

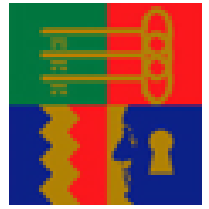


B *k* R *e* A *y* N *s* D

Battle of the Laptop Brands: The Apple and PC Ad War

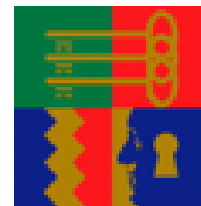


Evaluating Advertising Effectiveness

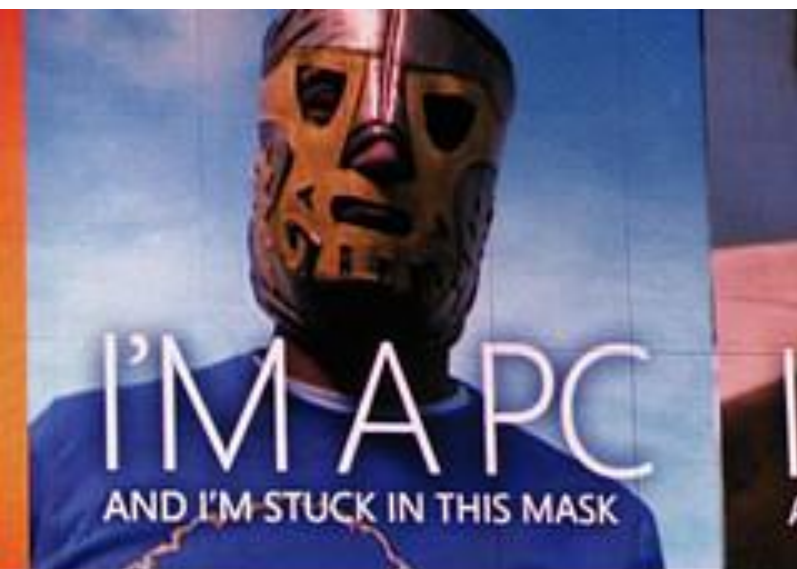


- Get noticed?
- Get brand buzz?
- Get customers?

What yardstick is your brand using in the consumer-engagement marketplace?

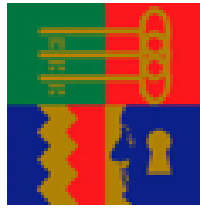


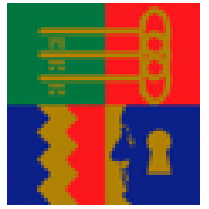
We are not in business to be noticed; we are in business to be chosen.



- WalMart CEO

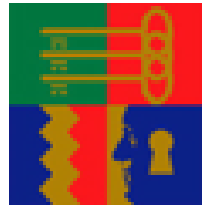
Apple and Microsoft





Reaction to Microsoft's "Shoe Circus"

The Bloggers



The First Bill Gates + Jerry Seinfeld Microsoft Ad Makes No Sense

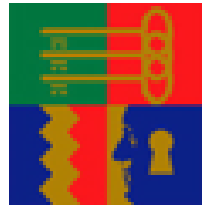
By [Jason Chen](#), GIZMODO BLOG, 8:43 PM on Thu Sep 4 2008, 169,675 views

- *... I don't understand... I think it means that Windows is the same thing except it sounds funny and is cheaper... The ad still makes me want to buy a Mac.*
- *As a fan of Vista (yes, it's worked excellent for me since launch) and a staunch Apple opponent, I'm horribly disappointed.*
- *My guess is that they're setting up for something. I just hope the payoff is better than the journey.*
- *And the point of that commercial was??*
- *Seinfeld is soo Windows 95.*
- *I would get my money back if I was Microsoft.*



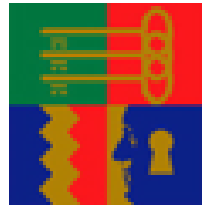


The Press



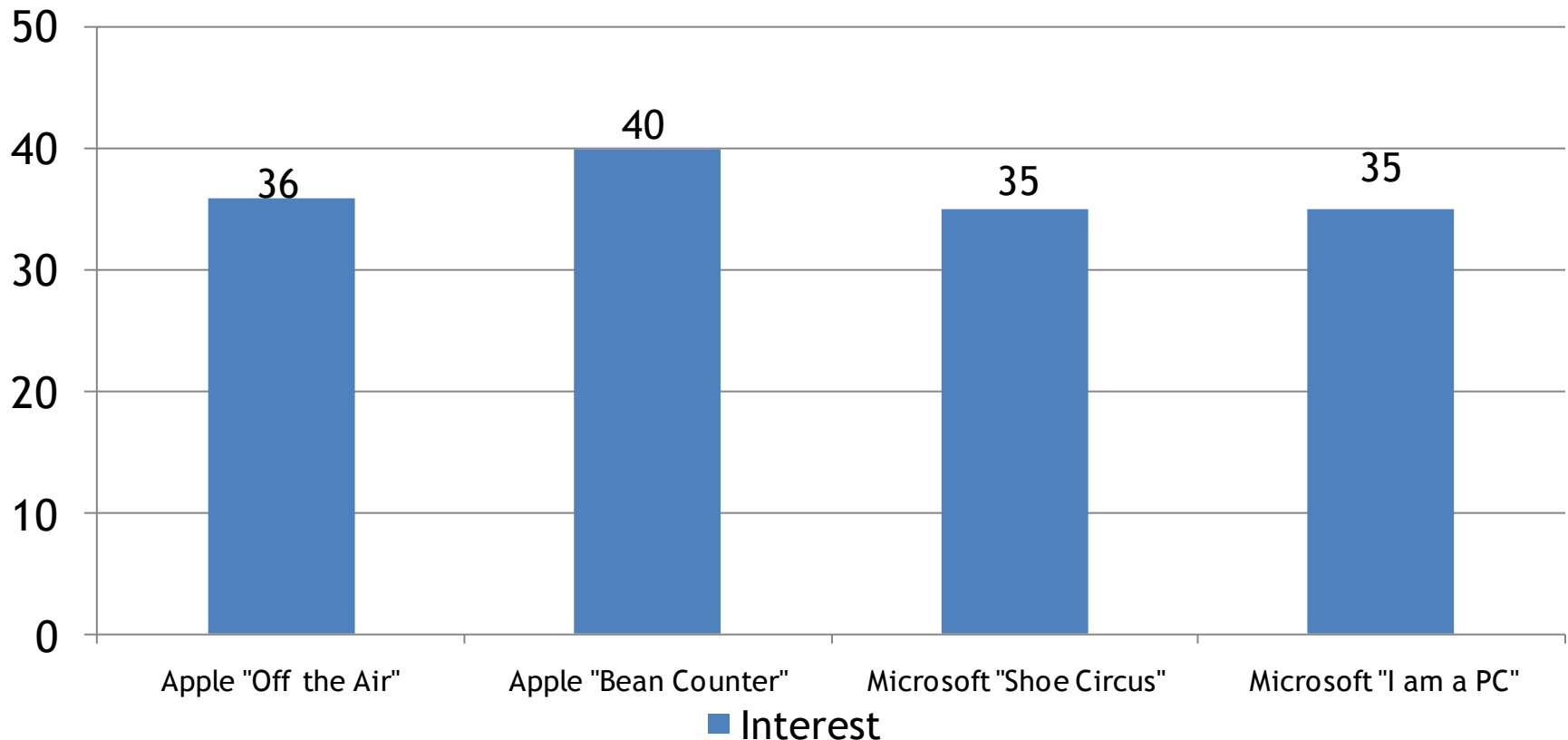
- PC World, Friday, *First Seinfeld Vista Ad is Out: And Makes No Sense*
- Conde Nast Portfolio.com, *First Microsoft/Seinfeld Ad Bombs*
- LA Times, *Seinfeld and Gates' Microsoft Misfire*
- Computerworld, *Seinfeld-Windows TV commercial premieres to a baffled audience: Like Seinfeld's show, it was basically about nothing*
- San Francisco Chronicle, *Microsoft cancels Seinfeld ads: Company to end campaign after two commercials*

