

Marketing Communication Research Paper: Adobe Systems Inc.

by

Christopher Finazzo

An Assignment Submitted in Partial Fulfillment of the Requirements for

CCOM 6030: Marketing Communication

Shirley Shapiro-Nice

Master of Arts in Corporate and Organizational Communication

Fairleigh Dickinson University

Madison, New Jersey

December 14, 2011

In the nearly thirty years since its founding, Adobe Systems has committed itself to serving the needs of creative professionals and their organizations. This focus allows the company to leverage close relationships with its customers, helping them to reach their target markets in new and innovative ways. The company was instrumental in creating several standards and workflow methods, such as the PDF format and Creative Suite software, both of which are relied on in the media industry to this day. However, as time has passed, the needs of this market have changed and Adobe has needed to refocus its efforts to maintain a competitive advantage. Increasingly, consumers have become the driving force behind the change currently taking place in the technology market; for a company that doesn't always consider consumers to be its primary audience, this is a fundamental change in how its products and services are viewed. As a result, Adobe needed to change its approach. To understand the company's response to this challenge, it is important to grasp Adobe's overall strategy, how the current market situation came to be (What caused this change), how Adobe's competitors reacted, and what the company ultimately did as a result of this threat to its place in the market. By answering these key questions, we can better understand how and why the company markets itself to both businesses and consumers.

To be clear, he is by no means an indication that the company's products have not succeeded the marketplace. In fact, according to independent firm Trefis Research, Adobe's products had a 43% share of the creative software market in 2009 (Forbes 2010). At times, this figure has exceeded 50%, which can be attributed to the introduction of significant new products. Areas such as education are also important for growth, as students often learn Adobe products in an educational setting and can take that

knowledge into a professional environment where the tools are well respected. For example, a study by researchers at the Auburn University found that 64% of Journalism students used an Adobe product as part of their undergraduate journalism courses, compared with 14% for the next closest competitor (Wood Adams & Voynich 2008). Improvements to the products over time have also help the company maintain its position in the market. For example, the release of Adobe CS3 provided substantial growth in due to updated applications targeted at the company's Macintosh customers. At this point (Q2 2007), Adobe had not yet transitioned to Apple's revised Intel architecture, which limited sales of existing products as customers waited for the company to complete the necessary work (Dalrymple 2006).

Drawing on its expertise in publishing tools, the company also has a chance to reassert its leadership role in this area as the workflow shifts from print to digital. For professionals such as Doug Liles, a director at SGS International, who creates digital asset systems for consumer goods firms, Adobe's expertise could help to refine the techniques used in organizing amounts of digital content. In his mind, the task has become complex and disjointed, and a better solution is needed.

“What the market needs is a secure generation of functions or paths to virtual folders in the form of URL strings that enable users to search, browse, view and retrieve assets from their core applications as an embedded widget, palette, applet, servlet, Silverlight™ rich Internet application or Adobe AIR component. “

(Liles 2010)

While this speaks more to the technical issues involved, the message from Adobe's professional customers is 'we need your help so that we can do our job'. With consumers driving so much the technology adoption, it may simply be market demand that prevents the company from committing to a project like this. Certainly it would be welcomed, and a sign that the customers that made Adobe successful are essential to its success or failure as a company. What is somewhat perplexing about this is that around the time that CS3 was preparing to launch, the company *did* address the situation (Wallen 2007) and detail how features in software like InDesign (Adobe's page layout program) could help to modernize the DAM workflows. Based on Liles' comments 3 years later, it seems as if technology moved on and things haven't gotten that much better. Considering that professionals likely depend on these tools to do their job, this is one area where Adobe could have done better to reassure customers that they understood what the issues were and could come up with a workable solution.

Realizing at times that Adobe doesn't necessarily have the talent to do this on their own, the company has made a number of acquisitions over the years in order to provide a complete set of services for customers. Two of these strategic moves stand out from the others that Adobe has made in the past, as they have (and continue to) influence major decisions going forward. The first one, the acquisition of rival Macromedia in 2005, was key in that it filled a gap in the product lineup that Adobe didn't have an answer for ('Adobe completes acquisition' 2005). With the addition of Flash and Dreamweaver, the company could now offer products to a growing market of graphic and web designers, many of whom already used other Adobe products as part of their daily workflow.

