

Microsoft

To: Petch, Russw, Richab, Hankv, Lewisl, Karenab, Ruthannl, Bradc, Sharondc  
Fr: Mark Kroese  
Re: Windows Counting, REV 3  
Dt: Wed, May 30, 1990  
Cc: Scotta, Valerich, Nancyyg, Barryb, Colemanb, Jeanth, Kathrynny, Sarafich, Maryta, Davidv, Gary Gigot, Mike Delman, Lauren Sargeant, Nancybi, Anneh, Peter Cohen, Kathryn, Jeffca

Attached is the revised Windows Computing plan. This supersedes all previous versions. All comments have been incorporated in this version. Please call or email if I missed anything.

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*B. Chase*  
EXHIBIT NO. *90*  
*10-10-01*  
J.R. HEAD

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**Windows Computing**  
**Marketing/communications plan, May 1990**  
*Revision #3 (final)*

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**Purpose**

This document is written to provide an overview of key components of the Windows Computing marketing campaign, and define the campaign's objectives and strategies.

It is intended to be an "umbrella" document that ties the individual marketing programs together, with an emphasis on the communications programs. The positioning of Windows Computing should influence the communications elements of all Windows Computing marketing programs.

Client review of this document will lead to agreement on the scope, objectives, strategies and tactics of the Windows Computing campaign. Once closure has been reached, the plans for each component of this program begin to be implemented. At this level of approval, the client is defined as Petch/Russw. More clients emerge as the individual programs develop.

**Document outline**

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**Background**

Microsoft's decision to aggressively promote the Windows platform is based on the logic that the sooner the DOS world moves to Windows and Windows applications, the better off we will be<sup>1</sup>. History has proven that gaining market share from entrenched competitors is a slow and expensive proposition. Conversely, the resilience of our Macintosh applications proves that being first is the best way to garner and retain market share. Since only Microsoft has a full family of Windows applications, now is the time to proliferate both Windows and Windows applications. It will never be cheaper to win market share<sup>2</sup>.

Winning market share is a two step process; both inextricably linked. First, we must make the Windows platform mainstream (get "sockets"). Second, we must fill the sockets with our applications, recognizing that Lotus and WordPerfect will attempt to stall the market and convince their customers to stay with them until they ship Windows versions of their applications.

Done right, the Windows Computing campaign will accomplish the first step and position the Applications Division to accomplish the second step. Windows computing is *not* a Microsoft applications-specific campaign.

**Critical Insights**

*Co-existence is a saleable message, radical displacement is not.* As the world moves towards the Windows platform, co-existence and compatibility become very important issues. Individuals, workgroups and influentials all must understand that radical displacement is not necessary in order to enter the Windows world. To quote billg -- "Windows is better DOS than DOS"; meaning there are no bad choices when moving to Windows. It's a good/better proposition, not a bad/good proposition. The transition to Windows is the natural evolution of DOS.

<sup>1</sup> Defined as a \$1 billion dollar opportunity by 1991.

<sup>2</sup> Lotus and WordPerfect are expected to ship "real" Windows versions of their dominant products in Q2 or Q3 of CY91.

- There are quantifiable benefits for those who move to a GUI environment.* The TBS study (CUI vs. GUI) has concluded that there are very compelling benefits for those who move to a GUI computing environment. The results of this study should be used to support our message (separate attachment).
- Migration is as big an issue as functionality.* We need to tell prospects not about only about the benefits of graphical computing, but how to get there, the role of OS/2, etc. Case studies (both collateral and advertising) can play an important role here.
- GUI does not necessarily mean easy.* For new users, GUI makes more sense. But, millions of DOS users claim "Nothing is easier than what I already know". Research has proven that the initial experience with GUI feels more complex to the user since the screen represents an entire desktop instead of just a single application. Many also find the use of the mouse cumbersome and unnatural. This supports the need to show (vs. tell) people about GUI.
- We can't be vague or abstract with our Windows (GUI) message.* In the complex and dynamic world of personal computing, it's easy to oversimplify or over-complicate the message. Our communication about Windows Computing must be straightforward, acknowledge the target's usage of a PC, and clearly articulate the benefits of Windows Computing. Focus group research reminds us that terms like "graphical" or "character based" can confuse people.
- Windows must be seen as both an integrating technology and an open environment.* Common user access and the ability to use multiple applications simultaneously are seen as the big benefits to Windows. However, "vendor-lock" remains a concern with companies. Customers must understand that Windows is an open environment that Microsoft's Applications Division happens to be very committed to.
- The success of the Windows platform does not guarantee the success of Microsoft Windows applications.* The marketing efforts for Microsoft's applications must be developed in conjunction with the Windows Computing campaign; however, we should not attempt to turn the Windows Computing campaign into a Microsoft applications campaign.

