

**Sales Channel Renaissance:  
A Case Study on Elevating Performance in Small-  
Scale Publishing**

**by  
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Project Submitted in Partial Fulfillment of the  
Requirements for the Degree of  
Master of Publishing

in the  
Publishing Program  
Faculty of Communication, Art and Technology

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SIMON FRASER UNIVERSITY  
Summer 2023

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## Declaration of Committee

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## **Abstract**

This report presents an in-depth examination of New Star Books, an independent publisher located in Vancouver, Canada. Its primary objective is to critically evaluate the publisher's existing sales channels and propose resourceful approaches to enhance operational efficiency. The study extensively uses data from New Star's sales reports and conducts comprehensive comparisons with industry trends from multiple sources, including data from BookNet Canada, Government of Canada Statistics related to publishing, Statista reports, and articles from publishing industry journals, including *Publishers Weekly*. The findings offer valuable insights and actionable strategies tailored to small to medium-sized publishing entities, aiming to enhance their sales performance. Central to the study is a focus on New Star's current sales mechanisms, with the intent of providing similarly sized Canadian publishers with invaluable insights and strategies to enhance the performance of their sales channels. The study suggests a harmonious integration of traditional book-selling methods with digital platforms, providing practical advice to improve the efficiency and sustainability of sales channels.

**Keywords:** Publishing; Small Press Publishing; Sales and Marketing; Sales Operations; Sales Data Analytics

## **Dedication**

This report is dedicated to my beloved parents, whose consistent belief and encouragement fuelled my journey. Heartfelt acknowledgment to Ahmed Al Aleem, my friend and best companion, for his enlightening ideas and persistent encouragement. Special thanks to my brother, Shak, for his constant encouragement and friendly companionship, which brought a comforting and cheerful vibe to the process. The importance of family and friendship is underscored in this work. Your guidance, faith, and ongoing support have been pivotal in my journey. Forever grateful.

## **Acknowledgements**

I would like to express my deepest gratitude to Scott Steedman, who has been not only my diligent project supervisor but also one of the dedicated instructors that enriched my publishing knowledge. I also want to extend my sincere appreciation to all other distinguished instructors and the entire MPub faculty. Their collective guidance, profound expertise, and enduring support have formed the backbone of my journey.

Equally, I wish to express my sincere thanks to the highly devoted team at New Star Books, particularly Rolf Maurer, for inviting me into their unique role within the Canadian book publishing landscape. Special gratitude goes to Melissa Swann for their generous assistance during my smooth integration into the New Star family.

Last, but certainly not least, I extend heartfelt thanks to the extraordinary individuals I met during the program: my cohort and fellow publishing enthusiasts. Our shared experiences in this unique learning environment, in a new part of the world, have significantly enriched my entire MPub journey.

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# Chapter 1. Introduction

Sales are the lifeblood of any business, and the book publishing industry is no exception. The success of any book publishing company depends heavily on its ability to generate sales revenue. While publishers devote significant time and resources to acquiring, editing, and producing high-quality books, it is equally vital to establish efficient sales channels to ensure that those books reach the right audiences and generate revenue. In today's highly competitive publishing industry, with the rise of digital technologies and changing reader habits, the implementation of a robust sales channel strategy has become more important than ever. Small publishers, in particular, face unique challenges in this regard, as they must compete with larger, established players in the industry while often operating with limited resources. Therefore, it is essential for publishers to optimize their existing sales channels while continuously exploring new avenues and developing strategies to maximize sales revenue and increase their market share.

## Background

From summer to winter 2022, I completed an extended placement with New Star Books. During my internship tenure at New Star Books, I gained practical experience in various aspects of the book publishing industry. I was responsible for maintaining the supply chain data by updating ONIX<sup>1</sup> feeds and transmitting data to aggregators, preparing uploads for forthcoming books, and preparing images, bibliographic data and book details for the website. I also contributed to advertising efforts by creating and sharing catalogues with the sales team using BookManager<sup>2</sup> and BNC CataList<sup>3</sup>. In addition to these activities, I was involved in distribution-related tasks, such as handling, shipping, filing, and monitoring orders submitted through direct sales channels, including website orders and Amazon.

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<sup>1</sup> The ONIX for Books Product Information Format is the international standard for representing and communicating book industry product information in electronic form, "Onix." EDItEUR."

<sup>2</sup> Bookmanager, "Bookmanager About."

<sup>3</sup> CataList, "BNC CataList Welcome."



One of my main responsibilities was conducting sales data management, which included tracking the number of units sold through different sales channels, preparing sales forecasts, creating maps of existing/potential customers based on geographical regions, and building contact lists of Canadian booksellers, library buyers, and wholesalers. Through these activities, I gained a deep understanding of the challenges that small independent literary Canadian publishers face in achieving their sales targets.

This experience has prepared me to undertake a case study analysis of New Star Books' sales channels and management practices, aiming to provide practical recommendations for enhancing sales performance. By examining the interplay of traditional bookselling channels with digital platforms, this study seeks to uncover valuable insights that can amplify the efficiency and effectiveness of their sales channels. Through a critical appraisal of New Star Books' existing sales mechanisms, the research endeavours to equip similar-sized Canadian publishers with invaluable insights and actionable strategies to enhance their own sales channels' performance. Understanding the significance of effective sales strategies and management practices in driving revenue and expanding a publisher's reach, this investigation is poised to contribute meaningfully to the advancement of the publishing industry.

## **Overview of Report**

Presenting key findings from a case study on New Star Books, this report critically examines sales channels and offers practical recommendations to enhance efficiency, optimize operations, and empower similar publishers for growth in the competitive industry.

The report will begin by providing an overview of a sales department within a traditional publishing press, including its functionality, different sales channels, and bookselling strategies. It will also highlight the importance of sales metrics and analysis in traditional publishing. The report then explores the Canadian bookselling landscape, focusing on the strategies employed by both big and independent publishers, and evaluates the various initiatives implemented by the government and publishing industry to support the sector throughout the COVID-19 pandemic.

The report's main section will present a case study of New Star Books, including an overview of the history and bookselling process of the publisher, a detailed analysis of its sales channels, and an exploration of the key challenges faced by New Star Books in the competitive publishing landscape. This section will provide valuable insights into the challenges and strategies of similar small publishers in the Canadian publishing industry.

In the final chapter, the report proposes strategies tailored for small independent Canadian publishers to enhance the efficiency of their sales channels. The report concludes with practical recommendations derived from these strategies, providing invaluable guidance for maximizing sales potential and increasing revenue streams.

## **Introduction to Relevant Parties**

New Star Books has a rich history that intertwines with several industry entities. Understanding the operational framework of New Star requires a glimpse into its partnerships. Ampersand Inc. serves as its representative in Canada, and in the US, this role is undertaken by Small Press Distribution. The following provides a brief introduction of New Star and its primary collaborators, setting them within the broader context of the publishing landscape.

### **New Star Books**

New Star Books is a notable small independent Canadian publisher that boasts a rich history dating back to 1969 when it was originally known as the Georgia Straight Writing Series. Following a shift in focus to non-fiction titles on politics and social issues, the company rebranded as New Star Books. In 1990, under new publisher Rolf Maurer, the company shifted back to its literary roots and resumed publishing poetry, prose fiction, and non-fiction. Today, the publisher produces six to ten new titles per year, encompassing books on politics and social issues, as well as works of literature, local history, and culture. Since 1998, New Star has been based in East Vancouver. As with many Canadian publishers, New Star Books receives financial assistance from both the provincial and federal government, with the British Columbia Arts Council and the Canada Book Fund being the primary sources of support. Such funding allows New Star Books to continue producing important books on local history and culture, as well as literary and non-fiction works on politics and social issues.

## **Ampersand Inc**

Ampersand Inc is an award-winning Canadian sales agency that specializes in representing books and gifts for both kids and adults. The company has over 60 years of experience and is led by women.<sup>4</sup> With knowledgeable sales representatives and showrooms in Toronto and Vancouver, Ampersand provides a comprehensive service to publishers, including thorough coverage of accounts through in-person and virtual appointments, implementation of marketing plans, and confidential marketing advice. The company also keeps customers informed of local and national author promotions, and reports award nominations and winners. Ampersand's mission is to be the leading experts in the book and gift markets across Canada, while focusing on allyship and uplifting marginalized communities. The company's diverse range of publishers includes some from the UK and US<sup>5</sup> that are represented by Ampersand Inc.

## **Small Press Distribution**

Founded in 1969 by Peter Howard and Jack Shoemaker, Small Press Distribution<sup>6</sup> (SPD) is a distributor that aims to connect underrepresented literary communities with the marketplace and each other. Prioritizing small press values such as equity, experimentation, and access, SPD supports nearly 400 presses publishing a full diversity of writers who rely on them to reach readers nationwide. SPD offers book distribution, information services, and public advocacy programs to small literary publishers. Its customer base includes wholesalers, jobbers, online booksellers, independent bookstores, university and college bookstores, libraries, and chain stores.

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<sup>4</sup> Ampersand Inc., "About Us"

<sup>5</sup> Ampersand Inc., "Lines Archieve"

<sup>6</sup> Small Press Distribution, "About: Small Press Distribution"

## **Chapter 2. Sales Channels, Sales Department Insights, and Sales Metrics**

### **Sales Channels**

In order to effectively reach readers and sell books, publishers utilize a diverse range of sales channels, including traditional bookstores, online retailers, libraries, direct-to-consumer sales, special sales, international markets, and emerging non-traditional platforms. By leveraging these channels strategically, publishers can maximize their book sales and increase their market reach.

