

Office for Windows 95

Launch Marketing Plan

Plaintiff's Exhibit

7407

Comes V. Microsoft

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Marketing Strategies

1) Build awareness for Office as the leader, the desktop standard for applications (build the brand)

- Positioning
- Advertising and Direct
- PR

2) Leverage Windows'95

- Joint marketing by audience with Win95 team
- Channel
- Define criteria for best Win 95 app

3) Execute a great launch

- Events
- Field support and training
- Beta

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Marketing Strategies

- 4) Target key sources of business
 - Upgraders, Switchers, LORGs
 - Improve share in low share segments by customer (SORGs), account (ASAP, MicroAge, Merisel) and country (UK)
- 5) Capitalize on "BackOffice" synergy
 - Make Office a more strategic buy in LORGs
 - Target switch to client server in S/MORGs
- 5) Entrench Office as a platform
 - Office Compatible
- 6) Win category BOB battles

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Business Objectives

- Increase/sustain category share gains
 - » Office => 85%, Standalone => 65%
- Accelerate office suite category penetration to 65% of total desktop apps
- Grow revenue by X%
- Retain 10% price premium

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Office 95 Product Vision

- Best office suite for Window 95
 - » Consistency and integration
 - » Performance
- Great solution for the teams and organizations
 - » Custom OLE properties, Doc objects
 - » Find File 2.0 with Full Text Indexing
 - » Exchange Public folders
 - » Sched+, multiuser workbooks, highlighter
- Build on IntelliSense
 - » IntelliSearch, Tips everywhere
 - » Background spell check, visual feedback, AutoPivot⁵


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Planning Assumptions

- **Timing**
 - » **Word, XL, PPT, Sched+, OfficeStd**
 - RTM 4/17/95, Channel availability 6/1/95
 - » **Access, OfficePro, Office Assistant**
 - RTM 6/30/95, Channel availability 8/10/95
 - » **Win95**
 - RTM 30-60 days before our Apps
- **No new 16 bit Win Apps, no Mac Apps**
- **Office 4.x will continue to be available**
- **Pricing will not change**

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Strategy # 1: Office Leadership

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Positioning - Where we are today

Office 4.x positioning

- Leading technology that works for you
- Full featured Apps the work together like one
 - » Beyond Ease of Use (IntelliSense)
 - » Beyond Cut and Paste (OfficeLinks, OLE)
 - » Beyond Personal Productivity (VBA, workgroup)

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Where we are vulnerable

- Positioning Paradox: Market share leadership has not translated into a clearly differentiated position
 - » Competitors copying our claims and evidence
 - » Lack of single, differentiated message
 - » Not universally accepted as standard

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Positioning - Key Findings

- “Leadership” and “Works together like One” still resonate with consumers
 - » but are viewed as support points, not main positioning premises
- Users are more results-oriented
 - » software must help them get their job done better, faster
 - » Lotus’ “Working Together” message is suspect - too much process, no results
- Users want more flexibility from software
 - » adaptable for different users, versatile for different tasks, room to grow

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Positioning - Key Findings

- Retaining control is essential
 - » IntelliSense works great as evidence/support, but can be viewed negatively if it makes people fear losing control
 - » Solutions is an intriguing promise, but can trigger the losing control fear. Users solve problems, not computers.
 - » Ease of access is viewed as essential and forward looking to CPs but too much access can be dangerous.

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Benefits Framework

Key Benefits	What users say about benefit
<p>Leadership and Support (Microsoft the company)</p>	<ul style="list-style-type: none"> • Solid, reliable technology • Reputable major manufacturer • Unsurpassed customer support • Extensive, easily accessed and user-friendly help
<p>Full featured apps that work together as one (Office Family)</p>	<ul style="list-style-type: none"> • Ease of learning, using • Integrate data, transfer info • Lowers training/support costs, burden
<p>Gets the job done - results oriented</p>	<ul style="list-style-type: none"> • Attributed to Windows • Expected, already available • Acknowledges reality in workplace, downsizing phenomena • Sets up other claims, makes them more believable • Basic capability but highly valued • Focus on the end result, not process • (Undercut Lotus' process emphasis)
<p>Flexible, Adaptable, Versatile</p>	<ul style="list-style-type: none"> • Secretary to CEO • Banker to construction worker • Small company to large • Wordprocessing to design management

