

Marketing Excellence



>>Cisco



Cisco Systems is the worldwide leading supplier of networking equipment for the Internet. The company sells hardware (routers and switches), software, and services that make most of the Internet work. Cisco was founded in 1984 by a husband and wife team who worked in the computer operations department at Stanford University. They named the company cisco—with a lowercase c, short for San Francisco, and developed a logo that resembled the Golden Gate Bridge, which they frequently traveled.

Cisco went public in 1990 and the two founders left the company shortly thereafter, due to conflicting interests with the new president and CEO. Over the next decade, the company grew exponentially, led by new-product launches such as patented routers, switches, platforms, and modems—which significantly contributed to the backbone of the Internet. Cisco opened its first international offices in London and France in 1991 and has opened a number of new international offices since then. During the 1990s, Cisco acquired and successfully integrated 49 companies into its core business. As a result, the company's market capitalization grew faster than for any company in history—from \$1 billion to \$300 billion between 1991 and 1999. In March 2000, Cisco became the most valuable company in the world, with market capitalization peaking at \$582 billion or \$82 per share.

By the end of the 20th century, although the company was extremely successful, brand awareness was low—Cisco was known to many for its stock price rather than for what it actually did. Cisco developed partnerships with Sony, Matsushita, and US West to co-brand its modems with the Cisco logo in hopes of building its name recognition and brand value. In addition, the company launched its first television spots as part of a campaign entitled “Are

You Ready?” In the ads, children and adults from around the world delivered facts about the power of the Internet and challenged viewers to ponder, “Are You Ready?”

Surviving the Internet bust, the company reorganized in 2001 into 11 new technology groups and a marketing organization, which planned to communicate the company's product line and competitive advantages better than it had in the past. In 2003, Cisco introduced a new marketing message, “This Is the Power of the Network. Now.” The international campaign targeted corporate executives and highlighted Cisco's critical role in a complicated, technological system by using a soft-sell approach. Television commercials explained how Cisco's systems change people's lives around the world and an eight-page print ad spread didn't mention Cisco's name until the third page. Marilyn Mersereau, Cisco's vice president of corporate marketing, explained, “Clever advertising involves the reader in something that's thought-provoking and provocative and doesn't slam the brand name into you from the first page.”

The year 2003 brought new opportunities as Cisco entered the consumer segment with the acquisition of Linksys, a home and small-office network gear maker. By 2004, Cisco offered several home entertainment solutions, including wireless capabilities for music, printing, video, and more. Since previous marketing strategies had targeted corporate and IT decision makers, the company launched a rebranding campaign in 2006, to increase awareness among consumers and help increase the overall value of Cisco's brand. “The Human Network” campaign tried to “humanize” the technology giant by repositioning it as more than just a supplier of switches and routers and communicating its critical role in connecting people through technology. The initial results were positive.—Cisco's revenues increased 41 percent from 2006 to 2008, led by sales increases in both home and business use. By the end of 2008, Cisco's revenue topped \$39.5 billion and *BusinessWeek* ranked it the 18th biggest global brand.

With its entrance into the consumer market, Cisco has had to develop unique ways to connect with consumers. One recent development is *Cisco Connected Sports*, a platform that turns sports stadiums into digitally connected interactive venues. The company already has transformed the Dallas Cowboys, New York Yankees, Kansas City Royals, Toronto Blue Jays, and Miami Dolphins stadiums into “the ultimate fan experience” and plans to add more teams to its portfolio. Fans can virtually meet the players through Telepresence, a videoconferencing system. Digital displays throughout the stadium allow fans to pull up scores from other games, order food, and view local traffic. In addition, HD flat-screen televisions throughout the stadium ensure that fans never miss a play—even in the restroom.

Today, Cisco continues to acquire companies—including 40 between 2004 and 2009—that help it expand into newer markets such as consumer electronics, business collaboration software, and computer servers. These acquisitions align with Cisco's goal of increasing overall Internet traffic, which ultimately drives demand for its networking hardware products. However, by entering into these new markets, Cisco has gained new competitors such as Microsoft, IBM, and Hewlett-Packard. To compete against them, it reaches out to both consumers and businesses in its advertising efforts, including tapping into social media such as Facebook, Twitter, and blogs.

Questions

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1. How is building a brand in a business-to-business context different from doing so in the consumer market?
2. Is Cisco's plan to reach out to consumers a viable one? Why or why not?

Sources: Marguerite Reardon, "Cisco Spends Millions on Becoming Household Name," *CNET*, October 5, 2006; Michelle Kessler, "Tech Giants Build Bridge to Consumers," *USA Today*, March 13, 2006; Maria Matzer, "Cisco Faces the Masses," *Los Angeles Times*, August 20, 1998; David R. Baker, "New Ad Campaign for Cisco," *San Francisco Chronicle*, February 18, 2003; Bobby White, "Expanding into Consumer Electronics, Cisco Aims to Jazz Up its Stodgy Image," *Wall Street Journal*, September 6, 2006, p. B1; Burt Helm, "Best Global Brands," *BusinessWeek*, September 18, 2008; Ashlee Vance, "Cisco Buys Norwegian Firm for \$3 Billion," *New York Times*, October 1, 2009; Jennifer Leggio, "10 Fortune 500 Companies Doing Social Media Right," *ZDNet*, September 28, 2009.

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>>Intel



Intel makes the microprocessors found in 80 percent of the world's personal computers. Today, it is one of the most valuable brands in the world, with revenues exceeding \$37 billion. In the early days, however, Intel microprocessors were known simply by their engineering numbers, such as "80386" or "80486." Since numbers can't be trademarked, competitors came out with their own "486" chips and Intel had no way to distinguish itself. Nor could consumers see Intel's products, buried deep inside their PCs. Thus, Intel had a hard time convincing consumers to pay more for its high-performance products.

As a result, Intel created the quintessential ingredient-branding marketing campaign and made history. It chose a name for its latest microprocessor introduction that could be trademarked, Pentium, and launched the "Intel Inside" campaign to build brand awareness of its whole family of microprocessors. This campaign helped

move the Intel brand name outside the PC and into the minds of consumers. In order to execute the new brand strategy, it was essential that the computer manufacturers who used Intel processors support the program. Intel gave them significant rebates when they included the Intel logo in their PC ads or when they placed the "Intel Inside" sticker on the outside of their PCs and laptops.

The company created several effective and identifiable marketing campaigns in the late 1990s to become a recognizable and well-liked ingredient brand name. The "Bunny People" series featured Intel technicians dressed in brightly colored contamination suits as they danced to disco music inside a processor facility. Intel also used the famous Blue Man Group in its commercials for Pentium III and Pentium IV.

In 2003, Intel launched Centrino, a platform that included a new microprocessor, an extended battery, and wireless capabilities. The company launched a multimillion-dollar media effort around the new platform called "Unwired," which urged the wired world to "Unwire. Untangle. Unburden. Uncompromise. Unstress." "Unwired" helped the company generate \$2 billion in revenue during the first nine months of the campaign.

As the PC industry slowed in the mid-2000s, Intel sought opportunities in new growth areas such as home entertainment and mobile devices. It launched two new platforms: Viiv (rhymes with "five") aimed at home entertainment enthusiasts, and Centrino Duo mobile. In addition, the company created a \$2 billion global marketing campaign to help reposition Intel from a brainy microprocessor company to a "warm and fuzzy company" that offered solutions for consumers as well. As part of the campaign, Intel's new slogan "Leap Ahead" replaced the familiar "Intel Inside" campaign that had become synonymous with the Intel brand, and a new logo was created.