Physical bookstores continue to play a significant role in the Canadian book market, providing a place for readers to discover and purchase books. Canada is home to a variety of bookstore chains and independent bookstores that cater to different genres, interests, and communities. The main chain in Canada is Chapters Indigo, which has locations across the country. This larger bookstore chain offers a wide selection of commercial books, including bestsellers, popular genres, and niche categories. Additionally, Canada has a vibrant independent bookstore scene. Independent bookstores are often community-oriented and curated by passionate booksellers who cater to the local interests and tastes of their customers. These independent bookstores contribute to the diversity of the Canadian literary landscape and provide a platform for emerging authors and small publishers.

It's worth noting that while traditional bookstores continue to thrive in Canada, online book sales have also gained significant popularity in recent years. Specifically, online book sales accounted for 58% of purchases in 2022, as per the Canadian Book Consumer survey by BookNet Canada.<sup>7</sup> The advent of online bookstores has revolutionized the Canadian publishing industry, making books more accessible to readers across the country and beyond. E-commerce platforms like Amazon, Barnes & Noble, and other online retailers have emerged as dominant players in the online book market, offering a vast selection of books in various formats. These online sales channels have become increasingly important for publishers, providing them with an extensive reach and the opportunity to tap into not only the Canadian market but also a

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<sup>7</sup> Zara, "The Book Buying Behaviours of Canadians in 2022."

global customer base. This shift has transformed the way publishers distribute and sell books, creating new opportunities for authors and ensuring a wider availability of titles to readers worldwide.

Another significant sales channel in the Canadian landscape is library sales. Libraries have long been vital channels for publishers like New Star to reach a wider audience and promote their books. According to Maurer, while historically there was a direct relationship, with publishers sending materials directly to acquisition libraries, today this dynamic has evolved.<sup>8</sup> Much of the acquisition process is now mediated by library wholesalers, with libraries often relying heavily on the recommendations and decisions of these intermediaries. This shift signifies the ever-changing nature of the library ecosystem, influenced in part by budgetary challenges and a shifting focus towards technology investments. As a result, direct interactions between publishers and libraries have become less frequent. Nonetheless, libraries remain instrumental in introducing readers to publishers' titles through mechanisms like acquisitions, interlibrary loan systems, and ebook lending programs. Selectors and collection development librarians continue to curate titles based on relevance and quality, in accordance with common industry practice. Interlibrary loan systems expand access to a broader array of titles, enhancing visibility for publishers. Through ebook lending programs, libraries acquire licenses to offer digital editions to their patrons, ensuring that the bond between readers, libraries, and publishers remains strong.

Publishers in the Canadian landscape employ several other sales channels to reach customers and maximize book sales. Direct-to-consumer sales involve selling books directly to customers through websites or online platforms, allowing publishers to establish a direct connection with their audience. Special sales focus on non-traditional channels, including bulk sales to corporations, educational institutions, and specialty retailers, enabling publishers to target specific niche markets. International sales involve expanding reach beyond domestic borders and engaging in sales and distribution on a global scale. Non-traditional channels encompass emerging distribution models such as subscription services, audiobook platforms, and digital libraries, offering publishers new

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<sup>8</sup> Maurer, Personal conversation with Bilal Ahmad.

opportunities to reach readers. These evolving mediums provide alternative avenues for book sales and access to a broader audience.

## **The Sales Department and Its Collaboration with Other Departments**

In the Canadian publishing landscape, the sales department of a small publisher works collaboratively with different departments to ensure the successful publication and promotion of books while considering the unique characteristics of the Canadian market. The following are key departments that the sales department collaborates with

**Editorial Department:** Collaboration with the editorial team is crucial in understanding Canadian readers' preferences and tailoring books to local interests. The sales department works closely with the editorial team to identify topics, themes, and authors that resonate with Canadian readers. By providing market insights and feedback, the sales department assists the editorial team in making informed decisions about content development and acquisitions.

**Marketing Department:** Collaboration with the marketing department is essential for creating comprehensive promotional campaigns. The sales department provides valuable insights on the target market and reader preferences, which help shape marketing strategies. By leveraging the sales department's knowledge of Canadian readership trends and preferences, the sales department assists the marketing team in refining messaging, targeting the right audience, and selecting appropriate channels for promotion.

**Production Department:** The collaboration between the sales and production departments ensures efficient inventory management and timely delivery of books to meet market demands. The sales department provides valuable insights into regional demand and target markets within Canada, allowing the production team to plan printing schedules accordingly. This collaboration helps ensure the availability of books across the country, both in physical stores and online platforms, catering to the diverse readership in different Canadian regions.

Through these collaborative efforts, the sales department fosters an approach to book publication and promotion. By working closely with other departments and emphasizing

Canadian content and cultural relevance, the sales department contributes to the growth and visibility of Canadian literature in the domestic market.

## **Sales Metrics and Analysis**

Sales metrics and analysis play a crucial role in the traditional publishing industry, particularly within the Canadian book publishing market. Publishers gain valuable insights from these metrics, enabling them to track sales trends, assess the effectiveness of marketing campaigns, and evaluate their sales team's overall performance.

In Canada, publishers have access to various sources of sales data to obtain these valuable insights. For example, BookNet Canada<sup>9</sup>, a prominent non-profit data-monitoring organization, collects and analyzes sales data from retailers, wholesalers, and publishers. By subscribing to BookNet Canada's services, publishers can access detailed sales data and market trends.

Another significant player in the Canadian book market is Chapters Indigo<sup>10</sup>, the largest bookstore chain in the country. While publishers are keenly interested in sales data from major retailers like Indigo, they often receive such insights through intermediaries. For instance, sales information about Indigo, as well as other bookstores, might come to some publishers via distributors like UTP, rather than directly from Indigo. Similarly, for platforms like Amazon, publishers can access sales data through their vendor or seller accounts. Amazon provides them with detailed reports on sales performance, customer reviews, and other valuable data. Indeed, in recent times, publishers predominantly work with distributors and wholesalers, who play an essential role in the distribution of books to retailers. These intermediaries, such as Raincoast Books, University of Toronto Press Distribution, and Ampersand Inc., may provide sales data to publishers as part of their partnership agreements.

By leveraging the services of these data-monitoring bodies and industry partners, publishers in Canada obtain accurate and comprehensive sales data. This data allows

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<sup>9</sup> BookNet Canada, "About Us."

<sup>10</sup> Indigo, "Our Company."

publishers to make data-driven decisions, identify market trends, and optimize their sales and marketing strategies for success in the Canadian book publishing market.



## **Chapter 3. Bookselling in Canada for Publishers**

Bookselling in Canada has undergone significant changes, primarily due to the devastating impact of the COVID-19 pandemic. This section explores the contrasting bookselling techniques employed by big publishers and small publishers in the Canadian market during and post-pandemic. It delves into the far-reaching impacts on the industry, including temporary closures of physical bookshops and a surge in online purchases, which have had a lasting effect on book sales from physical bookstores. Additionally, it investigates proactive measures taken by the publishing sector, such as virtual trade exhibitions and financial aid programs. Government involvement has also played a role, with subsidies provided to cultural organizations and tax breaks implemented to support book sales.

### **Bookselling: Big Publishers vs Indie Publishers**

In the Canadian bookselling industry, big publishers, like Penguin Random House Canada and HarperCollins Canada, and indie publishers such as Coach House Books and Arsenal Pulp Press, diverge significantly in their bookselling strategies. Big publishers leverage their expansive resources, utilizing traditional strategies, including grand-scale marketing campaigns, launch events, book tours, and long-standing relationships with bookstore chains, like Indigo. They often focus on mainstream genres and high-profile authors, utilizing dedicated sales teams to negotiate more favourable discounts with booksellers due to their large sales volume. Additionally, their financial capacity enables them to offer flexible return agreements, reducing risk for retailers. Based on my previous work experience, which involved close collaboration with retailers and publishers in the distribution industry, I observed that publishers with robust financial resources often have the flexibility to provide favourable return agreements. This practice can indeed help reduce risks for retailers. In contrast, indie publishers operate on a smaller scale, often targeting niche markets and championing lesser-known authors or specialized genres. They primarily rely on direct-to-consumer sales, online marketplaces, independent bookstores, and literary events, cultivating a close-knit relationship with authors and focusing on work quality over quantity. Their strategies tend to be more innovative and community-based, leveraging social media and grassroots marketing. However, their limited financial power typically restricts them from

offering favourable return agreements, which could deter some retailers. While big publishers encompass a wide variety of titles across multiple genres, indie publishers contribute significantly to literary diversity, fostering novel ideas and giving a platform to marginalized voices and emerging authors.

## **Government Support for Publishing**

The Canadian government plays a pivotal role in nurturing the country's literature and supporting the growth of the publishing industry through a range of strategic initiatives. Among these initiatives, the Canada Book Fund (CBF) stands as a critical pillar of support for the Canadian publishing sector. Originally known as the Book Publishing Development Program, it underwent a name change in 1986 to the Book Publishing Industry Development Program (BPIDP) before adopting its present title in 2010.<sup>11</sup>

The CBF has played a pivotal role in sustaining the Canadian book publishing sector. In the past, prior to the BPIDP funding, the majority of publishers struggled to achieve profitability<sup>12</sup>, posing significant challenges for the industry's survival. Even today, most publishers continue to rely on ongoing CBF support to remain operational and contribute to the literary landscape of Canada. The program evaluation report (evaluating the program from 2012/13–2017/18) on the Canadian Heritage website highlights the CBF's commendable support to 77 organizations and the annual publication of around 6,500 new Canadian-authored titles, showcasing a rich diversity of genres and markets.<sup>13</sup> As a primary source of financial aid for numerous Canadian publishers, the CBF continues to exert its influence in the industry, fostering a vibrant and thriving publishing landscape in the country.