Quantitative Research



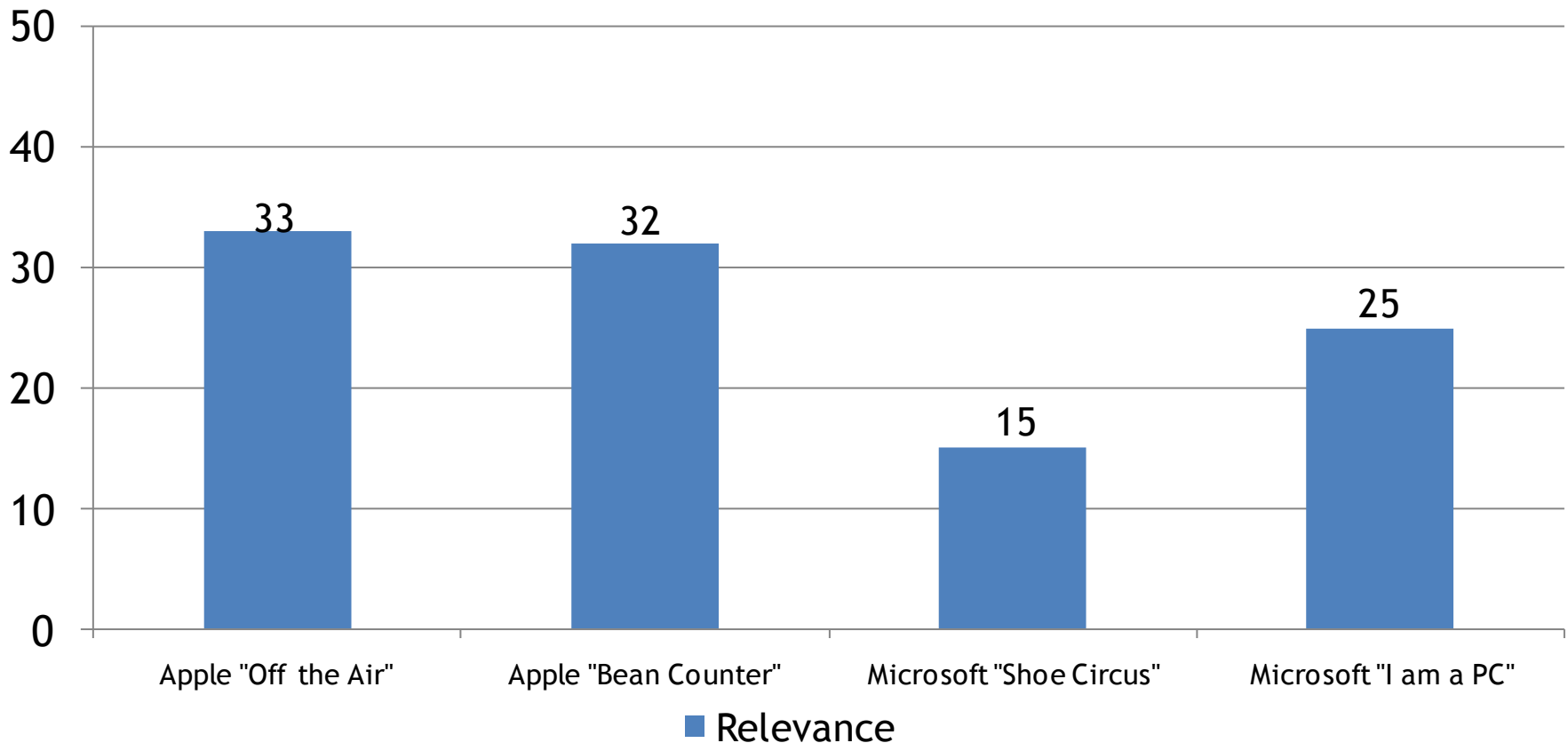
- Phase I: Phone research to collect category and brand metrics among PC and Apple Users
- Phase II: Online research of advertising effectiveness (strategic and executional) among same segments, partnering with iThink
- N=200/segment
- 95% confidence level

Advertising: Interest

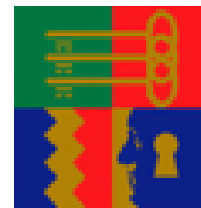


Looking at interest alone can be misleading. There is little differentiation on this measure, while the marketplace, and our engagement data, tell a different story.

