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Is the End Near for Netscape?

Joris Evers, IDG News Service

The death knell is sounding for the Netscape browser, industry observers said, following America Online's decision Tuesday to lay off about 50 Netscape software developers and end development work on the Mozilla browser technology.

"I would not say the patient is dead, but certainly it is more zombie-like. I don't see a new version of the [Netscape browser](#) coming out anytime soon," said Jonathan Gaw, research manager at market researcher IDC in Mountain View, California.

Geoff Johnston, vice president for StatMarket, a division of San Diego-based Web tracking company WebSideStory, agreed. "It sounds like AOL is really throwing in the towel. I think we have seen our last version of Netscape," he said.

AOL spokesperson Andrew Weinstein denied that the final hour has come for the Netscape browser. "We will continue to support the Netscape browser and Netscape remains a part of our multibrand strategy," he said.

Moving Slowly

However, many signs point to a slow death for the browser. "I don't think anybody is working on the Netscape browser anymore after the Tuesday layoffs," said one industry insider who asked not to be named. His comments are echoed in online bulletin boards about Netscape and Mozilla, the technology underlying the Netscape browser.

The last major release of the Netscape browser and associated software was in August last year with [version 7.0](#). However, most Netscape users never upgraded past version 4.7, according to WebSideStory's Johnston.

Netscape was the most popular browser in the early years of the Web. However, its market share [started crumbling](#) when Microsoft introduced Internet Explorer in the mid-nineties. The acquisition of Netscape by Microsoft rival AOL in late 1998 and a lengthy antitrust trial could not change the browser's fortune.

AOL's concession to Microsoft in the browser space was really already clear when it negotiated a seven-year, royalty-free license to use Internet Explorer with its AOL client software as part of a lawsuit settlement with Microsoft in May, Johnston said. "That is when AOL conceded the war, surrendered to Microsoft and turned things over," he said.

Microsoft's Internet Explorer held over 94 percent of the browser market in June 2003, leaving just over 5 percent to be divided between Netscape, Apple Computer's Safari, and other browsers including Opera, from Opera Software, and Mozilla, according to WebSideStory.

Money Matters

In the end, it all comes down to dollars and sense, said Ken Smiley, research director at Forrester Research of Cambridge, Massachusetts, who has regarded the Netscape browser dead for the last few years.

"AOL is divesting itself of something that was a bad decision in the first place. They found that the time, effort, and money required to develop their own browser was just insurmountable in a world where the vast majority of Internet users use Internet Explorer," Smiley said.

AOL's actions may spell the end of the Netscape browser, but could be the beginning of the Mozilla browser. Also on Tuesday the people behind the Mozilla open source project announced the creation of the [Mozilla Foundation](#), which will promote the Mozilla browser and e-mail software. Several of AOL's software developers will work for the foundation, which will get a \$2 million donation over two years from AOL.

Though the Netscape browser may be on its death bed, the Netscape brand has plenty of life in it, IDC's Gaw said. "There is still a lot of value in the organization and the brand," he said. Other analysts agreed.