



STRATEGY CONSULTING

SPRING 2016 PROJECT CYCLE

WWW.BERKELEYCMG.COM

Dear Prospective Client,

Thank you for your interest in working with CMG Strategy Consulting. We dedicate ourselves to providing strategy consulting to world-class firms, by helping them reach any of their corporate or business objectives.

In the past, we have had the honor of working with prestigious companies including Airbnb, Uber, Dropbox, Evernote, Sony Playstation, and Stubhub. We pride ourselves in the trend of delivering results that have historically exceeded our project clients' expectations and we intend to deliver the same for you.

Enclosed are more details on CMG's project structure and past projects, as well as client testimonials. We are thrilled to have this opportunity to speak with you. If you have any questions or concerns at all, please do not hesitate to contact us.

Warm regards,
Nina Tian
President

Our Organization

CMG Strategy Consulting is a student-run, management consulting organization. Our members are diverse in their undergraduate majors, industry interests, and experience levels, but we all share core qualities such as the insatiable hunger to learn, relentless self-motivation, and the ability to think both analytically and creatively when tackling high impact problems.

"The team was beyond professional and approached this project with the [seriousness and rigor of a professional consulting firm](#). They consistently went above and beyond to deliver recommendations, exceeding our expectations at the mid and final deliverable stages."

— StubHub (Client)

"I joined CMG my very first semester at Berkeley and I've stayed ever since. I am thankful for the experience and skills I've gained through the [high impact projects](#), and the smart, driven people that I've met."

— Shirley, Economics and Statistics Major

Our Core Values

Commitment to Excellence

CMG relies on a research-heavy, data-driven academic approach and consistently drives its project managers and analysts to think of new ways to exceed expectations.

Unconditional Support

Project teams receive top-quality training from both UC Berkeley academics as well as experienced industry professionals.

Professional Development

CMG members consistently go on to work at top-tier firms in both technology and professional services.

Long-Term Investment

CMG seeks to create a community that extends beyond a members college experience resulting in a continued mentorship from graduated professionals.

CMG works with clients from a diverse range of industries



U B E R



PlayStation®



And our members go on to work in both tech and professional services



McKinsey&Company
CORNERSTONE RESEARCH



accenture Deloitte.

DOW JONES

EY Building a better working world



Morgan Stanley

nielsen

PANDORA®

VISA

salesforce

A 10-12 week project from late January to early May

- Staffed with 2 project managers, 5 to 6 consultants, 2 senior advisors
 - Interim and Final Project Deliverables
-

CMG Strategy Consulting works on a range of management consulting projects, including:

- Market Entry Strategy
- Developing Business Models
- Partnership Strategy and Implementation
- Industry and Product Analysis
- Integrated Marketing Strategy
- Consumer Insight Analysis
- Market Opportunity and Evaluation
- Marketing and Sales Effectiveness Research

1

Case Study #1

Created end-to-end event branding strategy and identified the company's optimal entry point through competitive landscaping and mass surveying.

2

Case Study #2

Worked to maximize sales and trial conversions through evaluating potential partnerships and prioritizing sales channels.

3

Case Study #3

Worked on marketing strategy and campaigns to help client target two new consumer demographics.

Work Sample

The following slides consist of CMG's work sample, to give context on our previous experience and our offerings.

PRESS: METHODOLOGY

Client Logo Here

The evaluation of PS4 and Xbox One in the news was conducted in a structured manner

Process



Looked at forbes.com, time.com, and businessinsider.com
Popular news sites with +1 million readers every year

Search Xbox One or PlayStation4 in search bar
Pull up articles referencing the two consoles along different topics

- **Updates to software:** press releases and changes to the console
- **Software/hardware:** aspects of the console that makes it better/worse than the other
- **Additional references:** portrayal of consoles outside of gaming and console wars

Sort articles by relevance for late 2014 – 2015
Examine recent sentiments and opinion to gauge image of PS4 and Xbox One

- What are the sentiments on changes to Xbox One or PS4?
- What console features are Xbox One and PS4 associated with?
- What provides additional exposure to Xbox One or PS4?

