyber Lion Grand Prix prize at the 2002 Cannes International Advertising Festival and the 2002 Los Angeles International Short Film Festival’s “Best Action Short” award, as well as being inducted into the permanent collection of the MOMA in 2003. (BMWFilms.com Press Release 1) The critical acclaim by both the film and advertising industry is representative of the convergence of film and entertainment. In fact, many major film festivals that the films were submitted to had difficulty deciding whether they were films or advertisements. (Donaton 1) Despite difficulty in categorizing the project, both industries clearly agreed that it was innovative and well crafted.
Figure 4.1  The Hire – BMWFilms.com

Figure 4.2  The Hire – BMWFilms.com

3 Figures 4.1–4.10 were created by capturing stills from the films (in QuickTime) posted on the website.
Figure 4.3  *Ambush* – Directed by John Frankenheimer (2001)

Figure 4.4  *Chosen* – Directed by Ang Lee (2001)
Figure 4.5  *The Follow* – Directed by Wong Kar-Wai (2001)

Figure 4.6  *Star* – Directed by Guy Ritchie (2001)
Figure 4.7  *Powder Keg* – Directed by Alejandro Gonzalez-Inarritu (2001)

Figure 4.8  *Hostage* – Directed by John Woo (2003)
Figure 4.9  *Ticker* – Directed by Joe Carnahan (2003)

Figure 4.10  *Beat the Devil* – Directed by Tony Scott (2003)
One specific film, “Star,” gained heightened attention from the entertainment world because of director Guy Ritchie’s portrayal of his wife, Madonna. The plot behind Star is as follows: A bitchy rock star (Madonna) irreverently instructs the driver that he must take her to her next Venue. After repeated derogatory tirades to lose her security personnel, the driver does just that, much to the chagrin of the rock star who is tossed around the back of an M5 (with a cup of coffee), and promptly tossed from the car, right onto the red carpet, curled up, and pants appropriately wet.

Ritchie’s portrayal of his own wife, in a sardonically humiliating manner, drew large laughs from audiences. The M5 carves through the city streets, while the rock and roll music of Blur plays, loudly filling the moments devoid of dialogue, and moving the narrative forward at a break neck pace. The abilities of the car, acting as a character itself, forced the narcissistic rock star to her own humiliation. The witty and fast paced directing of Ritchie helped to sell the car, and the media spectacle surrounding the use of his wife as the main character certainly helped as well.

From a corporate perspective, the films could not have been more of a marketing success. At the time of the closing of bmwfilms.com in 2005, the series was viewed over 100 million times. (BMWFilms.com Press Release 1) In the first year alone 13 million people watched the initial series of films, 2.4 million of them provided the company with their personal email address, and 40,000 gave BMW permission to contact them, which was “an invaluable source of self-selecting leads.” (Carter 1) These numbers far exceeded company estimates on the number of viewers who would go to the website. The films only cost the company $9 million, compared to the $100 million that was spent on the GoldenEye product placement, and they were extremely successful in reaching
core consumers with a limited advertising budget. (Patton 2) This large success on a relatively low budget, gave this new type of advertising a great deal more emphasis from marketing professionals, as other competitors rushed to imitate the project with limited success.

BMW’s success was primarily due to its ability to effectively apply new theories of branding, marketing, and visual culture in order to successfully implement use of the new digital environment. Using new tactics, such as viral marketing, pull marketing, and emotional branding, BMW was able to use technology, entertainment, and advertising to create a unique experience that kept consumers willingly interacting with the company by viewing the series. More modern theories of visual culture and the interactions between advertisers and viewers created by the Internet were also applied by BMW, creating one of the first advertisements to lend credence to these newly developed theories.

