# Marketing plan

MARKET ANALYSIS



CAIN Consulting Group

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## A.Introduction

Our team: CAIN Consulting Group

# CAIN Consulting Group

# Providing High Quality Advices for Businesses

The CAIN Consulting Group was founded in 2015 by three students of the prestigious *Solvay Brussels School of Economics & Management*. It aims at providing top quality advices and analysis for businesses.

# General Supervisor



" United we conduct!"

"As a General Supervisor, I will conduct the business environment analysis. I will also set the marketing objectives. Lastly I will do the executive summary. In addition, I will be in charge of the Corporate Vision & Strategy of BetterWorldBooks. As a supervisor, I will also make sure that all parts done by my teammates are coordinated." **Decoster Inès** 

## Communication & Consumer Relationship Manager

" If you change the way you look at things, the things you

# look at change in consequence"

"My role will be divided into two parts. As a Consumer Relationship Manager, I will be in charge of the target market strategy. In order to complete this task, I will conduct an analysis to acquire good understanding of the consumers' preferences and will set the market segmentation in Europe. I will also be responsible for the branding and will take care of the implementation of our strategy.

My second role as a Communication Manager will consist in the suppliers' and partners' relationship and in the promotion of the company's products and services." Papadopoulos Nicolas

## Market Analyst



"If you have not done any mistake, you have not done it right!"

"As a market analyst, I will be in charge of the European market analysis. I will assess the market size of the European books market. Also market segmentation (by book genre and by client) will be made.

Furthermore, I will link customers to suppliers or to other organizations (likewise university) in order to understand our clients' behaviour.

Finally, a full analysis of European suppliers and supply chain of our industry will be undertaken." **Shoaib Aiham** 

#### II. Executive summary

The aim of this section is to present the main points that will be broached in this marketing plan.

Our marketing plan can be divided in two main parts. The first one being an analysis, divided itself in an internal analysis of the current situation of our client BetterWorldBooks and an external analysis of the European book market. The second important part is the description of the marketing strategy we recommend to implement in Europe.

We began with an internal analysis of BetterWorldBooks to understand the way it works and the reasons of its success.

In order to do so, we first looked at its website to gather information about the company and its current vision and strategy. We learned that BetterWorldBooks is an online for-profit bookseller of used and new books based in the US. It is a member of B-Corporations since it has a triple-bottom-line which means for them to give equal prominence to all stakeholders: employees, customers, literacy partners, investors and the environment. To understand its successful way of operating we decided to use Osterwalder's nine building From our analysis we concluded that BetterWorldBooks' main strength is that it is more than a cheap bookseller, it also acts for the good of all stakeholders including the environment. It can claim to satisfy both rational and emotional aspects of its customers. However, the high competition in both the supply chain and the distribution of books, the high number of partners, the disappearance of illiteracy and its quite complex system of pricing can be considered as weak points.

The second part of our report consists in an external analysis of the European market divided in three parts: market analysis, competition analysis and business environment analysis. At the end of these three analyses we conducted a Blue Ocean analysis in order to be able to define any possible uncontested market space. We then summarized this external analysis with a SWOT to identify the strengths and weaknesses of the company's strategy in order to adapt this strategy to the European market, while being aware of the opportunities and threats it will face in Europe.

Concerning our market analysis, we decided to focus on four European countries, namely Germany, Italy, France and the UK because they account together for 60% of the European book market. We firstly gave a few figures about these markets before analysing consumers' preferences and potential suppliers of books in each country.

Our competition analysis described the biggest bricks-and-mortar, online and hybrid competitors BetterWorldBooks would face in each of these four countries. One should note that Amazon would pose a great threat to BWB in all these countries.

We conducted the business environment analysis using the PESTEL model which concluded the main differences between Europe and the US are the following: the fixed book price agreement that is applied in Germany, France and Italy but not in the US nor the UK, the great power of publishers in continental Europe, the higher prices paid by Europeans for both printed books and e-books, the great cultural importance Europeans tend to give to printed books and bricks-and-mortar bookstores and the less flexible European labour market.

We decided to do Blue Ocean analyses since the books market is highly competitive. The first analysis compared the offline and the online book selling market and concluded that «Time for purchasing» and «Advices provided» are two gaps that can be filled. Our other analysis compared Amazon and BetterWorldBooks and concluded these were gaps that could be filled: Ecological & ethical impact, Advices provided, Product range and Technical support.

The conclusion of this external analysis in the form of a SWOT saying the strengths BWB would benefit from in Europe are its low prices, ecological and ethical impact, partnerships, automated services and advices and personal assistance. On the other hand, its weaknesses would be its not so specific targeted consumers, the inexistence of physical stores, its reputation that remains to be done and its potentially high delivery costs.

The last part of our marketing plan focuses on strategy, particularly on how the company should respond to the consumers' needs.

We began by segmenting the European market with criteria described in our customers' preferences analysis. We decided to do first a geographic segmentation, then a distribution segmentation (online/offline), followed by a demographic segmentation (by age categories) and lastly a psychographic one (with reading frequencies and tendency to buy ecological products).

From our segmentation tree and the characteristics of BetterWorldBooks, we gathered information about the segments that should be targeted by the company. One of our recommendations is that Italy is currently not an attractive segment for the company because the percentage of online buyers if very low in Italy and Italian are not eager to buy ecological products. In addition, this is a relatively small market comparing to the other countries analysed.

We also recommend BWB not to target offline buyers and small readers mainly because the costs of targeting these segments would exceed the benefits.

Therefore, we recommend BWB to target German, French and British online buyers who are average or heavy readers and are eager to buy ecological products.

In order to provide sound advices regarding the positioning strategy, we decided to base our reflection on the S.A.V.E. framework and on the Blue Ocean conducted in the market analysis. Our positioning strategy aims at targeting specific segments. Among others, we believe that emphasis should be put on the ecological aspect of the product with the help of a monthly newsletter on the progress of BetterWorldBooks' ecological and ethical projects. In addition, a subscription system should be implemented in order to target heavy (and average) readers. Also, involvement of customers in the promotion and development of services should be encouraged. The access to the company's products and services will be possible through the Internet. Also, an online community should be set up and word-of-mouth encouraged. Finally, students will be specifically targeted with the help of special student discounts on.

In conclusion, even though the European markets is highly competitive, we strongly believe that BetterWorldBooks has all the keys to become a successful ecological bookseller on the old continent with the help our top quality advices.

# **B.** Analysis

# Part I: Internal Analysis - Current Corporate Strategy

This section will describe BetterWorldBooks and its current strategy. We will focus on the strategy implemented in the US, especially on the analysis of this strategy's strengths and weaknesses as well as the culture of the company.

#### What is BetterWorldBooks?

Better World Books is an online for-profit bookseller of used and new books based in the US. Its current vision consists in collecting and selling books online to fund literacy initiatives worldwide. It is a self-sustaining, triple-bottom-line company that creates social, economic, and environmental value for all its stakeholders.

To prove its commitment, it became a member of B-Corporations (to be granted and to preserve certification, companies must receive a minimum score on an online assessment for social and environmental performance), joining an international network of purpose-driven businesses.

The company decided to be for-profit even though they have a social purpose. They justify it by arguing that this is the most effective model for spreading global literacy because it enables them to « accept investment, to attract top talent through offering stock options and to operate free of the funding cycles and restrictive grants most non-profit companies face" (« Our Programs : Drop Boxes, Frequently Asked Questions », s.d.).

They summarize this in their mission statement: « Better World Books is a global bookstore that harnesses the power of capitalism to bring literacy and opportunity to people around the world » (« Mission and Core Values », s.d.).

With its slogan « *You buy, we donate* », BetterWorldBooks commits to donating books or a percentage of its profit to literacy programs around the world.

Better World Books' used books inventory comes primarily from regular book drives at over 1,800 colleges and universities and donations from over 3000 library systems, in addition to donation boxes found on corners and on college campuses.

So far, the company has converted more than 117 million books into over \$15 million in funding for literacy and education. In the process, they have also diverted more than 73,000 tons of books from landfills.

Every book donated to BWB is reused: sold, donated or recycled.

Business model generation: A handbook for visionaries, game changers, and challengers

A business model describes the rationale of how an organization creates, delivers, and captures value.

Osterwalder, Pigneur & Clark (2010) believe a business model can be described through nine basic building blocks that show the logic of how a company intends to make money. The nine blocks cover the four main areas of a business: customers, offer, infrastructure, and financial viability.

We chose to use the 9 building blocks from « Business model generation: A handbook for visionaries, game changers, and challengers » from Osterwalder because it fits our purpose by allowing us to do a large analysis of the business but still go into details. As we need to understand what they do in the US that makes them so successful to think of an adaptation to the European market, this model seems quite adequate.

A SWOT analysis is not useful in our case because our purpose is to analyse the current American strategy of BWB. This means opportunities and threats are not relevant to us in this market since we only consider the future of the European market. We will only make use of the analysis of « strengths - weaknesses » to conclude our analysis of the nine building blocks.

<u>Customer Segments</u> (an organization serves one or several customer segments)

Paper book buyers: adults and students because textbooks are usually expensive and most students prefer paper version.

In our opinion, their business model is focused on this mass market because it does not distinguish between different customer segments. The value propositions, distribution channels and customer relationships all focus on one large group of customers with broadly similar needs and problems, which are people who want to buy cheap books, receive them at home and make the world a better place socially and environmentally.

However, one subgroup can be distinguished because the shipping they choose is more expensive than the basic one since it is eco-balanced. These are thus people who care a lot about the environment.

One could think that it's a two-sided market just like Ebay because, in this case, suppliers are book donators which means that BWB needs to persuade them to take part of this project. However, we believe that it is not the case because BWB is central in the process: book buyers do not know where the book they buy comes from, BWB is too active in the process to be just a platform where sellers say they have extra books and people buy them.

<u>Value Propositions</u> (it seeks to solve customer problems and satisfy customer needs with value propositions)

BWB is a triple bottom line company. Triple bottom line, also called the 3 P's for people, planet and profit, is a transposition of the concept of corporate sustainability in a company by evaluating the company's performance from three perspectives: social, environmental and financial. Thus, BWB thinks that profit is not the only way to measure business success, that people and the planet also matter. It adds « *doing good is not just a part of our business*, *it is the business* » (« Triple Bottom Line : Social Entreprise », s.d.).

From the usual business perspective, people want to find the book they want, pay as little as possible and get it quickly. BWB also makes it possible for buyers to support literacy around the world since it partners with a lot of literacy programs like Room to Read, Books for Africa and the National Centre for Families Learning. Lastly, buyers help preserve the environment by using BWB since it prevents books from ending in landfills, recycles them when they are too damaged and has a carbon offset program.

<u>Channels</u> (Value propositions are delivered to customers through communication, distribution, and sales channels)

Channels serve several functions, including:

Raising awareness among customers about the company

BWB made no direct advertisement in recent years, they only explain their triple bottom line purpose on their website. However, they take part, from time to time, in some festivals and associations, for example Green Festivals.

They make some indirect advertisement: they encourage libraries and universities to make people aware of BWB's boxes by offering them the opportunity to print editable posters and flyers from their website. They also encourage libraries to join the Affiliate Program which consists of setting up a link from their website to BWB's and earning a 5% to 8% commission on all purchases made through this link.

Also, they consider word of mouth as the king of all marketing mediums and even said « every time a customer is flabbergasted, they are going to tell people, and that endorsement won't cost us a dime » (Helgesen, 2008). In the same article, they insist on the importance of the customer experience and say that they make them fill out online surveys.

Lastly, a lot of people and articles talk about the company thanks to its quite unique model.

Helping customers evaluate a company's Value Proposition

Books are sold the company's website, with prices changing daily according to demand.

#### Allowing customers to purchase specific products and services

The service is more or less the same for each customer, they can choose if they want a new or used book and if they want to pay for an eco-balanced delivery. There are also a lot of promotions.

#### ♣ Delivering a value proposition to customers

There is a banner on the first page of the website saying in real time how many books were donated, the amount of funds raised for literacy and libraries and the amount of books reused or recycled. This contributes to make clients think they are purchasing their books from BWB to make the world a better place.

Since BWB has a triple bottom line, we will analyse the way it delivers value to clients from three different views:

- ✓ To respect its social commitment, BWB partners with a lot of literacy organizations like Room to Read or Books for Africa. The company promises 8-10% of its revenues to its partners. President and CEO David Murphy explains that Better World Books makes a fiduciary commitment to its partners so that when a book sells "it's a liability on our balance sheet, regardless of whether we make money or we don't." (Khalili, s.d.). That way each client knows every book he buys on the website promotes literacy.
- ✓ BWB claims to be environmentally friendly since they prevent books from being thrown out, recycle the damaged ones and have a carbon offset program that covers emissions associated both with shipping and the company's other operations and activities. They followed the World Resources Institute Greenhouse Gas Protocol to develop the methodology used to calculate their carbon inventory. They then partnered with 3Degrees, a carbon balancing services provider, to purchase the appropriate number of Renewable Energy Certificates and verified carbon offsets (mainly wind) to get BWB carbon balanced. A few cents collected from every

customer at checkout helps fight global warming by providing support to wind projects that help avoid carbon dioxide emissions.

✓ BWB understands the importance of running a profitable enterprise. But while most businesses answer only to their shareholders, they want to answer equally to all of their key stakeholders: employees, customers, literacy partners, investors and the environment. They say: « By accounting for and supporting the long-term viability of those who have a stake in the business, profit takes on a much broader and richer meaning » (« Triple Bottom Line: Social Entreprise », s.d.).

#### Providing post-purchase customer support

Buyers can find every information about their delivery online, they can ask questions or call a phone number for assistance. They can also review the book they received.

<u>Customer Relationship</u> (Customer relationships are established and maintained with each Customer Segment)

Several categories of customer relationships co-exist in BWB's relationship with their clients:

- ✓ *Self-service*: everybody can seek what he wants in the website.
- ✓ **Automated services**: the website also makes some recommendations on the books the buyer might like. Every buyer has an account that in particular shows his statistics.
- ✓ *Personal assistance*: Buyers can look for assistance in the retail store, through call centres or by e-mail.
- ✓ *Co-creation*: BWB created a blog where founders, employees and customers can publish. BWB also invites customers to write reviews and thus create value for other book lovers. Sometimes they also ask their customers to fill in surveys to know what they can improve

Moreover, one of their core values is customer focus, they say: « we are driven to provide customers with a highly-valued experience, and one that allows them to align their actions with their values. We want to be their favourite marketplace and their favourite partner, so we incorporate their input into everything we do » (« Mission and Core Values », s.d.).

Revenue Streams (Revenue streams result from value propositions successfully offered to customers)

It's quite obvious that BWB generates revenues through asset sale: they sell books.

They use some real-time-market pricing and say the secret to their success is their proprietary sales software which « sets unique rates and reprices more popular titles regularly, optimizing sell-through » (« About the Program : The Secret of Our Success », s.d.). So the price of a book will depend on the demand and its state (new or used). According to them, the software allows them to get the best possible price and huge exposure for every book.

**Key Resources** (Key resources are the assets required to offer and deliver the previously described elements...)

BWB relies on rather physical key resources such as extensive IT, warehouses and logistics infrastructure. Drop boxes can also be considered as key resources because they are a big source of used books and they increase the visibility of the company, which is really important because it does not do any ad.

**Key Activities** (...by performing a number of Key Activities)

The BWB business model requires that the company continually develops and maintains its platform, which implies to have developed logistics and be well organized.

#### Supply of books

BWB has 5 sources of books:

#### √ Libraries

BetterWorldBooks works with a wide variety of libraries including academic, public and special libraries. It saves them organisation time and they receive a portion of sales from the website. Libraries usually like the book collection program because it is entirely free: BWB provides materials and pays for shipping. All the library has to do is put its unwanted old or new books in boxes and make an appointment with BWB.

It has developed a web portal that makes it easy and quick for libraries to do business with BWB. The portal allows the library to generate prepaid UPS labels, schedule pickups and run reports. Daily reports track the number of books in inventory, number of books sold, top sales and commission payable.

Libraries can also join the Affiliate Program: if they set up a link from their website to BWB, they earn a 5% to 8% commission on all purchases made through this link.

#### √ Bookstores, wholesalers and distributors

They can give their surplus inventory to BWB and receive a commission.

#### √ Campuses

BWB partners with the academic libraries, bookstores, sustainability coordinators and student groups on campus or just faculty members looking for an outlet for their books. All these are mainly a source of textbooks for BWB.

- The link between academic libraries and bookstores is the same as with any other library.
- Sustainability initiatives see BWB as a partner that helps them divert some of their « waste » from landfills. The members of staff like the ease of the program and donating students like knowing that money raised will go to a good cause.

- Campus groups work with BWB because they know that they can create a social and environmental impact as well as generate a little funding for their own initiatives.
- A student or a group of students can organize book drives and partner with BWB. They sign in onto the website and make promotion of the box then they get 1 dollar for each accepted book.
- Students can resell textbooks onto Bookbyte's site, with whom BWB has a partnership (quick payment, free shipping, and a huge selection of accepted titles)

#### **✓** Community

The BWB community gathers people who believe you should never throw a book away.

BWB wants to make it as easy as possible for people to donate books so that they can get rid of old books that take a lot of space.

#### Via mail

People can send books to the warehouse of BWB. They do not get any money nor reimbursement of the shipping.

#### **Drop Boxes**

People, libraries or campuses contact BWB and say they agree to have a box in their parking. BWB takes care of the repatriation to a warehouse but also the installation and cleaning all year long because their reputation depends on the looks of those boxes. People can choose if they want a commission on the sales or if they give everything to a literacy partner, or both. BWB also pays a monthly rent for the location.

#### √ Recyclers

They are supposed to recycle old books but BWB buys some of them and gives a commission.

#### **Encoding & Stocking**

Books arrive into boxes in the warehouse, then each one is scanned and stored. When it is ordered, it is packaged and sent all over the world.

BWB makes sure that the books are moved with least impact on environment, as fast as possible but for the lowest cost.

The books that cannot sell online go to public schools, Books for Africa and Feed the Children. When they cannot be donated, they are recycled.

#### Delivery

People can buy books either in the BWB retail shop or via their website. They deliver books all around the world for free (unless buyers pay for a eco-balanced shipping) using UPS.

**Key Partnerships** (Some activities are outsourced and some resources are acquired outside the enterprise)

BWB has two types of partners: non-profit organizations and donators.

Organizations are really important for BWB because they represent the social part of their purpose of triple bottom line. This is why BWB gave them shares in the business to allow them to have a voice in the company.

Donators are also key partners because they are the providers of BWB. It is an exaggeration to say that that every donator is a partner but it is true when we talk about libraries and campuses.

**Cost Structure** (The business model elements result in the cost structure)

Their cost structure is similar to any other online retailer (Hornberger, 2013): they have low costs thank to very low COGs because books are donated or « sold » but at a low price, and low fixed costs because they only have one store. The only real cost is labour and distribution since they provide free standard shipping. Some other retailers would add marketing but, as mentioned before, BWB does not do a lot of direct advertisement.

One could say that BWB is not cost driven since it has a social purpose but if we remember well the triple bottom line, profit is also important thus so is efficiency. In conclusion, BWB is quite cost driven because they want to be competitive with other for-profit companies.

#### Conclusion: Strengths and weaknesses

The main strength of BetterWorldBooks is that it sells books and delivers them approximatively like any other online bookseller but it is also a lot more than a bookseller. Its triple bottom line makes it quite unique. It is not a traditional company with an add-on cause, social and environmental responsibility is at the core of its business.

The company has managed to do as best as others. It offers millions of books to choose from and claims to be really good at moving books around and at applying analysis to know what books will sell, how fast and at what price. But it also does more by supporting literacy partners and being environmentally responsible.

But that doesn't mean that its model is infallible.

Firstly, the industry is really competitive: competition is high to get books from libraries but also to sell them. One must also not forget the growing popularity of e-books.

Secondly, pricing is quite complicated: they have to price their books cheap enough to attract consumers who use other platforms but also high enough so that the consumer still chooses to use the website and not donate directly to literacy organizations.

Thirdly, illiteracy is a decreasing phenomenon mostly in developed countries. One can thus ask if people will still care about it in the future.

Lastly it must be difficult to manage all the partnerships that BWB developed. Maybe having less partners would cause collection and distribution costs to fall.

In conclusion, the biggest disadvantage of BetterWorldBooks is its will to satisfy all stakeholders, namely employees, customers, literacy partners, investors and the environment. That makes the business quite complex and raises organizational costs.

## Part II: External Analysis

#### I. Market Analysis

#### Section I: Market size, market growth and consumers' preferences

#### Market Size & market growth

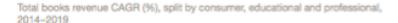
The global books market reached US\$ 151 billion sales in 2014 according to the Global e-book report (2014). In 2014, sales were distributed as follow:

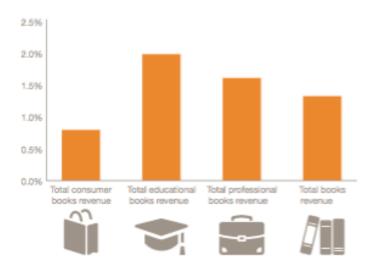


Figure 1. Market share in global publishing industry of selected regions, at consumer value. Chart 2 from Wischenbart, R. (2012). IPA Global – Publishing Statistics. p.3

From these data, we gather that the European market accounts for 33% while the American market "only" accounts for 26% of the total market value of the book publishing industry.

The books industry worldwide has a global C.A.G.R. (Compound Annual Growth Rate) outlook for 2014-2019 of 1.3% (PwC, 2015). The general books (general readers) have a C.A.G.R. of 0.8% while the educational & academic books segment has a C.A.G.R. of 2.0% according to a report of PWC.





Source: Global entertainment and media outlook 2015-2019, PwC. Ovum

Figure 2. Total books revenue CAGR (%), split by consumer, educational and professional 2014- 2019. Figure 5 from PwC (2015). Book publishing: Key insights at a glance. p.1. Copyright 2015 by PwC

According to the Federation of European Publishers, the total market value of the book industry in Europe is estimated at 36-38 billion € in 2014 (Turrin, 2015). In this analysis, we will focus on the main European markets. Those are Germany (€9,7 billion in 2010), France (€5 billion in 2009), Italy (€3,4 billion in 2011) and the United Kingdom (£3,053 billion in 2009) (Simon & de Pratto, 2012). The situation in these markets will also be compared to this of the American book market.

#### Overview of different European markets

#### **Germany**

In 2014, the book industry was ranked 14<sup>th</sup> in Germany among the leisure activities sector (50 in total). The leader is 'watching TV' with more than 70% of the sector. The industry's turnover accounted for 9.5 billion euros in 2013 with a GAGR of 0.2% (German Publishers & Booksellers Association, 2014: « Books and the book trade in figures »).

In Germany, 21,600 companies are involved in the book industry (publishers, authors, manufacturers, printers, etc.). 75% of these companies are operating only in publishing.

Further, according to the German Publishers & Booksellers Association, in 2015 there were 3,204 booksellers spread entirely in Germany. Nevertheless, The Address Book of the

German Book Trade listed 6,000 booksellers who, as a matter of fact, do not sell books only (they are basically selling points) but different products in their retail outlets (German Publishers & Booksellers Association, 2014 : « Books and the book trade in figures »).

Overall, the number of booksellers has been nonstop falling for some years now (in 2013, there were 3,896 booksellers whereas today they account for 3,2000 shops).

#### **E-books in Germany**

In 2013, the e-book market accounted for 3.2% of the book market in Germany. According to Statista, income in the "eBooks" segment totalled US\$ 592.6 million in 2016. The segment will have a GAGR of 18.12% for the period 2016-2020 (Statista, 2016: *Digital publishing revenue in Germany from 2014 to 2020, by format in million U.S.dollars*).

Additionally, user penetration will reach 11.06% in 2016 and is expected to hit 13.06% in 2020 with average revenue per user currently of US\$ 76.02.

Furthermore, from 2012 to 2013, the growth of the e-book market showed an athletic increase of almost 63%.

Nevertheless, e-books prices have declined rapidly over the last five years. In 2013, customers paid an average of 7.08 euros for an eBook whereas in 2014, they paid more or less 3.50 euros-a fall of 50% in just a single year.

As reported by Frankfurter Buchmesse, 'prices have come under pressure from the many low cost or even free self published titles, because of free e-books, including classics available in the public domain, and because of the new subscription models offered by platforms such as <a href="Skoobe">Skoobe</a> (an e-reader application compatible on Androids and IOS) and <a href="Kindle Unlimited">Kindle Unlimited</a> (Amazon)'.

When analysing German's preferences, GfK found out that many bookworms noticeably prefer printed books to virtual ones. A rising share of those who want to buy books only in printed form explains the latter (38% in 2013, to 45 % in 2014).

On the other hand, the share of "hybrid" customers who want to buy both electronic and printed books dropped from 15% to 12% in 2014.

To sum-up, customers have different expectations and dissimilar tastes when it comes to reading. Notwithstanding the fact that Germans are still physical-books-driven, digitalization is still an important threat to retailers and thus they need to deal with it.

#### Italy

In 2011, the total *publishing market* in Italy reached 3,408 billion euros, analyst at the Association of Italian Editors said. The number of book copies produced was 208,165. Additionally, more than 2,500 companies operate in book publishing. This sector employs roughly 40.000 workers. However, the book *production industry* reached approximately 2.6 billion euros in 2013 and the *publishing industry* reached 3,8 billion euros in 2013(an increase compared to 2011) (Simon & de Prato, 2012, p. 10).

Here are some figures regarding book sales by category of retailers from 2006-2009:

Table 15: The publishing industry in Italy

	2006	2007	2008	2009	% var.
Bookshops	1.043.300	1.048.000	1.042.000	1.068.000	2,5%
Gdo	246.100	258.400	251.000	261.000	4,0%
Newsstands	16.500	18.500	19.000	19.500	2,6%
Other retail	19.350	19.756	20.800	21.900	5,3%
Online bookshops and Internet sales	52.062	71.300	90.400	101.200	11,9%
e-book (estimates)				1.068	
A Total	1.377.312	1.415.956	1.423.200	1.472.668	3,5%
B Textbooks	705.510	716.280	676.820	667.000	-1,5%
C Sales in museum and exhibition bookshop	25.360	28.438	26.200	23.580	-10,0%
D Total (A+B+C)	2.108.182	2.160.674	2.126.220	2.163.248	1,7%
Instalment sales	308.385	311.777	268.128	213.400	-20,4%
Mail sales	140.650	143.182	128.863	120.000	-6,9%
Book club	82.478	83.303	78.885	75.000	-4,9%
Direct sales to libraries (b2b)	54.300	50.230	48.000	45.000	-6,3%
Export - Italian books abroad	39.925	40.730	41.100	42.000	2,2%
E Total	625.738	629.222	564.976	495.400	-12,3%
Collectable: instalments in newsstands	307.043	293.226	235.168	161.100	-31,5%
Electronic publishing - ( CD-Rom, Dvd-rom)		330.458	348.000	264.480	-24,0%
Electronic publishing: data banks and internet services	60.537	69.618	75.239	97.810	30,0%
Half-priced second hand books	78.150	79.790	84.577	95.000	12,3%
Non book (pertaining to shelf)	35.376	38.206	40.700	50.500	24,1%
Revenues and sales from special initiatives (b2b)	118.000	101.000	85.800	80.000	-6,8%
F Total	936.054	912.298	869.484	748.890	-13,9%
Total (D+E+F)	3.669.974	3.702.194	3.560.680	3.407.538	-4,3%
Collateralis: books enclosed in newspapers	489.000	453.300	362.400	250.607	-30,8%

Source: elaboration on Augusto Preta presentation "Catching up with the digital impact" in Seville on 31 May, 2011; data AIE, 2010.

