

Memo

To: Jeff Raikes
From: Jon Reingold
Subject: Beat WordPerfect Marketing Plan
Date: September 29, 1990
cc: Word Processing Marketing

Executive Summary

The purpose of this plan is to lay out a strategic plan for how Microsoft can gain share against WordPerfect. The primary focus in this plan is on Win Word versus Win WordPerfect, as Windows is the critical platform we have targeted for gaining share. However, this plan also discusses the supporting role the entire family of Word products plays. The aim of the plan is to provide a framework not only for our marketing, but for other OBU activities as well.

Windows 3 has shipped and is being well received. WordPerfect has no Windows word processor and will not for approximately six months. We have a successful Windows word processor, we have recently updated our DOS version and shipped an OS/2 version to reinforce our overall PC platform solution, and our Macintosh version continues to dominate. We are successfully implementing our product strategy while WordPerfect is on the defensive.

Although WordPerfect has slowly gained market share from other companies, we gobbled up most of this market and increased market share faster. Domestically, we now have xx% share versus xx% for WordPerfect, and outside the U.S. we have xx% versus their xx%. WordWide we have xx% versus their xx%.

The key platform is Windows. This is the most dynamic platform and represents our only real opportunity to gain significant share. We need to defend our Mac and DOS businesses, nurture our OS/2 business, and go on the attack as aggressively as we know how on the Windows platform. We will leverage the fact that our family of products share a consistent, visual interface compared to WordPerfect's family -- which is missing some members and has inconsistent, keystroke oriented interfaces.

This plan proposes a set of marketing strategies and tactics for doing this. The major program recommendations are:

Field/Channel Marketing activities:

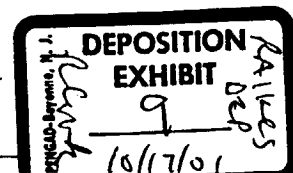
- * Win Word/Win Family seeding/evaluation program through outbound resellers

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- * Promotion to hardware resellers to sell Word for Windows with Windows systems.
- * RSP Product Usage promotion
- * Windows Display Rack for in-store merchandising of Win Word, Windows 3, and other Windows applications
- * We need some yet-to-be-determined distribution enhancement program focusing on breadth of reach, with depth among the top Win 3 resellers.

Direct Marketing:

- * 90 day direct mail/response campaign to Win 3 owners offering Word for Windows at \$99.
- * Test of direct mail/response at different price points: \$495 (SRP), \$325 (street), and \$150 and \$99, to determine price elasticity.
- * Defend Mac Word 5 against WordPerfect 2.0 with an installed base satisfaction campaign, the main tactic being a mailing with product tips and a special \$10? offer for a grammar checker.

Other:

- * Aggressive promotion of customization/integration solutions to IEU's via an aggressive consultant recruitment program, solution videotape, user groups, Comdex demo, customization contests on CompuServe, and making WordBASIC/Template courseware a free fulfillment item.
- * Refinement of the WordPerfect file converter to the highest possible accuracy.
- * Improve intra-Word family file conversion to "seamless" level

Situation Analysis

The Market

- * Windows has quickly penetrated the early adopter segment of the market. However, sell-through in the retail channel has stabilized at around 45k units/month. OEM sales make up another 75k/month. The market Windows-capable PC's is approximately 500k/month, so we are penetrating less than 15% of eligible machines.
 - * Of those people who own Windows, xx% are using the program
 - * Of those people *using* Windows, approximately xx% are using Win Word, xx% are using Word for the PC, and xx% are using WordPerfect. The number one reason cited by Winows users who are using a character-based word processor is that they are waiting for their current word processor to be available under Windows. The second most popular reason is that they see no reason to switch. {Check order here}
- {Windows User WP Usage Pie Chart}
- * Our penetration of Windows counting all retail, update, and OEM Windows units is approximately 15% overall, and has been xx% recently.

