ANANSI.CA: SELLING BOOKS ONLINE

by

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ABSTRACT

As the Canadian publishing industry becomes increasingly threatened by difficulties including diminishing per-title book sales and irregularities in dealing with bookstores, book publishing companies are striving for innovative ways to increase revenue. One such way is to sell books online, and Toronto’s House of Anansi Press began this in the 1990’s.

This report explores why Anansi began selling online and what the company envisioned would come from it. It discusses the implementation of the online bookstore while highlighting some of the considerations that were taken into account. It also explores what it takes to keep online sales running, and what impact it has on Anansi financially.

The report concludes with how Anansi foresees the future of its online bookstore. This paper as a whole serves to demonstrate, through the analysis of Anansi, how selling online is a thoughtful proposal for a publishing company, especially in today’s Canadian publishing industry environment.
ACKNOWLEDGEMENTS

I would like to extend my thanks to the staff of House of Anansi Press,
in particular Martha Sharpe, Sarah MacLachlan, and Matt Williams.

Thank you for letting me spend the summer with you,
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INTRODUCTION

One of the most significant problems facing book publishing companies today is the continually shrinking shelf space in bookstores. Publishing companies are finding that as they produce more and more titles the bookstores are beginning to provide less space on which to place them. To many publishing companies this means that they are forced to explore new channels through which to sell to their customers, in order to stay in business.

Since the late 1990s, the bookstore environment in Canada has shifted radically. Prior to this shift it was comprised of many independent stores and a few national chains that accounted for a quarter of Canada's book sales totaling in excess of $360 million.\(^1\) In 1995 the Coles bookstore chain merged with the SmithBooks chain. The reason for the merger was to create a strong backbone on which to achieve enough financial success to open larger book superstores under the name of Chapters.\(^2\)

Another book superstore chain, Indigo Books & Music Inc., began its business in 1996, expanding its superstores into fourteen locations across the country. In 2001 the two businesses merged under Indigo's name although the Chapters stores in existence kept that name on all signage. Both stores were known for their large showrooms and their discounted prices. These two features, as well as many others, made it difficult for the smaller independent bookstores to remain in existence because they could not

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\(^2\) Chapters.ca, “About Our Company” [online], 2004.
compete for customers who were shopping at the big stores for the reasons of greater selection and low prices.³

In September 2004 Chapters-Indigo announced that it was shrinking the amount of space used for shelving books in its stores, replacing the books with additional giftware and other accessories.⁴ This, coming from a chain that accounts for the majority of the retail sales of some companies, only further escalates worries from publishing companies; although it might create space for the independent bookstores to regain a position in the market.⁵

Chapters-Indigo creates additional problems for publishing companies. If a publishing company wants good product placement and advertising in the store it must pay. This puts the smaller publishing companies in a bind as they do not have extra money to put towards this expenditure. And, if those companies don’t pay for product placement it is quite unlikely that their books will achieve anything close to bestseller status. The diminished competitiveness brought about by this method of bookselling constrains sales and threatens financial crisis. In addition, Chapters-Indigo employs other business practices that disadvantage small publishers. For example, the company’s centralized, national purchasing system may result in less attention being paid to the publishing programs of smaller companies. As well, Chapters-Indigo, being such a huge chain, would not consider the smaller companies’ business as vital as its business with other larger publishing houses. And even if books were ordered, Chapters-Indigo might

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attend to its accounts payable to larger companies before smaller companies, potentially leading to cash flow difficulties.

As it is in 2004, Chapters-Indigo has become notorious for large orders, large returns, and late payment for books sold. This makes it difficult for smaller publishing companies to operate as late payments from Chapters-Indigo often come too late for their own bills and debts to be paid. Large returns are also difficult because they often become wasted books, not finding homes in other stores because Chapters-Indigo is the largest buyer. It is also common for a publishing house to base a print-run around a Chapters-Indigo order and realize too late that the books will not sell. This results in more wasted books and disappearing profits. In addition, all bookstores are accepting lower numbers of backlist titles, because of their slow turnover rate. This lack of interest in backlist also constrains the operations of publishing companies because, generally speaking, publishers have invested in their books, expecting them to sell for an extended period of time.

The existence of this chain and these market place difficulties forces the publishing companies to reconsider how they will sell products, and make money. Many are realizing that in order to finance their publishing programs, they need to find new and inventive ways to create cash to finance them. For instance, it can be argued that ECW Press publishes so many pop culture books, such as “Uncovering Alias,” (a book discussing the television show), or various low-carb diet books, so that the company can afford to publish its literary fiction and poetry (which is not a great seller but important to the company’s self-chosen publishing program). Another example is Arsenal Pulp Press. This company puts emphasis on sales to the United States which helps the company to
fund its publishing program back in Canada. For House of Anansi Press Ltd., based in Toronto, ON, according to Publisher Martha Sharpe, selling books direct to the customer through its website, www.anansi.ca, allows the company the opportunity to fund its desired list.