Advertising: Relevance

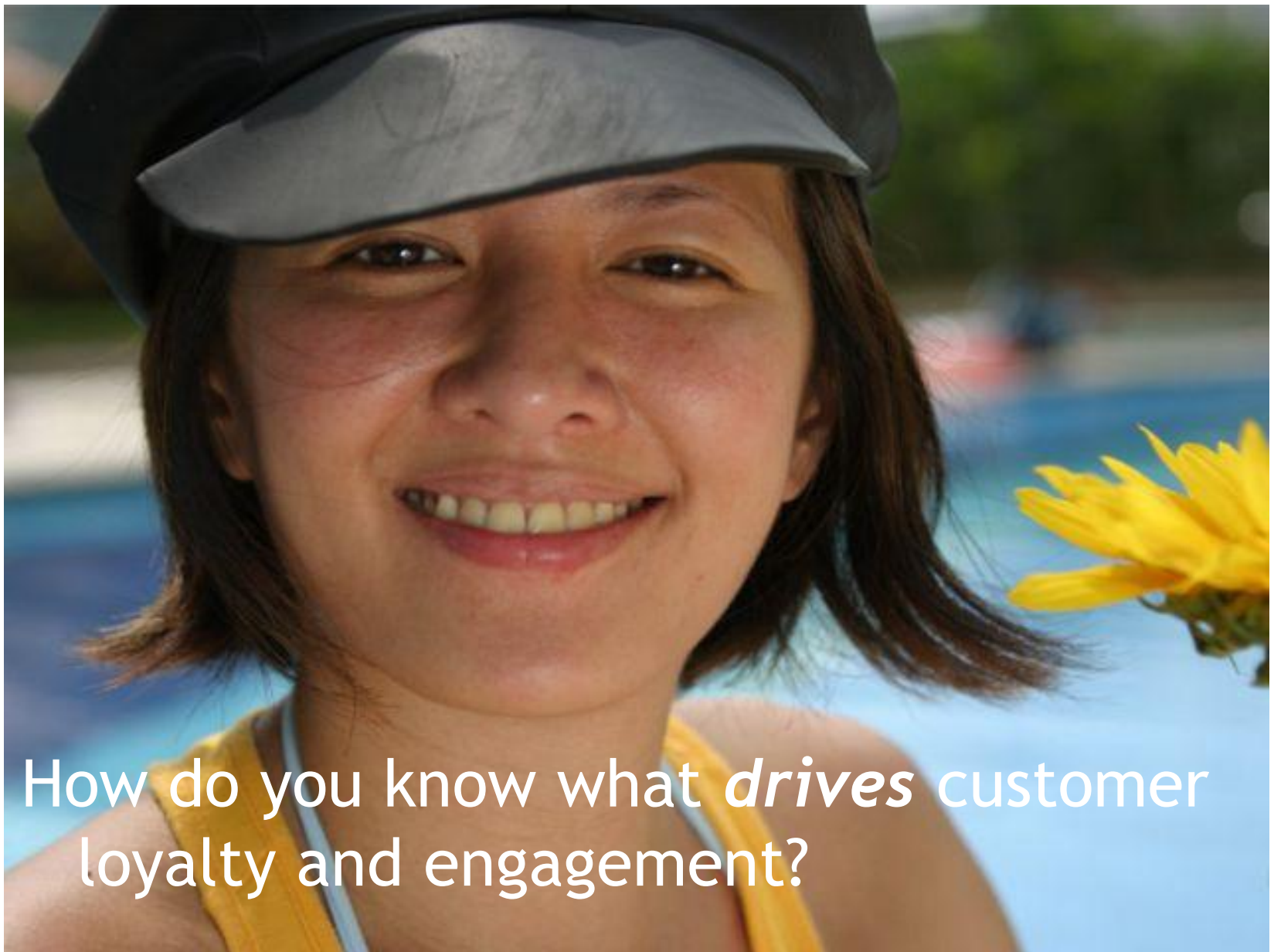


Asking about how relevant the ads are brings us a bit closer to some distinction among the adverts, but offers no nuanced information about the strategic performance of the ads.



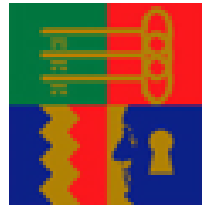
A brand's advertising is most effective when it speaks to what drives consumer engagement and loyalty in the category.





How do you know what *drives* customer loyalty and engagement?

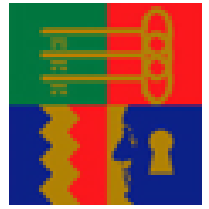
The drivers of loyalty change from category to category



We don't buy cars the way we buy coffee or computers



Equation For The 21st Century



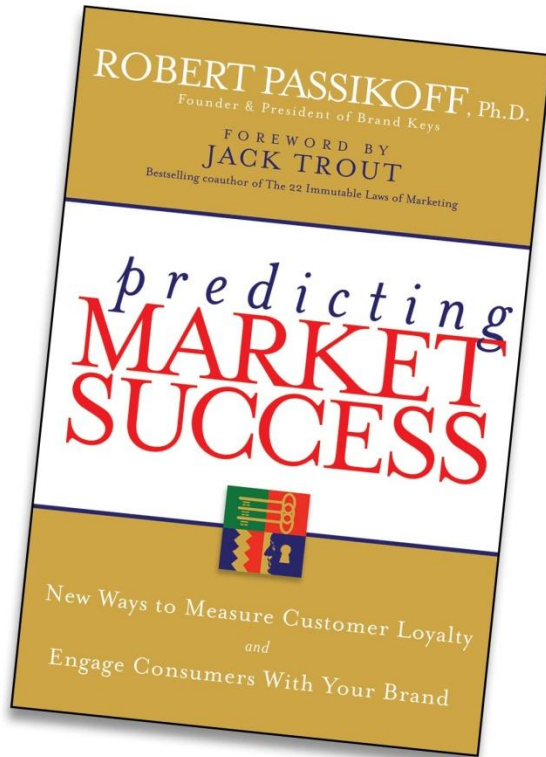
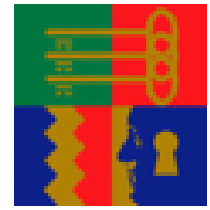
↑ Brand Equity → Customer Loyalty = Profitability

Loyalty is driven by brand equity...

how well the brand meets or exceeds consumer needs/expectations in a category.

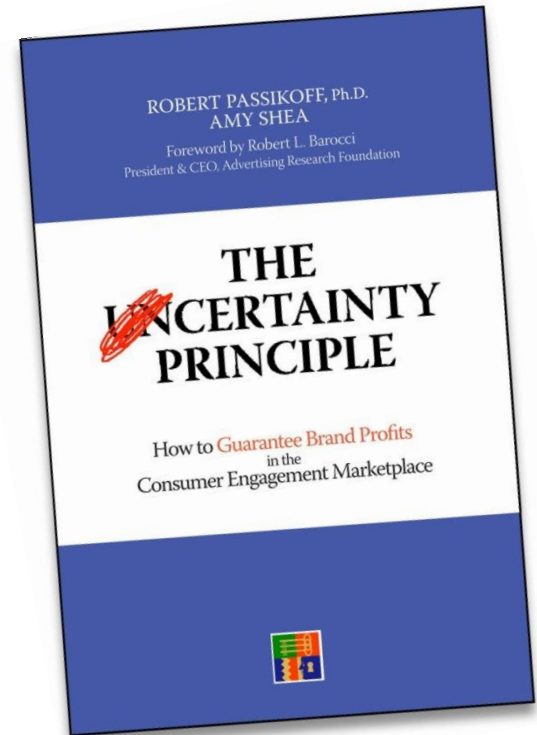
The greater the brand equity, the more customer loyalty, leading to profits for the brand.

Published and Recognized Brand Loyalty Engagement Experts



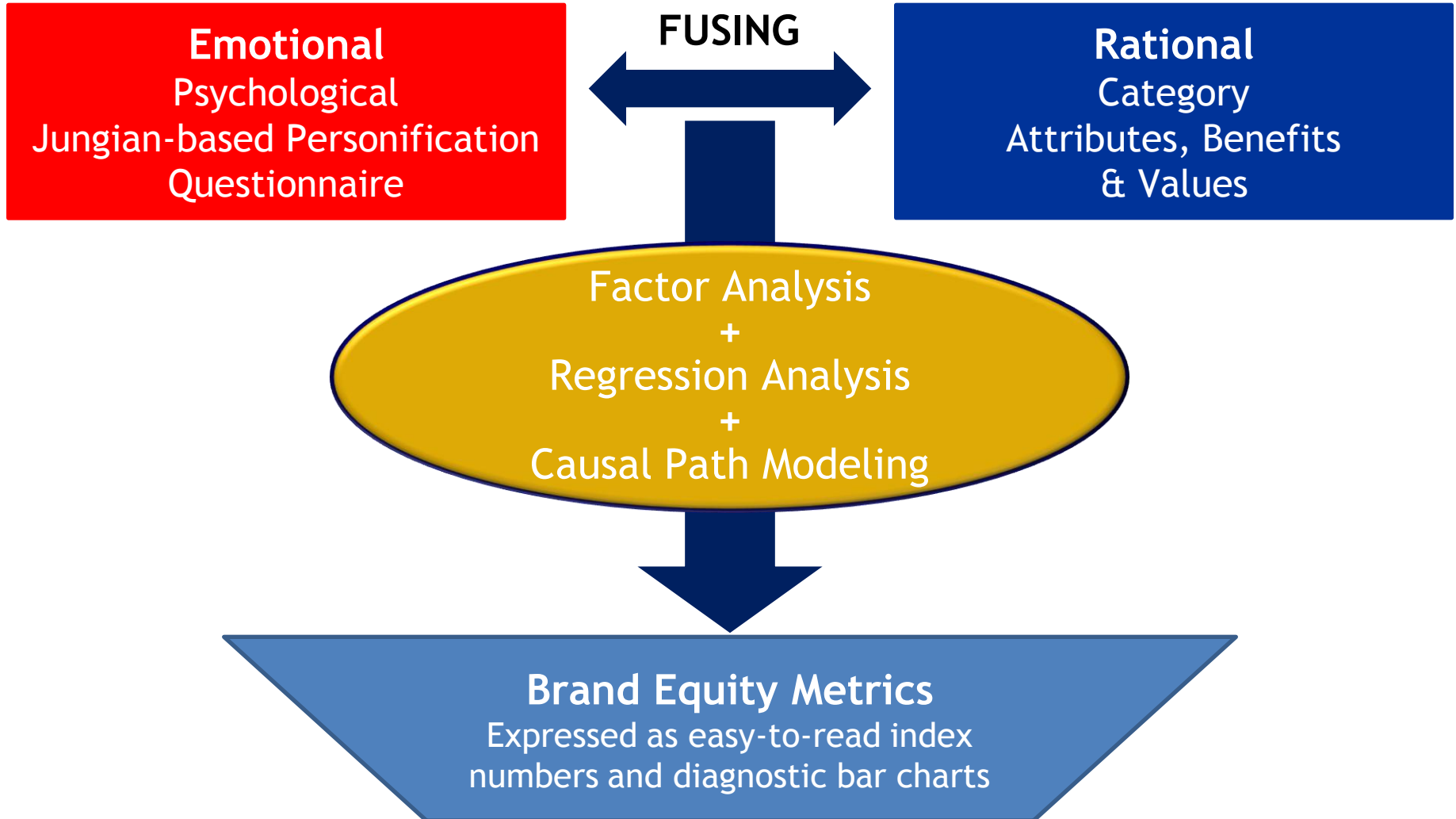
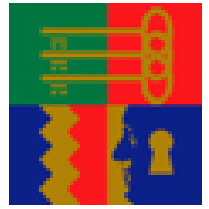
Dr. Robert Passikoff
Named a
“2007 ARF Research Innovator”

