
From: William Zolna (Waggener Edstrom)
Sent: Friday, November 05, 2004 7:45 AM
To: Christopher Payne; Larry Grothaus
Cc: Justin Osmer; MSN Public Relations; WE MSN TEAM
Subject: Recap: Day Two Search Briefings

Day two of the Reviews and Analyst Search tour was another success in that we received encouraging feedback from both Steve Wildstrom and Walt Mossberg, two very influential and opinionated MSN targets. Both meetings went very well, and I think you should feel confident that we are winning support from our key influentials.

I would sum up the two biggest highlights from the day as these:

- Wildstrom is not a fan of Google desktop search, and although he never articulated, I think he likes MSN's. As he is working through his reviews plans, we stand to win in a comparative review if Wildstrom goes that route (and of course we will work with him as he thinks through his coverage plans).
- The Mossberg meeting went better than I expected, with Walt more encouraging towards the service than I would have anticipated. His best comment: "If anyone can do this right, it's you guys" and I think he sees v1 was a very good step in that direction.

I think our strategy of getting Yusuf on the phone with both Mossberg and Wildstrom (as well as Levy from Day One) went a long way in helping to make these meetings successful. It freed up time for you to really have a discussion with them about search, allowing them to articulate their opinions about what is going right and wrong today in the space, and allowing you to dive deep into your vision.

I feel we are clearly meeting these objectives for this tour:

- Updating/educating these influentials on the changes and improvements of the service
- How MSN differs from what exists today
- Educating our targets on the dev cycle around V1 and what is to come.
- Educating that search is a market in its infancy with tremendous potential for consumers.

One question that did not come up often in any meeting was: How MSN plans to compete against Google? I think the reason it didn't is because Christopher diffused it from the start by explaining that Search is not sticky, and that the power searchers typically use more than one service, and that if MSN can build a better engine than customers will choose it.

One issue that arose from yesterday that I think we need to be prepared for moving forward is how MSN's search strategy complements or differentiates from what is coming in Longhorn. This was big with Walt, who does not understand why the Longhorn search capabilities need to be any different than what MSN is offering. We need to anticipate the question of: "So is this what you're offering with Longhorn, and if not how will LH be different?"

Below is the high-level recap from both meetings.

Steve Wildstrom, BusinessWeek

This was a good meeting because Steve was engaged throughout. He is most interested in desktop search (calling it "really hot" right now) as this is where most people (particularly info workers) will get the most benefit. He has not yet figured out his coverage plans - Steve is looking at a couple options, including a comparative review of desktop search - indicating that his schedule gets a little crazy during the Holiday season.

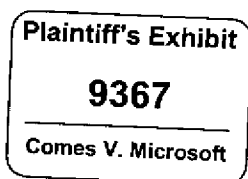
Search landscape:

- Query Share - lots of room for us to improve and grow
- Market Share of Unique users - our strategy: get our own customers (not Google's) to use our search. Steve agrees there's room for growth in the market. "Lots of experimentation going on."

SW: "A million results is not useful. People don't look beyond the first page."

Why is MS in Search?

- Customer need



- Merchant need – Steve agrees that advertising is big, but “the key is to find advertising that is useful, not annoying.”
- Company-wide focus –MSR, etc.
- Growing category – \$4b currently

Where Search falls short:

- Delivering links, not answers – average time from query to correct answers: 11 minutes. Steve: “that’s the problem – you get too much other marketing or commercial stuff, not what you’re really looking for.”
- Unanswered questions – Nearly 50% of complex queries go unanswered
- Not understanding user intent – lots of issues with privacy and providing clear benefit. We don’t believe search is sticky, doing a hundred searches doesn’t mean that your 101st will be any better. Steve: “Need to be careful, as you get into serious privacy concerns.”

A Broader view of Search:

- Query retrieval – Filter & refine results – Act on answer – Shift context, ask question
- Steve agrees that the query retrieval aspect of the equation is the first and most important thing you have to do.
- MSN is trying to focus on the 11 minutes portion of the equation.

