

FVG's 3–Minute Briefing on:

Marketing-Orientated Software Companies

As software companies become mature and or larger they become marketing-orientated companies instead of being technology-orientated companies. The marketing focus is the only way the companies can maintain their high growth rates or continue increasing their market penetration. As the company grows it must make more and more sales each period to maintain its growth rate.

Marketing-orientated software companies share many characteristics that distinguish them from technology-orientated companies. These characteristics include the following:

- They no longer primarily focus on technology and product development.
- They understand that strategic alliances hold the key to their growth and have alliances with selling and buying groups.
- They do not rely on a single channel of distribution or a single strategic alliance.
- They actively market to their user base.
- They have in-depth knowledge of their competition
- They do not cut marketing expenses as the first cost saving measure

Software companies must make the transition from being technology-based companies to being marketing-based companies if they are going to continue to grow and improve profitability.



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