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# APPLE'S FIRST MARKETING GURU ON WHY '1984' IS OVERRATED

Regis McKenna On Advising Startups and How He Helped Steve Weather 'Antennagate'



By [Matthew Creamer](#). Published on March 01, 2012.

When a young Steve Jobs needed a marketing expert, he called Intel to ask who made their sharp-looking ads and was told "Regis McKenna." He then inquired what Regis McKenna was. The answer: "A person."



As the [Apple](#) co-founder soon found out, Mr. McKenna was indeed a person and one with particular skills that resulted in a lot of press for his Silicon Valley clients. Besides being Apple's first ad and public-relations shop, his firm helped grow a number of tech behemoths.

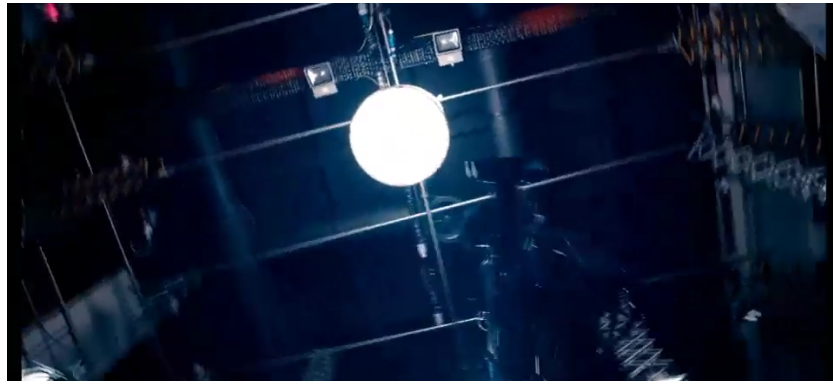
We caught up with Mr. McKenna, who retired from consulting in 2000 but remains a seed investor and still advises young companies, to talk about startup marketing, Apple and Mr. Jobs' biography, though Mr. McKenna suggests not believing everything in Walter Isaacson's book.

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**Regis McKenna:** No. I think we're going to have a lot of spikes in who covers what. You can be very popular one week and gone the next. People want attention, but it often hurts startup companies because it sets such high expectations. It's much more complex than simply getting attention. The other problem with attention is, how do you segment the audience? Companies have to be patient. I learned in the '70s that the ads won all the awards, but the company went bankrupt. I've always lived with that maxim. In a way, that's what happened with the "1984" ad. Apple went into 10 years of decline after that. It didn't have anything to do with the attention, because the ad still gets attention. It had to do with the wrong product.

**Ad Age:** Are you saying the ad industry overrates the "1984" ad?

**Mr. McKenna:** The ad was more successful than the Mac itself. The Mac was expensive to build, and Apple's margins went negative in 1986. That conflict led to Steve's ouster from Apple. The ad had some negative effect on corporate buyers, who were flocking to IBM. They didn't like seeing themselves as mindless [followers]. But Apple wasn't really ready for the corporate market anyway. "1984" came out of the Chiat agency, and they set the creative bar in many ways. The ad set an attitude of rebellion against the status quo, and it probably continues to serve Apple today.

**Ad Age:** I was looking at your 1991 Harvard Business Review essay "Marketing is Everything." Prescient as it turned out to be, a lot of its lessons go unheeded by startups, where there's often a hostility to marketing or an ignorance of its finer points, such as customer service.

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**Mr. McKenna:** I spend a lot of my time meeting with startups, and it usually takes three or four long meetings just to explain what marketing is all about. They start out with a fundamental question -- should we be advertising more? -- and they use the word "brand" very loosely. I always say don't use that word, because brands are built. They don't just exist because you run an ad or because you create a nifty logo. The brand comes from the consumer's view. How do you build innovation into your product? How do you design the product in a way so that it sells itself?

**Ad Age:** You sold your ad business to Jay Chiat in 1981 and your PR business in 1995, leaving you to finish your consulting career in marketing strategy. Explain why you ended up where you did.

**Mr. McKenna:** In an interview with USA Today around 2000, Bill Gates said that in the early days I thought he'd never amount to anything and said he'd never be on any magazine covers. I remember the story differently. I had so many clients coming to me looking for covers that I told Bill not to make that his goal. Instead, the goal should be to build a company. People who like attention often don't think of competitors as those building rival products, but those who are getting attention. Then when they get a cover they feel that they somehow had arrived, but it didn't necessarily change the business at all. I moved back into the organization and tried to help with the grounding and the fundamentals, because I thought too many people were seeing that the cosmetics changed their business when they actually didn't.

**Ad Age:** In "Steve Jobs," Mr. Isaacson mentions that you came out of retirement to work on the iPhone 4 antenna crisis. What did you advise Jobs?

**Mr. McKenna:** Steve called me from Hawaii and told me he had a big problem. I knew what it was because I had been reading about it. He asked if I would meet him at Apple the next day, where he led a group discussion. I looked at the data, which was really interesting. They had more complaints and service calls on the phone before it than they did on the iPhone 4. Because of that, I did not think it was a significant problem. I thought it was a media-cycle issue and that they should address it with the data they had and be confident about the outcome rather than be apologetic. That's what Steve did. The issue vanished within probably 10 days. My conversations with Steve over the years became more friends and personal than business. That wasn't a business contact, at least in my mind or in his; it was more calling somebody who had been a friend for many years and asking "What do you think?"

**Ad Age:** What did you think of the book overall?

**Mr. McKenna:** I thought it was very negative on Steve. I never once had any of those confrontations that people talk about, and I knew him since he was 22 years old. I know he had his ability to flare up and call people names and do those sorts of things, but I was the only member of Apple's executive staff that was not an employee. I sat from 1983 to 1987 on all Apple's executive staff meetings, which were initially run by Steve and then John Sculley. I have detailed notes on all those meetings. As for me, I was not a college dropout.

**Ad Age:** That's a pretty key fact to get wrong.

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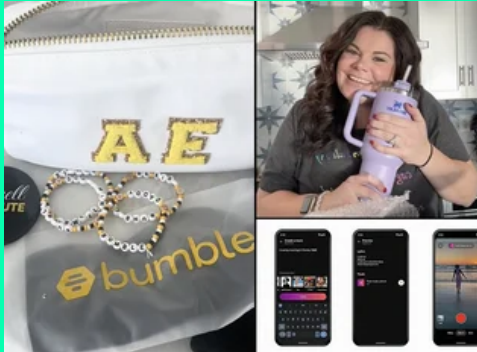
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