Netscape Competitive Analysis
SP/OLS Channel Revenue Segement
Prepared By: Susan Norberg (Butcher)

Name of Account	ICU Account Manager (Redmond)	MSNA Region	MSNA District	Primary Business, Account Type	Browser Deal as of 12/9/97	Browser Shipments as of 12/9/97	(1) Number of Internet access Subscribers	MS/NSCP Referral Programs	Competitive Units Distribut'd	Avg Revenue per Unit	Total Rev
21 Strategic Accounts											
@_home	Mark Sorenson	West	Northern CA	cable	E Parity	100% Navigator	0	N/A			
America Online	Mauricio Gonzalez	East	Mid Atlantic	OLS	E Preferred	100% IE	10,000,000	MS Ref Svr			
Ameritech	Michael Gray	Central	Chicago	telco	E Parity	100% Navigator	90,000	NSCP Ref Svr			
AT&T (AT&T WorldNet)	Kevin Cherry	East	NY / NJ	telco	E Preferred	84% IE	1,000,000	MS R S & OLS			
Bell Atlantic / NYNEX	Ken Goetsch	East	Mid Atlantic	telco	Navigator Preferred	100% Navigator	130,000	NSCP Ref Svr			
Bell South	Michael Gray	East	Southeast	telco	Navigator Preferred	100% Navigator	150,000	NSCP Ref Svr			
Comcast Corporation	Mary Huson	East	Mid Atlantic	cable	Navigator Preferred	100% Navigator	5,000		3500	$ 4.00	
CompuServe Information Service Spry	Mark Hayes	Central	Detroit	OLS	E Preferred	100% IE	2,580,000	MS Ref Svr			
Cox Communications Inc	Mary Huson	East	Southeast	cable	Navigator Preferred		5,000		3500	$ 4.00	
Dacom (Korea)	**Soon Kon Kim**	**N/A (Korea Sub)**	**N/A**	**telco**							
GTE	Ken Goetsch	Central	Dallas / Houston	telco	E Preferred	???	200,000	NSCP Ref Svr	9000	$ 4.00	$
KPN (Dutch PPT)	**Barry van Dijk**	**N/A (Holland Sub)**	**N/A**	**telco**							
MCI / British Telecom ("Concert")	Nancy Ritzenthaler	East	Mid Atlantic	telco	E Preferred	100% IE	300,000	MS Ref Svr			
MediaOne (Continental Cable)	Mary Huson	East	New England	cable	Navigator Preferred	100% Navigator	5,000		6000	$ 8.00	
Pacific Telesis Group	Michael Gray	West	Northern CA	telco	Navigator Preferred	100% Navigator	225,000	NSCP Ref Svr			
Reed Elsevier	Bruce Olson	Central	Detroit	CP	Not Applicable		N/A				
Rogers Cablesystems (Canada)	Ken Moore	Central	Canada	cable	E Preferred				3000	$ 4.00	
SBC (Southwestern Bell)	Michael Gray	Central	Dallas / Houston	telco	Navigator Preferred	100% Navigator	50,000	NSCP Ref Svr			
TCI Tele-Communications Inc	Mary Huson	West	Rocky Mountain	cable					2000	$ 4.00	
Time Warner Cable	Mary Huson	East	New England	cable	100% IE		20,000				
US West	Ron Wollum	West	Rocky Mountain	telco	E Parity	100% Navigator	40,000		4000	$2.00	$
	19						14,801,000				
19 Named Accounts											
BBN Planet	Greg Sullivan	East	New England	Backbone	Not Applicable		N/A				
Cablevision Systems Corporation	Mary Huson	East	NY / NJ	cable	E Parity		1000				
Century Communications	Ken Moore	East	New England	cable	E Preferred		500				
Concentric Network	James Huse	West	Northern CA	SP	E Preferred	35% Navigator	200,000	NSCP M	1275	$ 5.00	$
DIGEX / Intermedia Communications	Shawn Sanford	East	Mid Atlantic	ISP	E Preferred	???	10,000				
Earthlink Network	Gregg Truex	West	Southern CA	ISP	E Parity	78% IE	325,000	NSCP/MS Ref Svr	36000	$ 4.00	$
Erol's	Shawn Sanford	East	Mid Atlantic	SP	E Preferred	???	200,000				
IGN (IBM Global Network)	Greg Sullivan	Central	Chicago	SP	E Preferred	100% Navigator	500,000		55000	$ 4.00	$
Marcus Cable	Ken Moore	Central	Dallas / Houston	cable	Unknown						
Netcom	Paul Sciame	West	Northern CA	SP	E Preferred						
