



## CONSUMER ELECTRONICS SILVER WINNER Hewlett-Packard

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### **Introducing the world's first web-connected home printer — HP Photosmart**

#### **BUSINESS SITUATION**

##### ***Waking up a sleeping category***

HP is the market share leader in consumer printing by a wide margin. But, despite this enviable position, the consumer printing category is becoming commoditized, and category sales (even before the economic crisis) have stagnated.

Part of the reason for this is that while consumer electronic developments across many categories have been propelled by the web and have become genuinely exciting to consumers (iPhone is the most obvious example) "home printing" seems increasingly undynamic and lacking in innovation.

Brand equity research shows that the HP printing brand is strong overall, but it also reveals some vulnerability, particularly in the areas of new product development and perceptions of differentiation. To maintain its leadership, HP has rallied internally behind the mantra of "reinvent consumer printing." New capabilities and new products are key to making this aspiration come to life.

##### ***An opportunity not to miss***

The new HP Photosmart all-in-one printer with TouchSmart Web technology (TSW), launched in early Fall of 2009, is the world's first web-connected home printer. With its sleek, cool-looking, jet-black design and uniquely large touchscreen, the Photosmart was the perfect opportunity to "reinvent" the consumer printing category, modernize the brand — and own innovation again.

Accessing the web directly from a printer through a series of customizable web applications (without the need for a computer) was a new concept and potentially challenging for consumers to grasp. The Internet is not exactly a new thing — so how could we make it amazing and relevant for a printer? How could we make sure that people understood, and desired, this new breed of device? And how could we use a premium-priced innovation to help sell the entire HP printer portfolio?

**It's when you are in complete darkness that research is the most powerful — and also the most rewarding. This case will demonstrate how it paid off to trust our consumers to enlighten, inspire and guide us to the answer through a coordinated research program that revealed unexpected and helpful new solutions to old problems.**

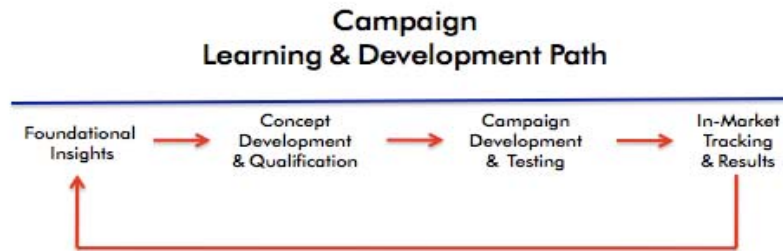
#### **MARKETING OBJECTIVES**

- 1- To make HP's printing technology exciting and worth discussing.
- 2- To re-stake HP's claim as the leader in "relevant printer innovation," building up a long-term competitive advantage beyond just price and value.
- 3- To boost near-term consideration and sales of the HP Photosmart printers, using the premium feature "TouchSmart Web" (TSW) as the halo to up-sell across the whole portfolio.

## PLAN OF ACTION

The Photosmart campaign provided the first opportunity for HP to employ their holistic “Campaign Learning and Development Path” — a rigorous, yet adaptable, approach to help drive marketing that is customer resonant, engaging and convincingly differentiated — and help mitigate business risk while protecting the integrity of the ideas created to communicate the new technology.

The process involved 4 basic stages of research activity with varying elements within each stage.



### STAGE 1 — FOUNDATIONAL INSIGHTS

- (i) Brand Equity assessment<sup>1</sup> revealed that while HP’s equity is competitively strong, there is room to grow and a need to differentiate. Product innovation & breakthrough communication were identified as key levers to differentiate HP’s brand in the printer category.
- (ii) Leveraging our new worldwide segmentation study,<sup>2</sup> combining attitudinal typologies and printing need states, we identified six potential targets that we narrowed to one: “*Successful Families*” (SF). They represent an optimistic group that likes to try new things, are “on the go,” are open to new technologies, and yet they value the printed page (representing 30% of the US market value).
- (iii) A series of worldwide ethnographies<sup>3</sup> revealed that, sometimes, observation tells you more than words. Visiting the homes of our target in Korea, France and the U.S. with ethnography experts, we recognized something that was common to every geography and had little to do with printing and a lot to do with the printer itself. Rather than devices to take pride in, printers were often



- hidden under a desk or in a closet. Unlike PC’s, entertainment systems, cell phones or the network of things that make up our electronic lives, printers are one of the few technologies we ‘hide’.
- (iv) In focus groups<sup>4</sup>, we probed and got confirmation: people classify printers as “mechanical,” not “electronic” devices. Ultimately, it’s less about the “printer” and more about “printing” content that fits their on-

the-go lifestyle (maps, tickets, photos, memos to navigate their day, etc.).

Unless the printer was visibly more front-and-center, it was unlikely that consumers would view printing with more interest or animation than before.

