

# FY 94/95 Marketing Research Review

DAD Marketing Research Studies  
Office, Excel, Word

March 1995

Stuart Munson, Erin O'Melia

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  - MORGs
  - SORGs
  - Legal (Word)
  - Accounting (Excel)
  - Home/Very small organizations

# Presentation Objectives

- Cite relevant business objectives
- Review pertinent marketing research study results
- Relate research findings to marketing plan goals

# Key Business Objectives

- Objective 1: Increase/sustain category share gains
- Objective 2: Grow revenue by increasing upgrade rates
- Objective 3: Grow revenue by increasing desktop penetration rates

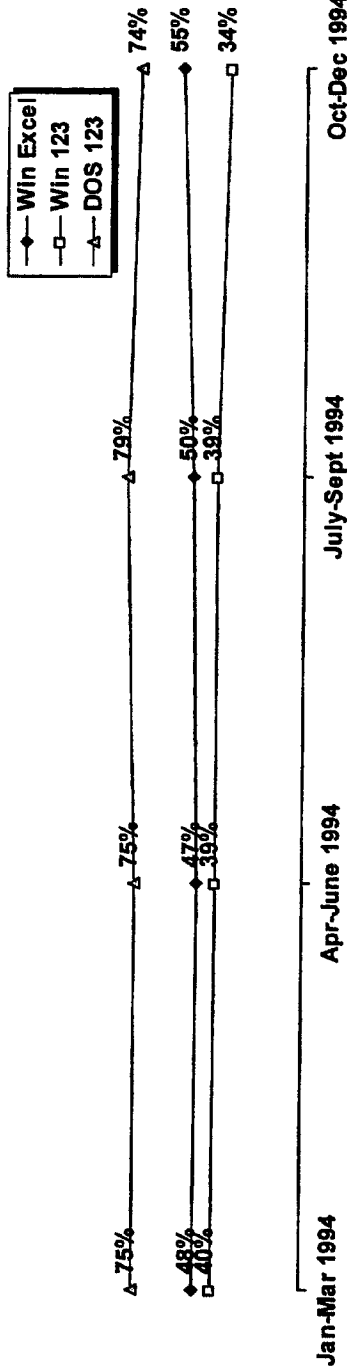
# Business Objective 1: Increase/Sustain Category Share Gains

- Where do we currently stand with regard to individual applications market share?
- How are suites currently perceived?
- What we know about the spreadsheet market
- The new positioning and how it will motivate purchase and increase share

# Installed Base Share -

## Spreadsheets

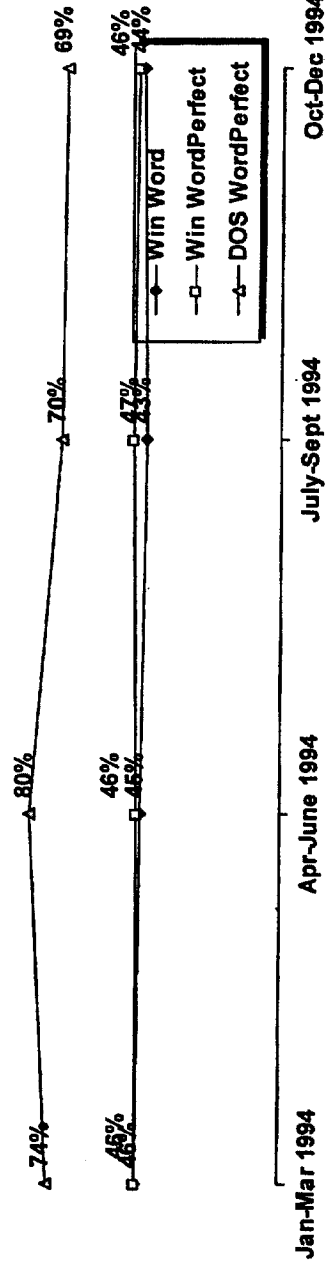
- Both DOS and Win Lotus 123 have declined within the last year. Win Excel, however, has steadily increased.
- The DOS Lotus 123 market is still very large. This can be a huge opportunity for Win Excel with Switchers.



Source:  
PC Watch

# Installed Base Share - Word Processing

- 2 patterns emerging:
  - the Windows word processing installed base is flat
  - the use of DOS applications is steadily declining



Source:  
PC Watch

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# Despite Rapid Growth, There Is Little Perceived Difference Among Office Suites

## Agreement

<u>Factor</u>	<u>Importance</u>	<u>MS Office</u>	<u>SmartSuite</u>	<u>Perfect Office</u>
Easy to Use	90% +	54% -	53%	32%
Includes applications I need	88 +	64	56	25
Has help available	87	67	59	43
Consistent programs	84 +	62	63+	21
Good value	80 +	61 +	58	36
Compatible with files & macros	78 +	59	55	40
Simplifies complex tasks	77	55	57	29

Source:  
Office  
Tracking  
Study, Nov.  
1994

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+ Significantly greater than previous wave (4/94), - Significantly less than previous wave (4/94)



# However the Reasons for Purchasing Specific Suites Vary

■ Microsoft Office purchased most frequently because of ease of use and the Microsoft name

	Wave III
Price	<u>(n=117)</u>
	6%
Came from Microsoft	12
Has what I wanted	0
Ease of use	12
Versatility of Windows	0
Integrated/works together	6
Microsoft's reputation	0

Source:  
Office  
Tracking  
Study, Nov.  
1994

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Note: Large variations between waves are in part due to small sample sizes

# SmartSuite Selected Because of its Applications

	Wave III
	<u>(n= 76)</u>
	7%
- Came from Lotus	10
- Spreadsheet	1
- Met our needs	0
- Lotus's reputation	3
- Price	0
- Integrated/works tog.	3
- Ease of use	0
- Familiarity	6
- Industry standard	0
- Other applications/capabilities	0

Source:  
Office  
Tracking  
Study, Nov.  
1994

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# PC Watch Data Suggests There is Brand Loyalty Across Applications

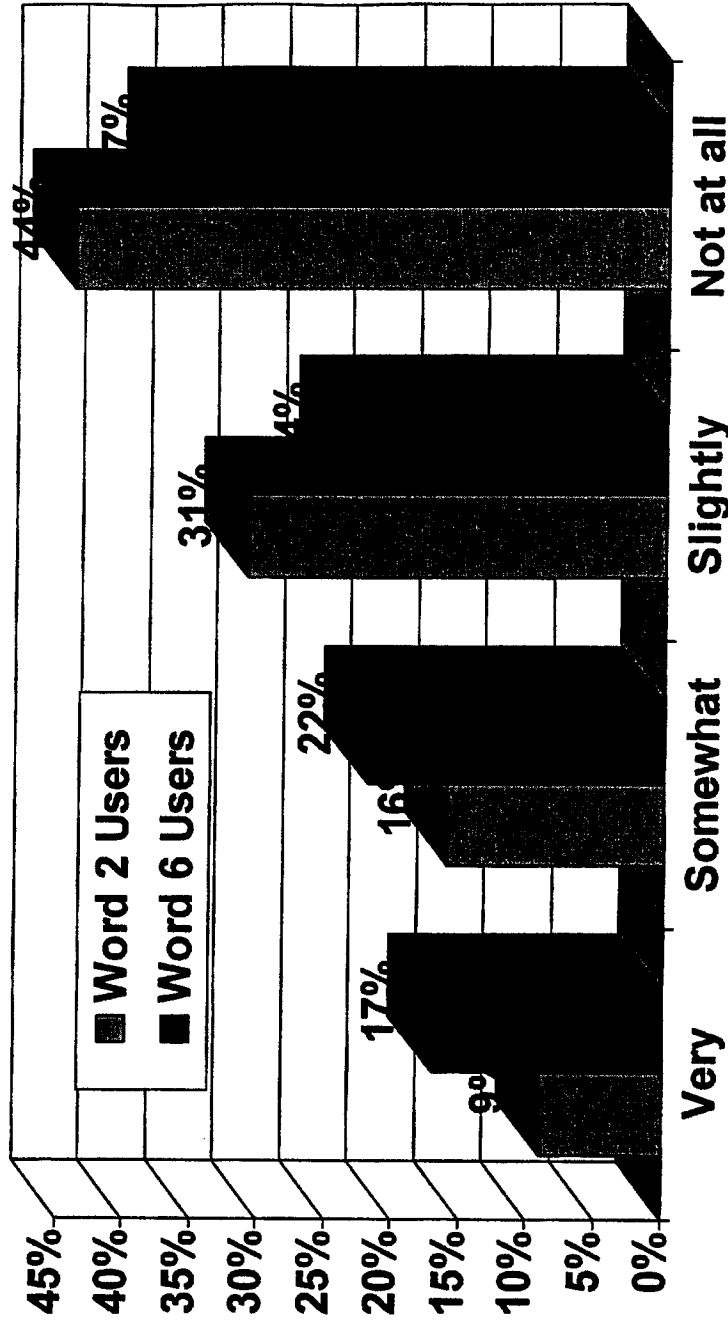
- People tend to use applications from the same manufacturer so cross selling applications should be an effective tool

Application	Used Most	Win Lotus 123	DOS Lotus 123	Win WordPerfe ct	DOS WordPerfe ct	Win Word d	DOS Word d
Word		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Excel		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lotus 123		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WordPerfect		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Source: PC  
Watch Oct. -  
Dec. 1994

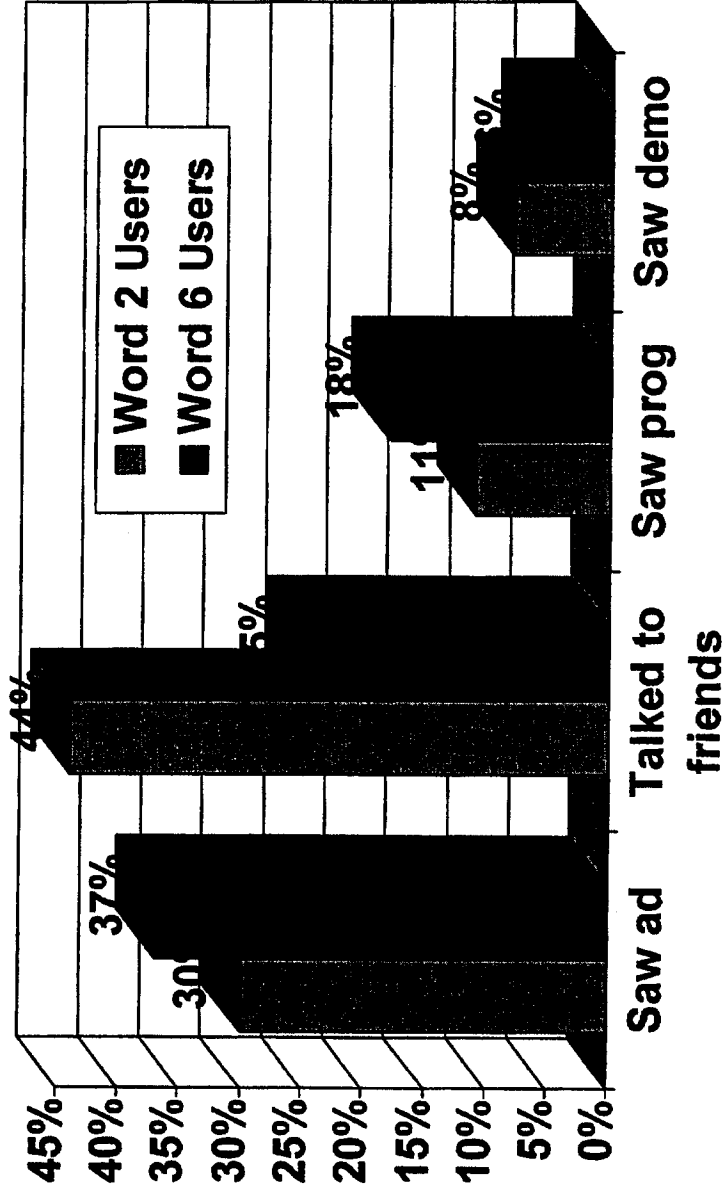
# Although Many Word 6 Owners Were Familiar With the Product, More Than A Third Were Not



