



Project Report

Microsoft Surface Pro

Market Research Log

Course Title: Technology Marketing

Course Number: ETM 555/655

Instructor: Dr. Weber

Term: Winter

Year: 2013

Team: 1

Authors: Ritu Bidasaria, Tila Bregaj, Garrett Gilliland, Mehdi Toobaei, Namitha Shetty



Marketing Research Log

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1. Introduction

As a team of 5 members we wanted to come up with an interesting topic that was doable and captured the principles of our marketing class. Thus we had a few ideas that we thought of in the beginning of this quarter. The first idea suggested was Smart TVs, then followed by the Surface Pro. We all agreed the Surface Pro would be a nice product to introduce and do a marketing plan on. We had to convince Dr. Weber on the pros and cons, on our plan, and how we were going to approach it from a marketing perspective.

2. Teambuilding and Brainstorming Week

Below are a few email exchanges within team members about our project idea.

Hi Team,

So we have many choices and therefore we need to narrow them down.

- 1) We need to decide on which industry we need to focus on. Example Automobiles, Semiconductor, Software, Mobile phones etc.
- 2) Then we need to focus on product example I-Phone 6 if we choose Mobile Phones, new version of windows or Google's new software if we go with Software or Corolla's new model if we decide on Automobiles.
- 3) Next we need to find out what are the new features available in the product on which we decide.
- 4) And then we need to clarify why we have chosen this product to Dr. Weber. Reasons could be Data is readily available on internet, product is meeting current customer demands, technology sounds promising etc etc.

So I think we should start narrow down our choices and decide which one is best for our final project and why.

Feedback, Suggestions, comments are welcome.

Thanks

Ritu

Hi All,

Regarding our project topic, does “Smart TV’s” sounds good? Or it is a old topic ? Or do we need to select a technology that is not in the market yet?

Please share your ideas and comments.

Thanks

Ritu

One idea i have is microsoft's Surface Pro. Since microsoft is now competing with its own customers by bringing into the market this tablet-hybrid PC like and choosing more of the hardware road. "The good money has always been on Surface Pro. It was announced right alongside Surface RT, with a promised release date of sometime in the neighborhood of January 26. Surface Pro is a slightly thicker, much more powerful version of Microsoft's original Surface tablet. In fact, it looks identical to Surface RT, save for being 0.53-inch thick instead of 0.37-inch thick. And even though it weighs 2 pounds to Surface RT's 1.5 pounds, it really doesn't feel all that much heavier."

So since the Pro version with Windows 8 and Intel's icore5 chip does not come out until the end of January, it might be exciting to analyze this marketing plan while it is still fresh.

-More, we would need to formulate a survey, probably to young professionals asking if they would prefer tablet-hybrid PC types and what features and uses they would like.

I am attaching a presentation and paper from different teams in the past.

If we follow the structure of those papers, we can divide the work and it will be a smooth transition.

Thanks,

Tila

Hi all,

I like both the ideas of Smart TV and Surface Pro. Surface Pro looks promising with Microsoft's target customers being CIO (benefits of a getting employees something that feels like a tablet/notebook hybrid rather than buying them a tablet and a notebook separately). Given Surface RT hasn't done well as expected. It would become an interesting project for all of us to understand the PC - Tablet market.

If anyone has a better idea please do share it with us.

Thanks,

Namitha

Ah yes! The Surface! Nice suggestion there. It certainly has enough wrapped up in it as a topic to satisfy the project requirements. I'd be particularly interested in how a marketing plan might address market concerns over Microsoft stepping out of their typical competency to develop hardware like they did.

3. Survey

The original survey that we first worked on building lacked a few key questions. Therefore it was suggested that we interview a few people before we send out the survey. Seven working professionals with both business and engineering backgrounds were interviewed. The changes of that they recommended to the survey reflect the survey below. This survey could then be found online at <http://www.esurveyspro.com/Survey.aspx?id=e775188c-d704-45c5-abaf-c86f419af208>

It was sent out via email link to over 50 students from which some were full time students; some were full time employed who were going to school, and over 350 working professionals. The respondents' number was 97.

The survey goal was to understand what features are important to the end users. Our intent was then to find out why these features are important and what values they bring to the end users. This could help us to better understand the value drivers and compelling reasons to act.

78% of the respondents were male and 22% were female. About 50% of the respondents were professionals between the ages of 30 to 49 years old and an average income of \$3000 or more per month. The respondent's rates guided us through dividing the market by age, income and type of employments or activities (such as professionals, students, unprofessional, employed and unemployed). The survey also helped us to better understand the market willingness to pay for the extra features that are provided by Surface Pro. However, at this stage the market segments were not defined clearly.

Marketing Plan Survey

The aim of this framework is to establish an insight for a marketing plan for Next Generation Hybrid Tablet-PCs (a hybrid tablet-PC is a new product like the ultrabooks line or microsoft's Surface that converts from a laptop to a tablet). The study is being conducted as a part of a Marketing class in the field of Engineering and Technology Management. We would greatly appreciate your responses.

Section 1: Personal Information

i. Which age group do you belong to?

☐ 19 and under ☐ 20-29 ☐ 30-39 ☐ 40-49

☐ 50-59 ☐ 60 +

ii. What is your Gender?