<sup>1</sup> Led by Millward Brown — BrandDynamics™ methodology

<sup>2</sup> Led by Added Value

<sup>3</sup> Led by Flamingo International

<sup>4</sup> Led by Flamingo International

⇒ Thanks to a disciplined approach, a rich blend of research and the insightful expertise of our partners, the equation started to shape out of the initial darkness: ***Printers, ironically, were getting in the way of printing. Let's show "Successful Families" how direct access to the web on their printer is relevant to simplifying their eventful, on-the-go lives - and can make the printer a more central, relevant device again.***

## STAGE 2 — COMMUNICATION CONCEPT DEVELOPMENT

### Qualitative concept refinement<sup>5</sup> and quantitative concept testing<sup>6</sup>

This round of research revealed what we suspected: the new Photosmart printer with TSW appeared to be a compelling product to use — but it was a complicated story to tell. Our target identified with the new printer's innovations (touchscreen, web connectivity and custom applications), but initial concepts did not clarify the “web-enabled” part. We identified the touchscreen as a valuable, familiar feature to bring the new concept to life across the product line – and something that would, potentially, bring the printer out of hiding.

⇒ This second round of research added incremental illumination: ***On top of showing how this new printer would fit in people's lives (not just under a desk), the finished campaign would need to clearly demonstrate, step by step, how the product worked. The creative challenge was to make our audience “feel” the simplicity and the usefulness of the technology.***

## STAGE 3 — CAMPAIGN DEVELOPMENT & TESTING

### Developing the Big Idea

All insights led to an ambitious place; *it's time to change how people see their printers from something static, mechanical and worth hiding, to an always-connected, centrally displayed and simple-to-use catalyst for doing more.*

For the first time, we could encourage people to think differently about their printer and ***“print the way you live, at the touch of your finger.”***

### Developing the Campaign

From PR, to print, to online, our touchpoints adopted a consistent “look and feel”, with **“Touch, Print, Go”** as the main theme.

The richness of insights collected during our first two phases - plus additional small grassroots research projects - informed the creative development, including:

- Adding a twist to consumers' understanding of “apps,” reapplied to printing. (Copy reads: “Introducing a new kind of apps”).
- Leveraging the brand equity of our apps partners (Google, Fandango, etc.) and demonstrating simple scenarios to help anchor the benefits of having the web on a printer.
- Contextualizing the product demonstrations where the print apps have meaning (i.e. the Fandango app, which allows users to print their ticket directly from their printer, was demonstrated in the context of the theater, using extensive cinema advertising).
- Leveraging insights of the ‘touchscreen’ as a key visual cue to sell the entire line, plus highlighting the importance of product interaction to create an award-winning, interactive website.

All insights came together to drive a campaign that was simple, original, breakthrough, and fully integrated across touchpoints!

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<sup>5</sup> Led by Flamingo International; additional US work led by Cognito and Energy Infuser

<sup>6</sup> Led by Millward Brown



### 360-degree testing of campaign touchpoints

Because our campaign was fully integrated, we couldn't limit quantitative testing to TV advertising. As a result, we worked with Millward Brown's breakthrough Link360 capability, which allowed us to assess the campaign holistically. This research evaluated the range of campaign touchpoints — TV/cinema ads, in-store demos, banner ads, a microsite and a PR holiday gift guide — and provided insight into their coherence, breakthrough, message communication and persuasion. The results were very positive, validating the success of our learning and development path. The campaign performed significantly higher than Millward Brown's benchmark averages, indicating high potential for in-market effectiveness and confirming the fact that consumers were 'getting it'!

Top box measures unless otherwise specified:

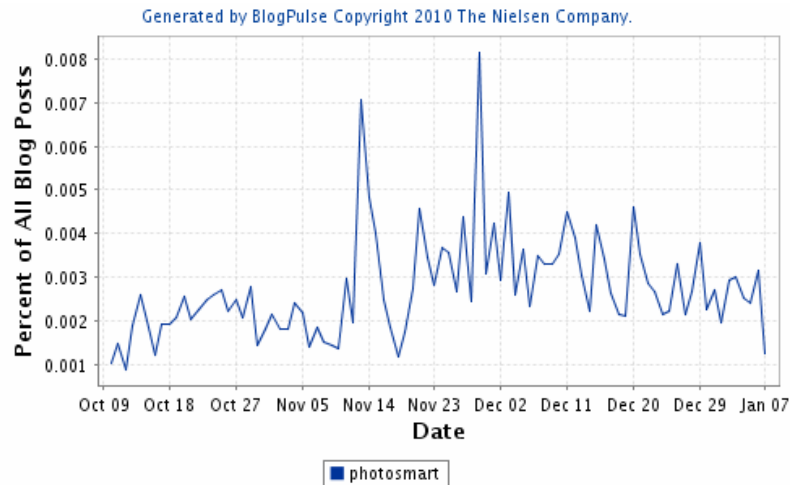
	HP Photosmart (A)	Millward Brown US Link360 Average (B)		HP Photosmart (A)	Millward Brown US Link360 Average (B)
<b>Breakthrough</b>			<b>Persuasion</b>		
Engagement ( <i>Mean</i> )	7.83	5.90	Brand Appeal	42B	27
Branding	50B	43	Relevance	53B	40
Campaign coherence (ads fit together)	58B	47	Credibility	59B	40
Brand fit	63B	43	New Information	52B	23