Introduction to Online Selling

According to Anansi's President Sarah MacLachlan, the publishing industry has long been known to be a business based on partnerships, consideration for others, and good business relationships. Publishing companies have frequently worked in cooperation with bookstores and vice versa. Because the relationship was beneficial, publishing companies were, and often still are, reluctant to shake things up and seek new ways of doing business (in addition to not having much time or energy to put towards discovering new modes of business practice). It only makes sense that companies are hesitant about selling direct to customer and bypassing the long-trusted middle-man, the bookstore. However unlikely, it presents the possibility of the bookstores refusing to stock or limiting their orders of a company's books, leaving that company to fend for itself in the retail market elsewhere and with their newly chosen business model.

The online bookstore is a relatively new form of retail, having gained public attention with Internet giant Amazon.com in the mid 1990s. It has many benefits and cost savings. Books do not have to be displayed in a physical showcase. Instead they are "shelved" online with pictures, book details, reviews, and other information. They are then warehoused for a much lower cost than if they were placed in a bookstore, waiting

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to be sold. In addition, it is possible for all of a company’s books that are in print to be made available online, instead of just the front list, or more popular titles. This gives backlist titles more of a chance to sell and stay in print than a time-limited display in bookstores. In addition, on the website the book is more often “in stock” and available for sale than in individual bookstores. There is also the chance to tap new markets and service customers around the world.

There are general benefits to having a website as well. A website allows a company the chance to create an identity for itself in the minds of visitors. It gives the company direct control over the description and marketing of its products and company image. It also gives a company a chance to communicate with people around the world.

When Anansi began online selling the company did not advertise loudly that it was selling its books online. Instead it just began including the website address in all of its books, promotional materials, print media ads, and newsletters hoping that people would log in and as an afterthought – shop online. At this time, only a few smaller publishing companies in Canada were selling books online, including Anvil Press, Talon Books, and Arsenal Pulp Press. According to Anansi’s Business Manager, Matt Williams, their websites were unsophisticated, a tad clumsy, and did not use sophisticated online selling methods that are in use today.⁹ Perhaps the companies were nervous about embracing the new form of retail because of the possibility of the bookstores’ resentment and potential for boycotting of their books. It is also likely that the cost of creating a website to display their books and all of the information about them would be extremely

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costly and time consuming because of the sheer number of books a larger company produces and has on the backlist.

For Anansi, selling online was a perfect fit. The company had a lot of solid-selling backlist titles that customers would continue to be interested in long after they had left the shelves of the traditional bookstore. Selling online is also low-stress, and does not take a lot of time away from the daily operations of the business. In short, selling online was an easy way for Anansi to sell direct to the customer, once the website was set up.
PART ONE: ONLINE BOOK SELLING

1.1 The History of Canadian Online Book Selling

Selling books on the Internet began in a big way with Amazon.com in 1995. In fact, Amazon was one of the first companies of any size to sell any type of product online. Jeff Bezos, the founder of Seattle’s Amazon.com, saw the potential of the Internet as a place where books could be sold in far greater numbers than in any physical bookstore. Amazon.com survived the dot-com crisis of 2000 by not expecting profit to be made for five years, and planning for and around that expectation. Although this bothered stockholders who watched other dot-coms explode with profit before the crash, Amazon.com held out and expanded gradually – selling other products on the website and branching into foreign markets with stores such as Amazon.ca which launched in 2002.

Before their merger in 2001 both Chapters and Indigo were selling online to Canadians. In 1998, Chapters partnered with the Globe and Mail to create a website (www.chaptersglobe.com) that cost $9 million to build. In April of 2000 it re-launched on its own with www.chapters.ca. The difference between the two was that Chapters-Globe was focused on the community of booklovers and readers, whereas Chapters’s solo site was designed for shoppers and shopping. Even though Canadian customers had to buy with American dollars, and their orders had to go through customs, Amazon.com still

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11 Ibid.
12 Ibid.
14 Ibid.
held the position of being the third largest bookseller to Canadians.\textsuperscript{15} To compete with Amazon.com to be the biggest online retailer to Canadians, Chapters spent a lot of money maintaining its two websites, Chapters-Globe and Chapters.ca, and advertising the existence of Chapters.ca, using print, the Internet, billboards, bus, and radio advertisements.

Shortly after Chaptersglobe.com made its appearance online, Indigo Books, Music & Café began its own website project. Indigo bought Bookshelf.ca from Sympatico and the Bookshelf, a store in Guelph, Ontario, and renamed the site Indigo.ca.\textsuperscript{16} Like Amazon and Chapters, Indigo was to offer music and film for sale, as well as books. With the merged company in 2001, came a merged website.

