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**From:** Kevin Unangst  
**Sent:** Tuesday, June 11, 2002 2:44 PM  
**To:** Vinay Kumar; Bill Spencer; Catherine Ward  
**Subject:** RE: The Real/MusicMatch threat around the world

That is almost exactly when I am demoing for Will, so I will need to sync/recap on thursday with you. thanks!

-----Original Message-----

**From:** Vinay Kumar  
**Sent:** Tuesday, June 11, 2002 2:40 PM  
**To:** Kevin Unangst; Bill Spencer; Catherine Ward  
**Subject:** RE: The Real/MusicMatch threat around the world  
Just spoke with Bill. We need to have something by Thursday. I want to get started tomorrow. Bill said he could meet tomorrow at noon and at 3 PM for an hour each. I will send out a sched- for this. Kevin, if you can't make tomorrow we could catch up w you on Thu.

Catherine, could you join us as well tomorrow?

Thanks, Vinay

-----Original Message-----

**From:** Kevin Unangst  
**Sent:** Tuesday, June 11, 2002 11:58 AM  
**To:** Vinay Kumar; Bill Spencer  
**Subject:** RE: The Real/MusicMatch threat around the world

I cannot meet this afternoon as I am at the MSCC for a runthrough for a Wpoole presentation tomorrow at MSN Strategic Partner summit (the presentation is tomorrow)  
I can certainly meet Thursday if Bill can make that work.

-----Original Message-----

**From:** Vinay Kumar  
**Sent:** Tuesday, June 11, 2002 11:51 AM  
**To:** Bill Spencer; Kevin Unangst  
**Subject:** FW: The Real/MusicMatch threat around the world  
**Importance:** High

Are you ready to meet today? I am coming to a meeting in 50 at 1. Can we meet after that and figure out a plan to get this done?

-----Original Message-----

**From:** Rogers Weed  
**Sent:** Monday, June 10, 2002 11:37 PM  
**To:** Bill Spencer; Kevin Unangst; Vinay Kumar; Dawn Hurd  
**Cc:** Dave Fester; Adam Berns; Kurt Buecheler  
**Subject:** RE: The Real/MusicMatch threat around the world

Vinay,

I'd like you to work with Kevin (w/Bill's assist as necessary) to come up with a recommendation on how we split up \$60M and distribute it around the world. I do feel that we should have another meeting with the MSN folks to talk about how this campaign might work more synergistically with theirs. But I think the major driver of how we allocate out this money should be where we perceive the opportunity and threats around digital media vs Real and MusicMatch with Messenger and

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browser concerns playing a secondary role and hopefully served primarily by trying to find some points of coordination and synergy with MSN.

I'd like to try and meet at the end of this week if at all possible to discuss and finalize this. In fact, I currently have a half hour from 12-12:30 this Friday scheduled with Jim to checkpoint on this topic. That would be a good deadline to shoot for having a reco here. If you guys can attend, that would be great.

Let me know if this is not doable for some reason. I'm OOF the next two days but will try to check into email tomorrow night.

Dawn, could you book us a half hour meeting to checkpoint on this on Thursday between 11:30 and 1:00? I'll cancel the thing I have there right now.

Thanks...Rogers

-----Original Message-----

**From:** Bill Spencer

**Sent:** Friday, June 07, 2002 7:14 PM

**To:** Kevin Unangst; Rogers Weed

**Cc:** Dave Fester; Vinay Kumar; Adam Berns; Kurt Buecheler

**Subject:** RE: The Real/MusicMatch threat around the world

To add to Kevin's point: Japan and Korea (and Brazil) we have to defend our stronger position. UK, Germany and France we have to aggressively counter Real's stronger position there. Mexico and Spain are opportunity countries that neither Real nor MS are aggressively pursuing.