Amy Shea, EVP,
Recipient of
2008 ARF “Great Mind” Award
in Innovation

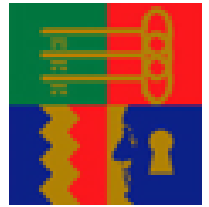


Read The ARF's *First Opinion* Research Review on the
Brand Keys Engagement Method at www.brandkeys.com

The Brand Keys Methodology



How to Read the Data

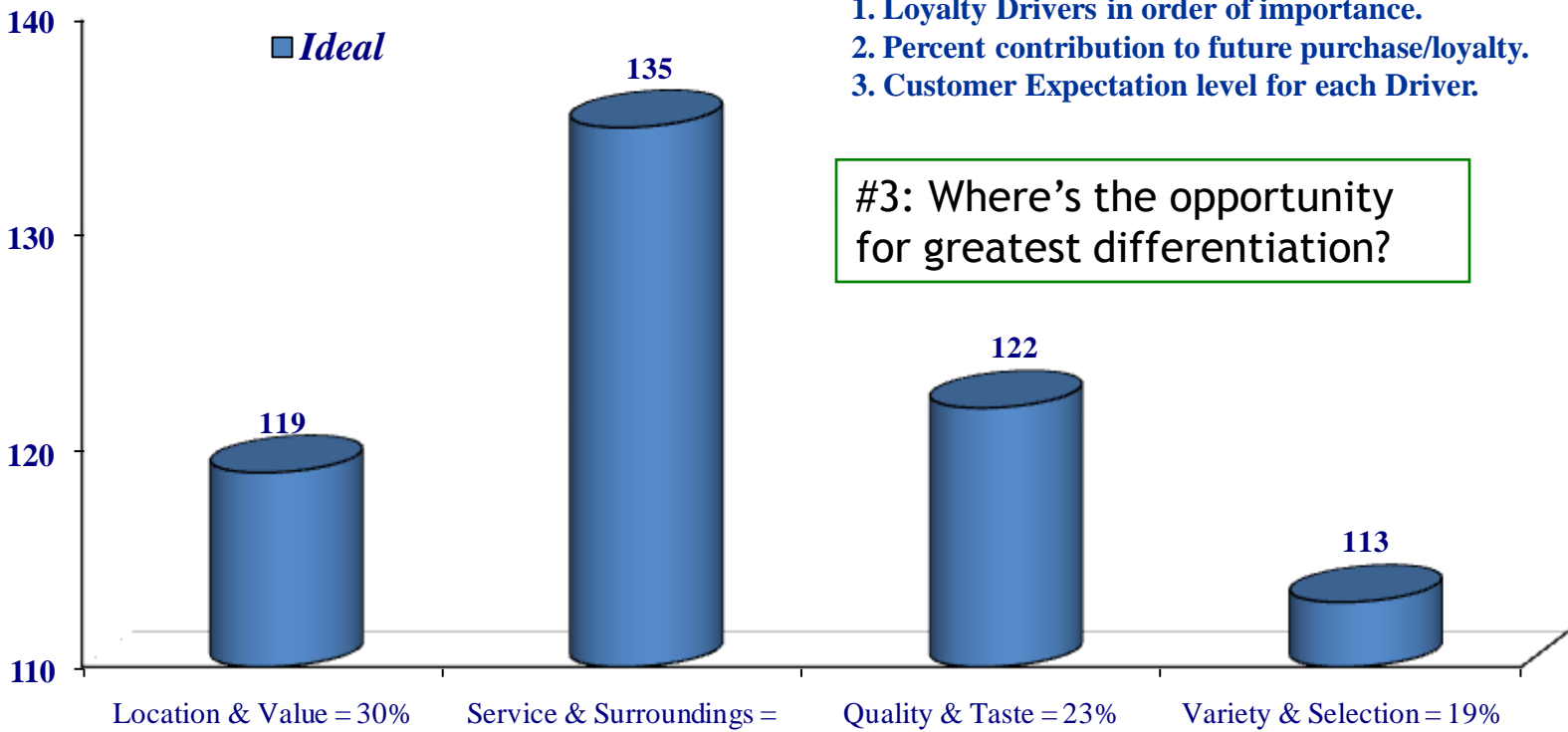


High =
Differentiator



Low =
Table Stakes

Customer Expectation Levels



1. Loyalty Drivers in order of importance.
2. Percent contribution to future purchase/loyalty.
3. Customer Expectation level for each Driver.

#3: Where's the opportunity for greatest differentiation?

2

Percent of Contribution

#2: What is the hierarchy of contribution to loyalty?

