



MARKETING IN THE COMPUTER
INDUSTRY, in relation to
Apple and IBM.

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**MARKETING IN THE COMPUTER INDUSTRY
IN RELATION TO APPLE AND IBM**

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INTRODUCTION

Until the late 1970's, computers were gigantic, expensive and for boffins. The Apple microcomputer changed all that putting computing in the hands of every man. The entry of IBM's PC in the early 1980's convinced the world that the micros were here to stay.

The micro or personal computer offers the business person two distinct advantages, speed and accuracy. It takes up a minimum amount of space (usually sits on top of a desk) and offers different software programmes (e.g. payroll, accounting, inventory etc.).

From the late 1970's onwards these microcomputers flooded onto the market and there has been a continuous battle for marketshare ever since.

This thesis will consist of four chapters. The first chapter will look at how the personal computer entered modern society and the physical changes that took place. The second chapter will examine attitudes to the computer and the need for sociological change. In the third chapter advertising objectives, the importance of brand personality and the consumer will be explored. Finally in the fourth chapter IBM who are market leaders in the U.S., and their closest rivals, Apple, will be examined. Apple's entry into the PC market and marketing approach will be discussed. Product communication, advertising, logo and packaging will be analysed to determine what Apple/IBM communicate to the consumer. The development of the Apple/IBM reputation will be examined and their different approaches to marketing.

This thesis will show the importance of marketing in the personal computer industry, and approaches to it.

CHAPTER ONE

HISTORY AND DEVELOPMENT

It is generally agreed that the first 'computer' was the abacus, which dates back 5000 years. There was a delay of some 4600 years before the next major breakthrough in computing came along. In 1642 the French mathematician and philosopher Blaise Pascal invented an arithmetic machine in order to simplify mathematical calculations. (In 1971, the computer language Pascal was named in his honour). All Pascals invention could do was add and subtract, but it broke new ground. An improvement to Pascals invention came in 1694, when the famous German mathematician Gottfried Wilhelm von Leibniz designed his 'stepped reckoner'. It was intended not only to add and subtract but also to multiply, divide and even subtract square roots. Unfortunately the machine did not really work as designed. In 1835 the English inventor Charles Babbage was the first person to conceive of a machine that could be programmed to carry out different calculation operations, as a computer can. It was to be a mechanical computer containing complex systems of shafts and gear wheels. However, only parts of the Analytical Engine were ever built. (Fig 1.)

The story of the development of the computer now passes to the United States. In 1870 John Shaw Billings came up with the idea for the Census Machine and Herman Hollerith was given the task of implementing it.

Commercial Development

In 1911, Hollerith joined the Computing-Tabulating-Recording Company, later to become known as the International Business Machines Corporation (IBM). By 1930 IBM had achieved international acclaim as makers of business machinery. In that year IBM combined their know-how with that of Harvard University to construct an electromechanical computer dubbed the Mark I. This machine was of gargantuan proportions, being 50

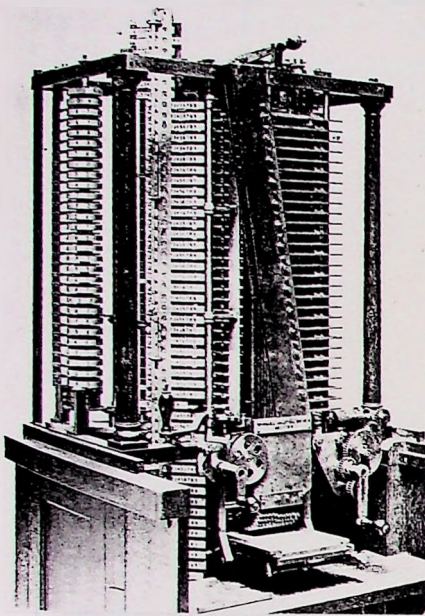


FIG. 1
Babbage's analytical engine

feet long and eight feet high. Not only could it carry out the four arithmetic operations of addition, subtraction, multiplication and division, but it also computed ballistic tables that were used by the military in World War II. At this time in Britain one of the first electronic computers was built to crack enemy code messages. It did this with great success, playing an important part in the defeat of Germany in Word War II. The existence of Colossus was revealed in 1945. (fig 2).

In 1946, at the University of Pennsylvania ENIAC, an electronic digital computer was built. Though crude and slow by modern standards, it was a thousand times faster than any of the preceding electromechanical computers. ENIAC filled a six storey building and had more than 18,000 vacuum tubes. It consumed an enormous amount of energy, enough to power a locomotive. It is said that when ENIAC was switched on, the city lights of Philadelphia dimmed. Vacuum tubes have comparatively short lives and with so many of them connected together it was a wonder that the computer worked at all.

It is a curious irony of history that a group of expents at IBM, currently the worlds largest computer manufacturer and for a long time the name synonomous with computers, evaluated the need for computers in 1948 and came to the conclusion that the total future demand for them in the United States would only be 12. On that basis, they recommended against IBM's entry into the commercial computer marketplace.

Technological Improvement

By 1951, technology had progressed to the point where computers were commercially viable. In that year a typewriter company called Remington had introduced a new product - the UNIVAC computer. UNIVAC was the first machine that could handle both numeric and alphabethcal information, and it soon became popular with both the business and scienctific communities.

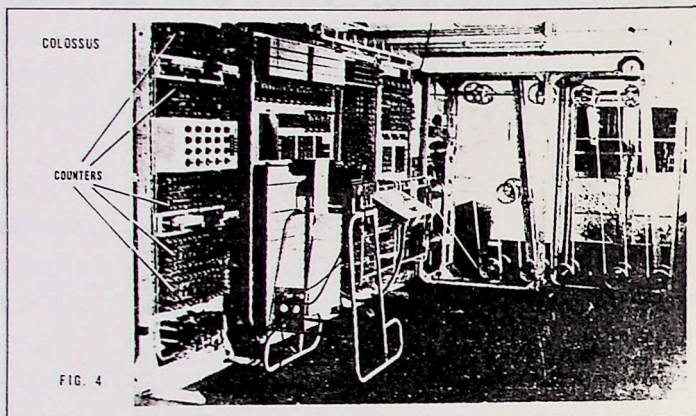


FIG. 2

Modern computers occupy a fraction of the space needed to house Colossus

Vacuum tubes typified what has become known as the first generation of computers. The second generation was initiated in 1959 by the introduction of the transistor into the architecture of the computer. This development allowed for faster more reliable and more compact computers. Eventually the generation was superseded by the third generation of computers, characterized by integrated circuits etched on slivers of silicon no larger than a fingernail - the now famous 'chips'..

The year that is generally hailed as marking the genesis of third-generation computers is 1964, when IBM released its system/360 family of computers. The use of the byte as the standard unit of memory dates back to this landmark series of computers.

Until the later 1960's, all computers were large, bulky, and expensive-so-called mainframe computers. Many smaller business and laboratories could not afford these machines and it was left to companies other than IBM to fill the void with slower but more affordable machines. In 1968 Digital Equipment Corporation (DEC) came to the fore with the PDP-8, the first of the popular mini computers. Thousands of these machines were installed in laboratories across the world. The company followed their initial success with the PDP-11, a more advanced series of mini computers, powerful enough to inpinge upon the sales of mainframes. With DEC's success other companies began to seriously consider entering the market. In 1975, the first personal computer, or microcomputer called the Altair 8800 , was developed. Altair offered a computer kit which eager hobbyists enthusiastically bought and assembled. Thus was born the personal computer revolution. It has been said, with some truth, that if the aeronautics industry had progressed as quickly and in such stride as the computer industry has over the last 30 years, todays airplanes would cost a few hundred dollars and would be able to fly around the world seven times on five dollars worth of gasoline.

The Computer System

A computer system can be divided into two main categories, hardware and software. Software contains instructions that control the computer and make it appear to be intelligent. Without software a computer is useless. Software must be compatible with the computer. The instructions are organized into units called programmes.

Programmes may be recorded on disks and cassettes or entered from the keyboard. Computers have input, output and processing. The main processing of the computer takes place within the computer itself. The secret of the microcomputers power and compactness lies in the rectangular components called integrated circuits or simply 'chips'. The most important chip in the computer is the microprocessor. This drastically reduces the labour costs in the production of the central processing unit and memory of the computer. Computers are now more flexible and reliable, smaller and more importantly much cheaper than ever before. The computer contains two types of memory, 'read only memories' or ROM for short, and 'random access memory', RAM.

Compatibility

When a personal computer is compatible it means that the technical manuals are readily available to help third-party developers design plug-in boards and software for the PC. In the case of IBM, whose PC is compatible authors can submit programmes for IBM to market under its familiar brand name.

Other types of compatibles are called 'PC clones' or 'PC lookalikes'. These were announced within one year of the PC's retail debut. The desk top versions had uncoincidental physical resemblances to the IBM PC. Inside all of these machines is the same microprocessor that is in the IBM PC. For a computer to be 100% compatible, the designer would have to infringe on IBM's copyrighted internal programming burned into the PC's Read Only Memory (ROM), at the factory.

There are several different levels of compatibility. A 'PC-Compatible' machine may simply be able to read information successfully from a PC - formatted diskette (a disk prepared or 'conditioned' by the IBM PC to accept information).

Other machines may have higher levels of compatibility such as the 'clones' already mentioned.

(For definitions see glossary).

The physical changes that took place on the computer were enormous. It went from being a mechanical machine that could fill a room, to a tidy desk-top unit. Unfortunately societies perceptions did not change so easily.

CHAPTER TWO

THE NEED FOR AN IMAGE TRANSFORMATION.

Personal computers are one of the fastest selling products in the world. In America alone it is estimated that by 1990 half of all households will own one. These desk top machines and their technology have changed the lives of millions of people, making tedious tasks such as writing, accounting, editing and filing seem effortless. However, to sell these machines has not always been easy. At one time they were thought of as huge, highly technical and difficult to use, mind boggling. Computers could have been developed long before they were but for the scepticism which surrounded them. The computer revolution was as dependant on the environment into which it was recieved as the development of technology.

As is now realized, we had the technical capability to build relay, electromechanical and even electronic calculating devices long before they came into being. I think that one can conjecture when looking through Babbages papers, or even at the Jacquard loom, that we had the technical ability to do calculations with some motive power. The realization of this capability was not dependant on technology as much as it was on the existing pressures, and an environment in which these needs could be sympathetically brought to some level of realism. ¹

During the last three centuries the computer was an unthinkable instrument going against the philosophies of the centuries savants such as Rene Descartes and Robert Boyle who said : 'Engines endowed with will are men and cannot be anything else - not even, in those years, other animals'. ²

These machina ratiocinatrix offended Descartes, Cartesian dualism of mind and matter. 'I think therefore I am, everything has a cause, nothing can result from nothing'. ³ He aimed at

showing that the entire material universe can be completely explained in terms of mathematical physics. But although all matter is in motion, matter does not move of its own accord - the initial impulse comes from God.

Crucial to the development of the computer was the removal of the mental roadblock against the 'machina ratiocinatrix', which was built in the first phase of the scientific revolution. There was a certain mysticism attached to the computer, not only because of its technology but also why it appeared when it did and not very much earlier. The public harboured a lot of negative feelings towards this device. People were frightened it would take over the world replacing talented human beings. It was generally thought that this advanced technology was only for the experts and not the every day person.

