Microsoft Retools Office for Touch Screen, Web Use

MICHAEL LIEDTKE, AP Technology Writer

SAN FRANCISCO (AP) — Microsoft's retooled version of its Office software is hitting the market as the company tries to extend one of its key franchises beyond personal computers.

Tuesday's debut comes six months after Microsoft previewed the new-look Office, which includes popular word processing, spreadsheets and email programs.

The revamped Office boasts touch controls, just like the redesigned version of the Windows operating system that Microsoft Corp. released three months ago. The company, which is based in Redmond, Wash., is trying to ensure that its products retain their appeal at a time when people increasingly rely on smartphones and tablet computers instead of PCs.

Yet Microsoft still isn't trying to get Office on the largest number of devices possible. Office 2013 doesn't include an option that works on Apple Inc.'s iPhone and iPad or smartphones and tablets running the Android software made by Google Inc. That leaves out the majority of smartphones and tablets sold in the past two years.

The company believes Office 2013 is currently best suited for Windows devices, said Chris Schneider, Microsoft's senior public relations manager for Office. Microsoft is trying to become a bigger player in the mobile market with its own operating system for smartphones and tablets.

Office 2013 is the first overhaul of the software suite in three years.

The bundle of programs has become a staple on desktop and laptop computers, providing a rich vein of revenue for Microsoft.

The company has reaped most of its Office sales from licenses allowing buyers to install the suite of programs on individual machines, a very lucrative strategy. The Microsoft division anchored by Office generates about $24 billion in annual sales, accounting for nearly one-third of Microsoft's total revenue.

Revenue in the Office division fell from the previous year during the three months ending in December, partly because many prospective buyers have been awaiting the latest version.

In one of the biggest changes, Microsoft has tailored Office 2013 so it can be peddled primarily as a program that's used over Internet connections. All information is automatically stored in Microsoft's data centers, allowing for access to the same material on multiple devices. The content also can be stored on the hard drives of devices.

Microsoft is offering Office 2013 in a $100 annual subscription package, called 365 Home Premium, which includes online access on up to five Windows devices or Mac computers. The fee also provides 20 additional gigabytes of storage on Microsoft's SkyDrive to supplement the 7 gigabytes that the company gives away to accountholders for free. Subscribers also will get 60 minutes of free international calls on Microsoft's Skype service for Internet phone calls and video chats.

College students and teachers will be able to buy Office 2013's online product for $80 for four years, which works out to about $1.67 per month.

The online push reflects Microsoft's recognition that people want access to documents and email on whatever Internet-connected device they might have, wherever they may be, whether it's at work, home or a store while running errands.

"The technology needs to be able to move with you," Schneider said.

It's the first time that Microsoft has tried to persuade consumers that a recurring online subscription is the best way to buy and use Office. Microsoft had previously sold online Office subscriptions primarily to small businesses.

Office will still be sold under a one-time licensing fee that allows the software to be installed on a single machine. The fees start at $140.

Microsoft's decision to reshape Office into an online service makes sense, although

it may take customers a while to sign up for the subscriptions, said Edward Jones analyst Josh Olson.

He suspects major companies that rely on Office probably will be among the last users to make the switch.

"This is a good innovation, but the uptake may be slow to begin because it is so different," Olson said.

Source URL (retrieved on *11/29/2014 - 1:44am*):
http://www.wirelessdesignmag.com/news/2013/01/microsoft-retools-office-touch-screen-web-use?qt-most_popular=0&qt-digital_editions=0&qt-blogs=0