→ Copy: Jonc Richt

Dw Nuncw

Microsoft

Office Campaign

To: Steve Ballmer; Mike Maples; Jeff Raikes; Gary Gigot; Patty Stonesifer; Rich Macintosh; Russ Werner; Mike Appe; Mike Delman; Mike Negrin; Jim Minervino; Dawn Trudeau; Marty Taucher; John Neilson; Rich Tong; Daniel Petre; Vijay Vashee; Bob Gaskins

From: Mark Kroese; Ruthann Lorentzen; Jon Reingold; Kathleen Schoenfelder; Bill Johnson; Lisa Brummel; Leslie Koch; Hank Vigil

Cc: Pete Higgins; Chris Peters; Lewis Levin

Re: FY '93 Office Campaign Draft

Date: May 21, 1992

Attached is the draft of the FY '93 Office Campaign plans, for Windows and Macintosh. These presentation will be reviewed with each of your groups in the next week. Please forward to your staff as appropriate and feel free to send your comments to those on the "from" line above. A word processed version will be developed based on the feedback from the meetings.

Live Experience
Budget Why so
high?

What does
direct mail
look like

IAYF

FY '93
Windows Office Campaign

Draft Version v1.0

Situation Analysis

◆ Windows sales accelerating, WP/SS upgrade
battle now underway

◆ Word/Excel share gains vulnerable due to new
competitors and category transition to Win apps

◆ No major versions of Excel or Word until FY'94

◆ Competitive products will improve, feature gap
will narrow

◆ IEUs we reach are saturated, need to reach more

Situation Analysis

◆ Assets

Product superiority

Breadest range of Windows applications

More Windows application owners

Creator of Windows

International leadership

◆ Threats

1-2-3/W and WP Win seen as natural upgrade

Low awareness among Fringe IEU and GBU

Lotus selling "working together"

Borland selling data-centric solution

Only 4 in 10 customers "secure"

Problem Definition

◆ The "natural upgrade" to Windows is seen as coming from current vendors, WordPerfect and Lotus

◆ WordPerfect and Lotus can more efficiently reach and market to their installed bases

◆ Borland challenging us as insurgent marketer

Campaign Mission

> **Be the preferred word processor and spreadsheet as the market moves to Windows.**

1. Win the upgrade battle among WordPerfect and Lotus 1-2-3 DOS users

   Software upgraders

   Hardware upgraders

2. Be the recommended Windows WP and SS among influentials

   IUEs, press, analysts

3. Capture new user sales

Campaign Message
(draft)

> **Microsoft Word and Excel for Windows are the _preferred_ upgrade among DOS WordPerfect and DOS Lotus 1-2-3 users moving to Windows.**

FY'93 Strategy

Win the Windows upgrade battle

1. Encourage simultaneous Win/Winapp purchase and capture Windows purchasers

   Mail, OEM

2. Expand awareness and trial to Fringe IEUs

   Experience

3. Foster recommendation by users within workgroups

   Zealots

4. Own "best of breed" position with influentials

5. Make IAYF real for Office customers

   Window support
   SMIs

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1. Encourage simultaneous purchase and capture Windows purchasers

MICROSOFT
WINDOWS

◆ Make simultaneous purchase the default

OEM application pre-install	1 mm
OEM trial pre-install	250k users
Windows Partnership Program	250k users
Reseller merchandizing, bundles	50k-250k users

◆ Capture Windows purchasers

Quickfeed (Windows reg)	750k users
Capture names of Windows users	1mm users
Direct mail OEM names	1,750k users

2a. Expand awareness and trial to Fringe IEUs

Windows predisposition a required audience characteristic
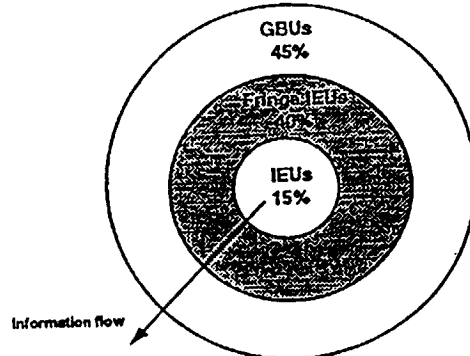
IEUs
- Have input on purchase **and** give advice