Figure 3. The Publishing Industry in Italy. Table 15 from Simon, J.-P. & de Prato, G. (2012). Statistical, Ecosystems and Competitiveness Analysis of the Media and Content Industries: The Books Publishing Industry. European Commission, Joint Research Centre. p. 47. Copyright 2012 by European Union

Clearly, bookshops dominate with more than 30% of the total book retail market and a CAGR of 2.5%. Nevertheless, the e-books are blossoming in the Italian market for different reasons (in 2013):

✓ The number of e-book titles rose significantly to 40,800 titles (an increase of 43% over the previous year);

- ✓ 58.9% of Italian publishers have online shops;
- ✓ Roughly 2 million e-book devices are used in Italy today (an increase of 18.9% over the previous year);
- ✓ 58% of the population has private Internet connection;
- ✓ In 2015, -20.8% price drops on e-books (2SEAS Agency, 2015);
- ✓ In 2015, +43% e-books produced.

To sum-up, e-book market in Italy is a very attractive segment for future investors since the former has yet to be exploited and developed. In Germany it is harsher to implement since there are already big players.

#### **France**

Each year, thousands of new titles are marketed in France. There are some successful ones and less successful. The book sector totals (publishing, broadcasting, distribution, retail and libraries) more or less 80,000 jobs and includes 55,000 authors across France. There are around 10,000 publishers in total, including 20 major publishing houses with a list of 5,000 titles each (Ministère de la Culture et de la Communication, s.d.: "Marché du livre"). The top French publishers are Hachette Livre, Editis Publishing Group, Groupe Gallimard, France Loisirs, La Martinière, and Bayard.

Furthermore, the total turnover in publishing amounted to 2,652 million euros in 2014 with more than 420 million copies sold. Nevertheless, there was a increase in annual sales in 2015 of 5% (2.3% in 2014) according to IDBOOX (Sutton, 2015). On the other hand, e-book segment represented 6.4% of the total book industry and digital books generated 160 million euros in 2014. Although digitalization is a strong technology in the developed world, some analyst said, in 2012, that e-book is struggling in France for different reasons (Chrisafis, 2012):

- o Discounts are prohibited thus online stores can not attract customers with ediscounts. A clarification will be made about e-books and French legislation concerning book retail in the Business Environment Analysis.
- Majority of French readers, like those stated in the Germany section, still prefer paper books to reading onscreen.

However, in 2015 results on e-books were a bit distinctive because according to a survey conducted by the Publishing Technology on 18-34 year-olds: 79% said they read a printed book and 46% an eBook during the last 12 months. The latter, thereby, shows a potential surge in the digital market (*cf. annex 5 for e-sales by category*).

#### **United Kingdom**

In 2009, UK publishers sold an estimated 763 million books. Furthermore, the UK book industry accounted for £3.3bn in 2014 with a 2% decrease in physical book sales and a surge of 11% growth in digital sales (IBISWorld, 2015). The latter now represent 17% of UK publishers' total sales. Besides, 245,000 e-readers were sold in the UK in 2011 compared to 17,000 in 2008. Moreover, 3,7 million general e-books were sold in 2010 according to PWC (2010). In addition to the entire foregoing, online book sales accounted for more than 50% in 2013, a study conducted by the SAS, Statistical Analysis Software (The Publishers Association, 2014 : « The UK Book Publishing Industry in Statistics 2014 ») suggests.

With all the elements explained above, there is clearly a trend to digitalization in the UK (more than in Germany). However, e-books gain market share extremely sluggishly and people still prefer to read printed books according to Ricoh in 2013.

#### Section II: Consumers' behaviour and preferences

The consumers' preferences can be analysed through different viewpoints. In order to acquire a broad view of the market. In order to analyse the European consumers' buying habits, we will focus on the main EU markets. Those are Germany ( $\leq 9,7$  billion in 2010), France ( $\leq 5$  billion in 2009), Italy ( $\leq 3,4$  billion in 2011) and the United Kingdom (£3,053 billion in 2009 or  $\leq 3,9$  billion) (Simon & de Prato, 2012).

#### European market

#### Types of books

The European publishing industry can be divided in different categories regarding the types of books as follow:

European Book Publishing Statistics 2013							
	2013	2012	2011	2010	2009		
Publishers' revenue from sales of books	22.3	22.5	22.8	23.5	23		
Educational (school) books	18.8%	19.8%	18.7%	17.9%	17.6%		
Academic/Professional books	19.5%	19.7%	19.5%	20.5%	20%		
Consumer (trade) books	49.5%	48.7%	49.8%	49.6%	50.5%		
Children's books	12.3%	11.8%	12.1%	12%	11.9%		

*Table 1*. European Book Publishing Statistics, 2013. From Turrin, E. (2015). European Book Publishing Statistics 2013. *Federation of European Publishers*. p.2

From the table here above, we can gather that the consumer books category represents the biggest revenue stream in the book industry. However, it is clear that Academic/Professional and educational books account for a large share of the total market value.

#### **Countries**

#### **Germany**

The German market is the biggest European market with €9.7 billion total value in 2010 (Turrin, 2015).

#### **Reading habits**

One of the most relevant segmentation regarding the book market is probably the reading habits of consumers. In Germany, we can distinguish three main types of consumers as illustrated here below:

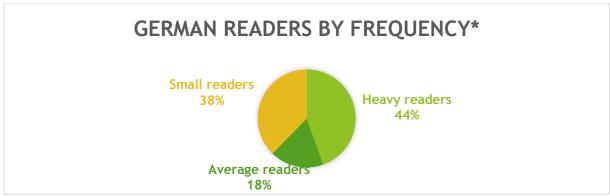


Figure 5. German readers by frequency. From Statista (2016). Number of people reading books in Germany from 2012-2015, by frequency. Copyright 2016 by Statista

\*Small readers: once a month or less; average readers: more than once a month; heavy readers: Once a week or more

In addition, according to "Publishing perspectives" (Süßmann, 2015), 58.3% of Germans bought a book in 2015. Also, referring to the same source, the majority of Germans read both paperback and hardcover books but 27.9% prefer the cheap paperback while 8.5% rather buy hardcover books.

Finally, one can note that German are in general small readers compared to the rest of the world. Indeed, according to a study published by the World Culture Score Index (English, 2014), Germans read on average 5h42 a week against 10h42 in India and 6h34 in France, for example.

#### Gender

According to a poll conducted by "Publishing perspectives" (Süßmann, 2015), women read far more than men. Indeed, 54% of women read at least once a week and women between 30 and 44 years old are the group buying the most books. In general, 60% of book buyers are female and they buy 1.7 books a year more than man on average (German Publishers and

Booksellers Association, 2015 : « Summary of the study: Buyers and readers of books 2015. Profiles, motives, attitudes »).

#### Age

According to a study conducted by the "Börsenverein des Deutschen Buchhandels" in 2015, the "proportion of book buyers increases with age". Indeed, the 60 year-olds purchase twice as many books as the under-20-year-old.

#### **Social category**

In their study about reading habits in Germany (2015), the German Publishers and Booksellers Association (2015: « Summary of the study... ») used the Sinus-Milieus model to distinguish different social categories among the German population as illustrated here below with the percentage of the population in each category:

# Established Conservative milieu 10% Socio-ecological milieu 7% Adaptive Pragmatist milieu 14% Adaptive Pragmatist milieu 14% Escapist milieu 15% Precarious milieu 14% Escapist milieu 15% Sinus 2015 Basic Values Clinging on to Presenving Having & enjoying Being & changing Doing & experiencing Overcoming limitations Tradition Modernisation & individualisation Re-orientation Rooted in Modernisad tradition status, ownership emanoipation, authenboth paragmatism pragmatism pragmatis

#### The Sinus-Milieus® in Germany 2015

Figure 6. The Sinus-Milieus in Germany 2015. From German Publishers & Booksellers Association (2015). Summary of the study: Buyers and readers of books 2015. Profiles, motives, attitudes. p. 2

The results of their studies shows that members of the Socio-ecological milieu (7% of the population) are very heavy book readers. Similarly, members of the liberal intellectuals' milieu (7% of the population) have strong reading habits.

The "High Achievers, Movers & Shakers, Adaptive Pragmatists and to some extent also the Escapists" (38% of the population in total) are also keen to reading books.

Books are only read for relaxation for the New Middle Class and the Traditionals (28% in total) while the Precarious (9%) are small readers.

#### **Distribution channels**

The distribution channels in Germany can be split in four big categories (see figure 7). Even though small retailers still account for a large share of the market, five large retail chains concentrated 22% of the sales in 2010 (Simon & de Pratto, 2012). Interestingly, online sales (together with mail order) did not exceed 17% of the market share in 2008. The internet book trade alone accounted for 16.2% of the distribution channel alone in 2014, decreasing by 3.1% compared to 2013 total sales decreased by 2.2% the same year (German Publishers & Booksellers Association, 2014: « Books and the book trade in figures »).

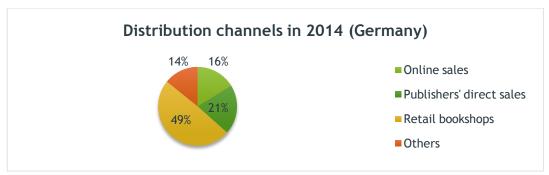


Figure 7. Distribution channels in 2014 (Germany). German Publishers & Booksellers Association (2014). Books and the book trade in figures

#### **Reading habits**

Reading is quite common the UK. The figure here below illustrates the enjoyment of reading amongst the general UK population. One can notice that about 75% of the population enjoy reading "very much" or "quite a lot".



Figure 8. Enjoyment of reading books in the UK (2013). Figure 9 from Gleed, A. (2013). Booktrust Reading Habits Survey 2013: A national survey of reading habits and attitudes to books amongst adults in England. DJS Research Limited. p.14

While the online stores' market share is increasing in the UK, the share of the "brick-and-mortar" shops is still much higher (2013) as can be seen in the figure here below:

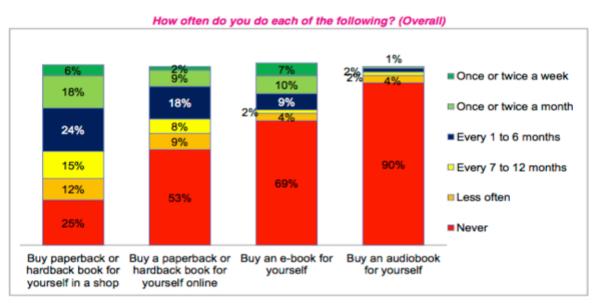


Figure 9. Books buying habits in the UK (2013). Figure 8 from Gleed, A. (2013). Booktrust Reading Habits Survey 2013: A national survey of reading habits and attitudes to books amongst adults in England. DJS Research Limited. p. 13

#### Age & Gender

Given the nature of the data available for the United Kingdom, we will analyse the reading habits depending on age and gender simultaneously.

According to the statistics available on Statista (2016: *Enjoyment of reading books in England*, 2013 by age and gender) (see figure 10), it is clear that women are heavier reader than men in the UK. Also, one can notice that the heaviest readers can be found amongst the women older than 30 years old.

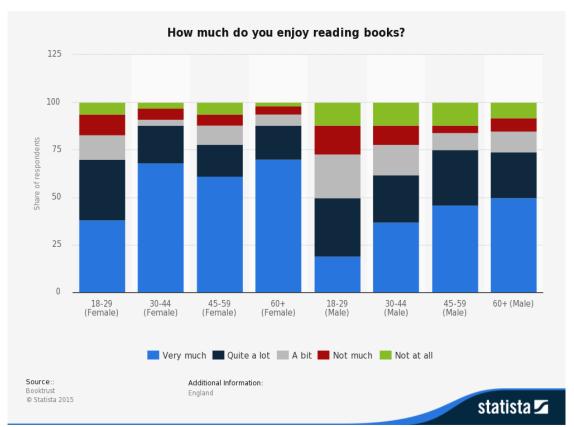


Figure 10. Enjoyment of reading books by age and gender in the UK (2013). From Statista (2016). Enjoyment of reading books in England, 2013 by age and gender. Copyright 2016 by Statista

Also, according to the information available on Statista (2016, *Time spent reading among young people in the United Kingdom* (2010-2014)), only 5.2% of young people never read (data from 2014) in the UK while more than 50% on young people read more than 30 minutes a day.

#### **Social category**

Regarding the social category, one can note that the higher people are in the social hierarchy, the more they like reading as can be seen here below (Statista, 2016: *Enjoyment or reading books in England (2013)*, by socio-economic group):

#### How much do you enjoy reading books?

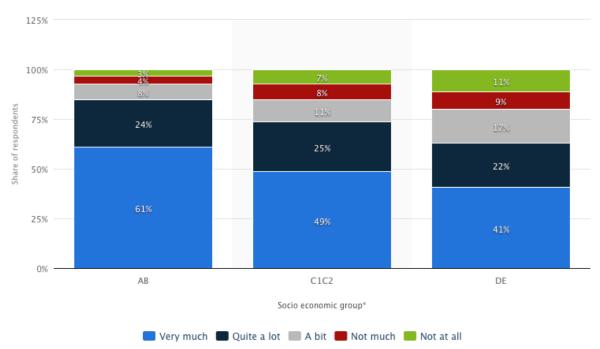


Figure 11. Enjoyment of reading books by social category in the UK (2013). From Statista (2016). Enjoyment or reading books in England (2013), by socio-economic. Copyright 2016 by Statista

A: High managerial, administrative or professional;

B: Intermediate managerial, administrative or professional;

C1: Supervisory, clerical and junior managerial, administrative or professional;

C2: Skilled manual workers

D: Semi and unskilled manual workers;

E: state pensioners, casual or lowest grade workers, unemployed with state benefits only.

#### **Distribution channels**

Comparing the situation in the UK with other European countries, it is worth noting that the Internet sales are quite high with 40% of the sales.

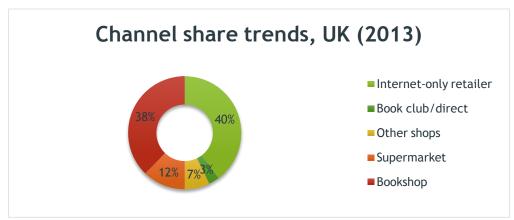


Figure 12. Channel share trends, UK (2013). Simon, J.-P. & de Prato, G. (2012). Statistical, Ecosystems and Competitiveness Analysis of the Media and Content Industries: The Books Publishing Industry. European Commission, Joint Research Centre. Copyright 2012 by European Union

#### **Reading habits**

According the information available on Statista (footnote 23), 21% of the French population considers itself as a "fervent" readers, 37% as an "average" reader while 15% do not read at all as can be seen here below.

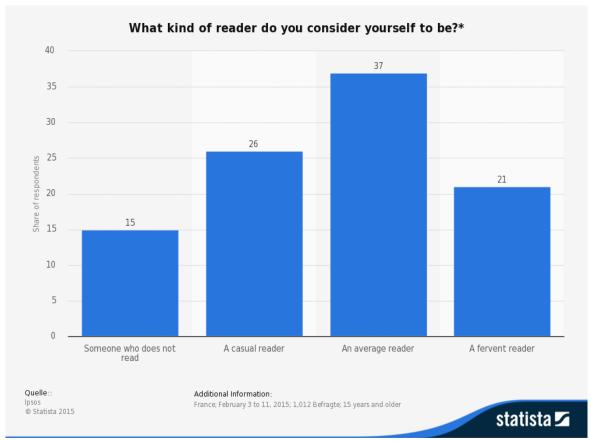


Figure 13. Reading consumption distribution in France as of Q1 2015. From Statista (2016). Reading consumption distribution in France as of Q1 2015. Copyright 2016 by Statista

Also, it is important to notice that, as of February 2015, the penetration of e-books was merely of 19% in France, against 89% for print books (Statista, 2016: *Book reading penetration in France 2015, by format*).

#### Age

Like to other countries, reading habits varies with age in France. It is clear from the data available in the figure 14 that older people tend to read more books than young people.

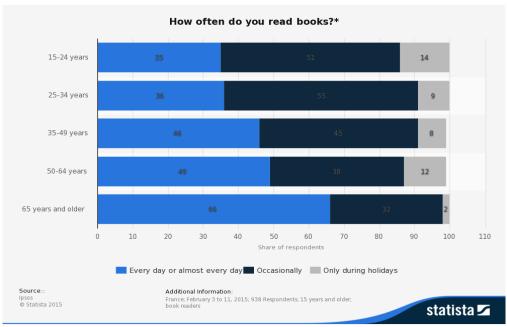


Figure 14. Reading frequency of book consumers in France 2015, by age. From Statista (2016). Reading frequency of book consumers in France 2015, by age. Copyright 2016 by Statista

Also, it seems important to note that this phenomenon seems to be increasing with young people reading less and less book than before, even though this tendency can be seen in the entire population.

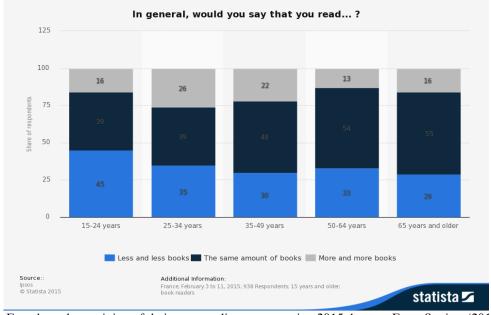


Figure 15. French readers opinion of their own reading consumption 2015, by age. From Statista (2016). French readers opinion of their own reading consumption 2015, by age. Copyright 2016 by Statista

#### **Gender**

Also women are heavier readers than men in France, it is relevant to notice that the difference between men and women is less important than in other countries (UK, Germany).

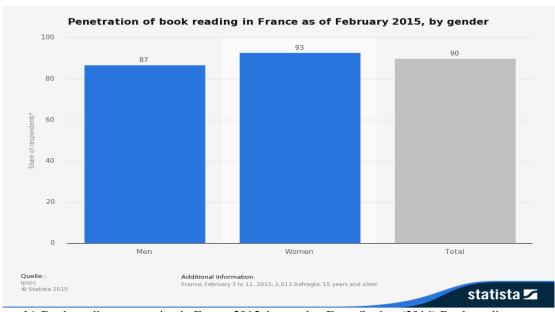


Figure 16. Book reading penetration in France 2015, by gender. From Statista (2016). Book reading penetration in France 2015, by gender. Copyright 2016 by Statista

#### **Social category**

According to a study conducted by the French Ministry of Culture, reading is more common amongst the upper class as illustrated in the figure here below.

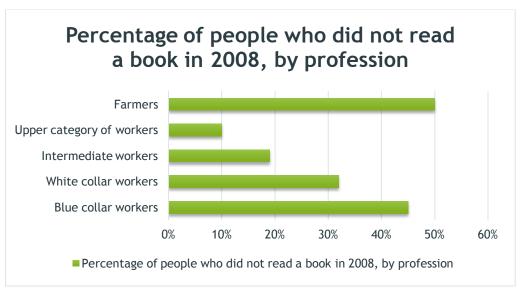


Figure 17. Reading habits by profession, 2008. From Donnat, O. (2009). Les pratiques culturelles des Français à l'ère numérique, Éléments de synthèse 1997-2008. Ministère de la culture et de la communication

# **Distribution channels**

The French market is dominated by large retailers such as FNAC and Virgin. One can notice on the figure here below that Internet sales accounted for 19,5% of the total value of books distribution in 2015. In 2011, online sales accounted for only 10% of the total value (Simon & de Pratto, 2012).

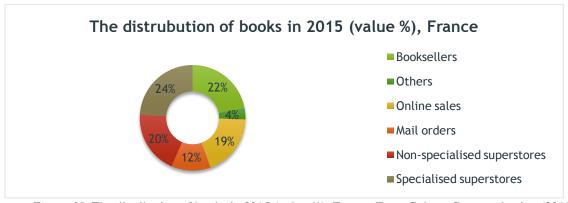


Figure 18. The distribution of books in 2015 (value %), France. From Culture Communication (2015). Economie du livre, Le secteur du livre: chiffres-clés 2014-2015

### General reading habits

In 2010, only 46.8% of the population said to have bought at least one book over the past twelve month (Savioli, 2010). In addition, Italian readers are quite weak readers as illustrated in the figure here below:

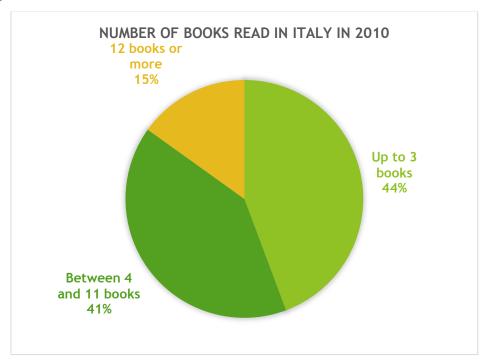


Figure 19. Number of books read in Italy in 2010. From Savioli, M. (2010). Book reading habits in Italy, Year 2010. Istat

### Age

Interestingly, the higher percentage of Italian readers is to be found among the 11-17 age group (over 59%) while the lowest percentage was to be found among the 75-plus group (22.9%)

### Gender

When looking at the reading frequencies by gender, it is clear that Italian women read more than men. From the data available on Istat (see footnote 29), we gather that the situation in Italy is similar to this of the UK and Germany.

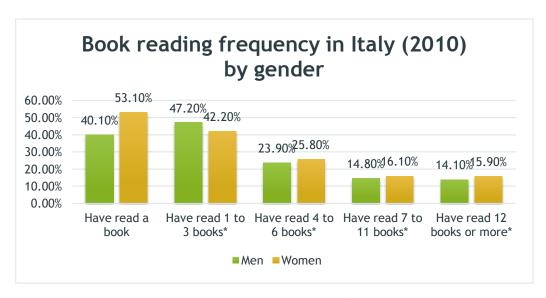


Figure 20. Book reading frequency in Italy (2010) by gender. From Savioli, M. (2010). Book reading habits in Italy, Year 2010. Istat

### Social category

One can notice that the level of study has an important impact on reading habits. Indeed, it appears that the higher is the level of study, the higher is the reading frequency.

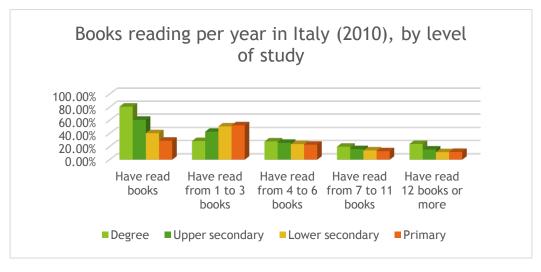


Figure 21. Books reading per year in Italy (2010) by level of study. From Savioli, M. (2010). Book reading habits in Italy, Year 2010. Istat

### **Distribution channels**

The Italian books industry (excepted electronic publishing, export and textbooks) is largely dominated by bookshops with 72,7% of the sales (see figure 22). Internet sales are quite low compared to other European countries with only 12% of the market share. However, similarly

<sup>\*</sup>Percentage amongst people who did read books in 2013

to other European markets, the book industry is largely dominated by a five big groups covering 63% of the market share (in 2009).



Figure 22. Distribution of books in Italy, 2013. From Simon, J.-P. & de Prato, G. (2012). Statistical, Ecosystems and Competitiveness Analysis of the Media and Content Industries: The Books Publishing Industry. European Commission, Joint Research Centre. Copyright 2012 by European Union

### The United States

The framework of the distribution channels for books in the US is very different from this in Europe. E-commerce amounts for 35% of total consumer spending on books, making of the Internet the first source of purchase in the U.S. It is clear that the structure of the book distribution channels is very different between the EU and the US. Also, e-book sales in bookstore chains accounted for 22% in 2014.

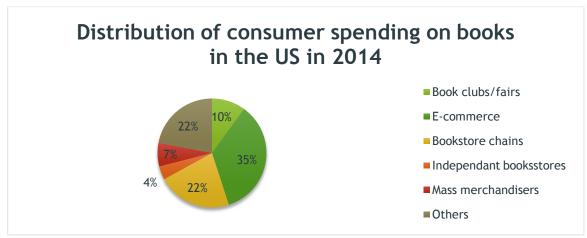


Figure 23. Distribution of consumer spending on books in the US in 2014. From Statista, 2016: Book & Publishing, Distribution of consumer spending on books in the United states in 2013 and 2014. Copyright 2016 by Statista

In 2010, the E-book market share represented 5% of the volume in the U.S. and 3% in France. In their survey "Publishing in the Digital Era" published in 2010, Bain & Company predicted that the market share of e-books would represent between 20 and 25% of the volume in the U.S. and between 15 and 20% of the volume in France in 2015.

Even though their predictions were relevant regarding the American market, the situation is very different in Europe, according to the Federation of European Publishers. The e-book market share remained static in France with only 3% in 2015. The situation in other European countries is represented here below.

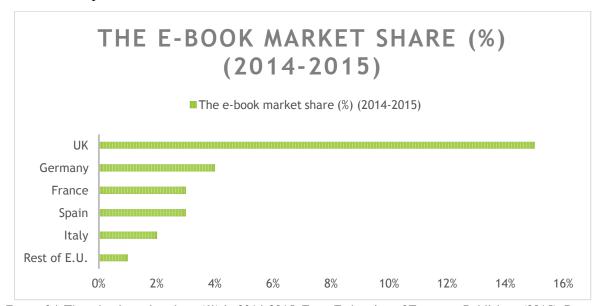


Figure 24. The e-book market share (%) in 2014-2015. From Federation of European Publishers (2015). Report of Activities May 2014

From these data, we gather that the penetration of e-books in Europe is limited to the UK. However, according to a study carried out among British readers, 76% of respondents said that they preferred the paper books format while only 10% preferred the e-book format (Gleed, 2013).

Referring to the *Bain & Compay* survey conducted in 2010, the main barriers to e-book adoption are the following:

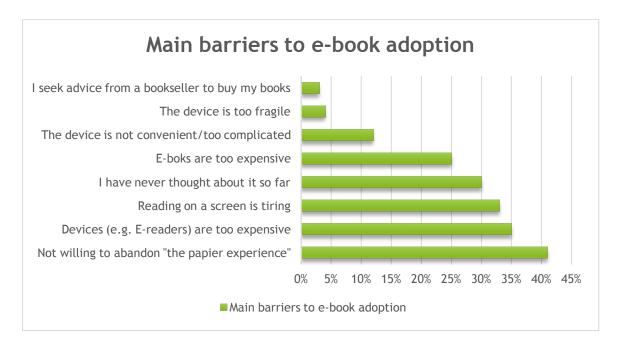


Figure 25. Main barriers to e-book adoption. From Bain & Company (2011). Publishing in the Digital Era. study for the Forum d'Avignon. Copyright 2011 by Bain & Company

# Ecological & Ethical aspects of the product

According to a study conducted among 160 undergraduate in a UK university (Schlegelmilch, Bohlen & Diamantopoulos, 1996) ,the environmental consciousness explain more than 20% of the variation in the purchasing measures. Surprisingly, other factors such as the socio-economic situation are less relevant than the environmental consciousness in the decision of purchasing a "green labelled" product.

When it comes to comparing Europeans and Americans behaviour toward green product, it appears that Europeans are 50% more likely to purchase eco-friendly products than Americans, according to the LOHAS survey (European Commission, 2007). However, this survey also came to the conclusion that Europeans are 25% less likely than Americans to pay more for environmentally friendly products. Though, Europeans are on average 25% more environmentally conscious than American.