MFS Worldcom / UUNET / Ordnet	Ron Wollum	East	Southeast	telco	E Preferred		5,000				
Mindspring	Greg Sullivan	East	Southeast	SP	E Preferred		224,000	MS Ref Svr	1000	$ 4.00	$
Netcom	Gregg Truex	West	Northern CA	SP	IE Preferred		550,000	NSCP MS Ref Svr			
Prime Cable	Ken Moore	Central	Dallas / Houston	cable	E Preferred		500				
Prodigy	Ajay Sikka	East	NY / NJ	OLS	E Preferred	???	1,000,000	MS Ref Svr			
Sprint	Ron Wollum	Central	St. Louis	telco	E Preferred	???	115,000	???	20,000	$3.00	$
Spry/net		West	Pac West	ISP	E Preferred	???	300,000	NSCP MS Ref Svr			
US Web Corporation	James Huse	West	Northern CA	SP	Not Applicable						
VERIO Group (22 Affiliates)	James Huse	West	Rocky Mountain	SP	Unknown						
	19		TOTALS	4%			3,432,000		147,875	$ 4.14	$ 612,3
TOP 80 ISP's (greyed out lines are duplicate of above)											
America Online	Mauricio Gonzalez	East	Mid Atlantic	OLS	IE Preferred		9,000,000				
CompuServe Information Service	Ajay Sikka	Central	Detroit	OLS	IE Preferred		2,580,000				
MSN	Not Applicable	Not Applicable	Not Applicable	OLS	100% IE		2,319,000				
Prodigy	Mark Hayes	East	NY / NJ	OLS	IE Preferred		1,000,000				
AT&T (AT&T WorldNet)	Kevin Cherry	East	NY / NJ	telco	IE Preferred		800,000				
Netcom	Paul Sciame	West	Northern CA	ISP	IE Preferred		550,000				
Earthlink Network	Paul Sciame	West	Southern CA	ISP	IE Preferred		325,000				
MCI / British Telecom ("Concert")	Nancy Ritzenthaler	East	Mid Atlantic	telco	IE Preferred		300,000				
Spry	Paul Sciame	West	Pac West	ISP	IE Preferred		300,000				
IGN (IBM Global Network)	Greg Sullivan	Central	Chicago	ISP	IE Preferred		280,000				
Concentric Network	James Huse	West	Northern CA	ISP	IE Preferred		200,000				
Erol's	Shawn Sanford	East	Mid Atlantic	ISP	IE Preferred		200,000				
Mindspring	Greg Sullivan	East	Southeast	ISP	IE Preferred		200,000				
GTE	Ken Goetsch	Central	Dallas / Houston	telco	IE Preferred		200,000				
[illegible] Internet Services Inc		East	NY / NJ	SP	IE Preferred		135,000				
BellSouth (BellSouth.net)	Michael Gray	East	Southeast	telco	Navigator Preferred		100,000				
Sprint	Ron Wollum	Central	St. Louis	telco	Navigator Preferred		115,000				
[illegible]Net		East	Mid Atlantic	ISP	Navigator Preferred		80,000				
[illegible]eNet Inc		Central	Detroit	SP	E Preferred		75,000				
Star Canada		Central	Canada	SP	E Preferred		65,000				
Hookup Communications (Canada)		Central	Canada	SP	E Preferred		60,000				
New Visions Inc		Central	Detroit	ISP	E Preferred		60,000				
[illegible] Communications Ltd		Central	Canada	SP	E Parity		58,000				
SBC (Southwestern Bell)	Michael Gray	Central	Dallas / Houston	telco	Navigator Preferred		50,000				
Pacific Telesis Group	Michael Gray	West	Northern CA	telco	Navigator Preferred		50,000				
Primenet Services for the Internet		West	Southwest	SP	E Parity		40,000				
American Network Inc (BBN Planet)		East	NY / NJ	SP	E Preferred		40,000				
Delphi Internet Services Corp		East	New England	SP	E Preferred		40,000				
Internet Canada Corporation		Central	Canada	SP	E Preferred		35,000				
Total Net		Central	Canada	SP	E Preferred		35,000				
SocoNet		West	Southwest	ISP	E Preferred		35,000				
Bell Atlantic / NYNEX	Ken Goetsch	East	Mid Atlantic	telco	Navigator Preferred		30,000		1,073,000		
TIAC Inc (The Internet Access Co)		East	New England	SP	E Preferred		30,000				
Charter Communications Inc		Central	Dallas / Houston	SP	E Parity		25,000				

