



2006/2007 Key Trends in Software Pricing and Licensing Survey

Buff Jones,
EVP & GM Products,
Macrovision

Survey Overview

- Third Annual Software Pricing and Licensing Survey
- 700 respondents – highest response rate (46% over previous year)
 - ISV Executives (CEO to IT Directors) responsible for pricing and licensing models
 - Enterprise managers involved in the purchasing and management of company's software assets
- Conducted over the month of September 2006

macrovision

SVPMA
Silicon Valley Product Management Association

SoftSummit™

SIIA

CELUG

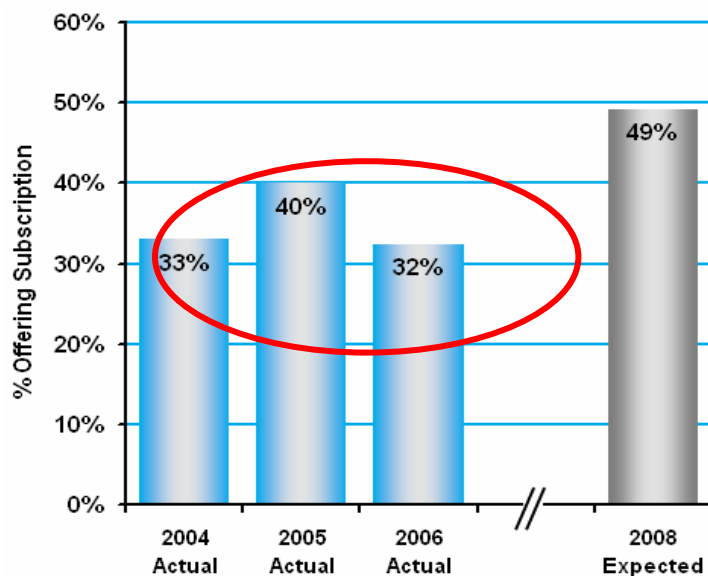
Pricing and Licensing Key Findings

- The number of software publishers offering subscription pricing decreased
- Enterprises favor concurrent licensing over any other method
- Digital enforcement gains ground, with *Electronic/Digital Enforcement* and *Online Login* gaining significant ground over *Legal Contracts* as a means of license enforcement
- Flexible licensing and pricing models yield business benefits
 - Improved customer relations (36%)
 - Increased revenue (33%)
 - Accelerated sales cycles (24%)

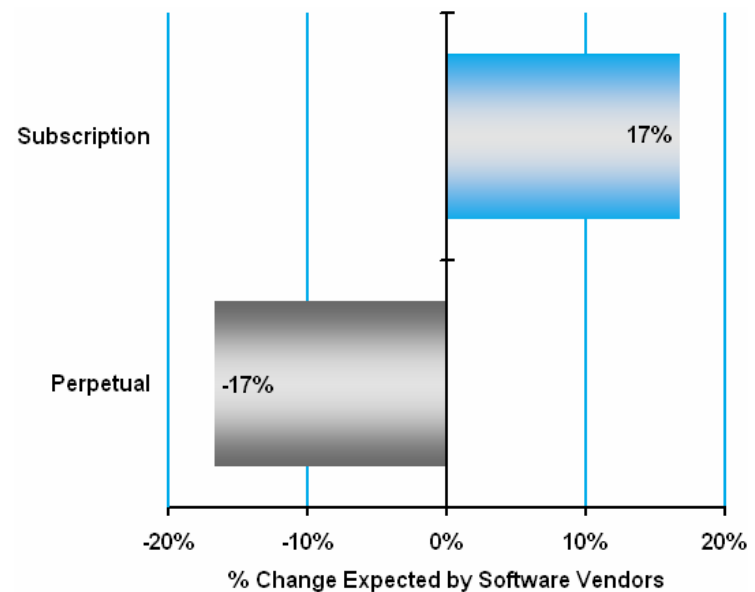
Subscription Pricing Slows, but still Expected to Grow by 2008

The adoption of the subscription-based model has suffered a setback after experiencing increased adoption in 2005.

