

BMW i3



#CHARGEYOURFUTURE

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EXECUTIVE SUMMARY

BMW allocated \$15 million towards the year-long i3 advertising campaign with the objective of increasing awareness and promoting sales. Through primary and secondary research, Hala Kahiki learned that the level of awareness and knowledge about the electric vehicle industry is very low in our target market. This lapse in understanding has created an opportunity for the i3 to take control and become the leading manufacturer in the electric car market.

Men and women ages 35-54, with children and a household income of \$75,000+ have been strategically selected as the target market. These individuals have established careers and a luxurious lifestyle. The future buyer will have never owned an electric vehicle before, but does take pride in being environmentally aware. Using demographics and psychographics to better understand our targets buying habits, we can determine our potential market size is 122,916.

Reach will be increased with year-round exposure to the campaign in 50 specific geographic regions that have the highest concentration of our target. Through the September 2015 - August 2016 campaign, we plan to reach 80% of our target market three or more times. The campaign will raise awareness and knowledge about the BMW i3 by 60%.

For our target market, (Allen and Grace) BMW is a well-known vehicle manufacturer that offers luxurious style and dependability, but are unaware of the all-electric i3 model.

This campaign will follow a pulsing strategy in cable and magazine advertisements. The ads will be placed at least one time every month and increase in the months with highest number of vehicle sales. The online banners and social media will be continuous throughout the year. Finally, the traditional billboards will follow a flighting strategy and be placed along major highways in our top DMAs during the same months with highest number of sales.

In order to reach these objectives, 83% of the media mix will consist of the \$15 million budget will allocated towards vehicles and production costs. Primetime cable advertising will be 56% of the budget (\$8,400,000) and magazines will be 24% (\$3,623,000). Online banners, digital radio and traditional billboards will cost less than 3% of the budget (\$345,000). With 2% reserved for contingency (\$300,000) and the remaining 15% going towards promotion cost of the i3 campaign.

SITUATION ANALYSIS

BMW i3 VISION:

Redefining urban mobility means thinking far beyond environmentally conscious and agile driving.

THE RESULT: With its visionary design, the BMW i3 design defines the automobile of tomorrow.

Before discussing the research, it is important to briefly dissect our situation analysis with the BMW history, industry trends, consumer analysis and competition.

SWOT ANALYSIS

STRENGTHS

- BMW has an ad budget that is a 1/3 of what Mercedes spends on advertisements.
- Popular brand reputation
- High brand recognition
- High skilled workforce
- Opportunity for consumers to learn

WEAKNESSES

- High cost structure
- Perception of high prices
- Perception of visual appeal
- Weak brand portfolio
- Mission statement

OPPORTUNITIES

- Positive attitude towards “green” vehicles
- Increasing fuel prices
- Changing customers needs
- Tax incentives

THREATS

- Intense competition
- Rising raw material prices
- Negative consumer feedback

TARGET MARKET

Hala Kahiki Agency analyzed psychographic data to determine the most effective strategy for potential electric car owners 35-54.

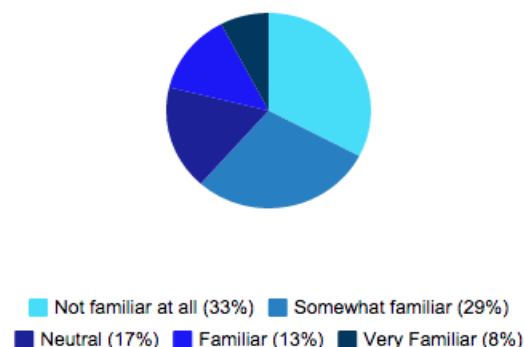
Many of these car owners are not fully informed about electric vehicles, take Allen and Grace for example, though they are environmentally friendly, they are uninformed about electric vehicles. We at Hala Kahiki Agency have created a campaign that is designed to increase awareness.

Targeting consumers who already own an electric vehicle would not be beneficial for this campaign. Due to the large market potential of the uninformed drivers, designing a campaign targeted to drivers who already own an electric car from a competitor would not be the best option for BMW.

Survey data was analyzed to determine results. The secondary target market will come from a cause-and-effect of our campaign. Our promotions have the potential to be seen by drivers who already have an electric car from a competitor. While, Hala Kahiki Agency may not be able to bring them in as customers, an awareness is created.

CONCLUSION: Allen and Grace are not purchasing an electric car, because they are not informed. Our strategy will be tailored to our consumer's lack of knowledge.

How familiar are you with electric vehicles?



Target Market: **Allen & Grace**

- Men and women ages 35-54
- HHI \$75,000+
- Single
- Have two children
- Live in luxury and spend liberally
- Apprehensive about electric vehicles due to lack of knowledge

BACKUP INFORMATION:

Allen and Grace being environmentally conscience will result in them purchasing an electric vehicle. These men and women have important occupations in management, business and financial operations. The target market will be district managers in retail store headquarters such as Kohl's and JC Penny. They will also be CEOs at Google and Amazon. And in the financial sector, they will be stock brokers trading on the New York Stock Exchange. These jobs can be stressful, but financially rewarding as they purchase high-end products such as luxury vehicles as their method of transportation. The Allen and Grace market will live a post-modernized lifestyle where all resources are utilized to produce the best possible results in day-to-day life; when they are about to leave for work in the morning, they set aside some time to look at the weather on a desktop or smartphone. Political and breaking news updates will come from smartphone apps such as BBC or CNN throughout the day. On the weekends, after a busy 40+ hour week, Allen and Grace will watch on-demand videos, television shows on ESPN, the History Channel and National Geographic, or do some shopping on Amazon.