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Name of Account	ICU Account Manager (Redmond)	MSNA Region	MSNA District	Primary Business Account Type	Browser Deal as of 12/9/97	Browser Shipments as of 12/9/97	(1) Number of Internet access Subscribers	MS NSCP Referral Programs	Competitive Units Distributed	Avg Revenue per Unit	Total Re
Info ave / SunBelt Net		East	Southeast	ISP	IE Parity		25,000				
Internet Direct Canada Inc		Central	Canada	ISP	IE Preferred		25,000				
NeTel Telecommunications, Inc.		East	Southeast	ISP	IE Preferred		25,000				
Net Concept		West	Southern CA	ISP	IE Preferred		25,000				
Prostar Plus Internet		West	Pac West	ISP	IE Preferred		23,000				
Teleport, Inc.		East	NY / NJ	ISP	IE Preferred		22,000				
USAInternet		East	New England	ISP	IE Parity		21,000				
Ameritech	Michael [illegible]	Central	Chicago	telco	Navigator Preferred		20,000				
Bnigadoon com, Inc.		West	Pac West	ISP	IE Preferred		20,000				
Delta Internet Services		West	Rocky Mountain	ISP	IE Parity		20,000				
PowerNet		West	Pac West	ISP	IE Preferred		20,000				
America Net		East	New England	ISP	N/A		20,000				
Le Groupe Videotron (Canada)		Central	Canada	cable	IE Preferred		20,000				
Canada Internet Direct Inc.		Central	Canada	ISP	IE Preferred		20,000				
SNET		East	New England	telco	IE Parity		20,000				
UltraNet Communications, Inc.		East	New England	ISP	IE Preferred		20,000				
Ziplink		East	New England	ISP	IE Preferred		20,000				
CyberGate - Florida		East	Southeast	ISP	IE Preferred		18,000				
WorldCHAT Internet Services		Central	Canada	ISP	IE Preferred		17,000				
NetExpress, Inc		Central	Detroit	ISP	IE Preferred		17,000				
Complete Internet Access, Inc		East	New England	ISP	IE Preferred		16,000				
BEST Internet Communications, In		West	Northern CA	ISP	IE Preferred		15,000				
CERFnet, Inc.		West	Southern CA	ISP	IE Preferred		15,000				
I3, Inc		East	Southeast	ISP	IE Preferred		15,000				
Internet Providers of Florida		East	Southeast	ISP	IE Preferred		15,000				
CADVision Development Corp		Central	Canada	ISP	IE Preferred		15,000				
Interlog Internet Services		Central	Canada	ISP	IE Parity		15,000				
Ntr net		Central	Detroit	ISP	IE Preferred		15,000				
The Onramp		Central	Detroit	ISP	IE Preferred.		15,000				
Affordable Internet To All		Central	Chicago	ISP	IE Parity		14,000				
World Data Network, Inc		East	Mid Atlantic	ISP	100% IE		13,000				
CTS Network Services		[illegible]st	Rocky Mountain	ISP	IE Preferred		12,000				
CyberHighway Internet Explorer		[illegible]	Pac West	ISP	IE Preferred		12,000				
Cybenon Networking Crop		Central	Canada	ISP	IE Preferred		11,000				
Planet Pouch		East	NY / NJ	ISP	IE Preferred		11,000				
SuperNet, Inc.		West	Rocky Mountain	ISP	IE Preferred		10,000				
DIGEX / Intermedia Communications	Paul Solano	East	Mid Atlantic	ISP	IE Preferred		10,000				
Macro Computer Solutions, Inc		Central	Chicago	ISP	IE Preferred		10,000				
MRNet Internet Services		Central	Minneapolis	ISP	IE Parity		10,000				
OnRamp Technologies, Inc.		Central	Dallas / Houston	ISP	IE Parity		10,000				
Simply Internet		West	Southern CA	ISP	IE Parity		10,000				
Northwest Nexus, Inc.		West	Pac West	ISP	IE Preferred		8,000				
Time Warner Cable	Mary Hueon	East	New England	cable	100% IE		8,000				
Q-Networks, Inc		Central	St. Louis	ISP	IE Parity		7,000				
MediaOne (Continental Cable)	Mary Hueon	East	New England	cable	Navigator Preferred		6,000				
57							1,535,000				