☐ Male ☐ Female

iii. Are you currently working?

☐ Yes ☐ No

iv. How much is your monthly income?

- a. Less than \$1000
- b. Between \$1001 and \$2000
- c. Between \$2001 and \$3000
- d. Between \$3001 and \$5000
- e. Above \$5000

v. How often do you use any of these features on a computer you currently use?

	Never	Rarely	Sometimes	Often	Always
Email					
Web browsing					
Social Networks					
Video games					
Listening to Music					
Watch movies					
School/ work related Software					

Section 2: Portable (laptop/tablet) device information

vi. Do you currently own a portable computer (Tablet/Laptop)?

☐ Yes ☐ No

vii. What is the make of your current portable computer(s)? (Mark all that apply)

☐ Apple ☐ Toshiba ☐ Dell ☐ Asus
☐ COMPAQ ☐ SONY ☐ HP ☐ Lenovo
☐ Acer ☐ SAMSUNG ☐ Microsoft ☐ other

- viii. What device(s) do you currently own? (Circle all that apply):
- a. Tablet
 - b. Laptop
 - c. Sub-notebooks (laptops tailored for portability, e.g. MacBook Air, non-touchscreen Ultrabooks)
 - d. Hybrid tablet-PC (e.g. touchscreen laptops with convertible screens)

- ix. What is the most common reason(s) for changing your portable computer?
(Mark all that apply)

☐ Software/hardware issues ☐ damaged screen ☐ Damage laptop/tablet

☐ Design ☐ Available support ☐ Performance ☐ New Trends

☐ Lost/stolen ☐ Lack of features ☐ never change laptop/tablet

Other

- x. What is the ranking of the following features of your current laptop/tablet?

	Worst	Bad	Average	Good	Best	N/A
Durability						
Software						
Battery life						
Laptop/tablet size						
weight						
Touchscreen						
Energy efficiency						
Polished look						

xi. When you buy a laptop/ tablet, how important are the following feature(s)?

	Least important	Less important	Average	More important	Most Important	N/A
Brand						
price						
Quality						
Uniqueness						
weight						
Sleekness						
Size						
Sound quality						
Screen size						
Processor speed						
Hard drive capacity						
Anti-theft protection						
Durability						
Graphics						
Battery efficiency						
Digital ink						
Touch screen						
Convertible laptop to tablet						
Windows 8						

xii. For a Hybrid tablet-PC would you consider paying (answer yes/no/maybe):

Less than 700

Between 900-1100

1100-1500

xiii. For a new laptop would you consider paying (answer yes/no/maybe):

Less than 400

400-700

700-1000

Over 10000

xiv. For a new tablet would you consider paying (answer yes/no/maybe):






Less than 400

400-600

Over 600

4. Results

Page 1. Marketing Plan Survey

1. Section 1: Personal Information			% of Respondents	Number of Respondents
i. Which age group do you belong to?				
	19 and under		0.00%	0
	20-29		31.96%	31
	30-39		29.90%	29
	40-49		20.62%	20
	50-59		16.49%	16
	60 +		1.03%	1
Chart			Number of respondents	97
			Number of respondents who skipped this question	0

2. ii. What is your Gender?

	% of Respondents	Number of Respondents
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Male		80.41%	78
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Female		19.59%	19
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[Chart](#)

Number of respondents

97

Number of respondents who skipped this question

0

3. iii. Are you currently working?

	% of Respondents	Number of Respondents
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Yes		95.88%	93
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No		4.12%	4
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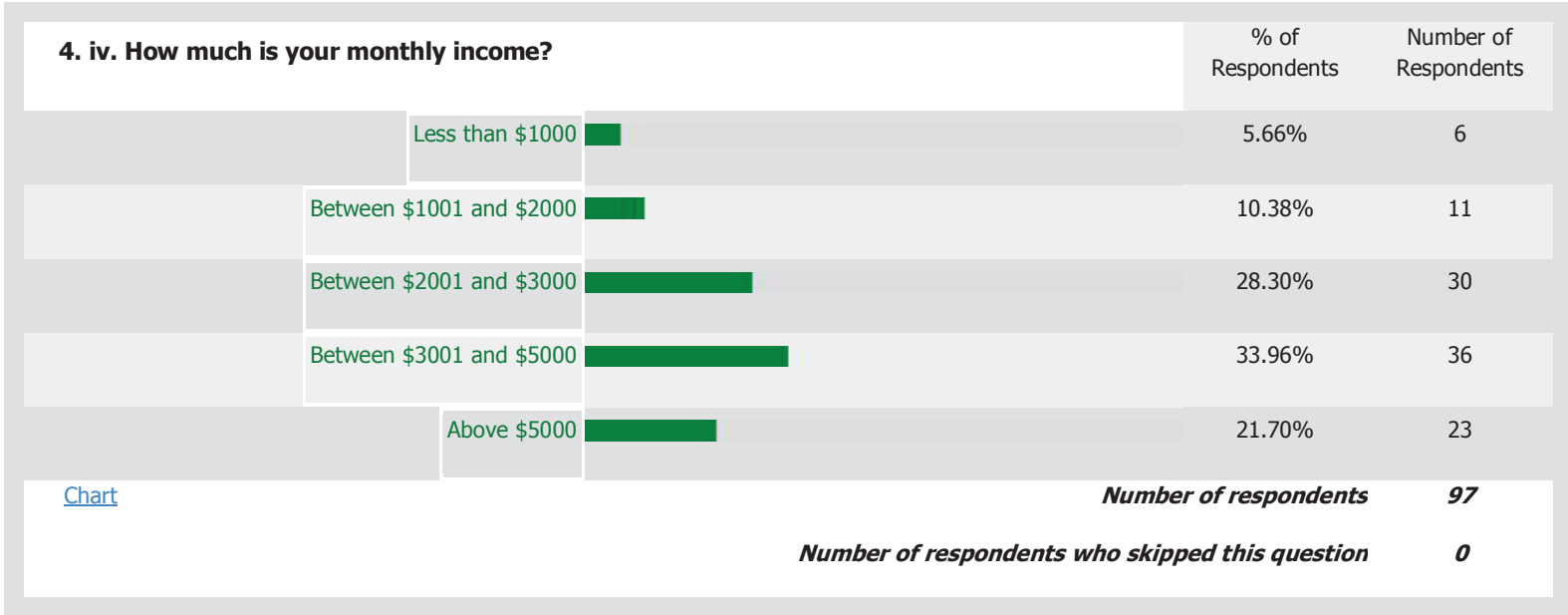
[Chart](#)