Source:  
Word  
Regbase  
Study  
1994

Familiarity with Word before purchase

# Word 6 Owners Were Significantly Less Likely to Have Consulted Friends

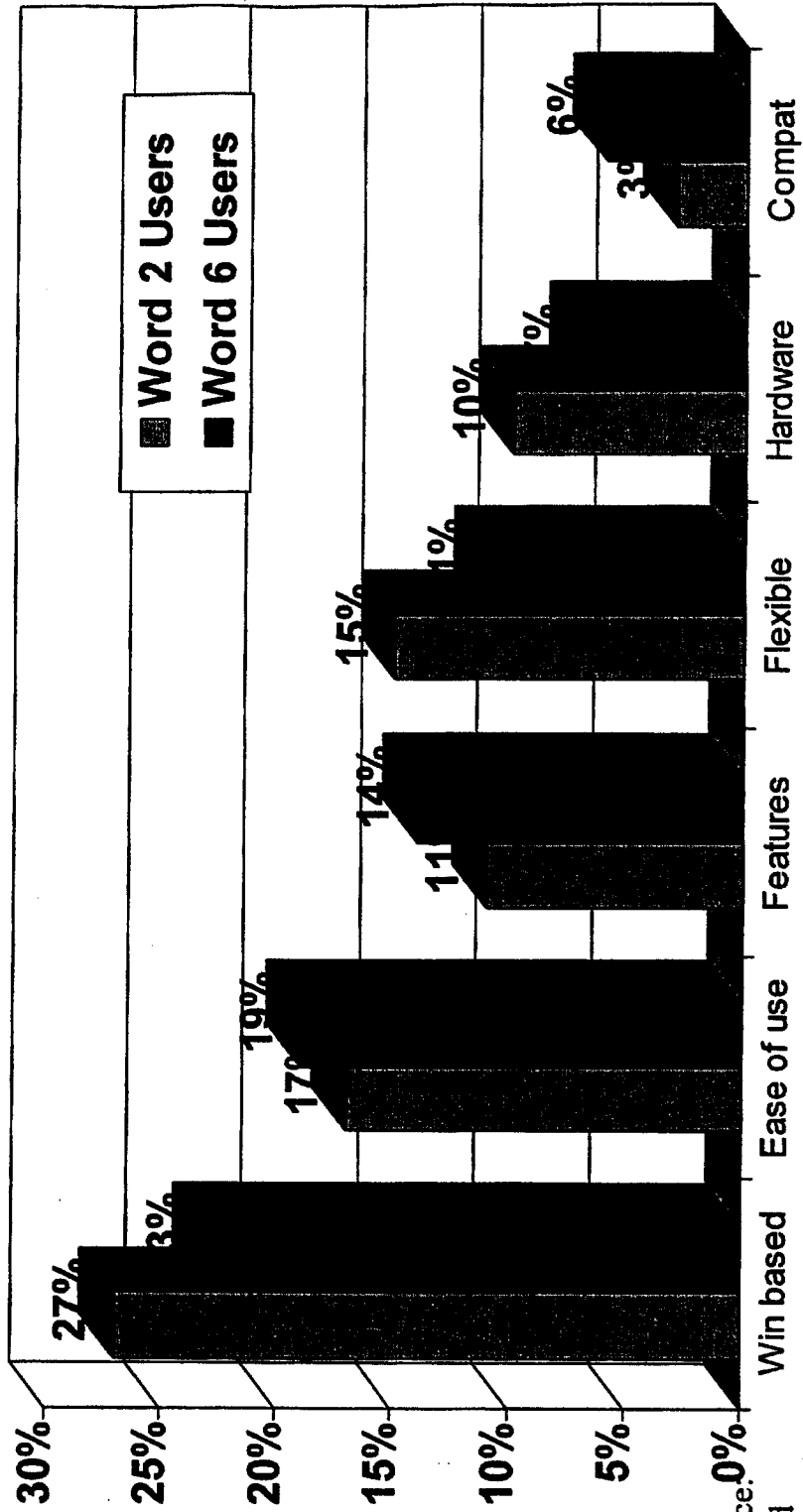


Source:  
Word  
Regbase  
Study,  
1994

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% Participating in each activity

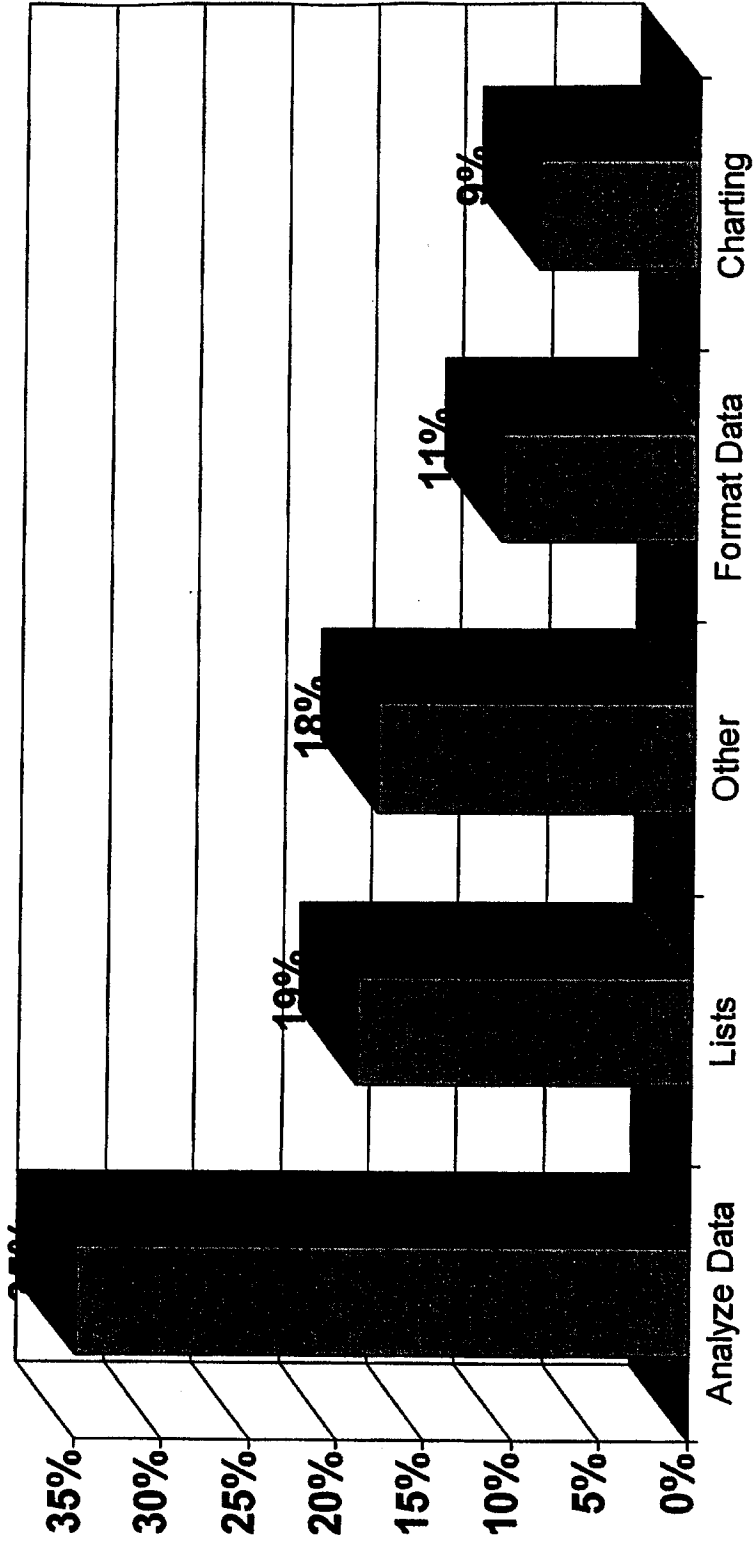
# Ease of Use and Features Are Becoming Increasingly Important



Source: Word  
Regbase  
Study,  
1994

% Citing as a main reason for switching to Word

# For The Spreadsheet Segment, “Analyzing Data” Is the Most Critical Use of the Application



Source:  
Excel  
Competitive  
Analysis

# And Familiarity is the Most important Influence On Purchase

## Factors which influence purchase

- Familiarity 31%
- Price 29%
- Compatibility 8%
- Gen. pos comments 8%
- Awareness/reputation 8%



# For Excel, Lotus Is the Strongest Competitor for New Buyers

- A March 1994 survey of 118 first time spreadsheet buyers suggests Lotus is the strongest competitor

– Excel v4	37%
– Excel v5	24%
– Lotus v4	29%
– Quattro Pro v5	10%

Source:  
Excel  
Competitive  
Analysis

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# The New Umbrella Positioning Encourages Purchase and

## Reinforces Upgrade

“Microsoft products gives you the tools you need  
and the support you want to get your job done,  
no matter what job you are doing”

- Confirms flexibility without loss of ease or power
- Builds on American ethic of getting job done
- Promises support without suggesting it is

Source:  
Positioning  
Study  
needed

Phase 3,  
Dec. 1994  
Reflects customers' values

# Office Specific Positioning Refines This Concept

“Lets you access the full power of your tools  
so you can focus on getting your job done”

- Positively received across segments
- Believably communicates powerful tools  
that are easy to use and readily available

Source:  
Office  
Positioning  
Study  
Phase 4,  
March 1995

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# The Positioning Enables Emphasis of the Most Valued

## Suite Benefits

- Ease of use and cross applications use benefits are considered essential
- Industry leadership, customizable business solutions and network communications benefits constitute a second tier

Source:  
Positioning  
Study  
Phase 3,  
Dec. 1994

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# Implications for Increasing and Sustaining Office Share Gains

- DOS Switchers are a large, viable market
- Within the Office positioning framework, emphasis should be placed on ease of use and cross application use
- Consideration should be given to differentiating MS Office on the basis of category leadership
- Use sales data to prove leadership
- Leverage the Microsoft name and its associations to build perception of MS Office leadership
- Aggressively upsell Word and Excel owners

# Implications for Increasing and Sustaining Word Share Gains

- The market is increasingly familiar with Word
  - Experience has increased, word-of-mouth less important
- The advantages of Windows should be leveraged to switch DOS users while ease of use and features can be used to sell Word specifically
- Cross sell to Excel owners

# Implications for Increasing and Sustaining Excel Share Gains

- Focus on Lotus 123 as the main competitor
- Familiarity is important in the selection of a spreadsheet
  - Consider ways to make Excel familiar to Lotus users
- Cross sell Word owners

# Key Business Objectives

- Objective 1: Increase/sustain category share gains
- Objective 2: Grow revenue by increasing upgrade rates
- Objective 3: Grow revenue by increasing desktop penetration rates



## Objective 2: Grow Revenue by Increasing Upgrade Rates

- Understanding the Office registered owners offers insights concerning how to reach customers and stimulate upgrading
- What do we know about Office Registered owners?

# Registered Office Owners Rely on Word-of-Mouth and Magazines for New Information and Are Influential

- First hear about Office
  - from others (27%)
  - magazine articles (26%)
  - and ads (26%)
- Buy Office
  - themselves (61%)
  - or request it (24%)

Source:  
Office  
Regbase  
Study,  
Sept.  
1994

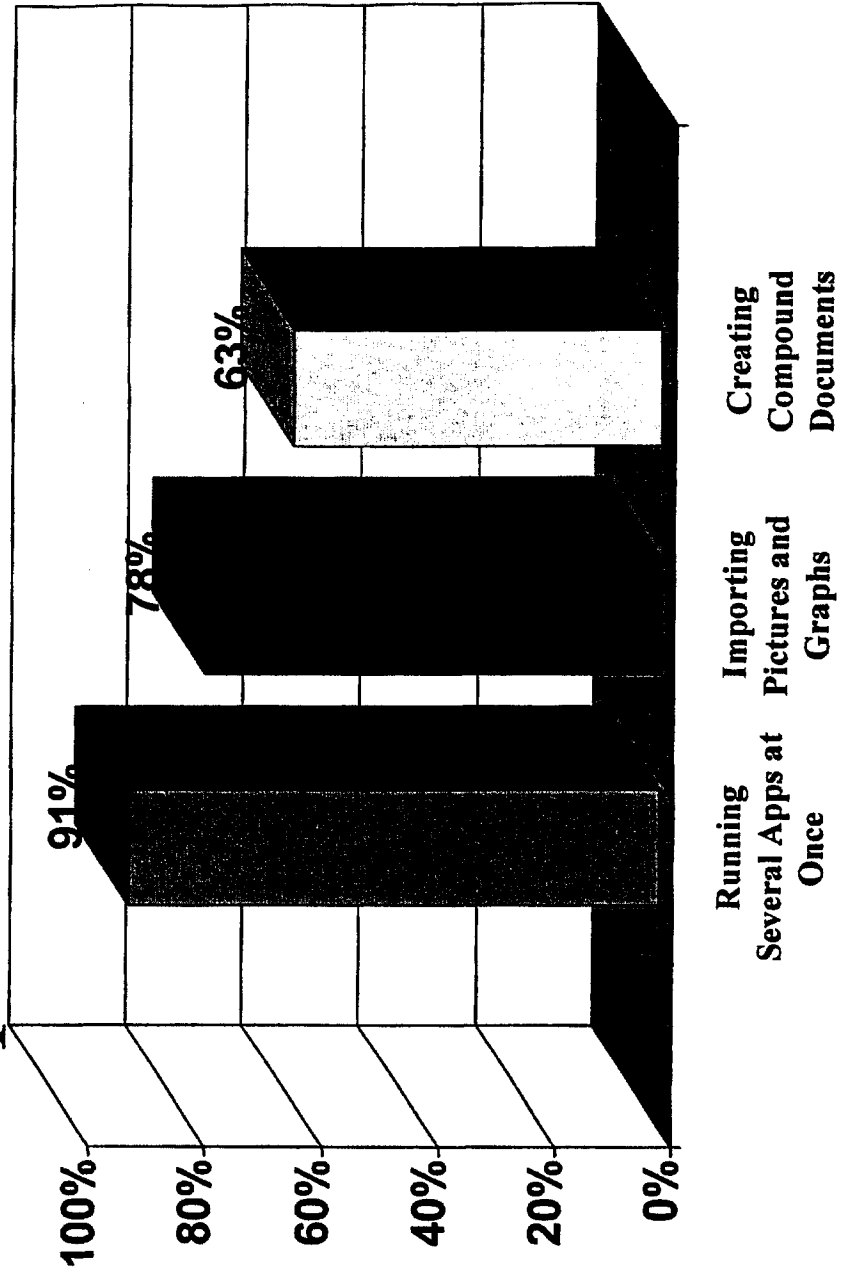
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# Cross Selling Should be an Effective Tool When Consistency and Savings are Stressed

- Owned a MS app before buying Office (73%)
- Purchased primarily because of
  - consistency 85%
  - ability to move information 83%
  - apps
    - Excel 77%
    - Word 75%
- Most (51%) perceive savings to be the main benefit<sup>27</sup>

