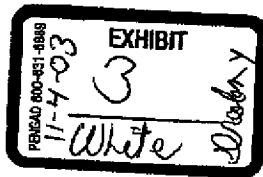


U2.Burst.Com Project Analysis



July 2000
burst.com
Marketing Department

CONFIDENTIAL

BUR5105664

Plaintiff's Exhibit

6803

Comes V. Microsoft

3p-DEPEX 011097

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Introduction

This document is intended to review aspects of the U2 -Bursts Out event, including detailed quantitative tracking as well as summaries of: PR, Advertising, Site Design, Rich E-mail, Other Viral, Infrastructure, and Data Tracking

Objectives

To demonstrate the technological innovation and superior content delivery provided by Burstware®, we presented the world broadcast premiere of U2's Popmart video over the Internet.

- The video was available from June 8 to June 30.
- Upon arriving at the U2.Burst.Com site and meeting Burstware® user requirements, users were able to immediately download the Burstware Bridge and view the video.
- The video functioned like a DVD/CD, whereby you can choose the individual tracks.
- In addition, the site also included a rich media based presentation about how Burstware® works as well as an interview with Edge, U2's leading guitarist, touting the advantages of the Burst technology.

Audience

The primary audience for the event was industry and opinion leaders who are responsible for delivering video content over the Internet, i.e. studio heads, network executives, record companies, etc.

The secondary audience reach was targeted towards consumers; specifically ones who are web users of video delivered on the Internet. Ideally, once they're aware of the advantages of Burstware®, this group will spark an "I want my MTV" type of demand, directed towards content providers. By reaching this group and generating a significant number of Burst Bridge downloads, the Burst sales force can make a stronger case in their sales efforts.

Communication Objectives

- Drive traffic to the site in order to demonstrate the advantages of our technology
- Show to the industry that video delivered over the Internet can be a viable delivery venue.
- Introduce Burstware® as the solution which provides TV quality video over broadband connection

Site Objectives

The site was designed provide an exciting form for our target audience. The site was designed to showcase our technology over broadband networks, while also supporting narrowband connections to accommodate U2 dialup fans.

Project Overview

Public Relations

Overview

Hired Bender Helper Impact (BHI) to handle all public relations details. BHI had 6 weeks to begin and produce a media buzz. (April 19 kick-off meeting). Coverage ranged from traditional press releases, journalistic outreach to satellite coverage and an Edge interview.

Cost

- Approximately \$100,500

Advantages

- Hired a top-notch agency, with relevant focused entertainment experience.
- Had newsworthy material to showcase our technology (U2 content).

Challenges

- BHI overcame tight deadlines.
- Last minute SMT location change that Bender handled smoothly and efficiently.
- Setting up executive interviews on the fly.

Analysis

- A total of 43,971,062 impressions.
- 43 print and 120 television segments.
- Attachment 1 – BHI Booklet

Advertising

Overview

Hired Butler Shine & Stern (BSS) to handle all advertising details. BSS had 2-3 weeks to complete creative to be able to submit artwork to the appropriate medium. (April 24 kick-off meeting). Coverage ranged from magazines (entertainment/content, Internet, Web/IS Management and Senior Mgt), newspapers (SF, SJ, LA, NY, WSJ), radio, electronic newsletters and consumer on-line.

Cost

- Approximately \$850,000

Advantages

- Hired well-renowned creative ad agency with good sense of humor.
- Ads captivated people's attention.

Challenges

- BSS affected by tight deadlines.
- Text not very engaging or exciting.

Analysis

- Total of 6,839,900 print, 10,544,800 online, 6,956,571 radio and 3,294,800 e-newsletters impressions
- During the two-week period we were able to attain 497,160 "click-throughs" to the u2.burst.com site, which was 99.4% of the 500,000 goal.

Site Design

Overview

Hired Mindsphere to handle web site design. Mindsphere had 8 weeks to complete creative and test site. (April 4 kick-off meeting).

Cost

- Approximately \$130,000

Advantages

- Quick implementation of site.
- Quick fix to bugs.