Number of respondents

97

Number of respondents who skipped this question

0



5. v. How often do you use any of these features on a computer you currently use?

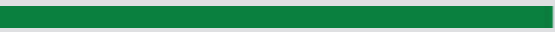

	1 Never	2 Rarely	3 Sometimes	4 Often	5 Always	Number of Respondents
Email	0% (0)	2% (2)	4% (4)	17% (17)	76% (73)	96
Web browsing	0% (0)	2% (2)	1% (1)	16% (16)	80% (78)	97
Social Networks	12% (12)	17% (17)	22% (21)	13% (13)	33% (32)	95
Video games	28% (28)	25% (25)	18% (18)	16% (16)	10% (10)	97
Listening to Music	5% (5)	8% (8)	30% (30)	28% (28)	26% (26)	97
Watch movies	10% (10)	11% (11)	30% (30)	34% (34)	15% (15)	97
School/ work related Software	13% (13)	13% (13)	16% (16)	19% (19)	39% (39)	97

[Chart](#)

Number of Respondents 97

Number of respondents who skipped this question 0

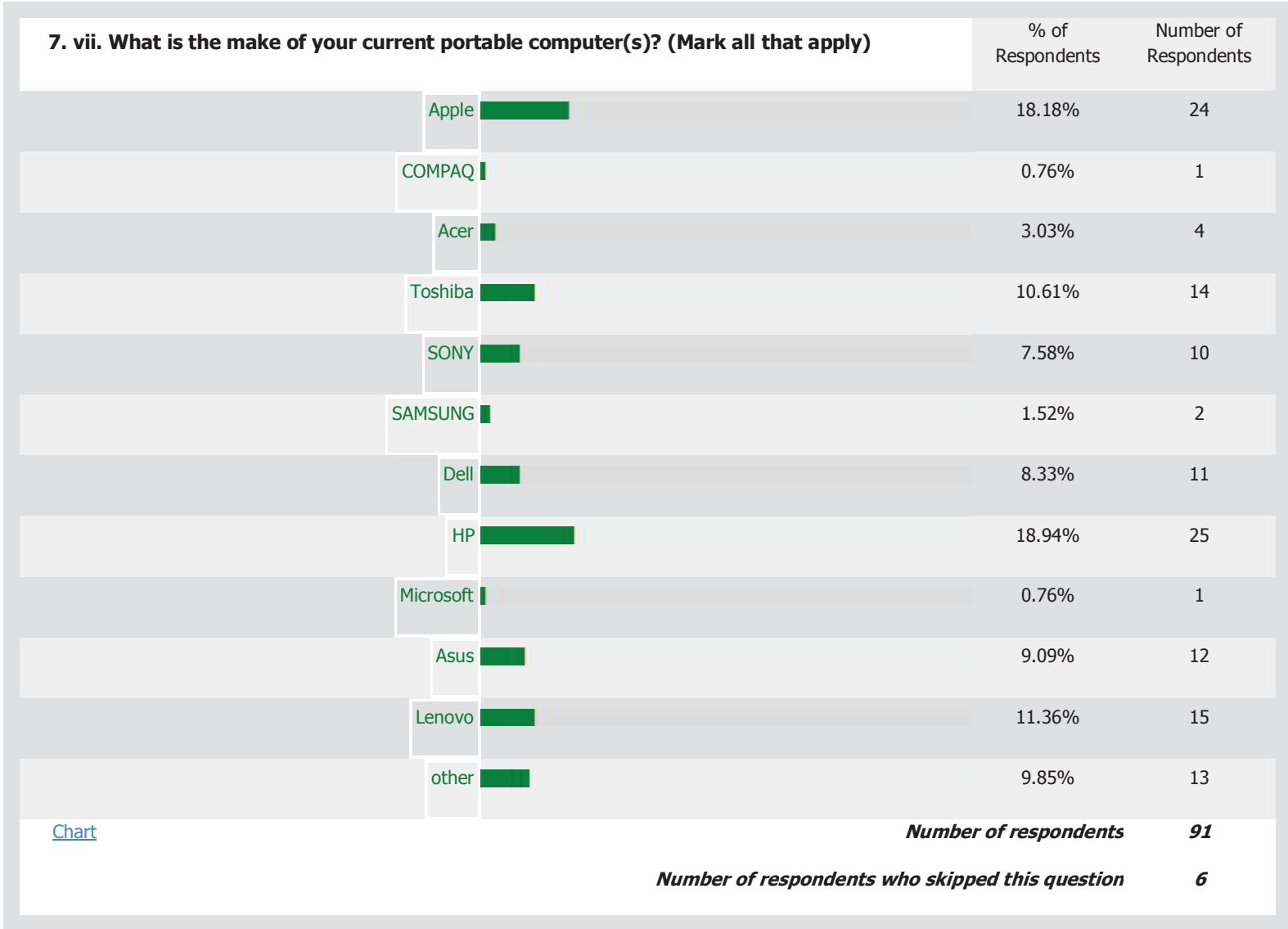
6. Section 2: Portable (laptop/tablet) device information vi. Do you currently own a portable computer (Tablet/Laptop)?