Even though earlier theories of visual culture can be applied to understand the messages and symbolism within the films, the use of the technology and the Internet allows for a new level of theoretical analysis. The works of Regis Debray and Lev Manovich allow us to analyze the films from a post-digital perspective, integrating changes in recent technology into the previously discussed visual culture theories. Douglas Kellner also aptly updates the conception of Debord’s spectacle, a theory that has been indoctrinated into the post digital world. These post-digital theories build upon, rather than replace, previous theories of visual culture and create a new method of analyzing and understanding this form of advertising. It is the compilation of these elements that enabled the BMW film series to be on the cutting edge of advertising.
**A Mediological Analysis**

BMW Films extends beyond former theories of visual culture and can be analyzed from new perspectives that better account for advances in technology. The underlying principles of Regis Debray’s theory of mediology provide another explanation for the success of the series. According to Debray, mediology is “the discipline that treats higher social functions in their relationship with technical structures of transmissions.” (Debray 1996, 11) Under mediology, the films and their transmission become integrated with the Internet and the culture that it infused into that medium. BMW Films used communication mediums, such as film and the Internet, to reach a specific target market. This target market consisted of a psychographic group that was composed of frequent Internet users who were immersed in this new technology at the time. Quoting Jim McDowell, vice president of marketing for BMW of North America, “about 85% of them are on the Web before they buy a BMW. We wanted to do something that would get their attention.” (Corliss 2) The strategy used by BMW to integrate the Internet and more traditional advertising mediums was vital to reaching their target market.

BMW Films used the whole social system of media, Debray’s mediasphere, to convey a message to its intended target audience. Mediology attempts “to destroy the wall that separates technology…and culture.” (Debray 1999, 2) Debray explains the concepts of culture and technology, previously viewed as opposites in visual culture theory, and show that they exist together. Debray realizes that technology itself, instead of being a replicate of culture, has actually become part of the culture itself. Early adopters of technology, who were savvy enough to navigate the World Wide Web in 2000, fell exactly into BMW’s target market for its new advertising campaign. This
group was slightly younger than its typical 45 year-old owner, affluent, often lived in a fast paced environment, and whose lives encompassed advances in technology. (Kiley 142) In essence, the technology users of 2000 were very similar to the yuppies of the 1980s, especially from a demographic perspective. For this group, technology was part of, and sometimes even defined, their culture. By integrating its advertising campaign within this technologically savvy culture, BMW identified itself with those who perceived themselves as cutting edge. It is this specific cultural encoding of the advertisement that helps to drive the success of the series and creates a rather uniform group of core users.

BMW was the first company to realize that “the social reception and adoption of new media causes a reconfiguration of the total media system, but not by canceling or replacement of the new.” (Irvine 1-3) The integration of film into the new technology of the Internet allowed BMW to outperform its competitors who were still using more traditional forms of advertising to present their cars to consumers. While these represented the old media world in a new media environment, BMW decided to integrate the two mediums to create a heightened experience.

The ability to integrate the mediums of film and the Internet, and have their combined messages directed at core consumers, led to the success of the BMW film series. Modifying the old beliefs that technology and culture stood as opposites, the ideas of mediology helped to transform the advertisements from traditional cinematic ads to an innovative advertising experience. While the ideas of Debray and mediology aid the understanding of why BMW broke through the mold of traditional advertisements, newer theories of visual culture would need to be applied in order to navigate the series’
compositional elements. In order to understand how BMW most effectively operated within the realms of digital media, it is important to understand the mechanics of this new medium.

**Language of New Media**

The ideas behind the convergence of culture and technology are important to understand why BMW Films was successful. Mediology accounts for the reasons that a new technology or even a new use of technology can become a cultural event. However, the understanding of the BMW Films campaign is not complete without understanding how viewers interact with the new medium of digital technology and the Internet. It is this interaction that is critical for advertisers to understand how viewers react and interpret images transmitted via the Internet.

The use of digital media by advertisers enables them to accomplish brand and message goals that were nearly impossible when using previous forms of traditional media. In *The Language of New Media*, Lev Manovich describes the “trend in modern society toward presenting more and more information in the form of time-based audiovisual moving image sequences, rather than as text.” (Manovich 78) The functions of new technology allow advertisers to show rather than tell the viewer the prominent aspects of the car. The BMW film series takes this concept to the extreme by showing the consumer the capabilities of the car through cinematic narrative, beyond what an ordinary driver would be able to do. It is emphasized that the cars’ performances are not stunts, and that they will perform just as well and are the same cars sold on the lot. This ability to show performance to a consumer through the intimate environment of a
personal computer, rather than a mass mediated environment was not previously available to advertisers before the advent of advanced technology.

