

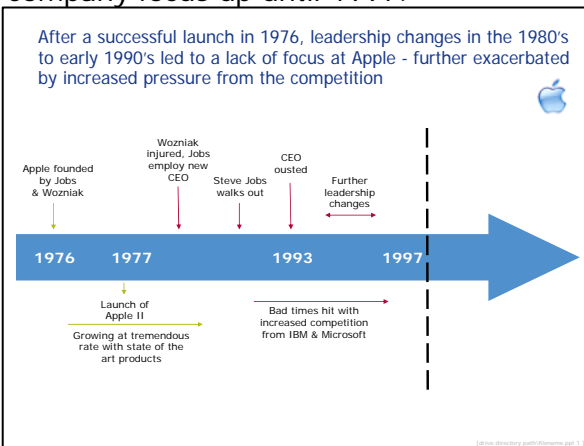
From computer geek to style icon

Nicole Kennedy

What Apple can teach us about brand revitalisation

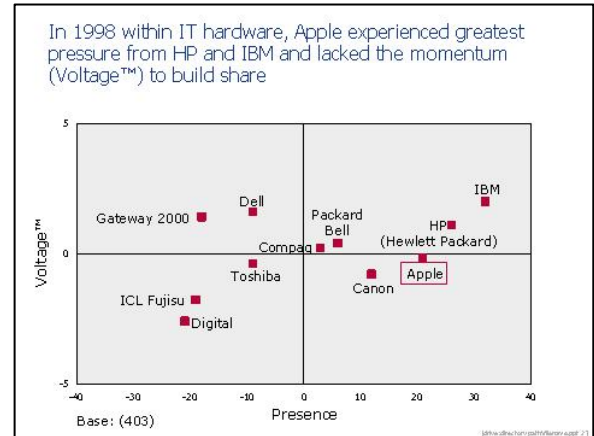
Apple was launched successfully in 1976 by Founders Steve Jobs and Steve Wozniak ("the two Steves") with the company initially growing at a tremendous rate - led by the Apple II and other state of the art computer products.

Apple's success continued into the mid 1980's. Although following this, circumstances changed. In particular, an injury to Wozniak necessitated Jobs to employ a new CEO. Internal tension followed which resulted in Jobs also leaving his company in the late 1980's. The new CEO was ousted in 1993 but further leadership changes and internal uncertainty followed - resulting in a lack of company focus up until 1997.



Out of fashion

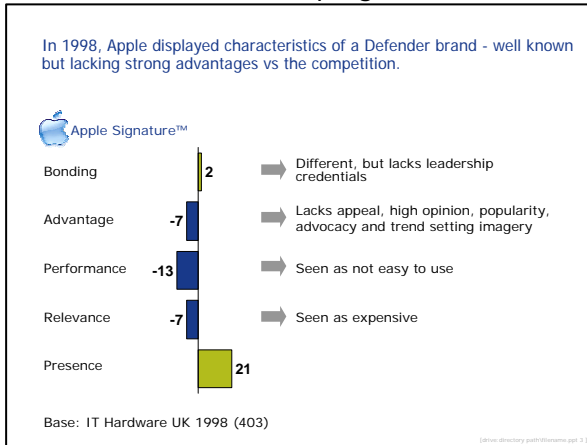
While Apple battled with its internal struggles competitors rose to the new technological opportunities on offer. 1998 BrandZ™ data evaluates Apple's position in an IT Hardware context. Plotting its presence relative to the competition against Voltage™ - a measure of the likelihood to build share - illustrates the pressure Apple was experiencing from Hewlett Packard and IBM but also how it lacked the momentum to grow.



In 1998 Apple was a well known brand but in consumers eyes it lacked strong advantages on which to choose it above the competition - therefore hindering its growth potential. The internal struggle with company focus outwardly projected a lack of clarity around what its brand stood for. Within BrandZ™ a brand displaying characteristics akin to Apple's at that time is termed a Defender brand. Defenders occupy a middle ground in their market - attempting to take on the big players while having to fight off advances from emerging brands.

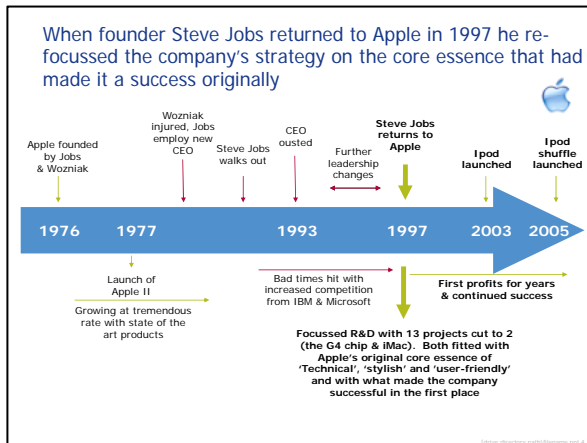
Apple's Brand Signature™ - a summary of relative strengths and weaknesses versus the competition - indicated it was strong at presence but poorer at converting this awareness to loyalty. For many Apple lacked relevance - as it was perceived to be expensive - and worryingly it displayed performance issues (seen as not easy to use) which contradicted with the 'user friendly' core essence that was intended at birth. A lack of appeal, higher opinion, popularity, advocacy and trend setting imagery all reduced Apple's perceived advantage above the competition.

