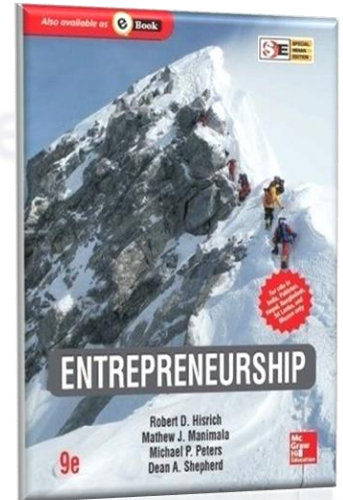


# Entrepreneurship & Leadership (HSS-421)

(2+0)



Department of Computer  
Software Engineering  
Karachi Campus

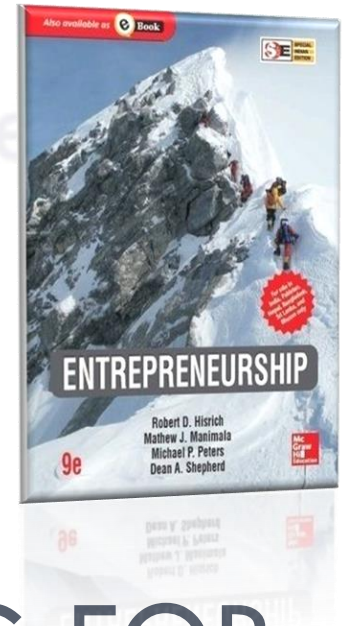


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Department of Computer  
Software Engineering  
Karachi Campus



## SALES & MARKETING FOR SOFTWARE PRODUCTS

Lecture No 11

By Engr. Syed Rizwan Ali

In this Lecture will cover ..

- To understand Key Sales Strategies in Software Industry:  
to identify and explain the essential components of a successful sales strategy for software products.
  - To learn how to analyze target markets, set realistic sales goals, and select appropriate sales channels.
  - To explore the sales strategy development, supplemented by a real-world case study of a successful software company.

In this Lecture will cover ..

- Grasp the Fundamentals of Marketing for Software Products:
  - To understand the marketing principles as they apply to software products, including the 4 P's (Product, Price, Place, Promotion).
  - To learn how these principles are adapted for the digital market and software industry.
  - To reinforced with a case study of a well-known software product, highlighting its practical marketing strategies and campaigns.

In this Lecture will cover ..

- Recognize the Importance of Branding and Positioning in the Software Market:
  - to describe the significance of branding and positioning in the software industry.
  - To learn how strong brand identity and effective market positioning can influence customer perception and drive product success.
  - To analysis of a notable software brand, focusing on how its branding and positioning strategies have shaped its market presence and customer base.

# Sales & Marketing – Software Pro.



# Sales & Marketing for Software Products

## 1. Strategies and Real-World Applications:

- **Definition & Scope:** A sales and marketing strategy combines elements of both sales and marketing. An effective marketing strategy raises awareness of a business and attracts prospective customers, while a sound sales strategy converts prospects into customers.
- **Trends:** This field combines aspects of technology, business, and creative marketing to effectively reach potential customers, communicate the value of software products, and close sales.

# Sales & Marketing for Software Products

## 2. Understanding the Market

- **Target Audience Analysis:** Identifying the specific needs, preferences, and behaviors of the intended customer base.
- **Competitive Landscape:** Understanding competitors' strengths, weaknesses, and market positioning.
- **Industry Case:** Adobe Creative Cloud “Targeting Diverse Creative Professionals.”
- **Strategy:** Adobe, known for its suite of creative software like Photoshop, Illustrator, and Premiere Pro, transitioned from selling individual software licenses to a subscription-based model under the Creative Cloud banner.



# Sales & Marketing for Software Products

## 2. Understanding the Market

- **Market Analysis:**
- **Changing Consumer Preferences:** Adobe recognized a shift towards preference for cloud-based services, with customers valuing accessibility and regular updates.
- **Piracy Issues:** The high cost of one-time software purchases led to rampant piracy, affecting Adobe's revenue.
- **Competitive Landscape:** Emerging competitors offered subscription-based models, which were becoming popular among users.