Also, according to a survey in the European Union, (TNS Political & Social at the request of the European Commission, July 2013) 26% of European (on average) often buy environmentally friendly products. However, one can notice that this percentage varies

between the E.U. For example, 48% of Austrian often buy environmentally friendly products for only 16% of people from Finland. The percentage for France, Germany, the United Kingdom and Italy are the following:

- **France**: 27% of people often buy environmentally friendly products;
- **Germany**: 37% of people often buy environmentally friendly products;
- **Lealy:** 17% of people often buy environmentally friendly products;
- **United Kingdom**: 29% of people often buy environmentally friendly products.

In addition, distinctions are to be made within the population depending on age. One can notice that young people are less likely to buy environmentally product that older people. In general, we can notice (for the E.U. as a whole) that:

- **Young people (15-24)**: 15% often buy environmentally friendly products;
- **Adults** (25-54): about 25% often buy environmentally friendly products;
- **♣** Seniors (55+): 32% often buy environmentally friendly products.

### **Germany**

There are different types of suppliers. There are the unpaid ones and the one with-profit.

### i. Free/donated books and services:

- ♣ Creating websites and applications to allow potential users to donate their books either by sending them via postal service (donators can thus be regional or even international) or putting the books in donation points¹.
- **♣** Schedule free **donation pickups** (vans + donators).
- ♣ Libraries: According to a survey conducted by the OCLC (2013), the usage of online libraries will increase in the near future thus BWB can bargain with German libraries to give them books away since lot of readers in libraries are either not going to the physical libraries or prefer to visit the e-library. Besides, there are more than 6.000 public libraries in Germany. For instance, the German National library has alone more than 30 million books. There are also universities and schools' libraries that can be potential and 'easy-going' suppliers for BWB.
- ♣ Universities: In Germany, there are some private universities and the majority are public universities. The total number of universities in Germany reached 423 universities with more than 2.5 million students. Among these, 106 universities have 1,670,244 students, 6 universities of education with 24,899 students, 17 theological universities with 2,491 students, 53 colleges of art, film and music with 35,255 students, 212 universities of applied sciences with 847,233 students and 29 public administration colleges with 33,046 students (German Academic Exchange Service, s.d.). BWB can ask either student communities, professors and student associations to donate books.

11

<sup>&</sup>lt;sup>1</sup> We can create donation points all over Germany or use existing ones.

♣ Schools: Germany has more than 50,000 schools with more than 12 million students. The German school system is a bit delicate and need to be cited briefly. There are different types of schools: Hauptschule (enrolling 60-70% of the population), Realschule, Gymnasium, Gesamtschule and Other Secondary School Options.

### ii. Purchased books and services:

- **Libri**: offers a range of services from distribution facilities to selling books (in all forms and conditions);
- **KNV**: Exclusively, a delivery service of books (among the best in Germany);
- **♣** Publishers/printers: Bargain on prices and buying lots. Generally, buying books with default in printing is cost saving because these items are reasonably low-priced (cf. annex 1 for a list of German publishers and suppliers).

## Italy

We can consider different categories of book providers:

### i. Free/donated books and services:

- ♣ Creating websites and applications to allow potential users to donate their books either by sending them via postal service (donators can thus be regional or even international) or putting the books in donation points²;
- **♣** Schedule free **donation pickups** (vans + donators);
- **↓** *Universities*: There are 89 universities in Italy with more than 1.8 million students (Sedghi & Allen , 2012);

<sup>&</sup>lt;sup>2</sup> We can create donation points all over Italy or use existing ones.

- ♣ Schools: about 42 000 schools, is situated in almost all Italian towns. There are correspondingly more than 9 million school students across Italy;
- **↓** Libraries: Italy has lot of ancient libraries and big ones (cf. annex 2 for the list). For instance, The National Central Library is the largest in Italy and one of the most important in Europe (with more than 5,5 million books, 120,000 magazines, 29,000 16th century editions and 24,988 manuscripts), which is one of the two central libraries of Italy, alongside with the Biblioteca Nazionale Centrale of Rome. There is also The Marie Curie Library that provides high quality books;
- **♣** Churches: In Rome alone, there are more than 900 churches. Hence thousands in Italy (26,000 according to WikiAnswers community). As we know, churches have vast book collection and contacts that can help us either to get books or to distribute them;
- **↓** Italian national commission for UNESCO: It is a non-profit organization that operates in the field of education, science, culture, information and communication;
- **UCSC Student Associations**: These are a group of student associations that has a big network in Italy.

### ii. Purchased Books and services:

- **↓** *Italian publishers*: Gruppo Mondadori, RCS Group, Gruppo GEMS, Gruppo Giunti and Feltrinelli are the top 5 Italian publishers. Conjointly, they have more than 60% of the book market share. Publishersglobal (s.d.) provides the majority of Italian publishers by category of books and by region.
- **Libreria**, 2014)
- **Libreria**, 2014)

In parallel to the analysis of Germany and Italy, there are also two big categories of suppliers.

- i. Free/donated books and services:
  - ♣ Creating *websites* and *applications* to allow potential users to donate their books either by sending them via postal service (donators can thus be regional or even international) or putting the books in donation points<sup>3</sup>.
  - Schedule a 'Free donation pickups' (vans + donators);
  - **↓** *Universities*: In France, there are more than 75 universities and 250 'Grande/Haute École' (cf. annex 7 for a complete = list). Additionally, as reported by LeFigaro Etudiant (2014), there are 2,39 millions college students across France.
  - **Libraries**: Currently, there are approximately 16,500 public libraries in France (About-France, s.d.). Among the latters and within universities' libraries, there are more than 40,2 millions books and 600 000 different titles and they hold 3.3 million digital documents (ENSSIB, 2014).
  - ♣ Kindergartens and Schools: There are more than 11,000 'Crèches' in France and above 65000 schools (including 56,000 state owned) according to Statista. In 2011, Pupils in primary level accounted for 6,664,300. In secondary level, they reached more than 5 million Youngers.
  - ♣ Religion communities: In France, lot of religions and communities exist. Mainly, Christianity (90%), Islam (5%) and Judaism (1%). For instance, there are more than 2500 mosques (Grand Mosque of Paris is the biggest with a large network). Furthermore, there are between 46149 to 52886 churches spread across the French territory according to the Four Instances

<sup>&</sup>lt;sup>3</sup> We can create donation points all over France or use existing ones.

Counting. Finally, there are also lots of synagogues in France with the biggest Jewish community in Strasbourg.

### ii. Purchased books and services:

In France, the book distribution is handled by publisher distribution.

- ♣ *Hachette distribution*: One of the biggest in France. It takes care of the logistics and distribution activities for its clients. Thus, it has immense storerooms (more than 100,000 m²) throughout France. Furthermore, Hachette distributions has worldwide supply network built with daughter companies and partners. For example, BookPrint is located in the UK and has similar activities as Hachette (Hachette, s.d.: *Distribution*).
- **French Book distribution**: They provide books (new ones and old ones to customers) in bulk. They have also a distribution channel across France.
- **4** Other companies: Sodis, Interforum, MDS, Union Distribution and Albin Michel. The latters are all publishers and distributors.

## **United Kingdom**

### i. Free/donated books and services:

- ♣ Creating websites and applications to allow potential users to donate their books either by sending them via postal service (donators can thus be regional or even international) or putting the books in donation points<sup>4</sup>.
- Schedule a Free donation pickups (vans + donators)
- **↓** Universities: There are 163 universities in the United Kingdom (cf. annex 3 for more details). They aggregate more than 2 million students. Furthermore, universities'

<sup>&</sup>lt;sup>4</sup> We can create donation points all over UK or use existing ones.

libraries totaled more than 45 million pounds in book purchasing, concurring to the Publishers Association (2014 : manifesto).

- ♣ Libraries: A report conducted by Theguardian in 2012 shows that the UK had 4,265 libraries compared to 4,612 in 2010. In addition, over 10 % of UK libraries are currently under threat. This might give BWB a dominant position vis-à-vis the negotiations with them. Finally, the Society of Chief Librarians (http://goscl.com) can be contacted to provide our team with more information regarding libraries and donations since the former has a vast network in the library field.
- ♣ Schools: According to the UK department of education (gov.uk, 2014), 'in January 2012, there were 8.2 million pupils attending 24,372 schools in England (including nursery schools, state-funded primary schools, state-funded secondary schools, special schools, pupil referral units and independent schools.)'

# Religion communities:

- More than 50,660 churches in 2013 and many educational associations to help poor: Blackburn diocesan board of education, British educational communications and technology agency, Emuno educational center limited, CARE (Christian action research and education) and others.
- o More than 700 mosques. Different communities and philanthropic associations (Association of British Muslims, Muslim Educational Trust, The Young Muslims UK and Young Muslim Organization)
  In a nutshell, these communities might be a help to BWB when it comes to book supplies (from churches and mosques libraries or from other educational associations) or even to provide us with volunteers.

### ii. Purchasing books and services

The following players are the tops within the British market:

- **4** *Gardners* (http://www.gardners.com): The biggest book suppliers (wholesaler) in the country. They have a stock catalogue of over 850 000 titles from over 4 000 publishers, with around 400 000 in stock at any one time.
- **♣** Bertrams(https://www.bertrams.com): This one is the second largest wholesaler in the UK. It has 150 000 titles available for same-day dispatch and has access to over 600 000 books in print.
- ♣ *Penguin Random House*: This one is among the UK's leading books suppliers. It distributes more than 120 million books annually (thebookservice.co.uk). The company has 3 main divisions:
  - The Books Service: Third party publishers are distributed using this platform.
  - o *Grantham Book Service*: distributor for independent publishers in the UK and currently distributes for over 40 publishers.
  - o *Penguin Distribution*: Penguin Books Limited and Pearson Education are distributed using this channel.

Correspondingly, See annex 4 for list of retailers that can provide BWB with books.

## II. Competition Analysis

### **Germany**

There are three types of competitors for BWB: Bricks-and-mortars, online stores and bricks-and-clicks. Figure 26 shows the sales by sort of booksellers within the book retail market for the year 2014 (excluding bricks-and-clicks).

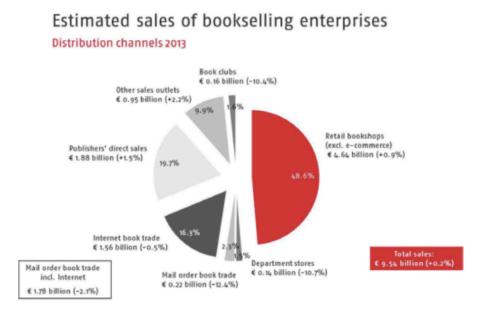


Figure 26. Estimated sales of bookselling enterprises. From German Publishers & Booksellers Association (2014). Books and the book trade in figures, p. 2

In 2013, the overall growth rate reached 0.2% with several ups-and-downs within each category. The biggest category is the retail stores (which is included in the bricks-and-mortar segment) with 48.6% of the total market and a positive drift. On the other hand, the online stores have seen an important decline of 0.5%. According to Frankfurter Buchmesse, this trend can be explained by two possible reasons. The first one is the new attitude among consumers, who are now consciously turning to regional sources for their shopping and the second reason consists of 'the sustained bad press for the major player *Amazon* with regard to its <u>employment policy</u><sup>5</sup>'.

<sup>&</sup>lt;sup>5</sup> There were some strikes in Germany to raise pay for warehouse workers in accordance with collective bargaining agreements in Germany's mail order and retail industry. Besides, excessive pressure, rigid workplace

Thousands of book retailers (cf. supra) are operating in the German's market. The top ten booksellers in the German market by decreasing order (in market share) are: Thalia, DBH, Mayersche, Schweitzer Fachinformation, Libro, Orell, Lehmanns, Galeria Kaufhof, Osiander and Morawa.

One should note that the majority of these booksellers are holdings. In other words, they possess many bookstores with different brands.

Nonetheless, 3 of them hold together more than 20% of the market share with no relevant gap between them. Therefore, they are interesting to consider:

**4** Thalia Holding: It has more than 200 bookshops in Germany and it is the biggest bookstore chain in the country. The company is also suffering from digitalization of the book industry (sales in 2013 accounted for 915 million euros versus 1.2 billion in 2012).

Nevertheless, Thalia created e-stores to follow suite with the changing consumers' behaviour and with the transforming landscape of the German book market. Moreover, it has developed an e-reader, OYO. Thalia has also, in cooperation with other book retailers (such as Weltbild, Hugendubel, Club Bertelsmann etc.), created an important e-reader, the *Tolino*<sup>6</sup> *reader*. Tolino held in 2014 a 44% market share of ebooks sold in Germany over Amazon's 39%, as reported by Publishing Perspectives analyst.

♣ German Booksellers GMBH (DBH): The Company has more than 500 stores in Germany, Switzerland and Austria. It holds 50% shares of two gigantic in the retail industry: *Hugendubel Holding Inc.* with annual sales of 300 million euros in 2011 and 30 department-stores spread all over the country. It has also a classic e-store in which customers can buy e-books, physical books, e-readers (Tolino) and even audio & video versions. (No used books assessed)

The second big retailer that *was held* by DHB is *Weltbild* with annual sales of 1.6 billion euros and with more than 300 bricks-and-mortar outlets (and more than 6.000

controls, high sickness rates and arbitrary decisions, such as a cut in annual holidays provoked also an angry riot against Amazon.

<sup>&</sup>lt;sup>6</sup> The Tolino has a touch screen, a battery life of up to 7 weeks and can store around 2,000 books. Thalia said it would be selling the device at 99 euros. However, the cheapest Kindle on amazon.de is 79 euros.

employees). The latter had become number two in online book retail in Germany, following Amazon. (No used books assessed)

Although Weltbild had a successful story, in 2014 it went bankrupt (Wischenbart, 2014) because the company could not compete against Amazon. The company is now trying to attract new investors to help it stand back again. In 2014, after the announcement of bankruptcy, Droege international group bought 60% of Weltbild to recapitulative it and help it restore its position and history in the German book retail industry.

- ♣ Mayersche Buchhandlung: Their annual sales in 2010 reached 160 million euros
  with more than 40 bookshops in Germany. This company has an online store as
  well. (No used books assessed)
- ♣ Amazon: Moreover, Amazon is also a big player (Wyman, 2015), number one eretailer in accordance with the Ecommerce News agency, 2015) in the German book retailer market. Therefore, an assessment on its market position must be made. Its arrival to Germany with its Kindle worsened the situation for the big retailers by creating a cutthroat competition setting. The US Company had total sales of \$8.7 billion in Germany in 2012 (more than in the UK)! Strengths of the US giant in Germany (and worldwide) are its introduction of prime service to enabling sameday delivery and pushing for Sunday provisions. Besides, Amazon knew that relying on the use of postal services would not hold for long, and so it invested heavily in regional warehouses, a powerful IT backbone, and detailed analytics. Amazon also sells e-books (with Kindle tablet), physical books (both new and used) as well as different products. Albeit Amazon has had a success in Germany, unbearable working conditions (cf. supra) for a majority of Amazon's workers (in warehouses) induced criticisms to the US company's policy and therefore, ruined its trustworthiness vis-à-vis the labour force and the union. Thereby, strikes take place in Amazon's warehouses in Germany regularly.
- 4 A last category of potential competitor of BWB is the *used-books market*. There are platforms that offer second-hand books. They are either e-stores such as

AbeBooks.de, Amazon.de, Bookfinder.com, Antiquarische Bücher, BOL Germany, Buecher.de etc. or they can also be bricks-and-mortar such as Saint Georges English Bookshop, Luders, Bucherbogen, and the British Bookshop KG etc.

### **Takeaways**

The trend nowadays in the German market is to go *hybrid*. Enormous book retailers such as Thalia, DHB and others are operating both on physical and virtual markets. They were all suffering because of Amazon's show-off on the German market. Notwithstanding, a lot of German bookshops and retailers' joint forces by establishing an ecosystem (enabling thus the manufacturing of Tolino) in order to cope with the fierce competition created by Amazon.

### Italy

Likewise Germany's case, physical and virtual stores are the main competitors of BWB. "E-commerce in Italy is still a focused market where the top 20 players hold 70% of turnover," says Thiessen (2012). "51% of the companies operating are traditional retailers-general sellers-while the remaining 49% are dot-com."

The leading e-retail websites include Amazon, Banzai Commerce, eBay.it, Expedia, Groupon, Mediamarket, and Privalia. Furthermore, international players are moving to buy a stake in Italy's e-commerce boom says analyst at InternetRetailer.

Here are some important players in the Italian book retailer market:

- ♣ Amazon: Big success of Kindle devices sales. There are certain warehouses in Italy that belongs to the US giant;
- **↓** *Ebay*: This one is an e-store that supplies more or less the same services than Amazon;
- ♣ Arnoldo Mondadori Editore: This company is a holding that operates in the media industry and has 1.2 billion euros sales in 2013. Its main services are bookshops that are spread all over Italy. This platform is hybrid (both physical and virtual presence);
- **Bottega delle occasioni**: An online-based store that delivers used-books to end-

users;

- ♣ Open Door Bookshop: Physical store for used-books. There is a website which is not an online-store;
- **Anglo American Bookshop**: This one is a hybrid store (bricks-and-clicks);
- **Libreria del Viaggiatore**: Bricks-and-mortar store with an artisanal touch.

### **Takeaways**

As stated before, the war between online against physical stores is taking place in Italy with a 49% operating online and 51% only offline. Only the fast-comers will be able to attract quickly a huge customer base. The strongest shall sustain his position and hold his clients by innovating in this up-and-coming market.

#### France

In France there are around 20,000 to 25,000 POS of books (libraries, wholesalers, hypermarkets, supermarkets and a variety of book retailers). Further, France has more than 3,000 independent local bookshops with 400 in Paris.

A breakdown of physical and virtual shops shall be made in order to better understand the competition landscape in France. The following players are the largest in France:

- ♣ Amazon: As stated in the previous section (cf. Germany and Italy), Amazon is an enormous player in the e-industry vending (Marosevic, 2014). As a matter of fact, it is in the lead throughout the French market. Amazon has also knocked down Cdiscount.com to set it back to the second position.
  - However, scandals regarding Amazon (tax evasion in Luxemburg and working conditions mainly) are also a big issue in the French book industry. The Ministry of Culture has made an effort to crack down on Amazon's tax practices by prohibiting free shipping of books. This law will be explained in the business environment analysis.
- **Fnac**: It has more than 199 stores across France and abroad with 75 department stores within France and a turnover of 3.8 billion euros in 2015. The company has more than 8.000 employees in the country. Moreover, according to the Group-Fnac, the 199

stores had more than 60 million customers in 2015 and 200 million visiting customers (Groupe-Fnac, s.d.).

Additionally, Fnac is a hybrid undertaking with both physical and virtual platforms (this concerns both books and stores). Fnac also sells second-hand books therefore can be a great threat to BWB.

- **♣** *Group Flammarion*: This entity is the fourth largest publishing group in France. It is a holding, which has several brands, distribution channels and publishers. This French giant is also a hybrid unit. However, it does not focus on second hand market.
- **Hachette Group:** It is one of the biggest publishers and retailers in the country with more than 2 billion euros in sales. (No used books assessed)
- ♣ Other competitors: Lalibrairie.com is a big e-player that sells both used and new books. Correspondingly, it provides together e-books and e-readers. There is also Franceloisirs.com that is popular in France. It provides more or less the same services as the former (cf. annex 6 for a list of the top ten online libraries that sells books).
  Last but not least, 2ememain.be provides used items (books and other goods).

Please note that there are more than 10 websites that enable its members to download thousands of *free French titles in eBooks format* (Get Free Books, 2014) such as Inlibroveritas.net, Gallica.bnf.fr, Manybooks.net, Bookrix.com, Booksshouldbefree.com, Ebooksgratuits.com, Beq.ebooksgratuits.com, etc.

#### **Takeaways**

On the one hand, large French retailers are going e-driven to compete with Amazon and to adjust to the digitalization of the book market. On the other hand, more and more players are flowing into the e-commerce market in France even though readers still prefer printed books to numerated platform.

Once again, BWB has different category of opponents: there are the physical stores, the online stores and hybrid venders.

- ♣ Amazon: Not surprisingly, Amazon is the most important e-retailer in the UK, employing more than 6.000 workers in its warehouses and client services centers. The company sold goods via Internet of £5.3bn in the UK in 2014 (a profit of just £34.4m), according to Farel (2014). The UK's market represented 9,4% of Amazon's global sales in 2014.
- **ABE Books**: As presented in the Germany's study case, this website is among the top e-retailers in Europe.
- **◆** OXFAM: It has a website on which we can order second-hand books. Prices are cheap since OXFAM receives lot of donated books: "We have more than 45,000 books listed on the Oxfam Online Shop, 600 of our shops sell books and we also have more than 150 dedicated bookshops across the UK."-OXFAM employee stated (Oxfam, s.d.).

Besides, total expenditures in OXFAM reached 294,8 million pounds in 2012 (from donations, social activities, sponsoring, goods sold etc.).

Additionally, the company has great partners:

- Commercial partners: Unilever, Nokia, Marks & Spencer, Accenture,
   The Co-operative Bank and KPMG.
- Donators: ROMO, Monsoon Accessorize Trust, Ahmad Tea, JCB and British Airways.
- ♣ Hive.co.uk: Hive is an online network of 360 independent bookstores nationwide.

  It sells books, ebooks, as well as DVDs, music and stationery.
  - The company's main goal is to support local bookshops against international booksellers such as Amazon (hive.co.uk).
- ♣ Wordery.com: It is one of the fastest growing independent online booksellers in the country. The company was created in 2012 as an alternative to Amazon. It has currently a range of over 9 million different titles and serves 5 million customers. It offers free worldwide delivery.

- ♣ TheWorks, Waterstones, Foyles and other high street brands- Major high street brands have expanded and updated their online offers in recent years to compete with Amazon. Many have similar prices to it, though shipping often makes it pricier, and include offers you don't get in bricks- -and-mortar.
- **♣** Bookstore.co.uk, BookDepositery.com (free delivery as well), thegreatbritishbookshop, alibris, thebookpeople and Blackwells are also among the best online retailers in the UK alongside with Amazon.

One should take into account the fact that there is a price comparison website, *Bookbutler*, which aims to compare over 55,000 titles being sold by online retailers (including Amazon and its subsidiary ABE Books). It's a comparator so it does not sell the books itself but it does give you a range of non-Amazon options and the chance to see whether the behemoth is actually the cheapest option after all.

Finally, the following table indicates several reviews in the UK for certain e-stores (local shops and international ones):

	ВС	OKS, CDs &				
		PRODUCT'S!	roct Okin	RESTRUSAL RAY	OMER SCORE CO	2.
1	AMAZON.CO.UK (3,849)	****	****	****	****	88
2	ABEBOOKS.CO.UK (317)	***	****	****	****	86
3	PLAY.COM (566)	****	****	****	****	81
4	THEBOOKPEOPLE.CO.UK <sup>3</sup>	****	**	****	***	80
5	BOOKDEPOSITORY.CO.UK	****	***	***	***	78
6	BBCSHOP.COM (114)	**	***	***	**	74
13	ASDA.COM (52)	***	**	**	**	63
	SAINSBURYS.CO.UK (35)	***	**	***	**	60
14				10.00	15.2	11000
	WHSMITH.CO.UK (72)	**	**	**	**	57

Figure 27. Books, CDs & DVDs. From Davies, R., (2011, 22 November). AbeBooks.co.uk shines in Which?, Magazine survey of online shopping sites. Adebooks book blog, <a href="http://www.abebooks.com/blog">http://www.abebooks.com/blog</a>

## **Takeaways**

Obviously, Amazon and ABEBOOKS have the best reviews and this might explain their success in the UK. However, British retailers are doing their best to stop Amazon from devastating their market share. Some of them put a strategy that consists of not charging their customers (free delivery). Others are encouraging customers to buy from their merchandise by offering the clients to donate to their 'best' physical bookstores in order to keep the tills ringing within the latter's treasury.

## III. Business Environment Analysis

In this section, we will study the influence of external factors based on the PESTEL model. The choice of this model is based on its ability to offer a global overview of the market's environment and of the numerous links we will make between our results and the strategies we will develop. (Legislations in favour of the ecology? Different policies depending on the country? Social responsibility, etc.)

PESTEL analysis stands for Political Economic Social Technological Legal and Environmental analysis. It gives an overall view of the whole environment from many different angles. Companies do PESTEL analyses to track the environment they are operating in or to plan the launch of a new project (« What is PESTLE Analysis? A Tool for Business Analysis », s.d.).

**Political:** What is the political situation of the country and how can it affect the industry?

While Europe has come a long way towards becoming a single economic community, it remains fragmented in terms of local regulations, taxation policies and pricing controls. Each country tends to set its own regulations and pricing policies, often in agreement with the Pan-European community.

A research done by I.T. Strategies (2013) showed that up to now the European book industry has been padlocked by different regulation, price control and taxation across countries. These rules change slowly and have weakened potential development of a single dominant online retailer for books. There are many national online book resellers' websites but they compete on the basis of convenience and broad inventory rather than price.

The UK is open to some change but other countries like Germany, Italy and France are resistant to global market forces that are able to change the book industry and culture.

### Fixed book price agreement

One of the clearest examples is the fixed book price agreement which is part of these three countries' legal system. Thus in France, Italy and Germany, but not in the UK, publishers and retailers have to conclude an agreement to prevent the second to sell new books at a lower price than the one fixed or to give any rebates<sup>7</sup>. These agreements do not suppress competition in the book market. On the one hand, publishers compete by « introducing new book titles, by advertising, by using a rebate system related to the sales volume of the retailers, and by the (fixed retail) price » (DICE Database, 2003). On the other hand, retailers try to attract customers with the quality of their service and by an efficient management of their stock but they do not compete on price.

As stated before this law does not apply to used books.

This law is of great importance for continental European countries as one can see with the refusal of the EU Commission to negotiate on fixed book price laws with the US during TTIP negotiations (Börsenverein Press Office, 2015).

#### Reduced VAT

One important instrument for promoting the position of literature in society is value-added tax on book sales. This is why many European countries apply it as one can see in the table here below.

 $<sup>^7</sup>$  Nevertheless France accepts discounts up to 5%

Country	General VAT rate	VAT, printed books	VAT, e-books
Austria	20%	low rate 10%	full rate 20%
Belgium	21%	low rate 6%	full rate 21%
Bulgaria	20%	full rate 20%	full rate 20%
Cypress	15%	low rate 5%	full rate 15%
Czech Republic	20%	low rate 14%	full rate 20%
Denmark	25%	full rate 25%	full rate 25%
Estonia	20%	low rate 9%	full rate 20%
Finland	23%	low rate 9%	full rate 23%
France	19.6%	low rate 5.5%*	low rate 5.5%*
Germany	19%	low rate 7%	full rate 19%
Great Britain	20%	exempt	full rate 20%
Greece	23%	low rate 6.5%	full rate 23%
Hungary	27%	low rate 5%	full rate 27%
Ireland	23%	exempt	full rate 23%
Italy	21%	low rate 4%	full rate 21%

Table 2. VAT on Book sales in Europe. From Rønning, H., Slaatta, T., Torvund, O., Larsen, H. & Colbjørnsen, T. (2012). Books: At what price? Report on policy instruments in the publishing industry in Europe. p. 44

One can note that Germany, Italy, France and the UK all apply a low rate of VAT on printed books.

#### E-books

In Europe, printed books and e-books are currently handled differently in terms of literary policy instruments such as fixed prices and reduced rates for VAT.