Source:  
Office  
Regbase  
Study,  
Sept.  
1994

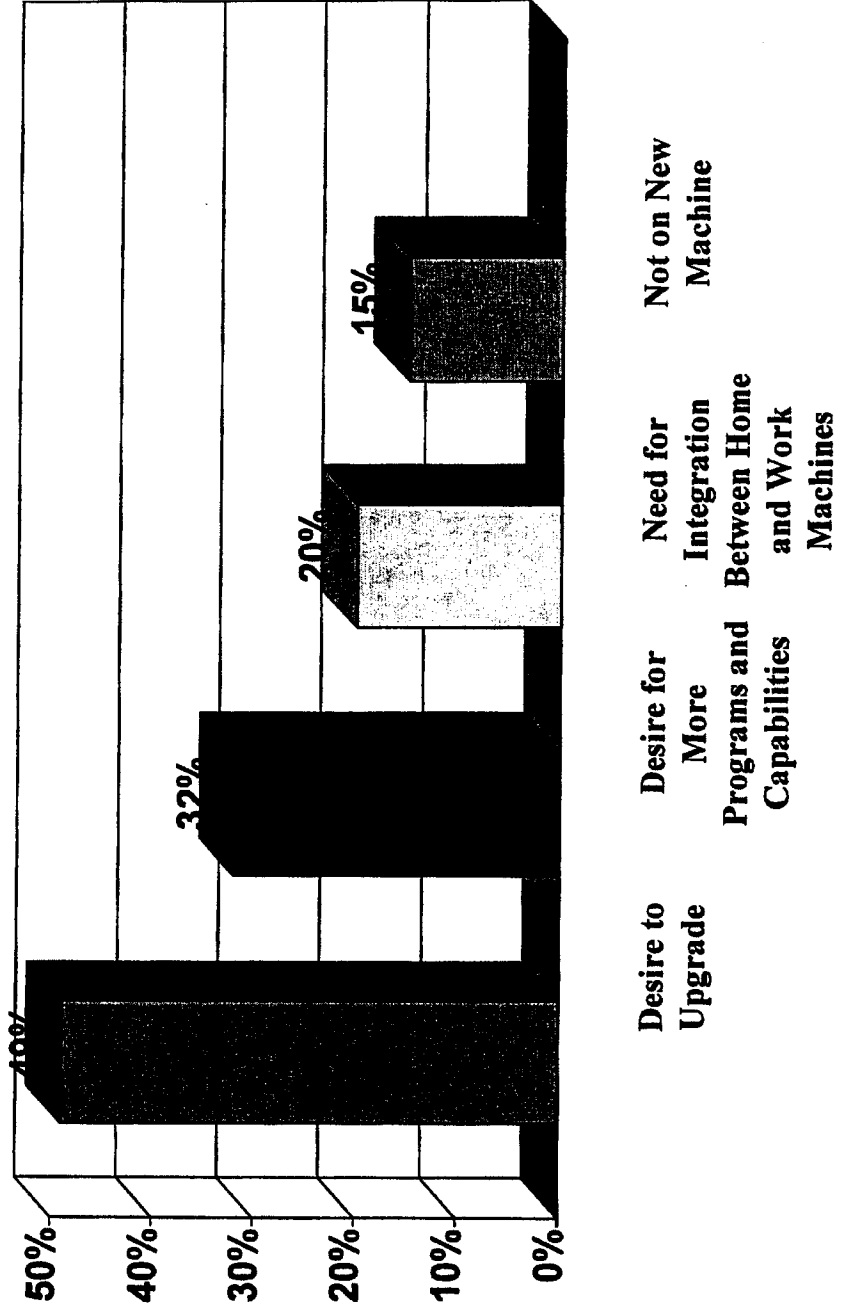
# Communications Should Also Reflect the Increasing Sophistication of Users



Source:  
Office  
Regbase  
Study,  
Sept.  
1994

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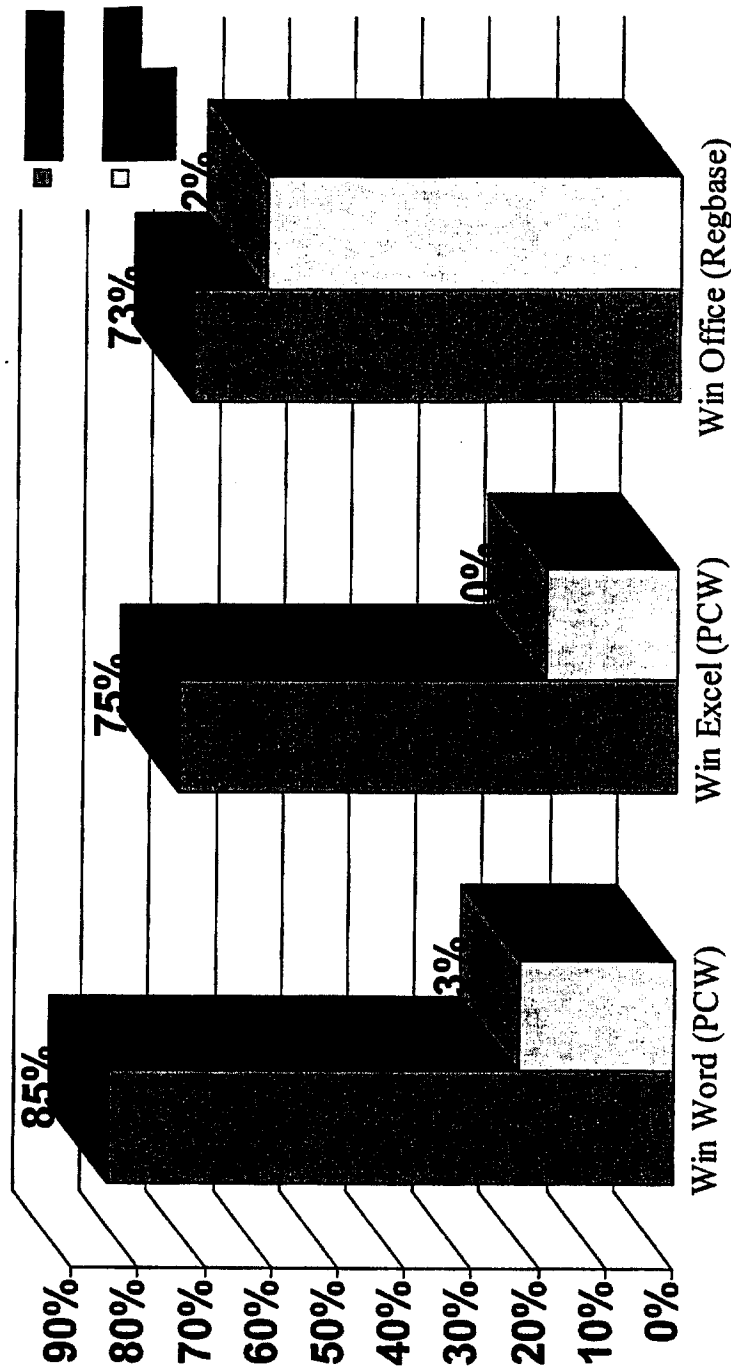
# The Desire to Upgrade, More Programs and Capabilities Drives Upgrading



Source:  
Office  
Regbase  
Study,  
Sept.  
1994

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# However, High Satisfaction Levels With Existing Version Could Impede Upgrading



Source: PC  
Watch Oct. -  
Dec. 1994  
and  
Office  
Regbase  
Study, Sept.  
1994

Note differences in intent to upgrade between the installed base and registered user base. 30

# In Fact, While New Features and the Desire For the Latest Version Drive Word Upgrades...

## Primary Reasons for Upgrading to 6.0

<u>Upgrade</u>	<u>40%</u>
Wanted latest version	25
Always upgrade	24
Features	34%
Improvements over v2	9%
Easy to use	7%
Saw review	4%
Price break	3%

# Satisfaction and Cost Are the Most Common Reasons for Not Upgrading to Word 6.0

## Reasons for Being Unlikely to Upgrade

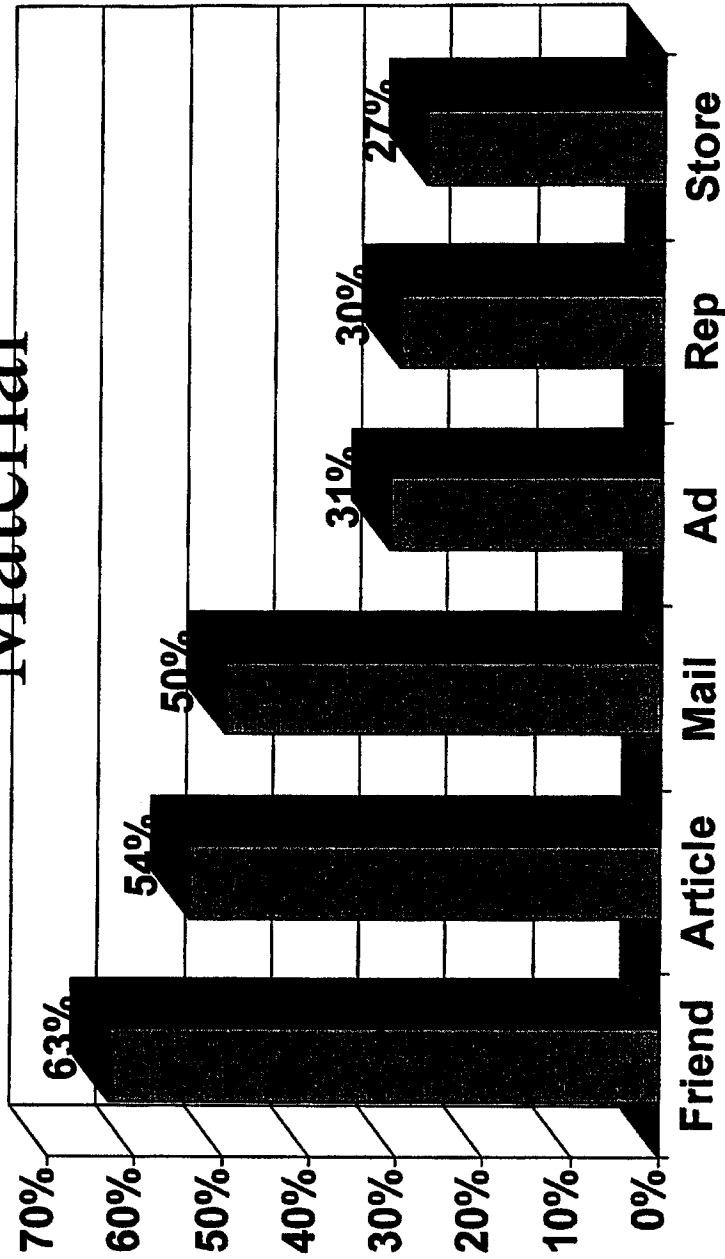
Satisfaction with current version	29%
Budget constraints	23%
No need	15%
Problems with new version	10%
Prefer features in current version	4%
Version 6.0 too advanced	4%

Source:  
Word  
Rebase  
Study,  
1994

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# Spreadsheet Owners Learn About Upgrades From Friends, Articles and Promotional Material

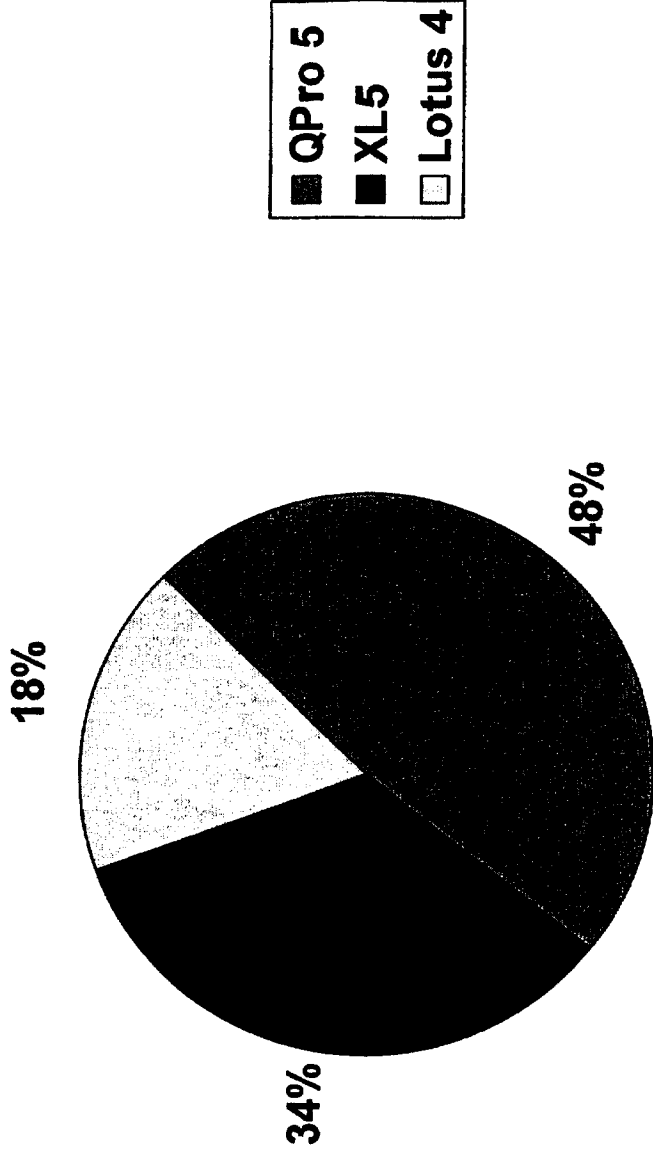


Source:  
Excel  
Competitive  
Analysis,  
1994

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% Citing as source of information about upgrades