To help wipe out this national attitude to computers, Silicon Valley turned to the advertising experts on Madison Avenue. The American computer industry increased media expenditure by \$100 million from 1980 to 1983.

In the 1970's the advertisers became heavily involved in the change of image of the personal computer. The usual plan of just describing the products advantages and functional details would not work this time. The consumer would become even more confused with technical talk of bytes, rams and disk drives. So what the advertisers tried to do was give the product a personality and target it towards a specific group of consumers.

Footnotes, Chapter Two.

- ¹H.S. Tropp, The Smithsonian Computer Project and some personal recollections, P119.
- ²E.A. Burtt, The Metaphysical Foundation of Modern Physical Science Routledge & Kegan Paul. London 1967, P113.
- ³Encyclopedia Brittanica P143.

CHAPTER THREE

ADVERTISING METHODOLOGY

Advertising has now become a lucrative, million dollar business. Psychosalesmen are employed by agencies to exploit the fears and weakness of modern society. They present life-transforming wonder packages to consumers whose obsessions they manipulate and create. Advertisers uncover weaknesses and the deep seated emotional needs of society through their memorable and persuasive campaigns.

Advertising deals with open sores
Fear, greed, anger, hostility You name the dwarfs
and we play on every one. We play on all the emotions
and on all the problems, from not getting ahead....to
the desire to be one of the crowd. Everyone has a
button. If enough people have the same button, you
have a successful ad and a successful product. ¹ (Ad
executive Jerry Della Femina).

Advertising is about ideas. Ideas about products which motivate people towards purchase. It uses the most effective process for the presentation of ideals regarding products. The tools it uses are mostly simplicity, repetition and the appeal of the new. Ads persuade, and inform us about characters which have benefitted from the product usage. Advertising is not successful unless the consumer is exited to action. It is easier to exite the consumer with TV, using glossy pictures, special effects etc. It is a much more exiting medium that the press. However a press ad is a far more private and personal type of communication, imposing no time limits. A television commercial is a powerful way of communicating a message because unlike the press where the consumer can choose what ad he wants to read, on TV the viewer is forced to watch all ads, even of products which he has no interest in. For this reason a TV ad should have a good deal of entertainment.

Televison has made advertising what it is today, persuasive and intrusive. TV commercials changed advertising by making the

public aware of products for which they had neither need nor interest. Advertising has changed its tone, over the years, from hard to soft. At one stage the message to be communicated was spelt out very clearly, now it is more subtly communicated. It is more consumer than manufacture orientated. Music and phrases are an integral part of the commercial. A single line can sum up and call to mind a complete commercial and sales objective.

Advertisements accustom the viewer to a world peopled by stereotypes, goals for a new self-image and more 'upwardly mobile' lifestyle. However they have often been criticized for providing unrealistic ambitions and desires and contributing to misplaced priorities and a lack of responsibility for the real needs of the world.

Brand Personality

A brand takes on a personality by the means through which the sales arguments is conveyed. An amalgamation of form, function, packaging and advertising strategy make up the personality of a product. The means by which the message is conveyed says as much about the brand as the message itself. The consumer says something about himself by the products he uses, associating himself with the values that the products advertising represents.

Advertisers try to make the product a cure for societies anxieties. They aim straight at the most pressing vulnerabilities. For example with blue jeans it is sex appeal and cigarettes, peer approval. The advertisers must make the consumer feel a certain way about the product. What is important to a potential customer on the verge of purchasing is how he feels about the product not how or whether it works. Brand personality triumphs over brand performance.

VALS and the consumer

Consumers as a whole can be broken down into several divisions according to fears, desires and prejudices. The study of these emotions is known as psychographics.

VALS is the most widely used psychographic approach used on Ad Alley. VALS, meaning values and lifestyles was designed by SRI International (formerly known as Stanford Research Institute) in Northern California. It consists of five basic groups of citizens: Belongers; Emulators; Emulator-Achievers; Societally Conscious Achievers and the Need Directed.

One in three citizens in the US is a Belonger. This is the conforming conservatist who believes in God, country and family.

Emulators account for 15% of the American population, they are mainly young people in a desperate search for an identity.

Emulator-Achievers are American materialists, who, although affluent, want more. They feel cheated because they are stuck just below the top rung of the economic ladder. This lucrative group account for 20% of the US population and they always use 'uptown' brand names such as Dom Perignon, Tiffany or Gucci. Madison Avenue deal with these consumers by portraying products as symbols of accomplishment such as success and taste.

Societally Conscious Achievers account for approximate 20% of the US population, and are the fastest-growing and most influential group of citizens in the country. They are the most difficult challenge to the advertising industry, caring nothing for the materialistic money-spending actions of the Emulator Achievers. Inner fulfillment and the conservation of nature are of prior importance to these citizens. They have been described as experimental in their lifestyles, self-constrained in their purchasing behaviour, fitness-orientated and elusive citizens. High touch and not high tech commercials interest them, posing a problem for marketers, who have begun to take note of their

importance and are now producing advertisements that emphasize and sell about the message. Shopping and buying are used, which corresponds with the attitudes and values of the Societally Conscious Achievers.

This group includes the Baby Boomer business who were born in the 1940s and 1950s. They are now in their 30s and 40s and spend their youths experiencing the world and not only that.

They have brought a new set of attitudes to the American society. The superstars (as termed by the media) are artists that demonstrate a strong sense of purpose and social relevance. Important of the new generation is the individual, individual, individual and socially. They make an effort to make an effort to make an effort to make an effort. By 1980 it is estimated that Societally Conscious Achievers will account for one-third of the United States population.

On the far extreme of all these groups is the Baby Boomer. This group includes minimum wage earners, Social Security beneficiaries and welfare recipients. The Baby Boomer are 12% of the American nation and they do not care what kind of cigarette they smoke or food they eat. They are not too busy trying to make ends meet. (Fig. 3)

The majority of groups such as color, domestic race, and women etc., and their advertisements at the Designer group of artists. Achievers, who are increasingly well off and highly efficient products for their affluent lifestyle, are targeted in the computer marketplace.

More Yuppies, More Greens		
Type	1985	1990
Needs Directed	15	15
Belongers	30	20
Emulators (Yuppies)	15	20
Emulator Achievers	20	15
Societally Conscious Achievers	20	30

The changing composition of the US market: Vals types, by percentage

FIG. 3

presence and are now producing advertisements that whisper and not shout the message. Simplicity and integrity are used, which sympathize with the attitudes and values of the Societally Conscious Achievers.

This group includes the 'Baby Boomers', a lucrative consumer audience who were born in the affluent post-World War II era, and spent their youths experiencing drugs, protest, free love and rock music.

They have brought a new set of values to mainstream American society. This superclass (as journalist Landon Y Jones has dubbed them) are unlike their outer-directed upwardly mobile parent, and place extreme importance of the five I's; introspection; innovation; individuality; intellect and integrity. They place as much importance on world peace as their worldly comforts. By 1990 it is estimated that Societally Conscious Achievers will account for one third of the United States population.

On the far extreme of all these groups is the Need-Directed. This group includes minimum wage earners, Social Security beneficiaries and welfare recipients. The Need-Directed are 15% of the American nation and they do not care what brand of cigarette they smoke or food they eat, they are far too busy trying to make ends meet. (Fig. 3)

The majority of goods such as colas, domestic cars, fast foods etc., aim their advertisements at the Belonger group of citizens. Achievers, who are moderately well off and require efficient products for their efficient lifestyle, are targeted by the computer companies.

CHAPTER FOUR

Footnotes, Chapter three.

¹ Jerry Della Femina, The Image Makers, P7.

Apple entry into the computer market

Apple Computers, Inc. was started in 1977 by Stephen Wozniak and Steven Jobs, both college dropouts. Jobs was 21 years old at the time and Wozniak was 26. Both were computer culture enthusiasts and were working for electronic companies. They began to put their ideas in 1976 at the Homebrew Computer Club in Palo Alto, California. One of the 45 who would founded Zen, Inc. and Fairchild, but has gone to be known as Apple II. They decided that the Apple Computer II was portable, but it is the private place and showed it to a local computer store owner, who shortly ordered 25. After visiting other design the Apple II with you.

Product Development

In 1978, Apple sales had already reached \$1.6 million. The original Apple II BASIC software required more expensive only integers, numbers without decimal points. The second generation software to use the Apple for many projects, and it meant anything hardware you had to be able to use. Therefore, because the Apple II was direct entry to the computer market, the customer was not at great expense, and the market decided to use it for many projects, because of its graphic capabilities.

In 1979 the market before could not use it for many projects and it was not used for many projects. The market was not at great expense. A new market of 25 machines was created under the name Apple II 2048.

CHAPTER FOUR

APPLE AND IBM

Section I : Development

Apples entry into the computer market

Apple computers, Inc. was started in 1977 by Stephen Wozniak and Steven Jobs, both college dropouts. Jobs was 22 years old at the time and Wozniak was 26. Both were self-taught computer "whizzies" and were working for Californian electronics companies. They began to pool their talents in 1976 at the Homebrew Computer club in Palo Alto, California, located in the 45 mile stretch between San Jose and San Francisco, that has come to be known as Silicon Valley. They designed their first Apple computer in Job's bedroom, built it in his parents garage and showed it to a local computer store owner, who promptly ordered 25. After upgrading their design, the Apple II was born.

Product Development

By 1978, Apple sales had already reached \$7.8 million. The original Apple II BASIC computer language could accommodate only integers, numbers without decimal places. This problem prevented attempts to use the Apple for serious purposes, since it meant anything worthwhile was too burdensome for most programmes. However since the Apple II was aimed mainly at the hobbyist market, this restriction was not of great importance, and the machine continued to sell in ever-increasing numbers, because of its graphic capabilities.

In 1979 this machine became useful not only to hobbyists but also to scientists and later to small businesses willing to write their own software. A new version of the machine was released under the name Apple II plus.



FIG. 4

IBM PC

IBM enters the personal computer market

In August of 1981 IBM announced its long-awaited entry into the small-computer market with the IBM PC, primarily for the business market. (Fig 4) Apples stock began to drop dramatically as Apples growth rate slipped to the 30% range. Although Apple had a four year head start on IBM, IBM quickly caught up, and became the market leaders in the personal computer industry, and have been there ever since.

One of the reasons why IBM caught up so quickly on Apple was because it took only 14 months from the go-ahead to the first day of sales. This is because the PC is not entirely an IBM product. Despite the corporations vast resources for manufacturing computer components and writing software, IBM went to outside manufacturers for much of the system. Components, particularly main circuit boards and disk drives, are imported from outside sources. Practically all of its applications and systems software is developed or adapted by recognized third-party software companies. This was so that IBM could ship a sophisticated personal computer in much less time.

A product with the name IBM on it could enter the business environment through the front door, not the back. If a manager wanted to implement some application that is best handled by a stand-alone microcomputer, he or she had to go out and buy the hardware, software or perhaps learn programming to write the software for that customer application. To PC manufacturers this was known as coming in through the back door. It was harder for Apple to have success convincing a large corporation to buy a fleet of computers, than IBM, who were already a company servicing many corporations. Companies took more notice of the microcomputer once IBM had given its seal of approval.