Although recognised as different, in 1998 Apple lacked the leadership credentials to entice stronger bonding and really ride the wave in this fast developing market

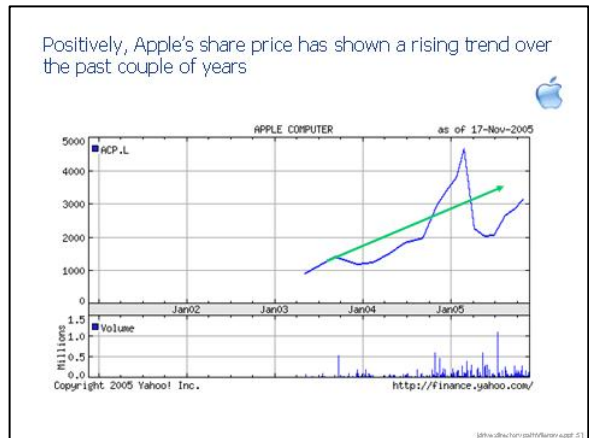


The new trend

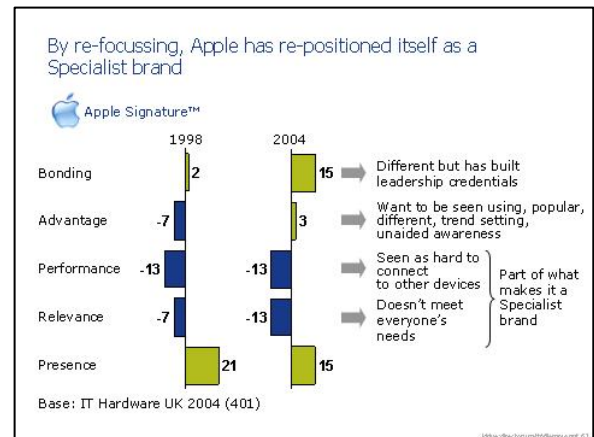
So there was clearly a need to revitalise Apple and the good news was that in 1997 Founder Steve Jobs returned to help guide the company through its recovery phase. One of his most effective early actions was to re-focus the company strategy and R&D plan back onto the core essence that made Apple successful at launch. Essentially he cut 13 R&D projects down to 2 – the G4 chip and iMac – which both fitted with Apple's original brand proposition of 'technical', 'stylish' and 'user-friendly'.



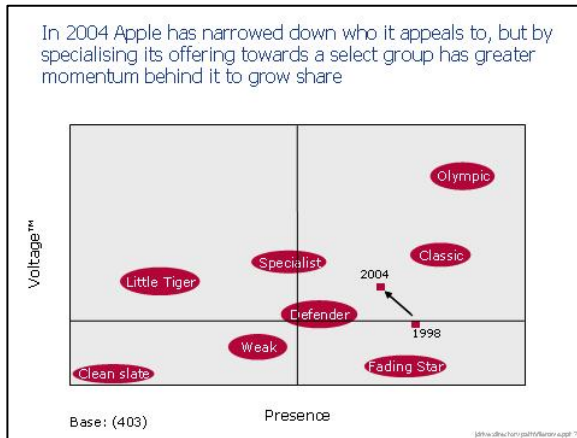
From that point onwards Apple experienced the first profits for years, continuing to the current day with the significant arrival of Ipod in 2003. The success is evident in Apple's share price which has shown a rising trend since 2003.



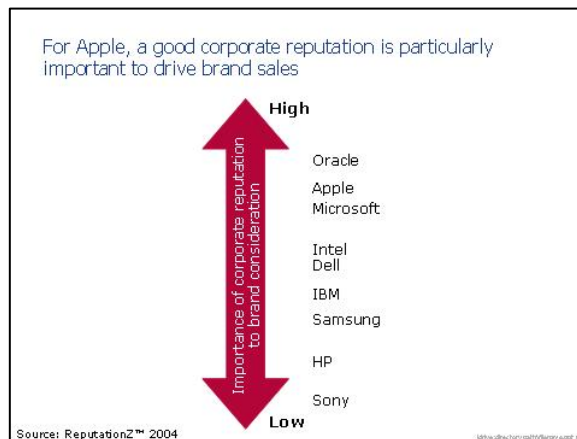
Through re-focussing, Apple has revitalised itself into a 'Specialist' brand – it isn't relevant to everyone, but very strong amongst a core following. Apple's 2004 Brand Signature™ still shows that it isn't relevant to everyone (and should continue to do so today) however the factors driving this now contribute to the brands position rather than hinder it. Not meeting everyone's needs and not connecting to just any old computer device is something which supports its Specialist nature - rather than the usage barrier seen back in 1998 (whether perceived or real). In 2004 Apple's advantages over the competition include unaided awareness, popularity and trend setting imagery and for those who love Apple – are bonded – it has built solid leadership credentials.