One reason for the success of BMW’s film series in 2001 and the diminishing success of the second series in 2003, as well as the failure of the competitors’ projects, can also be partially explained using Manovich’s ideas. Manovich discusses how “the new paradigms not only contain more options than old media paradigms, but they also keep growing…Every year, every month, new effects find their way into media works, displacing previously prominent ones and destabilizing any stable expectations that viewers might have begun to form.” (Manovich 243) Operating in this constant state of destabilization proves difficult for advertisers, as they must materialize new and innovative ideas of new media advertising. Attempting to follow a successful campaign will prove futile, as the first mover will be seen as cutting edge, while the imitator will be seen as stale and uncreative. This dynamic environment forces competitors to compete on the innovative and cutting lines of digital convergence, rather than following a more predictable path of ways to advertise.

As the digital age progresses, Manovich believes that the computerization of society will extend further in altering our culture, as “in the computer age, cinema, along with other established cultural forms, indeed becomes precisely a code…used to communicate all types of data and experiences.” (Manovich 333) The BMW film series has initiated this movement with its advertisements by communicating to the viewer that which previously could not be communicated in a mode that was previously unavailable. The ability to transmit codes in new and innovative ways is what catches the viewer’s attention in the digital age. As Manovich states, “we are dealing with something that
goes beyond the old-style realism of the analog era…we can call this metarealism.” (Manovich 208) It is the use of metarealism by BMW that allows the advertiser to transcend previous forms of messages to those of greater complexities in the post-digital age.

The ability to transcend previous conceptions of advertising gives advertisers a range of tactical options to disseminate their message to consumers. The concepts that Manovich discusses are of great use in understanding the mechanics of new media and their interactions with consumers. Now that an understanding of Manovich’s ideas has been established, it is now important to view and analyze the new marketing techniques that have grown out of the Internet. While the theory of new media is important, the tactical methods used by advertisers are also equally important in capturing audiences and having them grasp the message in today’s attention economy. The post-digital marketing and advertising strategies employed by BMW not only give credence to their effectiveness, but also force them into the playbook of all marketers.

**The Post-Digital Spectacle Economy**

Even with the new architecture of the mediasphere and a new language of visual culture, advertising must still grab the viewer’s attention in the increasingly competitive attention economy. In response to the difficulties in attracting and maintaining the attention of viewers in the post digital economy, “the Internet-based economy deploys spectacle as a means of promotion, reproduction, and the circulation and selling of commodities.” (Kellner 1) Advertisers, given a new medium with which to work, are able to create new spectacles on-demand to service a new globally connected consumer. The impact of the use of spectacles is immediate and effective, as “the development of
new multimedia and information technologies, technospectacles have been decisively shaping the contours and trajectories of contemporary societies and culture…while media spectacle also becomes a defining feature of globalization.” (Kellner 1) The architecture of the Internet and the proliferation of digital technology have made digital advertising even more important today than some forms of traditional advertising.

