

# Project report on brand hp commerce essay



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IT is forging ahead in the country and a wave of optimism continues to wash the industry current market scenarios present a perfect opportunity for IT industry.

The Indian IT industry has been competing till now on its ability to reverse engineer the products, that are produced by international companies offer years of research to sale them at cheaper prices however the Indian IT companies have to develop their capacity in basic research to produce original molecules.

Compton established in 1993, is a strong teaming of 45 IT professionals and prosperity for its customers. To make lives smoother with latest breakthrough in technology, enabling our customers to perform day to day jobs with speed and spending time saved on more important aspects of business or life.

Compton is premium business partner for HP-Compaq and main focus as been to bring new technologies to Homes and Offices. HP Premium Business Partner is a rare status in HP. We have successfully finished several turnkey projects encompassing hardware, software and training on complete solutions

Our main product line is PC's, Laptops, Palmtops, Projectors, Printers, Scanners, Laser Printer, Plotter, All in ones, TFT screens, Digital Solutions, PC Maintenance, Networking, Intranet Solutions.

Compton specializes in bringing complete IT solutions to our customers. Let our customer be a mid-size corporate, or a SOHO user or a home user we try

to go beyond customer's expectations. Our service backup facility and well trained team is our main strength.

Compton as a team thrives to reach out to our customers through our distribution channel. We wish to take our services globally with unwavering commitment to customer satisfaction. We wish to move forward with strong base of values, values that keep interest of our internal and external customers first without compromise.

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## **INTRODUCTION**

The Hewlett-Packard Company (NYSE: HPQ) commonly known as HP is an American multinational computer hardware, software firm and is considered as one of the largest Information Technology corporation headquartered in Palo Alto, California, United States. It provides products, technologies, software, solutions and services to consumers, small and medium-sized businesses (SMBs) and large enterprises, including customers in the government, health and education sectors.

HP is the world’s leading PC manufacturer. It specializes in developing and manufacturing computing, data storage, and networking hardware, designing software and delivering services. HP also has strong services and consulting business around its products and partner products.

HISTORY:-

HP was founded on January 1, 1939 as a manufacturer of test and measurement instruments by Bill Hewlett and Dave Packard who graduated with degrees in electrical engineering from Stanford University in 1935. The company originated in a garage in nearby Palo Alto during a fellowship they

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had with a past professor, Frederick Terman at Stanford during the Great Depression. Terman was considered a mentor to them in forming Hewlett-Packard. In 1939, Packard and Hewlett established Hewlett-Packard (HP) in Packard's garage with an initial capital investment of US\$538. Hewlett and Packard tossed a coin to decide whether the company they founded would be called Hewlett-Packard or Packard-Hewlett, Packard won the coin toss but named their manufacturing enterprise the "Hewlett-Packard Company". HP incorporated on August 18, 1947, and went public on November 6, 1957.

Their first product was a precision audio oscillator, the Model HP200A. Their innovation was the use of a small night-light bulb as a temperature dependent resistor in a critical portion of the circuit. This allowed them to sell the Model 200A for \$54. 40 when competitors were selling less stable oscillators for over \$200. The Model 200 series of generators continued until at least 1972 as the 200AB, still tube-based but improved in design through the years. At 33 years, it was perhaps the longest-selling basic electronic design of all time. One of the company's earliest customers was Walt Disney Productions, which bought eight Model 200B oscillators (at \$71. 50 each) for use in certifying the Fantasound surround sound systems installed in theaters for the movie Fantasia.

## **OBJECTIVE**

Primary Objectives:-

To find out the attributes that enhance the customer value by providing better service to them and know how to motivate the more people towards IT. The Project required carrying out the comparative study of prices across

Brands and Models also to carry out another comparative study of Margins of Dealers and Wholesalers. This would be done by finding out the Market Operating Price at which they are making deals and the volume of discounts offered by them.

Then apart from studying the dealers a study of consumer buying behaviors was also required for the specific brands. This was done by making comparative study of HP along with other brands, in terms of consumer preference. Also dealer's perspectives about the brand are also to be considered along with this the effect of prices on brand preference of the models.

