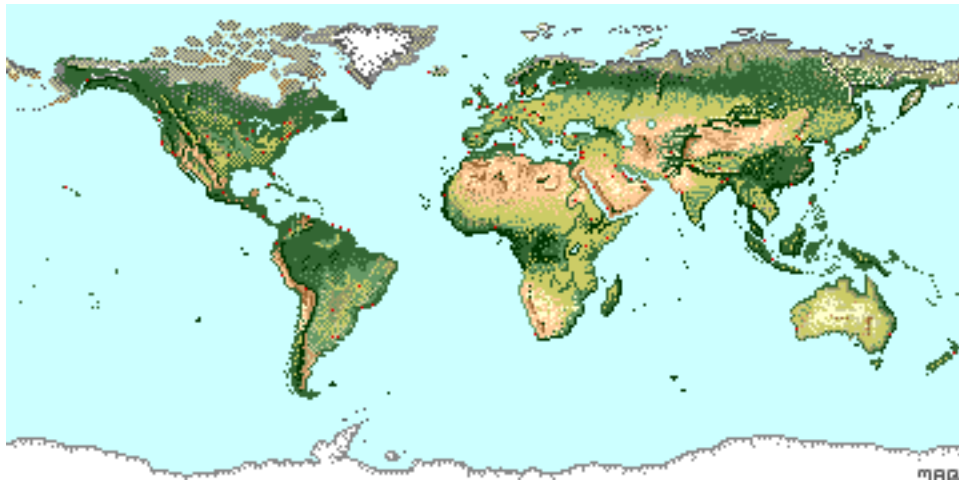# Time Inc.
Internet/Online Service

**A proposal for a Time Inc. Electronic Network
and World Wide Web site that would provide an array
of information services, access to the Internet and a
front-end for cable
links to personal computers**

The goal of Time Inc.'s Internet/Online Service will be to provide:

• Online access to the content of Time Inc.'s publications and databanks, to new forms of linked information and services based on Time Inc.'s titles and journalism, and to relevant material licensed or acquired by Time Inc.

• An environment for interactive advertising, shopping and transactional services.

• An easy way for average consumers to get onto the Internet.

• A front-end for cable systems that want to sell to computer users a high-bandwidth link to online networks, the Internet, shopping venues, e-mail and other electronic services.

The foundation of the system will be a set of Time Inc. servers connected to the World Wide Web, a part of the Internet. Web sites use a navigational software known as Mosaic, which offers easy links and flexible graphics. New versions of Mosaic will have transactional capabilities that permit charging users for services.

In theory, the Internet is capable of transmitting a Time Inc. service anywhere in the world without major telecommunications costs to us. However, in order to avoid the sluggishness that is beginning to afflict the Internet, we should have a partner or vendor that provides dedicated access to a nationwide network that is linked to the Internet. This could be a long-distance company such as MCI or AT&T, or an online company with its own communications network such as CompuServe.

Users could access the service in three ways:

• Directly from the Internet for those consumers who are already connected to it.

• By direct telephone dial-up. A relationship with a telecommunications company could provide local telephone access numbers. This would allow us to offer our own service plus easy Internet access all in one simple package, thus making Time Inc. one of the first companies open the Internet to a mass market.

• Through a cable system connection. The Time Inc. service could be made available to computer users with cable modems. In addition, the service could be configured to provide a front-end for Time Warner cable systems and others that wanted to package access to a variety of services and online networks.

Two things would distinguish the new Time Inc. service from current commercial networks such as America Online, Prodigy and CompuServe:

• It would be designed for higher bandwidth users who have cable modems, SLIP connections to the Internet, or phone modems supporting 14.4 baud or higher. The higher bandwidth allows the use of Mosaic and other hypertext navigation tools as well as rich graphics and pictures. Whereas existing commercial networks will mainly be presenting their current ASCII text product with some enhancements, a new Time Inc. service could mix text with the video and graphics being produced by News on Demand.

• It would be fully integrated into the Internet as a Web site. It would thus be available to any potential subscriber with access to the Internet or who used another online service that allowed Internet access. In addition, it would provide subscribers seamless access to all of the other resources on the Internet.

The Home Page

The opening screen could be either a graphical interface along the model of a town square or a Mosaic home page with icons and hypertext links. It will offer access to the following services:

Your mail box. Provides access to e-mail and any material that has been delivered to the user electronically. It also offers an interface for composing and sending mail (including voice and video files) through the cable network and the Internet. A flag would indicate when the user has mail.

