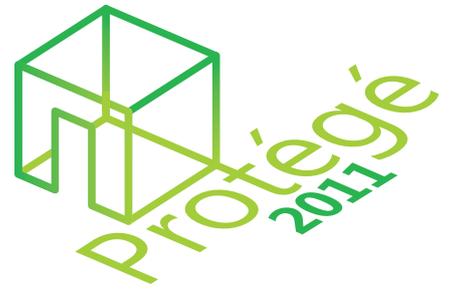


Microsoft Marketing Protégé 2011

Case Study Brief

To learn more go to microsoft.com.au/protege

*Terms and Conditions apply. See microsoft.com.au/protege for details.



In a Nutshell

Your task is to show us, via a written submission, if you were the Chief Marketing Officer of Microsoft, how you would market Windows Phone 7 to make it the number one phone choice for the Australian tertiary student audience (university and TAFE students).

If you feel a written submission isn't enough to contain all of your bright ideas, you are free to support it with additional materials (please take note of the final submission file restrictions). We will not accept videos or any other multimedia instead of a written submission, but these can be included as additional materials. The written submission and any additional materials are referred to in this document as the "**Submission**".

Your team will lodge a Submission through the competition website (judging criteria can be found at the end of the brief). The written Submission can be a marketing campaign, a communications plan, a promotional strategy or even a social media strategy, as long as you address the judging criteria.

Teams may consist of a single person or up to a maximum of 5 people. Each team member is referred to as a "**Contributor**".

Microsoft will judge entries based on the Submission, and select entries from across Australia to progress through each round of the competition (the Submission and presentation will together form the **Semi-Final Entry**). The top 7 semi-finalists teams will be asked to present their

Submissions to senior marketing executives to compete for the grand prize (the Submission and the presentation made at this stage will together form the **Grand Final Entry**).

If your team's Grand Final Entry is judged to be the best, Contributors to the team will become the Microsoft Marketing Protégé(s) 2011 and have the opportunity to experience life as a Microsoft Executive for one week. Now that's some advantage to have on your CV! Contributors to the winning team will also each win a hardware prize pack featuring a laptop, Windows Phone 7 handset and Xbox Kinect bundle!

Please read the full Terms and Conditions prior to entering. This Case Study Brief forms part of the Terms and Conditions.



Background

Headquartered in Redmond, USA, Microsoft Corporation is one of the world's largest technology companies and a pioneer in software products for computing devices. In October 2010, Microsoft Corporation launched Windows Phone 7 into the smartphone market; a competitive sector that is 'proceeding at a brisk and unabated pace¹'. Windows Phone 7 is an operating system that works on a variety of handsets.

- In Australia alone, there are over 21 million mobile phones, with an average of 90% of Australians owning at least one or more mobile phones.²
- It is predicted that by 2013 there will be 160 million smart phone users worldwide. There will be an estimated 7 billion smartphone app downloads generating \$4.2 billion.³
- Nokia leads the smartphone market with 40% share.⁴

The Competition

The smartphone market has developed rapidly in the last five years, notably through brands such as Apple, RIM and more recently, Google. However, despite the large increase in smartphone sales during this period, smartphone shipments only comprised 20% of total handset shipments as of the first half of 2010.⁵

While products such as the Apple iPhone have had an enormous impact on the mobile phone landscape, there has been a relatively low overall penetration of smartphones into this market, with brands such as Nokia remaining the dominant mobile phone choice for consumers. For this reason there is a huge scope for Windows Phone 7 penetration in the student audience.

The main competitive threats faced by Microsoft's latest offering are:

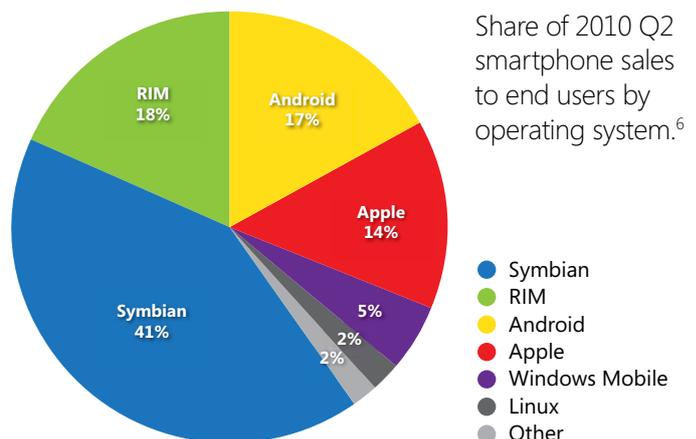
Apple (iPhone)
www.apple.com/au/iphone

Google (Android)
www.android.com

Symbian (Nokia)
www.symbian.org
www.nokia.com.au

Research In Motion (BlackBerry)
www.rim.com

- 1 Cellular-News, 'Worldwide Smartphone Market grows 89.5% in Third Quarter as New Devices Launch', Press Release, 4 November 2010, <http://www.cellular-news.com/story/46268.php>, retrieved 17 November 2010.
- 2 Infoplease, 'Cell Phone Usage Worldwide, by Country', Information Please Database 2009, <http://www.infoplease.com/ipa/A0933605.html>, retrieved 17 November 2010
- 3 Infoworld, 'Big money seen for iPhone, smartphone app developers', Press Release, 22 September 2010, <http://www.infoworld.com/d/mobilize/big-money-seen-iphone-smartphone-app-developers-818>, retrieved 17 November 2010
- 4 CNet Australia, 'Nokia still tops smartphone market, but others gaining', Press Release, 12 March 2009, <http://www.cnet.com.au/nokia-still-tops-smartphone-market-but-others-gaining-339295427.htm>, retrieved 17 November 2010
- 5 James Quintana Pearce, 'Report: Smartphones to be 29 Percent of Total Market in 2014', Press Release, 4 June, 2009, <http://moconews.net/article/419-report-smartphones-to-be-29-percent-of-total-market-in-2014/>, retrieved 17 November 2010.
- 6 Gartner, 'Gartner Says Worldwide Mobile Device Sales Grew 13.8% in Second Quarter of 2010, But Competition Drove Prices Down', Press release, 12 August 2010, retrieved 9 November 2010.





The Target Audience

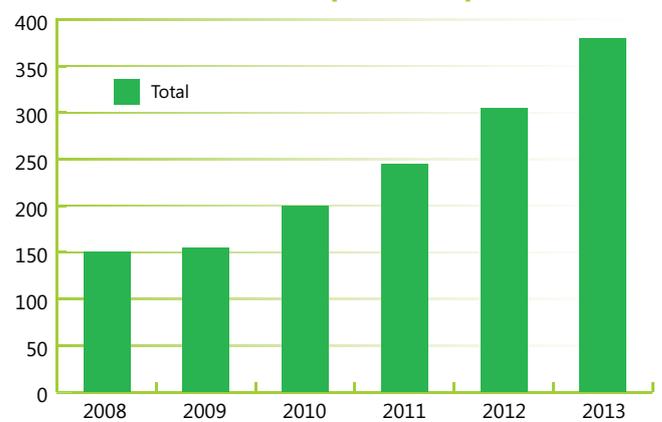
The target audience is the Australian tertiary student population (University and TAFE), comprising approximately one million students. A clear technology trend amongst the student population is their rapidly increasing use of smartphones. In the Australian market 41% of smartphone owners are under the age of 40, with the tertiary population comprising a large portion of this segment. It has become the norm for students to be immersed in their smartphones, and this trend is growing swiftly.

Did you know?

- Gen-Y phone users will spend their last \$10 on recharging their phone credit instead of buying food.
- Gen-Y phone users spend 12% of their disposable income on mobile phones.
- 74% of Gen-Y phone users found mobile offerings unclear or untrustworthy.
- Gen-Y phone users use an average of 10 applications per day on their phone.⁷

Furthermore, for most students their smartphone is their alarm clock, watch, phone, internet connection and personal organiser. Smartphones are assuming ever-increasing importance in students' lives. They are as much a status symbol as a means of sending and receiving information.

Global Smartphone Shipment



Projection of global growth of smartphones from 2008-2013.⁸

Given the above trends in the smartphone market and the fierce competition between smartphone manufacturers to increase market share, it is crucial that Microsoft Corporation creates an intelligent and appealing marketing strategy that captures the attention of the tertiary student population and steers this pivotal group of consumers towards Windows Phone 7.