At the core of the CBF's efforts is the Publishing Support sub-component, an initiative that plays a crucial role in assisting the ongoing production, marketing, and distribution of Canadian-authored books.<sup>14</sup> Through this program, publishers receive supplementary funding based on export sales, further bolstering the reach and impact of Canadian

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<sup>11</sup> Canadian Heritage, "Evaluation of the Canada Book Fund 2012-13 to 2017-18.", 2.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Canadian Heritage, "Application Guidelines – Support for Publishers: Publishing Support."

literature on an international level. To ensure the sustainability of the industry, recipients of this support are encouraged to diversify their funding sources, reducing dependency on a single revenue stream.<sup>15</sup>

However, there are specific financial caps in place to maintain a balanced support structure. Total aid from this program and government cannot exceed 75% of book production expenses, although higher percentages of support (90% or 100%) are available for minority, Indigenous, Racialized community publishers, small literary publishers, and non-profits.<sup>16</sup> The CBF also includes a provision for repayment if a publisher receives a contribution of \$100,000 or more and demonstrates a profit margin (excluding CBF funding) exceeding 15% during the contribution agreement year and the two preceding years.<sup>17</sup> This ensures accountability and responsible use of government resources while encouraging financial sustainability for publishers.

In addition to the support from the Canada Book Fund, the Canadian publishing industry heavily relies on financial assistance from the Canada Council for the Arts. Founded in 1957, the Canada Council for the Arts has played a significant role in providing financial support to various artistic endeavours, including literature.<sup>18</sup> Canadian publishers depend on this funding to cover a substantial portion of their operating expenses, enabling them to create and disseminate Canadian literature across various genres and markets.

On a provincial level, the publishing sector in British Columbia has also been a beneficiary of financial support from the British Columbia Arts Council. Grant recipients, such as New Star Books, have received Operating Assistance grants over the period 2020–21<sup>19</sup> and 2021–22<sup>20</sup>, further strengthening the industry's resilience in this dynamic and competitive landscape. The assistance provided by provincial arts councils

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<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Canada Council for the Arts, "Info Source."

<sup>19</sup> British Columbia Arts Council, "Awards listing 2020/21 - British Columbia Arts Council.Pdf."

<sup>20</sup> British Columbia Arts Council, "Awards listing 2021/22 - British Columbia Arts Council.Pdf."

reinforces the government's commitment to fostering the growth and diversity of Canadian literature.

Through these concerted efforts, the Canadian government continues to play an instrumental role in fostering the growth and success of the Canadian publishing industry. By providing crucial support through initiatives like the Canada Book Fund's Publishing Support sub-component and funding from the Canada Council for the Arts, the government nurtures the vibrant literary landscape of Canada, contributing to the nation's rich cultural heritage and reaffirming its position as a flourishing hub of literary creativity and excellence.

## **Impact of COVID-19 on Bookselling**

The COVID-19 pandemic fundamentally reshaped bookselling in Canada, posing significant challenges while simultaneously opening new opportunities. During the pandemic, stringent lockdowns and social distancing measures led to the closure of physical bookstores, heavily impacting both big and indie publishers. A significant part of the bookselling industry relies on in-person events such as book fairs, launch events, and author tours, all of which came to a halt. There was also a slowdown in the production and distribution of physical books due to supply chain disruptions.

Nevertheless, these hardships spurred innovation and a rapid pivot to digital strategies. Online bookselling, which was already a growing trend, became a lifeline for the industry.<sup>21</sup> Indie publishers, who typically have a robust online presence and community engagement, were particularly poised to adapt to this shift. Many publishers strengthened their direct-to-consumer sales strategies, bolstering their online storefronts and expanding their digital marketing efforts. Virtual book events and readings began to replace traditional in-person events, providing new ways to engage readers.

Post-COVID, many of these changes are expected to stay. Even as physical bookstores reopen and in-person events resume, the shift towards online sales and digital engagement continues.<sup>22</sup> This period has highlighted the importance of a diversified

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<sup>21</sup> Claire Kirch, Nathalie op de Beeck, and Ed Nawotka, "For Booksellers, the Crystal Ball Stays Cloudy."

<sup>22</sup> Ibid.

sales approach, blending traditional and digital methods. It has also emphasized the resilience and adaptability of the bookselling industry in the face of unprecedented challenges. However, it's crucial to acknowledge the enduring impact of the pandemic, such as heightened competition in the online marketplace and the ongoing struggle of many physical bookstores. As the industry moves forward, publishers and booksellers will need to navigate these complexities, drawing on the lessons of the pandemic to strengthen and evolve their strategies.

## **Chapter 4. Case Study: New Star Books**

The opportunity to work at New Star Books starting in May 2022 has provided me with a valuable experience, allowing for a profound exploration of the inner workings of an independent Canadian press. Throughout my placement, I had the privilege of gaining insightful knowledge regarding the challenges inherent in the sales strategies employed by New Star Books.

### **The Bookselling Process at New Star Books**

Once a title is ready for publication, New Star Books collaborates with outsourced graphic designers for the cover design and partners with printers to produce visually appealing and high-quality books. The in-house Managing Editor, Melissa Swann, ensures the typesetting and layout design meet the high standards of New Star, resulting in well-formatted books. Simultaneously, the team works diligently to secure copyrights, obtain necessary permissions, and fulfill legal requirements. Inventory is seamlessly managed by monitoring stock levels at the UTP warehouse through their online portal, ensuring the timely availability of books.

To sell their books, New Star relies on the sales representation team at Ampersand to engage with independent bookstores and libraries across the country, fostering relationships and promoting their titles. In the United States, they leverage the Small Press Distribution catalogue to reach a wider audience. Additionally, New Star Books offers direct sales through their Vancouver office, actively seeking opportunities to connect with readers through book signings, author events, and partnerships with local libraries and stores in Vancouver.

### **Examining Sales Channels and Sales Representation Strategies at New Star Books**

When I was winding up my internship at New Star Books, I had access to the sales data compiled until the company's financial year end in 2021. In order to conduct a comprehensive case study on New Star, I carefully selected specific date ranges that would enable me to analyze both pre- and post-Covid sales trends, while also considering other factors influencing the company's overall sales performance. For the

pre-Covid period, I focused on a three-year timeframe spanning from 2017–19. This selection was made to concentrate on a period where changes in distribution and New Star Books' direct sales operations were relatively stable. By isolating these years, I aimed to assess the company's sales performance under normal circumstances and establish a baseline for comparison.

In contrast, the period from 2020 to 2021 reflects the post-Covid era, characterized by the global pandemic and its far-reaching effects on consumer behaviour and the market as a whole. Examining sales data from this timeframe allows us to assess how New Star Books adapted to pandemic-related challenges, identify significant shifts in sales channels or strategies, and evaluate the company's resilience and ability to navigate a rapidly changing landscape. By analyzing sales figures from both the pre- and post-Covid periods, we can derive valuable insights into New Star's overall performance, identify key trends, and provide informed recommendations for future strategies and improvements.

### **Sales Representation by Ampersand and its Contribution**

New Star Books has strategically aligned their sales efforts by forging a partnership with Ampersand Inc., a prominent sales representation agency operating across all territories in Canada. This collaboration serves as a key component in New Star Books' sales strategy, enabling them to effectively reach a wide range of retail and wholesale accounts across the country.

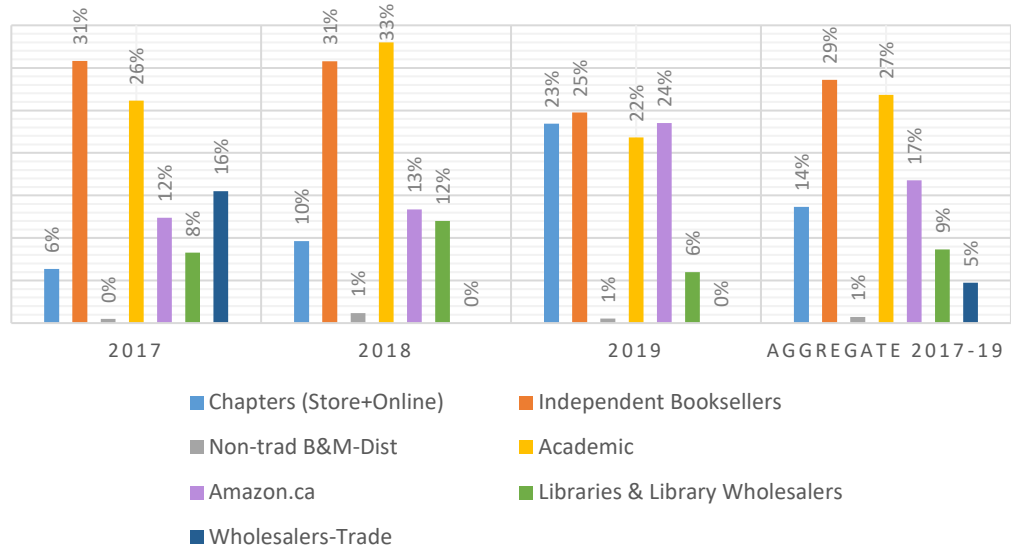
Ampersand Inc. plays a pivotal role in New Star Books' sales operations, representing a significant portion of UTP's client base. With their expertise and industry influence, Ampersand acts as a powerful advocate for New Star Books' titles, connecting them with key retailers and distributors. In this partnership, Ampersand offers commission terms which includes New Star paying 10% net on traditional retail accounts and 5% net on wholesale, warehouse, chain, and Amazon Canada accounts. To streamline financial processes, New Star has UTP collect these commissions on behalf of Ampersand, consolidating all distribution fees into a single monthly report. Notably, New Star's relationship with Ampersand began simultaneously with its relationship with UTP, reflecting the existing working partnership between UTP and Ampersand to optimize such streamlining.