Fringe IEUs
- Either have input on purchase **or** give advice

GBUs
- Follow installed base

Information flow

Office Campaign, Windows Version ● 9 *May 1992*

2b. Expand awareness and trial to Fringe IEUs

◆ **Awareness**

Communicate "preference" message to Fringe IEUs	5mm users

◆ **Get trial (live experience) among 2 million DOS WordPerfect and 1-2-3 fringe IEUs**

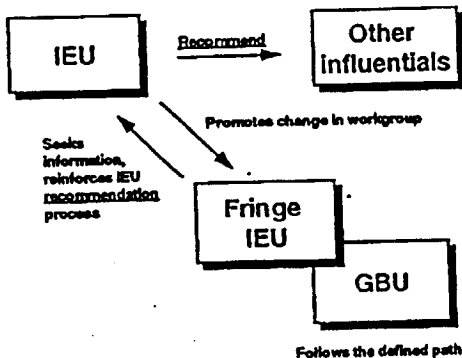| MCSS/MRSS	125k users
Infomercials	1.5 mm users
Channel promos, POS video/demo	400k users
Tradeshows	20k users
User groups	10k users

Office Campaign, Windows Version 10 *May 1992*

MS 0115656
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3a. Foster recommendation by users
within their workgroups

3b. Foster recommendation by users
within their workgroups

◆ **Increase satisfaction**

VIEW newsletter	1.2mm users
Affinity/membership programs	150k users

~ what

◆ **Arm "Switchers" * to foster adoption**

Seeding/Trial plus	20k users
Migration Kit	10k users
Eval Program/Reference program	?
ATC Push/LMI guarantee	?

Mkt

* Switcher defined as ex WordPerfect or Lotus 1-2-3 user that now uses Word or Excel for Windows.

4. Own Best of Breed Position

◆ **Influence the influencers**

Press/Analyst relations
Enthusiast ads for core IEUs
User groups

5. Make IAYF real to Office customers

◆ **Develop identity for Windows line**

◆ **Sponsor events for MIS and influentials**

Apps press briefing	500 users
Application "solutions" PR	?
Apps user conference	2k users
SBTs	?

◆ **Create new sales tools**

Winline demo
Winline testimonials/solutions
White papers

SP

Windows love

Relationship to Other Campaigns

◆ **Solutions Providers**

Excel and Word as component tools represent sizable revenue opportunity

Solution campaign is critical vehicle for communicating our desktop strategy

Office campaign relies on Solution campaign for developer support programs

Developers conference and App tech workshops paid for by Office campaign

◆ **Windows Campaign**

Windows and Word/Excel sales and marketing activities should be aggressively linked where appropriate

Desktop apps campaign assumes we don't have to sell Windows concept

◆ **Workgroup Campaign**

Need to determine how to stop Notes momentum

Excel and Word developing mid-life kicker Sparta tie-ins

Issues

(Yes)

◆ **OEM strategy for applications**

◆ **VIEW newsletter**   1 Newsletter

- Fit within overall affinity program
- Scale/budget
- Naming/visual consistency with Focus

◆ **Reach vehicles for getting to Fringe IEUs**

◆ **Scale of trial programs for Fringe IEUs**   (uw)

- Samples budget too high?

◆ **Need for Windows applications identity**

- End user
- MIS

Campaign Metrics

◆ Market Share

◆ Unit and Revenue forecasts

◆ Relative Share of WP/SS upgraders

◆ Windows Penetration

◆ Win all reviews

◆ Awareness

◆ Secured customers

Next Steps

◆ SMSD input/feedback meetings start 5/18

◆ Finalize campaign metrics

Macintosh Office Campaign FY '93

Draft version 1.0

Situation Analysis:
Macintosh Market

- Mac market share up to 15% total market (from 10% in 1990 & 12% in 1991)

- Mac growth rate forecast = 20%

- Low/mid range CPUs biggest share of Mac market –> LC, Powerbook 140

- Broadened distribution:
  VARs, mass merchants, ad campaign

- Highest growth in home and small business

- Flat in Fortune 500, stable in education

Situation Analysis:
Microsoft Assets

- Dominant market share
- Top rated products in most categories
- Highest usage, awareness among IEUs
- Broadest line of products
- Cross platform solution

Situation Analysis:
Threats

- Market shift away from corporate/high end
- New Mac buyers more in home, small business, less predisposed to MS
- Share loss to new, enhanced competitors
- IEUs' allegiance to MS weakening
- Apple promoting and preinstalling Claris, other competitors
- Claris has dominant mindshare in channel ₹ WHy

