Unlimited Potential
Emerging strategies in emerging markets

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

Field Capacity + R&D

Global Story
Pooled effort around existing programs:
Citizenship
Education
DPED
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

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**Our Target Market**

- **TOP** (High Disposable Income)
  - 74B
  - +25%
- **MOP** (Middle Disposable Income)
  - 3.5B
  - +22%
- **BOP** (Bottom Disposable Income)
  - 3.4B

**Socio-economic Pyramid**
- **2005**
- **2011**

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**Ultra Low Cost PCs for Education**

- **Target**
  - Transformational schoolchildren in emerging markets
  - New class of sub-$300 machines used in “1+1” government education programs
- **Via**
  - OLPC XE
  - ASUS eeePC
- **Challenges**
  - Licensing, Partnerships, Education Evangelism

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**Windows MultiPoint**

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

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**Secondary PCs**

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

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**Social Impact of Secondary PCs**

- **Environment**
  - Local Jobs

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**Shared Access: Telecenters**

- **Target**
  - Rural poor who don’t use PCs
  - Government and donor funded PC kiosks used for agriculture, skills training, microfinance ($7.4 Billion spend)
- **Via**
  - Government
- **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.
- Segmentation 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.