# Quattro Pro 5 Garnered the Largest Percent of Spreadsheets Competitive Upgraders



Source:  
Excel  
Competitive  
Analysis,  
March 1994

(Excludes Excel v4)

# Implications for Growing Revenue by Increasing Upgrade Rates

- Encourage/stimulate word-of-mouth testimonials
- Emphasize consistency, ability to move information, Excel and Word where feasible in promotions
- Reflect and appeal to owners increasing sophistication in communications
- Develop a relationship based on interactive dialog (through the Internet and direct mail?). Increase demand despite high satisfaction by involving customers in designing new features?
- Thoroughly research the motivation to upgrade

# Key Business Objectives

- Objective 1: Increase/sustain category share gains
- Objective 2: Grow revenue by increasing upgrade rates
- Objective 3: Grow revenue by increasing desktop penetration rates

# Objective 3: Grow Revenue by Increasing Desktop Penetration

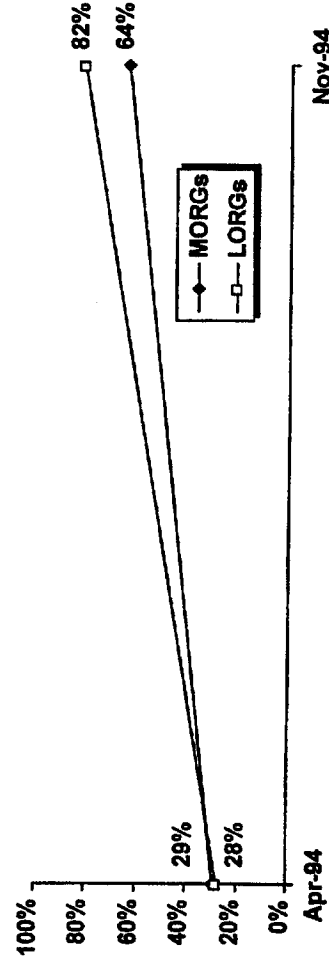
## Rates

Tactic 1: Maintain momentum in major accounts

- What do we know about the major accounts?
- What can be done to increase sales and share?

# Demand for Suites Should Continue to Grow

- Overall, 27% of MIS, F/IEUs and GBUUs anticipate considering new office suites
- May increase with release of Win 95
- Significantly more MORGs and LORGs are likely to consider suite applications



Source: Office Tracking Study, Nov. 1994

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# Microsoft is Considered the Category Leader

- Microsoft is the company most widely associated with the office suites category
  - Microsoft 68%
  - Lotus 20%
  - WordPerfect 27%
  - Borland 9%
- Association of Microsoft with the category has increased significantly since 4/94 while Lotus association has decreased

Source:  
Office  
Tracking  
Study, Nov...  
1994

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# And Microsoft Holds Other Leadership Advantages

- MS Office holds a 2:1 advantage in unaided awareness over SmartSuite 28% to 14%
- MS Office most frequently cited as a product to be considered
  - MS Office 30%, Perfect Office 12%, SmartSuite 9%, Borland Office 3%



# The Growing Differentiation Among Office Products Should Lead to Greater Understanding of Communications

- Office Pro and Office Std cited for the first time in the Office Tracking Study
- Works programs cited with less frequency

	Sept-93	Apr-94	Nov.-94
MS Works	13%	5%	9%
Lotus Works	13%	5%	9%

Source:  
Office  
Tracking  
Study, Nov.  
1994  
FL AG 0055870  
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# However Microsoft Looses Its Edge in Aided Awareness

- Although aided awareness of all office suites has increased significantly between 4/94 & 11/94
  - MS Office 42% to 62%
  - SmartSuite 38% to 58%
  - Borland Office 28% to 36%
  - Perfect Office 0% to 21%
- There is no significant difference between MS Office and SmartSuite
- But, both MS Office and SmartSuite have a strong lead over Borland Office and Perfect Office

Source: Office  
Tracking  
Study, Nov...  
1994

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# Microsoft Office Purchased Most Frequently Because of Ease of Use and the Microsoft Name

- Reason for purchase
  - Ease of use 12%
  - Microsoft product 12%
  - Apps work well together 6%
  - Price 6%
  - All others less than 6%
- Leveraging the Microsoft name offers a competitive advantage

Source: Office Tracking Study, Nov. 1994

FL #G 0055872  
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# Implications - Maintaining Momentum in Major Accounts

- Stimulate desire to purchase by proving increased productivity and satisfaction, and making migration easy and safe
- Reinforce Microsoft's perceived leadership in the Office category and use it as a competitive advantage
- Consider ways to leverage the increasing differentiation between suites and Works
- Monitor MORG's satisfaction and consideration levels

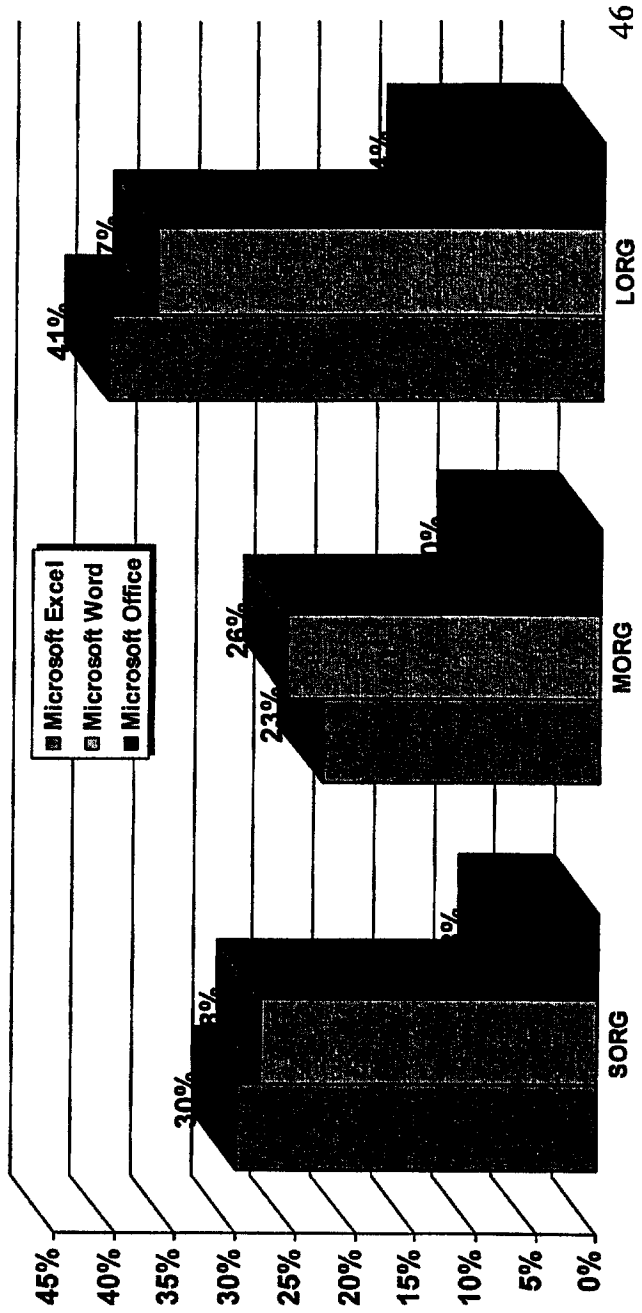
# Objective 3, Tactic 2 - Increase Share in Selected Segments

- MORGs
- SORGs
  - Home/Very Small Organizations
- Legal (Word)
- Accounting (Excel)

# MORGs May Require Special Attention

- Penetration is generally lowest in MORGs...

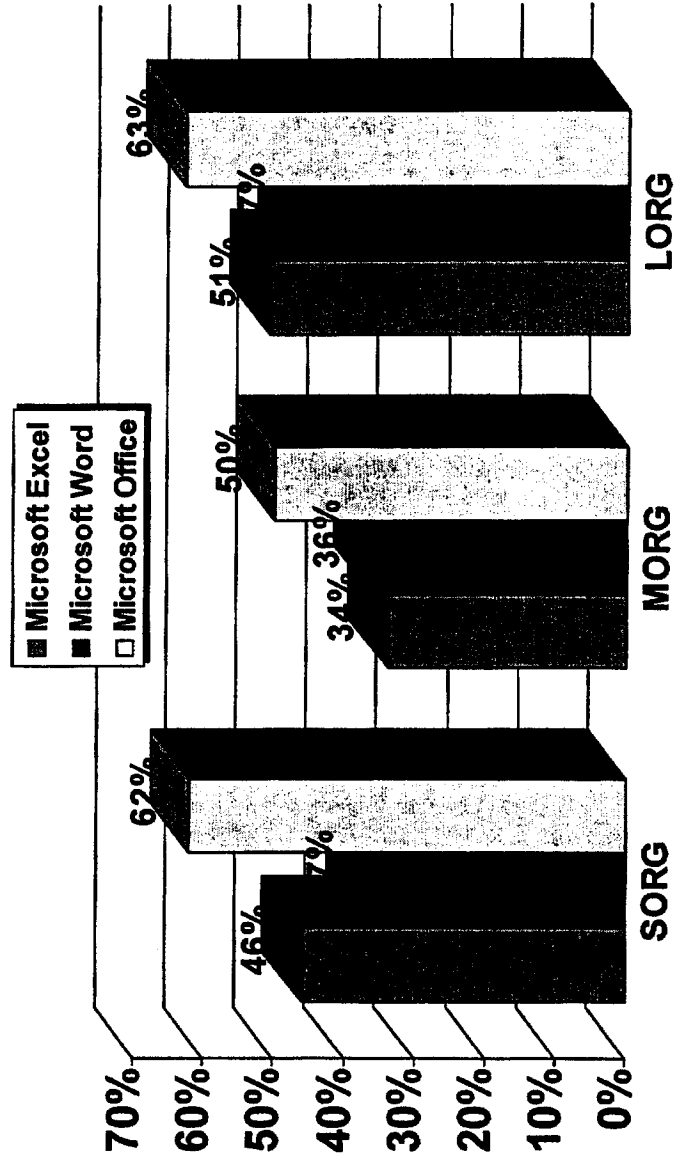
Installed Base Penetration



Source: PC  
Watch Oct. -  
Dec. 1994

# As Is Our Category Share

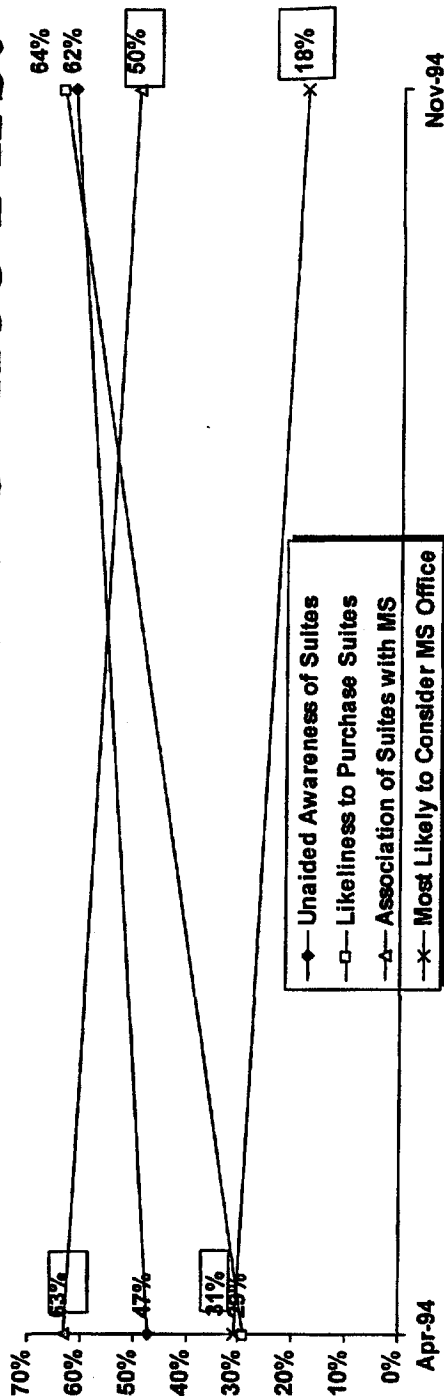
Installed Base Market Share



Source: PC  
Watch Oct. -  
Dec. 1994

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# And MORGs Are Less Likely to Consider Microsoft Office First



- Although unaided awareness of suites among MORGs has increased and significantly more MORGs are reportedly likely to purchase suites...
- ...their association of MS with the suites category has decreased and fewer mention MS Office as most likely to consider.

Source: Office Tracking Study, Nov. 1994

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# Implications for Increasing Sales and Share

- The reason for low share in MORGs should be investigated
- The assumption that MORGs use the same communication channels as LORGs should be evaluated
- The feasibility of developing marketing programs targeted at MORGs should be considered

# Objective 3, Tactic 2 - Increase Share in Selected Segments

- MORGs
- SORGs
  - Very Small Organizations
- Legal (Word)
- Accounting (Excel)

# What Do We Know About SORGs?

Most have less than 5 employees

- <5 employees 55%
- 5-9 21%
- 10-19 13%
- 20-49 8%
- 50-99 3%

Source: Link  
Small Business  
Study,  
Dec. 1994

FL AG 0055880  
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# SORGs Tend to be Retail and Service Operations

• Retail Trade	25%
• Agriculture, Mining, Const.	13%
• Manufacturing	9%
• Other Business Services	8%
• Healthcare Services	7%
• Insurance/Real Estate	7%
• Wholesale Trade	6%
• All others	25% <sup>52</sup>

Source: Link  
Small Business  
Study,  
Dec. 1994

# A Third Started in the Home...

## Percent of SORGs begun in the home

- <5 employees 37%
- 5-9 25%
- 10-19 25%
- 20-49 12%
- 50-99 10%

Source: Link  
Small Business  
Study,  
Dec. 1994

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# ...and Many Have Employees Who Work at Home...

