



Apple buffs marketing savvy to a high shine

Updated 4h 6m ago | [Comment](#) | [Recommend](#)

[E-mail](#) | [Save](#) | [Print](#) | [RSS](#)



[+](#) Enlarge

David Paul Morris, Getty Images

People check out the new iPhone on display at the Macworld Conference & Expo Jan. 10 in San Francisco.

By [Jefferson Graham](#), USA TODAY

LOS ANGELES — Apple's marketing machine has done it again.

While the biggest names in tech were in Las Vegas at the Consumer Electronics Show in January showing off new gadgets and gizmos, Apple gambled it could extract attention in San Francisco for a sneak-peek debut of the iPhone, the combination music player/cellphone and Internet device.

Apple CEO Steve Jobs' bet paid off like a gushing Vegas jackpot. The avalanche of headlines and TV news stories about the iPhone — which hits the market in June — already have generated \$400 million in free publicity, says Harvard Business School professor David Yoffie. "No other company has ever received that kind of attention for a product launch," Yoffie says. "It's unprecedented."

The attention may have been more supersized than usual, but the results were textbook Apple. The company's knack for the spotlight is in part born of necessity — it has just a 3% market share for computers — but it consistently generates buzz and anticipation for new products.

Apple's arsenal of attention-getting tools holds lessons for any company: design cool, innovative products. Have a streamlined product line. Invest in memorable ads. Work your customer base to make customers feel special and create word-of-mouth agents. Most important: keep the world and media surprised, to generate gobs of attention.

The company's masterful buzz machine has helped generate record profits (thanks to the worldwide digital music cultural icon, the iPod), but it's barely nudged Apple's computer market share. Apple executives declined comment for this story.

Marketing guru Peter Sealey, a professor at Claremont Graduate University, calls the charismatic Jobs "the best marketing CEO in the business." USA TODAY spoke to professors such as Sealey, authors and former Apple marketing executives, asking what other companies could learn from the Apple marketing manual:

•**Make innovative products.** It sounds simple, but Apple's obsession with design and innovation, and history of inventing and designing products in-house (most tech competitors outsource), brings on the spotlight.

"People take notice because of Apple's track record," says Mike Evangelist, a former Apple product manager who now is CEO of digital music compression firm Wired. "They know the products will be groundbreaking."

The iPod, which has been the catalyst for Apple's dramatic comeback, wasn't the first MP3 player, but it was the easiest to use and coolest looking. The Mac Mini, a pint-sized Macintosh computer just a little larger than a DVD, and its big brother, the sleek, white iMac, with a built-in monitor, are computer designs that wowed critics.

The company's marketing prowess is so renowned that it prompted a satirical headline in *The Onion* this week: "[Apple Unveils New Product-Unveiling Product.](#)" The product? The fictional iLaunch, which would "revolutionize the process of unveiling new products throughout the world."

•**Keep it simple.** When Jobs returned to a languishing Apple in 1997 after his 1985 ouster, he slashed the product line to make it easier for consumers to focus. While rivals such as Hewlett-Packard and Dell offer 100 models of desktop computers, often with non-memorable product names, Apple has fewer than 20 options, with simple names such as the Mac Mini, MacBook, iMac and PowerMac.

That's been key to the iPod's success, too. It comes in three basic styles: video iPod, Nano and Shuffle.

"You can have so many options, and so confuse people, that less is truly more in many instances," says Sealey, who often discusses with students how product lines have gone wild, with too many choices. "When I was at Procter & Gamble, Crest (toothpaste) was available in two sizes. Now, there are so many, you can't make a decision," he says.

•**Create truly memorable ads.** Apple regularly receives awards and acclaim for hip and effective advertising created by its longtime agency, TBWA/Chiat/Day. Apple introduced its first ad for the iPhone on the Academy Awards telecast, a 30-second smorgasbord of TV and movie clips, featuring actors from Lucille Ball and Dustin Hoffman to the animated Betty Rubble from *The Flintstones* saying hello into a phone.

Its humorous Mac-vs.-PC spots feature actors John Hodgman and Justin Long debating the merits of Apple vs. Windows computers. Hodgman plays the Windows guy, who pales in comparison to cool Mac guy Long.

But it's the campaign for the iconic iPod, with dancing hipsters set against a silhouette, that put Apple back on the map.