Challenges

- Not enough time to effectively provide constructive feedback to tailor the site more to our needs.
- Site design was too rich (long download times).
- Many click-offs after 15 seconds.
- Need more built in tracking.
- Text was not written in HTML; text changes were not timely.
- Unable to make changes internally.
- Hard to work with contractors off-site and far away (time differences, different machines, etc.).

Analysis

- 7% clicked off from home page

Rich Email

Overview

Hired Mindsphere to handle rich email design. Mindsphere had 8 weeks to complete creative and test database. (April 4 kick-off meeting).

Advantages

- Notification of event to VIPs

Cost

- Approximately \$15,500

Challenges

- No guarantee of click-through.
- Difficult to assess if already visited our site since this was delivered a full week after launch.
- Need to have had sent it as a sneak preview to gauge effectively.

Analysis

- Only 27 out of 660 clicked through.
- Text was not written in HTML; text changes were not timely.
- Unable to make changes internally.

Other Viral

Overview

Internally posted information about the site on approximately 30 U2 focused web-boards with a total of 2,345 members.

Advantages

- Notification of event to U2 followers .

Cost

- None

Challenges

- No guarantee of click-through.

Analysis:

- 2,345 impressions on numerous U2 fan club boards.

Infrastructure

Overview

The U2 event coincided with the infrastructure deployment to support our hosting network. The only modification to our infrastructure deployment was the addition of England as a collocation site.

Advantages:

- Strong based hosting infrastructure.
- First major testing of infrastructure.

Cost

- Approximately \$100,000 for hosting

Challenges:

- First time testing with major event.
- Long load time.
- Logging not set up in advance.

Analysis:

- No crashes.
- Un-quantifiable number of requests unable to deliver.

Data Tracking**Overview**

Data was pulled from four servers, U2_CA, U2_VA, Burstware® and Burst.Com.
Data analysis used both WebTrends and the Burstware® Logging Tool Kit.

Advantages:

- Strong based hosting infrastructure.
- First major testing of software and logging data.

Cost

- Minimum

Challenges:

- First time deployment, testing, usage with major event .
- Long processing time (equipment based).
- Logging not set up in advance (servers and sequel queries).
- Absence of uniform standards in market.
- Compilation of data from four servers.
- Tracking mechanism wasn't built into Mindsphere's design. (see contract regarding consultation services and charges and actual consultation services received)

Analysis:

- See Attachment 2 – Data Summary

Executive Summary

As a result of targeted marketing, there were approximately 550,000 visitors to the U2 site-landing page, with a ROI of \$2.00 per visit.

We retained 10% of the visitors, totaling approximately 50,000 users watching video with approximately 61,000 bridge downloads.

Reviewing the analysis, Burstware® needs to expand its compatibility to include other media players. Expanding the product line (by burst-enabling other players such as Real, Quicktime for Mac as well as expanding the platform support) could substantially increase our target market.

Analysis Metrics

- Approximate Total Cost of Event: **\$1,100,000**
- Level of coverage/branding: **71,609,533 impressions** (PR: 44mm, Advertising: 27mm, Rich Email, Viral)
 - \$0.02 per impression
- Number of eyeballs to site: **542,000 users (1% conversion rate)**
 - \$2.03 per eyeballs

Conclusions

- Lost 7% due to rich media site and natural apathy
- Lost 35% due to platform incompatibility.
- Lost 43% due to player incompatibility.
- Lost 4% due to Bridge technology/downloading issues.
- Lost a minimum of users due to bandwidth sniffer technology.
- Number of users requesting video: 52,460
- Number of users playing video: 49,188
 - \$22.36 per viewer able to play video
 - Opportunity Loss of 90% (10% retention)
- Number of users playing video without buffering: 28,130
 - Play requests without buffering: 54%
 - \$39.10 per viewer to play without buffering
 - Opportunity Loss of 95%

Customer Viewing Statistics

- Approximate viewing time
 - 58% less than 5 minutes
 - 16% between 5-10 minutes
 - 25% between +10 minutes
- Video played by encoding rates
 - Total: >90Mbps: 51% & <90Mbps 49%
 - Without buffering: >90Mbps: 40% & <90 Mbps: 60%

Traffic Flow Chart

