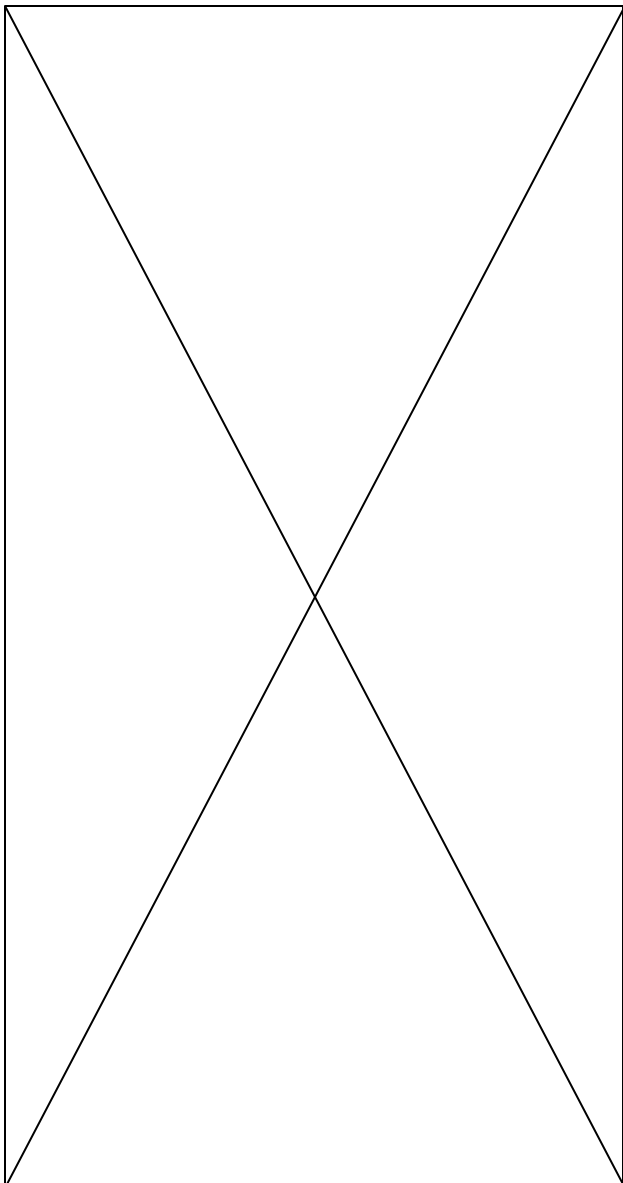

time and patience. Start by collecting names and addresses of students through an in-store demo program. Then run contests in the school paper that ask students to submit coupons with their name and address for prizes. Put these into a mailing list.

Sample direct mail offers include special bundles targeted to specific groups, a discounted bundle, free software, sample or crippled versions of software, free templates, free rental of a computer for a certain time, a free demo, free loan of a peripheral, free logoed merchandise, or a free product from a co-promoter. These offers can also be used for other types of promotion as well.



Suggested Direct Mail Timeline

- 10 weeks out**- Develop your direct mail strategy (audience, product, offer)
- 9 weeks out**- Contact administration about mailing list, process and costs
 - Contact post office for mailing costs; printer for production costs; mail house for mailing costs if large mailing
- 8 weeks out**- Develop initial budget proposal and obtain funding
 - Request mailing labels from the campus (type of label required may vary depending on mailing process)
- 7 weeks out**- Develop first draft of direct mail piece
- 6 weeks out**- Obtain final pricing on mail piece production and mailing
- 5 weeks out**- Develop second draft of direct mail piece and review with target audience
 - Review mail piece with post office to make sure it meets all restrictions; confirm postage costs
- 4 weeks out**- Print direct mail piece
- 2 weeks out**- Mail pieces if going to off-campus addresses
- 1 week out**- Mail or distribute pieces if going to on-campus addresses

Anticipate responses from the mailing to peak from 10 days to 2 weeks after the mailing hits its destination.