⁷ "50 Key Facts", www.mobileYouth.org/download, retrieved 21st October 2010

⁸ "eJBEST_Backer 2004", <http://www.ejbest.org>, retrieved 15th October 2010.



The Product

Launched on 21 October 2010, Windows Phone 7 is a different kind of phone designed for life in motion, so you don't miss a moment. The design of Windows Phone 7 allows you to spend less time using your phone and more time enjoying your life. The social integration aspects of the contact list, the connection of multiple calendars and the Live Tiles allows users to find the information they need quickly,

without wasting time in different applications – just glance and go. Furthermore, not only does Windows Phone 7 bring your information together, it also integrates other leading Microsoft technologies such as Zune, Internet Explorer, Xbox LIVE, Office and Bing.

Below is a snapshot of the key Windows Phone 7 features.

START SCREEN Customise your phone's start screen using the Zune interface, which is constantly refreshed via the web.	PEOPLE HUB Windows Phone 7 is designed around your life, so you can easily view and respond to your social networks in one place.	OFFICE HUB View, edit, share and synch Office documents on the go with Word, Excel, PowerPoint and OneNote Mobile.⁹
<p>Windows Phone 7 is the only phone with Live Tiles – a unique and customisable Microsoft Zune interface that shows what's most important to you.</p> <ul style="list-style-type: none"> - Live Tiles show weather forecasts, friends' updates, breaking news and game statuses¹⁰. - Live Tiles are refreshed wirelessly via the web, so you only need to enter information once. - Users are able to pin friends' pictures and favourite apps onto the Start Screen for easy one-touch access. 	<p>Windows Phone 7 brings your phone contacts, Windows Live and Facebook friends together so that you can stay connected and share instantly.</p> <ul style="list-style-type: none"> - The People Hub allows users to view their Facebook and Windows Live feeds and photos on-the-go. - The 'Me' card makes it easy for users to update their status or change their profile picture across multiple social networking sites, straight from their phone. 	<p>With Microsoft Office Mobile users can edit, review and collaborate on the go.</p> <ul style="list-style-type: none"> - Compatible with Microsoft Word 2010, Excel 2010, PowerPoint 2010 and OneNote 2010. - Users can create shopping and to-do lists using OneNote Mobile, perfect class presentations using PowerPoint Mobile and complete assignments using Word Mobile – no matter where they are. - Syncs to your PC and to Office Web Apps.⁹

⁹ An appropriate device, Internet connection, and Internet Explorer, Firefox, or Safari Browser is required. There are some differences between the features of Microsoft Office Mobile, Microsoft Office Web Apps and Microsoft Office 2010. Usage fees and charges may apply as set by your service provider.

¹⁰ Apps can be purchased from Marketplace.



The Product

Windows Phone 7 features (continued).

GAMES HUB Your on-the-go arcade. Download games from the Marketplace Hub or play with friends using your Xbox LIVE account ¹¹ .	PICTURES HUB Houses your entire collection, including photos you've saved to your phone and pictures friends have posted on Facebook and Windows Live.	INTERNET EXPLORER MOBILE The only phone with Internet Explorer Mobile, Windows Phone 7 puts the web in your pocket, making it easy to surf on the go.	MUSIC + VIDEOS HUB Windows Phone 7 is also a Zune music and video layer. There's no need to carry another device with you.
<p>Windows Phone 7 is the only phone that allows users to play games using Xbox LIVE.</p> <ul style="list-style-type: none"> - Users can download apps and play a variety of word, strategy or action games using the Marketplace Hub. - Users can play solo or sign into their Xbox LIVE account to play with friends wherever they are. - The avatar travels with users, and the gamer profile can track gamer scores and wins. It even allows players to earn achievements that contribute to their score. 	<p>The Pictures Hub and Camera makes sharing photos just as easy as taking them.</p> <ul style="list-style-type: none"> - Users can quickly take photos even when their phone is locked. - Windows Phone 7 can store photos into albums, send photos to friends or post photos on Facebook and Windows Live at the touch of a button. - Users can see the latest photos from their Facebook and Windows Live contacts on their Windows Phone 7. 	<p>Windows Phone 7 is the only phone with Internet Explorer Mobile.</p> <ul style="list-style-type: none"> - Open as many as six tabs in one go and move seamlessly between websites. - An intelligent address bar suggests sites as you type and can even carry out web searches. - Browsing has never been easier – scroll with the flick of a finger and zoom with a pinch. - Users can press on phone numbers and addresses within websites to quickly call or map them using Bing Maps. 	<p>Play movies, TV shows, and music quickly.</p> <ul style="list-style-type: none"> - Play your music collection, synced wirelessly from your PC. - Enjoy custom playlists, listen to podcasts, and recommend favorite songs to friends. - There is also a built-in FM radio and high-resolution screen that's perfect for watching TV shows, movies, or your own video clips.

