August 1998 - Website Highlights

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Comments

- Netscape homepage total page views have been decreasing in June and July due to seasonality (particularly students cannot access the web from their schools due to the summer break).
- Membership Acquisition (daily new members registrations) also decreased in June but increased in July due to Webmail launch.
- Downloads of Communicator skyrocketed from 2,027,145 in May to 3,926,938 in June. The rise can be explained by a redesign of Smartupdate and, more importantly, the release of Communicator 4.5 preview.
- % Reach has been decreasing at home in June for both Media Metrix and Relevant Knowledge but increased at work. Netscape remains fourth in Media Metrix's % Reach at Home but recovers second position in % Reach at Work in June.
- According to the quarterly customer survey, customer satisfaction increased in all areas of the website from March. Data precedes June 30th Netcenter 2.0 relaunch.

Key indicators summary

More information available at Tracking

Statistic type	Source	Definition	Status	Apr 98	May 98	June 98	July 98
	Relevant Knowledge	Percent of unique Web users that visited the site from Home over the course of the reporting period. *Domain Consolidation Level.*	Public	31.1%	27.3%	25.7%	N/A

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% Reach at Home	Media Metrix**	The percentage of projected individuals that visited a specific site or category (from home) among the total number of projected individuals using the web during the month. *Site Level Information.*	**Public**	25.8%	25.6%	24.5%	N/A
	Relevant Knowledge	Percent of unique Web users that visited the site from work over the course of the reporting period. *Domain Consolidation Level*	**Public**	48.3%	44.2%	45.2%	N/A
% Reach at Work	Media Metrix	The percentage of projected individuals that visited a specific site or category (from work) among the total number of projected individuals using the web during the month. *Site Level Information.*	**Public**	40.7%	37.4%	38.2%	N/A
Unique visitors per month at home & at work usage	Relevant Knowledge	Projection of unique Web users that visited the site over the course of the reporting period from Home and Work. *Domain Consolidation Level Information.*	**Public**	21,110,000	18,890,000	18,470,000	N/A
Unique visitors per month at home usage	Media Metrix	The estimated number of unique individuals that visited the site during the month from Home. *Site level information.*	**Public**	10,784,000	10,828,000	9,908,000	N/A
	Relevant Knowledge	Projection of unique Web users that visited the site over the course of the reporting period from Home. *Domain Consolidation Level Information.*	**Public**	9,449,000	10,238,000	9,633,000	N/A
Unique visitors per month at work usage	Relevant Knowledge	Projection of unique Web users that visited the site over the course of the reporting period from Work. *Domain Consolidation Level Information.*	**Public**	8,642,000	8,655,000	8,837,000	N/A
	Media Metrix	The average number of days in the month, per person,** and from home, in which Netscape site was visited. (Also called	**Public**	4.4	4.5	4.3	N/A

Visit frequency at home		"Frequency" per person or "days per person" in Media Metrix reports). *Site level information.*				
	Relevant Knowledge	Average number of days during the month that a user viewed Netscape site from home. *Domain Consolidation Level.*	Public	3.9	3.9	4.0	N/A
Visit Frequency At Work	Media Metrix	The average number of days in the month, per person, and from work, in which Netscape site was visited.** (Also called "Frequency" per person or "Days per person" in Media Metrix reports). *Site level information.*	Public	5.0	4.8	4.72	N/A
	Relevant Knowledge	Average number of days during the month that a user viewed Netscape site from work. *Domain Consolidation Level.*	Public	4.3	3.9	4.1	N/A
Netcenter members	Netscape Registration Database	Effective at the end of each month, total Netcenter members who have joined Netcenter since 9/4/97 launch date (plus initial 1,100,000 from programs existing prior to Netcenter launch)	Public	4.0MM	4.9MM	5.4MM	5.9MM
Membership Acquisition	Netscape Registration Database	Daily Average new member registrations for the month.	Public	19,218	15,612	13,285	19,783
Average visit length	I/PRO*	Average visit length during the month in minutes. A visit is defined as a sequence of request made by one user at one site. I/PRO definitions: If a visitor does not request any new information for a period of time, known as the "time-out" period, then the next request by the visitor is considered a new visit. To enable comparisons among site, I/Pro uses a 30-minute time-out. If a visitor leaves the site and comnes back	Confidential	7:03	7:06	7:03	N/A