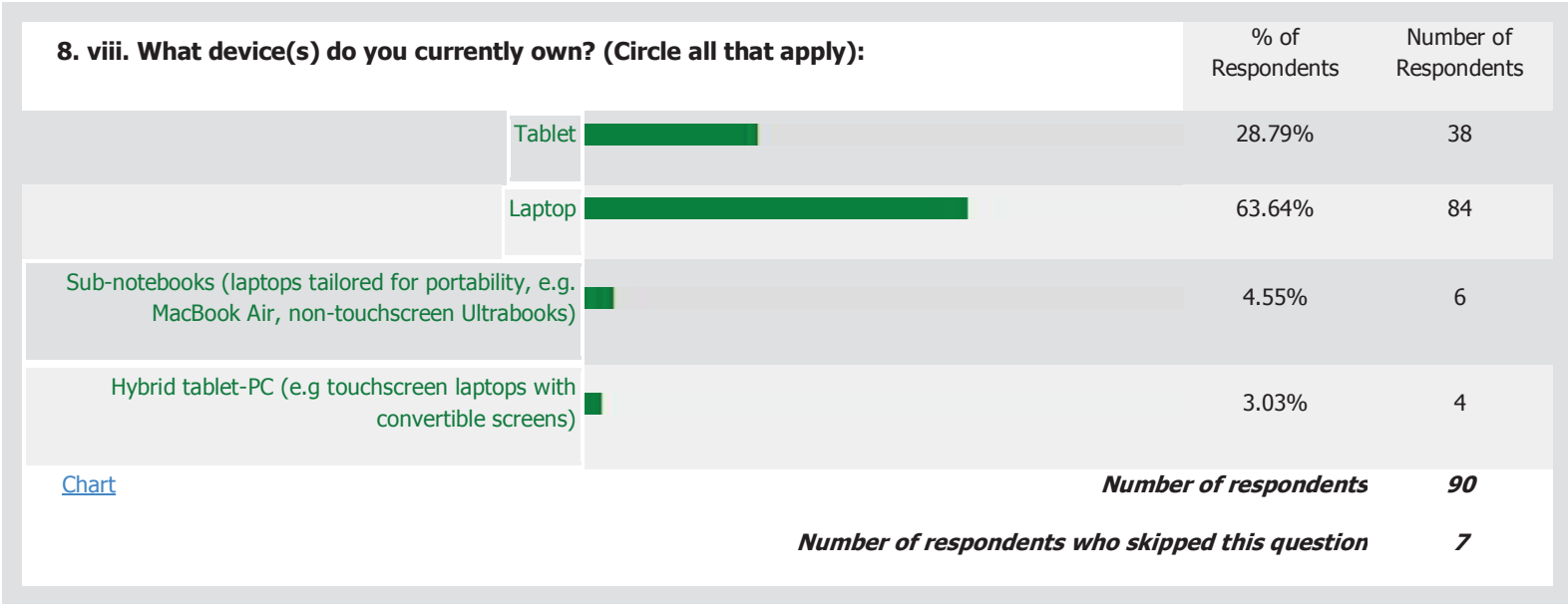
		% of Respondents	Number of Respondents
Yes		91.75%	89
No		8.25%	8

