

Industry opinions

With the launch of gaming streaming service OnLive (see page 30), and the recent expansion of in-store publishing system SoftWide (see page 21) into Tesco – both of which effectively negate traditional boxed software products – **Andrew Wooden** asks a panel of industry executives if this is just the start and whether the software distribution model be very different in five years...?



**George Tennet, CCO,
BullGuard**

“WE CAN see that a higher percentage of products in the IT channel business are now delivered by soft download, and that an increasing number of vendors are choosing to deliver services this way. The benefits are clear – the latest version of the product is available immediately and the environmental impact of producing box products and delivering is reduced. There are, however, benefits to both electronic software download and the retail sales model. Many customers still feel more comfortable buying a physical product from a specialist retailer that can aid and advise as well as offer unique support. Software in particular is still a relatively challenging purchasing decision for many, especially for those with very little IT knowledge and so the thought of an unaided purchase in the supermarket is daunting. I would expect that within the next five years 30 – 40 per cent of end users will be satisfied to have product delivered by soft licence, while the specialist retail model will continue to co-exist.”

**Quentin Pain,
Founder and
Chairman,
Accountz**



“TRIBEKA OFFERS a different approach to distribution by installing a machine that creates software on demand. Retailers

no longer need a warehouse to ensure stock is available. Even though Accountz is being asked more and more by e-tailers and other vendors for download and licensing options, the demand for boxed software remains as constant as ever. For the future, download options will increase most definitely, but this just adds more choice for the consumer. I believe that, like books, some people will always want a box.”

**Scott Barnsley,
Head of Sales
for Retail/
SoHo, AVG**



“I PERSONALLY think that over the next five years more and more software will be purchased online. We are already seeing this trend with gaming and a

number of larger e-shops have also launched their electronic software download sites, where you can download virtually all their titles in an instant.

The trend in ever-increasing broadband speeds has also meant that downloading large files has become relatively speedy – downloading over 100mbs can be done in minutes and not hours.

Ultimately in five years time, I would predict over 70 per cent of software sales to be made through online download, 20 per cent to be made through attached bundles, and 10 per cent through traditional boxed retail.”



**Mark Lynch,
Product Manager, VIP**

“WHILST I do agree that these new services, along with other cloud computing applications, will negate the need for ‘traditional’ boxed software products, I still believe they will have a place in the market, but potentially in an alternative format. I think boxed software will evolve to be more like ‘activation cards’ in a box, similar to that seen with *Office 2010* product key cards or *LiveDrive Online Backup* activation cards.

Software vendors want people to commit to their product at point of PC sale, rather than relying on the customer to remember to make their software purchase at a later date. A distributed product sold through resellers secures software sales at the point of PC purchase, committing the end-user early. To rely on the customer to go online is a much riskier strategy. Some customers might not want the hassle of waiting for the retailer to burn their software purchase to disc. An activation card removes such barriers to purchase and can be bought and taken away in an instant.”