Luxury automobile manufacturers have, in the past, often used targeted market segments to reach certain ideal receivers by selecting the space and time through which they advertise. Niche magazine publications, such as The Robb Report for the millionaire/aspirant millionaire or Road & Track for the driving enthusiast, offer specialized target markets that would be ideal locations for BMW or its direct competitors to advertise. In the magazine, the receiver is already within a specified targeted group and the advertisement must simply maintain their concentration long enough for the consumer to internalize the advertisement. For mass marketing, television commercials would run during either highly watched films or on more specialized and targeted shows and stations, such as CNBC for the financially inclined or the Super Bowl for a broad and all-encompassing market. Prior to the release of BMW Films, the corporate website was viewed as a strategic advertisement and informational source. Most automobile manufacturers were content with this placement in the digital space, yet this is no longer sufficient to fully involve and please the consumer. Indeed, “it is no longer good enough just to have a website, it has to be an interactive spectacle.” (Kellner 4) Even though today’s new medium requires more from the advertiser, it can often yield more from the consumer, as in the case of BMW.
Due to the difficulty in reaching consumers today, it is generally more effective to have the consumer reach the advertisement. To accomplish this end, the use of spectacles, through any medium, but most importantly in digital media, is a necessary endeavor. “To succeed in the ultracompetitive global marketplace, corporations need to circulate their image and brand name so business and advertising combine in the promotion of corporations as media spectacles.” (Kellner 4) While competition between niche traditional media is limited, there is only one ESPN, few major business daily newspapers, such as the Wall Street Journal and the Financial Times, yet the digital domain is limitless. The amount of media on the Internet is both boundless in scope, with an almost infinite number of available sites, and scale, as it is instantly accessible anywhere in the world that a connection is available. With this limitless competition, spectacles become almost mandatory to attract any sort of new attention. What was once the culture industry has in fact become the spectacle industry. Today, pure advertising is not enough, as “advertising, marketing, public relations, and promotion are an essential part of commodity spectacle.” (Kellner 4) The convergence of these formerly separate activities has indeed created a well-funded machine, in which corporate interests have commodified the spectacle itself. Today, spectacles are produced, packaged, and are measured against the competitors’ spectacle. This spectacle commodification forces advertisers to create and integrate new techniques and strategies to sell their brand, their product, and their spectacle.

**Emotional Branding**

One the keys to the film series’ success was BMW’s ability to effectively use emotional branding. Emotional branding connects with customers on a deeper level and
provides “the means and methodology for connecting products to the consumer in an emotionally profound way.” (Gobe xv) These emotional connections leave a significantly stronger impression in the minds of consumers than more traditional brand marketing techniques. This requires advertisers to work harder to make the viewer feel a certain way about a brand, rather than tell or describe the qualities of that brand. This method of engagement is necessary in the competitive automobile market because of saturation and the need for differentiation. The post-digital environment is the ideal space for BMW to display the superior performance of its vehicles to consumers.

Using exceptionally talented directors ensures that the viewer will be able to feel the performance of the cars, rather than just see exceptional driving. The directors of the films are the key element in communicating the brand and emotional message. The directors were initially instructed by BMW to integrate the car as a character in the narrative. (Hespos 1) The driver would be the main character, with the car as the supporting main character. This gave the directors the ability to primarily visually focus on the car with the camerawork, incorporating the viewer into the driver’s performance and experience the car through action-packed visuals of the interior and exterior of the car. By using a narrative structure, the films are able to further emphasize emotion and represent a particular genre, from drama to action, or even comedy. The use of highly accomplished and recognizable Hollywood directors enabled BMW to ensure that its message of performance would be effectively communicated, while each director would bring his individualized methods and styles to create an individualized film.

The infusion of emotional content is especially unique to the digital mediasphere because the viewing occurs in the viewer's personal space and is meant to entertain and
then spur viewers to spread the word. Since the majority of viewers accessed the films using a personal computer, the process of logging onto the website, downloading the films, and then watching the films actively involves the viewer. The already high levels of interaction caused by the digital media environment make the infusion of emotional content even more important to keep the viewer entertained, and to create content that the viewer will wish to show and/or tell other consumers.

BMW Films implements a second concept of emotional branding implemented by using a sensory strategy that draws from the viewer’s senses as a tool to receive the branded message. “As commercial offerings of increasingly similar goods proliferate, sensory elements can be the key factors distinguishing one brand experience from another.” (Gobe 69) The use of visual and auditory signals throughout the films, allows the viewer to connect with the roar of the engine as the car accelerates or the squealing tires’ confirmation of the superior handling or grip on the road when maneuvering around a tight corner. In order to further the realistic feeling of the cars’ performance, the cars were shot full of bullet holes or had their windshields broken, yet still managed to out perform and beat the enemy. While traditional advertising forms typically described or simulated a car’s excellent power and handling, the films provided a stunning sensory experience that demonstrated performance through ‘realistic’ chase scenes.

