IE Market Review

April, 1997

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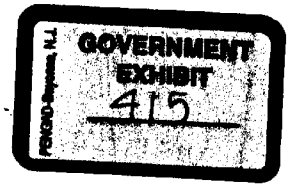

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Agenda

- Size of Internet Market
- Browser Share and use
- Other Internet Metrics
- Email

Internet Market Size (access in past month)

- *For Adults (18+) in US:*

- # on web past 3 weeks: 30 million

Internet Access

Projected to 30 million regular surfers

- Home: 61% (18.3 million)
- Work: 28% (8.4 million)
- School: 11% (3.3 million)

Browser Share:

	ALL *30 million*	Home *18.3 million*	Work *8.4 million*
• IE	21% *6.3mm*	21% *3.9mm*	22% *1.8mm*
• Nav:	55 *16.5mm*	49 *9.0mm*	67 *5.6mm*
• AOL:	19 *5.7mm*	27 *4.9mm*	5 *420K*
• Other:	5 *1.5mm*	3 *550K*	6 *500K*

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Browser Share (by platform):

	Win32 *16.8 million*	Win16 *7.7 million*	Mac *4.7 million*
• IE	26% *4.4mm*	12% *925K*	14% *660K*
• Nav:	52 *8.7mm*	65 *5.0mm*	64 *3.0mm*
• AOL:	17 *2.9mm*	19 *1.5mm*	21 *990K*
• Other:	5 *840K*	4 *300K*	1 *47K*

