IF YOU BUILD IT, THEY WILL COME:

Creating a Digital Reading Community at Random House of Canada

by

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Abstract

The widespread adoption of ebooks coupled with the decrease in book sales from traditional brick-and-mortar venues have caused some to speculate that general trade publishers are losing their advantages to new content creators. This paper discusses how in-house digital departments in large trade publishing houses are well-positioned to recoup their advantages and facilitate the transition from a print to a digital context. These departments can exploit new sales channels developed to deliver ebooks to readers. They can add value for the consumer through enhanced ebooks and apps. Last, they can foster general-interest reading communities online through the creation of a distinctive voice for a distinctive readership.

This discussion stems from the digital department of Random House of Canada, its ebook sales strategies, development opportunities, and *Hazlitt*, an online general-interest magazine and line of digital-only short fiction and journalism pieces. The paper ends with a series of recommendations for digital strategy-making.

To my parents, for their unflinching, ever-present, hurricane-proof support.

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"Books govern the world better than kings or priests."

– William Hazlitt, 1828

"Because this idea that the Internet's gonna become incredibly democratic? I mean, if you've spent any time on the Web, you know that it's not gonna be, because that's completely overwhelming. There are four trillion bits coming at you, 99 percent of them are s***, and it's too much work to do triage to decide.

So it's very clearly, very soon there's gonna be an economic niche opening up for gatekeepers. You know?... Not just of interest but of quality. And then things get real interesting."[1]

– David Foster Wallace, 1996

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[1] From David Lipsky, *Although of Course You End Up Becoming Yourself*, (New York: Broadway Books, 2010), 87.

1.   Introduction

1.1.   The "Democratic" Web

The age of the internet is one of unprecedented freedom. Over thirteen billion individual pages[1] exist to educate and entertain, connect and isolate, focus and distract. Visualizations that people would normally use to understand large objects, like ones starting with the words "if stretched end-to-end", bear no credence on the internet's massive scale. Its size is its appeal: never before has information been so easily available to those who seek it. The businesses that can parse the internet for its users, giving them exactly what they are looking for, have become the verbs of the new millennium. We no longer search, we Google.

The find-and-retrieve model of the modern search engine is predicated on the idea that internet users already know what they are looking for. Many publishing businesses – indeed, many businesses – bought into this idea. Several newspapers and magazines began abandoning their snappy print headlines for lengthy, Google-friendly online versions loaded with search engine optimized (SEO) keywords: the *New Yorker*'s "Changing Times" became "Jill Abramson, New York Times' First Woman Executive Editor."[2] Book publishers used to marketing books with gripping copy or sell lines were devoting time to decisions over which Book Industry Standards and Communications (BISAC) categorization codes were best for their books. Former VP of Penguin International Mary Sunden illustrated the black and

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[1] As of 9 March 2013. See Maurice de Kunder, "The Size of the World Wide Web (The Internet)", March 9, 2013. http://www.worldwidewebsize.com/.

[2] Jonathan Rick, "How to Optimize Your Headlines for Google and Humans", *Mashable,* May 8, 2012. http://mashable.com/2012/05/08/google-seo-headlines/.

white of BISAC with the book *Seabiscuit*: did the nonfiction title belong to "Horses or History?"[3]

      This would suppose that the aspiring reader was looking for "Horses" or "History" in the first place. What if, as is often the case, he or she were simply looking for a great read? A second wave of people, businesses, and software attempts to both find and predict what internet users want. In Chris Anderson's seminal 2004 article "The Long Tail," he explained musicians' back catalogues, classic films, and publishers' backlists were both more available and more discoverable than they had been, due to the "if you bought x, also buy y" algorithms inherent to platforms like iTunes, Netflix, and Amazon. Anderson uses the example of going from Britney Spears to the 1980s underground ska act The Selecter in three clicks to explain how that which was buried is now not just discoverable, but sellable.[4] The problem with the long tail argument as it pertains to book publishing is that readers have to be looking for the book equivalent of Britney Spears in the first place. It excludes those whose only prerequisites for a new book are something they have not read before and something they will like. To fulfill these demands, publishers need to recreate the same discovery environments online that have existed for over a century in real-life libraries and bookstores.

      Mike Shatzkin, in his June 2012 Toronto Book Summit talk, "Publishing Into the Flood," suggests that the Big Six trade publishers are ill-suited for the task. He argued that the Big Six – Hachette, HarperCollins, Macmillan, Penguin, Random House and Simon & Schuster[5] – excel in exploiting publishing's pre-web core value proposition, "putting books on shelves." Each publishing hundreds of titles a year over a wide variety of genres and topics, the Big Six had a decisive monetary advantage for expensive front-of-store co-op

[3] Publishing Trends Editors, "Bewildering BISAC", *Publishing Trends*, February 1, 2005.
    http://www.publishingtrends.com/2005/02/bewildering-bisac/. See also Penn State's more recent condemnation of the arbitrariness of BISAC: Sanford G. Thatcher, "Why I Hate The BISAC Codes," *Against the Grain*, April 2010.
    http://www.psupress.org/news/pdf/Why%20I%20Hate%20the%20BISAC%20Codes.pdf.

[4] Chris Anderson, "The Long Tail," *Wired*, October 2004.
    http://www.wired.com/wired/archive/12.10/tail.html.

[5] At the time of writing, there had been discussion of a possible merger between Random House, Inc., and Penguin. The details and scope of the merger are as yet unknown.

placements, strong relationships with retail accounts, and maximizing gains on the hit-and-miss nature of bestseller economics.

This advantage has lost its edge as brick-and-mortar stores either close – as American chain Borders did when it declared bankruptcy in 2011 – or otherwise devote larger amounts of in-store square footage to products that are anything but books. A small handful of online book retail powerhouses – some would argue a single powerhouse, Amazon – have ascended in their place. Big Six titles in their print and electronic formats now share virtual shelf space with every other print book, new and used, in existence, as well as millions of self-published ebooks priced beyond normal competition. As traditional and self-publishers jostle to make their titles noticed, on the other side of this virtual shelf is the reader, paralyzed with seemingly unlimited options.

1.2. The Invisible Colophon: Branding Challenges for the Big Six

In a landscape of infinite choice, readers depend on strong, recognizable brands that help them cut through cluttered book retail websites. With the exception of Penguin, the Big Six publishers are at a marked disadvantage when it comes to brand recognition. Though the canon of authors and wide variety of titles they publish are instantly recognizable, these books – often brands in themselves – together muddle the stated aim or direction of each individual house. Though some might argue that the publisher does not matter at all, they need only look to a Harlequin romance, or order from the Scholastic Book Club.

In his talk, Shatzkin argued that houses such as these – focused genre or category publishers with a recognizable niche – are ideally suited for managing the digital opportunities afforded to book creators. Genre readers actively seek out books from these publishers because they have developed positive expectations for the books that they publish. Two general fiction titles from new authors have little discernible difference – save their cover thumbnail and title – on an online bookstore. On the other hand, a genre title published by a strong brand is likely to win out over an unrecognizable one (or none at all, in the case of a self-published book).

This is not to say that the Big Six and other mid- to large-sized trade publishers are incapable of strong branding. These publishers successfully create marketable, distinct imprints, centred around a specific genre or theme and often with a unique design identity. Random House's Golden Books for children, House of Anansi's CanLit-centric A List imprint, and Penguin's various lines of classics done up in printed cloth, embroidery, or their classic Tschichold-designed orange paperbacks are just three of many examples of instantly-recognizable imprint brands by trade houses.