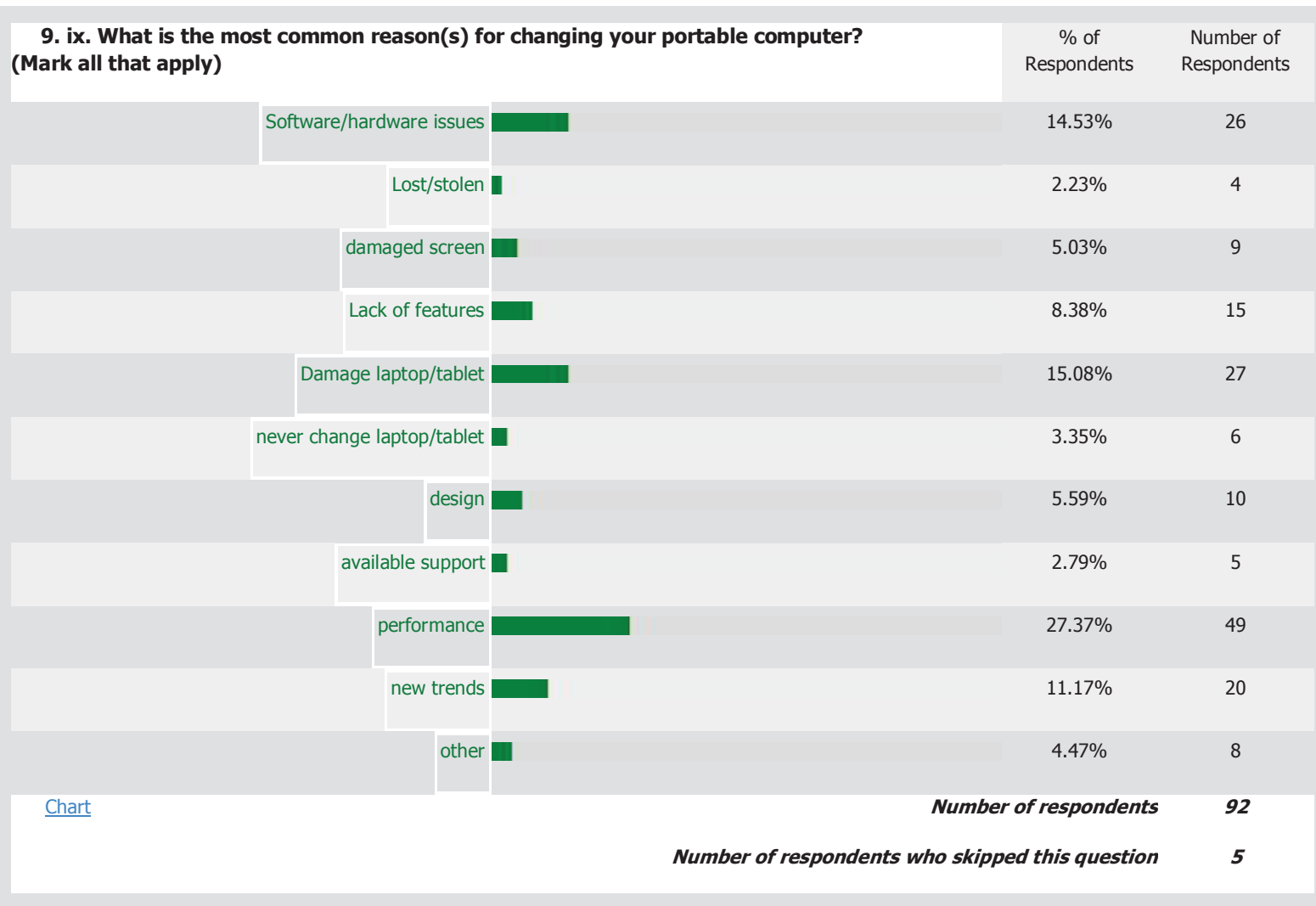
[Chart](#)

Number of respondents 97

Number of respondents who skipped this question 0







10. x. What is the ranking of the following features of your current laptop/tablet?

	Worst	Bad	Average	Good	Best	N/A	Number of Respondents
Durability	0% (0)	1% (1)	22% (21)	45% (42)	26% (25)	4% (4)	92
Software	0% (0)	1% (1)	29% (28)	44% (43)	18% (18)	6% (6)	94
Battery Life	3% (3)	8% (8)	32% (31)	32% (31)	19% (19)	4% (4)	94
Laptop/tablet size	1% (1)	6% (6)	36% (35)	36% (35)	15% (15)	5% (5)	94
Weight	3% (3)	20% (19)	39% (37)	20% (19)	10% (10)	5% (5)	93
Touchscreen	8% (8)	1% (1)	8% (8)	11% (11)	12% (12)	57% (54)	91
Energy efficiency	0% (0)	14% (13)	33% (31)	26% (24)	16% (15)	9% (9)	92
Polished look	2% (2)	6% (6)	28% (26)	35% (33)	17% (16)	9% (9)	92
Chart							<i>Number of Respondents 94</i>
						<i>Number of respondents who skipped this question</i>	<i>3</i>

11. xi. When you buy a laptop/ tablet, how important are the following feature(s)?