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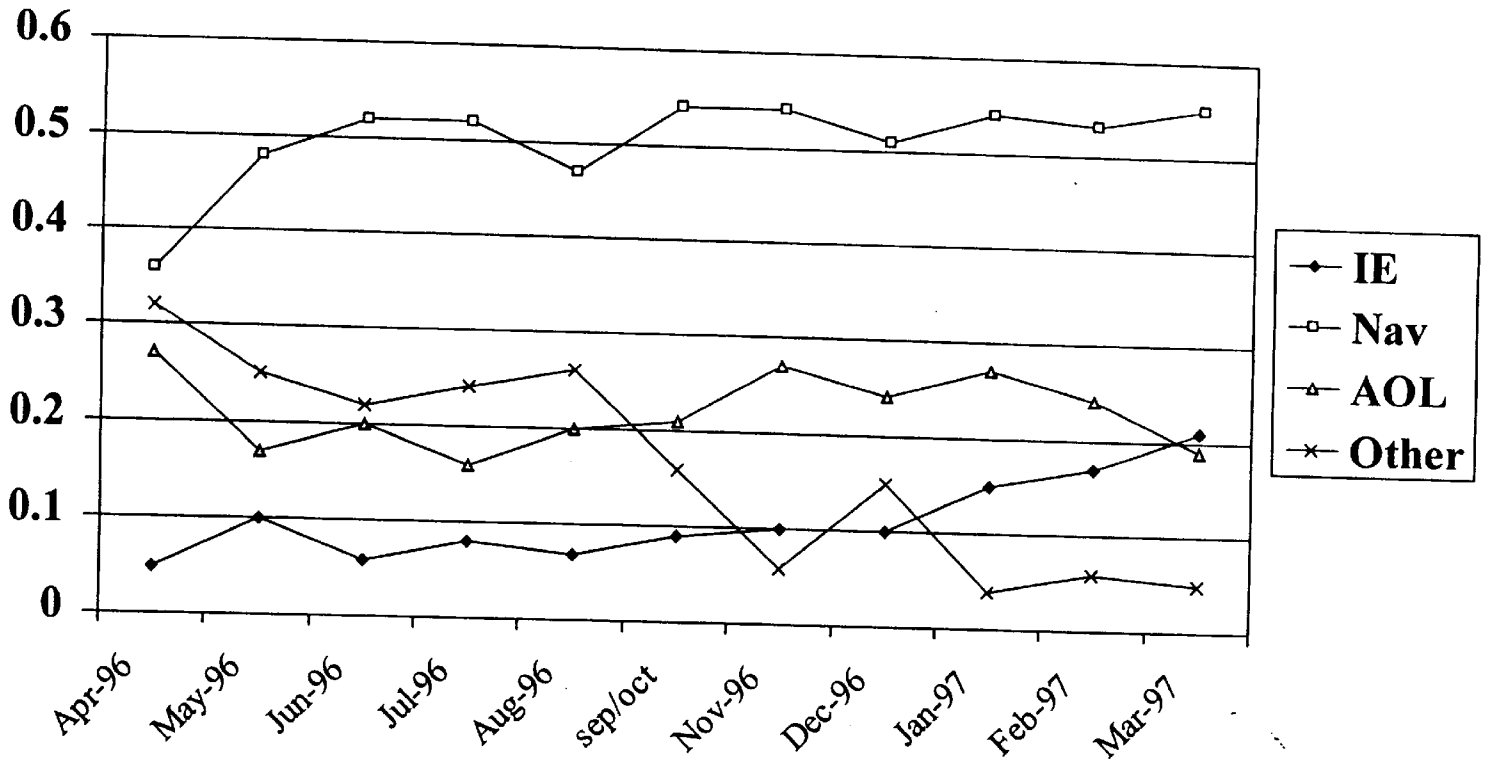
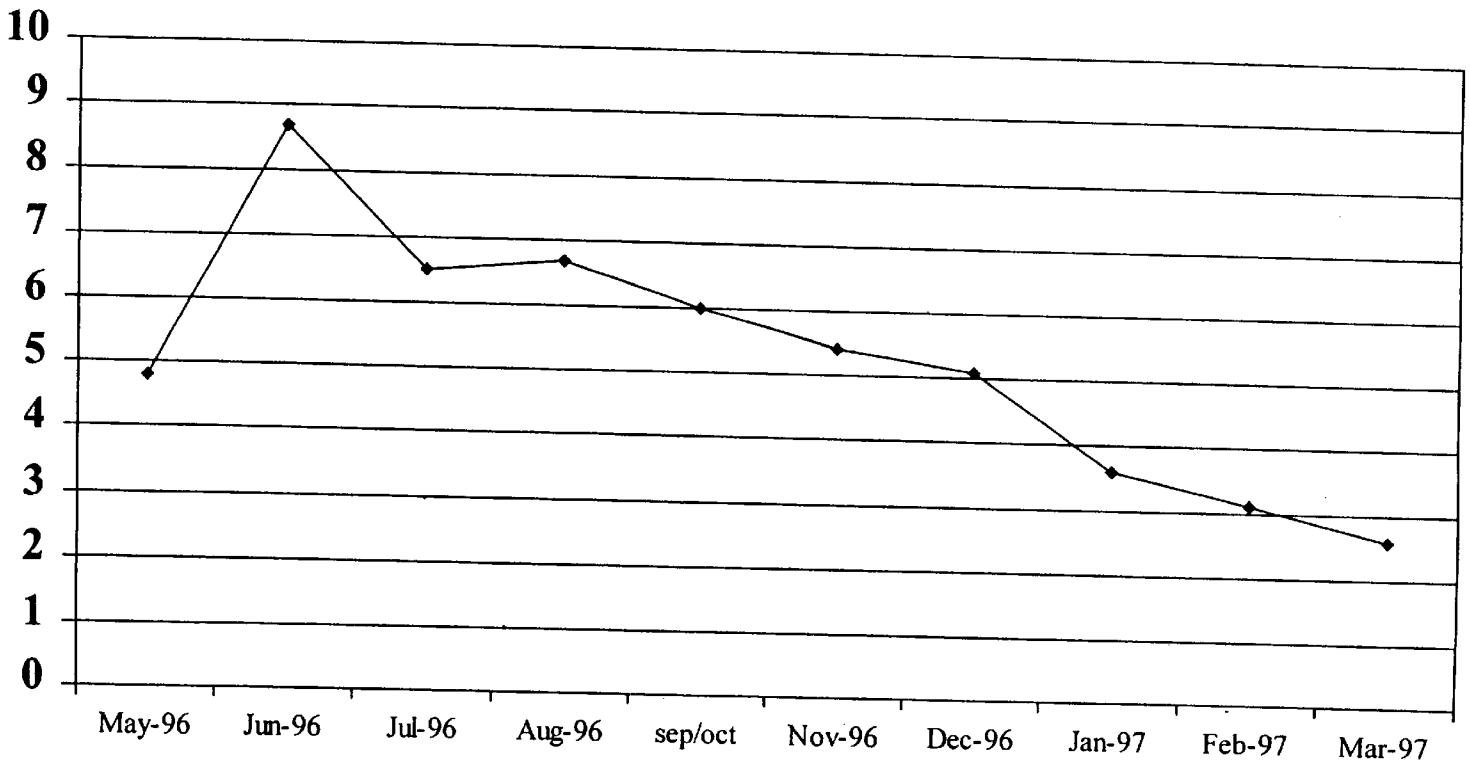
IE Share: 1 year trend



