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Netbooks: The New Margin Makers

by [jgaskin](#) September 3, 2009 08:18 AM

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Netbooks: The New Margin Makers

If clients want netbooks, give 'em netbooks--but don't forget the high-margin add-ons from various vendors, some of which offer reseller programs.

By James Gaskin

Netbooks squeezed prices down for consumers, making margins almost invisible. The answer? Accessories and software-as-a-service (SaaS). Since customers save a bundle on the purchase price compared with a business laptop, they can spend a few dollars to make their netbook purchase complete.



Netbooks need special accessories, and vendors are providing them. For example, accessory packs from Targus and Kensington, among others, include smaller cases, nonslip covers, tiny wireless mice, and slimmer locks. Check your regular distributor for products.

Small netbooks are also more likely to be lost than laptops, 10,000 of which disappear in U.S. airports each week, according to a 2008 study by research firm The Ponemon Institute LLC. When honest people find a lost netbook, special labels make it easy to return the device. Go directly to lost-and-found service ImHonest.com for reselling, and pocket \$10 on every \$15 pack of six labels.

Stolen netbooks, on the other hand, need LoJack for Laptops. The consumer product from Absolute Software ([absolute.com](#)) works on netbooks, and the company has a huge reseller base. Many retailers offer this type of product, however, making it a more difficult sale. Computrace, Absolute Software's enterprise tracking product sold through traditional VARs, also works on netbooks.

For a software add-on, there's always Microsoft Office, which gets loaded on many computers, including netbooks. Other netbook-specific software options are appearing as well. Corel, for example, has released a modified version of WordPerfect tailored for netbooks called Corel Home Office, and the company has a reseller program.

SaaS resellers love netbooks. Horizontal products like Google Apps, HyperOffice, and StreetSmart from InfoStreet can be sold to any vertical. Limited netbook hard disk space means virtual file server vendors like Egnyte and NomaDesk offer real value for specialized verticals. And, the small size but huge capacity (up to 120GB per cartridge) of Iomega's REV removable drives makes them good netbook partners for the data obsessed.

If cellular data network hardware and service contracts don't come with the netbook, work a deal with local mobile data service resellers. Help each other, and you both win.

Discussion:

Brian Jacobs on September 4, 2009 11:23 AM

This article hits the nail on the head. I am a sales manager at PC Treasures Inc. (www.pctreasures.com), & we have really benefited from the popularity of low-cost Netbooks.

Traditionally, we have focused on providing OEM Software on CD/DVD-Rom to computer builders, resellers, and retail computer stores.


Over the past 18 months, we have added an entire line of Netbook Products, which includes Software, Carrying Cases, Neoprene Sleeves, Cooling Stands, and Wireless Mice.

This has enabled the average Netbook Reseller to sell a "complete netbook package", which in turn helps the reseller make a much higher margin and than if they well selling the Netbook by itself.

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