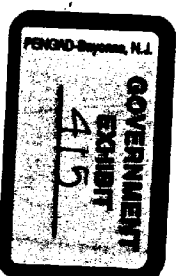


# *IE Market Review*

April, 1997

Kumar Mehta



# *Agenda*

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- **Size of Internet Market**
- **Browser Share and use**
- **Other Internet Metrics**
- **Email**

# *Internet Market Size (access in past month)*

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- *For Adults (18+) in US:*
- # on web past 3 weeks: 30 million

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## *Internet Access*

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Projected to 30 million regular surfers

- Home: 61% (18.3 million)
- Work: 28% (8.4 million)
- School: 11% (3.3 million)

# Browser Share:

ALL Home Work  
30 million 18.3 million 8.4 million

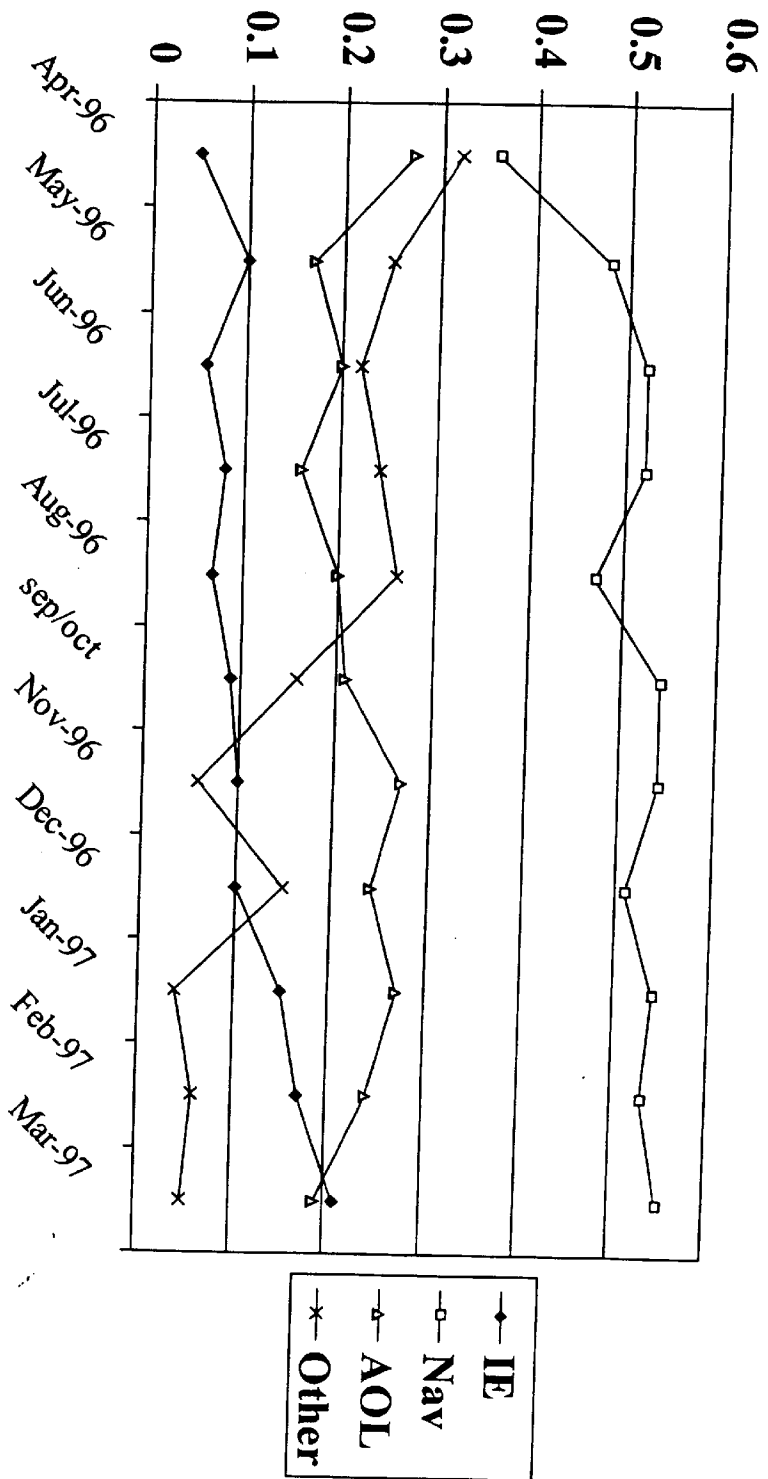
- IE 21% 21% 22%  
6.3mm 3.9mm 1.8mm
- Nav: 55 49 67  
16.5mm 9.0mm 5.6mm
- AOL: 19 27 5  
5.7mm 4.9mm 420K
- Other: 5 3 6  
1.5mm 550K 500K