Competitive Analysis

WordPerfect Strengths

- * Reputation for excellent support
- * Reputation for responding to customer needs
- * Leading PC word processor

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- Installed base
- Third parties, trainers, consultants, temps
- Channel relations
- * Windows product:
 - File, keystroke, printer driver compatibility
 - Strong feature set: File manager, columns, tables, equations
 - Flashy graphical interface: graphics, icon bar, ruler (columns, tables)

WordPerfect Weaknesses

- * One-product company
- * New to Windows. Flop on the Macintosh
- * Playing catch-up on Windows
- * Big, slow Windows product?
- * Port of a DOS product
- * Burdened with keystroke, menu compatibility with DOS version – clumsy, compromise interface
- * Limited customization/integration capability: no templates, 1-way DDE, limited macro language.
- * DOS WordPerfect and Windows WordPerfect are similar in terms of keystrokes, but they designed their Windows version to be consistent with the arcane keystroke-based DOS product, not vice versa. The Microsoft family of word processors is more consistent, and is designed around the new graphical word version, not around the old-generation DOS word processors.

Competitive Summary

There are a few big "strategic" issues which dwarf the technical differences between Win Word and Win WordPerfect. On it's side, WordPerfect has great support, great compatibility with the largest installed base of word processors, and a reputation for extreme customer responsiveness. On our side, we have momentum as the leading Windows word processor, a reputation as the leading Windows software company and the creator of Windows, a broad line of Windows products, and a reputation for technical prowess and innovation. We need to defuse WordPerfect's key strengths while positioning the battle between us to emphasize our strengths:

- * We need to defuse the "compatibility" issue to the greatest extent possible. If compatibility becomes seen as reasonably similar between Win Word and Win WordPerfect, then people will be better able to focus on which is a better Windows word processor. Without this, we don't even get seriously considered by the large number of customers who already have WordPerfect. This means great 2-way conversions – as good as Windows WordPerfect. It also means trying to develop templates which map the most common WordPerfect keystrokes.
- * PSS is becoming a bigger and bigger liability for us. It is unlikely that support will ever become a competitive advantage for us vis a vis WordPerfect. However, we need to minimize our liability by making PSS quality acceptable. We have been buffeted unendingly by scarce resources almost from the moment we shipped, and our support problems alone are starting to lose us sales in the marketplace.

- * We need to find a way to turn their compatibility with their large installed base of DOS users to our advantage. We need to position them as "limited" by porting their DOS version to Windows and making compromises to maintain compatibility with their DOS version. We need to be seen as the best "true" Windows word processor, while still also offering a good compatibility story. Their flashy icon bar and graphics handling present a challenge as we try to position them as not fully exploiting Windows. But they have reasonably clumsy menus and weak customization and integration capabilities. And I think they will help us paint them into this corner, as I explain in the positioning section below.
- * We need to leverage our Windows experience, momentum, and leadership as hard as possible as it is one of our few "strategic" advantages over them.
- * Our family story is better than theirs. We can position them as doing lower-common denominator porting and/or we can point out that they are a less consistent, compatible solution than the Word family.

Objectives

- * FY '91 Domestic Retail Revenue:

Win Word:	\$80mm
PC Word:	\$30mm
Mac Word:	\$43mm
<u>PM Word:</u>	<u>\$2mm</u>
Total	\$155mm
- * Win Word = 30% Windows penetration = 32k units/month¹
- * Unit Mkt Share:
 - Win Word: 17% unit share of PC market = 32k units/month
 - PC Word: 7% unit share of PC market = 18k units/month
 - Mac Word 30% penetration of Mac market = 20k units/month
 - PM Word: 30% penetration of OS/2 market = 1.5k units/month
- * Distribution:
 - Win Word: Regular stocking at outlets representing 60% of Win 3 ACV distribution
 - PC Word: Same as Win Word
 - Mac Word: Sustain/deepen distribution
 - PM Word: 20% higher than PM Excel = 500 outlets
- * P/R:
 - For Win Word: Number 1 in InfoWorld roundup, Software Digest, PC Magazine Editor's Choice, PC World Best Buy, PC World World Class award.
 - For DOS Word: #1 character word processor in Software Digest
 - For Mac word: Number 1 in InfoWorld roundup, Software Digest #1, MacWorld World Class award
 - Word for OS/2: For magazines that have separate category for OS/2 word processors, be #1.

¹Counting 25% of OEM Windows units as actual users.