The cinematic narrative helps to fully engage the viewer in the same way as a Hollywood film. Consumers have preconceived notions about what to expect from a film or from an advertisement, and approach these two mediums with different expectations. BMW’s choice to use film rather than a traditional advertising method was helpful in eliminating the viewer’s tendencies to block out or negatively approach the advertisement
and created a more emotionally open environment. Internet advertisements prior to 2001 primarily consisted of banner ads on websites, but BMW was the first to truly integrate the cinematic environment with a digital medium. (Kiley 140) The narrative structure was important in solidifying the positioning of the films as entertainment rather than an advertisement. The incorporation of the Driver as the main character added a human element to the films. The viewer could relate to the Driver and his confidence in the most harrowing of situations translated to the viewer in terms of the car’s reliability and dependability.

The use of emotional branding proved highly effective in creating a favorable and lasting impression upon the viewer. This emerging style of branding was effectively utilized by BMW in its film series to instill a favorable impression of the company, cars, and brand. Emotional branding in the digital age is unique because of the Manovich’s theories of digital media that help to explain how the digital environment can allow the advertiser to experiment with new levels of entertainment and interactivity. While emotional branding focuses on leaving a strong impression on the viewer, the next two marketing strategies, push-pull strategy and viral marketing, are focused on the ad’s ability to gain the initial attention of the consumer.

**Push-Pull Strategy**

The push-pull strategy used by BMW Films is a marketing strategy that has grown in response to the rise of the attention economy. The strategy consists of two parts, pushing and pulling, that are necessary to isolate a consumer and capture his/her attention in an environment where consumers are bombarded with thousands of messages everyday. (Mortimer 1-2) First, a push strategy is used to get the message out to
consumers to draw attention to the existence of the advertisement. Secondly, the pull strategy is used whereby the consumer is enticed to actively seek out the advertisement in order to receive its entire message. The architecture of the Internet is especially helpful in using the pull strategy because the use of websites gives the advertisement a permanent place for all potential viewers to pursue access.

In the context of BMW Films, the push strategy consists of print or billboard ads, movie trailers, or magazine inserts that use traditional media outlets to attract the attention of potential consumers. BMW’s strategy was not to use these as marketing ends, but rather as stepping stones to spark interest and then pull potential consumers to the bmwfilms.com website to view the films. (Kiley 146) The consumers were required to be highly active in the process of reaching the advertisement, which enabled them to feel as though they were a part of the experience. At the time of the films’ initial release in 2001, Internet connection speeds were not as instantaneous as they are today and required a significant amount of time to download and stream the films. This required that the pull strategy be exceptionally appealing to spur consumers to go to the website and patiently download the films.

For BMW, their pull marketing strategy was based on the interactivity of the Internet, forcing consumers to actively go to bmwfilms.com and then download the films for viewing. These high levels of interactivity were important in engaging consumers and drawing them into the brand and the advertising messages being sent. (Kiley 146) The theory behind pull marketing is that individual consumers will be drawn to the message rather than mass messaging imposed on to as many consumers as possible, like the previously standard push marketing methods. As explained by Simon Williams,
director at Added Value, in the context of BMW Films, “The brand was changing its mentality from push marketing where you tell people about your brand, to pull marketing, where the consumer takes the initiative to learn about the brand themselves.” (Mortimer 1) BMW effectively used both the push and the pull strategies to attempt to draw in the consumer in the media saturated attention economy. The push-pull strategy helps to account for drawing the consumer to the site, however, another new marketing technique, viral marketing, also plays a significant role in spreading the message about the films and bringing new viewers to the site.

**Viral Marketing**

Another post-digital marketing strategy successfully used by BMW was viral marketing. The term viral marketing was created to describe the rapid growth of the Hotmail email service, which spread by placing an advertisement and a link to join the service at the bottom of every email. (Godin 55) Viral marketing is a method of marketing that is spread through a form of electronic word-of-mouth advertising from users of the Internet. Viral marketing attempts to spread through the interaction of computer users, who then pass the information onto others. BMW integrated viral marketing into its film series in order to help spread the message to other digitally immersed viewers.