Product Improvement

In early 1982, the enhanced Apple IIe was released and Apple moved onto the Fortune 500 list. The Apple IIe quickly picked up



FIG. 5

Apple IIc



FIG. 6

Macintosh Plus, Macintosh SE, Macintosh II

Apple Expands

In the early 1980's, Steve realized that if he was to compete with such large companies as IBM, AT&T and Comshare that he would have to improve his computer's efficiency, processing and selling power. This would require more money and time, and the introduction of big budgets, advertising, promotion. However, all of this required large amounts of cash, which would have to be raised. Further, he wanted to give an idea of the company and its products to the rest of a publicly traded corporation. They had to communicate it that raised the money and up introduced a small portion of their assets. Steve had always been offering for Apple that would be sold and in the future.

This was a step up for Apple. They were now a publicly traded company and were producing profits. If needed, customers could buy. They also began working closely on TV commercials. However, it

where the II had left off despite continued competition from IBM's PC.

The next member to join the Apple II family was the Apple IIc. (Fig. 5) The IIc was capable of running almost all of the programmes already written for the Apple II family. Essentially the Apple IIc is a miniaturized version of the Apple IIe. The back panel contains sockets for an additional disk drive, a printer, modem (for telecommunications) and a game controller or mouse.

In the preparation for the development of the IIc, Apples research staff conducted an extensive survey to determine peoples taste in computers. They arrived at the conclusion that what people wanted was simplicity and practicality. At this point they hired the services of the famous industrial designer Hartmut Esslinger, from Frog Design, whose credits include the universally acclaimed Sony Walkman portable stereo. Esslinger designed the overall layout of the IIc and Macintosh family, which were introduced in 1984. The up to date family now consists of the Macintosh Plus, the Macintosh SE and the Macintosh II (fig. 6).

Apple Expands

In the early 1980's Jobs realised that if he was to compete with such large companies as IBM, Attari and Commodore that he would have to improve his companies efficiency, producing and selling quicker. This would include more sophisticated plants and the introduction of big budget advertising campaigns. However all of this required large amounts of cash, which neither Jobs nor Wozniak had. Neither wanted to give up any control of the company and so rejected the idea of a publicly owned corporation. They had to compromise if they wanted the money and so relinquished a small portion of their power. When Wall Streets stock offering for Apple was issued, it sold out in 24 hours.

This was a step up for Apple, they now had a modern assembly line and were producing scores of finished computers every day. They also began spending heavily on TV commercials. However, a

key fact which is often omitted from the legend is that Apple was still a very small-scale operation until Arras C Mirrula, already a millionaire, put in \$91,000 himself, persuaded the Bank of America to chip in \$250,000 and relieved other venture capitalists of a further \$600,000. Thus Apple bankrolled to the tune of a further £1 million beyond the cash from the sale of the Volkswagen before the main take-off occurred.

SECTION II : MARKETING

The Marketing of Apple Products

Apple computers aim their product at the Societally Conscious Achievers already described, projecting an image of peaceful friendliness. They portray their computers as mind expanders and not corporate trappings. Their products take on a personality and become more than a functional product. Apple advertisers try to make the consumer feel a greater sense of well-being on owning an Apple computer, thus sharing the Societally Conscious Achievers values.

Another marketing stratagem on Apples part, was to gain a certain reputation, one that would partner the personality of the products.

The firm is reputed to have an atmosphere of casual informality at the companies Northern California headquarters. Apple stimulate their employees by distributing stocks to workers, all to increase the free-flowing corporate dialogue. The name and logo symbolise this friendliness that Apple tries to achieve. The name is derived from the Beatles record label of the early 1970's and the rainbow-striped apple logo which resembles a pop-art emblem of the late 1960's, communicates warmth and integrity.

Apple carries this theme through to their products making them simple to program and operate.

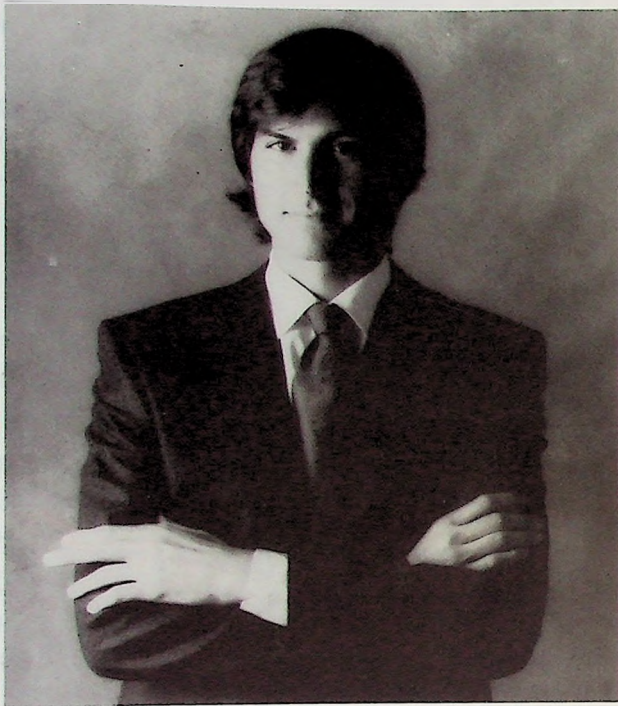


FIG. 7 Steve Jobs
 Founder of Apple

However Steve Jobs had an easier job of appealing to the Societally Conscious Achievers than most because he comes from exactly that background himself. In 1971 he spent four years travelling around the world, then he lived in a wooden cabin in the Santa Cruz Mountains and in College he explored mysticism, mediation and I Ching. All making him qualify as an Societally Conscious Achiever. (Fig. 7)

Advertising

Chiat-Day, which was a small company in California specializing in the promotion of consumer electronics, was chosen to create Apples advertising. The first thing they did was conduct a major research study to examine attitudes about computers. They found just what they were looking for that inner-directed business people would purchase a computer if it was friendly and did not intimidate. Chiat-Day created a 30-second TV commercial for Apple featuring American chat show host Dick Cavett. He was chosen for his nonthreatening image and memorability. The ad below conveys the tone of the campaign.

CAVETT : I'm here with an average American homemaker with her Apple PC. Jill, do you use your Apple for household budgeting?

JILL : Actually, I'm working in gold futures.

CAVETT : Oh. Well you could probably put a lot of recipes in there, huh?

JILL : And, you can do trend analyses, generate bar graphs.

CAVETT : Are you really a homemaker?

JILL : Well, of course.

CAVETT : So the Apple is the appliance of the '80's for all those pesky household chores?

JILL : I also own a steel mill.

ANNOUNCER : Apple. the personal computer.

The commercials were well received and a research study conducted indicated that up to 70% of the inner directed consumers remembered the ads six months after the campaign had been first aired. The message, of course, that Apple computers would fit comfortably into any lifestyle.

Apple Restructure Company

Computer sales for Apple increased and they began working a 24 hour day and hired more employees. At this point Steve Wozniak took a leave of absence and travelled. However he soon missed the buzz of the computer business and returned shortly. The company founders now had the task of deciding what direction the company should take. They could not really compete with the corporate giant IBM if they continued to be a free flowing corporation. IBM has a reputation of efficiency and professionalism, so Jobs and Wozniak decided to tighten up Apples loose image and create a more mature and disciplined operation. However they wanted to maintain the character and personality of the company. To take this giant leap into the corporate fast lane required outside managerial help.

Apple employed Gerald Roche, the chairman of Heidrick and Strugles, a large executive recruiting firm based in New York, to help them find the individual that Apple required, an experienced and sensitive senior executive. Gerald Roche decided that John Scully, the then president at Pepsi-Cola was the only man for the job.

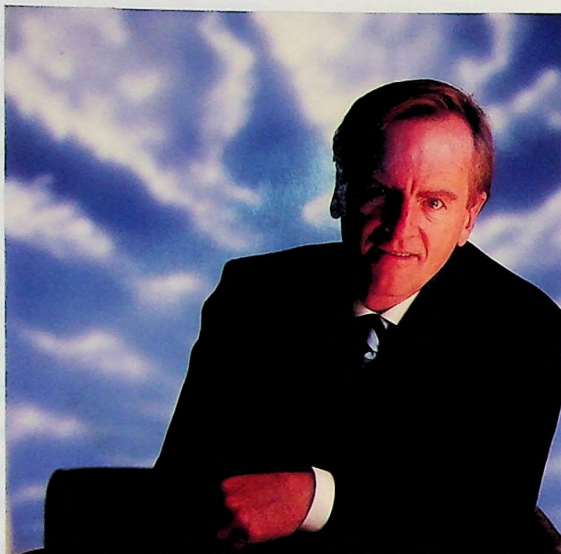


FIG.8 John Scully
 President of Apple

John Scully

John Scully was a 44 year old marketer who in the 1970's had helped the second place Cola Company increase in sales and was the leading force in Pepsi attack on Coca Cola. (Fig. 8) Scully certainly had the experience but he was also down-to-earth and could inspire tremendous employee loyalty.

However he had no interest in taking up his new post, so Roche had to persist until eventually Scully agreed to meet Jobs. Scully was intrigued by Jobs and the way Apple had risen, and the computer revolution. Jobs convinced him that selling personal computers would be one of the major marketing opportunities of the next decade. Scully joined Apple in the spring of 1983, and was paid \$2 million in first year salary and bonuses, guaranteeing him \$1 million in severance funds, and offering him options of 350,00 shares of its stock. So Scully began Apples attack on IBM and its advertising became as advanced as its products.

The first step was that the advertising expenditure would increase by large amounts. They assigned about \$40 million for television commercials alone which was more than double the company's total ad budget the previous year. The television commercials with Dick Cavett were no longer used. Scully decided that stronger ads were needed, which represented the Societally Conscious consumers lifestyles. So in conjunction with Chiat-Day they developed a fresh advertising approach through more realistic slice of life commercials.

The Societally Conscious Achievers

Apples advertisements portray Societally Conscious young intellectual business people who have integrated their personal computer into their rich and varied life. For each character in the ads, their computer brings a sense of fulfillment and personal satisfacton. From the female architect, the musically inclined executive to the bicycle riding business man.

The ads portray casually dressed contented consumers who use Apple computers. Each character had the 5 I's : innovation, introspection, individuality, intellect and integrity. The phrase that ended each of these commercials was: 'Soon there'll be just two kinds of people. Those who use computers, and those who use Apples'. The marketing strategy was to glorify and celebrate the targeted audiences values and attitudes to make a sale. A sensitive portrayal of life is reflected as opposed to the very hard patriotic one, which a lot of companies use, for example Budweiser 'What makes America great, this buds for you'.

One of the Apple TV ads shows a scruffy non-conformist riding his bicycle to the office with a large clumsy dog running at his heels. Once settled into the office he begins to analyse several complicated-looking graphs and charts.