	Least important	Less important	Average	More Important	Most Important	N/A	Number of Respondents
Brand	8% (8)	9% (9)	35% (33)	35% (33)	9% (9)	2% (2)	94
Price	2% (2)	2% (2)	19% (18)	44% (42)	30% (29)	1% (1)	94
Quality	0% (0)	1% (1)	4% (4)	37% (36)	55% (53)	1% (1)	94
Uniqueness	21% (20)	23% (22)	27% (26)	17% (17)	7% (7)	3% (3)	95
Weight	3% (3)	10% (10)	42% (40)	29% (28)	13% (13)	1% (1)	95
Sleekness	8% (8)	9% (9)	43% (41)	24% (23)	11% (11)	3% (3)	95
Size	1% (1)	5% (5)	34% (33)	42% (40)	15% (15)	1% (1)	95
Sound Quality	5% (5)	12% (12)	36% (35)	29% (28)	15% (15)	1% (1)	95
Screen size	2% (2)	1% (1)	30% (30)	47% (46)	17% (17)	1% (1)	95
Processor speed	1% (1)	0% (0)	6% (6)	43% (42)	48% (47)	1% (1)	95
Hard drive capacity	4% (4)	2% (2)	12% (12)	48% (45)	31% (29)	1% (1)	93
Anti-theft protection	14% (14)	18% (18)	36% (35)	20% (19)	8% (8)	1% (1)	95
Durability	0% (0)	1% (1)	24% (23)	37% (36)	35% (34)	1% (1)	95
Graphics	1% (1)	2% (2)	20% (19)	43% (40)	32% (30)	1% (1)	93
Battery efficiency	0% (0)	2% (2)	12% (12)	44% (42)	38% (37)	2% (2)	95
Digital ink	17% (16)	22% (21)	26% (25)	7% (7)	7% (7)	18% (17)	93
Touch screen	16% (16)	16% (16)	26% (25)	22% (21)	10% (10)	7% (7)	94
Convertible laptop to tablet	18% (18)	21% (21)	29% (28)	13% (13)	8% (8)	8% (8)	95
Windows 8	29% (28)	11% (11)	26% (25)	16% (16)	7% (7)	8% (8)	95
Chart							Number of Respondents 95
							Number of respondents who skipped this question 2

12. xii. For a Hybrid tablet-PC would you consider paying:

	Yes	No	Maybe	Number of Respondents
less than 700	80% (68)	9% (8)	10% (9)	85
700-900	56% (49)	25% (22)	18% (16)	87
900-1100	19% (17)	51% (45)	28% (25)	87
1100-1500	8% (7)	76% (64)	15% (13)	84
Chart	Number of Respondents			96
	Number of respondents who skipped this question			1

13. For a new laptop would you consider paying:

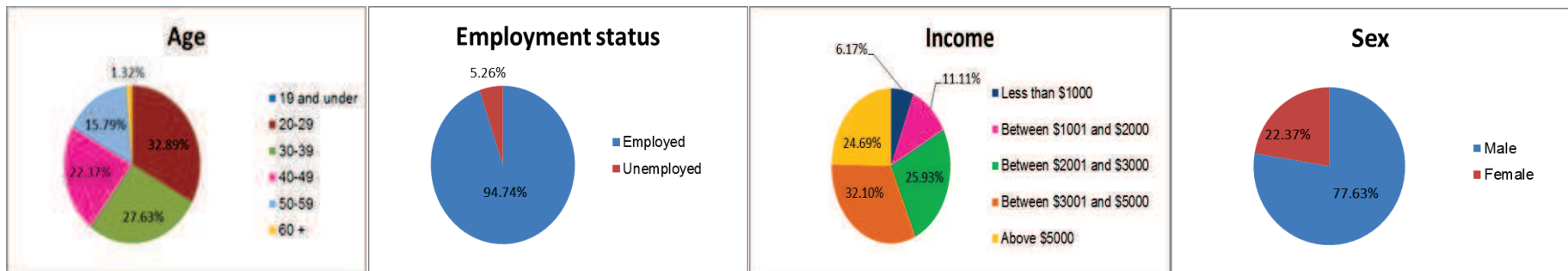
	Yes	No	Maybe	Number of Respondents
less than 400	65% (54)	28% (24)	6% (5)	83
400-700	80% (70)	9% (8)	10% (9)	87
700-1000	45% (40)	26% (23)	28% (25)	88
over 1000	19% (17)	53% (46)	26% (23)	85
Chart	Number of Respondents			94
	Number of respondents who skipped this question			3

