

From: Lorraine Nay
Sent: Friday, August 25, 2000 11:15 AM
To: Ken Myer; Baris Cetinok; Scott Bishop; Tom Bailey; Debbie Tudor; David Cumberbatch
Cc: 'Stephen Birkhold (E-mail)'; Wendy Barokas
Subject: Office 10 Benefit Ladder Meeting on Monday

Importance: High

Please review the attached docs to prep for the meeting on Monday. The goal of the meeting is to identify the Office benefits we want to highlight/communicate in the Office 10 identity and develop the "theme" that will drive the creative strategy.

We've already identified Office functional and emotional benefits through positioning and brand research. (see research ppt) What's missing? What benefits get a sharper point through Office 10.

Have a great weekend! Think Office!

Thanks,
Lorraine



Office 10 Benefits
Ladder.doc...



Office Brand Customer
Research...

Plaintiff's Exhibit

6833_A

Comes v. Microsoft

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Benefits Hierarchy

A benefits hierarchy is a concise, strategically organized model of the various benefits a product or brand delivers to its customers. In this model, benefits are grouped into two primary categories: functional benefits and emotional benefits. These two categories of benefits are each divided into two sub-categories: low-level and high-level.

Low-level Functional Benefits

The most basic, fundamental aspects of the product; usually identical to or very closely tied to the tangible product features or performance.

High-level Functional Benefits

These are the less tangible, but still strongly product performance-based things the product delivers to its users. Sometimes more experiential than low-level functional benefits, but still largely utilitarian in nature.

Low-level Emotional Benefits

These are more experiential, personal benefits, which are further removed from the product itself and which can begin to provide a brand with more distinctiveness and personality.

High-level Emotional Benefits

These benefits are the least tangible, most subjective, most personal of what a brand or product has to offer its users.

Functional benefits are those things that satisfy largely physical or utilitarian needs. By contrast, emotional benefits are those things that satisfy emotional, ego, and/or self-expressive needs.

As a brand matures, it can "graduate" from basing its identity, positioning and communications solely on low-level functional benefits to higher-level functional and emotional benefits. With a benefits hierarchy model, we can identify possible progressions of benefits from low to high, and from functional to emotional, that we want to use to drive brand development.

Sample Benefits Hierarchy: Gatorade

Attached is a hypothetical benefits hierarchy for Gatorade. As you'll see, it's actually fairly generic to all "sports drinks." What makes the Gatorade brand so distinctive and powerful in the sports drinks category is the highly emotional level on which the brand can *credibly* communicate with its audience and the specific functional and emotional benefits on which the brand chooses to base its brand identity.

Our Goal on Monday

Identify the functional and emotional benefits that Office will provide its users