Another ad shows a lanky blond female architect who is shooting baskets with some of the guys during her lunch hour. She symbolises the energetic liberated woman whom Apple seeks to attract. This campaign was first aired in 1983 and it is one of the most Societally Conscious targeted ads to date. It is not just the advertisers who are taking note of these inner-directed consumers, producers are also producing TV programmes centring on the lives of the baby boomers, for example 'Thirty Something' which was an enormously successful TV programme.

The Power to Succeed versus Big Blue.

TV

Scully, who is now company president, has developed two fresh advertising approaches which shows young professionals who use Apple computers trying to gain contracts from older business executives. Each of the Apple users is depicted as innovative, self-assured individuals whose creativity goes hand in hand with their Macintosh computers. The commercial represents Apple trying to win over the business world, by emphasizing the speed and efficiency of their machines.

The message is that the job will go to those who can come up with the goods the quickest. With its graphics capabilities the Macintosh can save days, and all good businessmen know that time is money. 'Apple. The Power to Succeed' is the new powerful phrase for Apple, which aims at the business world and replaces 'Apple People'.

'The Pitch' and 'War Room' are the latest 30 second Apple commercials showing presentations being made. (See accompanying video). In 'The Pitch' the background noise is a busy street, which represents the very busy and competitive world of business. The scene is set in a board room with the consultants work on display. A very stern-looking older gentleman is dominant and the conversation is aimed at him. This executive represents the dominating and difficult to please business world.

EXECUTIVE: We'd like to award you the account but frankly there's a problem.

FEMALE CONSULTANT: What's that?

EXECUTIVE: You agreed to keep this assignment confidential.

ASSISTANT EXECUTIVE: Obviously you brought in freelance artists, typesetters

MALE CONSULTANT: Hold on , hold on

FEMALE CONSULTANT: All the work we've shown you is done by the people in this room, on a computer.

EXECUTIVE: What computer puts out work like this?

FEMALE CONSULTANT: Hire us and we'll tell you.

APPLE THE POWER TO SUCCEED

FREEPHONE APPLE

The commercial is obviously trying to motivate a prospect to find out more about the product. Apple achieve this by not telling what the product is, only its capabilities. This, along with the need for such a product, arouses the customer's interest into finding out more, and the freephone message makes it very simple.

The commercial also creates awareness of what the product can do and reassures us that the brand is a trustworthy and reliable servant. In this case the existing brand image is being slightly modified. The former Apple commercials have targeted the Societally Conscious Achievers while these ads aim straight at the business world and show the product more for its capabilities than its personality. This is a slight diversion from Apples earlier advertising strategies. The first commercials used the entertaining Dick Cavett, then the commercials projected images of the people that use Apple products, - their lifestyles, their characters and personalities. The latest ads show the Apple products as the key to success in the business world. Apple are now targeting the Emulator Achievers as much as the Societally Conscious Achievers. They are emphasizing success and contentment not only in the soul but also in the boardroom.

This is similar to IBM, whose advertisements have always addressed the Emulator-Achievers, who strive for corporate prestige. The firm's well-known television campaign features the infamous Charlie Chaplin tramp whose message is that his small IBM computer is a tool for coping with difficult times. The difficult times that a lot of people experience in the contemporary business world. In the ads Charlie Chaplin always gains control of the situation and is able to move ahead, thanks to his IBM computer. (fig.9) This firm uses the threat of corporate failure to sell their machines. Although this differs greatly from Apple's earlier commercials, it is rather similar to the latest ones. Apple have gone from portraying their machines as devices for self-enrichment, to the keys of a successful business.

When IBM and Apple's advertising are compared, IBM's is far more memorable. Magazine advertisements and television spots featuring the Charlie Chaplin tramp can be seen everywhere. This highly identifiable character has rapidly become the one pervasive image of IBM. He provides a memorable visual link with the products and introduces an element of entertainment which helps to demystify the feared technicalities of computers.

Just what the world needs

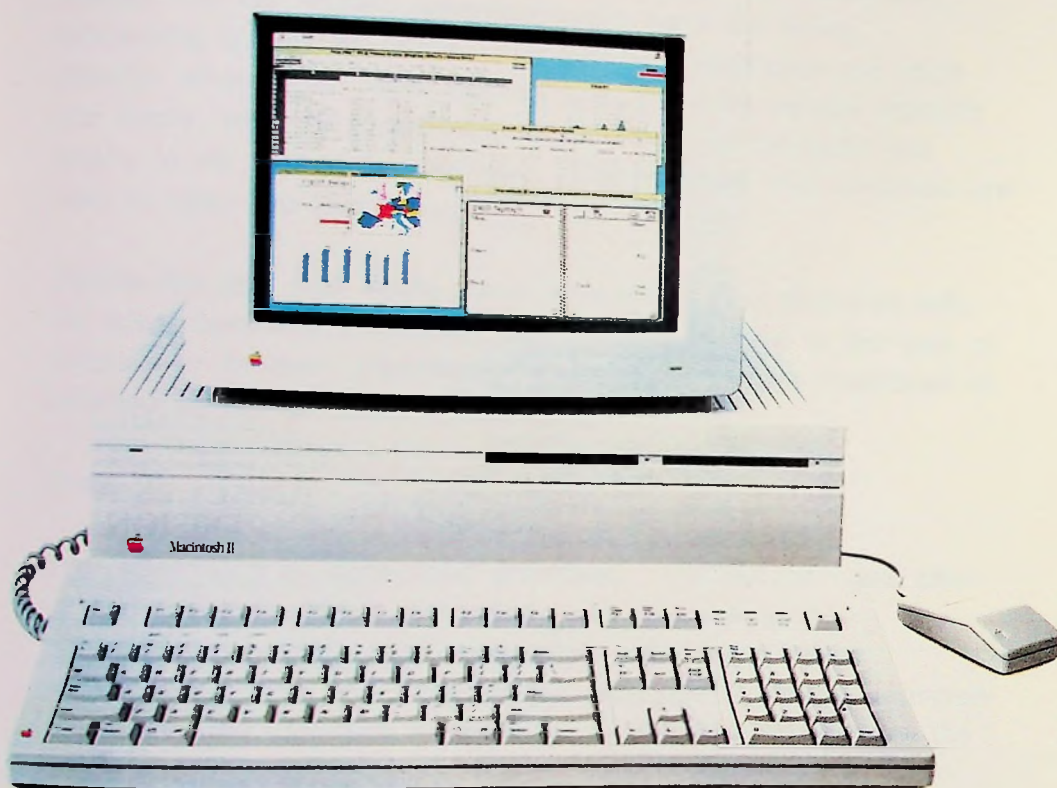


FIG. 9 IBM advertisement for TV (Saatchi & Saatchi)



FIG. 10

Just what the world needs. Another superpower.



There's nothing wrong with pure, unrestrained power. As long as it's on your side.

To help you appreciate the power of the Apple Macintosh II, glance up.

Thanks to our MultiFinder, the Macintosh multi-tasking operating system, the windows on screen aren't decorative. Each one is a fully operative program.

Which means you can cut and paste from one to another without breaking stride. No exiting. No restarting.

As for the programs on screen, they were chosen to make a point. That being, Macintosh II gives you access to the most sophisticated software in business today.

Like HyperCard, a revolutionary new way of letting you create inter-related 'stacks' of information — in this case a calendar linked to both your telephone book and client records.

And Fourth Dimension, an entirely new way to organise databases graphically.

As for the spreadsheets, we're not just running the powerful Macintosh program, Excel. We're also running Lotus 1-2-3 of MS-DOS fame. You can use Macintosh II to import your existing 1-2-3 files into Excel for a more powerful analysis and graphic exploration.

Going a step further, Macintosh II can easily work hand-in-hand with MS-DOS computers as part of an office network.

In fact, with six 32-bit expansion slots built-in, it's open to just about everything. Whether it's the ability to run alternative operating systems, address gigabytes of memory, talk to mainframes or tie into a network.

But it's important to note that, despite its powerful Motorola 68020 microprocessor and built-in hard disk drive that stores up to 80

megabytes of memory, Macintosh II is, by no coincidence a Macintosh.

Offering one consistent, graphical way of working from one program to the next. And in the process, offering an excellent means of cutting training costs substantially.

If you're not content with the powers-that-be, you might sit down in front of a real live Macintosh II. The world may not immediately change. But you should feel a significant shift in the balance of power.

For a personal demonstration or a brochure on the Macintosh II dial 10 and ask for Freefone Apple.



Apple.

The power to succeed.

Apple Computer Sales Ltd, Warrington House,
Mount Street Crescent, Dublin 2. Telephone 01 223.

Authorized Apple Dealers: DUBLIN: Apple Centre 01 799111 • Budget Computing Ltd 01 552554 • Computing Workshop Ltd 01 779109 • Fred Crowe Ltd 01 335144 • Glanmire Electronics Ltd 01 780422 • QTH Computers Ltd 01 770833 • CORK: Glanmire Electronics Ltd 01 621-312558 • Horizon Computers Ltd 01 621-502128. 01 987044 • O'Sullivan Graphics Ltd 01 661-330568. GALWAY: Glanmire Electronics Ltd 01 691-55222.

LIMERICK: Glanmire Electronics Ltd 01 661-330568. Limerick is a registered trade name of Apple Computer Inc. © 1987 Apple Computer, Inc. All rights reserved. Apple, the Apple logo and Macintosh are registered trademarks of Apple Computer, Inc. in the USA and other countries. Macintosh II is a registered trademark of Apple Computer, Inc. in the USA and other countries. For more information circle 17 on Reader Enquiry Card or E. Arnold Teledisk's 808888.

The consistency of the Charlie Chaplin image makes him memorable and strengthens the IBM identity. Although Apple's advertising has helped them maintain their position in the marketplace, behind IBM, it does not reflect the same consistency as IBM. This is due to Apple's diversification in advertising strategy, nor do Apple's advertisements have the same entertaining quality as IBM's. Advertising messages are more effective when their style agrees with the way people typically use media, and the gratifications delivered by television are largely to do with entertainment. Commercials that entertain are likely to keep the audience.

Despite the fact that Apple have broadened their audience with the latest business orientated advertisements, due to the lack of consistency in their advertising strategy, a certain indecision is reflected in the company's marketing.

Press

Print advertising is 'consumed' privately. TV can be - and often is - absorbed passively, whereas print requires active involvement, and this can make print advertising better remembered. The end effect of the message is usually examined first, the reader can then go back to the beginning and check the initial conditions.

In the Apple advertisements the main aim is to motivate the reader to action e.g., to phone for a brochure on product range, price etc. The ads in business magazines (fig. 10) give a powerful message which is read first e.g. 'Just what the world needs. Another superpower'. Larger than the copy is a photograph of the product. There is no background or special photography in the ad, the product stands alone and looks realistic. In bold type beside the company logo is the message: 'Apple. The power to succeed'. This phrase appears on most advertisements and P.R. material. Its repetition makes it memorable. The message is clear, that the Macintosh II is a powerful machine which leads to success in business. The

APPLES DON'T GROW ON TREES

BUT THEY DON'T HAVE TO COST THE EARTH



Those of you already in the know will be aware
that Macs are available to students at a special price.
Now those nice people from Apple have gone one better.

