

# Software Marketing and Billing Solutions

## SMBS

### New opportunities for software marketing



### Combine demanding software and ASP-advantages

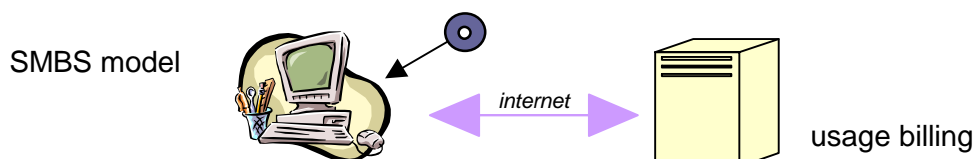
The field of *Application Service Providing* (ASP) is extremely growing. Here the software is hosted by central computing facilities. The software service is utilized via dumb clients and TCP-internet connections.

#### ASP offers several advantages to the software end-user:

- access to the latest software release
- predictable cost of software
- good scalability
- no up-front software investment
- variable costs instead of fixed costs (better inventory turnover ratio)

#### SMBS combines the above advantages - but does not share the following disadvantages of a classical ASP solution:

- **bandwidth limits**
  - interactive, high fidelity graphics NOT feasible
  - cost of bandwidth
  - drop in bandwidth renders software usage ineffective
- ASP requires **transfer of data** to server center
  - data intense applications are DISCOURAGED
  - security critical applications are DISCOURAGED



## The SMBS System: Software Life-cycle On- and Offline

### Initial Install Procedure (customer view)

- Sign software usage contract via secure web browser (https)
- Receive initial password via email and change before usage (https)
- Software download and installation

### Software Usage (customer view)

1. Start using software after authentication with customername and password
2. Normal usage: automatic software billing in the background via TCP-rendezvous in regular time intervals.  
The software is operating upon the availability of so-called **life-drops**.  
A *life-drop* has an expiration date and is valid for a certain amount of operation time.
3. Optionally a determined amount of so-called *credit-life-drops* can be downloaded. They allow to operate the software also off-line. Then the billing of any offline software usage is performed at the next TCP-rendezvous.
4. E-bill presentation: the usage record can be inspected via a secure browser (https).
5. Payment:
  - Credit model: debit bank account or major credit card (e.g. monthly, and/or credit line)
  - Prepay model: amount of usage is bought in advance (saver but less friendly, for dubious customers)

### "Self-selling" Option: Software in FREE Mode

- Starting software in FREE-Mode allows to use only a designed subset of its functionality. This is intended for tutorial purpose and for self-advertise the software via FREE-ACCESS documents.
- FREE-ACCESS documents are specially certified (extra charge model) and allow to disseminate results obtained by the software (like free viewers for Microsoft Excel or PowerPoint documents). By this means, software usage is promoted via proud spreading of meaningful result documents.

## SMBS's Benefits for the End-User: Access - Anytime, Anywhere

### Software becomes available in internet speed:

- **anytime fast:** sign-download-go
- **anywhere:** on each host or laptop you want (no illegal "remote backup copies")
- **upto date:** newest release anytime (no ancient media)
- **online** and **offline** usage (s.below)

### Software access becomes easy and fair:

- **pay-for-usage:** reimburse the development effort proportional to actual use
- **easy entry:** no up-front investment barrier
- **FREE-Mode:** get to know the software
- **FREE-ACCESS:** distribute results in a new format

## SMBS's Features and Benefits for the software producer

**Cost reduction:** no media and box production, handling, shipping needed

**Margin increase:** no box resellers needed

**Improve quality cycles :** generate newest distribution anytime

**Marketing flexibility:**

- Much tighter customer relation (*s.below*)
- Many pricing options, promotional actions etc. - anytime
- Software module can be charged individually.  
This allows also combinations of standard license and usage-billing (avoid self-competition with traditional license market).