More info on OEMs: it supports my earlier comments that Content is King, US is where the OEM MNA battle is, and Europe is Real's next area of focus, mainly with ICPS:

Compaq Partner with HP (EMEA)

- WMP default -- Kevin and I drove sticker deal to promote WM and MovieMaker -- note departure from HP US (no WM promo required, in fact no contract)
- Additional AOL/Real Player/Music Match for Germany, France, Austria, Switzerland as well

Fujitsu Siemens Computers: Only WMP -- second largest OEM in EMEA

Toshiba Europe: Only WMP

Wortmann AG: Only WMP

Maxdata: Only WMP

VOBIS: Only WMP (selling a lot of Plus! too, we should include in Euro-tour)

IPCArchtec: Only WMP

Medion: AOL/Real Player/Music Match as default

Actebis: AOL/Real Player/Music Match as default

Thanks

-----Original Message-----

**From:** Kevin Unangst

**Sent:** Friday, June 07, 2002 2:09 AM

**To:** Rogers Weed

**Cc:** Dave Fester; Bill Spencer; Vinay Kumar

**Subject:** RE: The Real/MusicMatch threat around the world

We do have usage data, and in fact much more than that. Bill's team has pulled together a weighted summary of the international picture overall, taking into account multiple digital media metrics - player usage share, download rates, metadata requests from the country, etc etc. Below is the prioritized list of countries (most important listed first).

Overall, from the perspective of the question in this thread - we win if we can influence the subs in these top countries (focusing on the top 5) to promoting the Windows XP digital media experience as part of Amazing PC -- whether that be via OEM, IHV/ISV partners, awareness, etc.

Does this give you what you're looking for?

Japan  
UK  
Korea  
France  
Germany  
Mexico  
Taiwan  
Brazil  
Spain  
Netherlands  
Italy  
Canada  
India  
China  
Australia  
Sweden  
Belgium

-----Original Message-----

**From:** Rogers Weed

**Sent:** Thursday, June 06, 2002 1:19 PM

**To:** Kevin Unangst

**Cc:** Dave Fester; Bill Spencer; Vinay Kumar

**Subject:** RE: The Real/MusicMatch threat around the world

Thanks for the response Kevin. So Bill makes a great point about usage being the key versus OEM decision. Do we have data on usage share around the world? The table below just seems to show usage share by OEM brand.

I feel that we need to make a decision pretty soon about how we allocate this money out to the regions if we want it to affect any behavior before the middle of the coming fiscal year. My ideal method for making this decision would be to understand the competitive threat around the world and allocate dollars roughly based on that, with a focus on the media player since I believe it is uniquely exposed here versus the browser which I think OEMs will be slower to replace and Windows Messenger where I think AOL is the main concern and we are doing a lot there via our MSN efforts.

RW

-----Original Message-----

**From:** Kevin Unangst

**Sent:** Thursday, June 06, 2002 12:12 PM

**To:** Rogers Weed

**Cc:** Dave Fester; Bill Spencer; Vinay Kumar  
**Subject:** FW: The Real/MusicMatch threat around the world

Rogers,

Bill Spencer, dir of bizdev who drives our OEM relationships from DMD, has written up this data applicable to this particular situation. I'll ensure Bill or his designate is part of our ongoing Amazing PC planning - he makes some very good points that are important to our thinking. He should be in any discussion we have regarding OEMs and Amazing PC.

In summary, the threat is primarily in the US. Below that point is some other interesting OEM research that you and Vinay should find interesting.

**Player owning most file extensions (CD playback, MP3, and other common formats):**

IBM: MP only  
FSC: MP only  
Samsung: MP only  
TriGem: MP only

HP: MusicMatch with Real (its formats)  
Compaq: Real  
Dell: MusicMatch  
Gateway: MusicMatch with Real (its formats)  
Sony (U.S): Sony Sonic Stage (Open MP) with Real (its formats)  
Toshiba (U.S): Real  
eMachines: Real -> maybe changing to MP based on recent exec comments

The threat is primarily in the US -- because both MM and Real are competing here and MNAs make player decision based mainly on US market. Outside US, it is either MNAs shipping product decided based on US market -- or it is Real. Real is targeting Europe first then Asia starting in Japan. No strong effort in South America. Interestingly, HP Europe went a different way than HP ROW and there was clearly tension over US business capture value and Europe living with that decision. We may have another opportunity to convince HP in Europe to differ from US this year. In Europe, theoretically any MM threat would be greatest in Germany, where according to last summer's player research that Jason drove, dissatisfaction with WM support for MP3 encoding was greatest. MM has a favorable MP3 encode license. Therefore, we should continue our strong relationship with FSC.