Geographical
Emphasis
for **BMW i3**:

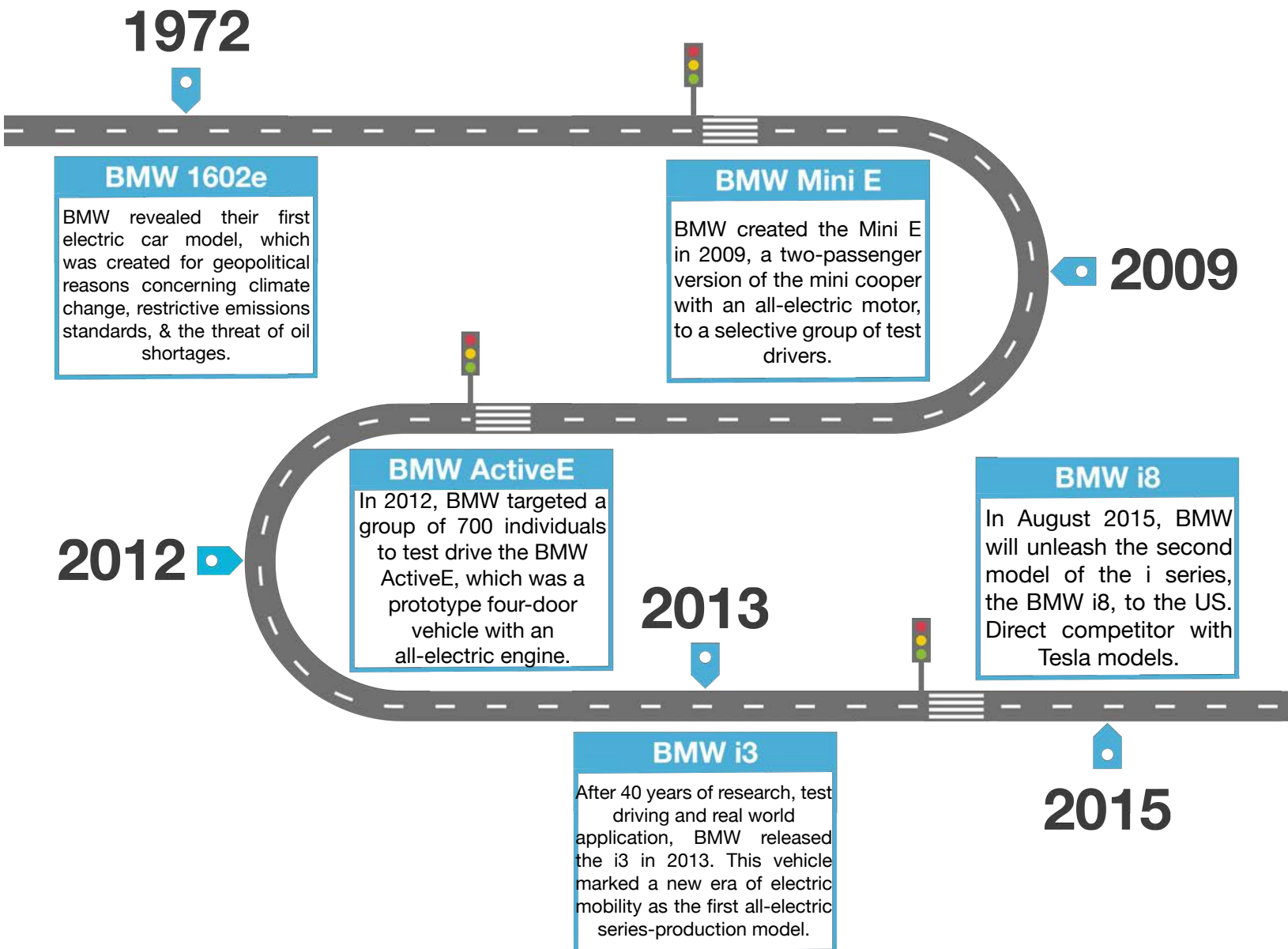
- **California, Florida and New York** are the top three states with the highest number of luxury vehicles
- **California, Washington, Oregon and Georgia** have the highest number of electric vehicles per 1,000 registered voters
- **Georgia** is the fastest growing state for electrical cars
- Buyers can receive an extra tax credit up to \$7,500 for purchasing a "zero emission vehicle"



M E E T they represent our ideal target market,
A L L E N
&
G R A C E,
• Allen, 50, Kohl's US district manager
• Grace, 46, Marketing VP at Amazon
• Single with two kids
• Have never owned electric car

TARGET MARKET SIZE: **122,916**

BMW Electric History



INDUSTRY TRENDS:

BMW falls into the luxury automotive category and the i3 model is an all-electric car. Current industry trends are showing an increase in electric vehicle sales throughout the nation. There are specific luxury vehicle manufacturers that are direct competitors of BMW that are producing electric model vehicles. It is a constant struggle to lead the industry in electric, luxury vehicle sales.