FIRST PARTY: BLOGS

Client Logo Here

The PS4's blog excels in its gamer-centric content and trust-based customer-blog relationship based on user discussion and minimal advertisement

Content & Structure

- Layout provides links to other PS features/consoles but **no filtering** for content
- **Daily updates** on new games, usually PS4 exclusives and by 3rd parties
- Prominent use of **video trailers** and **visuals** such as screenshots
- **Emphasis on gaming** reviews
- Allow for users to **share and discuss** articles (star ratings and user login system) as well as moderators to answer questions



Key Characteristics

Large Amount of Information: many resources available but disorganized and hard to navigate

Game Enthusiasts-Oriented: content caters toward experienced gamers who want to discuss specific game features

Passion & Focus for Gaming: minimal advertisement for subscriptions; seems genuinely invested in gaming experience

Overall Impression

The PS4 blog emphasizes the gaming experience with its in-depth exploration of games and features and its encouragement of interactive discussion between customers and moderators.

- **Simple layout design** and organized into separate **categories** (games, entertainment, console, etc.)
- Almost daily posts of **variety of topics** such as upcoming games, social features, and gaming tips but **little user discussion**
- Heavy featuring of **bundle deals** as gifts rather than exclusives
- Emphasis on role as **entertainment center**



Straightforward Layout of Information: focus on easy content use rather than design; more approachable and casual

New Gamer-Oriented: content oriented towards new or casual gamers who want more versatility in console use

Focus on Console Sales: features heavy console marketing through bundle deals; comes across more sales-driven

The Xbox One blog focuses on the family-oriented or casual gaming experience by covering a larger range of topics that may appeal to a wider base of consumers.

FIRST PARTY: PRODUCT PAGE

Client Logo Here

The PS4 official product page is informative and creative in utilizing different forms of advertisements such as testimonials, share options, direct text, and videos to keep the page interesting and dynamic

Content & Structure

- Console purchase is **placed at top** of page in bold colors and motto “Greatness Awaits”
- Tabs remain open on top for **easy viewing of other options**
- Includes **testimonial** by prominent tech review site
- Segmented format provides brief overview of games, controller, blog, entertainment
- Connect/share options** readily available



Key Characteristics

Straightforward Purchasing Process: customer immediately sees the console sale option upon entering product page

Focus on Gaming: heavy featuring of purchase options encourage gaming aspect but can seem too sales oriented

Confidence in Reputable Standing: leverages reviews and testimonials to prove its credibility and tested success

Overall Impression

The official store product page has a chic design that attempts to bank on the “authenticity” of the PS4 gaming experience through straight-to-the-point claims of quality and bulky overviews

- Large banner promoting console at top of page, **including price** of \$349
- Very heavy on **vivid graphics** that spread across screen horizontally
- Can filter what is shown in page into “Overview,” “Games,” and “Advanced Technology”
- Bundle sales take up only one section of page while **other features** such as Windows 10 capabilities dominate



Emphasis on Superior Pricing: obvious placement of price showcase its wallet-friendly aspect compared to competitor

Creative Use of Visuals: large bold graphics that dominate the screen grab user attention but can be overwhelming

Approachability as Console: many resources for information on console makes it easier for new gamers to learn

The Xbox product page mainly uses stunning visuals that dominate the screen to create a lasting impression on first-time viewers; it seems to have been designed thoughtfully to appeal emotionally

FIRST PARTY: RECOMMENDATIONS

Client Logo Here

CLIENT can better engage prospective PS4 customers online through increasing variety of content while maintaining a focus on an immersive and visually-stimulating gaming experience.

Issues to Address	Recommendations	Reasoning
Narrow range of blog topics dominated by gaming-centric content	Cover less jargon-heavy topics such as console/gaming community “101” tips or entertainment features	Larger variety of topics can attract first-time users who want a holistic approach before buying
Press page largely inactive and poorly maintained , with little care put into web design and content organization	Update regularly , either daily or weekly while implementing categorization system to allow filter/search option	Lack of content and page design does not align with company's overall image as dedicated and established
Press content too narrow in focus (contains only list of press releases) and on dry topics such as sales figures	Cover variety of topics , such as PS4’s plethora of collaborations with 3 rd parties, while using more in-console-use screenshots	Already-present exposure of page but scarcity of topics covered results in high potential for growth
Content of product page lacks eye-catching design ; blocks of informational text used instead	Invest in more visuals that grab user attention/invoke emotion, reduce wordiness which can overwhelm readers	Buyers will be swayed by stunning visuals that capture the console's focus on gaming quality and excitement

COMMUNITY: WORD-OF-MOUTH

Client Logo Here

PS4 exclusives & events get significant traction that *CLIENT* should leverage

Using ParseHub, we've analyzed Twitter to figure out where the buzz is. The trends show that big name events & exclusive games not surprisingly garner the most retweets and favorites. Similar to our approach on forums, we've tagged tweets to favorites & retweets. ParseHub helps the user pull data from patterns on a given website. We've tracked tweet titles to corresponding retweets and favorites to define what is trending.

