Internet Product Management Strategy

PENGAD-Bayonne, N.J.
GOVERNMENT
EXHIBIT
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Situation

Competition

Netscape

Netscape is our primary competitor. Their strengths are:

- Share. They have, according to some estimates, 80% of the browser share and 8 million users, and growing fast.
- Partners. Netscape has many partners, some united by their enmity of Microsoft, including Sun and IBM, as well as industry partners like MasterCard and AT&T.
- Comprehensive offering. The offer multiple clients, a Web server, a Merchant or commerce server, authoring tools and services.
- Products. Netscape's products are well thought of in the Internet community and run on all major platforms, including Windows 95, Windows 3.1, Macintosh, and UNIX.
- Focus. Netscape has no other business, and has no sacred cows to protect.
- Cash. A recent darling of Wall Street, Netscape is well-funded despite never having turned a profit.

Netscape makes money in the following ways:

- Sales of browsers. At retail, the Netscape Navigator costs about $40.
- Sales of Servers. Server prices start at approximately $2500.
- OEM sales of browsers. Netscape charges approximately $8 per license for partners to bundle the Netscape browser (interestingly, for many partners they permit only bundling of the prior version of their browser, forcing users to visit the Netscape home page for an update).
- Licensing of code; for example, SSL
- Advertising on their web site

Netscape Product Offerings

- Netscape Navigator
- Netscape Navigator, Personal Edition
- Netscape Navigator Gold
- Netscape Merchant Server
- Netscape Web Server

Plan Overview

Goals

- Make Microsoft's standards the standards of the Internet. This includes HTML extensions, commerce and security, OLE, Win32, VBA, and others
- Build and leverage the Internet channel as place for PSD to message and sell

Objectives

- Make the Internet Explorer the dominant browser

- Bootstrap other Microsoft Products
- Leverage Microsoft strengths in OS's, apps, international, corporate accounts, distribution, tools, alliances, and support

Web Content

Summary

We have two compelling reasons to make our Web site attractive and engaging. First, because the Web is a great way to communicate directly to customers, and sell them our PSD products. Second, and more importantly, if we have a top Web site (and we should), and it uses our own standards and extensions (and it should), it becomes a powerful reason for customers to adopt them

Situation

Web site is highly trafficked (currently over 500K hits/day average) - one of the top 10 sites on the net

Who's Coming?

- 78% of the people who have visited our site own Windows 95
- Self Ranking of PC sophistication: 36% expert, 42% Advanced, 20% intermediate, 2% novice
- 49% are IS professionals
- 96% are male!!

How Often?

- Approximately once per week
- Avg. 15 minutes per visit

Are they Satisfied?

- 90% of the people were somewhat or very satisfied with our site
- 76% would recommend it to a friend/colleague.
- 86% said they'd visit the site again

Objectives

- Develop the Internet as a distribution and communications channel. Our Web efforts to date have been primarily recycling work originally targeted for another media; for example, press releases and events.
- Engage and Entrench users. This is our biggest challenge right now. We have lots of traffic, but there is little reason for users to check back at our site, since it does not change very often, and our content is not as engaging as it should be.
- Make full use of the Microsoft state of the art. This means using new IE extensions, like background sound and in-line video, as well as STT, PCT, and others
- Encourage trial visits. Currently, this is our least challenging task: we already have lots of visits. But as the Web becomes more crowded, this will be harder.

Tactics

- Ongoing site maintenance

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- Revise UI to take advantage of latest IE features (IE 2.0 by 11/15, Sweeper by Beta 2 release).
- Revise the organization of the site to better meet visitor requirement. (Initial usability tests - 11/1, next round 1/31/96).
- Incorporate local search and feedback from the MSN group (12/15)
- Tailor the customized page technology for Windows 95 (1/31/96).
- Leverage other existing content and place online as appropriate (ongoing).
- Press Release/Hot news section that changes periodically (ongoing).

■ New content publishing

Regularly publish content similar to a magazine.

Areas:

- Feature stories that endure for two weeks (Beginning 12/31/95)
- We'll expand our Software Library area to include a Shareware of the Week. (12/1/95)
- Tip of the Day (daily) implemented as a marquee (11/15/95)
- Make the home page the definitive source of information on 3rd party products for Windows 95. This includes integration of the HCL, Software Compatibility list and the Windows 95 logo'd products (1/15/96)
- Listing of New Software that has achieved the Designed for Windows 95 logo (with a highlighted application of the week) (1/15/96)
- Pre Sales features:
  - Reorganize Learn About Windows 95 area (12/31/95)
  - online demo of Windows 95 (1/15/96)
  - Information on Why I would upgrade (12/31/95)
  - Free Trial (TBD)

- Information Systems Professional Area (TBD)
- Ask the Expert Column (bi-weekly) with one of our engineers/product managers replying. (TBD)
- Technical tips section that changes each week (TBD)

Measurement

- Increase the number of visitors to our page by 150% over the FY
- Increase the number of repeat visitors (so that at least 25% of people who come to our site come back more than once per week).
- Have all of IE and related technology integrated into our site before new versions are released.
- Create a publishing model that allows us to update the site on a daily basis
- Create a seemless way for users to update their Windows machines with the latest components using IE.
- The Windows 95 home page in the top 10 sites on the Web
- Capture 50% of all trial users as regular users
- Considered the definitive source on the Web for information about Windows 95 (not sure of the measurable here; perhaps just awareness)

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Where are we now?

