Microsoft moving Office online in duel with Google

July 13 2009, by Glenn Chapman

Microsoft on Monday said that the 2010 version of its popular Office software will feature online collaboration as the technology giant duels "in the cloud" with Internet titan Google.

Microsoft made the announcement at the opening of a Worldwide Partner Conference in New Orleans.

Next-generation Office, Visio, Project, and SharePoint Server programs to be released in the first half of next year are being given to tens of thousands of people selected to test the nearly completed software.

A key upgrade to widely-used Office is that online hosting will make it possible for users to access projects from any Internet-linked computers and to collaborate online in real time.

Office Web applications will be lightweight, browser versions of Word, PowerPoint, Excel and OneNote that provide access to documents from anywhere, according to [Microsoft](#).

There will be online "co-authoring" capabilities in Word, PowerPoint and OneNote.

Microsoft's current version, Office 2007, allows online collaboration, but not in the real-time manner promised by its successor.

"We wanted to make sure when we brought applications to the Web we

did it in a way that we can really delight customers and not sacrifice quality," Office group product manager Chris Bryant told AFP.

"We're really raising the bar; the level of expectation for what Web-based applications can do and how they work into real complements for the apps you use on the desktop, using personal computers."

The move comes as Google strives to lure computer users to text, spreadsheet, and other applications hosted online and offered as low-cost or free services.

The California firm's Google Apps are part of a growing online trend of offering software as services on the Internet, or "in the cloud," as opposed to people needing to buy, install and maintain programs on their own machines.

"The fact that Microsoft is developing it at all is a response to Google," said analyst Matt Rosoff of Directions On Microsoft, a private firm that tracks the Redmond, Washington-based technology firm.

"This is a move that they probably wouldn't have made if they didn't have to, but there is enough competition bubbling up that they thought they needed a response."

Office 2010 will also dramatically enhance video and picture capabilities in PowerPoint presentations, according to Bryant.

Office Web applications will be available through Windows Live; on-premises for Office annuity customers; and by paid subscription at Microsoft Online Services.

There are to be five versions of Office 2010, with prices yet to be disclosed.

Microsoft has thus far responded to the cloud computing trend with a "software plus services" approach that augments applications installed on personal machines with services hosted online.

People will be able to use Office 2010 purely as a service hosted online, but functionality will be less than when pairing it with Office applications installed on personal computers.

"If people were given full Office features online, why would they buy it?" Rosoff asked rhetorically.

"That is what has taken Microsoft so long to get there."

Microsoft has an edge with large corporations, where Office is widespread and often multi-year technology contracts are in place, according to Rosoff.

"Google has a better chance of getting traction with small businesses and consumers where Microsoft isn't so entrenched," Rosoff said.

The war between Microsoft and Google has been escalating, with Google last week announcing plans to create an open-source "Chrome OS" computer operating system tailored for netbooks.

Chrome OS will be a direct challenge to Windows operating systems at the heart of Microsoft's global software empire.

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