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Netscape Q3 (July-Sept) Forecast for Browsers

	IE Preferred	Navigator Preferred	Total	Estimated Subscriber Base	Avg Qtrly Ship	Unit FCST	Rev/Unit	Qtrly Rev
# of ISP's surveyed shipping browsers	1264	273	1537					
% Share	82%	18%						
# of ISP's surveryed w/ subs >50K	11	1	12	2,160,000	3000	3000	$ 1.00	$ 3,000
% Share	92%	8%	1%					
# of ISP's surveryed w/ subs 25-50K	4	2	6	630,000	3000	6000	$ 1.50	$ 9,000
% Share	67%	33%	0%					
# of ISP's surveryed w/ subs 10-25K	26	6	32	3,360,000	1500	1688	$ 2.00	$ 3,375
% Share	81%	19%	2%					
# of ISP's surveryed w/ subs 5-10K	45	14	59	1,327,500	1500	21000	$ 2.00	$ 42,000
% Share	76%	24%	4%					
# of ISP's surveryed w/ subs 2.5-5K	126	29	155	1,627,500	750	21750	$ 2.50	$ 54,375
% Share	81%	19%	10%					
# of ISP's surveryed w/ subs 1-2.5K	222	48	270	1,417,500	600	28800	$ 3.00	$ 86,400
% Share	82%	18%	18%					
# of ISP's surveryed w/ subs <1K	602	107	709	1,063,500	150	16050	$4.00	$ 64,200
% Share	85%	15%	46%					
# of ISP's not classified with # subs	171	48	219					
% Share	78%	22%	14%					
# of ISP's that refused to give # subs	42	12	54					
% Share	78%	22%	4%					
# of ISP's that don't know # subs	14	6	20					
% Share	70%	30%	1%					
				11,586,000	10,500	98,288	2.67	$ 262,350
Sample Size (1537) represents 1/3 of Total # of Small ISP's therefore muliply * 3 =,					31,500	294,863	2.67	$ 787,050

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Referral Server – Netscape vs. Microsoft