MSN Search approach:

- Better answers, faster – This is the most important, the PhD stuff
- Broader selection -
- Integrated User experience – Opp to make it horizontal – not leave Outlook to go to Search, etc. Steve: Outlook search is slow and useless. No good way to construct a query.
- Platform for innovation - Steve: Sounds like you’re trying to move search to a web service approach. (Which is true.)

New MSN Search Service

- Better, more relevant results –
- Breadth and frequency: Five billion documents (went from 1.1 to 5); documents updated every 2 days vs. 2 weeks
- New algorithmic engine
- Instant access: Encarta & music, images & news
- More control:
- Search Near Me – knows where you are based on what you tell them
- Search Builder – harkens back to wizards
- Toolbar
- Beyond the Web:
- Pushing desktop search

Steve: Will desktop launch before eoy? Yes, in beta.

Larry demo:

- Some basics that offer a good solution to help get our customers back to using us: Spell check; Domain collapse and ability to drill right into it.
- Steve: Good thing to do is suppress unicode results.
- Better, more relevant results – now we have ability to ask real questions and get real answers through Encarta. Steve: Are those always Encarta? How do you know the source? They’re Encarta today, but we’re moving to get other sources. Steve: Important that people know the source.
- The engine is very smart and can do calculations and lots of advanced functionality.
- Freshness is key – news clips updated in real time and other sources frequently
- Near Me – as Yusuf talked about. Can do a couple things – you can hard code it. Steve: reverse IP sometimes works, sometimes not. Is good because it goes further than just, say, Seattle. Part of why we did this from the ground up, we would not have been able to innovate because we would not have been able to geo-tag the info ourselves.
- Search Builder - you can define the tabs; can puts the customer in control of the weight of the algorithms. Opening it up to people who don’t have a lot of time but want a little more control. The key for us is deciding what to expose for customers vs. exposing some of it to bad things.
- Beyond the Web:
- Messenger – added search; example of how we’re integrating search across both MSN and MS.
- Delivering a toolbar suite that integrates across the desktop - for Office, Windows, IE.
- Highlight Viewer, Form Fill feature
- Allows you to treat results like a true Windows interface that allows you different ways to sort and organize.

- Outlook- it searches across folders and the drive. People need fewer folders because of this.
- Windows Explorer – creates dynamic shortcuts. Word wheeling. Internally this feature is a favorite.
- Initially we're targeting the MSN base with the Search service. The Desktop Suite we believe will provide the best solution for all Windows users.

General comments/observations from Steve:

- Hates Outlook searches!
- Surprised at how bad Google desktop search is. Works to find stuff, but UI is bad. It's great at finding cached web pages.
- Desktop search is really hot. The need is great.

Walt Mossberg, WSJ

Another great meeting as Walt seems to really like our service! "If you do this right you have a good shot because it plays to your strength." For this meeting, Christopher and Walt breezed through the presentation deck. More than any other meeting to-date, the first half of the meeting was a true conversation about the search space. The meeting went over by about 15 minutes which is a good sign. Walt had some good suggestions for features, which are included below.

- WM: Search plays to MS's strengths. Sees a lot of similarities btwn. Google and MS. Both are focused on using tech to solve data problems.
- CP: We're at 2.4 words. WM: You do so much better if you do 4. What is Google's? CP: Very similar. That number has not changed
- CP: Context is important, that's what MS is trying to get better at. Today, search solves for the average, assumes everyone is average. WM: Understand what you're saying, and context is very good, but for those whom context doesn't work, it has a way of poisoning your results, though. Need a way to turn that off or develop modes for it.
- CP: Today, users have little control over search – is a black box. If you don't get an answer to your query, you're stuck.
- Discussion of "tail queries" and the challenges of getting traction on them. Walt is engaged in this conversation as it is interesting to him.
- When you find the one thing that is hard to find, that is the key moment "delight moments."
- Walt likes Guru Net – is built into A9. Gives answers, not just links. There's a huge distance you can go.
- A brief discussion of MSN Encarta feature, which Walt really likes. CP: Challenge is taking it across the Web.
- Walt is wondering when he should write. We'd prefer he wait. ACTION: Stay on top of Walt on this as he begins to play with the service to get his thoughts. This is same issue we had for Music Preview in September – this is an area of interest in Walt and he seems excited and may want to write now!