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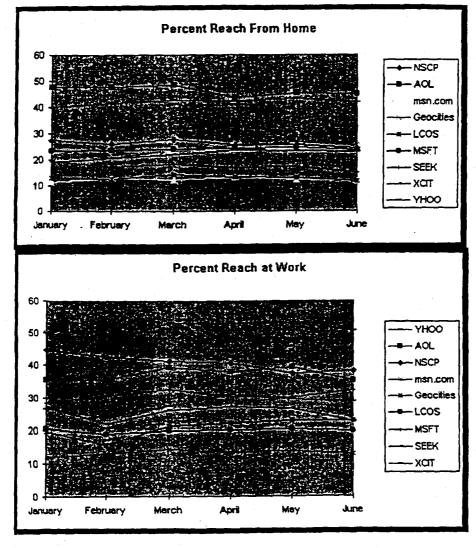|							
Total Visits	I/PRO	A series of page requests by a visitor without 30 consecutive minutes of inactivity.	Confidential	282,810,042	239,134,210	213,582,473	N/A
Daily Visits	I/PRO	Daily average visits for the month.	Confidential	8,589,540	7,714,007	7,119,416	N/A
Total HTML hits per month	I/PRO	Total HTML hits for the month.	Confidential	855,772,061	784,284,439	694,694,761	N/A
Average HTML hits per visit	I/PRO	Average HTML hits per visit. A visit is defined as a sequence of request made by one user at one site.***	Confidential	3.3	3.3	3.3	N/A
Netcenter Portal Page Views	Netscape Server Logs	Netscape Homepage total page views for the month.	Confidential	220,425,942	221,867,397	206,362,542	200,513,633
Netcenter Portal Daily Page Views	Netscape Server Logs	Netscape Homepage daily average page views for the month.	Confidential	7,347,531	7,157,013	6,878,751	6,468,181

(within 30 minutes, it is counted as part of the same visit.)

Top Ten Websites by Reach (Media Metrix, June 1998) - Public

AT HOME (sample = 10,759 persons)	% Reach	Persons (000)	AT WORK (sample = 1,372 persons)	% Reach
ALL DOMAIN NAMES	100.0	40.407	ALL DOMAIN NAMES	100.0
aol.com	44.9	18,162	yahoo.com	50.6
yahoo.com	41.8	16,881	netscape.com	38.2
geocities.com	25.5	10.286	aol.com	35.3
netscape.com	24.5	9.908	microsoft.com	32.2
microsoft.com	23.8	9.605	excite.com	28.4
excite.com	22.9	9,249	geocities.com	23.0
infoseek.com	14.9	6.003	infoseek.com	22.7
tripod.com	13.7	5.544	lycos.com	19.8
angelfire.com	12.4	5,002	alta vista search services	17.1

Trended Reach of Portal web sites (Media Metrix, January - June 1988) - Public

June Numbers	% Reach from home	% Reach at work
Netscape	24.5	38.2
Yahoo	41.8	50.6
AOL	44.9	35.3
Excite	22.9	28.4
Infoseek	14.9	22.7
Microsoft	23.8	32.2
Lycos	11.8	19.8
Geocities	25.5	23.0
msn.com	11.6	13.0

Percent Reach From Home

Percent Reach at Work

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Unlimited distribution program (last updated 8/1/98) - Confidential

- The Unlimited Distribution Program is a market share momentum program that allows Netscape partners to distribute Netscape client software.
  - o The Client Customization Program, allows partners to customize the client using the Client Customization Kit.
  - o The Standard program provides partners with standard versions of Navigator and Communicator that dial in to Netscape's registration server.
- Unlimited Distribution Program Registrants (Includes CCK and Standard) are up to a total of 13,644. The largest increase in registrants occurred in the ISP (261) and Other (249) categories followed by Developers (152) and Educational (126). The full breakdown of registrants is:

TOTAL USA	7,617
TOTAL INTERNATIONAL	6,027
ISP's	4,283
Developers	2,301
Content Providers	1,546
VAR's	981
OEM's	520
Educational	1,129
Other	2,884

- New and Interesting Unlimited Distribution Partners include:
  - o Chase Manhattan Bank
  - o E*TRADE Group, Inc
  - o McGraw-Hill
  - o Kaiser Permanente
  - o MSNBC
  - o Olan Mills Inc.
  - o Pfizer, Inc.
  - o Sony Electronics, Inc.
- Based on this number of program participants, forecasted browser distribution through this program continues to rise:
  - o Browser distribution forecast for next 6 months: 68,608,912
  - o Browser distribution forecast for following six months: 90,830,636
  - o Total Unlimited Distribution forecast: 159,439,552

Client downloads (last updated 8/1/98) - Confidential

- Number of 40-bit Communicator downloads from Netscape's website in July was 3,926,938. Of these, 800,000 were SmartUpdate downloads.
- Number of downloads of 128-bit product were 134,350 in July.
  Downloads from mirror sites are estimated at another 30% of the Netscape 40-bit total.

