Excel Product Promotion Strawman

Joe Krawczak
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Summary

A product promo could generate renewed interest in Excel for the T3 sales period. The most compelling, but unlikely, product promo would be with Competel at cost of around $480,000.

Situation

By Nov. 1990, Win Excel will be a three year old product. We are beginning to feel the effects of no product enhancements with the field, press, and some large corp. accounts.

Lotus, by contrast, has been a news machine, recently shipping a host of new products— 2.2, 3.0, /G, /M, 123 Unix, @SQL, SQL Server driver. /G especially lets Lotus encroach on our leading technology position. To a lesser degree, Quattro also offers some advantages over Excel.

In the period until Excel 3 ships, we have no compelling product news to generate renewed interest in Excel. Win 3 will expand our market potential, but does not give us any direct product news. Q+E 2.5 will give use some fresh product news to talk about in June, but is a parity feature with Lotus. Going into the crucial T3 sales period, we are relying on Win 3 to create demand for Excel as the only Windows spreadsheet.

Product Promotion

A product promotion could generate renewed excitement for Excel in the T3 timeframe. Any promotion must meet these criteria:

1. Add real value to customers' use of Excel.
2. Not become obsolete with Excel 3.
3. Be feasible logistically and at acceptable expense.

Excel Product Promotion Ideas

Competel Promo

The latest version of Competel could be marketed as the multi-dimensional analytic tool for Excel. It shares a very similar interface and integrates with Excel easily under Win 3. It would bring an advanced new paradigm of data analysis to the spreadsheet market. It would be the decisive answer to 3D and reestablish Excel as the technology leader in a way that would take substantial time for competitors to match.

Promotion
limited promotion
Buy Excel, get Competel free (limited 4D version?). Distributed in box for most impact, or fulfill at less cost and impact.

Advantage
Medium breadth appeal. Powerful new functionality.

Disadvantage
Feasibility unknown. Impossibly high royalty?

Recommendation: Pursue

Deal Proposal
Microsoft gets:
Use of 4D version of Competel or acceptable alternative version for a limited time.

Competel gets:
Huge exposure.
List of all Excel customers who purchase this version for selling advanced versions.
Royalty of $1-5 per unit.

Cost
Royalties
4 months X 12,000 units/month X $5/unit = $240,000

COGS (in box)
Disks 1 disk dual media $2.50
Manual $2.50

4 months X 12,000 units/month X $5/unit = $240,000

Total = $480,000

Breakeven incremental units @ $60 net profit = 8000

Mouse promo.

Description:
Buy Excel get $XX off mouse.

Advantage
Medium breadth appeal? 90% of Excel users use a mouse. How many don't have mouse when buying Excel? Need to find out. If they don't when they buy Excel, do they want one, is it compelling? Probably.

Disadvantage
A channel POP promo. Price related and not product related.

Recommendation: Considering

Toolbook/Thunder App- Automated Small Business Management

Description
A graphical front end which prompts the user for basic business forecasting information and then automatically constructs a model in Excel of linked worksheets and charts. Could include analysis for sales forecasts, costs, break even, cash flow, financial statements. A graphical version of MS Press *Business Planning and Forecasting.*

Advantage
Narrow-medium breadth appeal. Great promo for small business market- good retail promo?
Expand category?

Disadvantage
Would require building a small "product". Limited appeal to corp. market.

Recommendation: Don't Pursue

Toolbook/Thunder App- Data Query and Reporting

Description
A graphical front end for querying databases and creating reports. Drives Q+E, XL, Word.

Advantage
Medium breadth appeal. Could be nice functionality.

Disadvantage
Would require building a small "product".

Recommendation: Don't Pursue (But raises issue of improved Q+E front end, even just better macro.)

why ?

Macro Add-in Pack- New features and functions

Description
A collection of Excel macros which add new features and functionality.

Advantage
Narrow-Medium breadth appeal.

Disadvantage
Would require building a small "product". Featuritis problem. Perceived randomness problem. Partial obsolescence with Excel 3?.

Recommendation: Don't Pursue

Macro Add-in Packs- Vertical features and functions

Description
A collection of Excel macros which add a set of new vertical features and functionality- statistical package, engineering kit.

Advantage
Adds significant functionality. Little obsolescence with Excel 3?.

Disadvantage
Would require building a small "product". High appeal, but to narrow audience (<20% of Excel users).

Recommendation: Don't Pursue for promo, but there may be a business case for separate add-in products.

MS Press Item Promo

Description
Buy Excel get MS Press Excel book.

Advantage
Medium appeal.

Disadvantage
Generic learning Excel book would only be seen as more documentation. Not compelling. How-to item such as *Business Planning and Forecasting* would be more interesting, but still not really compelling (1989 T3 results a case in point).

Recommendation: Don't pursue.

Intel Above-board promo

Description
Buy Excel get $XX off extra memory.

Advantage
Narrow-Medium breadth appeal.

Disadvantage
A channel POP promo, price and not product related. Implies that Excel needs extra memory. Cpro doesn't. Makes Excel seem like a $495 + $$ product. Only appealing to the customer who's already decided on Excel. It's good for them, but wouldn't generate many incremental unit sales.

Recommendation: Don't Pursue

Page Layout/Drawing Promo

Description
Buy Excel get XX drawing/page layout app.

Advantage
Wide appeal. Useful functionality.

Disadvantage
No apps integrate well with Excel except Corel, and they are not interested. Obsolete with Excel 3.

Recommendation: Don't Pursue