Document Separator Sheet

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Microsoft Office 10 Knowledge Worker Messaging Brief

1. Summary

The next release of Microsoft Office, Office 10 (Internal Code Name) is scheduled to launch late in the first half of 2001. With this release, the pendulum swings back from an IT focus to the end user. Office 10 was designed for, and will be primarily marketed to, the Technically Savvy Knowledge Worker[1] (TSKW) and will be a trend-setting product in many ways. With Office 10, Microsoft will deliver advancements to simplify the way people work, introduce customers to .NET services, provide new ways to license the product, implement new anti-piracy measures, and utilize a new positioning framework[2]. We are also recommitted to making our Marketing programs and content relevant, useful, and reusable across our worldwide markets.

2. Microsoft Office Background

Office 2000 launched in June 1999. To date, the overall pace of sales is comparable to Office 97, but the volume of retail sales has dropped launch over launch. Revenue was down during fiscal year 2000 and deployments in accounts with Enterprise Agreements were slower than expected. Forecasts for the beginning of the new fiscal year indicate a continued decline in Office 2000 revenue.

We believe this lack of enthusiasm can be attributed to 4 factors: 1) the launch of Office 2000 was primarily directed at IT, 2) there was no compelling benefit communicated to end-users driving upgrades from Office 97, 3) there was no prescriptive focus to the field to promote and sell Office 2000 to end-users, and 4) the importance of end user excitement was underestimated. The result is that end-users today are unenthusiastic about Office 2000. With limited grass roots demand for the product, IT has been slow to deploy it within organizations.

On a more macro level, over the last several years Microsoft as a whole has neglected communication directly to end-users. We have corroborating evidence from multiple research sources, which indicate that knowledge workers are aware of, but not engaged with, nor excited by, our productivity tools. This lack of relevant brand image will have increasing consequences as software becomes a service, switching costs decrease, and end-users have increasing autonomy to make decisions about what's on their desktop. With Office 10, we will invest to re-build our relationship with knowledge workers so that we are well poised for future success with this audience.

3. Messaging Goals

Office 10 messaging that will be developed from this brief will be our external voice for Office. Positioning will guide the messaging strategy to develop the way most effective means possible to engage our customers. The messaging strategy for Office 10 needs to capture and convey to the TSKW the concepts and value propositions that are contained in the Office 10 positioning framework. Office 10 messaging will always accompany the positioning framework to provide a complete guide to promoting and talking about the product.

Exciting, unique, compelling and believable are core-messaging objectives. We want to generate "buzz" within the target audience building momentum from the marketing launch to retail availability. Office 10 needs to truly differentiate itself from prior versions and we will even

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[1] See Section 4, Target Market, for a complete description of the Technically Savvy Knowledge Worker.
[2] See document "Office 10 Positioning Framwork (V1.7)"

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consider pushing traditional boundaries. Designed from the ground up around the end user, we intend to make this the most focused end user campaign to date. This should be reflected in the tone, language, and presentation of the messages. If possible, we want the messaging to be applicable and/or localizable worldwide.

4. Target Audience

Office marketing organization is moving away from the traditional Influential End User (IEU) marketing approach and is adopting the latest corporate Microsoft Taxonomy 2000 audience categories. Within this taxonomy, Office 10 will be primarily targeted to the "Tech Savvy Knowledge Worker." TSKW are identified and screened with the following questions:

1. At work, do you spend more than a quarter of your time making strategic business or business policy decisions?
2. In your job, do you regularly perform functions that would fall into the MIS, IT, IS, or DP category?
3. Do you spend more than 50% of your time on Data Entry or Word Processing?
4. Do co-workers regularly come to you for advice about computers and technology?
5. Do you seek out the latest information on technology on a regular basis?

Individuals can respond with one of three combinations to be classified as Tech Savvy. These combinations are highlighted below.

	Tech Savvy Knowledge Worker		
1.	Yes/No	Yes/No	Yes/No
2.	Yes/No	Yes	Yes
3.	No	No	Yes
4.	Yes	Yes on	Yes
5.	Yes	Either 5 or 6	Yes/No

Generally speaking, knowledge workers also have the following characteristics:

- They spend a majority of their time creating, analyzing, manipulating, reporting, and otherwise "touching" information as their primary function at work.
- They have a job which entails doing work for which there is no set process. The tasks are not prescribed in advance; rather they are determined as a "just-in-time" in response to issues, opportunities or problems as they arise.
- They gather, analyze, modify, and add value to information, then communicate and share that information with others.

