

Pathfinder

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Pricing and Marketing Strategy

A Judsonian deck begins with basics...

Retail Price: \$5 *
(For users who get to Pathfinder on their own)

Internet Access Providers (IAPs) have three options for purveying Pathfinder:

- × Bundling it as a basic ("free") service
- × Offering it as a premium service
- × Referring users to us

* Note: All prices are hypothetical.

Basic Bundling

- × IAP bundles Pathfinder as a basic ("free") service for all users
- × Internet access and Pathfinder sold as a package
- × Time Inc. would mirror on or direct link to IAP's network
- × IAP would handle all billing, fulfillment, customer service

Pricing

The IAP pays Time Inc:

- × \$1 per month for each of the first 200,000 users
- × 75¢ per month for each of the next 200,000 users

× 50¢ per month for each user after that

(Thus, 500,000 users would be \$400,000 per month or \$4.8 per year;
one million users would be \$650,000 per month or \$7.8 million per year.)

Basic Bundling: Exclusivity issue

- × No exclusivity offered.
- × Exclusivity to be discussed only after we see who is willing to bundle at what price.

Unspoken, but possible deals:

- × IAPs that guarantee 300,000 bundled users allowed to exclude one specific competitor from bundling arrangement.
- × Any IAP willing to pay \$1 million a month might be given exclusivity in bundling arrangement.
- × Notwithstanding above, AOL and CompuServe cannot be excluded from making bundling deal, if they want, in order to preserve our current relationship with them.

Premium Service Offer

- × IAP offers Pathfinder as an supplemental-price option
- × Time Inc. would mirror on or direct link to IAP's network
- × IAP would handle billing, fulfillment and customer service

Pricing:

- × User charged \$4 per month
- × IAP gets to keep \$1 month
- × IAP gets \$4 bounty for signup

or, similarly:

- × IAP pays Time Inc. \$3 month per subscriber.

- × IAP charges from \$3 to \$5 per month, and keeps profit
- × IAP gets \$4 bounty for signup

or, as an alternative:

- × User charged \$32 for annual subscription
- × IAP gets \$8 bounty per sale

Bounty Plan

- × Time Inc. pays \$5 per qualified referral
- × For an IAP, Time Inc. will mirror or link to network, if desired
- × Time Inc. handles billing, fulfillment, customer service
- × This deal can be offered to IAPs, browser makers, directory compilers, internet malls, girl scout troops, etc.

Co-Marketing Options

Our ads for Pathfinder could say:

"Available on the World Wide Web at [HTTP://pathfinder.com](http://pathfinder.com)...

... or call 1-800-XXX-XXXX for Pathfinder plus an easy internet access package."

(We could then divvy up the calls to our bundling and/or premium service partners and collect a \$10 bounty for each qualified referral.)

or, alternatively, they could say:

"... or at special rates from these fine internet service providers: XYZ company (1-800-XXX-XXXX), ABC company (1-800-XXX-XXXX), etc."

(We could still work it out that we collect a bounty, but we would let the consumer shop around for the best pricing plans and services.)