

Direct-to-Consumer Marketing to Augment the Distribution of University Press Books

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Contents

I. Summary	5
II. Introduction	5
A. Background	5
B. Scope	7
C. The Special Case of Amazon	7
D. Organization and Conventions of This Report	10
E. Acknowledgments	11
III. Methodology	11
IV. Online Survey of the University Press Community	12
V. The Telephone Survey	14
A. Motivations for Selling D2C	14
B. The Customer Database	18
C. Best Practices	19
D. Mobile Platforms	20
E. Group Initiatives	22
F. Vendors	22
VI. Privacy Policies	23
VII. The University Press as Web Publisher	25
VIII. Contextual Marketing	29
IX. Verticalization	33

X. Seeking a Comprehensive Solution	37
XI. Practical Steps toward D2C Marketing	42

Appendices

Appendix A: List of Participating University Presses	47
Appendix B: Online Questionnaire	50
Appendix C: Project Announcement	53
Appendix D: Worksheet for Telephone Interviews	56
Appendix E: Excerpts from Original Proposal	58
Appendix F: Links to Scholarly Kitchen Posts that Form Part of the Background of This Report	68

I. Summary

This report aims to provide an overview of direct-to-consumer (D2C) sales and marketing opportunities for university presses. The situation for many university presses is challenging, as some portions of the markets they traditionally served are now buying fewer books. On top of this, the marketplace is experiencing unprecedented consolidation, with a growing share of all purchases of university press books flowing through one account, Amazon. Such consolidation results in less favorable economic terms for presses and potentially puts a crimp into the free flow of scholarly communications.

The research for this report began with an online survey that was distributed to the American university press community. That survey was supplemented by a series of telephone interviews. The profile of the press community that emerges suggests that presses can do more in the way of D2C marketing to reach a larger audience. At this time most presses report that their D2C sales comprise 1% of their total volume, with some presses reporting figures as high as 3%. Some presses aspire to greater D2C sales, as much as 10% of total volume, but the path to that level of success is obscure. A radical proposal for achieving the 10% level is included in the body of this report.

While there are many steps a publisher can and should take to become a more effective D2C marketer, the most important is to begin to act more like a web publisher, with a focus on building traffic to a press's website and then attempting to convert that traffic into paying customers. The university press community has not entirely adapted to this situation, with some presses giving a higher priority to their web presence than others. Selling on a D2C basis is less about finding the necessary technology (though that is important too) than it is about marketing.

II. Introduction

A. Background

This project has its genesis in an informal review of the circumstances of university press publishing over the past several years. The university press world has been under pressure; the causes of this are various (and not without controversy). For example, it is widely believed that some part of the fall-off in sales of university press books has come about because of tightened library budgets. University presses may also have been affected by the decline of the bricks-

and-mortar sales channel—Borders, for example, is now bankrupt and Barnes & Noble is a much diminished player.¹ It is not known whether it is true (as some people claim) that the presses are experiencing a ripple effect, that as research universities increase their investment in science, technology, and medical (STM) areas, the humanities and social science areas that form the basis of most press publishing programs are being scaled back, thus reducing demand for press books.

There are many other speculations about the cause of the challenging times for university presses, but the one thing that is known is that for most presses, the book programs are not growing as rapidly as hoped and in some cases they are declining. There are exceptions to this and they are conspicuous. Most astonishingly, even as this report is being drafted a serious work of scholarship appears on *The New York Times* Bestseller List: Thomas Piketty's *Capital in the Twenty-first Century*, published by Harvard University Press. But bestsellers are few and far between in the university press world. The mainstay of press publishing is the serious, specialized work of scholarship, which understandably reaches only a small audience. Indeed, if it were otherwise—if university presses routinely published books that found a place on bestseller lists—there would be no need for a university press, as commercial publishers would jump in. The university press world is an economically snug place in which to operate, and it is that way by design.

A fair assessment of much of the university press world today is that, from an economic point of view, it is mature. By "mature" I mean that the demand in this market segment is not growing, which puts pressure on the publishers that work in this area. Some presses are doing very well,² but for most the market environment is challenging. It is important to underscore the fact that a challenging environment is not an existential one. It is easy to exaggerate the problems of the press world. University presses are not the only organizations operating in a mature environment, and like many other such organizations, the presses are likely to be with us for many years to come.

This economic picture forms a backdrop to the aims of this study. University presses sell books, but they would like to sell more of them. They would like to do that both because greater sales

¹ Although most physical bookstores cater to consumer or “trade” books, university presses have always had some representation in general bookstores, and they certainly can be found on the shelves of many college bookstores.

² As it is the intention that this report will be made public, for the most part I do not name presses individually in this report.

would help them financially and because a larger audience speaks to a press's mission of disseminating scholarship far and wide. This report is about how to sell more books. Its focus is narrow: how to sell more books directly to end-users or individuals. In the business world this is known as *direct-to-consumer* marketing and is usually abbreviated *D2C*.

B. Scope

Inasmuch as the focus of this study is narrow, it is useful to identify those items that are not under discussion.

University presses participate in a wide range of commercial activity. In addition to the publication of books, about half the presses listed in the *AAUP Directory*³ publish journals. Some presses, typically the larger ones, have service businesses, which may provide sales representation, warehousing and distribution, and digital asset management for other publishers. Other presses are exploring various forms of open access publishing.⁴ None of these areas is part of this study.

Libraries are an important part of any press's plans, constituting perhaps 25% of total university press sales volume.⁵ Sales to libraries, however, are not D2C for two reasons. First, book publishers sell few books directly to libraries (libraries prefer to purchase from aggregators such as YBP and Coutts) and, second, libraries are by definition not consumers. A library sale is an *institutional* sale and lies outside this study.

C. The Special Case of Amazon

Amazon plays a very large role in the university press world. Although university presses have been with us for decades (and in the instances of Oxford University Press and Cambridge University Press, centuries), in the short time that Amazon has arrived on the stage, it has become the largest customer for almost all of the presses. The presses have benefited greatly from Amazon, which has significantly augmented international distribution for many presses and eased purchases even domestically. Before Amazon there was no one place where a consumer could go to find a complete listing of titles from university presses. Amazon's

³ <http://www.aaupnet.org/aaup-members/annual-directory>

⁴ Notable in this regard is the initiative at Amherst College to found a new academic press:
<https://www.amherst.edu/library/press>

⁵ This figure was derived by Esposito personally in the course of various surveys of university presses. Some presses put the number lower, few put it higher. All agree that the number has declined over the past decade.

leadership position in ebooks has also benefited university publishing, as ebooks drive down some of the variable costs associated with book sales, thereby lowering prices to consumers.

Unfortunately, Amazon is a double-edged sword. Even as it has helped to enhance the presses' performance, it has developed trade practices that are increasingly unpopular among university press managers:

- Amazon's growing market share (30-50% of all university press business) has served to concentrate much commercial activity with a single distributor, which in turn leads to quasi-monopsonistic trading policies. Amazon, in other words, has developed undue influence over the publishing supply chain.
- Amazon has become increasingly insistent on lowering its costs, and it is taking aggressive positions vis-a-vis university presses with regard to pricing, cooperative advertising allowances, etc.
- Amazon has simply become more and more difficult to deal with, including refusing to talk to presses on the phone to resolve problems.
- Amazon refuses to share any information with publishers (not just university presses) about its customers.

It is worth expanding on that last point. Presses sell books to Amazon (whether print or electronic). Presses also sell books to wholesalers (e.g., Ingram and Baker & Taylor), which then resell the books to Amazon. Amazon in turn resells these books, but to whom? That information is never shared. Were it to be shared, the presses would be in a position to assess their marketing programs in a new way and perhaps to modify their editorial programs. It is a truly unfortunate situation for any business to be put in when it cannot learn how and by whom its products are actually consumed.

If the presses had Amazon's sales information, it is possible that one common assumption among university press personnel would become more nuanced or even overturned. That assumption, mentioned at the beginning of this report, is that libraries have cut back on the purchase of university press books over the years, thereby putting financial pressure on the presses. But what if libraries are purchasing some of their academic titles from Amazon?⁶ It

⁶ Esposito is currently working with Ithaka S+R on a proposal to survey product purchasing by libraries from Amazon.

may be that library sales are not down, or are not down as much as generally believed, but that what is happening is a switch in “the sales mix”: sales are migrating from library wholesalers (e.g., YBP) to Amazon.

One reason for university presses to develop their D2C capability is to offset Amazon’s control of book sales. This does not mean “taking on” Amazon in a directly competitive way, as Amazon is exceedingly good at what it does and overall has significantly enhanced the business of scholarly books. What it does mean is the creation of alternative sales channels that would in turn allow the publishers to gain some insight into the actual use their books are put to.

Although Amazon’s hoarding of data is a problem for the presses and for publishers generally, in fairness it should be noted that the lack of data about end-users is endemic to most book publishing. Books are mostly sold on an indirect or *channel* basis, that is, there is an intermediary, and sometimes two, that sits between the publisher and the reader. For example, the publisher of a book on the Carolingian Empire may ship print copies to wholesalers, who in turn ship copies to libraries and book retailers (thus there are two intermediaries). Sometimes books are sold directly to retailers (including Amazon), for a total of one intermediary. Information that is “downstream”—that is, coming from a publisher’s customer’s customer—is only sporadically shared “upstream.” Amazon may be the most extreme case for hoarding data, but it shares this practice with other retailers.

For ebooks similar forms of intermediaries prevail, although the number of participants in the ebook supply chain are far fewer at this time. A publisher may create a book in a digital format and then make that book available to a retailer, who in turn resells it (one intermediary between the publisher and end-user). Or a publisher may work with a *digital-asset distributor* (DAD), which is an analogue to the wholesaler of the print world. A DAD mounts digital files on its own servers and then makes those files available to authorized retailers or libraries (two steps of intermediation). Whether for print or digital media, publishers rarely have a direct connection to end-users.

The hoarding of data is a bitter irony in the Internet age, when data about customers are being collected everywhere and seemingly by everyone. The data are not being collected because the society has suddenly become more Orwellian in spirit but because new technology has enabled many participants to become more Orwellian in practice. It is easy to collect data—

though it is harder to make it useful and harder yet to articulate and enforce policies about the use of data that are simultaneously respectful of privacy issues and commercially robust. It seems that everyone has access to this data but the book publisher, and the reason for this is that books are mostly sold through channels. It would be something of a luxury for a publisher to have to grapple with privacy issues, but that luxury would be at hand the moment a publisher initiates D2C activity. (A section on privacy policies for university presses appears below.)

