

To: WWRDMs DRAFT DRAFT DRAFT
From: DAD & POS Marketing Teams
Date: 01/12/95
Subject: Executive Summary: Desktop 95 campaign

The Desktop 95 launch will be by far the biggest launch ever done by Microsoft. It is a huge and unique opportunity to create a dramatic platform shift to a new dominant operating system and to own the new platform with our desktop applications. We need to completely dominate the channel during the launch period, denying any opportunity to applications competitors to capitalize on the platform shift, and making it impossible for OS competitors to counteract the move to Windows 95. We need to ensure that Windows 95 and Office 95 are firmly linked in the minds of customers, partners and press, and that both products are immediately perceived as must-have classics. This is the time to be creative and incredibly aggressive to ensure dominance for Windows 95 and Office 95.

In addition to hitting our quantitative targets, we should strive for some visible, emotionally satisfying, big impact event that will prove to observers that Desktop 95 is a phenomenon. Things such as:

- Desktop 95 hits the news channels world-wide and gets pervasive press coverage.
 - Win95 & Office95 top every distributor's top 10 list.
- The Internet explodes with positive commentary from excited customers.
 - Huge queues form in front of shops in Tokyo's Akihabara, 47th Street Photo in New York, and equivalents in major cities in the world.

Key metrics

- Exceed 20 % Win95 & 30% Office95 upgrade penetration. within 12 months after ship
- Attach rate of 40% for Office & stand-alone apps.
- Attach rate of at least 10% for Win95 frosting.
- Office share reaches 90% and category share reaches 65% for Word & Excel worldwide.

Topline messaging for Windows 95

Windows 95 gives you better access to the power of your PC.

1. What you do now will be easier and faster (UI, PnP)
2. What you want to do is now possible (32 Architecture, communications/messaging)
3. Whatever you do will be less frustrating and more fun (Video & Game support)

Topline messaging for Office 95

Office 95 is the essential tool for getting work done in a changing world.

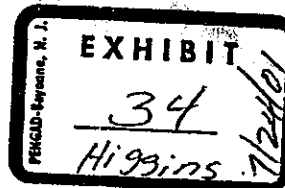
1. Allows you to get work done faster and easier
2. Enables you to make better business decisions and improve work processes
3. Helps you navigate the changing world

What is Office for Windows '95?

First and best Windows 95 office suite

- Win32 only
- Consistency and integration with OS
- Tuned for performance, multitasking
 - Extension of successful Office 4.x pillars
 - Ease of use with new and improved IntelliSense
- Integration with new and improved OfficeLinks
- Programmability with enhanced support for VisualBasic and OLE technology
 - Information application that allows users to find, view, and share info more easily
 - Exchange, Sched+ in Office 95
- Custom OLE properties
- Word as your email editor

1



MS-PCA 1269834
CONFIDENTIAL

Reforecast for H295 given revised Win95 & Office 95 ship dates

The table below provides a rough reforecast for six major subs and rest-of-world. These estimates were created by DAD & POS marketing in Redmond, and do not yet reflect MYR reforecasts from subs.

	H1FY95 Actual				H2FY95 Reforecast				Total FY95 Reforecast			
	POS		DAD		POS		DAD		POS		DAD	
	Revenue	% budget	Revenue	% budget	Revenue	% budget	Revenue	% budget	Revenue	% budget	Revenue	% budget
US	\$61,074,829	301%	\$209	121%	\$45,000,000	23%	\$508	116%	\$136,974,829	60%	\$1,097	110%
Canada	\$8,182,678	192%	\$46	127%	\$4,000,000	21%	\$40	103%	\$12,182,678	53%	\$86	114%
UK	\$9,929,018	252%	\$100	110%	\$5,000,000	10%	\$90	80%	\$14,929,018	49%	\$193	103%
Australia	\$1,288,934	65%	\$38	110%	\$2,500,000	15%	\$33	99%	\$3,788,934	27%	\$71	108%
Germany	\$1,123,984	179%	\$109	75%	\$4,000,000	13%	\$110	75%	\$12,123,984	35%	\$218	76%
France	\$7,989,170	168%	\$104	106%	\$4,000,000	20%	\$103	118%	\$11,989,170	48%	\$238	113%
Japan	\$5,702,808	135%	\$122	172%	\$4,000,000	92%	\$163	153%	\$9,702,808	115%	\$284	160%
ROW	\$47,547,342	162%	\$332	123%	\$25,000,000	29%	\$289	97%	\$72,547,342	63%	\$620	109%
Worldwide	\$182,708,042	211%	\$1,441	118%	\$93,500,000	23%	\$1,336	107%	\$276,208,042	57%	\$2,777	112%

Sustaining Marketing Recommendations

We recommend the following basic guidelines for Q4 sustaining marketing programs.

- Sustain LORG sales of both Office & Windows using Select and Maintenance.
- Sustain SMORG/End User retail revenue for Office 4.x by extending Q3 "value add" marketing promotions for Office being run in most subsidiaries. US "Business Source" campaign is available for leverage as appropriate.
- We should avoid "buy W4W, get a discount on Win95" or "buy Office 4.x, get a discount on Office 95" offers in Q4.
- We should continue to invest appropriately in Win95/Office95 pre-launch marketing activities, to ensure we are laying the foundation for H196 revenue.

Proposal for discussion: Moving revenue forward by pre-selling Windows 95

We would like to discuss the following potential opportunity to pull forward Windows 95 revenue:

- Let OEMs offer a free Windows 95 upgrade to buyers of new Windows PCs after May 1 (date discussion item too). OEMs would get coupons that they can put in their boxes and which would be fulfilled by MS (OEM pays us difference between MS-DOS/WfW and Win 95 royalty per coupon he ships).
- To satisfy retail channel needs we would also include a rebate upgrade coupon in the WfW retail upgrade box starting at the same time (May 1, 1995, or whenever we decide to do this). This is analogous to current "free" dates where customers that buy a previous product (Win3.x) at some period of time pre-street, get a free upgrade to the next version. In the case of Windows 95 this will not be a "free" product program though, but a rebate coupon saving the customer \$50 (the difference between the Win95 upgrade price and the Win3.x upgrade price).
- Issues are not only the timing, especially for subs with later availability dates, but also the direct fulfillment. Many subs do not have fulfillment capacity and therefore we may do this only in North America and parts of Europe.