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ASK AN EXPERT

Retail For Antivirus

August 2012 Edition

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Posted on -Wednesday, August 22, 2012   *By VARINDIA Correspondent*

The increasing demand for security solutions in the consumer as well as enterprise segments indicates growth in the security market. According to Gartner, in the year 2011, the security software market in India was pegged at $209 million and is estimated to grow to $320 million by 2011 - a 50% growth. The importance of antivirus (AV) software is no longer latent. In fact, with the advent of hi-tech PCs and mobile phones, the sale of AV is on the upswing. However, antivirus is yet to catch up with fancy mode of retailing.

Jagannath Patnaik
Director - Channel Sales, Kaspersky Lab - South Asia

Positioning of Antivirus Software…

Over the years, the role of retail industry in the distribution of technology products has evolved to a great extent. Most of the AV vendors have 3-tier channel distribution network and tries to ensure that the products are available across all consumer touch points such as IT reseller retail stores, large format retail (LFR) stores and OEMs.

Lubna Marker, Sr. Marketing Manager India & South Asia, McAfee, says, "At the standalone level, we have adopted the retail route. We have a team of retail channel partners who sell McAfee products across metros and tier-I and tier-II cities of India. Further, we have tied up with large format retailers to stock our products and engage in special promotional schemes with such stores. In India, we have forged such partnership with Croma, eZone and Reliance Digital."

Indians today lead a digital lifestyle and have become dependent on the internet for day-to-day activities such as financial activities (81%) and socializing (88%), according to the latest Norton survey. In fact, with affordable broadband and several options to stay connected on the go, Indians are using multiple devices (an average of 2.8) to browse, check emails, shop and connect to their personal data. Realizing its importance, vendors are trying to position it in the best possible way.

Ritesh Chopra, Country Sales Manager – Consumer Business, India & SAARC, Symantec, asserts,"Our channel strategy is constantly evolving to ensure seamless availability of our world-class security products to consumers throughout the country and through all possible retail channels. We are present at GUM channels as well as LFRs. We are also working with Flipkart and SnapDeal to ensure consumers are able to buy our products from their preferred source."

Owing to large scale operations, LFRs are restricted to a few cities, thus making products available to a limited set of audiences. In a country like India, traditional local medium, which is the IT reseller, still dominates with respect to reach and revenue contribution. Thus, almost all AV vendors have a presence at IT hubs like Lamington Road and Nehru Place. However, LFRs cannot be neglected primarily due to the urbanization trend that is witnessing more and more consumers going to these outlets.

Lubna Marker
Sr. Marketing Manager-
India & South Asia, McAfee

Maurizio Grassi
CEO Defenx
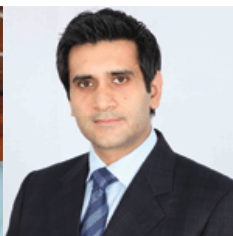
Ritesh Chopra
Country Sales Manager-
Consumer Business, India
& SAARC, Symantec

Sunil Kripalani
Sr. Vice-President-Global
Sales & Marketing, eScan

Channel the Best Bet…

Though antivirus is offered through LFRs or MBOs, many vendors still consider channel to be the best bet. Sunil Kripalani, Senior Vice-President – Global Sales & Marketing, eScan, says, "Retail through hardware and software resellers is best suited currently for antivirus software in India. Here, we still observe the trend of customers buying AV through resellers based on their relationships built with them and the customer support services offered by the resellers."

Emphasizing on this, Jagannath Patnaik, Director – Channel Sales, Kaspersky Lab – South Asia, says, "Kaspersky Lab believes in a channel-centric business model. This means that our channel partners are responsible for making our products available to end-customers. We have a channel base of around 5,000+ channel partners across India, including distributors, dealers, VARs, resellers and retailers, LFRs and online. We are also concentrating on tie-ups with the LFRs and online portals, which will increase the reach of the product and make it easily available for our customers."

Emerging vendors in the market have their own perspective on retailing of AV. Maurizio Grassi, CEO, Defenx, says that the company has just entered the Indian market and believes in business model-driven innovation. What really counts for them is how it is able to deliver a business model which fits the needs of the channel, numbers and customers will come automatically. He further adds, "We believe that software and mostly security software must be sold as service which adds value to the process. Box moving is going to end very quickly as it is too much expensive and demanding in a markets like India. Customers need advice and help when it comes to security issues. We will be building our relationship with the resellers who have the expertise to address these kinds of issues."

Finally…

Though there are various propositions for positioning AV. Still, channels, largely the resellers are the best way out. Also putting up AV kiosks in a computer or mobile phone stores seems to be highly feasible as consumers in India have more of a "do-it-for me" attitude than the "do-it-yourself" one. Such kiosks could lead to a shift in perception and will also play a vital role in educating consumers on the need for PC/mobile security. Additionally, it will also enable better understanding of the product – its features, benefits, the way it functions, etc. However, setting up such kiosks in India is a challenge due to limited space in retail outlets. n