Highest



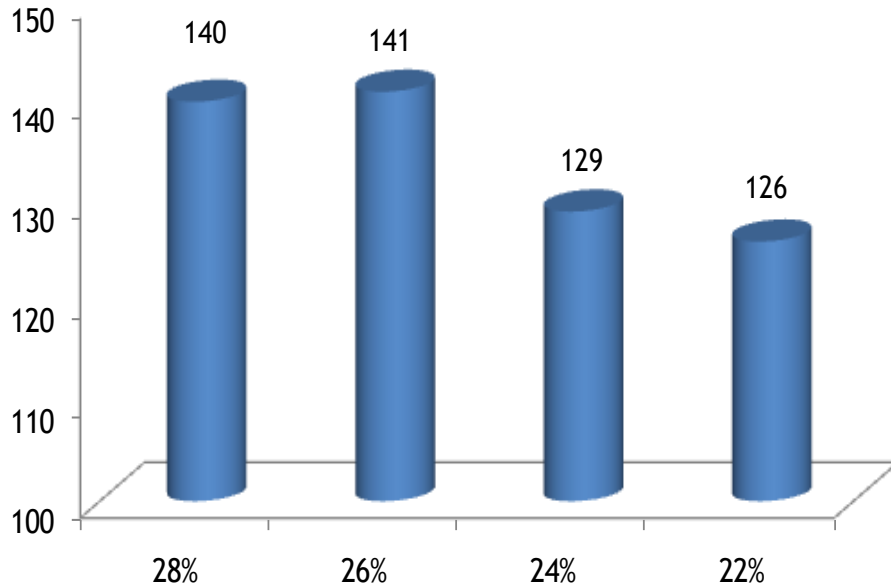
Lowest

1

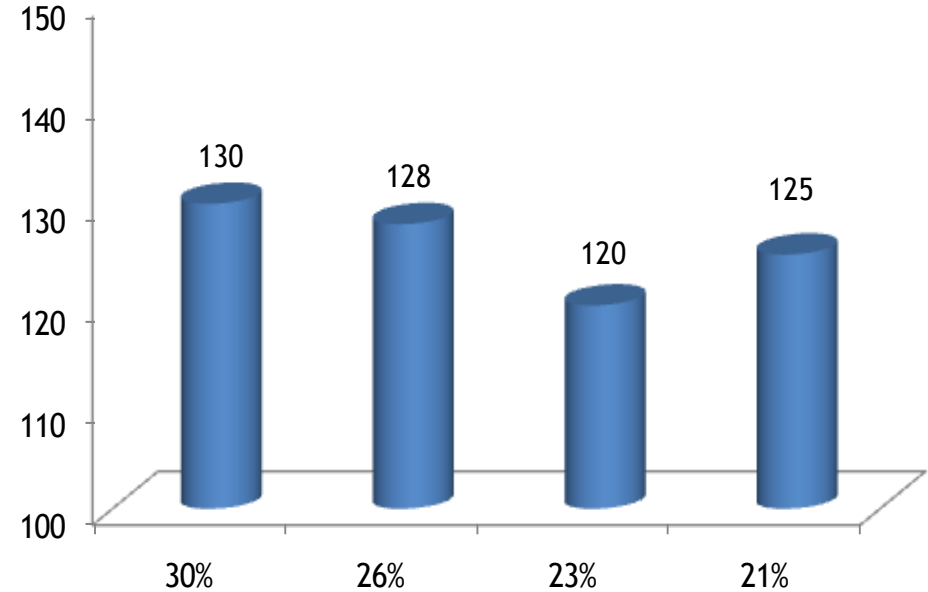
Loyalty Drivers – Order of Importance

#1: How do consumers view the category?

Apple



PC

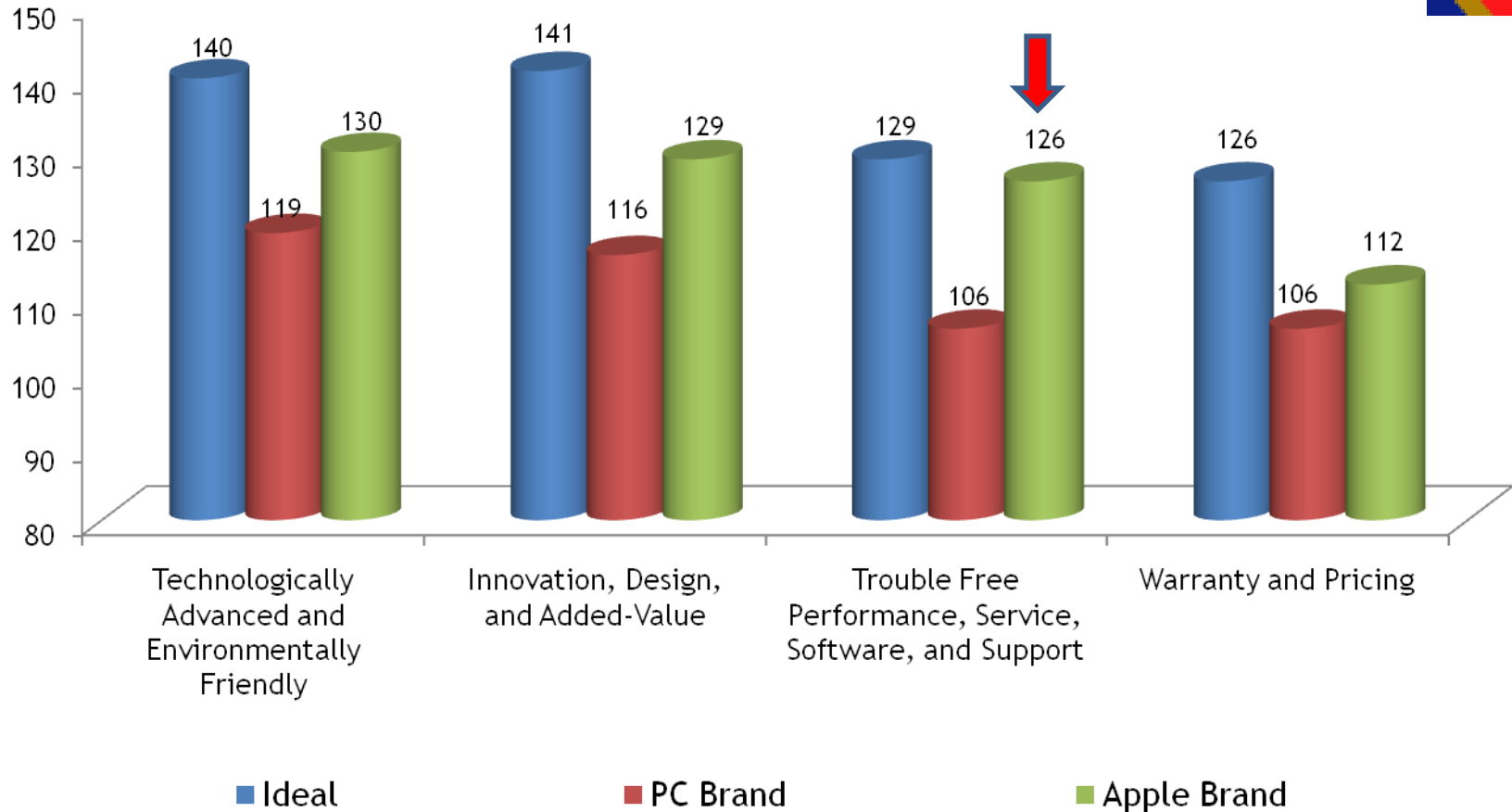
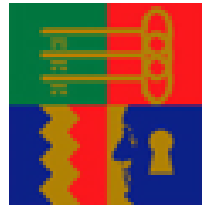


DRIVERS:

1. Technologically Advanced and Environmentally Friendly
2. Innovation, Design and Added Value
3. Trouble-Free Performance, Service, Software and Support
4. Warranty and Pricing

