The Second Wave of Italian Immigrants

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On July 4th, 2007, FIAT reintroduced its brand to the North American market after a nearly thirty year hiatus. Fiat CEO Segio Marchionne assumed that the market transition would run smoothly due to the fact that Americans openly embrace Italian culture. Unfortunately, American’s love for Italian pasta and gelato does not run hand-in-hand with automobile preferences (Tommaso 2012; Trudell 2012). Nearly five years after FIAT’s initial introduction, the brand has finally become developed and recognized by consumers within the United States. During this five year period, FIAT experimented with various communication strategies and targeted to various niches.

FIAT’s introduction stage relied heavily on event marketing. This approach helped the car company connect on a personal level with potential ‘early adopters.’ The car company did not announce its first marketing and advertising campaign until 2011 (FIAT 2012). Initially, FIAT made its debut at the Exhibitalia in Miami, Florida. FIAT also promoted itself at the FIAT Gallery in New York, the South by Southwest musical event in Texas, and the “FIAT Freak Out” Enthusiast Event in Nashville, Tennessee. The corporation was also shown at over 130 showrooms throughout the U.S. FIAT was the source in the basic communication model at these marketing events. More specifically, FIAT employees and spokespersons served as the source of communication.

Each of the marketing events was hosted at exclusive art venues. FIAT U.S. CEO Laura Soave said that the company hoped to target groups interested in “leading independent music [and] culture” (Kiley 2011). FIAT’s theme was titled “Everyday Masterpieces” (Kiley 2011). Laura Soave went onto explain that FIAT utilized event marketing because “[FIAT] appeals to the creative class, and you don’t reach them with mass media” (Kiley 2011). FIAT’s art gallery events featured “Italian art, design, fashion and culture” (Garlitos 2010). At the Exhibitalia in Florida, art students from the University of Miami painted trendy pictures of the FIAT 500 on canvases throughout the gallery. Some students even went as far as to paint creative designs outside of the exterior of an actual FIAT 500. These artsy events projected a semiotic message to potential FIAT customers, and the underlying object was the FIAT 500. The symbol of the object was creative artwork depicting the FIAT 500. The purpose of this creative artwork was to symbolically express that the FIAT 500 was a creative, independent, and individualistic automobile. This message was communicated through a personal channel of communication.

The purpose of using personal communication is to generate buzz marketing. Harvard Business Review author Stephen Wunker points out that FIAT could have easily piggybacked on its subsidiary, Chrysler, when FIAT entered the American market. He goes on to say, however, that FIAT aimed to conquer a new, highly stylish market, rather than branding FIAT under the name of a company that manufactures “run-of-the-mill-car[s]” such as family minivans (Wunker 2012). By hosting events such as the Exhibititalia, FIAT can more effectively appeal to the “young, independent buyers” it is hoping to attract (Wunker 2012). By targeting this specific niche market, FIAT can hope that these “early customers can demonstrate to fence-sitters that this product is a good one” (Wunker 2012).

In the basic communication model, potential FIAT customers are the receivers at these marketing events. The artwork and Italian culture at each of FIAT’s exhibits helps to heavily influence the receiver’s frame of experience. The specific niche market that attends the FIAT galleries values individualist artwork, and as a result, a common ground is reached between FIAT and the receiver. Once this common ground between the sender and receiver has been established, the message can easily be decoded. Communication noise is not typically an issue at these events because personal communication is being used. Any concern or misconception can be addressed immediately by a FIAT representative at each event. Feedback is highly utilized at FIAT’s gallery and showroom events. Potential customers can address any of their comments or concerns at the events, and this helps FIAT to reposition its product and brand to improve later stages of its product promotion. FIAT uses feedback from early adopters to tap into different niche markets and larger market segments.

