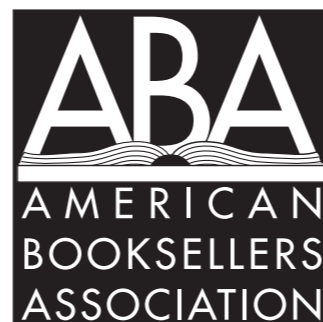


# Independent Bookstores, Google eBooks, & Marketing Digital Content (in the United States)

Matt Supko, Technology Director  
American Booksellers Association, Tarrytown, NY - USA

AWS JAHRESARBEITSTAGUNG 2011 - Bremen - 4. Mai 2011



# Cast of Characters

- **American Booksellers Association (ABA)**  
– trade association representing independent bookstores in the USA. Membership is primarily new trade bookstores, but many academic stores join as well. About 1,500 members.
- **National Association of College Stores (NACS)** – trade association representing college stores in the US — not only book-focused.
- **IndieCommerce** – optional member service provided by ABA: ecommerce websites for independent bookstores. 300 members.

# Evolution of eCommerce

The logo for Powell's Books, featuring the word "Powell's" in a large, red, cursive font above the word "Books" in a smaller, red, sans-serif font.The logo for amazon.com, featuring the word "amazon.com" in a black, sans-serif font with a yellow curved arrow underneath the "a" and "z" characters.

- Early online sellers such as **Powells.com** (1994) emphasize convenience and 24-hour ordering
- **Amazon.com** (1995) emphasizes selection, speed, and—increasingly—price
- **Independent booksellers** get a foot in the door, but can't match Amazon's shipping speed or razor-thin profit margins

BOOK

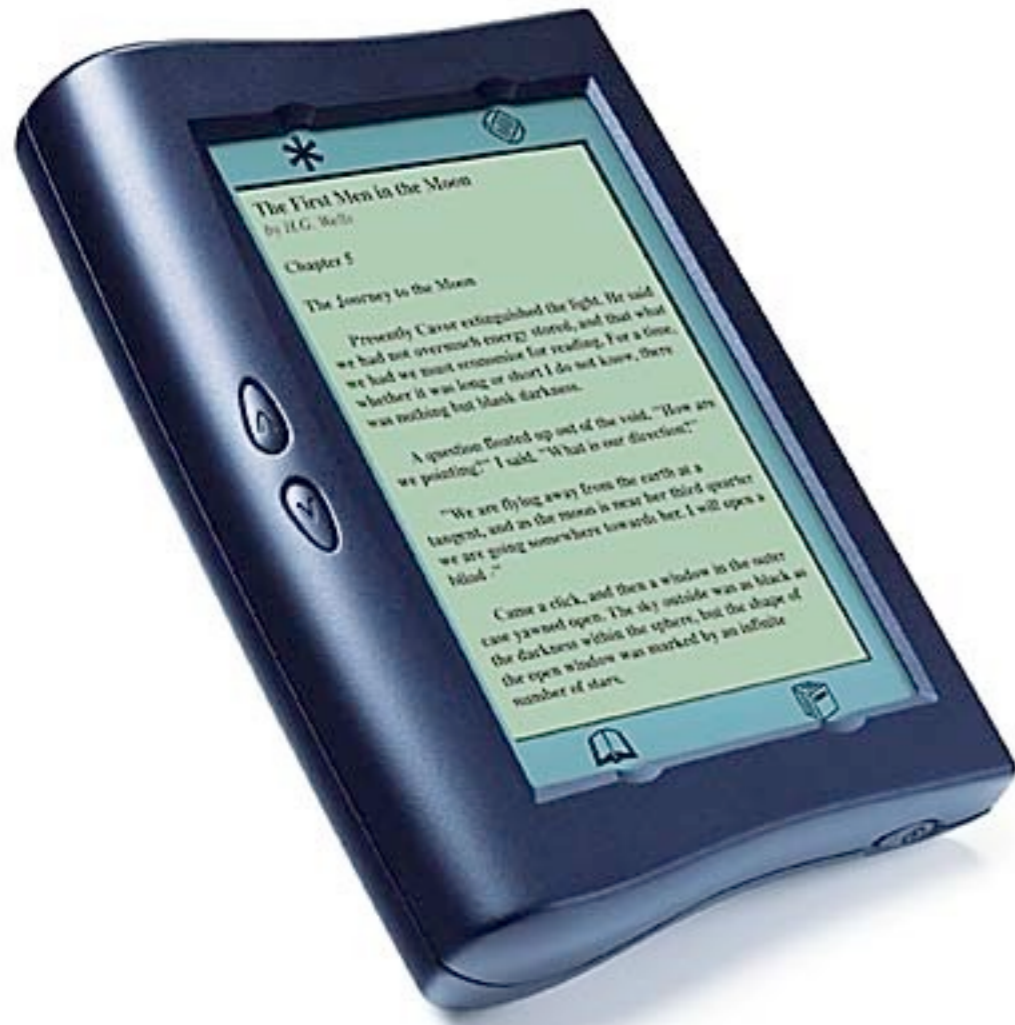
SENSE  
.com



2001 – BookSense.com launches

A **network** of independent bookstore websites, built on a **proprietary** shopping cart

# Prehistoric eReaders



- 1999 - ABA signs a contract with **RocketBook**
- Ahead of its time?
- Ultimately, eBook sales **never materialized**
- Meanwhile, the music industry is **going digital**