There are, however, two problems inherent to these and other branded trade publishing initiatives. First, these lines and imprints were developed in a print context, with premium extras to set them apart such as deckled pages, French flaps, or in the case of Golden Books, their signature foil spine: a myriad of options that do not translate to an eReader screen. Where the print book is as much about form as it is function, the ebook is devastatingly utilitarian in its purpose. User-directed font faces and size, screen orientation, and even "paper" colour obliterate the careful considerations of a print book designer. With the exception of the A List's clear purpose related to content – specifically Canadian-authored content – the examples above offer little to distinguish themselves in the online market when stripped of the trappings of print. With failure of recognition comes impeded discoverability, and sales by extension.

Discoverability challenges will likely increase in the coming years. By 2012, 16 percent of all books purchased in Canada were ebooks.[6] Moreover, the piece of the sales pie increases each December: after ebook purchases reach their peak after gift-giving holidays, they stabilize at that new level year-over-year.[7] A higher share of ebook sales means that the significance of print-only details will matter less in terms of their impact on the overall sales of a book. Trade publishers will need to move away from these details and instead increasingly frame their branding initiatives in a digital context. They must take advantage of

[6] "E-books Grab 16% Share of Canadian Book Purchases," *Publishers Weekly*, October 10, 2012. http://www.publishersweekly.com/pw/by-topic/industry-news/financial-reporting/article/54275-e-books-grab-16-share-of-canadian-book-purchases.html.

[7] Susan Renouf and Ken Roberts, "The State of E-Lending in Canada," (Talk, BookNet Canada Technology Forum, Toronto, ON, March 6, 2013).

the unique opportunities that the digital format provides, such as the hyperlinked endnotes in the ebook edition of David Foster Wallace's *Infinite Jest* (a definite selling feature to any person who has previously towed and multi-bookmarked the 1089-page print edition).

Even if the proliferation of ebooks did not pose challenges to discoverability, they do to both existing and untapped communities surrounding general fiction and non-fiction. The widespread popularity of the internet and text-based communication like text and instant messaging means that people are arguably reading more than ever. However, and as the Association of Canadian Publishers points out in their 2010 missive on Canada's National Digital Strategy, these types of reading do not amount to a "reading society." They define a reading society as "one which integrates into the daily lives of its citizens the habit and culture of reading – not merely of email, medication labels, traffic signs, but of long-form text, whether as literature, journalism, biography, comic essays, political commentary, history, or social analysis, whether on screen or on the page."[8] Multitasking electronic devices, such as the iPad, are used for e-reading as well as email, social media, and video games, among other countless operations. There is thus a potential for dissonance between literate culture and electronic reading adoption for books – how to return to digital products the same sense of community, dialogue, and culture that has been propagated by a print tradition over five hundred years old?

Genre publishers have achieved early successes in online community-building, integrating the experience of reading on an electronic device with that of participating in the niche culture. A long history of excellent traditional marketing combined with well-defined – and hence, Googleable – publishing mandates have made genre publishers known and loved to their respective readers. Now, in the digital age, these publishers translate their brand equity into potent online communities centred around their titles.

In essence, these publishers have recreated – in many cases enhanced – analog reading communities. Uniting niche readers the world over, the houses' brands are further

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[8] The Association of Canadian Publishers. "Canada's National Digital Strategy: The Perspective of Canadian Book Publishers," *Industry Canada*, July 13, 2010, http://www.ic.gc.ca/eic/site/028.nsf/eng/00276.html.

strengthened as their respective fanbases associate their names not only with the books they like, but how they interact with the texts when they are not reading them. In other words, they extend the reading experience by providing a platform for discussion and social interaction. Harlequin's Director of Digital Capabilities, Eleanor Elliott, explains the company's use of digital technology for creating an online community:

> "Our digital strategy is not different from what Harlequin's strategy has always been – which is be where women are. That's why, decades ago, Harlequin put books in grocery stores. Now, women are the heaviest users of social media, and we need to be there and communicate with them on their terms. We use technology such as discussion forums, chat, blogs, and live video streaming with integrated chat to facilitate that connection. But it's really not about the tools and gadgets…it's about how those tools enable the connection that matters."[9]

1.3. The Silver Lining

Though Shatzkin's talk – and the trajectory of this paper thus far – makes things out to be fairly bleak for the Big Six, all is far from lost. In fact, the recent activities undertaken by the digital department at Random House of Canada, led by Vice President and Director of Strategic Digital Business Development Robert Wheaton, prove that large general trade publishing houses can compete successfully for online retail sales and create compelling reading communities for trade audiences.

Drawing from the experience of a four-month internship with the digital department at Random House of Canada (hereinafter referred to as RHC[10]), this paper will argue that dedicated in-house digital teams are well positioned to meet the challenges posed by the proliferation of e-reading. These departments can continue and enhance a trade house's ability to sell its ebooks through online retail outlets. More importantly, the digital medium

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[9] Nick Morgan, "What Do Harvard Business Publishing and Harlequin Have In Common?" *Forbes*, 25 September 2012. http://www.forbes.com/sites/nickmorgan/2012/09/25/what-do-harvard-business-publishing-and-harlequin-have-in-common/.

[10] Not to be confused with Random House Canada, the company's imprint for books published under the Random House colophon.

affords a publishing house the opportunity to create anew "reading societies" with its brand at the core.

The paper will first explore RHC's current digital sales strategy, including ebook retailer accounts management, pricing, merchandising, and the development of enhanced digital editions and apps. Next, it will detail the creation of an incipient general trade reading community: RHC's online news and opinions magazine, *Hazlitt*. It will compare *Hazlitt* and other RHC digital community initiatives with efforts by both established publishing companies (like the aforementioned Harlequin, and Macmillan's science fiction imprint Tor, among others) and digital-age start-ups such as the Atavist and Byliner. A summary of best practices for digital strategy-making will end the paper. Given that RHC is a large subsidiary, the recommended practices are best suited for other mid- to large-sized publishers with independent digital departments. However, these recommendations can be implemented by any publisher, whether its staff be two or two hundred.

1.4.   About Random House of Canada

Random House of Canada was established in 1944 as the northern branch of Random House, Incorporated, and charged with distributing its parent company's American titles into Canada. Since then, the company has established its own indigenous publishing division, Random House Canada. RHC founded the Canadian branches of Knopf Canada, a literary division headed by Louise Dennys, and Vintage Canada, a paperback imprint. In 1999, Random House, Inc. was purchased by German media conglomerate Bertelsmann AG, and merged with Bantam-Doubleday-Dell, uniting RHC to Doubleday Canada. In 2012, the company became sole proprietor of McClelland & Stewart and all of its imprints. The imprints combined published approximately 120 titles in Spring 2012, in fiction, non-fiction, juvenile, and lifestyle categories.[11] RHC authors across all divisions have included Carol

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[11] This estimate was reached through the titles listed in each division's Spring/Summer catalogue. Generally, "seasons" at Random House of Canada refer to a twice-annual publishing schedule of Spring/Summer and Fall/Winter.

Shields, Yann Martel, Nino Ricci, M.J. Vassanji, Margaret Atwood, Roch Carrier, and Alice Munro.

This report benefits from interviews held with over forty current and former RHC employees, from all departments, for the Book of Random House project.[12] It also owes much to the guidance of the digital department: Director Robert Wheaton, internship supervisor and digital projects manager Meghan MacDonald, the sales analysts, the *Hazlitt* team, and fellow intern Jessica Albert.

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[12] The Book of Random House project is explained in further detail in Section 2.2.2 of this report. Refer also to Appendix A: Scope Statement, The Book of Random House.