Starting in August, 2011, FIAT began to market itself using mass communications channels such as television, billboards, and website advertisements. These nonpersonal communications have slightly different elements within the basic communication model. The sender in each of these advertisements is FIAT. Several of FIAT’s television commercials feature product endorsements such as Jennifer Lopez, Charlie Sheen, and other supermodels. In those commercials, each of those endorsements could also be considered a sender.

In FIAT’s first commercial, Jennifer Lopez narrates the commercial as she drives through her hometown of the Bronx. The headline at the end of the advertisement reads, “Life is Best When Driven.” The setting of the ad is intended to appeal to a more urban demographic. FIAT chooses endorsements widely known by the American demographic in order to encode messages into their advertisements. FIAT intends to have the receiver associate the endorsements’ personality characteristics with the overall theme and message of their advertisements. FIAT also uses taglines and character dialogue and narrative to encode their advertisements’ messages. On billboards and print advertisements, FIAT has begun its “Simply More” campaign. The series of advertisements feature an image of the FIAT 500 which stands out in front of a plain background. The ad features headlines such as “Form & Function meet. And begin a torrid affair” and “Bigger isn’t better. It’s just harder to park.” When FIAT encoded these messages, they intended for the advertisements to display plain backgrounds and headlines to convey the simplicity of the FIAT 500.

Each of FIAT’s advertisements projects slightly different messages. In the advertisement with Jennifer Lopez, FIAT is attempting to communicate a message that was used earlier in FIAT’s event marketing. Jennifer Lopez’s narration indicates that FIAT drivers are strong-minded, independent, and original. The “Simply More” print campaign used by FIAT defines the FIAT 500 as “everything you need and nothing that you don’t” (PR Newswire 2011). FIAT’s website elaborates on their “Simply More” campaign, stating that the campaign represents the notion “that the simple things in life are treasures, alongside the thought of richness and fullness of a life well-lived is defined by ones view of self-expression” (FIAT 2012).

On the other hand, the FIAT 500 Abarth advertisements, projects messages that are targeted to a male demographic. In the commercial featuring Charlie Sheen, FIAT’s endorsement is symbolically associated with the advertisement. Charlie Sheen is widely viewed as one of the ‘bad boys’ of Hollywood. FIAT hopes to associate Sheen’s personality with the FIAT 500 (Cheung 2012). Viewers observe Charlie Sheen driving laps around his house in the FIAT 500 Abrath. As he exits his car and grabs a model, he grins as he says, “I love being on house arrest.” Using Charlie Sheen in this commercial allows the male gender to perceive FIAT as a “more rugged, dangerous, and appealing” brand (Cheung 2012). Another FIAT commercial titled, “The Immigrant,” shows FIAT 500s driving off of the coast of Italy, and submerging back onto the beach of New York City. The traditional Italian music, bicycle riders, and narrow cobblestone streets help to encode symbolic meaning into the advertisement’s message. The message is that by owning and driving a FIAT, the driver can enjoy a piece of traditional Italian culture and heritage.

All print advertisements and television commercials are nonpersonal forms of communication, also known as mass-media. The receivers within the basic communication model are much broader than the targeted niche in FIAT’s event marketing. FIAT commercials are advertised to mass markets of individuals. Typically, this would be anyone watching primetime cable networks. Unfortunately, not all of FIAT’s receivers in their mass market decode their advertisements’ messages as they were intended to be written.

FIAT’s advertisement featuring Jennifer Lopez has received an abundance of negative criticism. The press discovered that Jennifer Lopez used a body double to drive through the streets New York City. Jennifer Lopez, on the other hand, filmed all of her scenes in Los Angeles. Many receivers of this particular advertisement made a negative connection between FIAT and their endorsement after learning of the shams in the commercial. The noise generated from the controversy over this commercial made it difficult for receivers to properly decode the advertisement (Tommaso 2012; Trudell 2012). FIAT did not record any incremental changes in sales as result of this advertisement. Other critiques argued that by using Jennifer Lopez as an endorsement, FIAT only targeted Jennifer Lopez fans, which was too narrow a niche.

