IE5 OEM Marketing Review

DRAFT

5/27/98

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PENGAD Bayonne, N.J.
GOVERNMENT
EXHIBIT
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Situation Analysis

- IE is a fully integrated feature of Win98
  - IE5 will be part of Win98 SP2
- IE has around 50% browser share
  - Gaining ground
  - Larger portion of new users are using IE
  - Weakest segment: only 8% of education
- Many end users have IE & Netscape
  - View both browsers as parity products

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Situation Analysis

- "Connection to the Internet" is a top 3 reason for buying a computer
  - 71% of 1997 computer buyers are on-line
- "It came with my computer" is the #1 reason people switch to IE
- Users follow OEM's lead onto Internet
- **Conclusion:** OEM's are the best vehicle to gain browser share

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Netscape Navigator

- "Underdog" image, losing share, "Not MS"
- Loss of browser revenue has forced them to change to "portal" strategy
- Turned to development community to assist with version 5 - "Mozilla"
  - Cost effective way to port to other OS's?
  - Produce higher quality product?
  - Better at solving customer needs?
  - OR, the downfall of their Internet client?

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Netscape - Their Message

- "World's most popular Internet client"
- Every small press endorsement is victory
- Still use comparisons to IE4 beta 2
- Proclaim popularity, "10,000 companies will distribute 100,000,000 copies in 98"
- IE is "Windows only" and supports Microsoft proprietary protocols instead of open Internet standards

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Netscape - What will they do?

- OEM Channel:
  - Work hard to gain 2 or 3 OEM partners, and leverage victory to gain breadth
  - Continue to develop "server" partnerships
- Push distribute through Netscape.com, ISP's, and businesses
- Promotional trials with prizes and discounts

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Objectives

- Gain commitment from top 10 OEM's to adopt and promote IE5
  - Pre-install on next cycle
  - Revamp web sites
- Deliver high OEM and EU customer satisfaction
  - Overcome IE4 problems
- Increase browser share to 65%
  - Launch is great "occasion" to switch users

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Issues

- Does Chrome have enhanced performance with IE5?
- Can we develop an "Internet Upgrade Utility?"
  - Will be allowed to ship it?
- Weak relationships with OEM Webmasters
- IE5 will not be pre-installed until Spring
- Will OEM's share customer lists?
- Smaller footprint?

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Issues II

- Name / "Windows Explorer" similarities
- Lower support costs? Prove it!
- Windows feature vs. multi-platform
- Version #'s: IE5,6 vs. IE2000
- How to focus on "Activating IE"
- Ship paper about IE5 website with computers before pre-install
- Content/features for OEM websites
- Launch event? No

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Strategy

- Promote value of IE5 as
  - Lower support costs than IE4 & Netscape
  - "Superior end-user experience"
  - Integration: Win98, Office9, Chrome
- Get OEM's involved early
- Filter message to end users
  - "Activate IE"

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Phase I - Initial Contact

- Engage the OEM's early
- IE 5 announcement
- Web site for OEM's to get betas/daily builds
- IE4 OEM satisfaction survey

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Phase II - Prepare message/tools

- Develop sales material, presentations, and tools for OEM Account Managers
- Integration message
- Lower support costs
  - Support savings study: IE5 vs IE4 & NTSCP
- New features
- Additional corporate / EU value
- Develop "Internet Upgrade Utility"

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Phase III - Build Excitement

- Sell to OEM's and gain commitment from top 20 OEM's to ship & promote
- Encourage OEM's to revamp Channels and web sites to promote IE5
  - Demonstrate value of Channels, DHTML & XML to improve OEM-EU relationships
  - $$ for Top 10 OEM web site changes

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PHASE IV - Encourage, PR, Launch

- Work with OEM's to utilize IE5 to further differentiate their products
- Joint PR opportunities
- "Where to find an IE5 computer" page on microsoft.com
- Deliver "Internet Upgrade Utility" with OPK
- Explore joint marketing opportunities to solicit Netscape users to convert to IE5
- No launch event, yet.

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Phase 5 - Post Launch

- Continue to maintain OEM accounts
- Implement programs to convert Netscape users to IE5
  - Pay particular attention to computers sold to educational accounts (only 8% share)

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OEM's Value

- **Supports better**
- Smaller footprint?
- Cool content / improve relationships
- Customer satisfaction
  - Faster
  - Easier
  - More stable, manageable
  - Speed

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Features

- ***Lower TCO / Support***
- Web applications
- Trident
- End User experience
  - Simplified browsing experience
  - Speed (performance), URL help
  - Enhanced searches & error messages
  - Customize toolbars, consistency
  - Save web pages, off-line/laptop support

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Support Cost Reductions

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Schedule

- **May 15, IE5 Beta 1**
- June 22, NT5 Beta 2
- June 22, Office 9 Beta 1
- July 15, Chrome RTM
- **Sept. 22, IE5 Beta 2**
- **Nov. 1, IE5 RTM**
- Dec, Office 9 RTM (ships with IE5)
- Jan-March, NT5 RTM (ships with IE5)

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Next Steps

- OEM IE4 survey approved & sent by OEM division
- List OEM's to get Beta 1, communicate
- Approve/program/integrate "Internet Update Utility"
- Determine OEM web content/initiate update process
- Develop OEM sales plan --> tools
- Support cost study, **Beta 2+** timeframe
- Discuss Netscape conversion programs
- Resolve additional issues

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