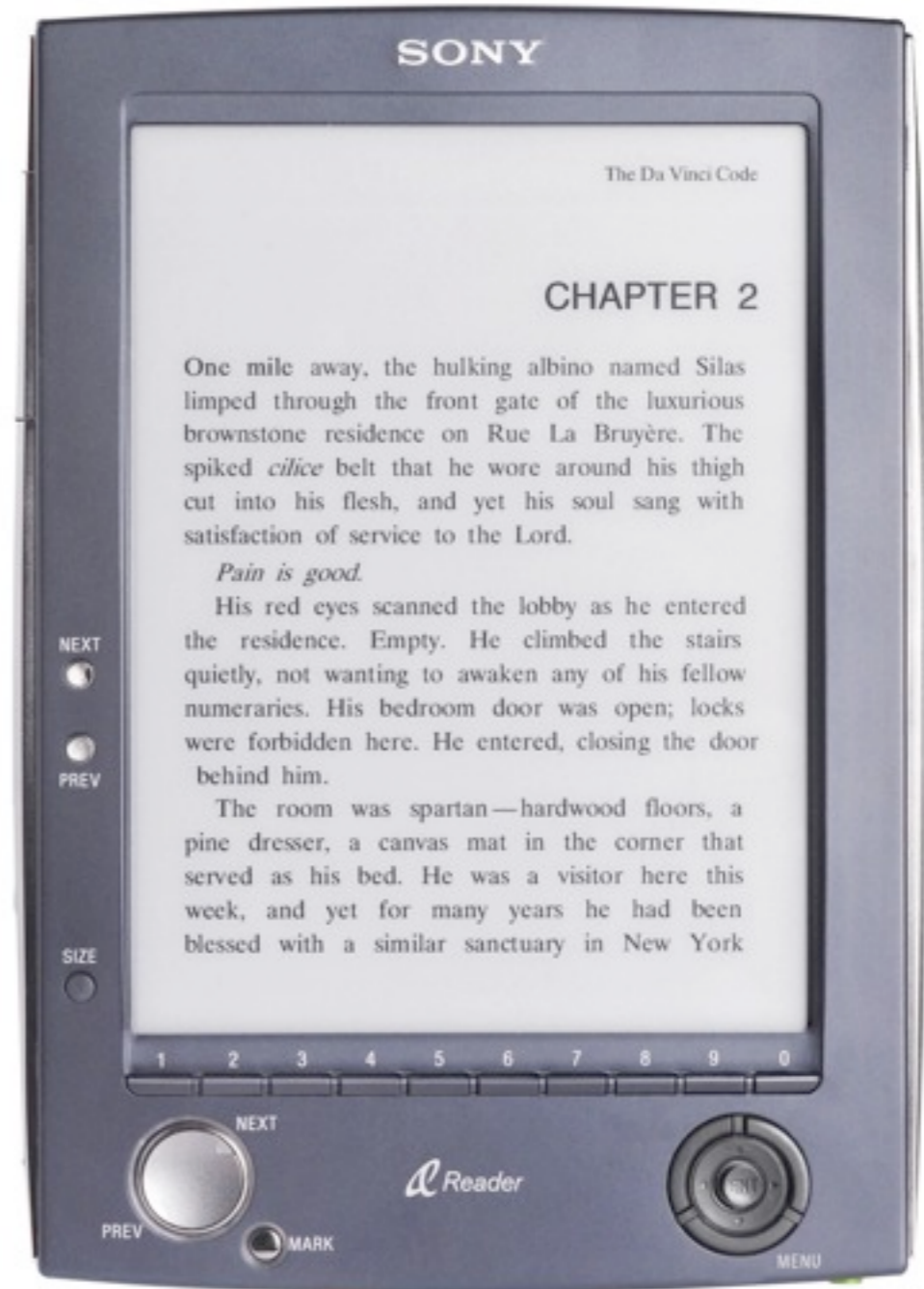
# Enter the iPod



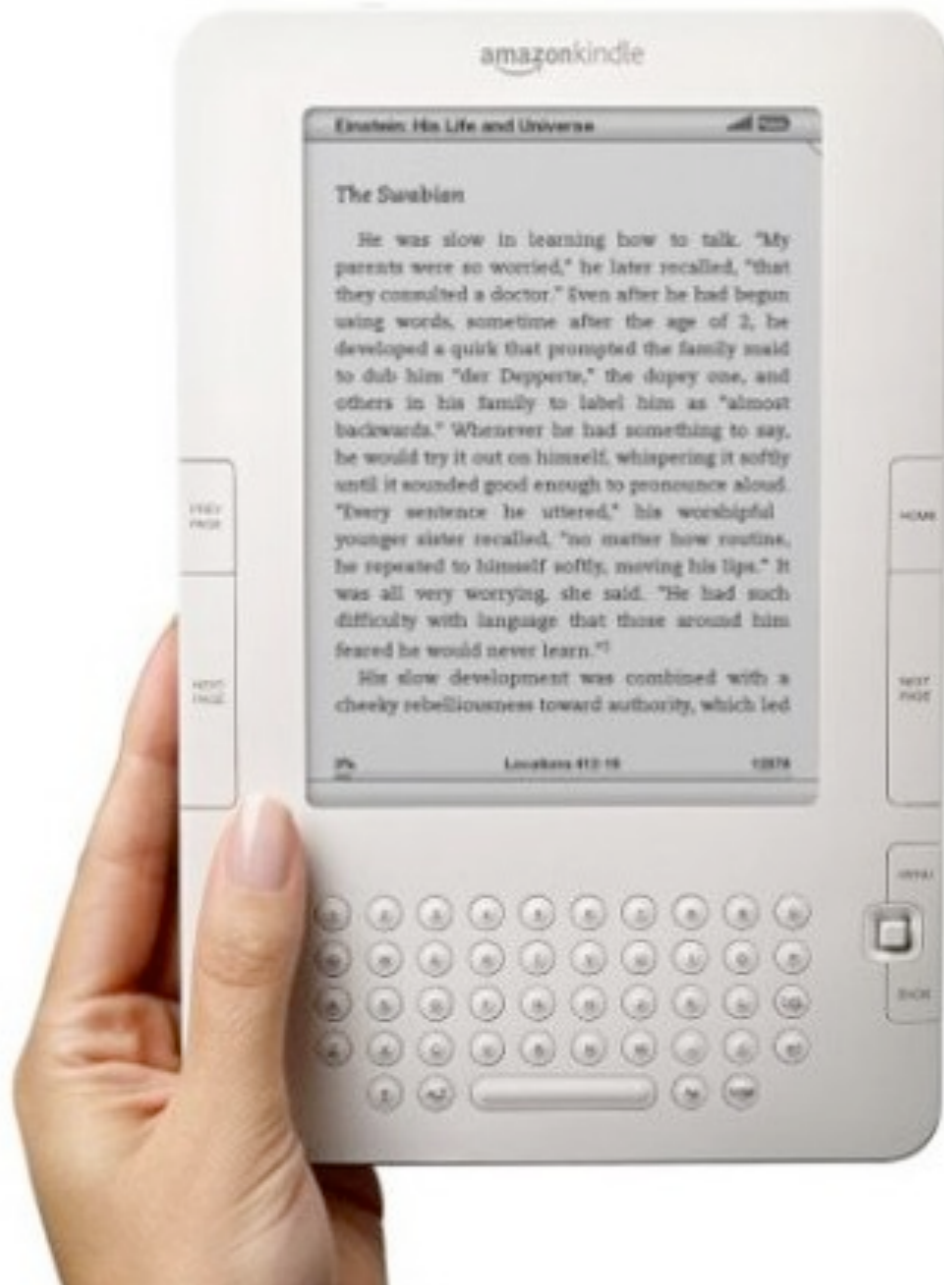
- MP3 players from Creative, iRiver, etc. had been seeing incremental sales
- Apple's iPod — a **strongly-branded, heavily-marketed** device built around a **central store**
- **Low prices** for songs/albums (99¢ per song; \$9.99 per album)
- Closed ecosystem due to **DRM**

# Early eReaders

- eReaders never **quite** go extinct
- eReader devices try to approximate the look & feel of books with **e-Ink**
- **Price** of eBooks comparable to print, or even higher
- Several **small sellers** (Fictionwise, MobiPocket, etc.) carve up a tiny market
- 2007 - **BookSense.com** adds eBooks



# Kindle & the Growth of eReaders



- With **Kindle** (2007), Amazon begins marketing eBooks heavily
- Wholesaler model empowers Amazon to sell popular titles at **absurdly low prices** (selling below cost to build market share)
- early eBook purchases driven largely by **price + convenience**
- Kindle closed ecosystem due to **DRM**
- Amazon / B&N **buy up** the small companies, limiting partnerships