"How many ads have you seen where you say, 'Cool ad,' and you forget what it was for within three minutes," says Michael Markman, a former director of advertising for Apple in the 1990s, who now consults for tech companies. "The iPod advertising has been extraordinary. It's a wordless product demo, with a great tag line that doesn't make the viewer work hard. 'One thousand songs in your pocket.' "

Adds Evangelist: "No one really understood what an MP3 player was until that tag line. It made the product really simple to understand for the masses."

Sealey says Apple spends much less on advertising than its rivals do. "The ads just stand out because they're so good," he says.

•**Find an enemy.** Apple has never been shy about blasting the competition, encouraging the world in its advertising to "think different" and use its products.

"Early on, Apple figured out ways to make consumers feel like they were insiders in this secret society," says Jeffrey Cruikshank, a Boston-area marketing consultant and author of *The Apple Way*. "They clearly identified the bad guys who were outside their cult — IBM, Intel and then Microsoft. It was a consistent and far-reaching world view: you and me against the world."

•**Work the taste-makers.** Out of necessity, with a tiny and then declining market share for computers, Apple had to work harder to get its products in front of the public. In the past few years, it has aggressively set up Apple retail stores in metropolitan areas. Apple has also been very PR-centric, says Cruikshank, pushing to get its products reviewed and used as product placement in movies and TV shows.

In *The Apple Way*, Cruikshank writes that Apple computers have appeared on screen more than 1,500 times in the past 20 years on TV shows and movies including *24*, *Sex and the City*, *Seinfeld* and *You've Got Mail*.

"More than half of all computer product placement during this time was from Apple, at a time when its market share was just 3%," Cruikshank says.

•**Offer surprises.** Apple is well known for efforts to keep launches close to the vest, to the point of suing secret-spilling bloggers. The secrecy often pays off with massive news coverage, as with its January introduction of the iPhone at Macworld.

The iPhone had been expected for weeks. What the world didn't know was what it would look like. The sleek design of the phone touched an immediate chord with the Macworld audience when Jobs unveiled it. The media ate it up.

•**Put on a show.** Tech companies such as Microsoft, Intel, Oracle and Adobe stage splashy events to unveil products, be it an operating system or software upgrade. Only Apple consistently succeeds in turning those kinds of events into headlines, because of Jobs' endless devotion to fine-tuning. "Steve works harder than almost any CEO at being the master showman," Yoffie says.

Most CEOs, says Charles Wolf, an analyst for Needham & Co., go on stage with an endless round of platitudes. "Steve leaves all the crap out of his presentation and focuses on what's important," Wolf says.

Says Markman: "What he does that few communicators do is leave things out. He starts with what he wants people to remember and works backward."

Wolf says that Apple's track record at keeping details of new products close to the vest produces "a snowball effect. Steve invites the general public, and they flock to these shows. You have this mesmerizing speaker in front of 4,000 people, and it's almost like a religion. The high priest and all his followers, and that adds to the excitement. And the press is a willing accomplice."

Evangelist, who is writing an online book about his career at Apple, worked with Jobs on planning speeches. "The actual setup and rehearsal takes a week, but the planning takes months," he says. "There are constant meetings about it, and they are very intense. Steve is a no-nonsense guy. If you're anything less than 100% prepared, he knows immediately and lets you know in no uncertain terms."

In the past three years, Apple's market capitalization has ballooned from \$6 billion in 2003 to over \$75 billion, Wolf says. The company is riding high from sales of the iPod, which has an 80% market share and now generates 50% of Apple's revenue.

But despite a slight uptick in Mac computer shipments, Apple is still "stuck at 2% to 3% market share," says Roger Kay, an analyst at Endpoint Technology.

Kay says Apple's free PR hasn't resulted in dramatically higher computer sales, but it has translated into enthusiasm on Wall Street, which has pushed up its stock price.

Indeed, Wolf has upped the target price of Apple stock to \$130 by year's end, up from about \$90 today, based on the June launch of the iPhone. Jobs predicts Apple will sell 10 million iPhones in the first year, which, at an average price of \$500, equals an additional \$5 billion in revenue.

Yoffie says the publicity from the iPhone announcement will "drive people into the stores to test the products. It will help sell a lot more iPods and iPhones. Think of all that publicity as a substitute for marketing costs and an opportunity for Apple to dramatically increase its market share."