The launch of Amazon.ca, in 2002, angered certain members of the book community. Indigo CEO Heather Reisman and the Canadian Booksellers Association made an official complaint against the American-owned business saying its plans for Amazon.ca went against Canada’s cultural investment laws – which state that a bookseller in Canada must be Canadian owned.\textsuperscript{17} They also launched a suit which was dropped shortly before its trial date. Amazon.ca’s plans were approved by the government because the company structured its plans to fall within the existing legislation. This was done by contracting distribution to Canada Post and because its offices were not located in Canada.\textsuperscript{18} In contrast to the Reisman/CBA challenge, some would claim that the presence of Amazon.ca was and is healthy competition for the Chapters-Indigo website, breaking Canadians free from only having one dominant choice

\textsuperscript{18} Ibid.
for online book shopping. Scott Anderson, editor of *Quill and Quire*, noted in 2002: “I think this is going to provide really stiff competition to Indigo Online.”

Another significant online Canadian bookseller is Abebooks.com based in Victoria, B.C, whose website launched in 1996. Abebooks is an online retailer of new, used, and rare books. It matches a customer’s book query with a bookstore or bookseller somewhere in the world that is offering that book for sale. For book buyers it represents an easy way to find rare and out-of-print books, as well as newer used books for lower prices. Abebooks allows booksellers to share their bookshelves with people all over the world, not just those people who can physically browse the store. Over 60 million books are available through Abebooks from just over 12,000 booksellers. Abebooks is also beginning to allow smaller book publishers the opportunity to put their front list books onto the website, giving online customers a different option from the Indigo-Chapters and Amazon websites.

Purchasing books online largely means buying from a website that offers a variety of titles from a huge number of publishers, similar to a physical bookstore. Very few book publishing companies are selling their books online directly to customers. There is any number of reasons for this. It is expensive to build a website: it takes a huge investment of time and money from the company, both of which most publishing companies have little. It requires a lot of forethought. Also, most publishing companies are fully committed on a day-to-day basis and do not even have the time to consider such a project. Some, no doubt, worry about backlash and negative feedback from booksellers.

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In addition, publishing companies are not known for being technologically pro-active and the consideration of a website with e-commerce capabilities is overwhelming for most. In addition to these factors, it is difficult to know if customers would visit the websites in numbers sufficient to warrant the cost of building and maintenance.

On the other hand, most Canadian publishing companies have websites and they are beginning to advertise their books online. Perhaps it is just a matter of time before they begin selling through their sites. Some companies have sites with simple online selling where there are forms to fill out or an e-mail address contact for ordering. Others direct you to the nearest physical bookstore or to Chapters.ca or Amazon.ca. In summary, there are not many publishing companies selling their books online to Canadians but House of Anansi Press is one and it began to sell in online in the late nineties, adding complex e-commerce quality to the website in 2002.

1.2 Online Shopping & E-Commerce

Although the existence of the Internet and the world of e-commerce is fairly new there has been discussion concerning what works and what does not work for e-commerce companies, and university and college business and computer courses are starting to teach e-commerce. Unfortunately, there has not been much time for long-term academic study on the subject. For the book publishing industry in Canada there is even less information about online book selling and sales. However, a study by the Association of Canadian Publishers (ACP) in 2002 asked some interesting questions regarding online book purchasing. The researchers for this study interviewed close to one thousand
respondents using a twenty-three minute survey. Those interviewed had purchased books within three months previous to the survey. The purpose of the study was to report “the demographic profile of book buyers, their reading habits, their general book buying habits, and their Internet habits that relate to book purchasing.”

The Customer

According to the study, 13 percent of general book buyers have also purchased online within the qualifying three months. Those 13 percent bought an average of eight books total online by 2002. It can be assumed that they have since bought more. Those surveyed that had shopped for books online were more likely to have a university education (78%), were most often between the ages of 25 and 54 (73%), and were likely to live in an urban area (64%). It is interesting that most online book buyers live in urban areas because this is where most bookstores are located physically. One might expect online shoppers to be located most often in rural areas where they would be far from a physical bookstore where they could obtain their books. But there have been no studies comparing urban and rural populations.

In 2002, Amazon.ca was the site most likely visited by online shoppers in this study (43%) with Chapters-Indigo a close second at 35 percent. It is also interesting to note that women are more likely than men to visit Chapters-Indigo (41% vs. 31%).

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22 Ibid.
23 Ibid.
24 Ibid.
25 Ibid.
26 Ibid.
Knowing this information, companies that are selling books online could attempt to angle their sites more towards shoppers of those characteristics.

**Why They Purchased Online**

The 2002 book buying habits study reported the following as the top reasons for online purchases: couldn’t find the book in store (40%), convenient to shop online (32%), to save money (16%), gift certificate (3%), and knew exactly what I wanted (3%).

Knowing that these are the primary reasons to shop online, companies selling online could take advantage of these reasons and continue to offer shipping and other price discounts, as well as continuing to advertise the wide selection of books available.

Because book websites contain so much book information, buyers can use the websites as a source for finding out about authors they enjoy, or just browsing for other books that they might be interested in buying. Although the book buying habits study identified only three percent of shoppers buying online because they knew exactly what they wanted, a website can be useful to let a shopper find out about a book, and then buy it at a later date – whether online or in the store. For this reason alone book publishing companies are well advised to list their books with an online retailer, and to include descriptive information online for browsing purposes, if not sales. The book buying habits report supports this reasoning saying that book buyers, especially the heavy ones, are likely to visit book websites as research tools to read about what books they are interested in.

