

## Cisco Systems: Tomorrow starts here - giving Cisco purpose again

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This case study explains how Cisco, a networking technology company, created a new brand purpose to engage employees and change C-suite perceptions.

- Cisco needed to shift its perception from a provider of networking gear to a strategic partner amongst its new target audience, the C-Suite.
- Aligning Cisco to market transition 'the Internet of Everything' gave the company the direction that they had been lacking.
- Activity included educating people on the purpose internally, and creating videos and a microsite to explain the possibilities to the target audience.
- C-suite perceptions of Cisco changed, with increases in key brand metrics, better employee engagement and new sales opportunities.

Category: **Business-to-Business**

Brand/client: **Cisco Systems**

Lead agency: **Goodby, Silverstein & Partners**



## State of the marketplace & brand's business

On February 8, 2000, Cisco surpassed Microsoft to become the most valuable global company. Its routers and switches formed the backbone of the Internet, fueling the booming dot-com economy. Even today, Cisco handles 72% of all Internet traffic<sup>1</sup>: cell phones, cable TV and credit-card transactions all run through Cisco.

But when the tech boom went bust, Cisco's stock slid and never recovered. As a company, they were defined by their router and switch products. This definition handcuffed them to the past and commoditized them while new, low-cost entrants such as Huawei entered the market.

Like many companies, Cisco lost focus and tried to enter new markets. They acquired Flip Video and closed the unit shortly thereafter. Customers began to question Cisco's focus. And employees lacked confidence.

## Strategic communications challenge

Cisco's conversations were focused on routers and networking with IT decision makers. However, Cisco's offering had evolved to build new products and services onto the network. Cisco was poised to help business leaders reimagine their businesses, but they needed to elevate the conversation from IT buyers to C-suite decision makers.

We spoke to C-suite business leaders to understand their motivations. We learned that only 44% believe in their ability to transform their companies. They were looking for partnership, not product.<sup>2</sup>

**In order to reach the C-suite audience we had to position Cisco as a strategic partner for business transformation.**

Challenges:

1. The C-suite didn't currently look to Cisco for technology thought leadership. Cisco underindexed among C-suite leaders as a company that could transform business at 55. Competitors such as Microsoft (94), HP (96) and IBM (85) were thought of as much more capable.<sup>3</sup>
2. Cisco's competition in this space was brands with huge consumer-marketing arms that dominated the communications landscape. Microsoft outspent Cisco by 13.5:1, HP by 5.2:1 and IBM by 3.1:1.<sup>4</sup>

## Objectives & KPIs

1) The primary objective of the campaign was to shift C-suite decision makers' **perception** of Cisco from network provider to **strategic partner**. The key measure against this aim would be "trusted business technology partner." Before the campaign launch, 65% of business leaders in the US saw Cisco this way, compared to 70% for Microsoft, the leading competitor for this measure.<sup>5</sup>

We outlined four additional measures:

- i. *A brand I hear and read a lot of positive things about.* We wanted Cisco to be considered a brand with momentum. Only 52% of business leaders saw Cisco this way.
- ii. *Makes me believe that anything is possible with the help of technology.* Cisco was asking the C-Suite to consider the Internet of Everything as the key to business transformation. 53% of business leaders saw Cisco this way, lagging behind Microsoft by 10%.
- iii. *Has solutions that meet my company's needs.* We wanted to move the number of business leaders who considered Cisco up from 60%.
- iv. *Is a globally relevant company.* Not only was Cisco trying to grow market share outside of its home base in the US, but the US C-suite audience are internationally focused as governors of companies with international interests. Cisco (65%) lagged behind both IBM (70%) and Microsoft (83%) on this measure.

2) We needed to gain more **credibility** and momentum within the **financial community**, which is also a key influencer for our primary target, the C-suite. The strategy behind the campaign was intended to be a long-term approach to support the company for years to come.

3) To reignite purpose in a company that had begun to lose its way. **Employee engagement** was seen as critical for being able to sustain the company in the long term. With only 48% of employees believing in Cisco's strategy, there was a clear need to rally around a central, forward-looking purpose.

## Insight

We needed a purpose that was credible for Cisco, but relevant to the business leaders of today.

On the surface, Cisco is a company that builds networks and connects things. But "connections" is an overused term, bandied about by companies ranging from AT&T to LinkedIn. Cisco wasn't simply about connecting things; they realized the power of connecting the previously unconnected.

We spoke to technology thought leaders including John Battelle<sup>6</sup> and Bob Sutton<sup>7</sup> to understand whether there was anything of interest left to connect.

We're in the early days of the Internet. Today 2.2 billion people are online, and this number will grow to 4 billion by 2020. But more importantly, by 2020 there will be an estimated 50 billion connected things, all of which will advance mankind and improve the quality of our lives. Toothbrushes will schedule dental appointments, and cars will talk to stoplights about traffic flow.

We were about to enter a new chapter of technology—not simply the Internet of Things, but "the Internet of Everything." A place where new possibilities are created at an exponential rate as more people and things are connected.

Cisco's evolved network was poised to help businesses seize the opportunity of the Internet's biggest evolution. But rooting the brand in the concept of connections would not elevate it above being seen as the "plumbing" of the network.

When things are connected, they can create more value for business. For example, Argentinian steel manufacturer Acerbrag uses Cisco platforms to track inventory in real time, ensuring more efficient dispatch of products.<sup>8</sup>

*It was not about connections, but the value that comes from connections.*

## The big idea

**Amazing things happen when you connect the previously unconnected.**

## Bringing the Idea to Life

We wanted C-suite executives to see the world with new eyes. We wanted them to look at their businesses and see opportunities for transformation. Our advertising showed what happens when "we wake up the world."