Revitalizing the Brand for Microsoft Office

Qualitative Research Findings

Interbrand
April, 2000



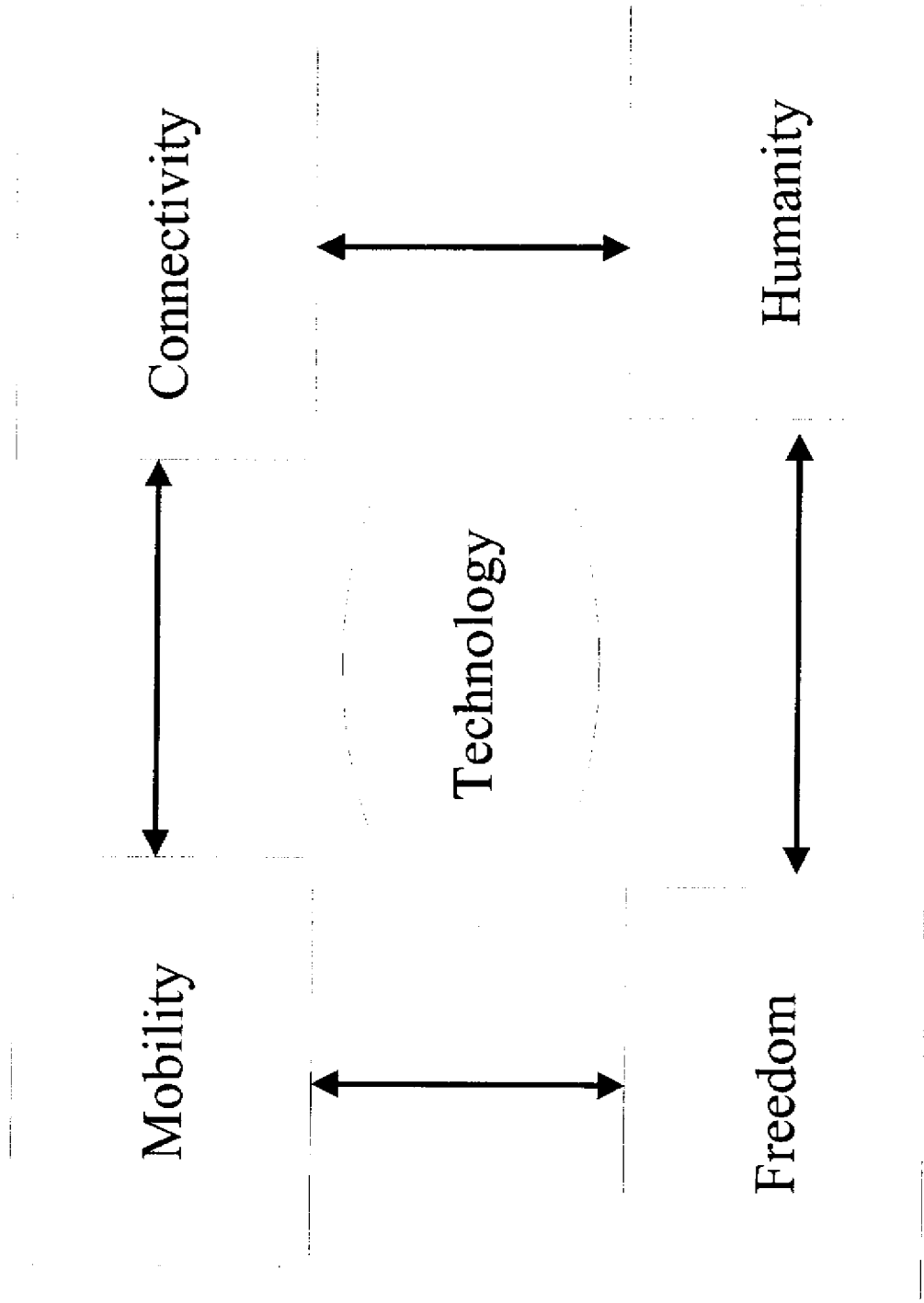
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Questions Answered

- What is the frame of reference that determines how people view technology today?
- How do people see technology changing in the future?
- What is the users' emotional connection with Microsoft Office?
- How do different user audiences view Microsoft Office?
- What do users see as the relationship between Microsoft Office and the Internet?
- How do users see Office changing in the future?
- What do customers perceive to be the relationships between the 'Tahoe' and 'NetDocs' product concepts and Microsoft Office?

What is the frame of reference that determines how people view technology today?



In today's society, most people are constantly on the move: commuting, traveling for work, running errands...

Mobility

- Due to improvements in technology, everyone is expected to do more work in less time
- The majority of professionals spend at least some time working outside of the office
- Technology that enables communications and productivity usually travels with professionals
 - Portable devices, such as cell phones and PDAs, are becoming increasingly important to **all**

Technology makes it possible for people to stay connected 24/7 from virtually everywhere...

Connectivity

- Most professionals are expected to be always connected, no matter where they are
 - Overall, people rely on technology to stay connected to everything and everyone from anywhere
- They feel the need to have immediate or real-time access to information
- As people travel away from home, there is an increasing need to stay connected to their families and friends

With the increased expectations and the blurring lines between work and home, people feel the need for more freedom in their lives...