As we can say on table 1, France is the only country of the list that applies a reduced VAT rate for e-books. Regarding fixed price, only France and soon Germany<sup>8</sup> apply it to e-books.

All these not so favourable laws explain partially the slow adoption of e-books in continental Europe compared to the U.S. according to I.T. strategies' report which mentioned other reasons such as the lack of title availability in local languages, the lack of a dominant e-

<sup>&</sup>lt;sup>8</sup> The legislative changes shall come into effect on 1 September 2016 according to (Siebert, 2016)

reader and user interface standard, reluctance by publishers to inadvertently open up piracy of content and reluctance to damage perceived value of printed books as a cultural good.

### Great power of publishers in continental Europe

Americans tend to think these regulations lead to oppressive competition, but Europeans see them as a way to « preserve the existing book publishing infrastructure, the jobs it provides and the individual country culture that printed books help to retain and sustain » (I.T. Strategies, 2013, p.11).

The report also states that the fragmentation of rules has given publishers disproportional control over the value chain in Europe, enabling them to control the licensing rights process, translation, pricing and, effectively, distribution. Their influence over regulations is equally strong.

Authors	Publisher	Book Manufacturer	Wholesaler/ Retailer	
License to publisher	<ul> <li>Acquires license for specific language version(s)</li> </ul>	Competes on cost, relationship/regionality	Competes on service and	
	<ul> <li>Manages translation</li> </ul>		knowledge, not pricing	
	<ul> <li>Manages marketing and distribution</li> </ul>			
	<ul> <li>Negotiates separate print and e-book rights</li> </ul>			
	<ul> <li>Negotiates sales/license contracts with booksellers/ wholesalers</li> </ul>			
	<ul> <li>Establishes fixed pricing for retail value of books</li> </ul>			

Table 3. Roles of the different actors in the book sector in Europe. Figure 6 from I.T. Strategies (2013). The evolution of the book industry: Implications for European Book Manufacturers and Printers. research commissioned by Ricoh. p. 13

## Special case: the UK

In 1995 fixed the book price agreements were abolished in the UK because they thought free competition would lower book prices, which would benefit book buyers.

According to Fishwick (2008), the liberalization of the market has lead to great competition among book retailers, physical bookshops losing more and more ground to supermarkets and online bookshops.

The British book market is thus far less regulated than the continental European but also than the US market, where competition is regulated by the Robinson-Patman Act.

Thompson (2012) said: « In the UK, by contrast, the downward pressure on publishers' margins stems primarily from the escalating discounts that have followed the demise of the fixed book price law. In the absence of anything comparable to the Robinson-Patman Act, the most powerful retailers are able to play publishers [...] off against one another for access to the limited number of high visibility, high-velocity retail spaces they make available for books ».

In conclusion, the total liberalization of the British book market has lead it to be dominated by the largest and most powerful players such as Amazon.

**Economic:** What are the prevalent economic factors?

The economic crisis has strongly affected the book market (Fruntes, 2015).

The fragmented market in continental Europe has enabled small actors of the book industry to be less in danger than the one in the US and the UK. As said before, in the latter country, liberalization of the market has greatly contributed to the development of big retailers and e-books, to the detriment of independent bookstores (Flood, 2012).

Even though competition has risen, consumers have little control over book pricing and availability. European consumers tend to pay a higher price for printed books than in the U.S. or in the UK which is less regulated. In all countries, e-books are cheaper than printed ones but still remain almost two times more expensive in Europe than in the U.S., the UK and Italy (see table below).

### PRICE COMPARISON, SEPTEMBER 2013: DAN BROWN'S INFERNO IN LOCAL LANGUAGE

	Hardcover List Price	Hardcover Discounted Price	E-book Price
U.S.	22.83 euro (\$29.95)	10.74 euro (\$14.09)	8.37 euro (\$10.99)
Germany	26.00 euro	26.00 euro	19.99 euro
UK	23.76 euro (20.00 GBP)	8.89 euro (7.49 GBP)	8.00 euro (6.74 GBP)
France	22.90 euro	21.76 euro	15.99 euro
Italy	25.00 euro	21.99 euro	9.99 euro
Holland	29.95 euro	29.95 euro	17.99 euro

Sources: I.T. Strategies and local country Internet sites

*Table 4*. Price comparison of different types of books. Figure 4 from I.T. Strategies (2013). The evolution of the book industry: Implications for European Book Manufacturers and Printers. *research commissioned by Ricoh*. p. 11

**Social**: How much importance does culture have in the market and what are its determinants?

As most European countries have a strong identity, they define books as a cultural good, an educational necessity, a defence against the erosion of national language or identity (Finkelstein & McCleery, 2005). This is especially true for printed books, which are considered as a treasured part of European culture (I.T. Strategies, 2013, p. 20).

Defenders of fixed book prices justify their position mainly with cultural arguments, where the basic idea is often that culture and "the market" are enemies. Therefore, the latter should be highly regulated for the benefit of culture. Moreover, they say fixed book prices have two main positive consequences.

First, it is believed that fixed book prices lead to « more book titles of cultural value and relatively less pulp » (DICE Database, 2003, p.2). Indeed, the Report on policy instruments in the publishing industry in Europe (Rønning et al., 2012, p. 55) summarizes Fishwick's work (2008) by saying « free prices on books lead to a focus on best-selling literature and that book prices, on the whole, rise. This means that lower book prices are only a reality for selected titles that sell in large volumes ».

The second positive effect of fixed book prices is that it ensures the maintenance of brick-and-mortar bookshops, which are subject to big pressure (even more in the countryside) in many countries. This bigger presence of bookstores is supposed to give access to every citizen to a wider range of books.

It is interesting to note that this cultural explanation of fixed book prices can be found in its legislation. Thereby, in the French Book Act diversity, availability and cultural value are key elements (Rønning et al., 2012, p. 29) whereas the German Act relating to Books specifies that "the act serves to protect the book as a cultural product" (Rønning et al., 2012, p. 34).

The UK does not apply fixed book prices but it considers books as an important part of its culture. They also insist on the importance of bookshops and think it is a pity that more and more of them are closing. Besides, Meryl Halls, head of membership services at the Booksellers Association said « Bookshops are also centres of cultural activity, so having a bookshop in a town has a positive impact on literacy, community and book ownership. Bookshops provide far more than just books. [...] They are social hubs in increasingly compromised high-street communities and, as such, deserve and require strong action to preserve their unique role in British life » (Flood, 2012).

**Technological:** What technological innovations are likely to pop up and affect the market structure?

We will now describe three technological topics concerning the book industry: the expansion of e-commerce, e-books and the growing integration of IT and internet into business processes.

### E-commerce

The worldwide expansion of the internet has greatly abetted to the transformation of trade and store transactions. E-commerce, defined as buying and/or selling products through the internet, does not stop growing as one can see on the figure here below.

#### B2C e-commerce sales worldwide from 2012 to 2018 (in billion U.S. dollars)

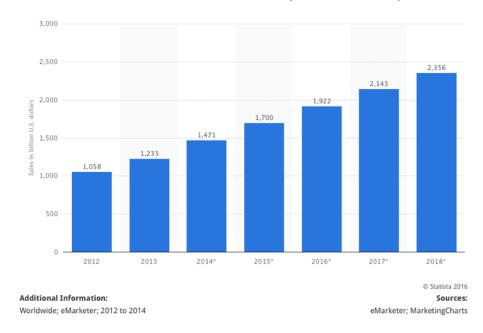


Figure 28. E-commerce sales worldwide. From Statista (2016). B2C e-commerce sales worldwide from 2012 to 2018. Copyright 2016 by Statista

Figure 29 shows that 51% of worldwide internet users bought goods online in 2015. This amounts to 1.5 million online buyers and is projected to continuously grow (Figure 30).

### Digital buyer penetration worldwide from 2014 to 2019

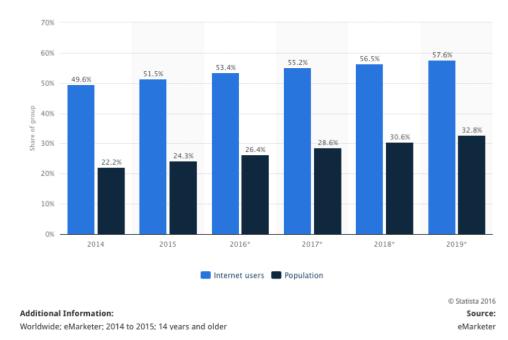


Figure 29. Digital buyer penetration worldwide from 2014 to 2019. From Statista (2016). Digital buyer penetration worldwide from 2014 to 2019. Copyright 2016 by Statista

#### Number of digital buyers worldwide from 2014 to 2019 (in billions)

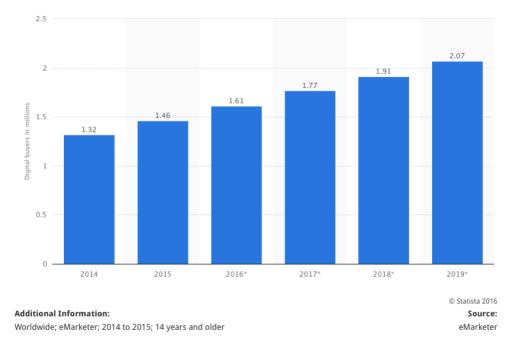


Figure 30. Number of digital buyers worldwide from 2014 to 2019 (in billions). From Statista (2016). Number of digital buyers worldwide from 2014 to 2019. Copyright 2016 by Statista

We will now detail a few reasons cited by Shah (s.d.) explaining the popularity of ecommerce.

First of all, internet has an incredible reach. It allows sellers to reach much more clients than with a physical store. Distance is no longer an issue: consumers can find what they want even if it is produced on the other side of the world.

Another advantage compared to running a brick-and-mortar store is reduced costs thanks to no store renting, less employees, etc. These reduced expenses allow the producer to sell items at a reduced price.

There is also the convenience for the consumer who can shop whenever he wants to if he has access to the Internet which more and more people have, especially in Europe where Internet penetration reached 79.3% in 2015 compared to a world average of 46.4% (Internetworldstats, 2016). One can also talk about the simplicity of the process and the ease to access directly to specific products.

Lastly, online shopping allows the consumer to compare quickly different offers, in particular with comparison websites.

#### E-books

E-books were developed in the 2000s, their worldwide sale happened around 2003(Lebert, 2009).

As said before, their adoption has been quite slow in continental Europe but was quite a success in the UK.

### Increasing integration of IT and internet into business processes

Thanks to advances in technology, businesses are able to improve their efficiency a lot, allowing them to remain competitive. That is why IT is crucial to optimise organizational efficiency and quality (Percival, 2016). This idea is also defended by Grover and Markus (2008) who wrote « The rapid penetration of IT into business processes is enabling changes that can significantly enhance productivity and performance and simultaneously manage knowledge ».

Besides, Chrun (2008) considers that one of the biggest reason of the success of Amazon is its ability to overcome technological barriers, for example by creating its own transaction system in its early days.

### **Environmental:** What are the environmental concerns for the industry?

### European consumer attitudes towards green products

A research conducted at the request of the European Commission (TNS Political & Social, 2013) concluded that:

Across the EU, a very high proportion of citizens buy environmentally friendly products. 80% of EU citizens buy them often or sometimes whereas 15% do not buy any.

- ◆ 55% of citizens in the EU agree that environmentally friendly products are good value for money.
- \* 89% of EU citizens believe that buying environmentally friendly products can make a difference to the environment. 74% believe they are as effective as regular products. Environmentally friendly products are quite well accepted socially and considered as ethical: 95% of UE citizens agree that using environmentally products is 'the right thing to do'.
- 66% are confident that products indicated as environmentally friendly will cause less damage to the environment than other products.

A product's environmental impact is believed to be important by 84% of EU citizens when they buy a product. The first factor taken into account is the quality of the product then its price and thirdly its environmental impact.

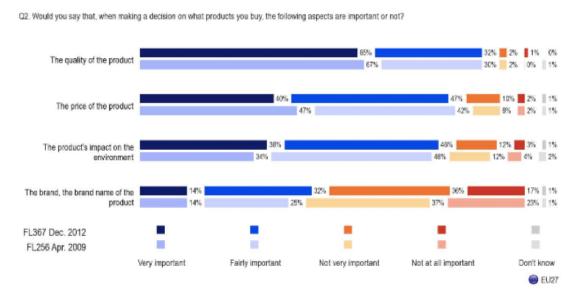


Figure 31. Attitudes of Europeans towards building the single market for green product. From TNS Political & Social (2013). Attitudes of Europeanss towards building the single market for green products. research conducted at the request of the European Commission, p.52

It is quite interesting to note that 22% considered that buying products produced by ecofriendly producers would have the greatest impact on solving the environmental problems (the majority thought recycling and minimizing waste was the best action). 59% think that product labels do not provide enough information about their environmental impact. They would like to see this information on product labels (81%), on the shelf containing the product (55%) or in advertisements about the product (41%).

Lastly, despite the fact that 66% of EU citizens are confident that products indicated as environmentally friendly will cause less damage to the environment than other products, only 52% trust producers' claims about the environmental performance of their own products. There is also a lack of trust regarding companies' reports on their own environmental performance.

In conclusion, European citizens seem to be supportive of eco-friendly products. They tend to believe in their efficiency and ecological character if there is a general label on them but they distrust companies' claim to be eco-friendly.

#### **Books**

Regarding what we just said about the preference of European consumers for eco-friendly products, one could think they would be quite convinced by e-books. But, as said before, this is not the case in continental Europe. This validates the hypothesis that a product's environmental impact is not the first criterion consumers take into account when deciding what kind of product to buy. Furthermore, there is controversy about the greener character of e-books compared to printed ones (Hickman, 2010).

**Legal:** Are there any current legislations that regulate the industry or can there be any change in the legislations for the industry?

### Labour market legislation

Labour market legislations from Europe and the US differ in many ways but a trend emerges clearly. The American legislation tends to protect the employer more, the European (including the British) supports more the employee.

That is why Europe is often described as less flexible than the US, even though the gap is narrowing since the crisis(Cooley, 2010).

Gary White (s.d.) distinguished three main differences in American and European labour laws : employment contract, termination and working hours.

### **Employment Contract**

In the US, an explicit contract of employment is not necessarily needed. In most cases employment is on an at-will basis, thus either the employer or the employee can put an end to the working relationship (if reasons cited are legal). On the other hand, the employment contract is the basis of the working relationship in Europe, there is no employment-at-will.

### **Termination**

In the U.S. employers do not have to notify their employees before termination. Whereas in Europe employers have to give a notice to the employee they want to fire then follow the measures stipulated in the employment contract or they could be accused of wrongful termination.

### Working hours

There are no limitations on the working hours for employees in the U.S. while there are usually some in European countries (but the number of maximum hours can be quite different from one country to another).

In conclusion, it is clear that there are far more regulations protecting the employee in Europe than in the U.S.

Since it is costly and difficult for an employer to fire an employee in Europe, dual labour markets developed quite well (Cooley, 2010), which means there are a lot of temporary contracts to reduce the firing costs.

#### Anti-Amazon law in France

Several scandals concerning Amazon's tax evasion in Luxembourg and poor working conditions have tarnished its reputation.

In 2014, France decided to take action against the company's tax practices by prohibiting free shipping of discounted books (Cushing, 2014) (let us remind that the maximum authorized discount rate is 5%).

This law proves the importance France gives to culture, since its goal was to help independent book retailers surviving against Amazon.

However, Amazon responded with a 0.01€ shipping fees, making it outside the scope of the law.

# IV. Blue Ocean Analysis

# What is Blue Ocean Strategy?

The Blue Ocean Strategy is a standard of a business strategy built by W. Chan Kim and Renée Mauborgne, researchers at Blue Ocean Strategy Institute at INSEAD. Its main goal is to answer the following question: How to create new strategic spaces?

## Why using the Blue Ocean Strategy?

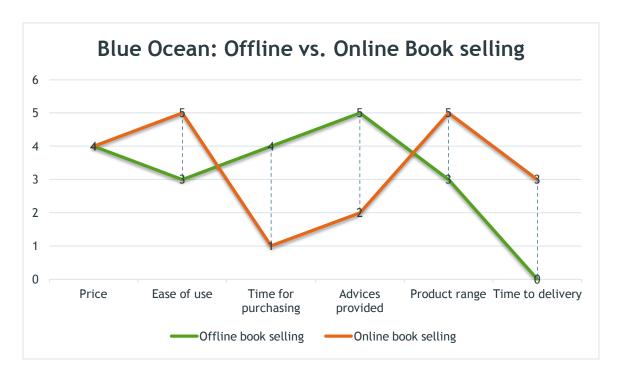
As explained in the section regarding the analysis of the book market, the latter has a high competitive environment. Therefore, in order to cope with this hostile environment ('red ocean'), our team decided to bring about the Blue Ocean strategy. This approach will help us understand better our position within the market (and especially vis-à-vis Amazon) by providing us with the Strategy Canvas which is basically a descriptive graph (the vertical axis represents our scale (from 1 to 6) and the horizontal one shows the different criteria such as the price, delivery cost and so on. In other words, the canvas will be used to indicate the gap between certain activities in this market (for example there is a gap between the products range of Amazon and the ones of BWB). As might be expected, it is up to us, as consultants, to find gap-filling strategies that will strengthen BWB's position in the market or even create a market where no competition is assessed (which is the state-of-art).

To sum-up, this concept is applied in our analysis to facilitate the establishment of BWB in Europe by enabling the implementation of efficient strategies that will help us shift from a fierce and competitive market to the so-called 'Blue Ocean'.

In order to find out if there are such "blue oceans" in the book industry, we decided to use this framework on two different approaches.

The first approach will compare the offline and the online book selling market while the second one will compare Amazon and BetterWorldBooks. One can note that this analysis will be based on the European market and will not make use of the data available for the American market.

Our first analysis will compare the offline and the online book selling market. Our conclusions are illustrated on the figure here below.



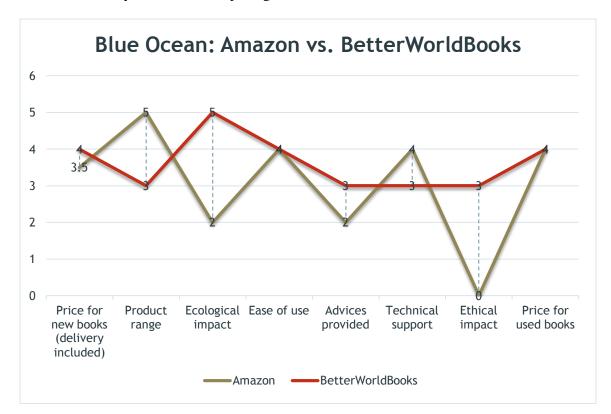
In order to provide a clearer view of potential blue oceans, it is necessary to detail the different characteristics taken into account:

- ♣ Price: Due to the fixed price policy in most European countries (excepted in the U.K., see above), the difference in price between online and offline book selling is virtually zero. Indeed, while there may be some slight difference with a lower price for the online segment, delivery make the price gap almost inexistent.
- **Ease of use:** it is clear that buying a book online is easier than going to a brick-and-mortar book shop.
- **Time for purchasing:** while the process of buying a book in an offline shop takes time, only a few minutes are necessary to order a book online.
- ♣ Advices provided: even though reviews on different books are available online, professional booksellers are much most suited for providing sound advices to their clients.

- **♣** *Product range*: due to the nature of the online market, it is clear that the range of product available online is much higher than in bricks-and-mortar shops.
- **Time to delivery:** since no delivery are required for offline bookstores, it is clear that it is much higher for the online book selling market.

From these observations, we can pinpoint two potential "Blue Oceans" that seem interesting to us:

- 1) *Time for purchasing*: A consumer buying from an offline bookstore will always need to get to the store at one point of the process (ordering or buying the book). Otherwise it would be an online bookstore.
- 2) Advices provided: from the online booksellers' perspective, one solution to fill this gap would be the setting up of a specialised service to advice customers. This opportunity seems particularly interesting to us. It will be examined in the section dedicated to the strategy.



The second analysis aims at comparing Amazon and BetterWorldBooks.

The criteria taken into account to compare Amazon and BetterWorldBooks are the following:

- ♣ Price for new books (delivery included): thanks to economies of scale, Amazon is able to provide slightly cheaper prices for new books.
- ♣ Product range: once again, amazon is able thanks to its size to provide a wider range of products.
- **♣** Ecological impact: even though Amazon gives its customers the possibility to chose an ecological delivery, it has a much less environmentally conscious business approach than BetterWorldBooks.
- **Ease of use:** since both are online retailers, ease of use is equivalent.

- ♣ Advices provided: while Amazon provides some reviews, BetterWorldBooks has specific automated services designed to give its customers a list of books based on their preferences (see above).
- **Technical support**: thanks to economies of scale, Amazon is able to provide a better service regarding technical support than BetterWorldBooks.
- **↓** Ethical impact: while BetterWorldBooks insist on its willingness to have a positive ethical impact, Amazon does not have any program aiming at ethical objectives.
- ♣ Price for used books: according to BetterWorldBooks, their prices for used books is similar to these of its competitors.

Any potential "Blue Oceans" will be further analysed in the section "strategy". However, one can note the following gaps:

- ♣ Ecological & ethical impact
- **4** Advices provided
- Product range
- **4** Technical support

# V. SWOT Analysis

A SWOT analysis consists in identifying the Strengths, Weaknesses, Opportunities and Threats of a company or an organisation. It aims at providing information to help the company to accomplish its objectives and to tackle any obstacles that may arise.

Our decision to do a SWOT analysis is based upon the necessity to have a clear overview of the strengths and weaknesses of the company and to spot the opportunities and threats that it will face in the European market. Besides, this SWOT analysis will be brief and concise in order to provide a short conclusion of our analysis.

Strengths	Weaknesses
<ul> <li>♣ Ecological &amp; Ethical impact</li> <li>♣ 2<sup>nd</sup> hand books available</li> <li>♣ Low price for 2<sup>nd</sup> hand books</li> <li>♣ Partnerships</li> <li>♣ Automated services and advices</li> <li>♣ Personal assistance</li> <li>Opportunities</li> </ul>	<ul> <li>Does not target specific enough customers' segments</li> <li>Only online stores</li> <li>Potentially high delivery cost (for the company)</li> <li>Not well-known</li> </ul>
♣ Europe is the largest book market (33% vs. 26% for the U.S.)	Competitive market (Amazon, etc.)
♣ E-books?	Illiteracy is decreasing: is it still necessary to fight against it?
	E-books may be a threat (low prices, Kindle with Amazon, etc.)
<ul> <li>High internet penetration in Europe</li> <li>High ecological &amp; ethical consciousness in the Europe</li> </ul>	Online sales are lower in Europe than in the U.S. (excepted in the U.K.)
<ul> <li>Going hybrid (online and offline book selling)</li> <li>Cooperation with universities, libraries, etc.</li> </ul>	<ul> <li>Fixed price policy in the E.U., excepted in the U.K. (but can also be a strength against big competitors)</li> <li>Only sells books: no diversification</li> </ul>
	Each country has its particularities (language, regulation, etc.)

The majority of European booksellers do not have a view upon ecological and ethical impacts of their products on the environment and the society. That is something BWB Europe could work on to differentiate from other booksellers.

Furthermore, used-books are widely available in the European book market with low price, by definition, (which is by the way the largest market in the world) as presented in the section regarding book suppliers. Furthermore, BWB partnerships are vast advantages for the Business because they are important providers of books and probably of human assets. The firm also has 'automated services and advises' that are basically algorithms developed by tech savvies to offer precise and specific proposals to customers based on their tastes and their favourites books and genres. Additionally, BWB offers a Personal assistance service, which consists in an after-sales service and books' reviews done by the staff.

On the other hand, BWB can sell second-hand textbooks (much cheaper than the new ones) and thus attract more customers who might be price sensitive. A relevant opportunity to take into account is the rise of the dot-com in the European book market. Thereby, an e-BWB-store can be a big advantage and a low-risk investment for the US Company. Besides, Europe has a high Internet penetration thereby; the e-based Company should not worry about interactions within its selling platform between book buyers, book donators and other stakeholders. Nevertheless, offline stores still are the dominant players in the European book industry and thereafter this market should not be downright overlooked.

Moreover, as stated before, Europeans tend to have a high ecological awareness. Another fascinating element is the cooperation between BWB and its book providers. As it has been pointed out in the suppliers' section, universities and libraries are important players in BWB supply chain since the former have on the one hand a big network of both buyers of books and donators, and they have on the other hand tons of books waiting to be dispatched.

Even though BWB has a high potential and much strength, one shall not ignore the risks and the drawbacks in such an undertaking. First of all, BWB is not a hyped Company in Europe. Actually it is a new concept barely seen in the Old Continent. Therefore, a marketing campaign shall be made in order to cope with such a state. Secondly, it only has online stores so that might be a problem since it does not have a 'physical' interaction with its customers.

That is why a Personal assistance service is being implemented. Moreover, the company's initial strategy seems too broad: it is not aiming or focusing on a precise market segment.

As explained before, the book industry in Europe is, as a matter of fact, a very competitive market with a big hindrance to BWB: Amazon. If we look closely within this market, Kindle is a threat to BWB because it offers its users e-books at a vey low price comparing to the market standard and benchmark. However online sales are not that high and do not account for a relevant market share in continental Europe. On the other hand, BWB has product diversification concerns and jeopardies since the former sells only books. When looking into its rival's portfolio, Amazon offers for example e-readers (and other non-reading products).

Also, BWB's main motto is to fight against illiteracy. The problem is that the latter is shrinking in the developing countries therefore: 'Is it still necessary to fight against it?'

# C. Strategy

# I. Marketing objectives

Before detailing our marketing strategy, we will expose our objectives.

We decided to follow a STP model. We will thus begin the third part of our marketing plan by segmenting potential consumers in order to clearly define the different market segments. Then, the choice of the target market will be based not only on our segmentation but also on the characteristics of BetterWorldBooks. Finally, the positioning strategy will explain how we will to attract the targeted segments. Among others, the positioning strategy will include our value proposition and promotional strategy.

### II. STP Analysis

The STP approach (segmentation, targeting and positioning) indicates the connections between the different market groups and how a company chooses to compete in that market (for example by focusing on a niche or a different class within the market). This process begins with a segmentation breakdown, which basically consists in grouping customers using some relevant criteria (age, social category, education etc.). Then, the targeting comes in second place to choose to which group(s) the Company will be selling to and be focusing (mainly) on.

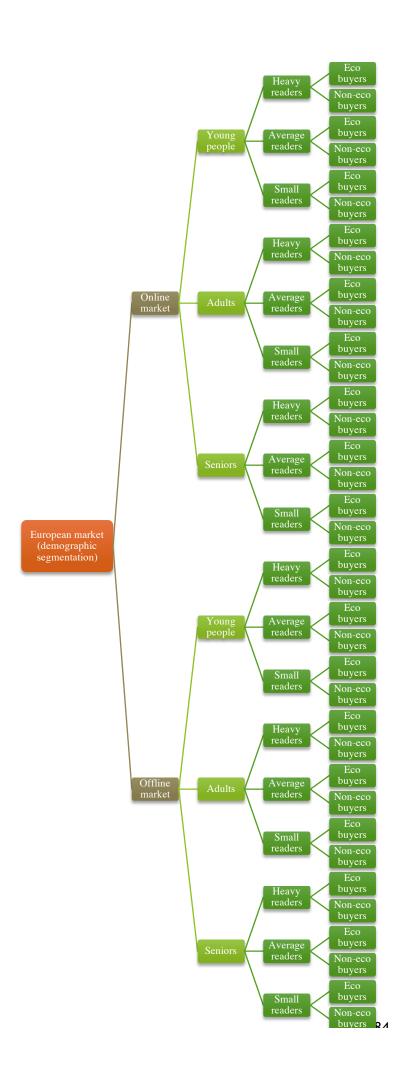
Finally, the implementation of positioning is important in this approach since it is used to assess the 'target market's perception of the product's key benefits and features, relative to the offerings of competitive products'.