% SOFTWARE VENDOR Offering Subscription



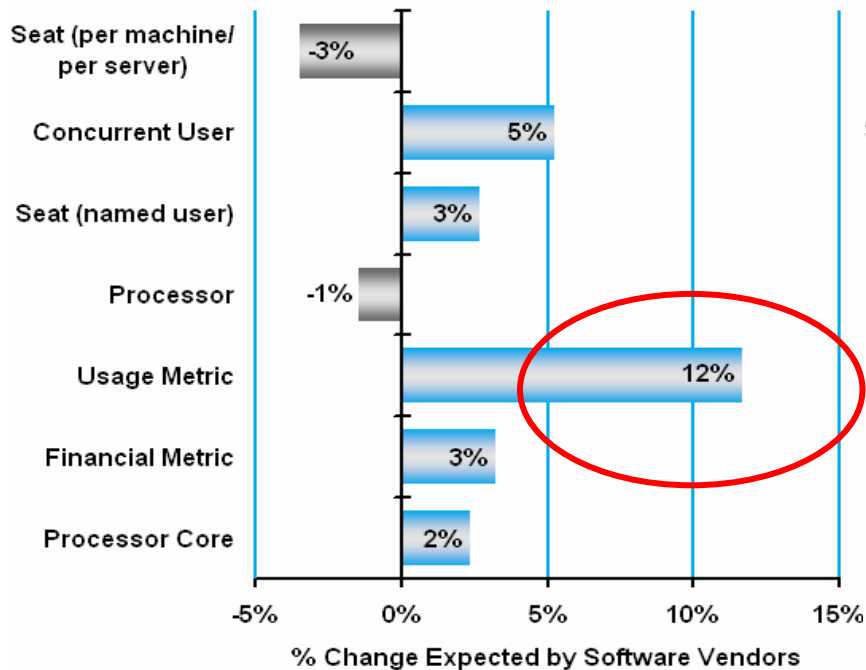
SOFTWARE VENDOR: Expected Change in Pricing Model



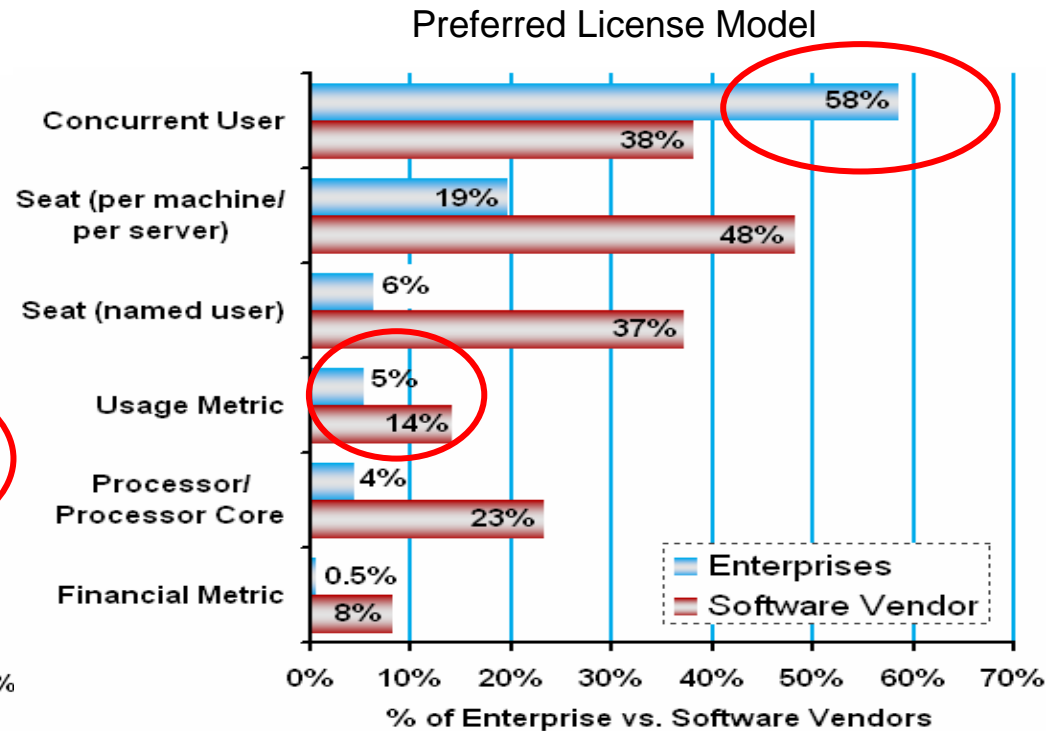
Concurrent Licensing Favored by Enterprise

Concurrent licenses are the pricing model most attractive to enterprise customers, but ISVs expect the usage metric to be most popular – the industry must work to resolve this disconnect.

