

6.7 Mail Order Houses (300)

It is estimated that mail order accounts for 20% of the PC software in the USA, yet few if any Canadian software vendors I have spoken to, work very hard to sell through this channel. Mail Order Houses operate with a warehouse and often a telemarketing effort. These warehouses offer a much wider variety of software at a lower price than the stores. They carry a large product line and are thus more likely to carry new software titles than the chains. The key problem will be the difficulty in getting the advertising and reviews to draw the product through the mail order warehouses. Most mail order houses sell well known products in high volume at low prices. They do not advertise or otherwise generate demand for the product. This task will stay with the software publisher.

6.8 Going Direct

Many Small firms have such a targeted product that going direct via mail is a reasonable and realistic option. Such firms as IDC Boston, and Focus Research San Jose, can supply detailed lists of purchasing MIS managers that use they types of equipment that you want to sell to. This information costs around a \$1.00 per name. Considering that you can make a pitch to 1000 qualified buyers for a mere \$1,000, it is good value compared to a general Byte advertisement at \$20,000.

A second option is to engage in a "media blitz" to all the key editors in your area. The easiest way to get an up to date list of editors who specialize in your product is to call Media Map Chicago, 617-275-5560 and obtain their quarterly updated media list. The cost is around \$1600 US dollars. Trying to develop your own list or doing a general mailing to "the editor" is a waste of your time and money. The Media Map program or others like it, offers a very inexpensive way to get press coverage and generate demand for your product. Beware: Don't generate demand before you have a distribution system in place.

6.9 It is Harder Than Ever to Get a Best Seller:

Over 90% of the shelf space for Macintosh software products is occupied by Microsoft products. How is your company "strategizing" to gain shelf space against such well armed and funded competition? Like the food industry, the fight for shelf space is critical to your victory in the marketplace. This high level of competition is illustrative of the current restrictions and problems you will confront in merchandising your software.

6.10 Software Publishers

Increasingly, the big players are going direct. For people like Lotus and WP, sales of new releases and technical support are two new marketing opportunities. If your product is complimentary to these major software developers, you may want to consider a joint venture.