You can purchase your Apple Macintosh in four installments.
AT 0% INTEREST.
All you have to do to obtain details of this special offer is dial 10 and ask for
FREEFONE APPLE COMPUTERS - it won't cost you a penny.



Alternatively, fill out the form below and send it to:
*Macintosh Student Offer,
Apple Computers,
Warrington House,
Mount St. Crescent,
Dublin 2.*

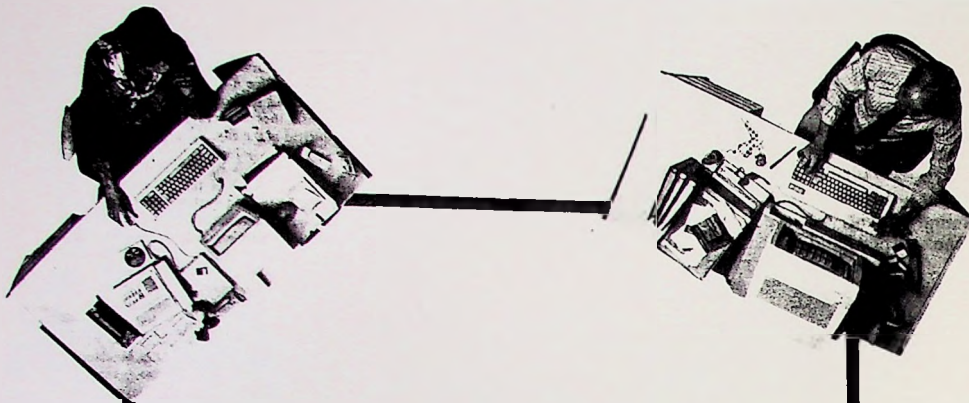
Please send me details of the Apple Macintosh Student offer.

Name:

Address:

Telephone:

FIG. 11 Apple advertisement from student magazine



DOWN TO THE GROUND!

Those nice Apple People are at it again!

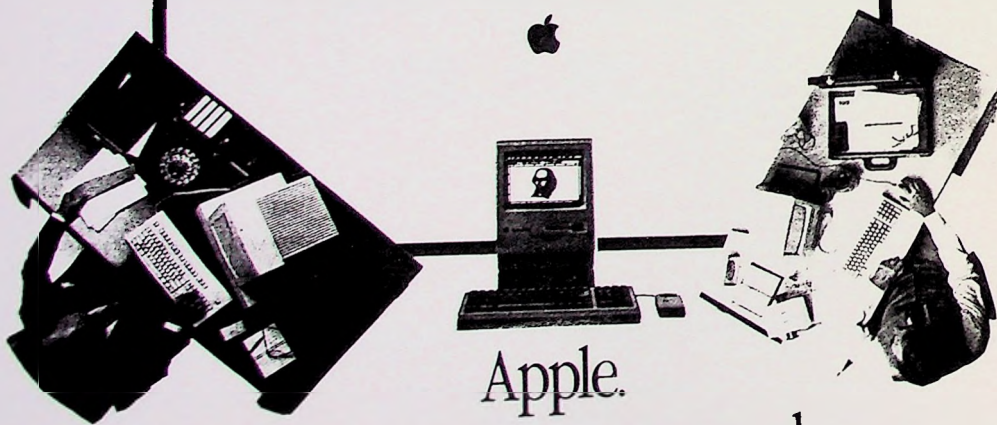
As you may already be aware, Apple Macintosh Computers are available to students at a special low price. Now they've gone one better. From MARCH 1ST onwards the price the Macintosh range is being reduced further.

This means that you'll be able to avail of the World's most popular computer at an even lower price. Think of it as a bigger bite of the Apple.

If you're interested in availing of Apple's new low prices, why not contact your computer department, or better still, pick up the phone, dial 10 and ask for FREEPHONE APPLE COMPUTERS. It won't cost you a penny!

alternatively, you can write to:

Apple Computers,
Warrington House,
Mount Street Crescent,
Dublin 2.



Apple.
The power to succeed.



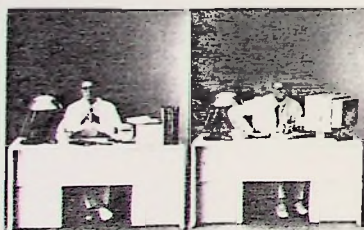
The New York Philharmonic Orchestra is conducting efforts to upgrade its computer from IBM. There are no more ways to use IBM. No, wait, there are more. In fact, you can use IBM to help you become more productive, give you a 24-hour IBM 24-hour, 365.

IBM

FIG. 13 World Advertising Review 1985

Dr. med.

Dr. mit.



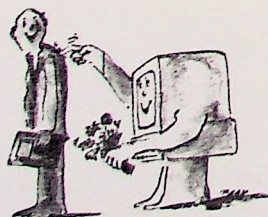
Viele Ärzte sagen, sie hätten gern mehr Zeit für ihre Patienten. Ihre für Forschung und wissenschaftliche Arbeit. Aber eine Praxis verhält sich nicht von selbst, und vieles muß selbst gemacht werden.

Manche Ärzte sagen, sie haben doch wieder mehr Zeit für das, was sie tun wollen. Überrascht trägt man nach dem Grund. Und hört sie arbeiten mit einem Computer.

Besser mit **IBM**

FIG. 14 World Advertising Review 1986/87

Ein Personal Computer ist
ein Not izbuch



Als Notizbuch speichert der IBM PC, was Ihnen wichtig ist: Namen, Daten, Adressen, Telefonnummern oder Termine. Natürlich kann der IBM PC auch ausdrucken, was Sie wollen. Zum Beispiel eine Telefonliste.

Wenn Sie an einen Termin erinnern will, kennzeichnen Sie die Notiz zur Wiedervorlage. So kann es passieren, daß Ihr IBM PC Ihnen zum Geburtstag gratuliert.

FIG. 15 World Advertising Review 1986/87

repetition of the word 'power' conveys an image of strength and reliability. The ad is simple and aims directly at the business man, communicating the capabilities of the Macintosh and not entertaining. Corporate image is strengthened and the consumer is reassured.

As universities and colleges are Apple's best customers they advertise regularly in student magazines. In this ad (fig. 11) the emphasis is on price, as the targeted audience is the forever penniless student. Apple have a special offer for students, which is mentioned in the ad. Again the emphasis is on getting the reader to phone for more information. The key line is stressed using pointers. The illustration is clever showing the computer as a school bag full of various information. In this case an illustration is more suitable than a photograph as it symbolizes a friendly product. The 'power to succeed' phrase is omitted which reflects the diversity in consumer.

The IBM press ads are quite different and have been recognised in world advertising reviews. Each one has an interesting angle, for example, one series shows various fields where computers can be helpful (fig. 13). Copy here refers to fund-raising by the New York Philharmonic Orchestra. This ad certainly evokes interest with the combination of cello and IBM logo.

Another ad (fig. 14) says that many physicians use computers to save time which can be devoted to their patients or to research. Hence the contrasting shots of the 'Dr. Med' (doctor of medicine) without a computer and the 'Dr. Mit' (doctor with). It is interesting to note how multi-lingual the IBM logo is, the same can be said for Apple.

The IBM ads diversify greatly reflecting the varied capabilities of the product. A very appealing and friendly ad is entitled 'What exactly is a personal computer?' . The answer given here is 'A personal computer is a notebook which stores names, dates addresses and reminds you when it is your birthday '. (fig. 15).



Why people choose an IBM PC in the first place is why people want IBM service...in the first place.

After all, who knows your IBM Personal Computer better than we do?

That's why we offer an IBM maintenance agreement for every member of the Personal Computer family. It's just another example of blue chip service from IBM.

An IBM maintenance agreement for your PC components comes with the choice of service plan that's best for you—at the price that's best for you.

Many customers enjoy the convenience and low cost of our carry-in service. That's where we exchange a PC display, for example, at any of our Service/Exchange Centers.

And for those customers who prefer it, we offer IBM on-site service, where a service representative comes when you call.

No matter which you choose for your PC, an IBM maintenance agreement offers you fast, effective service.

Quality. Speed. Commitment. That's why an IBM maintenance agreement means blue chip service. To find out more about the specific service offerings available for your PC, call 1 800 IBM-2468, Ext. 553 and ask for PC Maintenance.

Blue chip service from **IBM**

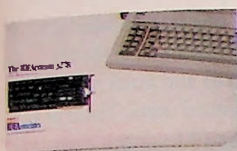
Circle 781 on reader service card

Have you met the most important man
in the world of Personal Computers?



FIG. 17 World Advertising Review 1985

IDEA is shipping new ideas for IBM's System 36.



Whether you have an IBM minicomputer or mainframe, IDEA offers a complete line of cost effective solu-

tions for linking your IBM PC, XT, AT or Portable to your host.
Introducing the new IDEAcomm 5251.

The IDEAcomm 5251 communications card supports a twin-axial cable connection allowing your IBM PC, whatever the model, to communicate with IBM System 34, 36 and 38 minicomputers. Communications may be local or to an IBM 5251 Model 12 display controller.

Complete 5250 terminal emulation is supported for monochrome and color displays, including IBM 5251 Model 11, IBM 5291 Model 1 and 2, and IBM 5292 Model 1 terminals. Since IDEAcomm 5251 does not use DMA channel resources, there is no interference with hard disks or network cards.

And our new IDEAcomm 5251 D card supports the full 32 attributes of the IBM 5251 screen, or the card acts as a conventional monochrome display adapter.

Our new IDEA Minicomm is amazingly versatile.

If you need a truly versatile communications card for your IBM PC, you need the IDEA Minicomm. Supporting both Bisync and SNA/SDLC protocols, the Minicomm transmits data at 19.2 kilobits per second. The card allows remote communications over synchronous modems, and may be used locally with a modem eliminator.

And now IDEA offers four new software packages for the Minicomm:

- IDEAcomm 3270/BSC
- IDEAcomm 3270/SNA
- IDEAcomm 3770/SNA
- IDEAcomm 3780/BSC

These packages turn your IBM PC into a terminal or remote job entry station transferring program, data, or text files to the mainframe.

IDEAcomm 3278 is fast and flexible.

The IDEAcomm 3278 offers powerful file transfer that moves data up to 60% faster than IRMA. In benchmark studies, IDEAcomm 3278 transmission speed on a local mode 3274 was up to 60% faster than IRMA. And it takes just one key stroke to upload or download files. TSO and VM/CMS file transfer is standard.

Designed for maximum performance, IDEAcomm software lets you change colors and reconfigure the keyboard to best suit specific applications.

Our great ideas work with the IBM AT.

At IDEA, we believe that one good idea deserves another. Our products now work with the IBM AT. You can network and share resources with the AT on IDEAnet, mount our 20MB IDEAdisk internally to the AT, or connect our 5MB to 120MB IDEAdisks externally to the AT. And, of course, the new AT can communicate to IBM host computers.

Call 800-257-5027 for the IDEA dealer nearest you. You'll see why lately, IBM has been getting some great ideas from IDEA.

