

Softfocus

Softline UK Newsletter



Business is booming

It's been an amazing year for Softline, with 20% revenue growth, year on year. And that's great news for our clients.

We've opened **over 50 new accounts** this year including key accounts like Play.com and Zavvi.

We've restructured our team, with Darren Dredge driving the commercial team and Stuart Clark heading up our logistics. Darren has been working with IT since '86 with a wide range of vendors. He was the Sales Director at CU for over 3 years and worked closely with Adobe, Macromedia, Microsoft, Symantec and many others. Stuart has been driving finance and logistics with the Softline business since '98 and he was instrumental in our key partnership with Dixons.

This year, we will be implementing new systems which will allow us to work with our suppliers in a more comprehensive manner. We will be able to offer XML, EDI and live data feeds to all our major clients.

Retailers have played a major role in the growth this year – we have traded with over 50 new retail stores. Our existing customers have opened more than 20 new stores across the UK. Over the coming months we aim to ensure we have better solutions for retailers and offer better routes to market for our suppliers.

On the marketing front, we continue to invest - we have advertising running in every Mac magazine. We also work closely with most of the top UK IT journalists to ensure maximum coverage for all our suppliers.

“ Apple in the UK have opted for a two-tier approach to consumer sales. Working with independent resellers they hope to gain the greatest possible retail coverage to enhance the consumer experience – the APR channel is key in Apple's plans for success. ”

Darren Dredge, Softline UK

The highlight this year was the PlayLive event. Over 20,000 consumers attended the event at Wembley, there was television coverage and we showed several vendor products. Both the platform and the products were well received.

We will also be focusing on growing the presence of our vendors across all the major retail outlets and the online players. We also aim to ensure that all the independent resellers are able to focus on our vendors products.

Apple Premium Resellers on top

The store count continues to grow



We work closely with Apple's Premium Resellers and the numbers keep growing. In the UK there are now over 50 of these independent Apple Retail outlets.

At Softline we aim to ensure each of these stores carries the largest possible range of your software. We talk to these resellers everyday and where we can, we help them with demo or display units. One of the big issues for these APRs is that in most cases they have no security in place, so to help them feel comfortable showing products, we are now trying to ensure that initial stocking orders are placed on a one to show two to go - or an empty box and two stock units. We need your help to ensure this can happen.

Another area of opportunity for vendors is open days, Apple will promote these via their website (if approved) we can help man these events but we do ask our vendors to supply evangelists where possible to ensure the best experience for the consumer on the day. The other benefit from these events, for the vendor and the reseller, is of course staff awareness and training.

We believe that there will be over 100 APRs in the UK by the end of 2009. We will ensure we communicate ideas and opportunities to maximise this channel to all of you.

Current AP Resellers:

- Albion Computers
- AT Computers
- Cancom
- Digital Store (GBM)
- Gordon Harwood Computers
- Farpoint Developments
- KRCS
- Micro Computer Consultants
- Solutions
- Scotsys
- Square Group
- Stormfront
- Western Computers

Brief News

Softline partner with FNAC

In the second year of opening our French office, Laurent Picard, our country Manager for France, has opened a direct account with the FNAC group (the largest retailer in France). We believe this will bring major benefits to our vendors wishing to maximise sales in France. In addition to this, Softline France opened over 20 new accounts in March alone.

Software republishing

Over the last year Softline has taken several of our vendors products and localised them into French language at a software level as well as packaging. We can also work with German language if required. The French and German markets are both growing and with Apple committed to opening stores across both territories we would be very willing to have discussion with any English language publishers who would like to consider those territories.

Welcome

Jeff Spray joins the Softline team with many years of experience both in the UK and Australia.

Softline partners Dixons

Dedicated Mac software bays to appear in PC World and Dixons' top stores – Softline exclusive

Following a tough year for Mac in Dixons, 2008 is the year for change. Softline will be exclusively driving a dedicated Mac software bay across the PCWorld and Dixons Stores brands. Housing between 36 and 42 Mac titles the unit will be launched initially into the top 25 stores for the group and will quickly be a feature in over 100 stores UK wide. We have worked closely with Dixons buying and merchandising team to bring this unit into the commercial environment.