New Star Books leverages UTP's Publisher Intelligence system, which provides comprehensive and up-to-date insights into the performance of their sales representatives. By monitoring orders and identifying key accounts, New Star can effectively allocate resources and tailor their sales strategies to maximize success. Through their collaboration with Ampersand, New Star strengthens their sales representation capabilities, ensuring broader market penetration and enhanced visibility for their titles. This partnership underscores their commitment to driving sales growth and solidifying their position within the competitive publishing industry.

New Star Books experienced varying sales through different channels over the years. From 2017 to 2019, sales recorded through the distributor sales channel accounted for 51%, 49%, and 19% of the total net sales of New Star Books, respectively. (Based on New Star's sales reports for 2017–19) See Figure 4.1 for a summary of the visual representation of the New Star's distributor sales reports for 2017–19. In total, UTP sales represented 32% of the net sales during that three-year period. However, the post-Covid situation brought about significant changes. From April 2020 to March 2022, distributor sales contributed 29% and 24% to the net sales of the two years, amounting to an overall 26% of net sales. (Based on New Star's sales reports for 2020–21) See Figure 4.2 for a summary and visual representation of the distributor sales reports for New Star in 2020–21.

To gain a deeper understanding of the sales performance across various categories, I analyze the breakdown of distributor sales from 2017-19 and 2020–21. The majority of sales from 2017 to 2019 period, as represented in Figure 4.1 and Figure 4.2, were generated from independent bookstores, academic sales, and Chapters bookstores, contributing 29%, 27%, and 14% respectively to the net sales through distributor. These percentages remained relatively consistent each year.

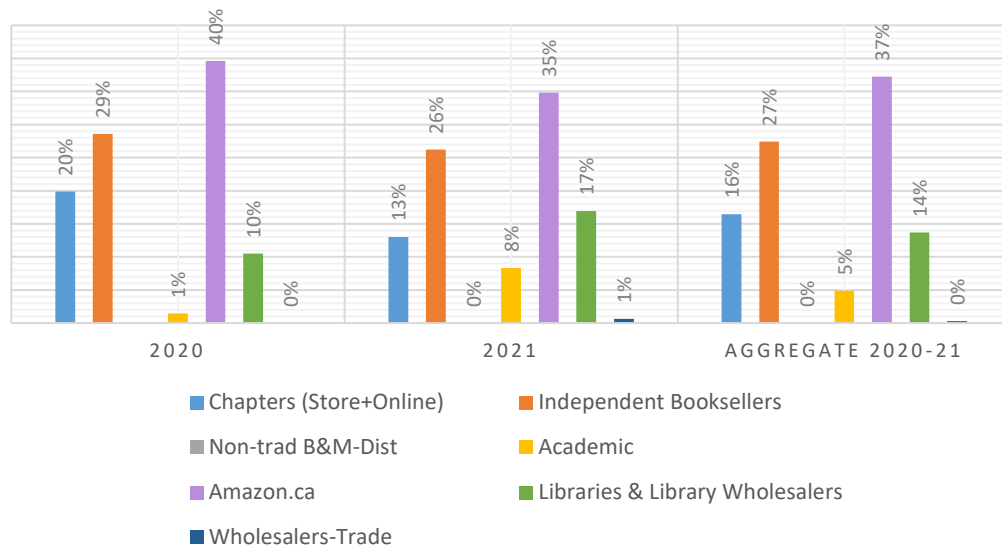




**Figure 4.1. Distributor Sales Report 2017–19**

Notably, the impact of the pandemic and the shift towards online purchasing became evident from 2020 to 2021, with Amazon.ca becoming a prominent contributor, accounting for 40% and 35% of net sales in those two years. Other noteworthy categories included independent booksellers and Chapters, which respectively contributed 27% and 16% to the net sales. When comparing the sales figures, it becomes apparent that there was a significant decline of 36% in net sales from 2017–19 when compared to 2020–21. While changing consumer behaviours and market dynamics played a role, there were notable challenges and areas for improvement in New Star Books' relationship with the previous distributor during those years. According to Maurer, these considerations were pivotal in New Star's decision to transition to UTP at the end of 2019.<sup>23</sup>

<sup>23</sup> Maurer, Personal conversation with Bilal Ahmad.



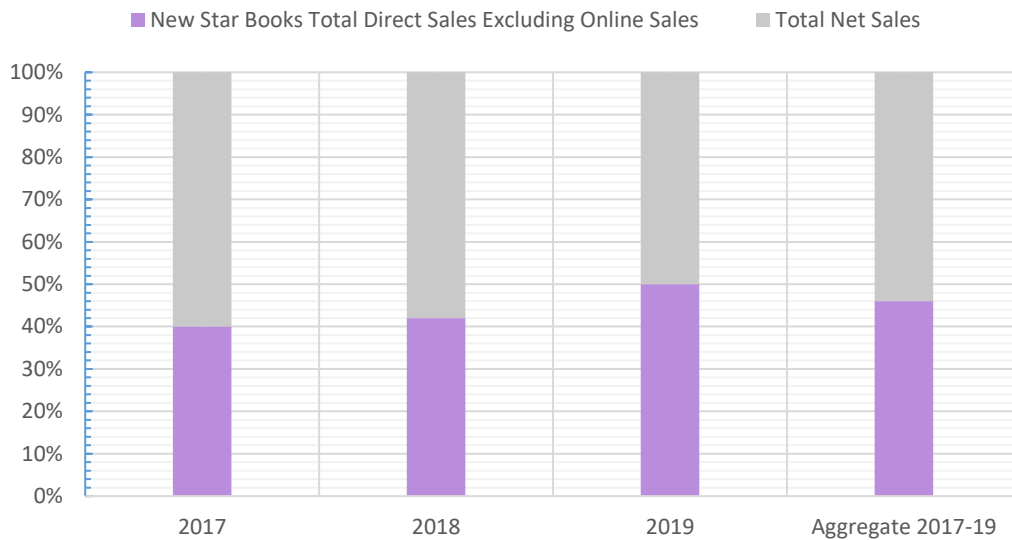
**Figure 4.2. Distributor Sales Report 2020–21**

## Direct Sales

Apart from utilizing Ampersand for sales representation and UTP as a distributor, New Star Books generates a fair number of sales by selling books directly through their office in Vancouver. On average, these direct sales accounted for approximately 34% of the total sales from 2017 to 2021, as represented in Figure 4.3 and Figure 4.4 (based on New Star's sales reports from 2017–21). This direct sales approach involves various strategies, including selling books to select independent bookstores in Vancouver, utilizing the Small Press Distribution catalogue to present and distribute books in the USA, reaching out to authors, organizing book signing events, and accommodating walk-in customers or phone orders. To provide a comprehensive comparison, it is important to exclude online sales through the New Star Books website and Amazon Advantage from the net sales generated by the direct sales channels. This decision is based on the recognition of the growing significance of online sales in recent years. By focusing solely on non-online direct sales, we can better understand the performance and trends within this specific channel.

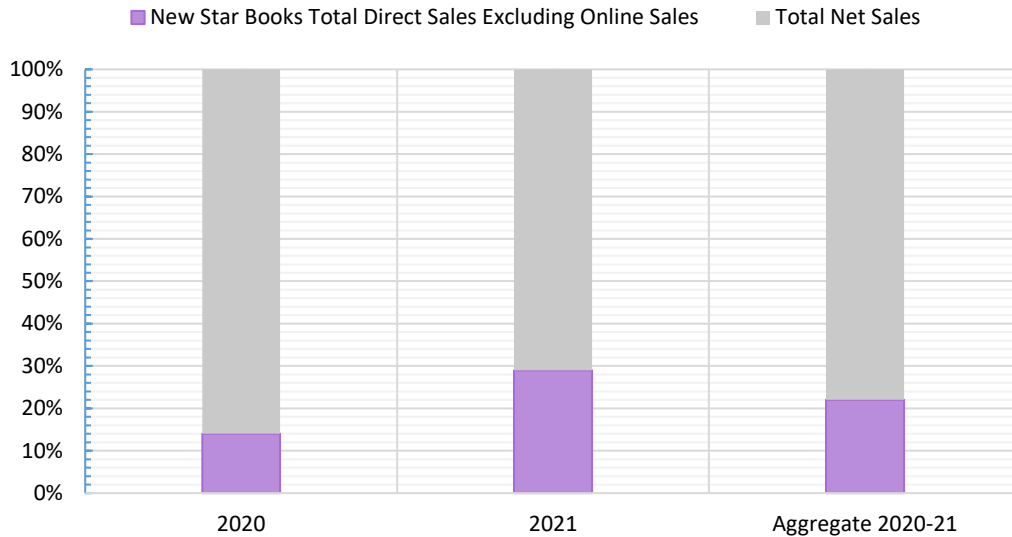
Before the pandemic, the direct sales channel played a significant role in New Star Books' revenue stream. In 2017, direct sales accounted for 40% of the net sales, this figure increased to 42% in 2018 and 50% in 2019. Overall, direct sales constituted 46% of the net sales during the three-year period. (Based on New Star's sales reports for

2017–19) See Figure 4.3 for a summary and visual representation of the direct sales share for 2017–19. These consistent percentages underscore the effectiveness and stability of the direct sales strategies implemented by New Star. It's noteworthy that these results were achieved in the context of varying efforts by distribution partner at the time.