Nav: Dominance over IE



Nav: Overall dominnace = 2.6
Work Dominnace = 3.0

Win 16 Dominnace = 5.4
mac Dominance = 4.6

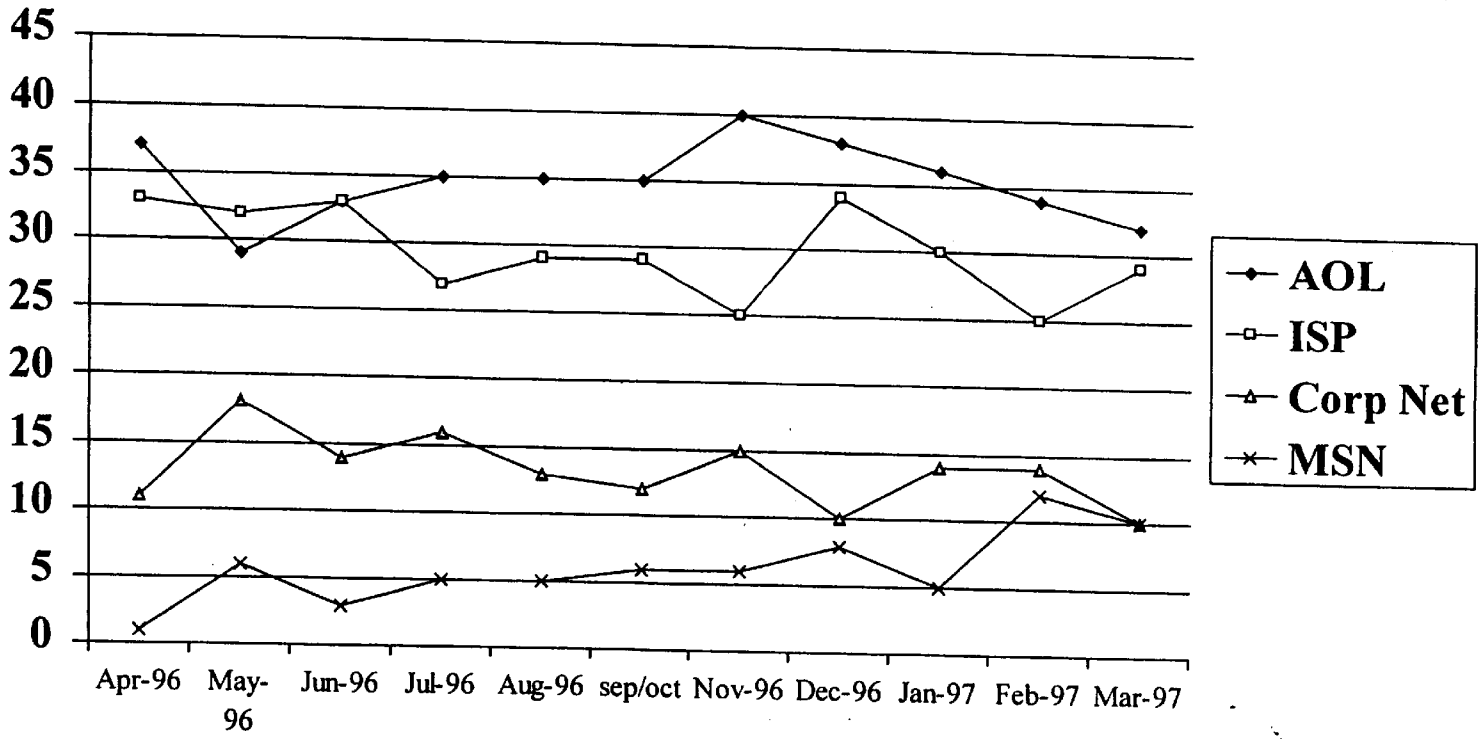
Browser facts

- 67% of IE users on IE3
- 63% of Nav users on Nav3

Web Access

	All	Home	Work
• AOL:	32%	43%	15%
• ISP:	29	38	19
• MSN:	10	7	11
• Corp. Net:	10	2	27
• CIS:	3	3	4
• Prodigy:	2	2	1
• DK:	13	6	22