BMW Films used the concepts of viral marketing to help spread the message and draw attention to the films in several ways. When showing trailers for the Internet films in movie theaters, the trailer would end with the bmwfilms.com website address, therefore enticing moviegoers to log onto the website to view the films. BMW was the first automobile company to use actual movie trailers to advertise Internet-only films,
causing quite a stir among moviegoers who were excited by the action-packed trailer. (Kiley 144-145) While the spectacle surrounding the trailer may not have caused the initial viewer to go to the website, it may have caused them to spread the message to others who may potentially go. BMW also planted links to the films in online discussion forums where BMW enthusiasts frequented, knowing that these enthusiasts would have a high initial rate of viewing and would subsequently tell their friends about the website. Then, BMW included a link on its bmwfilms.com website that allowed the viewers to send the link to a friend via email in a few simple steps. The inclusion of this link enabled BMW to quickly spread the campaign beyond its initial advertising methods in a hands-off way. Using iconic film directors also drew movie fans to the website who sought to see the director’s work rather than the cars’ performance. (Howe 1-2) Overall, BMW’s combination of critically acclaimed directors, well-known actors, the use of a film format, action-packed car sequences, the brand BMW, among other factors drew a wide variety of viewers to the website for a multitude of reasons. The combination of a wide audience and networked Internet usage enabled word about the films to spread quickly from person-to-person.

The BMW film series was a unique and successful event in automobile advertising. The series was the first of its kind to integrate both pre-and post-digital theories and techniques. While the series built upon the pre-existing theories and ideas discussed in chapters two and three, what really set BMW Films apart from competitors was its ability to successfully navigate the realm of digital media. The use of cutting-edge marketing and advertising tactics allowed the advertisers to create a unique experience for consumers. BMW, with the success of the films, helped to establish the
necessity of capturing viewer attention and then maintaining it by forcing active interaction with the website in order to be entertained. The idea is to create an experience for the viewer that is so enjoyable that s/he will recommend the site to others, thus spreading the word. BMW through its use of emotional branding, push-pull strategy, and viral marketing has clearly accomplished these goals.
CONCLUSION

The advent of the Internet and the shift of society into a post-digital world have irrevocably changed the advertising landscape, particularly in the luxury automobile industry. Throughout history the automotive industry has consistently been a hypercompetitive industry in which the consumer holds increasing amounts of power. The greater the power held by consumers, the more difficult it is for advertisers to effectively reach these consumers and persuade them to purchase their product. While reaching the consumer in today’s attention economy has become more competitive among advertisers, the digital era has brought with it a new medium, language, and set of tools with which to reach their targeted consumers.

BMW Films was a unique and innovative advertising campaign that was representational of a bridge that connected advertising, marketing, and visual culture prior to the Internet with the post-digital environment. In bridging this space, BMW demonstrated that the foundation of post-Internet advertising is built upon the theories of visual culture that preceded the Internet. When analyzing advertisements before BMW’s film series, advertisers faced the dual problem of increasing competition in the advertising space and consumers who were more aware of advertisements and prone to ignore the majority of their signals. Advertising was faced with an approach that had become largely stale and uninteresting to the modern consumer. Brand ideologies were already integrated into the minds of consumers, and there was great difficulty in standing out from the multitude of mass mediated messages in the pre-Internet environment.
Advertisers appropriately recognized at the time that there were several key shifts occurring in the marketplace. The progression towards an attention economy and the fusing of advertising and entertainment created a different kind of consumer a new kind of advertisement. The brand ideologies in the luxury automotive industry were overlapping and beginning to feel too familiar to consumers. Changes and updates to these ideologies were becoming increasingly difficult. Marketing to these consumers was also becoming more difficult as traditional media outlets had a diminishing impact on consumers. While the difficulties for advertisers increased, technological shifts caused by the Internet and digital technology were changing the way that people received information. The Internet is a medium itself, that defies space and time for the advertiser, as it is always on and accessible anywhere. Using this new technology became the critical tool for reaching new audiences and reasserting brand ideologies. Being one of the first to do this, BMW was able to gain a significant amount of success with its advertising campaign posed as entertaining short films.