CURRENT USERS FOR BMW: Top 10 (STATES WITH MOST ELECTRIC CARS):

AGE 30-50

GENDER: Male & Female

HOUSEHOLD: Have a family aka "Full Nest"

LOYALTY DEGREE: High

BENEFITS SOUGHT: Status & comfort

USER STATUS: Potential users

SOCIAL CLASS: A

LIFESTYLE: Succeeder

Washington

Hawaii

California

Georgia*

Oregon

D.C

Utah

Colorado

Tennessee

Illinois

*GEORGIA IS THE FASTEST GROWING

GEOGRAPHICAL EMPHASIS: STATES WITH MOST EXPENSIVE CARS

1. CALIFORNIA

15.9% of cars sold are luxury

Most popular: Mercedes-Benz

2. FLORIDA

13.8% of cars sold are luxury

Most popular: BMW with 20,503 sold

3. NEW YORK

11.4% of cars sold are luxury

Most popular: BMW with 17,034 sold

4. NEW JERSEY

8.5% of cars sold are luxury

Most popular: Lexus

Second most popular: BMW

5. VIRGINIA

7.2% of cars sold are luxury

Most popular: BMW with 4,016 sold

6. GEORGIA

8.2% of cars sold are luxury

Most popular: Mercedes-Benz

Second most popular: BMW

6. GEORGIA

8.2% of cars sold are luxury

Most popular: Mercedes-Benz