Freedom

- Control means being free to turn off the computer to spend time with one's family or to 'disconnect' from work while on vacation
- Control means being free to switch off work and e-mail one's children while on the road
- People want to personalize and customize technology to work for them to deliver freedom within the necessary constraints of their work or productivity environment

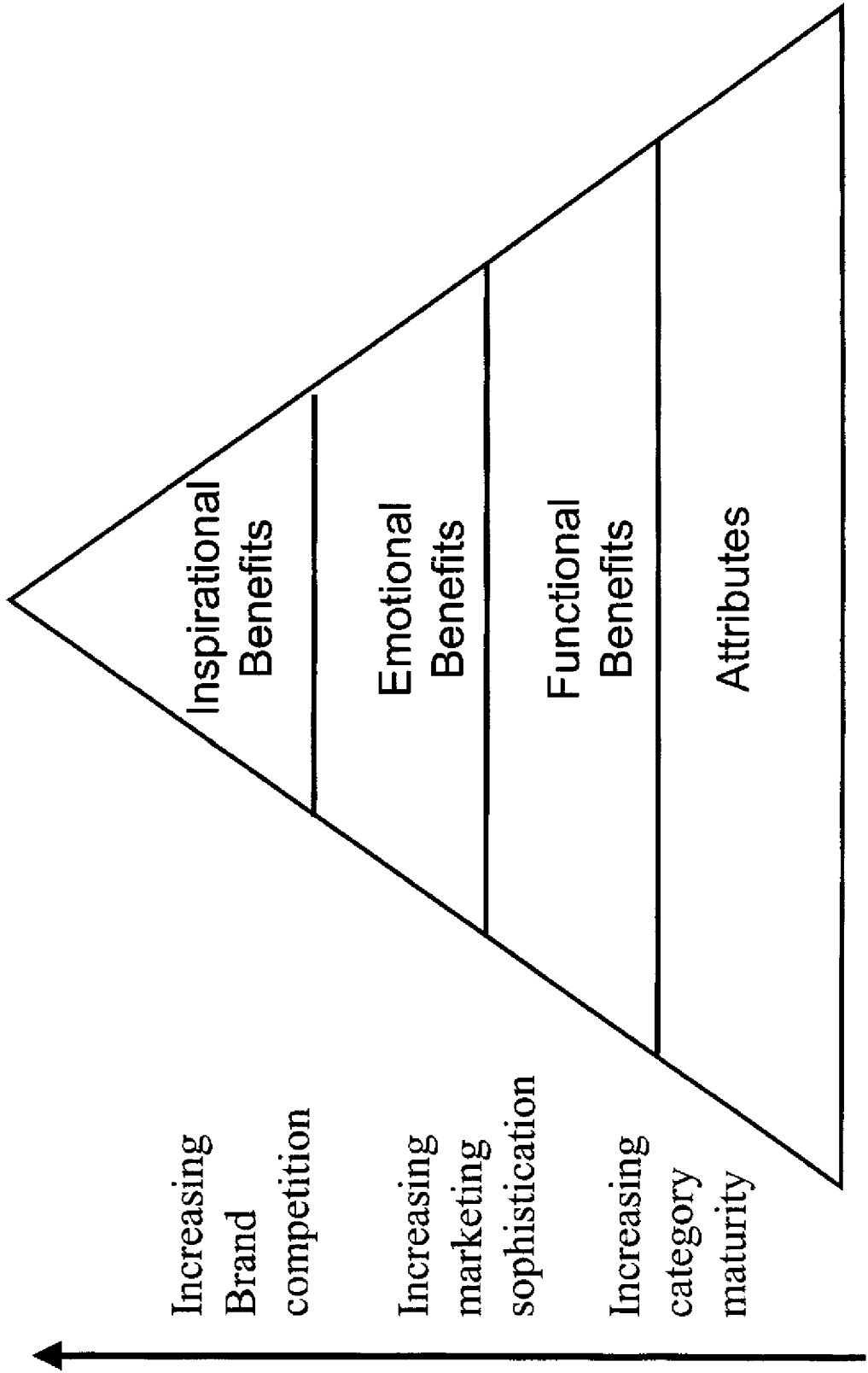
Technology has made it easier for people to communicate with each other...