**Figure 4.3. Share of Direct Sales in Total Net Sales 2017–19**

However, the outbreak of Covid-19 brought unprecedented challenges and changes to the publishing industry. The direct sales channel also experienced a noticeable fall in performance. For 2020 and 2021, direct sales contributed 14% and 29% to the net sales respectively, an average overall contribution of 22%. (Based on New Star's Sales Reports for 2020–21) See Figure 4.4 for a summary and visual representation of the direct sales share for 2020–21. This is a significant decrease from the pre-pandemic period. The decrease in direct sales can be attributed to several factors, primarily the restrictions and closures imposed during the pandemic, which limited in-person interactions and book events. Additionally, the shift in consumer behaviour towards online shopping and the convenience of digital platforms further impacted the direct sales channel. Analyzing and comparing the performance of direct sales channels over time can provide valuable insights into the changes in consumer preferences and the influence of external factors on the industry.



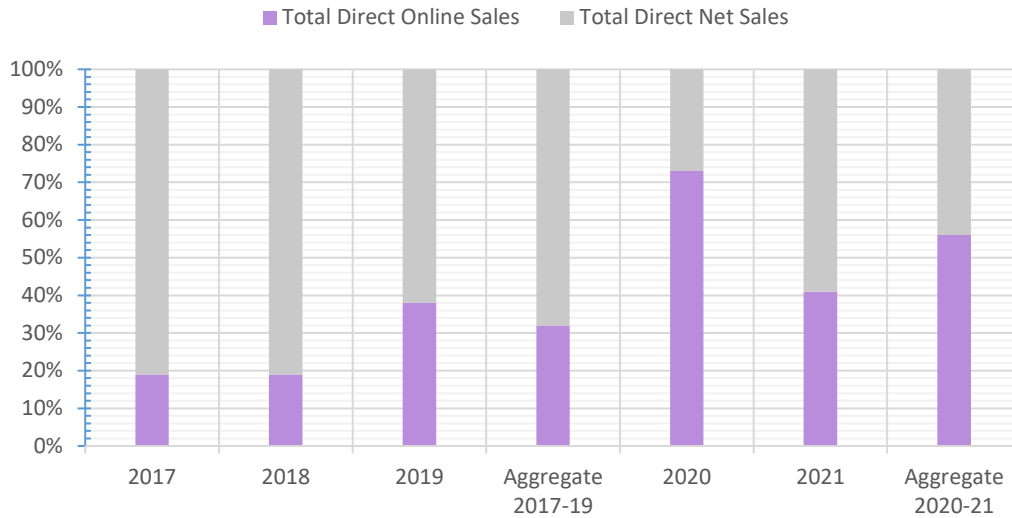
**Figure 4.4. Share of Direct Sales in Total Net Sales 2020–21**

### Online Direct Sales

To better understand the sales dynamics of direct online channels, it is essential to explore the sales generated through New Star Books' website and Amazon Advantage channels individually. However, before delving into the specifics, let us first examine the aggregate sales generated through these online channels as a whole.

From 2017 to 2019, the sales through New Star Books' website and Amazon Advantage accounted for 19%, 19%, and 38% of the net direct sales respectively. In total, these online channels contributed to 32% of the net direct sales during that three-year period. See Figure 4.5 for a graphical representation of data. However, the post-Covid period witnessed significant changes in sales patterns. From 2020 to 2021, sales through these channels rose to 73% and 41% respectively, an overall contribution of 56% to the net direct sales.

By analyzing the sales breakdown, we can gain insights into the performance of these online channels over time. Similar to other direct sales channels, again it is important to note that the Covid-19 pandemic had a profound impact on consumer behaviour, with more individuals turning to online platforms for their purchases.



**Figure 4.5. Share of Direct Online Sales in Total Direct Sales 2017–21**

A comparison between pre- and post-Covid sales shows a substantial increase in online sales, indicating a shift in consumer preferences. This shift can be attributed to factors such as the convenience of online shopping, social distancing measures, and the closure of physical stores during lockdowns.

Website: The New Star Books website, <https://www.newstarbooks.com/><sup>24</sup>, is characterized by its clean and functional design. Despite being based on older web technologies, it's commendable how well the design has withstood the test of time. The homepage does a good job of showcasing the latest releases and featured titles, immediately capturing a visitor's interest. Its book catalogue, organized into various categories, facilitates easy browsing, allowing visitors to discover books that intrigue them. While the website offers an online shopping feature, it's important to note that it was originally conceived and designed as a consumer-facing information channel about New Star's books. The underlying assumption was that actual sales would predominantly be managed by retailers. Over the years, as the publishing landscape evolved, the emphasis on direct sales through publisher websites has grown, leading to a shift in focus. Nevertheless, the primary goal of New Star's website remains to present its books and offer a user-friendly experience. Recognizing its age and the evolving needs of its audience, New Star acknowledges the importance of updates. They have

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<sup>24</sup> New Star Books, "Home,"

pinpointed web optimization and database enhancements as key areas for future improvement. By addressing these aspects, they aim to further enhance the website's performance and user experience in the near future.

During the period from 2017 to 2019, the website sales of New Star Books accounted for 6%, 4%, and 5% of the overall company net sales, respectively, based on sales reports from New Star for the years 2017-2019. Consequently, the total contribution of website sales during this timeframe was 5%. Following the onset of the Covid-19 pandemic, from 2020 to 2022, the website sales percentage remained steady at 6% and 3% respectively. Cumulative website sales for this period amounted to 4% of the overall company net sales. Further to that, I was able to further segregate the percentage of sales through the website based on geographical proportion. Notably, 80% of the orders originated from Canada, with the remaining 20% coming from the USA. Additionally, 8% of the orders were placed by recurring customers from Canada, while 9% of the orders were from recurring customers in the USA. This information provides valuable insights into the regional distribution of website sales and the loyalty of customers.

**Amazon Advantage:** New Star Books used various channels, including Small Press Distribution's catalogue and their own website ([www.newstarbooks.com](http://www.newstarbooks.com)), to sell and distribute their books in the USA. Additionally, they made use of the Amazon Advantage program, although to a lesser extent. While the majority of sales were driven through other channels before the pandemic, a smaller portion came from selling books through the Amazon Advantage program. To maintain a consistent supply of both frontlist and backlist titles to Amazon US, the stock was and continues to be handled and processed through the Vancouver office.

From 2017 to 2019, Amazon Advantage program sales for New Star Books accounted for 3%, 6%, and 26% of the net sales each year, with an overall contribution of 17% during the three-year span, based on sales reports from New Star for the years 2017-2019. A significant boost in 2019 can be attributed to the release of *The Big Note: A Guide to the Recordings of Frank Zappa*<sup>25</sup> by Charles Ulrich, which alone accounted for thousands of sales across North America. As the post-Covid era commenced, a surge in online shopping was evident: Amazon sales jumped to 33% and 17% of net sales in

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<sup>25</sup> New Star Books, "The Big Note | Charles Ulrich," accessed August 10, 2023.

2020 and 2021 respectively. This amounted to a total of 24% over the two-year period. While the pandemic played a role in the upward trajectory of online sales, the outstanding success of *The Big Note* significantly influenced the 2019 figures. It emphasizes both the shifting consumer behaviours during these times and the profound impact of standout titles on New Star Books' revenue.

## **Key Challenges Faced by the New Star Books in Selling Books**

As a small Canadian publisher operating in a highly competitive industry, New Star Books has encountered numerous challenges that have shaped its trajectory over the years. New Star has been an integral part of the Canadian publishing scene for several decades. Despite its enduring commitment to promoting diverse voices and fostering a thriving literary culture, the publisher's journey has been marked by the precarious nature of the industry. In a 2021 interview with Turner-Riggs, Andrew Wooldridge, Publisher of Orca Books, aptly encapsulates the situation faced by many small publishers, stating, '*The Canadian industry is more precarious than it was ten years ago. The demands on publishers are greater but resources are not keeping pace.*'<sup>26</sup>

**Market Challenges and Limited Resources:** In line with numerous small publishers in Canada, New Star Books confronts substantial hurdles stemming from limited resources, particularly in the realm of workforce. As highlighted in a report by BookNet Canada, small publishers, on average, had only 2.6 full-time and 2.2 part-time staff members in 2021.<sup>27</sup> With a small in-house team consisting of Rolf Maurer and Melissa Swann, they work strategically to maximize the impact of their limited resources. Maurer takes care of administrative roles, such as managing inventory, tracking sales, and overseeing financial aspects, while Swann focuses on production-related tasks, including typesetting, copy editing, proofreading, and liaising with printers. Additionally, Swann is actively involved in creating newsletters, managing publicity efforts, and organizing book signing events to generate buzz around new and upcoming titles. New Star Books leverages their strategic partnership with Ampersand to expand their reach in the

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<sup>26</sup> Andrew Wooldridge, Publisher, Orca Books, interview by Turner-Riggs, "Economic Profile of the Book Publishing Industry," March 2021.