**Data taken from a given day on Twitter 9/14/15 so it may not always be representative*

Trending	Takeaways
<ul style="list-style-type: none">• Drakes Uncharted• PS Theater• Black Ops Bundle• Software Update 3.0	<ul style="list-style-type: none">• Twitter is the easiest platform for companies to utilize piggy back marketing and speak to trends i.e. Awareness Month• <i>CLIENT</i> maintains distance on the site by linking to a blog post when it should actually be responding to retweets and showing more updates about a specific event/exclusive i.e. behind the scenes for games or events• Customers are generally engaged; <i>CLIENT</i> can easily upsell games and increase loyalty with relevant deals – Xbox does this well with partnerships with BestBuy



Industry
Avg Retweets
23.6

CLIENT
Avg Retweets
546

Engagement is strong based upon retweets. However, we are unable to determine the engagement on blog posts, but generally continuing the discussion is more effective because of the ease of communication between users & the company

SOCIAL MEDIA: RECOMMENDATIONS

Client Logo Here

CLIENT should utilize hashtags and promotional campaigns to increase direct brand-user interaction



Hashtag campaigns can increase impressions exponentially and boost engagement by prompting action, generating further reach

#fantographer
3,238 posts

TOP POSTS

Three examples of posts from the #fantographer feed:

- A meal tray with various dishes.
- A man taking a selfie.
- A red cocktail garnished with lime.

Two additional thumbnail images below the top posts:

- A man eating a sandwich.
- A woman holding a drink.

Example: Applebees' #Fantographer lets fans post their meals for a chance to be featured on the official Applebees Instagram account. This encourages friends and followers of customers to eat at or even follow Applebees



A peer referral program can lead to higher conversions as organic promotion comes from trusted peers

You have a group invitation.

Farmville Money Tree Claim Yours Today!
Internet & Technology - Gaming

You have been invited by [redacted]
Would you like to join this group?

Confirm **Ignore**

Money Tree
Sell for: 100000 Coins
Harvest in: 8 Days

Yours Free **Claim**

Example: Farmville's incentivized Facebook invitations between users facilitates trustworthy referrals that helped it go viral: a tactic that could be used through various means such as hashtags or gamer benefits on social media



User recognition by brand via reply/retweet shows appreciation and increases interaction to win over customer loyalty

Peter Mare will Star Wars Battlefront 3 be available for Mac also?
Like · Reply · 8 hrs

EA - Electronic Arts Star Wars Battlefront is currently being developed for PlayStation 4, Xbox One and PC only.
Like · Reply · 4 hrs

Taco Bell Retweeted
Kayla G @GremelKayla5 · Oct 23
When your team loves Taco Bell a little too much @Nik_bauer07
@liv_williamson
↳ Ryee, brooke, Sarah and 5 others

Example: EA replies to user comments by addressing concerns and answering inquiries

Example: Taco Bell shows its followers that customers are content from their own perspectives and acknowledges their contentment by retweeting

METRICS OVERVIEW

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We analyzed the direct messaging from **five stages of communications** in the customer life cycle



(note: not every phase is applicable to each company)

Each phase of communication is evaluated against the following criteria on a 1-5 scale:

Call to Action	Timeliness	Customization	Cross-Promotion	Presentation
how many occurrences of upselling, hyperlinks, or prompts for action are present on average in each e-mail 1: no calls to action 3: 4 calls on average 5: 8+ calls to action	how frequent the communications are in being relevant to the customer's activity; effectiveness in staying top-of-mind 1: rarely, if any, e-mail 3: irregular communications 5: regular basis; on schedule (e.g. weekly)	how catered and appealing it is to the user's identity, preferences, and interests; degree of personalization 1: no customization 3: moderate with template filled 5: complete personalization of content	how clear and frequent the companies make users aware of their other service and product offerings 1: no mentions at all 3: sporadic mentions of other services & goods 5: consistent, multiple references to other services	how well-constructed and captivating the messages are; aesthetics and layout of the communications 1: hard to digest 3: industry standard 5: well-structured, easy to follow, and appealing