The initial success of BMW Films led to several similarly styled advertising campaigns, most notably by Mercedes-Benz and Buick. These campaigns, however, failed to receive a consumer response rate to the magnitude of BMW Films. The diminishing success of this advertising technique of using Internet films confirms the role of the consumer in an ad’s success. Consumers today are more sophisticated in reading advertisements while simultaneously becoming more difficult to engage. The BMW Films campaign is unique because it demonstrates the importance of interactive engagement with the consumer. Technology today allows the advertiser to create a dialogue with the consumer in real time. This dialogue consists of the advertiser
communicating the brand and product ideologies to the consumer, while consumers respond with their interaction with the brand.

This interaction was in fact documented by BMW in its collection of data about the viewers of the films discussed in Chapter 4. Consumers who were the least engaged simply viewed the site and possibly watched one or two of the films for their own personal enjoyment. From this engagement ‘floor’ consumers could choose greater levels of engagement by giving BMW their personal email address, by sending the link to the film to other potential consumers, or at the highest level, by selecting to receive more information about purchasing a BMW.

Today, consumers are now significantly more active because they can respond directly to the advertisement. Advertisers, on the other hand, can receive more instantaneous feedback as to the success of an advertisement by using such digital tracking systems as page views, click-through rates, and the number of times an advertisement was forwarded to others. The use of the Internet also allows for real time responses in direct communication between advertiser and consumer, whether through ‘live chats’ with a member of the corporate relations team or discussion forums in which users can post and respond in a public dialogue.

For visual culture and semiotic theory, this is a radical change from the formerly static and passive dialogue created by more traditional forms of media. The sender-receiver models are no longer a solitary action, therefore suggesting that further research should analyze not just the shift from static to dynamic model, but more importantly how this change affects how we define ourselves through the digital transmission of information. Once recognizing this issue and accepting that society is now fully
integrated in a digitally mediated environment, the potential research issues and their impact on consumer goods, entertainment, advertising, and marketing are limitless.

From the perspective of advertisers, the ability to create dialogue allows for a more evolving transmission of brand ideology rather than the in-your-face advertisements of more traditional media forms. This shift will allow advertisers to move from a model of ‘big-bang’ spectacle production to a subtler and engaging ‘snowball’ effect. Viral marketing and new levels of interconnectivity will spur this movement allowing advertisers to persuade consumers in a completely different manner. Instead of having to transmit a variety of data about the car, i.e. price, horsepower, miles-per-gallon, the advertiser can first focus on an engaging spectacle and then, depending on the effectiveness of the initial engagement, direct consumers to the more technical data that can be obtained elsewhere. Advertising, therefore, will begin to shift from the transmission of messages to a courtship. This courtship will move beyond the BMW Films experience by using individualized messages with an interactive dialogue, moving away from the mass mediated messages relied upon before BMW Films.

The BMW Films advertising campaign was truly a unique experiment in the history of automotive advertisements. The series helped to mark a shift in the interaction between advertisers and consumers in the post-digital environment. The campaign’s success can be attributed to its ability to navigate a rapidly changing consumer environment, and to use innovative and creative marketing and advertising theories. While time and, more importantly, further research into advertising and cultural symbolism in the digital age are necessary to verify the impact that this moment in
advertising history will have on consumer relationships in the future, the BMW Films series truly was a remarkable and groundbreaking campaign.
Bibliography


Appendix

Films Synopses

The Hire – The Hire is a series of eight films produced by BMW, created by Fallon, and directed by leading independent film directors. The original five films, Ambush, Chosen, The Follow, Star, and Powder Keg were released in 2001 and three more films, Hostage, Ticker, and Beat the Devil were released in 2003. The film series, The Hire, is linked by a common narrative in which the Driver, played by Clive Owen, is hired to complete different assignments. Each filmmaker is given creative control and highlights the performance and style of the BMW cars. The result is a series of films that cross the genres of comedy, action, drama, and political intrigue. The films also display the driving capabilities of BMW automobiles, beyond the capabilities of the average driver and without the limits of the law.