#### **Campaign objectives**

The Windows Computing campaign will be measured against the following objectives:

- Create instant awareness that Windows Computing signals an important change in how you use your 286/386 PC<sup>1</sup> (establish Windows Computing positioning concept).
- To create a positive sense of urgency about moving to the Windows environment.
- To facilitate trial with Windows and Windows applications. (specific estimates for each experience level will come later; included will be autodemoes, working models, literature and seminars).
- To quickly convert the experience into product sales.

#### **Windows Computing defined**

Windows computing is a marketing campaign designed to accelerate the platform change among PC users from current character based software to Windows 3.0 and related applications software<sup>2</sup> to the Windows environment.

<sup>1</sup> I am not aware of any primary research that measures attitudes and awareness of Windows and its benefits. We should conduct a pre and post campaign measurement to gauge the effectiveness of the campaign.

<sup>2</sup> "Related applications software" refers to Microsoft Windows applications and third party Windows applications, such as Aldus PageMaker, Corel Draw, etc.

From a communications standpoint Windows Computing is primarily a *market building* campaign. From a marketing standpoint, it is both a market building and a *market share* campaign. This is because the Working Model component of the campaign will include both environment (Win 3.0) and applications (Word, Excel, PP, Project) working models. Windows computing is Microsoft's central marketing campaign for the September - December '90 timeframe. The campaign has several key components:

1. National advertising (\$3,000,000, funded by the FY91 Brand budget)
2. Telemarketing (~\$750,000, funded by the \$4 million in incremental funds)
3. Working Model and supporting collateral (~\$3,250,000, also funded by the \$4 million incremental funds)
4. Existing framework marketing programs: (funded by traditional means)

- |   |   |
|---|---|
| <input type="checkbox"/> In-store merchandising | <input type="checkbox"/> Autodemos            |
| <input type="checkbox"/> RSP training           | <input type="checkbox"/> Outbound sales tools |
| <input type="checkbox"/> MRSS seminars          | <input type="checkbox"/> PST seminars         |

#### **Relationship to other Microsoft campaigns**

Windows Computing — also known as WinPush II — follows the launch effort for Windows 3.0 (May - August).

Windows Computing replaces the FY91 Brand advertising effort, and is a logical extension to the FY90 Brand campaign (which talks about GUI and conceptual consistency between all Microsoft products). The Windows Computing positioning statement parallels the Brand positioning statement, but is tailored to the PC environment. Brand advertising will be re-evaluated (FY'92). This is a temporary adjustment to the advertising paradigm.

Windows Computing lays the groundwork for a significant marketing thrust for Microsoft applications that will take place during the late Fall (CY90), Winter and early Spring (CY91).

#### **Marketing strategy**

The Windows Computing marketing strategy is to accelerate the platform shift to Windows and Windows applications by employing a three step marketing approach that will include both push and pull related programs:

1. Create awareness, interest and understanding of Windows Computing through communications programs that expand the reach and frequency of our message to the best prospects (as defined in target audience section).
2. Fulfill the interest by offering prospects a range of ways to experience our products. This includes a range of programs from collateral to working models to reseller demonstrations to seminars.
3. Convert the interest and experience to sales by utilizing telemarketing to push prospects through the purchase process.

See the attached schematic for the inter-relationship between the various marketing programs. The data from the TBS study will be used liberally at all phases of this campaign in order to push prospects down the sales cycle.

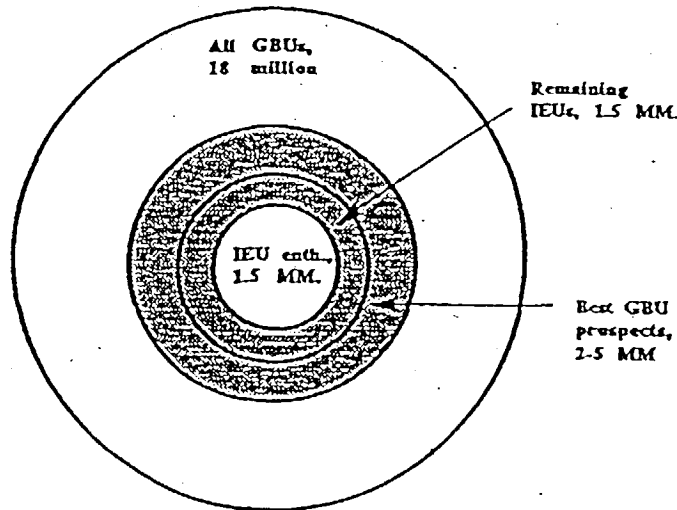
#### **Target audiences and markets**

Since the Windows Computing concept is *usage driven*, the communications programs will be targeted at *users*. This includes influential end users (IEUs) and general business users (GBUs) that are "Windows ready". Prospects must fit the following description:

- Owns or uses a 286/386 PC capable of running Windows and Windows applications

- Works in a professional, executive, managerial, administrative, clerical, sales or technical occupation
- Are found in all size businesses where PCs are found, with an emphasis on corporate environments where PCs are the dominant platform
- Uses his/her PC regularly as a business tool. May feel some frustration or limitation with their current level of utilization. The prospect should have some predisposition to change (improvement).
- Is a proficient user of at least one application, primarily a word processor or a spreadsheet. This person is described as the "one app" in the O&M creative brief dated 4/6/90.