# Sales & Marketing for Software Products

## 2. Understanding the Market

- **Strategy:**
- Introduction of Adobe Creative Cloud: In response, Adobe transitioned to a subscription-based model, the Creative Cloud, offering access to its suite of software for a monthly fee.
- **Continuous Updates and Cloud Storage:** This model allowed for continuous updates, cloud storage, and better integration between different Adobe applications.
- **Flexible Pricing Models:** Adobe introduced various pricing tiers, catering to different user segments – Next Page.

# Sales & Marketing for Software Products

## 2. Understanding the Market

- **Outcome:**
- **Increased Accessibility and User Base:** This model made Adobe's software more accessible to a broader audience, including students, freelancers, and small businesses.
- **Recurring Revenue:** The subscription model provided Adobe with a steady stream of recurring revenue, improving financial stability.
- **Reduction in Piracy:** As the software became more affordable and accessible, the rate of piracy decreased.
- **Enhanced Customer Engagement:** Regular updates and new features kept the user base engaged and reduced churn rates.

# Sales & Marketing for Software Products

## 3. Product Positioning and Messaging

- **Unique Selling Proposition (USP):** Highlighting what makes the software unique and beneficial.
- **Brand Messaging:** Developing a coherent and appealing narrative around the product.
- **Digital Marketing:** Utilizing SEO, social media, content marketing, and email campaigns.
- **Inbound Marketing:** Creating valuable content to attract and engage potential customers.
- **Outbound Marketing:** Direct outreach through cold calling, emailing, or advertising.

# Sales & Marketing for Software Products

## 3. Product Positioning and Messaging

- Industry Case: Slack, a business communication platform developed by American software company Slack Technologies, which is now a part of Salesforce.”
- **Background**: Slack offers many IRC-style features, including persistent chat rooms (channels) organized by topic, private groups, and direct messaging. It has become widely popular as a tool for workplace communication, collaboration, and integration with other software tools.

# Sales & Marketing for Software Products

## 3. Product Positioning and Messaging

- **Focus on Team Collaboration:** Primary strategy was to enhance team collaboration and communication in the workplace. They recognized the need for a unified platform that could integrate various tools and streamline communication.
- **User-Friendly Interface:** They emphasized a clean, intuitive user interface, which was less formal and more engaging than traditional email.



# Sales & Marketing for Software Products

## 3. Product Positioning and Messaging

- **Integration with Other Tools:** Understanding the diverse ecosystem of workplace tools, Slack made integration with other software (like Google Drive, Trello, GitHub) a key feature.
- Action:
- **Developing a Robust Product:** invested in creating a reliable, scalable, and feature-rich platform. They continuously updated the platform with new integrations and features based on user feedback.

# Sales & Marketing for Software Products

## 3. Product Positioning and Messaging

- **Marketing and Community Building:** They undertook aggressive marketing campaigns and focused on building a community around their product. This included engaging with users on social media, attending tech events, and providing excellent customer support.
- **Iterative Improvement:** Constantly iterated on user feedback to improve the product, showing a commitment to user experience.

# Sales & Marketing for Software Products

## 3. Product Positioning and Messaging

- **Outcomes:**
- **Widespread Adoption:** Experienced rapid growth, with widespread adoption across various industries and businesses of all sizes.
- **Changing Workplace Communication:** Played a significant role in shifting the paradigm of workplace communication away from email towards more instantaneous, chat-based communication.