Larry demo:

- Larry begins by talking about where we're nailing the basics (or as Walt called it "catching up" to the competition):
 - Spell check; Searching within PDFs and Docs is new; Domain collapse
 - We need to nail the basics to get our core customers back.
 - Algorithmic search results are ours (not Inktomi or Overture, etc.)
 - 5 billion vs. Google's 4.2 billion
 - Encarta feature
 - WM: How do I know it is Encarta? "This is very smart - Encarta's efforts to sell must be down. Probably best to fold it into a service like this. Makes me wonder if Google will partner with an encyclopedia."
 - Can do complex formulas – have done dictionary but not thesaurus.
 - WM: If you type in query into search box, you can save and bookmark the results URL (Larry/Christopher – we should follow-up on this so I'm clear).
 - Walt puts in his hometown to see what happens. But no Encarta answer. Why? We will, but no mapping yet.
 - To follow up on: why does Larry's machine have weird things happening in the margins? – perhaps having to do with the tilde in espanol?
 - Near Me feature – challenge is that many pages don't tell you where they're located.
 - WM loves that the service knows your IP address
 - Nice thing is that near me finds an expanded circle. Good implications for mobile.
 - Search Builder – uses wizard. Walt loves the levers/sliders: "I'm surprised you have it buried (only) in Search Builder. This is a way to differentiate from Google."
 - Can you save these levers? Can you do a "tweak this search" or "tweak all searches" using your lever settings?
 - Date stamp – we can crawl a billion a day if we want to, but we won't. WM: How do you know which ones to crawl?
- Different probing techniques. Google has something similar. If you cache it, you can run into the same legal problems.
- WM: You could never do this if storage wasn't so cheap. Correct.
 - Music search (Sting example). Walt isn't sure he likes it because it assumes you want to buy (CP: buying is about 30%),

and that it doesn't take you to MusicMatch or iTunes.

- Image search – choose size and format (color, b&w). WM: Do you have the nude filter? CP: We actually don't have naked pictures but at some point we will have everything.
- WM: If you're a WSJ subscriber, there should be a way the service automatically knows my log-in so it takes me right to the article.
- WM: Does this work with Firefox? Yes, but the toolbar won't. We're testing Safari too, and it will work there too.
- Messenger – we are trying to integrate search into MSN and MS properties.
- MSN Toolbar – great interface that allows you to customize/organize.
- You also search in OE? Yes. And PDFs and Docs.
- You are going to provide good search in Outlook? Yes, and the Outlook team has helped us with this.
- Results pane allows you to drag and drop into outlook easily.
- They played with photos, Walt asked about searching music files (ID3 tags).
- Walt: Why are they going to do Longhorn and WinFS? CP: "It will be better." Walt doesn't buy it – MSN does it already. CP: "It is a good place to start." WM: Someone needs to explain how the search in LH will be better and why you need WinFS. CP: there will be better meta data for LH. Walt is not convinced.
- Word wheeling – you get the popup column.
- Do you have active verbs? Where you could say "email Chris the spreadsheet from last week"? We cut it, but coming soon; we have prototypes.

CP: lots of improvements over next 2 years

Other comments from Walt:

- This is exciting because I believe we're moving to a whole new way to use the computer.
- Now that you're doing search, where does MSN end and Windows begin?
- I'll be interested to see how people react to having a page that shows your desktop and web search? Walt turned off that view in Google

From: Bill Zolna

Sent: Wednesday, November 03, 2004 9:56 PM

To: MSCHRISPA; MSLARRYGRO

Cc: MSJUSTINO; MSMSNPR; WE MSN TEAM

Subject: Recap: Day One Search Briefings

Christopher and Larry:

With day one of the Reviews and Analyst Search Briefings behind us, I am feeling very good about how the meetings have gone and think we have good momentum for the remainder of the week. Overall, the meetings (and demo) went very well and you both did an excellent job in providing the right combination of Vision + Demo.