IDEA
IDEAassociates

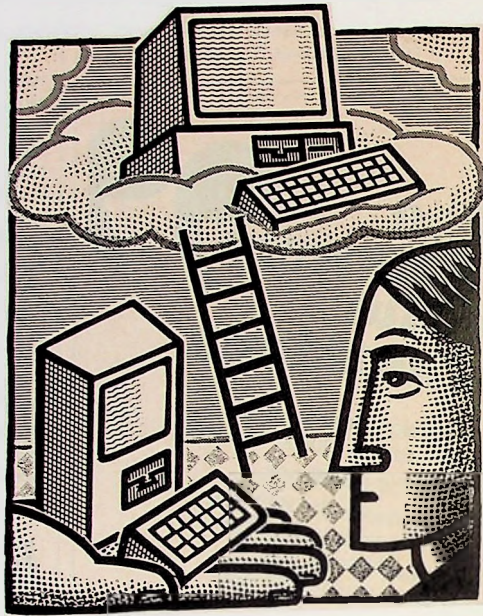
The best IDEAs for personal computers.

IDEAassociates, Inc., 35 Dunham Rd., Billerica, MA 01821 (617) 663-6878 Telex 94-8245,
IDEAassociates S.A., 5, Route de Chêne, CH1207 Geneva, Switzerland
(22)86 11.19 Telex 428 388 KBSCH



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Circle 153 on reader service card



'Compatibility'

An IBM ad which tells of the maintenance agreement for the IBM PC, for a business magazine, illustrates the range of environments and users of the machine. The aim is to excite to action, and find out more about the services. (fig. 16)

When the Apple and IBM ads are compared, the interest and innovation lies with IBM. Because of IBM's size and reputation they can afford to experiment more with their ads.

A clever and cheeky ad for Nelson Corona personal computers (fig. 17) uses IBM's Charlie Chaplin image. As the copy says, IBM has used a Charlie Chaplin lookalike to advertise its computers all over the world. IBM's is the market leader of personal computers but several machines, including Corona 'are not only IBM PC-compatibles but are superior to it in terms of performance capabilities'.

Throughout their advertisements Apple and IBM convey images of strength and reliability and try to stimulate the reader to action. IBM achieve this to a greater degree than Apple because of the innovation and entertainment involved in their advertisements.

Compatibility

IBM's competitors could be split up into two groups the compatibles and the non-compatibles, which was notably Apple. Compatibility has many advantages for IBM, securing its position as market leader. Due to compatibility IBM's advertising has been assisted by its competitors. For large parts of 1986 and 1987, when IBM itself chose to carry out no large-scale advertising the only advertising for IBM was provided free by its competitors (figure 17, 18).

However compatibility also means that IBM competitors can create 'clones' which are almost functionally identical, and IBM are now losing volume sales to cheaper copies produced in the Far East. To a lesser degree of compatibility, sales of IBMs have

IBM's best efforts are now going into Macintosh.

Macintosh and IBM PC software Compatible at last.

Thanks to MacCharlie, a rather innovative processing system.

And imagine the consequences.

Nearly 10,000 IBM PC software programs designed for general

business and specific applications in real estate, insurance, law,

medicine, banking, recreation can

now join forces with Macintosh's own popular programs.

And, the myriad of IBM PC-compatible software adopts

Macintosh's many beloved

features, including desktop

utilities such as the clipboard and the calculator.

In addition, MacCharlie allows

IBM PC and Macintosh data files to be exchanged. Talk about flexibility.

But the good news gets better.

You see, MacCharlie delivers

hardware compatibility, as well.

For example, IBM letter-quality

printers can be easily used

with Macintosh.

Furthermore,

MacCharlie

now allows Macintosh to perform virtually any networking an IBM

PC can perform. Even to the extent

of tying in with IBM mainframes.

In other words, your

networking capability goes beyond

the Apple family.

How does it happen? As easily as slipping on penny loafers.

In mere moments, MacCharlie

combines the best features of the

world's premier personal

computers.

And despite the fact that it

turns one computer into two,

MacCharlie adds but a handful of square inches to Macintosh's physique.

In short, one of life's most

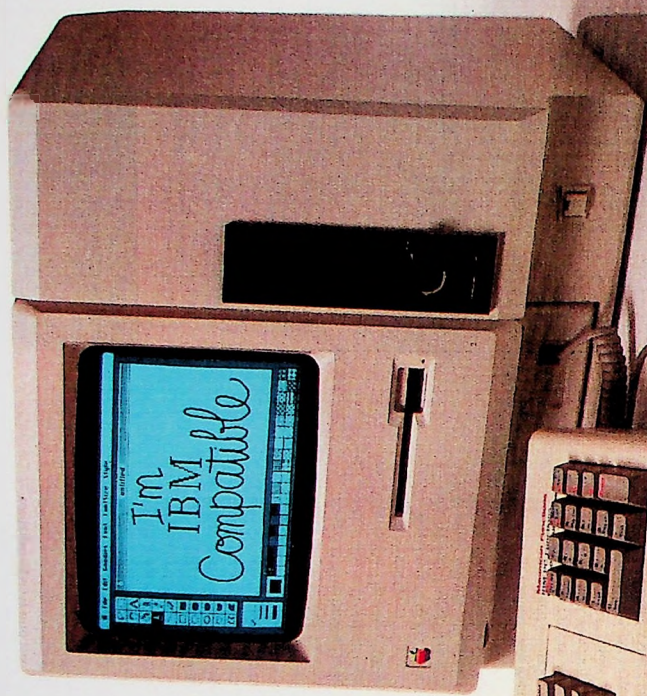
perplexing decisions—whether to

buy a Macintosh or an IBM PC—

can now be made with the

peace of ease.

MacCharlie offers 256K RAM with optional upgrade to 512K RAM. 100% IBM PC compatible. IBM and Macintosh are registered trademarks of International Business Machines Corporation. © 1987 Apple Computer, Inc. All rights reserved.



MacCharlie™

THE BEST OF BOTH WORLDS.

MacCharlie is a product of Dyna Communications.
90 S. Main, Salt Lake City, Utah 84141

Apple is a trademark of Apple Computer, Inc. registered in the U.S. and other countries. IBM is a trademark of International Business Machines Corporation. © 1987 Apple Computer, Inc. All rights reserved.

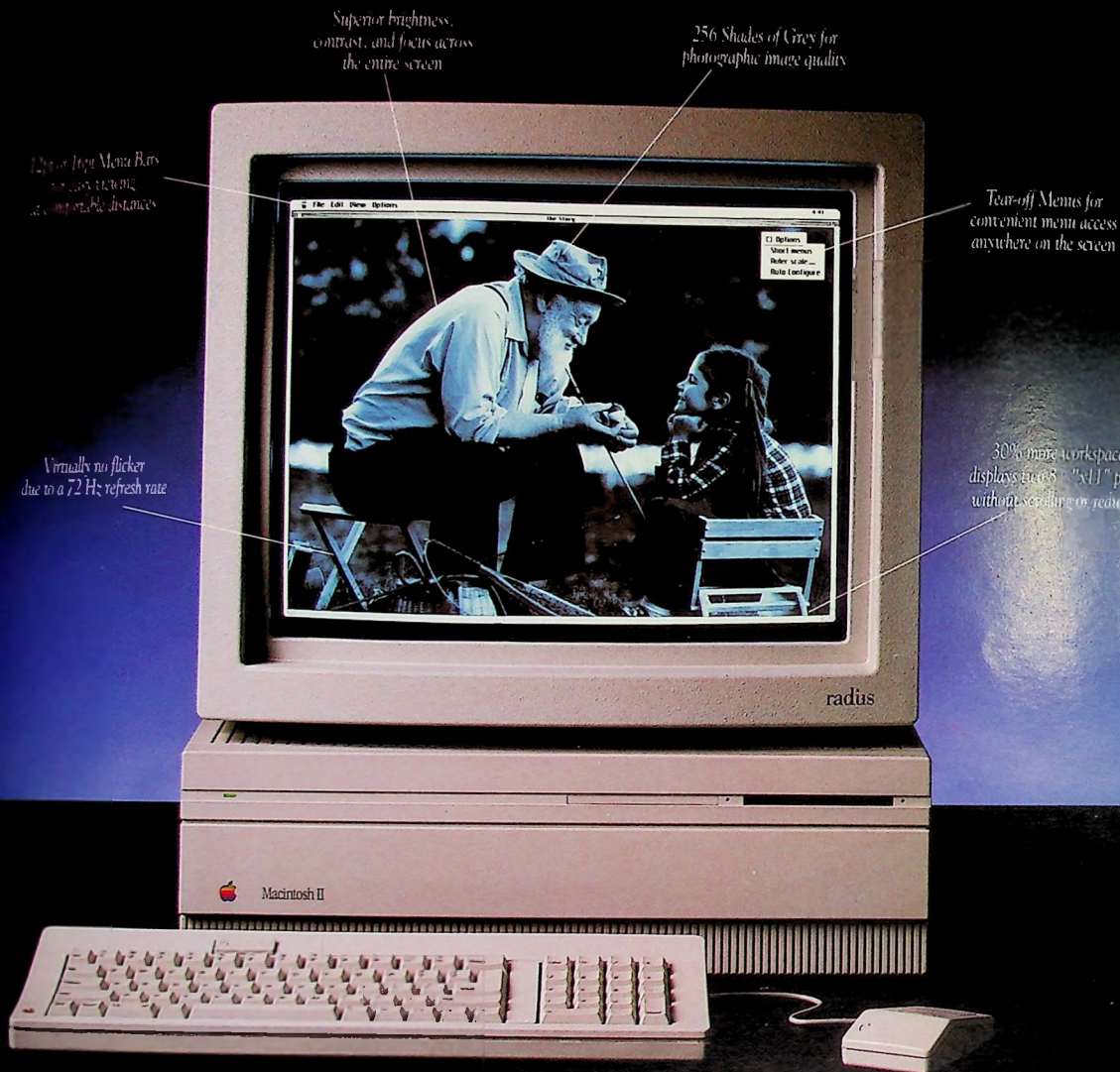
Circle 973 on reader service card



Once you plug in MacCharlie's power and keyboard cords, you're ready to enjoy a very happy marriage.

Macintosh sets enough beside MacCharlie, on a custom fit pedestal.

The Macintosh An Expert files right into MacCharlie's keyboard. About as easy as slipping a letter in an envelope.



OUR DISPLAY IS ONLY HALF THE STORY.

Introducing the Radius Grey Scale Display. It gives you a photographic image in 256 shades of grey. With superior brightness and contrast across the entire screen. A refresh rate of 72Hz virtually eliminates flicker.

The Viewing area is big. Very big. It gives you 30% more space than a traditional 19" monitor.

But the story doesn't stop with the view because we've included our own very impressive software features.

For example we give you Tear-off menus

in every application.

So whether you're creating a dazzling drawing with Illustrator'88 or retouching a photograph with Image Studio, you can position them anywhere on the screen for easy access.

To make your life even easier you have a choice of 12 or 16 point menu bars for easy readability. Plus an adjustable screen saver to prolong the life of your screen.

You also have the ability to select any

sized portion of the screen and capture it in a file.

What's more, to bring you the future now, we offer an exceptionally convenient path to our colour display.