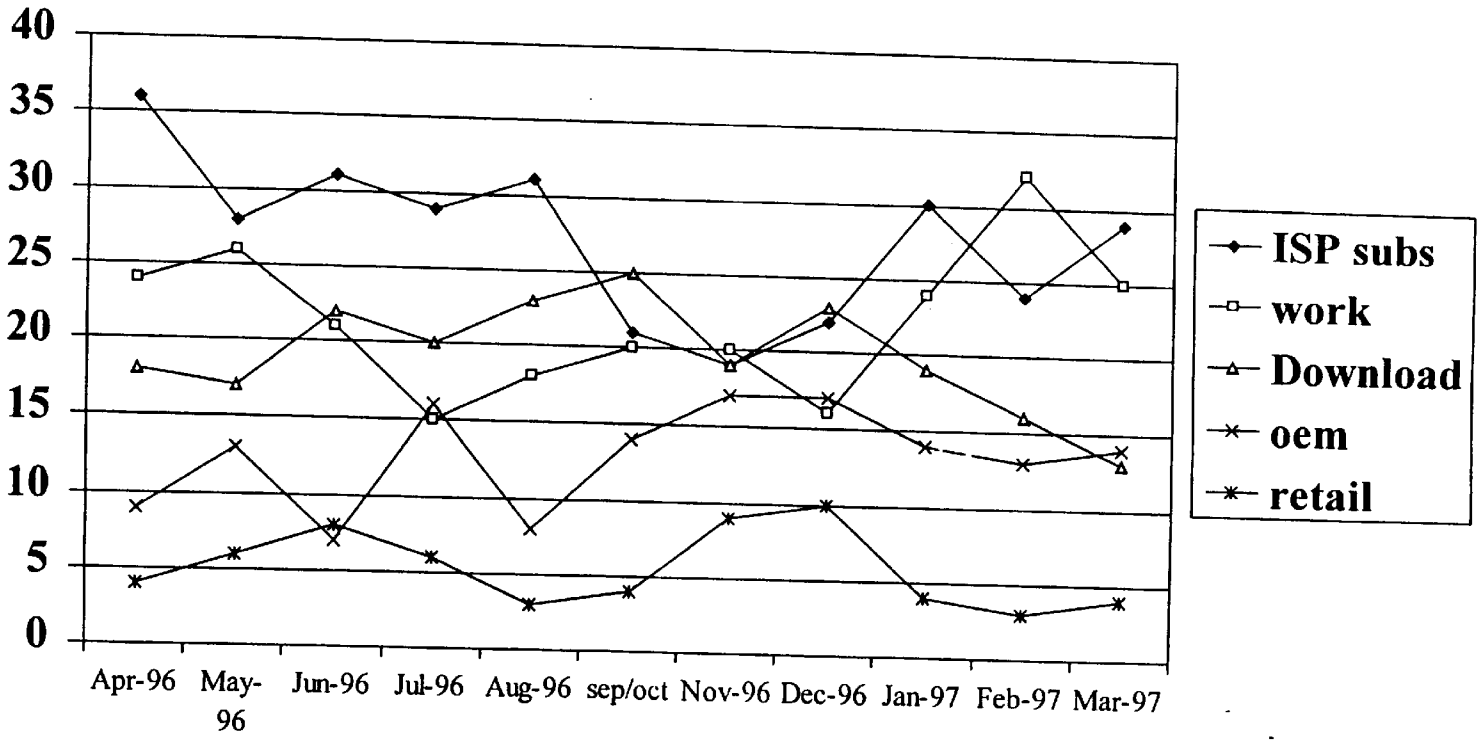
Web Access Trends



Browser Acquisition (by brand)

	All *30mm*	IE *6.3mm*	Nav *16.5mm*	AOL *5.7mm*
• ISP:	29% *(8.7mm)*	17% *(1mm)*	20% *(3.3mm)*	75%
• Work:	25 *(7.5mm)*	17 *(1mm)*	31 *(5.1mm)*	10
• OEM:	14 *(4.2mm)*	26 *(1.6mm)*	14(*2.3mm)*	6
• Downloaded:	13 *(3.9mm)*	23 *(1.5mm)*	15 *(2.5mm)*	1
• Retail:	4 *(1.2mm)*	1 *(63K)*	6 (1mm)	0
• s/w bundle:	2	5 *(325K)*	1	0

Browser Acquisition Trends



Browser Unaided Awareness

	Total	Win16	Win32	Mac
• Nav:	55%	58%	62%	53%
• IE:	31%	23%	41%	19%
• AOL:	12%	12%	14%	16%

- *IE Unaided awareness higher for those on Win 32*

IE awareness and familiarity

	Today 30mm	Sep 96 22mm
• Use	21%	9%
• Not Aware:	19	24
• Low Awareness:	39	43
• Well Aware	21	24

- *Awareness still a problem: 58% with low awareness; compared to 67% last september*
- *Use/Aware ratio up from 27% to 50% for IE*
- *Use up 133%; Awareness up 58%*

Nav awareness and familiarity

	Today 30mm	Sep 96 22mm
• Use	55%	55%
• Not Aware:	13	16
• Low Awareness:	20	21
• Well Aware	6	9

- *Use/Aware ratio flat for Nav: 83% in Sep and 86% today*

How to influence Awareness

- How did you first become aware of your browser??