The other addition to the company, in the form of Omniture Inc.'s web analytics has the potential to transform the company even further. Since the acquisition in 2009, the company has launched Business Catalyst, a series of web monitoring tools that give businesses deep insight into the performance of the digital marketing campaigns ('Adobe to acquire' 2009). With the growing role of social media marketing, this product gives the company the chance to take significant marketshare, building on the existing customer base ('Adobe to acquire' 2009). As we'll see, these additions to the company have played a key role in where the company is focused and the message it sends to customers.

Even with new products being developed, the company faces many challenges, chief among them is a threat to the Flash set of tools from an unlikely source: the mobile internet. The primary obstacle for Adobe comes from Apple's iPhone, which gained notoriety for its lack of Flash support. For its part, Adobe's marketing efforts in this area centered on Google's Android platform and the native support that it provided. The disagreement played out in public when Apple made its position clear about Flash's role in mobile (Jobs 2010), Adobe responded with a series of ads that downplayed any supposed rivalry. Recent developments in this area have been less than promising for the company raises questions about the future role of the Flash platform ('Adobe throws in' 2011). The company has also stated publicly that Flash development will continue, albeit in a more limited role than before. Regardless of the outcome, it cost both companies some credibility that they chose to make their disagreement known in such a public way. This event was significant because both Adobe and Apple share many customers, and a disagreement could result in Adobe's refusal to continue developing software for the

platform.

This is the sort of challenge that the company must deal with: reassuring customers to the best of their ability that the investment they made in a toolset and workflow still matters. If, for some reason, a more significant crisis occurred and the product itself ceased to exist, customers deserve to be informed about it. It's a bad position to be in, but judging by their actions, I think it was the right move to make. Moving on, it is difficult to say whether or not Adobe will be as strong as it was with one of its major products in a reduced role, or what market they are trying to serve with it.

To maintain its position in the market, Adobe needs to remember why they are in the position they're in. Business and creative pros enabled them to have success with a variety of products, but a lack of focus and weak communication around how it plans to anticipate and react to changes in the market will not inspire confidence in this core group of customers. Effective communication is an essential part of retaining the trust that has been placed in them. The acquisitions they've made show that there is progress in this area and they will continue to provide an end-to-end experience for customers, but it's too early to tell how successful they will be.

Works Cited

Adobe completes acquisition of macromedia. (2005, December 05). Retrieved from <http://www.adobe.com/aboutadobe/pressroom/pressreleases/200512/120505AdobeAcquiresMacromedia.html>

Adobe throws in towel to apple in web software war. (2011, November 10). *Reuters*. Retrieved from <http://www.reuters.com/article/2011/11/10/us-adobe-apple-idUSTRE7A84NO20111110>

Adobe to acquire omniture. (2009, October 23). Retrieved from <http://www.adobe.com/aboutadobe/invrelations/adobeandomniture.htm>

Dalrymple, J. (2006, December 14). *Adobe to release intel-native photoshop cs3 beta.* Retrieved from <http://www.macworld.com/article/54409/2006/12/photoshopbeta.html>

Jobs, S. (2010, April 29). *Thoughts on flash.* Retrieved from <http://www.apple.com/hotnews/thoughts-on-flash/>

Liles, D. (2010). Web services and DAM – the time has come .. *Journal of Digital Asset Management*, 6(3), 147-152.

Market share gains in creative take adobe to \$38. (2010, September 03). *Forbes Magazine Online*, Retrieved from <http://www.forbes.com/sites/greatspeculations/2010/09/03/market-share-gains-in-creative-take-adobe-to-38/>

Wallen, M. (2007). Uniting creative applications and asset management systems: New opportunities for developers and dam vendors. *Journal of Digital Asset Management*, 3(3), 139-144.

Wood Adams, J., & Voynich, M. (2008). The use of design technology in us journalism programs. *Journalism & Mass Communication Educator*, 63(1), 42-54.