So since 1998 through focusing its efforts Apple has narrowed down who it appeals too - and therefore its presence relative to the competition - but by building appeal amongst its core followers Apple now has increased momentum behind it to grow share (Voltage™).

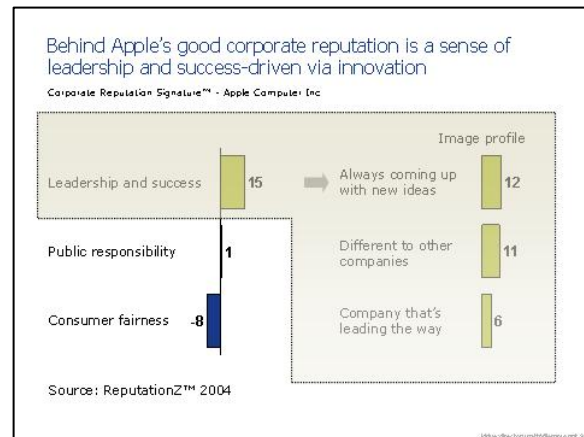


In addition, a 2004 WPP study into the corporate reputation of 100 major companies in the UK (called ReputationZ) also showed how Apple Computer Inc has a good corporate image in consumer's eyes. This is particularly important for Apple as it is a company for whom corporate reputation has a strong relationship with its product sales.



Driving Apple's good reputation is a sense of 'leadership and success'. The Corporate Reputation Signature measures relative strengths and weaknesses across 3 broad areas - public responsibility, consumer fairness and leadership and success. Apple's Corporate Signature™ is defined by strength in leadership and success.

Innovation is behind Apple's leadership and success – seen as a company that comes up with new ideas, is different and leads the way. Image profiles highlight defining characteristics relative to the competition and Apple Computer Inc's is positive in these 'innovation' areas.

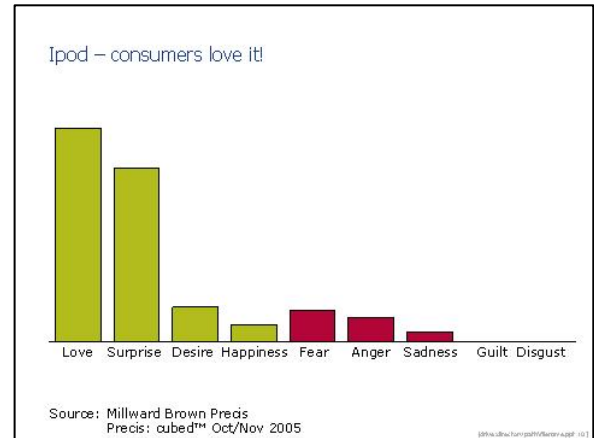


Designer catwalks

Apple Computer Inc's portrayal of leadership and innovation at a corporate level provides a company focus but also allows it the credibility to transfer these same values to its products and brands. The relatively recent launch of the I pod follows along these lines – an innovative, stylish addition to Apple's portfolio and a consumer must-have. All of I pod's consumer touchpoints – including product, packaging and Marketing activity fit with the innovative, stylish focus for the brand (and company).

And the media coverage on I pod? ... they love it!

Millward Brown Precis is a public relations and news measurement analysis service that provides a measure of media coverage. The incidence and tone of reporting on various topic areas, such as attributes (product or corporate) and key messages, can be tracked. Tracking of I pod's media coverage using the Precis:cubed™ real-time media evaluation service in Oct/Nov 2005 showed several positive feelings appeared regularly in the reporting – most noticeably 'love' but also an element of 'surprise' around their latest innovation - the launch of a new I pod capable of playing videos.



So what does Apple teach us about brand revitalisation?

- Strip out what makes the brand great - focus communication and product development on this
- Don't feel pressured to appeal to everyone – greater loyalty amongst a smaller group can be just as powerful.
- Believe in your brand – internal confidence helps drive consumer credibility
- Exploit halo opportunities - where there is a clear link between Corporate identity and brands facilitate a two way transfer of credible values
- Be consistent – drive clarity of associations right through the line

For this type of analysis go to <https://mb.brandz.com> or contact Brandz@uk.millwardbrown.com

Nicole Kennedy is an Account Manager at Millward Brown, the leading International brand and communications research consultancy

Reference: 'Apple', University of Wales Aberystwyth, 2004

BrandZ is the WPP funded global brand equity study available to clients and potential clients via WPP owned companies. It is validated against sales and quantifies and diagnoses the strengths and weaknesses of brands.