

## Adobe Systems - Creative License

Source: Effies (North America), Gold, Computer Software, Effie Awards 2008

Downloaded from WARC



Computer-based design specialist Adobe was launching a new software package, Creative Suite 3. While an improvement on the previous version, it was more expensive, and was being released practically on top of the less expensive existing option. Earlier campaigns for Adobe had stressed its position as a provider of tools facilitating creativity, a perception that was commonly held among its target audience. The creative people who used it were also becoming increasingly connected through social networking sites. Research revealed the key insight that Adobe was viewed as the adult, digital equivalent of a child's crayons and colouring book, allowing users to transform their thoughts into images. The creative campaign for CS3 was thus based around the notion of Adobe being a 'creative accelerator', which could allow the user's imagination to go wherever they wanted it to go. The online creative campaign showed CS3's musical, video and graphical capabilities, while a 95-foot wall in Union Square, New York created the ultimate in interactive license. CS3 not only outsold its predecessor, but also made a greater contribution to Adobe's revenues.

Category: **Computer Software**

Client: **Adobe Systems**

Primary Agency: **Goodby, Silverstein & Partners**

### STRATEGIC CHALLENGE

Launching a successful “release” on top of another successful “release.” The story behind the launch of Adobe Creative Suite 3 is largely about upping the ante that had already been achieved by Adobe Creative Suite 2 – the problem being that the new and more expensive version (3) was being launched practically on top of the less expensive and perfectly adequate-for-all-needs version (2).

In the spirit of making things difficult, there was not one but three interlinked challenges facing Adobe Creative

Suite in late 2006.

**i) Pressures from the street:** Since the late 90s, Adobe has created a position for itself as the premium standard for anyone working in computer based design. A host of products spanning graphic design, video-editing, Web development, photography and post production have ensured that Adobe has kept a foot in every creative professional camp and kept Apple, Microsoft and a host of niche manufacturers at bay.

In 2005, Adobe acquired Macromedia (Flash) and guaranteed itself an even bigger foothold in the burgeoning creative-for-online space. This was the next big step for Adobe but it didn't go entirely unquestioned. Adobe was under pressure from analysts to create a successful integration with Macromedia while continuing to produce a rich revenue stream from its software suites. It couldn't afford (and wouldn't be allowed) to draw breath.

Like most software companies, Adobe works on the “release” model. Creative Suite 2 (CS2) – a moderately priced and moderately enabled set of imaging, design and print production software tools – was launched in 2006 and immediately became a strong seller for Adobe. Priced at an average of about \$1750 and upward (Source: Adobe), CS 2 contributed a highly profitable income stream – as of 2006, money from creatively oriented software accounted for about 55% of Adobe's total revenue (Source: Adobe Investor Relations, 2006).

**ii) Upping the ante:** However, the analysts' pressure didn't let up – was CS2 a flash in the pan or something that could be repeated and improved? Partly for competitive reasons and partly as a means of quieting “the street” Adobe accelerated the release of CS3 to April 2007. This would be an improved version of an already very good product. It would include well-known applications such as Photoshop, Illustrator, InDesign and Flash. And, because it was the first Creative Suite written for Intel Macs, CS3 would be at an even higher price point (\$2,500 and up).

**iii) No single audience:** Without enough money to adequately address separate vertical audiences, Adobe needed to find a way to cover a broad matrix of creative professionals including:

- **Designers + Web Designers + Web Developers + Videographers + Photographers:** All of them had previous experience with Adobe, either in established or emergent creative spaces.
- **“Prosumers”:** While not a primary target for the campaign, the work also needed to resonate with “prosumers” – less a vertically defined audience and more a state of mind – consumers with the desire to use better tools to produce professionally accomplished output but without getting paid to do it.

## OBJECTIVES

Adobe found itself in the unenviable position of having to follow its own star turn.