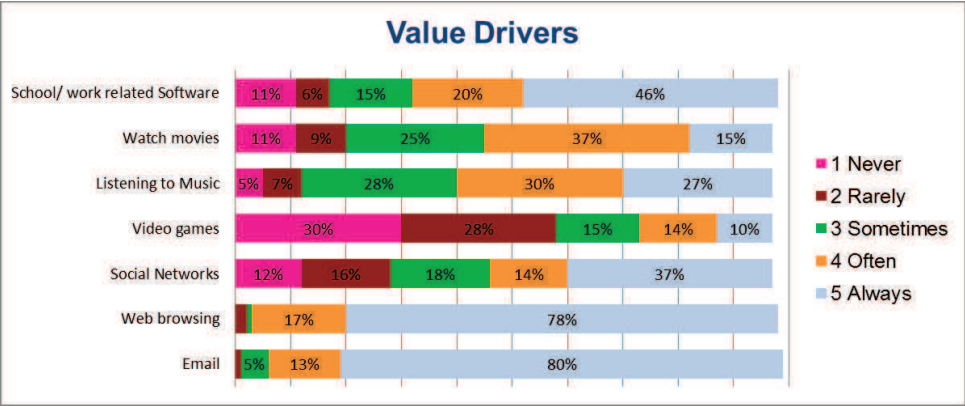
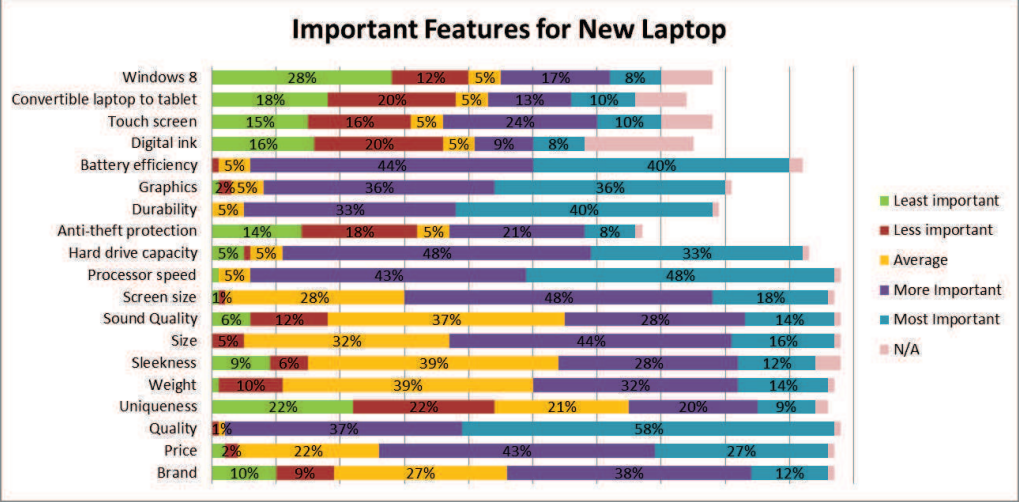
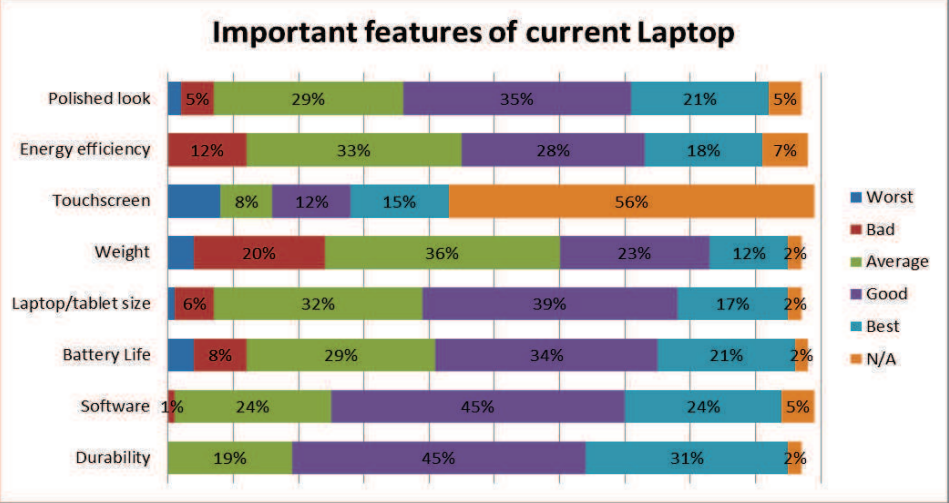
14. For a new tablet would you consider paying:

	Yes	No	Maybe	Number of Respondents
less than 400	80% (72)	13% (12)	5% (5)	88
400-600	50% (44)	32% (28)	17% (15)	87
over 600	10% (9)	75% (66)	14% (13)	87
Chart				Number of Respondents 94
				Number of respondents who skipped this question 3

5. Survey Results Interpretation

We originally thought the results raised from our survey age group, gender, and income was our market segments.

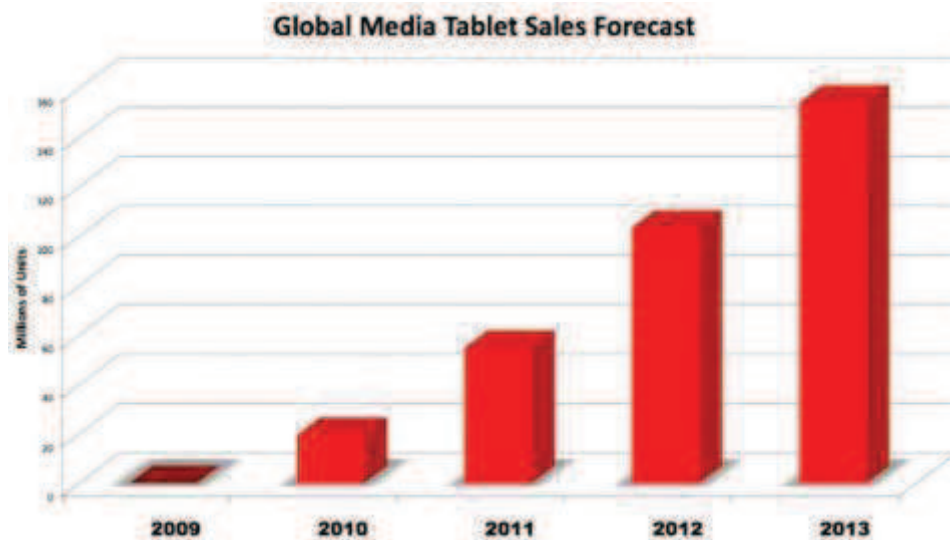




6.Sales Forecast Analysis

Sales Forecast

The Surface Pro comes with Windows 8 Pro, which is very useful to businesses that want the power of a personal computer PC in a tablet. Increased demand for tablets worldwide will help Microsoft sell more tablets, which will increase the company's long-term value on a discounted cash flow basis.