Referral Server is based on a concept of referring **new** internet subscribers via the retail packaged browser (Navigator) to an area code specific server that lists internet services provided by local/national ISP's or telcos. Netscape's Referral Server divides the services offered by ISP's and Telco's into different categories making the decision process simpler for the user. Also, ISP's claim that Netscape's Administrative Kit is easier to use than Microsofts. There are 15 partners on Netscape's Referral Server; they are:

RBOC's	- Ameritech
	Bell Atlantic/Nynex
	SBC/PacBell
	BellSouth
Telco's	USWest ??
	GTE ??
	Sprint??
ISP's	Netcom
	Sprynet
	Concentric
	IBM Global Network
	Earthlink
	Erols?

Server Hits conversion to actual sign-up ratio much higher for Netscape's program since the majority of consumers that purchase the retail product have the intention of 'getting on the internet'. Many of MS customers stumple upon 1 of 3 icons (OLS, MSN or IE) on a new PC purchase via the ICW (Internet Connection Wizard). It is estimated that Navigator attains 30% of the users via the Refferal Server from Retail Boxes sold, but do not know what the conversion of hits to subscribers are. For Microsoft, the conversion ration between hits to server (kicking the tires) to actual sign-up is approximately 1%.

For those ISP's on both Microsoft's Referral Server and Netscape's, we're told that ISP's on Netscape receive 3-10 times the number of referrals from Netscape vs. Microsoft. We're also told that Netscape's "bounty" or referral fee is approximately half (~$15) of Microsoft's bounty.

Microsoft's reporting (missing 40% of reports) for July-Sept period including IE and OLS = 103K referrals, multiplied by a factor of 3 suggests Netscape's volume for the same quarter = 309K multiplied by avg referral fee of $15 contributes $4.6M to browser revenue.

Microsoft's Referral Server Partners are:

AT&T
Brigadoon
Concentric *
Digex
Earthlink *
IDT
MCI
Mindspring
Prodigy
Sprynet *
Netcom *

- also on Netscape's Referral Server.

Netscape also has a 'select referral program' that refers existing internet users a chance to convert or change from their current ISP's to a new/different ISP. Apparently, this is a a reduced rate, but we do not have specific data to support.

From: Paul Sciame
Sent: Monday, December 22, 1997 12:48 PM
To: Brian Gluth; Jeff Dossett
Subject: RE: Info gathering for mid-year review

This is a spreadsheet that we have been working on, it may help a little.

Account Info.xls

-----Original Message-----
From: Brian Gluth
Sent: Thursday, December 18, 1997 5:27 PM
To: Jeff Dossett; Paul Sciame
Cc: Brian Gluth
Subject: Info gathering for mid-year review

Jeff -

I am hoping we can obtain as much info as possible so that the ISPs, ICU and IE MKTG all know where we stand in the current market space. I need to prepare, as I am sure everyone else is, on our mid-year review coming up. I've been picking up bits and pieces from the ISPs that I've talken to for mktg reasons but would like to set it up that we receive info regularly from the ISPs through the account reps so they too know where each of the accounts stand in their goals and performance.

INCENTIVE: I am willing to offer an "e" logo'd fleece pullover to those who can turn this info in, from all their assigned accounts, before Dec 23rd deadline that I now see is the goal) and I'll offer a fleece sweatshirt to the top accounts (one per company) if the respond ASAP.

p.s. Again, the fleece incentive is for the top 12 ISPs, please remove reference for the Depth accounts. <grin>

Sample letter (you can adjust accordingly, of course) for sending to the top 12 ISP accounts (at least the top 12 and then hopefully for the depth accounts)

==========

Dear <<ISPs name>>:

As we've previously done in the past, we are now gathering information on your current market stats so we can serve you better in the future via marketing programs. We are now almost 90-days out from the Internet Explorer 4.0 launch of September 30th and this request for current market stats is a great way for all of us to understand where we are at in both our markeitng goals and see what adjustments we can make to help us both succeed.