2. Ebooks 101: From Invisible to Best-Selling

Prior to the autumn of 2011, Lisa Charters headed the digital department at Random House of Canada (formerly known as the Department of Online Sales and Marketing). The department was tasked with facilitating the sales and marketing of RHC titles online and raising the profile of the company's books through RHC-affiliated book websites like booklounge.ca and mysterybooks.ca. In conjunction with the production department, the digital team oversaw the early retailing of over seven thousand titles converted to epub to Sony in 2008, to coincide with the launch of the first eReader in Canada, Sony's Reader Digital Book.[13] Ninety-five percent of the RHC backlist was converted by the summer of 2011.[14] The team would also develop, launch, and market two Apple iOS apps[15] by the end of Charters' tenure. With conversion to epub format now solely done as part of the RHC production process, and online marketing integrated with the rest of the marketing department, one could wonder what was left for the present-day digital team to do.

The current department's responsibilities mark a notable departure from those of its predecessors. Upon taking his role as Vice President in 2011, Robert Wheaton, formerly Director of Inventory Management at Indigo, created three separate-yet-overlapping teams within RHC's digital department that today carry out myriad duties and projects. The activities of the first team, the *Hazlitt* team, will be discussed in the second half of this paper.

The second team, the digital sales analysts, contend with the Pandora's box of previously unnecessary considerations that ebook retail unleashes. The team's digital sales

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[13] Jacob Sheen, "Sony digital reader coming to Canada," *Quill & Quire*, April 22, 2008,
    http://www.quillandquire.com/omni/article.cfm?article_id=9890.

[14] Dana Flavelle, "Reisman reinvents Indigo for the digital age," *The Toronto Star*, June 24, 2011,
    http://www.thestar.com/business/article/1014916--reisman-reinvents-indigo-for-the-digital-age.

[15] Rimma Kats, "Random House of Canada rolls out apps to engage readers," *Mobile Marketer*, October 4, 2010,
    http://www.mobilemarketer.com/cms/news/content/7598.html.

strategy is three-fold: it involves leveraging opportunities with ebook retailers amid current limitations, committed management of business relationships to those retailers, and careful and constant pricing to market conditions.

Just as the digital sales analysts have reconfigured how to sell from an accounts-management standpoint, they have also re-evaluated how to categorize and merchandise books on the updated randomhouse.ca website to optimize sales. As opposed to relying on the algorithms based on categories and processes highlighted in the introduction to this paper, the book categories on the company's website are editorially-driven, reflecting careful curation by the sales analysts as an exercise in their other vocation: people passionate about books.

The third team's focus is on digital product development across all RHC divisions. Like the former digital department, this development team still creates ebooks, online content, and apps. However, standard epubs are now created as part of the production department's workflow. The digital department instead consults and collaborates with production on the company's experiments in enhanced edition ebooks for select titles, which host additional content or features. The apps that the present-day team produces are different as well: while earlier apps like *Conversation Starters* and *Natasha Turner's Hormone Diet* served as marketing platforms for titles, the new apps slated for development are content vehicles, existing in-and-of themselves to provide an interactive reading experience. The first such app, the Book of Random House,[16] is a veritable playground of experimentation for all future development.

The activities of these teams will be discussed in detail below, beginning with the sales team.

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[16] At the time of writing, a final name for the Book of Random House had not been decided upon.

2.1. Ebook Sales

2.1.1. *Opportunities and Challenges in the Canadian Ebook Market*

The RHC retail sales force has a wealth of experience, its most junior member just shy of ten years with the company. However, ebook retail sales require a new and ever-changing set of considerations. Drawing from other experiences like retail and different media, the digital sales analysts assess and respond to these unique considerations. Whereas brick-and-mortar booksellers have a long history of knowing how to put books in the consumer's hands, the new suite of ebooksellers like Kobo, the Amazon Kindle Store, and the Apple iBookstore either maintain a hands-off approach to hosting a publisher's ebooks, or actively work with the publisher to merchandise and sell digital titles on their platform.

The digital team spends a great deal of time considering how to make ebooks attractive to potential buyers. When book publishing was print-only, this was left to a brilliant book designer to attract the consumer's eye, a maximum of two hundred words of jacket copy to summarize the book's contents, and a sales and marketing strategy that got the book into the right places, while generating widespread awareness that it was there. Online retail has changed the game significantly.

In daily morning meetings, the digital team discusses the sales numbers and identifies why a book's performance is better or worse than expected, and reacts to it accordingly. For example, the analysts discovered that the sell copy appearing on the retailers' pages for RHC books was a variation of catalogue copy derived from the book's metadata. Given that catalogue copy is written for booksellers and not necessarily book buyers, there is potential for losing the consumer's interest. To entice potential readers, sell copy needs to be thought of in the context of an extension of flap or back cover copy. At the same time, the unlimited space for copy afforded by online stores has to be managed in the context of the very limited time of the consumer is likely to spend shopping for the book. In another instance, a book's cover, which in print has a beautiful iridescent sheen, did not come across at all on a computer screen. The team eventually recommended that the book's digital edition have a different cover.

The downside of this work is that though there are a wide variety of analytics tools available for websites, such tools are still underdeveloped or inaccessible for some e-book sales channels. In other words, for the time being, and much like ebooks' print counterparts, available data plus the salesperson's instinct are the major factors in sales decisions. This is one of many variables that the sales team has to contend with when selling ebooks. Another is managing sales expectations. For example, attempts to bundle content together, like multiple titles or a title and a short story, while interesting in theory, sometimes yield low sales for hours of additional work.

2.1.2.   *Accounts Management for eRetailers*

In the United States, ebook retail has surpassed hardcover sales,[17] and ebooks represent between 20 and 25 percent of the American book market. In Canada, that number is only 16.5 percent. [18] However, despite lower levels of market penetration for ebooks in Canada, the country is uniquely diverse when it comes to its ebook market. While in the United States Amazon's Kindle line dominated the ebook market with a 67 percent share in 2011,[19] Canada's market is much more heterogeneous. In a poll taken in April 2012, Kobo led with 48 percent, followed by Amazon's Kindle at 24 percent, then Sony at 18 percent. The remaining 12 percent is classified as "other,"[20] and includes tablet computers like the Apple iPad, Samsung GalaxyTab, and BlackBerry PlayBook.

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[17] The Association of American Publishers reported that ebooks are within six percentage points of paperback sales. The Canadian Press, "E-book sales surging in Canada but print sales still tops," *CBC News*, October 10, 2012, http://www.cbc.ca/news/arts/story/2012/10/10/ebook-sales-cda.html.

[18] Jeremy Greenfield, "Why the Canadian E-Book Market Lags Behind the U.S.; E-Books up to 16% of Canadian Book Market," *Digital Book World*, October 10, 2012. http://www.digitalbookworld.com/2012/why-the-canadian-e-book-market-lags-behind-the-u-s-e-books-up-to-16-of-canadian-book-market/.

[19] Jeffrey McCracken, "Barnes & Noble Said to Be Likely to End Search Without Buyer," *Bloomberg*, March 23, 2011. http://www.bloomberg.com/news/2011-03-22/barnes-noble-is-said-to-be-likely-to-end-search-for-buyer-without-a-sale.html.

[20] Mary Beth Barbour, "Latest Wave of Ipsos Study Reveals Mobile Device Brands Canadian Consumers are Considering in 2012," *Ipsos Reid*, April 19, 2012. http://www.ipsos-na.com/news-polls/pressrelease.aspx?id=5596.

Amazon has failed, thus far, to take as strong a hold in Canada because, up until January 2013, Amazon did not have a separate Canadian Kindle store. Canadians wanting to own a Kindle had to pay to have the device shipped across the border.[21] While BookNet Canada's Noah Genner relates that the American Kindle Store was not a major technological barrier to buying ebooks for the Kindle, it does mean that sales were impacted without a Canada-centric marketing effort for the titles on offer.[22]

It remains to be seen what the impact of Amazon's Canadian store will have on Amazon's overall market share in Canada. At present, it is but one of a large handful of retailers in a diverse Canadian marketplace, which gives ebook publishers a distinctive edge in their relationships with different retailing accounts. Ebook sales have room for different forms of collaboration, negotiation, and special promotions. For example, the sales team discusses which books are in key promotional spots on their account's retail site, and this is usually enough to motivate the other accounts to follow suit, or risk missing a sale. Such bargaining might not exist in the same way if any one of the retailers were in a majority position.