Netscape Subscriber Advantage Survey highlights
Survey emailed to Subscribers and non-Subscribers, July 1998 - Confidential

- Awareness continues to be low but is improving. Only 89% of Subscriber Advantage members heard of program and only 86% of SA members claim membership. Additionally, 38% of Non-Subscriber Advantage members claim some kind of present or expired membership.
- Expired members exhibited the greatest confusion about the program and their participation in it, suggesting that this confusion may be a contributing factor in low resubscription rates. When asked when they last purchased their membership, 74% indicated a time within the past year. By definition, this population had last subscribed prior to July 1997.
- Generally speaking, respondents were male, over 45, affluent, educated, have been online for at least a year, used Communicator Standard Edition for 6 months to a year before subscribing, are online more than 10 - often 20 hours - per week and surf from home. Their primary online activities are email and surfing as well as seeking product information.
- Satisfaction with the program overall is lower (5.00 out of 7 among current members) than with the browser product (5.52) but higher than with individual components of the program. Those who joined Subscriber Advantage after the free browser announcement were slightly more satisfied (5.00 out of 7) with the program than those who had purchased a subscription prior to Rocket (4.72). However, compared to satisfaction ratings for the website, the subscription numbers are all somewhat low. Users are merely satisfied.
- Generally speaking, getting a CD and manual as well as the assurance that their software is managed for them are purchase drivers. 18.63% of recent subscribers identified the CD as their top reason to purchase, 17.53% cited the manual. Knowing that their software was up to date lead 13.52% of purchases, email notification another 12.64%. Access to a subscriber area was also of (somewhat lesser) interest.
- Other reasons to become a subscriber included loyalty to Netscape, and a desire to avoid downloading time for software.
- The most recent subscribers are the most likely to renew their subscription. Slightly more than half (60.38%) indicated their willingness to do so.
- The most attractive additions to the program paralleled the purchase drivers: access to CD's (22.77% of recent subscribers valued this) and the assurance that this software would be managed for them (21.55% of recent subscribers wanted automatic downloads of browser updates). Other options such as magazine subscriptions or logo products held very little appeal.

Netscape/Netcenter Survey highlights
Survey linked off homepage, June 1998 - Confidential

NOTE: This survey was deployed before the relaunch of Netcenter on June 30.

- According to the 3500+ responses to a survey offered off the Netscape homepage, the average visitor to Netscape's site is male (66%), over 40 years of age, has an income over $50K, came online in the past year or two and spends more than 10 hours per month online.
NOTE: Compared to the first survey, the results this time suggest an audience which is less male and which accesses the Internet for less time each week. These differences probably indicate that a

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more diverse group is answering this simplified version of the survey rather than that different people have started visiting Netcenter.

- 18% of the responders are temporarily unemployed or retired. Another 13% are students. Of the 67% of respondents who were employed, 30% come from small companies (1-24 employees), 29% come from medium sied companies (25-999 employees), 30% come from large companies.
- Access from home for non-work purposes continues to be the primary audience (43%), followed by access from work for work purposes (19%), from home for work purposes (17%), and from work for non-work purpose (10%). 12% indicated usage from someplace other than home or work, such as school.

- Satisfaction measures with the site and its services rose across the board from the first survey to this one. The overall satisfaction with the site jumped from 5.0 to 5.6 on a scale of 7 and remains higher than the rating for other sites on the web which is 5.1. Unlike the previous survey in which users rated speed and state of the art as the site's best qualities, these users were most satisfied with the ease of navigation on the site (5.7).

	Netscape Q2 Survey Satisfaction Rating (Scale 1-7)	Netscape Q3 Survey Satisfaction Rating (Scale 1-7)
Overall Satisfction	5.1	5.6
Easy to Naviate	5.2	5.7
Easy to Undestand	5.0	5.7
Speed	5.3	5.6
State of the At	5.3	5.6
Useful Information	5.2	5.6
Valuable Serice	5.1	5.5
Friendly	5.1	5.4

- The two services with the highest satisfaction ratings were, once again, Netsearch (5.8) and Download (5.8). These two also lead other services in awareness and intent to use.