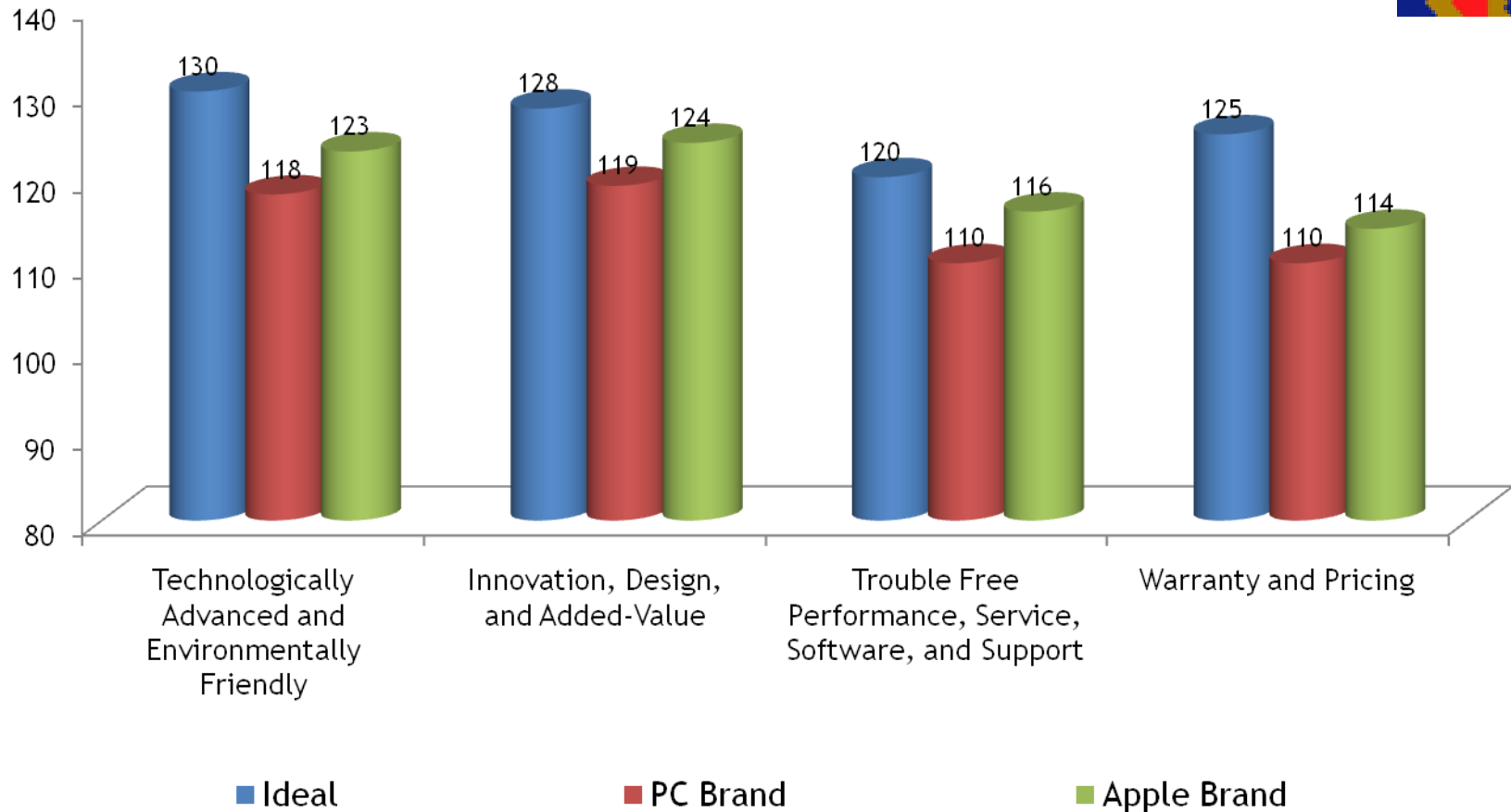
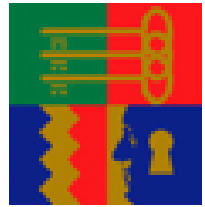
While both Apple and PC owners view the laptop category the same in terms of what's important, the expectations that drive customer engagement and loyalty are very different among these two groups. Apple users have higher expectations than do the PC users when it comes to advanced technology, innovation and design, as well as trouble-free performance.

Apple



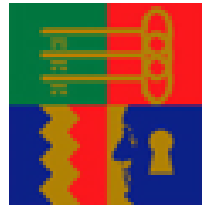
Not surprisingly, Apple users find the PC inferior to Apple when it comes to meeting their expectations. Importantly, however, even Apple has room to improve according to its users, except when it comes to *Trouble-Free Performance*, where users cede brand equity to Apple.

PC



Though PC users rate the PC closer to their Ideal than does the Apple users to theirs, even the PC users find the Apple brand better meets their expectations for the category—even ceding brand equity to Apple on innovation and design, and Trouble-Free Performance. This is troubling news for a brand like Microsoft, despite its current market dominance.

Apple's Serve

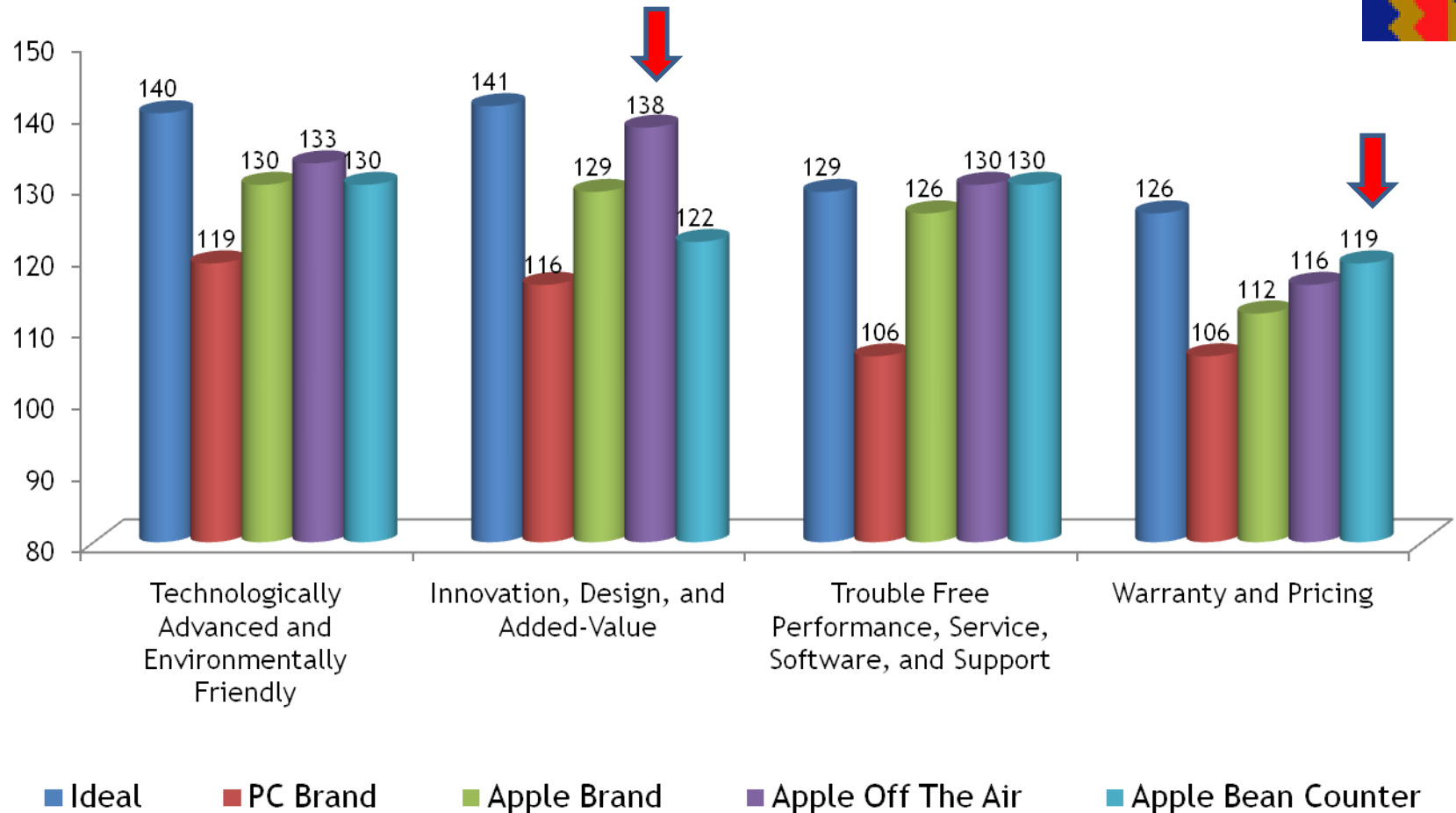
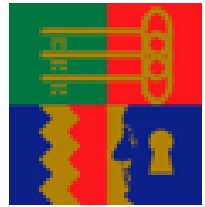