A final point about Amazon speaks to the rationale behind this project. It is common to hear people say, “Why would anybody purchase something directly from a publisher when he or she can simply get it from Amazon?” Presumably this question uses “Amazon” as shorthand to mean “other sources of supply that are likely to be more convenient and less expensive than a publisher.” This is a good argument, but it is only valid up to a point. The fact is that virtually every university press already has some D2C activity: the question is not why would anyone purchase directly from a publisher’s website but why are they doing it already? And if they are doing it, how can that activity be encouraged? It is conceptually off-base to think of D2C marketing as an attempt to shove Amazon out of the way. D2C marketing can be a suitable supplement to the sales activity at Amazon. For purposes of this study, it is not regarded as a substitute.

D. Organization and Conventions of this Report

Broadly speaking, this memorandum has three parts. The first is a summary of what was learned from a survey of university presses. Although the names of the participating presses appear in Appendix A, none of the survey responses shared in this report are linked to specific presses. The second part identifies certain key issues concerning D2C marketing in the press community. The third proposes some actions presses may wish to take to improve their sales performance.

As part of the research I also interviewed a number of publishers from outside the university press community to see what could be learned from their practices. These publishers were reluctant to have their names appear in the report, presumably because of the need to obtain permission from corporate superiors. The identities of these publishers have accordingly been kept confidential.

Inasmuch as it is anticipated that this report may be read by people outside the university press world—university administrators, perhaps, or librarians—I have opted to provide background and context for many of the items discussed here. This may have the unwelcome effect of telling many readers what they already know, for which I apologize in advance.⁷

E. Acknowledgments

This report was made possible with the generous support of the Andrew W. Mellon Foundation. The Principal Investigator was Marlie Wasserman, Director of Rutgers University Press. Marlie and her staff helped to frame the questions that were subsequently put to other presses and freely shared internal data about Rutgers' operations, which in turn shaped the overall project. The staff of the AAUP once again provided unstinting support. Many publishing professionals from various industry segments provided information anonymously. I am most appreciative of the staff of the university presses themselves who agreed to fill out yet another questionnaire and made themselves available for telephone interviews.

As a consultant in scholarly and digital publishing, I (Joe Esposito) have had business relationships with several of the organizations mentioned in this report.

III. Methodology

The first step in the project was to draft a brief online questionnaire (see Appendix B). The questionnaire was made available to the press community through a post on the *Scholarly Kitchen* blog (see Appendix C). The AAUP also announced the project via its member email lists and included a link back to the *Kitchen* blog. Ultimately seventy presses went to the online form and submitted data for the project. This represents a considerable portion of the total press community (there are 134 members of the AAUP).

After reviewing the filled-in forms, I followed up with telephone interviews with many of the respondents in order to get at more qualitative information (see Appendix D for the interview worksheet). Between the two surveys (online and telephone) I gathered the name, title, and institution of each respondent; the press's total book sales in the prior year; the percentage of those sales that took place on their website; and responses to a few additional questions that invited interpretation (for example, How big do you think the opportunity is for D2C marketing?).

⁷ Portions of the proposal to the Mellon Foundation for this project covered the market environment of university press publishing. Relevant excerpts from that proposal appear in edited form in Appendix E.

The interviews with university press personnel were supplemented with interviews with representatives of other publishers and with vendors serving D2C publishers.

During the course of the project, some sections of the draft of the report began to take shape. These were published on the *Scholarly Kitchen* blog; some of the text in this report represents a recasting of those blog posts. Also some of the comments on the posts provided useful feedback and have been incorporated into this report. See Appendix F for a list of links to the *Kitchen* posts that represent early drafts of sections of this report.

IV. Online Survey of the University Press Community

As noted above, the project began with the distribution of an online survey, which seventy presses completed. This section addresses that survey.

Most presses reported that they do indeed sell books from their websites. Indeed, every press has a complete catalogue of its books online, no doubt the only place you can see a press's entire set of offerings in one place. Not surprisingly, many presses had not yet begun to sell ebooks from their site, and many of those that do sell ebooks offer PDFs only, which are difficult to read on mobile devices. The press world at this time is principally a print world, though that is changing. A lack of technical resources is the principal reason that presses cite for not selling ebooks, but some presses also cite a desire not to compete with bookstores (which would apply to selling print books as well).

It is noteworthy that many presses report that the total number of books available in print editions exceeds the total number available as ebooks, whether from a press directly or via distributors. Many presses are continuing to digitize their backlists as time and resources permit. In due course the number of digital editions will approximate the number for print.

One question asked how diligent the presses are in analyzing their web traffic. This is an important consideration since, in order to sell products, people have to be brought into the store. The manager of a website has to ask: How many people come to my website, are they the right profile for prospective purchasers, and how can I increase this number? On this point the presses had a range of responses. Some presses are diligent about monitoring their web traffic and have a staff member who puts in some time (at least) into enhancing the site and promoting books and authors through social media, but other presses do not. Some presses say they are

implementing a plan to improve their web traffic or that they are considering the creation of such a plan, but others are not focused on their websites. There is, in other words, no consensus in the press community on the place of their websites and what actions should be taken to enhance them. Since web traffic is essential for D2C marketing, for those presses without strong web marketing programs, the opportunity to increase website sales is small or nonexistent.

The point about the role of web traffic is particularly striking when the presses are asked what is standing in the way of increased D2C sales. The survey results pointed to three items: technical limitations, price competition from other retailers, especially Amazon, and the absence of strong web traffic to drive sales. Thus, on one hand many presses are not focused on the role of their websites, but on the other hand, web traffic is viewed as a missing piece in effective D2C sales.

Despite an underappreciation of the role of web traffic by a large proportion of the press community, the presses' responses to another of the questions was at times surprising, even aggressive. The question was, How big an opportunity do you see in D2C sales? This was a multiple-choice question: Do you see a big opportunity, a modest opportunity, or only a very small opportunity? A big opportunity was defined as a situation in which the sales through D2C marketing comprised 10% or more of a press's total sales volume—10% being a number that was simply too big to ignore, but it presupposes an effective marketing effort in other channels such as libraries and bookstores. The answers ranged widely: some presses said there was a big opportunity, some said modest, some said there was only a small opportunity.

What to make of this? The idea that there could be an opportunity at 10% or more of total volume has to be contrasted with the actual D2C sales that the presses are reporting, figures that mostly hover around 1% of total sales. Is there an opportunity for a ten-fold increase? Interestingly, a small number of presses reported D2C sales of around 3% of total volume. It seems reasonable to set a target of 3% for any press that is not achieving that level of D2C sales now, reasonable because other presses are already doing this, so this is not a wild fantasy. But to get to 10% is another matter. Later in this report I speculate about a radical step to get D2C sales up to 10%.

There was one add-on question that did not directly concern D2C sales: What percentage of your business, measured in dollars, was through Amazon for both print and electronic books?

Note that this question did not address indirect sales through Amazon, as when a press sells a book to a wholesaler who then resells it to Amazon; since the latter sales are invisible, Amazon's sales are almost certainly higher than the presses are reporting. Most presses reported sales of over 30%; no one reported sales of 50%. But a number of presses had sales in the single digits, which implies that they mostly service Amazon through wholesalers. I suspect, but cannot prove, that when wholesalers that service Amazon are taken into account, Amazon constitutes about 40% of university press sales volume, and this is a figure that is growing. In light of this trend in online sales, trying to get to 10% for D2C sales does not seem terribly ambitious.

V. The Telephone Survey

As noted above, the online survey was supplemented with a telephone survey conducted with selected respondents (the questions for the telephone interviews appear in Appendix D). The structure of the telephone survey was more freewheeling and interactive. Not every question was posed to each press, and some conversations drifted into different ground entirely.

The overall impression left by the two-part survey is that D2C sales for university presses are mostly aspirational. On the other hand, with some presses already achieving 3% of sales from their websites, that aspiration can be placed into a practical context; 3% is tangible. What will be necessary for the press world to increase that percentage has much to do with a rethinking of one aspect of their programs: they are not just book publishers now; they also have to be web publishers.

A. Motivations for Selling D2C

During my telephone interviews with press staff, I was able to put together a list of motivations for why a press would want to sell direct. After all, this is not a self-evident proposition. What's wrong with the established channels of distribution? What could a university press (most presses are small affairs) add to the distribution capability of Amazon, Barnes & Noble, Baker & Taylor, and Ingram? It's rather audacious to think that a customer would come to the web store of a particular university press to make a purchase when the shopping opportunities on the web are already so well established; and as anyone who has ever experienced the customer service (and pricing) of Amazon can attest, a university press may find the competition simply overwhelming.

University press people are pragmatic and know that the road to D2C marketing runs uphill; and no one during the interviews even suggested that they would like to cut Amazon out of the picture. As for nobody wanting to buy a book from an individual publisher when Amazon is just a click away, as noted above, the facts speak for themselves: some people are already buying books directly from the presses. The 1% of all university press sales that are on a D2C basis comes to about \$3.2 million (total university press book sales, including the book sales of Oxford University Press and Cambridge University Press, are approximately \$320 million).⁸ That's a small amount of money for Amazon, or even the troubled B&N, but for a university press, that represents a significant sales channel. We don't know why those people buy directly from a publisher's website, but they do. It does not seem illogical for a press to look at its sales figures and say that now that its D2C sales are 1% of the total, how can we get those figures up to 3%, as some other presses have? And once we get to 3%, what is the plan to get to 10%? That's the order of magnitude under discussion: sales in the single digits, with a low double-digit aspiration on the distant horizon.

The presses' motivations for D2C marketing are diverse. They include the following:

- (1) *Conceive of the site not so much as a retail outlet but as a marketing forum* (sometimes called "a discovery site" within the press community). This is a relatively easy way for a press to accommodate itself to Amazon and other retailers. Here is the use case: A user comes to a press's website, looks around a bit, finds something of interest, and then says: This looks like a great book; I think I will buy it at Amazon. This happens all the time, but it's not clear if a press loses in this situation. The press has already made money selling the book (at a discount) to Amazon, so the press's own site functions as an effective marketing platform. Indeed, all presses (probably virtually all book publishers) see their own sites as the one place where they can tell the whole story about their books, and if someone prefers to buy the book elsewhere, so be it. In such a situation, the press's own ecommerce capability is more to provide a user with an immediate option than to build a large sales channel. We can call this "pragmatic D2C," and encourage all publishers to engage in it.
- (2) *The need to diversify sales channels.* Some presses report that channel diversification is a major reason for creating D2C capability. This is most likely an indirect swipe at Amazon's market dominance, which is the principal obstacle to retail diversity. It's easy to imagine a

⁸ This figure was derived by Esposito a few years ago in consultation with then-Executive Director of the AAUP Peter Givler. It would be worth revisiting this figure in light of recent changes in the industry including the growth of ebooks, the introduction of digital book aggregations for libraries, and the rise of demand-driven acquisitions.

press's thinking on this point. A sales director is looking at sales figures week after week and sees Amazon's market share growing. At the same time Amazon begins to demand better and better terms for itself. Who in that situation would not want to look for revenue from a different quarter? Channel diversification is also important if a publisher gets into a real battle with Amazon (this does happen)⁹ where Amazon refuses to sell the publisher's books for a period of time. In such a situation the publisher's books will always be available in at least one online location, the publisher's own storefront.

