Unlimited Potential
Emerging strategies in emerging markets

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Enable sustained social and economic opportunity for the next five billion people

Communities
Partnerships

Transforming
Education

Fostering
Local Innovation

Enabling Jobs &
Opportunity

Field Capacity + R&D

Global Story
Pooled effort around existing programs:
Citizenship
Education
DPE
Public Sector
UPG

Product Innovation
New product and solutions incubation:
Low Cost Computing
Shared Access
Mobile
Education

Relevance
Access
Affordability

"Creative Capitalism"
Nontraditional business opportunity for Microsoft supporting social and economic agenda of governments

Our Target Market

TOP High Disposable Income	.76B	+25%		.84B
MOP Some Disposable Income	2.2B	+22%		2.7B
BOP Little/No Disposable Income	3.5B	-3%		3.4B

Socio-economic Pyramid 2005 **Socio-economic "Barn" 2011**

Ultra Low Cost PCs for Education

OLPC XO

Intel ClassMate

ASUS eeePC

Demoing XP

Target
Transformational schoolchildren in emerging markets
Via
New class of sub-$300 machines used in "1-1" government education programs
Challenges
Licensing, Partnerships, Education Evangelism

Windows MultiPoint

Target
Children in schools that cannot afford PCs for every student
Via
MSR SDK that enables collaborative education applications using multiple cursors and mice on a single PC
Challenges
Education ISV and developer evangelism, pricing and licensing

Secondary PCs

Target
Small businesses and governments in emerging markets
Via
Global ecosystem for resold, repurposed, and donated PCs (74 million in 2007)
Challenges
Category branding, licensing, government evangelism, new channel

Social Impact of Secondary PCs

Environment

Local Jobs

Shared Access: Telecenters

Target
Rural poor who don't use PCs
Via
Government and donor funded PC kiosks used for agriculture, skills training, microfinance ($7.4 Billion spend)
Challenges
Sustainability, NGO and government evangelism, scale, training kiosk owners

Subscription Computing: "Thin Man"

Target
Urban families avoiding iCafes who cannot afford a PC

Via
Terminal-based PC service sold by telcos and other partners

Challenges
Terminal-based home computing!; Channel development; pricing and licensing

Mobile Services: "Kirana"

Target
People who use cell phones but not PCs (estimated to be billion)

Via
Services platform (including advertising and Live) anchored around mobile payments system involving pre-paid cards and POS kiosks in Africa and India

Challenges
Channel development, scale, value proposition

Education: "Milpa"

Target
People trying to get ahead by passing certification exams

Via
Locally relevant training content targeting skills acquisition delivered in a "Complete" education system involving rich client + web services design + new device, assuming occasional or no Internet connection

Challenges
Content ecosystem, new channel, value proposition, new device

What We Are Learning …

- Holes exist in Microsoft's existing business models
- Segmetnation matters, even in this space
- MOP willing to "go high" when they see good, better, best
- Willing to pay (a little) for genuine software
- Few big retail channels
- Limited credit, small purchases
- No digital marketing yet: word of mouth, newspaper, billboard and in-store advertising
- Limited awareness of Microsoft

UPG in FY09

- More digital storytelling targeting elites
- More shared campaigns with partners
- Formal MOP/BOP consumer model with tracker
- Ongoing execution of pilots and incubations
- Development of an online community

Get Involved

- Visit the UPG site
- Leverage our research
- Play with our technology
- Join our team
- Email: jamesu@microsoft.com

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