Early successes in this type of account management are perhaps best illustrated in its relationship with the Apple iBookstore. Despite less than half a year of business selling ebooks, RHC titles are often featured on the iBookstore's Canadian front page, raising the likelihood of consumer discoverability. By actively and continuously collaborating with online retailers to merchandise books, the sales team and their various account contacts envision a shared end goal: to attract a consumer to their site, find the ebook they are looking for, and purchase it. This marks a key distinction from print book sales, where the wholesale of copies to the retailer is followed by the hope that they do not come back as returns.

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[21] Sunny Freeman, "Kindle In Canada: Prices, Stores Unveiled As Amazon Debuts E-Reader North Of The Border," *Huffington Post*, January 23, 2013. http://www.huffingtonpost.ca/2013/01/23/kindle-canada-amazon-launch_n_2534816.html.

[22] Greenfield, 2012.

2.1.3. Pricing in the Age of Agency

Agency pricing is a system for selling ebooks where the retailer takes a cut of the sale of each title – the current standard is 30 percent[23] – instead of the traditional print pricing method buying at a predetermined discount based off of the cover price and selling at a markup. It became an alternative to the traditional model for the Big Six publishers in 2010, when Steve Jobs, the late CEO of Apple, offered to sell books on his company's brand-new device, the iPad. His conditions were that Apple would only sell books if they could do so under the agency model they had already perfected for music, movies, and iPhone apps, and moreover that four of the six publishers would need to make the switch.

The alternative was tempting: it ensured that the prices publishers set for their ebooks would be the ones that they sold for, giving much greater control over consumer price expectations for digital texts. Five of the Big Six took Jobs' offer immediately, and Random House, Inc. (its American division) followed the next year.[24] RHC itself moved to agency pricing in March 2012.

Agency pricing demands a different type of employee competency, one that involves pricing to a live market. It means an ongoing conversation about consumer behaviours rather than a prediction occurring at the beginning of the publishing process. An upside is that the flexibility allows for unbridled experimentation. A downside is that even though RHC now has control over its pricing, changes in price are still dependant on individual retailer accounts being able to execute each request. Having a daylong promotion tied to a time-sensitive benchmark, like reaching a certain number of Twitter followers for example, can therefore be difficult to organize and deploy, as organizing a price change with the retailer could potentially take longer than the intended promotion's runtime.

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[23] David Carnoy, "What's the future of ebook pricing?", *CNET,* April 13, 2012. http://news.cnet.com/8301-1023_3-57412592-93/whats-the-future-of-e-book-pricing/.

[24] A deeper discussion of the move to agency, as well as the Department of Justice lawsuit filed against Apple and the five publishers in August 2011, can be found at Ken Auletta, "Paper Trail", *The New Yorker*, June 25, 2012, 36-41.

Thankfully, difficult is not impossible, and the strong relationships that RHC has built with its online retailing accounts has resulted in a lot of support in promotional price initiatives, as well as invaluable advice on what customers are looking for.

2.1.4.   Online Category Page Merchandising

In addition to working with online retail accounts, the digital sales team assembles lists of books to be featured on the "category pages" of randomhouse.ca. These genre- and theme-driven pages creatively group books together or feature individual titles. Far from attempting to build a recommendation algorithm like Amazon's "people who bought *x* also buy *y*" module, the page merchandising of randomhouse.ca is driven by the knowledge that the team has of the company's catalogue and the passion that they have for the genres they publish.

The category pages and books included are based on a number of factors. First, randomhouse.ca's category pages are designed to mimic an in-store browsing experience, using large scale, high-resolution cover images pulled from RHC's Application Programming Interface (API). Small headers state either the title of the book or the book's significance to the page theme; for example, "Winner of the 2006 Scotiabank Giller Prize" over Vincent Lam's *Bloodletting and Miraculous Cures*. Clicking to a book's information page reveals a "Share this Book" feature, echoing what Robert Wheaton calls "a performative aspect to reading"[25] – the inherent desire of readers to make what they are reading be known to their peer groups. By combining social media with an immersive online retail experience, the category pages echo the Association of Canadian Publishers' "reading society" in a way that is entirely web-native.

Second, each chosen book is designed to reconfirm the user's belief that he or she is in the right place. For example, including a bestselling title that everyone has heard of, like *The Da Vinci Code*, on the suspense page, will lend credibility to the debut suspense novel

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[25] Robert Wheaton, (Vice President, Strategic Digital Business Development, Random House of Canada), in discussion with the author, June 19, 2012.

next to it. At the same time, the category pages gently prod readers to move into genres they might have otherwise overlooked. Figuring that many undecided readers might click through to the general fiction page when looking for a good story, for example, a proposed collection entitled "Fact or Fiction?" would introduce the visitor to a host of literary non-fiction and memoirs that will similarly deliver on the strong narrative that the reader craves. Likewise, "Not Just for Teens" features adult-approved young adult titles, validating the reader's choice should they select books from that genre.

Third, getting creative with the website's collection and list features encourages the reader to buy more than just what they came looking for. An excellent example is the history page's "Beginning, Middle, End" collection, which features World War I titles that detail the conflict's lead-up, duration, and aftermath. The pages' design and capability to feature pull-quotes from reviews or from the books themselves break up the wall of covers and acknowledge that the end goal of the viewer is to read, not look at pictures.

The category pages are in fact a perfect example of why trade publishers are ideally positioned for managing digital opportunities, as opposed to disadvantaged, as Shatzkin suggested in his talk. RHC's extensive, wide-ranging backlist is curated into easily understood sections. These favour thematic considerations that actively help the reader discover a book – in essence, the category pages create a long-tail discovery environment. The variety of titles, and so many of them recognizable to the average reader, demonstrates that while the company does not publish everything, it certainly publishes a lot. With one glance, the category pages showcase a targeted selection of what RHC has to offer, both facilitating the reader's discovery of a new title and associating the experience of that discovery with the company's brand in their mind.

In essence, a "taste" is being furthered on behalf of RHC's brand; one which extends to the books that constitute it. The foundation of this taste is consistently reflected in the webpages of the various publishing imprints and divisions: a short introduction is followed by the collections of books that reflect that imprint's brand history: Giller, Governor General, or Alcuin award-winners, bestselling books and series, and that imprint's current and upcoming catalogues.

2.2. Digital Product Development

2.2.1.   *Apps and Enhanced ebooks*

The decision to create an app is never an easy one. On one side, there is a good chance that the staggering cost that a publishing house incurs to produce an app – Mashable has quoted the very minimum cost for developing an app at \$10,000[26] – will never be recouped. Forbes reports that the knowledge whether or not apps are a viable business opportunity for publishers is still at least a year off.[27] However, withdrawing entirely from app development means lost branding opportunities, and more disparagingly, paints publishers as unwilling to engage with technological developments in content media.

Apps offer a myriad of opportunities for consumers to interact with and respond to a publisher's content. Though not content-driven, the *Conversation Starters* app is a good example of attempting to tie facts found in books to the aspects of reader culture: discussion, sharing, and debate. The department's current app strategy is to bring the focus back to exploring new means of expressing narrative in a digital setting.

RHC hopes to build all-encompassing platforms that can be branded differently for different book lines. Termed "white-label solutions", these platforms exist as shells for content that function in a specific way. A line of cookbooks or travel guides, for example, could all be built on the same platform as they feature similar characteristics.