Percent of SORGs with employees who work  
at home as part of a formal agreement

- <5 employees 16%
- 5-9 13%
- 10-19 12%
- 20-49 12%
- 50-99 19%

Source: Link  
Small Business  
Study,  
Dec. 1994

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# ...And Who Spend At Least One Day A Week Out Of The Office.

Percent of SORGs with an employee traveling  
at least one day a week

- <5 employees 58%
- 5-9 71%
- 10-19 77%
- 20-49 78%
- 50-99 86%

Source: Link  
Small Business  
Study,  
Dec. 1994

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# Half Generate Less Than Half A Million In Annual Sales

- 49% \$500,000
- 18% \$500 - \$999,999
- 22% \$1.0 - \$4.9 Million
- 9% \$5.0+ Million

Mean = \$2.08 million

Source: Link  
Small Business  
Study,  
Dec. 1994

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# PC Penetration Declines With Size

Mean number of PCs owned

- < 5 employees 2
- 5-9 3
- 10-19 5
- 20-49 8
- 50-99 12

Source: Link  
Small Business  
Study,  
Dec. 1994

FL AG 0055886  
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# SORGS Buy PCs To Gain A Competitive Edge

- 48% bought a PC in the last 12 months
- Reasons for buying new PCs
  - 57% Increase productivity
  - 39% Employ latest technology
  - 32% Growth of business
  - 27% Affordable prices
  - 27% Competitive needs require it

Source: Link  
Small Business  
Study,  
Dec. 1994

FL AG 0055887  
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# And They Are Also Buying Software

Average amount spent in last 12 months

- <5 employees \$1,160
- 5-9 \$1,800
- 10-19 \$2,781
- 20-49 \$3,499
- 50-99 \$5,442

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Source: Link  
Small Business  
Study,  
Dec. 1994

# A Majority Buy Off-The-Shelf Software...

65% Off-the-shelf software

Percent using	
• Word processing	74%
• Accounting	61%
• Spreadsheets	50%
• Payroll	38%
• Database	34%

# ...From Software Stores And The Manufacturer.

## Source of Purchase

	Existing <u>Users</u>	New <u>Users</u>
Software specialty store	25%	21%
Computer superstore	16%	8%
VAR	17%	19%
Direct mail	14%	8%
Direct from manufacturer	9%	6%
Discount warehouse	6%	13%

Source: Link  
Small Business  
Study,  
Dec. 1994

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# Influence On Purchase Shifts Away From The Owner As The Business Gets Larger

- In small businesses with less than 5 employees the owner/president has the greatest influence on software purchases
- As businesses get larger, administrative managers and technical experts have increasing influence on software purchases

Source: Link  
Small Business  
Study,  
Dec. 1994

# Word-Of-Mouth And VARs Are Important Sources Of

## Information

Most frequent sources of information for  
SORGs

- Word of mouth 40%
- Consultants 34%
- Direct mail 27%
- Product reviews (trade pubs) 27%
- Ads 25%
- Product reviews (gen pubs) 24%

Source: Link  
Small Business  
Study,  
Dec. 1994

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# Cross Selling Office To Current Customers Could Be An Effective Tactic

- Most SORG registered Office owners (80%) acquired Office after Windows
- 73% of the Regbase involved in the purchase decision own another MS app
  - Word 67%      Excel 57%
  - Access 26%      PowerPoint 16%
  - Project 9%
- Findings from the Customer Insight study suggests many SORGs purchase individual applications before a suite

Source: Office  
Regbase Study,  
Sept. 1994



# Particularly Since They Are Motivated And Many Buy Direct

- Three-quarters of SORG registered Office owners (74%) report purchasing Office for themselves and 15% requested that it be bought for them
- Most frequently they purchased Office directly from Microsoft (34%), retailers (32%), mail order (19%) and a purchasing agent/company (6%)

Source: Office  
Regbase Study,  
Sept. 1994

# The Desire For Increased Capabilities Drives Software Purchases

Reasons for purchase (SORG reg owners)

- Want to upgrade (50%)
- Wanted more programs/capabilities (32%)
- Compatibility/integration with work/home/clients (17%)
- New computer without enough software (17%)

Source: Office  
Regbase Study,  
Sept. 1994

# SORG Registered Owners Rely Heavily On The Press For Information

First mentioned information sources

- Articles/reviews (31%)
- Magazine/newspaper ads (24%)
- Recommendation of friend (12%)
- Direct mail (11%)
- Consultant (5%)
- Trade show (5%)<sup>67</sup>

Source: Office  
Regbase Study,  
Sept. 1994

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# Implications for Marketing to SORGs

- Identify and actively promote to new PC purchasers as they often do not get the software they need on new machines and are predisposed towards purchase
- Again, encourage word-of-mouth testimonials and intensify cross sell
- Further research and develop VARs and consultants as MS sales people. They are used widely by less sophisticated owners

## Implications (continued)

- Whenever possible emphasize the value of software by increasing productivity and providing a competitive edge
- Promote single apps to cost conscious customers and stress the cost savings of upgrading to Office
- Consider incenting individual users to convert the company
- Offer demos through current owners

# Very Small Businesses, A SORG Subset, May Deserve Consideration

Very small business have less than 5  
employees

PC penetration is increased rapidly...

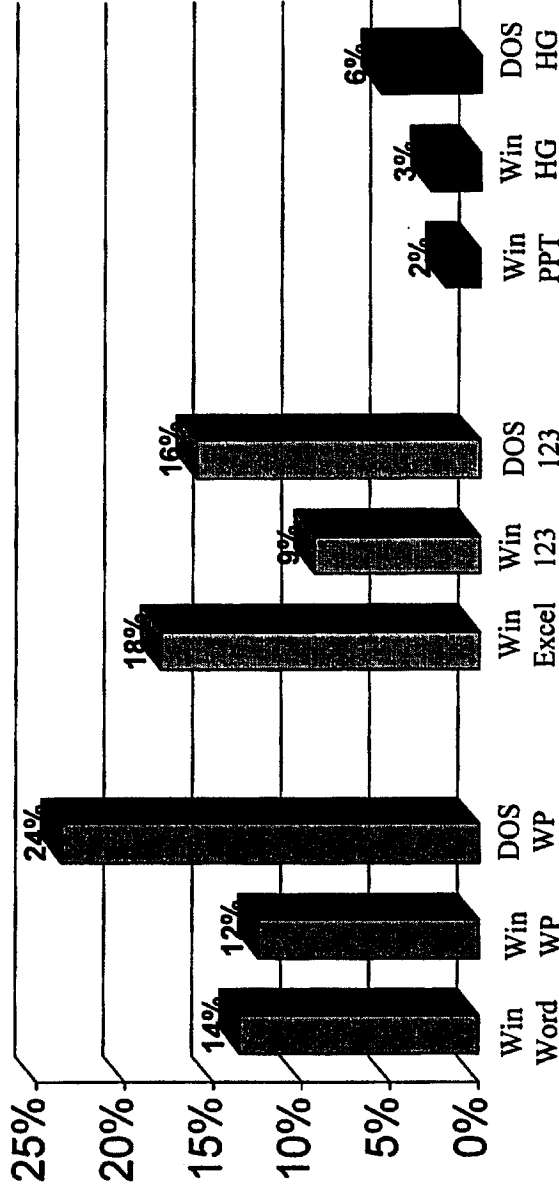
– PC penetration increased from 58% (Q2 93) to  
65% (Q2 94) in businesses with less than 5  
employees

Source: Link  
Small Business  
Study,  
Dec. 1994

FL AG 0055899  
CONFIDENTIAL

# Most Are Still Running DOS Applications.

- DOS applications have a higher penetration in very small businesses than windows apps



Penetration in Businesses with 5 or less employees

Source: PC  
Watch Oct. -  
Dec. 1994

# Important Sources of Information For Very Small Businesses are Similar to Those of Larger SORGs

- 70% rely on the recommendations of others
- 40% use demo disks
- 32% purchase software used in previous companies
- 31% obtain recommendations from consultants
- 29% read reviews and articles

FL AG 0055901  
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Source: Small  
Business  
Segmentation  
Study 1993



# Very Small Business Use PCs For Repetitious or Complicated Tasks

- The greater the frequency of completing a task, the greater the probability it will be computerized
- Correspondence, accounting and direct mail are the most frequently computerized tasks

Source: Small  
Business  
Segmentation,  
1993

FL AG 0055902  
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# Very Small Business Segmentation

- Very small business users can be segmented by the types of business tasks they most frequently perform
- Cluster analysis suggests groups of traits which are associated with groups of users
- These segments offer another way to look at users within the existing taxonomy and so insights into how to reach them

Source: Small  
Business  
Segmentation,  
1993

# User Groups

Communicators (15%) - correspondence with outside customers

- A relatively high % of secretaries fall into this group
- Most likely to use WP programs
- Tended to use MACs, laser printers and Windows

Source: Small  
Business  
Segmentation,  
1993

FL AG 0055904  
CONFIDENTIAL

## User Groups (continued)

- Bookkeepers (25%) - basic accounting tasks
  - A relatively high % of accountants fall into this group
  - Tended to still be using DOS apps
- Multi-task users (21%) - wide variety of tasks
  - A relatively high % of dept.. heads fall into this group
  - Most likely to use desktop publishing software
  - Also high DOS usage
  - But tended to see themselves as expert users

Source: Small  
Business  
Segmentation,  
1993

FL AG 0055905  
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## User Groups (continued)

- Analyzers (21%) - financial and data analysis
  - Most likely to use spreadsheets, databases, accounting software, presentation graphics packages and statistical packages
  - Tended to have a modem and be connected to a LAN
  - Considered themselves expert users
- Fringe users (18%) - used a computer only when they had to

Source: Small  
Business  
Segmentation,  
1993

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# Implications for Increasing Very Small Business Penetration

- Again, stimulate word-of-mouth recommendations
  - Presentations to computer groups, resellers, industry conventions
- Offer full feature demos through resellers, small business organizations, current owners
- Emphasize the ease of computerizing repetitive work and resultant value of increased productivity

## Implications (continued)

- Develop promotional materials which focus on how Microsoft software can increase effectiveness and productivity in correspondence, analysis, bookkeeping and the wide range of tasks required of small businesses
  - Distribute through resellers and Business Source
- Consider addressing the hardware constraints of small businesses moving to Windows apps through promotions with hardware vendors

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## Objective 3, Tactic 2 - Increase Share in Selected Segments

- MORGs
- SORGs
  - Very Small Organizations
- Legal (Word)
- Accounting (Excel)



# The Legal Segment is Increasingly Inclined to Purchase

## WP Software

- The percent of firms/departments which are very/somewhat likely to upgrade/switch WP software increased from 28% in 1993 to 39% in 1994

- Reasons for upgrading/switching\*

- Keep current 25%
- Change to Windows 24%
- Need compatibility 10%
- Need more functionality 10%

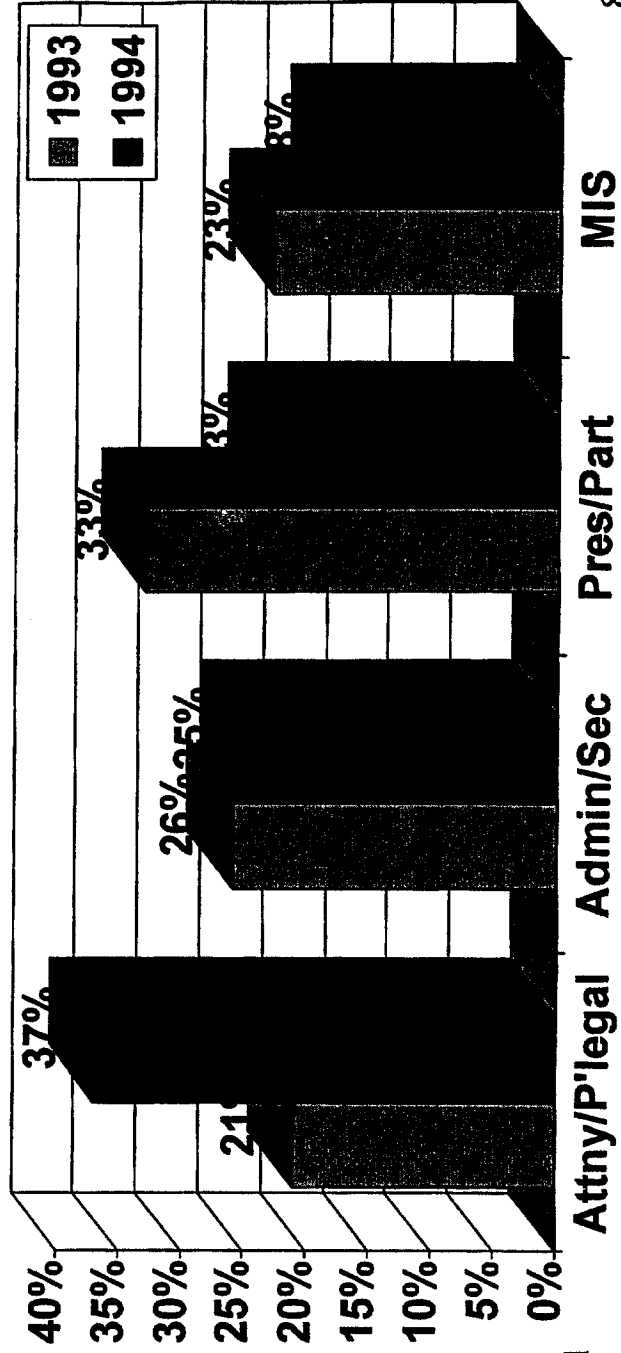
Source:  
Word Legal  
Tracking  
Study 1994