(3) *Improve margins.* Not surprisingly, many presses report that an important reason for them to sell on a D2C basis is that it could improve the profit they make on each sale. I am not entirely persuaded by this argument, but here is how it works. A press sells books for the most part on an indirect basis—that is, through sales channels—at a discount of list price. The discount varies by a number of things, but ranges from a low of 20% to a high of sometimes over 50%. If a press has a monograph with a suggested list price of \$40, it may be selling that book for, say, \$25 to wholesalers. But on the press's own website, the press has the potential of selling the book at full price, that is, \$40. That's quite a big increase in margin, most of which (all but the increased royalty) drops to the bottom line.

The reason this is not entirely persuasive is that those presses that report the strongest sales from their websites are also the presses that make a point of running special promotions. So a press may run a “spring sale,” offering 20% off the list price for all its books. Now 20% is better than 35% or 50%, of course, but it’s less than full price. On top of this are the hidden costs of handling. A print book has to be picked from the warehouse and mailed to the customer. That is not free, but it’s hard to determine just what that costs. The improved margin for D2C sales gets reduced a bit under close analysis.

To digress: the margin argument is an important one because it is one reason that we don’t have an all-university-press online bookstore today.¹⁰ The presses I have spoken to about such a project both want it and don’t want to give anything up to have it. If you had 130 presses (the approximate membership of the AAUP) all participating in an online bookstore, from where would the books be shipped, from a central warehouse or from the warehouses of each individual press? Some presses would like to ship their own books (under the assumption that

⁹ Such battles between Amazon and publishers happen all the time, though rarely do they get much attention outside industry circles. Recently a dispute with Hachette forcefully entered popular media. See, for example, this early piece by David Streitfeld in *The New York Times*: http://www.nytimes.com/2014/05/09/technology/hachette-says-amazon-is-delaying-delivery-of-some-books.html?_r=0

¹⁰ See <http://scholarlykitchen.sspnet.org/2012/01/17/a-newfangled-online-bookstore>

their service level would be sufficient to satisfy their customers), but what if a customer wanted to purchase two books, each from a different publisher? Then the books couldn't be shipped together and the customer would incur two shipping costs. Nor does this problem go away with ebooks, as they still have to reside on a server or multiple servers somewhere. To have an effective online bookstore for all presses means giving up margin. That's a small price to pay for an enhanced marketing presence on the web.

(4) *Establishing a direct relationship with customers.* Where most presses agree on D2C sales is that selling direct is a way to establish a relationship with customers and readers, something that is very difficult to do when selling through third-party channels. The question then becomes what can be made of this relationship? And on this point there is a wide range of opinion:

- **Collect user data for a marketing database.** If someone purchases a work of anthropology from the website of the University of Colorado Press, the Press may keep that name and then solicit the customer via email for a forthcoming work of anthropology.
- **Assert branding.** This may sound somewhat abstract to people who are not marketers, but one of the frustrations of being a publisher is that very often customers don't know the name of the publisher of a particular book. On the other hand, when a customer buys a book directly from the publisher, the customer is made to focus on the publisher's brand and to associate it with books that are appealing to that individual.
- **Use sales data to improve marketing activity.** When a user comes to a website, the path of the user through that site can be instructive. Is the site constructed in such a way as to facilitate sales? What kind of marketing messages yield the best results? None of this information is available to a publisher that only sells books through third parties.
- **Use the feedback from D2C marketing to improve the editorial program.** A D2C relationship will provide a publisher with insights into the books it publishes. Are these the "right" books? Are these the "right" authors? Are the books too long or too short? Editors work on a combination of cultivated instinct and a network of advisors, but data are data, and D2C marketing generates data that few publishers ever see if they don't attempt to sell books directly from their websites.

This somewhat upbeat view of the reasons to sell books D2C should be tempered with the comment of one senior executive in the university press world. As for all this information people are trying to gather from D2C activity, he asked: “What are they going to do with it?” This is not an idle question. It is one thing to collect data, quite another to know how to analyze and build and implement programs based on the data. Some presses may have only a vague notion of what to do with the data they collect. There is a risk that the relationships they seek to forge with their direct customers may be empty.

(5) *Develop a capability.* What no one said—but what, I believe, is a powerful motivator for engaging in D2C marketing—is that D2C sales and marketing develops a new capability whose practical use may not be visible at the outset. While some aspects of D2C activity is immediate and tangible (e.g., a sale takes place on the website), other aspects are obscure. For example, how exactly will editors use the feedback that marketers provide? A worst-case scenario is that editors will become dominated by marketplace issues, which flies in the face of why we have university presses to begin with. But a thoughtful editor may also detect patterns in the sales activity—or, for that matter, patterns in the web traffic on the site even if a sale is not consummated. Such patterns may lead to new book projects that cut across disciplines or that identify emerging fields.

B. The Customer Database

What would a new capability look like? D2C selling is not passive. When customers purchase something directly from a publisher, the publisher collects information about that customer—for example, name, address, zip code, the titles of books purchased, whether the sale was in response to a special promotion, etc. Publishers then theoretically can go back to that database to plan and implement new marketing programs.

The responses by the presses on this topic ranged widely. Most presses do indeed collect customer information; some, but not all, integrate that information with the information in the database they already have for direct-mail campaigns, which remain a meaningful sales channel for many presses. No presses reported doing things that other direct marketers do routinely such as purchasing fields of data from marketing firms (though they do purchase email addresses, often from other presses). A typical way the database is used is for direct-mail solicitations. So, for example, if someone purchases a work in anthropology directly from the publisher, then the publisher may send an email to that customer to announce that a new work in anthropology is coming out. The email will include a link to the website, where a transaction

can take place.

It should be noted that this kind of marketing activity is different from an "organic" search, where people are brought to a website through the search results at Google or Bing. Both are important ways to market books, but they require different marketing activities. To these two I would add a third: social media. People can also be made aware of a book and brought to a publisher's web store through embedded links in such services as Twitter and Facebook (and countless others: there is no end to social media, though many of these services will be thinned out by the marketplace in the coming years).

From the interviews with press personnel, it appears that the potential of database marketing is underestimated by many people in the press community. This may represent an opportunity for growth. All of a press's outreach, past and present, can be integrated into a unified database, which would then be exploited for additional sales. That means combining the data from so-called legacy marketing activities (e.g., the mailing of catalogues) with information gleaned from email campaigns and social media activity. There may be an opportunity for a number of presses to pool their resources and bring in a database marketing expert to help design their systems and create some test programs. One caution in this respect: the subject of database marketing raises issues of privacy, a matter that is taken up later in this report.

C. Best Practices

While presses presumably learn from one another by attending the annual AAUP conference, one survey question asked what websites the presses study to get ideas on how to improve their own efforts. Three names came up several times: Oxford University Press (OUP), the University of Chicago Press, and Safari Books.¹¹ As OUP is the largest university press by far, it is no surprise to see its name here. Nor is Chicago a surprise, not only because of the strength of its own books program but also because of the client relationships it has fostered with a great number of university presses. Most intriguing is Safari, which was founded by Tim O'Reilly,¹² who is arguably the most innovative publisher of his generation.

What is less clear is what presses are learning from these models. Safari is a striking example of all the things that university presses do not do. For example, its books are sold in narrow subject disciplines as full libraries, something that presses have only recently begun to

¹¹ <https://www.safaribooksonline.com>

¹² See Wikipedia article on O'Reilly: http://en.wikipedia.org/wiki/Tim_O'Reilly

experiment with.¹³ Safari sells subscriptions to individuals, businesses, and libraries. All of Safari's books are "DRM-free," meaning that they are not protected by technology that prevents copying (DRM stands for "digital rights management"). Safari is not a publisher but an aggregator of the books of a multitude of publishers. What university press fits this description?

Surprising was that no press sought inspiration from trade publishers. The largest of these—the Big Five, as they are known¹⁴—wrestle with many of the same issues as university presses: the evolution of ebooks, the decline of physical retail channels, the need to sell through intermediaries, the daunting influence of Amazon, and even the headaches associated with copyright infringement. Penguin Random House, for example, has been quietly opening up niche online bookstores.¹⁵ See TasteBook (<http://tastebook.com>), which aggregates books from many publishers. TasteBook is a discovery site—that is, it presents information about books and then directs users to other sites for transactions—but it does point to greater D2C engagement if not D2C sales. More ambitious is HarperCollins, which, among other things, has built a community site, which includes a D2C bookstore, for C. S. Lewis's Narnia books.¹⁶ While HarperCollins provides a link to other retailers, the primary link goes to HarperCollins' own fulfillment operations, whether for ebooks or print. HarperCollins has a relationship with BlueFire,¹⁷ a Seattle-based software services company, which provides HarperCollins with ereading apps for use on mobile devices such as an iPhone.

It appears that the presses could be more curious about what is happening around them. Inasmuch as most of the presses are small organizations, learning from other publishers, even those operating in different industry segments, could be a cost-effective method to improve their own practices.

D. Mobile Platforms

The presses are by and large lagging behind other industry segments in making their books available for mobile devices such as smartphones and tablets. Dedicated ereading devices (e.g., the Barnes & Noble Nook or the Amazon Kindle) are another matter: virtually all presses now have Kindle editions. But dedicated devices have the built-in problem that they only work

¹³ The largest of these new programs is the book division at Project Muse: <http://muse.jhu.edu/about/UPCC.html>

¹⁴ The Five are Penguin Random House (the largest by far), HarperCollins, Simon & Schuster, Macmillan, and Hachette.

¹⁵ On the launch of TasteBook, see <http://publishingperspectives.com/2014/04/random-house-launches-online-cookbook-store-on-tastebook>

¹⁶ <http://narnia.com>

¹⁷ <http://bluefirereader.com>

with books sold from the affiliated web service (e.g., Amazon), so by definition and design they are not useful for a press's D2C activity. There appears to be little reason for presses to pursue the dedicated ereader market on their own, as it is declining in proportion to the growth in tablets and smartphones and would represent an enormous investment and marketing challenge. For mobile platforms the presses should be focusing solely on tablets, smartphones, and their hybrids ("phablets").

