



Feedback

Books 'r' Us

Two experts from the world of books respond to our exploration of the Australian publishing industry.

► *Fifty Shades of Bookselling* by Foong Ling Kong, *ASR*, no. 7, April 2014



The ingredients for a healthy bookish future

John Purcell, Head of Marketing and Chief Buyer at Booktopia

THE AUSTRALIAN BOOK INDUSTRY HAS ALL of the components necessary for a very healthy future. If this seems the view of a mad optimist it could be because most articles on the future of books, including Foong Ling Kong's "[Fifty Shades of Bookselling](#)", have been full of doom and gloom, focusing on the demise of the REDGroup (Borders/A&R) bookstores. Which is understandable: the fall of chains of that size is a shock. But that colossal failure had nothing to do with books. It had to do with bad management.

Books are not groceries. One of the hardest things for business-minded people who finds themselves working in the book industry to accept is that there isn't a single product or just a few product lines to market and to sell. There are millions of products and thousands of product lines, otherwise known as books. The selling of books should be left to booksellers who are, more often than not, readers themselves.

Bookselling requires a unique mindset—part-gambler, part-misanthrope, part-dreamer, part-masochist. The world of books baffles the average



The role of authors in this new book economy

Angelo Loukakis, Executive Director of the Australian Society of Authors

MANY THANKS TO FOONG LING KONG for her lucid survey of the way things are today for publishing and bookselling. But this is a complex beast and so a couple of further points are worth making.

The numbers provided highlight a decline in trade book sales, but while Nielsen Bookscan figures capture the vast bulk of general book sales they do not include the dollar value of books bought by Australian online purchasers. There is no entirely accurate figure available although [PriceWaterhouseCoopers](#) estimated that, for 2010, approximately \$150 million worth of books were purchased from Amazon and the Book Depository by Australian consumers. Anecdotally we've heard estimates the figure may be even higher than \$250 million today. The volume of books being bought directly from overseas suppliers is obviously of no comfort to local booksellers.

My sense is that the "bumpy ride" Kong mentions will only get bumpier for the people who matter most—writers and readers—unless we are able to invent new ways of doing business. Many of

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› *continued* | business mind, who on entering the market immediately sets out to fix the problem of what is seen as “irresponsible diversity” by reducing the number of products and product lines, using “clever techniques” such as not stocking many books. Such was the fate of the once great Angus & Robertson chain of bookstores. Non-reading, business-minded management tried to herd readers towards a wall of bestsellers, bought in bulk at a discount to ensure a healthy margin on every sale, completely disregarding the non-conformist nature of the majority of readers.

TRUTH IS, AUSTRALIANS WERE then and are now reading more than ever. They just aren’t necessarily reading in the way they used to.

The internet has changed reader behaviour forever. Diversity is the thing. The internet fosters the specialist, it encourages the clique, it supports grassroots enthusiasms by allowing people of a like mind or interests separated by culture, geography or age to meet and exchange ideas and recommend books. And readers will source their very particular titles, wherever they are sold. The store that can deliver them quickly and cheaply will win their custom.

Amazon was the first to support this kind of reader. They knew that the book industry has one of the longest long tails in retail, and recognized that by stocking all the books, they were able to deliver any hard-to-find-book a reader could want.

Bricks-and-mortar stores missed out on this trade. First, because the reader was on the internet and Amazon is only a couple of clicks away. Secondly, if that reader did go to his or her favourite bookshop for the book, more often than not it wasn’t in stock and had to be ordered in, a process that can take weeks. Readers didn’t change their habits—they just found offshore dealers able to supply what they wanted.

Over the last few years this behaviour has begun to change as cheap and efficient Australian alternatives to Amazon have earned their place

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› *continued* | us involved with books, reading and authors see the need to build a new ecosystem, or series of interconnected smaller ecosystems, that allows for and encourages the creative (and profitable) participation of those actually committed to the business of books, and claw back space in which to operate. In an increasingly atomized, digitized world, the all-important writer-reader relationship needs greater direct facilitation and new, closer forms of nurturing if a literate culture is to be maintained.

