

Netscape Communications Corp.

Netscape Communications Corp. , American developer of Internet software with headquarters in Mountain View, California.

Founding as Mosaic Communications

The company was founded in April 1994 as Mosaic Communications Corp. by James H. Clark and Marc Andreessen. Clark had previously founded and been chairman of Silicon Graphics, Inc., a manufacturer of computer workstations. Andreessen, then 22, was a recent graduate of the University of Illinois,

Urbana-Champaign; there, while employed at the National Center for Supercomputing Applications (NCSA) in 1993, he had led the development of NCSA Mosaic, the first widely distributed, easy-to-use software for browsing the World Wide Web.

Just as Apple Computer, Inc. (now Apple Inc.), and Microsoft Corporation popularized computing by replacing DOS (disk operating system) line commands with a graphical user interface on personal computers, and parallel with America Online, Inc., and CompuServe Interactive Services, Inc.'s development of graphical interfaces for their proprietary networks, Mosaic offered a graphical interface to replace UNIX OS line commands over the Internet. With the ability to display colourful graphics and a simple point-and-click interface for finding, viewing, and downloading data over the Web, the free Mosaic software made the Internet widely accessible for the first time beyond the scientific branches of academia and the government where it started.

Navigator takes over the Internet

Clark and Andreessen planned to further this popularization process and to capitalize on it by marketing a commercial-quality Web browser, Web-server software, development tools, and related services. In October 1994 the company made available on its Web site the first version of Navigator, their new browser. By utilizing the shareware distribution model of “try before you buy” (except in education, where the program was free), Navigator was an immediate success: over the following 12 months some eight million copies were downloaded. Because Navigator connected to Netscape’s Web site by default (and later because of various services offered by the company), netscape.com became one of the busiest sites on the Web. From an average of approximately 1

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million hits per day in February 1995, traffic rose to more than 125 million hits per day by November 1997. The browser was followed by several Web-server applications, including pioneering programs for electronic commerce and security.

The company's rise to prominence triggered a dispute with the University of Illinois, which had trademarked the Mosaic name and designated another company as master licensee for the NCSA Mosaic software. As part of an out-of-court settlement, Mosaic Communications changed its name to Netscape Communications.

Money pours in



In January 1995 the company recruited James L. Barksdale, an executive experienced with raising capital for new companies in the telecommunications and overnight-delivery industries, to be its president and chief executive officer. (See photograph of Barksdale, Andreessen, and Clark.) In August 1995 Netscape's initial public stock offering created a sensation in financial circles: in its first day of trading, the 16-month-old company's shares more than doubled, giving it a market capitalization of \$2.2 billion. The proceeds helped to fund a series of acquisitions of smaller developers, as well as joint ventures with such prominent technology companies as Oracle Corporation, General Electric Co., and Novell, Inc.

Browser enhancements

Meanwhile, Netscape continued to extend its line of server applications and to roll out Navigator upgrades, adding features such as electronic mail (E-mail) and news. In addition, Netscape added a plug-in interface, allowing other developers to create modules that expanded Navigator's capabilities; this "open-architecture" approach led in particular to a proliferation of plug-ins for digital audio, video, and animation. Netscape was among the first licensees of Sun Microsystems, Inc.'s Java programming language and virtual-machine technology. Sun and Netscape also collaborated to define JavaScript, a separate language designed to help nonprogrammers create dynamic, interactive Web sites.

These rapid-fire advances pushed Netscape to the forefront of the software world. Web developers scrambled to implement its latest innovations; users raced to download each new release of its browser. Leading computer manufacturers and Internet service providers (ISPs) rushed to conclude agreements, allowing them to bundle Navigator with their products. By June 1996 Netscape

claimed that more than 38 million people were using Navigator, making it the most popular personal-computer application ever.

Moreover, Netscape's innovations were transforming its browser from a simple application into a platform on which other developers could build. Observers began to suggest that the browser could become computing's dominant user interface and development framework. Since this analysis implied a reduction in the distinctiveness and importance of operating systems, Netscape's meteoric ascent was widely seen as a challenge to Microsoft, whose control of DOS and Windows OS had made it the dominant force in personal computing.

Browser competition and the search for a business model

In the fall of 1995, Microsoft began an urgent campaign to turn toward the Internet. It started by licensing the browser code that Andreessen and his NCSA associates had written while students, and it feverishly developed Internet Explorer, a browser that gradually caught up with Navigator in features and performance. Microsoft kept Explorer completely free, even for business customers, and moved aggressively to persuade computer makers and ISPs to bundle it instead of Navigator. By 1996 Microsoft was bundling Explorer with Windows OS, and they had begun the process of integrating Explorer directly into Windows.

As a result, Netscape's market share among browser users, previously estimated at over 80 percent, began to decline. In response, Netscape accused Microsoft of unfair business practices and filed a series of complaints with regulatory bodies; these efforts helped to persuade the U.S. Department of Justice to undertake a broad investigation of Microsoft under antitrust statutes.

Netscape also placed a greater emphasis on sales of server applications and corporate services, and it released a new product, Communicator, which combined the Navigator browser with workgroup-collaboration features designed to appeal to corporate customers. Another initiative was the creation of Netcenter, an information and commerce service built around its heavily trafficked Web site.

In all these areas, however, Netscape faced entrenched competitors. In early 1998 it reported slowing growth and its first quarterly operating loss ever. In an effort to regain market momentum, it declared Navigator and Communicator completely free and even made the programs' source code available to other developers for customizing and enhancement.

Netscape was purchased by America Online, Inc. (AOL), in November 1998. With the increasing competition from Mozilla Firefox, the open-source browser developed from Navigator, and the continuing market dominance of Explorer, AOL discontinued support for Navigator in 2008.

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