Today's bulletin. Combination of a daily newsletter, briefing paper, and tout sheet of what's new and hot on the service, with advertising. Can be tailored to the user's interests. Mosaic design will permit hypertext or hot-button access from any item to in-depth stories, information or services in the system.

Bulletin Boards. Provides access to discussion groups in two categories: 1) local ones that are just for people on our service; 2) global ones that connect to the Internet's newsgroups.

Newsstand. Provides access directly to the current or back issues of any magazine in the system. This area would also include clipping services and customizable wire services, such as the Dow Jones personal news grid. Users can subscribe to material and have it automatically downloaded when each issue becomes available, or they can browse through the material while online.

Affinity group. The Time Inc. service would be marketed not only as one complete package; it would also be tailored and targeted to specific interest groups. For example, Sports Illustrated would market a version aimed specifically at sports fans, Money would market one aimed at those who want a personal finance service, and Time-Life would market ones for gardening enthusiasts or Civil War buffs, etc. Each targeted service would have its own branding, and a prominent place on its opening screen would lead directly to a screen featuring the panoply of content, services, tools and activities aimed at that affinity group.

Subjects and Services. Provides access to a list of all categories and affinity groupings, such as: sports, your finances, entertainment, current affairs, personalities, health, music, how-to,

cooking, travel, computers, kids, science, weather, lawyers, photography, etc. These subject areas would offer Time Inc. content, outside content such as stock quotes and sports scores, bulletin boards, tools, activities and access to related Internet content.

Reference Library. Access to a dictionary, encyclopedia, thesaurus, Bartlett's, atlas, phone books, e-mail listings, almanac, Who's Who, CIA fact book, Federal Register, Internet directory and index, etc.

Shopping Mall. Includes ads, transactional services, classifieds and catalogues. Broken into categories, such as: restaurants, banking, autos, personal ads, classifieds, clothing, toys, music, videos, etc. The mall would also be linked to appropriate subject areas (i.e., the travel service in the mall would be linked to the travel subject area).

Game Arcade. Access to the latest computer games on a subscription, purchase or pay-per-use basis.

Software library. Access to computer software and shareware for purchase, downloading or use.

Online service onramp. Access to other networks, such as America Online, CompuServe, Prodigy, Delphi, Genie, Lexus Counsel Connect, WealthBuilder, etc. A user selecting one of these would be asked if he wanted to subscribe. Time Inc. would negotiate a bounty system and billing arrangement with other services that want to be offered in this fashion through us. Once a person has subscribed, he could get directly from the Time Inc. network to the other network through this gateway.

Internet onramp. Many parts of the Internet will be "packaged" and offered within the subject categories of the Time Inc. service. However, this button would offer the user direct access to the Internet as a whole with an integrated package of software and tools, such as: TurboGopher, Mosaic, ftp, Telnet, Veronica and Archie and Jughead search screens, Nuntius or Newsreader, etc.

5

Modified Version for Cable

The home page and packaging would be modified for licensing as a front-end for cable systems. Time Inc. would provide the local cable system with an opening screen, navigational tools, software and secondary screens that would give the user a package of basic services as well as a method to access premium services and commercial online networks, including Time Inc.'s own Internet/Online service.

Time Inc.'s revenues will come from: 1.) licensing fees paid by cable operators for the opening screens, software and package of basic services; 2.) selling advertising and transaction services that are featured on the initial screens; 3.) creating a broad market for its own premium Time Inc. Internet/Online serice, which will have a competitive advantage over existing services in a high-bandwidth environment.

The cable operators' revenues will come from user fees for the basic service, selling subscriptions to commercial online services, and advertising local avails.

Basic services. The opening screen would offer access to the following material and tools, identical to those offered on the Time Inc. Internet/Online opening screen, as part of a basic package of services: Your Mail Box; Today's Bulletin; Bulletin Boards (local for the cable system and global for the Internet); Newsstand (offering content pages, with full magazines costing extra); reference library; shopping and classified; local listings; and the Internet.

Premium services. The opening screen with also allow access to the following premium services that would cost extra: online network gateway (to Prodigy, AOL, CompuServe, Time Internet/Online, Delphi, Counsel Connect, Wealth Builder, etc.); game arcade; software library.

6

Content and tools

(Note: a committee including Dick Duncan, Sean Callahan, Isolde Motley, Tyler Matthieson, Peter Petre, Pat Berry, and Maria Wilhelm is looking at content options. Another committee including Oliver Knowlton, Chan Suh, Thorne Sparkman, Phil Elmer-DeWitt, and Michael Rose is looking at navigation and software options. Their reports are due June 30. This is a preliminary sketch of some ideas.)