Adobe had to:

- Create communications that could speak to a matrix of audiences:** True professionals across a breadth of verticals.
- Match or surpass the revenue contribution of CS2 in 2006:** At least continue to add 55–57% of revenue via Creative Suites, or analysts would question the new (Adobe + Macromedia)= company momentum.
- Reinforce street confidence in Adobe after the acquisition of Macromedia:** This would involve not only showing sustained sales growth, but also contributing to a higher earnings per share.

Adobe needed to do all of this, at speed, to a larger audience, with a more expensive product – and with less money than in 2006.

## THE BIG IDEA

*“Adobe CS3 is the creative accelerator – floor it or ease it back”*

Earlier campaigns for Adobe in the creative space had stressed Adobe's position as a provider of inspiring tools for creativity. Adobe certainly couldn't give you the idea (that is the province of the creative mind itself) but it could give you everything else to bring the idea to life.

Initial strategic development proved that this notion still held true and that there was a universal language and behavior around creativity, irrespective of discipline, geography or expertise levels – photographers in New York wanted what Web designers in Berlin wanted who behaved like graphic designers in Tokyo who worked like YouTube mini-movie makers in Anaheim.

- They all wanted the tools to unlock creativity and deliver on it.
- They were all hypercompetitive, perfectionist, only as good as their last work, time-crunched and, increasingly, both technology dependent and enabled.
- They were all sensitized to the “is it new?” factor. A hyper-connected series of networking sites, user groups and discussion forums ensured that ideas were now moving at lightning speed within and across disciplines. And that would have significant implications for both the CS3 creative idea and the media channels that amplified it (Source: Agency Qualitative Research, 2006).

Within this world, Adobe was viewed as the adult (digital) equivalent of the crayons and coloring books of childhood – “....they give you a big box of pencils and a sheet of paper – and you feel that whatever's in your head can get out – and whatever gets out can be improved” (Source: Agency Research).

Creative minds needed the reassurance that they could narrow the gap between an idea and its execution and each audience wanted to push their limits and wanted/hoped/dreamed that Adobe could help them to do that.

With the addition of online Macromedia Flash to Adobe, all limits were off and Adobe was the obedient (albeit extraordinary) instrument of their creative will and ambitions.

The different audiences needed a kind of shrink-to-fit-creative software – big enough for the real pros and accessible enough to those coming to the brand a notch or two further down the ladder. They were asking, in effect for a kind of controllable, scalable, elastic software – this some how needed to be expressed in a controllable, scalable, elastic creative idea.

- The strategic zone was Adobe CS3 as the accelerator to creativity – and like all accelerators, it could be floored or eased off according to what different users need.

## BRINGING THE IDEA TO LIFE



Take an image on a screen. It can be anything – a letter of the alphabet, a photograph, a montage/collage of sounds and images. Put a “slider” underneath the image, then allow the user to move it and something starts to happen. The photo moves, sounds emerge, embellishments fill out and play with the alphabet. Move it more and video is joined by music, is joined by graphics, is highlighted by effects. Move it further still and it builds to a crescendo. Then stop. Move it left and the idea simplifies, is pared back. You are bringing the idea to life – “Creative License: Take as much as you want.”

The online slider device was a simple illustration of the fusion of Adobe's design capabilities with the new dimensions added by the merger with Flash/Macromedia. As important, the “take as much as you want” flexibility of Creative License could also speak to the professional as well as the prosumer – it indicated that they could elect what was most important to them and at the level they needed to use it.

Without saying it out loud, the CS3 Creative License device implied a customized quality to the application which helped to justify the premium above the more affordable CS2.

The “is it new?” mind-set of the audience directly affected not only the creative idea but media channel choices; super-rich banners worked in concert with real-time, multi-unit interactivity. By interacting with one banner on a web page (e.g., *Wired*, *Adweek* or *Flavorpill*) the user could affect the content of other banners on the same Web page (think of it as interactivity in stereo). Separate units acted as one interactive and coordinated piece. This separate-but-connected idea was a technological first that the creative professional bloggers and trade industry commentators quickly recognized.

