IE5 OEM Marketing Review

DRAFT
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Situation Analysis

- IE5 will be available for multiple Windows OS's
  - IE5 will be part of Win98 SP2
  - IE5 will ship with NT5
  - Win95 - SP? OSR?
- IE has around 50% browser share (34.5 million, 12/97)
  - Gaining ground
  - Larger portion of new users are using IE
  - Weakest segment: only 8% of education
- Many end users have IE & Netscape
  - View browsers as parity products

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 a great vehicle to gain browser share
  - Source: "Browser Market Review," Kumar Mehta, 1/98

Issues

- Timing of upgrade with OEM's
  - No reason for OEM's to refresh outside normal cycle
- Is there a compelling reason for EU to upgrade?
  - Mind share / awareness of EU low
    - EU demand will not pull IE5 through channel
- MS - no relationships w/ OEM Webmasters
- Will OEM's share customer lists?
- Smaller footprint?
- Can we develop an "Internet Upgrade Utility?"
  - Will be allowed to ship it?

Issues II

- Name / position issues
  - IE / "Windows Explorer" similarities
  - Version #'s: IE5,6 vs. IE2000
  - Windows feature vs. multi-platform
- How to focus on trial: "Activating IE"
- Will OEM's ship info about IE5 website with computers before pre-install
- Content/features for OEM websites
- Marketing/Launch activities are not final

Objectives

- Gain commitment from top 10 OEM's to adopt and promote IE5
  - Pre-install on next reinstall 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

✓ "Activate IE" branding / config only on Win98. Status of dev project

GOVERNMENT EXHIBIT 72

Strategy

- Promote value of IE5 as
  - Lower OEM support costs than IE4 & Netscape
  - "Superior end-user experience"
  - Latest, cutting-edge Internet technology
  - Integration: Win98, Office9, Chrome
- Get OEM's involved early
  - Beta testing, develop content
- Filter message to end users
  - Build awareness, promote trial: "Activate IE"

Pre-launch Tactics

- Engage the OEM's early
  - IE 5 announcement
  - Web site for OEM's to get betas
  - IE4 OEM satisfaction survey
- Write OEM Sales Strategy
- Develop sales material, presentations, and tools for OEM Account Managers
  - Competitive analysis vs. Netscape
- Develop "Internet Upgrade Utility"

Pre-launch Tactics

- 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
- Lower support costs
  - Support savings study: IE5 vs IE4 & NTSCP

Launch Tactics

- 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.

Post-Launch Tactics

- 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)

OEM's Value

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

Mapping Objectives ⟷ Strategies → Tactics

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Features

- ***Lower TCO / Support***
- Web applications
- Trident
- End User experience
  - Simplified browsing experience
  - Speed (performance 30% faster), URL help
  - Enhanced searches & error messages
  - Customize toolbars, consistency
  - Save web pages, off-line/laptop support

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)

Next Steps

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

Backup Slides

Top OEM's

Compaq
Packard Bell NEC
Gateway 2000
IBM
Hewlett-Packard
Acer
Dell
Sony
Micron
Toshiba
Siemens

"Internet Update Utility"

- This would be a program that an EU would use to move Favorites/Bookmarks, Address list, e-mail and configurations from the browser on their previous computer via floppy disk.
- Lowers barriers to upgrading computer and switching from IE3/4 and Navigator to IE5

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IE5 Positioning

- The fastest and easiest way for getting what you need out of the Web (END USER)
  - finding info (search improvements - search drop-down, hit-highlighting, extensibility)
  - managing info (favorites improvements, offline work)
  - using info (Office integration, webmeet, OE)
- The most robust, flexible platform for building Web appications. (DEVELOPER)
  - Best standards support (DOM, CSS, XML)
  - Richest Platform for applications (Performance, HTML apps outside the browser, dynamic properties, drag & drop, persistence, client capabilities)
  - Bringing Componentization to the Web (DHTML behaviors, BrowserOC)
  - Best support for web publishing (FTP folders, WebDAV, Office integration)
- The lowest TCO browsing solution. (IT)
  - Customize every aspect (IEAK integrated with Office CIW, install on demand)
  - Simpler, cheaper, more flexible deployment (smaller, more options)
  - Integrated maintenance with BackOffice (MMC)

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?

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

Netscape - What will they do?

- OEM Channel:
  - Work hard to win 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

Support Cost Reductions

- Study conducted by outside research company (Garner Group?) in Beta 2 / Final product timeframe to show that it costs OEM's less to support IE5 than IE4 or Netscape.

Eric Jewett's Key Deliverables

- IE5.0 Marketing plan
- IE5.0 OEM Selling strategy document
- IE5.0 OEM demo
- PM presentation and other tools
- PM training
- Support OEM Sales management
- Gain commitment from top 10 OEM's
  - Pre-install IE5
  - Promote IE5, ie via website

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