

Competitive advertising benefits smaller tech firms more

By Ellyne Phneah | January 9, 2013 -- 08:55 GMT (16:55 SGT)

New technology companies and smaller firms have more to gain from advertisements that take a creative dig at rivals, as consumers tend to empathize with the underdog. However, they need to be mindful of keeping claims accurate and competitor attacks light-hearted.

Companies with different market values often benefit differently from criticizing their competitors in advertisements, Elison Lim, assistant professor of marketing and international business at Nanyang Technological University's (NTU) Nanyang Business School, remarked.

She explained consumers tend to see a big brand taking on a small brand as being "petty", and will hence view them unfavorably and be less empathetic toward them. On the other hand, if a small brand takes on a market leader, consumers will perceive them as taking on a challenge, view them less unfavorably and be more empathetic to them, she explained.

Another observer, Chung Seh-Woong, assistant professor of marketing at Singapore Management University's (SMU) Lee Kong Chian School of Business, agreed competitive advertising benefits new or minor brands with small market share more than bigger ones.

For example, in 1984, Apple instantly became a household brand when it released the Macintosh, in its SuperBowl advertisement, as it threw a "not-so-subtle" jab at IBM, he pointed out.



Apple's Superbowl advertisement in 1984 features an athlete wearing orange shorts and white top with a picture of its Macintosh computer, battling against an army of blue people in a dystopian world. (Source: YouTube)

Their comments come after South Korean electronics giant LG released aggressive newspaper advertisements in Korea publications and LG Uplus mobile phone store taking jabs at Apple's iPhone 5 last month. Posters displayed in one LG Uplus store mocked the iPhone 5 with phrases such as "iPhone 5? Really disappointing", while another newspaper advertisement showed its Optimus G smartphone slice through an apple.

When using competitive advertising, companies must be careful as they risk inviting libel lawsuit, and not advancing its position in the minds of a consumer, Lim pointed out.

Have accurate claims, less blatant attacks

First of all, a company must be precise in its claims toward its competitor's product, Lee Yih Hwai, associate professor and head of the department of marketing at National University of Singapore's (NUS), pointed out. If it is a matter of opinion, a company should make sure consumers should not be misled into believing the advertisement claims are real.

Lim added that companies should also avoid a blatant, head-on attack of the competitor brand, as it will not be perceived as creative unless it is being done in a humorous, disparaging manner. Consumers do not enjoy advertisements featuring malicious attacks, as they tend to avoid advertisements evoking negative feelings in them, she explained.

If advertisers want to combine creativity with competitive advertising, they are more likely to be successful if they were less direct and more light-hearted, Lim advised.

For example, when M1 and StarHub first entered Singapore market, SingTel launched a series of advertisements which used colored umbrellas--red for SingTel, orange for M1 and green for StarHub, she noted. The red umbrella was larger compared to the orange and green, which creatively claimed SingTel had the best network coverage in Singapore.

Forge an emotional connection

Barney Loehnis, head of mobile at Ogilvy & Mather, also noted many technology companies are "bad at emotions", but good with rational and analytical matters. This makes them very poor communicators or expressing their emotions, he explained.

Brands must listen to their audience, engage them emotionally and when appropriate, provide rational information, supporting facts and engaging activities, not lead with facts such as specifications, Loehnis noted.

"The tech companies that are able to create brands that people have affection for, will be perceived as market leaders, and carry the people's vote," he said.

Yeo Ai Ling, executive director of advertising and marketing firm, WILD also agreed. Many technology advertisements focus too much on the latest technology and specifications, and too little on connecting with their consumers and building brand preferences and loyalty, she explained.

Brands need to know what they stand for in the hearts and minds of consumers so they can articulate their value in the advertisements and build loyal customers without "attacking" their competitors, Yeo remarked.

An example of such a campaign is Hewlett-Packard's "The Computer is Personal Again" because it resonates with consumers because they focus on the personal relationships which people have with their PCs rather than position the PC as commodities, Yeo cited.

In Apple's "I'm a Mac versus I'm a PC" campaign, it takes a tongue-in-cheek approach to cleverly communicate Apple's "cooler" brand personality and superior product benefits against the "nerdy" Microsoft. "This worked well for Apple as it is in line with its brand image of the cooler, dare-to-be-different underdog," she said.



Apple's "I'm a Mac versus I'm a PC" campaign in 2006, which portrayed Apple as a "cool" brand and Microsoft as a "nerdy" brand (Source: YouTube)