

One year's subscription (airmail to Canada) is CDN\$ 74.

Secondly, the European branch of the Software Publishers Association (SPA) has as part of its membership benefit an *International Resource Guide*, which includes detailed information on business facts, local consultants, distribution channels, resource materials and local salaries. SPA also conducts research into revenue and growth in most European markets and this is also published quarterly as a benefit of membership. The cost of a membership is based on the member's own revenue during the last four fiscal quarters, divided into the following classes:

(applicable to non-European members)

CDN\$ 0 - 1.156.000	CDN\$ 673
1.156.000 - 2.311.000	CDN\$ 1.209
2.311.000 - 3.467.000	CDN\$ 1.607
3.467.000 - 5.788.000	CDN\$ 2.005
5.788.000 - 8.090.000	CDN\$ 2.403
8.090.000 - 11.557.000	CDN\$ 3.061
11.557.000 - 17.335.000	CDN\$ 4.530
17.335.000 - 23.113.000	CDN\$ 5.999
23.113.000 - 34.670.000	CDN\$ 7.989
34.670.000 - 57.783.000	CDN\$ 8.662
57.783.000 - 115.567.000	CDN\$ 9.994
115.567.000 - 231.134.000	CDN\$ 13.315
Over CDN\$ 231.134.000	CDN\$ 19.972

Additional information is available from:

SPA Europe
2, Place de la Défense
World Trade Center 2
CNIT B P 416
92053 Paris La Défense
France
Phone: (33) 1 46.92.27.03
Fax: (33) 1 46 92 25 31

After thorough preparation, it is imperative that the Canadian developer travel to the markets he wishes to enter in order to meet potential distributors, speak with dealers and end users and attend trade shows. (All the significant trade shows are advertised in *European Computer Reseller* mentioned above).

3.3 Selection of Distribution Channels

Before making the critical choice of a distributor, a Canadian software developer must consider a number of critical issues:

3.31 Distribution Channels: A Question of Risk vs Control

Depending on the nature of the product that a Canadian software developer wants to distribute in Europe, there are five main types of distribution channels available:

- 3.311 *Original Equipment Manufacturers (OEMs)*
- 3.312 *Value-added Resellers (VARs)*
- 3.313 *Distributors*
- 3.314 *Independent Sales Agents or Representatives*
- 3.315 *Direct Sales*

3.311 Original equipment manufacturers (OEMs) sell or license under their own brand name, bundled with the OEM's own hardware platform. This is a common marketing strategy used by hardware vendors to make their own products more attractive, because only the right functionality will attract end-user interest. The drawback to this approach is that the developer's own name and trademark are never seen. This slows down potential marketing under the developer's own brand name. **Since re-labeling rarely if ever occurs, OEM is considered theoretical in software distribution.**

3.312 Value-added resellers (VARs): While OEMs bundle together two compatible products, VARs take two similar products and integrate or bundle them into an enhanced solution. The VARs are often much smaller in size than the OEMs and are often focused vertically. However, VARs will normally market the bundled product using both the name of the developer and their own name. Most European distributors generally provide value-added services, although the quality of the value-added services that potential Canadian software developers will get is closely connected to the discount rate they are willing to offer. Discount rates between 50 and 70 per cent off the local price are expected. Complex software solutions that require local individual adaptation at the end-user level will require even higher discount rates.