MOTOROLA: Projecting the Moto Lifestyle

Starting in 1928 as the spun-off manufacturing division of the Western Electric Company, Motorola (www.motorola.com) has evolved into a worldwide company with more than $22.04 billion in revenue in 2009. Today, it is a leading manufacturer and provider of wireless, semiconductor, broadband, and automotive products and services. With the wireless division, Motorola knew it needed to change. It had found through focus groups and survey research that many customers and potential customers saw Motorola’s phone models as dependable, but also as dull, predictable, and boring. With the mobile phone market being flashy and consumer driven, Motorola needed answers on how to become more mainstream and popular.

To find these answers, Motorola turned to marketing research and an advertising agency named Ogilvy and Mather. Motorola and Ogilvy and Mather conducted focus groups, depth interviews, and mall-intercept surveys. Although focus groups generated some innovative ideas, depth interviews enabled the probing of emotions related to mobile phones. Mall intercepts were chosen because the respondents could be shown models of Motorola and competing brands. They found from this research that customers buying mobile phones did not buy the phone based on technical schematic selling points. Customers buy phones based on how they emotionally feel about the brand of phone and the particular style of the phone. Most customers do not understand the technical parameters of the different phone models enough to make a decision based on them. So they are choosing among cell phones based on whether the phone “fits” into their lives or by considering “Is this phone me?” This research challenged the company’s management to think of cell phones not so much as engineered functional devices but as fashion accessories that help consumers make statements about who they are. It pointed Motorola into developing a marketing strategy that developed the brand name instead of pushing the features of the phone. Moreover, the brand name had to be a global one based on universal principles. Marketing research also revealed that consumers were looking for “intelligence everywhere,” and therefore the brand had to be developed in that environment.

Ogilvy and Mather sought to develop the Motorola brand to represent a set of universal principles—a set of core principles that defined the brand—and then send out this idea to every country and have a localized interpretation for the idea. The result of this is that the core ethos of the brand is preserved while at the same time offering local offices the flexibility to mould the brand according to local conditions and develop the brand such that the people of that country can relate to and identify with it. For Motorola, Ogilvy developed the core idea of “intelligence everywhere.” This core idea is used as the framework for all Motorola businesses around the world.

This was accomplished by creating the Moto, which is a cute name for Motorola’s global-branded cell phone. The name is easy to pronounce, and it does not mean anything bad or weird anywhere in the world. It also carries the Motorola name, a strong positive brand name that reminds consumers of the company’s heritage. Motorola’s advertising agency, Ogilvy and Mather, created a Moto lifestyle image. Knowing from research that customers wanted to relate to the phone and brand on a personal level, Motorola’s Moto lifestyle showed the public fast, upbeat, and flashy people living and using Motorola products in an intelligent way. This created an emotional connection with customers, as they were almost saying to themselves, “That’s the way I want to live.” This was followed by Motohodorous ads in 2004 that projected a perfect balance between design and technology to enable people to live the Moto lifestyle with the slogan of “Intelligence Everywhere.” This campaign, an obvious success, was possible due only to the marketing research conducted to find why customers buy certain brands and models of mobile phones. When marketing research indicated a big need for hands-free driving, in October 2007 the company introduced MOTOROKR T505 Bluetooth, the In-Car Speakerphone and Digital FM Transmitter, its first road-ready, music-oriented ROKR accessory and the latest addition to its portfolio of in-car solutions.

Given the high costs associated with an advertising campaign, it was well researched and backed with strong supporting evidence and data. Marketing professionals need to substantiate their spending on advertising and brand building with research data that spells out the rationale for that spending. The Moto campaign, instead of inducing customers to buy Motorola phones because of their features, appealed to consumers’ lifestyle choices. The campaign positioned Motorola phones as aspirational products that embodied a certain attitude. This positioning created an emotional connection with the consumers and targeted people’s desires to be associated with products that stand for qualities that they consider to be “cool”—that is, fashionable and worthy of being identified with.

Motorola sold its wireless equipment unit to Nokia Siemens in July 2010. Motorola planned to split into two separate publicly traded companies in the first quarter of 2011, with each retaining the Motorola name. The company would spin off Motorola Mobility, its mobile device and set-top box business. That would leave only Motorola Solutions, which will focus on government and commercial clients with products such as police radios and bar-code scanners, as well as the division that makes iDEN equipment. This separation would enable Motorola Mobility to focus on its digital entertainment and mobile converged devices, providing instant access to television, phone, and Internet.

Conclusion

Based on marketing research findings, the Moto campaign established Motorola as a chic and aspirational brand that helped it overcome its poor consumer image and branding problems. The Moto campaign projects Motorola’s core values and its lifestyle appeals to consumers across the world. Possessing a Moto was no longer possessing a cell phone, but having a product whose core values represented the type of lifestyle the user of the phone desired and lived. With this dependence on marketing research in the forefront of Motorola’s actions, it is certain to remain a global contender in the mobile market for years to come.

Questions

1. Discuss the role that marketing research can play in helping Motorola further build the Moto brand.
2. Management would like to continue rebuilding Motorola. They feel this can be best accomplished by increasing Motorola’s U.S. marketing share. Define the management-decision problem around the world.
3. Define an appropriate marketing research problem based on the management-decision problem you have identified.
4. Use the Internet to determine the market shares of the major cell-phone handset manufacturers (Nokia, Motorola, Samsung, Sony Ericsson, etc.) for the last calendar year.
5. What type of syndicate data will be useful to Motorola?
6. Discuss the role of qualitative research in helping Motorola expand its market share.
7. Do you think that the mall-intercept interviewing conducted by Motorola was the best method of administering the survey? Why or why not?
8. Discuss the role of experimentation in helping Motorola design handsets that are preferred by consumers.
10. What sampling plan should be adopted for the survey of question ??
11. What are the advantages and disadvantages of Motorola sampling social media to determine consumer preferences for cellular handsets?

12. If Motorola were to conduct marketing research to determine consumer preferences for cellular handset manufacturers in Asia, how would the research process be different?

13. Discuss the ethical issues involved in researching consumer preferences for cellular handset manufacturers.

References