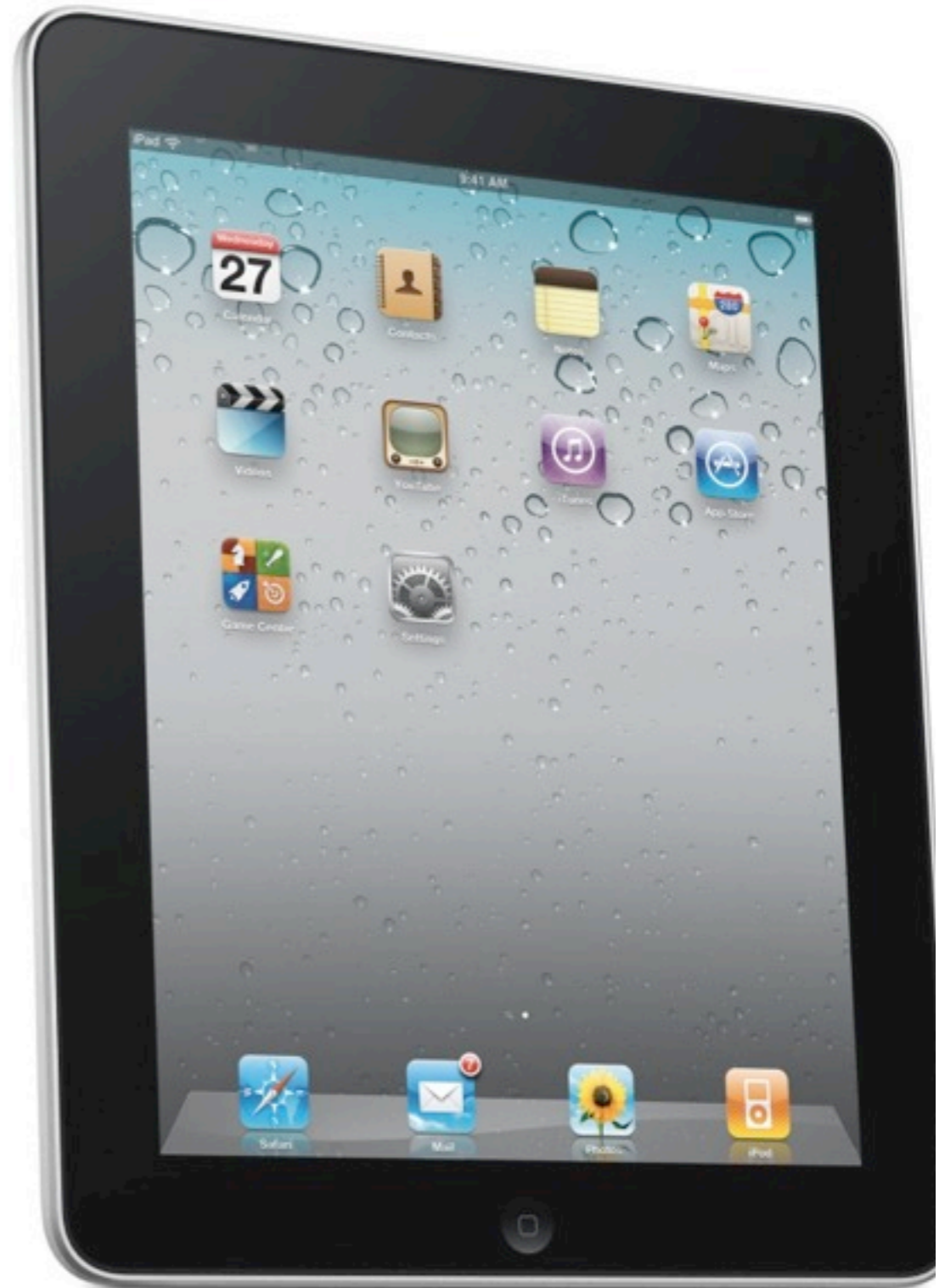
# iPad: Apple changes the rules

- e-Ink gets the boot in favor of a more **broadly useful device**
- **“Agency model”** for ebook pricing debuts
- **Publisher** sets the price
- **All retailers sell at the same price**
- Other retailers get access to the device via **“apps”**

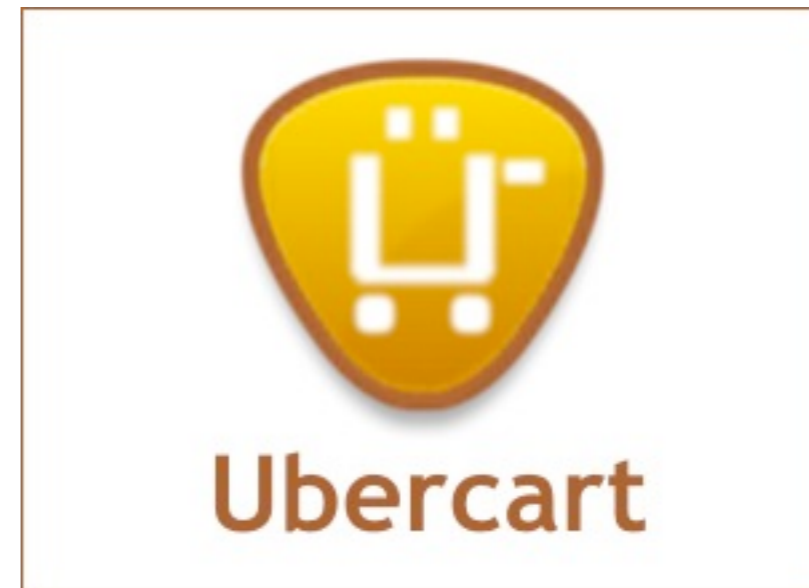


# 2009: Time of Troubles

- Agency eBooks disappear from independent bookstores due to **contract issues**
- eBooks suddenly sold at wildly **different price points**
- eBooks only compatible with different devices in **different formats** — and consumers must repurchase



# IndieCommerce



## 2008 - IndieCommerce migrates to Drupal

Modern, open source web platform improves **flexibility**, helps **speed** development, and helps convey stores' **personalities**