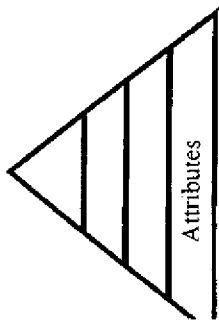
Humanity

- Electronic communication through E-mail and the Internet is a prevalent form of communication today
- People miss the more personal aspects of communications
- Many, especially young adults, who do not yet have their own families feel alienated and anxious for human interaction
- People are seeking reassurances that their interactions are human or that they are connected to humanity

Brand Framework

Experiential Connection



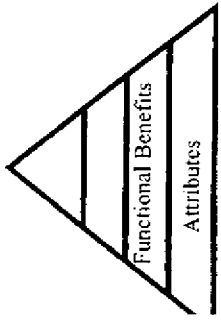


What is the users' connection with Microsoft Office?

- Not surprisingly, Microsoft Office is most frequently associated with the individual products that comprise it...

- Microsoft Word
- Excel
- Power Point
- Access
- Outlook

Attributes



Microsoft Office is a tool for all business productivity needs...

- Compatibility between Microsoft Office products makes people's jobs easier

"Integration, meaning you can swap between products."

- It is nice to have extra products/capabilities even if they are not regularly used
- Microsoft Office is "standard" and "universal"; it is a "must-have"
 - It makes it easier for people to communicate, as everyone is using a "common language", resolve problems as "everyone knows how to use Office", and maintain professional/branding standards

"It [MS Office] is universal. Everyone is using it."

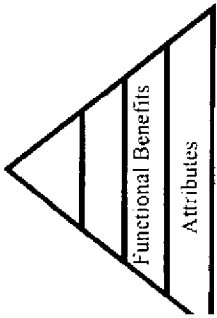
"Total reliance. I can't live without it [MS Office]."

- Microsoft Office is "reliable" and "stable"

"Reliability...it is there when I need it."

- Due to the similar interface across the different Office products, most find Microsoft Office products easy to learn and use

"Simplicity of the program...if you can read, you can operate it effectively."

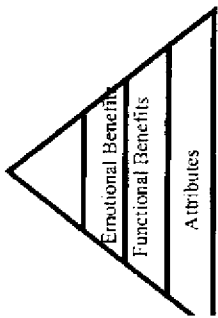


Microsoft Office...

- Saves time
 - In training new employees
 - In creating documents and presentations
 - In finding help
- Delivers organization
 - Through scheduling capabilities
 - By providing electronic filing capabilities
- Is a productivity-enhancing tool
 - “Office allows you to manage information on a computer.”
- Is a communications tool
 - “Office allows me to do more in less time.”

“It [MS Office] enables communication and collaboration.”

Functional Benefits “We all live in Outlook. It’s a communications tool.”



Microsoft Office elicits both positive and negative emotions in users...

Positive

- Comfortable
- Confident
- Knowledgeable
- Professional
- Efficient
- Dependable/Reliable/Safe
- "Second nature" or Intuitive
- Creative

"Makes me feel good because I can produce a professional product. It makes me feel like I am delivering quality to my clients."

"I feel safe."

Negative

- "Stuck" (have to use it)
- Restricted in creativity
- Frustrated
- Stressed

"I am always stressed. I could be outside having fun and here I am at the computer. I blame it on Microsoft Word."

