**From:** Jonathan Roberts
**Sent:** Tuesday, July 15, 1997 8:52 AM
**To:** Paul Maritz; Moshe Dunie; Bill Gates; Jim Allchin (Exchange); Rich Tong
**Cc:** Bill Veghte; Adam Taylor
**Subject:** RE: (not so) random marketing thoughts.

One other thought to throw into the mix is we want NT 5.0 upgraders to go to IE as a stand alone product, so we can't remove "TWI", which really is the user experience. They will not go to Win 98 and than NT 5.0 with in six to nine months This leaves us with a CY Q1 recommendation that customers evaluate through our Preview Program and determine whether they can go to NT 5.0, if they can, than they should install IE 4.0, if they can't (or don't want to), than they should install Win 98

I do like hybrids of the other recommendations. 1) In the browser window we should have the IE and Windows Flag rotate. 2) We should go back to the Win 98 budget and boost it IE funds. A $12M total launch is not sufficient. 3) We should make sure Win 98 is THE featured sku and really de-emphasize the IE stand alone product in the Winter, which retails for roughly the same price as Win 98. We are working all three issues with the IE team now Executives votes do count.

Jonathan

-----Original Message-----
**From:** Paul Maritz
**Sent:** Monday, July 14, 1997 9:57 PM
**To:** Moshe Dunie, Bill Gates, Jim Allchin (Exchange), Jonathan Roberts, Rich Tong
**Cc:** Bill Veghte
**Subject:** RE: (not so) random marketing thoughts

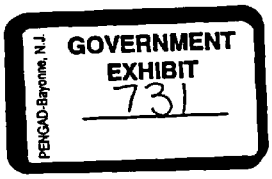
It is tempting, but we have to remember that getting browser share up to 50% (or more) is still the major goal. Eg. I met today with the Office group where we decided that they will target their XL and Access publishing features only at IE4, this was hard decision for them (based on IE's current market share). If we look further at Java/JFC being our major threat, then Nscp is the major distribution vehicle. Further as you can see from reviews "TWI" (Shell Integration) is the major perceived feature of IE4.

-----Original Message-----
**From:** **Moshe Dunie**
**Sent:** Monday, July 14, 1997 9:46 PM
**To:** Bill Gates; Paul Maritz; Jim Allchin (Exchange); Jonathan Roberts; Rich Tong
**Cc:** Bill Veghte
**Subject:** FW: (not so) random marketing thoughts..

Joe Belfiore suggestion below "Also, if we decide that we REALLY want to push people to Win98, we could *stop shipping* shell integration mode for free on the web when Win98 ships. Wow, we might really push people to get Win98 then... (same for NT 5 of course...)" should be considered. It would certainly increase significantly Win98 upgrade sales. I know there is the browser share counter argument... But it is an intriguing thought...

His other suggestions are also not so random....

Thanks.....Moshe




-----Original Message-----
**From:** **Bill Veghte**
**Sent:** Thursday, July 10, 1997 8:28 PM
**To:** Moshe Dunie
**Subject:** FW: (not so) random marketing thoughts..

You should read this mail trail starting from the bottom. I know we aren't in marketing but...

-----Original Message-----
**From:** **Yusuf Mehdi**
**Sent:** Thursday, July 10, 1997 8:26 PM
**To:** Joe Belfiore; John Ludwig; David Cole; Chris Jones; Brad Chase; Jonathan Roberts; Bill Veghte
**Cc:** Paul Balle; Kim Akers (DAD Mktg)
**Subject:** RE: (not so) random marketing thoughts..

There must be something about nearing the ship of a major beta version of a product that causes folks to re-think strategy (as before the launch :) Seriously, there has been a lot of mail about how we might tweaking positioning, branding elements of the product, and packaging of bits. Joe this is not meant at you, but since you have cc'd the key folks on this mail, I am going to take the oppty to clarify the position from marketing

**We are on the right strategy. We just need to ship the Preview release and execute on the business plan that we have had laid out for some time.**

In particular, we are starting to win the press reviews. We have every OEM engaged in building their Active Dekstop and Active Channel. Ditto for the ISPs. We are about to announce over 250 ICPs are shipping Active Channels as part of the Preview release. We are gearing up for a massive preview 2 marketing effort that is going to kick start the push to 50% share. Now is not the time to change direction or rethink strategy.