- A CS3 Creative License microsite illustrated the new features of CS3 as well as the suites tailored to match specific creative disciplines.
- Adobe sponsored The Webby Awards, inviting entrants to design animated interstitials as intros to each category.
- A bespoke sponsorship of an edition of *JPG* magazine (the first entirely user-generated content magazine) encouraged readers to submit content based on the CS3 Creative License theme – creating an interesting circularity between the audience, the brand, the creative idea and the audience's behavior.

In addition to the online work, Adobe ventured into the world of interactive installation. A 95-foot wall in Union Square, New York created the ultimate in interactive license – as pedestrians walked past the wall, infrared sensors locked onto the nearest person and they effectively moved the slider at their own pace. Animation and music developed, built on itself or receded as the walkers walked forward, backward, hopped, skipped or stopped to take a closer look. One local used it for his morning interactive work-out while late night partyers used it for impromptu gatherings and dancers from a local school used it as a backdrop for performance pieces.

And, yes, the creative community in lower Manhattan saw something relevant to them rather than another expensive piece of digitization hidden in Times Square.

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> <b>TV</b>                     | <input type="checkbox"/> <b>Packaging</b>   | <input type="checkbox"/> <b>Trade Shows</b>                  |
| <input type="checkbox"/> Spots                         | <input type="checkbox"/> <b>Product Design</b>  | <input checked="" type="checkbox"/> <b>Sponsorship</b>       |
| <input type="checkbox"/> Branded Content               | <input type="checkbox"/> <b>Cinema</b>  | <input type="checkbox"/> <b>Retail Experience</b>            |
| <input type="checkbox"/> Sponsorship                   | <input checked="" type="checkbox"/> <b>Interactive</b>  | <input type="checkbox"/> POP                                 |
| <input type="checkbox"/> Product placement             | <input checked="" type="checkbox"/> Online Ads  | <input type="checkbox"/> Video                               |
| <input type="checkbox"/> <b>Radio</b>                  | <input type="checkbox"/> Web site   | <input type="checkbox"/> In-Store Merchandizing              |
| <input type="checkbox"/> Spots                         | <input type="checkbox"/> Viral video  | <input type="checkbox"/> Sales Promotion                     |
| <input type="checkbox"/> Merchandising                 | <input type="checkbox"/> Video skins/bugs   | <input type="checkbox"/> Retailtainment                      |
| <input type="checkbox"/> Program/content               | <input type="checkbox"/> Social Networking sites  | <input type="checkbox"/> <b>Guerrilla</b>                    |
| <input checked="" type="checkbox"/> <b>Print</b>       | <input type="checkbox"/> Podcasts   | <input type="checkbox"/> Street Teams                        |
| <input checked="" type="checkbox"/> Trade/Professional | <input type="checkbox"/> Gaming   | <input type="checkbox"/> Tagging                             |
| <input type="checkbox"/> Newspaper                     | <input type="checkbox"/> Mobile Phone   | <input type="checkbox"/> Wraps                               |
| <input type="checkbox"/> Consumer Magazine             | <input checked="" type="checkbox"/> Other <u>Creative License online community</u>  | <input type="checkbox"/> Buzz Marketing                      |
| <input type="checkbox"/> Print partnership             | <input type="checkbox"/> <b>OOH</b>   | <input type="checkbox"/> Ambient Media                       |
| <input type="checkbox"/> <b>Direct</b>                 | <input type="checkbox"/> Airport  | <input type="checkbox"/> Sampling/Trial                      |
| <input type="checkbox"/> Mail                          | <input type="checkbox"/> Transit  | <input type="checkbox"/> <b>Consumer Involvement</b>         |
| <input type="checkbox"/> Email                         | <input type="checkbox"/> Billboard  | <input type="checkbox"/> WOM                                 |
| <input type="checkbox"/> <b>PR</b>                     | <input type="checkbox"/> Place Based  | <input type="checkbox"/> Consumer Generated                  |
| <input type="checkbox"/> <b>Events</b>                 | <input checked="" type="checkbox"/> Other <u>Interactive Wall Fixture in NYC+ Wild postings and Mobile Text for locations</u> | <input type="checkbox"/> Viral                               |
|  |   | <input type="checkbox"/> Other <u>Tivo Goldstar Showcase</u> |

## Communications Touch Points

**Additional Marketing Components:** Couponing and new product launch at higher price point than CS2

**Reach:** National

**Total Media Expenditure:** \$999,000–\$2 million

## RESULTS

Campaign results surpassed our expectations – the work resonated with the target audience and contributed to record-breaking financial results.

