

Story

Technology Marketer Of The Year: HP

Nina M. Lentini, Jan 02, 2009 05:00 AM



Hewlett-Packard spent 2008 winning accolades for surging past its competitors--not only in terms of sales, but in innovation and its use of social media to engage and retain customers.

In November, the company announced increased quarterly sales and a 10% hike in PC revenue over the previous year. Its market share stood at 18.8% against chief rival Dell, which had 14.2%, and HP was shipping 15.1 million units--up nearly 15% over Dell's 11.4 million units, which were up 11.4%.

Robert Passikoff, president of Brand Keys, says that HP "doesn't get enough credit for what they do," noting that the company has done a "wonderful job internally in terms of technological development--a critical area in the category--but its advertising has not conveyed the degree to which they have taken a leadership position."

As MediaPost's Amy Corr pointed out in an "Out to Launch" column on HP's holiday campaign promoting its TouchSmart desktop PC and Pavilion dv5 Entertainment Notebook PC: "The TV ads are OK, but the viral ads are great. The first TV spot follows a magician placing objects in his magic box: a cell phone, video game controller, video camera, photo album and a flat screen TV. The box melts into a laptop that's multifunctional. Magic. ... The online virals take place underneath a Christmas tree, pitting an HP product with another gift that's not as versatile and easily forgettable."

At the Association of National Advertisers' annual Masters of Marketing conference in October, Michael Mendenhall, senior vice president and chief marketing officer at HP, did not exactly say that traditional media were finished--but he did wonder aloud: "If I can create my own network, what do I need others for?" And he showed the audience a fan's mash-up of a Shaun White "Hands" ad that had the snowboarder outlining how he used his HP notebook. Mendenhall said he welcomes such efforts by consumers.

In the area of consumer engagement, HP is on target with what Kalle Lasn, head of Adbusters, sees as a trend in product marketing. "Marketing and advertising in general have become victims of [our] boredom, with hundreds of ads coming at you day after day," he says. "What has, in a sense, been replaced with a product marketing bonanza that we've been on now for many generations is a different kind of marketing--what is exciting now is social marketing."

Says Mendenhall: "Most people manage campaigns, but it is equally important to manage ecosystems around campaigns. We are looking at how they are engaging, about engagement models, about building that robust strategy around that idea, product, service launch. Social forums, customer service forums--it's incredibly important to think about segments, consumer/customer behavior, digital space--the place we know consumers have an important influence on people's brands."

Where HP has shone is in the realm of technology--it has introduced a green notebook, developed a 24-hour laptop battery and debuted the mini HP. "They are responding to consumers' needs,"

says Passikoff, "They want small, low-power laptops to get on the Web using a full keyboard. That's where their leadership is--where they shine."

That connection is detectable. Vitruve, a company that measures social media, detected an upswing in social share of voice on HP's part in November and the first two weeks of December even as Dell's share went down.

An HP spokesperson says the increase "could be attributed to various activities, including online holiday campaigns, blogs, a partnership with MySpace, etc."

HP also recently partnered with MTV to promote an online contest to design a new entertainment notebook in 13 countries. The viral campaign received more than 8,000 design entries and got more than five million hits.

"HP made a conscious decision to give the brand to consumers to interact and engage with," she said, "and it was all made possible through digital channels--a very efficient way to engage consumers and drive incremental revenue."