

September 30, 1985

To: Mario, Roy, Patty, Laura V., Mark, Lee Ann, Pam, Ginger,
Kim D., David Siskin, Mary Thompson

From: Tess Reynolds

cc: Fred Diane Dennis Teri Phil C. Leslie
John Nancy S. Linda S. Laura C. Linda G. Val
Janelle Lee H. Nancy F. Dave A. Julie W. Susan G.
Signe O. Susan DF. Steve C. Sherry Anne L. Chris D.

Subject: Peacock Brand Strategy

Attached please find your copy of the approved Peacock Brand Strategy recommendation. A few changes have been made to incorporate comments and suggestions from the Managers that approved this recommendation. Specifically, these changes are:

1. The product positioning statement was revised from being "first to combine text and graphics", to offering "the most complete text chart and graphic capabilities for presentation use". This is a claim which we believe we can maintain longer-term, in light of recent competitive moves to also combine text and graphs in one package.
2. I have clarified several statements to indicate that Peacock is superior to competition, not against PRO or any other PFS products.
3. The Pricing Recommendation section was changed to reflect \$295 as a suggested minimum price. A higher price may be recommended later, depending upon market conditions and internal SPC objectives.
4. Packaging and Naming Objectives have been revised to reflect a clearer strategy for the Harvard line.

BRAND STRATEGY RECOMMENDATION FOR PEACOCK

This recommends a brand strategy for Peacock, relative to the PFS Pro Series. In addition, recommendations are also made for Peacock's brand name and positioning statement.

Background:

Peacock is designed to address the business presentation graphics market. While current products attempt to produce text or chart output for presentations, there is still no way to achieve professional quality presentations using a personal computer. Peacock is intended to bridge this gap, by offering a wide selection of chart formats, including text charts, to completely satisfy the needs of a business person or professional putting together a presentation. At concept approval stage, Peacock was intended to be part of the PFS: Pro Series.

BRAND STRATEGY RECOMMENDATION

Peacock's strategy is to gain leadership of the presentation software market by offering the most complete text chart and graphic capabilities for presentation use, and by offering superior functionality and output quality versus competition.

In line with this strategy, it is recommended that Peacock be positioned and priced consistently with the Harvard line. Details are outlined in Exhibit I, and are also discussed further in this recommendation.

Basis for Recommendation:

1. Our latest Target Audience Research indicates that people that do presentations vary significantly from the rest of the PFS users. Specifically, there is a significantly higher percentage of people that do presentations (henceforth called "presentors"), among PFS users that:

- belong to larger companies (I.e., greater than 100 employees).
- have 3-5 software programs rather than 1-2 programs.
- have 512K or more memory in their computers.

Additionally, more people do presentations among users of "power" software (Lotus, Multiplan, DBase II/III, Microsoft Word), than among users of PFS:Plan, PFS:Write, or the Assistant Series.

Details on these research findings are found in Exhibit II.

2. Peacock will require different marketing tactics from the rest of the Pro Series if it is to capture leadership of the presentation software segment of the industry. This is because it is considered to be more of an add-on product

through 1990, while word processing, database management and spreadsheet software are expected to continue to be purchased primarily with the PC purchase. According to Future Computing (March 1985), only 10-15% of graphics unit sales in 1990 will come from the first-time PC Buyer, while 55-60% will represent first-time graphics purchases by a current PC user. (See Exhibit III)

3. Peacock can legitimately claim superiority in the entire presentation graphics market, while the Pro products can claim superiority only in their target segments of their respective markets. The PRO Series is committed to offering a superior product to its target customers. Within their specific application categories, however, there currently exist more powerful products (e.g. Lotus 1-2-3, Wordstar, DBase) that claim to be the "ultimate" in that category.

In the graphics market, Chartmaster claims to be "Number One in Business Graphics". Peacock, however, will beat Chartmaster in the completeness of its feature sets, its output quality, and its combination of power and ease of use.

RECOMMENDED POSITIONING STATEMENT

"Peacock is the most complete presentation software program for business people and professionals who want to produce superior quality presentation materials quickly, easily and at a reasonable cost, by using a personal computer."