\* Among those likely to switch

# Although Many Are Involved, Attorneys/Paralegals Are Most

## Influential

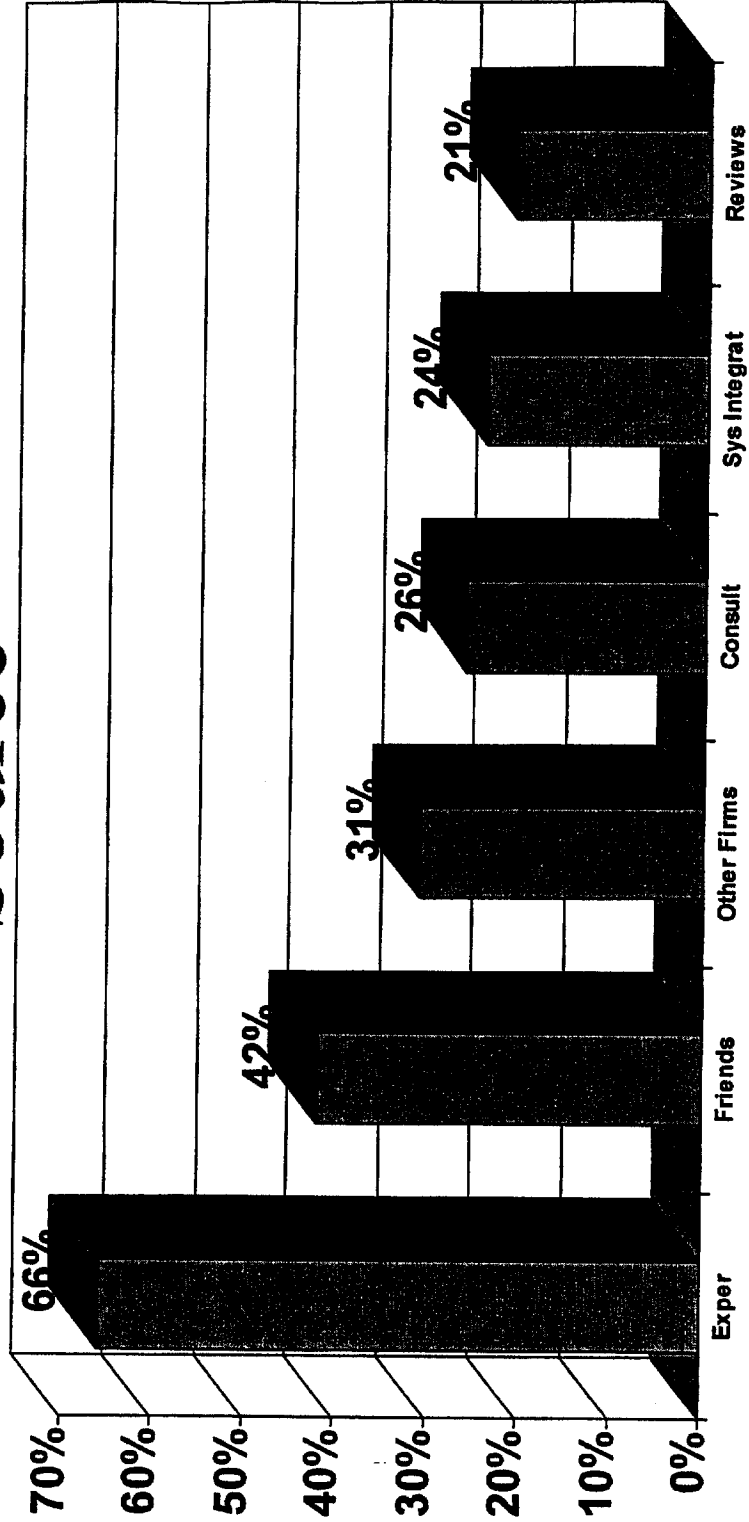
- On average, 7 people are involved in the evaluation process which takes 5 months
- Attorneys and paralegals, admins and secretaries, and MIS are the most influential



Source:  
Work Legal  
Tracking  
Study 1994

FL AG 0055911  
CONFIDENTIAL

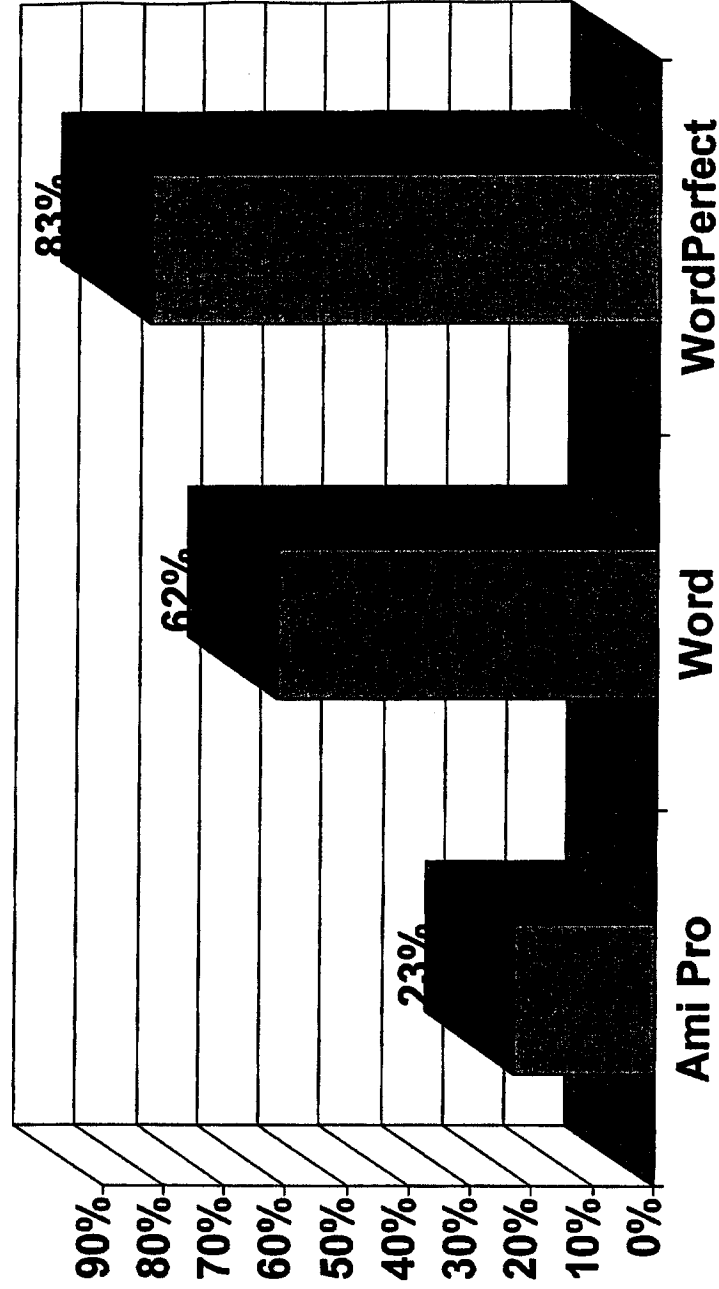
# Word of Mouth is, By Far, the Most Important Information Source



Source:  
Word Legal  
Tracking Study  
1994

% of Sample Rating Source as Very Important

# Although Increasing, Awareness of Word Lags Behind WordPerfect

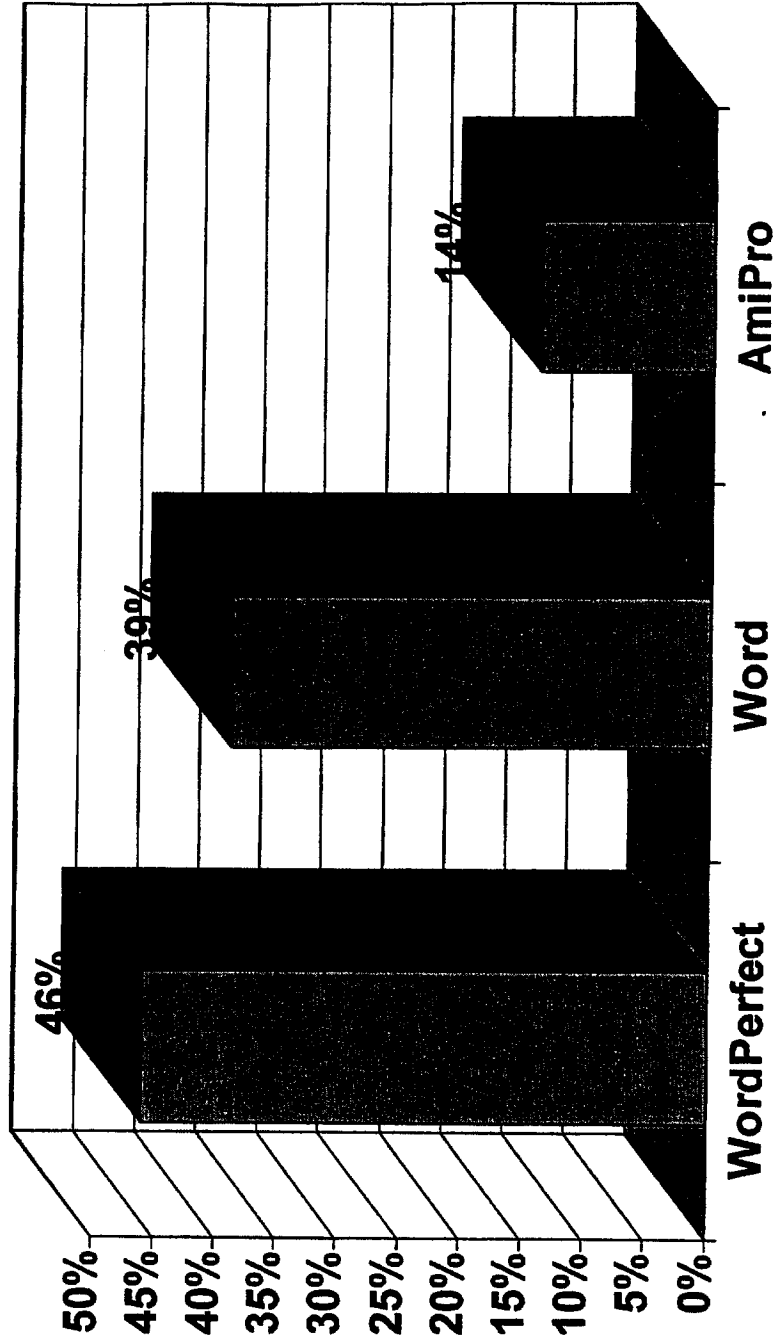


Source:  
Word Legal  
Tracking  
Study 9/94

Percent proving unaided awareness

# WordPerfect Also Maintains a Slight Advantage in Advertising Awareness

## Awareness

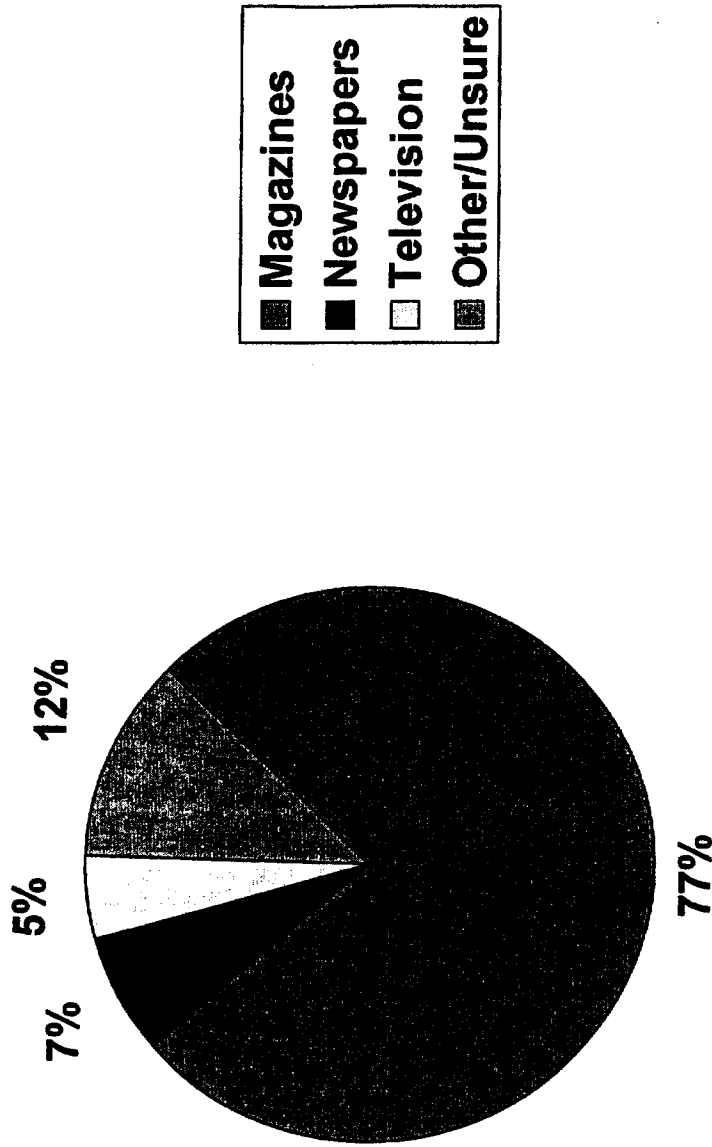


Source:  
Word Legal  
Tracking  
Study 8/94

FL AG 0055914  
CONFIDENTIAL

(Unaided awareness of any advertising in the last 3 months)