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28 Ibid.
29 Ibid
The same study showed that more than eighty percent of buyers were satisfied with their online purchasing experience.\textsuperscript{30} Selling online consists of several, clearly defined parts: having an easy-to-use website, having clear indicators of what is happening with the order and when, on-time delivery, and proper payments processing are all factors that influence positive purchase experiences.

Although shopping online is a positive experience for most who try it, people still prefer to shop in a traditional bookstore.\textsuperscript{31} This preference appears to suggest that in the near future it is unlikely that the majority of the Canadian book buyers are going to switch primarily to shopping online. Seventy-five percent of those surveyed that have shopped online still prefer the real bookstore.\textsuperscript{32} Reasons given for this include: physical examination of the books, browsing around the store, and not having to wait for the book's delivery.\textsuperscript{33} These are realities that book buyers are used to when shopping, not only when shopping just for books. With the exception of browsing, as online shoppers are able to browse but in a non-physical way, these pro-physical bookstore reasons are realities that e-commerce companies are never going to be able to duplicate. Other than print-on-demand technologies, which are not yet readily available or used for general trade books, there will always be a wait for products and there will never be a physical connection with the products until after delivery. However, as shoppers get used to shopping online, it is likely they will be more forgiving for these aspects as they will begin to trust that companies will provide them with objects that are physically sound and delivered as soon as possible.

\textsuperscript{31} Ibid.
\textsuperscript{32} Ibid.
\textsuperscript{33} Ibid.
\textsuperscript{34} Ibid.
Building a Successful E-commerce Venture

E-commerce is a term used by businesses to describe the "selling, marketing, and servicing of products ... over computer networks". According to Wikipedia.org, a successful e-commerce venture requires a combination of factors, including the following:

- **customer value;**
  Value can be provided successfully by an e-commerce equipped website by offering competitive pricing and shipping discounts for products available online.

- **an attractive website;**
  An attractive website is one that is very clear, easy to use, and intuitive. Visitors to an attractive website have no problems with the flow of the site and would have no problem with returning to the site.

- **service and performance;**
  To be successful in service and performance the website must be user-friendly and be free from error. Someone shopping on a website successful in this way would have no problems with repeating the shopping experience.

- **an incentive to buy and return to the website;**
  Successful online retailers often advertise discounts or other special offers to visitors which would encourage purchasing, repeat visitations, and shopping.

- **personal attention;**
  E-commerce websites can provide personal attention by offering purchase suggestions to customers or personal discounts.

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• a sense of community;

Community can be established with discussion boards, on-topic chat rooms, and other interactive features that allow customers to communicate with other visitors and the company itself.

• reliability and security (e.g. encryption, firewalls, fail-safe technology, etc.);

Visitors want to feel as though the information they reveal about themselves is safe. Websites that use guarded technologies are preferred to those that do not.

• letting customers help themselves (self-serve site); and

Customers often prefer browsing online and choosing for themselves what best suits them. Websites that provide users with this self-serve ability and do so in an easy-to-use way are often successful.

• a commercially sound business model.\(^3^5\)

Online retailers that plan a realistic time-line for the development of their business and consider their chances of success and failure, will go a lot further than those online websites that just do it and hope it works out. Planning ahead is extremely important and those that do will more likely host a successful website than those who do not.

PART TWO: ANANSI.CA GOES ONLINE

2.1 History and Planning for Anansi.ca

Founded in 1967 by writers Dennis Lee and David Godfrey, House of Anansi Press has changed hands many times. In June of 2002 Anansi was purchased from General Publishing, and after that company’s bankruptcy, it was transformed into its current incarnation under the ownership of Scott Griffin. Although Anansi has existed under different owners, its literary publishing program has not changed radically from Lee and Godfrey’s original notion to publish mainly Canadian authors for a Canadian audience, as Godfrey believed that “Canada was invisible”.

Anansi began to sell its books online under the ownership of General Publishing. At that time the website instructed the customer to fill out an online form processed via e-mail. It was a simple order system where the customer simply chose the book(s) desired; supplied their name and contact information; and all the processing and payments were completed by someone in the General Publishing customer service office. To new owner Griffin, the new management, and staff it was obvious that this system was time-consuming, inefficient, and needed to be improved. It seemed obvious that a more easy-to-use online selling area, or a well designed e-commerce space, was needed. In short, Anansi’s aims were to have the website be nicely designed, efficient, and secure.

Before addressing the website changes, it is useful to understand the reasons why Anansi undertook selling books online. Increasing familiarity with technology, the growing popularity of businesses having websites, and the increased marketing of

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37 Matt Williams, interview by author, 2004.
products online were all factors. In addition, Anansi saw the potential to make more money per book sold because of the middleman costs being cut out. The company also saw the benefits of communicating with its readers both in Canada and globally.