In the research we also tried to study consumer behavior for all the brands and also the dealer's perception about the market of Home PCs, Laptops, Printers, PSC, Scanner, and TFT. For this Segmentation, Targeting and Positioning of various brands on recall, believability, association, final purchase.

Other Objectives:-

- To know the brand recall by customers.
- To know the reason why people prefer HP (Hewlett-Packard) brand.
- To increase the sales volume.
- To give the customer satisfaction and also get the references from them.
- To know which factor is important for customer before buying any IT product.

- To illicit suggestion for better positioning for HP product.

Focus:-

The company was originally rather unfocused, working on a wide range of electronic products for industry and even agriculture. Eventually they elected to focus on high-quality electronic test and measurement equipment.

Throughout the 1940s to well into the 1990s the company focused on making signal generators, voltmeters, oscilloscopes, counters, and other test equipment. Their distinguishing feature was pushing the limits of measurement range and accuracy. For instance, almost every HP voltmeter or signal generator has one or more extra clicks of its knobs than its competitors. HP voltmeter or ammeters would measure down and up an extra 10 to 100 times the units of other meters. Although there were good reasons why competing meters stopped at 1 volt full scale, HP engineers figured out ways of extending the range of their equipment by a considerable amount. They also focused on extreme accuracy and stability, leading to a wide range of very accurate, precise, and stable frequency counters, voltmeters, thermometers, and time standards.

During the sixties and seventies:-

HP is recognized as the symbolic founder of Silicon Valley, although it did not actively investigate semiconductor devices until a few years after the “Traitorous Eight” had abandoned William Shockley to create Fairchild Semiconductor in 1957. Hewlett-Packard’s HP Associates division, established around 1960, developed semiconductor devices primarily for

internal use. Instruments and calculators were some of the products using these devices.

HP is acknowledged by wired magazine as the producer of the world's first personal computer, in 1968, the Hewlett-Packard 9100A. HP called it a desktop calculator because, as Bill Hewlett said, " If we had called it a computer, it would have been rejected by our customers' computer gurus because it didn't look like an IBM. We therefore decided to call it a calculator and all such nonsense disappeared." An engineering triumph at the time, the logic circuit was produced without any integrated circuits; the assembly of the CPU having been entirely executed in discrete components. With CRT readout, magnetic card storage, and printer the price was around \$5000.

The company earned global respect for a variety of products. They introduced the world's first handheld scientific electronic calculator in 1972 (the HP-35), the first handheld programmable in 1974 (the HP-65), the first alphanumeric, programmable, expandable in 1979 (the HP-41C), and the first symbolic and graphing calculator HP-28C. Like their scientific and business calculators, their oscilloscopes, logic analyzers, and other measurement instruments have a reputation for sturdiness and usability (the latter products are now part of spin-off Agilent's product line). The company's design philosophy in this period was summarized as " design for the guy at the next bench".

In the eighties and beyond:-

In 1984, HP introduced both inkjet and laser printers for the desktop. Along with its scanner product line, these have later been developed into

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successful multifunction products, the most significant being single-unit printer/scanner/copier/fax machines. The print mechanisms in HP's tremendously popular LaserJet line of laser printers depend almost entirely on Canon's components (print engines), which in turn use technology developed by Xerox. HP develops the hardware, firmware, and software that convert data into dots for the mechanism to print.

In 1987, the Palo Alto garage where Hewlett and Packard started their business was designated as a California State historical landmark. In the 1990s, HP expanded their computer product line, which initially had been targeted at university, research, and business customers, to reach consumers. Later in the decade HP opened [hpshopping.com](http://hpshopping.com) as an independent subsidiary to sell online, direct to consumers; the store was rebranded "HP Home & Home Office Store" in 2005. HP also grew through acquisitions, buying Apollo Computer in 1989, Convex Computer in 1995, and Compaq in 2002. Compaq itself had bought Tandem Computers in 1997 (which had been started by ex-HP employees), and Digital Equipment Corporation in 1998. Following this strategy HP became a major player in desktops, laptops, and servers for many different markets.