So before you purchase a display for your Macintosh II, call Computers Unlimited on 01-200 8282 and get the whole story on intelligent hardware and the name of your local Radius Authorised Dealer.

radius™

Radius Inc the Radius logo, Intelligent Hardware, and Radius Grey Scale Display are trademarks of Radius Inc. Other brand and product names are trademarks or registered trademarks of their respective holders. Radius, Inc is a California company with no relation to Radius Pic of Hull, UK.

increased because the more diverse the software and applications, the wider a range of people will be attracted to the computer. However it has debased the unique quality image (which Apple had) to the extent that it has now legitimized a horde of cheaper compatibles flooding out of the Far East. IBM's emphasis seems to be on the quality rather than the quantity.

After 10 years of holding out Apple crossed the line to compatibility with industry giant IBM. Both the Macintosh II and Macintosh SE can be configured for compatibility with MS/D0s, the operating system for personal computers that IBM set as the industry standard.(fig. 19,20) This coupled with the new advertising strategy confirms Apples launch into the business world.

Apple have also teamed up with Interleaf Inc. a software company, to enter the market for sophisticated electronic publishing systems.

Distribution

Apart from compatibility the other major marketing move that IBM made, was to break a long standing corporate policy of distributing its products primarily through IBM representatives when it gave computer stores the opportunity to sell its personalized hardware. The marketing graveyard is filled with superior products which for lack of an adequate dealer network, never quite made it. Apple on the other hand distribute through their own high street stores 'Apple Centres'. For example in Ireland, IBM have a network of dealers, 33 in Dublin alone, whereas Apple have 10 dealers in the country. Although this maintains the quality and elitism of the Apple product it surely does not help sales.

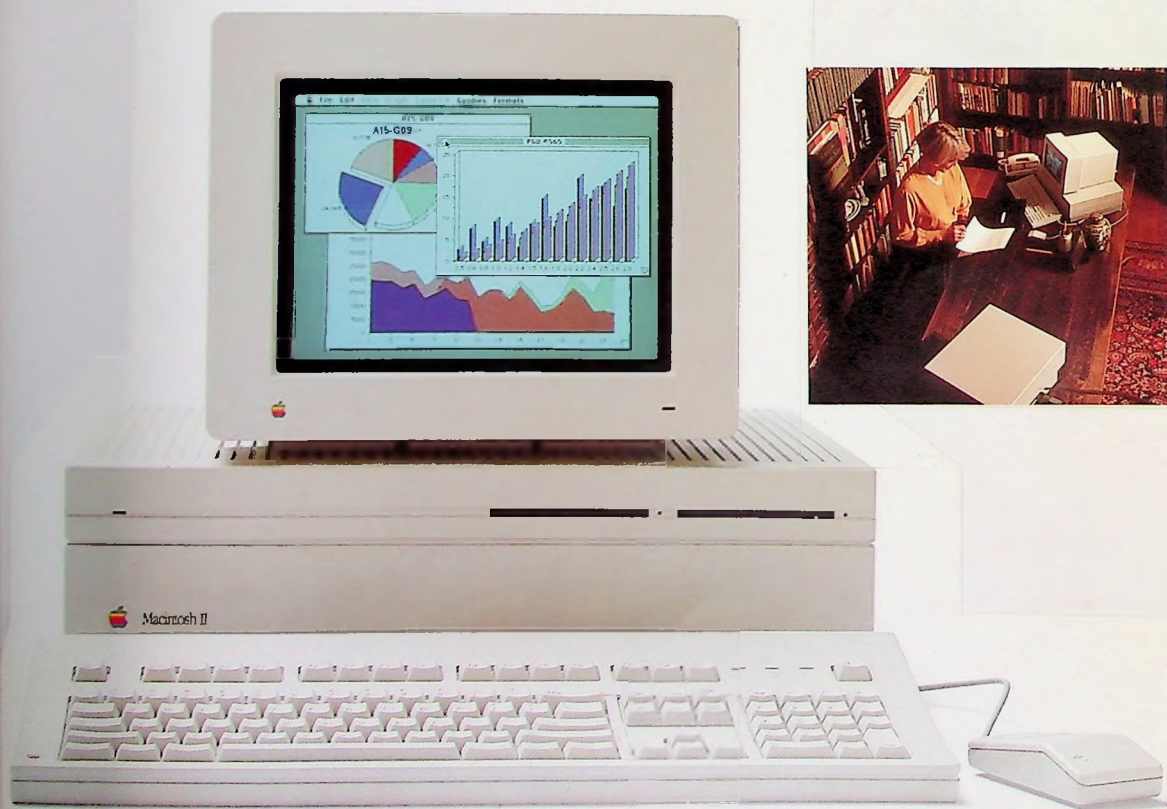
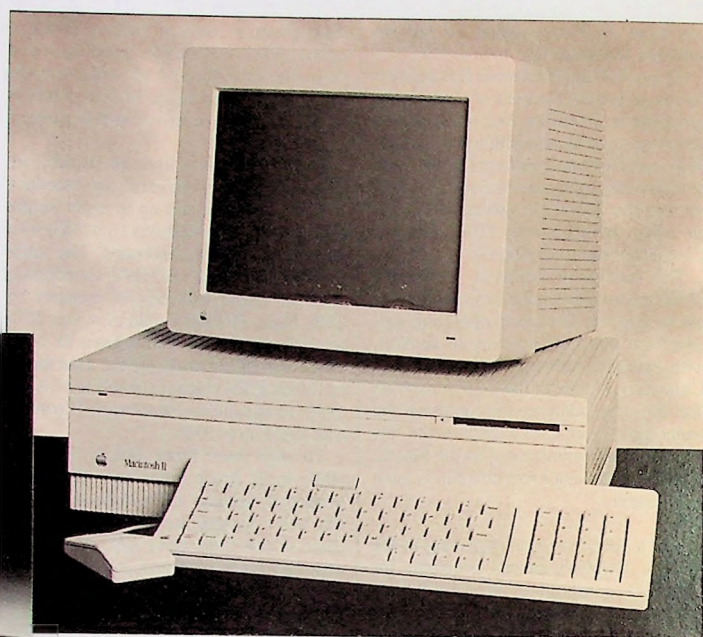
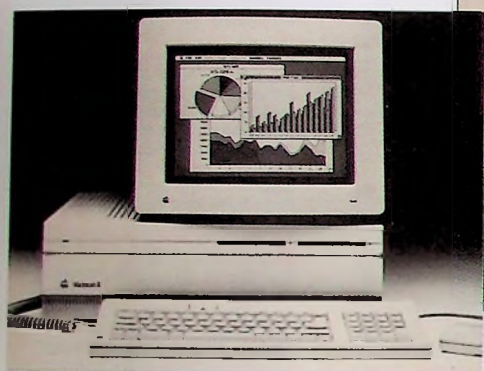


FIG. 21 Macintosh II



FIG. 21 Macintosh SE



FIG. 21 Macintosh Plus

Product communication and semantics.

Nowadays, decoration ought to be seen as a system of information in its own right, consisting of cultural information about the product, information on its use and linguistic and visual form. - Andrew Branzi.¹

Apple

The product (Apple Macintosh, fig. 21) attempts to provide a sense of mental and aesthetic enrichment, through the form, colour and logo. Although the form is not extremely exiting, it consists of very simple, regular shapes (hardware and disk drive). This, in harmony with the subdued colour, a very light warm grey, conveys an image of peacefulness. The subtle surface detail adds dimension, and these lines symbolise speed (of processing). They also provide a resting place for dirt.

The curve on the key board is noteworthy (fig. 22) as it adds a whole new dimension to the regular form, contrasting with the straight lines and harmonizing with the radiused corners.

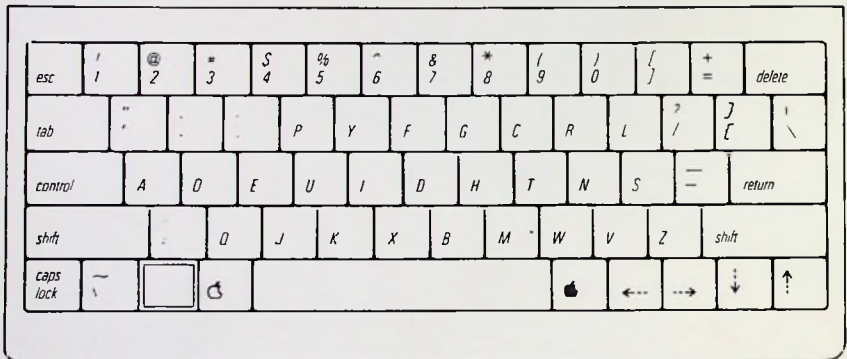
To keep with the theme of simplicity there is only one colour used on the whole unit and the split lines reflect overall moulding shape.

The italic typeface used on the keypads symbolize the speed at which the machine can process information (fig. 23) and also make the keyboard unique.

Although the machine is quite appealing and non-aggressive in appearance there is not much integration between the different parts: hardware; keyboard; disk drive and mouse. This is particularly true for the Macintosh SE (fig. 24). The only relationship between units are logo and colour. The reason why units just sit on top of one another and look like they are just sitting on top of each other, and do not integrate, could be to



Macintosh



Apple II

FIG. 23 Keyboards



FIG. 22 Macintosh SE

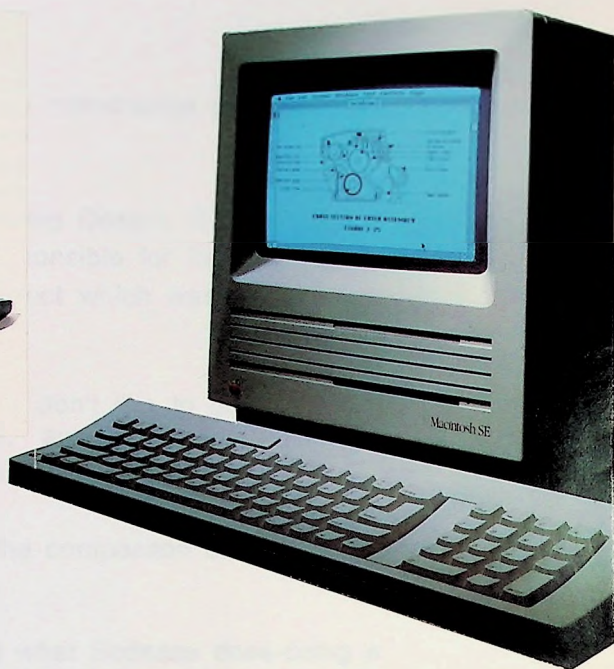


FIG. 24 Macintosh SE



FIG. 25 Hartmut Esslinger
Designer

demonstrate Apples capability to interchange parts and be compatible.

Hartmut Esslinger (fig. 25) of Frog Design, Germany, redesigned the Apple Macintosh and is responsible for its style. Esslingers objective was to provide a product which was friendly and peaceful.

American people obviously don't like to go to war, the products we do for Apple, are peaceful, not paramilitary like the fashion 20 years ago.²

The fashion is determined by the composition of the US market: VALS types, by percentage.

