



LIVRES CANADA BOOKS®

# Penetrating the US Retail Book Market

A guide for Canadian publishers  
3rd edition

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# Introduction

For Canadian publishers, the United States is, and should be, an alluring, tantalizing market. Its proximity makes it an easy target; its population base, 10 times the size of the Canadian market, is literate and publishers sell US\$13.9 billion worth of trade books each year to consumers through chain and independent booksellers as well as other retail outlets (according to the 2011 Book Industry Study Group/ Association of American Publishers publication *BookStats*). There is ample potential for Canadian publishers to sell more books and increase print runs, thereby reducing their overall cost of goods per unit and increasing profitability if all of those books are sold. In fact, it's getting easier for Canadian publishers to get noticed in the US: *Publishers Weekly*, the leading trade magazine for the industry, has just opened up its review process to include Canadian originated books.

In this revised report we cover the many retail and online venues in the United States available to Canadian publishers. We discuss the procedures and techniques you should use to get your books into the vastly changed world of bricks and mortar and online bookselling and, ultimately, to get them sold to American consumers. Since our last revision, one major US chain, Borders, has gone out of business and a much more significant part of the industry – about 20% or so – is accounted for in online sales.

Our aim is to provide Canadian publishers with the information needed to understand the American retail market and to enter it successfully. We want to emphasize again that you must look at the United States market from a long-term perspective. Begin modestly, apply the lessons you learn along the way, and grow over time. If you approach the United States cautiously, study it judiciously, and keep your expenditures conservative, you can succeed.

# 1 The American Sensibility

Before Canadian publishers can begin to make inroads into the American retail book environment, they should understand there are methods and procedures that can increase the chances of success and reduce the risk of failure.

First and foremost, Canadian publishers should focus their efforts on titles with the highest likelihood of success in the American market. To do so, you will need to incorporate a paradigm shift in the way you regard the North American continent. Expunge from your thoughts the east-west border dividing Canada and the United States and disregard the 49th parallel altogether. To determine what kinds of books will work in the United States you must begin thinking of yourself as an international publisher and of the continent as a whole and the demographics of both countries as a single unit. Whatever sells well in Canada's eastern provinces is likely to sell best in the American northeast. The same is true for Vancouver and the American west coast.

There are a few categories of books that, for a variety of reasons, Canadian publishers should shy away from promoting and selling in the United States. Americans have little enough interest in their own political life, so books having to do with Canadian politics have little chance in the US. The same is true for Canadian history and biographies unless the life in question is of international consequence or somehow captures the imagination of Americans. Note that there is a small market for scholarly books that fit the Canadian Studies curriculum at US universities.

Fiction is another difficult category for American publishers. Giving a fiction title lift on either side of the border requires a monumental amount of effort. A publisher must have a lot of confidence in the title—especially if it is by a first time writer—to commit the effort and resources required to give it life in the retail environment. Canadian readers are much friendlier and more supportive of short stories and literary fiction than American readers and publishers. And certainly, government grants to support such efforts play a much larger role in Canadian publishing. That said, if the book in question is nominated for, or wins, a major Canadian literary award such as the Governor General's or the Giller prize, it does help generate US sales as

well, especially to libraries.

So what categories make sense for Canadian publishers to publish and sell in the United States? There are a large number of "evergreen" categories with the ability to cross the border and we highly recommend that Canadian publishers focus on them. In no particular order they are:

- Military history, especially World War II and particularly the European theatre
- Health and well-being
- Sports, especially hockey
- Tie-ins to subjects with big media attention such as *The Lord of the Rings* and the *Harry Potter* books
- Self-help
- Spirituality
- International business
- Gay and lesbian issues
- North American Indians and Native peoples
- Mysteries and science fiction, especially if they are mass-market editions
- Romance
- World culture and ethnic art
- Gardening and other do-it-yourself (DIY) subjects
- Canadian travel, both guides and travel literature
- Natural history
- Specialty ethnic cookbooks
- General reference
- Some calendars

## Getting to Know the American Marketplace

The bad news/good news about American bookselling is that by and large there is no such thing as "branding." (There are some exceptions, especially in the travel section, in which the publishers' names become brands, such as Fodor's and Michelin, and in the children's book area in which authors'

names, or characters' names, become brands—for example, Dr. Seuss, Judy Blume, Harry Potter, Goosebumps, and Twilight.) A consumer interested in reading rarely chooses a book by its publishing imprint because the reader seldom has a preconceived idea about which publisher has the best fiction, biographies, or business books. While perhaps bad news for US publishers, this is excellent news for Canadian publishers because the consumer neither knows nor cares who publishes the books he or she wants to buy.