5. Key Benefits

There are three components to conveying the value proposition to our customers: the positioning framework, the sell line and the visual identity. Messaging should take into consideration each of these elements.

Designed to be flexible enough to adapt to, and provide in-depth information for, the presentation's audience, the positioning framework is comprised of the customer promise and four key supporting "pillars" that deliver on the promise. These pillars focus on 1) Benefits to the individual worker, 2) Benefits to members of a team, 3) Benefits for any size organization and 4) Benefits of Office interacting with the Web.

The Office 10 customer promise is: Microsoft® Office 10 **simplifies** the way you work, delivering increased **control** and **reliability**, while improving **team effectiveness**.

Specifically, messaging should focus in detail on two of the primary user segments identified above:

- **Empowering the Individual** - Whether you are a small business owner, a user in an organization, or a user working from home, Office 10 is the essential tool to maximize your productivity. Office 10 allows you to use more of the rich functionality within the Office 10 applications to simplify the way you work.

- **Improving Team Effectiveness** – Today, more than ever, working and communicating with teams is critical to success. Whether you are working with one other person on a document, working with a group of co-workers, or external partners on a project, Office 10 gives you easy solutions that help your team(s) share and collaborate with one another more effectively.

Another component is the Office "sell-line." This succinct customer ready promise is what Microsoft will use across all marketing materials including the Web, retail POP, launch events, packaging and road shows. Some of the Office sell-lines in the past have included:

- "Now you can work as one"
- "Get organized, Get connected, Get results"
- "No Boundries"
- "The most popular family of products for Windows"

The sell-line is intended for a specific product release versus the Office brand. It should speak to customers with a unique, memorable and relevant statement. Office Sell-line guidelines include:

- Communicate one big idea on "why to investigate" and/or "why to buy'"
- Differentiate this product from the competition (including prior versions of Office)
- Be descriptive and/or communicate a primary customer benefit
- Concise - Preferably ten words or less

Office 2000 had two different marketing messages. Packaging and the product Web site leveraged the Office brand promise "What productivity means today." The launch event and other marketing materials used the Office 2000 specific message, "Now you can work as one." For Office 10 we want a single message.

The positioning framework will be also supported by a visual identity. This visual identity consists of the Office Brand, the Office Puzzle Piece, the "sell line" and other associated graphics that are used in conjunction with the Office name to promote the product. The visual identity is being created to reinforce the positioning framework concepts of "Simplify" and "Connect."

6. Desired Response

The desired customer response we want to evoke is the feeling of, "I am very familiar with Office and this sounds exciting, I need to check it out." We want customers to feel as if they are missing out by not having Office 10 installed on their machine. Secondly, we want to engender positive perceptions about Microsoft as company. We want the TSKW to think:
Personal
❖ Microsoft gets it. They understand some key issues that I face on a day-to-day basis.

❖ This is a credible message. I believe Microsoft can deliver this.
❖ Office can help me do my job.
❖ I want to learn more. I want to try the product.

Evangelical
❖ Hey, look at this ad. Did you see that ad?
❖ Have you seen Office 10?
❖ Where do I find out more?

7. Key Challenges & Competition

Prior Versions of Microsoft Office

Over the years, Microsoft Office has achieved significant presence in the productivity suite market. Competition not only arises from competing retail products but from previous versions of the product, specifically Office 97. The market has evolved into a "skip" pattern where most users tend to skip a release between upgrades as many users say they are satisfied with the current version and do not perceive a need to upgrade.

Sun StarOffice 5.2

Sun StarOffice is a cross-platform Web application suite only 65MB in size. Unlike Microsoft Office, which is PC based platform, Star Office is network based and downloaded for free. It works on Windows, but also under Sun Solaris, OS/2, and Linux. StarOffice includes a word processor (Writer), spreadsheet (Calc), database (Base), presentation maker (Impress), illustrator (Draw), and PIM (Schedule), as well as a built-in browser (IE can be plugged in instead) and email and newsgroup reader front ends. It can save files in Microsoft's Word, Excel, and PowerPoint. However, it lacks strength in solutions for deployment, support, and maintenance costs, integration with the Web and the enterprise, and enhancing the end user experience. Linux bundles its operating system software along with Corel desktop applications as a bundle. Star Office is also trying to duplicate the look and feel of Microsoft Office.

Corel Word Perfect Office 2000

Reveal codes that let you take control of complex, structured andialized documents. It includes Web technologies from Trellix® and NetPerfect® and has additional speech recognition software in some editions. It also has compatibility with Microsoft Office and supports HTML, ODBC, Java™, SGML and XML.