Culture followed:-

The founders, known to friends and employees alike as Bill and Dave, developed a unique management style that has come to be known as the HP Way. In Bill's words, the HP Way is " a core ideology . . . [that] includes a deep respect for the individual, a dedication to affordable quality and reliability, a commitment to community responsibility, and a view that the

company exists to make technical contributions for the advancement and welfare of humanity.

#### Diversity:-

Hewlett-Packard received a 100% rating on the Corporate Equality Index released by the Human Rights Campaign starting in 2003, the second year of the report. In addition, the company was named one of the 100 Best Companies for Working Mothers in 2004 by Working Mothers magazine. Hewlett-Packard is also involved in the NEPAD e-school program to provide all schools in Africa with computers and internet access.

#### Ad campaigns:-

Hewlett-Packard has used a number of innovative commercials to sell its products. Like “ You + HP: digital photography”. A television ad campaign for Hewlett-Packard’s digital photography (titled “ You + HP: digital photography”) has been noted for its simple special effects and choice of music. It won “ Campaign of the Year” from Adweek magazine in 2004.

#### Songs used in “ You + HP” Campaign:

- “ Picture Book” by The Kinks
- “ Out of the Picture” by The Robins
- “ Pictures of You” by The Cure
- “ The Rainbow” by The Apples in Stereo
- “ Across the Universe” by The Beatles

Acquisitions:-

### **Data Systems, Inc.**

A small 5-person company called Data Systems, Inc. Owned by a chemical manufacturer, Union Carbide, who failed in their diversification efforts, HP bought the group and this helped to launch the HP 2116A in 1966. A computer designed to automate the collection and processing of data from the company's test and measurement devices, it marked HPs entry into the growing computer industry.

### **Apollo**

In 1989, HP Acquired Apollo computer for \$476 million. HP was able to achieve a growth in market share after the merger; with the market at the time valued at \$4. 1 billion and the fastest-growing area of the market.

### **VeriFone**

On April 23, 1997, HP announced plans to acquire VeriFone, the leading provider of card-swipe terminals on retail countertops to approve purchases, in a \$1. 18 billion stock swap. On May 10, 2001, Gores Technology Group acquired VeriFone from HP.

### **Bluestone**

On January 18, 2001, HP acquired Bluestone Software, Inc., a leading provider of B2B, B2C, and wireless open platform solutions.

### **Indigo**

On March 22, 2002, HP acquired Indigo N. V., a leader in digital offset color printing systems.

## **Compaq**

On May 3, 2002, Hewlett-Packard merged with Compaq Computer Corporation, a controversial move intended to make the company the personal computing leader. The merger opposition was led by Walter Hewlett, son of HP founder William Hewlett.

## **Snapfish**

On April 15, 2005, HP acquired Snapfish, a leading online photo service based in San Francisco, California, USA.

## **AppIQ**

In October of 2005, Hewlett-Packard acquired the private company AppIQ (short for “ Application IQ”). The company was founded in 2001 by Ash Ashutosh and David Chang, and offered several digital storage solutions. The company had employed up to 235 people by June 2005.

## **OuterBay**

On February 7, 2006, HP agreed to acquire OuterBay, a leading provider of archiving software for enterprise applications and databases. OuterBay is headquartered in Cupertino, California, USA, with offices in the US, UK, and India.

## **Silverwire**

On June 6, 2006, HP announced it was acquiring Silverwire Holding AG, a commercial digital photography solutions and software provider with a strong presence in the retail photo market. Silverwire is headquartered in Zug, Switzerland.

## **Mercury Interactive**

On July 25, 2006, HP announced plans to acquire Mercury Interactive (MERQ.PK), a company that provides Business Technology Optimization software (i.e. software that helps a company govern, develop and maintain its technology stack). This acquisition is expected to occur in Q4 2006 and will result in an HP software business of around \$2 billion.

## **VoodooPC**

On September 28, 2006, HP announced it will expand its presence in the gaming market by acquiring VoodooPC, a maker of high-performance gaming, luxury, and entertainment PCs based in Calgary, Alberta, Canada. This acquisition is expected to close by November 2006.