<sup>27</sup> BookNet Canada, "State of Publishing in Canada 2021," 14.

Canadian market. It collaborates with Ampersand's sales representative team to enhance their sales channels and access a wider network of booksellers. Ampersand's established relationships within the industry help New Star secure valuable shelf space and expand their reach across Canada.

Another more concerning challenge that pose a significant hurdle for New Star Books is financial limitations, compounded by their limited human resources. Despite these challenges, New Star employs strategic measures to maximize the impact of their limited resources. In 2021, the company allocated approximately 19% of their net operating revenues for marketing and promotional activities, based on the annual budget of New Star. This budget supports a range of initiatives, including book signings, print advertising, online promotions, and author events. Going forward, it is projected that an average of 19% of the net operating revenue budget will be allocated for the next three years as well, based on the tentative annual budget of New Star for the next three years. With a limited marketing budget, New Star faces difficulties in creating awareness and reaching target readers.

**Competition:** Competing against publishing giants and operating within a challenging market landscape, New Star Books strives to carve its niche in the industry. In the publishing landscape, it's widely recognized that the top five publishing conglomerates hold a significant portion of the market share, while smaller publishers like New Star contend with a relatively smaller portion. Sales data from BookNet Canada, cited in *The Globe and Mail*, suggests that independent publishers accounted for 5.3% of English-language physical book sales in Canada<sup>28</sup>. These statistics reveal the tough landscape that New Star navigates.

Acquiring prominent shelf space in bookstores becomes a formidable challenge as larger publishers wield their well-established relationships with booksellers, effortlessly securing prime placements for their titles through enticing incentives. Limited marketing resources and smaller budgets put New Star Books at a disadvantage, as larger publishers can invest substantial amounts in advertising campaigns, often exceeding six-figure budgets.

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<sup>28</sup> Castaldo, "Canada's Publishing Industry at a Glance."



New Star Books faces several challenges in the competitive publishing industry.-Larger publishers, benefitting from substantial financial resources, possess the means to execute comprehensive multi-channel marketing approaches. These encompass dynamic social media campaigns, captivating book tours, and strategic collaborations with influential figures. This pronounced difference in marketing resources puts New Star at a disadvantage, hindering their ability to compete effectively and gain substantial visibility. Moreover, larger publishers boast an extensive range of genres and authors within their catalogues, further intensifying the challenge for New Star to differentiate themselves and capture readers' attention in the bustling marketplace. Despite these challenges, New Star remains committed to championing independent voices and publishing socially relevant content, carving out a distinct niche within the Canadian publishing landscape.

By focusing on their unique strengths, such as a strong editorial vision, close relationships with authors, and a dedication to promoting diverse perspectives, New Star Books continues to make an impact. However, it is important to acknowledge the broader context of the publishing industry. According to a report published by Statistics Canada, between 2014 and 2020, a total of 48,039 new titles were published in Canada, averaging around 6,000 titles per year.<sup>29</sup> This statistic highlights the saturated nature of the industry and the need for independent publishers like New Star to navigate the competitive landscape strategically.

**Adapting to the Changing Landscape of Bookselling:** New Star Books is confronted with significant challenges as it navigates the rapidly changing bookselling landscape, driven by the increasing reliance on digital resources and online platforms. The emergence of these technological advancements has disrupted traditional publishing models, presenting a formidable hurdle for a traditional publisher to adapt and seize digital opportunities.

To thrive in the modern publishing landscape, New Star Books must address several key challenges. The first and hardest challenge is the establishment of a robust online presence, requiring the development of an effective digital marketing strategy, website optimization, and the creation of engaging online content. Adapting to the evolving

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<sup>29</sup> Statistics Canada, "Table 21-10-0207-01 Book publishers, new titles published by commercial category, authorship breakdown."

methods readers use to discover and purchase books online adds an additional layer of complexity. Furthermore, effectively leveraging social media and other digital platforms to reach and engage their target audience proves to be a demanding task. With a plethora of online book options available, standing out and capturing the attention of potential readers becomes a significant challenge for New Star.

Efficiently navigating ebook sales platforms remains a challenge for New Star Books. Although they have made their titles available on platforms like Kobo Rakuten and Amazon Kindle, the impact of Kobo Rakuten is limited given the platform's diminished significance in the market. The e-book domain is overwhelmingly dominated by Amazon Kindle and ePub formats. In this competitive landscape, only 18% of New Star's ePub titles listed on Amazon or Kobo Rakuten have recorded sales of one copy or more, underlining the challenges in effectively promoting their entire catalogue and maximizing revenue.

Another hurdle lies in the realm of social media promotion. New Star Books faces the challenge of effectively utilizing these platforms to directly reach and engage readers. Currently, the publisher's social media presence and engagement strategy are limited, resulting in low follower counts and engagement rates. As of the first quarter of 2022, their social media accounts including Facebook, Instagram and Twitter have roughly 1,000 followers, resulting in a relatively low engagement rate on the popular platforms. To overcome this, New Star needs to invest more resources in social media management and content creation, aiming to boost engagement and expand their online audience.

New Star Books sends newsletters to subscribers, but they face the challenge of accurately analyzing the outcome of these campaigns and measuring their impact on awareness and book sales. Although preliminary data shows decent open and click-through rates around 10%, a comprehensive analysis of the conversion rate and correlation between newsletter campaigns and actual book purchases is lacking. This makes it difficult for the publisher to evaluate the effectiveness of these campaigns in driving sales and shaping their newsletter strategy.

Tracking sales across different geographic regions presents another challenge for New Star Books. Compiling sales reports from various sources to create a comprehensive

customer map remains a technological hurdle. Without a clear understanding of the geographical distribution of their customer base, it becomes challenging to formulate targeted marketing strategies, allocate resources effectively, and prioritize regions with higher growth potential. Furthermore, the lack of clear visualization of customer distribution limits their ability to identify clusters of potential booksellers based on location, hindering their efforts to establish strong relationships and engage retailers across different regions.

To overcome these challenges, New Star Books must undertake in-depth data analysis, allocate resources for platform optimization, and develop a comprehensive social media and newsletter strategy. By leveraging data-driven insights, New Star can identify underperforming titles, refine their social media approach to increase engagement, and assess the impact of newsletter campaigns on generating book sales. These efforts will enable New Star to navigate the challenges of platform utilization and optimize their promotional strategies to effectively reach their target audience.

## Chapter 5. Empowering Sales Operations

### Research and Analysis

According to a report published by Statista in 2022, Canada boasts approximately 37 million active internet users<sup>30</sup>, with projections indicating a growth to around 39 million by 2028<sup>31</sup>. In a more recent update in 2023, Statista reported that "As of 2022, the country had over 34 million social media users, and Facebook emerged as the most widely utilized platform, accounting for approximately 57 per cent of all visits."<sup>32</sup> This data highlights the significant presence and influence of the internet and social media in Canada. To ensure the utmost effectiveness of targeted advertising campaigns on social media, conducting thorough research and analysis of the target audience's social media habits is crucial. Platforms such as Facebook, Twitter, Instagram, and Goodreads offer excellent opportunities for connecting with book enthusiasts.

*The Canadian Book Consumers Survey*, conducted by BookNet Canada until the middle of the last quarter of 2022, revealed that, "the top three most popular social media platforms used by Canadian book buyers were: Facebook — 68% of Canadian book buyers; YouTube — 63% of Canadian book buyers; and Instagram — 45% of Canadian book buyers."<sup>33</sup> BookNet Canada also reported that, "Publishers' most successful marketing strategies in 2021 were related to social media (21%), events (19%), and videos (15%)."<sup>34</sup>

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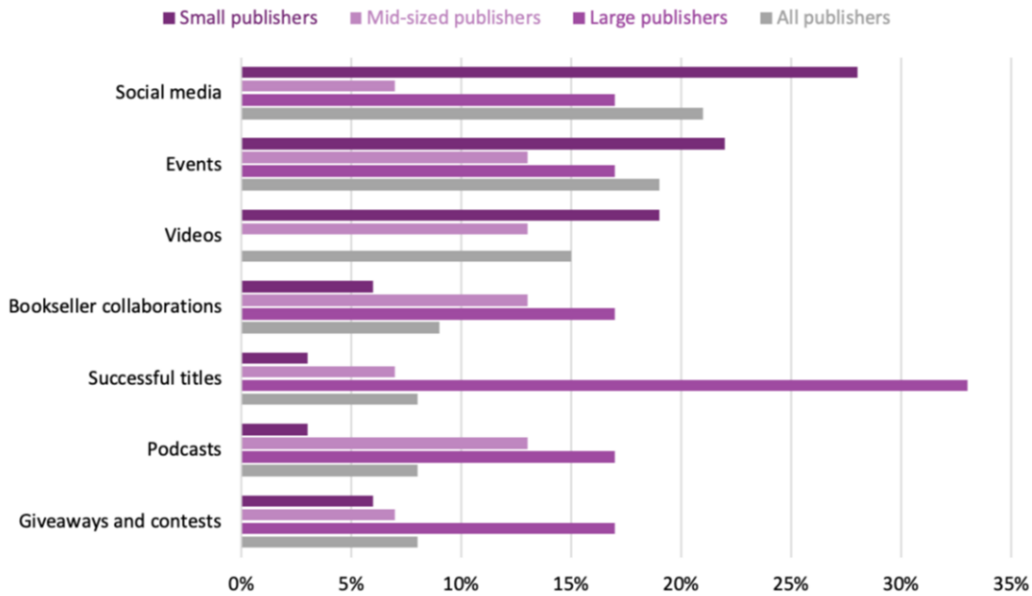
<sup>30</sup> Statista, "Internet Usage in Canada."

