

Incremental Revenue Without Incremental Investment

by Jason Foodman, CEO, DigitalSwift

Selling software online today is tougher than ever. Many of the things that worked three, or even one year ago don't work today. For example, advertising online has changed immensely both in terms of its usage, value and effectiveness. I'd like to outline a few items the typical software author can try, with little or no investment (other than time) on his or her part, to add revenue each month. Note that no single idea presented here will double the size of your company - but each will contribute to growth and provide services/products some of your customers are looking for today, but not finding on your site.

BUNDLES are a 'no brainer'. If you have multiple products (and many of us do), the first thing I recommend is to create a bundle (typically of three or more products). A bundle is a great way to generate individual sales at higher price points, and move more total units of your individual products. This works especially well if your products are somewhat complementary to one another, and you have one or two that are very popular and one or more that are less known. The basic idea here is to combine products into a single offering at a discounted price, so purchasing the products individually would cost more than the bundle price. One way this can work very well is if you have a product that sells very well and another that sells very little. Normally the less-popular product is heavily discounted. And keep in mind the bundle concept also works as an upsell. Say Product X is very popular and Product Y, which sells for \$20 sells very little. On your order page for Product X you could give customers the option to add Product Y for only \$9.95. Whatever you get from those extra sales is 'gravy'. And don't be afraid of extra support or partial refunds, yes those things can happen but the added revenue will more than make up for the added headache. The good news is that most of the registration services can handle bundles as part of their core service (defining a bundle and then automatically dispensing License Keys for each product in the bundle, for example). I've seen time and time again where a bundle will outsell in gross dollars one or even most of the products. If you don't offer a bundle today, try it, you've got nothing to lose! (Note: the only caveat I've seen to offering a bundle

is that you'll want to make sure your registration service can provide partial refunds - these may come in handy from time to time).

CDs will generate extra revenue for you. Whether you have one or multiple products, offer your registered products and your demo(s) on CDs. Put every product on the CD, call it your Download Saver CD and offer that to your customers at a price point to cover the CD cost, and even make a dollar or two for yourself - you'll be surprised, some percentage of customers will opt for CD delivery of your demos over downloading each one. And if your ecommerce service has CD delivery/backup-CDs, participate in that service. Each CD puts every

one of your products into the hands of a potential customer, in many cases leading to subsequent purchases. SwiftCD.com, a company which I am affiliated with, provides an excellent service in this area. There are no sign up fees, no minimum quantities required, no dollars come out of your pocket, and you can change the CD contents anytime you wish (online). CDs can have dynamic contents, such as a registration code, so you can also offer delivery of pre-registered individual products via CD. Many of the popular registration services offer and integrate with SwiftCD services. If your registration service has a CD delivery program, participate, if not then request it. Incidentally,



Sample On-Demand CDs

services like SwiftCD can also help you with on-demand hard-bound "real" manuals and "retail ready" boxes.

GUERRILLA Marketing was a popular term for quite some time, you don't hear it used as much today but it remains a powerful marketing technique. The basic idea is to be creative, find places and ways to get your message out (and I'm not talking about buying up lots of banner impressions!). Think about places where your customers would be, things they would read, clubs they would belong to - and market to those locations. And think about how to creatively market, how can you reach those potential customers in a way other than a banner or popup? Or, for example--and this is really a grassroots guerilla approach--how can you reach your customers' customers in such a way that they drive the need for your product to your customer? One general technique I've always found effective is to make it easy. Make it easy for one person to tell another person about your software (this is how "Tell A Friend" was born), make it

easy for one person to 'stumble on' and get a copy of your software, make it easy to find, easy to understand and easy to purchase your software. Guerilla marketing means being creative, being patient, being aggressive, and if possible, measuring the results (to learn and be more effective). Tactics often include joining clubs, participating in related chat rooms, forums, newsgroups, newsletters, meetings, conferences, etc. Find common ground with your potential customer and exploit that commonality to build awareness. And have fun with it, the best guerilla marketing efforts are the ones that produce a good story. For more on guerilla marketing search the web (try www.clickz.com as a good starting point) or check out guerilla marketing related books by Jay Conrad Levinson or Michael Levine.

MERCHANDISING - Another no-lose service is to offer your product/company's merchandise on your site. The most notable company out there in this space is CafePress.com (<http://www.cafepress.com>), a company I have no affiliation with but have had good success with. The idea is similar to SwiftCD, no sign up fees or minimum quantities. Simply sign up online, upload your logos and you can offer T-shirts, mouse pads and mugs to your site visitors. You probably won't sell a ton of shirts, but anyone who wants to pay \$10 and walk around wearing a shirt with your company/product name on it, more power to them - don't stop this person.

