



ted matthews brand coach

The latest tech ad blitz: PC makers try to grab 'mindshare' before a turnaround

By Susan Heinrich

Financial Post/National Post, March 24, 2003

The technology industry is still recovering from the dark days of its downturn but you wouldn't know it from the big-budget advertising campaigns being launched these days in Canada and beyond.

Intel Corp. recently began a global US\$300-million campaign and Hewlett-Packard (Canada) Ltd. has stepped up its "Everything is possible" branding effort in Canada, part of a broader global project that followed its merger with Compaq Computer Corp. Meanwhile, Dell Computer Corp. continues to be an aggressive marketer.

Karl Moore, professor of marketing and strategy at the Faculty of Management at McGill University in Montreal, says these companies are wisely positioning themselves for a turnaround.

"The industry is in a fair bit of flux. I think the high-tech industry will recover in the next few years and these companies are trying to grab attention before the takeoff occurs. They are sort of jostling for position and for mindshare."

Intel, the microprocessor maker that has struggled in the face of a steep decline in desktop computer sales, has placed a big bet on the future of wireless computing with the launch of Centrino. Centrino chips, found in laptop computers, offer untethered access to the Internet via radio waves.



ted matthews brand coach

In Canada, the "Unwired" campaign includes specialty and network television, print, out of home and online elements. Strategic marketing partnerships are also part of the mix.

Doug Cooper, a manager at Intel of Canada Ltd., said the company's not waiting for another technology boom to position itself as a market leader. "Intel has been very public at saying we're not going to wait for the recovery. We're going to make the right investments now."

Ted Matthews, founder of Brand Coach Inc., a Toronto-based brand consulting firm, believes aggressive marketing by high-tech players is strategically smart.

"As an overall principle of advertising 'Do it when others aren't' makes sense. These three companies -- Intel, Dell and HP -- had a whole bunch of people push into their world [in the late 1990s] and that caused them a lot of flack to have to promote through." Now that much of the competition is troubled, acquired or out of business, these companies are trying to stake a claim, he said.

And they are aiming high. Intel's campaign aims to create a whole new category what Mr. Cooper calls "the wireless worker." "We're taking a huge bet that the wireless Internet is going to be the next big thing."

And Hewlett-Packard has just launched the second wave of its post-merger marketing strategy, including television ads, double-page newspaper spreads and magazine ads. Cinema ads will launch next week.

The campaign is meant to introduce customers to a new HP, said Sandra Pakosh, manager of corporate brand and enterprise marketing communications with Hewlett-Packard (Canada) Co. "It's a signal to our customers we're not the same HP."

TM

ted matthews brand coach

She says one of the challenges is the very large market they have to connect with. "We have a broad audience to appeal to. Everyone from the business side to the consumer side because that's the audience we serve and the products and services we offer."

The HP campaign is its biggest ever in Canada and uses specific client stories to illustrate HP business with the tagline "Everything is possible."

As the sponsor of BMW Williams Formula 1 Team, for example, one ad explains that HP provides the computer to design the car, conduct race simulations and analyze performance data. Other clients profiled include the New York Stock Exchange and Dreamworks SKG. Ms. Pakosh said HP is currently in talks with Canadian customers they would like to include in ads.

For Dell Canada, the business model of selling directly to the customer has required a consistent marketing effort to survive the steep decline in PC sales, said Brian Monette, director of marketing communications for Dell Canada in Toronto. As the market started to slow in 1999, Dell rolled up its sleeves, cut its pricing and jumped in.

"The strategy for Dell as the market started to slow was: 'Now is the time to acquire customers.' And when HP and Compaq started to go through their merger, that gave us an opportunity to get aggressive," said Mr. Monette.

Susan Heinrich, National Post
sheinrich@nationalpost.com