The benefits of white-label solutions are threefold. First, there are plenty of app development companies that have various solutions on offer, and the scale at which they sell them to publishers means that the majority of the programming has already been done, and can be purchased by the publisher at a lower cost than developing it in-house. Second, regardless of where the platform is developed, it still incurs less long-term costs than creating a new platform for each individual app, as the costs are spread over the number of apps that

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[26] Seth Porges, "8 Things You Should Know Before Building a Mobile App," *Mashable*, February 2, 2012, http://mashable.com/2012/02/02/how-to-make-app/.

[27] Alex Knapp, "Are Apps The Future of Book Publishing?" *Forbes*, March 30, 2012, http://www.forbes.com/sites/alexknapp/2012/03/30/are-apps-the-future-of-book-publishing.

get built on the platform. Last, once a white label solution is ready, it can be customized with content in as little as a week. The fast turnaround time that pre-built app platforms allow for means that publishers can respond to market needs almost immediately.

A happy medium between apps and ebooks is found in the creation of enhanced ebooks. Enhanced ebooks can be more attractive to publishers who are testing their digital mettle, as they require less upfront financial and time investments and little-to-no debugging or support outside that of a typical ebook. Moreover, they command a higher price point than book apps, which typically retail for around $4.99.[28] With the June 2012 release of debut author Tanis Rideout's *Above All Things*, the digital department's project manager Meghan MacDonald worked with the RHC ebook production team to release an enhanced edition. The enhanced edition featured an iTunes playlist that was based on the novel and curated by the author's friend, jazz musician Jill Barber. Unlike apps, enhanced ebooks allow for the publisher to mobilize resources already at their disposal. Like director's commentary or deleted scenes for DVDs, they add value to the consumer while incurring relatively little additional cost.

The digital department is still in the discussion phase of app development, and it has carefully planned a strategy to produce apps that represent both a valuable purchase to the consumer and an investment in the company's ability to deliver content through a variety of media. In the meantime, experimentation with enhanced ebooks will continue when the title's content suits additional treatment.

2.2.2.   *The Book of Random House of Canada*

In the spring of 2012, the digital department's director, Robert Wheaton, and its project manager, Meghan MacDonald, envisioned an interactive ebook that would act simultaneously as an employee guide, history of the company, and demonstrative digital tool. Tentatively titled The Book of Random House (BoRH) – in the vein of Penguin's 2008

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[28] Estimated from price quoted as between 2.99-3.99 GBP, in Stuart Dredge, "Book publishers getting to grips with the potential of apps," *The Guardian Apps Blog*, July 25, 2011, http://www.guardian.co.uk/technology/appsblog/2011/jul/25/book-apps-roundtable.

employee-exclusive print book *The Book of Penguin* – the project would involve the work of two interns: this author as a researcher, and Jessica Albert, a Ryerson University student, as a developer.

Research for the project took place in three phases: historical research, employee interviews, and writing and wireframing. The historical research phase involved accessing biographies, archives, and other source materials. This phase proved quickly that the institutional memory of a publishing company lies within its current employees, making the need for a centralized account all the more important. It also provided a context for the interviews, which amounted to over forty conversations with various members of RHC staff, including the former executives of RHC Edward Carson, David Kent, and John Neale. The interviews elaborated on gaps in the historical record, highlighted titles in the backlist outside of the usual bestsellers and critically acclaimed works, and provided valuable insights into the various roles within publishing house.

As research continued, it became clear that the ecosystem of publishers, editors, authors, and agents involved in the various imprints of RHC were tremendously interconnected, even before Random House, Doubleday, and McClelland & Stewart merged together. For example, former publisher of Doubleday Canada, Don Sedgwick, became the agent for Linden McIntyre. McIntyre's award-winning *The Bishop's Man* was edited by Anne Collins, publisher of RHC's own imprint, Random House Canada. Collins in turn wrote a short story for *Aurora: New Canadian Writing*, a collection published by Doubleday Canada in the late 1970s and early 1980s. Also featured in the collection was Guy Vanderhaege, now an author published by M&S. These connections proved incredibly intriguing, and served as a vehicle for a non-linear account of RHC's corporate history. Readers can follow an imprint or division's path chronologically, or jump to another path where provided, by the very links and interconnections outlined above. This approach makes the most use of the BoRH's digital home while encouraging reader engagement.

Early on in the project it was decided that most, if not all, of the contents of BoRH would be accessible to the public. At an interview with Anita Chong, a senior editor with McClelland & Stewart, she brought up the idea of creating an "Anatomy of a Book" – one

that explained the entire publishing process within the context of a single novel. "Publishers have to do a much better job of articulating what we do to add value to content," she explained, "We're not just manufacturing; we're intellectual labour."[29]

The editor for Tanis Rideout's *Above All Things*, Anita arranged for Tanis to contribute her notebooks, edited manuscripts, editor's letters, printer's proofs, early cover mock-ups, and research materials. Furthermore, a recorded interview with Tanis at Nicholas Hoare Books in Toronto allowed for her to recount her experience with the publishing process, including explanations of all of the functions that RHC undertook with respects to her book. These various materials, combined with information gleaned through the employee interviews, provided a step-by-step account of the trade publishing process written for a general audience. The *Anatomy of a Book* raises awareness of the nature of book publishing beyond the sometimes-held belief that publishers are little more than bottlenecks to content being released into the public, to a value-added system that benefits the book, the author, and the reader. Moreover, much like the history side, the *Anatomy of a Book* takes advantage of the project's digital format, mixing text, images, and video to create a completely interactive experience.

The BoRH, on its surface, is a digital attempt to inform new employees about the company's history, backlist, and the functions of each of its departments. However, its format, that of an interactive ebook, makes it a demonstrative tool for the digital department, to providing a tangible reference when making future interactive books. By extension, it can likewise be used by editors with authors and agents when acquiring new titles, or sales staff when working with retail accounts. The BoRH is a show, not tell, approach to familiarizing the publishing industry with available technology.

Its real significance, however, is its openness with regards to the public – RHC's readers. While the project began with the public being a secondary, even tertiary, audience, members of the public have come to share primary audience status with employees, authors, agents, and booksellers. The tone of writing firmly reflects the belief that members of the

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[29] Anita Chong, (Senior Editor, McClelland & Stewart), in discussion with the author, July 12, 2012.

general public might read it. Upon its as-yet-undetermined release, BoRH will represent a proffered virtual handshake, a publisher stepping out of its long-held place in the colophon on a book's spine and introducing itself directly to readers.

2.3. Summary

In short, the sales and development teams in RHC's digital department rise to meet the first challenge that ebooks pose to trade publishers: that of discoverability. Both teams work to distinguish the RHC product from its competitors, but in different ways. The sales team works with online ebook retailers to gain optimal placement (at an optimal price) for RHC titles, and merchandises those same titles on the company website for an immersive browsing experience – much like that in a real bookstore. Together, these two initiatives raise the profile of RHC titles online, making them more visible and by extension, more likely to sell.

The development team, on the other hand, adds value to RHC content itself in the digital sphere. Whether by creating book apps, enhanced ebooks, or other digital formats (such as fan sites, outside the purview of this paper), the development team produces text with up-and-coming reading technologies, creating new content experiences. The *Book of Random House*, an interactive history of the company, is indicative of the team's hands-on approach to experimenting with the technological opportunities on offer, as well as creating a more open dialogue between RHC and its end-consumer, the reader. Together, the two teams leverage the strengths that large trade houses have had for a century in the print world online; they can sell excellently produced ebooks, at large volumes, through dedicated accounts management.