# IndieCommerce

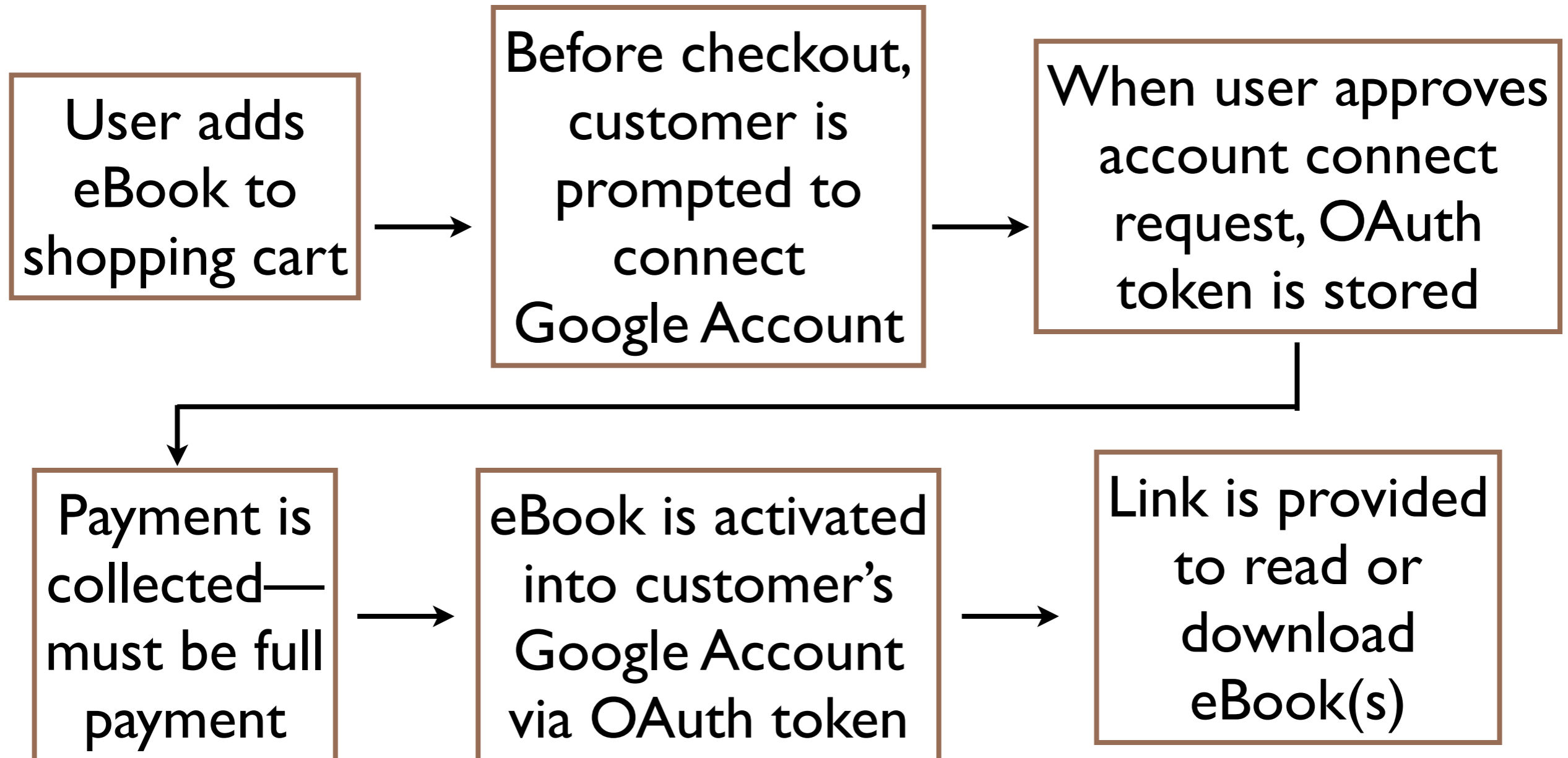
## Key Features

- Opportunity for custom **look & feel** for sites
- Unlimited opportunities for **content**
- 5,000,000+ **title database**
- Upload **on-hand inventory**
- **Advanced checkout** including in-store pickup
- Hundreds of thousands of **eBooks** from Google
- **Consumer Direct Fulfillment** from Ingram

# Google eBooks

- **2009/2010** - Google eBooks in development, reseller integration underway at ABA
- **Cloud-based** eBook solution designed so customers can read any book anywhere, regardless of which seller they purchased it from
- Associated with customer's **Google Account**
- Launches **December 2010** to wide press coverage
- Return of **agency publishers** to indies