Other FIAT advertisements received better feedback from receivers. FIAT’s “The Immigrant” advertisement was decoded as intended by most of FIAT’s audience. The symbols encoded in the advertisement made FIAT’s theme so blatantly obvious that it was difficult for receivers to incorrectly decode the sender’s message. Some receiver misconceptions generated noise which interfered with decoding FIAT’s message. A small number of receivers believed that the submerging of the FIAT 500’s from the U.S. coastal waters “was a stab at the immigration issue disrupting political waters” (De Vecchi 2012; Gallagher 2012; Reilly 2012). After hearing this negative feedback, FIAT Chief Marketing Officer Oliver Francois commented, “I’m aware that this is a country where you can expect controversy, but we’re just trying to connect the product in the USA to its Italian heritage” (De Vecchi 2012; Gallagher 2012; Reilly 2012). Charlie Sheen’s commercial seemed to be the most effectively decoded advertisement. Although immediate feedback is difficult to receive with nonpersonal communications, an advertisement’s success can be traced to an increase in sales. Following the FIAT’s more rugged, and daring Abrath commercials, FIAT saw a 318.8% monthly increase in sales, in comparison to the same month in the previous year (Foley 2012).

It is more difficult to solicit feedback from mass communications to mass markets. FIAT is typically able to revamp its marketing campaign from feedback received by car and press reviewers such as *Edmunds*, *The New York Times*, *Wards* *Auto*, and the *Harvard Business Review*. Other companies also provide brand and advertising ratings. For example, after FIAT launched its FIAT 500 Abrath commercials, USA Today’s ad meter ratings ranked one of FIAT’s commercials at number 19 out of 60 for most viewed television commercials (Opsitnik 2012). Research conducted by Brand Keys, a New York based consulting firm, found that “growing sales for Fiat 500 are being accompanied by growth in favorability for the brand” (Elliot 2012). These reputable advertising based metrics provide feedback to FIAT and allow them to determine if their marketing campaigns are effective.

Each of these marketing communications campaigns have been developed in accordance to FIAT’s overall marketing strategy. As discussed earlier, FIAT could have chosen to piggyback off of its subsidiary, Chrysler. Instead, FIAT decided to separate itself from the Chrysler brand in order to establish a unique American brand for FIAT. FIAT’s launch strategy in the U.S. was a very subtle process. Following the company’s American introduction in 2007, FIAT relied heavily on event marketing. This personal form of marketing provided the company with feedback to revise and expand its marketing strategies. FIAT’s initial events marketed to “young, independent minded buyers” (Wunker 2012). FIAT used this approach to establish a “small foothold” before expanding into a larger market (Wunker). Stephen Wunker (2012) from the Harvard Business Review also points out that if FIAT had introduced itself by marketing to mass markets of consumers, “it would have wasted money by communicating to irrelevant consumers.” Instead, FIAT decided to market to early adopters, discover new market niches, and expand its business accordingly.

Once FIAT began its first mass marketing campaign, the company received negative feedback from its endorsement campaign featuring Jennifer Lopez. The company had continued its previous niche marketing strategy, but within a mass market. Lopez’s commercials target a narrow audience, and they are limited in their appeal to a female demographic. After receiving negative feedback, FIAT immediately revamped its marketing campaign to appeal to a wider audience. The company began its “Simply More” campaign, which was designed to “capture the perfect combination of wit and charm [to] engage current and potential customers” (FIAT 2012). The theme and mass communications used under this campaign were designed to “increase brand and product awareness in key markets” (FIAT 2012).

FIAT revamped its marketing campaign once again, featuring more rugged and daring themes and characters in their commercials. This set of marketing communications expanded FIAT’s brand to a more male-oriented market. USA Today claims that “FIAT’s edgy marketing has helped raise awareness and enthusiasm for the entire FIAT brand” (Snavley 2012). To date, FIAT continues to follow its latest marketing strategy. As a result of the most recent communications campaign, FIAT has begun to meet its monthly targeted sales quotas.