Promotions, Promotions

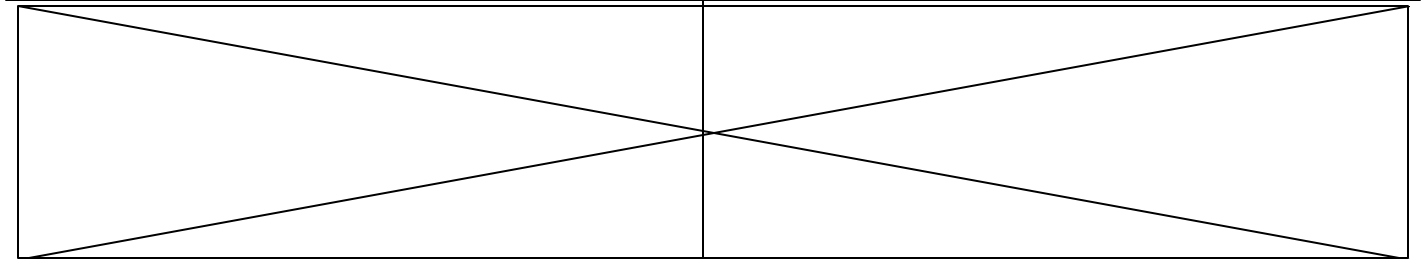
A promotion is any marketing device that provides the prospective purchaser with the incentive to act now. The most common form of promotion is probably a price discount. But many other forms of promotion, such as games or coupons, can be just as effective in incenting the sale, and are actually far less expensive to the reseller.

Promotion is used to motivate people into action. In most cases, the action you want to incent is to get someone to purchase the product. However, when you are faced with an expensive product and a lengthy purchase cycle, you often need to incent several actions prior to purchase. For example, a first step toward your end objective may be to get people to come in and try a demo on the new computer. Another key step may be to get them to review information about new eligibility guidelines. You can use promotions to help meet both of these objectives.

An effective promotion combines a compelling offer with a definite time limit. You want the offer to be as attractive as possible to your target group in order to motivate the desired action, and the time limit is there to press them into action within the time frame.

The time period you set for a promotion reflects how quickly you want people to respond to the offer you are making. Ideally, the offer should be attractive enough to get people to respond as soon as possible. If you make an offer to someone off campus, i.e. parents, have the expiration date on your offer at least 4-6 weeks away. If you're running the promotion on campus, the time frame should be shorter, perhaps 1-2 weeks. Short promotional periods allow you to focus your marketing efforts into a concentrated period to break through the media clutter, while providing the program with a sense of immediacy and excitement.

Desired Customer Action	Sample Promotional Offer
- Take a demo of a new product	- Get free football ticket (or any premium) when you try this product.
- Visit the store (find location)	- Enter a contest to win a free computer by filling out the entry blank and dropping it off at the store.
- Check out a new software package	- Read the brochure, then answer the five questions provided. If you answer all five correctly, you're eligible for a free sample copy of the software.
- Buy a certain product	- For today only, you'll receive a free _____ when you purchase a Macintosh computer with Personal LaserWriter.



Types of Promotions

- Discounting or Price Reduction - reducing the product price to motivate purchase. One of the simplest ways to get people's attention, but can be extremely costly to the promoter.

- Bundling or Special Packaging - Offer a specific group of products at a special price.

This strategy is often preferred to single item discounting because it's easier for the reseller to maintain some margin by creating attractive bundles including some third party products.

Ideas: Software bundling works very effectively. Many schools have had success with offering a Macintosh computer which has been preloaded with a selection of software packages. The schools work with the manufacturer for a price break on the software, which they can then pass along at a bundled price to their students. Not only does this type of promotion provide a good value to the student, but it helps standardize the campus on certain software.

- Games, contests or sweepstakes - Offering potential purchasers the chance to win something if they perform the required task.

Games, contests and sweepstakes are popular forms of promotion. The primary requirement is to have some type of prize that people will want to win as your incentive. To get people involved in the contest, run entry blanks in your newspaper ads, then have people bring the entry forms to the store to enter. Or have them enter their information on the computer. One word of caution: you cannot require a purchase to enter a contest. This is called a lottery and is not legal in most states.

- Try building a contest around the hottest sports team in town. Have people come into the store and pick their winners for the big game right on the computer.
- Build your contest around a popular event, such as the Academy awards or a popular TV show. During the time of the television show, "Twin Peaks," many contests were run on college campuses around certain plot themes.

- Events - a "show" on campus designed to promote computer trial and purchase.

Events come in all shapes and sizes, but all events leverage the excitement of the crowd to be successful. Events may include anything from trade shows to seminars.

- During Orientation Week, run a truckload sale. Have the truck parked in as visible a place as possible, decorated with banners and flags. Have computers delivered to students rooms by brightly dressed "porters" with decorated hang carts. Make every aspect of the event as big as possible.
- To celebrate Engineering Week, do a mini-trade show in front of the bookstore featuring engineering solutions (and of course a specially-priced engineering bundle).

- Premiums - items either given away with or sold at a discount with computer trial or purchase.

Premiums are any items that can be included as part of a sale to motivate action. When you buy a car, they may give you the built-in CD player if you buy before a certain time. Or if you buy the computer, a certain software package may be included free. Or if not free, you might be able to buy the software package at a greatly discounted amount. Mousepads and Macintosh paper cubes are also premiums you might consider distributing to people for completing a demo.