To sum-up, the STP is implemented in order to select and guide the most appropriate and accurate marketing mix for the targeted market and thus choose the best strategy for the product/service's.

Entering the European market, we believe BetterWorldBooks should focus on specific market segments. The choice of the target market is largely based upon the analysis of the different segments detailed in the second part of our analysis. Besides, the particularities of the company, BetterWorldBooks, will also be taken into account in the definition of this target market.

The concept of market segmentation is very broad. According to Jerry W. Thomas (2007), "the purpose of market segmentation is the concentration of marketing energy and force on the subdivision (or the market segment) to gain a competitive advantage within the segment". There are different kind of consumers' segmentation. Referring to Jerry W. Thomas (2007), there are seven main kind of market segmentation (geographic segmentation, distribution segmentation, media segmentation, price segmentation, psychographic or lifestyle segmentation, demographic segmentation and time segmentation).

Geographic segmentation								
Market segments	United France Kingdom		German	У	Italy			
	Distribution :	segme	ntation					
Market segments	Online bo	ok sell	ing	Off-	line bo	ook selling		
	Demographic	segme	ntation					
Market segments	Young people	e	Adı	ults		Seniors		
Criteria	0-25 years old	d	25-55 y	years old		55+ years old		
	Psychographic	segm	entation					
Market segments	Heavy reader	S	Average	readers	Š	Small readers		
Criteria	See analysis		See an	alysis		See analysis		
Market segments	Ecological buye	ers (eco	buyers)	Non-ecolo	ogical	buyers (non-eco		
					buy	rers)		
Criteria	Often buy ecolo	gically	friendly	Do not o	ften b	uy ecologically		
	prod	lucts		fri	endly	products		



The first variable that will be taken into account is the geographical variable. Therefore, the strategy should vary according to a geographical segmentation that will consist in four market segments, i.e. United Kingdom, Germany, France and Italy.

Secondly, the distribution segmentation is very important regarding our market. Based on our previous analysis, two main distribution channels can be distinguished and should therefore be segmented. Given the fact that BetterWorldBooks is (almost) only active online, it is clear that this segmentation is more than relevant.

Then, the demographic segmentation should help us understand the particularities of each consumers' group based on age.

Finally, it is relevant to understand the psychographic particularities of each segment in order to be able to address each group with a specific approach. Therefore, we will subdivide the demographic segment into other segments depending on the consumers' reading habits.

The decision not to take into account the gender is based upon the fact that the differences in reading habits between men and women are not important enough to justify any segmentation. In addition, the social category will not be taken into account given the specificity of BetterWorldBooks and the fact that it sells new and second-hand books, which would distort the conclusion we may draw.

# Measuring the segments

Once the segments are defined, it is important to measure them in order to define the size of each of them. In order to do so, we will first distinguish categories based of demographic segmentation for a better understanding of each segment. Then, we will look deeper and analyse the different segments for each country.

	European market									
	Geographical segmentation									
Market	United Kingdom	Germany	France	Italy						
segments										
Size of the	€3,9 billion (2014)	€9.7 billion (2010)	€5 billion (2009)	€3.4 billion (2011)						
segments	64,715,000 people	64,668,000 people	80,646,262 people	61,855,000 people						
	(2014)	(2014)	(2016)	(2015)						

#### **United Kingdom**

In order to build the segments for the United Kingdom, we need to make a few assumptions:

- **↓** *First assumption*: there is no discrimination regarding age or reading habits in the distribution channels preferences;
- **♣** Second assumption: reading habits and buying behaviour are similar in the category 0-25 years old and 18-29 years old;
- **Third assumption**: The reading habits by age are a mean of reading habits of women and of men by age.
- **Fourth assumption**: environmental buying behaviour of a consumer is influenced by his country and his age category, e.g. the European mean of ecological buyer is 26% and the British mean is 29%, meaning that British are 29/26 times more ecological buyers than the average European. For young people for example, we simply multiply this coefficient (29/26 = 1,115) by the average ecological buyers amongst young children, i.e. 1,115x15% = 21,35%

The distribution channels preferences were already detailed in our market analysis. The online book selling segment amounts for 40% of the total market while the offline book selling segment amounts for 60% of the market.

Similarly, reading habits based on age were already detailed in our analysis. Based on our assumption, we can summarize these reading habits by age like this:

Young	Young	Young	Adults	Adults	Adults	Seniors	Seniors	Seniors
small	average	heavy	small	average	Heavy	small	average	heavy
readers								
26.25%	45%	28.75%	12.5%	30%	57.5%	25%	20%	55%

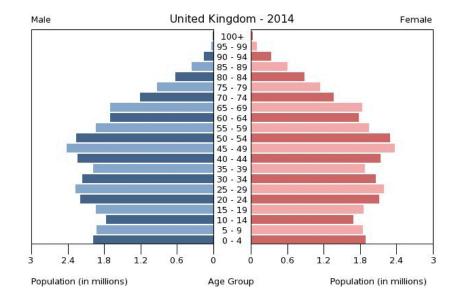
**N.B**:: the percentage are per age category, e.g. 26.25% of young people are small readers.

Regarding the buying behaviour for environmentally friendly products, we gather from our analysis and our assumptions that it can be summarized like this:

	Young people	Adults	Seniors
Often buy			
environmentally friendly	21,3%	27,2%	35.7%
products			

In 2014, the population of the United Kingdom amounted for about 64,715,000 people. The repartition of each segment based on age can be seen in the table here below.

Age category	Percentage	Population
Young people 0-25 years	30%	19,414,500
Adults 25-55 years	41%	26,533,150
Seniors 55+	29%	18,767,350
TOTAL	100%	64,715,000



United Kingdom Age Structure (Index Mundi, 2015)

The repartition of the population in each segments (for the United Kingdom) is detailed in the table here below.

United Kingdom										
64,715,000 people										
	Online book selling	j	C	off-line book sellin	g					
	25,866,000 people		38,829,000							
Young people	Adults	Seniors	Young people	Adults	Seniors					
7,759,800	10,605,060	7,501,140	11,648,700	15,919,890	11,260,410					
people	people	people	people	people	people					

For a better clarity, the sub-segmentations will be detailed here below:

Online book selling											
	25,866,000 people										
	Young	g people Adults Seniors									
7	7,759,800 people			10	),605,06	50 neor	ale	7,501,140 people			le
Small	1	rage	Heavy	Small	Avei		Heavy	Small	Ave		Heavy
readers	reac	ders	readers	readers	read	lers	readers	readers	reac	ders	readers
2,036,948	3,491	1,910	2,230,942	1,325,633	3,181	.518	6,097,909	1,875,285	1,500	),228	4,125,627
people		ple	people	people	peo		people	people	peo		people
					Young	noonlo					
	Small 1	readers	8		verage.	<del>^</del>		]	Heavy	reader	S
·					Ü				·		
	,036,94				,491,91			2 Ecologic	,230,94		
Ecologic buyers			-ecological buyers	Ecologic buyers			-ecological buyers	Ecologic buyers			ı-ecological buyers
-	•		•	· ·			·	•			•
433,869 people	· · · · · · · · · · · · · · · · · · ·		,603,078 people	743,777 people			,748,133 people	475,191 people		1	,755,751 people
people	:		people	people			people	реоріе реоріе			people
					Adı						
	Small readers			Average readers			]	Heavy	reader	S	
1	,325,63	33 реор	le	3	,181,51	8 peop	le	6	,097,90	9 реор	le
Ecologic			-ecological	Ecologic			-ecological	Ecologic			-ecological
buyers	8		buyers	buyers	\$		buyers	buyers	<b>;</b>		buyers
360,572	2		965,061	865,373	3	2	,316,145	1,653,73	35	4	,426,174
people	:		people	people			people	people			people
					Sen	iore					
	Small 1	readers	S	A	verage		rs		Heavy 1	reader	S
		_								_	
Ecologic	,875,28		le ı-ecological	1 Ecologic	,500,22		le -ecological	4 Ecologic	,125,62		le ı-ecological
buyers			i-ecological buyers	Ecologic buyers			-ecological buyers	Ecologic buyers			i-ecologicai buyers
-			•	· ·				•			•
669,477 people		1	,205,808 people	535,581 people			964,647 people	1,472,84 people		2	2,652778 people
people			People	people			People	people			People

Offline book selling									
38,829,000 people									
•	Young people	e		Adults			Seniors		
11	,648,700 peo	ple	15,919,890 people 11,260,410 p			1,260,410 people			
Small readers	Average readers	Heavy readers	Small readers	Average readers	Heavy readers	Small readers	Average readers		
3,057,784 people	5,241,915 people	3,349,001 people	1,989,986 people	4,775,967 people	9,153,937 people	2,815,102 people	2,225,08 people	2 6,193,225 people	
				V1					
	Small reader	s		Young peoplo verage reade			Heavy read	lers	
				, and the second			·		
	,057,784 peop		5,241,915 people		3,349,001 people		•		
Ecologic buyers		n-ecological buyers	Ecologic buyers		ı-ecological buyers	Ecologic buyers		Non-ecological buyers	
651,308	3 2	2,406,476	1,116,52		,125,387	7		2,635,664	
people		people	people		people	people people			
				Adults					
\$	Small reader	S	Average readers			Heavy readers			
1,	,989,986 peop	ole	4,	,775,967 peop	le	9,153,937 people			
Ecologic buyers		1-ecological buyers	Ecologic buyers		ı-ecological buyers	Ecologic buyers		lon-ecological buyers	
541,276	5 1	,448,710	1,299,06	3 3	,476,904	2,489,87	<b>'</b> 1	6,664,066	
people		people	people		people	people		people	
				Seniors					
	Small reader	s	A	verage reade	rs	]	Heavy read	lers	
2.	,815,102 peop	ole	2.	,225,082 peop	le	6	,193,225 pe	eople	
Ecologic buyers	al Noi	1-ecological buyers	Ecologic buyers	al Nor	ı-ecological buyers	Ecologic buyers	al N	Non-ecological buyers	

794,354

people

1,810,111

people

1,430,728

people

2,210,981

people

1,004,991

people

3,982,244

people

#### **France**

In order to build the segments for France, we need to make a few assumptions:

- **First assumption**: there is no discrimination regarding age or reading habits in the distribution channels preferences;
- **♣** Second assumption: reading habits are similar in the category 0-25 years old and 15-24 years old;
- **♣** *Third assumption*: the population of 35-49 years is about the same as the population of 25-34 and the reading habits of the population between 50 and 55 years old is similar to this of the population between 35-49 years old.
- **Fourth assumption**: environmental buying behaviour of a consumer is influenced by his country and his age category, e.g. the European mean of ecological buyer is 26% and the French mean is 27%, meaning that French inhabitants are 27/26 times more ecological buyers than the average European. For young people for example, we simply multiply this coefficient (27/26 = 1,04) by the average ecological buyers amongst young children, i.e. 1,04x15% = 15.6%

The distribution channels preferences were already detailed in our market analysis. The online book selling segment amounts for 19% of the total market while the offline book selling segment amounts for 81% of the market.

Young	Young	Young	Adults	Adults	Adults	Seniors	Seniors	Seniors
small	average	heavy	small	average	Heavy	small	average	heavy
readers								

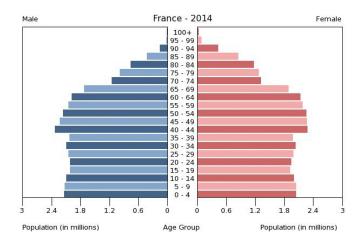
**N.B**: the percentage are per age category, e.g. 14 % of young people are small readers.

Regarding the buying behaviour for environmentally friendly products, we gather from our analysis and our assumptions that it can be summarized like this:

	Young people	Adults	Seniors
Often buy			
environmentally friendly	15.6%	26%	33.3%
products			

In 2016, the population of France amounted for about 64,668,000 people. The repartition of each segment based on age can be seen in the table here below.

Age category	Percentage	Population
Young people 0-25 years	30.6%	19,788,408
Adults 25-55 years	38.6%	24,961,848
Seniors 55+	30.8%	19,917,744
TOTAL	100%	64,668,00



France Age Structure (Index Mundi, 2015)

The repartition of the population in each segments (for the France) is detailed in the table here below.

	France										
	64,668,000 people										
	Online book selling Off-line book selling										
	12,286,920		52,381,080								
Young people	Adults	Seniors	Young people	Adults	Seniors						
3,759,798 people	4,742,512 people	3,784,371 people	16,028,611 people	20,219,097 people	16,133,373 people						

For a better clarity, the sub-segmentation will be detailed here below:

	Online book selling										
				12	2,286,92	20 peop	le				
	Young	people		Adults				Seniors			
3	3,759,79	8 people	e	4,742,512 people					3,784	1,371	
Small readers	Ave reac	rage ders	Heavy readers	Small readers	Average readers		Heavy readers	Small readers			Heavy readers
526,372 people	1,917 pec	· ·	1,315,929 people	403,113 people	2,371 peo		1,968,142 people	283,827 people	1,324 peo		2,176,013 people
					Young	noonlo					
	Small 1	readers			verage		S		Heavy 1	readers	3
	<b>50</b> 6 0 <b>50</b>			,	017.40			_	24.5.02		
Ecological b		2 people	-ecological	Ecological by	,917,49		e-ecological		,315,92		e 1-ecological
Ecological b	uyers		buyers	Ecological b	uyers		buyers				buyers
82,114				_			205,285	i		•	
people			144,258 people				,618,367 people	people		1	,110,644 people
			people	Adults							people
	Small 1	readers		Average readers					Heavy 1	readers	3
	403 113	3 people		2,371,256 people				1,968,142 people			
Ecological b		Non	-ecological buyers	Ecological b		Non	-ecological buyers	Ecological b			1-ecological buyers
104,809	)	2	298,304	616,527	,	1	,754,729	511,717	,	1	,456,426
people			people	people			people	people			people
					Sen	iorc					
	Small	readers		A	Nerage		S		Heavy 1	readers	<u> </u>
					O				•		
		people			,324,53				2,176,01		
Ecological b	uyers		-ecological buyers	Ecological b	uyers		-ecological buyers	Ecological b	uyers	Nor	n-ecological buyers
93,662			187,326	437,095	;		874,190	718,084		1	,436,169
people			people	people			people	people			people

				Ot.	fline be	alt galli	***				
				On	fline bo	ok sem	ng				
				52	2,381,08		le				
	Young	people			Adı	ults			Sen	iors	
16	5,028,61	1 peopl	e	20,219,097 people				10	5,133,37	73 реор	le
Small readers	Aver read		Heavy readers	Small readers	Avei read		Heavy readers	Small readers	Ave reac	rage ders	Heavy readers
2,244,006 people	8,174 peo	1	5,610,013 people	1,718,623 people	10,109 peo		8,390,925 people	1,210,003 people			9,276,689 people
	C II	7			Young	<del></del>			**	,	
Ì	Small r	eaders		A	verage	reader	S		Heavy	readers	
2	,244,00	6 people	e	8	,174,59	2 people	e	5	,610,01	3 peopl	.e
Ecological bu	uyers		-ecological buyers			ı-ecological buyers	Ecological buyers		Non-ecological buyers		
350,065			,893,941	1,275,236	36		,899,356	875,162		4	,734,851
people			people	people			people	people			people
					Adı	alta					
	Small r	eaders		A	Adı verage		s		Heavy	readers	
	omun i	cuucis		13	rveruge	reduci	J		Treaty.	reducis	
	,718,62				0,109,54					5 peopl	
Ecological bu	uyers		-ecological buyers	Ecological bu	uyers		-ecological buyers	Ecological b	uyers		-ecological buyers
446,842		1	,271,781	2,628,482	2	7	,481,065	2,181,64	0	6	,209,285
people			people	people			people	people			people
				ı	ı						
	0 11				Seni				**		
	Small r	eaders		A	verage	reader	S		Heavy	readers	
1.	,210,003	3 people	e	5	,646,68	1 people	e	Ģ	,276,68	9 peopl	e
Ecological bu	uyers		-ecological buyers	Ecological bu	uyers		ı-ecological buyers	Ecological b	uyers		ı-ecological buyers

1,863,405

people

3,783,276

people

399,301

people

810,702

people

6,215,382

people

3,061,307

people

#### **Germany**

In order to build the segments for Germany, we need to make a few assumptions:

- ♣ First assumption: there is no discrimination regarding age or reading habits in the distribution channels preferences;
- **Second assumption**: The frequency of reading a book is the same regardless the age of the reader.
- **Third assumption**: environmental buying behaviour of a consumer is influenced by his country and his age category, e.g. the European mean of ecological buyer is 26% and the German mean is 37%, meaning that Germans are 37/26 times more ecological buyers than the average European. For young people for example, we simply multiply this coefficient (37/26 = 1,42) by the average ecological buyers amongst young children, i.e. 1,42x15% = 21%

The online book-selling segment amounts for 16% of the total market while the offline book selling segment amounts for 84% of the market.

Furthermore, based on our assumptions, we can summarize the reading habits of Germans by age as follows:

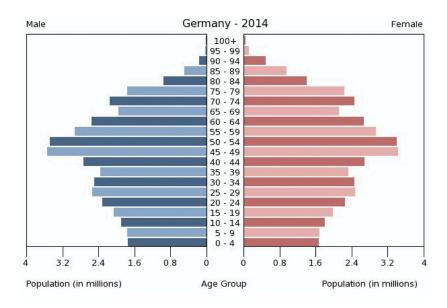
$\overline{\mathcal{C}}$				Adults				
				average readers				•
38%	18%	44%	38%	18%	44%	38%	18%	44%

Regarding the buying behaviour for environmentally friendly products, we gather from our analysis and our assumptions that it can be summarized like this:

	Young people	Adults	Seniors
Often buy			
environmentally friendly	21%	36%	45%
products			

In 2014, the population of Germany reached 80,646,262 inhabitants. The repartition of each segment based on age is presented in the table below:

Age category	Percentage	Population
Young people	23,6%	19,050,140
0-25 years		
Adults	41,7%%	33,781,341
25-55 years		
Seniors	34,7%	27,814,781
55+		
TOTAL	100%	80,646,262



Germany Age Structure (Index Mundi, 2015)

The repartition of the population in each segment (for Germany) including the reading frequency is detailed in the tables below:

				On	line bo	ok sel	ling				
				12	,903,40	02 pec	ple				
	oung 45,20			Adults				1	<b>Sen</b> 477,48	iors	- mlo
3,0	43,20	z peoj	pie	5,380,718 people				4,	,477,40	o pe	opie
Small readers	Ave reac	_	Heavy readers	Small readers	Aver read	_	Heavy readers	Small readers	Aver read	_	Heavy readers
1,157,176	548	,136	1,339,888	2,044,672	968,	529	2,367,515	1,701,442	805,9	946	1,970,091
				•	Young	peopl	e				
S	Small 1		'S		verage	read		]	Heavy		rs
	,	7,176			548				1,339		
Ecologic		ple	-ecological	Ecologic	peo		-ecological	Ecologi	pec		n-ecological
buyers			buyers	buyer		1101	buyers	buyer		1101	buyers
	_									, and the second	
243,000 people			914,169 people	115,10 people		433,027 people		281,376 people		1,058,511 people	
people			people	people			реоріе	peopi			people
						ults		,			
S	Small 1	reader 4,672	S	A		age readers 968,529		<b>Heavy readers</b> 2,367,515			
	,	+,072 ple			peo	·			2,30 pec		
Ecologic buyers	cal	Non	-ecological buyers	Ecologie buyer	cal		-ecological buyers	Ecologi buyer	cal	_	n-ecological buyers
736,083	1	1	,308,590	348,67	0		619,858	852,30	)5	1	1,515,209
people	;		people	people	<b>)</b>		people	people	e		people
					Sen	iors					
S	Small 1	reader	'S	A	verage		ers		Heavy	reade	rs
	,	,442			805				1,970		
Foologie		ple	analasisal	Faala-i	peo		, and a size!	Ecologi	pec	_	n-ecological
Ecologic buyers			-ecological buyers	Ecologie buyer:		NOI	-ecological buyers	buyer		1901	n-ecological buyers
·			•				·				·
612,519 people		1	,088,922 people	290,14 people			515,805 people	709,23 people			,260,858 people
people	,		people	people			people	people			people

					fline bo 7,742,86						
	Young	people	:	Adults				Seniors			
15	5,987,31	14 peop	ole	28,248,772 people				23,506,772 people			
Small readers	Avei reac	0	Heavy readers	Small readers	Avei read	0	Heavy readers	Small readers	Avei reac	0	Heavy readers
				1000013							
6,075,179 people	2,877 peo		7,034,418 people	10,734,533 people	5,084 peo	*	12,429,459 people	8,932,573 people	4,231 peo		10,342,979 people
реоріс	peo	pic	реоріс	реоріс	рсо	pic	реоріс	реоріс	рсо	pic	реоріс
	g 11				Young						
	Small r 6,075		<b>!</b>	A	<b>verage</b> 2,877		rs	]	Heavy 1 7,034		S
	peo	ple			peo	ple			peo	ple	
Ecological b	Ecological buyers Non-ecological buyers				uyers		-ecological buyers	Ecological b	uyers		-ecological buyers
			Duyers				Duyers	buyer			Duyers
2,733,83			,971,348	1,294,972 1,582,743			3,165,48	8	3	,868,929	
people			people	people		people		people			people
					Adı	ılts					
	Small r 10,73		•	Average readers 5,084,778				]	Heavy 1		S
	peo			5,084,778 people				12,429,459 people			
Ecological b		Non	-ecological buyers	Ecological b		Non	-ecological buyers	Ecological b		Non	-ecological buyers
4,830,53	19	5	,903,993	2,288,15	0	2	,796,627	5,593,25	6	6	,836,202
people			people	people			people	people			people
					Seni	iors					
	Small r		1	A	verage	reade	rs	]	Heavy 1		S
	8,932,573 people				4,231 peo				10,34 peo	,	
Ecological b		Non	-ecological buyers	Ecological b		Non	-ecological buyers	Ecological buyers		Non	-ecological buyers
4,019,65	57	4	,912,915	1,904,04	8	2	,327,169	4,654,34	0	5	,688,638
people			people	people			people	people			people

#### **Italy**

In order to build the segments for Italy, we need to make a few assumptions:

- ♣ First assumption: there is no discrimination regarding age or reading habits in the distribution channels preferences;
- **Second assumption**: reading habits are the same for every age category;
- **Third assumption**: environmental buying behavior of a consumer is influenced by his country and his age category, e.g. the European mean of ecological buyer is 26% and the Italian mean is 17%, meaning that Italians are 9/26 times less ecological buyers than the average European. For young people for example, we simply multiply this coefficient (17/26 = 0.65) by the average ecological buyers amongst young children, i.e. 0.65x15% = 9.75%

The distribution channels preferences were already detailed in our market analysis. The online book selling segment amounts for 12% of the total market while the offline book selling segment amounts for 88% of the market.

Furthermore, based on our assumptions, we can summarize the reading habits of Italians by age as follows:

small	average	Young heavy readers	small	average	Heavy	small	average	heavy
44%	41%	15%	44%	41%	15/%	44%	41%	15%

Regarding the buying behaviour for environmentally friendly products, we gather from our analysis and our assumptions that it can be summarized like this:

	Young people	Adults	Seniors
Often buy			
environmentally friendly	9.75%	16.25%	20.8%
products			

The Italian population was estimated at 61,855,000 in 2015 (Population du Monde, s.d.).

Age category	Percentage	Population
Young people 0-25 years	23 %	14,226,600
Adults 25-55 years	43 %	26,597,700
Seniors 55+	34 %	21,030,700
TOTAL	100%	61,855,000

The book market in Italy was worth 3.4 billion in 2011.

	Online book selling										
	7,422,600 people										
	Young people	!		Adults			Seniors				
1	,707,200 peopl	le	3	,191,700 peopl	e	2	,523,700 peopl	le			
Small	Average	Heavy	Small	Average	Heavy	Small	Average	Heavy			
readers	readers	readers	readers	readers	readers	readers	readers	readers			
751,200	699,900	256,100	1,404,300	1,308,600	478,800	1,110,400	1,034,700	378,600			
people	people	people	people	people	people	people	people	people			

Young people							
Small 1	eaders	Average readers		Heavy readers			
751,200 people		699,900 people		256,100 people			
Ecological buyers	Non-ecological buyers	Ecological buyers	Non-ecological buyers	Ecological buyers	Non-ecological buyers		
73,250	677,950	68,250	631,650	24,970	231,130		
people	people	people	people	people	people		
Adults							
Small readers		Average readers		Heavy readers			
1,404,300 people		1,308,600 people		478,800 people			
Ecological buyers	Non-ecological	Ecological buyers	Non-ecological	Ecological buyers	Non-ecological		
	buyers		buyers		buyers		
228,200 people	1,176,100 people	212,650 people	1,095,950 people	77,800 people	401,000 people		
		Sen		<u> </u>			
Small readers		Average readers		Heavy readers			
Ecological buyers	Non-ecological buyers	Ecological buyers	Non-ecological buyers	Ecological buyers	Non-ecological buyers		
230,960	879,440	215,200	819,500	78,750	299,850		
people	people	people	people	people	people		

					fline book 1,432,400 p						
<u> </u>	Young people				Adults			Seniors			
12	12,519,500 people			23.4	23,405,900 people			18,507,000 people			
Small	Small Average		Heavy	Small Average Heavy			Small	Avera	ge Heavy		
readers	read	ers	readers	readers	readers	rea	ders	readers	reade	rs readers	
5,508,500	5,133	,000,	1,878,000	10,298,600	9,596,400	3,51	0,900	8,143,100	7,587,9	2,776,000	
					Young peo	ple					
5	Small readers			A	Average readers			Heavy readers			
5.	5,508,500 people			5.	5,133,000 people			1,878,000 people			
Ecologi	ical		Non-	Ecological	Non	-ecolog			ogical Non-ecologic		
buyei	rs.	е	cological buyers	buyers		buyers	rs		buyers bu		
537,10	00	4	,971,400	500,500	4	,632,500	)	183,	100	1,694,900	
					Adults						
Sr	Small readers Average readers Heavy readers					lers					
10.2	10,298,600 people			9,596,400 people			3,510,900 people			onle	
Ecologic		N	on-	Ecological	No.	n-				-ecological buyers	
buyers			ogical yers	buyers	ecolog buy		bı	uyers	yers		
1,673,50	0		25,100	1,559,400	8,037		57	0,500	),500 2,940		
					~ .						
Seniors Small readers Average readers Heavy readers											
Sman readers		Average reducts			incavy reducts						
8,143,100 people		7,587,900 people			2,776,000 people						
	Ecological Non-ecologica			O				,	Non-ecological		
buyer	S		<b>buyers</b> 5,449,300	buyer	S	<b>buyers</b> 6,009,60				buyers	
1,693,8	00		,500°	1,578,3	00	0,009,	000	577,4	100		
										2,198,600	

# Section II: Targeting

Entering the European market, we believe BetterWorldBooks should focus on specific market segments. The choice of the target market is largely based upon the analysis of the different segments. Besides, the particularities of the company, BetterWorldBooks, will also be taken into account in the definition of this target market, as well as the current situation of the competition in the European market.