# Magazines Most Frequently Are the Source Of This Awareness

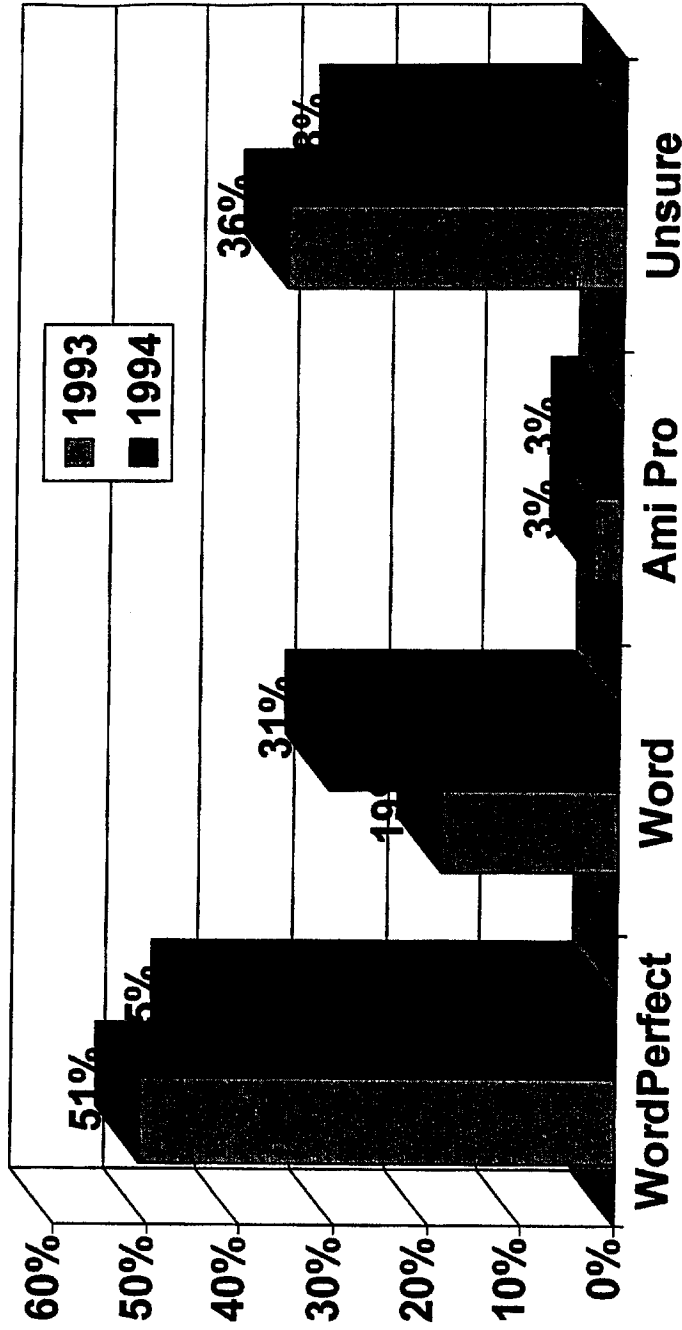


Source:  
Word Legal  
Tracking  
Study 8/94

FL AG 0055915  
CONFIDENTIAL

# Although Consideration of Word Has Increased Significantly...

■ While WordPerfect Is significantly  
less likely to be considered

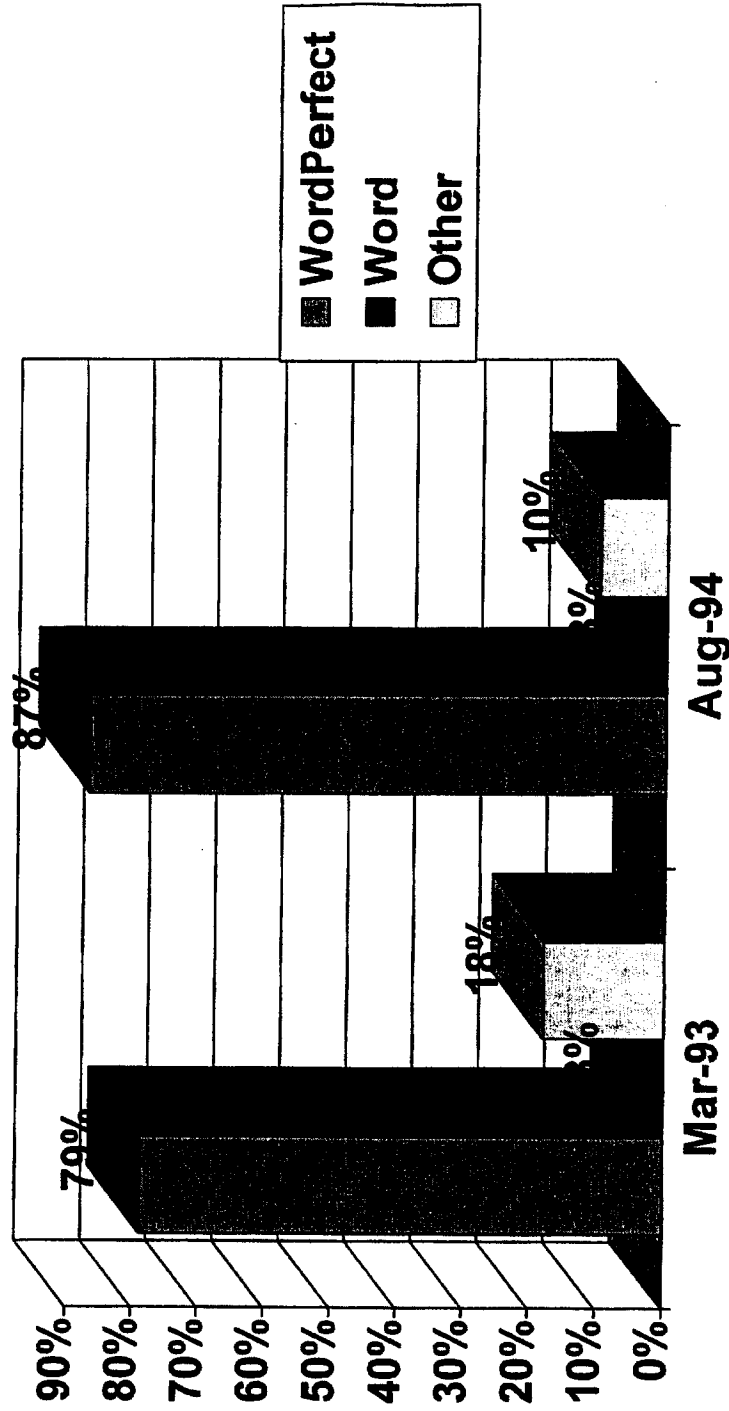


Word Legal  
Tracking Study

FL AG 0055916  
CONFIDENTIAL

Program most likely to be considered

# WordPerfect Continues to Dominate the DOS Segment



Source:  
Word Legal  
Tracking Study

FL AG 0055917  
CONFIDENTIAL

(Study does not include the Windows segment where Word share probably would have increased)



# WordPerfect Most Strongly Associated With Most Important Attributes

■ Word has made a significant improvement  
in perceptions concerning support

	<u>% Very Important</u>	<u>% Agree - Word</u>	<u>% Agree - WP</u>
Easy to use	81%	43%	51%
Manufacturer rep	73%	76%	84%
Fast program	68%	44%	48%
Good tech support	67%	45%	55%
Competitive price	56%	66%	61%
Best legal features	53%	18%	41%

Source:  
Word Legal  
Tracking  
Study 1994

FL AG 0055918  
CONFIDENTIAL

# Implications For Marketing To The Legal Segment

- The legal segment is a ripe target
- Attorneys, paralegals and admins/secretaries should be prime promotional targets
- Efforts should be made to affect word-of-mouth recommendations
- Communications should emphasize ease of use, Microsoft's reputation and program speed

## Objective 3, Tactic 2 - Increase Share in Selected Segments

- MORGs
- SORGs
  - Home/Very Small Organizations
- Legal (Word)
- Accounting (Excel)

# Simplification of Tasks Is the Most Important Spreadsheet Function

	<u>Small Businesses</u>	<u>CPAs</u>
Makes tasks easier	73%	74%
Meets needs	61%	64%
Built-in Intelligence	60%	65%
Super Flex	61%	62%
Better serve clients	53%	61%

Source:  
Excel  
Accountant  
Tracking Study  
1994

FL AG 0055921  
CONFIDENTIAL

% reporting that the attribute is very important 92

# Facilitation of Data Exchange and Pre-formatted Reports Are the Most Important Spreadsheet

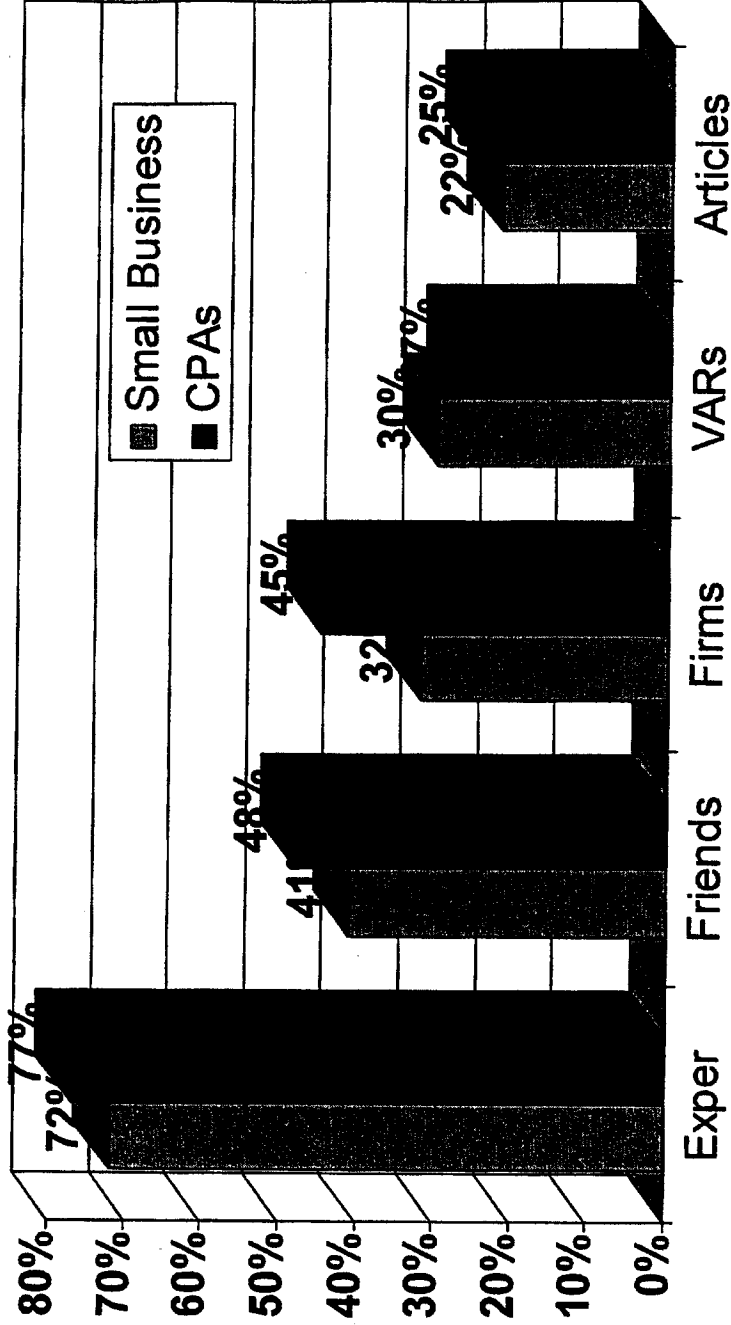
	<u>Features</u> <u>Small Businesses</u>	<u>CPAs</u>
Pre-formatted reports	47%	47%
Data exchange	46%	45%
Raw data exchange	47%	40%
Auto format	41%	57%
Tax tools	34%	48%
Text import wizard	35%	35%