Second most popular: BMW

7. ILLINOIS

6.6% of cars sold are luxury

Most popular: Lexus

Second most popular: BMW

8. TEXAS

6.5% of cars sold are luxury

Most popular: Lexus

9. PENNSYLVANIA

6.2% of cars sold are luxury

Most popular: Lexus

Second most popular: BMW

10. OHIO

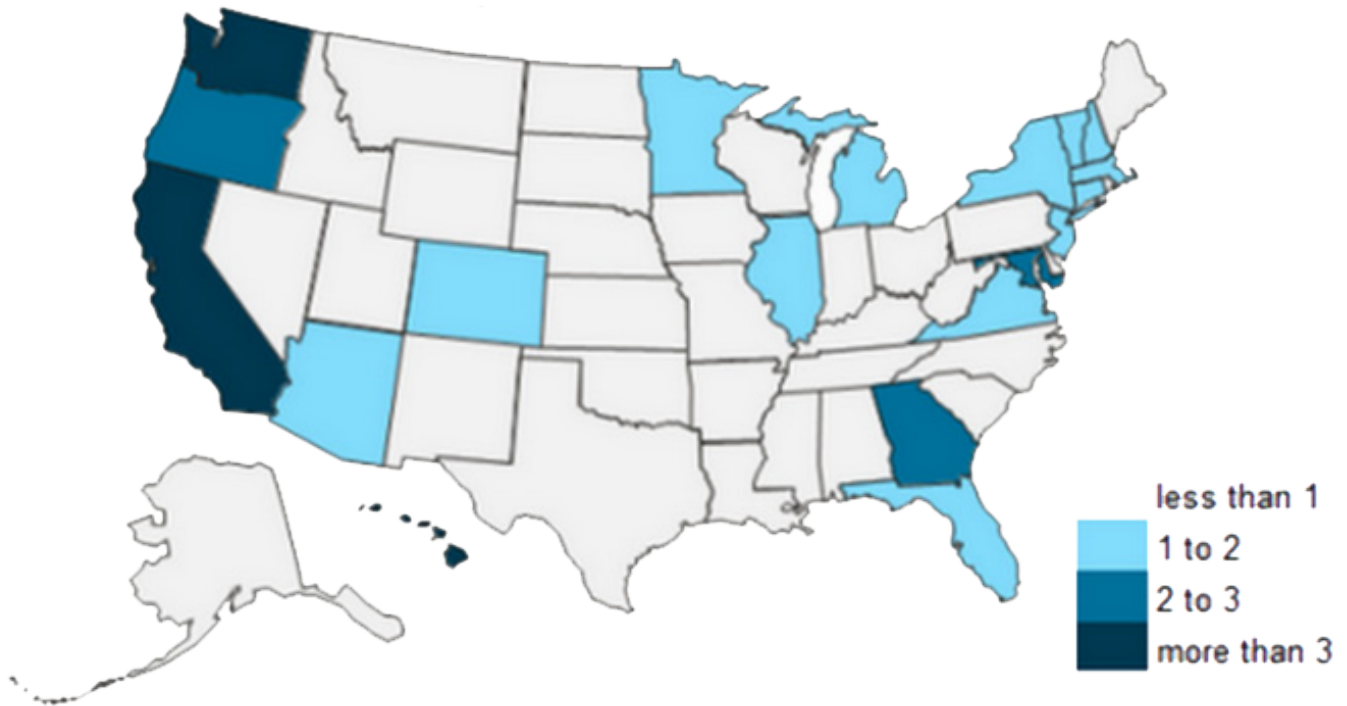
5% of cars sold are luxury

Most popular: Lexus

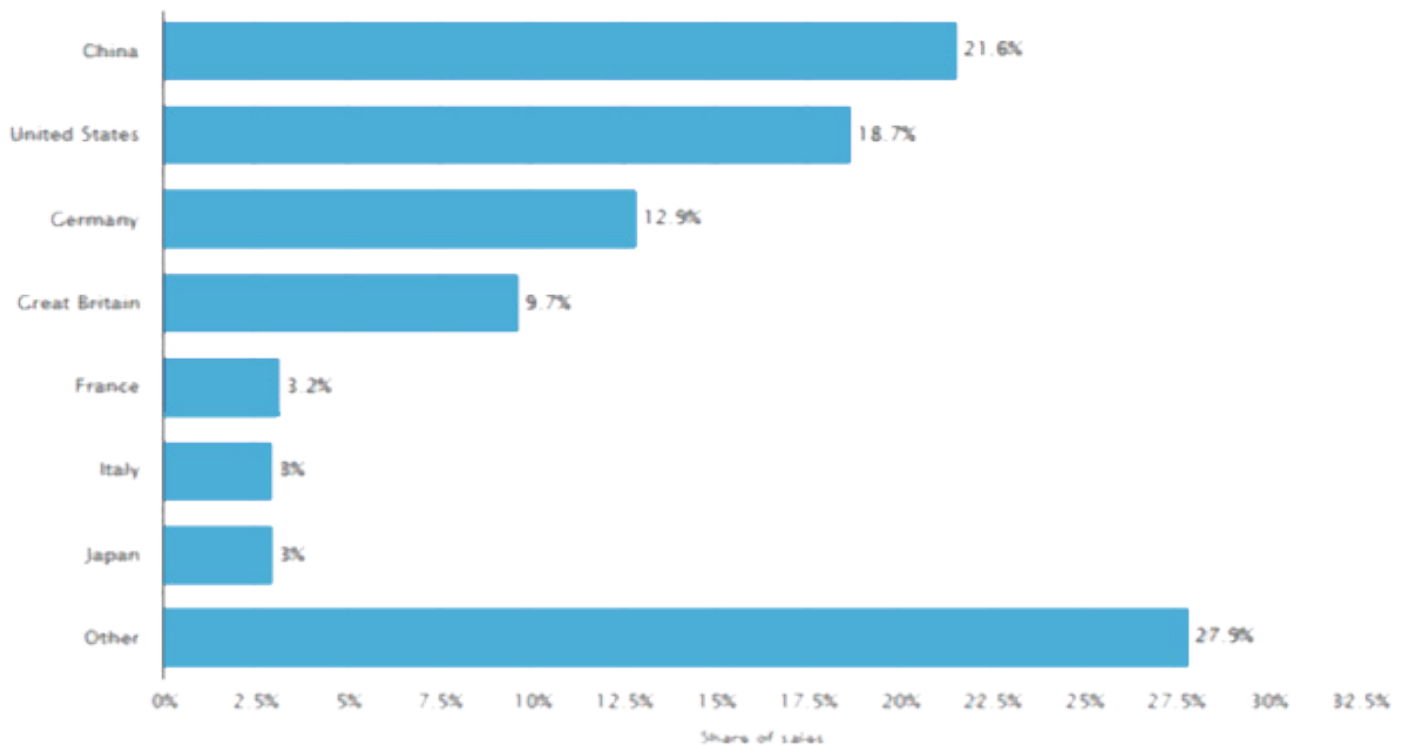
Second most popular: BMW

MARKET ANALYSIS

ELECTRIC VEHICLES PER 1,000 REGISTERED VEHICLES



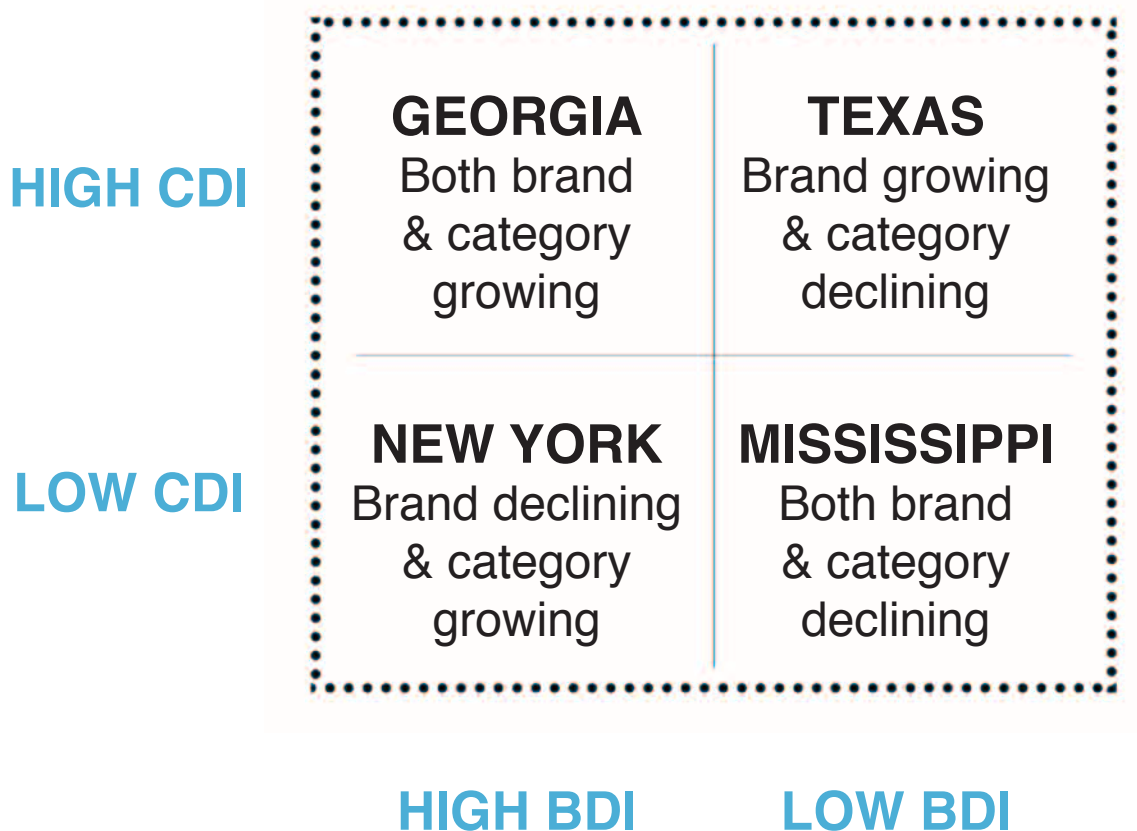
BMW WORLDWIDE SALES (2014)



MARKET ANALYSIS

In 2014, Georgia was at the top of the list for total electric car sales. The BMW i3 can continue to break through to the same market. Texas is a high market for the BMW, however, electric cars have not fully taken off in this state. New York is the opposite of Texas. BMW is not the popular brand, however electric vehicle popularity is growing. Mississippi is the least popular market for both brand and category.