The first variable that should be taken into account in the definition of our target market is the geographical variable. From our analysis and our segmentation, we drew the conclusion that Italy should be excluded from our target market. This decision is based on three main reasons:

- Low share of online market: with merely 12% of the market share, the online book selling market is lower in Italy than in any other of the analysed country.
- Low attractiveness of ecological products: in addition to this low percentage of market share, Italian consumers are the least eagers to purchase ecological product. Indeed, only 17% of the population (on average) often buys green products.
- **♣** Strong competition for a relatively small market: finally, even though the competition is also strong in the other countries, the strong competition on a relatively small market are strong barriers to entry.

Amongst the remaining countries (United Kingdom, France and Germany), we decided to exclude the off-line market. This decision is based on three main factors:

- **♣** *Sluggish market*: the off-line market share is constantly decreasing while the competition is still very strong. In addition, one can note that many companies only active on the off-line market are going bankrupt.
- # Higher cost: from a financial perspective, entering the off-line market entails higher operating costs. Indeed, in order to enter the off-line market,

BetterWorldBooks would need to buy or rent shops, higher more employees, etc., which would drastically increase its costs.

♣ Online know-how: BetterWorldBooks has, historically, always been (mostly) active online. Therefore, their entire business model is based on low cost and online selling and they do not have any experience in the market of bricks-and-mortar bookshops.

Besides, the remaining countries are quite homogeneous (given the fact that off-line market was taken out) but the segments in those countries are heterogeneous.

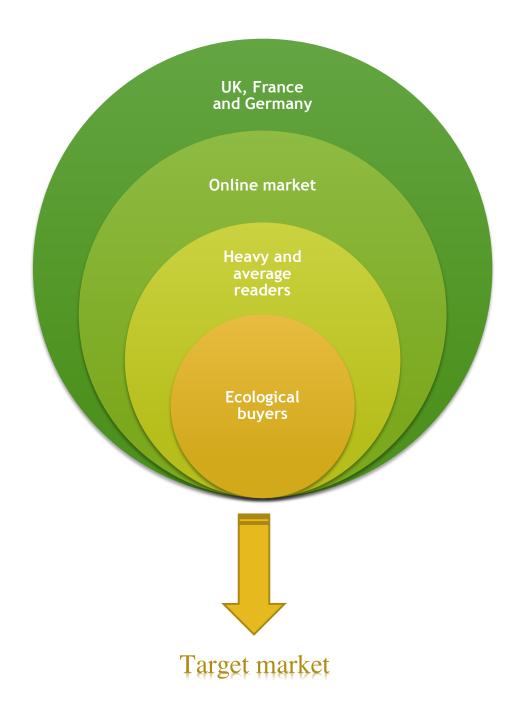
From the psychographic perspectives, we decided to target only the average and heavy readers and the ecological buyers. The decision to exclude the small readers from our target market is based on the assumption that the costs of advertising for this category would exceed the benefits. Also, only ecological buyers will be targeted because we believe that BetterWorldBooks should aim at filling an empty gap, i.e. targeting a niche market in order to be able to compete against big companies such as Amazon and offer an added value to its wisely selected customers. From our analysis, we indeed gathered that the market of ecologic books is (almost) inexistent in the European market. Therefore, this seems to be a perfect opportunity for BetterWorldBooks and will give the company a strong position in the European market.

Our target market counts 11,130,175 people from France, the United Kingdom and Germany. The repartition of this target market is detailed here below.

	United	France	Germany	Total of the
	Kingdom			population
Young	1,218,968	504,415	396,485	2,119,898
Adults	2,519,108	1,128,244	1,200,975	4,848,327
Seniors	2,008,429	1,154,179	999,372	4,161,970
Total of the population	5,746,505	2,786,838	2,596,832	11,130,175

One can notice that the United Kingdom alone amounts for nearly half of our target market. This can be explained by the high penetration of online book selling in this country. Also, it is important to note the repartition of people depending on their age. All this information is to be taken into account in the positioning strategy of BetterWorldBooks.

Finally, the chosen target market can be summarized in the figure here below.



# Section III: Positioning Strategy

In order to be able to compete against Amazon and other incumbents in the European market, BetterWorldBooks should provide an added value to its products and services compared to its competitors. In order to do so, it is important to provide a relevant value proposition that both fits the company's culture and know-how but also the consumers' needs and wants.

Firstly, the current value proposition of BetterWorldBooks will be summarised with the help of a value proposition canvas.

Secondly, we will provide an added value proposition customized to the European market with the help of the S.A.V.E. framework.

# **Current Value Proposition**

The current value proposition of BetterWorldBooks articulate itself around 3P's: Product, Planet, Profit.

They offer online selling services of both new and second-hand books. In addition, they offer an environmentally friendly and ethical product. Also, their automated services provide a list of book recommendation for their users, saving them thereby time and effort.

Their detailed value proposition is explained in the first part of this report. However, it can be summarized with the help of the value proposition canvas here below.

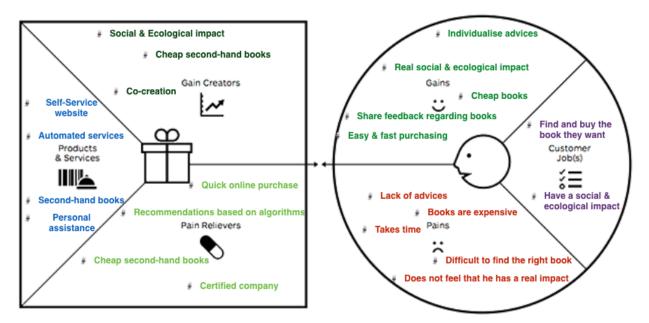
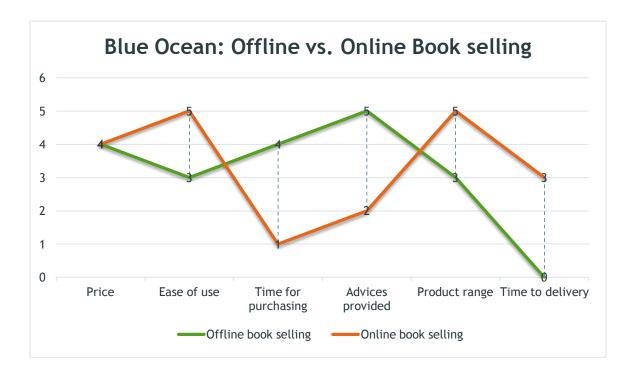


Figure 32. Current value proposition canvas. From van Looy, B. & Witmeur, O. (2015-2016) - Theory of Innovation & Entrepreneurship. Syllabus, Université Libre de Bruxelles

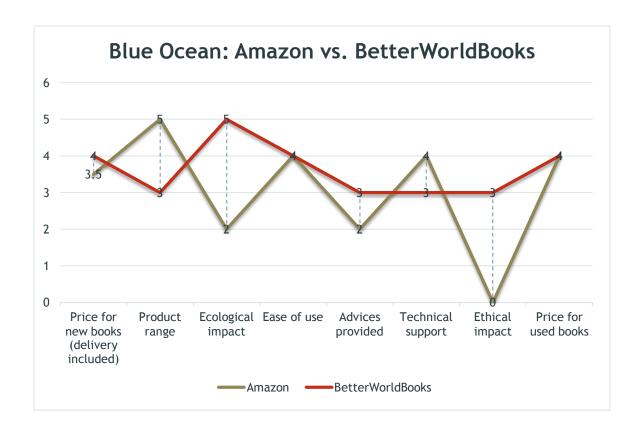
Even though BetterWorldBooks currently provide an extensive and successful value proposition, it is clear that it can be improved and must be adapted to the European market. In order to do so, we will use the S.A.V.E. model. In addition, aiming at providing a competitive value proposition, we will make use of the Blue Ocean conducted in the analysis of the market.

In our market analysis, we conducted two types of Blue Ocean analysis. The first one compares Amazon and BetterWorldBooks while the second one compares online books selling and offline books selling.



From these observations, we can note one gap that should be filled by BetterWorldBooks:

Advices provided: this gap will be filled with a system enabling customers to provide high quality reviews in exchange for points that they will be able to trade for discounts on the company's books. This will be detailed here below.



From this second "Blue Ocean" analysis, one can note the following gaps that should be filled:

- **↓** Ecological & ethical impact: this gap will be filled through a newsletter service that will be detailed below.
- **Advices provided**: see here above.

From our previous market analysis and the Blue Ocean illustrated here above, we can make our added value proposition canvas with the use of the S.A.V.E. model. The decision to use the S.A.V.E. model is based on the fact that changes in the environment makes the 4P's out-of-date. Indeed, according to Eduaro Conrada, Chief Marketing Officer for Motoral, "business owners should look to the S.A.V.E. framework instead of the 4P's marketing mix, as they craft and define their unique offering" (BusinessModelsInc, 2014).

# Solution

Review club
Improved books recommandations
Subscription service
Newsletter

# Access

Website Drop boxes

S.A.V.E.

# Value

Online community
Ecological impact
Cheap books
Discounts for students

# Education

Education Word-of-mouth Referral program

#### **Solution**

"We are continually faced by great opportunities brilliantly disguised as insoluble problems."

Lee Lacocca, American Businessman, President and CEO of Chrysler Corporation from 1978 to 1992 (Decision Innovation, s.d.)

In order to improve our value proposition, we came to the conclusion that three services should be added to our product in order to solve customers' problems spotted with the help of the Blue Ocean analysis.

First of all, a subscription service would enable the company to retain more customers and give them an incentive to buy their books through our distribution channel. This subscription service primarily aims at targeting heavy readers but also average readers. This service will consist in a monthly delivery of a given number (depending on the client's choice) of selected and discounted books according to the consumer's preferences with the use of the algorithms that BetterWorldBooks already uses. This will provide heavy (and average) readers with an easy and cheaper way to fulfil their reading hunger.

The second problem that should be solved is the lack of relevant and complete enough recommendations regarding books. Our proposal to solve this problem is to turn customers into co-creator through a review club. Thanks to a system of "points", which clients will be able to exchange for discounts on the company's books. In order to earn points, customers will have the possibility to write reviews on books they read. In practise, other customers would be able to "like" their reviews and each "like" would provide the author of the reviews with one "point". In addition, every purchase on our website would give them one additional "point" per dollar spent on our books. Once they have gathered enough points, they will be able to exchange them for reductions with a limit of 20% per item with the following ratio: 1 point = 0.5% discount.

Finally, in order to target specifically ecological buyers, and in order to improve the feeling that our product has a real ecological and ethical impact, we will create a newsletter. This newsletter will be sent to every subscriber every month. It will give them an overview of the progress of our current ecological and ethical projects.

#### Access

In today's environment, place has become irrelevant with the increase of online selling and Internet penetration. Therefore, companies should not focus on place but rather on access.

In order to target online consumers, it is important to focus on online access to our products and services. Therefore, a website should be created for every country (i.e. France, United Kingdom and Germany). This website should be user friendly and focus on the ecological aspect of the product. Also, customers should be able to create an account. This account will gather all their information, recommendation of books, points they gathered and will also provide them with a follow-up of their current orders.

Finally, the books donation should not be forgotten. In addition to partnerships with universities and libraries, drop boxes will be placed in strategic places (universities, offices, etc.) in order to increase access to donation possibilities.

#### Value

Even though price remains an important determinant, emphasis should first be put on value. What do we offer? How is this better than competitors? Many of our services were already described in the section concerning solution. However, our value is not limited to these services. The additional values we offer to customers are the following:

♣ Online community: in order to specifically target heavy readers, we will create an online community. This online community will be similar to any social network but will be specifically designed for book readers. Among the features that will be included, users will have the opportunity to take part in online discussion about different books on forum and live chat, they will also be able to create "events" in order to meet "in real life" and discuss their experience about the books they read. Also, news will be regularly published about new publications, authors, etc. This online community will be directly accessible from our website and will be advertised on existing social media such as Facebook and Twitter.

- ♣ Ecological impact: targeting ecological buyers, specific emphasis should be put on the ecological impact of the product. From our analysis, we gather that the ecological book market is (almost) inexistent in Europe. Therefore, we offer an ecological added value to consumers, which they can not find with any other competitors.
- Leap books: in addition to the ecological impact, we provide cheap (second-hand) books. Even though price is not the most relevant criteria, this will enable us to target price sensitive consumers and heavy readers who are willing to buy as many books as possible.
- ♣ <u>Discounts for students</u>: in order to specifically target young people, we will offer discounts for students. Textbooks amount for almost 40% of the market and are mainly bought by students. Since these are expensive, we will provide extra discount for students. They will be able to receive this discount thanks to their university e-mail address.

#### **Education**

Rather than promoting a product, educating people provide customers with information relevant to their needs and wants. In order to educate our current and potential customers, three channels will be used:

- ♣ Referral program: in order to give our customers incentives to promote our company, we will create a referral program. Our clients will be able to have "referrals" and they will earn discounts for each book purchased by their referrals.

- ♣ <u>Book fairs</u>: in order to educate people, we will be present at books fairs. Our presence will enable the company to promote its products and services and to meet potential customers.
- ♣ <u>Social networks</u>: In addition to our website, social medias should be used to provide an increase promotion to our services thanks to a company's Facebook page for example. A Twitter account should also be created in order to share the progress of the company's ecological and ethical projects with its "followers".

# **Pricing**

Product pricing can be the most powerful tool in e-stores since it enables firms to capture mass consumers and therefore keep them in the long run as loyal customers by offering them different services and features.

In BWB's case, special discounting strategy will be implemented in order to cope with the high competitive book market and thus gain ground within this market.

One should note that discount strategy is not sufficient to sustain a long-term clientele. This is why BWB offers many features to its customers besides discounts (review clubs, econewsletter etc.).

Bouncing back to the discount strategy, the following table shows the different categories of price deduction:

### **Subscription**

A monthly membership will be proposed to heavy and average readers. This subscription will enable them to receive each month a collection of books based on the customers tastes and preferred genres.

Moreover, to encourage Heavy and Average readers to buy from BWB, the latter will provide them with special discounts (if you buy X books you get X% off on your next purchase). Focusing on a specific pricing strategy for small readers is a waste of time and resources since the former do not read on regular basis. Therefore, a discount would be superfluous in their case. Besides, in the targeting section it was clearly stated that small reader would not be targeted.

#### **Review Club Discount**

BWB will on the one hand enable buyers to create their own BWB profile and on the other hand it will let users submit reviews on books that they read beforehand. This technique is relevant especially because readers would rather consult a review about a book that they are

willing to purchase. So BWB's platform in this case is both the seller of the book and the referee to analysis concerning the book.

Moreover, to ensure the efficiency and the application of such a Club, BWB will assign to each review (and based on the number of likes and interactions with it) points that can be exchanged for discounts. This way, BWB ensures active interactions between users.. As it has been decided, 1 point will be equivalent to a 0,5% discount on a BWB product with a maximum of 40 points per product (in other words 20% discount per product by simply writing reviews and being interactive).

#### **Student Discount**

As it had been pointed out in the previous sections, young people represent an important segment for BWB and more precisely, the Textbook market. As it is a common fact, students are among low revenue residents and therefore are generally price sensitive. With the Student Discount system, BWB enables students to purchase important courses' materials for their lessons and studies with a discount rate. The student must indicate that the buyer (him) is a student (for instance: a university email address of the student is sufficient).

### **Referral Program**

This program is interesting to implement because it enables a tremendous growth of BWB' network by a cooperation with buyers. In a nutshell, the referral program is a feature that helps BWB grow with the help and the dedication of its buyers. For example, Mister X has a BWB profile. Misses X signs up correspondingly for BWB and starts to purchase books online. When Ms. X has subscribed for BWB, the server asks her how she knows BWB. By saying that M. X was the one to tell her to join the BWB network and buy books from it, the former gets a discount for a 'word-of-mouth' mark

### Revenues of BetterWorldBooks

In order to measure the market growth in the market, we need to make some assumption:

✓ Assumption for market growth: C.A.G.R. is equal is all countries and equal to 1.3% (PwC, 2015).

Our analysis gathered that the German market value was €9.7 billion in 2010, the French one was €5 billion in 2009 (Simon & de Prato, 2012) and the English one €3.9 billion in 2014 (The Publishers Association, 2014 : The UK Book Publishing Industry in Statistics 2014) Hence, the market value for the different targeted country are the following:

# Market value per country

(in billion €)	2017	2018	2019
Germany	10,6	10,7	10,9
UK	4	4,1	4,2
France	5,5	5,6	10,7

✓ Assumption for market revenues: heavy readers buy twice as many books as average readers, who themselves buy twice as many books as small readers. With this hypothesis, we can attribute a percentage of the market for heavy, average and small readers.

### Example for Germany:

Heavy readers: 44% of the population Average readers: 18% of the population Small readers: 38% of the population

Small readers' coefficient: 1

Average readers' coefficient: 2

Heavy readers' coefficient: 4

Suppose that total market size is 1x38 + 18x2 + 44x4 = 250

Then, total market size of average reader is: 18x2/250 = 14,4%

Total market size of heavy reader is: 44x4/250 = 70,4%

# Market size per reading habit & country

	Small readers	Average readers	Heavy readers
Germany	15.2%	14.4%	70.4%
United Kingdom	10.4%	17%	72.6%
France	14.2%	40.2%	45.6%

# Segment's size in terms of euros

In order to compute the segments' size in terms of euros, we compare the size of our target market to the size of the total market.

### Example for Germany

Online ecological average readers amounts for 753,719 people.

Online ecological heavy readers amounts for 1,842,913 people.

Average readers amounts for 11,640,240 people, hence we target 6.5% of average readers.

Heavy readers amount for 28,453,920, hence we target 6.5% of heavy readers.

This represents 6.5% of 70.4% plus 6.5% of 14.4% respectively. That means 5.512% of the total size of the German market or  $\leq$ 496 million in 2017.

# Value of the market segment in euros in 2017

(in million €)	Germany	UK	France
Target market size (2017)	496	416	147

# Segment size growth 2017-2019

✓ Assumption for the segment's growth: segment size growth is equal to market size growth (see above)

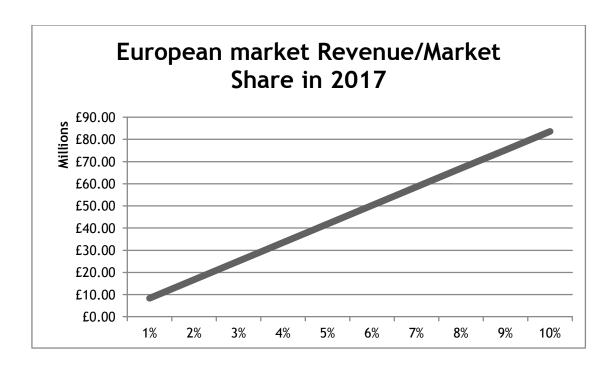
(million €)	2017	2018	2019
Germany	496	502	509
UK	416	421	427
France	147	149	151
TOTAL	1059	1073	1087

# BetterWorldBooks market share of its targeted market

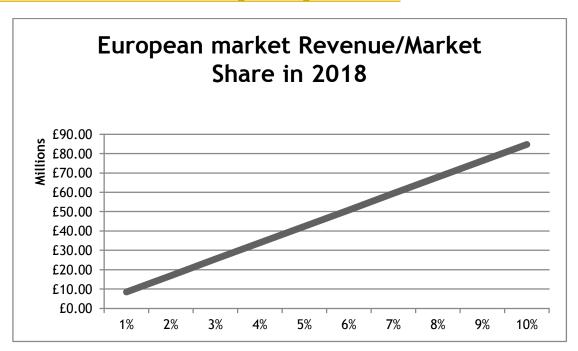
It was not possible to compute the share of BWB on its targeted market. That is the reason why we decided to draw a graph of BWB's revenues depending on its market share on its targeted market to find the « break even market share ».

**↓** *Calculus explanation*: We know that the total targeted market in Europe is equal to 1.059.000.000 Euros (836.933.516 Pounds). For each market share, one should multiply the revenue by the market share.

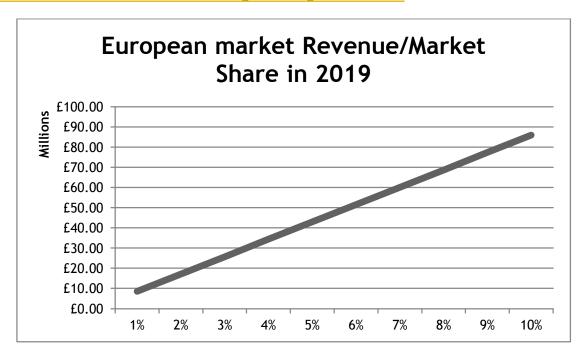
# a) 2017: Revenue/Market Share in the global targeted market



# b) 2018: Revenue/Market Share in the global targeted market.



### c) 2019: Revenue/Market Share in the global targeted market.



### Costs of BetterWorldBooks

In the light of our below cost analysis, we decided the best idea was to establish the company's activities in the UK since its employee cost is lower than in Germany and France.

### A. Variable costs UK

# 1) **Employees:**

Ratio (Sales/Employee) = \$55 million/ 350 = \$157.142/employee (Raphael, 2012)

- ♣ Average salary in the U.S. (entire country, 2014): \$46,481 (The United States Social Security Administration, s.d.);
- ♣ Average salary for BWB employee in the U.S. : \$53,757 (Salary list, 2010)

  This means BWB employees are paid 1.15 times the average salary.

  Knowing that the average salary for the UK (entire country, 2014) is £26,500

(Accounting Services For Business, s.d.), we can conclude that BWB employees should be paid 1.15\*26,500 = £30,475 on average.

### 2) Warehouses:

- \*\*Ratio (Sales/warehouses): 55 million / 1 warehouse (in Indiana) =\$55 million / warehouse (SJF Institute Case Study, s.d.);
- ↓ £ 5-7 per square feet rented in the UK →£ 50-70 / m2 year in average (Statista, 2016 :

  « Rental cost... »);
- ≠ 250.000 square feet (approximately 2.300 m2) warehouse in the USA, Indiana (Visit Mishawaka, s.d.).

Therefore, the ratio should be \$55.000.000/250.000 = \$220/sq. ft.

### B. Variable costs France

- 1) Employees (Luciani, 2015):
- **Average salary in the U.S. (entire country, 2014):** \$46,481;
- ♣ Average salary for BWB employee in the U.S.: \$53,757 (Salary list, 2010) → BWB employees are paid 1.15 times the average salary
- **Average salary in France**: £ 34.000
- $\rightarrow$  BWB employees should be paid 1.15\*34.000= £39.100 on average
  - 2) Warehouses (Business For Sale, s.d.):

It varies between 50 Euros – 80 Euros / m2 year in average (£ 40-63)

# C. Variable costs Germany:

# 1) Employees (Luciani, 2015):

- Average salary in the U.S. (entire country, 2014): \$46,481
- ♣ Average salary for BWB employee in the U.S.: \$53,757 (Salary list, 2010) → BWB employees are paid 1.15 times the average salary
- **4** Average salary in Germany: £ 30.000
- → BWB employees should be paid 1.15\*30.000 = £34.500 on average

# 2) Warehouses:

It varies between 40-70 Euros/m2 year in average (£ 30-55)

In conclusion, one can note that employees' costs are the lowest in the UK then in Germany and the highest in France. On the other hand, warehouses costs are the lowest in Germany then in France and the highest in the UK.

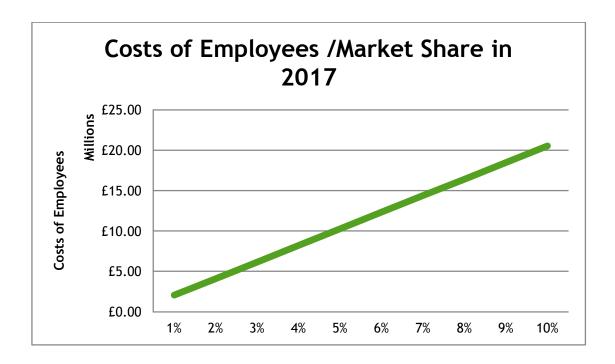
In other words, if BWB Europe will have lot of employees, it will be better off to implement in the UK even though the warehouses costs are high.

# A. Costs of Employees:

♣ Calculus explanation: To calculate the cost of employees by market share, we took the results of the previous section for each year (example: 8.366.100 Pounds of a revenue for a market share of 1%) and we multiplied it (i.e. the revenue by market share for a specific year) by the following ratio in order to have coherence with BWB US:

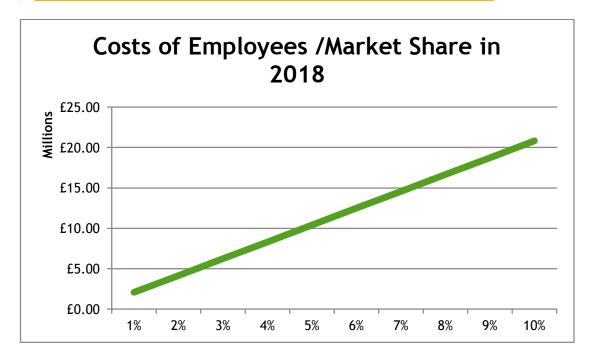
Ratio= Number of employees/Total turnover (for the US) = 350/43.450.000 Pounds

a) 2017: Employees costs/market share in the global targeted market

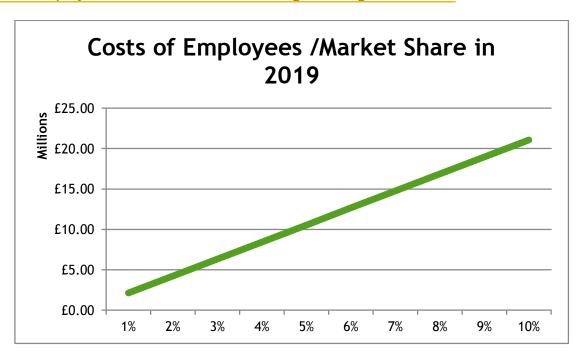


N.B.: one employee costs £30,475/ year in the UK.

# b) 2018: Employees costs/market share in the global targeted market



# c) 2019: Employees costs/market share in the global targeted market:

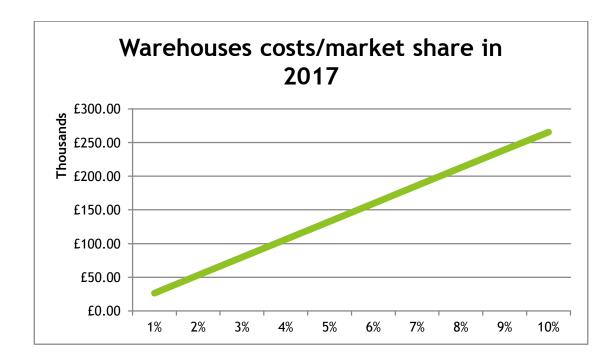


### B. Costs of Warehouses

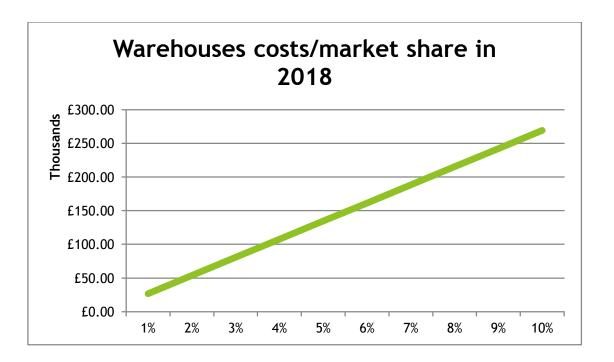
♣ Calculus explanation: To calculate the cost of warehouses by market share, we took the results of the first section for each year like stated before (example: 8.366.100 Pounds of a revenue for a market share of 1%) and we multiplied it (i.e. the revenue by market share for a specific year) by the following ratio in order to have coherence with BWB US:

Finally, we multiplied the whole by 60 Pounds/m<sup>2</sup> per year, which is the cost of renting a warehouse in the UK.