Target Customers

Win Word Target Customer

A customer that has Windows is clearly the best target for Win Word. They have the right hardware and software. They have in some way already bought the "Windows message" of GUI and multitasking. As the data above indicates, many of the people who already own Windows have not bought Word for Windows, so there is a lot of business still waiting to be realized among this group.

Within this pool of customers, almost all the people who don't already own Word for Windows are WordPerfect owners. There is a small group of users using PC Word, WordStar, DisplayWrite, MultiMate, and other word processors, but this is quite small². The bulk of these users who switched to Windows became Win Word users. Our highest priority before WordPerfect for Windows ships is to convert as much of this pool as possible to Word for Windows. This is precisely the reasoning behind the Excel/Word upgrade campaign targeted to Windows owners described below.

After Windows WordPerfect ships, their first priority will be to develop a critical mass of users by upgrading their 5.1 installed base. The WordPerfect users most likely to heed this call will be that group which already owns Windows or is heavily predisposed to purchasing Windows. After our aggressive upgrade campaign from February-April, mostly hardcore WordPerfect owners will be left. There is little more we can do to woo these users. However, we will most likely match their \$129 upgrade offer to remain as competitive as possible among these users.³

After Win WordPerfect ships, the new segment that we need to be focusing on is that group most likely to start using Windows in the future. As the diagram below indicates, there is a subset of the PC market that will be interested in moving to Windows. They will perceive that there are two main choices -- Win Word or Win WordPerfect. Although Lotus Ami Pro is a good product, it is unlikely to have the significant installed base and momentum that Win Word and Win WordPerfect will have at that time; we because of our current momentum and WordPerfect because of its ability to upgrade its installed base.

{Venn Diagram of PC User segments}

² will refer to these word processors as "old technology" word processors from here on.

³One thing we should consider -- for those WordPerfect owners who do decide to go with Win Word, price is probably not a prime consideration. How many incremental WordPerfect users do we attract by making the \$129 offer, versus how much margin we needlessly give up on those few who would have bought Win Word anyway?

The people moving to Windows will be both WordPerfect (5.1 and 5.0) users, as well as the "old technology" word processing users.. The battle will come down to who can attract these two groups of users most effectively. Let's examine the messages that WordPerfect will use to woo these groups.

WordPerfect's "easy" positioning point to the WordPerfect users is that this is essentially the same product they are already using, but now designed to deliver the advantages of Windows. Breaking this down more carefully, you have two messages in the following order:

- 1) This is essentially the same product you already have -- your keystrokes, files, and printer drivers are all transferable.
- 2) This product delivers all the advantages of Windows

Our positioning will be subtly but importantly different. We will say that we are the best Windows word processor because we have been designed specifically for that purpose by the company that best understands Windows. This should work better than WordPerfect's "WordPerfect Compatibility" message for the "old technology" word processing users. For the WordPerfect 5.0 and 5.1 users, we will also have to make the point that we too have great WordPerfect compatibility. So, we also have two messages but in the following order:

- 1) This product is specifically designed to get the most out of Windows -- the best Windows word processor bar none
- 2) This product is highly compatible with character-based WordPerfect (and other word processors)

Can we really expect our positioning and WordPerfect's positioning to really be different as described above? If they were smart, they would realize that they are going to get most character WordPerfect users anyway, so they should just position heavily as the best Windows product designed from the ground up. However, it is unlikely they will do this. They have already been very open about the fact that Win WordPerfect is just a GUI sitting on top of 5.1 code. Since upgrading their intalled base will be a key priority at launch for them, it is likely that the 5.1 compatibility message will a strong one for them right from the start. In addition, insofar as they have the largest intalled base and market share, this is a way for them to reinforce their competitive advantage. Finally, their track record indicates that whenever they enter a new platform, their positioning is always "the best word processor in the world now available on {new platform}."

WordPerfect made this mistake when they first entered the Mac marketplace. Rather than sell their feature set hard (which was actually quite impressive at their launch time) they positioned themselves as the number 1 word processor now available on the Mac. This positioning (which we certainly helped to reinforce) really bombed for them, as they

were perceived as outsiders bringing a PC port into a much more sophisticated market. One would think this may have taught them a lesson. However, their booth at Comdex demonstrated that they have not. They showed the Windows, Mac, and Next versions all side-by-side as basically similar and equal GUI products.