¹¹ Xbox Live Subscription Required

The Product

Windows Phone 7 software is currently available on 5 different handsets and providers, allowing you to pick the handset that best suits you and your lifestyle. For up to date information on handsets and providers, see the websites of the below retailers.



HTC Mozart (Telstra)



LG Optimus 7Q (Telstra)



vodafone

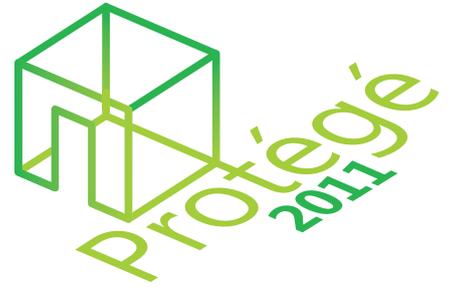
HTC 7 Trophy (Vodafone)



LG Optimus 7 (Optus)



Samsung Omnia 7 (Optus)



The Challenge

If you were the Chief Marketing Officer of Microsoft, how would you market Windows Phone 7 to make it the number one phone choice for the Australian tertiary student audience (university and TAFE students)?

Think about how to:

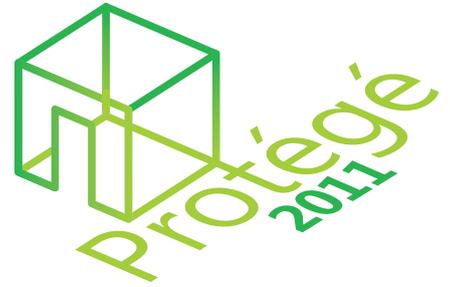
- Build awareness of Windows Phone 7 to grow market share with the student audience.
- Encourage students using competitor products to switch to Windows Phone 7.
- Encourage students who do not use smartphones to see value in the Windows Phone 7.
- Increase student knowledge of the Windows Phone 7 features, apps and hubs.
- Compete effectively against entrenched Microsoft competitors.
- Leverage existing relationships with our mobile operating partners (Telstra, Vodafone and Optus) and Original Equipment Manufacturers (including HTC, LG and Samsung).

Your response should discuss the following:

- The target audience and their relationship with the product.
- Evidence of your research (surveys, focus groups or primary research) to help justify your proposal.
- Competitive threats to Windows Phone 7.
- The idea and (if applicable) execution strategy to drive students to use Windows Phone 7 as their primary phone device.

If you are stuck for ideas on what to present, or how to approach the problem, think about the following:

- Social media/viral marketing/creating 'buzz'.
- How the benefits of the product meet the needs of the target audience. For example, you could market the Zune features, Xbox Live features or People Hubs.
- How the target audience relates to the category (focus groups are a great way for students to obtain primary research statistics).
- New ideas for apps that would entice students to choose Windows Phone 7
- The 4 Ps of marketing (Product, Price, Place and Promotion).



Registration

Register your team at microsoft.com.au/protege and follow the instructions. You may form teams where individuals study at different Australian universities if you wish.

Submissions are due before 11:59pm on 15/05/2011. Submissions will only be accepted via the submission tool on the website. Your response may consist of multiple files.

Judging

There will be three rounds of judging:

First round

In the first round, all Submissions will be judged. The top Submissions will be selected to proceed to the Semi-final Presentations (second round).

Semi-finals (Second round)

Second round judging will require the finalists to present their Semi-final Entry in front of executives of Microsoft for a maximum of ten (10) minutes, followed by up to five (5) minutes of questions from the panel.