# Browser Share (by platform):

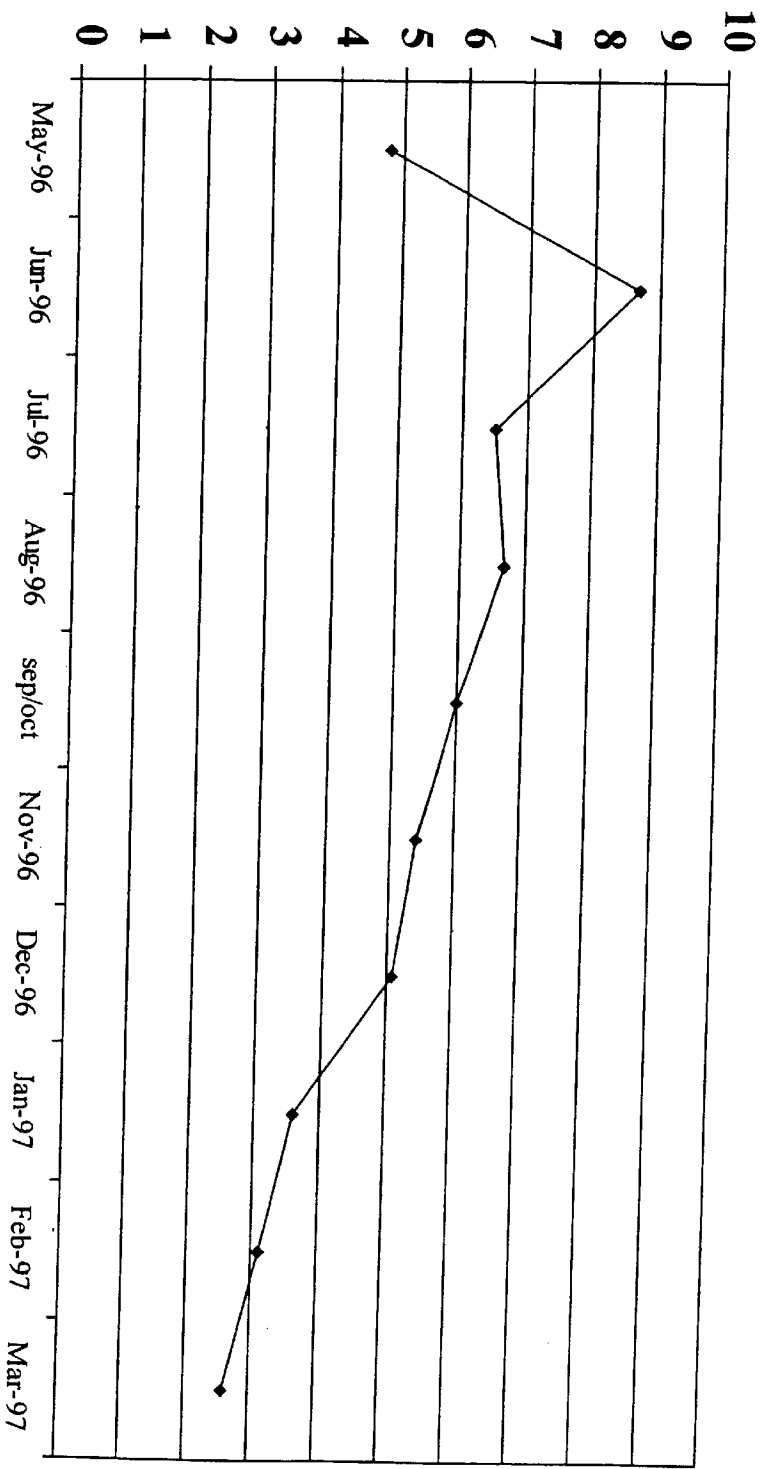
Win32      Win16      Mac  
16.8 million    7.7 million    4.7 million

- IE      26%      12%      14%  
4.4mm    925K    660K
- Nav:    52      65      64  
8.7mm    5.0mm    3.0mm
- AOL:    17      19      21  
2.9mm    1.5mm    990K
- Other:    5      4      1  
840K    300K    47K