“Off the Air”



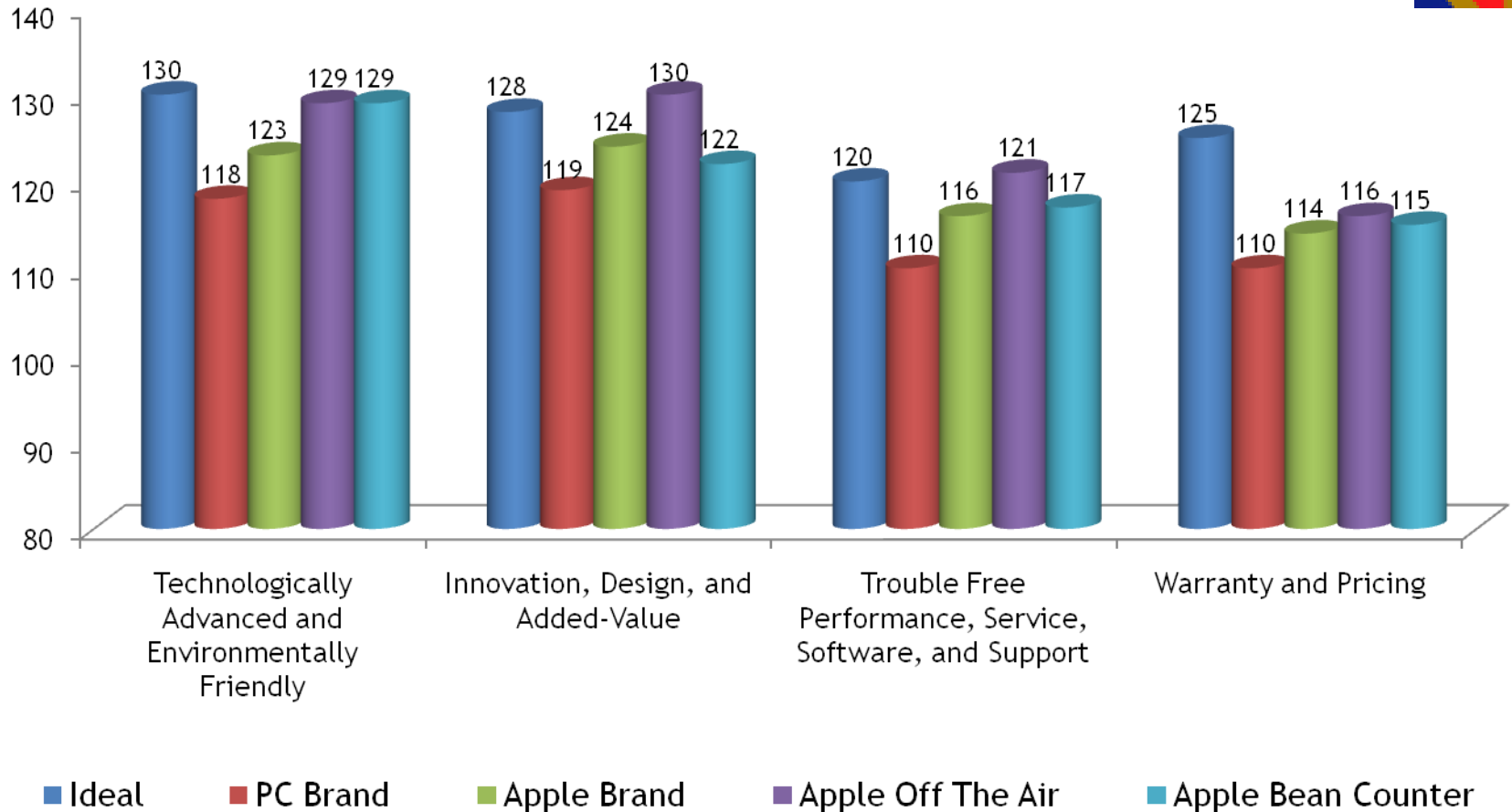
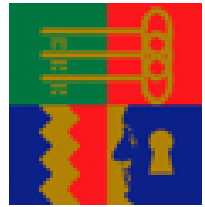
“Bean Counter”

Apple



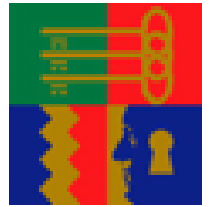
“Off the Air” is highly successful among Apple users when it comes to increasing the brand equity for Apple on *Innovation, Design and Added Value*—lifting the brand to meet expectations in this high-expectation driver. “Bean Counter” is working well to lift the brand for *Warranty and Pricing*, a driver where Apple is not particularly strong.

PC



“Off the Air” also works to lift innovation for Apple among the PC users; for this group it also resonates in the *Trouble-Free Performance* driver—possibly a result of PC users being all too familiar with Vista’s problems—as well as the driver for Technology Advanced. That makes this ad even more successful for Apple among the PC-user audience. “Bean Counter” is working hardest in the technology driver for this group.