3.   Web-native Reading Communities: The *Hazlitt* Experience

The digital sales and development teams clearly address the issue of ebook discoverability and bring to ebooks the print characteristics of a quality reading experience. However, there remains the existing challenge that ebooks pose as illustrated in the introduction: how to imbue ebooks with not just a better reading experience and discoverability, but a reading culture, and how to access and build upon the reading community for general trade titles that is currently disparate?

The "performative aspect to reading" of sharing a book found within the new randomhouse.ca's category pages scratches the surface of tapping into social reading. However, it is the other half of the company website's radical redesign that aims to create a definitive reading culture – *Hazlitt*, RHC's flagship online editorial property. As President and CEO Brad Martin explained at the new website's launch: "While traditionally many book publishers have been primarily using their websites for sales and marketing purposes, we want to also use ours to publish original content. In this age of cultural and technological change, RHC's digital efforts will support the central role of writers in our collective conversations: informing, entertaining and inspiring readers."[30]

Hazlitt derives its name from William Hazlitt, a British journalist at the turn of the nineteenth century that often commented on the impact of changing media – at the time, broadsheet newspapers were proliferating among all classes – on society at large. His shorter-than-average columns, often written in vernacular, have him hailed by some as the first pre-web "blogger." This tongue-in-cheek nod to the first blogger is reflective of

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[30] Adria Iwasutiak, "Random House of Canada Unveils New Digital Publishing Strategy: Innovative Components Include Daily Online Magazine & Dedicated Publishing Line," *Canada Newswire*, August 23, 2012. http://www.newswire.ca/en/story/1024875/random-house-of-canada-unveils-new-digital-publishing-strategy-innovative-components-include-daily-online-magazine-dedicated-publishing-line.

Hazlitt's entire editorial identity; a little snarky, a little quirky, and all the while extremely observant about the more literary elements of popular discourse. *Hazlitt*, like its namesake, is its own kind of media pioneer – the first Canadian book publisher to move into periodical territory.

At its launch, *Hazlitt*'s editorial direction came from Digital Publishing Director Christopher Frey, the Toronto correspondent for *Monocle* and former Editorial Director of the *Toronto Standard*. *The Walrus*' Alexandra Molotkow served as *Hazlitt*'s Senior Editor, and both she and former Associate Editor Britt Harvey contributed to the magazine. Since its launch, Hazlitt has added the previous homepage editor of the *National Post* Jordan Ginsberg to its permanent masthead. Most of *Hazlitt*'s contributors, however, are an up-and-coming cabal of young voices mixed in with Random House authors and staff like *The Blondes* author Emily Schultz and Art Director CS Richardson.

Like Dave Eggers' publishing house, McSweeney's, based out of San Francisco, *Hazlitt* introduces the reader to the Random House canon through carefully constructed, branded tiers. While McSweeney's does this largely through its print magazines, literary quarterly, and books, (only its widely-popular *Internet Tendency*, an online humour daily, is web-based), the tiers of *Hazlitt* can be ascended entirely through the digital medium. The marginally curious can follow *Hazlitt*'s Twitter and Facebook accounts, where they receive short quips that speak to the magazine's unique voice, often linking to articles once their interest has been piqued. From there, *Hazlitt* offers blog posts, longer features, its line of e-singles called Hazlitt Originals, and eventually, the RHC books that inform and inspire the ideas traded in the web magazine. Each tier reflects a different level of time and intellectual commitment on the part of the reader, but all showcase the company brand to a reading audience, not as a book publisher but as an overall arbiter of culture that happens to publish content, some of which is in book form.

These digital community initiatives compete with efforts by both established publishing companies and digital-age newcomers. The following will demonstrate how the *Hazlitt* team rises to meet the competition and, more importantly, fosters a budding RHC digital reading community at each tier.

3.1. "Make Friends and Influence People (If You're a Robot)"[31]: The *Hazlitt* Blog

The posts on *Hazlitt*'s blog are designed to attract reader attention and impart opinion on a current topic in the span of five to ten minutes – ideal for a desk worker's mid-morning coffee break. Like any other blog, the page's sidebars teem with links to more content, piquing the reader's interest over multiple categories, authors, and media.

Blogs on trade publishers' websites are not a new entity. What sets the *Hazlitt* blog apart is its approach. Far from the contests, new book, and catalogue announcements that are common on other trade publisher blogs (and indeed, the former randomhouse.ca blog, booklounge.ca), the *Hazlitt* blog makes reference to books in the wider context of how they inform culture. Linda Besner's tongue-in-cheek nod to Dale Carnegie's perennial bestseller at the head of this section is just one of many examples.

Genre publishers have excelled at community blogging well before *Hazlitt*. For example, Macmillan's science fiction imprint Tor has made itself central to all things geeky through its blog presence. Its posts spawn fifty-plus comments from invested fans across multiple science fiction and fantasy universes, whether published by Tor or not. In fact, currently central to the Tor publishing schedule are articles about the fantasy series-cum-HBO-costume soap *Game of Thrones*, a series coincidentally published by Random House, Inc.'s imprint Bantam.[32] Far from diminishing the profile of their own books by featuring those of its competitors, Tor raises its own credibility as a one-stop gathering place for discussing science fiction and fantasy.

Like Tor, *Hazlitt*'s blog discusses books from all publishers, and succeeds in bringing the same sense of community to a much larger base of readers – those who read general trade fiction and non-fiction. Its most shining example of advancing literate culture is its regular column, "Shelf Esteem." In the column, writer Emily M. Keeler interviews "writers,

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[31] A blog post by Linda Besner, March 20, 2013. http://www.randomhouse.ca/hazlitt/blog/how-make-friends-and-influence-people-if-youre-robot.

[32] On March 24, 2013, two of the thirteen feature posts on tor.com were about the popular series.

editors, and other word lovers" about the contents of their personal bookshelves, including their favourite titles, how they organize their books, and how their collections fit into the rest of their life at home. Keeler's subjects have included the *New York Times Magazine* ethicist Chuck Klosterman, Governor General's Award-winning author Linda Spalding, and the editor-in-chief of the *Toronto Review of Books*, Jessica Duffin Wolfe.

Through short, topical, and easily searchable pieces requiring little time investment on the part of the reader, the *Hazlitt* blog attracts new readers to the site while maintaining a modicum of cultural conversation. Given that it is not based in any genre, or even necessarily in books, the blog can quickly broaden the horizons of those who come across it.

3.2. "The Biographer as a Fool in Love"[33]: Feature Articles on *Hazlitt*

Unlike the blog section of the site, *Hazlitt* features are designed for a more immersive reading experience. Free of outbound links and often extending beyond one "page", these articles and book excerpts resemble a single column of text, unencumbered by distractions save for a call-out to a related book where applicable. At launch, *Hazlitt* featured a previously out-of-print piece by the late Christopher Hitchens about Andy Warhol,[34] and then a piece about Hitchens, David Rakoff, and the subject of death by Emily Landau.[35] Both articles were linked to each other and to Hitchens' posthumous memoir, *Mortality*, published by McClelland and Stewart's non-fiction imprint Signal Books. With just two links, one of the articles could prompt a reader's interest through their access to more free content – the other article – or paid content, the related book.

This aside, *Hazlitt* features are similar to its blog in that their content does not only stem from RHC books. A perfect example is Susanna Showler's account of her experience

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[33] A feature by Tom Jokinen, March 19, 2013. http://www.randomhouse.ca/hazlitt/feature/biographer-fool-love.

[34] Christopher Hitchens, "The Importance of Being Andy," *Hazlitt*, August 23, 2012. http://www.randomhouse.ca/hazlitt/feature/importance-being-andy.