DIGITAL DOWNLOADS LANDSCAPE

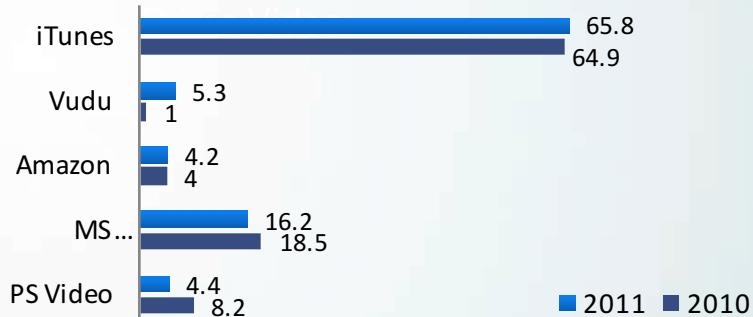
Client Logo Here

Clear decline in digital downloads prompt companies to switch to a streaming-based business model

Market Share & Insights

- iTunes market share dominance is prominent and attributed to its cross compatibility across systems and strong media ecosystem
- Walmart's Vudu has aggressively grown its market share by following iTunes strength in a simple platform/library
- All other online movie stores have followed and created simple cross compatible platforms except for Amazon which has poured more resources into streaming

Digital Downloads Market Share (%)



Digital downloads surged in the early 2010's due to quicker availability of new releases / bonuses; however, streaming services are catching up quickly

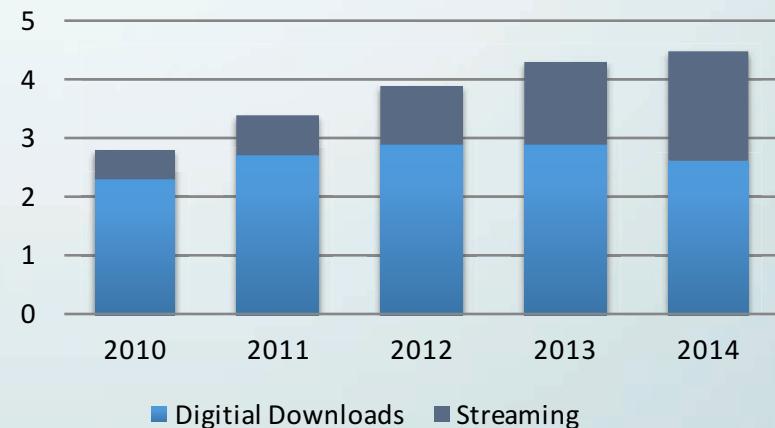


Digital downloads saw a slight rise in the past 5 years, but has quickly joined physical sales in decline in lieu of the rise of streaming



For fiscal year 2015, *CLIENT* has announced flat sales due to "higher streaming revenues offset by worldwide decline in physical and digital sales"

Revenue in Billions



PLAYSTATION & XBOX STORE: OVERVIEW

Client Logo Here

Sony/MS utilize consoles to bring users onboard starting with digital content and then streaming



PS Video has been a subsection under PS Store that has been introduced and pushed in recent years due to the digitization. Microsoft Video is synonymous with PS Video in that the main strategy is focused on utilizing large, existing gaming communities as stepping stones into user acquisition.

2006

Product Introduction

- PS3 delayed launch to include Blu-ray marked Sony's dedication to the gaming device's shift to all users
- Xbox 360 was more gamer-centric but was Microsoft's short term response to Apple TV in its launch of 60+ apps

2011

Apps Grow

- Nielsen reports a huge growth in entertainment apps
- Xbox and PS follow this trend and enable compatibility with many of its competitors to bring in users

2013

Not a Gaming Console

- Marked a surge in digital videos and the decline of Blu-ray
- A 47% surge indicated that consumers would rather pay the premium and watch sooner
- Consoles advantage over streaming is its existing user base

2015

A Console for All

- Similar to PS3, Microsoft brands the Xbox One as the device for all, which continues its strategy towards a platform for multiple services
- This may have hurt gamer sales, but is bringing in more users to compete with the likes of Apple TV

Differences

- Sony has better cost structure because of in house productions
- Sony has potential to create a la carte streaming based on in house structures
- Xbox Live purchases give points to encourage gamers

Similarities

- Easy transition from Microsoft Products
- Allows for early purchase of movies for viewing
- Contains a subcategory of the main store

User Growth

These gaming giants understand that the gaming landscape is now dominated by Mobile and that they need to pivot and become a device that everyone uses

Marketing Strategy

Both MS / PS Video are used as support/in *decoy pricing* in an attempt to sway users toward the more advantageous offer of streaming

Value Added Resellers Overview

How the Software VARs Landscape Looks

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Software VARs



Contracted by software publishers to market their product to customers

Earn **revenue** through **selling licenses** and **billable hours** with finite engagement, unlike MSPs