Microsoft's Return

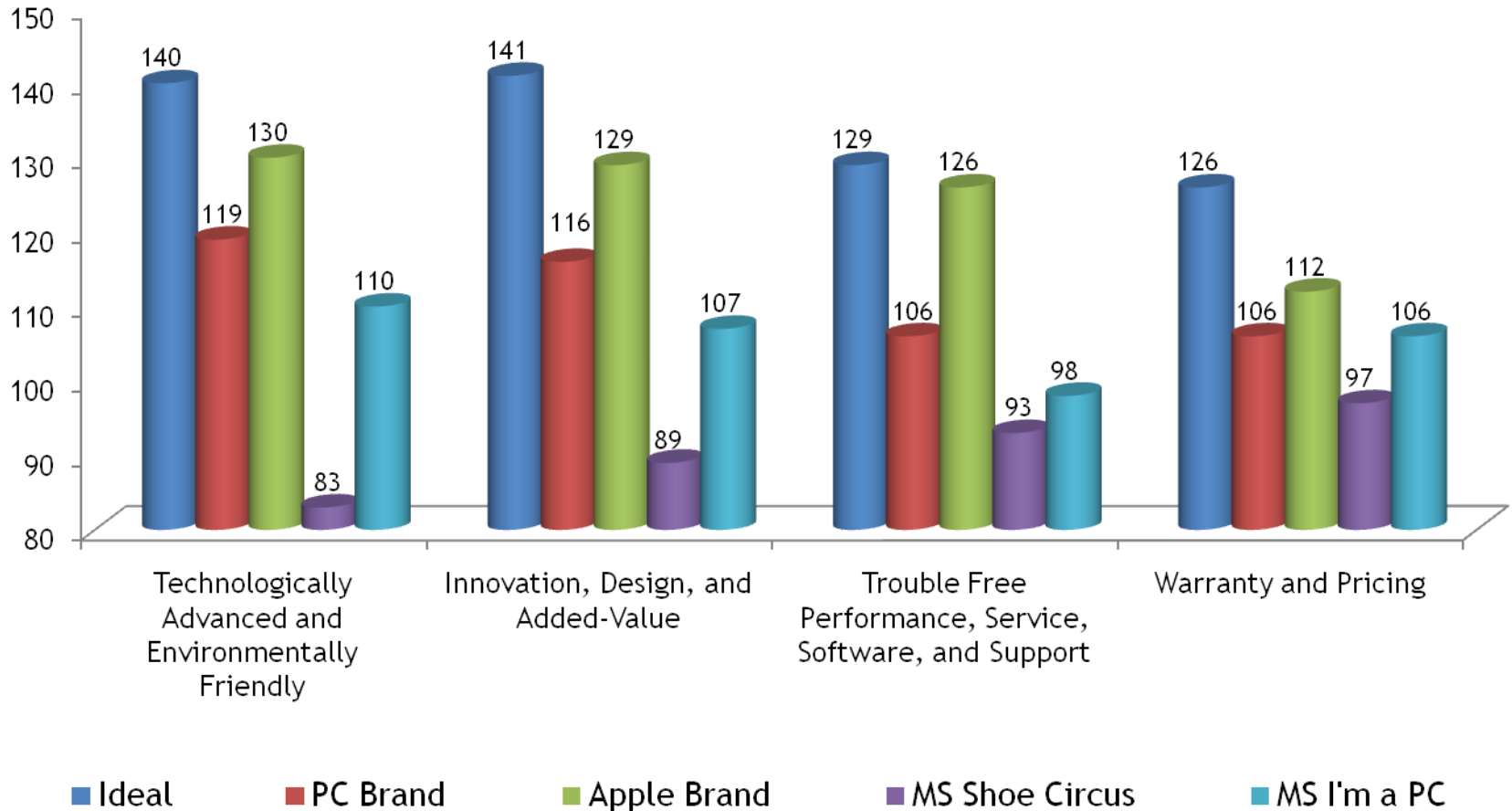
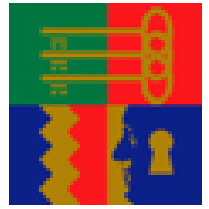


“Shoe Circus”



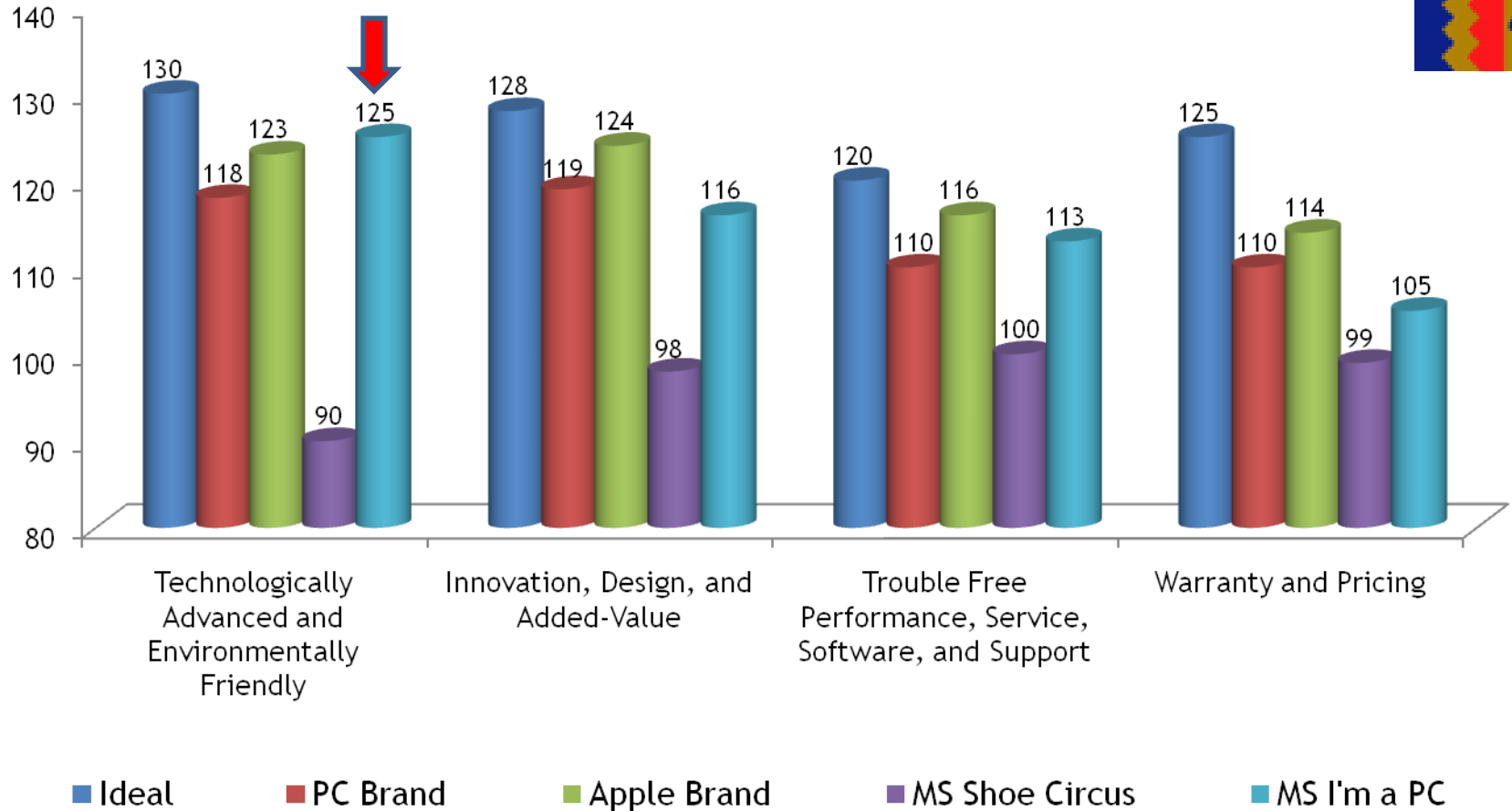
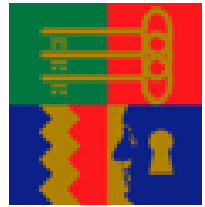
“I’m a PC”

Apple



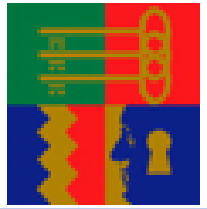
The much-anticipated \$30 million return volley by Microsoft, “Shoe Circus,” actually lowered Apple-users’ opinion of the PC significantly in every driver. “I’m a PC” while not performing well with the Apple user, did not do as badly, but is not winning over the Apple crowd.

PC



“Shoe Circus” had the same effect among PC users—*decreasing* PC brand equity in every driver, most especially the drivers for innovation and technology. This performance is consistent with what was reported uniformly in the marketplace for this ad. However, “I’m a PC” works well to lift equity in the technology/environmental driver, likely a result of its global and green messaging, offering some better news for Microsoft.

Thank You!



A blind pig may find truffles, but it helps to know that they grow under oak trees.

—David Ogilvy (1911-1992)