Ambush – Directed by John Frankenheimer (2001) – The film begins with a 7 series escorting a man down a dark freeway. A van pulls next to the driver, and reveals several masked gunmen calling for the car to pull over and give up the passenger they believe is smuggling diamonds. Choosing to honor his passenger, the driver then speeds down the freeway and through a series of evasive maneuvers at high speeds, attempts to lose itself from the van. The 7 series ultimately succeeds in escaping as the van crashes into large scale construction equipment in a thunderous explosion. The passenger and the diamonds are then safely delivered.

Chosen – Directed by Ang Lee (2001) – A young Tibetan boy is picked up from a large empty shipyard only to find that the driver is not the only one awaiting the boy’s arrival. In a fine dance between the BMW, a Mercedes, Neon, and Jeep, the 5 series performs elegant maneuvers around the shipyard, gracefully dodging the other three cars. After leaving the shipyard, the driver delivers the boy to his location. Noticing that the Tibetan monk is wearing cowboy boots and a signal of concern from the boy, he exposes a set-up to kill the child.

The Follow – Directed by Wong Kar-Wai (2001) – Hired to follow a young woman by a paranoid boyfriend, the Driver conducts a lesson on the art of following. As he calculatively tails the girlfriend and her Z3, his enthusiasm for the follow wanes as he leaves the city. After hours of following her, the Driver experiences a closeness to the target and soon learns that the boyfriend who hired him is physically abusing her and she is going home, not cheating on him. In concern for her safety he gives up the assignment, injecting a level of morality into the Driver and his car.

Star – Directed by Guy Ritchie (2001) – A bitchy rockstar (Madonna) irreverently instructs the driver that he must take her to her next Venue. After repeated derogatory
tirades to lose her security personnel, the driver does just that, much to the chagrin of the rockstar who is tossed around the back of an M5 (with a cup of coffee), and promptly tossed from the car, right onto the red carpet, curled up and pants appropriately wet.

**Powder Keg** – Directed by Alejandro Gonzalez-Inarritu (2001) – After taking politically charged photographs in a South American country, The Driver is called in as a last resort to navigate a photojournalist through the awaiting military presence and into safety. The X5 rumbles through the tropical climate, tearing through crowded dirt roads, fields, and roadblocks, to cross the border safely. Despite the efforts of the driver and the X5, the journalist’s wounds become fatal, as he dies in the driver’s arms. The film is touching ended as the driver delivers the journalist’s dog tags to his blind mother.

**The Hostage** – Directed by John Woo (2003) – When the CEO of a local fast food chain is held hostage, the driver is sent in with the ransom to negotiate. After calling the hostage from a cell phone, the driver is ordered to burn the money, at which point the SWOT team bursts through the door and the kidnapper attempts to kill himself. The race is now on, as the driver uses the cell phone to speed through the city, dodging unknowing police officers to find the hostage before it is too late. The Driver finds the car in a river, and pulls the hostage out of the sinking car, performing CPR and saving the hostage.

**Ticker** – Directed by Joe Carnahan (2003) – The Driver picks up an unknown passenger who is handcuffed to an even more mysterious briefcase, after the passenger is ambushed on a rural highway. Speeding through a mountain pass, political forces relentlessly fire from a helicopter at the Z4 and its passengers. After the briefcase and passenger are hit, the Driver forces the passenger to disclose the contents of the package. Just making it to the military safe point, the driver delivers the briefcase, a heart needed for a transplant, to the leader of the country, while the rebel forces look on in disgust.

**Beat the Devil** – Directed by Tony Scott (2003) – James Brown, the godfather of soul, wants to renegotiate his contract with the devil, that he made 50 years ago when he sold his soul for fame and fortune. The Driver takes Mr. Brown to see the devil, who then proposes to drag race the Vegas strip for the price of a new soul. The Z4 and the driver then rev the engines at dawn and accelerate through the lights of the Vegas strip and the desert at dawn. The Driver zooms to victory across train tracks, while the devil is not so lucky in beating the train.
BMW Films

Below, are the eight short films that were posted for free on the BMWFilms.com website.