- Examples of premiums include game tickets, t-shirts, pencils or pens, software, electronic equipment, free food coupons, records, tapes, gift certificates, or anything that the reseller can afford that is perceived of value.

- Co-promotions - a promotion done jointly with another organization to promote both partners.

Co-promotions are opportunities to share marketing costs with another organization who has a similar audience to yours. For example, you may want to do a cross-promotion with the record store in town, where they provide you with records to use as prizes, if you include their name in your advertising. You might want to work with a travel agency to get them to donate a trip which you can use as a grand prize in a contest. In return, you promote their travel agency in all your materials.

A Merchandising Primer

Merchandising is used to describe everything you do in your store to help promote the sales of product... from displays to signage to brochures. Merchandising is often called the "silent salesperson," because it's always at work promoting your wares... even when you or your sales staff is busy. Which is why effective merchandising is so valuable.

In addition to showcasing your "star" products through attractive displays, merchandising presents an excellent opportunity to provide customers with increased information about your products in a low-pressure way. It's a great way to build the size of the average sale by showcasing complete systems, and does a great job in explaining what peripherals go with what products. Merchandising can also be used to create excitement around slow-moving products.

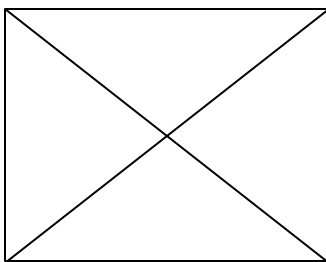
Here are some merchandising tricks to attract attention in your store:

"Feature one display which always showcases the "hottest" new product. Change the display often to keep attention high.

"Just received a number of new products? If so, try a stacked floor display. Stack four or five product boxes on top of each other with a sign on the top that describes product name, features and monthly price. Tape a sign or two to the side of the stack with sayings such as "While they Last," or "Moving Fast."

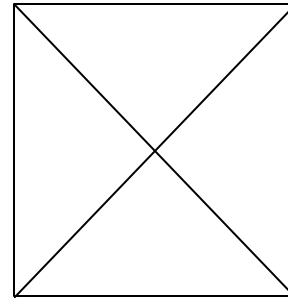
"Add the list of Top 10 software products to your software display, and prominently mark the best sellers with stickers or starbursts.

"Set up a "Sale" table in the back of the store for obsolete or discontinued items. Use brightly colored price stickers on these products.



"Around the holidays and graduation, set up a display of computer gift ideas. It helps to arrange by price range or suggested user, e.g. perfect for the engineering student. Be sure to include gift certificates as an option.

"If you're trying to move portables, be sure to include all the portable add-ons and peripherals in your display, including small modems, hand-size printers, carrying cases, etc.



How do I Buy?

One of the phenomena unique to campus resellers is that there are different ways computers are sold. Help take the guesswork out of purchasing by developing a "How to Buy" sheet which can be distributed throughout the store, as well as in primary campus locations.

"How to Buy" sheet includes the following information:

- Who's eligible to buy, including all eligibility requirements
- How the purchase process works, including specifics on ordering and delivery of products
- What products are available and pricing (or reference where this information can be obtained)

Merchandising the "Complete Solution"

The next time you visit one of your favorite retailers, take time to study their displays closely. Notice the displays that you find compelling. If you want your displays to attract this kind of attention, here are some tips to follow:

___ Primary displays should feature your best-selling systems or new products that are generating a lot of store traffic. Don't waste space on slow movers or non-margin makers.

___ Put appropriate "alternative" products to the right and left of the primary products. This gives your customers an easy-to-find alternative if they don't agree with your first choice.

___ People buy what they see displayed, so make sure your display is complete. Always display appropriate software, peripherals, and impulse items (mousepads, surge protector, disk holders) with each computer.

___ Use clear signage to clearly explain what products are being featured in the display and what benefits they offer. Include information on "how-to-buy" for campus locations.

___ Make sure the computer is turned on. You don't sell well in your sleep; either do computers. Add a rolling demo for an even higher attraction mode.

___ Make sure your display is networked to a printer. People put a higher credibility in computers that can print. Have samples of print-outs readily available for customer review

___ Use appropriate posters or flyers provided by the vendor, but only use the materials you find appropriate. Don't overcrowd your display with too much signage.

The Most Important Things to Remember about Merchandising

1. Make it easy for your customers to find the products they want or should look at
2. Place new products at the front of the store
3. Display complete solutions - not isolated computers
4. Present a large selection of software and accessories
5. Use signage to explain products and provide monthly pricing information
6. Place your most important products at eye level
7. Display impulse items near the check-out stand