[35] Emily Landau, "Rakoff and Hitchens on Death, with Nothing Afterward," August 23, 2012, http://www.randomhouse.ca/hazlitt/feature/rakoff-and-hitchens-death-nothing-afterward.

housesitting for House of Anansi author Sheila Heti, in "How Should a Person House-Sit?" These and other articles acknowledge that the *Hazlitt* reader's literary interests extend beyond the offering of RHC's catalogue. Just as the category pages do with well-known books from RHC, these articles and the books they reference reinforce *Hazlitt*'s sense of particular literary consciousness with which the reader strongly identifies.

Hazlitt's features employ a wide range of voices from multiple media disciplines: publishing houses, periodicals, and journalism. The talent goes beyond writing as well: music video director Scott Cudmore directs and produces eccentric author interviews in a regular video feature, "Pagelicker." In the first episode, host Robert Dayton discusses the cultural influence of American pimps and shares a couple of beers with *Trainspotting* author Irvine Welsh.

Much like its online magazine contemporaries *Salon* and *Slate*, the features section continues to explore questions big and small, cultural curiosities, and twenty-first century urban experiences. *Hazlitt* gains a unique advantage over other online magazines, however, because of the multilevel offerings of its authors. The advantage works both ways: existing fans of the writer might stumble upon the site, leading to further exploration and discovery. By the same token, the writing on the site can leave the reader wanting more, which in turn increases the likelihood of conversion to purchasing an RHC book.

3.3. Fatwas, Ford, and Foodies: Hazlitt Originals

Longer and more immersive still are *Hazlitt*'s digital-only "singles". Called Hazlitt Originals, the line is RHC's own publishing program for long form writing in an ebook format. Like pieces from the start-up company Byliner or Amazon's line of Kindle Singles, Hazlitt Originals can be exploratory pieces of journalism or a return to the novella. Roughly ten thousand words in length and retailing for $2.99 at all of Random House of Canada's

ebook retail partners, the ebooks provide their authors, according to Robert Wheaton, "freedom in a commercial venue to write the length they need."[36]

While the *Hazlitt* website is a first for trade publishing, Hazlitt Originals enter an already-embattled territory of strong competitors. Along with the aforementioned Byliner and Kindle Singles; the Atavist, Penguin Canada, and the Toronto Star are just three more of a myriad of digital short platforms, each offering a different pricing structure, unique voice, and stable of high-profile writers. Though Wheaton conceded that the literary criticism community is still wary of writing "book" reviews for digital shorts, traditional publishing houses have an advantage in leveraging publicity opportunities through the channels they have already established with their print books.[37]

Each Original provides an in-depth look on a topic that will last an average commute into or out of work. The consistency of length, coupled with the line's "cover" design of a bisected rectangle – white on top, a related photo on the bottom – appeal to creating a distinctive brand. Hazlitt Originals have included Patrick Graham's return to war journalism, *The Man Who Went to War*, Steven Poole's anti-foodie diatribe *You Aren't What You Eat*, and Ivor Tossell's *The Gift of Ford*, about the media circus surrounding Toronto's mayor. The imprint expects to release its first piece of short fiction later in Spring 2013. All of the offerings are topical, though taken together impart a consistency in perspective that is reflective of *Hazlitt*'s over-arching editorial voice.

3.4. Summary

Hazlitt's multiple offerings extend pre-existing conversations that naturally surround literature into the digital sphere. By publishing digitally, free of the relatively lengthy time requirements of print, *Hazlitt* allows RHC to remain part of a cultural dialogue in the space

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[36] Susan Noakes, "Short and punchy – the brave new world of e-books," *CBC News*, August 23, 2012, http://www.cbc.ca/news/arts/the-buzz/2012/08/short-and-punchy---the-brave-new-world-of-e-books.html.

[37] Samantha Francis, Moderator, "The Canadian Market for E-Singles," (Panel, BookNet Canada Technology Forum, Toronto, ON, March 7, 2013).

between a current topic or issue and the time it takes to publish a professionally vetted, expertly designed, and well-produced book about it. Instead of deferring to periodicals and journalism, RHC has leveraged its digital platform to drive the dialogues that occur at the intersection of books and culture.

The *Hazlitt* publishing program reflects the digital department's decisive understanding of whom their consumer is – not the bestseller-only reader nor genre-specific reader, but the culturally conscious, literary *Hazlitt* reader. The strategy intensifies the general trade publisher's offering: it identifies a "modern reader" and recognizes that that reader has insatiable curiosity on a variety of topics. The blog posts and feature articles of *Hazlitt* magazine provide the opportunity for building reader interest in a variety of topics, its *Hazlitt* Originals line a chance for in-depth exploration of a timely issue. Combined with the category pages and explore sections of the rest of the website, the entirety of randomhouse.ca allows for the kind of book discovery previously restricted to brick-and-mortar bookstores and libraries. Moreover, it fosters a general trade reading community, slaking their curiosity and acknowledging their refusal to be pigeonholed.

4. Summary: How to Use a Digital Department

Random House of Canada's digital department is proof that digital opportunities can drive the reimagining of a publishing house from excellent book publishers to excellent, competitive content creators, whether that content be in book form or not. In addition, the company's digital strategy can reinforce at all levels what the publishing house's brand represents, and extend that brand into a community based around reading. The following recommendations are designed to assist any publisher in driving its own reimagining.

First, integral to the RHC digital team's inner workings is that its members meet for ten to fifteen minutes every morning. These short meetings allow for the sales team to report on top and slow sellers and the *Hazlitt* team to announce upcoming features. For the sales team's part, the digital sales analysts can keep an eye on authors and books coming up in *Hazlitt*'s publishing schedule, and work with online retailers to create advantageous price or placement promotions for related ebooks. These daily conversations are but a part of the sales team's overall strategy, built upon strong relationships with ebook retailers.

The team further believes that the sale of ebooks can no longer be considered solely as an adjunct to print sales. If they make up 16 percent of sales on the market, then they bear 16 percent of the books' development costs and, indeed, the overhead costs of a publishing operation. Sell copy needs to be edited for an online audience, weighing the unlimited space on offer against the shorter attention spans of average web users. Where possible, leveraging the format of an enhanced edition with interesting, useful extras gives the consumer incentive to buy instead of pirate the book, just as Jill Barber's playlist did for the enhanced edition of *Above All Things*.

Apps are another option that bears serious consideration. While apps when successful can be a fantastic, new way to engage with a publisher's reading audience, there are several realities that aspiring app creators need to keep in mind. App development is

expensive – even through the use of white-label solutions – and the costs to produce them might never be earned back. They also require their own marketing and sales strategy, as they exist only in the highly saturated marketplaces that are proprietary app stores. By extension, the personnel responsible for marketing and selling the app might need special training – proving that the learning curve is not only on the production side of things. Finally, apps are by their very nature proprietary goods: they only work on the platforms that they have been developed for. This is in contrast to epub, which is an International Digital Publishing Forum (IDPF) approved format, held to a standard to be free and open. Though the popularity of app platforms like the iPad and Android phones has yet to ebb, potential "versioning" in the near future could make a developed app obsolete, whereas an epub can live on – and be sold – indefinitely.

Keeping the sale of electronic editions in mind, it is equally important not to appear to be overtly selling when communicating with an online audience. The digital platform offers unbridled opportunity to express a core publishing identity, and as such, industry-targeted communiqués should be relegated to out-of-the-way areas of the publisher's own website, and to the plethora of industry-specific tools like BookNet Canada's CataList. A sell-heavy message would get in the way of the communities that can form when, in the words of RHC CEO Brad Martin, publishers "use their website to publish."[38] Canadian houses are staffed with brilliant professionals, harbour rich publishing histories, and have unique, distinctive backlists – all these are waiting resources to be tapped. *The Book of Random House* and *Hazlitt*'s blog posts by Random House of Canada's Art Director CS Richardson are a testament to sharing the spectrum of talent on offer: indeed, Richardson's young but laudable writing career is proof alone that there is a wealth of it in Canadian publishing.