The book world is certainly in flux. Larger publishers continue to amalgamate or “rationalize”, while new, smaller presses—including author/self-

In the digital world the small producers and shopkeepers have come to be captured, reconfigured, aggregated and controlled by a few multinational tech oligarchs.

publishers producing their own and a few other works perhaps in ebook form each year—come online to take their chances. Self-publishing authors are encouraged by Amazon and the aggregators who feed Amazon to use their services and cut out the conventional publisher and bookseller. But other than for a few high-selling stars, the sales results and financial return to authors generally turn out to be very low. [A survey of self-publishers](#) conducted by Steven Lewis found the median income of Australian self-publishers to be around \$500 per annum.

Amazon and these aggregators make no significant financial investment in authors and their books. Authors themselves don’t always understand this, or appreciate the consequences of setting up as not only their own artisan-producer, but their own shopkeeper, required to do all the marketing and selling of their work.

This kind of small-business activity would be

BATTLING BOOKSELLERS

The writer James Patterson calls it “a war”. His publishers, Hachette, got on the wrong side of Amazon and have seen their authors’ books vanish, titles by other publishers’ authors suggested in lieu of Hachette authors, or books placed on the slowest possible delivery track—even though they are in stock.



- ▶ [New York Times](#)
- ▶ [Time](#)
- ▶ [Idealog.com](#)

Amazon have also stopped pre-sales on J.K. Rowling’s forthcoming detective novel, *Silkworm*.

- ▶ [Daily Mail](#)



Amazon recommends customers seeking a Hachette book go elsewhere

- ▶ [New York Times](#)

WWW.THEBOOKWHEELBLOG.COM/READ-HACHETTE/

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› *continued* | in the market, effectively luring readers back to Australian shores. Rural areas of Australia left without a bookshop after the REDGroup collapse turned to online booksellers and found the range they wanted.

One of these, [Booktopia](#), has seen year-on-year growth of 50 per cent over the last five years and is the largest Australian-owned and operated online bookshop in the country. Booktopia’s rise in what is considered a depressed industry is noteworthy. Booktopia ships 10,000 books per day—that’s 2.2 million books per year. And we are set to move to new and much larger premises in June. To compete in the online space we are intent on increasing our stockholding, which will come to fill about 10,000 square metres.

But millions of people still live outside the internet: they visit shops, buy things, meet friends for coffee, go to the movies, jog, walk the dog.

The relationship between publishers and

Authors in the new book economy

› *continued* | **unexceptionable in our kind of society, except for one tremendous difference. In the digital world the small producers and shopkeepers have come to be captured, reconfigured, aggregated and controlled by a few multinational tech oligarchs. It is said there is a “long tail” of books online, hundreds of thousands of titles put up by amateur authors—some of whom can barely write, whose works have not been edited, and who will remain undiscoverable or unsold except to customers who think paying a dollar or two for such books represents some kind of bargain.**

The long tail has been a phenomenon in the print world too, but it never existed to the degree we now see online because commercial risk was taken and real money spent. The dollars invested meant it was always in the interests of a “traditional” publisher or bookseller to work at marketing and keeping a book alive in bricks-and-mortar bookshops (acknowledging the shorter opportunity window

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> *continued* | bricks-and-mortar books needs to change. Publishers would do well to consider the benefits of a thriving bricks-and-mortar bookselling community. These go well beyond the income each individual store generates. Each store is an interactive billboard promoting books and reading. Each store reminds the public that there is such a thing as the enjoyable habit of reading. By its very presence a single bookshop does more for publishers than their publicity departments combined can hope to achieve. For the Australian book industry to thrive there needs to be a strong and healthy bricks-and-mortar book industry, including a healthy and viable Dymocks chain. When I browse in Dymocks or an independent store, I am more often than not assisted by a knowledgeable member of staff, I enjoy the experience, often discovering books I may never have known about unaided.

But when it comes to buying the books I hesitate. If they are bestsellers I know that they are being sold at a huge discount at Target, Big W, KMart. And if not bestsellers, online bookshops are discounting them. If I bought them online or in a discount department store I would save money. If I pay full price at the Dymocks store or the independent, do I put the extra cost down as a service fee?

