

Buy A Yellow Ribbon

Morris Denton

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SAN FRANCISCO -- You never know how far one contact can get you. Just ask Morris Denton, vp-global marketing at microprocessor maker AMD. Ten years ago, Denton moved to Austin to open an office for the communications firm that had employed him in Chicago.

His job at the time was to promote the "amazingly high-speed 56k connection" of Sprint's Internet Passport. Denton laughs about that now. But he doesn't make fun of what happened next. To hype the product, Sprint sponsored a bicycle race. It was at that race that Denton bumped into a local guy named Lance Armstrong.

The event turned out to be Armstrong's first victorious race following his treatment for testicular cancer, a story of personal triumph that continues to win the public's admiration. Denton and Armstrong got talking, and soon became friends. Shortly after, Denton pedaled his PR skills (and worked pro bono) to help establish the early strategic direction of the Lance Armstrong Foundation, a nonprofit education and advocacy group devoted to motivating cancer patients to beat their illnesses. The LAF fused two words together to create a new term that would serve as its trademark, one that describes the foundation's self-empowering attitude about surviving cancer: LiveStrong.

Fast forward to 2002. Denton snared a new job at high-speed chipmaker AMD in Sunnyvale, Calif. The company had been supplying processors for computer maker Hewlett-Packard since 1996 and, ever duking it out in the cutthroat high-tech field, both companies were looking for ways to differentiate their brands.

That chance would come with the arrival of Denton, who'd remained chummy with Armstrong. Through Denton's connection, AMD inked a sponsorship with Armstrong and the U.S. Postal Service Pro Cycling Team for 2004. A year later, this relationship gave rise to an idea that would do as much for Armstrong's charity as it would for both AMD and HP's sales and branding. This was the LiveStrong laptop, a sleek, limited-edition device based on HP's Tureon model.

Denton's friendship with the cycling star opened the kind of doors that many marketers only dream about, yet AMD was hesitant about a partnership at first. "It was a hard sell because our business is global," Denton explained. "Lance is an American who was winning at a European sport. It took some time to get people to be supportive."

Those people included execs at HP, of course. AMD could underwrite Armstrong's cycling team on its own, but the laptop idea required the computer maker's participation. Fortunately, the need was there and the timing was right.

"We'd realized that laptops had very little differentiation," Denton recalled. "As a consumer, I thought there was an opportunity here. Since we are what's called an 'ingredient brand,' we could pass along the assets of Lance and create a co-branded machine."

It was a complex, even delicate, undertaking. The LiveStrong laptop would be linked to LAF, Armstrong's charity, not the cycling star personally—who received no money for the use of his name. Execs of both companies were wary of what the buying public might think of a union between a for-profit promotion and a non-profit cancer charity. "We didn't want to come across as taking advantage of a cause," recalled Dana Harrold, HP product marketing manager. "We wanted people to perceive us as having the right intent." In the end, AMD and HP did: The LiveStrong machine was modestly priced (\$999 for the basic model, add-ons optional), with \$50 from each purchase donated to the Armstrong Foundation.

This planning concept was wise, said Stephen Baker, an analyst at the NPD Group, Port Washington, N.Y. "If this had been merely a Lance Armstrong-endorsed computer, it wouldn't have done as well. But that some of the proceeds went to the Lance Armstrong Foundation, that resonates with consumers."

The use of yellow, particularly on wristbands, had come to represent the struggle of cancer survivors. The computer, on its top, features "LiveStrong" in yellow lettering, while yellow trim brackets the fingerpad below the keys inside. Armstrong's signature appears inside as well, a silvery flourish in the lower right corner. To remind buyers that part of the purchase price goes to charity, each laptop box came with a yellow wristband.

Meanwhile, a TV ad campaign—AMD's first—primed the buying public with poignant spots showing people wearing the yellow bracelet. The LiveStrong ads, handled in-house in conjunction with Synthetic Pictures and Game Plan Marketing, both Austin, Texas, aired in prime time and seemed well worth the outlay. "Over half the U.S. population knows someone who wears [a yellow bracelet]," said Scott Shutter, AMD division brand manager.

HP's initial production run adhered to a limited volume commitment, but that changed very quickly. The companies did not reveal specific sales figures, but AMD related that the LiveStrong shipments sold out the day they were delivered in some stores. CompUSA stated that the LiveStrong laptop was its strongest-selling product for the 2005 back-to-school season. Added Shutter: "As a result, all of AMD's products sold better in 2005."

So far, sales of the LiveStrong computer have raised more than \$2 million for the LAF (at the \$50 contribution rate per machine, that's 40,000 units sold). AMD's donation goal of \$4 million is now half met, and the LiveStrong continue to race off shelves, all the more impressive when you consider that their namesake athlete has since retired from bicycle racing.

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