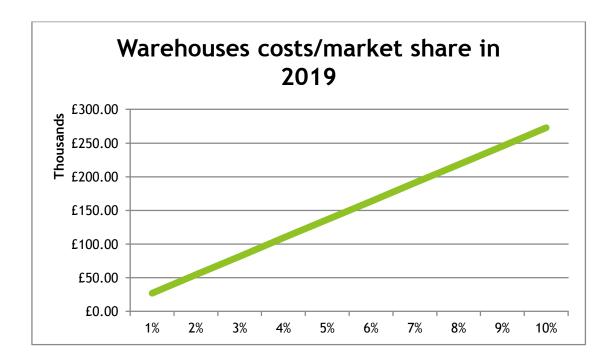
# a) 2017: Warehouses costs/market share in the global targeted market:



# b) 2018: Warehouses costs/market share in the global targeted market

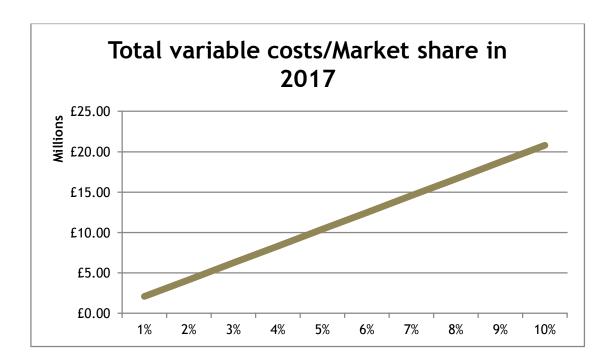


# c) 2019: Warehouses costs/market share in the global targeted market

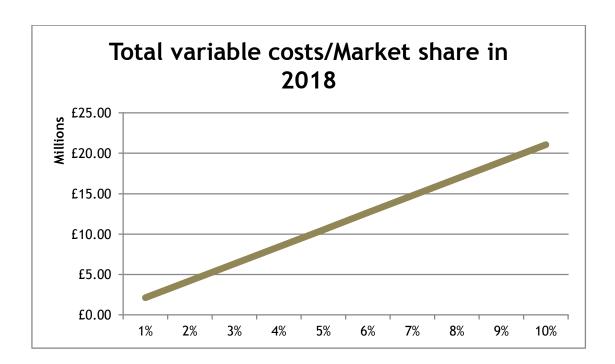


# C. Total variable costs

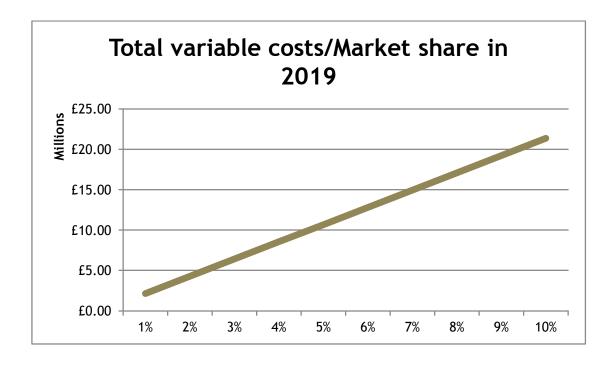
# a) Total variable costs for the year 2017



# b) Total variable costs for the year 2018



# c) Total variable costs for the year 2019



# D. Fixed costs

# 1) Website Costs (Parr, 2015):

# **♣** Website creation costs:

> Small e-commerce (5 main sections, total pages : 10):

- -Planning -\$0 \$600
- -UX (sitemap, wireframes) -\$0 \$1200
- -Visual Design- \$1,200 \$2,400
- -Programming \$3,000 \$4,800
- -Content Support \$240 \$600
- -Client Training / Documentation \$240 \$600
- -Testing and Launch -\$960 \$1200

Total Cost: \$5,640 - \$11,400 \*and up, depending on Requirements

- > Small business (7 main sections, total pages : 20)
  - -Planning -\$600 \$1200
  - -UX (sitemap, wireframes) -\$0 \$600
  - -Visual Design -\$960 \$2400
  - -Programming \$3000- \$7200
  - -Content Support \$240 \$600
  - -Client Training / Documentation \$0 \$600
  - -Testing and Launch \$960 \$1200

Total Cost: \$5,760 - \$13,800 (and up, depending on requirements)

- ➤ Medium business (7 main sections, total pages : 30)
  - -Planning / UX (sitemap, wireframes) \$600 \$2400
  - -Visual Design -\$1200 \$2400
  - -Programming \$3800 \$4800 (for smaller websites)
  - -Programming \$4800 \$9600 (for larger websites)
  - -Content Support/ Migration \$600 \$1200
  - -Client Training / Documentation \$0 \$600
  - -Testing and Launch -\$960 \$2,400

Total Cost: \$7,160 -\$18,600 (and up, depending on requirements)

- > Large business (8 main sections, total pages : 40)
  - -Planning / UX \$1,200 \$2,400
  - Visual Design -\$2,400 \$3,600
  - Content Support/ Migration \$600 \$1800
  - -Programming -\$7,500 \$15,500
  - -Client Training / Documentation \$600 \$1800
  - -Testing and Launch -\$2,400 \$4,800

Total Cost: \$14,700 – \$29,900 (and up, depending on requirements)

# Other Website costs:

➤ URL: \$10/year ➤ Hosting: \$50/year

➤ Maintenances: \$500/year

Marketing: \$750/ month (cost of putting our website link all over the internet with

other websites)

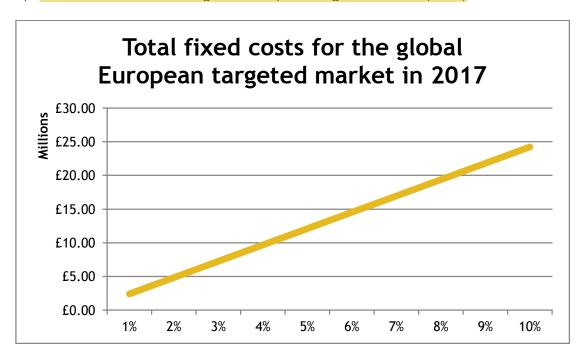
# 2) Other fixed cots

These include logistics costs, delivery costs and sales commissions. In our internal analysis, we saw that BetterWorldBooks often pays a commission of 8%. Logistics costs were estimated thanks to Establish (2014) whereas delivery costs were estimated thanks to Amazon's 2015 annual report (2016).

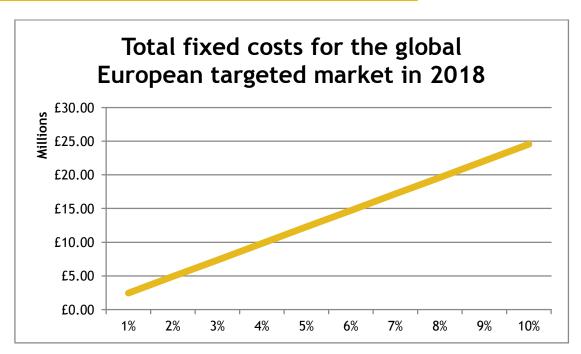
♣ Calculus explanation: We said that fixed costs include logistics, delivery, commission and website costs. To calculate the first three costs, we took the results of the first section for each year (example: 8.366.100 Pounds of a revenue for a market share of 1%) and we multiplied it (i.e. the revenue by market share for a specific year) by the following sum:

We finally added the website costs, which do not depend on our market share nor on our revenue.

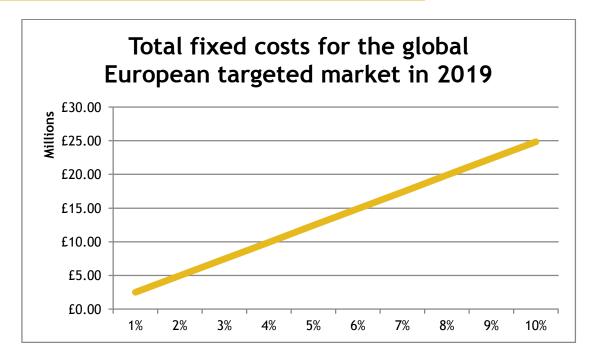
a) Total fixed costs for the global European targeted market (2017)



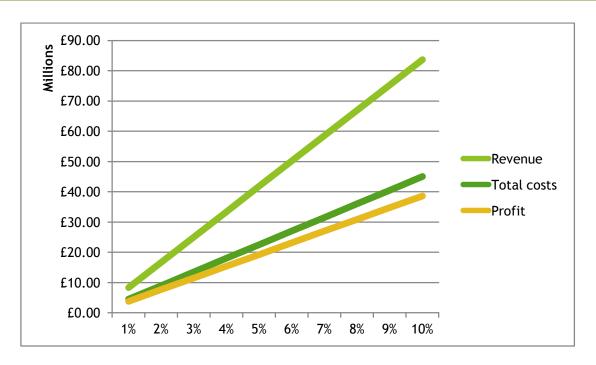
b) Total fixed costs for the global European targeted market (2018)



c) Total fixed costs for the global European targeted market (2019)



# Revenues and total costs<sup>9</sup> for 2017 of BetterWorldBooks



N.B.: Website costs = website creation costs + other website costs =  $\pounds 23.700 + \pounds 7.900 = \pounds 31.600$ 

<sup>&</sup>lt;sup>9</sup> Total costs include website costs

To calculate this entity, we had to match the revenue with the costs for the year 2017 (the same thing can be done for 2018 and 2019). We supposed that the market share is the variable to be identified (market share = x).

# **Below is the full equation analysis:**

Revenu – Total Costs = 0

$$\Leftrightarrow Revenu = Total Costs$$

$$\Leftrightarrow Revenu = Fixed costs + Variable costs (employees)
+ Variable costs (warehouses)
$$\Leftrightarrow 1.059x * 10^{6}$$

$$= (31.600 + 29\% * 1.059x * 10^{6}) + (1.059x * 10^{6} * \frac{350}{55 * 10^{6}})
+ (1.059x * 10^{6} * \frac{2300}{55 * 10^{6}} * 60)$$

$$\Leftrightarrow 749x * 10^{6} = 31.600$$

$$\Leftrightarrow x = 0.004\%$$$$

To sum-up, BWB Europe needs to reach 0,004% of the total targeted European market in order to break even.

Annex

1. List of German book publishers and suppliers (New Books in German, 2016):

Arche Verlag, Hamburg

With its unique mix of important new voices and world-class international authors Arche Verlag has maintained a singular position among publishers of literature in the German-speaking

world from the time of its founding in 1944. From Ezra Pound, Gottfried Benn and Gertrude to John

Griesemer, Fritz J. Raddatz, Jim Harrison and Nick Flynn, for sixty-five years Arche has been

publishing writers who distil the spirit of their time into timeless works of art.

Contact: Karina Jensen, K.Jensen@vgo-arche-atrium.de

Arena Verlag, Würzburg

Arena Verlag was founded in 1949 and is one of the most important publishers of books for

children children and young adults in Germany. They publish a broad range of titles in their fiction

and non-fiction lists, including titles for all age groups - from toddlers to young adults. Arena was the

first German children's book publisher to start a paperback programme in 1958. Arena books have

won numerous awards and been translated into many languages. They are also the German home of

such internationally renowned authors as Cassandra Clare, Roderick Gordon and Brian Williams,

Tove Jansson, Steve Augarde, Neil Gaiman and Jo Nesboe.

Contact: tanja.dziewior@arena-verlag.de

Aufbau Verlag, Berlin

Besides focusing on German and international classics (Hans Fallada, Lion Feuchtwanger, Anna

Seghers, Arnold Zweig, Victor Klemperer), exile and resistance literature and East German

literature, Aufbau has a strong list of contemporary world literature. Recent major successes include

Werner Bräunig's Rummelplatz, novels by Fred Vargas, Donna Cross, Eliot Pattison, Deon Meyer,

Hong Ying, Guillaume Musso, Robert Schneider, Giles Foden and Polina Daschkowa. The original

Aufbau Verlag was founded in 1945 and became the leading cultural and literary publishing house in

East Germany. The lovingly produced children's list includes works by Heinz Janisch, Aljoscha Blau,

Martin Karau, Isabel Pin, Michael Sowa and Rotraut Susanne Berner. Aufbau is an imprint of Aufbau

Verlag GmbH & Co. KG.

Contact: Inka Ihmels, ihmels@aufbau-verlag.de

**Berlin Verlag** 

Berlin Verlag was founded in 1994 as an independent publishing house and publishes

approximately 40 titles per year. The list combines international and German literary fiction and a

nonfiction program. Several young German authors have made a successful publishing debut with

Berlin Verlag, and many authors are internationally renowned prize-winners. Since 2012, Berlin

Verlag has been part of the Bonnier Group.

Contact: <a href="mailto:sven.diedrich@berlinverlag.de">sven.diedrich@berlinverlag.de</a>

C.H. Beck Verlag, Munich

Verlag C.H.Beck is one of Germany's best known publishing houses dealing both with books and

magazines, employing a staff of over 400 and with approximately 6,000 titles in print. It has a strong

base in academic and specialized works on history, ethnology, philology, literary theory, religion and

philosophy, politics, art and law. Its fiction list has grown steadily and is respected for the importance

its editors place on the literary and artistic merits of its titles.

Contact: Jennifer.Royston@beck.de

Beltz & Gelberg, Weinheim

Beltz & Gelberg is the children's book division of the Beltz Verlagsgruppe, the publishing venture

which was established by the printer Julius Beltz in 1868. Beltz & Gelberg was set up in 1971 by

Hans-Joachim Gelberg and has offered a rich range of children's literature ever since. The Gulliver

paperback imprint was founded in 1984. In 2002 Beltz took over the books rights rights of

Middelhauve, and two years later initiated the paperback series MINIMAX.

Contact: Kerstin Michaelis, k.michaelis@beltz.de

Carl Hanser Verlag, Munich

Carl Hanser Verlag was established by its eponymous owner in 1928 in Munich, and its founder's

interests in both literature and science have been maintained to the present day. The firm publishes

fiction and non-fiction for both adults and children. Its authors include Italo Calvino, Umberto Eco,

Jostein Gaarder, Lars Gustafsson, Milan Kundera, Harry Mulisch, Philip Roth, Susan Sontag, Botho

Strauß, Raoul Schrott, Rafik Schami, Alfred Brendel, Elke Heidenreich and ten Nobel prizewinners,

among them Elias Canetti, whose works have been translated into more than thirty different

languages.

Contact: Friederike Barakat, barakat@hanser.de

Carlsen Verlag, Hamburg

Carlsen Verlag was founded in 1953 as a subsidiary of the Danish company Carlsen,

Copenhagen, so that its series for younger children could be published in German translation. Carlsen

Verlag Hamburg has been publishing its own titles since 1964, ranging from picture books for

younger children to novels for young adults. Educational series include both fiction and non-fiction

for kindergarten and primary school levels. Carlsen Comics were the first to introduce comic books to

the German market.

Contact: daniela.steiner@carlsen.de

CBJ Verlag, Munich

cbj Verlag was founded in 2004, although the Bertelsmann/Random House group of which it is

part has been publishing children's literature since 1835. cbj publishes high-quality books for children

aged 4 and older. Their range includes picture books, stories for reading aloud and novels for

children, as well as a non-fiction science series and several fantasy novels. Authors include Julian

Press and Peter Freund, and cbj published the award-winning novel Die Bücherdiebin (2009) by

Markus Zusak.

Contact: Kai-Ting.Pan@randomhouse.de

**Christoph Links Verlag** 

Ch. Links Verlag was one of the first independent publishing houses to be launched after the

abolition of censorship in the German Democratic Republic in the autumn of 1989. The list

concentrated on the history of Stalinism and communism in the GDR, before expanding to cover such

nonfiction areas as the Federal Republic of Germany, the history of German colonialism and the

legacy of National Socialism. It now includes international history and politics.

Contact: Johanna Links, foreign-rights@christoph-links-verlag.de

**Deutsche Verlags-Anstalt** 

Deutsche Verlags-Anstalt has an outstanding reputation as one of Germany's leading non-fiction

publishers, with an emphasis on history, memoirs, biography and current affairs. DVA also has an

exquisite list of literary fiction. Among the bestselling authors are Marcel Reich-Ranicki, Sebastian

Haffner, Martin Doerry, Ian Kershaw, Anne Enright, and David Wroblewski. Deutsche Verlags-

Anstalt has been a part of Verlagsgruppe Random House since 2006.

Contact: gesche.wendebourg@randomhouse.de

**DuMont Verlag, Cologne** 

<u>DuMont Buchverlag</u> was founded in 1956. Stressing the link between literature and art, the firm

focuses both on these subjects and also, more recently, on general non-fiction. Its authors include

John Cheever, John von Düffel, Keith Gessen, Michel Houellebecq, Helmut Krausser, Martin Kluger,

Judith Kuckart, Thomas Kling, Annette Mingels, Haruki Murakami, Edward St. Aubyn, Tilman

Rammstedt, and Dirk Wittenborn. The art list covers high quality illustrated books dealing with

periods from the Renaissance up until today, monographs on single artists, such as Botticelli,

Velazquez, Kokoschka, Max Ernst, Gerhard Richter and Neo Rauch, and overviews on (for instance)

contemporary Chinese art, as well as design, photography and art theory.

Contact: Judith Habermas, habermas@dumont-buchverlag.de

Edition Elke Heidenreich, Munich

Edition Elke Heidenreich was founded in 2009 as an imprint within the C. Bertelsmann group,

taking its name from that well-known television and literary critic. It publishes both literary fiction

and non-fiction books dealing exclusively with music and aims to represent - in Elke Heidenreich's

own words, 'a pleasure in literature, a pleasure in music and the delight of joining the two.' Its authors

include Hans Neuenfels, Franz Werfel, Barbara Hall and Angel Wagenstein.

Contact: gesche.wendebourg@randomhouse.de

Eichborn, Frankfurt am Main

Founded in 1980, Eichborn is regarded as a young and bold independent publishing house. Its

strong and diversified list includes fiction, non-fiction, humour, and reference books. Books originally

published by Eichborn include: W.G. Sebald's The Emigrants and The Rings of Saturn; A Woman in

Berlin by Anonymous (winner of the 2006 Schlegel-Tieck award); Jenny Erpenbeck's The Old

Child and Book of Words; Walter Moers's The 13 1/2 Lives of Captain Bluebear and Jan Costin

Wagner's Ice Moon.

Contact: jutta.willand@eichborn.de

Emons Verlag, Cologne

Emons Verlag was founded in 1984 by Hermann-Josef Emons in Cologne. Today the company is

market leader in the Regional Mystery sector, with 40 different series. Beside mystery stories the

publisher's list has always included other titles with a regional background, such as historical

suspense novels, guide books, atlases, illustrated books and non-fiction books concerning culture,

history and the documentation of National Socialism. In 1995 Emons published Frank Schätzing's

Novel Death and the Devil which has become an international bestseller.

Contact: Angela Eichner, eichner@emons-verlag.de

Galiani, Berlin

Galiani Berlin is the new imprint under the roof of Kiepenheuer & Witsch, established by

Wolfgang Hörner and Esther Kormann - the creative minds behind the programme. Each season

around six to eight books will be published - a mixture of literature, classics and narrative non-fiction

in hardcover format only. The imprint is named after Ferdinando Galiani: a true genius who was

interested in everything around him, innovative, unpredictable and never boring. This reflects the path

that Wolfgang Hörner and Esther Kormann wish to follow with their new imprint. Galiani's first titles

will be published in September 2009.

Contact: Iris Brandt, ibrandt@kiwi-verlag.de

Hoffmann und Campe Verlag, Hamburg

Hoffmann und Campe Verlag was founded in 1781 by Benjamin Gottlob Hoffmann and his son-

in-law August Campe. The family firm was Heinrich Heine's publisher. Despite changing hands

several times during the first half of the twentieth century, the firm managed to retain its liberal

traditions. Its international fiction list includes the complete works of Siegfried Lenz as well as books

by Doris Lessing, V.S. Naipaul, Andreï Makine, Irina Korschunow, John Grisham and Patricia

Cornwell. The non-fiction lists include memoirs, philosophy, politics, economics, psychology, music

and theology.

Contact: katharina.muders@hoca.de

Kiepenheuer & Witsch, Cologne

Verlag Kiepenheuer & Witsch was founded in 1949 in Cologne by two publishers from the

Eastern Zone, Gustav Kiepenheuer and Joseph Caspar Witsch. The press's early authors included

Joseph Roth, Heinrich Böll and Erich Maria Remarque. Today Kiepenheuer & Witsch continues to

publish leading contemporary German, Austrian and Swiss writers, as well as international authors in

translation. Its list includes Katja Lange-Müller, Peter Härtling, Uwe Timm, Gabriel García Márquez

and John Banville. Its non-fiction subjects cover sociology, psychology, history and biography.

Kiepenheuer & Witsch is part of the Holtzbrinck Group.

Contact: Iris Brandt, ibrandt@kiwi-verlag.de

Knaus Verlag, Munich

Albrecht Knaus Verlag was founded in 1978 by Albrecht Knaus and the Bertelsmann group. Its

list is liberal and broad, and aims to be both entertaining and informative, linked to the present while

remaining aware of the past. Knaus has recently added non-fiction titles to its catalogue. Authors

include Irène Némirovsky, Peter Ackroyd, Aleksandar Hemon, and John Burnside.

Contact: gesche.wendebourg@randomhouse.de

Luchterhand Literaturverlag, Munich

Luchterhand Literaturverlag was founded by Hermann Luchterhand in 1924 and has been

publishing literary titles since 1954, an early and triumphant success being Günter Grass's novel Die

Blechtrommel (The Tin Drum, 1959). Its list includes literary fiction and poetry as well as definitive

editions of selected writers' complete works. In 1997 the firm was voted Publishing House of the

Year by the German trade journal Buchmarkt. It is now part of the Random House Group. Authors

include Christa Wolf, Ernst Jandl, Pablo Neruda, António Lobo Antunes, Will Self, Frank McCourt,

Hanns-Josef Ortheil, Terézia Mora and Saša Stanišić.

Contact: gesche.wendebourg@randomhouse.de

mareverlag, Hamburg

mareverlag publishes around twenty titles a year, both fiction and non-fiction, and all with some

connection with the sea, whether in its concrete, symbolic, metaphorical, historical or ecologically

significant guise. The same spirit of fascination, respect, and longing evoked by the sea that is

prevalent in the prize-winning magazine mare (founded in 1997 and voted best magazine of Germany

in 2001) and the television channel mare TV (launched in 2000) now finds expression in the medium

of the book with publisher Nikolaus Gelpke at the helm.

**Nautilus** 

Edition Nautilus is an independent publishing house founded in 1974 and located in Hamburg.

Defined by their motto, 'A poem can be as revolutionary as a piece of theory', Edition Nautilus

publishes fiction and political non-fiction as well as biographies, a small art-series called Die Kleine

Bücherei, and DIE AKTION, a magazine for politics, literature and culture. They also have a crime

list, including the best-selling crime novels of Andrea Maria Schenkel (published by Quercus in the

UK).

Contact: Hanna Mittelstädt, hanna@edition-nautilus.de

Piper Verlag, Munich

Piper Verlag was founded by Reinhard Piper in 1904. The firm published many leading

contemporary authors, a tradition followed by his son and his grandson. After 1945 the programme

expanded to include philosophy and non-fiction. Piper Verlag is well known for its lists in German

and international fiction and non-fiction. Authors published by Piper include Ingeborg Bachmann,

Sten Nadolny, François Lelord, Arne Dahl, Hape Kerkeling, Sándor Márai, Paul Watzlawick, Markus

Heitz and Ferdinand von Schirach. Piper Verlag has been part of the Swedish Bonnier Group since

1995. In 1996 the Piper publishing group acquired the imprint Malik Verlag (literary travel writing,

adventure, mountaineering), and since 2002 Piper's list has been further enriched by the addition of

high quality fantasy literature. Piper acquired the imprints Pendo (commercial fiction and non-fiction)

and Westend (non-fiction) in 2008.

Contact: sven.diedrich@piper.de

Rotbuch Verlag, Berlin

Rotbuch Verlag is a small independent publishing house founded in Berlin in 1973. After

changing hands and locations in the 1990s and at the start of the new millennium, it returned to its

home city in 2007. From its beginnings the house published both popular and literary fiction, drama

and poetry as well as non-fiction titles with a strong emphasis on the discussion of political issues,

often with a leftwing slant. With its new hard-boiled crime label Hard Case Crime Rotbuch has been

fostering its foreign crime fiction interests, while also publishing an ambitious selection of German

language crime novels. Its authors include Birgit Vanderbeke, Heiner Müller, Hannah Arendt, Franz

Xaver Kroetz, Mickey Spillane, Jerome Charyn, Peter Weiss, Gunter Gerlach and Nobel prize winner

Dario Fo.

Contact: Maria Oehlschlegel, rights@rotbuch.de

Rowohlt Verlag, Reinbek nr. Hamburg

Rowohlt Verlag was founded by Ernst Rowohlt in 1908. This publishing house with its various

divisions is part of the Holtzbrinck group. Rowohlt publishes literary fiction, non-fiction and

children's book. Authors include Wolfgang Borchert, Joachim Fest, Elfriede Jelinek, Daniel

Kehlmann, Imre Kertész, Ildikó von Kürthy, Klaus and Erika Mann, Peter Schneider, Martin Walser

and many others. In 2008 Rowohlt celebrated its 100th anniversary.

Contact: gertje.maass@rowohlt.de,carolin.mungard@rowohlt.de

S. Fischer Verlag, Frankfurt am Main

S. Fischer Verlag was founded by Samuel Fischer in Berlin in 1886. He was the first to publish

many now famous authors such as Franz Kafka, Arthur Schnitzler, Hugo von Hoffmannsthal and

Thomas Mann. Both S. Fischer Verlag and Fischer Taschenbuch Verlag focus on literature,

psychology and history. Contemporary authors writing in German include Julia Franck, Michael

Lenz, Marlene Streeruwitz, Christoph Ransmayr and Wolfgang Hilbig. The firm's distinguished list

also includes many leading international authors in translation.

Contact: Katrin.Meerkamp@fischerverlage.de

Schöffling & Co., Frankfurt am Main

Schöffling & Co. has a simple credo: the focus is on the authors. It has gained the reputation of

being a 'publishing house that plays a significant role in the shaping of Germany's literary future'

(SPIEGEL online). Founded in November 1993, Schöffling & Co. has since emerged as one of

Germany's most innovative independent literary publishing houses with a tightly-woven international

network. An atmosphere of mutual confidence and esteem and an unceasing commitment to its

authors and their works provide the basis for a fruitful literary relationship. New German voices are

recognised and published alongside established and famous names, while authors in translation

include Sadie Jones, Olga Tokarczuk, Jennifer Egan, Peter Behrens, Nir Baram or Miljenko Jergovic.