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Major Positioning Issues

- **Ensure synergistic MS-wide messaging**
 - » Linkage w/ Weiden & Kennedy MS brand, Office broad reach work, and A&L PC Press/Trade work
 - » Linkage w/ OCU, Office/Back Office messaging
 - » Balance in line vs. individual applications
- **Need greater differentiation**
 - » what is the single claim, silver bullet?
- **Insure product retains central role, but:**
 - » Go beyond features, tasks and technologies
 - » Incorporate emotive and aspirational qualities

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Advertising and Direct: Objectives

- **Build Awareness**
 - » *of what?* range from MS as source of business software, to Office 95, to individual apps
 - » *to whom?* range from F/IEUs, to Office base, to SORGs, to CPs
- **Influence Perceptions**
 - » MS knows me and my business needs
 - » MS Office is *the* source for applications to support these needs
 - » Having and maintaining the most current versions of these applications is in my best interest
- **Motivate Action**
 - » trial
 - » purchase
 - » recommendation

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Strategies

- Communicate Office leadership
- Support the MS Brand in everything we do
- Messaging
 - » evolve from pure focus on product features to tangible target audience benefits
 - » *integrate* across Office products and with Windows 95 to communicate a greater whole
- Targeting
 - » *deliver* our messages to the priority target audiences where they can most effectively and efficiently be found
 - » *integrate* our efforts across media (broad media, technical and vertical press, direct mail, interactive and on-line, point of purchase, and packaging)

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Tactics

- **Launch target audience**
 - those already aware of/using an Office product, goal = awareness of Office 95; tactics = pre launch/launch DM, PC and business press ads.
- **For larger universe of F/IEUs and now SORGS**
 - build on benefits focused communications started with Office 4 and continue beyond launch; goal = awareness of larger Office family; tactics = PC press, business and consumer press and Office family DM (catalogue).
- **To even broader audience**
 - create differentiation beyond the actual products - goal = awareness of Ms as business partner; tactics = the MS branding and broad reach efforts.

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Timeline



- Development (November - March)
- Pre launch (May)
 - » teasing ads in PC Press
 - » pre-booking DM (early adopters)
 - » evolution of Avalanche
- Demand Generation (June weeklies, July monthlies, Upgrade DM)
- Momentum (July - September)
- Sustaining (on-going)

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Public Relations

- *Key Objectives*
 - » Maintain Office 94 Awareness & Momentum until Office 95 Launch
 - » Manage leak strategy
 - » Be Considered the Best Apps for Windows 95
 - » Thwart Competitive Noise and PR Activities
 - » Build Launch Excitement for New Office 95 products
 - » Minimize Potentially Negative Product Issues

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Maintain Office 94 Momentum

- **Keep Office 94 in the Press during Novell Launch**
 - Momentum Release week prior to Comdex
 - Comdex Main Booth Messaging: Momentum, Office as Platform, Office/Back Office
 - Team Dennis Conner
 - HTML
 - Testimonials, Wins (EDS, GE, AT&T)
- **Office is a Strategic Platform for Business**
 - Back/Front Office Briefings at Comdex, and follow up tour
 - Coverage of Real World Case Studies of Firms using products
- **Distribute Office Messaging into new media**
 - Vertical Markets (legal, accting, SORG)

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Leak Strategy

- Hold back more info than with Office 4.x
 - » fewer features to market
 - » less competitive pressure
- Leak product features that are:
 - » catch up to competitors
 - » too hard for competitors to duplicate
 - » obvious Win95 features
- Focus on topics that need market seeding
 - » User assistance model
 - » 32 bit only; Mac in 96; no VBA in Word
 - » Sched+ in Office

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Best Desktop Apps for Win 95

- **Leadership: Early Public Commitment to Win 95**

- Preview of Office 95 at Comdex in Win 95 Booth
 - Win 95 Support Features Only
- Shared Vision Tour with Win 95 in Jan 95
- Reviewer's Workshop in Jan/Feb 95
- Third Party Study of Quant. Benefits
- Win 95 & Office 95 Combined Launch Event

- **Define Best Win 95 App Early**

- Set Review Criteria Early with Win 95 guys
- Win 95 message at Reviewer's Workshop/Shared Vision Tour

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Best Desktop Apps for Win 95

- **Get Good First Look Press**
 - Ensure Positive First Looks
 - Target Win 95 reviewers to get Office sidebars
 - Positive Coverage at Launch
 - Long Lead Press Tour 3/95
 - Early Beta Program for Press 3/95
 - Short Lead Press Tour 5/95

- **Win Comparative Reviews**
 - Comparison Reviews *after* we ship Office 95
 - Focus Review criteria on our advantages