# IE Share: 1 year trend



# Nav: Dominance over IE



Nav: Overall dominance = 2.6  
Work Dominance = 3.0

Win 16 Dominance = 5.4  
mac Dominance = 4.6



## *Browser facts*

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- 67% of IE users on IE3
- 63% of Nav users on Nav3

# Web Access

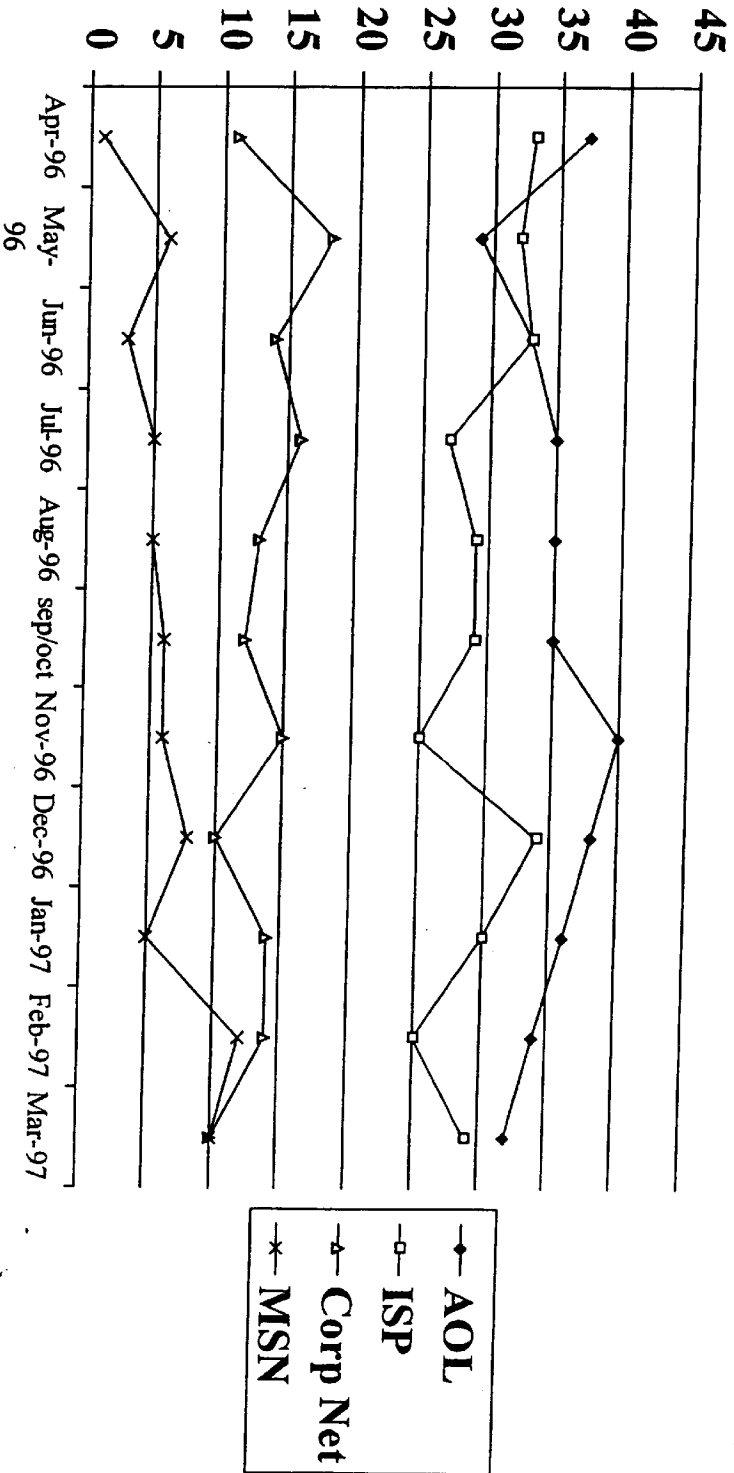
All

Home

Work

• AOL:	32%	43%	15%
• ISP:	29	38	19
• MSN:	10	7	11
• Corp. Net:	10	2	27
• CIS:	3	3	4
• Prodigy:	2	2	1
• DK:	13	6	22