It is with mobile platforms for D2C that the technical issues become pronounced. The first question is whether or not to use DRM to prevent unauthorized copying.¹⁸ Most presses insist on DRM. This requires them to license DRM software or have it provided as part of a broader service arrangement. For some presses this means stopping the digitization process when they reach the PDF file type, which replicates the printed page. The problem here is that a printed page may be much larger than the screen of a mobile phone, making display at best highly inconvenient.

What are a press's options for ebooks?

- A press could simply forsake DRM, make its books available as unprotected (from a DRM point of view) ePub files, and allow users to open the files in any ePub reader. The Apple iBookstore, for example, can display any unprotected ePub file in a size that is excellent for reading.
- A press could stay with DRM and license an ereader (such as BlueFire, mentioned above).
- A press may choose to move toward what is known as "responsive design," a production technique that allows the text of a book to "sense" where it is being displayed and to size itself automatically. This is not a trivial undertaking, but scholarly publishers have been working on this now for some time. See, for example, John Wiley's recent announcement for their Anywhere Article program, which was developed for their STM journals program.¹⁹

The good news is that this area is evolving rapidly, with more ereading apps becoming available and significant developments in the responsive design area. One service provider with a large

¹⁸ There is a running debate in the industry whether DRM actually prevents piracy or not. I am sidestepping this and focusing on how the presses responded in the interviews.

¹⁹ The Anywhere Article: <http://exchanges.wiley.com/blog/2014/02/19/the-anywhere-article-arrives>

client list of university presses told me that they hoped to make responsive design capability available to all their client presses shortly.

E. Group Initiatives

To the question of whether the presses had explored D2C activity with other presses, there was a wide range of answers. The first thing to be said about this option is that it strains the definition of D2C somewhat; D2C implies one source working with one customer at a time. A group effort, which essentially means a bookstore of some kind, however specialized, puts the bookstore in between the publisher and the end-user. A group effort, however, could be construed as a discovery site, where customers select books from an aggregate site and then make their transactions directly with the publisher.

There was a wide range of responses to this question. Some presses noted that they are engaging in group efforts already through their service providers; Chicago Distribution Center (CDC) and the University Press Content Consortium of Project MUSE at Johns Hopkins came up several times. Some said they were not considering it, but would like to know more. There are some questions about how to put such an effort together organizationally, with legal issues in the back of people's minds.²⁰

The overall impression to the responses to this question was that for most presses collaborative efforts would take place at the level of the service provider, which is an argument for the presses to outsource more of their own infrastructure.

F. Vendors

What vendors do presses look to for D2C capabilities? Many presses declined to answer this question; others pointed to the broad service providers they already work with: CDC, Johns Hopkins, Perseus, and Ingram. Other vendors include Firebrand, NetRead, BlueFire, and Sheridan. A number of presses commented that metadata management continued to be a problem for them, implying that they would like to see a more robust solution in this area. Conspicuous by its absence was any mention of database marketing companies. D2C marketing involves the creation of a customer database. Not yet addressed is how sophisticated can and should this be?

²⁰ The legal issues, which are suppressing innovation in the book industry, are an allusion to the recent lawsuit filed by the Department of Justice against Apple and five book publishers. The *Wall Street Journal's* account of the suit can be found here: <http://online.wsj.com/news/articles/SB1000142405270230444604577337573054615152>

The primary issue with vendors for many presses (by their own admission) comes down to limited time and resources to study and implement new options. For this reason many presses seek arrangements with large service providers that research and provide these services to the smaller presses.

VI. Privacy Policies

When a publisher begins to step up its activity in D2C marketing, it begins to collect more and more user data. As the amount of data collected grows, the privacy issues surrounding that data grow as well. Presses need to be aware of this as an emergent issue and craft policies concerning privacy as part of its D2C plans.

The survey of the presses revealed a wide—and troubling—range of views and practices concerning user privacy. Yes, we have a privacy policy and here is the link where it is articulated. Yes, we have a privacy policy, at least I think so. I don't know if we have a privacy policy or not. We comply with the university's privacy policy, but I don't know what that is. The university has strict rules on credit-card security, with which we comply. The university doesn't even know we are alive (expressed in different ways, this is the most common response).

In several instances when I asked if a press tracked its users, I was told no. I then consulted with Gary Price,²¹ who encouraged me to install Ghostery²² on all my computers. Ghostery is a browser plug-in that tells you if a website you are visiting is installing any tracking software on your computer. I immediately went to the home page of a major university press: one piece of tracking software showed up. As I drilled into the site, the number of "trackers" went up and down, with seven trackers being the high point. On to another university press: eight trackers. Next stop: three trackers. Another press: one. The number varied press by press and within the sites of individual presses. The home page of the New York Public Library shows eight trackers. In an attempt to gauge the outer margin of what I would call "respectable" tracking devices, I proceeded to the website of the *New York Times* on the assumption that this reputable publication, which sells advertising, would have quite a few trackers, and it did: twenty. A less distinguished publication, *Business Insider*, in which Amazon's founder Jeff Bezos is an investor, literally had more trackers than I could count: I got up to twenty-five when Ghostery's dialog box timed out.

²¹ Price's biography can be found here: [http://en.wikipedia.org/wiki/Gary_Price_\(librarian\)](http://en.wikipedia.org/wiki/Gary_Price_(librarian))

²² <https://www.ghostery.com/en/>

I don't want to suggest that there is anything wrong with the presence of these trackers, nor is it fair to lump all of them together, as they have different functions and the people who deploy them do so for a variety of reasons. We should be aware of the tracking phenomenon, however, and articulate our practices clearly, comprehensively, and publicly. This is a new issue for the university press community, as it is the Internet and D2C marketing that make data collection important and trigger the corollary issue of privacy policies and practices.

Matters of privacy in the academic environment are complex because the academy itself is diverse, with different units having different interests when it comes to data collection and use. Nobody speaks for everybody; there is no Everyman or Every Subject whose interests align with everyone else's. In universities, librarians have been the most forthright and far-seeing about privacy issues, but the library is but a single aspect of the business of scholarship. (Ann Okerson very helpfully pointed me to the privacy policy of the Duke University Library, which strikes me as a model of its kind.²³) Other departments of the university have a perspective on privacy as well, though it is rarely (at least in my observation) as clearly understood and expressed. Articulating a thoughtful and comprehensive policy for privacy for the scholarly community is thus a desideratum, one that we would do well to work on now before the discussion is overtaken by events. There is little point in locking the barnyard door after the data are stolen.

For a university press, the first step is disclosure: what exactly are we doing? Here the statement by the Duke Library cited above is instructive. Duke notes that it sometimes uses third-party software and that it cannot vouch for the privacy policies of the vendors of that software; users are encouraged to review those vendors' own policy statements.

Beyond disclosure we have to come to terms with these three areas:

- *What information is collected.* A library may have a legitimate need to know who checked out a book. A university press may have a legitimate need to know who came to the website and from where, and also to know the history of that individual's browsing on the press's site and purchases. Other departments may have other legitimate needs, and they all have to be taken into account in crafting an overall policy.

²³ Duke Library privacy policy: <http://library.duke.edu/about/privacy>

- *How information is stored.* It's one thing for a university press to know who I am, where I live, and what I purchased, but quite another for that information to be accessed or stolen by third parties.
- *How information is used.* If a press knows that I am interested in the social impact of technology, should it be able to send me emails to prompt me to buy more books on that subject? Should the press be able to use my information in an aggregate recommendation engine? Can a press swap my data with another university press, the better to build the marketing databases of both concerns?

The time to get these protocols in place is before an untoward event happens, the better to prevent disasters and to manage them when they do occur. As the university press world looks more and more to reader engagement, which is D2C marketing by another name, the issue of privacy will sit front and center.

VII. The University Press as Web Publisher

Traffic is the currency of the Internet. The challenge for a university press is how to bring enough traffic to its site in order to make a D2C operation successful. Simply to put a catalogue on a web server and hope that people stumble upon the site is likely to lead to anemic flow of visitors. There has to be an active program to get people there and to direct their activity to desired outcomes.

To be a successful web seller, it's not enough to be *on* the web; you have to be *of* the web. This is not simply a matter of rhetoric. University presses were not created in the Internet Age. They don't naturally look out onto the web as their native medium. University presses—and virtually all other book publishers—historically have faced either sales channels or institutions and have taken their form from that mode of distribution. This is not to make the case that the web medium is somehow superior; it is simply to say that it is different and for presses that want to use the web effectively, it is necessary to work with the web's own properties.

A good website (more on what that means in a minute) is not all a press needs, of course. It's necessary to attend to the basics: the ability to post book metadata; ecommerce capability (usually summed up in the phrase “shopping cart”); the ability to fulfill sales, preferably for both print and electronic titles; a database for customer information; and, not inconsequentially,

personnel whose job it is to analyze and improve the overall process day after day. All these things are now widely available (except perhaps the personnel), whereas ten years ago it was hard to find a commercially available shopping cart or DAD (digital asset distributor such as BiblioVault or CoreSource). And it is only a few years since solutions for secure credit card transactions became widespread (captured in the phrase "PCI compliance" for payment card industry²⁴). As noted above, a press can now make ebooks available on mobile devices and even license ereading apps that bear the press's own brand. But if no one comes to the website in the first place, all this effort is wasted.

The problem for academic publishers in trying to build a strong D2C business is not the challenges of the shift from print to digital—that's an old issue and web marketing (and university presses) has moved on from that. As a practical matter, the print-to-digital shift is not a challenge but a gift: no more returns, no more working capital tied up in inventory, and the ability to address a global audience. The real problem is that academic publishing was created to look to the academy itself for its audience and to the library in particular. But the web faces the opposite way, not inward to the library but outward to the world of consumers and individual purchases. The apparent contradiction here between the library as the center of attention and the individual as the marketing target is captured beautifully and ironically when we see highly specialized books for which the readership may at best number in the hundreds—books that nevertheless get promoted on a Twitter feed, on an author's blog, or on Facebook. To sell more books D2C a publisher has to think harder about the potential connections between the publishing enterprise and the roiling communications of the open web and social media.

One can debate what a fully-optimized web presence for a university press would look like, but it is likely to include some or all of the following capabilities:

- *Someone in charge.* This, strange as it sounds, is the most important thing. Someone has to be tasked—and rewarded when successful—with developing and augmenting the web strategy. That strategy would include growth in unique users month by month AND a constant improvement in the conversion rate. The conversion rate is the percentage of people who come to a website and then go on to complete a transaction. It's easier to increase the number of web visitors than to improve conversions. Of

²⁴ For background on PCI compliance, see <https://www.pcisecuritystandards.org>

course, the person in charge also has to have some funds made available by the press to invest in programs, including R&D.