AFFILIATES are always a great thing--anyone willing to sell your program and share in the revenue (typical affiliate commissions are 30%-50%) is someone you want to empower to do so. There are a number of affiliate programs available today, including SellShareware, Commission Junction, Shareasale, SiteSell, and more. Furthermore, many of the popular registration services have built-in affiliate programs which simplify the setup and tracking you will need. You'll want to make sure your program is well documented and easy to use to minimize support. One step beyond are co-brand situations, where someone puts their label/brand on your program. Take care when designing software to not hardcode strings which will make this difficult, it can be a lucrative and easy way to expand your market. Along the same lines is localization, offering versions of your software in various languages. Often with a localized program you can also do deals with distributors in that country (revenue share). One trick I've done numerous times over the years is offer a distributor in a country an exclusive and a higher percentage if they will translate the product (and updates) for you. Speaking of localization, some software companies have also localized their entire sites, either manually or using services like FreeTranslation.com. Of course, the proverbial "Catch 22", what do you do when you offer your site in French and people e-mail in to you in French (I've usually managed to get by with one of the online translation services, such as "Babel Fish")?

COUPONS and incentives are worth trying. A clever implementation I saw recently had a popup coupon on the site that activated in such a way that it appeared to be random or unique to my visit, as if I had won something or stumbled on a special deal. The author reported to me moderate success with that tactic, if nothing else it seemed to push a few who were on the edge over the top to register. Upgrades probably fall into this area, for major upgrades to your product (example: 2.0 -> 3.0) it's not unreasonable to ask for an upgrade fee from your existing users. Some users balk at this, most understand.

WEB SITE SEO is real. Make your site clear, SEO (Search Engine Optimized) and use good grammar. Lack of clarity and poor explanations hold back numerous sites and products I've encountered. People should be able to see from your home page exactly what you do, what you have to offer, and choose to Download or Purchase ... don't overcrowd the page with huge amounts of text, keep it simple (one of the oldest Software engineering concepts, KISS). Speaking of your site, optimize your site for search engines! I'm not an expert in this area but I've seen the results time and time again. "If you need help at this, Karen Stout (SharewarePartner.com), Dave Collins

(SharewarePromotions.com) and Mike Callahan (DRFF.com) are all fine individuals and experts in the area. There are also some excellent tools software authors can use to submit and track their software. Some of the notable ones being Shareware Tracker from AccuSolve and SignPoster from Interlyn."

MAILING LISTS are still effective. We all agree that spam is a major problem (and seems to be getting worse), but don't let that turn you off from having a mailing list. Give your customers the option to sign up for an Announcement list and use that list strategically (and carefully!). Don't clog your newsletters and announcements with advertising, tell people about your product updates, some tips for using your products, what's coming next, special offers, and on occasion partner products you think they might find interesting (that relate to your product line and hopefully where you are an affiliate!).

SITE LICENSES/VOLUME PURCHASING are almost always worth offering. Again, you've got nothing to lose and occasionally you might get surprised. If you don't even offer it, chances are nobody will take the time to write you and request it. If you offer site licenses and volume discounts, at least you can be sure to capture anyone who was interested and ready to purchase more than one copy.

THINK ABOUT YOUR CUSTOMER and tune your pitch, pricing and distribution to match. It's not uncommon for some products to have mass consumer appeal, but revenue driven almost entirely by corporate sales, or vice-versa. I've seen time and time again where technologists and programmers develop and release software, not realizing that they themselves are NOT the typical user of their software, the 'average consumer' or business.

ASK QUESTIONS. If you want to grow your business you should think about how effective your website is, how good your product is, how well the product is priced, what are the strongest benefits of your product, etc. There is no better person to ask this to than your customers, yet very few people take the time to get real feedback. A common technique is to survey, offer your users (potentially in the newsletter mentioned earlier!) the chance to take a simple survey about their experience with your company and products. You can also ask at least one question on your order form, often this is 'How did you hear about us?'. Even more interesting may be finding ways to query those who arrived but didn't purchase. What kept them from purchasing your product, was it the description, the price, the complexity, the language, etc. You need to find out and you won't without asking.

PARTNER. I can't say this enough. Find companies who have products that don't compete with your products but have synergy with your audience, and vice-versa. Offer their products to your users, your products to their users, swap space in your newsletters, chain installers (if you're really brave), find ways to capitalize on your traffic by bartering it with someone else's traffic. A good place to start looking is on your favorite file download site, put in general terms that describe your product and look at other products in the category that don't directly compete.

Each of these are relatively simple ideas that will require only a small amount of your time (and little or nothing out of your pocketbook) to implement. If you do want to invest not only time but money into your business, consider attending your nearest software/shareware related trade show (SIC, Software Business, ESWC or ISDEF), you will be amazed how much you learn, how many people you meet and how worthwhile the trip is.

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