Recent **growth of SaaS** shifting focus to **selling services**, ongoing support, and subscription renewal rather than just licenses

VARs Industry Numbers

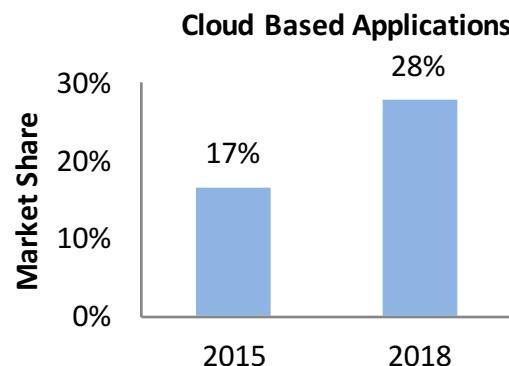
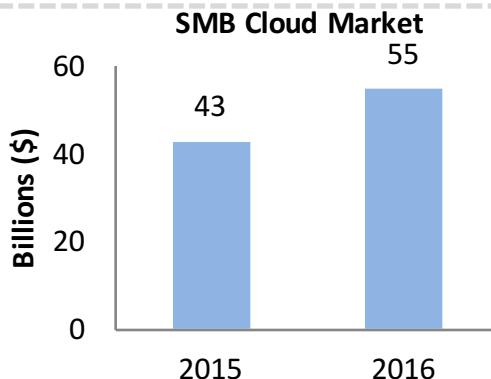
- Revenue: \$252.8 B
- Profit: \$10.1 B
- Businesses: 8971
- Annual Growth (2015): 0.4%
- Employment: 210,166

High Revenue/Low Profit

- Profit from commission and services
- **Ideal partners** for VARS produce technology that is anticipated to grow rapidly

Software VARs Services

- Consultation
- Configuration
- Customization



Why VARs?

- Cloud considered one of the top money makers for VARs in the near future
- High demand for cloud services from VARs customers

Client should partner with VARs to target their customers seeking to adopt rapidly growing cloud services.

Microsoft OneDrive – Case Study

How Microsoft uses OEMs to help sell OneDrive

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Microsoft to Sell OneDrive through New Partners

Products Offered



Situation

- Recently signed **20 new hardware reseller** partners
- 31 Global and Regional OEM Partners** to **preinstall Microsoft apps** on Android devices (2015)
- Objective:** Bring Office apps to devices not running Windows and **increase application usage**

Major Partners



LG

SONY

SAMSUNG

Takeaways for *CLIENT*

Capitalize on Trends

- Make *CLIENT* available on variety of devices, not just computers
- Take advantage of trends towards mobile and tablet to push product through unconventional channels

Sign Notable Partners

- Choose partners who have a sizable market share; this is especially important within OEM
- Choosing larger partners allows *CLIENT* to reach organizations that do bulk purchases

Differentiation

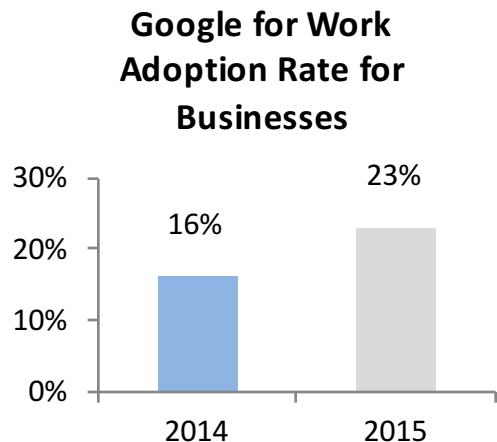
- Saturated cloud services market, so find differentiation through **new markets or first-mover advantage** (Microsoft announced partnerships right before Google developer conference)

Competitors already have large reach, so *CLIENT* must catch up by **aligning value propositions with current market trends** and **differentiating** from the competition.