Current MRI data shows that there are just over 3 million IEUs and over 18 million GBUs<sup>1</sup>. The Windows Computing advertising is intended to reach all IEUs and the best GBU prospects. Not all 18 million GBUs are "Windows ready", but a significant percentage are. The Windows Computing campaign has two targets. The primary target is the least sophisticated IEUs and the most sophisticated GBUs. This is a combination of the IEUs we are currently not reaching with the enthusiast press and the GBUs that are most ready to move to the Windows platform. The secondary target is the enthusiast IEU group (core of the diagram). The following diagram shows the target.



The Windows Computing audience segmentation. The target of the campaign is shown by the shaded area — 3.5MM - 6.5MM prospects (MRI data). Influence in the purchase process decreases as you move towards the outside of the circle.

The campaign will also reach Enthusiast IEUs (center), but the message will be more trial oriented.

Business press will be recommended based on its cost effective ability to extend our reach of IEUs and reach the best GBU prospects. For example, the unduplicated reach of IEUs by all the computer related publications we advertise in is less than 1.5 million. Hence, there are at least 1.5 million IEUs that we can not reach through the enthusiast press.

<sup>1</sup> MRI's IEU definition: Respondent was directly involved in the past year in evaluating, initiating, recommending, ordering or approving the purchase of PC software for his/her firm. The GBU definition is similar to that of the IEU. It requires the same job function but factors out the formal or informal influence. It does, however, require that the respondent be a regular user of a personal computer.

### Competition

Resistance to change, the inertia behind established or dominant character DOS applications, and the fact that nothing is easier than what a user already knows are the primary competitors to Windows. The anxiety and fear of change only make things worse. Many users would rather continue to use Lotus 1-2-3 than switch to Excel. Ditto for WordPerfect users and Word for Windows.

The secondary competitors are personal computers and workstations not using the DOS environment — Sun, Next (both Unix), Macintosh, and HP's New Wave. Lack of awareness of an alternative to using DOS with GUI apps can also be considered a competitor. This campaign will address this issue head-on.

### Positioning

The Windows Computing consumer positioning will be aimed at the target market defined above. This positioning will talk to the mainstream computing issues such as ease of use and the ability to do more with your PC. In short, we are selling the benefits of the environment and using applications (not just Microsoft applications) as the support for our position.

#### Windows Computing consumer positioning:

*Windows Computing instantly transforms how easily and effectively you can now use your PC to its full potential.*

*Windows Computing... speaks to the new/better way to compute. There is Macintosh computing, DOS computing, UNIX computing and OS/2 computing. People need to be made aware of this alternative. Windows computing always equals Windows 3.0 plus Windows applications.*

*... instantly transforms... addresses the significance of the change. It does not require a major hardware investment. This \$149 product (+apps) will promptly change forever how you use your PC. We use the term transformation because it signals the positive nature of the move versus just a technology shift for the sake of change.*

*... how easily and effectively... covers two key issues for our target. "Easily" addresses those people who have a PC but seldom use it. The notion of taking something they are underutilizing and making it more effective is the major focus of the effort. The more sophisticated segments of the target have never been able to do multiple tasks (eg, WP and SS at the same time). The term "effectively" is descriptive of how they can get much more benefit from their PC.*

*... you can use your PC to its full potential... This portion of the positioning encourages users to get the most out of their PC hardware investment. This plays to the guilt of not and the possibilities of maximizing one's potential.*

*Additional considerations. It is very important that applications are always used as the support that makes the Windows Computing positioning come to life. The support for any Windows Computing benefit should always be based on usage of Windows applications.*

*We must make sure that "instantly transforms" does not get translated as a big, scary, uncertain change that will upset the way people use their PC. The products of Windows Computing must be seen as a big deal, not the transition. It must be seen as a natural, evolutionary next step for DOS users.*

### Message strategy by target audience.

To accomplish the campaign objectives, we must determine the correct balance between "positioning" and "trial" messages.

A positioning message would educate by advocating Microsoft's POV on the benefits of computing in a graphical environment. This type of message is only necessary if we believe the prospect does

not understand why Windows deserves careful consideration. In short, the positioning message is context that will make the trial message important and urgent.

A trial message would be an overt call to action and would lead the prospect towards a range of ways in which they experience (try) Windows Computing (Working Models, seminars, dealer demos).