So, the first priority customers after Win WordPerfect ships will be people considering moving to Windows. This is the major dimension we need to focus on. However, there are specific segments within this category which will be the most receptive to Word for Windows.

{Customer Segment Chart from RGM presentation}

- * Excel and other MS Win app users. Approximately 30% of Mac Excel owners use Mac Word. It is not unreasonable that this percentage should apply as well to Windows Excel owners.
- * Professionals (care about document appearance, creating compound documents, or specific productivity tasks):
 - Sales and Marketing
 - Legal
 - Accounting
 - Insurance
 - Financial Services
 - Engineering
- * Small/Medium business professionals with a need for full-featured word processing. The rich functionality, ease of use, and great output are strong hooks for small businesses that need to create and publish their own documents.
- * MIS professionals and IEU's who are interested in the customization/integration capabilities of Word for Windows. This is both a large corporate message, as well as small companies with a reasonably sophisticated person capable of creating document templates.

DOS Word

Of all our other products, the target market for Word 5.5 is the most problematic. We do not want to position DOS Word as a low-end product, as it is indeed a very full-featured, powerful product. At the same time, our corporate focus is on Windows and we risk abandoning DOS Word altogether unless we can make it fit within our overall Windows strategy.

The simplest way to separate the Win Word and DOS Word target markets is to state that they are each targeted to different "platforms." If a user is interested in Windows, then Win Word is appropriate, and if DOS, then DOS Word. This is not quite enough, however. We have a strong strategic imperative that the Windows platform succeed as fast as possible, and accordingly we must take sides a little bit. We want people to know that if

you have the hardware to run Windows and Win Word, you are better off doing this. So we want to make the platform distinction as mentioned above, but also add that we think overall Windows is a better platform for most users with appropriate hardware (386, 2 megabytes).

In addition to distinguishing the two products by the platform they run upon, it is important to recognize the *complimentary* nature of the two products. Together, DOS Word and Win Word provide a complete solution for the range of PC's at a company. Word 5.5 provides many of the same interface enhancements as Win Word, but runs even on low-end machines. A user can easily migrate from DOS Word to Win Word, and training/support costs two support should be lower than a DOS/Win WordPerfect combination.

For PC Word 5.5, one of the best target markets is people who are either using Word for Windows, or companies where Word for Windows is being purchased. For a Win Word user, Word 5.5 makes the ideal lap-top or home PC word processor. For companies with Word for Windows users, Word 5.5 makes the best alternative for machines incapable of running Word 5.5, or for people who need maximum speed from their word processor.

Word for OS/2
People interested in OS/2!
Mac Word

Positioning

As a family, we have some important advantages over WordPerfect. We are more consistent, and we have standardized on a visual interface which we have perfected on the Windows and Macintosh platforms. In addition, we have made a strong commitment to Windows, Macintosh, and OS/2 platforms -- GUI platforms, while WordPerfect has pledged support for these platforms, they are still primary a DOS word processing company and are perceived that way both internally and externally.

- Leading graphical word processing company: Although we are number 2 in U.S. word processing, we are the leading graphical word processing company. We staked out this leadership with Word on the Macintosh, and extended it with Word for Windows. Word for OS/2 will round out our graphical word processing offering
- Consistent, intuitive interface: We are the only word processing company with a consistent, intuitive interface across all our products. WordPerfect is attempting to port the WordPerfect 5.1 keystroke interface to Windows. We have taken the approach of trying to bring as much as possible of the interface enhancements in

Word for Windows, Word for the Macintosh, and Word for OS/2 back to DOS in Word 5.5.

- Puts technology to work for you: Only Microsoft has a clear vision of where technology is and should be going, and how it can best be harnessed to meet customer needs. We are continually introducing powerful new solutions for our customers well ahead of the competition.