# Sales & Marketing for Software Products

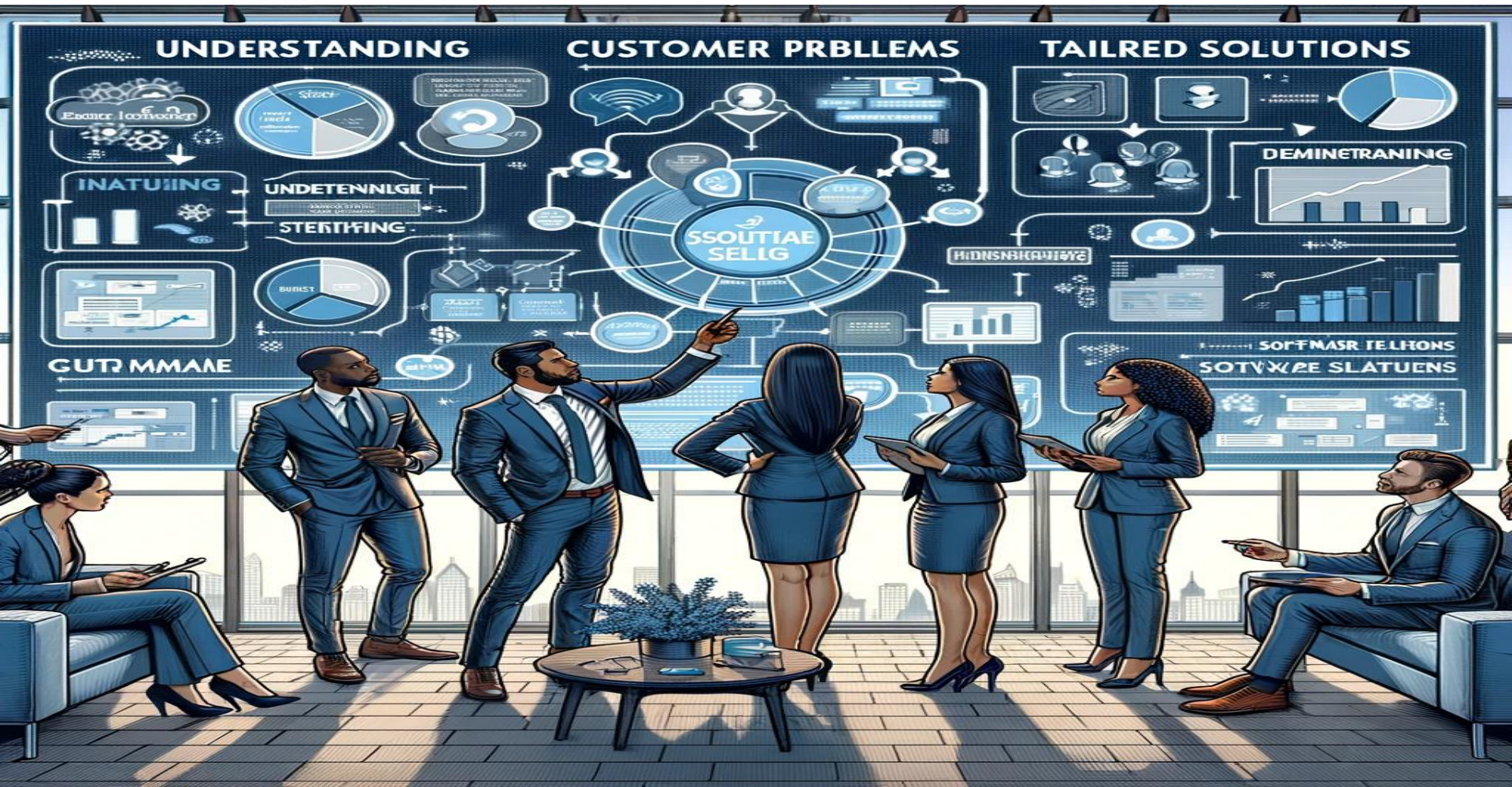
## 3. Product Positioning and Messaging

- **Outcomes:**
- **Influencing Competitors:** Slack's success prompted other major tech companies to develop or improve their communication tools. For example, Microsoft Teams was introduced as a direct competitor to Slack.
- **Acquisition by Salesforce:** In 2020, Salesforce acquired Slack Technologies, Inc., in a deal valued at \$27.7 billion, underscoring the value and impact of Slack in the business communication market.



# Sales & Marketing for Software Products

## 4. Sales Tactics:



# Sales & Marketing for Software Products

## 4. Sales Tactics:

- **Consultative Selling:** Understanding customer problems and offering tailored solutions.
- **Software Demonstrations:** Showcasing the software's capabilities and user interface.
- **Pricing Strategies:** Developing pricing models that align with market expectations and business goals.
- Industry Case: Slack, a business communication platform developed by American software company Slack Technologies, which is now a part of Salesforce.”
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# Sales & Marketing for Software Products

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- **Consultative Selling:** Understanding customer problems and offering tailored solutions.
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- **Pricing Strategies:** Developing pricing models that align with market expectations and business goals.
- Industry Case: Software Solutions Inc.
- **Background:** Software Solutions Inc., realized that their sales were plateauing because they were using a traditional sales approach that didn't address the specific needs of their customers.