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Thwart Competition

- Be the first Suite to *show* support for Win 95
- Be prepared to leak "safe features" (catch-up or re-launch old ones) to counter an early announcement or their leaks.
- Leverage Microsoft-Win 95 Coordination

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Minimize Negative Issues

- Get the tough messages out before we launch
 - » Announce 16/32 bit (January)
 - » VBA & Word Issue (February)
 - » "No-Mac" until 96 announcement (February)
 - » Access 3.0 delta (March)

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Build Excitement for Launch

- Hold Most Features for actual Launch Event
- Leverage Win 95 Excitement
- Close link to Win 95 bandwagon- Best Win 95 Apps
- Extend the event beyond one day
 - District Launches (Accounts & Resellers)
 - Worldwide Training Tour to get people to Upgrade
- Event Coverage in PC and Biz press
 - Goal: always mention of Office 95 Apps w/ Win 95

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PR Timeline

- **Nov 1994: COMDEX**
 - Mon. Briefing of what will be shown at show
 - Office 95 apps running in the Win 95 ISV Booth.
 - Back/Front Office Tour Briefing during show
- **January/February 1995**
 - Mid-January: Shared Vision Tour
 - End of Jan/Early Feb: Win'95 Rev. Workshop
- **March 1995**
 - Long Lead NDA press and analysts briefings
 - Full Office '95 demo, leave behind Marketing Beta
 - Stand Alone App Long Lead Press Tour

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PR Timeline (cont.)

- April/May 1995
 - Win 95/ Office 95 RTM
 - Short Leads (one week prior to launch)
 - WinWorld (Atlanta)-show apps
- June 1995
 - First Look Reviews in Monthlies
 - International Launch Deadline
 - Access 3.0/ Office Pro Announce at PC Expo
- July 1995-October 1995
 - Comprehensive Comparative Reviews
 - Momentum Messaging & Press Release
- Oct 1995-1996
 - Testimonials

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Strategy # 2: Leverage Windows 95

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Leverage Windows '95

- Objectives
 - » Achieve X% Office '95/Win '95 penetration
 - » Rapid adoption of Office '95
- Strategies
 - » Leverage Win '95 marketing might to convince customers to also adopt Office '95 (at best, simultaneously)
 - » Establish Office as best Win '95 application
 - » Ensure Win '95 adoption is not an issue for Office upgrades

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Key Tactics

- Integrated broad reach advertising
 - » Media and creative, not joint ads
- Joint PR (eg. joint reviewer's wrkshop)
- Joint launch event (Mar/Apr)
- Office '95 technology demo at all Win '95 events
- Channel & Field training
- Direct Marketing

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Key Tactics with LORGS

- Structured trial program with Win '95's Goliath (3 accounts) , Marquee (25 accounts) in January
- Named accounts trial "in-a-box" program using MS field sales for top 200 accounts in March
- Office Preview Program: widespread Office eval offer to WPP/Win '95 World Tour attendees (Mar)
- ROI Evidence and Transition support
 - » Compelling reasons to adopt Office '95, esp. simultaneously, through "Gartner-like" study and transition tools (eg. joint Resource Kit)

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Key Tactics with End Users

- Follow Win '95's channel breadth push, especially with individual app upgrades
- Linked purchase at retail with physical "Environment Upgrade" sku
- Packaging with similar "look and feel"
- Complementary TV and national print
- \$ off promotional offer

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Environment Upgrade SKU

- Joint install/setup between Office & Win '95
- Benefits of "including batteries"
 - » Extra convenience for end user
 - » Reduce end user confusion
- Issues
 - » Pricing
 - » Potential legal issues
 - » Shelf space allocation

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Channel Objectives

- Increase Office channel breadth & depth
- Jointly sell Office & Win 95
- Support & reinforce the Office brand in-store
- Create compelling promotions to ensure high upgrade rates
- Use Ali Baba to increase trial, mix of CD Office Pro

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Channel Tactics

- **Increase channel breadth & depth**
 - » Create evaluation of each of primary channels to determine areas of weakness & create programs as appropriate
 - » Potential tactics: educate outbounds to sell Office/backoffice solution; sell individual upgrade apps via Mass merchants; Sell "upgrade your world" type of solution via SuperStores; etc..

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Channel Tactics, Cont.

- Join the sales of Office & Win 95
 - » Create Office packaging that mimicks Win 95 packaging
 - » Provide Office training with Win 95 - communicate x-sell, make Office 95 the "Win 95 Poster Child"
 - » Create kiosks/end aisles that place Office products next to win 95 products. Create in-store POP with same look & feel as win 95
 - » Create contest for best merchandising of win 95 and our win apps together, or do "secret shopper" to incent resellers for this behavior
 - » Cross sell ms-apps and systems in POP?