With the exception of the PC Mag meeting (which was a little anemic comparatively), all our influentials today were engaged and asked good questions about the Service, leading me to believe that they agree we will have a solid V1 offering.

However, perhaps the most interesting development from today was what appears to be an emergence of two different thought camps on Search:

1. the Search space is already claimed by Google and the challenge from other competitors to rise above the Google branding is too difficult (I might put Ed Baig in this camp, and before today would put David Card, and although we didn't meet with him, I would put David Pogue there too);
 2. those that agree with MS that we've only scratched the surface of the possibilities of Search and there's lots of room for competition and new loyalties (Lance Ulanoff, Steven Levy and perhaps Joe Wilcox)
- One thing I think you both were successful at today was showing your enthusiasm that MS has the knowledge/expertise/vision to become the best provider in this space, and demoing the compelling features in v1 that show MSN is making rapid progress.

By the end of the day I think you both nailed the correct flow for the presentation. My only feedback would be to continue to pay attention to how much time you spend on the vision portion of the meeting vs. showing the demo, bearing in mind that for the Reviewers its best to provide a solid foundation of our vision for MSN and thoughts on the market, but really nailing the demo portion.

Some hi-level observations (thus far):

- Citing the results of the user studies, which demonstrate how varied and difficult search can be for the average person, provided good color that our influentials responded to.
- Some of the features like the Search Builder and the MSN Toolbar really help deliver on the overall vision of helping consumers get faster, cleaner and easier access to the answers they want.
- Encarta seemed to be a hit and something we need to absolutely highlight in our upcoming news meetings as a key differentiator.

Below is the hi-level recap from each of your meetings. Action items (all for Waggled are in red). Let me know if you have any immediate thoughts/concerns and I will see you both tomorrow!

Ed Baig, USA Today

This trip out to see Ed (vs. canceling since he couldn't make it into his office in NYC) was well worth it for several reasons: 1) Ed is obviously influential and an important person to interface with; and 2) it was a good first "warm up" meeting, due to Ed's easy-going style (although as we all observed and he admitted, he was very tired this morning and not 100% his usual self). Plus, I believe the effort to go out to visit him underscored the importance and enthusiasm you put on Search.

We began the meeting with Christopher going into the slide deck:

Search landscape:

- Query Share
- Market Share of Unique users

Why is MS in Search?

- Customer need
- Merchant need
- Company-wide focus – long been a dream, but is a very thorny problem; you won't see just an MSN approach, you'll see it company-wide
- Growing category – \$4 billion today; \$10 billion by FY08

Q: it's hard to compete with a verb (google). Are people going to be brand loyal to Search? Even if you create the greatest search, is search the type of thing that I'm going to get sticky with?

A: You're right, Search is not sticky. But we believe that if we build a better mousetrap, people will use it.

Q: Is it that I won't get the result I want with a particular engine, so I'll try another one?

A: Yes, that is exactly it. 50% of queries were unanswered; 11 minutes per query (in Vividence [sp] study).

Where Search falls short (these are the reasons we got into the business: we asked ourselves, are there things not happening in Search that should?):

- Delivering links, not answers – Average time from query to correct answers: 11 minutes. Search today treats you as the average person not an individual (ie Saturn and Jaguar example)
- Unanswered questions – Nearly 50% of complex queries go unanswered
- Not understanding user intent – Words have multiple meanings and deliver different results
- Lack of user control – Little personalization or learning. MSN found that users want more control, more interaction w. the results by service
- Limited scope – Information beyond web hard to access and search not well integrated across applications. Info is siloed. We think there's an opp to break the silos apart.