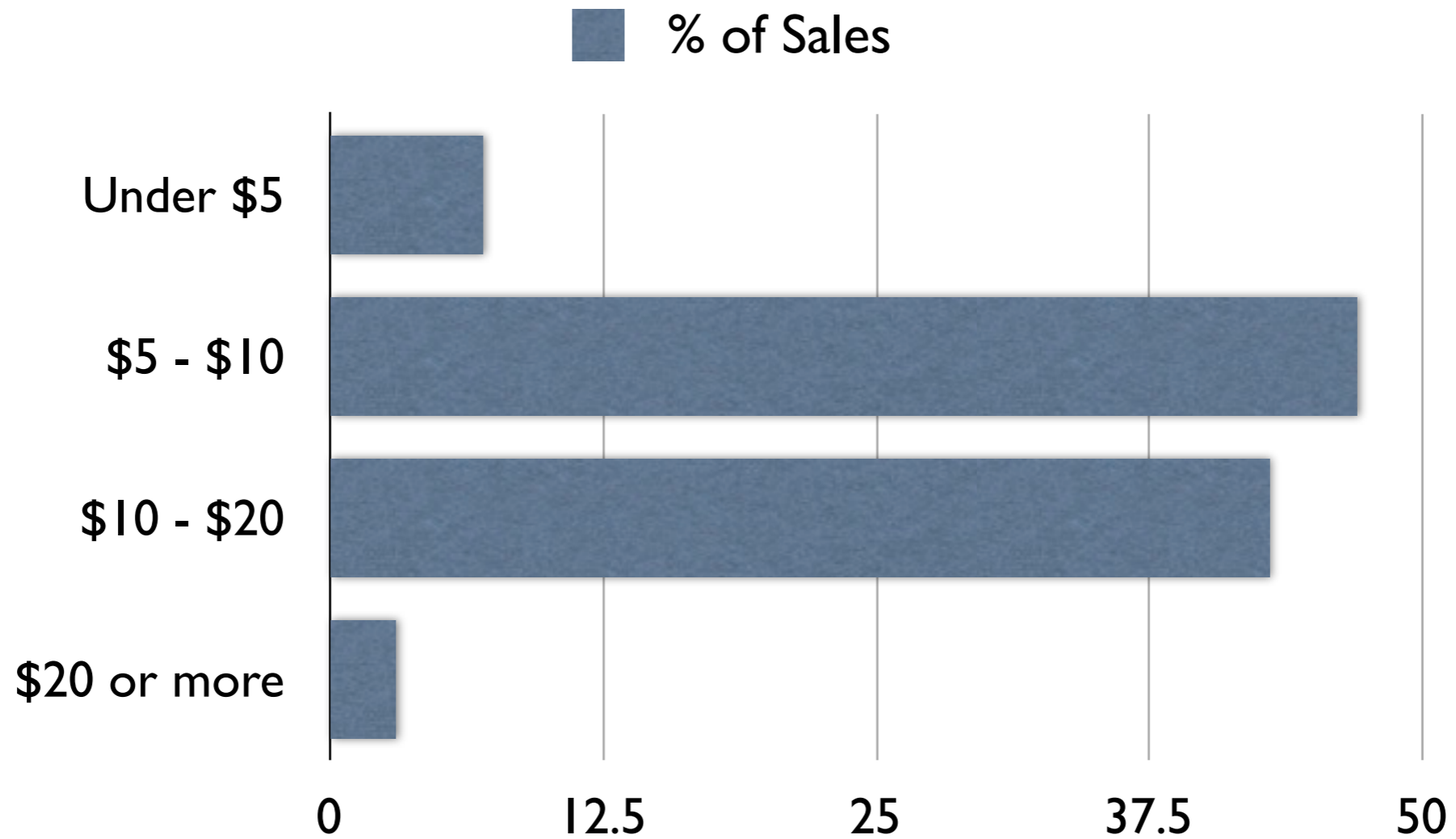
# Purchase flow for Google eBooks



# Purchase flow for Google eBooks

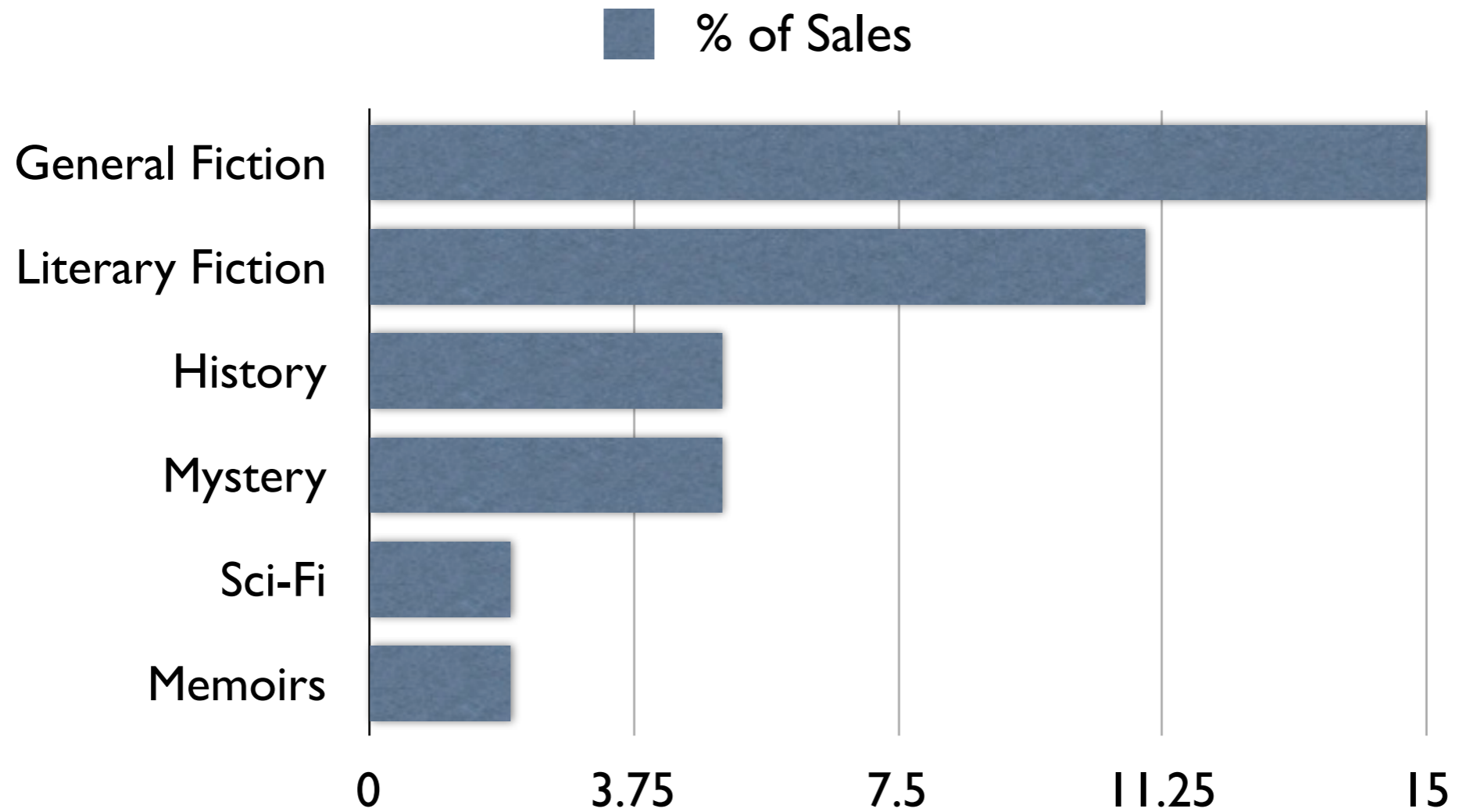
on IndieCommerce websites

# eBook Price Points (March 2011)

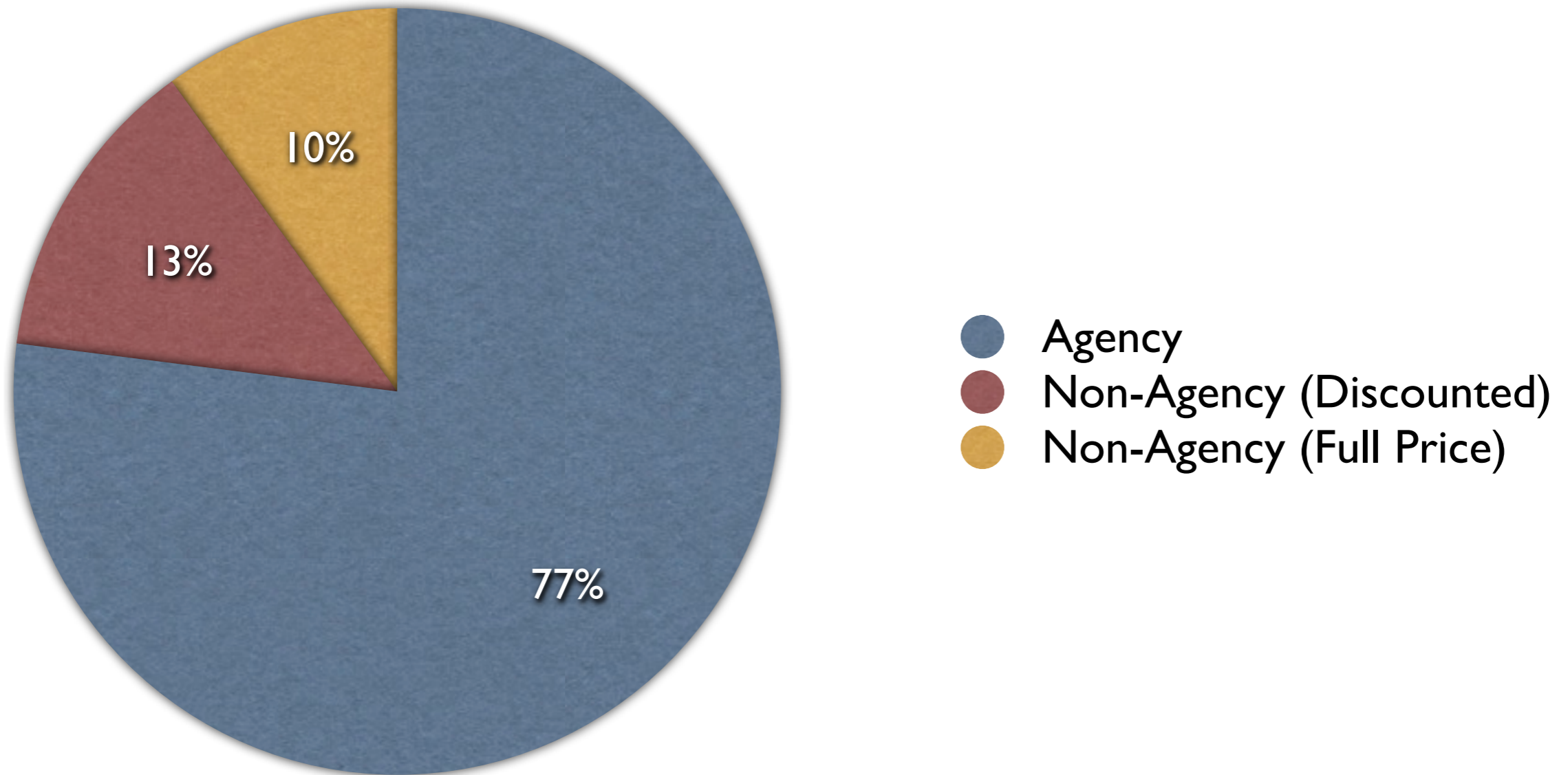


**Average Price: \$10.34**

# Top Categories (March 2011)



# Agency vs. Non-Agency



# Top Selling Titles (March 2011)

1. The Tempest (United Holdings Group) \$0.99
2. Water For Elephants (Algonquin) \$11.96
3. The Information: A History, a Theory, a Flood (Random House) \$12.99
4. The Tiger's Wife (Random) \$12.99
5. Swamplandia (Random) \$9.99
6. Room (Hachette) \$11.99
7. Blood, Bones, and Butter (Random) \$12.99
8. Immortal Life of Henrietta Lacks (Random) \$9.99
9. Cleopatra (Hachette) \$14.99
10. Emperor of Maladies (Simon & Schuster) \$14.99

# Marketing Efforts

- IndieBound DIY
- IndieCommerce.com
- “Device Nights”
- Industry Conversations with Customers
- Connecting the website to the store
- **QR Codes** on shelftalkers