Word for Windows is the "lead" product in the family, in the sense that it provides our best opportunity to increase our overall market share. When reviewing the family members, it makes sense to discuss them in relation to Word for Windows. Here is the positioning by product:

Win Word

- * The leading Windows word processor, making it dramatically easier to create and distribute virtually any business document.
 - Leading: best selling because it really is a major step forward in word processing.
 - Better for creating great looking documents
 - WYSIWYG (easier to see formatting, integrating graphics)
 - Ribbon/Ruler great for quick, easy formatting of doc. Very intuitive and easy to learn
 - Better for creating doc's which mix text, graphics and numerical data (compound doc's)
 - Clipboard, DDE (for compound doc's)
 - Tables (for compound doc's, good looking doc's)
 - seamless integration with other office systems (Doc. Templates, WordBASIC, Customizable interface) make it really easy to get data into doc's (e.g. doc. library, scanner, email)
 - Creating simple documents
 - Ribbon, Ruler = easier to learn and use the basics
 - WYSIWYG = better looking documents, use of fonts
 - Creating long documents
 - Outlining (reorganizing)
 - Styles
 - Master documents
 - Cross-referencing, etc.
 - Creating routine documents
 - Document Templates
 - Macros
 - Better for distributing documents
 - Customizable interface and WordBASIC provide seamless integration with other office systems (e.g. FAX, email)

Word 5.5

- * The fastest full-featured character-based word processor with the easiest-to-use interface.
 - Provides unparalleled performance on nearly any PC (Laptops, portables, XT's, etc.) Doesn't require Windows or Windows capable hardware.

- Runs in "Character-Windows" which emulates Win Word's graphical user interface but in character mode.

Word for OS/2

- * Word for OS/2 has the same graphical interface and feature set as Word for Windows, but it exploits the power of OS/2:
 - Long file names, so files can have more mnemonic and informative names.
 - Stores extended file attributes in the High Performance File System, speeding file management and making these attributes visible to relevant applications.
 - Operates well with OfficeVision

Mac Word

- * The standard for word processing on the Macintosh. Mac Word's graphical interface and feature set are similar to Word for Windows, but are optimized for the Macintosh.

Strategies

- 1) Sell Word 5.5 and Word for Windows as complementary solutions
- 2) Establish Win Word as the default Windows word processor for resellers
- 3) Reach and close high-potential customers before WordPerfect for Windows ships
- 4) Attack WordPerfect installed base before Win WordPerfect is available
- 5) Reposition WordPerfect as the "past leader of character-based word processing," and unprepared for the new GUI word processing era.
- 6) Get momentum behind customization/integration functionality
- 7) Reduce perceived Product Support disadvantage
- 0) Focus on improving PSS through external and internal means

1) Sell Word 5.5 and Word for Windows as complementary solutions
 In order to increase our overall market share, we need to stake out and hold a leadership position in the Windows market, but at the same time, we cannot cede ground in the DOS market. Our market share goals for Word 5.5 are only 5% less than Word for Windows. In fact, with the new interface of Word 5.5, it should be quite synergistic with Word for Windows. Win Word should help DOS Word reach accounts which have previously been uninterested. Similarly, a DOS word processor with a similar interface to Win Word helps overcome the objections of accounts with large quantities of hardware below Win Word's minimum system requirements.

Tactics

- * Promote awareness of PC Word 5.5 to Win Word user base through an end-user mailing (perhaps combined with the template mailing).
 - * Improve file conversion between DOS and Win Word (and other Word family members)
- 2) Establish Win Word as the default Windows word processor for resellers
 - * Promotion to hardware resellers to sell Word for Windows with Windows systems.

- * RSP Product Usage promotion
- * Windows Display Rack for in-store merchandising of Win Word, Windows 3, and other Windows applications
- * Win Word/Win Family seeding/evaluation program through outbound resellers

3) Reach and close high-potential customers before Win WordPerfect ships. Given our window of opportunity until Windows WordPerfect ships, this will be the cheapest time to gain market share. We are already investing heavily in trial through working models and seminars, which are publicized through the Windows Computing advertising and our own advertising. However, we can do even more. In particular:

Tactics:

- * Participate in PST seminars
- * 90 day direct mail/response campaign to Win 3 owners offering Word for Windows at \$99.
- * Test of direct selling to Win 3 and Excel owners, IEU's, GBU's at \$495 (SRP), \$325 (street), and \$150 and \$99. Pending successful results of the direct mail test, we may implement a longer term direct response campaign targeted at these and broader audiences.