The American market is also fickle, short on memory, and exceedingly prone to fads and trends. Some trends, such as the interest in New Age books, zombies or vampires, can last for decades, while others seem to come and go in one season. Even those fads that have long lives change and mature as time passes. Extreme caution is recommended when publishing into these trends as they have a good chance of being history by the time your book is out. On the other hand, if you do have a backlist title that has become a trend, capitalize on it by getting it into wholesalers quickly and then promote it to the retail market.

Knowing what sells and does not sell in the US is of utmost importance. Book publishing is, and remains, one of the few industries in which a historical knowledge is useful and important. This means having more than a passing familiarity with bestselling titles and hot categories. If neither you nor anyone on your staff has such knowledge, if you do not have access to BookScan, the US equivalent of Canada's BookNet, and you are not in a position to contract with a consultant, assign yourself the job of learning what is currently going on in the marketplace. Which categories are selling? Which are not? What trends are peaking or declining? Scour the bestseller lists, especially the category bestseller lists readily available at Amazon.com, the iBookstore, *Publishers Weekly* and other outlets. In-depth knowledge of what sells best is important, not only for planning future publications, but also, more importantly, for improving the sale of your backlist titles.

Without a doubt many consumer trends begin in the United States and then spread to the rest of the world. But this is not a hard and fast rule. Feng shui, homeopathy, and aromatherapy are cases in point. Many Canadian and British publishers had published excellent titles in these subjects long before American booksellers had sections for them or really knew what these subjects were all about. Keeping abreast of these shifts in interest can be very helpful to a Canadian publisher trying to penetrate American retailers because it can put you in the forefront of the supplier relationship. It can also help you focus your publishing on the

books that will appeal to these retailers.

Americans are also consumed by interest in themselves, their families, and their communities. Keeping these interests in mind as you determine what to publish and how to market to the US will, in the end, save you time, energy, and money.

How then can you learn about the American bookselling community and market? The answer is to read as much about it as you can, to visit as much of the country as you can, and to talk to as many people in the industry as you can.

There are a few industry publications that are musts for anyone wishing to penetrate the American retail book market and to keep abreast of news about it. The first of these is *Publishers Weekly* ([www.publishersweekly.com](http://www.publishersweekly.com)), the international newsmagazine of book publishing and bookselling. Becoming a student of this publication's various bestseller lists is crucial; its lists are considered to be the most accurate available. PW has developed category bestseller lists that can be helpful in gauging interest in areas such as children's books, mass-market titles, graphic novels, and hardcover fiction and non-fiction among others. And do not forget to read the editorial content of the magazine, especially the category roundups such as those on cookbooks, mysteries, gardening books, and travel titles. These roundups focus on trends within the categories and give you important contact names as well. There is a great deal of information in these articles that can help Canadian publishers place books in the US.

One of PW's best features is the "Call for Information" column found on the table of contents page of the print edition and available online as well. Here the magazine requests information from publishers on specific subjects and lists the deadline dates for submissions. Canadian publishers whose books are, or will be, available in the United States should also respond to this column.

A subscription to PW costs US\$220 per year for the print edition; a subscription to the digital edition only costs \$209; a subscription to the bundled print and digital versions can be purchased for \$250. The magazine sends a free daily e-mail covering fast-breaking news to anyone wishing to subscribe. If you have an interest in bookselling you can sign up at [www.publishersweekly.com](http://www.publishersweekly.com) and click on the "E-newsletters" choice at the very top right of the page.

One critical change that has just occurred at PW is that they now review Canadian books in the US edition along with those books published by US publishers. This is a major breakthrough for Canadian publishers who should immediately send their frontlist titles to PW for review, assuming

they meet the standards noted throughout this report.

Another worthwhile newsletter, which is free, is *Publishers Lunch* ([lunch.publishersmarketplace.com](http://lunch.publishersmarketplace.com)). *Publishers Lunch* has become the primary online competitor to *Publishers Weekly* and covers similar ground. Each day, the major news and gossip of the industry is sent to you right around the noon hour. In some respects, *Publishers Lunch* gives you more in-depth analysis of publishing events. Both PW and *Publishers Lunch* provide coverage of the Canadian and international markets as well.

While PW covers the international business of publishing, *Bookselling This Week* ([www.bookweb.org](http://www.bookweb.org)) specifically covers the American retail book market. Published online by the American Booksellers Association (ABA), it is directed to booksellers and their needs. *Bookselling This Week* can be accessed free at [www.bookweb.org/news](http://www.bookweb.org/news).

*ForeWord Reviews* ([www.forewordreviews.com](http://www.forewordreviews.com)), previously called *ForeWord Magazine*, provides publishing news, reviews, and articles for independent publishers. An annual subscription to *ForeWord* costs US\$19.95 for four issues. The digital edition is \$29.99 per year or \$10 per issue, though at times *ForeWord* offers promotional subscriptions to the online version for free. *ForeWord This Week* is a free e-mail news service covering independent publishing of interest to booksellers, librarians, and other trade professionals. To subscribe, visit the *ForeWord Reviews* website.