Google for Work Engagement Strategies

A look into how Google for Work engages its customer base

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Competitor Customer Base

- Adoption rate increased from 16.3% to 22.8% in the last year
- Customers mainly **startups and SMBs**, lack of legacy software and looking for cheaper options
- Leads in SMB adoption rate but trails Microsoft in businesses with 500+ employees

Competitor Target Audience

- Looking to compete with Microsoft in **enterprise market**
- Want to maintain lead in SMB and take market share in large businesses
- Engagement strategies include integration, bundling, and promotions

Engagement Strategies

Integration/Services

- Make Google Apps compatible with additional platforms
- Allowed document editing on **Android platforms** with Office or Drive without conversion
- Files on Drive now **encrypted** even on servers to address security and hacking concerns regarding cloud

Bundling

- Combine Google Apps with other products they sell
- Last quarter of 2014: free TB of Drive storage for 2 years with purchase of **Chromebook**
- According to IDC, despite decline in sales, PC shipments fueled by Chromebooks in late 2014

Promotions

- Giving away **Google Apps for Work free** to companies under another company's enterprise agreement
- Paying resellers bounty of \$25 per user to **cover cost of training** new Google Apps users
- Aggressive attempt to pry away Microsoft customers

CLIENT should look to aggressive promotion aiming to convert direct competitors' customers.

IT Consulting: Industry Overview

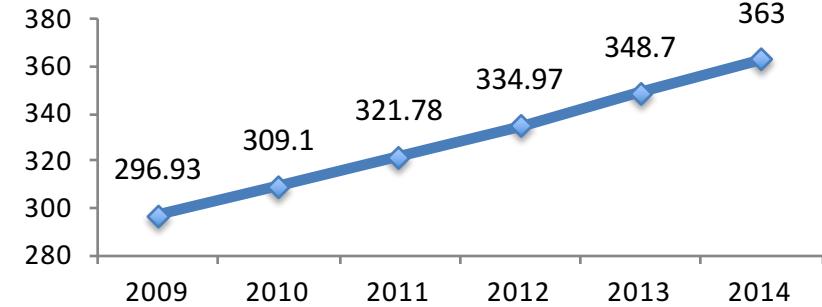
Analysis of the IT Consulting Industry

Client Logo Here

IT Consulting Industry

- Consulting includes application lifecycle management, business transformations and **business process integration**.
- Overall system integration market is a **sum of all integration types**

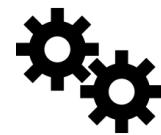
Revenue of IT Consulting in U.S. in Billions



Current State: IT Consulting Growth - Consultants for corporate expansion (emerging markets), IT, and mergers & acquisitions are in high demand



Technology Marketplace is **maturing** with identifiable key players



Competition is forcing companies to make better use of technology and to be more efficient



Complex IT Systems require companies to seek **outside assistance for implementation**

Industry Trends

- IDC predicts that by 2016, there will be **11% shift of IT budget towards cloud computing as new delivery model**
- Cloud Pulse Survey (2013) showed that **39% of companies would implement cloud service** within next few years

Key Takeaways

- Growing Trends in IT consulting industry means there are multiple companies **CLIENT can leverage for its program**
- If **CLIENT** pairs up with strong IT consulting firms, it can also **benefit from the industry's massive growth**

High growth of IT implementation & consulting industry means **CLIENT** can connect to diversified network.

IT Consulting: Training

Fourth step of Dropbox strategy

Client Logo Here

4

Develop and carry out a training program

Enhance partner skills and knowledge on delivering Dropbox to new users for high business impact

Technical training program to include:

Workshops & Certification

Enhance partner skills & knowledge on Dropbox solution and validate with certifications

Online refresher courses

Provide training website with course catalog and courses in cloud technical support accessible after end of program

Post-training feedback on program and delivery

Survey participants on training material and experience for future improvement

Through a training program, partners will obtain the necessary skills and knowledge to deliver **CLIENT** solution

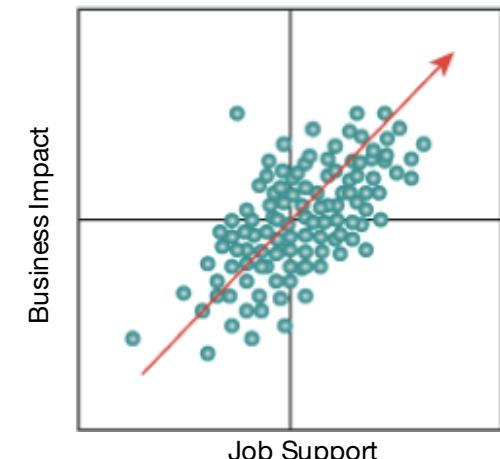
218%

Higher revenue per employee

24%

Higher profit margins

Correlation Between Job Support and Business Impact*



*Business impact includes increased productivity, quality, customer satisfaction, and decreased cost & risk

Source: 2012 ASTD

Thank you

Thank you for your interest in working with CMG Strategy Consulting.

We look forward to hearing from you.

CMG Strategy Consulting
www.berkeleycmg.com