CATEGORY INDEX



COMPETITIVE ANALYSIS



TESLA MODEL S

PRODUCT: “Tesla’s advanced electric powertrain delivers an exhilarating performance. Unlike a gasoline internal combustion engine with hundreds of moving parts, Tesla electric motors have only one moving piece: the rotor. So the Model S acceleration is instant. The Model S goes 60 miles per hour and without a drop of gasoline.”

CREATIVE STRATEGY: Tesla does not have an advertising strategy. According to Chief Marketing Officer Lexis Georgeson, “Right now stores are our advertising. We’re very confident we can sell 20,000 plus cars a year — without paid advertising.”

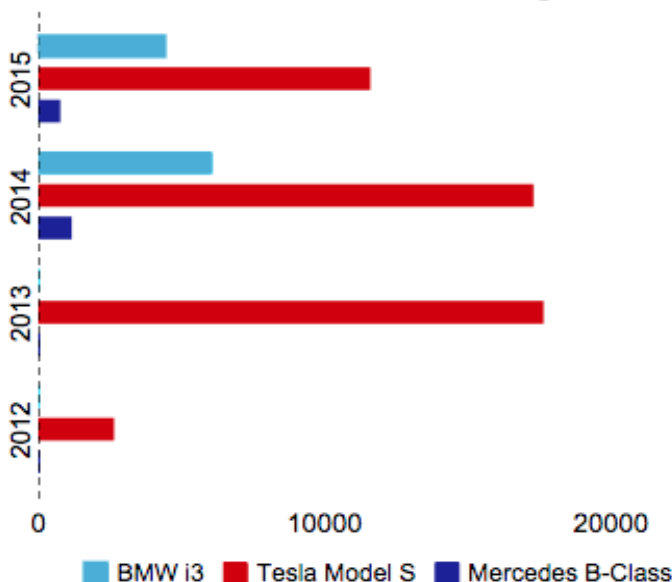


MERCEDES B-CLASS ELECTRIC DRIVE

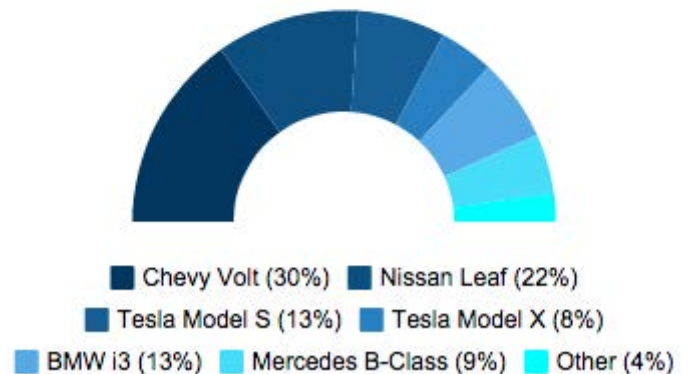
PRODUCT: “This small Mercedes electric car directly competes with the BMW i3. Its powertrain is provided by Tesla Motors, but engineers turned it into a comfortable and relaxed commuter car. If driven with care, the well-appointed B-Class could offer around 100 miles of range from a battery pack capable of holding 31.5 kilowatt-hours of juice.”

CREATIVE STRATEGY: “The Mercedes of electric vehicles, the new B-Class drive, the compact sports tourer”.

2012 - 2015 Sales Figures



If any, which of these vehicle(s) have you heard of or seen in advertisements?



PRIMARY RESEARCH

Hala Kahiki Agency conducted a survey was created that reached 58 people between the ages of 18 and 74.

OBJECTIVES:

- To obtain demographic and psychographic information on the BMW i3 in comparison to the competitors.
- Determine perception of BMW and competitors.

METHOD: Online survey

KEY FINDINGS:

- Only 21% of respondents are at least familiar with electric vehicles
- Over half of the respondents (36) said that they were most aware of a Chevy Volt campaign; only 15 were aware of a BMW i3 campaign
- 2 people out of 52 own an electric vehicle
- 11 people would be likely or very likely to purchase an electric vehicle
- No fuel costs would be the motivating factor in purchasing an electric vehicle
- 62% of respondents were not aware of a line of electric vehicles by BMW
- The primary concerns with owning an electric vehicle were the inconvenience of charging stations and the life of the battery

Concerns associated from a lack of knowledge of product:

"Driving range, charge time, technology upkeep."

"How long it could run without charging it. How much energy would it take to charge. How would this effect my current electric bill."

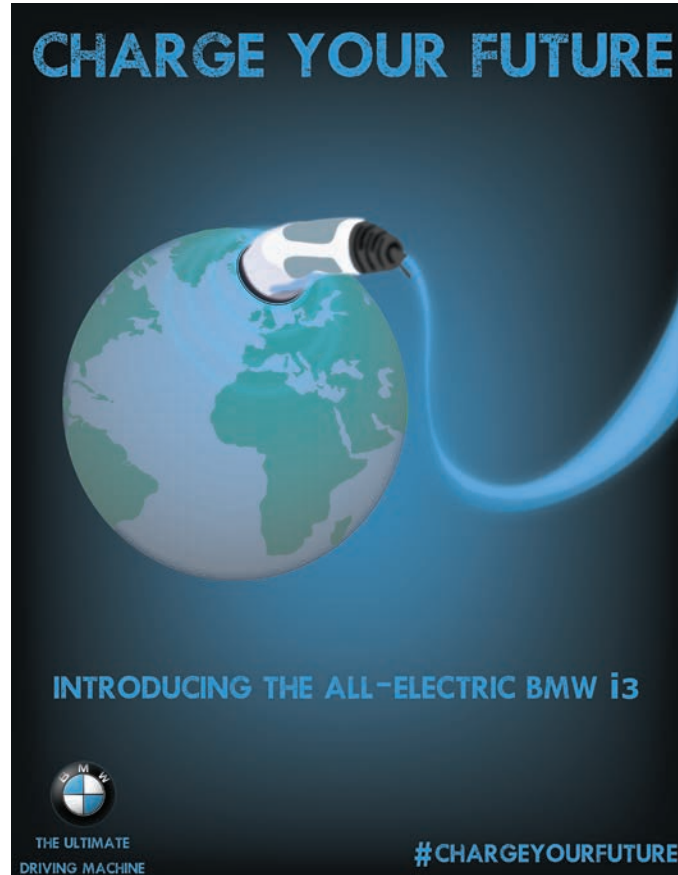
"What if my battery dies? Where are charging stations? Can I charge at any station or is it only special for my model?"