SOFTWARE VENDOR:
Expected Change in License Model By 2008



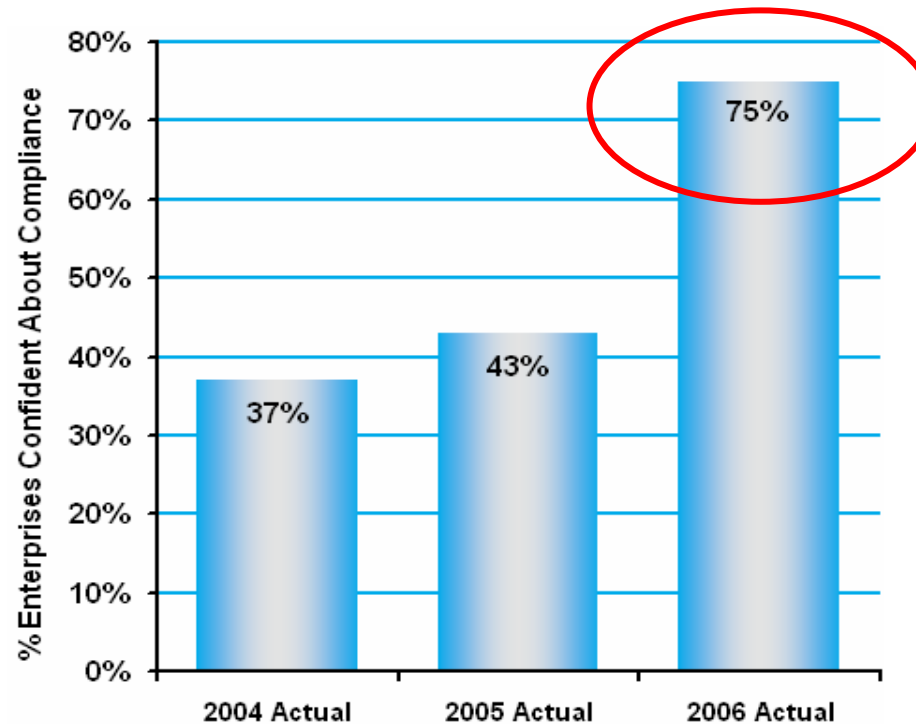
ENTERPRISES vs SOFTWARE VENDORS:



Enterprises: “Compliance is King”

ENTERPRISES:

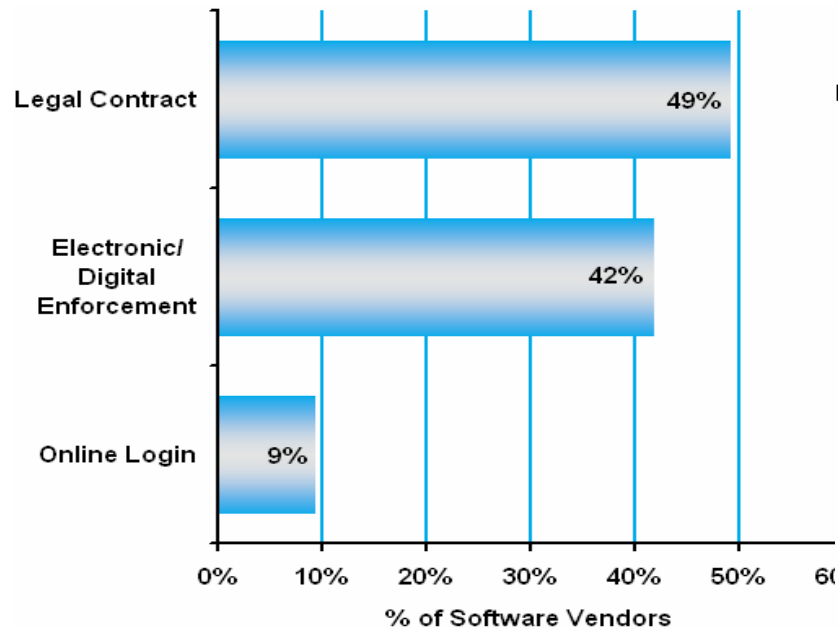
Confidence about Total Compliance



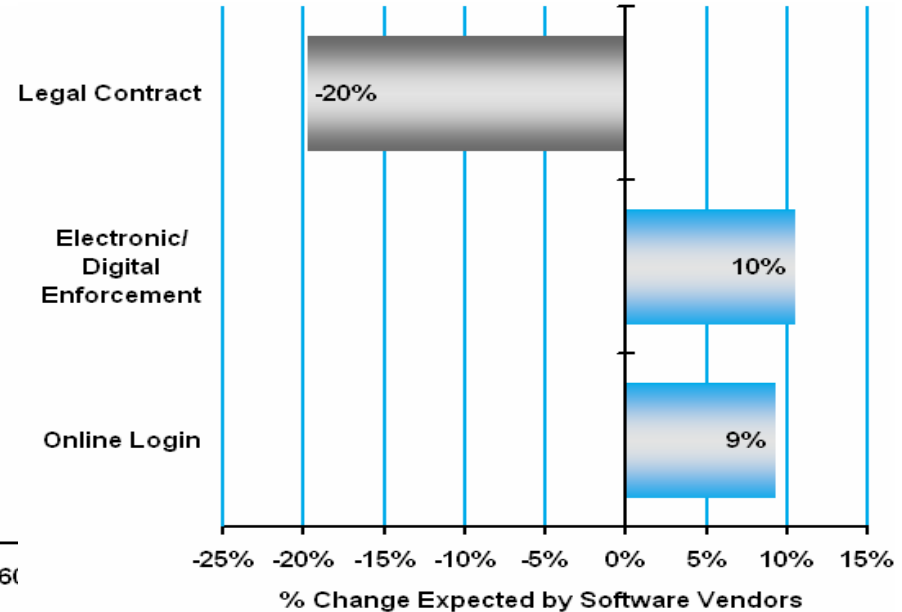
Digital Enforcement Gains Ground

Legal contracts remain the most common license method today according to ISVs, but that is expected to give ground to electronic/digital enforcement.

SOFTWARE VENDOR: Most Prevalent License Method in Use Today

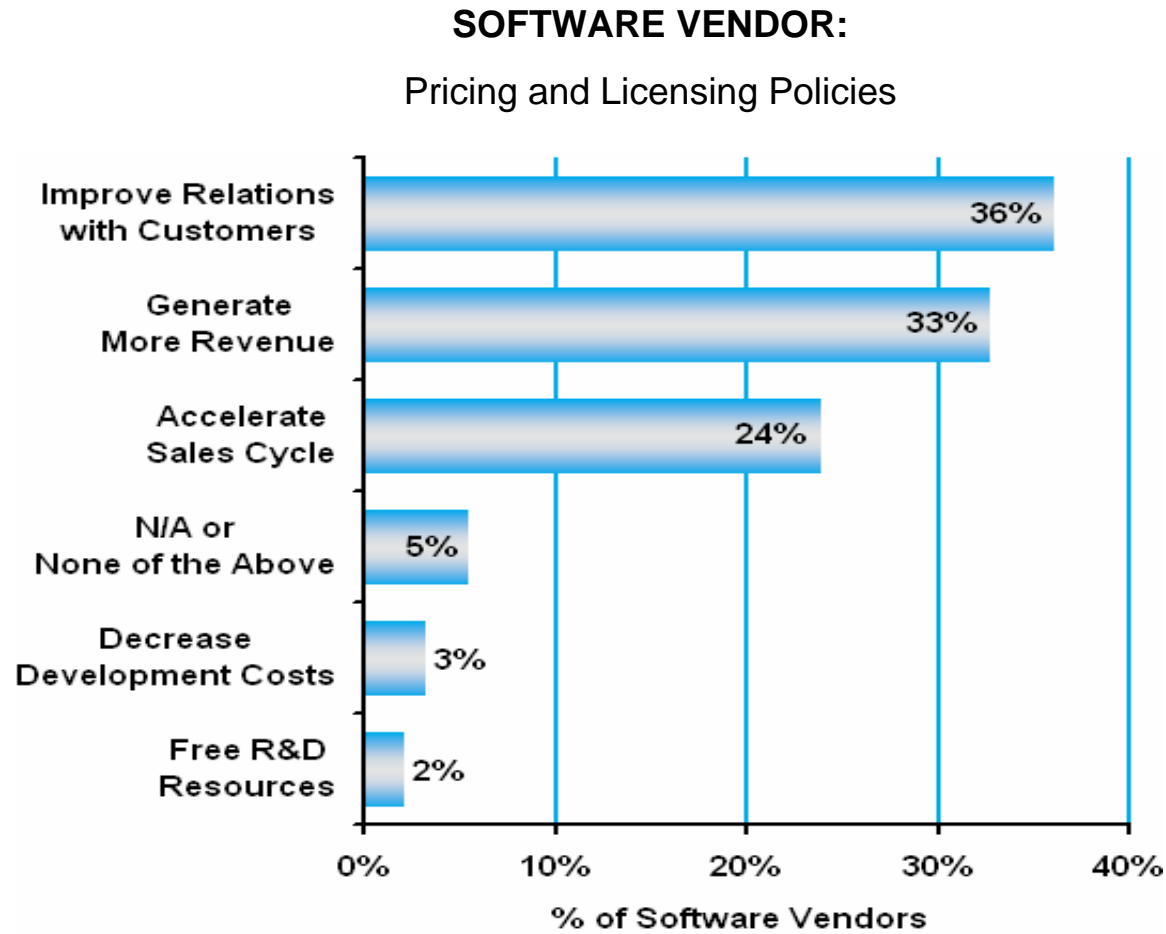


SOFTWARE VENDOR: Expected Change in License Model By 2008



Flexible Pricing Models Yield Benefits

“Improved Customer Relationships and Revenue Generation” again cited as Most Frequent Outcomes of changing to more flexible pricing/licensing policies.



Enterprises: Change in IT Budget 2004-2006