- *Outside advice on SEO and SEM.* SEO stands for search engine optimization; SEM is search engine marketing; the former is a subset of the latter. While it can be useful to buy ads on Google, it is more important to improve results from organic search.²⁵ So, for example, if someone googles “the economic history of the American Civil War,” there are no university press books among the first ten search results.²⁶ Is it not odd that a topic like that, which would appear to be tailor-made for university press publications, does not have a high ranking for press titles? Perhaps that is a bad example. The test for this is to choose another example; indeed, to choose dozens. As a rule, unless someone chooses an exact book title, it is truly rare for a university press book to get a high ranking on Google, and even if one does get a good ranking, invariably the link is to Amazon, not to the publisher’s site. The problem here is that if a prospective customer already knows the book title, the marketing task is mostly complete. A website has to reach farther; it has to be a source of discovery for people who may not yet know that they want a book.
- *Adapt examples from outside the book industry.* One of the characteristics of university press websites is how overloaded the home pages are. If you want to sell books directly from your website, start with a cleaner home page with the bookstore front and center. Some sites are doing this now, but this is not universally true. It is interesting to compare the home page of virtually any publisher with that of an airline. Airlines have a very strong need to sell tickets, and for the most part they are competing with other airlines that can sell almost the very same thing. So when you go to an airline site (e.g., <http://united.com>), the first thing you see is the tool for buying tickets. Airlines have tabs for any number of things on their sites (e.g., frequent flyer programs, airport security protocols), but they know full well that some things—commerce—are more important than others.

²⁵ While the illustration here is of Google, the same factors apply to other search engines, e.g., Microsoft's Bing. About two-thirds of all searches are performed on Google.

²⁶ This search was attempted most recently on August 2, 2014. Search results may vary over time.

- *Develop multiple paths to the bookstore.* Search engines atomize websites. While a publisher likes to think that everybody will come in through the front door to the home page, web search drills into a site—it comes in through the window. This means that the listing for every single book has to be optimized for discovery. Here presses are inconsistent. It's possible to find many presses that had clearly invested a great deal in their websites, but often the metadata for their books were literally briefer than that found on Amazon. Google's search engine will notice and bring users to a site with a more complete description of the book. It's also common to find the listing for each book surrounded by buttons for social media (Facebook, say, or Google+), but missing others such as Twitter and Pinterest. While social media services can be silly and distracting, they all have different properties, which can yield highly targeted communications to specialist readers. A good model can be found at *The New York Times*, which publishes three hundred URLs (that is, web pages) every day, and every single story is surrounded by buttons for all the major social media. The lesson here is clear: every page, every book listing, should be outward-looking, attempting to draw new users in. Indeed, it is much easier to imagine a user stumbling upon the listing for an individual book rather than discovering the home page of the press as a whole.
- *Develop a mobile strategy.* Most publishers sit at desks all day before a desktop or laptop computer. That is not representative of the Internet any more, as we know in our personal lives when we make frequent purchases of iPhones and tablets. Surely our readers are doing the same. A website has to be optimized for mobile devices. This is no easy trick and few presses have done this. Sample a dozen press websites on a smartphone or tablet and you are likely to see that, with few exceptions, it is difficult to get much information to display properly on the small screen. But then go to Amazon where you can easily download pages that fit your screen size. It is one thing to say that Amazon will underprice everyone, but arrogant to say that your readers should only access your online store while sitting at a desk. (The technical term for making web pages fit the screen of any device is *responsive design*²⁷.)
- *Content marketing.* Content marketing is a term of art; it refers to the creation of content as a means to acquire new users or customers. While there clearly is a cost to creating content of any kind, content marketing is an essential tool for any publisher in bringing

²⁷ See <http://designmodo.com/responsive-design-examples/>

people to a website. The most obvious example of content marketing is blogging, which, when done on a regular basis, attracts users—and search engines, which bring more users. An academic publisher could invest in content marketing in a particular subject area and use that to drive traffic. A Twitter feed that consists entirely of plugs for books will attract few followers, but one that tweets several times a day about news in a particular field could attract an audience. Every tenth tweet could then include a link to the web page to purchase a book.

- *Iteration.* One of the difficult aspects of print publishing is the need to get it right the first time. A mistake in a text can be costly to rectify. With digital media, however, things can be done once and then done over. While this can invite a less than earnest effort the first time around, it also allows a publisher to test things and to learn from these tests. A website that is being developed for D2C sales must be continually reviewed and altered. This is part of the reason that there has to be someone in charge. Too often a web page is simply left in its earliest form, without anyone monitoring the traffic and where it flows. To build and manage a superior website for D2C marketing, testing and iteration have to be built into the plan. A promotion, for example, that does not work when done one way may be shown to work when done another way. Good web marketers are experimenters above all.

This list by no means covers all the attributes a successful D2C site can and should have (I have not said a word about the editorial quality of the books), but a press that begins with these precepts in mind is on the way to becoming a direct marketer.

VIII. Contextual Marketing

To be a good marketer in the current environment is not easy, in part because the number of options is so vast that no one can take advantage of them all, and in part because some of the new venues are hard to understand and integrate into an overall marketing plan. Are the unauthorized books circling the globe in torrent streams piracy pure and simple or perhaps an emerging way to bring publications to the attention of new readers? Will the deposit of material in an institutional repository help or hurt the commercial potential of that material? And what do we make of all the new consumer social media services? Is Facebook meaningful for academic

publishers? (A random sampling failed to find any university presses that did *not* have a Facebook page.) And what is the best way to use Twitter?

These are difficult questions to answer definitively—and in the absence of definitive answers, most publishers work with social media to a greater or lesser extent, though the efforts rarely seem deliberate and systematic and may merely be dutiful. One reason for that may be that the words “online” and “cyberspace” no longer seem entirely obvious. We know what it means to go online—you are likely reading this document online—but is it still “online” to read a book on a Kindle reader? Is an iPhone app “online” or something else? And as for “cyberspace,” where exactly is that when you load an Android app or read a collection of PDFs on an iPad? It’s probably worth noting that the novel where the term “cyberspace” first appeared, William Gibson’s *Neuromancer*,²⁸ was published in 1984. To put that into perspective, the commercial World Wide Web was still a decade away, Google and Facebook did not yet exist, Stevan Harnad had not yet unleashed his “subversive proposal” (1994),²⁹ and the launch of the iPhone would have to wait 23 years. It does not seem a stretch to say that university press marketing, indeed all marketing, has to keep up with the times. To be more effective marketers, we need a new paradigm, a new metaphor.³⁰

Up until this point, from William Gibson to date, we have been using geographical metaphors (think about the implications of “cyberspace”) to define how we interact with digital media. For that matter, the original impulse for this study was to determine how presses could sell more books from their websites and all of the questions put to university press personnel had that paradigm in mind. The geographical metaphor dominates: we “go” to a website—and it is a “site,” a place located in metaphoric space. Whether we do this on foot (metaphorically and virtually) or by car or by spaceship is not the important aspect; what is important is that we travel, we are seekers. Relevant information is somewhere “out there” if only we can find it.

But social media changes that. The metaphor for social media is the stream: We stand in the middle of it and it flows by. In effect, we are stationary, but the world around us is moving. We are the constant point of reference. This is true whether you use Mendeley or Facebook or are simply sorting through the flood of email that comes from joining a virtual community. We all

²⁸ See <http://www.williamgibsonbooks.com/books/neuromancer.asp>

²⁹ Go to Wikipedia for the “subversive proposal”: http://en.wikipedia.org/wiki/Subversive_Proposal

³⁰ The discussion that follows is derived from personal communications I have had with Ron Martinez, founder and CEO of Aerbook: <http://aerbook.com>

complain about being inundated by the flood; we are standing in the middle of the river and the water rushes by. We have moved from cyberspace to the stream. The question for publishers is not only how to get people to come to your site (valuable though that still may be) but how to place commercial and monetizable messages into the stream so that the user, who is positioned as the point of reference for his or her personal flow, can be persuaded to make a purchase or to take some action that can lead to a purchase.

Some scholarly publishers have taken social media marketing as far as it can go without switching completely to the "stream" metaphor. In February 2014, I saw an excellent presentation by someone responsible for social media marketing at a large not-for-profit STM publisher. This organization had devoted money to social media, had hired an expert, and now had a network of venues, all of which were designed to lead participants back to the company's publications. The activity was accompanied by analytics (how many users are active on each venue, how often do they click on links, etc.). It was overall one of the most striking presentations on social media for STM publishers that I have yet seen.

Without faulting that program, however, there are two inherent limitations to it. The first is that it requires a user to leave the social media platform to return to old-fashioned cyberspace in order to interact with the publisher's primary content (or to make a purchase). In other words, the user is asked to switch metaphors, from the stream to cyberspace. This is probably the best that can be expected with most current platforms, but it is an inelegant and inefficient way to keep users fully engaged. If you have to leave the publisher's Pinterest display (of insects or descriptions of molecules or illustrations of concepts in physics) to get to the underlying research content, which is found in journals or books that appear on a website, how do you get the user back to your program on Pinterest?

Aerbook, which was mentioned previously, has come up with what they call "native commerce," the ability to display and monetize content from within a social media platform without leaving that platform. Aerbook is a virtual bookstore that sits within the stream.³¹ Click on a link and you can learn more about a book, read an excerpt, or make a purchase, without leaving Aerbook or the social media platform that is wrapped around it. If someone shares the link, the social media metadata goes with it, essentially making all your online friends and followers into

³¹ Aerbook is really a retailer of any kind of content, but Aerbook's first area of concentration was trade books. The company, however, has signed an agreement with the Longleaf services division of The University of North Carolina Press and will shortly serve as a platform for academic monographs.

the hosts of a book kiosk right in their own streams of content, visible in turn to their friends and followers.

Aerbook may be the first company to enable this kind of commerce for publishers, but it will not be the last. Other companies will develop this deeper level of integration of content, commerce, and social media, all of which point to the implications of the switch of metaphors. Now all that useless and noisy buzz of social media, which can sometimes seem like an adolescent time-waster, can be brought within the marketing purview of a publisher. Shrewd scholarly publishers will be moving into this area, the better to enhance discovery, usage, and purchase.