**i) Speaking to diverse audiences:** Initial qualitative development of the ideas around Creative License was encouraging. Different audiences responded positively to the idea (and the media). It didn't matter at what level users were coming into the world of CS3, the idea of Creative License appeared to be relevant and motivating to everyone (Source: Agency Qualitative Research, 2007).

As the campaign broke, press coverage was significant. The New York Times moved coverage of the launch of the interactive wall up to page one of its Business section which resulted in the article being the #4 most e-mailed business piece from the NYT. Meanwhile, separate coverage in print media including *Adweek*, *Shoot* and the *SF Examiner* meant that different creative communities began to see that something was moving. Creativity Online's TV/video newsletter (7/13) captures the sense of something different going on as the campaign took hold: "...from online to the interactive wall ... (the campaign) evokes an evolution from simplicity to complexity ... it's eye candy that'll kill."

More important, as sales results came in, it seemed to be eye candy that could justify a premium and push CS sales to new levels.

**ii) CS3 results far exceed revenue contribution goal:** In Q2 and Q3 2006, following launch of the CS2 product, dollar revenue contribution from the Adobe Creative Solutions segment had been **\$690 million** or **56%** of Adobe total revenues.

Although CS3 was acknowledged as an improvement on the CS2 product, most analysts had been convinced that orders for CS3 would slow in 2007 and that Adobe would be very lucky to meet the same numbers as 2006.

In fact, the opposite happened.

Despite the \$750 premium and the demands of communicating to a broader base of potential users than before, the performance of Adobe CS3 far outstripped CS2.

Following launch of CS3 in 2007, the dollar contribution from the Creative Solutions segment ramped to **\$982 million** – or **64%** of total revenue, beating our goal by at least nine points (Source: Adobe Investor Relations, 2007).

- The revenue jump year over year in the third quarter **+65%** – CS3 sales were **36% ahead** of where CS2 had been at the same point in its sales cycle.

**iii) Effect on total company performance:** the effect of the dramatic increase in CS3 sales positively impacted Adobe's overall company position.

- “Thanks to roaring sales of its CS3 product” Adobe's earnings per share were up **113%** from 2006 (Source: *Investor's Business Daily*).
- Adobe's CFO stated that the upturn in Adobe's performance was “...driven primarily by CS3 ... (and that) the tail from CS3 will be long enough to carry all the way through 2008.” In other words, there'd be no need to repeat the CS2/CS3 release crowding effect.

### **Anything Else Going on that might have Helped Drive Results?**

In part, the success of CS3 is a testimony to the “build a better mousetrap” premise of product improvement. Compared to CS2 in 2006, CS3 in 2007 was a more evolved software suite and the addition of greater Flash plus Intel/Mac capabilities can only have improved CS3's chances.

However, CS3 took even Adobe's harshest critics by surprise. The fact that CS2 had only recently been launched should have acted as a “spoiler effect” to CS3. Anecdotal evidence suggests that the creative community was in no hurry to be shuttled from one (perfectly adequate) software launch to another within six months. There was no promotional pricing to help – no special discounting – nothing beyond more a expensive product, better capabilities and the Creative License campaign itself.

---

© Copyright Effie Worldwide, Inc. 2008

Effie Worldwide, Inc.

116 East 27th St., 6th Floor, New York, NY 10016. United States of America

Tel: +1 212-687-3280, Fax: +1 212-557-9242

[www.warc.com](http://www.warc.com)

All rights reserved including database rights. This electronic file is for the personal use of authorised users based at the subscribing company's office location. It may not be reproduced, posted on intranets, extranets or the internet, e-mailed, archived or shared electronically either within the purchaser's organisation or externally without express written permission from Warc.

**WARC**