4) Attack WordPerfect installed base before Win WordPerfect is available
 One of the biggest threats to Win Word is that WordPerfect will successfully upgrade a significant percentage of their users to Windows WordPerfect when it ships. This could easily result in 400k WordPerfect users upgrading, which would vault them to the leading installed base position. Accordingly, we need to get as many as possible of the Windows-oriented WordPerfect to buy Win Word today, while we are the only product available.

Tactics:

- * Direct mail to WordPerfect owners offering Win Word for \$125 direct from Microsoft or through resellers. Alternatively, we can advertise in WordPerfect magazine.
- * Refinement of the WordPerfect file converter to the highest possible accuracy.
- * Defend Mac Word 5 against WordPerfect 2.0 with an installed base satisfaction campaign, the main tactic being a mailing with product tips and a special \$10? offer for a grammar checker.

5) Reposition WordPerfect as the "past leader of character-based word processing," and unprepared for the new GUI word processing era.

There are three key message components to the above repositioning goal:

Position Word for Windows as the leading Windows word processor.
reposition WordPerfect as the "past leader" of character-based word
processing.

Since we will have been shipping for over a year before WordPerfect for Windows ships, we have an opportunity to be perceived as the Windows word processing standard. The point is to make people think of the Windows market as a new category, in which the old market leaders will not necessarily be the new leaders. We need to portray as much momentum as possible behind Windows and Word for Windows.

Tactics:

- * PR: Our PR group is putting together a list of corporations that are standardizing on or buying large quantities of Word for Windows and our other Windows products. We will feed these companies to the press to maintain an image of momentum.
- * Advertising: We are trying to put together an ad campaign featuring testimonials from a users.
- * Comdex: We will give out Win Word birthday favors at Comdex, signifying that Word for Windows has already been out for 1 year, and it #1. This will really drive home that whatever hoopla WordPerfect dedicates to Windows WordPerfect is just vaportalk.
- * Promote a sense of "what is a good GUI word processor" among the hard-core Windows enthusiasts -- with Word for Windows being the model, of course. We can do this by pushing the importance of having an interface consistent with other Windows applications and seamless integration at user groups, trade shows, and with the press.

Reactive/Confused

We are forcing WordPerfect onto the defensive. We will soon have shipped three new products with no response from WordPerfect: Word for Windows, Word 5.5, and Word for OS/2. These introductions reflect a clear, focused product strategy to dominate graphical word processing.

WordPerfect was taken by surprise over the success of Windows 3 and the success of Word for Windows. They are now scrambling to come out with a Windows word processor, but it is unclear how long this will really take, and what quality the ultimate product will be.

When Word 5.5 ships, we will strike yet another blow against WordPerfect. They lack our clear strategy of having consistent, "graphical" interfaces across our products. Accordingly, WordPerfect 5.1's interface will look ugly, confused, and antiquated compared to Word 5.5. Furthermore, customers migrating to the Windows platform should find Word 5.5's interface far more appealing.

With WordPerfect for OS/2 shipping shortly thereafter, WordPerfect will really start to look like a company caught napping. While WordPerfect wages a war of vaporware and empty promises, we will have a family of

consistent looking word processors with the latest interface technology across DOS, Windows, OS/2, and the Macintosh. WordPerfect will still be scrambling to get their DOS-port Windows product out, with the OS/2 version somewhere in the future (also a DOS-port).

All this should start to make people wonder if WordPerfect's reactive strategy doesn't put them in a vulnerable position. How long can WordPerfect keep falling behind without losing market leadership?

Tactics:

- * The Word 5.5 and Word for OS/2 press tours and announcements are ideal opportunities to hammer home our clear vision and ability to execute on this vision.

Unprepared for the new GUI era.