"The availability of charging stations. Length of time it takes to charge. Distance it will travel on a charge".

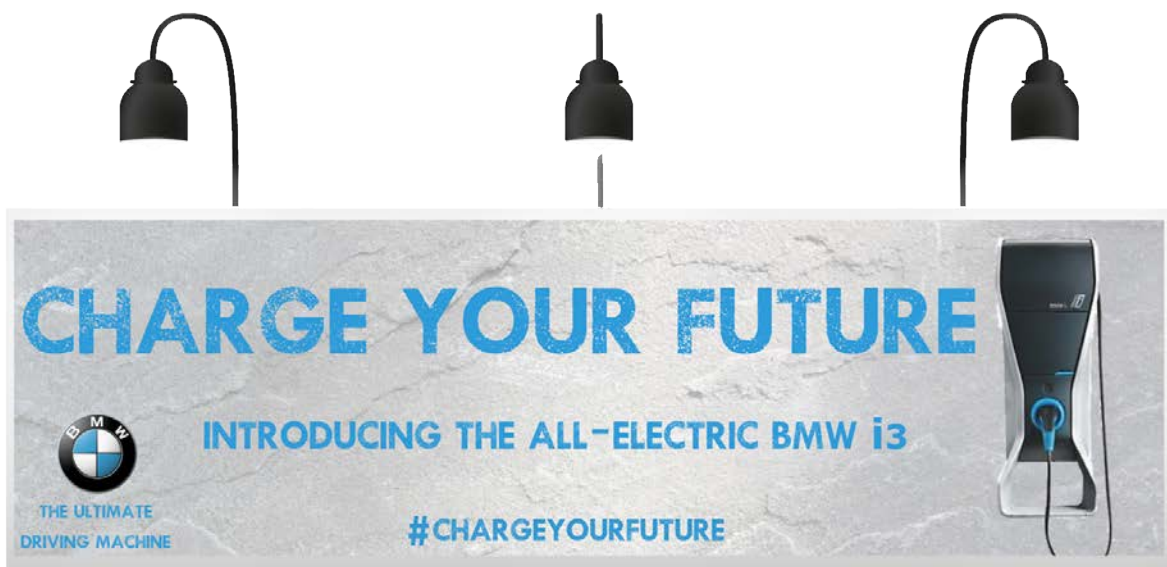
"Cost of electricity, cost of battery replacement, distance between charges."



MAGAZINE



BILLBOARD



TV SPOT



Tomorrow is imminent; it is a force that will not stop, that cannot stop. What lies ahead is not contingent; it is the result of the choices we make today.



We are a species that does not idle; we understand our time here is valuable and are a species that is constantly moving.



We are inspired to forge the future to make our dreams a reality and fabricate what is to come to be better than what once was.



We are composers and carpenters, scientists and inventors, communicators and surgeons; molding the world today so that tomorrow will endure the forces of nature that are out of control.




For the past forty years we at BMW have developed a new line of mobile transportation with technology that exceeds the expectations of tomorrow and provide a driving experience that is both exciting and irresistible...




..., but designed to keep in mind with what lies ahead. Introducing the all-electric BMW i3, charge your future.

ONLINE ADS



THE ULTIMATE
DRIVING MACHINE

#CHARGEYOURFUTURE



DESIGNED FOR
WHAT LIES
AHEAD.

CHANGE YOUR FUTURE



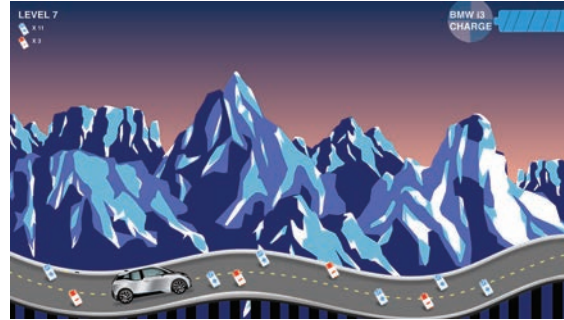
This animated banner ad will be featured on Spotify radio and on popular websites, Cosmopolitan, ESPN, YahooMail, Amazon and Weather.com. The animated banner advertisement displays the progression from the statement “change your future” to “charge your future” which will bring our target consumers to the conclusion that by choosing to charge your vehicles you can change your future effectively.

SOCIAL MEDIA



Kala Kahiki has organized a viral campaign for #chargeyourfuture featured on facebook, twitter and instagram. These social media vehicles are utilized as an effective resource to bring awareness of the viral promotion as well as the gaming application created to bring awareness about the BMW i3.