To answer the specific questions you have raised as well as some others I have heard:

- Only ship the shell as part of memphis or charge for it separately. We are so too far down this path having said multiple times it would be free. We would get terrible pr and customer backlash. We screw NT 4.0 users. Making it available separately but charging for does not work from a practical standpoint at retail or online and is not of sufficient revenue that it would warrant forgoing a share gain oppty.
- Change the "e" icon in the browser window and/or on the desktop to the Windows flag. Again, we are investing a lot of marketing effort to drive "e" brand awareness and thus share in the coming FY - to the tune of $30M+ - that we would be doing ourselves a big disservice to start pulling the plug on the most valuable real estate we have We need to be decisive about whether we are or are not going to invest in the browser effort, which requires brand awareness to be successful.
- Marketing the tie to Windows 98. We want this tie to be very strong and starting CY 98 we flip the bit to shift from IE4 to Windows 98 as the major focus at retail. This shou ld basically parallel all of the mktg efforts we conduct. At the same time, I caution us to not to promote or hype Windows 98 too much ahead of launch. We need to learn from Windows 95 experience that this just comes back to haunt us. We need to sell what we have today.
- Increase Outlook Express emphasis. We are agreed here and we are engaging in a number of programs to help drive mail share that the Outlook folks should forward.

Net, we are far from done on the browser front. We are just at 30% but Netscape has shipped a good product far ahead of us and is still very savvy and very interested in keeping their stock price up. We need to execute on IE4, surpass 50% share, and be setup to continue the share gain via great distribution and product before we pull the plug.

-----Original Message-----
**From:** Joe Belfiore
**Sent:** Thursday, July 10, 1997 7 45 PM
**To:** John Ludwig; David Cole, Chris Jones, Brad Chase; Yusuf Mehdi, Jonathan Roberts, Bill Veghte
**Cc:** Dave Fester, Paul Balle, Kim Akers (DAD Mktg)
**Subject:** (not so) random marketing thoughts.

After 3 days out talking to more press people and a little break from our conventional thinking, a couple of things have occurred to me as ways we might improve our marketing messages for IE4 (and even Memphis...)

1) (small item) I think we are underselling outlook express. Maybe "underselling" is too strong a word, but i think we could be using it as a leverage point to drive IE mind/marketshare and we really aren't doing it. here's the situation I feel like I've seen repeatedly:

- random influential user (usually a press person) gets a significant amount of email via a web-standard protocol.
- this rules out Notes, Outlook etc. as their main email client choice, so they're shopping around for something good to use
- in general, internet-standard email clients have been "wimpy", often shareware-level or freeware-bundled apps, not really at the high bar you'd expect for your real mail client
- Outlook Express kicks butt as an internet standard mail client, and in general all these folks *love* it.

Seems like we could do a bit of OE-centered promotion that might get people trying out IE. It's interesting to consider doing, for example, web-ads *specifically* for OE ("have you tried Outlook Express-- #1 rated email client?")... I think we could use OE more as a great "bait" to get people to use IE. It so consistently is well liked, it seems like we should promote it more. (when you add in a great family-scalability strategy, there's even more reason to do something like this....) Also, perhaps we could use some promotion like this as something to tie us over while we get IE finished....

2) (bigger item) I think we maybe have our brand-leading backwards with IE and Windows 98. Consider which statement below is likely more powerful. (Keep in mind that realistically today "Windows" = "worlds most popular operating system" and "IE" = "underdog browser... Netscape is the *original* browser of choice")

Statment 1: "Get Windows 98, featuring INTERNET EXPLORER UI!" along with
"Get INTERNET EXPLORER 4.0, featuring 'web integrated shell'

huh? who knows what a web integrated desktop is, and what windows user running netscape really wants an

IE4 windows UI?

Statement 2 "Get INTERNET EXPLORER 4 0, includes a preview of the WINDOWS 98 UI""

I think Statment 2 is simpler and powerful...
+ tells you that you're getting a windows UI upgrade with the browser. . people are more likely to understand
+ tells you that there's something new and exciting with Windows 98 (a new UI). If you assume that you're going to update to windows 98 at some point in time, you might as well get the new UI now
+ if we choose to use the word "preview" along with "Windows 98 UI", it implies that there will be enhancements made to the UI when Win98 ships-- this is true-- and might even incline people to be more likely to anticipate win98
+ makes clear that those UI features won't be cross platform

I really think we should seriously consider switching our positioning here. Also, if we decide that we REALLY want to push people to Win98, we could *stop shipping* shell integration mode for free on the web when Win98 ships. Wow, we might really push people to get Win98 then... (same for NT 5 of course. )

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