# Sales & Marketing for Software Products

## 4. Sales Tactics:

- **Strategy:** They decided to adopt a consultative selling approach to become trusted advisors to their customers rather than just vendors.
- **Action:**
- Trained their sales team to deeply understand the industries of their prospects and the challenges faced.
- Salespeople were taught to ask insightful questions, listen actively, and gather as much information as possible about the customers pain points.
- Demonstrated their software the problem that how it could solve the specific problems.

# Sales & Marketing for Software Products

## 4. Sales Tactics:

- **Outcomes:**
- **Improved Customer Relationships:** Customers felt heard and understood, which increased their trust in the company.
- **Increased Sales:** Tailored solutions led to a higher conversion rate as customers could see the direct benefits of the software for their unique issues.
- **Higher Customer Retention:** The ongoing advisory relationship led to better customer retention rates as customers viewed the salespeople as partners in their success.

# Sales & Marketing for Software Products

## 5. Customer Relationship Management (CRM):

- **Lead Management:** Tracking and nurturing potential customers through the sales funnel.
- **Customer Feedback:** Using customer insights to improve the product and customer service.
- **Retention Strategies:** Ensuring customer satisfaction and loyalty for repeat business.
- **Industry Case:** CRM resolve the problem of Wells Fargo.
- **Background:** Wells Fargo have played a critical role in optimizing customer interaction and management, leading efficiency and customer satisfaction.

# Sales & Marketing for Software Products

## 5. Customer Relationship Management (CRM):

- **Strategy:**
- One real-world example of a software solution that resolved CRM problems is the case of Wells Fargo.
- **Action:**
- The bank integrated a CRM system that allowed it to streamline various customer service processes.
- **Outcome:**
- As a result, Wells Fargo managed to save a significant number of nonproductive hours in both IT and business operations.

# Sales & Marketing for Software Products

## 5. Customer Relationship Management (CRM):

- **Outcome:**
- This CRM implementation led to reduced technical debt and fostered systems that drove innovation and business growth, thereby enhancing focus on high-value work and increasing end-user productivity



# Sales & Marketing for Software Products

## 6. Analytics and Adaptation:

- **Performance Metrics:** Tracking sales and marketing effectiveness using KPIs.
- **Market Trends Analysis:** Staying updated with industry trends and evolving customer needs.
- **Continuous Improvement:** Iterating and refining strategies based on data-driven insights.

# Sales & Marketing for Software Products

## 6. Analytics and Adaptation:

- **Industry Case:** Amazon pricing and product recommendations.
- **Background:** Amazon uses dynamic pricing and product recommendations powered by big data analytics to enhance customer experience and increase sales.
- **Strategy:**
- They adjust product prices in real-time based on multiple factors such as customer browsing patterns and competitor pricing.

# Sales & Marketing for Software Products

## 6. Analytics and Adaptation:

- **Strategy:**
- They adjust product prices in real-time based on multiple factors such as customer browsing patterns and competitor pricing.
- **Action:** It tracks customer interactions like views, purchases, and cart additions to personalize product recommendations.
- **Outcomes:** it turn back the accounts for 35% of their annual sales.

# Sales & Marketing for Software Products

## 6. Analytics and Adaptation:

- **Marriott Hotels:** Marriott uses dynamic pricing and customer experience enhancements like facial recognition check-ins and in-room Amazon Echos to gather more data about customer preferences and needs. Such data-driven strategies have resulted in increased revenue and customer loyalty.
- **Netflix:** Netflix's success with original content is partly due to its use of big data to understand viewer habits. They analyze viewing times, pauses, and completion rates to personalize accounts and content recommendations for each consumer, aiming for

# Sales & Marketing for Software Products

## 6. Analytics and Adaptation:

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# Sales & Marketing for Software Products

## 6. Analytics and Adaptation:

- **Uber Eats:** Models the physical world and food preparation times to predict accurate delivery times.
- This allows drivers to optimize their routes and pick up more orders, improving efficiency and customer satisfaction.
- **McDonald's:** They has introduced drive-thru digital menus that adapt based on various factors such as time of day, weather, and historical sales data, to provide customers with relevant offers and improve their purchasing experience.