	Home	Work
– Came with subscription:	24%	8
– Friend recommended:	23	14
– had it at work:	11	55
– Online ad:	9	6
– Ad in magazine/paper:	9	4
– Came with computer:	6	2

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Browser - Satisfaction

	IE	Nav	AOL
• SCI:	38%	34%	5%

Switcher Intentions

- 81% will not switch to IE
  - *based to those aware of IE, but not using it 6 million*
- Why Not??

– Prefer what I have:	30%
– No reason to switch, satisfied:	20
– IE is unreliable/bugs/problems:	12
– Not my choice/work provides:	9
– Don't like Microsoft:	7
– Cost:	7
– Security Issues:	6
– Don't like features:	6

IE users profile

- IE is first browser: 43% (2.7 million)
- Switched to IE: 55% (3.5 million)

IE Initial Browser

- 2.7 million use IE as initial browser

- Why select IE:
  - Free: 31%
  - Company decision: 15
  - came with software: 13
  - ease of use: 10
  - Reco. From friend: 7
  - Access provider: 5
  - Exclusive access: 5

Switched to IE

- 3.5 million have switched to IE from another

- Previous Browser:
  - Nav: 55% (1.9 million)
  - AOL: 18% (630,000)
  - Mosaic: 17% (600,000)
  - IE 2.0: 5%

Switched to IE

- Why switched to IE:
  - Free: 28%
  - Ease of use: 15%
  - Better features: 12%
  - Reco. From friend: 12%

Which browser is better??

- Asked to those aware of Nav and IE

- IE better than Nav: 16%
- Nav better than IE: 31%
- Both Same: 40%
- Don't know: 13%

Brand loyalty

- % loyal to browser brand: 36%
- % loyal to email brand: 43
- % loyal to Access Provider: 45
- % loyal to WP brand: 61
- % loyal to Computer brand: 57
- % loyal to Long distance co.: 57

www behavior

	All	IE	Nav	AOL
• Months on www:	16	18	17	15
• Times/week on www:	7	9	7	6
• Hours/week on www:	8	9	7	6

IE users are more sophisticated

IE user sophistication

- More likely to consider themselves advanced surfers:
  - 25% for IE (13% for nav and 3% for AOL)
- Like to immediately upgrade versions of all s/w
  - 60% for IE (46% for Nav and AOL)

email metrics

Email Market Size

[redacted]

- EMAIL MARKET SIZE : 27 Million
  - among web surfers

Primary mail client market share

	All	IE	Nav	AOL
• AOL:	27%	11%	16%	77%
• Netscape:	10	6	20	1
• Eudora:	9	10	14	2
• MSN Mail:	7	20	7	1
• Inbox/Exch:	6	16	5	-
• ccMail:	3	6	3	-
• CIS Mail:	3	2	3	-
• Internet Mail:	2	5	1	1
• don't know:	15	12	10	10

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Source of email account

- Came with subscription: 53%
- Company has email: 30
- School has email: 11
- Other: 4
- don't know: 3

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Other email facts

- Used another email before current: 38%
- Average # of email accounts: 2.3
- Length of time on email: 20 months

What's more important??

- Browsing the www: 34%
- Being able to use email: 43%
- Both equally important: 22%

Key Takeaways

- Nav share steady; but dominnace down
- Browser share low at "work" and at Win16 and Mac
- AOL is primary means of web access
  - also leading mail client

Key takeaways:

- OEM is leading distribution channel for IE
- Nav outsells IE by 1 million copies at Retail
- 5 times as many Nav copies have been distributed by IS
- Bundling with other MS s/w helps IE

Key takeaways

- Does normal adoption cycle hold true??
  - Awareness may not be a big deal
  - focus directly on use through ISP deals and MIS
- Win Influentials:
  - Recommendations play a big role in acquisition

Key takeaways

- IE and Nav both perceived as being equal
- Browser brand loyalty not very high
- IE users more sophisticated
  - focus on retention as we have more influentials

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