Grand Final (Third round)

The top 7 teams selected from the semi-finalists will proceed to the grand final presentations (third and final round). Grand finalists are required to present their Grand Final Entry in front of a panel of Microsoft executives for a maximum of ten (10) minutes, followed by up to ten (10) minutes of questions and feedback. Changes and adjustments may be made to the Presentation from the Semi-finals, but the Grand Final Entry must be substantially based on the Submission and Semi-final Entry.

The Contributors to the winning team in the grand final will be awarded the title of Microsoft Marketing Protégé(s) 2011. All teams who make written submissions will be notified of their success in each round via email to the addresses supplied in the initial registration process. Scores will be awarded in each round according to the Judging Guidelines set out below. Each round will be judged separately and scores awarded in previous rounds will not be included in that round's scores.

For more details on the judging process please read the Terms and Conditions on the website carefully.



Judging

In the four rounds of judging, the Submission will be judged against four distinct criteria set out below. In each subsequent round of judging, the Semi-final Entry and Grand Final Entry (which includes the Submission and the verbal presentation) will be judged against four distinct criteria:

For more information, please visit the Protégé website at microsoft.com.au/protege which will be updated regularly with responses to frequently asked questions until the final submission date.

Best of luck!

Understanding of Audience	25%
Demonstrate your insights into the Australian university student audience and how your marketing idea relates to them.	
Innovation	25%
Impress us with your out-of-the-box thinking in every single way. Whether it is the fundamental idea behind your response, how it is executed, or simply what message you plan to tell students.	
Practicability and Impact	25%
Think about how your idea can be implemented and the results it will drive when executed.	
Presentation	25%
Clarity of entry with the focus of delivering one main idea. In the initial round, this would include the organisation and completeness of materials of your Submission. In subsequent rounds, you will be scored on your professionalism, communication skills and composure.	
Score	Out of 100%



Appendices

Windows Phone 7

The advertising for Windows Phone 7 – both digital and in print – has garnered positive media coverage and created a lot of buzz in the national and global community. It has received solid exposure on Facebook, blogs, newspapers and television. See the links below for a view of the new Windows Phone 7 ads:

<http://www.microsoft.com/windowsphone/en-au/default.aspx>

<http://www.microsoft.com/windowsphone/en-au/cmpn/tv-ads.aspx>

Microsoft Corporation

Over 14,000 Australian businesses sell, implement, maintain or develop technology solutions running on Microsoft platforms. At Microsoft, we're motivated and inspired every day by how our customers use our software to find creative solutions to business problems, develop breakthrough ideas, and stay connected to what's most important to them. Thirty years ago, Microsoft began with a dream of a computer on every desk and in every home. Today, for the more than 1 billion people we've reached, life has changed profoundly. Microsoft has helped people and businesses throughout the world realise their full potential by developing, manufacturing, licensing and supporting a wide range of software products for computing devices.

Headquartered in Redmond, Washington, USA, our most familiar products are our Windows operating system and Microsoft Office software, but the Microsoft product range now includes browsers, mobile phone software and online

services, just to name a few. As a company and as individuals, we value integrity, honesty, openness, personal excellence, constructive self-criticism, continual self-improvement and mutual respect. We are committed to our customers and partners and have a passion for technology. We take on big challenges, and pride ourselves on seeing them through. We hold ourselves accountable to our customers, shareholders, partners, and employees by honouring our commitments, providing results and striving for the highest quality.

The company was founded in 1975, to develop and sell BASIC interpreters for the Altair 8800. Microsoft rose to become industry leaders in the home computer operating system market with MS-DOS in the mid-1980s, followed by the Windows line of operating systems. Many of its products have achieved near-ubiquity in the desktop computer market. Microsoft is present in other markets; with assets such as the MSNBC cable television network, and the MSN Internet portal. Microsoft also markets both computer hardware products such as the Microsoft mouse and the Microsoft Natural keyboard, as well as home entertainment products such as the Xbox, Xbox 360 and Zune Video Marketplace. The company's initial public stock offering (IPO) was in 1986; the ensuing rise of the company's stock price has made four billionaires and an estimated 12,000 millionaires from Microsoft employees.

The Australian subsidiary was founded in 1983 employing only 20 people. Today, Microsoft Australia employs over 800 people working in capital cities across Australia, as well as ninemsn (a PBL and Microsoft joint venture).