The Online service/web site built by Time Inc. should contain the following tools: Mosaic interfaces and hypertext documents; hot button and icon links; pages that combine graphics and text; bulletin boards with links to relevant content; full text and keyword search engines; personalized databases and portfolios; e-mail; graphical user interfaces; and an integrated set of software for navigating the Internet.

The service will contain 20 or so subject areas or categories. Most of them could be target marketed to consumers and feature its own initial screen or "entry vestibule" into the service as a whole. For example, Sports Illustrated might market a "SportsLine service, brought to you by Sports Illustrated."

But each consumer who bought one of Time Inc.'s target services would get the entire package. After going through an opening screen featuring his or her special interest or "affinity group," the user would have access to all other categories, and the content in each would be linked to content in other categories as the editors saw fit.

Each subject area would contain text and graphic pages from the relevant magazines, new material created by the system's editors, information licensed or acquired from outside vendors, public domain information, tools, activities, bulletin boards, games, and software.

Here are some likely topics and categories along with examples of the content that might be in them.

Sports , branded and managed by Sports Illustrated. Content and back issues of SI, sports ticker, statistical databank, Bill James's baseball almanac; rotisserie leagues, discussion boards for each sport, fan club discussion boards and notices, sale of sports- related merchandise, morning line and betting information, q&a bulletin boards with stars; schedules; and links to each league's databank of press releases.

Entertainment , branded and managed by Entertainment Weekly. Reviews from EW and other publications; critics' scoreboard; articles from EW; links to related People articles; ticketmaster services; direct sales; trivia games and contests; discussion boards for each new movie, TV show, book, album, etc.; excerpts and clips from new releases; box office and sales charts.

Music , branded and managed by Vibe.

Personalities , branded and managed by People.

Time Online, branded and managed by Time.

Health and Fitness , branded and managed by Health.

Civil War , branded and managed by Time- Life books.

Gardening , managed by Time- Life Books.

Books , managed by Little Brown, Warner Books and BOMC.

Personal Finance, branded and managed by Money. Includes the magazine, lists, Wealth Builder, tax software, stock ticker, customizable portfolio, mutual fund databank, stock databank, investment games, Fortune 500 data.

Cooking , branded and managed by Cooking Light and/or Time- Life Books.

Home Repair, branded and managed by Time- Life Books.

Travel , branded and managed by Travel & Leisure.

Computers

Science

Games

Kids

Parenting , branded and managed by Parenting.

Photography , branded and managed by Life.

Legal Aid, managed by Counsel Connect and Court TV.

Naming strategy

We need a name for each of the special interest services as well as one for the whole package. The individual service names should allow the option of featuring a magazine title or of being generic. They should also indicate that the service is connected to the larger web of Time Inc. services and the Internet.

One example would be to use the word "Web" as a unifying theme for all of the individual services. Some could be tied directly to the name of a magazine, others to a subject with the magazine name secondary, and a few would have no magazine name at all. Here are some sample names along these lines:

The Gardening Web; SPORTS ILLUSTRATED's Sports Web; FORTUNE's Business Web; TIME's Web; The MONEY Web; Martha Stewart's Web; VIBE's Music Web; The TIME-LIFE Home Repair Web; The Cooking Web from COOKING LIGHT and TIME-LIFE Books; and Court TV's Legal Aid Web.

In this example, the entire system or network could be known as, "SPIDER, the online web service of Time Inc." A particular service could be marketed as: "**FORTUNE'S Business Web, including all**

the resources of SPIDER, the online Web service of Time Inc."
An alternative would be to call the whole service "T-Web."

Marketing and Subscriber Acquisition strategy

tk

Advertising, Classifieds, Transactions, Shopping

tk

Pricing Strategy and Economic Models

tk

Technical specifications

tk

Next Steps

• Build a web site for Time, Vibe and Gardening with public domain software and no direct-dial access.

• Solicit proposals for building the hardware, software, interfaces and telecommunications network. Time Inc. would handle content, packaging, subscriber acquisition, and advertising sales.

• Propose to CompuServe and AOL that we build such a service as a joint venture. It would coexist with and be linked to the current service provided by our partners, but it would give them the chance to build a new Internet service based on the World Wide Web and aimed at higher-bandwidth and cable modem users.