

User Story



Direct marketing for indirect sales at Magic Software

Many companies work with partners to sell their products, but how do these companies devise their marketing and sales strategies? We will be discussing the real-life case of one of these companies.

Earlier, we asked John Verwaaijen, Magic Software's General Manager Benelux to reveal their strategy. Magic Software is an Israeli software company, and it has been operating in this market for twenty years now. The company supplies technology for rapid application development (RAD) and enterprise application integration (EAI). Using Magic's software, organisations can improve their business processes, allowing them to operate more flexibly and more efficiently, with a higher ROI.

Magic Software's products are sold indirectly, and the company has over 75 partners in the Benelux at its disposal. Their sales and marketing strategy targets the end consumer. Magic Software relates the products' possibilities to the end users and has its own sales team follow up leads. A partner is always involved in the final deal.

"We have two different approaches to generate leads. We specifically target the users of IBM iSeries, JD Edwards and SAP. We define and approach them using Computer Profile's database, segmenting our target group and then contacting them via a mail train. We send a number of mailings, describing a different development in the market in each new message."

"Added to this, we have chosen to use a vertical approach: we have defined a number of markets in which our product and our partner's expertise offer added value, such as the healthcare industry, commercial services, the construction industry and the transport and logistics branch. We work with our partners to design the concept we want to offer. This is followed by a mail train, with different messages emphasizing the advantages of our product for the market."

"We use these mail trains to create a name for our products in the market and they give us a reason to call. The sales team is responsible for the follow-up: we don't just aim for a sale, but we also act as a consultant. Our people know the products inside out, so, after making an inventory of the wishes of company in question, they are very capable of judging whether our product will offer any added value. When a company decides to purchase our product, a suitable partner is called in."

It's already a proven strategy: on average, there will be between around 2.5 and 4 percent promising leads to follow-up after a Magic Software campaign.

On top of all the activities mentioned above, Magic Software also uses webvertisements on specific sites in the vertically defined markets. As yet, the mail trains have yielded more than the webvertisements and banners. However, John Verwaaijen sees a future for these types of advertising. "There is a class of customers evolving who are interested and better listeners, especially with the rise of RSS feeds,. We'll certainly considering all these possibilities when we design our strategy for 2008."