I said that there were two inherent limitations to the presentation I witnessed, and the second one is that a publisher has to get people to participate in its social media activity in the first place. Why would anyone "friend" you on Facebook if all you do is send out advertisements? Users and customers have to be brought along slowly, and that means creating an environment where the engagement is with the publisher's stream first and foremost; the embedded links come later and can only be used sparingly or they will alienate the user. This means that publishers operating in social media have to create a second category of content (this is what is meant by "content marketing" above)—news feeds in a particular topic area, for example—in order to attract friends and followers. There is a cost to this and it must be conducted with a high level of editorial intelligence. Indeed, the cost may be prohibitive for a press that publishes a list of discrete books, for which the marketing synergy is small. This is the argument for "verticalization," which is discussed in detail below. On the other hand, if the mechanisms for social media-based commerce become more familiar and easier to implement, then a business plan for social media marketing can be drawn up and implemented. Social media then goes from being a trendy expense with uncertain significance to a central and quantifiable part of every company's business activity. That is a big step.

This is what gets in the way of the adoption of new technology: Not a lack of curiosity or an unwillingness to make investments but the need for a clear business case. A presence on Instagram is just an expense, but when it is paired with a strategy for monetization, it becomes an investment with a forecast payoff. Marketing in the stream will become a bigger and bigger part of presses' D2C activity as the return on investment becomes quantifiable.

Contextual marketing also touches on another aspect of D2C marketing. As noted above, a common objection to D2C programs is the belief that most users will simply prefer to purchase books from Amazon rather than directly from a publisher. If publishers, whether university presses or publishers in any other segment, adopt a strategy to challenge Amazon head-to-head, failure is probable. We should never forget that Amazon is very, very good at what they do. But one way to think of this is that Amazon is the king of the geographical—cyberspace—metaphor: it is a site that you go to. With contextual marketing Amazon's obvious advantages are not quite as sharply defined as publishers may indeed develop and control contexts where they are the obvious supplier for a book—as, for example, when a book is recommended to you by a friend on Facebook, with a convenient link for ordering attached to the recommendation.

Of course, Amazon famously does not sit still (there was a time when trade publishers viewed GoodReads as a potential alternative to Amazon, but then Amazon bought the company) and may itself try to get into contextual marketing, whether through its own efforts or through the acquisition of Aerbook or an emergent rival to Aerbook. This points to the need for presses to develop multiple venues and, where possible, to have a proprietary interest in those venues. An example of this would be to gather all of the press's customer records and to store them in a searchable database. The press can then carefully send commercial messages to those customers.

VIII. Verticalization

Verticalization—focusing on a single subject area—represents a radical vision for university presses. It effectively transforms a press into a direct-marketing company.

Let's back up a minute and summarize where matters stand. Just about all university presses are trying to sell books directly from their websites, but overall the success rate is not outstanding. Most presses have direct-to-consumer (D2C) sales in the range of 1% of total volume, while a small number have gotten that number up to 3%. But how to get to 10%? It would seem to be an insurmountable problem.

The steps to get from 1% to 3% are what I would call blocking and tackling: simply doing what other presses are doing and doing well. This includes:

- Redeveloping the website to increase traffic and to steer users to purchases
- Selling ebooks as well as print
- Developing an aggressive social media strategy, which may even rise to the level of effective contextual marketing
- Developing and maintaining a customer database, which can be used for new marketing campaigns
- And testing, testing, testing to make sure that all of the marketing efforts are at their optimum

Many press directors will read this list, however, shake their heads, and say, But where in the world am I going to get the resources to do all of these things? A stepped-up effort in content marketing means having to pay for the creation of more content; an aggressive social media strategy will require a hire or two; the management of a customer database may require a greater degree of proficiency in information technology than a small operation can afford.

Another problem with improving D2C sales is that we are setting the bar very high. If the goal were to replace Amazon (which it is not), then D2C would be seen as a shift in sales channels. But the real aim of D2C marketing should be *additive* sales. So if we imagine a press with \$5 million in revenue (and perhaps \$5.5 million in expenses), whose current D2C sales are 1% of the total or \$50,000, to get to 10% of revenues means adding just under \$500,000, bringing the press to a total of roughly \$5.5 million.³²

It would in fact be fairly easy, and totally perverse, to get D2C sales up to 10%, even to 25% of total volume, by the twisted expedient of not attending to the rest of the business. For a press with poor business development in other channels (including Amazon), the tiny channel for D2C would suddenly loom very large. Indeed, there are scholarly publishers with virtually no institutional sales and only the smallest bit of business with Amazon, but they continue to sell books, including ebooks, directly from their websites. This should not be counted as a victory.

The radical prescription of verticalization, however, can get the D2C business up without ruining the rest of the business, but it comes at a price. Most university presses have programs that cover a great many areas, including areas that are notoriously difficult to monetize, and the

³² This hypothetical press would still be losing money even at that rate of sales because there are costs attached to the incremental revenue.

supervisory boards of most presses include faculty that will fight hard to keep their fields covered by the press. It may make good business sense to publish in, say, just classics or anthropology, but what will that do to the support a press has on campus?

The interesting business question is why it makes sense to publish in only one category. The answer is primarily in marketing, though there are editorial aspects to this as well. When you market D2C, you have to have a way to get individuals to pay attention to you. This is expensive. Coming up with ingenious ways to tap the shoulder of prospective individuals one at a time is difficult. If your prospects work in a dozen different subject areas, then you have to be twelve times as ingenious. It is a matter of scale: an intensive focus in a single subject area enables a press to focus more marketing resources on the same group of readers.

It is worth emphasizing that the “one-subject marketing paradigm” is a creature of the Internet. In the bricks-and-mortar world, a publisher could work more generally. In the trade, for example (and university presses have always had some representation in physical bookstores, many of which are affiliated even now with colleges or universities), a bookstore would have a sampling of books for every category that might appeal to someone who walked in off the street. The defining characteristic of the bookstore derived directly from geography: people went to the bookstore nearby and the bookstore stocked books that represented the local community’s interest. This was and is true of libraries as well, which purchase books for all the members of its community, who happen to live near campus. But on the Internet, geography goes away. A constituency is defined not by proximity but by area of interest. A researcher may have nothing in common with the person who lives next door, but someone living on the other side of the planet may share that researcher’s outlook, be interested in the same things, and read the same books. This is not an idle or abstract possibility. Two marine biologists living and working a continent away from each other have more in common with each other than with the historian or economist in the building across the quad.

In business jargon this is known as the distinction between *horizontal* and *vertical* enterprises. A horizontal business attempts to cover everything. You can get just about any book in existence at Amazon, which is not called "the everything store" for nothing.³³ Amazon is thus a horizontal retailer. An example of a vertical site for consumer books would be that of Tor,³⁴

³³ Brad Stone titled his excellent book on Amazon and Jeff Bezos *The Everything Store*: <http://brad-stone.com/book/>

³⁴ <http://tor.com>

which is focused entirely on science fiction and fantasy literature. For academic books, one could look at a site organized by MIT Press on space studies.³⁵ Consumer publishing, genre fiction especially, lends itself to verticals: romance, westerns, cookbooks, mysteries, and so on. The equivalent for scholarly books would be defined by subject area: anthropology, computational biology, genetic science, literary criticism, European history, etc.

So the ultimate D2C game is in verticals. Let's imagine a university press that publishes 100 books each year and has net sales of \$5 million. At the website of a press that more or less fits that description, we find that the press covers fifteen different subject areas. The business challenge here is to find the resources to work with so many categories. You can't afford the staff, and there is no critical mass in any one area to mount a strong marketing campaign. A marketing staff of five to six people spread over fifteen categories? It's simply not a winning proposition unless you rely on distributors to make a market for you. So YBP, for example, will take those 100 titles and put them through the approval plan process. This will help get the books into libraries. And selected retailers will put the titles into their catalogues (Amazon, Barnes & Noble, etc.), hoping that a customer will discover a book through an online search or word of mouth. The press's publicity staff will do all it can to get press coverage, but with 100 new titles to work with and a backlist of thousands, it begins to feel like rolling a boulder up a hill. It's no wonder that university press books don't sell more copies.

In a vertical environment, however, things change. Resources are reallocated. Instead of having to cover twelve disciplines, the marketing team has to cover one. This means (to take an obvious but significant example) that most academic conferences can be safely skipped, but all of the conferences, no matter where, no matter how small, in the subject area of the press's concentration will have a booth and personnel to staff it. It means that the press can recruit editors who are specialists—people with advanced degrees in the chosen field—who will be able to get inside the discipline and become players of importance there. In many respects, it would make a university press look something like a professional society, whose members are all organized around a specific area.

Perhaps the most important advantage that a vertical publishing program has is the ability to make an economically efficient investment in content marketing. Content marketing, as noted earlier, refers to the creation of new material (blogs, Twitter feeds, etc.) that is then used to

³⁵ <http://www.upinspace.org/>

develop an audience. This audience is then approached for conversion into customers. So a press might decide to focus on anthropology or a reasonable subset of the field of anthropology. This is an opportunity to set up a group blog or a news service that can be distributed as an RSS feed or on Twitter. Such content, properly curated and delivered in a timely and reliable manner, could become a staple of a particular discipline. It takes little imagination to think of ways to insert commercial messages into a newsfeed or to use the web traffic for a blog to steer users to particular publications. If you add contextual marketing to this mix, you can seek transactions even within the stream of targeted content.

The strategic question for publishers seeking to go D2C is their willingness to do what it takes to dominate a particular field. Much has to be given up; the life of the generalist is a good one. But the generalist is fighting the evolving structure of the Internet, which is a direct-marketing platform. Not every field can support such a heavy concentration, however; it's difficult to imagine a press that publishes 100 books each year in computational biology, for example. Perhaps one way for a press to move in the direction of greater D2C business is not to reduce its program to one field but, say, to three. Not that this would be easy to do; on the other hand, with university presses struggling with the current market environment, perhaps a press director will take a chance. Of course, these decisions do not take place in a vacuum. Universities are very broad in scope and may naturally expect the publisher that bears its name to reflect at least some degree of its range and diversity.

It's intriguing to ponder the fact that were someone to start a university press today, the new enterprise would begin, most likely, with a concentration in a single field. Wouldn't a new press set out to establish the closest relationships possible with its readers? Wouldn't it want to create a sense of community around its publications; what better way to do that than to organize authors and readers alike around common topics? Why should this obvious course of a start-up be blocked off for an established publisher?

X. Seeking a Comprehensive Solution

A university press that wants to ramp up its D2C capability may seek to find a comprehensive solution, perhaps a suite of services provided by a single, "perfect" vendor. This is not easy to do, the reason being there is no perfect vendor. There are good, even excellent, vendors, but no single one is perfect. For university presses, this presents problems with building an effective D2C program, as the vendor ecosystem has not yet fully matured.