We concentrate on doing what Sottsass does-doing a gesture and developing this gesture into a product.²

Apple also pay great attention to their packaging. Their computers are packaged in cardboard boxes with large red apples on the side and a sketch of the product on the front in grey, all on a white background (fig. 26). The packaging takes the theme of friendliness a step further than the product. The sketches on the packaging are very uncomputer-like and they resemble a child-like drawing. These appeal strongly to schools, who are one of Apples best customers, but it is doubtful if they are so well received by the business establishment. Although packaging alone will not sell a product, it contributes to its personality and image.

Apples identity is its logo, a friendly non-threatening apple. (fig.27) It is important that a logo is memorable, especially in the world of personal computers where the brand and model names are vast and varied. Apples logo is memorable because of its colour and its contrast to the rest of the computer. It is very unique but its degree of timelessness is doubtful as its styling is from the pop era of the 1970's.

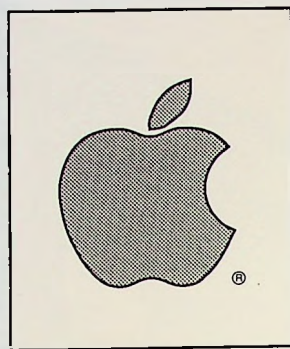


FIG. 27 Apple logo

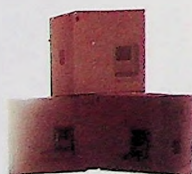
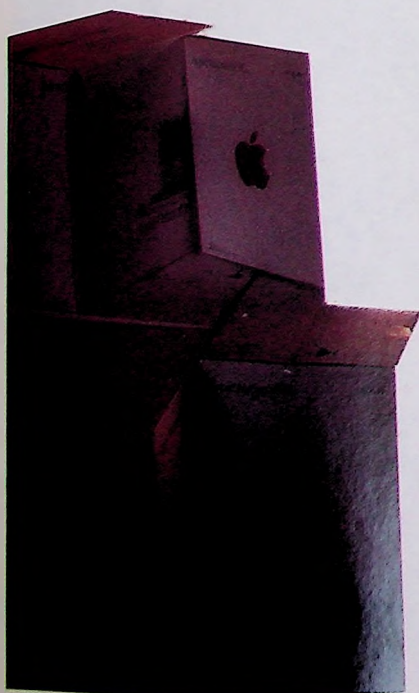


FIG. 26 Apple packaging

FIG. 28
IBM PC/12



IBM

FIG. 29 IBM logo

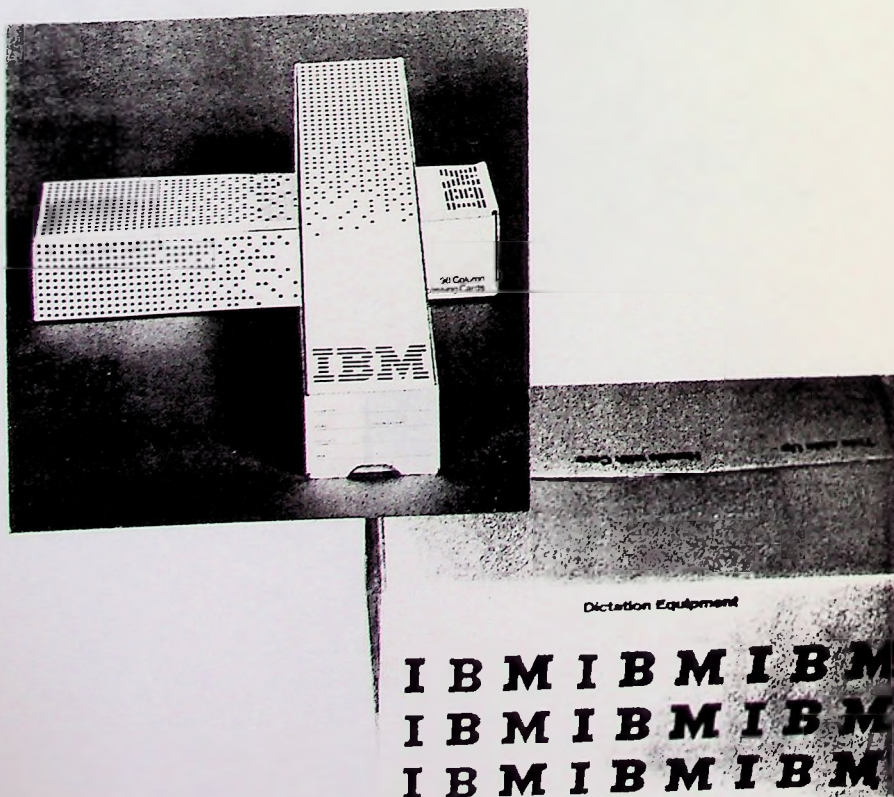


FIG. 30 IBM packaging

IBM

IBM on the other hand have a neutral styling on all their computers. They use the regular two-tone and type face on the keyboard. The colours are darker warm greys, which produce a more sombre effect than Apples Macintosh .

Where Apples injection of colour comes from its logo, IBM have introduced accent colours onto the disk drive and monitor (fig. 28). This disk drive is very block-like and there is no harmony between this and the radiused keyboard. However the monitor is quite interesting and can be angled, unlike Apples. The reason why IBM's computers are so neutral in styling is because they are often used with other manufacturers produces e.g. diskdrive.

IBM's logo is more regular than Apples using the three words I, B and M. It has become much more dynamic with the introduction of the lines (fig. 29). IBM's logo is synonymous with reliability and professionalism and reflects this through the strong typeface used. The difference between the Apple and the IBM logotypes reflects the difference in targeted audiences.

IBM can be complimented for their packaging which is rich and varied. The use of the logotype as the only unifying graphic element, allows sufficient variety throughout the range to avoid undesirable monotony. (fig.30)

Footnotes, Chapter four.

¹Andrea Branzi, The Hot House.

²Hartmut Esslinger, Design Sept. 1987.

CONCLUSION

The first commercial computer did not emerge until 1945 and was of gargantuan proportions. This crude and slow machine was used only by scientists. In the 44 years that followed, the computer has become fast, efficient, easy to use and its size has been reduced to a table-top unit. A corresponding spiritual change was necessary to accompany the physical change that took place. The computer was generally regarded as a difficult to use, technical machine which was replacing talented human beings.

The computer industry needed an injection of image-transforming marketing, and this is when Ad Alley and the psychosalesmen stepped in. Two personal computer companies who spent large sums of money on advertising were Apple and IBM. Apple began their advertising campaign by targeting a specific group of consumers - the Societally Conscious Achievers, who account for one-third of the American population and are steadily on the increase. Apple looked at the values and desires of this consumer group and tried to convey these emotions in their products. To attach values and feelings to a product, is to give it a personality and this is what Apple tried to achieve through their marketing.

The sales of the product can be determined by the mix of marketing variables: the product, the package, the public relations, the distribution and the advertising. No element in the mix taken in isolation, can be a unique determinant of sales. All the elements must pull together in combination.

Firstly in advertising Apple celebrate the values of the Societally Conscious Achievers and show their computer as a product which brings personal fulfillment into one's life. The logo is colourful, friendly and distinctive, while the products are subtle and peaceful. Packaging is unique, as is distribution (only Apple dealers).

Apple aimed their products mainly at the home and school. They were more covertly aimed at the business person, because at that

time there was emerging a new relationship between office and home, as much the result of sociological change as technological development.

However, Apple had to broaden their targeted audience if they were to compete successfully in the personal computer market. Although successful in education and with the hobbyists, Apple were not really capturing the business market. This is very much in the grasp of the market leaders IBM, who are one of the most successful companies in the world, and were already well established when they joined the personal computer industry, four years after Apple. Although Apple had been the market leaders, IBM quickly caught up and overtook them. Apple, who are 40 times smaller, were helpless against 'Big Blue' (IBM). IBM headed straight for the business market, where they already had a solid reputation from their office machinery, and have been there ever since.

Apple are now beginning to fight back with the introduction of the 'Apple, the power to succeed' advertising campaign, which aims directly at the business world. This advertising stresses Apple's efficiency and capabilities. For although IBM are the market leaders they do not have a particularly superior product.

At a point of potential purchase, a deep corporate identity, which IBM most certainly has, can really help. For at this point, when everything else is equal and there does not seem to be anything to choose between the price, quality and service of the product offered, the irrational element in the selling process takes over. IBM can give reassurance to the customer, he knows that he cannot be really making a mistake.

('No one ever got the sack for choosing IBM').

However not everyone will like their style, it may be too big, too smooth, too superficial, in which case Apple may be more emotionally attractive.

The main difference between Apple and IBM's marketing was compatibility. IBM allowed other computer manufacturers to design systems which are IBM compatible. This secured IBM's place in the market. They set the standards and many companies were dependent on them.

However, it took some of the virtue out of the IBM product, and legitimized 'clones' or IBM 'lookalikes'. Apple preferred to retain their unique and quality image. In 1987 Apple crossed the line to compatibility with the introduction of the 'MacCharlie', realizing that if they wanted to present a full flexible line of machines to the business customer they had to compromise and become IBM compatible.

Apple also introduced a new advertising strategy - 'Apple. the power to succeed.', which aimed directly at the business person.

While Apple were trying to tighten their image to capture the business audience, IBM were presenting a friendly picture. The pervading and likeable Charlie Chaplin tramp has been a departure from IBM's otherwise staid image, and is now synonymous with the IBM PC.

For both companies to keep their market positions, they are continually developing new products. In 1987 Apple introduced the Macintosh SE and Macintosh II - thirty days before IBM announced its PS/2 family. The PS/2 are very Macintosh-like in their performance, with features such as windows, pull-down menus, and mouse control, and so the battle intensifies.

Both Apple and IBM have strong corporate identities which they have achieved through product marketing. Apple will be at a disadvantage for a long time yet, because it does not have the same degree of power and maturity attached to its name as IBM. Apple, who concentrate on brand personality and ease of usage to the consumer, have developed a strong reputation, although their advertising is not as effective as IBM. IBM do not have a superior

product, but their advertising is successful and their name is synonymous with a dependable service.

Both companies have a long way to go yet and it is a hard task for Apple to catch up on IBM. It will be a long time before anyone knocks this corporate king from his throne.

Glossary

HARDWARE: Physical parts of the computer system, screen, computer and diskdrive.

INPUT DEVICE: Keyboard.

MICROCOMPUTER: A complete small computer system.

MICROPROCESSOR: The most important silicon chip located in the centre of the circuit board. (Mother board).

MOUSE: Pointer which enables you to designate objects on the screen.

PROGRAMS: Instructions in a language only understood by a computer to serve a certain function.

SILICON CHIP: A package of thousands of miniature electronic components, hidden inside the casing of a microchip for protection.

SOFTWARE: Programs which make the machine do what you want.

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LAWLOR Steve. Sales Representative for Apple Computers Inc.,
Glenmire Electronics, Limerick.

ROGERS Bill. Sales Representative for IBM Ireland.

ZOWIE Smith. Public Relations Officer for Apple Computers,
London.

WALKER David. Account Executive for Apple Computers, BBDO
London.

Videotape

Received from Nick Thurlow, Account Executive for Apple
Computers, BBDO, London.