### 1) Make a provocative statement

We helped the C-suite to understand what "The Internet of Everything" was, and to see its potential for solving the world's biggest problems. In awareness-driving channels such as TV and print, our work showed how connected pills could revolutionize healthcare or connected trees could help solve climate change. A microsite allowed our audience to explore the solutions behind these provocations.

### 2) Make it tangible

We showed the possibilities for business transformation by situating stories within business contexts. Films showed how the Internet of Everything was changing healthcare, retail, energy distribution and supply chain efficiency; these films were broadcast on TV and online (through banners and in social channels).

### 3) Make it connected

Our media strategy mirrored our creative strategy. We looked to "wake up media" in order to demonstrate the benefits of connections. Our print ads were made interactive with an AR layer that allowed viewers to access deeper content. We partnered with *Wired* magazine to create "The Connective: Mass Transmit," an interactive iPad experience that included four editorial pieces with real-time data embedded within.

# Communication touch points

## Interactive/Online

- Brand Website/Microsite
- Developed Branded Content for Another Website
- Digital Video
- Display Ads
- Mobile/Tablet Optimized Website
- Video Skins/Bugs

## Mobile/Tablet

- App
- Display Ad
- Messaging/Editorial/Content

## OOH

- Billboard

## Print

- Magazine – Digital
- Magazine – Print
- Newspaper – Print

## Professional Engagement

- In-Office

## TV

- Sponsorship
- Spots

## Internal Marketing

## PR

## Trade Shows

# Additional marketing components

- None

# Paid media expenditures

## September 2012 – August 2013

- \$40 – 60 millionSeptember 2011 – August 2012
- Not Applicable

### Budget

- Less than other competitors.
- Not applicable to prior year.

## Owned media & sponsorship

Cisco's owned channels rallied around the idea of "the Internet of Everything." Blogs by Cisco figureheads such as Dave Evans and Padmashree Warrior started featuring "the Internet of Everything" as a topic. Cisco produced a futurist feed on Flipboard, which pulled forward-looking business stories from the web as well as "Internet of Everything" stories produced by Cisco.

Cisco's Applied Thought Leadership group set out to quantify the value of "the Internet of Everything" in a report that generated numerous PR stories and analyst commentary.

## Results

Knowing that we had a large task ahead of us, with little spend versus the big players in the category (Microsoft and IBM), we were not expecting to move the needle for years. However, the scale of the creative idea managed to catch the attention of our audience within months.

We had not just created advertising; we had helped to define and brand a multi-trillion dollar market opportunity. The Progressive Policy Institute estimates that "the Internet of Everything" could raise the level of US gross domestic product by 2%–5% by 2025.<sup>9</sup> This was the sort of information that the C-suite wanted to hear.



### 1) C-suite perceptions of the brand as a strategic partner

Our key measure, "trusted business technology partner," shifted 5 points from 65% to 70%, displacing Microsoft as the highest-scoring brand. We also saw positive shifts for all other measures that we had identified as indicators.

The difference was more marked among those who had seen the advertising. Campaign recognizers are 17% more likely than non-recognizers to see Cisco as a trusted business technology partner.<sup>10</sup>

## **2) Credibility and momentum within the financial community**

The end-of-year stock price rose from \$15.69 preadvertising to \$24.63 postadvertising, a gain of 57%. Over the same period of time, the S&P 500 rose by 16%.<sup>11</sup>

## **3) Employee engagement**

After the launch of the campaign, employees rallied around the new strategy and resoundingly stood behind the new direction. For the first time in his 18 years as CEO, John Chambers publicly referenced marketing, going as far as calling it "a legacy." And he recognized its business impact by giving the marketing team his Chairman's Choice Award for the first time. Employee comprehension of the company's strategy was 85%, an increase of 37 points.<sup>12</sup> To date, more than 25 initiatives are bringing the strategy to life, from product development to new business units.

## **4) New sales opportunities**

The sales cycle for Cisco typically takes a minimum of 18 months, so we were not expecting to see an impact on sales within the first year. However, we can report that C-suite executives have requested briefings on the new technology landscape, citing the advertising as the trigger. This leads to new sales opportunities and has moved the conversation from product to business strategy.

## **Other contributing factors**

Price: price was not a key measure for our campaign, but there was no new pricing introduced for the duration of the campaign.

Disruptive technology: there was no disruptive technology launched in the market by Cisco or competitors during the campaign period.

Spend: Cisco was outspent over the campaign period by all its major competitors, as seen in section 5b. Cisco was outspent even when consumer marketing is discounted. For example, Microsoft outspent Cisco by a ratio of 4.48:1 in the B2B space.<sup>13</sup>

## **Footnotes**

<sup>1</sup> Cisco

<sup>2</sup> Agency Quantitative Survey with 400 global C-suite business leaders, June 2012

<sup>3</sup> Brands providing thought leadership for change management. Agency Quantitative Survey, US only, June 2012

<sup>4</sup> US spend, Kantar 2012, data across all media

<sup>5</sup> Cisco Master Brand Campaign, International Ad Tracker Benchmark Report, November 2012

<sup>6</sup> Cofounder of Wired

<sup>7</sup> Professor of Management Science, Stanford

<sup>8</sup> Cisco case study

<sup>9</sup> Can the Internet of Everything Bring Back the High-Growth Economy? Progressive Policy Institute

<sup>10</sup> Hall & Partners Brand & Ad Tracker, Q3 2013 (Feb - Apr)

<sup>11</sup> Yahoo! Finance Stock Price Tool, 27th July 2012 - 28th July 2013

<sup>12</sup> Cisco 'Pulse' survey of employees

<sup>13</sup> Nielsen Ad Views, US, Period: Oct 29 2012 - Apr 28 2013

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