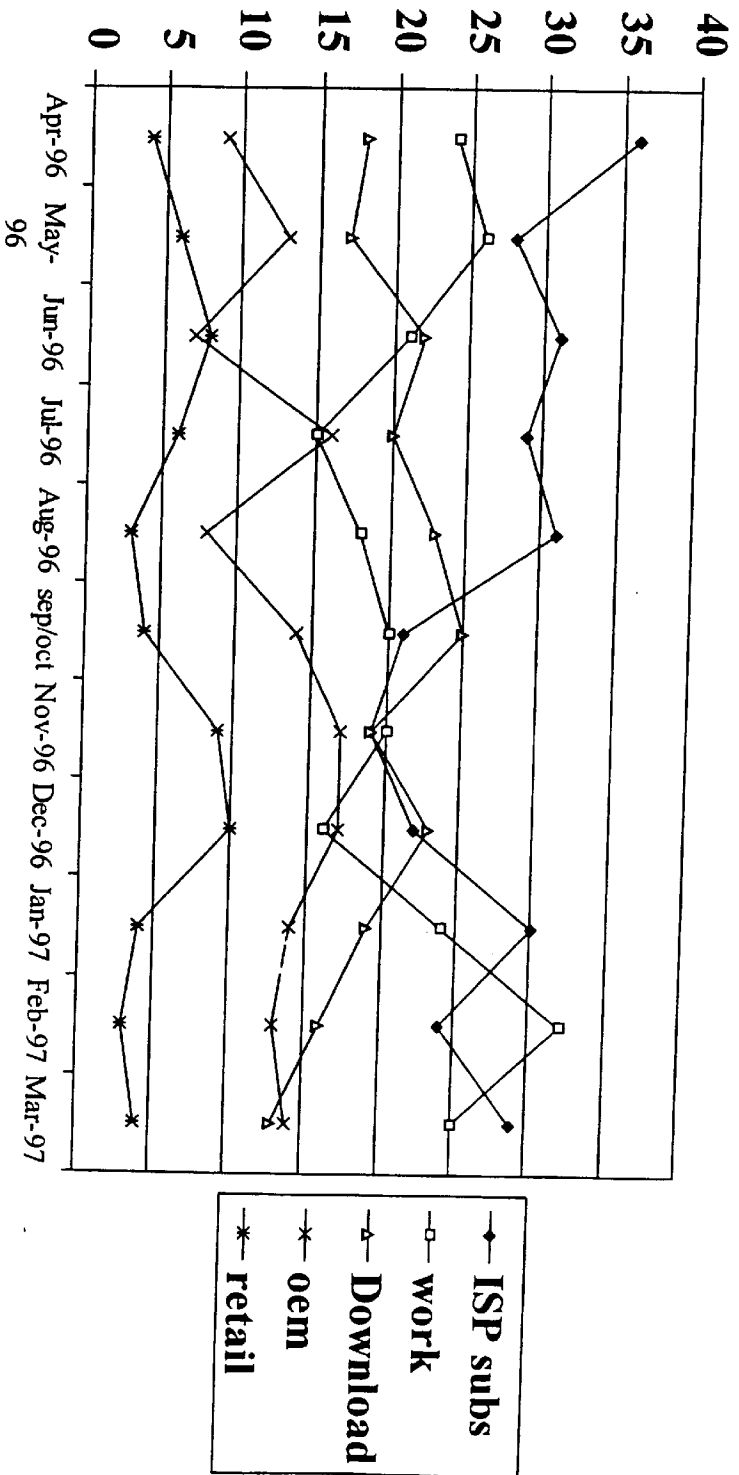
# Web Access Trends



# Browser Acquisition (by brand)

	<u>All</u> 30mm	<u>IE</u> 6.3mm	<u>Nav</u> 16.5mm	<u>AOL</u> 5.7mm
• ISP:	29% (8.7mm)	17% (1mm)	20% (3.3mm)	75%
• Work:	25 (7.5mm)	17 (1mm)	31 (5.1mm)	10
• OEM:	14 (4.2mm)	26 (1.6mm)	14(2.3mm)	6
• Downloaded:	13 (3.9mm)	23 (1.5mm)	15 (2.5mm)	1
• Retail:	4 (1.2mm)	1 (63K)	6 (1mm)	0
• s/w bundle:	2	5 (325K)	1	0

# Browser Acquisition Trends



# Browser Unaided Awareness

	Total	Win16	Win32	Mac
• Nav:	55%	58%	62%	53%
• IE:	31%	23%	41%	19%
• AOL:	12%	12%	14%	16%

- *IE Unaided awareness higher for those on Win 32*

# IE awareness and familiarity

	Today	Sep 96
	30mm	22mm

- Use 21% 9%
  - Not Aware: 19 24
  - Low Awareness: 39 43
  - Well Aware 21 24
- Awareness still a problem: 58% with low awareness; compared to 67% last september
  - Use/Aware ratio up from 27% to 50% for IE
  - Use up 133%; Awareness up 58%

# Nav awareness and familiarity

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	Today	Sep 96
	30mm	22mm

- Use 55% 55%
  - Not Aware: 13 16
  - Low Awareness: 20 21
  - Well Aware 6 9
- *Use/Aware ratio flat for Nav: 83% in Sep and 86% today*



# *How to influence Awareness*

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- How did you first become aware of your browser??