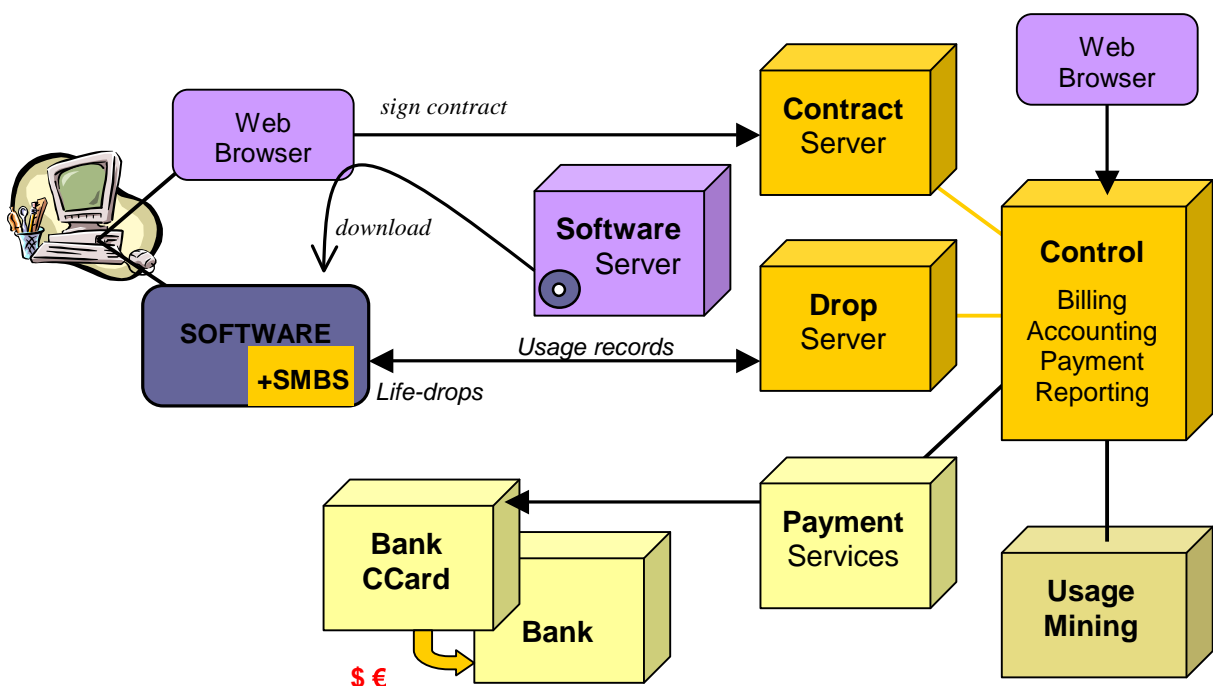
**Enlarge customer group: without prohibitive up-front investment**

- Make occasional users to customers (where full-time license too expensive)
- Bind the hesitating user (needs prove of usefulness by entry project, which is too large for free demo time)
- Make software pirates to customers
- Serve in emergency situations (licensed host unavailable)

**Secure online billing** with precise user logs

**Offline usage billing** is optional and ...

- **highly desirable:** working in places without IP-access, e.g. while traveling, during presentation of software results
- but bears a certain **fraud risk:** requires countermeasures depending on type of software. Entertainment software should be only billed online. Software which produces incrementally used results (any type of document) can be modified to secure also offline billing.



## Security

- Securely crypted protocol, transparent for firewalls
- Check of creditability using e-score services
- Individually offered payment methods and credit line - depending on address and account information checks (in real-time). Can be altered any time
- Several mechanisms for fraud detection in off-line situations
- In case of fraud indication the reaction policy can be adapted from graceful to drastic (e.g. deny-of-service, change to prepay model, etc.)

## Tighten the customer relation

SMBS offers to inform the customer about news by a **displayed messages** transmitted at session start (online login). This message can be personalized for each account or account groups. E.g. to announce

- new services (faster time-to-market)
- new software releases or bug-fixes
- pricing options
- promotional actions

The customer's usage of particular software modules can be metered for the purpose of fine-grained charging or for the sake of detailed usage survey. This offers a precise market analysis as a side effect.

Tracing the individual customer is critical in terms of privacy. Therefore any future usage must be clearly stated in the customer's contract. However, the marketing opportunities of this **user profiling** option open the large field of datamining for CRM, including

- individual promotions and churn-management
- pro-active or passive cross-selling
- (and last not least) software optimization (e.g. beta-tester monitoring)

## Contact

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