- Traffic has increased over 100% from Sept to October (8.2M vs. 18.1M hits)
- Have updated site to take advantage of IE 2.0 (but painful) - need to create a process for easier updates
- Created online publishing guidelines for development and marketing
- Need to create a publishing model for PSD Marketing and Development
- Need a development owner for creating a seemless way to distribute PSD components

IE Product Marketing and PR

Objective

Make the IE the people's choice of Web browsers via aggressive distribution and promotion.

Tactics

The tasks here include:

- Marketing materials, including, Reviewers Guide, Data Sheet, demo script and files and other collateral, targeted for end users and corporations
- Packaging. Currently, IE is free to download and bundled with Plus! and OEM Windows. We are considering a bundle with Word IA at retail and this needs to be thought through.
- PR. This includes regular contact with the Internet publications and reporters, for news, features, and reviews. This also includes our trade show strategy.
- International. Work with program management and international PM's to leverage our materials and localized builds for world wide presence
- Targeted Corporate program to evangelize IE for internal use at corporations
- Promotional activities targeted for both new users and switchers. Ideas under consideration include a contest, online coupons, tours, keynotes, as well as traditional print advertising.

Measurement

- Achieve 50% run rate share of retail browser sales via Plus! by 1Q96
- Create a 6 month show and PR plan by thanksgiving
- Over 300k downloads from the Web by end of 95
- IE in every review of browsers; wins the majority of reviews
- Higher unaided awareness than Netscape's browser amongst Windows 95 users

Partners

Objectives

- Build share of IE via partnership deals with ISPs, Telcos, Authors, and other ISVs
- Evangelize Microsoft standards to Webmasters and partners on the Internet

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Tactics

- Create "Partner Kit" for IE, including legal, business, and technical components necessary for partners to bundle or license the IE
- Coordinate with DRG and AT Sales to market IE and IE Logo to partner groups

Measurement

- Over 1 million IE seats via partnership deals
- 6 of top ten Telcos OEM IE by end of 96
- 90% of the top Internet Sites "Best Viewed with Internet Explorer"
- Drive Partner event to evangelize IE and MS Standards by end of 95 (one event already completed for Webmasters)

Market and Product Planning

Objectives

- Build a product that provides end users with the richest customer experience on the internet
- Provide THE internet platform for content publishers and software developers
- Eliminate the need for a distinct browser market

Tactics/ Measurement

- Work with the development team to define and stack rank the key product features and business initiatives required to make IE the internet platform. A plan outlining key efforts due 12/18. Barrier and bridges exercise to determine specifc features due 1/15.
- Ensure IE development efforts meet key customer needs by owning specific product feature areas. For example, I will own the population and structure of the Favorites folder for Nashville to ensure IE offers a great "first 30-second." Features spec due 1/10. Features ship with Nashville 5/31.
- Drive a coherent strategy for PSD and Microsoft Internet related products by developing an internet products road map and evangelizing feature support for key customer technologies in Nashville. Plan due 1/30. Features to ship with Nashville.
- Work with the Shell and Usability teams to identify IE usability issues, such as feature usage and URL history, by driving efforts such as Activity Based Planning and an Instrumented Version of IE by Q196.
- Ensure IE remains competitive with non-Microsoft offerings by providing quarterly competitive updates for top competitors, currently Netscape and Spry, starting Q196.
- Provide ongoing market analyses and data on a quarterly basis to measure and assess our development and marketing progress, starting Q196. This will likely be accomplished by modifying the OS tracking study or the creation of a new Internet tracking study.

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Issues

Tools Strategy

We need a consistent story on the editing environment; is it Word IA? Is it Blackbird?

Product Schedule

Neither Gibraltar, Blackbird, nor Catapult are announced products or near to shipping

Platform Support

We are at a disadvantage with a browser for Windows 95 only. Both Windows 3.1 and Macintosh client are important to partners and publishers.

People

Group Manager -- Mikecon
Product Manager, Internet Explorer -- Stevengu
Product Planner -- Yusufm
Product Manager, Partners -- Danste
Product Manager, Content -- Steveli
Product Manager, Content -- Annesc

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