Anansi has and will continue to sell its books through bookstores. However, because of the aforementioned difficulties for smaller publishing companies in the current bookstore environment, Anansi understood that if it were to publish the kinds of books that were part of its core mandate it would have to look for additional financial return, because relying on the bookstores as its sole income source was becoming difficult.  

Financially speaking, selling books online direct to the customer made sense to Anansi. When a book publisher sells a book traditionally through a bookstore the money goes to a variety of different places. A portion goes to the author, a portion to the bookstore, a portion to the distributor, and then finally, a portion to the publishing company. But, if the publishing company sells directly to the customer, as in the online selling model, the publishing company makes more money because it does not have to pay out the portions for the distribution and the bookstore, although additional cost is incurred for website maintenance. Online selling also makes sense for Anansi because of lower warehousing costs. Anansi shelves the books to be sold online inside of its office. This cuts down on the amount of warehousing space the company would require elsewhere, and thus cuts down on the cost of that space. However, because Anansi is a small company they have a smaller number of books to store. A larger company might find the greater savings to be a warehouse space as office space can be costly. Anansi

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saw online selling as a financial model that could potentially help the company to make some profit to help fund its desired publishing program.

Selling online would benefit Anansi as well because the company would be able to monitor sales directly. This would benefit the company in two ways. For one, it is easier to notice what is selling well and not so well when it is directly under your nose. If a book is selling particularly well Anansi could better promote it within the channel in which it is selling. If a book is selling particularly poorly the company could start the promotions process again, create a special offer, or entice customers in some other manner. Secondly, it would give Anansi an opportunity to come into contact with book club groups and other customers.\textsuperscript{40} Being in direct contact with your end user is a useful tool for businesses because it gives the company a better idea of how it can provide a better service and product to those users.

Broadening its customer base, was another expectation that Anansi saw as possible with its online selling.\textsuperscript{41} The company would also be able to cross borders with its books and easily reach customers who cannot or do not go to bookstores that stock Anansi’s books in any number for reasons of geographic distance, disability, saving time, or for other reasons.

Most of all, Anansi realised that it “needed to be aggressive” with its sales strategies and not leave the fate of its books solely in the hands of others.\textsuperscript{42} The company agreed that it “must not be shy” and should begin to leave behind the old manners-driven,

\textsuperscript{40} Matt Williams, interview by author, 2004.
\textsuperscript{41} Ibid.
\textsuperscript{42} Ibid.
“polite environment” of the publishing world, because it was changing, with or without Anansi, to become a more aggressive business in which to work.43

2.2 Beginning the Build

Although at the time of the 2002 Griffin purchase there was already a website in place, it required modification to become the successful e-commerce space that Anansi envisioned.44 The space needed to be nice-looking, easy to maneuver by customers, secure, and a site customers would want to revisit.

Even though the staff of Anansi did not model its website modifications on other e-commerce websites its use of the ‘shopping cart’, technology that allows shoppers to browse and add books to an electronic shopping cart for an easy check-out process lends a certain familiarity with other websites. This online selling technique is used in a variety of e-commerce settings including shopping for clothes, music, or furniture. Having made this overarching design decision, Anansi was able to move to other smaller considerations for the website.

Once the shopping cart system was put in place Anansi was able to add an ‘add to cart’ button beside every title that Anansi offers.45 In addition, an automated shipping calculator was put in place in conjunction with Canada Post. It calculates the total cost of an order by analyzing postal codes, total dimensions, and weight of the package. (Anansi also had to add a fair amount of background information behind the site including the

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45 Matt Williams, interview by author, 2004.
dimensions and weight of the books so that the software-based shipping calculator could perform all of its functions.)

The ability of the customer to select the delivery date was then added to the site. This translates into selecting the type of service to be used (Priority, XPress Post, Expedited, etc). All three automated functions of customer-generated orders saved a great deal of time. (Canada Post won out over its competitor CANPAR, a parcel delivery company in Canada, because CANPAR failed to respond to a request from Anansi for information.)

To ensure security of credit card transactions Anansi signed on with VeriSign, a company known for its ability to successfully guarantee secure systems on websites. Seals of approval are shown on websites, including Anansi, that use VeriSign technology.

Purchases on the website can be only made with a credit card. In the site’s current incarnation, it still requires that a person, usually a company intern, phone into a credit card system. Here the intern manually enters the credit card number, expiry date, and total amount to be charged through the touchtone system. Although the website itself is secure from Internet hacking and other sorts of online disruption, manually charging credit cards can often result in error.

With the overarching aims of having the website be nicely designed, efficient, and secure the shopping cart system, the automated shipping calculator, and the VeriSign security approval put the website closer to meeting these goals.

The mere existence of a secure and functional website does not make it successful. Once the site was in place the staff began marketing the website, putting the

47 Ibid.
website address in all print media, promotional materials, and the books themselves. This marketing was integral to achieving success on the website. If the customers do not know how to find the website, or that it exists at all, it will ultimately fail.

