Personal computers (PCs) have not always been “cool.” A case in point: in the early 1990s, manufacturers in the PC category spent considerable energy boasting about faster processors and larger capacity hard drives. Further, the “Intel Inside” program was in its early years, implying — at the expense of the actual PC manufacturer — that computers were the same as long as they had the all-important “ingredient”: an Intel processor. Finally, in this consumer landscape, Compaq Computers – headquartered in Houston, Texas — was not even a blip on the brand radar screen. The company had built its reputation as a high quality, innovative business computer company without a presence in the consumer market. Business-to-business was what Compaq did and did well.

Identifying the product as the extension of the brand

But, in 1992, Compaq made the decision to step into the burgeoning consumer market. The challenge: take a non-consumer-player into a market dominated by IBM, Apple and a few others, and grab a piece of the ever-growing personal computer sales pie.

The first strategic move at Compaq was to look inside the organization. That took the form of an inventory of the assets that could be brought to this market, and then determining how to differentiate Compaq from the more-established competitors. (Does anyone still remember the brand “Packard Bell,” a major player at that time?)
Reviewing the assets Compaq had developed over its 10 years as a leading manufacturer of PCs for the business-to-business market, it became clear that there was opportunity for differentiation in the consumer space. Computer companies, since their inception, had been greatly influenced by the technologists (engineers) who were often enamored with the technology itself (technology for technology’s sake, the well known “feeds and speeds” approach) rather than with providing clear, end-user benefits. That approach had worked well when the computer companies were selling primarily to other technologists, that is, the information technology group in the client companies. Compaq management realized that its success in the commercial market was the result of a cult-like employee commitment to what would ultimately be described as “useful innovation,” something that went beyond just the technology.

The insights provided by extensive consumer research led the Compaq management team to conclude that consumer PC marketers were all pretty much falling into the same positioning trap, the technological view of the engineers. Compaq management concluded that the company could bring a product line to the consumer market that would represent true “useful innovation” in terms consumers would understand and appreciate.

Expressing the brand through advertising

Resisting the temptation to gloat over their technology, the Compaq consumer team chose to focus on the aspect of their computer that was readily understandable to non-computer-savvy consumers: the practical, end-user benefits. The message was developed into a dynamic launch campaign that included a wide range of TV and print advertising, and point-of-sale (POS) merchandising directed at the relatively unsophisticated consumer end-user.

To capture the “useful innovation” positioning, Compaq’s agency, Ammirati & Puris, recommended an inquisitive tag line (“Has it changed your life yet?”) and developed advertising that demonstrated the PC’s usefulness one benefit at a time. For example, in one TV spot, a young man asked a woman for her telephone number. She gave him an e-mail address instead which, following a quick fade, the commercial resumes by showing him using that address to reach her. (Note, amazing though it seems now, e-mail was an attention-getting innovation at the time. AOL only had a few million subscribers in the early 1990s, and this television commercial clearly demonstrated a true lifestyle benefit.)

In another commercial, an elderly woman offered to share her brownie recipe with a friend by printing it from her kitchen computer. The other