

TITLE OF CASE STUDY: HP BladesSystem Servers Positioning & Share Growth Campaign

Background

"Blades" are a relatively new technology in the server category. Servers are of course the behind the scenes workhorse engines that drive applications that are the backbone of today's electronic commerce, including the internet. Blades servers are an evolutionary step from traditional servers in that they utilize common management, power supply and cooling system for all servers in a single 'rack' -- a vertical cluster or housing of multiple servers. In contrast, 'traditional' servers have their own unique power supply, cooling, etc. for each server in rack. With shared elements for Blades servers, overall power, management and cooling needs for the same number of servers is reduced, the volume of cables required is substantially reduced, and other advantages such as the ability to 'hot swap' or install new servers in a rack without service disruption are made possible.

Business Situation

Hewlett-Packard (HP) is an innovator in Blades server technology. Although HP is a category innovator, Competitor 1 had invested far heavier in marketing and advertising than HP in its Blades server offering, netting Competitor 1 a decided advantage in market share and was also believed to have a leadership position in positioning perceptions. Competitor 2, although not a category innovator, had built a strong overall brand image around low cost and ease of doing business and it was believed that these brand advantages had halo perceptions around all of its product offerings, including servers.

HP wished to quantitatively confirm that its beliefs about competitive positioning were correct and launched a Blades periodic Wave survey of IT and business decision makers in October of 2004. This recurring survey, still in use today, became a critical measurement and diagnostic tool in the Blades server category for HP and for assessing and understanding the competitive landscape, including:

- awareness of Blades server offerings;
- performance of specific campaigns; and
- perceptual positioning

The Blades Server Wave study benchmark confirmed HP's positioning as 'sandwiched' between Competitor 1 with its strong perceptions around Blade servers successfully built through early, significant and consistent advertising and marketing investment while value perceptions went to Competitor 2, even before that competitor had a significant Blades offering in the marketplace.

HP's second place finishes in Blades market share and mediocre positioning perceptions led to a decision by HP to invest significantly and consistently in a BladeSystem campaign in late 2006. Prior Blades server advertising efforts had been very 'technical specifications' focused and intended to invoke immediate actions such as downloading a technical white paper or request for more technical information, were targeted to a staff level IT department decision maker, and were often of a one-off nature without clear campaign cohesion. HP decided to embark on more of a differentiating positioning and benefits-based consistent campaign, substantially upping its investment in mid-late 2006 and throughout 2007. TV, print and online ads were all initial key elements in a sustaining launch campaign with the clear objectives of 1) boosting market share; and 2) differentiating HP's BladeSystem offering in a relatively new category (Blades servers) that had the risk of becoming commoditized.

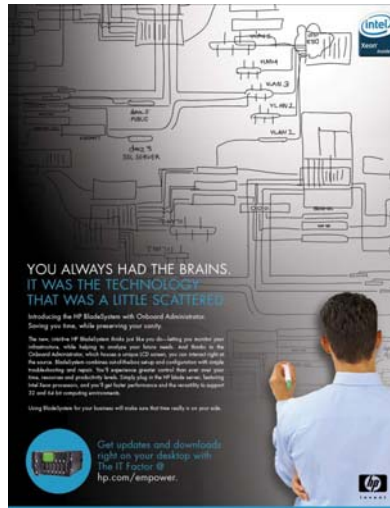
ResearchStory

In addition to the previously mentioned Blades Waves study which has been a vital diagnostic and metrics tool for measuring metrics movement on a regular and recurring basis, HP extensively

employed copytesting at the earliest stages of the campaign development. Two very different print approaches were considered for launching with a target of a functional IT audience; creative Concept 1 used a graphic novel approach and Concept 2 used a 'white board' thematic device.



Concept 1



Concept 2

Both concepts were radical departures from prior work which most often featured product beauty shots and technical specifications. Both concepts had their internal proponents, but Concept 1 (graphic novel platform) generated some controversy. Rather than rely solely on internal opinions, HP opted to take both concepts into copytesting, using Ipsos-ASI's online quantitative copytesting system among the target audience. Copytesting indicated that Concept 1 had significant potential to achieve strong clutter breakthrough, but the concept was highly polarizing on likeability – either respondents loved it or strongly disliked it with little middle ground. Some also found it to have a 'lack of seriousness.'

Fortunately, Concept 2, known as the "Empower" print series, was not a "by default" winner due to certain weaknesses in Concept 1, but research uncovered very strong positives indicating Concept 2 would both breakthrough clutter and resonate. The use of the whiteboard concept in particular (extended through multiple executions and media types in the campaign) resonated, with some unaided playback that 'it looks like my office,' further bolstering relevance.

Besides identifying the strongest concept, copytesting also provided strong direction for revising and enhancing the work, including: 1) simplifying and reducing the complexity of the imagery to reduce perceived overall clutter; 2) because our audience connected with the whiteboard, the imagery was made technically accurate to be more convincing; 3) making the copy more readable and 'popping' more; 4) reduce overall copy by getting more directly to the 'point.' Learnings were carried forward to revisions of the work.

Most importantly, the analysis indicated that the Concept 2 was strategically 'on' and indicated solid potential to differentiate HP and confirmed that the overall communications strategy would resonate.

Interestingly, a key learning for HP was uncovered about concept testing with a followup test of a revised Concept 2 ad. In the original series of tests, we did not include the "legal line" – a 'small print' copy block at the very bottom of a print ad containing any qualifiers and caveats required by the legal team – in the concepts test. However, we learned in the followup test using an actual finished ad rather than a concept ad that the legal line was 'assessed' by ad viewers as a contributor to total ad copy volume and that even with some tightening of body copy volume from the original concept ad, the inclusion of the legal line 'counted' toward clutter/total copy volume in the eye of the ad viewers and we did not achieve the hoped for progress in simplification with the tested execution as a result. However, we did carry forward the learnings on subsequent work and will include the legal line on all future ad concept testing in order to better simulate a real world environment. Additional

findings provided direction that was subsequently incorporated into evolved work on the importance of emphasizing benefits over proprietary product feature names.