**Contact**: kathrin.scheel@schoeffling.de

Suhrkamp Verlag, Berlin

Suhrkamp Verlag was founded in 1950 by Peter Suhrkamp and directed for over forty years by

Dr. Siegfried Unseld. The independent publishing company now includes Insel Verlag (founded in

Leipzig in 1899), the Jüdischer Verlag (founded in Berlin in 1902), as well as the Deutscher Klassiker

Verlag (established in 1981) and the newly founded Verlag der Weltreligionen (established in 2006).

Suhrkamp focuses on both contemporary literature and the humanities. Its distinguished list includes

leading writers from Germany, Switzerland and Austria, many of whom made their debuts with the

firm, besides major international authors of both fiction and non-fiction, including several Nobel prize

winners.

Contact: Nora Mercurio, mercurio@suhrkamp.de

Ullstein Buchverlage, Berlin

Ullstein was founded in Berlin in 1903 by the famous family-owned Ullstein newspaper

publishers. The company quickly rose to become Germany's leading book publisher. In 1934 Ullstein

was expropriated by the Nazis. In 1952 the house reopened in Frankfurt and seven years later it was

sold to the publishing group Axel Springer. In 2003 Ullstein's book division was bought by the

Swedish media group Bonnier, who brought Ullstein back to Berlin in 2004. The Ullstein publishing

group includes the imprints Ullstein, List, Claassen, Marion von Schröder, Tanja Graf Verlag, Econ,

Propyläen and Allegria. The broad spectrum of titles includes bestselling authors such as Jo Nesbo,

John le Carré, James Ellroy and Helene Hegemann in fiction; Shlomo Sand, Richard Dawkins,

Natascha Kampusch and Timothy Ferris in non-fiction.

Contact: pia.goetz@ullstein-buchverlage.de

Vandenhoeck & Ruprecht, Göttingen

One of the oldest independent publishers still in existence, the Göttingen firm Vandenhoeck &

Ruprecht has been publishing academic literature since 1735, and now issues over 250 new titles a

year. The classical core of the list consists of academic works in the fields of theology and religion,

history, medieval studies, philosophy and philology. Equally important is the firm's developing range

of practical, do-it-yourself titles - on personal development, psychological counselling, spiritual

community work and much else – which are both useful and highly readable.

Contact: Margarita Wolf, m.wolf@v-r.de

Verlag Klaus Wagenbach, Berlin

<u>Verlag Klaus Wagenbach</u> is an independent publishing house founded in 1964 in Berlin. Its

programme comprises contemporary and twentieth-century literature, cultural history, the history of

art, and politics. A particular area of interest is Italian literature, alongside translations from the

French, Spanish and English and original German-language works. Among its authors are A. L.

Kennedy, Erich Fried, Sergio Pitol, Jorge Edwards, Andrea Camilleri, Natalia Ginzburg, Luigi

Malerba, Manuel Vázquez Montalban, Michel Houellebecq, Peter Burke, Natalie Zemon Davies and

Stephen Greenblatt. The house has been called 'the independent publisher for wild readers.'

Contact: Susanne Schüssler, s.schuessler@wagenbach.de

Wallstein Verlag, Göttingen

Wallstein Verlagwas founded as a desktop publishing company but by 1988 had grown into a

full-scale book publisher. The firm publishes about 130 titles a year, ranging from contemporary

literature to history and cultural studies. Its authors include Ruth Kluger, Gottfried Benn, Golo Mann,

Fred Wander, Gregor Sander and Ulf Erdmann Ziegler.

Contact: Hajo Gevers, hgevers@wallstein-verlag.de

weissbooks.w, Frankfurt am Main

weissbooks.w was founded in 2008 by Anya Schutzbach and Rainer Weiss, previously marketing

director and programme director respectively of Suhrkamp Verlag. In March 2009, the publishing

house was awarded the Newcomer of the Year Award at the Leipzig Book Fair, and in May this year

it received the Frankfurt Gründerpreis, a prize for sucessful new businesses. The trade

magazine Buchmarkt praises the new publisher for 'so swiftly establishing itself as a house of

quality'. Its list comprises literary fiction and narrative non-fiction.

Contact: Katharina Dittes, dittes@weissbooks.com

2. List of Italian big libraries http://www.lib-web.org:

Library of the Chamber of Deputies

Rome, Italy

**Angelica Library** 

Rome, Italy

**Aosta Valley Libraries** 

Aosta, Italy

BeicDL - The Beic Digital Library

Milano, Milan, Italy

Bolzano Public Library

Bolzano, Italy

Burcardo Library

Rome, Italy

• Carlo Cattaneo University of Castellanza

Castellanza, Italy

• Casanatense Library

Rome, Italy

• Cologno Monzese Public Library

Milan, Italy

• Cosenza Public Library

Cosenza, Italy

• Dutch University Institute for Art History

Florence, Italy

• East Milan Public Library System

Melzo, Italy

• European University Institute

Firenze, Italy

• Firenze Public Library

Firenze, Italy

Formez Library

Rome, Italy

• Free University of Bolzano

Bolzano, Italy

• Friedrich Tessmann Public Library

Bolzano, Italy

• Harold Acton Library

Florence, Italy

• Institute and Museum of the History of Science

Florence, Italy

• Institute for Political Formation

Palermo, Italy

• Institute of Legal Information Theory and Techniques Library

Rome, Italy

• International Centre for Theoretical Physics

Trieste, Italy

• John Cabot University

Rome, Italy

Lancisiana Library

Rome, Italy

LUISS

Rome, Italy

• Mansutti Library

Milan, Italy

Marciana National Library

Venice, Italy

• Marucelliana Library

Florence, Italy

• Mediterranean Agronomic Institute of Bari

Valenzano, Italy

• Milan Polytechnical Institute

Milan, Italy

• National Central Library of Florence

Florence, Italy

• National Central Library of Rome

Rome, Italy

• National Insitute for the Evaluation of the Education System

Rome, Italy

• National Library of Napoli

Napoli, Italy

• Neapolitan Society of Native History

Napoli, Italy

• Pontifical Ambrosian Institute for Sacred Music

Milan, Italy

• Pontifical University of the Holy Cross

Rome, Italy

Querini Stampalia Library

Venice, Italy

• Queriniana Public Library

Brescia, Italy

• REA.NET

Empoli, Italy

• Reggio Emilia Panizzi Public Library

Reggio Emilia, Italy

• Rome Municipal Libraries

Rome, Italy

• Rostoni Library

Castellanza, Italy

Sala Borsa Library

Bologna, Italy

### • Salesian Pontifical University in Rome

Rome, Italy

# • Sant'Anna School for Advanced Studies

Pisa, Italy

## • Sardinia Regional Library

Cagliari, Italy

## • Scuola Normale Superiore

Pisa, Italy

## • Torino City Library

Torino, Italy

### • Torino Polytechnical Institute

Torino, Italy

# 3. Universities and higher education institutions by size (UK) $\,$ Google $\,$ Fusion $\,$ Tables, s.d.):

Rank	Institution	Undergr	Postgradu	Total
		aduates	ates	students
-	Open University <sup>[a]</sup>	138,605	12,230	150,840
1	Open University in England	112,535	10,955	123,490
-	University of London <sup>[b]</sup>	65,875	46,110	111,975
2	University of Manchester	26,485	11,440	37,925
3	University of Nottingham	24,885	8,385	33,270
4	Sheffield Hallam University	25,985	7,115	33,100
5	University of Birmingham	19,185	13,150	32,335
6	Manchester Metropolitan University	26,635	5,525	32,160
7	University of Leeds	23,265	7,710	30,975
8	Cardiff University	21,495	8,685	30,180
9	University of South Wales	23,890	5,310	29,195
10	University College London	15,415	13,015	28,430
11	King's College London <sup>[c]</sup>	16,410	11,235	27,645
12	University of Edinburgh	19,015	8,605	27,625
13	Northumbria University	23,065	4,500	27,565
14	University of Glasgow	19,850	7,540	27,390
15	University of the West of England	21,500	5,545	27,050
16	University of Plymouth	23,585	3,345	26,930
17	Nottingham Trent University	21,670	5,175	26,845

18	University of Sheffield	18,590	8,010	26,600
19	University of Central Lancashire	21,995	4,590	26,585
20	Ulster University	20,335	5,865	26,200
21	University of Oxford	16,655	9,250	25,905
22	Coventry University	20,310	5,325	25,635
23	University of Hertfordshire	19,760	5,535	25,295
24	University of Warwick	14,725	10,520	25,245
25	Leeds Beckett University	20,935	3,970	24,905
26	University of Southampton	16,195	7,840	24,040
27	Queen's University Belfast	18,370	4,950	23,320
28	Kingston University	17,790	5,270	23,055
29	Birmingham City University	18,770	3,770	22,540
30	University of Newcastle	16,290	6,120	22,410
31	University of Greenwich	17,020	4,930	21,950
32	University of Portsmouth	18,380	3,520	21,900
33	University of Liverpool	16,860	4,490	21,345
34	Liverpool John Moores University	18,450	2,865	21,315
35	Anglia Ruskin University	17,290	3,410	20,700
36	University of Brighton	16,655	4,045	20,700
37	University of Westminster	15,735	4,460	20,200
38	University of Bristol	14,980	5,190	20,170
39	Staffordshire University	16,490	3,655	20,145
40	University of Strathclyde	14,040	5,920	19,960
41	Middlesex University	15,645	4,235	19,880
42	De Montfort University	16,410	3,235	19,645
43	University of Cambridge	12,155	7,425	19,580
44	University of Exeter	15,050	4,470	19,520
45	University of Huddersfield	14,965	4,210	19,175
46	University of Wolverhampton	16,160	2,940	19,100
47	University of Kent	15,200	3,805	19,010
48	University of Salford	14,910	3,575	18,485
49	London South Bank University	14,005	4,220	18,220
50	City University	9,645	8,500	18,145
51	Teesside University	16,070	1,995	18,065
52	University of Hull	14,285	3,730	18,020
53	Oxford Brookes University	13,715	4,185	17,895
54	University of Bedfordshire	12,900	4,940	17,835
55	Bournemouth University	14,910	2,825	17,735
56	Canterbury Christ Church	13,945	3,480	17,425
57	University University of Durham	12,540	1 655	17,190
58	University of East London	12,340	4,655	
59	University of East London University of East Anglia	12,900	4,275 5,055	17,175 17,140
60	University of the Arts London	14,035	3,105	17,135
61	Glasgow Caledonian University	13,825	2,925	16,755
62	Edge Hill University	12,640	4,110	16,750
63	University of Leicester	10,905	5,845	16,750
64	University of York	12,695	3,985	16,680
65	London Metropolitan University	13,100	3,155	16,255
66	Imperial College London	8,885	7,340	16,235
67	University of Derby	13,365	2,820	16,185
68	University of Sunderland	12,255	3,765	16,020
<b>UO</b>	Oniversity of Sunderfalld	14,433	5,105	10,020

69	Loughborough University	12,005	3,955	15,965
70	Birkbeck College <sup>[c]</sup>	10,805	4,740	15,545
71	Queen Mary, University of London <sup>[c]</sup>	11,200	4,220	15,420
72	University of the West of Scotland	13,630	1,650	15,280
73	Open University in Scotland	14,535	665	15,205
74	University of Dundee	10,310	4,885	15,195
75	University of Bath	10,810	4,345	15,155
76	Swansea University	12,405	2,415	14,820
77	University of Chester	10,725	4,015	14,740
78	Brunel University	10,075	4,255	14,330
79	University of Surrey	10,035	4,030	14,065
80	University of Essex	10,840	3,140	13,980
81	University of Aberdeen	10,375	3,450	13,825
82	University of Sussex	10,145	3,490	13,635
83	University of Reading	9,320	4,275	13,595
84	Robert Gordon University	9,360	4,050	13,410
85	University of Lincoln	11,210	2,190	13,400
86	Cardiff Metropolitan University	8,730	4,665	13,395
87	University of Northampton	10,975	2,315	13,285
88	University of Lancaster	9,410	3,670	13,080
89	Edinburgh Napier University	10,605	2,085	12,690
90	University of Bradford	9,775	2,730	12,505
91	Southampton Solent University	11,285	440	11,725
92	University of Wales, Trinity Saint	9,280	2,040	11,320
	David			
93	University of West London	9,785	1,520	11,305
94	Aberystwyth University	9,560	1,610	11,170
95	University of Stirling	7,675	3,415	11,090
96	Aston University	8,130	2,855	10,985
97	Heriot-Watt University	7,315	3,575	10,895
98	Bangor University	8,030	2,615	10,645
99	University of Worcester	8,885	1,410	10,295
100	London School of Economics <sup>[c]</sup>	4,035	6,115	10,145
101	University of Keele	7,555	2,425	9,980
102	The University of St Andrews	7,610	2,125	9,735
103	Royal Holloway, University of	7,160	2,515	9,670
104	London <sup>[c]</sup>	7.605	1.020	0.625
104	University of Cumbria	7,695	1,930	9,625
105	Buckinghamshire New University	7,990	1,095	9,080
106 107	Roehampton University Glyndŵr University	6,110 7,100	2,420 1,305	8,530
107	Goldsmiths College <sup>[c]</sup>	5,030	3,080	8,405 8,110
109	Open University in Wales	7,650	360	
	*	·		8,010
110 111	University of Gloucestershire University of the Highlands and	6,710 7,000	1,260 465	7,965 7,465
111	Islands	7,000	403	7,403
112	Bath Spa University	5,220	1,990	7,210
113	University of Winchester	5,620	1,260	6,880
113	University of Whichester University of Bolton	5,740	1,095	6,835
115	York St John University	5,535	885	6,420
116	Liverpool Hope University	4,315	1,925	6,240
110	Liverpoor Hope Oniversity	+,515	1,743	0,240

117	Institute of Education <sup>[c]</sup>	525	5,170	5,690
117	University of Chichester	4,790	845	5,635
119	St George's Hospital Medical School <sup>[c]</sup>	4,590	915	5,505
120	School of Oriental and African Studies <sup>[c]</sup>	2,975	2,435	5,415
121	University Campus Suffolk	4,885	335	5,225
122	Queen Margaret University	3,520	1,695	5,215
123	St Mary's University, Twickenham	3,895	1,270	5,165
124	University for the Creative Arts	4,825	255	5,080
125	University College Birmingham	4,510	485	4,995
126	Harper Adams University	4,415	385	4,800
127	University of Abertay Dundee	4,345	410	4,755
128	Cranfield University	-	4,205	4,205
129	Open University in Northern Ireland	3,885	250	4,135
130	Falmouth University	3,715	300	4,015
131	Leeds Trinity University	2,750	570	3,320
132	Arts University Bournemouth	2,865	75	2,940
133	Newman University	2,290	605	2,895
134	University of St Mark and St John	2,215	540	2,755
135	Bishop Grosseteste University	1,730	670	2,395
136	University of Buckingham	1,260	985	2,245
137	Royal Veterinary College <sup>[c]</sup>	1,595	560	2,155
138	London Business School <sup>[c]</sup>	-	1,905	1,905
139	Ravensbourne	1,815	75	1,890
140	Glasgow School of Art	1,405	420	1,825
141	Norwich University of the Arts	1,705	60	1,765
142	Royal College of Art	-	1,670	1,670
143	SRUC	1,510	55	1,565
144	Stranmillis University College	1,165	360	1,525
145	Conservatoire for Dance and Drama	1,065	255	1,320
146	London School of Hygiene and	-	1,250	1,250
	Tropical Medicine <sup>[c]</sup>			
147	St Mary's University College	860	350	1,210
148	Royal Agricultural University	955	200	1,155
149	Leeds College of Art	1,120	20	1,140
150	Central School of Speech and Drama <sup>[c]</sup>	630	355	985
151	Trinity Laban Conservatoire of Music and Dance	685	275	965
152	Royal Conservatoire of Scotland	765	160	925
153	Guildhall School of Music and	535	350	890
	Drama			
154	Heythrop College <sup>[c]</sup>	415	385	800
155	Royal College of Music	415	375	790
156	Royal Northern College of Music	585	205	790
157	Rose Bruford College	740	30	770
158	Writtle College	770	-	770
159	Royal Academy of Music <sup>[c]</sup>	350	395	745
160	The Liverpool Institute for	720	-	720
	Performing Arts			
161	Courtauld Institute of Art <sup>[c]</sup>	155	305	460
162	Institute of Cancer Research <sup>[c]</sup>	_	290	290
				1

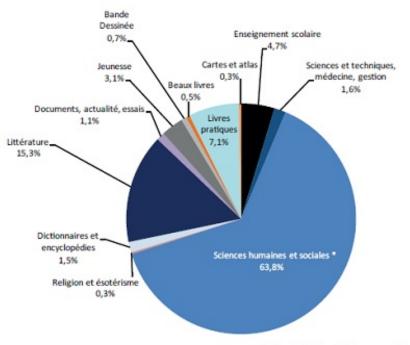
163	University of London (Institutes and	-	240	240
	activities) <sup>[c]</sup>			

# 4. List of suppliers and retailers who sell books (UK) (Kremer, s.d.):

Adlibris			
Agapea			
Amazon			
Aphrohead			
Bertrams			
Blackwell's			
Book	Depository		Ltd
Coutts	Information	Services	Ltd
Eden	Interactive		Ltd
Gardners			
Trust	Media		Distribution
Mallory			International
Paperback	Shop		Ltd
Superbookdeals			
W&G Foyle Ltd			

5. The following chart represents e-books sales by category for the year 2014 in France(Sutton, 2015):

#### RÉPARTITION DU CHIFFRE D'AFFAIRES DE L'ÉDITION NUMÉRIQUE PAR CATÉGORIE ÉDITORIALE (161,4 MILLIONS D'EUROS EN 2014)

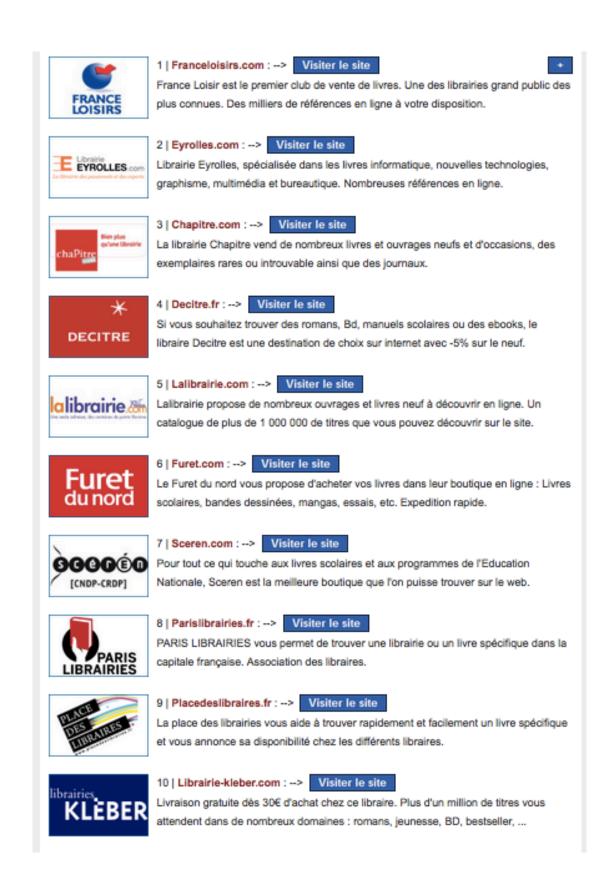


\* dont l'édition juridique représente 91%

Source: Idboox, Marché du livre en France-Chiffres clés papier et ebooks, 2014

Undoubtedly, Human science and sociology represent the biggest market share in terms of digital version sales.

## 6. Top ten e-libraries France(TopyWeb, s.d.):



7. The following table shows public and private universities by region, name, number of students and main study fields in France (About-France, s.d.):

Region +Town or city	University	Students	Principal
of main campus	(Clickable links)	42.000	disciplinary fields
Alsace Strasbourg	<u>Université de Strasbourg</u>	43,000	A full range, including theology
Mulhouse	<u>Université</u> de Haute Alsace	8,000	Arts, Sciences, Economics
<u>Aquitaine</u>	Université de Bordeaux	10,000	Science & technology
Bordeaux		15,600	Arts
	Formerly	14,000	Law, Economics, Social
	Université de Bordeaux 1		& political science
	Université Michel	19,000	Medicine, social
	Montaigne		sciences, oenology
	Université Montesquieu Université Ségalen		
Pau	Université de Pau et du	12,000	Arts, law, science
	Pays de l'Adour	,	
Auvergne	Université Blaise Pascal	14,400	Arts, social sciences,
Clermont Ferrand			science
	Université d'Auvergne	15,000	Medicine, law, economics, management
Brittany	Université de Rennes 1	23,000	Medicine, law,
Rennes			economics, philosophy, maths, life sciences
	<u>Université</u> de <u>Haute</u> Bretagne	17,000	Arts and social sciences
Brest	Université de Bretagne	20,000	Arts, law, science,
	occidentale		medicine
Vannes	<u>Université</u> de <u>Bretagne</u> <u>sud</u>	8,000	Arts, law & economics, science
Burgundy	<u>Universite de Bourgogne</u>	27,000	Full range
Dijon:	11 1 1/ 1/0 1/	16,000	A
Région du Centre	<u>Université d'Orléans</u>	16,000	Arts, Law and
Orleans	Universitá Debelois	21,000	economics, science
Tours	<u>Université Rabelais</u> <u>Université de Reims</u>	21,000 21,000	Full range Full range
Champagne Reims			
Corsica Corte	<u>Université Paoli</u>	4,000	Arts, law, science
Franche Comté	<u>Université</u> de Franche	21,000	Full range
<u>Besançon</u>	<u>Comté</u>	40.000	**
Ile de France (Paris) Paris	<u>Université de Paris 1</u> Panthéon Sorbonne	40,000	Humanities, economics, law
Fails	Université de Paris 2	18,000	Law, economics, legal
	Panthéon Assas	16,000	journalism
	Université de Paris III	19,000	Arts & human sciences
	Sorbonne Nouvelle		
	<u>Université</u> de Paris IV <u>Sorbonne</u>	23,000	Arts & human sciences
	<u>Université Descartes Paris</u> <u>5</u>	33,000	Social sciences, law, maths, medicine
	<u>Université Curie, Paris 6</u>	31,000	Science and medicine
	<u>Université Diderot Paris 7</u>	26,000	Arts, humanities, social
			science, medicine, science

	Université catholique de	3,500	Theology, arts, law,
G : 1 D :	Paris WIII	20,000	science
Saint Denis	Université Paris VIII Vincennes à Saint Denis	20,000	Arts, social sciences, economy, law, maths
Nanterre	Université Paris Ouest Paris X Nanterre	33,000	Arts, social sciences, economics, maths, IT
Créteil	Université Paris est Créteil	32,000	Full range
7771	Val de Marne Paris XII	22.000	
Villetaneuse	Université Paris XIII nord	23,000	Arts, social sciences, economics, law, medicine
Champs sur Marne	<u>Université</u> Paris Est Marne la Vallée	11,000	Arts, social sciences, economics, science
Cergy Pontoise	<u>Université</u> de Cergy	11,000	Arts and human
2,	Pontoise	,	sciences, economics, law, science
Versailles	<u>Université</u> <u>de</u>	18,000	Science, social sciences,
	<u>Versailles Saint Quentin</u> en Yvelines		law & politics, medicine
Evry	Université d'Evry Val	10,000	Law, economics, social
·	<u>d'Essonne</u>		sciences, science, technology
Orsay	<u>Université</u> Paris	29,000	Law, economics,
	sud Paris XI		medicine, pharmacy, science.
<u>Languedoc</u> Roussillon	<u>Université de Montpellier</u> <u>1</u>	21,000	Law, economics, medicine
Montpellier	Université de Montpellier 2	12,500	Science
	Université Paul Valery Montpellier 3	16,000	Arts, humanities, social sciences
Nimes_	Université de Nimes	3,000	Arts, law, economics
Perpignan	Université de Perpignan	10,000	Arts, law, economics, science
<u>Limousin</u> Limoges	Université de Limoges	14,000	Full range
Lorraine Metz	<u>Université de Lorraine</u>	14,000	Arts, law, economics, business, science, maths
Nancy	<u>Université de Lorraine</u>	18,000	Science, medicine
	<u>Université de Lorraine</u>	17,000	Arts, humanities, social sciences, law, economics, maths, IT
Midi Pyrénées	<u>Université de Toulouse</u> 1 Capitole	18,000	Law, economics, IT
Toulouse	Université de Toulouse II Le Mirail	23,000	Arts, social sciences, IT geography, maths
	Université Paul Sabatier	29,000	Maths, IT, Science
	Institut Catholique de Toulouse	2,650	Arts, social sciences, law, theology
<u>Albi</u>	Université Champollion	3,000	Arts, social sciences, law, economy, science
Nord Pas de Calais	<u>Université d'Artois</u>	14,000	Arts & social sciences,
			economics, science

Lille	<u>Université de Lille 1</u>	20,000	Science, maths, economics
	<u>Université</u> <u>de</u> <u>Lille</u> 2 Droit et Santé	24,000	Law, business, medicine
	<u>Université Charles de</u> Gaulle Lille III	19,000	Arts, social sciences, maths
	<u>Université Catholique de</u> Lille	6,000	Full range
Dunkerque	Université du Littoral	10,000	Arts, social sciences, economics, science
Valenciennes	<u>Université</u> de Valen ciennes	10,000	Arts, social sciences, economics, law, science
Normandy	Université de Basse Normandie	24,000	Full range
Caen	1101 manuic		
Le Havre	<u>Université du Havre</u>	7,000	Arts, social sciences, science, internationa affairs
Rouen	<u>Université de Rouen</u>	25,000	Full range
Pays de la Loire Angers	<u>Université d'Angers</u>	20,000	Full range
	<u>Université</u> catholique de <u>l'Ouest</u>	7,500	Arts, social sciences, science
Le Mans	<u>Université du Maine</u>	10,000	Arts, social sciences, law, economics, science
Nantes	Université de Nantes	34,000	Full range
Picardy Amiens	<u>Université de Picardie</u> Jules Verne	21,000	Full range
Compiègne	<u>Université de technologie</u> <u>de Compiègne</u>	4,000	Science and technology
Poitou Charentes La Rochelle	Université de <u>La Rochelle</u>	7,000	Arts, social sciences, law, management, science
Poitiers	Université de Poitiers	24,000	Full range
Provence Alpes Cote d'Azur	Aix Marseille Université	23,000	Arts & social sciences, Science
Aix Marseille		24,000	Economics, management, science, medicine
		22,000	Law, politics, economics, management
Avignon	<u>Université d'Avignon</u>	7,000	Arts & social sciences, economics, law, science
<u>Nice</u>	<u>Université de Nice</u> Sophia Antipolis	25,000	Full range
Toulon	<u>Université de Toulon</u>	10,000	Arts, social sciences, economics, law, science
Rhone Alpes	<u>Université de Savoie</u>	11,000	Arts, social sciences, law, science
Chambéry			
Grenoble	<u>Université Joseph Fourier</u>	16,000	Science & medicine
	Université Pierre Mendès	17,000	Law, economics, human
	<u>France</u>		sciences
	<u>Université</u> Stendhal	6,000	Arts, social sciences

	Grenoble III		
<u>Lyon</u>	<u>Université</u> Claude	36,000	Science, technology,
	Bernard Lyon I		medicine
	Université Lumière Lyon	27,000	Arts, social sciences,
	<u>II</u>		law, politics
	<u>Université</u> <u>Jean</u>	22,000	Arts, law, philosophy
	Moulin Lyon III		
	Université catholique	4,400	Arts, law, science,
	de Lyon		theology
Saint Etienne	Université Jean Monnet	15,000	Arts, social sciences,
			law, economics, science

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