A Broader view of Search:

- Query retrieval – Filter & refine results – Act on answer – Shift context, ask question
- We're not going to solve this in v1. We'll have some great stuff out of the gate

MSN Search approach:

- Better answers, faster – Understanding queries & delighting customers
- This is the most important; this is why we have PhDs, this is where the heavy lifting comes in. If we don't win here, we won't win.
- Broader selection - Biggest, freshest, most comprehensive
- Integrated User experience – Core part of computing experience
- We think there's opp to make it horizontal – search will be essential function of any app, should be able to ask the Q in context and get answer right where you are (not leave Outlook to go to Search)
- Platform for innovation - Enabling a 3rd party ecosystem

- Needs to be a platform from which developers can write to. Example: bloggers might want to build the ultimate fan search engine; small business might want to deliver a great ww solution for their customers to get specific info.

ChrisPa: we've made great strides with #1&2, working on #3&4

New MSN Search Service –find what you want faster

- Better, more relevant results –
- Breadth and frequency: Five billion documents (went from 1.1 to 5); documents updated every 2 days vs. 2 weeks
- New algorithmic engine
- Instant access: Encarta & music, images & news

Larry's demo:

- New UI
- Spell check – Chrispa: this is a big deal. Ed: Google does this.
- Chrispa points out that now we have cached. PDF we now have. Also points out that we crawl web more often than competition, architecturally that's an advantage.
- Larry: some differences – we try to get answers, not just give you links; Larry asks what is GDP of Italy, and Encarta gives answer.

Q: Will it calculate difference in %?

A: Not yet, but that's exactly the types of things we're trying to do.

- ChrisPa: interesting thing is: how do we educate people about these capabilities? It's a challenge. We'll do lots of marketing on homepage, etc.
- Larry gives example of music – Sting (top downloads)
- Near me – let it auto detect where you are, or tell it. Uses reverse IT if you want it to. Uses "geo tags"
- Search Builder – goes into the options available to let you customize your search (prioritize/sort by: date, popularity, exact match. Not available elsewhere.

Q: How many would use this?

A: It's more for the power user now, but you'll see us put some of these buttons on the regular UI.

- MSN Toolbar suite – form fill; search toolbar; search toolbar for Outlook; search toolbar for Windows explorer; MSN deskbar (with its "autofill" feature – people at MS are addicted to this)

Other Qs:

Q: Will this will be open to everyone (not just MSN customers)?

A: Yes.

Q: Which dealer has a Volvo XC 90 in stock?

A: Can't do it today, but this is exactly what we're trying to learn.

Q: How long until that feature comes along?

A: Next year or two you'll see this type of innovation.

Q: Is info cached, so that if I erase it, will it erase from the index?

A: Yes.

Actions:

- Wagged to get Ed copy of Vividence study
- Wagged to send Ed his passcode to access the site on Friday

Lance Ulanoff, PC Magazine

It is clear that Lance knows a lot about Search, has written extensively about it in recent past (is also working on some stuff now). Asked some good questions and agrees with a lot of the info that was presented, including the notion that Search is still in infancy. However, hard to really gauge where his head is at this stage.

Christopher's Slide deck:

Search landscape:

- Query Share
- Market Share of Unique users – we think we can build a better engine and get customers. We don't feel that search is sticky; that people will try new things.

Why is MS in Search?

- Customer need – 5 petabytes, growing a terabyte a day. Out goal is to make it manageable. Info overload persists, and there's an opp.

- Merchant need – opportunity for local advertising
- Company-wide focus – all about info access and management; is foundational to us as a company. Search is a hard problem to solve and the company is working on it across the board.
- Growing category - \$4 billion today; \$10 billion by FY08, which doesn't include cracking local ad opps

Where Search falls short – We think there's a lot of room for improvement!

- Delivering links, not answers – Average time from query to correct answers: 11 minutes.
- Most people are looking for answer, not links.
- Unanswered questions – Nearly 50% of complex queries go unanswered. Vividence study.
- Not understanding user intent – Words have multiple meanings and deliver different results
- Tons of privacy issues around this
- Lack of user control – Little personalization or learning by service
- Give people more tools to create a dialogue with their search technology
- Limited scope – information beyond web hard to access and search not well integrated across applications
- Difficult to search the desktop and corp intranet.