2.3 Instant Success

Because Anansi was in the midst of a bankruptcy by the former parent company, General Publishing, its books had been under a hold and were not readily available for purchase. Once the new management took over, and the site was up and running, the books were made available online. Those customers interested in the books snatched at the opportunity to buy them. This was especially the case for professors looking for texts for course adoptions.

The website also benefited by Anansi’s position as the official publisher of CBC’s annual Massey Lecture Series. The website received many hits from constant airplay of Anansi’s name and the website address. Almost immediately the Massey Lecture series book of that season, and the previous books that were available on the website, experienced a sales resurgence.
PART THREE: ANANSI.CA TODAY

3.1 Keeping the Website Going: Daily Operational Realities

As the website makeover passes its second anniversary it is far from being a stationary entity. The online order system continues to change, updates are made at a regular rate, and it is monitored closely. At every board meeting there is a progress update for it.

In the summer of 2004 an additional member of the Anansi staff was added for web support. Until this time all website work was conceptualized by the Anansi staff and carried out by Pneumatic Press, an outside web company. In addition to this web person, the intern at Anansi also plays a major role in the day-to-day activities surrounding the website. There is always an intern at Anansi, and he or she signs on for three month internships. The intern is responsible for processing each order that is placed online. He or she logs in to the website daily to collect the day’s orders. Next, the intern goes through the office collecting the books desired from the dedicated space that houses all of the books that Anansi sells. Then a phone call is placed to the credit card automatic paying system and the customer’s purchase information and card information is entered via touchtone. After authorization is gained for the purchase the intern packs and ships the books via Canada Post (entering all addresses by hand) and carries the packages across the street to the post office. If there are any difficulties with the order, the customer is e-mailed or telephoned and told of the problems.

\[48\] Matt Williams, interview by author, 2004.
3.2 The Books

Anansi publishes high-quality books. Books are not usually acquired if they have an anticipated shelf life for one or two seasons. Instead, they are considered for their staying power and quality. Some of Anansi’s continuing best selling books have been on its backlist for a number of years, including books by Atwood, Ondaatje, and Frye. Often many of the company’s titles, such as those in the Massey Lecture series, are used as classroom textbooks. Others have been book club considerations. Online, however, the books that sell seem to follow a pattern.

Approximately sixty percent of titles sold online are backlist titles. Every Anansi backlist title that is in print is available on the website. Knowing that the bookstores are not carrying as much of a company’s backlist, this is a promising way to keep those books selling and in print. Paperbacks are predominately purchased online over hardcovers. Non-fiction, such as the Massey Lecture series, sells the most. The series reinforces sales each time a new series title is released. Poetry is the next best seller online. Poetry is difficult to find in most bookstores, as its low turnover rate is not a selling point for bookstore owners. Online however, the poetry section is fully stocked and sales are healthy. Anansi also publishes an anthology of poems that were shortlisted for the Griffin Poetry Prize shortlist winners. Around the time of the awards this is a good poetry seller online for Anansi.

One title in particular has done particularly well online, encapsulating all of the features that describe a bestselling online title for Anansi: non-fiction, backlist, and

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49 Matt Williams, interview by author, 2004.
50 Ibid.
51 Ibid.
paperback. John Mighton’s *Myth of Ability*, a book for parents and teachers about math education for children, has sold surprisingly well online. In addition to its common bestseller features, it is a book that has a clear audience (parents and teachers) and it has the strength to remain valuable for a long time, as it does not deal with timely material. Published in the spring of 2003, it remains today as one of the top sellers online. In 2004 158 copies of *Myth of Ability* were sold online.\(^{52}\) This accounts for almost 10% of the books sold online up until the middle of December.\(^{53}\) The Massey Lecture title of 2004, *A Short History of Progress*, although released in the fall of 2004 has sold 444 copies.\(^{54}\) This accounts for almost 45% of the books sold online.\(^{55}\)

Although the online bookstore is a major component of Anansi’s world, the world of Anansi does not revolve around it. Editorial decisions on acquisitions and the editing process itself are made without considering the online bookstore and what sells there. Anansi would never acquire a book to its list unless it possessed all of the qualities that the company considers an Anansi book to be.\(^{56}\) However, if two equal books were being considered and one happened to hold the promise of better online sales, it might be favoured. Although the company is excited by it, the online bookstore is merely an extension of Anansi’s sales and is not part of its identity as a book publishing company.\(^{57}\) That being said, the rest of the website does attempt to present Anansi’s identity and place in Canada’s cultural scene.

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53 Ibid.
54 Ibid.
55 Ibid.
57 Ibid.
Thus far, from the website modifications in 2002 to today, mid-December, the orders have been steady. Approximately ten orders are placed by customers per week with an average of one and a half books per order. During the summer, orders are a bit lower and during the year-end, holiday season orders are somewhat higher.

3.3 The Anansi.ca Customer

In 2003 Anansi polled some of the Anansi.ca visitors that had provided e-mail addresses within the website. The respondents to this survey identified some basic customer information about themselves. The survey did not find any obvious trends in the data collected about the customers. But the survey did report allow the respondents the ability to express their concern for the publishing house and its books. It showed that a real community is behind the website. Additional data that Anansi has on its customers is the information collected from the order form. Using the name of the individual as an indication of gender, it appears that both genders purchase from the site equally.