One thing working in favor of the presses—and this is true for all book publishers—is that presses are comfortable working with third parties for services. Indeed, it's largely not appreciated outside the publishing industry that publishing is mostly a virtual affair. While publishers differ considerably on what they control directly and what they push out to vendors (and, for that matter, to distributors), the impulse to outsource is very strong. Thus few publishers nowadays own printing presses (newspapers are a key exception) and a great deal of content management and web hosting is handled by third parties, something that is almost entirely invisible to end-users. In the university press world, authorship is always outsourced, though this is not always true in other industry segments (e.g., legal reference publishers and the “managed texts” of the K-12 market). For the most part publishers sit in the middle of the value chain, investing in intellectual property (with editorial decisions driving the investment) on one side, and passing off the enhanced content to a network of downstream distribution partners, whose task it is to work directly with end-users.

It is this instinct to outsource that leads publishers on a quest to improve their networks both upstream and down. Hence the quest for the perfect solutions provider that will reduce costs, invest in new features and capabilities, be totally reliable, anticipate swings in the marketplace, and solve all of a publisher's problems—except the core one, of course, which is to determine what to publish. Stated this way, it becomes clear why there is no comprehensive solution currently available. D2C marketing requires a lot of capabilities and many presses want to obtain all of them on a single purchase order.

It's important to emphasize that although there is no all-in-one perfect solution for D2C marketing and sales, some of the current vendors are outstanding. The range of available services is truly impressive. A university press can now find multiple vendors that can handle warehousing and distribution for print books; digital asset distribution; white-label ebook reading apps; promotional services optimized for the social media stream; full ecommerce capability (often called simply “a shopping cart”); metadata management, including the distribution of ONIX feeds; search-engine optimization; file conversion; DRM if desired; and on and on.

So how is it that all of these very good and even excellent vendors are somehow less than perfect? The answer lies in the actual circumstances of most university presses, which typically

are small operations whose resources rarely rise to the level that can take full advantage of the breadth of technological and marketplace opportunities.

Consider, for example, a university press with sales in the range of \$5 million a year. This press wishes to sell books directly from its website. In order to do so, it must obtain in some way all of the features mentioned above and more. So a secure shopping cart is identified, which must be linked to the press's distribution system. Who will do that work for the press? How can the press host the content (metadata) to drive D2C sales? If the press is to negotiate with a DAD (digital asset distributor), who is sufficiently experienced to handle the contract negotiations? And how is the hosted digital content integrated into the consumer-facing website and the "back end" for distribution and billing? After a digital file is shipped, who handles customer service? How is a press to enable a reader to view a book on, say, a smartphone or iPad? Well, that is indeed a complicated question. Is the ebook copy-protected? If it is (most presses copy-protect their ebooks), then the press will have to obtain the rights to ereading apps that support copy-protection. That's another agreement to negotiate and another piece of technology to integrate into the overall system. If you want to put the covers of your books onto Pinterest and enable a reader to click on a title and then immediately be presented with an option to purchase, that's yet another bit of technology to understand and implement—and another contract to negotiate. Now imagine what it would take to work through all of these items for a press with sales of \$1 million.

What most presses need is the ability to have all these services provided for them in such a way as to make the prospect of initiating such a service quick and painless. And that's why there are no perfect vendors. Vendors provide technology, but presses are looking for solutions.

The problem is one of scale. University presses—indeed, all publishers—would be happy to provide all these services for themselves, cheerfully integrating new technology when it comes along, if only they could. That requires a staff to analyze opportunities and the ability either to perform systems integration or to know how to procure and manage it. The absence of such a staff naturally leads small presses to look for larger partners, some of which may be university presses themselves. From an organizational point of view, the diversity of the university press world (there are 134 members of the AAUP) is deceptive, as many of a press's functions are provided by other presses or organizations. The exception is always editorial. When you outsource that, what do you have left?

What would a perfect vendor look like? Putting aside the obvious point that such a vendor must deliver high-quality service at a reasonable price, such a vendor would respect a client press's editorial identity, but do just about everything else. An individual press would continue to develop and implement its own acquisitions strategy, using its own staff and faculty advisors, but once a manuscript comes in and is declared to be in final condition, the press would begin a series of hand-offs. The first one is for copy-editing. The press would provide a final manuscript in digital form to a fully integrated vendor, who would oversee copy-editing and return the manuscript to the press and author for final review. The vendor would then place the book into production, providing graphics where required and outputting the necessary file formats. Such files would be used for any and all commercial venues (for print, for ebooks to be sold from the press's own site, to send to Amazon and other vendors, etc.). The vendor would take on the bulk of sales and marketing responsibility, with the press maintaining control of local areas and some aspects of demand-creation (e.g., PR). The vendor would also handle returns for physical books and customer service for everything.

If the press seeks to sell these books from its own website, that site can and should be hosted by the vendor, though the branding would be that of the individual press. The vendor would provide metadata management tools, ecommerce capabilities, and everything else. The vendor would also provide services that are provided by yet another group of subcontractors: white-label ereading apps, for example, or a digital manuscript submission system.

If some of this sounds familiar, that may be because there are indeed vendors—good but not perfect vendors—that provide many of these services. On the other hand, someone may simply be familiar with journals publishing, where most of these services are in place. In the journals world a powerful trend (which appears to be accelerating) is for small publishers to forge relationships with larger publishers, who in turn provide just about every service for the small publishers—from manuscript submission systems to production to sales and marketing, etc.—everything, that is, except for the editorial function. OUP and Wiley are thus solutions providers for such clients as the Entomological Society of America and the American Geophysical Union, respectively.

We don't have the full equivalent in the book world of these services, at least not yet. The emergence of the perfect, the comprehensive vendor, could change the book publishing

landscape, much as it has in journals. In the journals world, the full-service larger publishers (Elsevier, Cambridge, Sage, etc.) have changed the nature of selling materials to academic libraries, focusing primarily on large collections and often working directly with library consortia. This has the practical if unintended effect of squeezing out the smaller publishers that have not forged partnerships with one of the bigger players, and those smaller publishers may thus feel compelled to make just such an arrangement, adding one more spin to the cycle. A perfect vendor in the book world may have a comparable impact on the overall marketplace, altering the landscape to the advantage of its clients and at the expense of others. Consider, if you will, what it would mean to have twenty or thirty academic book publishers all participate in the creation and exploitation of a common customer database. Drafting the privacy and use policy for such a program would be daunting, but the outcome of such an effort could be a vastly more potent marketing platform.

The perfect vendor could alter the landscape in another intriguing way as well by making it easy for institutions that do not currently have book programs to get into the business. If a university without a press were to decide now that it should get into the publishing game, where would it start? Would it build a warehouse? How many people would it hire? How would it handle file conversions and production? Where would it go for a fulfillment system? If there were a comprehensive vendor around, however, this is an easy conversation. Someone could credibly say to the provost: “Recruit a good experienced editor, and then let’s see what happens. If everything goes wrong, this is your maximum downside over 3 years.” That’s an easier proposition to sell than a full-blown program requiring the creation of essential infrastructure.

To put this concept another way, and to invoke some buzzwords from the business world, a comprehensive vendor would be a *disruptive business innovation*.³⁶ It’s disruptive because it would create a new class of customers, institutions that do not yet have a book publishing arm. That means more competition for good authors, more reasons to develop a differentiating strategy. And that’s the real reason to look for the comprehensive vendor to emerge. It is more than simply attempting to reduce costs through outsourcing; it also invites new participants into the marketplace. These new participants will try out new ideas, make some mistakes, but generally begin a long-term process of strengthening the D2C opportunities for the university press community overall.

³⁶ The reference is to the classic business text *The Innovator's Dilemma* by Clayton Christensen of the Harvard Business School: <http://www.claytonchristensen.com/books/the-innovators-dilemma/>

XI. Practical Steps Toward D2C Marketing

Not all presses, and perhaps none, are in a position to try out some of the larger-scale proposals embedded in this memorandum. There is at this time no perfect, comprehensive solutions provider, so that option is out. Nor is it easy to see a university countenancing a decision by a press director to focus all of the unit's energy into a single subject area, no matter how carefully selected or how central it is to the parent university's own priorities. A press director may be responsible for only a small program or work for a university administration that does not put a high priority on its own publishing functions. In such a situation—which, arguably is the most common among American university presses—a director will necessarily opt for a form of progressive prudence, steering the ship in the right direction, but doing so without being unduly provocative. This is a decidedly unromantic view of publishing, but consider the circumstances: How daring can a press director be when the starting point is, say, revenue of \$2 million dollars, a staff of a dozen people, and a subsidy of a few hundred thousand dollars? The case for taking a careful, gradual approach is very strong.

It should be noted parenthetically that the presses' relatively small scale puts them at a disadvantage in funding innovations in comparison to their much larger brethren in the university library. Libraries often get subsidized by their universities at a rate of around 100 times what the affiliated press may receive (e.g., a press with sales of \$3 million may receive a subsidy of \$300,000 while the library at the same institution may receive \$30 million or more). This is not an argument for having presses report into libraries,³⁷ but for acknowledging that we should look for presses to work on one or two things at a time rather than attempt to field a wide range of new projects. A press must husband its resources and invest in a highly targeted manner.

An ambitious and sweeping revamping of a press with the D2C opportunity in mind really means to begin to recast the organization to be more like a professional society, where all the members and readers participate in research and teaching in the same intellectual space. Such a focus provides scale, which can be used for targeted marketing and new content development; some professional societies even leverage this into a conference business, which could be highly profitable. But once again we return to the scale of a typical university operation: Imagine \$5

³⁷ The benefits of having presses report into libraries is largely illusory:
<http://scholarlykitchen.sspnet.org/2013/07/16/having-relations-with-the-library-a-guide-for-university-presses/>

million in revenue and a list of 100 new titles each year, spread over 10 subjects. That is far from a professional society; if it resembles anything, it looks like a corner grocery store or a tiny independent bookshop.

With this context in mind, a progressive but pragmatic university press director may quietly begin to shift the press's editorial focus. While still publishing 100 books a year spread over 10 categories, the spread is uneven. One category is selected for intense focus (the amount of thinking that must go into choosing that single category is enormous), and the others are slightly scaled back. So now we have nine categories with eight titles per year, and one category with twenty-eight. That's enough to begin a more targeted marketing effort. Over time eight titles could become seven and some categories could be dropped entirely. Our tiny, beleaguered press is beginning the shift to a direct-marketing company.