PROMOTIONS



MOBILE APPLICATION:

The game on our app will increase awareness of the vehicle and create a desire to buy.

TOTAL APP COST:

\$250,000

HOLIDAY CAMPAIGN:

By buying a BMW i3 during the holiday months (November-January), the first 100 buyers will receive a free range extender.

EXTENDER GIVEAWAY:

\$385,000

SOCIAL MEDIA CONTEST:

Submit picture of what **#chargeyourfuture** means to you personally. The top 10 pictures will win a free i3. 400 others contestants will receive a gift ranging from \$8 - \$100, from the BMW store.

FREE CAR GIVEAWAY:

\$473,000

GIVEAWAYS PLUS SHIPPING:

\$19,000

TOTAL PROMOTIONS BUDGET:

\$2,340,000

MEDIA TACTICS

CABLE (\$9,600,000)

Cable television schedules add reach to the broadcast buy. Sports, education and entertainment content programs rate high with the target. Cable networks such as ESPN, History and National Geographic are prime vehicles for the BMW i3 audience.

MAGAZINES (\$3,941,000)

Four-color full page ads will promote reach of the BMW i3. Ads are placed in premier positions in magazines such as Cosmopolitan, ESPN, Business/Finance and National Geographic. Ads are placed in a magazine every month to promote reach throughout the campaign year.

BILLBOARDS (\$198,000)

Traditional boards are strategically placed in high impact locations throughout the top DMAs markets. 18 boards will be placed in the top 6 states with the highest concentration of DMAs. The boards will be displayed 5 months out of the year when automobile purchases are the highest.

DIGITAL RADIO (\$120,000)

The Spotify web player and desktop application will run banner ads on all music stations promoting the hashtag (#chargeyourfuture) to the target listening while at work or for entertainment.

ONLINE BANNERS (\$27,000)

Online banners expand reach throughout the campaign year by running ads continuously throughout 12 months. These banners are placed on websites that are mostly frequently visited by the target. Websites include Yahoo, Amazon, Weather, ESPN and Cosmopolitan. These banners will create buzz and encourage clicks.

ADDED VALUE (-\$18,000)

Running ads through the same companies over three different media vehicles will roughly give 10-20% added value in discounts. Ads will be placed on cable and magazines with ESPN, Cosmopolitan and National Geographic. After purchasing spots banner ads will be included at a "bundled" rate.

SOCIAL MEDIA (\$0)

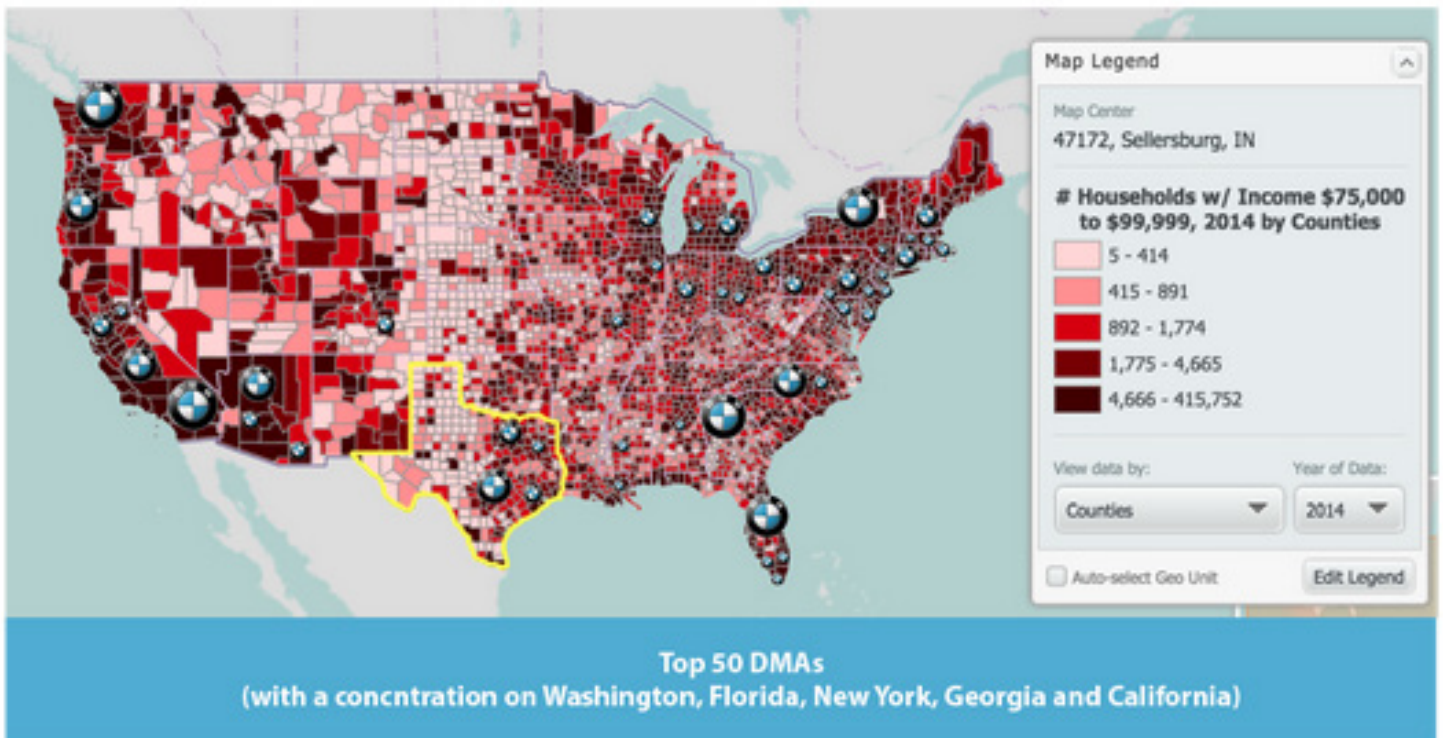
Social media websites and mobile applications Facebook, YouTube, Twitter and Instagram will be used to promote #chargeyourfuture and create internet buzz. Our target uses at least one of these mobile applications every day.