	Netscape Q2 Survey			Netscape Q3 Survey		
	Satisfaction Rating (scale 1-7)	% Aware	% Will use	Satisfaction Rating (scale 1-7)	% Aware	% Will Use
Net Search	5.5	70	57	5.8	77	69
Netscape Download	5.0	85	63	5.8	78	62
In Box Direct	N/A	N/A	N/A	5.8	46	32
Smart Update	4.2	60	40	5.4	60	43
Software Depot	4.5	46	27	5.4	48	25
Small Business Center	N/A	N/A	N/A	5.4	29	20
Netscape Store	4.7	63	28	5.2	65	25
Business Journal	4.5	42	28	5.2	50	35
Travel	4.4	41	27	5.0	50	30
Instant Messenger	4.5	53	34	4.9	59	37
Netscape Marketplace	4.3	43	20	4.9	51	24
Member Directory	N/A	N/A	N/A	4.7	46	26
ISP Select	4.0	34	13	4.7	35	11
Channel Finder	4.1	41	25	N/A	N/A	N/A
Virtual Office	3.6	25	11	N/A	N/A	N/A

- 60% of the survey respondents had Netscape/Netcenter as their default homepage - a number slightly higher than the 55% response in the last survey and than the 26% response in an 11/97 survey emailed to Netcenter members; 10% saw the homepage of their ISP with the remaining 30% split mainly between Microsoft, their own or their company's homepages or blank screens.
- 62% had heard of Netcenter. 27% were registered users. Both numbers are roughly consistent with the results from the last survey. Frequency of access did correlate with awareness of Netcenter but had no bearing whatsoever on the likelihood of being registered for Netcenter. 33% of those who visited every day were registered, 33% were not registered and 33% didn't know.
- Internet use tended to focus on sending email or gathering information. Respondents indicated that they performed the following activities on a regular basis:

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Email	89.1%
Surfing	76.9%
News/events	64.7%
Product info	62.2%
Business info	41.8%
Hobby info	39.9%
Research for School	39.9%
Chat	30.4%
Work/Business	25.0%
Financial info	24.8%
Online Games	18.7%
Other	10.8%

When asked which of the following topics would be their first priority to add to the site according to how much they would use them, respondents indicated the following:

Computers & Internet	19.3%
Education	10.5%
News	8.9%
Netscape	8.3%
Business	6.2%
Entertainment	5.4%
Personal Finance	5.3%
Web Page Hosting	5.2%
Health	4.5%
Games	4.3%
Local	4.0%
Maps	3.6%
Travel	3.2%
Sports	2.9%
Kids & Family	2.8%
Lifestyles	2.0%
Autos	1.3%
Real Estate	0.9%

- Approximately 41% of respondents had bought software online, corresponding to the previous survey. The second most popular shopping categories were, once again, computer hardware and books.
- Importantly, the number of people who had purchased nothing online dropped from 41% in the previous survey to 32% in the current one. Overall, Netscape visitors seem to use the Internet more

than the general online population for shopping:

	Netscape Q2 Survey	Netscape Q3 Survey	WWITS Q1 98 Survey
Automobiles	NA	2%	0%
Books	28%	29%	19%
Clothing, Jewelry	NA	7%	10%
Computer Hardware	22%	20%	13%
Computer Software	40%	41%	17%
Electronics	11%	9%	2%
Information	NA	19%	2%
Magazines/Periodicals	NA	13%	8%
Music	16%	17%	4%
Reports for Investing	NA	5%	4%
Travel	17%	18%	5%

Netscape/Netcenter Q3 Survey respondents compared to Internet and US populations
Survey linked off homepage, June 1998 - Public

	Netscape Q3 98 Survey		WWITS Q1 98 Survey		US Population from Census Bureau
Gender					
Male	66%		55%		49%
Female	34%		45%		51%
Age					
0-24	16%	16-24	26%	16-24	14%
25-49	45%	25-44	51%	25-44	31%
50 or older	38%	45 or older	23%	45 or older	55%
Income					
$0-$24,999	17%		15%		36%
$25,000-$34,999	16%		11%		14%
$35,000-$49,999	20%		18%		16%
$50,000 or above	47%		56%		34%
Education					
High School or below	18%		29%		52%
VOC/Some college	35%		33%		24%

College graduate	49%		38%		24%
Avg time online per week					
1 hour or less	5%	1 hour or less	14%		NA
2 hours	8%		11%		NA
3-4 hours	15%		16%		NA
5-9 hours	24%		24%		NA
10-19 hours	24%		18%		NA
Over 20 hours	23%		17%		NA

Notes:

*Media Metrix, Relevant Knowledge and I/PRO are research firms that report on web traffic. Results vary widely between these reporting bodies because of differences in methodologies and samples. In addition, note that the overall total traffic numbers are reported for the Netscape site in general, not exlusively for Netcenter pages.

**Media Metrix definitions: A *person* is defined as a visitor if they access at least one page of content whitin the site or the category of sites. A *day* is defined as 12:00 midnight through 11:59:59