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New Media Products: Marketing and Distribution

A Developer's Perspective



Overview

- State of New Media market today
- Opportunities for Developers- New Media Applications
- What Apple can do to help-
–a Developer's Manifesto



New Media products -Definition

New **Authoring** Media- Products which employ sound, video, or animation in addition to traditional graphics and text



New Media products cont'd

New **Authoring** Media- Products which employ sound, video, or animation in addition to traditional graphics and text

New **Distribution** Media-
Products distributed on CD-ROM,
LaserDisc, 8 mm videotape,
DAT (Digital Audio Tape), ISDN



Physical Distribution

- Today- **Play**
Asymmetrical products (CD-ROM)
- Near Term- **Make**
Symmetrical products (Do it yourself)
- Future- **Communicate**
Distribution by Telephony
(ISDN, On-Line Services)



Channel Resellers

Today

Education - (Direct from Publishers)

Computer Speciality Stores

Near Term-

Consumer Stores- Tower Records

Future-

Tower Software On-Line SuperStore



Channel- Distributors

Today

- Ingram/MicroD; Softsel/Macamerica,
- Various Optical Media Publishers

Near Term-

- Large Record Distributors
(WEA, Sony/Columbia)

Future-

- AT&T, RBOCs, PTTs and YOU

Farallon[™] Target Markets

Today

K-12 Education, University

Power Business Computer Users

Near Term

Wider Business Use

Long Term

Consumer



Opportunities for Developers

Advantages for Application Developers

- 550 Mb of room
- inexpensive distribution media \$3.00
- can put manuals on disk- big \$ savings

Disadvantages

- not many players out there
- dealer may not stock titles
- up front mastering and production costs



Opportunities for Developers

Application Developers

New Media versions of existing products

Example: PixelPaint ProDisk- SuperMac

Benefits- Offer more value w/o increasing unit cost

- On-line help

- Tutorials

- Examples

- Templates

- Demo version to give to colleagues

- Dealer Demo



Opportunities for Developers

Application Developers

Your product line on disk

Example: Letraset Studio Line, Microsoft Office

Benefits:

- sell more product at LOWER unit cost
- encourage brand loyalty
- help MIS departments standardize on your software
- deliver higher value to user
- dealer can step up customer from one product



Opportunities for Developers

Application Developers

Software Templates

-Examples: Multi-Ad Creator

Benefits:

- inexperienced users get good results
- automate production of repetitive documents
- demonstrate more complicated software
- also, opportunity for fourth-party templates



Opportunities for Developers

Application Developers

Clip-Data

-Examples: T/Maker, ImageBank, Tactic

Benefits:

- extremely high value for the unit cost
- relatively inexpensive to create
- attention: opportunity for clip video, sound, animation

Cautions:

- Intellectual property issues still problematic



New Media Marketing: Problems Immature Markets

- New Media not "Mainstream"
- New Media products in infancy
- Most titles education or vertical
- Low installed base of CD-ROM
- No built-in New Media drive
- Channel indifference
- Channel Conflict



New Media Marketing: Problems To Mac or not to Mac?

- Many information producers start with PC
Example: Oxford English Dictionary
- Developers want interoperability "HCD"
- Few Data Interchange standards for
sound, animation and video
- Developers ARE trying to bridge the gap



What Apple can do to help

Today

Aggressively sell CD-ROM players
to each Mac site

Reduce the cost/Increase the access to
mastering

Incent Developers to release Applications on
CD-ROM



What Apple can do to help

Near Term-

- Develop new, **revised CD-ROM** drive
- Build **New Media** drive into CPUs
- Build **Sound I/O** into CPUs
- Support New Media at **System-Level**
- Support Standards for **Data Interchange**



What Apple can do to help

Future

- Build higher standard **comms** into CPUs
- Support **consumer devices**,too
- Resolve **channel conflicts**
- Help **educate** channel



Summary

- New Media markets in infancy
- Don't overset sales expectations
- If Apple delivers new capabilities in timely fashion (12-24 months), market will explode in 24-60 month window
- Many standards questions remain
- Invest now for future return