Helge Rebhan (Helge.Rebhan@REMOVE-THIS.gmx.net) writes:

> You will also save a significant amount of money for your IDL licences !
> Out of some 'historic' reasons IDL on Unix workstations is 3 to 5 times
> more expensive than PC or MAC versions ! I never heared any justification
> for this ??

Here are two justifications (I don't have any idea if these
are RSI's):

1. Workstation users have been willing to pay extra for
software and PC users simply refuse to even talk to you
about it.

2. This is what the competition in the market does.

As a business person trying to make a bit of a living
around software I would have to say that given either
one of those two justifications that anyone who lowered
their prices arbitrarily would probably have be out of their
mind.

One possible reason for lowering prices would be
to snag some of the people who are using your competitor's
product and have so little loyalty that they can be swayed
by price. Having tried this strategy myself with IDL in
my younger days I would have to say that it doesn't work
very well. In general, if you buy PV-Wave or MatLab you
are going to stay with PV-Wave or MatLab no matter what
the cost of IDL. People who have written one or two good
programs with a piece of software are pretty much entrenched
by their own success.

Another possible reason for lowering price would be that
you would sell more software into a larger market, thus
making up (and hopefully exceeding) the revenue you lost
from the price lowering. This certainly makes sense when
you talk about moving a million units (like almost any
PC software manufacturer). It is a much riskier proposition
when you are in a much, much smaller niche market like the
market for scientific analysis and visualization software,
where moving 5000 units would probably be a great year.

If RSI cut IDL's prices in half, would they *really*

sell 10000+ units next year? Somehow I doubt it. I certainly
wouldn't risk my company or job on it.

But, on the other hand, if RSI flooded the student market
with cheap $200 software that was fully functional and got
all those potential users BEFORE they purchased PV-Wave or
MatLab, THEN lowering prices would certainly make a lot of
sense. At least to me. :-)

As market share went up, software prices could come down,
thereby sealing in customer loyalty and willingness to
purchase new software products.

Sounds like a strategy to me. I should act more like
a software consultant and SELL this information to RSI. :-)

Cheers,

David

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