This positioning statement is recommended for the following reasons:

1. It highlights the overall superiority of Peacock, and preempts competition from making this claim. Peacock's superiority is supported by the following:
 - * most complete text chart and graphic features: title charts, lists, bullet points, bar, pie, line, area, Gantt charts, scatter graphs, hi/lo/close, curve/trend
 - * superior output quality/professional-looking results
 - * unique practice cards feature
 - * unique build-up feature in bullet charts
 - * superior ease of use/manipulation by business people
2. It provides a strong benefit to the consumer - i.e., the ability to get professional results quickly and easily.

BRAND NAME RECOMMENDATION

It is recommended that Peacock have a different brand name from the Pro Series, in order to fully capitalize on the product's superiority in its category and the market's growth patterns and expectations. The new brand name can be shared with other products, present and future, that share Peacock's

market characteristics. The Harvard brand name is recommended, assuming legal clearance to use this name.

Peacock will fully endorse PFS and flag its compatibility with PFS and PRO products. PFS:Graph has a solid customer base and should be an asset to Peacock in its introduction. Recommended Packaging and Naming Objectives for Peacock are outlined in Exhibit IV.

PRICING RECOMMENDATION

I recommend a minimum price of \$295, which is below all current leading competitors except Microsoft Chart. (See Exhibit V.) Peacock will offer customers a better value for the money than its competitors because it will have more functionality and offer better quality output. I believe \$295 is an aggressive price that will give Peacock an excellent chance to expand the category and capture first-time graphics sales. A higher price may be recommended later if deemed appropriate for market conditions and internal SPC objectives.

TACTICAL IMPLICATIONS OF THIS STRATEGY

1. Higher price, and therefore higher profit margins!
2. Independent Package Design.
3. Independent Advertising and Promotions.
4. Possibly a new product line of "add-on" software, including ACCESS and the Harvard Project Manager.

NEXT STEPS

1. Upon approval of Packaging and Naming Objectives, I will work with the design firm to deliver Peacock's final package design and brand name.
2. Revise Product Concept Approval to reflect the recommended positioning.
3. Develop Product Marketing Plan.
4. Develop Introduction Plan.

Prepared by: _____
Tess Reynolds

Reviewed by:

Leslie Larson, Valorie Cook, Signe Ostby
Mario Chaves, Danny Beaudry, Chris Doerr, Nancy Schoendorf
Janelle Bedke

PEACOCK RECOMMENDED BRAND STRATEGY

Peacock's marketing objective/strategy is to gain leadership of the presentation software market by offering the most complete text chart and graphics capabilities for presentation use, and by offering superior functionality and output quality versus competition.

The key differences between Peacock's strategy and the PFS: PRO Series are outlined below.

	<u>PRO SERIES</u>	<u>PEACOCK</u>
Target Consumer:	<ul style="list-style-type: none"> * Business person or professional in small co. (less than 100 employees) * Owner or dept. mgr. * Purchasing more powerful computer to optimize productivity * No technical expertise 	<ul style="list-style-type: none"> * Business person or professional in med. size co. (over 100 employees) who frequently gives presentations as part of his job. * Mid-level manager or supervisor * Already has powerful PC * No technical expertise
Position:	<ul style="list-style-type: none"> * Powerful within target segment but not in total product category * Fast to learn and efficient to use * Can grow with user's needs 	<ul style="list-style-type: none"> * Superior power, versatility, quality in presentation graphics category * Fast to learn - User can product simple charts/graphics right away * Challenging to grow with and realize full functionality
Competitive Edge:	<ul style="list-style-type: none"> * Superior value for the money, but may be behind other "power" - positioned software like Lotus 1-2-3, DBase and Wordstar 	<ul style="list-style-type: none"> * Most complete text charts and graphs in one product. * Superior functionality and quality vs. other presentation graphics software
Price:	* \$150 to \$195	* \$295

NOTE: More details on target consumer and product positioning in Exhibit I-A.

PRO SERIES VERSUS PEACOCK
Target Consumer and Product Positioning

PRO Series

Peacock

Target Consumer:

Business person or professional in the following categories:

1. Owner of a 5-50 employee small business.
2. Department manager with 5-50 employees in medium/large company or government agency.
3. Mid-level office workers with some supervisory capacity.