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Channel Tactics, Cont.

- Support & reinforce the Office brand in-store
 - » Create POP that is consistent with both Office and Win 95 (we need to make the look/feel the same as win 95)
 - » Create POP that supports the Office brand message
 - » Provide tools to enable "risk free" trial (autodemos, cds, etc)

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Channel Tactics, Cont.

- Create compelling promotions - options below:
 - » Offer Windows 95 for free with Office purchase (fpp or up)
 - » Offer "Complete Upgrade" solutions
 - » OEM h/w , system & s/w solution
 - » system & apps solution
 - » Re-introduce "upgrade your world"
 - » Offer resellers high levels of marketing funds & strong materials to incent them to promote our offers
 - » Price apps at intro levels for first 3 months
 - » Create bundle with individual apps to push upgrades (either Frosting or an upgrade training video)
 - » Create promo with Alibaba => unlock product X,Y, or Z by x/x/95, get ___ product for free.

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Strategy # 3: Execute a great launch

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Events

- Joint broad reach "event" with Win '95 as kickoff
- "Rolling" launch events to build momentum
 - » WinWorld Atlanta (Apr)
 - » Top 15 User groups launch tour (May)
 - » Joint District Launch Tour with Win95
 - » Launch-in-a-box for corporate accts and resellers
 - » Access/Office Pro launch at PCExpo (June/July)

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Field Support & Training Objectives

- Educate 100% of "relevant" reseller, corporate, SP, MCS sales force
- Arm the field and channel w/ informational sales tools to assist them in converting the sale
- Communicate a consistent and compelling DAD strategy to customers
- Leverage MS-wide field training events to communicate w/ sales force.

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Field Support & Training Tactics

- Publish Office 95 strategy presentation and product positioning.
 - » Begin using in EBC in December (as approp)
- Create 3-4 flavors of Office 95 demo
 - » Broad audience (basic, show little)
 - » Friendly audience (NDA, trusted partners, show some ease of use functionality)
 - » Full out Office/individual app demos (w/ hidden features)
- Hand Pick 3-5 SPs to develop custom solutions

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Field Support & Training Tactics

Cont.

- SE/MCS Training (detailed information) via
 - » Fly-in (mid Jan)
 - » Strategy video (internal training)
 - » SE Forum/Tech Ed (Dec/Mar)
- SE trains district on strategy (late Jan).
- Office PMs do hands on in early March via district tours
- Intl PMs trained by mattmi team in dec and late jan meeting.

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Beta Program

- Strategy: Use Technical beta to develop testimonials w/ a few key accounts
 - » 3 early on, goliath large accounts
 - » 25 SPs, Accts that offer strategic examples for Office and individual apps (marquee)
- Use marketing beta for evaluation/review by press, analysts and key accts (hundreds).
- Timeline:
 - » Tech beta 1: Jan 17
 - » Marketing beta March 17

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Strategy # 4: Target Key Sources of Business

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Upgrader Segments

- **24% = Regulars**
 - » almost always upgrade; decide within the first 3 months
 - » most influential (80% F/IEU)
- **14% = Seekers**
 - » upgrade likely, need more info; decide 1-6 months from launch
 - » slightly less influential (71% F/IEU)
- **34% = Doubters**
 - » upgrade unlikely, highly satisfied, unconvinced of new benefits; decide 3mp-1 yr. from launch
 - » still influential (62% F/IEU)
- **29% = Sleepers:**
 - » very unlikely to upgrade; least influential

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Upgrade - Strategies

- *Cement and leverage Regulars*
 - » promote and pre-book early (targeted mail)
 - » use to evangelize (champions programs)
 - » test subscription/leasing programs to cement (tie to MOS?)
- *Convert Seekers to regulars*
 - » upgrade through multi-wave DM and targetted press (using early adoption stories to build confidence)
 - » build relevance with connection to Windows 95
 - » provide post purchase tools (ala Avalanche) to drive deeper usage
 - » tie additional benefits to staying current

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Upgrade - Strategies

- *Convince Doubters with Trial*
 - » include in announcement DM efforts
 - » drive interest with calls to action in ads and later wave DM
 - » deliver effective trial vehicle
- *Awaken select Sleepers:*
 - » announce to small group in core SORG/vertical segments
 - » write-off the rest