# QR Codes



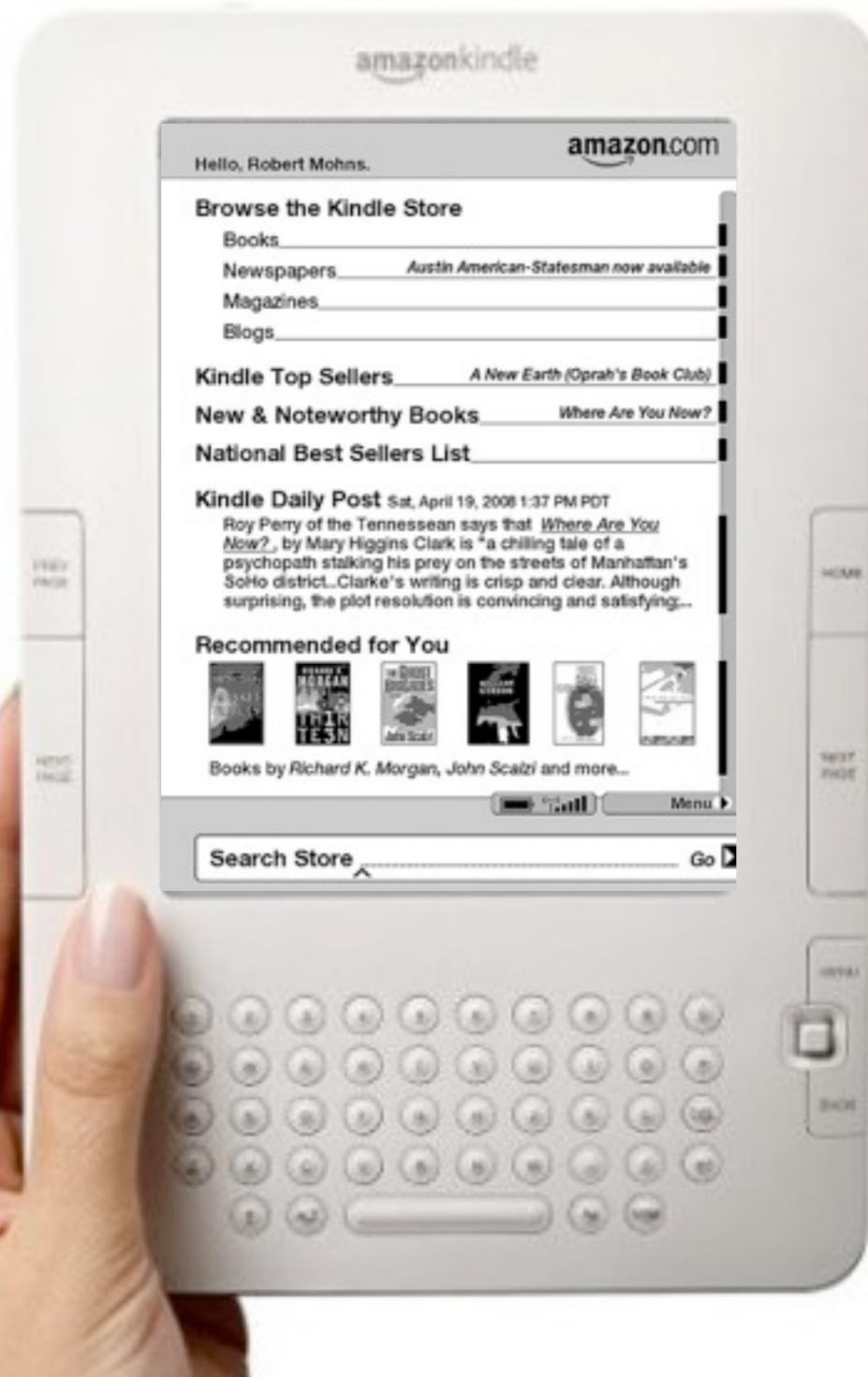
# Opportunities...

- **March 2011** – Random House moves to the agency model = price parity for indies on many popular eBooks (“Big Six” publishers all agency)
- **Instant availability** of hundreds of thousands of titles
- **No overhead costs** to our members (beyond their website)
- **Competitive eBook product** with a trusted brand

# ...and Challenges

- Indies face a steep **branding** challenge being seen as a source for eBooks
- **E-Ink devices** are *not* extinct—and are cheaper than ever
- Locked out of **Kindle** by DRM
- **Staff training & customer service** issues
- Some % of sales *is* **device-driven**

# Why Do Independent Bookstores Matter?



# Why Do Independent Bookstores Matter?

- **Community** Resource
- Gathering Place (“**Third Place**”)
- Keeping **jobs** and **tax dollars** in your community
- **Handselling** = something magical
- The bookstore as **showcase** for **discovery** of books

# eReader/Indie studies

- 81.7% of all e-reader owners said that if e-books are priced competitively, they will buy them from indies\*
- Graduate students at the Univ. of Washington were given free Kindle DX eReaders. Seven months into the study, less than 40 percent of the students were regularly doing their academic reading on the Kindle\*\*

\* source: Verso Digital Survey: <http://www.shelf-awareness.com/issue.html?issue=1369#m11262>

\*\* source: <http://www.washington.edu/news/articles/college-students2019-use-of-kindle-dx-points-to-e-reader2019s-role-in-academia>

Questions?