### Competitors:-

Major competitors of HP in the computer business include Apple Computer, Dell, Gateway, Lenovo (Purchased IBM's Non-server Personal Computer Business), Sony and Toshiba. Major competitors of HP in the server business include Sun Microsystems, IBM and Dell. Major competitors of HP in the printer business include Brother, Canon, Epson, Lexmark and Dell (who rebrands and repackages Lexmark products)

### Outsourcing:-

In 1994, HP decided to outsource its manufacturing to third-party vendors and overseas countries to lower costs and raise profits. Today, desktop computers are assembled in Guadalajara, Mexico where HP employs approximately 1,500 workers. Notebook computers are assembled in China

from third-party vendors. Servers and workstations are still assembled in the United States. In 2003, HP had 140, 000 employees worldwide. Under HP's current restructuring program, HP began reducing its workforce to lower its costs. By 2006, HP experienced a record profit of \$1. 5 billion in just one quarter.

## **RESEARCH METHODOLOGIES**

### **MARKETING STRATEGY**

HP Corporate Marketing:-

HP is a company unlike any other. They serve everyone from consumers to small and mid-sized businesses to enterprises to public sector customers with an extensive portfolio of market leading solutions specifically designed to meet the needs of each customer segment. They focus on helping people apply technology in meaningful ways to their businesses, personal lives and communities. Their annual R&D investment of nearly \$4 billion fuels the invention of products, solutions and new technologies, to serve customers better and enter new markets. They produce an average of 11 patents a day worldwide. In addition to the R&D and innovation in their product and services groups, HP labs provides a central research function for the company focused on inventing new technologies to improve the customer's lives, change markets and create business opportunities.

Source: Technology Business Research, Inc., Oct. 26, 2004 Millions of people around the world use HP technology every day. They are largest consumer IT company, the world's largest SMB IT company and leading enterprise IT company. For more than 100 million cell phone subscribers, it is HP software

that identifies them when they turn on their own phones and allows them to place calls. HP powers 100 of the world's stock and commodity exchanges, including the NEW YORK STOCK EXCHANGE and 14 of the world's largest trading markets. In response to customer needs and the changing market conditions, they have built a portfolio unequalled in the industry. HP technology now ranges from consumer handled devices all the way to some of the world's largest and most powerful supercomputer installations. Their strategy is to offer products, services and solutions that are high tech, low cost and deliver the best customer experience. They have dynamic, powerful team of 150, 000 employees for the fiscal year that ended Oct 31, 2005 HP has corporate headquarters in Palo Alto, California.

HP has a significant in all market they serve:-

Consumer – “ Our consumer business has leadership in handhelds, notebooks, printers and cameras – focused on delivering simple, rewarding experience to millions of customers”.

Small and Medium Business – Working with local reseller partners, HP serves business customers worldwide to provide specialized expertise, a complete portfolio of products, solutions and services. They have market- leading positions in datacenter and office computing, and the imaging and printing market.

Enterprise – The enterprise segment draws from Hip's full portfolio of products, services and solutions. We collaborate with large customers to build an Adaptive Enterprise helping them achieve more simplicity, agility and value across their organization. We are No. 1 or No. 2 in all three server

based operating environments, and we hold top positions in enterprise storage and IT services management.

Public sector, health & education – With more than 60 years of experience serving the technology needs of the public sector, HP brings the full breadth of its portfolio and alliances to help governments, educators, healthcare providers and others working in the public interest to lower their costs, increase efficiencies and serve their citizens, businesses and government agencies better.

Their Key Words “ Doing well by doing good”

As proud as they are of their capabilities, they are equally proud of their people, standards and values, and deep commitment to global citizenship. Since our first year in business in 1939, HP has given back to communities through philanthropic donations of money, equipment and time. While the scale and reach of business have changed in 66 years. The challenge is to continue to shape the impact of corporations as a constructive force, using our heritage and our actions as tool for doing so.