In a market where there are easily accessible cheaper options, why should the customer foot the service bill that meets the needs of publishers? Publishers give big discounts to Target, Big W, KMart and online bookshops because of their purchasing power. Similar discounts need to be given to the hundreds of independent booksellers so that their efforts are rewarded and they, too, can shake off the burden of the recommended retail price. Let the publishers make that bookshop discount part of their marketing budget.

THE MOOD AMONG BOOKSELLERS at the recent Australian Booksellers Conference was positive. Amazon and ebooks are no longer consid-

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> *continued* | that Kong mentions) than is the case with a digital-only book today.

WHAT SILICON VALLEY-STYLE COMMERCE is more interested in is a constant supply of start-ups providing more and more content, preferably stuff tech companies don't have to pay for. If authors want to run their own show online, using either proprietary or other forms of online publishing and selling templates, even better—well and good. They have more stuff to attract more eyes to their webstores. If browsers don't buy a book, so what? We'll soon have them over to the other online department looking at shoes or wheelbarrows ...

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**Attention spans may well be shorter,  
the way we read fundamentally  
altered by the limits imposed by small  
screens and reduced time.**

The [Australian Society of Authors](#) (ASA) is very concerned at the number of individual authors who may be doing their money by self-publishing online without understanding what this entails or the possible consequences. Discoverability is difficult enough to achieve in the print world, even if the author has a commercial publisher marketing their work. All the energetic brand building and social-media activity in the world may still not lead to any useful result for an early career or mid-list author. (The ASA continues to offer information and training as preparation for those willing to take the risk.)

The decline in book sales may not be only due to the impact of digitization and the fragmentation of publishing and bookselling activity, but also to other cultural developments. Attention spans may well be shorter, the way we read fundamentally altered by the limits imposed by small screens and reduced time.

Whatever is happening in the broader culture,

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continued | ered the threat they once were. Small independents are finding innovative ways to keep and grow their customer base.

Larger chains are returning to what they do best—selling books in the real world instead of trying to reinvent the wheel. And publishers keep publishing great titles, making bookselling easy. Readers are still reading and they are returning to the Australian market because the books are getting cheaper and the range is getting larger.

Ten years ago a hardcover cost between \$50 and \$60. Today it is \$40. A \$25 paperback today costs between \$12 and \$20. If this isn't enough reason to be optimistic then there is further cause when you recognize that it is an industry filled with bright, innovative, industrious, hard-working and knowledgeable people, determined to succeed. ❖

**John Purcell** sold 50,000 copies of his trilogy, *The Secret Lives of Emma*, under the pseudonym Natasha Walker.



## Authors in new book economy

continued | Kong is nevertheless quite right to say “publishers came to see they needed to engage their readers in dialogue and connect with the people who actually bought their books—not just the booksellers, but their readers”. And this holds for authors, too.

Opportunities for authors do exist. It seems to me they lie with those medium and large print publishers who are prepared to publish their authors in print and digital formats, who see their operation as a distinct, independent entity and not just a supply arm of Amazon or other distribution outlets. And they also lie with those smaller, original-thinking, digital publishing outlets whose owners are genuinely passionate about and understand words, language, meaning, people—and who believe in actually supporting, rather than merely using, their suppliers of intellectual property. ❖

**Angelo Loukakis** has worked as a writer, teacher, editor and publisher.



## JOHN PURCELL ON OZ BOOK PUBLISHING

### DOING WELL

1. Great Australian talent (authors, editors and publishers). Recent homegrown successes include Graeme Simsion's *The Rosie Project*, Hannah Kent's *Burial Rites* and Richard Flanagan's *Narrow Road to the Deep North*.
2. A strong, independent bookshop culture.
3. Discount department store buyers who know their stuff.
4. Competitive and innovative homegrown online bookshops.
5. Rapacious readers with ever-widening tastes.

### CAN DO BETTER

1. Reassess the discounts given by publishers to independent booksellers, allowing them to be more competitive.
2. An industry-wide effort to get books back into the mainstream media.
3. A more inclusive and accepting attitude to the needs of genre readers.
4. An undertaking by Australian publishers to keep Australian content in print.
5. An industry-wide effort to keep fighting the negative press around the book industry. Radio survived the emergence of film, film survived television, television survived the internet, and books have endured them all.

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