

Rainier Creates Overnight Sensation

► Challenge: Six Weeks of Publicity in a Weekend

One Friday afternoon, Microworkz.com moved up the launch of their new low-cost WEBzter PC family (\$299) by six weeks. In response, the Rainier PR team leapt into action with a press release and immediate calls to our media contacts. The result was an overnight sensation that literally crashed the Microworkz.com web servers with more than 7.4 million hits in a single day.

► Results: Massive Same-Day Attention and More

Immediate on-line feature article hits for Microworkz.com included *CNET*, *Newsbytes*, *PC World News*, *Dow Jones Business News* and *Excite*. By Tuesday the agency got Microworkz.com on the front page of the *Wall Street Journal*, a feature story in *The New York Times*, plus daily top-tier coverage in almost every major city.

By the weekend, Rainier secured almost 100 TV and radio hits, including CNN and the major networks. News magazines started coming in the next week and Rainier got Microworkz.com in *Newsweek's Cyberscope*, and *Time Magazine's "Your Technology"* sections. Meanwhile, Rainier developed a national advertising campaign that ran in PC sector publications and *People Magazine*.

Rainier's campaign resulted in over 70,000 orders for WEBzter PCs in the first month following the product's release.

PR coverage from Rainier's campaign included:

- 269 prints outlets, including *The Wall Street Journal*, *Business Week* and the *New York Times*
- 329 online pick-ups, including *Cnet* and *Zdnet*
- 123 TV and Broadcast reports, including *ABC*, *CBS*, *NBC*, *CNN*, *CNBC* and *FOX*

► Creative Tactics: Inventing the "Digital Divide"

The \$299 price was an obvious differentiator for the Microworkz product, but Rainier advised going to market with a much bigger message. "By introducing WEBzter at \$299, we put Web access within reach for a huge number of people that just couldn't afford it before," said Microworkz president, Rick Latman. "We priced our computers at a point where we could effectively demolish the socioeconomic barriers between the 'data-haves' and the 'data have-nots.'" The creative approach conceived by Rainier was the first-ever reference to what would become known as the "digital divide."



Microworkz founder
Rick Latman

WEBzter Jr.	WEBzter	WEBzter Sr.
<ul style="list-style-type: none"> 3.2GB Hard Drive 256K Random Access 2MB Shared RAM 100K Shared Processor 100K RAM 256K Shared Processor 100K Random Access 100K Shared Processor 100K Random Access 100K Shared Processor 100K Random Access 100K Shared Processor 100K Random Access 100K Shared Processor 100K Random Access 	<ul style="list-style-type: none"> 4GB Hard Drive 512K Random Access 4MB Shared RAM 200K Shared Processor 200K RAM 512K Shared Processor 200K Random Access 200K Shared Processor 200K Random Access 200K Shared Processor 200K Random Access 200K Shared Processor 200K Random Access 200K Shared Processor 200K Random Access 	<ul style="list-style-type: none"> 8GB Hard Drive 1MB Random Access 8MB Shared RAM 400K Shared Processor 400K RAM 8MB Shared Processor 400K Random Access 400K Shared Processor 400K Random Access 400K Shared Processor 400K Random Access 400K Shared Processor 400K Random Access 400K Shared Processor 400K Random Access
\$299⁹⁵	\$499⁹⁵	\$699⁹⁵

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THE WALL STREET JOURNAL

Microworkz to Sell Full-Featured PC For \$299, Turning Up Heat in Sector

By DAVID P. HAMILTON

Staff Reporter of THE WALL STREET JOURNAL

Microworkz Computer Corp. said it will sell a full-featured personal computer for just \$299, turning up the heat in the increasingly competitive sub-\$500 PC market.

Like most other sub-\$500 PCs, those from Seattle-based Microworkz won't include a monitor, which can cost an addi-

earn a 13% margin on the Webzter Jr., which is about average for the cutthroat PC industry.

"It's a new model for how to build PCs," Mr. Latman said. "We're putting PCs in peoples' homes, Earthlink gets more customers and Cyrix gets more recognition—it's good for everyone."

Earthlink expects to benefit when those new customers decide to renew their Inter-

Cheap PCs

Some of the players in the sub-\$500 PC market:

COMPANY	PRICE OF CHEAPEST PC	WHAT'S INCLUDED	WHAT'S NOT
eMachines Inc.	\$399	300 MHz microprocessor, 32MB memory, 2.1GB hard disk	Monitor
Free-PC.com	Free	333 MHz microprocessor, 32MB memory, 4GB hard disk, 15-inch monitor	—
Microworkz	\$299	300 MHz microprocessor, 32MB memory, 3.2GB hard disk	Monitor

Source: Company data

tional \$100 or more. But the company's Webzter Jr., which features a 300-megahertz microprocessor from National Semiconductor Corp.'s Cyrix unit, will come bundled with a year of free, unlimited Internet service, courtesy of fast-growing Internet provider Earthlink Network Inc., and a software suite from Corel Corp.

Indeed, with the Internet service alone valued at about \$240, Microworkz President Rick Latman jokes that the effective price for the Webzter Jr. is only \$50.

The foray by closely held Microworkz, a relative newcomer to the PC business that started out as a custom-software designer, reflects an accelerating plunge in computer prices and a scramble to find ways to subsidize PC sales. Free-PC.com, a start-up in Pasadena, Calif., in February announced plans to give away computers to people who agreed to view advertising and give up personal information about themselves.

Microworkz said it isn't collecting personal information, but is relying on financial support from partners such as Cyrix and Earthlink. "We're not going to exploit the user," said Mr. Latman. "We're exploiting the people who make the components."

Mr. Latman said that the company's partners are helping to "defray the costs of production and services to make the machine profitable," although he said the support doesn't include cash payments. He said that Microworkz ultimately expects to

net service. While that strategy has some risks, it "brings us the opportunity to reach a vast amount of the public we wouldn't normally meet," said Bob Johnson, an Earthlink vice president.

The sub-\$500 PC market was pioneered by eMachines Inc., of Fremont, Calif., which said it sold 200,000 sub-\$500 PCs in the fourth quarter of 1998, and by all indications is still going strong.

In January, for instance, eMachines was the No. 4 seller of PCs in office superstores, and was the fifth-strongest seller in traditional consumer-electronics outlets, according to market-research firm ZD Market Intelligence of La Jolla, Calif. Matt Sargent, an analyst with ZD Market, said eMachines could end up selling as many as 1.2 million machines this year.

"This all adds to the pressure on mainstream PC makers," Mr. Sargent said of the Microworkz announcement. Traditional PC makers, several of whom have recently reported slowing sales or expected revenue shortfalls, will be increasingly looking for ways to make money by bundling new services and software with PC hardware, Mr. Sargent predicts.

Microworkz plans to sell the Webzter Jr. only via the telephone and the Internet, and will start full production by mid-April. Mr. Latman said the company originally planned to sell 500,000 units of the Webzter Jr. and two related models by the end of the year, but is considering boosting its production plans in light of initial interest.