Mac Thrust Campaign Mission

> **DEFEND** market share
>
> **CAPTURE** new Mac buyers

1. Upgrade current user base for Word and Excel

2. Promote sales of Office or Works with every new Mac sold

Get aggressive w/ office →

Mac Office Campaign Strategy: "Defend Share"

- Upgrade Word and Excel users
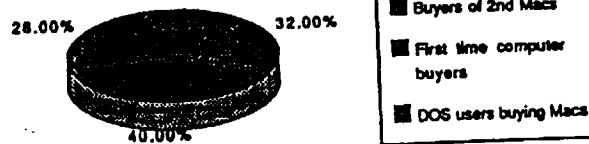- Arm and activate current MS user base
- Regain IEU allegiance

yes

Mac Office Campaign Strategy:
"Capture New Mac Buyers"

- Expand awareness for Works and Office among new buyers
- Strong channel programs for Works or Office
- Hardware pre-installation with Works

Profile: Mac Buyers

28.00%   32.00%

40.00%

- Buyers of 2nd Macs
- First time computer buyers
- DOS users buying Macs

Mac Buyers - CPU Mix

	Classic/LC	II/Quadra	Powerbook
Buyers of 2nd Macs	41,600	166,400	208,000
First time computer buyers	364,000	104,000	52,000
DOS users buying Macs	36,400	218,400	109,200

Mac Buyers - Marketing Models

Buyers of 2nd Macs
DOS users buying Macs ➡️ **IEU Marketing Model**
Follow current marketing
programs, just do
them better

First Time buyers
of computers ➡️ **Expanded IEU marketing model**
Expand current programs
to reach new audience

Mac Campaign Tactics:
Upgrade Word/Excel Users

- *Upgrade registered users*
  Direct response campaigns

- *Upgrade non-registered users*
  Channel upgrade program
  Advertising call to action
  Direct response campaign to new lists

- *Upsell MS Works users*
  Direct response campaign to "ClubWorks"
  users

Mac Campaign Tactics:
Office/Works for New Mac Buyers

- *Establish Works as the default choice for*
  purchase with low end Macs
  End User promotion
  CRN advertising

- *Establish Office as the default choice for*
  purchase with high end Macs
  VAR programs
  End User promotion

Mac Campaign Tactics:
Regain IEU Allegiance

- *Increase IEU s product usage and recommendation*
  One to One
  User group program

- *Improve MS Image In Mac press*
  Product reviews (Win "Best of Breed")
  Executive strategy briefings

- *Improve MS Image with corporate IEUs*
  Corporate field reps training, tools

Mac Campaign Tactics:
Build awareness for Works/Office

- *Advertising*
  Enterprise Press advertising campaign
  following Apple's media plan

  Increased advertising In mail order catalogs

- *Communication Tools*
  Microsoft product video - advertising call to action

- *End User Promotion*
 Works/Office bundled with value-added software (Quicken,Touchbase,Disk Doubler etc)

Mac Campaign Tactics:
Strong Channel Programs

- *Simultaneous purchase with new Macs*
  End user/channel promotion for Works/Office
  Reseller pre-install bundles for Works

- *Regain reseller mind share*
  RSP personal use and training
  End user channel promotion

- *Increase distribution*
  300 new Apple VARs
  Mass merchants/superstores

Mapping Tactics to Mission
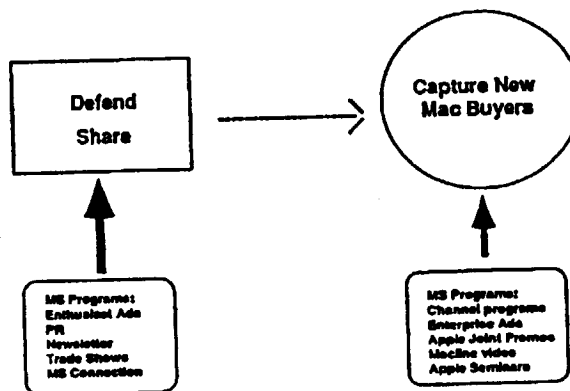
Campaign Measurement

- *Defend Share*
  Penetration = 85%(New MS apps to New Macs)
  Market Share = 55% Word, 70% Excel, 60% Works

- *Upgrade + Upsell MS Buyers:*
  Upgrade 40% of Word/Excel install base
  Upsell 25% of Works install base
  Increase reg rates to 60%

- *Regain IEU Allegiance:*
  Win product reviews
  AAU measurement

What too high