Firefox---The Browser Wars Are Back
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Firefox: The Browser Wars Are Back

1) Introduction

On November 9th, 2004, Mozilla Foundation released Mozilla Firefox—the much-anticipated Internet browser. Eleven months later (October, 19th, 2005), it was already celebrating its 100 millionth download. A study conducted by Webstory in February 2004 showed IE’s market share had dropped to less than 90 percent for the first time in three years, and most of this market share had been gained by Firefox. Webstory also said “its findings, over time, were revealing a significant pattern of movement toward Firefox.” The success of Firefox signaled a new browser war. Who will win this war? What should Firefox do to prevent itself from becoming the next Netscape? Although
we can’t predict the future, this paper intends to analyze how well Firefox is doing using the 4C framework, and what it should do to prevent history from repeating itself.

2) Background Information

The Mozilla Foundation was founded in July 2005 as a non-profit organization dedicated to provide organizational, financial and legal assistance for Mozilla’s open source project. It received support from the Netscape division of American Online initially. Soon, Mozilla Foundation realized that a non-profit entity was no longer appropriate for this development, so in August 2005, Mozilla Corporation was established to develop, distribute and promote Firefox (its Internet browser) and Thunderbird (its e-mail program). And Mozilla Firefox was introduced in November of the same year.

3) Market Condition
The browser market which Mozilla was entering into had been quite stable ever since Microsoft’s Internet Explorer (IE) won the browser war over Netscape in the late 1990s. The market remained dominated by IE. Although some browsers had attempted to steal some market share from IE (such as Netscape, Opera), none of them really had become a threat to IE before Firefox came out.

However, IE’s security issue had always been a concern. On June 28th, 2004, US-CERT sent out a warning to the public pointing out some of the vulnerabilities of IE, and recommended that people switch to a different browser.

The timing could not been better for Firefox. When it was first introduced, it was labeled as the safer browser. Among its many features were that it was more secure, and it used the XUL user interface language to allow add-on themes and extensions. It soon won praise from users and media all over the world.
4) The 4Cs

i) Cost/Utility

**Enhanced security:** One of the main reasons that made people switch from IE to Firefox was security. Firefox claims to be more secure than IE and also comes with a built-in pop-up blocker to prevent annoying pop-up windows.

**Tabbed Browsing:** Firefox supports tabbed browsing, so users can open multiple webpages within one browser. It saves users time and energy from switching back and forth between different browsers.

**Built-in search bar:** Its built-in search bar (default search sites include Google, Yahoo, E-bay, Amazon and Creative Commons...) gives the user the choice to add/drop the search engines he/she prefers.

**Add-on Extensions:** Firefox is a light, graphic browser, and does not have as much functionality as IE has, but Firefox gives its users the freedom to add extensions to the browser. In another word, users get to
customize their browser to some degree.

**Live bookmarks:** Users can check for updates for websites in the toolbar section.

Based on these attributes, Mozilla Firefox is able to make the web browsing experience more fun and secure.

**ii) Search Costs**

Internet Explorer enjoyed more than 90 percent of the market share\(^2\) before Firefox was introduced last year, so Mozilla Foundation must try to inform the public its product within a short period of time. Because they lacked resources, most of the promotions were done without the mass media. Instead, Mozilla introduced something called “community marketing” to product the browser.

**Firefox Communities:** Mozilla launched a promotional site called “Spread Firefox,” its main purpose being to gather members and promote

the product. The “Spread Firefox” website includes member blogs, Firefox FAQ, and a Mozilla store.

The “Roll call” system: Mozilla also introduced a “Roll call” system to promote Firefox. Users first register to become a member of the Firefox community, and then put a link to Firefox in their personal website. Each time a person links to Firefox website via his/her webpage, the webmaster receives a point. The reward? Every week, Firefox will post the top five affiliates and top five climbers of the week on Spread Firefox and these websites, in turn, will get higher traffic. A Google search result showed that there were more than 765,000 websites linked to Firefox by December 29th, 2005. (Please refer to Fig 3)

Newspaper ads: Firefox also kicked off a series of fundraising campaigns to raise promotional funds. It raised more than 250,000 US within 10 days in December 2004. Most of this money was used for a two-page ad in the New York Times. A similar campaign also took place
in Germany and raised ninety-three thousand dollars to place a full-page ad in a major German newspaper.

**Media reviews and praise:** Firefox has received excellent reviews from the mass media and websites such as *Forbes, Wall Street Journal*, and *CNET* website. This also has helped Firefox to gain publicity and reduce moral hazard at the same time.

**iii) Moral Hazard**

When new software comes out, its stability and compatibility are always the user’s biggest concern. So what did Firefox do to reduce the user’s moral hazard costs?