<sup>31</sup> Statista, "Number of social network users in Canada."

<sup>32</sup> Statista, "Internet Usage in Canada."

<sup>33</sup> BookNet Canada Blog, "Reaching Book Buyers on Social Media."

<sup>34</sup> BookNet Canada, "State of Publishing in Canada 2021," 60.



**Figure 4.6. Successful Marketing Strategies for Canadian Publishers, 2021<sup>35</sup>**

These statistics emphasize the importance of leveraging social media platforms to engage effectively with the target audience and successfully promote books.

To further enhance engagement, it is essential for smaller publishers like New Star Books to conduct comprehensive analyses of the demographics, interests, and reading preferences of users on these platforms. This research enables them to tailor their advertisements and content to align with the preferences of their target audience, resulting in increased engagement and interest. By leveraging popular platforms such as Facebook, Twitter, and Instagram, New Star can expand their reach and effectively promote new releases, share author interviews, and provide exclusive content to attract and engage potential readers.

Goodreads<sup>36</sup>, as a specialized social networking platform for book lovers, presents a unique opportunity for direct engagement with readers. To make efficient use of their Goodreads publisher profile, it is recommended that New Star Books actively participate in book discussions and encourage reader reviews. This proactive approach significantly raises awareness about their publications and fosters a strong sense of community

<sup>35</sup> Statista, "Internet Usage in Canada."

<sup>36</sup> Goodreads, "Goodreads | Meet Your next Favorite Book."

around their brand. Active involvement not only attracts more attention from potential readers but also contributes to establishing a solid presence within the Goodreads community.

## Leveraging Technology

**Optimizing Web Sales:** According to my calculations based on the data from a table on Statistics Canada, online sales of print books in Canada increased from 4% (2016) to 9% (2020)<sup>37</sup> of total book sales indicating a growing trend. However, when examining the specific case of New Star Books and its sales channel, their website accounted for 2% to 3%, while Amazon averaged 10% to 14%, and Chapters website ranged from 3% to 6% of total net sales during the same time period. This reveals a significant disparity between New Star and the overall Canadian online sales performance. To capitalize on the potential for improvement in their web sales share, it is crucial for New Star to optimize their web data for each sales channel.

In an increasingly digital world, a well-optimized website can significantly impact a publisher's success. Though New Star Books' website focuses on simplicity and ease of navigation, there is currently a need to improve the essential elements that enhance user experience and drive online visibility. A comprehensive website redesign, incorporating responsive design principles and intuitive navigation, can greatly improve user engagement. According to industry statistics, companies that invest in user experience (UX) design enjoy significant benefits. According to Andrew Kucheriavy's *Forbes* article, citing research from Forrester, "on average, every dollar invested in UX brings \$100 in return, resulting in an ROI of 9,900%."<sup>38</sup>

Additionally, integrating search engine optimization (SEO) techniques such as keyword research, meta tags, and compelling page titles can boost the website's organic search rankings and increase traffic. In terms of SEO, Google is not the sole platform through which readers search for books. Retailer websites also play a significant role in attracting readers who are looking for specific subjects, authors, or genres. In the online book market, Amazon is still the biggest source where readers typically search for books.

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<sup>37</sup> Statistics Canada, "Table 21-10-0042-01 Book publishers, net value of book sales by customer category."

<sup>38</sup> Kucheriavy, "Council Post: How Ux Is Transforming Business (Whether You Want It to or Not)."

According to a study cited in *Forbes*, about twice as many shoppers initiate their product search on Amazon (55%) than Google (28%).<sup>39</sup>

Each platform employs distinct algorithms to enhance user searches. In case of Amazon, keywords play a crucial role in making books more discoverable. Similarly, New Star Books can enhance the discoverability of their books on other retailer websites such as Chapters by focusing on improved metadata and utilizing ONIX feeds. By optimizing these elements, publishers can increase the visibility and searchability of their books, ultimately reaching a larger audience of potential readers.

**Data Analytics:** In today's data-driven world, New Star Books can overcome financial struggles and make informed decisions by harnessing the power of data analytics. Implementing a robust data analytics strategy unlocks valuable insights into market trends, reader preferences, and book performance, enabling the publisher to identify untapped opportunities, refine its publishing strategy, and drive revenue growth.

For smaller publishers like New Star Books in the Canadian book market, four essential resources are available to acquire book data. Statistics Canada offers general market data by collecting sampling statistical model, while the Department of Canadian Heritage<sup>40</sup> provides specific information about culture and heritage sectors. BookNet Canada offers industry-specific insights into consumer book buying patterns, and BookManager's sales trends<sup>41</sup> provides insight into sales for independent stores (mainly in British Columbia). By integrating data from these diverse sources, New Star and other small publishers can gain a comprehensive understanding of the Canadian book market, empowering them to make well-informed decisions and increase their chances of success in the competitive industry. Data analytics also helps New Star gain a deeper understanding of customer behaviour and preferences, allowing for more effective marketing efforts. By analyzing customer data and purchase history, the publisher can segment its audience, create targeted promotional campaigns, and deliver personalized book recommendations. This level of personalization enhances customer engagement and increases the likelihood of book sales and repeat purchases.

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<sup>39</sup> Sim, "Book Publishers Need to Look beyond Google."

<sup>40</sup> Government of Canada, "Canadian Heritage."

<sup>41</sup> BookManager, "Publishers."

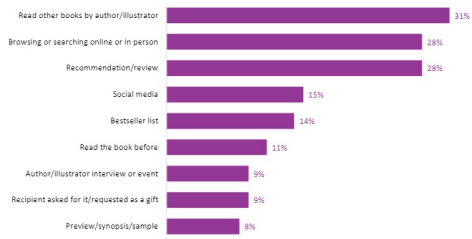
BookNet Canada's recent publication of the *Canadian Book Consumer Study 2022*<sup>42</sup> survey exemplifies data's importance, as shown in Figure 4.7 and Figure 4.8. With 2,004 respondents and 4,195 book purchases analyzed, the survey explores various buying behaviours and influencing factors.

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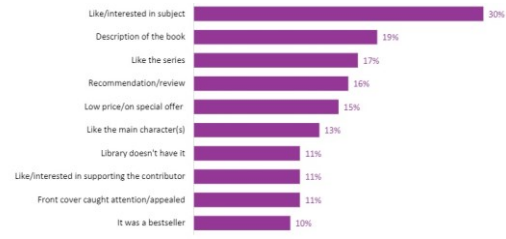
<sup>42</sup> BookNet Canada, "The Canadian Book Market 2022," 9-11.



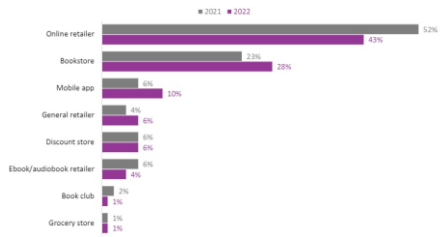
### How buyers became aware of the books they bought



### Why they decided to purchase a book



### Purchases by channel



### How they choose where they bought their book



### Purchases by format

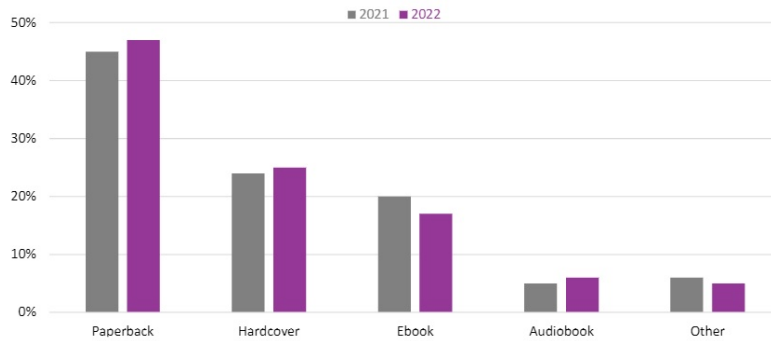


Figure 4.7. The Canadian Book Market 2022<sup>43</sup>

<sup>43</sup> Ibid.

### Pricing and perceived value by format

Format	Average price paid	Average list price*	Value perception (out of 5)
Paperback	\$15.94	\$21.10	4.3
Hardcover	\$23.15	\$36.31	4.3
Ebook	\$13.22	\$19.09	4.4
Audiobook	\$12.84	\$39.33	4.4

\*smaller sample size

### What buyers paid for their books

	Paid full price	Bought on sale/ discounted	Used a store coupon	Bought as part of multi- buy deal	Bought as part of a subscription	Other special price/offer
Paperback	61%	26%	5%	5%	2%	2%
Hardcover	57%	33%	4%	3%	1%	2%
Ebook	45%	32%	6%	2%	8%	7%
Audiobook	28%	13%	11%	4%	39%	4%

**Figure 4.8. The Canadian Book Market 2022<sup>44</sup>**

These results in Figure 4.7 and Figure 4.8 offer vital insights into Canadian book consumers' preferences and habits, helping publishers like New Star Books tailor marketing campaigns, inform readers about upcoming books, and ensure availability in suitable channels and formats at competitive prices. Additionally, this data aids in identifying the most effective channels to reach the target audience, maximizing promotional efforts. Leveraging such data-driven insights allows publishers to drive book sales, strengthen their competitive edge, and thrive in the dynamic publishing landscape.