On that note, though part of every Canadian publisher's identity is its "Canadianness," the brilliance of the web is that it is truly without borders. Considering that foreign rights sales and co-publishing deals were crucial to revenues even in the time before

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[38] Mark Medley, "Random House of Canada launches new digital strategy with Hazlitt," *The National Post*, August 23, 2012, http://arts.nationalpost.com/2012/08/23/random-house-canada-launches-new-digital-strategy-with-hazlitt/.

the web, a publisher's online presence will most likely be its first point of contact for both foreign publishers and foreign readers. Thus, offering a consistently well-branded and universally welcoming experience online is essential. This does not mean reducing Canadian cultural significance, either; rather, it is a never-before-reached opportunity to share a Canadian cultural identity with the world, and, by extension, prove the importance of that identity to policymakers in the country. *Hazlitt*'s long-form Hazlitt Originals series are a testament to bringing a Canadian perspective to bear on international issues – like Patrick Graham's *The Man Who Went To War*. Likewise, the discussions that spring from RHC and other Canadian titles are now international in scope, thanks to the "borderless" digital forum that *Hazlitt* has created for them.

5.   Conclusion

In the early 1960s, economist Theodore Levitt implored the then-beleaguered energy corporations that "to survive, they themselves will have to plot the obsolescence of what now produces their livelihood."[39] While the digital medium does mark a radical departure for trade publishers from a technological standpoint, at its best it allows them to continue and even enhance their existing publishing mandate. Online, RHC's titles can take on an entire new life outside of their category and publishing date as part of thematically-curated lists or through being featured on an online retailer's front page. The company's books and writers, through *Hazlitt*, can drive cultural conversations. On *Hazlitt's* "About" page, it asserts that: "in a way, *Hazlitt* is based on an old model of publishing – the publisher as trader in ideas."[40] Far from plotting its own obsolescence, then, RHC's digital department tackles the dual digital-age challenges of discoverability and community-building while maximizing its offering as a trade publisher and community hub.

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[39] Theodore Levitt, *Harvard Business Review Classics: Marketing Myopia* (Boston: Harvard Business School Publishing Corporation, 2008) 13.

[40] "About," *Hazlitt*, 2012. http://www.randomhouse.ca/hazlitt/about.

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Appendices

Appendix A.

Scope Statement: The Book of Random House

INTRODUCTION

Random House of Canada has entered a new publishing landscape: one with unclear and ever-changing rules, limitless modes of content delivery, and where the relationship between the reader and publisher is arguably closer than ever.

The Book of Random House follows in the footsteps of Pearson Inc.'s *The Book of Penguin* (2009), in that it is a comprehensive corporate identity document. It will highlight the key tenets of the Random House of Canada's history and present mission for its new and existing employees, investors, authors, and readers.

However, the Book will deviate from Penguin's in that it is not a "book" at all. Rather, the document will take the form of a beautifully designed, impeccably produced digital product. In this way it showcases not only the company's rich history, diverse list, and talented personnel, but also its capabilities as a pioneer in Canadian digital publishing.

STATED GOALS/INTENT

The Book of Random House Project seeks to achieve two distinct goals:

To:

ADVOCATE the key tenets of Random House of Canada to employees, authors, investors, and readers: promoting the company's core mission and values, its history and heritage, its capabilities in and commitment to developing and delivering content of the highest quality, and its illustrious backlist and current catalogue.

FEATURE the competency and range of the Random House of Canada's digital capabilities through a gorgeous, avant-garde publication.

The content for the first goal will be completed by the end of August, 2012.

OBJECTIVES/STRATEGIES

ADVOCATE the key tenets of Random House of Canada...

- Train new employees to be effective members of RHC
- Clearly define RHC's corporate mission and brand values
- Cement overall company cohesion
- Promote informed internal decision making based on values
- Provide templates, directories, style guide
- Consolidate and editorialize company history and backlist
- Identify unique aims, contributions, histories, and ideologies of individual imprints
- Access archives for anecdotal gems of RHC
- Interview current and past personnel for siloed knowledge

- Create an archive of titles significant to the company
- Specify the company's contributions to Canadian cultural heritage
- Effectively compete in Canadian market for top and up-and-coming authors
- Articulate benefits of publishing with an established house (versus self-publishing, for example)
- Showcase "Random House Advantage" through process and testimonials
- Highlight illustrious existing authors/notable RHC personnel
- List analytics, sales data, unique marketing initiatives, etc

FEATURE Random House of Canada's digital capabilities...

- Build an effective selling tool for digital publishing
- Institutionalize knowledge for complex ebook production
- Provide opportunities for collaboration with other RHC digital initiatives, namely the Hazlitt and Storefronts

DELIVERABLES

The following deliverables will be edited and document-ready by August 24th, 2012:

- Company Mission Statement
- List of core Brand Values
- Company overview/history
- Current company strategy
- Overview, history, ideology, and notable works of individual imprints
- Chronological list of notable events in RHC history, tagged for filtering
- Backlist analysis - significant books
- Random House Content Creation Process/Contributions of Departments

RESTRICTIONS

The Book of Random House has the potential to be a pragmatic training manual/workplace tool as well as a broad-strokes identity/history document - it could include templates, handbooks, style guides, et cetera. However, these features lay outside both the compiler's knowledge area and the time available.

The various imprints of Random House, Inc. (Crown, Pantheon, etc.) will be mentioned, but will not be researched in depth like the Random House of Canada Limited's Imprints.

Appendix B.

Scope Statement: *The Anatomy of a Book*

INTRODUCTION

With a pervasive rise in self-publishing, a huge challenge to existing publishers is in demonstrating how they provide added value to an author's content. As part of the Book of Random House project (new title forthcoming), *The Anatomy of a Book* will attempt to share this knowledge, both generally and with specific references to the publishing process of Tanis Rideout's debut novel, *Above All Things.*

STATED GOALS/INTENT

The Anatomy of a Book's goals are twofold:

To:

INSTRUCT both Random House employees and the general public about the various departments and processes that constitute bookmaking.

RAISE the profile of the publishing process at Random House of Canada and positively differentiate professional publishing from self-publishing.

These goals will be completed as part of the overall Book of Random House Project, by the end of August, 2012.

OBJECTIVES/STRATEGIES

INSTRUCT re: the departments and processes that constitute bookmaking...

Write an overview profiling each department in the process and what they do:

- Writing
- Contracts
- Editing
- Copyediting
- Production
- Design
- Typesetting
- Proofreading
- Printing
- Warehousing & shipping
- E-book
- Subsidiary rights
- Sales
- Publicity

- Marketing
- Bookseller
- Royalties
- Reviewer
- Blogger
- Reader
- Include the specific example of Tanis Rideout's book, *Above All Things*
- Interview Tanis Rideout regarding each stage of publishing *Above All Things*
- Collect author's personal/company archived ephemera related to the book's publishing (i.e. printer's proofs, marked-up manuscripts, design ideas, ARCs, &c)

RAISE the profile of the publishing process at Random House of Canada and positively differentiate professional publishing from self-publishing...

- Emphasize what publishing does that self-publishing does not
- Editorial, design, dedicated marketing and publicity, warehousing, account relations, digital strategy, &c.
- Ask Tanis specifically where and at what point an employee assisted her with the project
- See if we can get her thank-yous from her book launch
- Show specifically how Random House's publishing process is unique, and that content benefits from its treatment
- Include "what makes Random House different?" answers from employee interviews (e.g. Sales team talking about department integration)

RESTRICTIONS/ UNKNOWNS

The Anatomy of a Book has huge potential in terms of interactivity and reader engagement (for example; there could be video of Tanis looking over the proposed cover designs for *Above All Things*).