Source:  
Excel Accountants  
Tracking Study  
1994

% reporting the feature is very important

FL AG 0055922  
CONFIDENTIAL

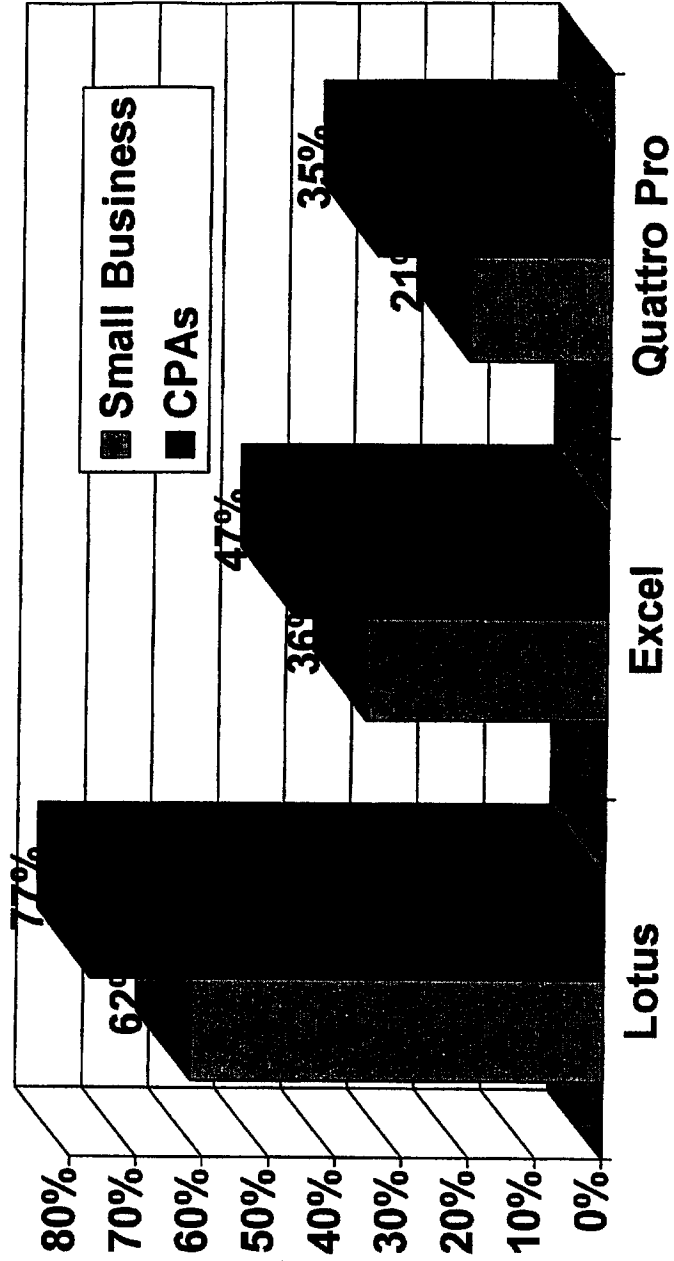
Personal Experience, Or That of Others, Is the of Information Most Important Source



Source:  
Excel  
Accountant  
Tracking  
Study 1994

% Responding that the source is very important 94

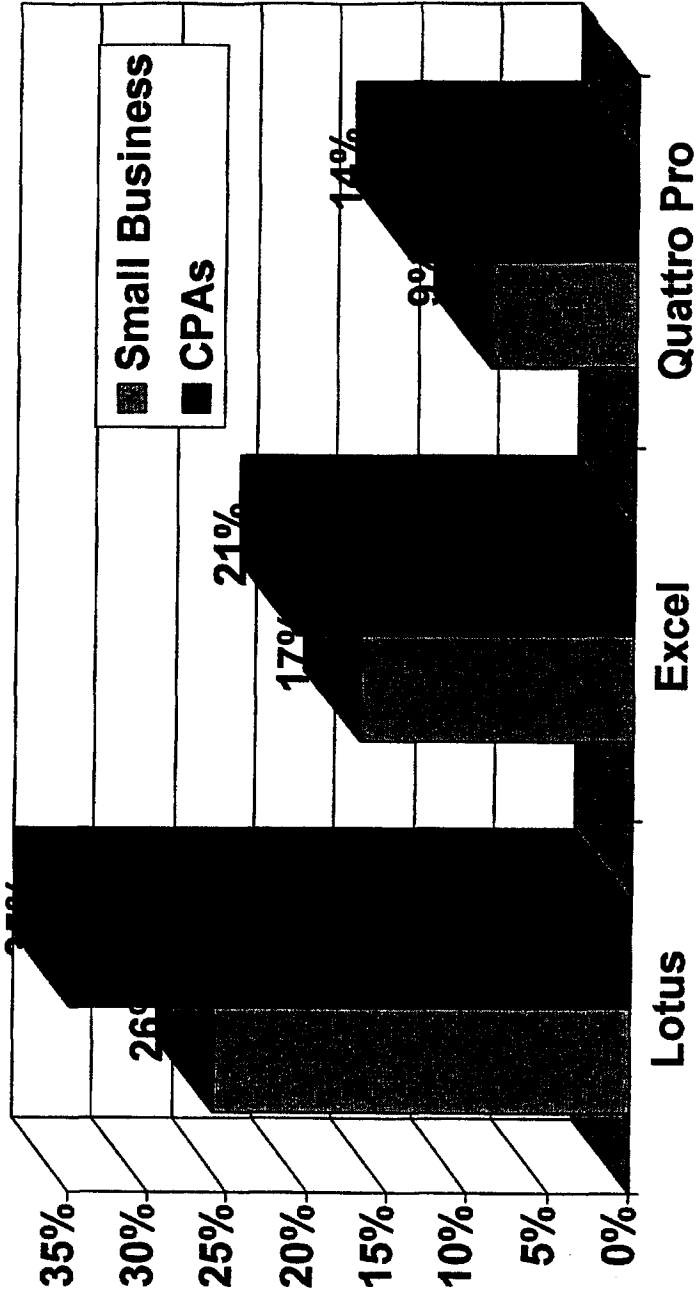
# Lotus's Lead in the Segment Begins With Awareness



Source:  
Excel Accountant  
Tracking Study  
1994

FL AG 0055924  
CONFIDENTIAL

# Lotus Also Has a Significant Advantage in Ad Awareness

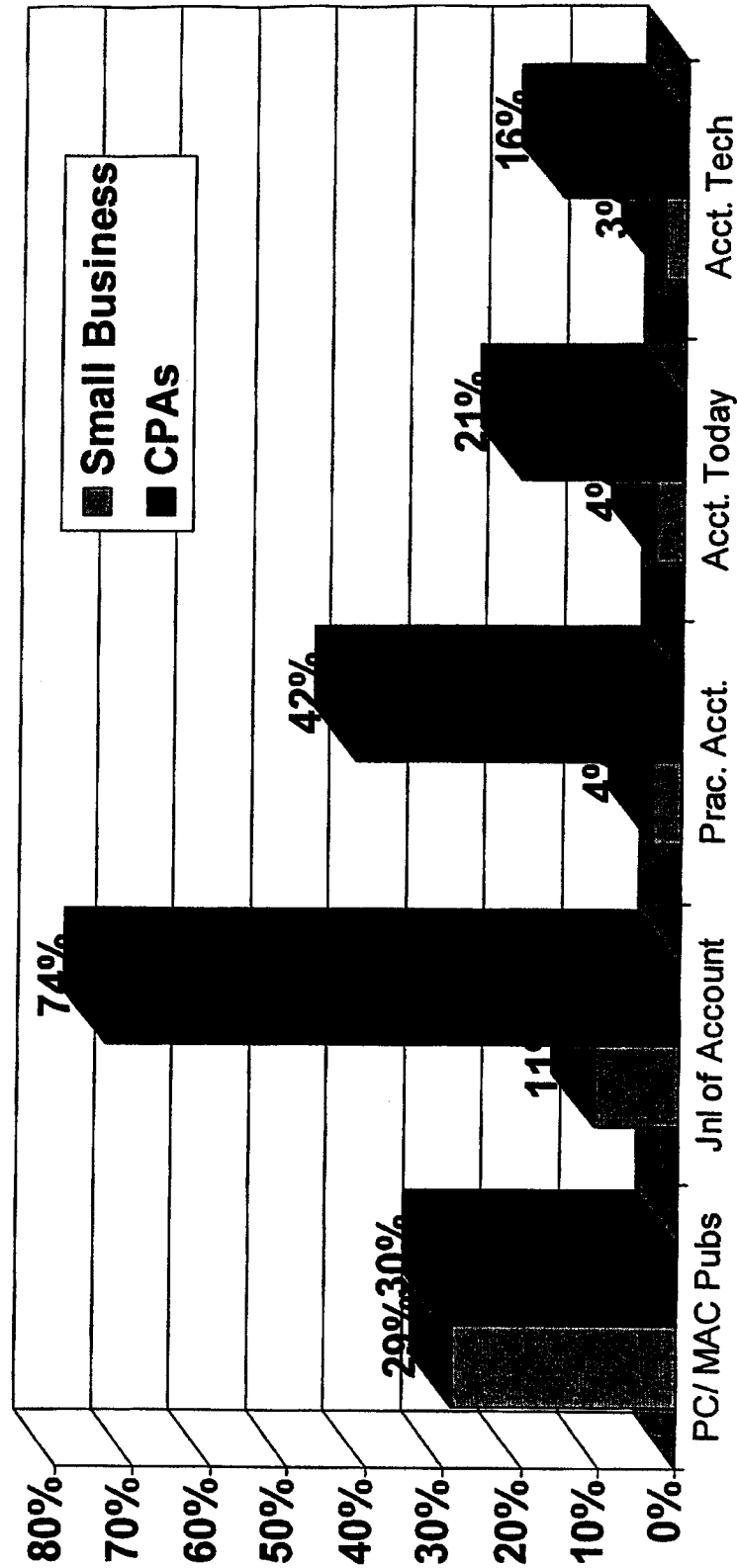


Source:  
Excel Accountant  
Tracking Study 1994

% Seeing or hearing any advertising in last 3 months 96



# Readership Varies by Subsegment



Source:  
Excel Accountant  
Tracking Study  
1994

% Reading Regularly

# There is Little Perceived Difference Between Excel and Lotus on the Most Important SS Attributes

	<u>Importance</u>	<u>Excel</u>	<u>Lotus</u>
Ease of use	80%	50%	50%
Good support	68%	45%	45%
Price	65%	56%	53%
Program speed	62%	60%	56%
Mfg rep	61%	77%	79%
Best overall	53%	44%	39%
Accountant specific	49%	26%	27%

\* % rating the attribute as very important

\*\* % agreeing completely that the attribute describes the spreadsheet

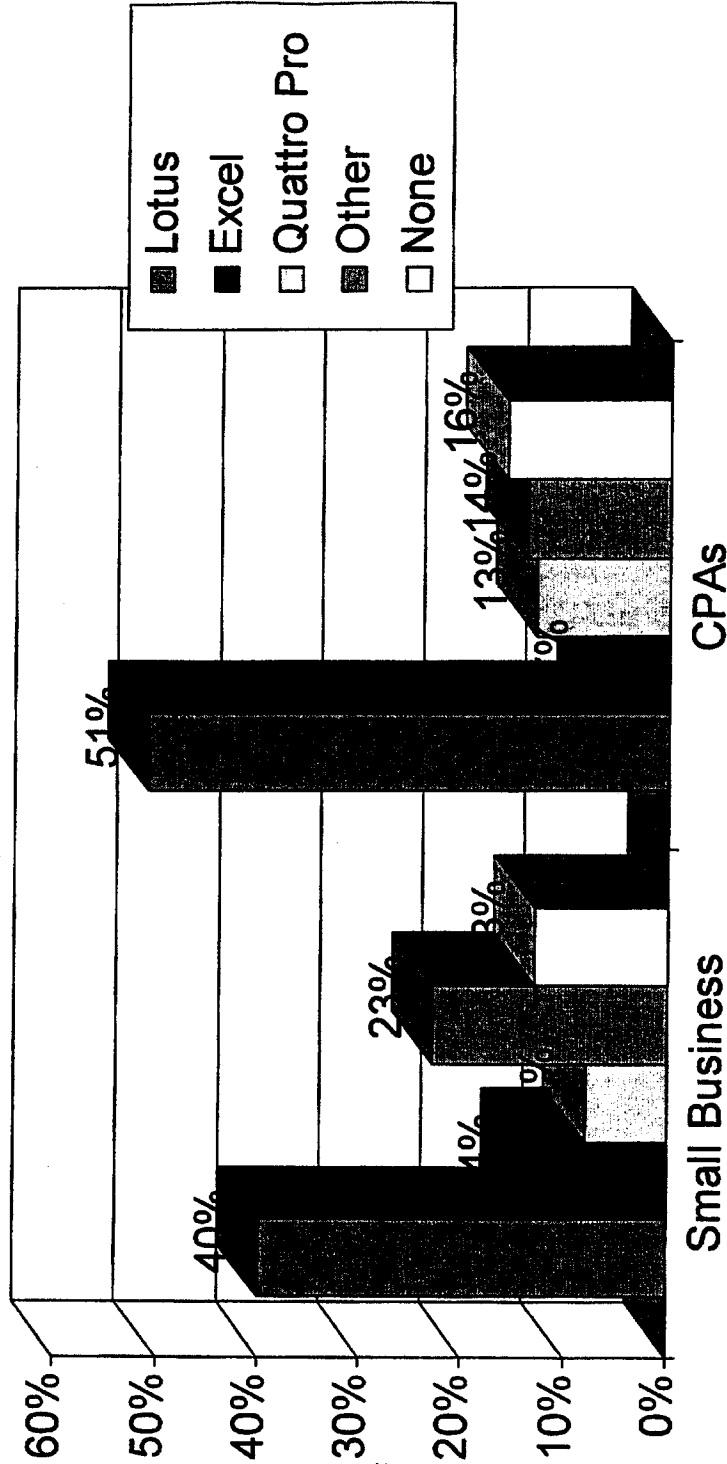
# Although Likelihood of Purchase Is Low, Excel Is Most Likely to Be Considered

- Few firms are considering purchase
  - Only 7% of small businesses and 11% of CPAs are considering upgrading/switching
- Of these, the largest percent are most likely to consider Excel

	Small Bus	CPAs
• Excel	33%	34%
• Lotus	20%	25%
• Quattro Pro	5%	13%
• Unsure	32%	23%

Source:  
Excel • Accountant  
Tracking Study  
1994

# Nonetheless, Lotus Dominates Usage



The one spreadsheet which currently is used most often

Source:  
Excel Accountant  
Tracking Study  
1994

# Implications For Marketing to the Accounting Segment

- The accounting segment will be a tough sell
  - Lotus domination
  - Little inclination to switch
- Differentiation of Excel will be important to long term success
  - Microsoft leadership should be considered

## Implications (continued)

- Promotional communications should stress simplification of tasks, ease of data transfer and pre-formatted reports
- Managing word-of-mouth communication is essential
- Highly targeted ad placement is essential