The demand for tablets is rising worldwide. According to International Data Corporation's (IDC) Worldwide Quarterly PC tracker, tablet sales increased by 75.3% in the fourth quarter of 2012, with shipments growing to 52.5 million, up from 29.9 million in the same period of 2011. Tablet sales were driven primarily by the increase in choice of products. Due to the rising demand and strong prospect for growth, IDC was forced to increase its market forecast for 2012 to 117.1 million units, up from its previous forecast of 107.4 million units. IDC upgraded its 2013 forecast from 142.8 million units to 165.9 million units, also stating that tablet shipments may hit 261.4 million units by 2016 [1].

Surface Pro will be a full Windows 8 tablet capable of running all desktop applications and offering more power and features. Therefore we are assuming that users who are using Windows laptop till now will switch to Surface Pro. The sales forecast for laptops which is around 200M in 2013, it is expecting that Surface Pro will get a healthy portion of these 200M laptops [2].

Calling the Surface Pro "more promising," it can be seen as an alternative to the iPad among enterprise users. For Microsoft's fiscal 2013 the analyst estimates Surface sales of 2.5 million units. For fiscal 2014, forecasted sales will be as high 8 million.

7. Customer Interviews

1. "... I hate iPad. Hence I would like to buy a Microsoft Pro "

Programmer Analyst, Columbia Sportswear

2. " ... MAC is very limiting. There are compatibility issues with my software. I am familiar window. I can test my codes. Hence I would like to buy a Microsoft Pro"

System Test Engineer, Intel

3. " Here is why I would buy the Surface Pro

3.1) I can install programs like Microsoft word, Excel and adobe Photoshop. Also, I am used to Mozilla Firefox vs. Safari. I can install Mozilla on this tab.

3.2) I can hook up the tab to a display monitor and work on a bigger screen if needed.

3.3) The stylus works as a mouse so I can use it effectively.

3.4) Instead of a bulky laptop, I can use the Pro to do work on my daily commute. “

Project manager, Hill International

4. “...Versatility, Compatibility, Functionality of a laptop in a tablet “

Civil Engineer, City of Gresham

5. “....I really like the Microsoft Surface because it has most of the features I like, but their smartphones are not close to my S3 or new devices coming from Samsung in the next 4-6 months. I cannot see myself having an Android smartphone and a Windows tablet. If Microsoft can get me a smartphone that meets my specs, I would seriously consider a Surface.

NEVER considering an iPad. Apple’s closed system and lack of latest features kills it for me”

Manager, Product Development, Sprint Nextel

6. “...To me Microsoft Surface Pro seems like a compromised ultrabook and an inconvenient tablet...iPad would be my choice for a tablet and MacBook Pro 13” for an laptop/ ultrabook as they work perfectly for they are meant to be...the **only reason I would go for an surface pro is while travelling on business when I need tablet like features along with some ability to run Microsoft Office tool”**

Sr. Manager, Transunion LLC

7. “..... Cost of Surface Pro “

Manufacturing Engineering Technician, Intel

8. What values do you look for that makes you want to have the Surface Pro?

“The fact that it is a full blown PC, more compact and lighter than any other PCs, builds so much stronger and durable than other tablets. The fact that it is windows based with full windows ecosystem, Xbox etc. Mobility is another factor, less Apps but that is ok as they will come in later "i can leave without angry birds for now. It would be nice if it offered LTE modem in order to make it a true mobile device.”

-Would you be comfortable paying almost \$1000 on it?

"Yes i would be for getting a full PC and paying a few hundreds more than an ipad where i would have to worry about Bluetooth and programs, where i could not do everything i needed to. The Pro, i would use for everything and carry it everywhere, work, school, entertainment, travel etc. I could not do that with all the other tablets. When compared to the ultrabook convertibles, there are a few hundred more than the Pro and essentially do the same thing, with the same processor. The Pro is my top choice."

Operations Manager, Intel

Conclusion

It was found that team work plays a very important role in various types of data gathering in order to put the pieces together such that an overall and fully connected analysis can be developed. In our research effort, the team did good researches to have a very comprehensive set of data that would strengthen the analysis part, and have meaningful and reasonable predictions of the marketing plan and sales. Surveys, Interviews, internet blogs' reviews help in understanding customer needs and feedback, which reflect and validate the different types of analysis.

References

[1] http://news.cnet.com/8301-10805_3-57563833-75/only-1m-surface-tablets-sold-last-quarter-analyst/

[2] <http://beta.fool.com/stockcroc1/2013/02/17/global-trends-favor-microsofts-new-surface-pro/24766/>