OBJECTIVES

- Reach 80% of men & women ages 35-54 three or more times during September 2015 through August 2016 campaign.
- Raise awareness and knowledge about the BMW i3 by 60% by the end of the end of the 2016 campaign.
- Improve reach with year-round exposure to campaign in 50 specified geographic regions which have the highest concentration of our target.

STRATEGIES

- Target 50 DMAs with the highest concentrations of HH income \$75,000+ in both men and women ages 35-54.
- Coordinate media and promotions within DMAs.
- This campaign will target the top 50 DMAs that have the highest number of luxury and/or all electric vehicles.
- Run promotions specifically during months with highest vehicle purchases: January, June, July, October, November and December.
- Combining digital with traditional media to obtain the highest reach.



Media Flow Chart

Pre-Launch		Launch												Budget	
	September	October	November	December	January	February	March	April	May	June	July	August			
	1-10	11-20	21-31	1-10	11-20	21-31	1-10	11-20	21-31	1-10	11-20	21-31	1-10		1-31
Primetime Cable TV															
ESPN															3,200
Hickey Channel															2,600
National Geographic															2,600
														Total	8,400
Magazine															
Cosmopolitan															1,271
ESPN The Magazine															1,004
Business/Finance															794
National Geographic															554
														Total	3,623
Online Banner															
Cosmopolitan															9
ESPN															9
Yahoo Mail															9
Amazon															9
Weather.com															9
														Total	45
Digital Radio															
Spotify															120
														Total	120
Out-of-Home															
Traditional Billboards															198
														Total	12,368
Contingency (2%)															300
Total GRP	525	135	180	200	135	525	600	135	150	525	600	600	Total: 4,310		
Added Value:															(-\$18)
Grand Total:													Total		12,668

POST-TESTING

QUANTITATIVE MEASURES

- Online surveys will be emailed out to anyone who participated in the shuttle service, purchased the game app, or bought an i3 to assess brand perceptions and the level of satisfaction with BMW.
- Surveys are sent to consumers in the target market to assess brand trust, brand preference, and brand loyalty
- Attendance and participation is tracked at promotional events
- Estimated effectiveness of promotional events is calculated
- Increase in followers on Twitter and likes on Facebook
- Track hashtag trend
- Monitor downloads of app

QUALITATIVE MEASURES

- Focus groups and interviews will be conducted to test the campaign's effectiveness in order to determine attitudes and reactions. With this information, Hala Kahiki Agency will be able to alter any future promotions or continue with what was successful.

APPENDIX

BRAND EQUITY

<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.458.4684&rep=rep1&type=pdf>

COMPANY ANALYSIS

<http://cleantechnica.com/2015/04/06/us-electric-car-sales-no-surprises-tesla-model-s-nissan-leaf-bmw-i3-on-top-again/>

<http://www.goodcarbadcar.net/2012/10/bmw-group-sales-figures-usa-canada.html>

<http://www.forbes.com/sites/alejandrochafuen/2015/01/01/the-u-s-economy-in-2015-challenges-and-opportunities/>

COMPETITIVE ANALYSIS

http://www.greencarreports.com/news/1095314_which-electric-car-makers-are-serious-u-s-sales-show-top-four

<http://www.bmwusanews.com/newsrelease.do;jsessionid=B0340C688939F06E12D2E1A7FD-C33946?&id=2022&mid=>

<http://evobsession.com/bmw-i3-vs-mercedes-b-class-electric-wins/>

<http://evobsession.com/bmw-i3-proves-more-popular-outside-of-urban-areas/>

<http://www.autonews.com/article/20150406/OEM05/304069972/bmws-i3-ev-becomes-a-big-hit-out-of-town>

<http://www.pluginCars.com/bmw-i3.html>

<http://www.pluginCars.com/tesla-model-x>

<http://www.pluginCars.com/mercedes-b-class-e-cell>

INTERNAL/EXTERNAL INFO; SALES & PROFITS

<http://www.forbes.com/sites/alejandrochafuen/2015/01/01/the-u-s-economy-in-2015-challenges-and-opportunities/>

<http://cleantechnica.com/2015/04/06/us-electric-car-sales-no-surprises-tesla-model-s-nissan-leaf-bmw-i3-on-top-again/>

<http://www.goodcarbadcar.net/2012/10/bmw-group-sales-figures-usa-canada.html>

MEDIA CHART

<http://televisionadvertising.com/faq.htm>

http://www.cosmomediakit.com/r5/showkiosk.asp?listing_id=4785162&category_code=rate&category_id=27809

<http://yourbusiness.azcentral.com/average-cost-national-advertising-campaigns-26091.html>

<http://www.nationalgeographic.com/mediakit/pdf/ng-traveler/Advertising.pdf>

<http://www.media-brokers.com/consumer-magazines/ratecard/espn-the-magazine-0-4535.aspx>

<http://www.quora.com/How-much-does-it-cost-to-advertise-on-Spotify>

<http://adage.com/article/digital/big-marketers-sign-apple-s-itunes-radio/243734/>

<http://www.slideshare.net/FitSmallBusiness/billboard-advertising-costs>

<http://askville.amazon.com/cost-rent-average-billboard-sign/AnswerViewer.do?requestId=12691479>

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