# Sales & Marketing for Software Products

## 6. Analytics and Adaptation:

- **Starbucks:** It collects data through their rewards programs and mobile apps to learn about customer buying habits. This information is used to recommend products, create marketing campaigns, decide on new store locations, and re-engage customers with personalized emails and offers.
- **Tesla:** Uses business intelligence to wirelessly connect its cars to corporate offices for data collection and analysis. This allows them to predict and address vehicle issues proactively, enhancing customer satisfaction and informing future product upgrades.

# 4 P's - Marketing Principles

- **Introduction:** The 4 P's of marketing, also known as the marketing mix, are a foundational model in marketing that represents the core elements that must be considered when marketing a product or service. Which are as follows;
  - Product,
  - Price,
  - Place,
  - Promotion,
  - These elements are used to develop a company's marketing strategy and are interrelated; changing one P can affect the others.

# 4 P's - Marketing Principles

- **Product:**
- This refers to the goods or services that a company offers to customers. Considerations include the quality, design, features, branding, and the problem it solves or the need it fulfills.
- **Price:**
- This is the amount of money customers must pay to obtain the product.
- Pricing strategies can include discount pricing, premium pricing, and competitive pricing, and they can affect the product's perceived value.

# 4 P's - Marketing Principles

- **Place:**
- Also known as distribution, 'Place' pertains to how the product is delivered to the customer.
- This can involve selecting appropriate distribution channels, geographic locations, and logistics.
- **Promotion:**
- This encompasses all the activities and strategies used to promote the product, including advertising, sales promotions, public relations, and direct marketing.

## 4 P's - Marketing Principles

- **For example:** if a company decides to position a product as a high-end luxury item (Product), it will likely price it higher (Price), sell it in select locations (Place), and use exclusive promotional channels (Promotion).

# 4 P's - Marketing Principles

- **Example 1: Apple Inc.**
- **Product:** Apple offers a wide range of products, including iPhones, iPads, MacBooks, and services like Apple Music and iCloud. Their products are known for their design, quality, and innovative technology.
- **Price:** Apple typically uses a premium pricing strategy. Their products are priced higher than many competitors, which is justified by the brand's emphasis on product quality, innovation, and the overall user experience.

## 4 P's - Marketing Principles

- **Example 1: Apple Inc.**
- **Place:** Apple products are available globally. They sell through various channels, including company-owned retail stores, online stores, and third-party retailers.
- **Promotion:** The company uses a mix of promotional activities, such as advertising through media, hosting launch events, and creating buzz through social media. Apple's promotions often emphasize the unique features and technological advancements of their products.

## 4 P's - Marketing Principles

- **Example 2: Coca-Cola**
- **Product:** Coca-Cola's product is not just the soft drink; it includes a wide range of beverages like Diet Coke, Coke Zero, and flavored versions. The brand focuses on taste and the experience of refreshment.
- **Price:** Coca-Cola uses competitive pricing to match its direct competitors in various markets, occasionally using promotional pricing to increase demand.
- **Place:** Coca-Cola products are distributed worldwide with an extensive supply chain, available in supermarkets, convenience stores, vending machines, restaurants, and many other places.



# 4 P's - Marketing Principles

- **Example 2: Coca-Cola**
- **Promotion:** The brand uses diverse promotional strategies, including TV commercials, sponsorships, online campaigns, and collaborative marketing with other brands. Coca-Cola is also famous for its holiday advertising, like the iconic Christmas ads.

# Importance of Branding and Positioning



- In the software industry, strong branding and precise positioning are critical.
- They are not only defining a product's identity but also carve out a unique space in the market, significantly impacting customer choices and driving the product's success.

# Importance of Branding and Positioning

- A strong brand identity and strategic market positioning shape customer perceptions, establishing trust.
- And preference that steer consumers toward a product, there by catalyzing its success in the marketplace.





# Importance of Branding and Positioning

- Apple's success in the tech industry is a testament to its effective branding and positioning strategies.
- By consistently positioning itself as a premium brand that emphasizes innovation, design, and quality, Apple has cultivated a loyal customer base.



# Importance of Branding and Positioning

- Its market presence is bolstered by its iconic logo and sleek product design, which have become synonymous with modern technology and high-end consumer electronics.
- This has allowed Apple to maintain a significant market share and attract a diverse range of customers, from tech enthusiasts to professionals across various industries..



**Thanks**  
**Q&A**

