

Microsoft joins free Net spree



By Internet Correspondent Chris Nuttall

Microsoft has acted to stem losses of subscribers from its UK Internet access service by announcing it is going free from next month.

Traditional Internet Service Providers (ISPs) have been struggling to respond to the subscription-free model for Internet access popularised by newcomers such as Dixons' freeserve.

It became the country's leading ISP in a matter of weeks last Autumn and now claims more than 1.2m members, double that of the previous leader, AOL UK.

MSN follows other content providers

The Microsoft Network appeared to be haemorrhaging the most

among the ISPs that include substantial content with their offerings.

LineOne and Virgin Net both say their membership is growing and have already abandoned their subscription model. AOL says its rate of growth has slowed and announced last week it was slashing its monthly unlimited-use tariff by £7 to £9.99.

But MSN had admitted that its UK subscriber base dropped from 150,000 to 125,000 between January and April.

MSN Freeweb launches June 8

Microsoft is joining forces with BT, specifically its BTClick service, to introduce free Internet access, called MSN FreeWeb, from June 8.

"MSN Internet Access [the old service] will remain in place if

customers wish to continue paying for the service," says Microsoft.

It would be hard to imagine the informed consumer wanting to do this: MSN currently charges £14.95 a month for unlimited access or £149.95 a year.

New service 'strong in all areas'

FreeWeb promises unlimited access, free of subscriptions and registration fees, at local-call charges and technical support charged at the national rate for calls. Existing MSN customers can keep their e-mail service but new members will have to use Hotmail. There is no offer of Web space.

"With 2.6 million unique visitors using our Internet services every month, customers were telling us that the final piece of the jigsaw was our Internet access business," said Judy Gibbons, Director of MSN in the UK.

"We have been assessing this and watching the dynamics of the market. And following customer research, we know that the major causes of confusion and complaint for free services are unreliability, hidden costs and losing your email address.

"We have addressed each of these concerns and believe our new service is strong in all these areas."

www.bbc.co.uk/news
Thursday 20th May 1999