Erik Stevenson (LCA)

From: Cameron Myhrvold
Sent: Wednesday, July 17, 1996 10:25 AM
To: Christophe Daligault
Subject: RE: A few (radical ?) ideas to move IE share all over the world

Comments below. I also asked my admin to set up some time for us to talk since I want to understand what you are doing and the subs and see how I can work better with the subs.

From: Christophe Daligault
Sent: Tuesday, July 16, 1996 11:34 PM
To: Cameron Myhrvold
Subject: FW: A few (radical ?) ideas to move IE share all over the world

- what do you think about these ?
- another idea I had was to give back a % of the bounty to resellers (proportionally to their sales of retail boxes of IESK and Plus) as channel marketing funds to incent them push IE vs netscape (who passes on ISP bounties to them today), so we put the channel to work for.us and for the ISPs.

I want to understand how this works? They actually give the reseller part of the bounty from a successful Internet sign-up? How do they do that? How do they know what reseller sold the box that caused the Internet sign-up?

From: Christophe Daligault
Sent: Tuesday, July 16, 1996 10:30 PM
To: Brad Chase
Cc: Christophe Daligault
Subject: A few (radical ?) ideas to move IE share all over the world

- I'd like to pass this through you before I get subs started, maybe can help you get some ideas for the US as well.
- More aggressive co-marketing with ISPs... Give them an incentive to sell IE to all of their customers (existing and new). I think that all subs (including maybe the US) should not hesitate to invest about 25% of their total marketing budget through the fiscal year to help finance some co-marketing in a smart way, so that we also leverage off the ISPs' and OLS money along the process of recruiting new users. We did get them to sign the licensing agreements, but it does not go much further than that. I am thinking of something along the line of what Japan did with OEMs, but with a much smaller contribution of Microsoft. Sort of an "Intel inside" campaign where the ISPs get a 15% contribution from Microsoft if they mention IE and promote heavily in everything they do. For sure, we will drive all subs to partner with their top ISPs for the IE 3 launch and give them exposure in the ads.

I think you are being wonderfully aggressive, but totally unrealistic. 25% of their marketing budget for a project that brings in NO REVENUE. I think Steve and the GMs will laugh you out the door... I love the idea of co-marketing but it probably needs to be in YOUR budget or my budget or the budget of some crazy person who does not care about making any money... Seriously, I complete agree that we should be doing more co-makreting with ISPs but I think your suggestion of taking this out of the subs marketing budget is a non-starter.

- Maybe an even more aggressive idea would be to ask ISPs to offer a exclusive discount to all of their Netscape customers who move to IE (and not other browser's users) in exchange for waiving the fee to get on the referral server. Certainly illegal in several places, for sure France, but why not do where we can ?

We are doing exactly this and I encourage you to help us be creative in figuring this out. We are trying to figure out how to incent ISPs to move their installed base (as opposed to new customers) ti IE. With Netcom we will refund them $9 from the ISP referral server bounties for every existing customer they move to IE. Ihave asked Rust and Bradc to please help us think about such a program that we can implement with every ISP we sign, but have heard nothing back.

- Use leverage of channel funds to incent the channel to push our retail products : in retail make IE share a hard requirement for channel funds: if our market share is less than 50%, you only get 80% of your channel funds, if it is over 50%, you get 100%, if over 75%, 110% and you get a shipment of free product. With LARs, there would be a target of IIS and IE deployement to reach before you cash in your funds. Not sure how channel funds allocation work in the US, but I think i can get this to work in some countries.

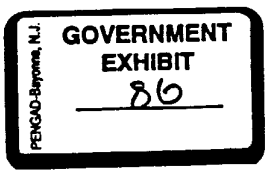
I think this is a good idea. Again i think you need to be careful about how you mess with funds designed to help us make our financial budgets, but this may be an acceptable way of doing this.

- Buy top banner on Yahoo's home page through the rest of the year (if they really are second site for traffic after Netscape)

Certainly we should be doping lots of online advertising I agree with this. I also think we should exploit our subs and do int'l web advertising in local langauges. I have yet to see a foreign language ad for NetScape. Perhaps we cna hit them where they are not looking.

I think there are a number of other ideas I have had that would fit with these. We should talk.

Cam



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