Broader view of Search:

Our opp is to focus on the 11 minutes, not the .07 seconds it takes to get a list of possible solutions.

- Query retrieval – Filter & refine results – Act on answer – Shift context, ask question

MSN Search approach:

- Better answers, faster – Understanding queries & delighting customers
- Millions and millions invested here; this is where the innovation lies; moving from world of search to world of answers
- Broader selection - Biggest, freshest, most comprehensive
- Integrated User experience – Core part of computing experience
- Search should be integrated in core user experience
- Platform for innovation - Enabling a 3rd party ecosystem
- Making it a platform others can build upon - power users and bloggers

New MSN Search Service - find what you want faster – this is the “what are you doing now?” slide

- Better, more relevant results –
- Breadth and frequency: Five billion documents “we’ll have 5 billion, others have about 4.2”
- New algorithmic engine
- Instant access: Encarta & music, images & news
- More control:
- Search Near Me
- Search Builder – wizard-like tool
- Toolbar
- Beyond the Web:
- Multiple access points: Office, Messenger, Toolbar
- We think our desktop search is best in class
- PC Search
- E-mail Search

Lance:

- I agree with what you say about the market. Was a time I thought nothing was better than AltaVista.
- Google – use it, love it, but hate the way it ranks page popularity because it distorts the results because it distorts the truth. Opinion can take precedent over relevant info. Engines should have the option to strip out popularity.
- Also, even though Google is a brand, there is room for a better search engine.

Larry demo:

- Beta search site goes live on 11/11
- Desktop search components - we're trying to get those done by eoy
- Features: Spelling correction, domain collapsing, PDF and Word doc support, freshness stamp next to queries
- Near me/local search
- Search Builder – allows you to refine the algorithmic results
- Integration with Messenger – example of how we're integrating with the network
- Browser toolbar and Highlight Viewer
- The representation of the search results are very rich in Windows.

- Deskbar -
- Lance: can you get it to not search a specific folder? Yes. (They're doing a story on Google desktop's ability to search encrypted files, which is a surprise for them. MS does not search encrypted files.

Other Qs:

Q: Do you do anything for reliability? As a source, how reliable are some of these sites?

A: MS is working on that. We try to present the most reliable. ChrisPa: we track about 150 different variables to find the most reliable.

Q: Sponsored links - how many?

A: A max of three above the fold. We don't do paid advertising.

Q: On the music example, would be great if you could build in option that allows you to keep in same page and not have to leave the search query page.

Q: Feel like I'm seeing bits of Longhorn.

A: ChrisPa: yes, sort of, very early.

Actions:

- Wagged to send Lance his passcode to access the site on Friday

Steven Levy, Newsweek:

Another good meeting: hi-energy all-around.

ChrisPa Slide deck:

Search landscape:

- Query Share - the more you search, the more likely you'll use multiple services. We think if you build a better service, we think we'll gain marketshare
- Market Share of Unique users

Why is MS in Search?

- Customer need -5 petabytes, growing a terabyte a day
- Levy: Wouldn't it be easier to work with other engines and have them work better with Windows? Why do you have to have your own? ChrisPa: that duality of being a software and platform company; frankly we think we can build a better app. Our software allows us to connect people with information. This is a hard software problem, which is what we're about
- Merchant need - ad revenue I big part of MSN business, and search is a killer app. And it's only beginning - local search will have a lot o innovation.
- Company-wide focus- integral key to our success is MSR
- Growing category - \$4b today, \$10b by 2008

Where Search falls short:

We had to decide if the innovation in the space was done. If it was, we wouldn't have entered.