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Switchers

- Continuation of Operation "Avalanche"
- Main Objective:
 - » Gain share by capturing MS-DOS and Small Business switchers
- Key Tactics
 - » 1-800 hotline with testimonials, referrals and tools
 - » Beefed up switcher support line
 - » 90 day money back guarantee
 - » National advertising to promote "safe choice"/"move is on" themes

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SORG/Vertical

- Objectives
 - » Increase SORG/Vertical Market Share and Awareness to parity with overall share/Awareness
- Strategies
 - » Provide turn key solutions
 - » Create Clear SORG/Vertical Messages
- Key Tactics
 - » Office Small Business Pack/Office Compatible ISV's and Vertical resource Kits
 - » Target SORG/Verticals through Influence Model
 - » Launch Office 95 SORG Effort with Office Pro 95

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OEM

- Objectives
 - » Increase individual Word/Excel NA share in small business and work at home markets
- Strategies
 - » Target top-tier OEMs that are considering competitive offerings or those that provide co-marketing opportunities
 - » Target middle-tier OEMs with single application licenses (Word/Excel)
- Other Tactics
 - » Capture NAMES
 - » Provide Office up-sell in-box and on-screen for single application licensed OEMs

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Strategy # 5: Capitalize on Office/Back Office Synergy

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Objectives

- Use BackOffice to entrench Office, increase “strategic” importance.
- Use BackOffice to open new markets, cannabalize shift to client/server.
- Establish market perception of Office as premier solutions development platform.
- Get other MS groups to sell Office - BSD, DD and OCU (SP).

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Strategies

- Develop clear messaging for Office as a Business Solutions Platform for all business segments - S/M/LORG.
 - » Common Messaging plan for Office/BackOffice.
 - » Office as premier suite of desktop applications.
- Develop clear and compelling evidence to support messages.
- Deliver messages/evidence through internal (MS) and external (SP) vehicles.

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Tactics

- **Develop arsenal of evidence** (internal & external sales tools).
 - » Customer testimonials - videos, white papers, demos, presentations, etc.
- **Target all segments and deliver messages (with evidence support) via influence model.**
 - » Marketing Mix (Ads, PR, MSTV, Seminars etc.)
 - » Training (SPs, Internal and External)
- **Provide turnkey SORG solution.**
- **Empower and provide incentive to external sources to "sell" Office as the Business Solution.**

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Timeline

- **PreLaunch:**
 - » Develop arsenal of evidence (3-4 months prior to launch).
 - » Empower and provide incentive to external sources to "sell" Office as the Business Solution (get buyoff now, implement at time of beta).
 - » Provide turnkey SORG solution (dev now, msg as appropriate).
- **Launch and Post Launch:**
 - » Target all segments and deliver messages (with evidence support) via influence model.

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Strategy # 6: Entrench Office as a Platform

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Office Compatible

- Continue v 1.0 for 16 bit development
 - » Reduce marketing to logo program only
- Introduce v 2.0 for 32 bit development
 - » Refine consistency requirements (fewer, better)
 - » Require more integration
 - » Require Win'95 compatibility
- Marketing:
 - » Issue: Can you ever satisfy ISVs
 - » Marketing to masses=dilution (cant do enough). Limit it to logo program for the masses
 - » Decouple strategic marketing opportunities from program so we can pick and choose "best" opportunities

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Strategy # 7: Win Category Best of Breed Battles

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Individual Plans to Come



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Business Planning Issues

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Office '95 Pricing

Maintain basic pricing scheme:

● **FPP Upgrade**

Office Pro \$599 \$399*

Office Std \$499 \$299*

Indiv. apps \$329 \$129±

* \$40 rebate for version upgraders

± \$30 rebate for version upgraders

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Office '95 SKU Management

- Objectives
 - » Encourage adoption of Office 95
 - » Avoid confusing the customer/reseller about which product works on which platform
 - » Prevent losing 16 bit App sales to competition
 - » Minimize SKUs to lower internal costs
- Issues
 - » Office 95 Apps not compatible with Windows 3.1
 - » Rate of Windows/Office 95 adoption unclear

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Transition SKU Management

- **Strategy**
 - » Follow standard upgrade transition conventions
 - » Let market decide on timing of SKU removal
 - » Focus marketing on incentives to upgrade to Office 95, not obstacles to buying Office 4.x
- **Tactics**
 - » Continue making volume products orderable
 - » Clearly distinguish packaging and product info on box
 - » Free upgrade coupon to Office '95 in Office 4.x for first 6 months

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