



From: Alec Saunders
Sent: Tuesday, January 31, 1995 5:48 PM
To: blakej; bradc; mikecon
Cc: bens; bobfou; encst; johniu
Subject: Frosting and Ohare

Bob has completed a study on Frosting and Ohare. In this study he called down to two groups and asked them questions about Frosting, and their intent to buy. One group was a control - these folks were asked about the existing frosting feature set. The other was asked about frosting with ohare. Ohare was described as "one-button access to the internet, including internet email, newsgroups, and an integrated World Wide Web Browser".

Top line:

(1) When Ohare was included in the mix of features it was the most popular feature. 47% rated their interest in Ohare as "very interested". This is a strong feature. 43% rated their interest in the system agent as "very interested" and 37% rated their interest in additional disk compression as "very interested" also.

(2) When asked how many would definitely purchase frosting if Windows 95 was \$100 and frosting was \$50, 16% replied definitely to frosting and 30% replied definitely to frosting with ohare. Including ohare in our product can nearly double sales.

Based on a quick and dirty analysis (Suzi is working on the real forecasts) frosting without ohare represents a \$63MM opportunity, and with Ohare a \$120MM opportunity. We're talking about \$57MM difference. It appears that as many as 1.5MM frosting customers will buy it for the internet access. One model suggests that we should charge the internet service provider a bounty for each customer. If we charge the ISP a \$40 bounty for each sign up, this might represent another \$60MM in revenue.

Ohare could mean as much as \$120MM in incremental revenue from frosting.

I think we should do this. There are issues to work out with MSN, but the opportunity is large.

Alec.

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From: Alec Saunders
Sent: Saturday, February 04, 1995 12:04 PM
To: bens; blakei; bradc; mikecon
Cc: bobfou; encst; jonntu
Subject: RE: Frosting and Ohare

I need this info much sooner than 3/15 Ben. Ali Baba content is due 2/15. Packaging starts 3/1. Most of our channel collateral is currently being developed.

I think we need to

(a) commit to ohare in the frosting box, period. The extensions and clients in themselves are compelling, even without 1 button sign up. We shouldn't just give your stuff away - it's better than the free stuff, and it's the only 100% integrated into Windows 95 internet clients out there.

(b) work to understand the MSN schedule, and commit to them that we will use MSN as soon as it is ready. This means that if they are not ready when we ship we need to have a strategy for getting folks onto the net. This could be a setup wizard to simply help configure TCP/IP and broad evangelism of this wizard to ISP's without a commitment to ship individual-ISP components in the box, or it could be a full blown arrangement with an ISP.

I think we can have our cake and eat it too. We should be able to make a strong commitment to MSN, AND meet customers needs with alternate internet service providers until MSN is available. Let's not lose track of the fact that we win whenever a customer uses Windows to access the internet, whether they use MSN or not.

From: Ben Slivka
To: Alec Saunders; Blake Irving; Brad Chase; Mike Conte
Cc: Ben Slivka; Bob Foulon; Eric Straub; John Ludwig
Subject: RE: Frosting and Ohare
Date: Friday, February 03, 1995 10:58PM

I met with abay, aaronco, dbayer of the MSN over IP ("Rome") group yesterday, and they are (as might be expected) pretty upset about the idea that we would support one-button signup with someone other than MSN over IP.

They're going to work hard over the next 4-6 weeks to educate me about their schedule and nsks.

I told them that we're going to need to make a go/nogo decision about O'hare in frosting by mid-March, since we have to make packaging and positioning decisions by then for a 6/15 RTM.

My team is proceeding on the assumption that we will sign up an external ISP for one-button signup (I'm visiting Vint Cerf @MCI on 2/22), and that O'Hare will be in the Frosting package. BUT, it is possible that either we won't find a suitable ISP, or that the Rome group will convince us that we should wait and just use them - in either case, we would have to pull O'Hare out of frosting. So, the key question for you marketing guys is: What is the latest date at which we can make the go/nogo decision on including O'Hare in Frosting. I'm assuming 3/15/95 until I hear otherwise.

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Also, I don't think we're going to do a "bounty" arrangement with any ISPs
- brads; and others are not fans of this.

Thanks!
--bens

From: Blake Irving
To: alecs; bradd; mikecon
Cc: bens; bobfour; encst; johnlu
Subject: RE: Frosting and Ohare
Date: Friday, February 03, 1995 2:58PM

The numbers definitely point to a solid reason to put Ohare functionality in the frosting box. The \$57 MM is plenty of reason to do it without setting expectations for a \$120 MM increment .

As I understand our strategy (at least for Marvel) we were basing revenue stream from ISP's on gross transactions, and not one time bounty. Do ISPs expect to pay this \$, or do we risk and ISP crying "extortion!" I can hear it now, not only does Microsoft want to offer Marvel for free in the Windows 95 box and cannibalize my business, they want to me to pay them \$40 for the folks that they don't reach. So.... I think the additional \$60MM won't happen.

Alec, you pointed out we need to sit down with the Marvel team to rationalize product strategies post haste. With Ohare in the Frosting box, this should be done immediately.

few of questions:

Can this be done without effecting current frosting schedule?

Does this change the positioning of the product? (if it's a lead feature as the research suggestes, might want to think of broadening the target and position of the product)

To what extent does it affect the bom? at least a disk and some minor doc

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From: Ben Sivka
Sent: Monday, February 13, 1995 10:51 AM
To: Tim Hams; Kathie Flood
Cc: Thomas Reardon, Arthur Blume
Subject: FW: new web viewer software

O'Hare is the code name for our Internet Client, and we plan to ship it in the Win95 "frosting" package, which sim-ships w/Win95. The Netscape enhancements are on our "do if we have time" list - if you can send us a prioritized list of HTML enhancements that you think will make HTML a better publishing language, that would really help us prioritize our work. Let me know if you want to see specs, and I can also add you to the ohareusr alias and give you access to our Web browser - we started with the Spyglass Mosaic code, and will be feature complete on 3/15.
-bens

From: Tom Anderson
To: bens

From: Tim Hams
Sent: Saturday, February 11, 1995 11:49AM
To: toma
Cc: kathief
Subject: new web viewer software

We are in the process of writing proposals for the internet work we are planning on doing this year and were wondering if you could give us information on what web viewer we are going to be supporting in windows 95 and what features it will support. Mainly we are interested in knowing if better layouts like the ones available in Netscape will be supported or any other new features we can exploit. Also when do you expect to release a viewer, is it shipping with windows 95?

Thanks,
Tim

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