“ Made for India” Marketing:-

Brands and Marketing were traditionally dominated by the US, Germany and Japan. In Interbrand’s global brand scorecard, 14 of the top 20 global brands are US brands (HP is 12 by the way). Consulting firms, advertising agencies and market intelligence companies were primarily based in these countries. Product marketers worked in those three countries; they catered to the local



customer needs and created products for those markets that would be then exported with little differentiation to the rest of the world.

I was in Bangalore, India recently and I was struck by how much this could become the model of the past. I recommend reading Goldman Sachs' excellent economic paper -Dreaming with BRICs: The Path to 2050. The report predicted in 2003 that " in less than 40 years, the BRICs economies (Brazil, India, China, Russia) together could be larger than the G6 (top 6 economies in the world) in US dollar terms. By 2025, they could account for over half the size of the G6. Of the current G6, only the US and Japan may be among the six largest economies in US dollar terms in 2050". The recent trends and stats from the BRIC countries indicate that this prediction is accelerating and things may happen sooner. Products will need to be developed specifically for the customer needs in those countries, campaigns will be tailored to local tastes and Marketing will happen increasingly first in those markets and then get exported to the rest of the world, even for US brands.

Nokia, which is the only company in the top 20 brands that is not based in any of the three countries, is a great example of this trend (Nokia is based in Finland). Nokia started operations in India in 1995. In 2005, India is among the top 5 markets for Nokia worldwide.

Nokia has developed major efforts in adapting its products and advertising to the specificities and tastes of the Indian market:

- 1998- Indian ringtone

- 2000- First Hindi User Interface
- 2002 -First Hindi text input
- 2003- First Made for India phone (Nokia 1100)
- 2004 -Hindi SMS campaign
- 2005 -Local User interface in additional local languages

If you consider the forecasts of the Goldman Sachs report, India and China will represent soon 2 of the top 3 markets for most technology products. This will have significant consequences on marketing resource strategies as these markets evolve from low cost offshoring tactics to local strategic marketing talent hiring. This clearly highlights the imperative to re-think the core competencies of US-based Marketing and evolve marketers' skills accordingly.

Product line of HP:-

HP has ventured into various products in different categories. Some of them are as follows

1 Printer:- 5 Desktop computers:-

1. 1 LaserJet printers (color and monochrome) 5. 1 Compaq Presario Desktop

1. 2 ColorJet printers 5. 2 HP Pavilion

1. 3 Officejet All-in-one printers

1. 8 Designjet Printers 6 Plotters

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1. 9 Deskjet printers

7 Pocket calculators

2 Digital Cameras:-

2. 1 Original line 8 Blade Systems

2. 2 HP E-series

2. 3 HP M-series 9 Personal notebooks

2. 4 HP R-series 9. 1 Pavilion notebooks

9. 2 Compaq Presario

3 Scanners:- 9. 3 HP Mini

3. 1 Scanjet series

3. 2 Film scanners 10 Workstations

4 Mobile phones 11 Servers

## **CONCLUSION**

The Indian I. T. market currently appears to be at a crossroads, where I. T. marketers are attempting to change the customer perceptions of their brands in the specific buying motivations appear to be replacing generalities. This meanwhile is quite unlike the west where buyers consider, aesthetics, comfort and safety, not necessarily in that order. Before finalizing a purchase.” It’s smarter to think about emotions and attitudes if marketers

are to do a better job of marrying what are HP offers to the consumers image of the offerings.

The mindset of the Indian Consumer is such that he is delighted if he buys the pen, a little cheaper than his neighbour. Things are, however, a slowly changing and customers at the upper end of market are now ready pay more for more. I hope that this approach will soon enter the new era, may be not with the same intensity.

“ Success will largely determine to the extent a company can differentiate itself in terms of intangibles that grow with the product”. In 1973 HP becomes the first US company to institute the flexible working hours or flex time. Under the program, HP employees can begin work at any time during a two hour period and leave after completing an 8 hrs. workday. The purpose, as explained by Bill, is “ to gain more time for family leisure, conduct personal business, and avoid traffic jams or to satisfy other individual needs.” HP introduces the first electronic calculator to print Japanese characters. The model 9810 desktop calculators are marketed in Japan by Yokogawa - Hewlett-Packard.