Furthermore, data analytics can play a vital role in optimizing New Star Books' sales operations. By analyzing both internal historical sales data and external market information, the publisher can gain valuable insights into reader preferences, market demand patterns, and industry trends. This will enable data-driven decisions regarding inventory levels, printing quantities, and distribution channels. Embracing data analytics can empower New Star to conquer financial challenges and excel in the fiercely

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<sup>44</sup> Ibid.

competitive publishing landscape. This strategic approach enhances marketing efforts, boosts operational efficiency, and, most importantly, drives substantial revenue growth.

## Enhanced Engagement

**Strengthening Relationships with Booksellers:** New Star Books has diligently maintained an updated and comprehensive database for nearly two decades, according to information provided by Maurer. As of November 2022, the database includes approximately 550 book-related establishments, comprising traditional booksellers, non-traditional booksellers, and retail spaces with cozy corners dedicated to books. These entities collectively form an integral part of the vibrant Canadian retail landscape and are meticulously catalogued in New Star’s internal database. Notably, an impressive 75% of these establishments are independent booksellers.

According to a report by *Publishers Weekly*, “one of the key trends fueling book in 2022 has been the opening of new independent bookstores across Canada (as in the U.S.), with the number of points of sale expanding as well.” “In the past year, BookNet added 14 new stores, and we are seeing new stores open at a rate of about one per month,” says Noah Genner, CEO of BookNet.”<sup>45</sup>

The growing presence of independent bookstores offers New Star Books a significant opportunity to strengthen its direct sales operations and capitalize on the surge in book sales.

“In addition, indies are getting direct financial support from the government for the first time: the Canada Book Fund, run by the Canadian Department of Heritage, has earmarked C\$32.1 million to support the growth of bookstores around the country. This has the potential to be a game changer, as there is real potential to grow the business, Genner says.”<sup>46</sup>

The government's support presents an ideal opening for New Star Books to foster stronger partnerships with independent booksellers and tap into the funds to drive marketing and promotional efforts for its titles. By aligning its strategies with these

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<sup>45</sup> Nawotka, “Publishing in Canada 2022: Canadian Publishing Adapts to New Challenges.”

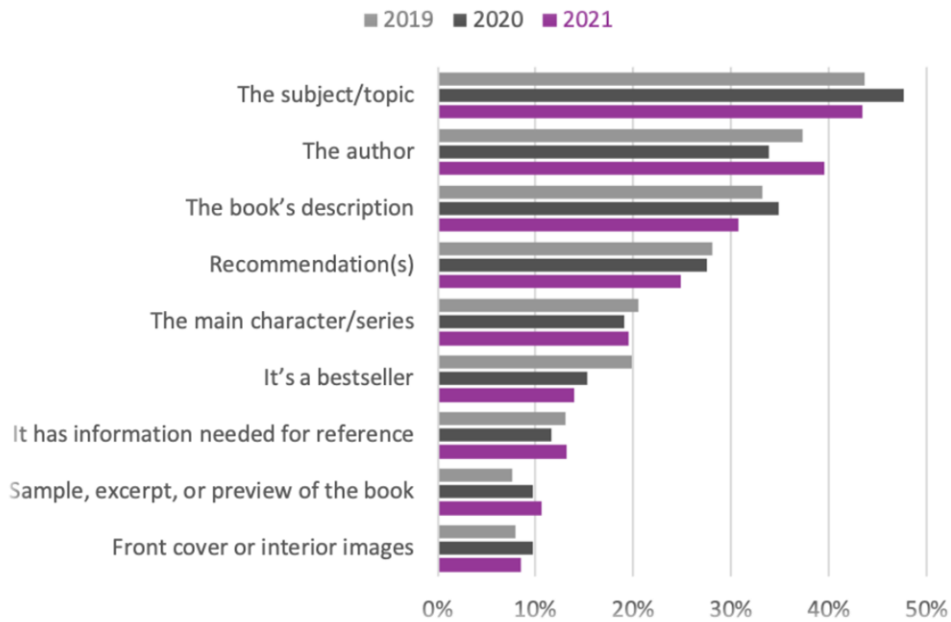
<sup>46</sup> Ibid.

positive industry trends and the changing landscape of the Canadian retail market, New Star can position itself to take full advantage of the growing interest in independent bookstores. It becomes paramount for the publisher to build stronger relationships with book sellers, particularly indie booksellers, to capitalize on this upward trajectory in book sales. Implementing direct communication channels, personalized strategies, and collaborative marketing efforts will enable New Star to foster meaningful connections with booksellers, gaining a deeper understanding of their needs and preferences. This targeted approach, coupled with the regional appeal of their titles, will not only drive sales growth but also solidify the publisher's position within the dynamic Canadian book industry.

**Connecting with Readers:** Building stronger relationships with readers is a multifaceted endeavour, considering the diverse factors that influence readers' book choices. According to a survey by BookNet Canada, subject or topic emerges as the most significant driver, with 43% of respondents stating it as the primary reason to pick up a book.<sup>47</sup> This finding underscores the importance of curating a diverse and captivating book catalogue, catering to various interests and genres.

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<sup>47</sup> BookNet Canada. "Canadian Leisure and Reading Study 2021," 13-14.



**Figure 4.9. Why Readers Choose to Read a Specific Book<sup>48</sup>**

The survey in figure 4.9 also highlights the pivotal role of authors in connecting with readers. Around 40% of respondents cited the author as a major influencing factor.<sup>49</sup> To foster a stronger relationship with their audience, authors can actively engage with readers through social media, book signings, and online forums. By sharing insights into their writing process, providing sneak peeks of upcoming works, and responding to reader feedback, authors can create a sense of community and loyalty among their readership. Furthermore, the book's description, recommendations, and samples are instrumental in swaying reader choices. Crafting compelling book descriptions and seeking out reputable endorsements can significantly impact a book's appeal. Additionally, offering sample chapters or excerpts gives readers a taste of the writing style and storyline, helping them make more informed decisions.

Goodreads can be an invaluable tool for authors seeking to strengthen their relationships with readers. By maintaining an active presence on Goodreads, authors can join discussions, answer questions, and share updates about their works. Leveraging Goodreads' vast community and reader-centric features can lead to

<sup>48</sup> Ibid.

<sup>49</sup> Ibid.

increased visibility, genuine connections, and ultimately, higher engagement with readers.

As trends in reader preferences evolve over time, authors and publishers must remain attuned to shifting patterns. While some factors like recommendations and bestseller lists have seen a decline in influence since 2019, samples, excerpts, and previews continue to play a crucial role in readers' decision-making processes.<sup>50</sup> By staying adaptable and attuned to readers' preferences, small publishers can effectively build strong relationships with their audience and drive long-term sales success.

By taking proactive steps to build stronger relationships with readers and booksellers, New Star Books can significantly enhance its sales operations and create a loyal and enthusiastic customer base. This targeted approach, combined with the power of personalized book recommendations, author–reader interactions, and Goodreads engagement, can lead to increased book discoverability, higher conversion rates, and ultimately, a boost in book sales for New Star. By understanding readers' preferences and adapting to their evolving tastes, the publisher can position itself as a go-to source for compelling and relevant content, driving long-term success in the competitive publishing landscape.

## **Conclusion**

This report undertook a comprehensive analysis of sales operations at New Star Books, focusing on different sales channels and representation strategies. This deep dive allowed us to discern certain key patterns and challenges that can provide important insights to other small independent literary Canadian publishers seeking to invigorate their sales channels.

The analysis bifurcated into pre-COVID (2016–2019) and post-COVID (2020–2021) eras, disclosing a profound shift in the book sales landscape that resonates with overall industry trends. Obstacles such as market struggles, limited resources, increasing competition, and the pressing need to adapt to the ever-evolving landscape of bookselling were identified.

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<sup>50</sup> Ibid.

Simultaneously, these challenges are viewed as potential catalysts for innovation and enhancement in sales operations. Recommendations ensuing from the analysis advocate transforming these hurdles into growth opportunities. Emphasis is placed on bolstering research and analysis efforts, as comprehensive market trend awareness, consumer behaviour insights, and a clear view of the competitive landscape can fuel effective sales operations and better decision-making processes.

Moreover, as the digital shift accelerates in the post-COVID world, a more tech-focused approach is not only beneficial but necessary for survival and growth. Detailed research and analysis, specifically in optimizing web sales and utilizing data analytics, allow for informed strategy formulation and effective resource allocation. This helps to optimize sales operations. Alongside this tech-focused shift, strengthening relationships emerged as a crucial component of a thriving sales operation. Fostering better connections with booksellers can enhance reach and distribution, while building relationships with readers can drive sales and loyalty. In this regard, industry expert John Gallagher emphasizes the importance of adapting to these changing dynamics, stating, “We have to realize that the old model and metrics are broken. Without hybrid strategies, we are in trouble.”<sup>51</sup>

Through this research, it is evident that while the path may be riddled with challenges, small independent Canadian publishers can significantly boost their sales channels’ efficiency and performance by implementing the recommendations seen in the case of New Star Books. The journey toward this revitalization requires resilience, adaptability, and strategic planning. It's not merely about surviving the current market dynamics but thriving amidst them, thereby securing a firm position within Canada's vibrant literary landscape.

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<sup>51</sup> Seidlinger, “Trying to Find the New Normal in Book Publishing.”

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