- Delivering links, not answers - Average time from query to correct answers: 11 minutes.
 - We did study and here are some questions...
 - Unanswered questions - Nearly 50% of complex queries go unanswered
 - Not understanding user intent - Words have multiple meanings and deliver different results. "One size fits all" model.
- Key will be maintaining user privacy and security.
- Do you think customers are really interested in privacy? Chrispa: My experience is that yes, they are. In order for us to make search better, we have to pay attention to all these things.
 - Is this an area you can get an edge vs. the current Google problems? We have had a lot of experience here.
 - Lack of user control - Little personalization or learning by service
 - Limited scope - Information beyond web hard to access and search not well integrated across applications
 - Levy: I find that (search or Web) spam is winning). The challenge is that queries are ranked by popularity, which is manipulateable. Some say that Search has gotten worse over last year because of the Web spam.

MSN Search approach:

- Better answers, faster - Understanding queries & delighting customers
- This is fundamental.
- Broader selection - Biggest, freshest, most comprehensive
- Do you have potential answers for me?

- Integrated User experience – Core part of computing experience
- I think in 5 years search will be like the "print" button. For example, if you want to search for an Outlook item, you should be able to do that without leaving Outlook.
- Platform for innovation - Enabling a 3rd party ecosystem
- This is the "Phase 3" that Yusuf talks about

New MSN Search Service –find what you want faster

- Better, more relevant results –
- Breadth and frequency: Five billion documents. Now updates every 2 days
- New algorithmic engine
- Instant access: Encarta (fact-based answers) & music, images & news. The idea is take the technology and go across the Web (we started with Encarta because we own it and is a trusted source, but we'll go beyond that.)
- More control:
- Search Near Me
- Search Builder – allows you to walk through some steps that give you advanced user functionality.
- Toolbar
- Beyond the Web:
- Multiple access points: Office, Messenger, Toolbar
- PC Search
- E-mail Search

Larry demo:

- Nailing the basics:
- Spell correct
- Collapsing domains ("that's interesting. Is a good idea.")
- Query answers – using Encarta. Levy was impressed that it answered the question.

Levy: I've always wondered: when I search, there are different kinds of searches (get answer, get info/research, find URL, etc.) Could you have a dial that lets you dictate to the engine what type of search you want? ChrisPa: I like the concept of that, but only advanced users would use such tools. Our goal is to intuit such things; we're trying to infer that a particular search is a particular category.

Steven has some questions overall of the UI, which is "pretty much the Google method." ChrisPa: this is what users want, btw. Levy: well, the sponsored sites take up too much of the top of screen.

Chrispa: the hardest part is educating people of all the capabilities. Levy: yes, that would be tough.

- Near Me: you can hard code it, or it will do a reverse IP.
- Image search – still tons of upside left to this. Levy: why are these the top images? The way we rank (rather our partner in this case) is based on hundred different factors.
- Search Builder: Larry types in Halo 2. Becomes the example of how you can really dictate and customize your search.
- Does Google advanced search categorize by most recent? No.
- Toolbar – Highlight Feature – Levy: "that's good"
- MSN toolbar in Outlook. Levy: How fast is that? Very fast.
- Word wheeling – to do it, you need a client. It is very addictive feature." Levy tries it. Walks through the sorting.
- Steven does a music search – searches for "Iris DeMint(sp)"

Other Qs/Comments:

Levy: As a whole, Desktop Search is very interesting.

Q: Thesaurus?

A: Not yet.

Q: Are you thinking of these innovations independent of Longhorn (since it got pushed out)?

A: No question that LH will deliver innovative search. We've planned for some time to deliver desktop search before LH, no question. And Office team has helped, for example.

Q: How much of your secret sauce can you tell me?

A: It's a lot of different things.

Q: When you build an engine by scratch, are there patent areas you must avoid or navigate?

A: Don't think so.

Q: Has Google's flurry over last few months made you more concerned about them trying to expand their domain, or are you pleased they're diluting their core strength?

A: Dual answer to that. I hope that they're putting less focus on search, but they'll never take the eye of the ball. If you look at who've they've hired, we've known for awhile that they were planning to diversify.

