

HP to Reposition Laptop Brands

Written by Deron Kershaw
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Gap Intelligence in USA has learned HP will make major changes to its laptop brand positioning when Windows 8 arrives later this month. The most significant change is that the **Pavilion dm and dv** lines, which currently account for roughly one third of all HP laptops in the US retail channel, will now fall under the

Envy

brand. HP's Envy brand will continue its shift toward the mainstream to make way for the flagship

Spectre

brand at the top. HP is expected to use its

TouchSmart, Folio, and Sleekbook

trademarks to further differentiate products by form factor and functionality within each line.

2000 - HP will continue to release new 2000-branded laptops at least through the end of this year, but has plans to eventually phase the brand out. Although speculative, gap intelligence expects the Pavilion g line to eventually include the \$399-\$449 products, while the Compaq brand remains as the entry-level budget option.

Pavilion - HP's Pavilion line will gain Sleekbooks, but will otherwise be almost exclusively attached to the G series moving forward. The Pavilion dm, dv, and m series will now fall under the Envy brand, which was confirmed by several new product listings on HP's website, including the Envy dm4, Envy dv6, and Envy dv7.

Envy - HP's once-flagship Envy brand will now be more of a mainstream offering, a trend that started when Envy 4 and Envy 6 Ultrabooks arrived earlier this year. HP's forthcoming Envy dm, Envy dv, and Envy m lines are expected to share nearly identical features as their Pavilion predecessors and should similarly target entertainment-focused consumers. Although the move will surely dilute the Envy brand, consumers may be more willing to pay a premium for Envy products (rather than Pavilion), potentially strengthening HP's position in the \$599-\$999 range. Forthcoming Envy 4 and Envy 6 Ultrabooks are expected to arrive with starting prices ranging from \$779-\$849.

Spectre - Rather than being attached to other brands (i.e. Envy 13 Spectre), the Spectre brand is expected to now claim its own line of products at the high-end of HP's assortment. The Spectre brand will serve as HP's flagship line and should have starting prices at or above \$1,000. Although speculative, the Spectre line is expected to include products above and

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beyond the segment that the existing Envy line addressed.

HP's branding had become confusing for its retail partners, as well as its customers. By repositioning its brands, HP can begin to simplify its product portfolio and target different sets of customers with specific sub-brands. Consumers may be slightly more willing to pay a premium for the Envy brand but, ultimately, shoppers care less about the name than the products themselves. HP needs to refocus on design and it appears they're heading in that direction.

It should be noted that HP's brand repositioning will expand beyond notebooks to desktops, displays, and printers in the near future. Gap intelligence will continue to report more on HP's brand strategy as more information becomes available.

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