- Most associate Microsoft Office primarily with work and transfer their feelings for work (those of boredom and routine) to Office
- That said, users do get excited when they learn a new way to accomplish something in Office, discover a new feature, or see a high-quality end-result

is important to note that while some of these feelings are primarily associated with Microsoft Office products—Word and Power Point—they are transferred onto Microsoft Office as a whole

What do users see as a relationship between Microsoft Office and the Internet?

- Outlook is more associated with the Internet than Office is

"I look at Outlook as separate because we run it off the web."

- Even if it were fully integrated with the Internet, today, Microsoft Office does not embody attributes used to describe the Internet:
 - connectivity, information, entertainment, and freedom
- Microsoft Office remains a practical productivity tool that helps users create documents (experience), while the Internet helps them access and transmit information (enabler)

How do users see Office changing in the future?

- Users expect to see near-term developments in the following three areas...

- Search

"Data management ties data together...search engine, version control, applications tie into it."

"Office should provide better search capabilities."

- Fully integrated software application

"[Office tomorrow is] a consolidated application that comes off the web."

"[Office tomorrow is] more integrated...one program."

- Software accessible through the Internet or through the web-browser or integrated with the Internet

"Why can't you go on the Internet and just use it [MS Office]? Go in there and make a pie chart right on the Internet."

"Web will be the vehicle for distributing applications."

**These changes are seen as evolutionary,
not revolutionary...**

Users readily see Microsoft Office expanding its role from the desktop to...

- Portable devices, such as cellular phones and PDAs
 - Most consider it useful to be able to access documents created in Office from such devices, although not many are expecting to use Office on cellular phones or PDAs to input data

"Make it [MS Office] run on a Palm Pilot...can do 50% of what I have to do in Office...anywhere."

- **Cars**

"[I see using MS Office] in the car doing a Word document—I would create documents through voice-recognition."

- **TV and home appliances**

- Microsoft Office integrating with Web TV would be especially beneficial to those who do not currently own a computer and the elderly, as using a TV might be less intimidating than using a computer

"I see it [Microsoft Office] on a TV box. Not everyone has a computer today but everyone has a TV."

Most users see the Tahoe concept as a functionality that will be available in the next release of Microsoft Office...

"The main thing that Office lacks is a good search engine."

"That [MS Office] is the data you are creating and this [Tahoe] is how you manage it. It should be integrated into Office."

"It's a new version of Office...an additional option."

"Definitely see this as a part of Office...a feature."

"It doesn't make sense to have it separate...would manage stuff from Office programs."

Tahoe Concept: Earlier we were talking about collaboration. Let's imagine that you are part of a team of 6 people in your company who are working together on an important project that needs to be finished by the end of the day. You have written a document and you want everyone on the team to review it and provide comments. How would you go about doing that today? And what if someone else had written the document and they were out of the office, how would your team accomplish its objective?

Now imagine a future technology that would provide you with two key things to help you create a document. First, the ability to search your corporate network or intranet for similar or helpful documents that other people had created - think of it as a kind of "corporate Yahoo!" that gives you access to your company's knowledge. The second thing this new product would provide the ability for everybody on your team to access the same document to review and make comments, and everyone's comments would be stored in the same place.

As with Tahoe, most users find the concept of NetDocs interesting and useful...

- Many see the NetDocs concept as the logical progression for Microsoft Office as, in essence, it is a combination of all of the existing Microsoft Office applications

"It [NetDocs] is the Office of the future."

"This [NetDocs] is the future version of Office."

NetDocs Concept: Now let's think about another situation. Let's say you wanted to create a document - or even send an e-mail - that needed to contain a lot of things. Maybe it's a proposal for a customer. In addition to text, you'd want to include a table of numbers and calculations, some diagrams, and maybe a map with a location and directions that you would pull off the Internet. How would you go about creating this today?

Now imagine a future technology that let you do all this through your browser, without the need to launch individual software programs. You could look for things on the Internet and include them in your document; you could calculate figures and draw diagrams, all within the same program. And like the technology we discussed earlier, multiple people could access the document and everyone's comments or changes would be kept in the same place.