If you could take a few minutes to fill out the questionnaire, we would be willing to provide you with a holiday incentive by offering a Microsoft logo'd fleece sweatshirt/jacket (or a copy of Windows NT 4.0 if you'd like) if you respond by December 22nd, with a complete a response as possible (one per company, please). Most of the data requested is probably readily available to you already but if you do not have all the info now, please be sure to reply with what information you can and then followup with any additional data later.

This would help us both understand the state of our mutual markets.

Thank you and best regards,

(ICU rep's name)

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(1) Total End User Base =

(2) Internet Explorer:
Percentage IE3 (%) =
Percentage IE4 (%) =
Total IE share (%) =

(3) Non-Internet Explorer
Total non-IE share (%) =

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(breakout info (maker/version) would be helpful)

(4) Do you provide "Default" choices for the customer when selecting a browser? Yes? ___ No?___
If "yes," what browser do you default to when a customer signs up?
If "yes," what email client do you default to when a customer signs up?
Would you be interested in an easy-to-use tool to track email share on your service?

(5) What is your current run rate of upgraders and/or new users?

(6) What type of marketing programs help you the most when upgrading your current users?

(7) What type of marketing programs help you the most when trying to enroll *new* users?
(e.g. Targetd CD programs? Targeted Ad campaigns?)

(8) Do you target both consumer and business customers? Yes?__ No?___
If yes, what percentage(s) of your base do they represent? Consumer ____ % vs. Business ___%.

(9) Would a resellable Internet Explorer SKU (retail box) be something you would be interested in?

(10) What are the top 3 things you like about the IEAK? Dislike about the IEAK?

		CLIENT DISTRIBUTION						SERVER AND BUSINESS HOSTING						
ACCOUNT	# SUBS	IE	NS	WIN 16	WIN 95	MAC	N RS	#Servers	NT	UNIX	Hardware	Server OS	OS	#BUS. HOSTED
Ziplink	25,000	100%		40%	60%			12				NT	IIS	100
Infinet	80,000		100%					15				BSD	Netsite	200
Erols	275,000	80%	20%	40%	60%			5	1			Linux	Apache	2000
IPFL	15,000	100%		50%	50%			30	15	15		NT/BSD/Linux	Apache/IIS	200
NTR.NET	20,000		100%					5		5		SGI	Netscape	0
Cybergate	20,000	100%		60%	40%					10		Linux	Apache	25
Onramp	50,000	100%		70%	30%			25	25			NT	IIS	0
UUNET								850	58	792	Sun	BSDI, NT	Apache/IIS	6000
PSInet														
Earthlink	325,000	70%	30%	27%	42%	31%	Y	50	0	50	Sun, Axil, HP	Sun/Solaris	Netscape/Apache	3500
Spry	300,000	95%	5%	40%	50%	10%	Y					UNIX	Apache (10% IIS)	
Netcom	580,000						Y	252	2			UNIX	Apache	5000
IDT	135,000			45%	40%	15%		28	3	25	Sun	Sun/Solaris, free BSD	BSDI, Apache	3000
Digex	10,000	100%						830	230	600	Sun		Apache, Nscp,IIS	500
MindSpring	230,000	100%	0%	30%	60%	10%	N	40	0	40	Sun Sparc 5	Solaris 2.5	Apache	6000
IGN	500,000	0%	100%				Y				IBM RS6000	AIX		30,000
BBN	n/a							500	15	485	Sun Ultra Sparc	Solaris 2.5		500
Concentric	250,000	20%	80%	22%	60%	14%	Y	80	10	70	Sun	Sun/Solaris	1 nscp server	500
Verio	150,000	70%	30%	32%	53%	15%		400	30	370				15000
US Web	n/a	n/a	n/a	n/a	n/a	n/a								
Bell Atlantic								12		12	Sun			
MCI											Sun shop			

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