Purchasing a software product for a specific "optimized" productivity application. May also be upgrading to more powerful MS-DOS computer

Without computer expertise

1. familiar with a computer and basic productivity applications
2. knows that primary need is for a specific, optimized software application rather than a generalized tool.
3. not interested in programming
4. may buy "down" to PRO because he/she or staff cannot utilize products already purchased.

Criteria used in purchase decision

1. performance/functionality
2. fast to learn/efficient to use
3. prestigious
4. integrated
5. networkable
6. price

Wants software that meets current needs but can grow as machine capabilities increase, and as business needs increase.

Business person or professional who frequently gives presentations as part of his job:

1. Mid- to high-level manager in company with 100 or more employees.
2. Managers with intensive communications functions, e.g., Department Mgrs, marketing and sales managers, CEO's.
3. Consultants, professors/lecturers, researchers.

Currently owns computer with at least 256K memory, 2-3 primary-use software programs and medium to high quality printer.

Without computer expertise

1. familiar with a computer and with basic productivity applications.
2. needs special applications software in addition to primary-use software
3. not interested in programming
4. seeks powerful software to meet desired goals

Criteria used in purchase decision

1. performance/functionality
2. versatility-can be manipulated or custom-formatted
3. presentability of output
4. fast to learn/generate results
5. prestigious
6. integrated
7. networkable

Current needs are more powerful than needs of the PRO user. Wants software powerful and versatile enough to yield very specific results.

PRO SERIES

PEACOCK

Target Consumer Psychographics:

Profit and goal oriented

Success-motivated with achievement expectations beyond established business goals

Status conscious

Less value conscious than PFS

Confident in business

Goal and profit oriented

Highly success-motivated; seeks to be ahead of his/her peers

Highly confident of his/her ability to sway decision-making

Aggressive; stretches limits

High quality standards for self and others

Status conscious

Positioning:

1. Powerful functionality
2. Fast to learn; efficient to use
3. Performance - immediate response to any command
4. Professional quality in both content and appearance
5. Intra-product integration
6. Inter-product compatibility
7. Good value

1. Superior functionality and output quality versus competitors
2. Fast to learn - can produce simple charts/graphs right away
3. Challenging to grow with and fully realize its functionality
4. Superior value for the money

Major positioning difference between Peacock and key competitors like Chartmaster/Signmaster, BPS Overhead Express and Energraphics:

- Peacock will be the first true business presentation software program, by offering the most complete text charts and graphs in just one product.
- Peacock will have superior overall performance and functionality, in terms of: most complete feature sets, best output quality, and ease of use/manipulation.
- Peacock will be faster to learn - user can produce simple charts and graphs right away.
- Peacock will be better integrated with other software, i.e., Lotus 1-2-3 and the PRO Series.

TARGET AUDIENCE RESEARCH FINDINGS

I. Percent That Do Presentations Among the Following User Groups:

A) COMPUTER MEMORY	<u>512K or more</u>	<u>48K to 256K</u>
% Doing Presentations	65.7%	49.9%
B) NO. OF EMPLOYEES	<u>More than 100</u>	<u>Less than 100</u>
% Doing Presentations	66.8%	45.1%
C) NO. OF PROGRAM APPL.	<u>3 to 5</u>	<u>1 to 2</u>
% Doing Presentations	43.8%	28.4%

CONCLUSIONS:

- A. There is a significantly greater number of "presentors" among users with 512K of memory or more.
- B. There is a significantly greater number of presentors among users belonging to companies with more than 100 employees.
- C. There is a significantly greater number of presentors among users with 3-5 program applications.

II. Percent That Do Presentations Among Users of the Following Software:

"Power"-Positioned		PFS/Assistant Series	
Lotus 1-2-3	65.3%	PFS:Plan	43.2%
Multiplan	62.8%		
Microsoft Word	71.4%	PFS:Write	45.2%
Multimate	58.7%	Writing Assistant	46.2%
DBase II/III	62.9%	PFS:File	50.7%
		Filing Assistant	56.1%

NOTE: The base consists of selected PFS users, so the percentages may be biased by the number of PFS users that belong to each of the categories identified above.