Each of FIAT’s communication campaigns utilizes two separate communication models. During FIAT’s initial introduction to the U.S. market, the company follows elements of the innovation adoption model very closely. When early adopters attend FIAT’s art exhibits and galleries, they go through the cognitive stage of the innovation model. The early adopters gain awareness of the FIAT brand. Attendees from these events begin to experience brand recall when they see or hear of the name “FIAT.”

Following the cognitive stage, event attendees begin to move through the affective stage of the innovation adoption model. The niche market attending the event begins associating FIAT with the Italian music, paintings, and cuisine that is featured at the event galleries. Each of these creative expressions of Italian culture helps to spark interest with the early adopters during the earliest stage of the model. Attendees begin associating the FIAT 500 with the stylish, creative, and unique Italian culture that is featured at these events. Early adopters begin to move through the model to the evaluation stage. Potential consumers begin to evaluate the product, considering the creative elements associated with the product, as well as the attributes of the FIAT 500. FIAT’s marketing campaign, however, focuses more on selling their cars as a “fashion accessory,” and focuses less on the actual mechanical features of the car (Cheung 2012).

Finally, the early adopter proceeds through the behavioral stage of the innovation adoption model. The event attendees have a first-hand experience with the FIAT 500. Although early adopters do not typically have the opportunity to test drive the FIAT at the gallery events, they are allowed to examine the exterior and interior of the FIAT 500 vehicle. After this tangible experience, the early adopters finally associate the stylish, independent nature of the FIAT 500 with their own unique personalities. The adoption phase finally takes place. The early adopters will now pass on positive reviews to the fence sitters and early majority consumers.

FIAT’s mass communications that succeed their event marketing strategy follow the hierarchy of effects model. FIAT is still a young car manufacturer in the American market, so the initial intent of their advertisements is to promote awareness to mass markets (Williams 2011). This takes place during the model’s cognitive stage. FIAT promotes awareness using a series of television advertisements. The FIAT Company repeatedly releases a sequence of new advertisements to allow their market to continue to become more aware of their brand name. Endorsements, humor, and Italian heritage are other ways FIAT promotes awareness to larger markets. Consumers then proceed to the knowledge stage. Consumers begin to associate the themes of simplicity, individuality, and daringness with the FIAT brand. All of FIAT’s commercials and print advertisements have encoded messages which help to project these themes.

Next, consumers go through the stages of liking, preference, and conviction within the affective stage. Consumers relate to the key advertisement themes that they have discovered during the knowledge stage. They begin to feel attracted to FIAT due to the overall message being projected in the advertisements. FIAT’s potential buyers “like” their advertisements for a particular reason, whether it be the endorsement chosen for the advertisement, a humorous aspect of the advertisement, or the overall message being conveyed in FIAT’s commercials. As consumers view more advertisements, they begin to build preference for FIAT over its competitors. Some of these competitors may be the Mini Cooper, Smart Cars, and the new BMW Mini. After preference is established, and a strong relationship has been developed between FIAT and their consumers, their target audience develops a conviction to buy the FIAT 500.

Finally, FIAT buyers enter the final behavioral stage, purchasing. Consumers may have conviction to buy, but they still need the incentive to buy the FIAT 500. FIAT has offered 0% APR financing, as well as $500 rebates to encourage consumers to follow through with the final purchasing stage. After this stage, the hierarchy of effects model is complete.

FIAT has effectively utilized event marketing and adverting at appropriate times during their market transition. Although FIAT’s startup has been more challenging than the company originally anticipated, their brand has slowly begun to develop itself within the American market. FIAT owes most of its success to the careful communications strategies that have been implemented by its branding and marketing department. FIAT’s success can be measured by its significantly improved sales in comparison to previous years. Chrysler’s parent company FIAT must continue to be patient as it slowly regains its brand strength and recognition in the competitive American automotive market.

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