Geographic location can be determined by the shipping addresses. Anansi ships to customers all over the world. Most non-Canadian shoppers are from the United States. There also seems to be no prevalence, in straight percentage terms, of shipping to remote addresses (which might have suggested that people were shopping online because they don’t have close access to a physical bookstore).

Were Anansi to collect some more data, in a complex way, on who shops on its website and why (which is very difficult given privacy legislation), trends or patterns

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60 Ibid.
may emerge (i.e. university students, professors, or middle-aged Canadian women).
Targeting those trends or patterns Anansi might be able to better market and publicize its website, and as a result, achieve more sales. Anansi does collect and compile all e-mail addresses belonging to customers. Perhaps this e-mail database could be used to reach out and collect customer information.

3.4 Marketing and Promotion

Attracting people to the website is the first step in persuading them to shop there. In an attempt to pull customers to the website, Anansi promotes and markets its website in all of its activities. As previously mentioned, the URL is printed on every piece of printed material including books, newsletters, print advertisements, and promotional giveaways. Anansi is linked to Google as well and typing some authors’ names will lead you to Anansi. Anansi is also currently linked to the CBC Ideas webpage because of the Massey Lectures series.

Once website visitors are logged on, the website alone will encourage both purchases and return visits. Content, other than the online bookstore, gives customers a reason to return. On Anansi.ca there are a variety of different features that are designed to encourage return visitors. The user can check upcoming books or schedules of author readings and read about existing Anansi titles. For certain titles readers can read reviews, author biographies, and even excerpts from the book. Some titles have other special features including audios of the author reading or feedback from people that have bought the book. John Mighton’s Myth of Ability has additional features of this type including a

feature called “in their own words”. This feature is a testimonial from children who have successfully used the math program that is featured in the book. Also, a user can download a PDF where he or she can sample Mighton’s math.62

Another intriguing attempt to bring people to the site regularly is an author blog. Michael Winter, whose novel The Big Why was published in the fall of 2004, has an online journal chronicling his author tour.63 People can log into the Anansi site, read Winter’s blog, and respond directly to him. Other author-to-site-visitor connections are made on discussion forums where Anansi’s non-fiction’s titles bring the opportunity for questions and comments from both parties. These content additions help to foster repeat customers and help to strengthen the community surrounding Anansi.ca.

Another recent promotion is bookmark blow-ins. In every copy of the 2004 Massey Lecture series book A Short History of Progress there is an Anansi bookmark.64 Written vertically in bright colours on one entire side of the bookmark is the website address. Each book, put in every customer’s hand, whether sold in Chapters or through the Anansi website, is a noticeable advertisement for the website.

Collected e-mail addresses from purchases are used by Anansi for newsletters and special promotions.65 In addition, a user can sign up for the newsletters on the website without making a purchase. These newsletters come out monthly and include information on upcoming books, discussion forums, special promotions, and author readings. Special promotion e-mails are sent out once or twice a month, separate from the newsletters, advertising online deals or community events featuring Anansi authors or books.

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64 Sarah MacLachlan, interview by author, 2004.
65 Ibid.
Currently the Anansi newsletter has 2,100 subscribers but there are hopes to reach 10,000 by January of 2005. A marketing campaign, put in place in December of 2004, encourages subscribers to earn discounts on books by encouraging friends to sign up for the newsletter. The friends will also earn discounts for signing up.

3.5 Online Bookstore Revenues and Expenditures

For the last 3 months of 2002 and the entire year of 2003 the average online order produced revenue of $23.75 and $33.24 respectively. According to Anansi's financial records the 2004 average order (up to mid-December) is $33.95. Total sales amounted to approximately $3,000 in 2002, $14,000 in 2003, and $22,000 up to mid-December of 2004. This amount does not include the shipping or taxes. It is easy and promising for Anansi to see growth from these numbers. Table 1 is a chart of this information. Also on the chart is the percentage of finished copy sales that were sold online as opposed to being sold in regular bookstores, readings, and other literary functions. Most importantly, perhaps, is the percentage of total revenues that the online bookstore makes up. It is evident from the increase from 2002, where the online bookstore accounted for .6% of the total revenue, to 2004, where up to September (which was $9,000 of the $21,000) had thus far accounted for 1.7% of the total revenues, that the online bookstore is beginning to account for more of the total percentage of revenue for the company. The growth is positive and will continue to be monitored by Anansi.