The *New York Times Book Review* ([www.nytimes.com/pages/books/review](http://www.nytimes.com/pages/books/review)) is America's *Times Literary Supplement* and a must for anyone in publishing interested in the American book scene. The *Review* reviews books of note and can be read online.

The more you know about the American market, the better you can publish for that market. We urge all Canadian publishers to subscribe to at least one of these magazines.

## Acquiring and Publishing with the American Market in Mind

"The Magic and Mystery of Book Consumer Research", a 2011 consumer survey by the Bowker company, indicates that the majority (64%) of books in the United States are sold to women over 40 and to households with the highest incomes and the most education. Households headed by someone who has graduated from high school and has at least some college experience (not necessarily a degree) are consistent book buyers. Americans between the ages of 35 and 60 are also more likely to buy books than younger Americans. This obviously means that books directed to an

older population have a better chance of moving off the shelves. Readers can learn more about US demographics and book-buying patterns by referring to the websites of the US Census Bureau ([www.census.gov](http://www.census.gov)), the Book Industry Study Group ([www.bisg.org](http://www.bisg.org)), and the American Booksellers Association ([www.bookweb.org](http://www.bookweb.org)).

What makes these consumers buy books? By far, the most important reasons for reading a book are subject and author, with the following as the other reasons:

- read about it, heard about it, or saw a review
- have read other books by the same author
- cover art
- price

To effectively and consistently merchandise books – or for that matter any consumer product – into a new marketplace, the manufacturer must create and support demand for the product. In the case of bookselling, marketing begins at the point of acquisition. Many of the decisions a publisher makes at that time can effect how those books get into the appropriate American retail venues smoothly and profitably. You should begin by assuming that there will be some titles that will simply have no American market and others that will have a limited but clearly defined market.

These same decisions can be applied to backlist, but let us begin by asking a number of questions concerning a title about to be acquired. It is better to have clarity at the start of this effort and to save disappointment for later, so answer the following questions truthfully.

- Does this book really have an American market? Is it a regional market or a truly national market? Which region and which people will be interested? Why?
- What resources will you need to reach the booksellers and the consumers in the market(s) you have selected?
- Will the cost of reaching the market for a particular title be cost-effective?
- What marketing plans and programs will you need to employ to reach the consumer?
- What are the fiscal implications on your domestic program of making the effort to export titles to the US?

One of the joys of publishing is that publishers are usually open to sharing information. If you are in the process of acquiring a book on a specific subject and you know that subject has already been successfully published in the US, do not hesitate to call the publisher or sales manager at the American publisher to ask what their experience with the title was like. Where did it sell best (type of account and region)? Has it been backlisted? Do they feel the subject has yet to peak? Obviously, this is not a tactic you can use on

every title, but on occasion it could be just the right reality check. In general, American booksellers are also a friendly and generous group and it would serve a Canadian publisher well to establish relationships with a few retail buyers. If you have a book that you are convinced has an American market, make a few calls and find out if buyers agree they can sell it before you begin counting on American sales.

Another source of sales information are the online retailers, especially Amazon.com and Barnes & Noble ([www.barnesandnoble.com](http://www.barnesandnoble.com)), which provide sales rankings for every book in their databases. Be careful when using these databases, though; rankings can change quickly based on daily demand activity. Such rankings may give false highs and false lows over a period of time.

Another key source of sales information is the Nielsen BookScan database ([www.bookscan.com](http://www.bookscan.com)). For a fee, this site gives you access to two years of weekly and monthly sales data, as well as life-to-date sales information, on virtually all trade books. You can search by ISBN, title, or author. And, you can search for your own books and your competitors' books. You can also get aggregate category information. BookScan is expensive, but you can reduce the fee by joining the Independent Book Publishers Association ([www.ibpa-online.org](http://www.ibpa-online.org)) and getting its group rate, or by sharing access with some of your neighbour publishers.

Having concluded that a given book indeed does have an

American market, what steps can you take to get titles into the pipeline? If you are serious about exporting books to the US, withhold licensing US subsidiary rights for the books you think are the most saleable in the American market. You will have to weigh the value of \$5,000, \$10,000, or \$15,000 as an advance offer for reprint rights (which you will have to split with the author) against the possibility of establishing long-term relationships with American booksellers by stepping out on your own with the best of your list.

