

# HOW THE LAUNCHES OF THE IPOD, IPHONE AND RAZR STACK UP

## SPENDING

## STRATEGY

## INTRODUCTORY ADS

## EARLY HYPE

## COMPETITION

### IPOD



**\$399**

then/ranges from \$79 to \$349 today

**\$28.3M**

for fourth quarter of 2001 (launched October)

**\$4.4M**

for all of 2002, according to TNS. Last year: \$125 million.

The early pitch was all about music and fun. Cutting-edge tunes and hip characters have pushed “songs in your pocket” from the beginning. However, since the MP3-player category was still in its infancy, Apple’s iPod first marketing focused on its unique design and features such as the scroll flywheel.

Guy at an Apple computer—with the now-signature funky song playing—scrolling through iTunes, then downloading to his iPod. He puts in headphones, does a quick dance breakdown and leaves.

“Apple lacks the richness of Sony’s product offering,” and new launches are “risky,” commented Technology Business Research’s Tim Deal. Ahem.

Creative Technology owned the MP3-player market in 2001. This past January, Creative launched its first accessory for the “Made for iPod” licensing group.

### IPHONE



**\$499**

and \$599 versions, both with two-year contract from AT&T

**\$10M**

January.-March 2007.

Word-of-mouth has been the main vehicle, valued at up to \$400 million. In Piper Jaffray’s annual teen survey, more than 84% had heard of the iPhone, and a 25% said they would pay \$500 for it. The strategy takes a more serious approach than the fun and flip tack for iPod, with black backgrounds, tight product shots, minimalist music and an almost educational style showcasing how the iPhone works.

Hello. Repeated 30-plus times by a variety of film and TV stars from generations past and present. Aired only during the Oscars.

“The iPhone is all about cachet and style. And it is expensive,” said Jupiter Research analyst Emily Riley.

Everybody. The competition ranges from business buyers of Treos and BlackBerries to the 80 million cellphones with music capabilities in the U.S.

### RAZR



**\$499**

with two-year contract with Cingular

**\$3.8M**

from June 2004 through July 2005, according to TNS. Seems small, but don’t forget Cingular also promoted the Razer heavily in its own ads.

From the name of the product to the marketing terminology to the visuals used in the ads, all played up the sleek, groundbreaking clamshell design. PR and word-of-mouth played big roles early.

Hello, Moto.

“It’s the most iconic phone line in a decade,” Geoff Kehoe, senior director-brand communication, Motorola, told Ad Age.

Nokia was No.1 in the global cellphone market before Razer. Razer helped Motorola take No. 2, selling more than 1 million phones in six months.