First, Firefox uses its community power to spread the word. A community of experienced user spreading the word will make a new adopter feel that the program is safer. Moreover, review and praise from the mass media also help new users to reduce their doubts. Non-technical
media (such as newspapers and television) will help people who are not familiar with computer software to know this product and make them feel that it’s safe.

The Mozilla organization is also trying to make its users feel safer. The add-on extensions have been previously criticized for possible security problems, so Mozilla immediately set up a “Mozilla-approved” extension page for users to download risk free extensions.

Mozilla is also offering five hundred dollars US and a free Mozilla t-shirt for people who first detect and report a bug.

iv) Hold-up

IE has been building many hold-ups with its users over the years. In order to take over IE’s market share, Firefox needs to find ways to break or transfer these hold-ups to Firefox. Firefox is designed so that many of the hotkeys in Internet Explorer can also be used in Firefox. Firefox also shares a similar interface with IE, so first-time users will have no
problem figuring out the functions. At the same time, Firefox is also trying to develop its own hold-ups, especially psychological ones. As mentioned before, Firefox has a community with forums, personal blogs, and members-only exclusive prizes. There is a strong sense of “we-ness” in the community as members discuss Firefox Marketing ideas and share their Firefox stories.

Firefox is also seeking strategic partners to form alliances. It has announced in October 2005 a trial partnership with Dell UK in which Dell UK will pre-install Firefox on its desktop and laptop PCs.

Overall, although lacking resources, Mozilla Firefox has tried to solve the 4Cs, and from the successful adoption rate, we can conclude that they are quite successful. But is this enough? What should Mozilla do next?

5) What the Future Holds for Firefox

It is very important for Mozilla to decide the market it wants to
pursue. Does it want to beat IE and dominate the browser market? Or is it satisfied with being a widely adopted browser and hopefully trying to make some money out of it (niche-market approach)?

If Firefox is aiming for the former, its priority now is to let everyone know about its product (so reducing search costs is very important here). Because the early adopters are usually the ones with more computer knowledge, if Firefox wants to increase its market share, it should let the general public know there is a product that’s better than IE. They should create more incentives to make people cross from the evaluation stage to trial and adoption. At the same time, Firefox should try develop strong hold-ups to increase users’ cost for switching away from Firefox because functionalities are easy to imitate (look what happened to Netscape.) As mentioned above, Firefox is trying to build holdups through community, however, I believe it will take more than a community to prevent history from repeating itself.
There is one problem remaining, which is that some websites and applications will only work on IE, so no matter how much a user loves Firefox, he/she can’t avoid using IE completely. Until Firefox can solve this problem, it’s more or less impossible to get a dominant market share.

Therefore, I believe it would be better for Firefox to undertake the second strategy—the niche market. With this strategy, the primary concern is reducing the cost/utility cost, because users in this segment value browser stability and functionality.

Moreover, since most people who have switched to Firefox did so because of its security features. Firefox should therefore develop this as its core competence, ultimately making Mozilla Firefox synonymous with Internet safety (Moral Hazard cost will also be important.) Once this brand image is established, the makers of Mozilla Firefox can use Firefox (or Mozilla) as a house brand to introduce other products for sale (such as comprehensive Internet systems for organizations). This will
prevent head-on competition with Microsoft, and is more likely to generate greater profit for Firefox.
6) Tables and Graphs

Fig. 1 Firefox-Built-in Tool bar & Extensions

Fig. 2 Firefox-Live update bookmark & tabbed browsing
Fig. 3  Number of websites linking to Firefox


Fig. 4  The Roll Call system

Source: “Spread Firefox” http://www.spreadfirefox.com/?q=affiliates/top250
**Fig. 5** The New York Times ad

![The New York Times ad](http://www.mozilla.org/images/nyt_ad_2004.png)


**Fig. 6** Firefox and IE Hotkeys

<table>
<thead>
<tr>
<th><strong>Firefox Hotkeys</strong></th>
<th><strong>IE Hotkeys</strong></th>
<th><strong>Explanation</strong></th>
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<tr>
<td><code>Ctrl + F</code></td>
<td><code>Ctrl + F</code></td>
<td>Find in page</td>
</tr>
<tr>
<td><code>Ctrl + B</code></td>
<td><code>Ctrl + B</code></td>
<td>Bold</td>
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<td><code>Ctrl + I</code></td>
<td><code>Ctrl + I</code></td>
<td>Italic</td>
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<td><code>Ctrl + F4</code></td>
<td><code>Ctrl + F4</code></td>
<td>Close current window</td>
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</tbody>
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*Note: The table content seems to be in Chinese and not interpretable in English.*
Source: Computcues Forum. Bitzenbyes

Fig. 7  Firefox Market share (Oct, 2004-Oct 2005)

Fig. 8  IE Market Share (Oct 2004-Oct 2005)

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2) Firefox-Rediscover the web. www.mozilla.com/firefox

3) Mozilla Organization. www.mozilla.org