Actions:

- Wagged to send Levy his passcode to access the site on Friday.
- Wagged to continue working on Levy schedule for upcoming Search visit

Jupiter Research – David Card, Niki Scevak (in person); Joe Wilcox (via phone)

This was the best meeting of the day. Christopher was expecting and prepared for difficulty from David Card (per last meeting in May), but David was very agreeable. All three asked good questions throughout

ChrisPa Slide deck:

Search landscape:

- Query Share – MSN increased from 8.6% - 9.6%; ChrisPa is intrigued by the number of new entries and innovation in the category.

Why is MS in Search?

A lot of our stuff is about connecting people to information

- Customer need
- Merchant need
- Company-wide focus
- Growing category

David: another thing that is common across MS strategies/tactics is API and development tools. MSN doesn't feel like that but search does in your mind? ChrisPa: Yes. We're trying to make search a ubiquitous service.

Joe: What role with apps like SharePoint play to this platform model? We will work with SharePoint and Windows team to have coherent strategy, but we haven't talked about how yet.

Where Search falls short (went through this quickly):

- Delivering links, not answers – Average time from query to correct answers: 11 minutes
- Unanswered questions – Nearly 50% of complex queries go unanswered
- Not understanding user intent – Words have multiple meanings and deliver different results
- Lack of user control – Little personalization or learning by service
- Limited scope – Information beyond web hard to access and search not well integrated across applications

A Broader view of Search (went through this quickly):

- Query retrieval – Filter & refine results – Act on answer – Shift context, ask question

MSN Search approach (went through this quickly):

- Better answers, faster – Understanding queries & delighting customers
- Broader selection - Biggest, freshest, most comprehensive
- Integrated User experience – Core part of computing experience
- Platform for innovation - Enabling a 3rd party ecosystem

New MSN Search Service –find what you want faster

- Better, more relevant results –
- Breadth and frequency: Five billion documents, fresher
- New algorithmic engine
- Instant access: Encarta (pulling fact-based answers) & music, images & news
- More control:
- Search Near Me – geo-tagged the Web to allow oriented results to where you are. Later, this is a key scenario for mobile
- Search Builder
- Toolbar

- Beyond the Web:
- Multiple access points: Office, Messenger, Toolbar
- PC Search
- E-mail Search

Joe: What kind of integration will you do with Office?

ChrisPa: We won't enhance the research pane in v1, but we will have Search Bar in Outlook. You can 1) do it from the desktop; 2) you can do it from the Web bar, and 3) its integrated into Outlook. Joe: Why create another motif? Why not just improve the existing channel?

Niki: What's your expectation needed to drive query growth, and how significant is technology in driving queries? Chrispa: There's no question that I can't improve my market share by making a better engine. But to get to the next level, it will need to be a substantially better service, and that will take 12-18 months.

Is there a need to use desktop search to search Hotmail? Yes, esp. as the size goes up.

Larry demo:

- Collapsing domains
- Spellchecker -we think it is best in class
- Encarta

David: when is it decide it is an Encarta question? There's a dictionary that is used and keyed off of. David likes the Encarta feature.

- Near Me feature
- Search Builder - Niki: would you ever have the needles on the results page? Chrispa: we're thinking about it. Our original design was to put it on the main page.
- Music search

David: How did you decide what categories? Based on user interest, as well as what we've had a chance to put in there.

- Messenger integration
- Form fill feature to populate form
- Desktop search

Chrispa: we do more file searches than Google - Adobe, PDFs. We respect Windows log-in. We respect deletes.

- Taskbar - word wheeling. Joe: it takes up a lot of real estate on the desktop. You can manipulate it.

David: do you know how many people use the Windows Explorer feature? No. Is it hard to search Hotmail? You just need to get it to scale.

Niki: problem with Google desktop search indexing all his spam mail. MSN won't do that.

David: Sherlock did decent job of this. And nobody used it. Why do you think?

ChrisPa: As far as searching locally, they weren't good. And I didn't want to go to it.

Joe: What about feeds and RSS?

Chrispa: They're coming soon. How do we monetize it?

Actions:

- Wagged to assure Joe has the electronic copy of the deck as well as the NDA Tipsheet.
- Wagged to send passcodes to Wilcox, Card and Niki to access the site on Friday.

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