ims

Systems Software Expertise

DC/SAS

30th May 1991

Mr Tony Speakman
Digital Research (UK) Ltd
Oxford House
Oxford Street
NEWBURY
Berks
RG13 1JB

Dear Tony

RE: Special promotions of DRMDOS

We have been very disconcerted by the number of ill-thought-out promotions for DRMDOS coming out of DR in the last two months. First, you offered a low-cost dealer demonstration copy of DRMDOS via Xitan. In principle, I think this was a good idea, because dealers do not like to pay the full price for their demonstration software. My complaint is that you did not even tell us about this offer, let alone make it available through ourselves.

After we had complained about this and you had agreed to make this offer available through IMS, you then changed the rules by offering a £75 resaleable copy to all and sundry. I consider this to be foolish in the extreme. If a dealer sells his copy, he will be unable to provide any support to his customer and the result will be a growing end-user dissatisfaction with the product. It can only be a matter of time before the complaining letters start to appear in the magazines.

Finally, (unless you have started any more promotional offers and neglected to tell us), we and several of our customers received an offer of up to ten copies of MDOS at £200 each. This is almost £50 below the price we pay for our VAD licenses. The consequence of this will be that the dealer price of DRMDOS will be perceived to be somewhere between £75 and £200 for some time to come, which will make it impossible for us to sell.

Already we are considering discontinuing DRDOS 5.0 from our product range, because the cumulative effect of unrealistic pricing, grey imports and badly thought out promotional campaigns make it very difficult and unprofitable for us to sell this product. Our early experience of MDOS suggests that it will go the same route, in which case we will be ill-advised to sign a new license agreement when the current one expires.

Yours sincerely

Dave Crocker

Def's
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