It is arguable that the most sophisticated GBUs and the least sophisticated IEUs (the shaded area in the segmentation diagram) will need some context from which to respond to a trial message. Conversely, the enthusiast IEUs will need much less — if any — context from which to evaluate a Windows Computing trial offer.

Conclusion: Enthusiast IEU messages will be almost totally trial driven. The messages to the remaining IEUs and the GBUs will be trial oriented, but also imbue the Windows Computing positioning.

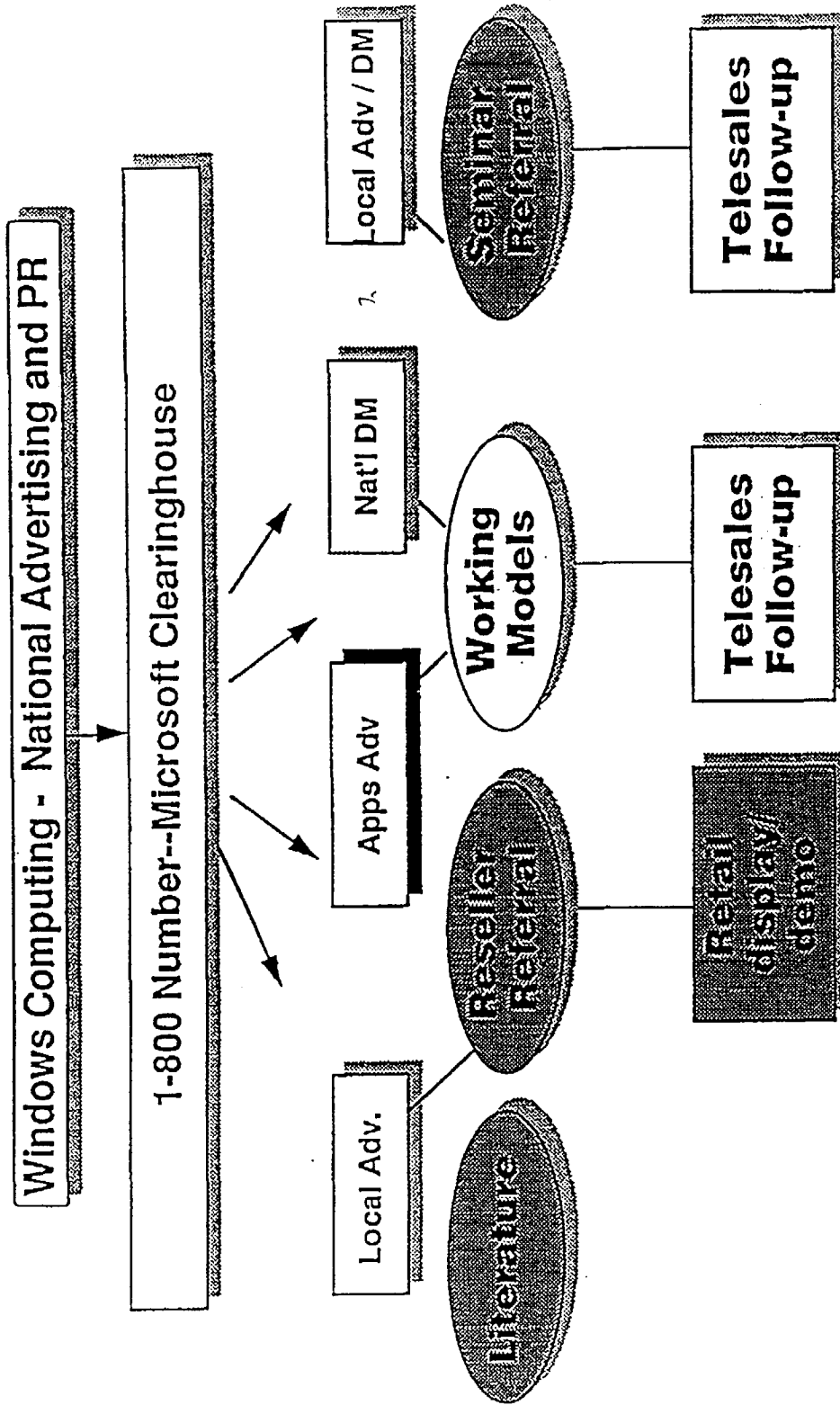
**Next steps**

- Agreement on the strategic direction that this document provides (w/o 5/29)
- Individual creative briefs for the advertising portion of the campaign (w/o 5/29)
- Agreement on approval process. The client for the advertising/collateral portion of this program is Petch (for apps), Russw (for Systems) and Scott/Valerich (for USSMD).
- Completion of the supporting plans for all individual programs (Working Model, USM programs, telemarketing programs, revised creative brief, etc.)

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Windows Computing, PUSH II, April 30, 1990



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Windows Computing Task Force: CC, USM, Sales Ops, PR, PM

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