Selling in the United States also means you will have to aggressively negotiate with agents to get American rights for the books you acquire from them. Agents who are very reluctant to part with American rights may be amenable to letting the Canadian publisher have those rights for a limited period of time, say 18 months. This should be enough time for you to merchandise a book in the US. Providing the agent with a marketing plan at the time of negotiation will go a long way toward swaying that agent's decision to give or withhold American rights to a Canadian publisher. Publishers should also actively revert rights for books whose US rights they have sold, but which have now expired. Such books are, after all, known entities in the market you are trying to exploit and will help your reputation and your backlist sales revenue. Understand too that even if you succeed in the United States, the rewards will probably not be immediate or large. You need to be in the game for the long haul.



# 2 The American Retail Book Market

For the purpose of this guide, we will concentrate on the publisher's relationship with American retailers that sell books as their primary product lines, including independent booksellers, chain bookstores, and category bookstores. (For a discussion of sales and distribution options in the US, mass merchandisers and non-traditional accounts, or of the publisher's relationship with the American wholesaler, see the other guides in this series available from Livres Canada Books.)

## Independent Stores

The national retail chain is an invention of the second half of the twentieth century. Prior to its creation, there were a number of small regional chains such as Womrath's and Brentano's in the northeast corridor, Kroch's and Brentano's in the Chicago area, Books Inc. in California, and the Little Professor franchise stores, among others, but most readers went to their downtown or neighbourhood independent bookstore for their reading needs. Sales from these independent stores represented about 70% of the total sale of trade books. Now, according to *BookStats 2011*, independent bookseller sales represent only 6.1% of overall bricks and mortar retail book sales in the United States. Net sales revenue (at retail prices) for these stores is approximately US\$642 million. The good news is that the decline in the number of these stores over the past years has halted and a period of stability and slight growth has set in.

Why then are we beginning our survey with the independent bookstores? And what makes them so important? Why not skip them altogether?

The answer to the first question is that we love them. It was in those stores that we fell in love with books and became adult book buyers and readers. They were also there first, long before the chains.

And the answer to the second question is that even though the one major national chain has, become a "real" bookstore, meaning it carries not only commercial frontlist books but a highly respectable inventory of backlist titles, it is the independent stores that traditionally have been more intimately involved in the lives of their communities. Stores like the Tattered Cover in Denver, Books and Books in Miami, Northshire Bookstore in Manchester, Vermont, and Barbara's Bookstore in Chicago are not legends because they

have survived. They have survived because they are a force in their communities.

With the exception of the largest of these independents, the owner, buyer, and manager of an independent bookstore may well be the same person. This individual knows the neighbourhood he or she is in, is knowledgeable about what will and will not sell, and can, with impunity, bring personal prejudices to bear on purchasing decisions. All of this makes the independent bookseller a tough customer – one that takes a lot of work to win over. The good news is that when one of these stores becomes enamoured of a book, or committed to an author, this store can still move large numbers of books. And with the help of good computer inventory control systems, the store can and does stay on top of both frontlist and backlist sales, restocking books with a reasonable turn and in an appropriate time frame.

There are now approximately 1,200 full-service independent bookstores in the United States that are members of the American Booksellers Association. These are the survivors from the competitive, exponential growth of the chains and the rise of their primary foe – Amazon.com – that put many independents out of business. Having endured, these independents are literally battle-tested, and are now quite strong as a group. They have worked hard to understand their businesses and are now more businesslike and business-oriented. They are also more responsive to publishers than they were in the past. See appendix B for sources of information on independent bookstores.

For publishers entering the American market for the first time, establishing a relationship with stores throughout the entire country can be a daunting experience. The easiest way to approach it initially is with your strength. If, for instance, you publish books about wilderness travel and outdoor recreation you should start by approaching the region in

# About the Authors

**Thomas Woll** has 35 years of experience in the areas of trade, direct response, and professional publishing, most at senior management levels. He has, uniquely, been directly responsible for companies as small as start-ups and divisions as large as US\$80 million. Woll's experience spans all areas of trade book publishing, including editorial development and planning; new product search and acquisition; sales and marketing (including creation of marketing plans and budgets, setting up distribution, and creating sales terms); rights; production and manufacturing; budgeting; and strategic planning.

Woll has held the following positions: President of Cross River Publishing Consultants ([www.pubconsultants.com](http://www.pubconsultants.com)), which works with publishers both large and small; Vice President and General Manager, Professional and Trade Division, John Wiley & Sons; Vice President and Publisher, Book Division, Rodale Press; Publisher, Storey Communications/Garden Way Publishing; Vice President and Publisher, Beaufort Books; and Vice President and General Manager, Vanguard Press.

Woll has also served on industry panels and has lectured frequently at industry events. He holds an MBA from New York University (NYU) and currently teaches at NYU's Center for Publishing.

He is the author of *Publishing for Profit: Successful Bottom-Line Management for Book Publishers* (4th revised

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