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Table 1 Anansi Online Revenues (Up to mid-Dec 2004)^68

<table>
<thead>
<tr>
<th></th>
<th>Avg. Order</th>
<th>Total Sales</th>
<th>% of finished copy sales</th>
<th>% of total revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002 (Oct-Dec)</td>
<td>$23.75</td>
<td>$3,000</td>
<td>.8%</td>
<td>.6%</td>
</tr>
<tr>
<td>2003 (Jan-Dec)</td>
<td>$33.24</td>
<td>$14,000</td>
<td>1.5%</td>
<td>1.3%</td>
</tr>
<tr>
<td>2004 (Jan-mid-Dec)</td>
<td>$33.95</td>
<td>$21,000</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

In terms of expenditures, the original modifications to the website in 2002 cost just under $20,000. Maintenance costs range between $400 and $800, and they incur monthly. In addition, part of the salary of the new person on contract for the website should be attributed to the costs of the online bookstore. Given these costs, (estimated at $7,500 to $12,000 per year) while the web site may be satisfying customers, it is not yet revenue positive once the costs of goods sold are added to labour and transaction costs. Its future may, however, be brighter as it attracts increased numbers of users.

^68 Matt Williams, interview by author, 2004.
PART FOUR: ANANSLCA TOMORROW

Anansi has invested a lot of time, energy, and money into the website, specifically the online bookstore, and plans to continue maintaining and adding features to the website in the years to come. The addition of dedicated in-office web employee, can only promise increased fresh content and more up-to-date information. It has pledged to itself to put more energy into the website and it shows that Anansi is taking its website seriously.

There are several modifications that are already in the works to improve the site. Anansi is working at adding an automated VISA check-out. This decreases the time required of the intern, and increases accuracy by avoiding re-keying the credit card information. More time will be saved with the purchase of a postage machine because the intern will not need to process the shipment costs with a clerk at Canada Post at the end of each day.

One special promotion for the website is a Christmas gift wrapping special for the 2004 holiday season for online shoppers. Started in October 2004 there is free shipping in Canada for all orders. This will hopefully help win customers over from Chapters.ca and Amazon.ca that shop at those websites because of their free shipping deals. Anansi has also noticed a trend of students shopping for course texts online, so the company is considering designing a special promotion aimed at students to bring them to the website to shop instead of the campus bookstore.

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69 Matt Williams, interview by author, 2004.
70 Ibid.
Another special promotion is a live webcast with Margaret Atwood to publicize her fall 2004 book, *Moving Targets*. Promotions like this help to bring attention to the website and build the community of the website, which will hopefully result in customers.

There will also be increased advertising for the website and a major drive to make the website more known in the future. There will be clear advertising for the online bookstore instead of just the website. Ads will say “buy this book at Anansi.ca”. There will also be the bookmark blow-ins, in books sold on the website and in bookstores, prominently featuring the URL. Anansi is also investigating the possibility of advertising on other websites. Adding an Anansi.ca banner to a website of similar community will attract more visitors. It is a popular tool for website growth.

Adding privacy statements is another consideration that is underway to assure customers that their personal information is safe and secure. Anansi is eager to make its e-commerce capabilities trusted and the company is eager to show the industry and its customers that they take Anansi.ca’s business seriously. Also, Anansi is contemplating collecting more complex customer data so the company knows who is shopping on the website and why.

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72 Ibid.
73 Ibid.
74 Ibid.
CONCLUSION

As the publishing industry continues to shift and change, Anansi appears to be maintaining a healthy and positive position for the company’s titles both online and within the general industry. Anansi’s new management, which appears to foster an appreciation for the latest technology and new industry practices; its clear publishing program; and its strong audience all serve to position Anansi at the forefront of the interesting and innovative Canadian publishing. Anansi appears to be carving a new model for the Canadian publishing industry, not only for selling directly to customers online, but also in the company’s ability to take some control of its fate into its own hands, and not to rely completely on other people to sell its books, and control the company’s financial status. For these reasons it is likely that other publishing companies will pay attention to what Anansi is doing online, if they have not already.

Anansi’s e-commerce is successful for many of those reasons described in Part One of this report. The company is able to provide value to customers by ensuring the availability of what customers see as a valuable – Anansi’s quality titles. Anansi.ca has added value by providing special offers, such as the free shipping promotions. It is successful also because of its attractive design; the website is clear and coherent, easy to follow, and intuitive to use. It is also secure for online transactions and it allows customers to browse freely for exactly what they want. Anansi.ca is updated often with fresh and interesting content, and it has attracted a community of visitors who are beginning to make it a steady part of their online routine. Most importantly, Anansi took the time to plan Anansi.ca, to make it what the company wanted, and the company did
not have any unrealistic projections or expectations for what it would do for the company, and its bottom line. Anansi continues to improve the site and adapt it to what people consider interesting. This includes the addition, for example, of innovative content such as author blogs and live reading webcasts.

Looking at the website from any perspective, whether it be from marketing and promotions; sales, web content, or cultural community – Anansi is serious about what it is doing on its website. The company continues to explore how best to maximize profit from the site, all the while creating an interesting space for booklovers who appreciate Anansi’s “very good books”.75 As a case study of a Canadian publisher working within the changing publishing environment, Anansi is interesting. The company is an important part of Canadian publishing, both historically and now, as it helps to set pace for the future.

WORKS CITED


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ADDITIONAL SOURCES