A/B indicates significantly different at 90% confidence level

## STAGE 4 — IN-MARKET TRACKING / OVERALL RESULTS

### Marketing Objective 1: To make HP's printing technology exciting and worth discussing.

- We used social network media activity as indices of just how much we were able to stimulate a different conversation around printing. Over **2.07 Million** Twitter reach and **1.32 Million PR impressions** in the first week of launch underlined a genuine excitement about a printer that fits their lives:
  - "#HP Creative App studio - the only limits are your imagination"  
- @domesticchicky
  - "Honestly I think I'm most excited about the Nick printable app 4 my kid!"  
- @IIZLIZ
- Evidence of 'buzz', quite unique in the world of printers: The interactive microsite was selected as the "**FWA site of the Day**" as well as "**Creativity Site of the Day**"
- And, as we entered the key consumer electronics selling season in Q4 of 2009, **increased blog activity** from launch confirmed that HP's new printer was being noticed and talked about online.

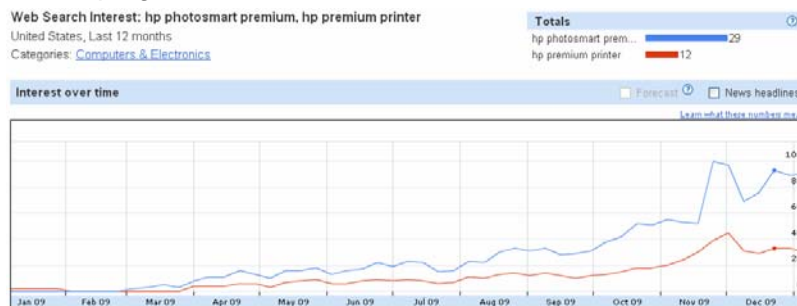


**Marketing Objective 2: To re-stake HP’s claim as the leader in “relevant printer innovation,” building a long-term competitive advantage beyond just price and value.**

- HP Photosmart won a Macworld 2009 “Eddy” Editor’s Choice Hardware Award – with the designation stating, “HP proves that there is still innovation to be found in the printer market.”
- Link360 testing revealed that consumers’ top unaided impression of the campaign is “**HP offers innovative printers and products**” (33%), by far exceeding the next-most-frequent mention at 12%.
- Dynamic Logic tracking of the online campaign shows a **statistically significant lift in perceptions that “HP makes innovative products”** (58% for exposed vs. 54% for control).
- After only several months, in-market brand tracking is starting to show **a reversal in relative weakness for image perception that “HP makes innovative products”** (negative perception index cut in half). This is quite impressive considering image perceptions are slow to change.

**Marketing Objective 3: To boost near-term consideration and sales for the HP Photosmart, using the premium feature “TouchSmart Web” as the halo for portfolio up-sell.**

- Dynamic Logic tracking of the online campaign components shows that both **intent to demo the product (62% for exposed vs. 57% for control) and purchase consideration (76% vs. 70%) are significantly higher** for those exposed to online ads.
- **Top box consideration** for HP among the broad population, measured via in-market brand tracking, is up significantly from before the campaign launch.
- **Google Search** for HP Photosmart Premium and HP Premium printers increased in alignment with the campaign launch:



**Business Performance:**

- Market share for >\$85 HP printers **up 8 pts year over year (Oct-Dec)**. Inkjet market share of 67% exceeded goal of 62%.

- The TSW product drove **growth in the \$399 price band**, reversing a previous trend for the price band.
- 2009 average selling price higher than 2008 starting in September.

## CONCLUSION:

Conducting research didn't just magically illuminate the solution. Through a methodical journey, we met with our audience, questioned, listened, shared and finally measured. Little by little, the light grew brighter, clarity increased, and we started to shape an informed point of view that drove consumer resonance.

Besides strong consumer & business results, it came with a major bonus: Confidence that our vision was right. As the web-connected features roll through HP's consumer printing portfolio in 2010, we have decided not to reinvent the wheel for future communications. The momentum will keep going behind this successful campaign.

## APPENDIX: Campaign Elements





# Print



# Retail and Event