In addition to this success Softline has ensured the Mac unit will always feature next to Apple's own sales display unit. Apple have endorsed the plan and will work with Softline to merchandise the unit on a regular basis.

Another example of Softline's commitment to the Mac market is that we have also worked with the team at Dixons to ensure all products are security tagged and where this is not possible, unique point of sale display boxes to maximise sell through.



“ It's great to see Dixons get fully behind Apple's 3rd party suppliers, giving the software pride of place next to the Apple Hardware will undoubtedly help software sales and, in turn, result in higher Apple sales - a great result! ”

John Matthews, Dixons Account Manager, Apple

New London games show is a BIG success



Play and Amazon invest more in the Mac

After working closely with both Play.com and Amazon, we were pleased to see that our efforts are starting to pay off. Play.com have now introduced a Mac Games tab on their website and Amazon now have a Macintosh section in the Software area. These are small but significant steps and we think they highlight the progress both Softline UK and Apple are making in the market to push interest for Mac software.

These steps, with increased interest from Retailers like Dixons, are only the first in a series of improvements we hope to gain this year. With both Amazon and Play we are pushing hard to get Mac buttons/areas across their sites in all the key areas business software, consumer software etc.

More and more of our customers are looking to promote Mac bundles and creative schemes. If you want to know more please contact Darren Dredge at darren@softlineuk.com



It was a rainy day on March the 15th 2008, day one of the UK's first gaming event for several years. Produced by Play.com the premiere games reseller in the UK the event was designed to attract keen games to see the latest and greatest the publishers had to offer.

Despite the rain, the event was held at Wembley and attracted over 22,000 visitors over the two days. As you can see from the images the Mac booth was packed from the get go.

Softline drove this event and funded the majority of the stand and show. Our other sponsors were Aspyr, Feral and MacSoft! We were amazed at the level of interest both from Mac users and PC users alike - we know people left knowing more about Mac games and also feeling Mac is worth considering for future computer purchases.

Both Softline and the Publishers hope to support the event again next year.

Softline Vendors Win Big!

Yet again our vendors featured highly in the MacWorld UK awards. There were hundreds of suppliers and resellers at the event, held in June at the O2 Arena (aka Millennium Dome, London).

And the winners are:

Aspyr came away with the Entertainment Product of the Year. FreeWay Pro won the Creative Web product of the Year. We also had Vendors nominated in other categories like; VMWare Fusion was nominated for Best Consumer Software. Feral were nominated for the Best Entertainment Product with Colin McRae and MYOB were nominated for Best Productivity Software with Account Edge 2008.



Glenn Stokes from Aspyr collecting the award with true Guitar Hero Style.

CD, DVD or Mini Sierra? Which packaging is best?

With many sales coming from online these days, there is a strong argument that packaging is less of an issue than generic marketing photography and screen shots. This is true to a degree but over the last couple of years retail has had a re-birth and today via Apple you could see 30-40% of your business through retail stores.

To this end we would advise vendors to think very carefully about packaging, as you do want to get the balance between the perceived value and cost of production of each unit. Many vendors are now working with Softline to help manage the overall issue of packaging.

We would advise the creation of two parts with one unique barcode in a perfect world. A DVD product for the Mail Order and Online

companies and a Mini Sierra Cardboard Box for Retail - Softline would order three parts from you; the contents under one part number (no Barcode Required) and then the two packaging elements (with the Sierra Box flat packed - to reduce shipping) each with the same Barcode.

This way we can ship the DVD product for online sales; they like it as it means it fits in a Jiffy Bag and through most letterboxes. Whereas the Retailers like the touch and feel aspect of the Cardboard Mini Sierra.

So to summarise, Retail Mini Sierra is the way to go, but for all other routes, a DVD Case would be fine and by working with Softline you can offer the right solution for each channel.

Softline Marketing Let us take the strain

Last year Softline spent over \$300,000 in the UK and France promoting our vendors products - we also secured advertising deals for many of our vendors at reduced rates and managed the ad production and schedule.

We also arranged a number of Press Tours for

our vendors, by meeting with all the key Mac journalists.

If you are spending your marketing funds in the UK it may be worth talking to Darren Dredge about your budgets and what you are currently getting for your dollars.