	<u>Home</u>	<u>Work</u>
– Came with subscription:	24%	8
– Friend recommended:	23	14
– had it at work:	11	55
– Online ad:	9	6
– Ad in magazine/paper:	9	4
– Came with computer:	6	2

# *Browser - Satisfaction*



IE

Nav

AOI

- SCI:

38%

34%

5%

# Switcher Intentions

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- 81% will not switch to IE

- *based to those aware of IE, but not using it 6 million*

- Why Not??

- Prefer what I have: 30%
- No reason to switch, satisfied: 20
- IE is unreliable/bugs/problems: 12
- Not my choice/work provides: 9
- Don't like Microsoft: 7
- Cost: 7
- Security Issues: 6
- Don't like features: 6

## *IE users profile*

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- IE is first browser: 43% (2.7 million)
- Switched to IE: 55% (3.5 million)

# *IE Initial Browser*

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- 2.7 million use IE as initial browser
- **Why select IE:**
  - Free: 31%
  - Company decision: 15
  - came with software: 13
  - ease of use: 10
  - Reco. From friend: 7
  - Access provider: 5
  - Exclusive access: 5

## *Switched to IE*

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- 3.5 million have switched to IE from another
- Previous Browser:
  - Nav: 55% (1.9 million)
  - AOL: 18% (630,000)
  - Mosaic: 17% (600,000)
  - IE 2.0: 5%

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## *Switched to IE*

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- **Why switched to IE:**
  - Free: 28%
  - Ease of use: 15%
  - Better features: 12%
  - Reco. From friend: 12%

## *Which browser is better??*

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- Asked to those aware of Nav and IE
- IE better than Nav: 16%
- Nav better than IE: 31%
- Both Same: 40%
- Don't know: 13%



# *Brand loyalty*

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- % loyal to browser brand: 36%
- % loyal to email brand: 43
- % loyal to Access Provider: 45
- % loyal to WP brand: 61
- % loyal to Computer brand: 57
- % loyal to Long distance co.: 57

# www behavior

All   IE   Nav   AOL

- Months on www:   16   18   17   15
- Times/week on www:   7   9   7   6
- Hours/week on www:   8   9   7   6

*IE users are more sophisticated*

## *IE user sophistication*

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- More likely to consider themselves advanced surfers:
  - 25% for IE (13% for nav and 3% for AOL)
- Like to immediately upgrade versions of all s/w
  - 60% for IE (46% for Nav and AOL)

# *email metrics*



# *Email Market Size*

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- EMAIL MARKET SIZE : 27 Million
  - among web surfers

# Primary mail client market share

	All	IE	Nav	AOL
• AOL:	27%	11%	16%	77%
• Netscape:	10	6	20	1
• Eudora:	9	10	14	2
• MSN Mail:	7	20	7	1
• Inbox/Exch:	6	16	5	-
• ccMail:	3	6	3	-
• CIS Mail:	3	2	3	-
• Internet Mail:	2	5	1	1
• don't know:	15	12	10	10

## *Source of email account*

- Came with subscription: 53%
- Company has email: 30
- School has email: 11
- Other: 4
- don't know: 3

## *Other email facts*

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- Used another email before current: 38%
- Average # of email accounts: 2.3
- Length of time on email: 20 months



## *What's more important??*

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- Browsing the www: 34%
- Being able to use email: 43%
- Both equally important: 22%

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## *Key Takeaways*



- Nav share steady; but dominance down
- Browser share low at “work” and at Win16 and Mac
- AOL is primary means of web access
  - also leading mail client

## *Key takeaways:*

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- OEM is leading distribution channel for IE
- Nav outsells IE by 1 million copies at Retail
- 5 times as many Nav copies have been distributed by IS
- Bundling with other MS s/w helps IE

## *Key takeaways*

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- Does normal adoption cycle hold true??
  - Awareness may not be a big deal
  - focus directly on use through ISP deals and MIS
- Win Influentials:
  - Recommendations play a big role in acquisition

## *Key takeaways*

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- IE and Nav both perceived as being equal
- Browser brand loyalty not very high
- IE users more sophisticated
  - focus on retention as we have more influentials

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