Copytesting was also employed with the TV spot that would serve as a key launch vehicle in HP's renewed commitment to Blades servers advertising. Using Millward Brown's Link copytesting system, a rough cut of the HP BladeSystem spot known as "Crazytown" was tested on a fast track, near real-time path as the results and analysis would be fed into the ongoing production and editing of the TV spot. Research was closely coordinated with the ad agency creative and production teams so that the results could be impactful and help shape the final creative and still meet the deadline for the spot breaking.

The TV copytest uncovered a key weakness in the TV spot – correct brand linkage to HP. As HP did not have the B2B budget to compete head to head with Competitor 1 in television ad investment, it was important that an HP TV effort be well branded to maximize the return. The agency team began immediate modifications to the spot in order to enhance brand linkage, an especially challenging task as it was an animated production. Multiple edits and modifications were made to the rough cut in order to boost HP brand linkage, including VO/script adjustments and ratcheting up highlighting of the HP logo on the product shot. A copytest of the final edit indicated that brand linkage was lifted as a result of the edits.

In summary, HP employed extensive research tools to: 1) assess the competitive landscape; 2) identify messaging that would differentiate and resonate; 3) identify creative direction with the highest likelihood to succeed; 4) shape and refine creative executions; 5) diagnose in-market performance of HP and competitor Blades campaigns; and 6) monitor HP progress in key perceptual metrics.

Campaign Description

HP considers the BladeSystem advertising campaign to be an ongoing effort as creative executions have evolved and the overall approach freshened up since the campaign launch. However, for purposes of this entry, the early launch work is mostly our focus here.

The launch campaign includes two tracks of work due to the often complex decision making found in B2B IT decision making. At one level, we have the functional IT decision maker (often the IT department head or infrastructure manager) who is technically strong and is an implementer. At the second level is the business decision maker, often a C-suite level person who may not have the pure technical skills of the functional IT manager but plays an important role in IT brand decisions as someone who signs off or is the executive level champion for an IT brand decision or strategy. Instilling confidence in the functional IT managers' recommendations to C-suite decision makers is essential to 'closing the sale.' Key campaign elements included:

TV – key launch activity to demonstrate HP's commitment to Blades with a high visibility, impactful medium

"Crazytown" – a :60 and :30 second campaign launch spot

Target audiences: IT and business decision makers

Media strategy:

reach a heavily male audience through a mix of Network morning news, sports, cable networks (CNN, CNBC, FOX, SciFi, Discovery, History, Golf, FX, TNT, HLN, MSNBC, ESPN etc).

utilize TV to reach an audience that does not utilize print media

The use of television allowed HP to compete head-to-head with Competitor 1 to reach an audience that may not be familiar with HP's Blades offerings

Run dates – October '06 – April '07

Print – key for enabling HP to have concurrent conversations with different audiences

"Empower" (Concept 2) – series of print ads utilizing "white board" imagery

Target audience: IT decision makers

Media strategy: reach functional IT audience through industry publications such as *Linux World*, *Storage*, *Network World*, *e Week*, *Information Week*,

Run Dates – September '06 – March '07

"C-Level" – series of print ads that emphasized HP Blade server benefits in non-technical language

Target audience: Business decision makers

Media strategy: reach business decision makers in industry publications targeted to senior decision makers such as *CIO*, and business publications such as *WSJ*, *Business Week*, *Fortune*, *Forbes*, *CIO*, *CIO Insight*, *Optimize*

Run dates - September '06 – March '07

Online – used as a both an advertising vehicle and content delivery platform targeting an audience that is naturally predisposed to high web usage

“Empower”– series of online ads utilizing “white board” imagery

Target audience: IT decision makers

Media strategy:

create awareness, consideration and preference for HP's BladeSystem by engaging the audience through video, high impact placements, targeted banners and contextually relevant content, etc.

develop synergy with offline media programs

utilized 3rd party white papers for lead generation

Run Dates – September '06 – March '07

“C-Level” – series of online ads that emphasized HP Blades servers benefits in non-technical language

Target audience: Business decision makers

Media strategy: create awareness, consideration and preference for HP's new BladeSystem by reaching target within editorial sites containing strategic business insights, and business and technology news

Developed content rich custom media programs

Developed synergy with offline media programs

Run Dates – September '06 – March '07

Microsite/landing page – a landing page environment that captured the essence of the ‘Empower’ print and online work , leveraging the white board imagery and providing details and white papers on HP's Blade servers

Target audience: IT and Business Decision Makers

Media strategy:

traffic driven by clickable online ads and “drive to web” urls in print advertising.

Provide additional educational opportunities in a content rich multimedia format

Multiple elements of this campaign launch work was transcreated and leveraged in more than 20 countries outside the US.

Business Results

In our most recent Blades Waves study (November 2007), we see the following key metrics positive shifts since HP's 2006/2007 renewed commitment to advertising for this category:

Top of mind Blades servers offering awareness for HP: + significantly

Total unaided awareness of Blades servers for HP: + double digits, significantly

HP Blades servers familiarity ‘heard a lot about:’+ significantly

Key positioning attribute #1: + significantly

Key positioning attribute #2: + significantly

Key positioning attribute #3: + significantly

In addition to these key positioning/perceptual shifts, the US marketplace has responded by vaulting HP into first place over long-time market leader Competitor #1 in both Blades server units and Blades server revenue beginning in 4Q06 and continuing throughout 2007, according to independent industry analysis firm IDC.