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Also, based on above analysis and attached research (esp. tables 14-23), I would almost say, OEM distribution does not say much about usage, much less regional focus. OEM distribution is not the key driver to player usage -- we should look carefully at Jason Reindorp's country research. Although dated and, like all research, somewhat flawed, it is our best proxy for what is happening. OEMs account for little in the player decision. Major content providers putting their best content in our format is the key driver. Secondary, is subsidiary support where we get wildly different adoption country to country -- look at Plus! attach rates to support this premise. Finally, infrastructure issues like Korea leading the world in broadband and France slower on internet because of minitel are IMHO more important than OEM in those countries. Based on that, we should continue to invest in Korea. As we have discussed re: Crystal I have ideas on how to improve content provider support in Europe.

To the extent OEMs matter, my targets for engagement this summer, in priority are:

Dell  
 HP Europe  
 FSC  
 HPQ US  
 Gateway  
 eMachines

Thanks!

Note below, users of Compaq (which was just MP) vs. users of Dell, Gateway and HP (which preferred MM) have very similar results in usage. HP users did use MM more which comes out stronger in other tables. Net, net: it is all about content!

Q9. Which of the following digital media players have you ever used to play audio or video content on a PC?

PREVIOUSLY USED	PREVIOUS USE OF WINDOWS MEDIA PLAYER	USE OF DIGITAL MEDIA PLAYERS			TOTAL	INTEND TO PURCHASE		BRAND				
		LIGHT	MEDIUM	HEAVY		IN LAST 6 MONTHS	IN NEXT 6 MONTHS	COMPAQ	DELL	GATEWAY	HEWLETT PACKARD	
(F)	(G)	(H)	(I)	(J)	(K)	(A)	(B)	(C)	(D)	(E)		
Total 100	361	43*	95	191	102	404	265	194	100	103	101	
Windows Media Player 361	-	80	172	95	361	361	233	175	86	92	90	93
93.0	100.0H	-	84.2	90.1	93.1I	89.4	87.9	90.2	86.0	89.3	89.1	

RealPlayer	321	31	83	169	86	352	229	166	83	95	91
83											
83.0	88.9H	72.1	87.4	88.5	84.3	87.1	86.4	85.6	83.0	92.2CF	90.1
Apple/QuickTime						151	103	73	32	45	47
27	143	8	28	69	51						
27.0	39.6H	18.6	29.5	36.1	50.0IJ	37.4	38.9	37.6	32.0	43.7F	46.5CF
MusicMatch Jukebox						142	111	54	24	39	34
45	130	12	30	62	43						
45.0C	36.0	27.9	31.6	32.5	42.2	35.1	41.9B	27.8	24.0	37.9C	33.7
WinAmp						140	88	79	40	38	37
25	133	7	27	63	47						
25.0	36.8H	16.3	28.4	33.0	46.1IJ	34.7	33.2	40.7	40.0F	36.9	36.6
None of the Above						3	2	1	2	1	-
-	3	3	-	-							-
-	7.0G	3.2J	-	-		0.7	0.8	0.5	2.0	1.0	-
TOTAL MENTIONS						1149	766	548	267	310	299
273	1088	61	251	535	322						

-----Original Message-----

From: Rogers Weed

Sent: Wed 6/5/2002 10:55 PM

To: Kevin Unangst

Cc: Dave Fester, Vinay Kumar

Subject: The Real/MusicMatch threat around the world

Hey Kevin,

Have you found any info to help dimension the threat we have in different parts of the world from these guys? I need to let the regions and the SMG know soon what kind of money they have for Amazing Windows PC and I'd like to base this decision at least in part on where we feel the most pressure from these guys. Let me know what, if any, luck you've had here.

Thanks...Rogers