We have the opportunity to position WordPerfect as a simple port of their DOS word processor to Windows. Superficially, they are a full Windows application. They support WYSIWYG fonts, multiple documents, and DDE links. However, their interface will be complex and burdened by the fact that they have ported a DOS/keystroke interface to Windows. Furthermore, their underlying architecture is quite different from Word for Windows. Accordingly, they will be extremely limited in their ability to seamlessly integrate with other applications.

For example, the following are scenarios which we do not think will be possible with WordPerfect for Windows:

- * A memo template automatically guides users through the addressing of the memo, even providing a list of distribution aliases which are converted to the appropriate employee names, and then automatically mails the memo via the electronic mail system.
- * A monthly report template for field personnel which automatically pulls sales and cost information from the appropriate spreadsheets and databases located on remote servers
- * A template which provides transparent access to a powerful network document server by remapping the Word for Windows Files Save, File Open, File Find commands.
- * The ability to send a document as a fax simply by choosing File, Send Fax from the menus
- * A legal brief template prompts paralegal for information and automatically assembles appropriate clauses according to a particular law firm's guidelines. Then simply choosing File, Check Lexis from the menus automatically connects the user to Lexis and allows them to easily paste appropriate legal citations into the brief.

Even though WordPerfect looks like a full-featured Windows application, it will not be capable of these types of solution, because it does not have a fully customizable interface, a powerful document template architecture, or

a powerful embedded programming language like WordBASIC. We need to gain widespread awareness for these types of solutions, so that when WordPerfect for Windows ships, people are unpleasantly surprised that they not possible.

Tactics:

- * Make sure that key industry opinion leaders understand this message. We will emphasize this during the Word for OS/2 press tour, at Comdex, user groups, and other similar events. I am revising our Corporate Visit presentation to drive home this message more clearly.
- * A white paper which drives home the messages above.
- * In our Word family seminars, we will make this point clear. In addition, it is important that our Corporate Marketing Reps push this message hard with their accounts.
- * Part of positioning WordPerfect as a failure in the GUI market will be making sure Mac WordPerfect gains no ground. We will defend Mac Word 5 against WordPerfect 2.0 with an installed base satisfaction campaign, the main tactic being a mailing with product tips and a special \$10? offer for a grammar checker.

6) Get momentum behind customization/integration functionality

We need to turn the underlying architecture of Word for Windows and OS/2 (and eventually the IC architecture of Word 5 for the Mac) into customer benefits which a wide audience of users can appreciate. The more widely recognized how important these capabilities are, the more likely WordPerfect for Windows will be seen as fundamentally lacking.

Tactics:

- * Mailing of a disk of useful Win Word document templates to our installed base (with a nice thank you letter), as well as to all the major user groups.
- * Making the "Wexler" WordBASIC/Template courseware a free fulfillment item.
- * Mailing via Authorized Consultant Program for \$50 product, consultant kit
- * We are working with ITIS to train them on the powerful integration capabilities of Word for Windows and will work closely with them to create some showcase customization/integration scenarios.
- * Creation of a customization/integration solution videotape, similar to the Perkins-Coie videotape, but showing a broader range of solutions. We will use real customer scenarios where possible.
- * Presentation of the "dream Win Word office solution" at Comdex
- * Promotion of this message at user groups via our videotape presentation and live presentations.
- * Document template contests on CompuServe

7) Reduce perceived Product Support weaknesses

One of WordPerfect's biggest competitive advantages is their reputation for free, high quality customer service and product support. We must blunt this

advantage if we are going to gain significant share. We need to improve access to our support (reduced busy signals and time waiting on the line). We need to improve the quality of our support. And we need to make sure that the criteria by which people judge support go beyond just having an 800#, to include access and answer quality. In addition, we need to improve our training infrastructure, which is a key component of overall support.

Tactics:

- * We must get dedicated support technicians who we can train and measure better. The current system makes us vulnerable to demand overloads from other products (most notably Windows recently) and also strains Support Tech bandwidth.
- * Word User Conference. This is scheduled for the end of October. It was extremely popular last year and promises to be equally successful this year.
- * We should provide training vouchers to our sales force, good for use at ATC's which meet certain threshold preparation requirements. This promotion will motivate ATC's to train on our Word family, and will help increase awareness of these solutions among our field and customers.