Lotus SmartSuite

Lotus SmartSuite is a 32-bit Windows application suite. It includes a word processor (WordPro), Spreadsheet (123), database (Approach), presentation (Freelance), and PIM (Organizer). Using IBM's via-voice Lotus SmartSuite has integrated speech recognition into the word processor and spreadsheet products. It also has compatibility with Microsoft Office and supports HTML and XML.

8. Related Marketing Activities

❖ Beta 1   July 2000
❖ Beta 2   October 2000
❖ COMDEX   November 2000
   ▪ Announcement of Beta2
   ▪ Office 2002 Naming
❖ Release Candidate 1   January 2001

❖	Release-to-Manufacturing	March 2001
❖	New Office website	March 2001
❖	End User Trial Program	April 2001
❖	Retail Availability	May 2001
❖	Launch Event(s)	May, 2001

9. Primary Messaging Vehicles

Messaging will influence every marketing vehicle used during the launch and sustaining marketing activities for Office 10. Detailed below is a non-exhaustive list where messaging will be implemented on a worldwide basis:

- Packaging
- Sales Tools
- Web site
- Demos
- Reviewer's Guide

- Advertising including print, online and television
- PR/Press Releases
- Promotional literature
- Company Initiatives

- Presentations/Keynotes
- Premiums
- Recruiting
- Workshops/Training
- Internal Evangelism

10. Project Scope and Timeline

Timing
Review timeline with agency.

Key Stakeholders
Steven Sinofsky	Senior Vice President, Office
Joseph Krawczak	Director of Marketing, Office
Ken Myer	Group Product Manager, Office
Baris Cetinok	Lead Product Manger, Office Knowledge Worker Marketing
Lorraine Nay	Group Marketing Manager, CMO Office Branding
Peter Cray	General Manager, OPI SMG
Tom Gruver	Group Product Manager, OPI SMG
Mike Delman	GM, Advertising, Packaging and Events
Laurie Rechholtz	Lead Advertising Manager, KW Advertising

11. Validation

Validation. As part of this project we would like to have the agency conduct research on the final creative concepts that we decide upon to verify the messaging strategy chosen with customers.

Sample Targets. Microsoft would like to conduct two simultaneous rounds of research consisting of focus groups and an online survey. We will look to the agency to recommend a methodology tailored to the strategy decided upon. The goal is to have the data gathering finished 2 weeks after the final strategy decision has been made. We are looking to conduct a total of 500 interviews with the online survey and conduct 2 days of focus group testing in 2 US and 2 international cities.

Questionnaire. We would like to keep the questionnaire short (maximum of 20 minutes) with a few open-ended question(s) for each target group. The questionnaire will be designed by the

Agency in collaboration with Microsoft, using initial content provided by Microsoft as a starting point.

List source. The agency will be responsible for obtaining target segment lists. These lists will be pre-qualified to match the criteria outlined above, to the extent possible.

Anticipated completion rate. Assuming the lists are pre-qualified so that most participants called will meet the screening criteria plus the incentives, we should anticipate a higher-than-average completion. If we find, however, that the list is performing substantially better or worse than expected we expect the budget and timeline to be adjusted accordingly.

Incentive. Due to the critical timing of this project, Microsoft will provide 5 Pocket PCs to be given away as incentives to encourage survey participation.

Analysis. Microsoft requests that two estimates be made. One including analysis by the research agency and one that does not include analysis.

Deliverables. Deliverables should be provided in the form an electronic dataset in SPSS format, two copies of hard copy cross-tabulations, and bound copies of the design materials including the screener, and questionnaire. If analysis is is to be included, it should be in the form of a PowerPoint presentation of the findings accompanied by an Executive Summary document.

12.   Success Metrics

We measure the success of our end user marketing efforts by the below metrics. We hope our messaging helps support and deliver these objectives:

- Aided/unaided awareness of Office messages/benefits
- Aided/unaided awareness of latest version features
- Secured Customer Index
- Retail sales and channel feedback
- End-users demanding their IT departments for latest version of Office
- Awareness and use of specific key feature and scenarios
- Traffic on Office/Office Update websites
- User group buzz and endorsement
- Size and growth of IEU base
- % Usage of suite
- % Of suite sales mix
- Event attendance and feedback
- Use of our sales tools by sales force
- Download of add-ons
- Positive reviews that recommend upgrade
- Analysts recommending upgrade
- Placement of customer testimonials and case studies
- Business press trend stories highlighting Office
- Positive trade press coverage
- Metro feature/column coverage highlighting compelling EU usage
- Positive mentions in sidebars with other product coverage (e.g. Windows 2000)