The recalibration of the editorial program is only the starting point. There is no substitute for a dramatic rethinking of the press's website, which puts the D2C store front and center, as described above. More generally, a press has to begin to think of itself as a web publisher, not just a book publisher. All presses have websites; what's at issue is the priority that is given to them and the need to hold someone accountable for the basic metrics: how many people come to the site each month, how many return, how long do they stick around, what do they do when they are there, etc. A press should look for these numbers to grow month by month. There is nothing radical about this; it is simply a matter of paying attention to how users engage with the press online.

At this point a press is going to begin to do some hard thinking about the solutions its network of vendors provide. There are two broad options on this front, presses that go it alone and those that become clients of larger organizations; there also are hybrid situations, which I will discuss shortly. I am going to name names here, but before I do so, I want to be very clear that not listing an organization is not in any way an aspersion. The marketplace is chock full of excellent vendors and service providers. Indeed, one of the unexpected outcomes of this survey was to discover the range of options already available and that many if not most presses already know about a great number of them.

In talking with presses about the vendors they work with, some names come up over and over. Do you need to manage your metadata carefully and generate ONIX feeds? NetRead and

Firebrand can help you with that.³⁸ Firebrand is a key player in the university press world; many presses use Firebrand systems for the information management of their publishing programs and even to host websites. If a press wants to sell ebooks directly from its own website, it will also need a digital asset distributor to host files in different formats. Common choices are BiblioVault, a unit of The University of Chicago Press, and CoreSource, one of Ingram's many services.

Presses may also need to do file conversions and choose to work with firms such as CodeMantra and Sheridan (there are many, many firms working in this area). Sheridan also builds websites for D2C marketing, an area in which it competes with such outfits as Impelsys. Impelsys also provides search-engine optimization, a field with countless practitioners.³⁹ If a press wants to make print editions available through print-on-demand, once again there are many options, with Ingram's Lightning Source being the leader in this category.

There also are services that are just now coming into view that presses may want to consider. As noted earlier, a press may desire branded ereading apps, which can be obtained from Seattle-based BlueFire. Using BlueFire technology, a press can have its ebooks made viewable on any kind of mobile device, which is a lot better than trying to read a cramped PDF. For presses that are mining the marketing opportunities of social media, as noted above, an arrangement with San Francisco's Aerbook would give them the ability to embed marketing messages, and even transaction capability, wherever users go, whether on Twitter, Facebook, Pinterest, etc.

There is, in other words, no shortage of vendors for presses that want to improve their D2C marketing. The problem is in knitting all these things together, a problem that looms larger the smaller the press. For this reason many presses seek to partner with larger entities, of which I will mention five: CDC, a unit (like BiblioVault) of The University of Chicago Press; the services arm of the Johns Hopkins University Press; Longleaf, a division of the University of North Carolina Press (I am an advisor to UNC Press); Perseus; and Ingram.⁴⁰

³⁸ No press mentioned Bowker as a supplier, though all the presses provide data to Bowker. This suggests that all of a press's metadata for D2C marketing are home-grown, as Bowker's databases could provide supplemental material such as reviews. Retailers such as Amazon and Barnes & Noble have significant licenses with Bowker.

³⁹ SEO can backfire if not implemented wisely. Presses should carefully check references before signing up an SEO firm.

⁴⁰ While this report was in progress, Ingram announced, and then aborted, an acquisition of Perseus's service group. At this time it is not known whether the acquisition will be completed or whether Perseus will seek another suitor.

Most of these organizations sell their services a la carte. For example, a press may work with BiblioVault but not with the fulfillment arm of CDC, or it may use Ingram's Lightning Source for POD, but have logistics handled by Maple-Vail. There is a clear trend for these organizations to provide comprehensive services, bringing them closer to full solutions providers, a step toward becoming the perfect vendor. To become comprehensive most of these organizations adopt a hybrid model, choosing to package or "front-end" other services provided by third parties. Thus CDC has an arrangement for metadata management with Firebrand, and Longleaf has just signed an agreement with Aerbook.

What this means as a practical matter is that the obstacles to effective D2C marketing are not technological or aspects of infrastructure; all these things can be purchased either one by one or as an almost comprehensive package from a bigger organization. The real issue is marketing. How do we call attention to our books? How can we make someone buy our books and not someone else's? And how do we get them to buy them from us and not from a third party? Which services do we need and how do we integrate them into our marketing program to get their full benefit?

So once again we find ourselves returning to the problem of critical mass and getting people to come to a press's own website. This is what underlies the recommendation to focus intensely on fewer and fewer subject areas, but it also naturally invites a press to think about forging partnerships with other presses. If one press has a catalogue of titles in computational biology, and another press is also developing a program in this area, what opportunity is there to market both programs together?

This kind of group effort was the motivation behind "UPs in Space,"⁴¹ an aggregation of books by various university presses on space studies. MIT Press took the lead in putting this together, and they are to be commended for it. But there is more that can be done here. For example, there is little in the way of content marketing on the site, which is necessary to drive web traffic; and the fulfillment of the titles is uneven (some books have only print editions, some have ePubs, etc.) because the links go back to the websites of the individual presses. Nor is there any attention to SEO (it's difficult to find the site by searching on Google even when you know it exists). The site, in other words, is a confederation, not an integrated service. Let's call this

⁴¹ The site can be found at <http://www.upinspace.org/>

version 1.0 and look forward to subsequent iterations that reach out into the marketplace and drive greater and greater sales.

What the MIT project shows is that as presses attempt to develop closer relationships with end-users through D2C marketing, new strategies and new collaborations come into view. The evolving university press world will have more and more D2C activity, a narrower focus for each press, and a variety of means to develop critical mass for marketing. And all of these steps are available to every press now, regardless of their size. D2C is on its way to becoming a growing marketing channel for academic publishing.

Appendix A: List of Participating University Presses

<i>Institution</i>
AFB Press, American Foundation for the Blind
American Bar Association Publishing
Ashgate Publishing
Baylor University Press
Baylor University Press
Cambridge University Press
Columbia University Press
Duke University Press
Duquesne University Press
Geological Society of America
Georgetown University Press
Harvard University Press
Harvard Business Review Press
Hunter College, CUNY
Indiana University Press
Island Press
Johns Hopkins University Press
McGill-Queen's University Press
MIT Press
National Academies Press
Northwestern University Press
NYU Press
OECD
Ohio University Press
Penn State Press
Princeton University Press
Rutgers University Press
School for Advanced Research
Society for Industrial and Applied Mathematics (SIAM)

Stanford University Press
Syracuse University Press
Texas A&M University
Texas A&M University
The Davies Group, Publishers
The Geological Society of London
Trinity University Press
University of Pennsylvania Press
UBC Press
University of North Carolina Press
University Press of new England
University of Alabama Press
University of California Press
University of Chicago Press
University of Georgia Press
University of Hawaii Press
University of Illinois Press
University of Massachusetts Press
University of Minnesota Press
University of Minnesota Press
University of Nebraska Press
University of New Mexico Press
University of North Texas Press
University of Notre Dame Press
University of Oklahoma Press
University of Ottawa Press
University of Rochester
University of Rochester Press
University of Sydney
University of Toronto Press
University of Virginia
University of Washington Press
University Press of Colorado

University Press of Kansas

University Press of Mississippi

Vanderbilt University Press

Vilnius Gediminas Technical University

Wayne State University Press

Wesleyan University Press

Wilfrid Laurier University Press

Yale University Press

Appendix B: Online Questionnaire

University Press D2C Project

* Required

Your name *

Use this form: last name, first name

Your title *

E.g., Director, Marketing Associate, Business Manager

Your institution *

Your email address *

This information is for this study only

Your phone number *

This information is for this study only

Total net book sales (\$) last year from all sources

Include print, ebooks, subsidiary rights, aggregations, etc. This information will be kept confidential.

Do you sell ebooks directly from your website? *

Sale through third parties (e.g., Amazon) are not included

- Yes
- No

Direct sales (\$) from your own website for ALL books *

Include both print and electronic

Total direct sales (\$) of books, print and electronic, from ALL OTHER direct

channels

E.g., direct mail, conference tabletop sales

Total number of NEW books published last year *

A book with a print and an electronic edition counts as one book

Total number of books, including backlist, available for sale *

A book with a print and an electronic edition counts as one book

Does your organization track the users who come to your website and analyze that data? *

- Yes, with considerable rigor
- Yes, routinely but not obsessively
- Occasionally
- Rarely or not at all

How many unique users come to your website in a typical month?

If a person comes twice, that counts as one unique user. Put "don't know" if you don't track this.

Does your organization have a plan in place to increase its website traffic?

- We are implementing such a plan now
- We are working on such a plan
- We are considering whether to create such a plan
- We have no such plans

Do you see a big opportunity in selling books, both print and electronic, directly from your website?

We define "big" as getting close to 10% of total book sales

- Yes, we see a big opportunity here
- We see a modest opportunity in D2C sales

- The opportunity is very small
- Our own online catalogue is principally to drive sales to other venues

What is the biggest obstacle in selling books directly from your website?

For what percentage of your books that are available for sale from your website do you have an ebook edition?

Do not include ebooks from third parties, e.g., Amazon

What percentage of your total net book sales (\$), both print and electronic, are sold through Amazon?

This information will be kept confidential

Appendix C: Project Announcement

[The following announcement appeared on the Scholarly Kitchen website on January 6, 2014, announcing the project.]

I am pleased to announce that I will be working on a research project concerning the marketing of university press books. This project is funded with the generous support of the Andrew W. Mellon Foundation. The Principal Investigator is Marlie Wasserman, Director of Rutgers University Press. We hope and expect the project will involve the participation of a large number of university presses. We also welcome the participation of other academic book publishers—or any book publisher, for that matter—though in the written report that will accompany this project, we plan to focus on the university press world.

I am going to provide some background for the study in a moment, but first [let me invite book publishers of all stripes to fill out the online questionnaire, which can be found here.](#)⁴²

(If more than one person in your organization fills out the survey, please provide contact information for the primary individual with whom we should follow up.)

The aim of the questionnaire is to gather some baseline information on direct-to-consumer (D2C) sales by book publishers. We would like to have as many publishers as possible fill it out. Hey, university press people, this means you! If anyone knows a book publisher who should participate in this survey, please share the link to this page with them. We would be pleased to hear from for-profit book publishers, too.

The reason to undertake this study is to try to help university presses, which face serious and growing challenges as they try to distribute their books efficiently. The bricks-and-mortar sales channel has seen the bankruptcy of Borders and the closing of many independent stores and is now under heavy financial pressure. Academic libraries have experienced budget cuts and are struggling to maintain the large collections that have been their historical mission. Online bookselling, especially through Amazon, has been a bright spot for presses for several years, but now that Amazon has become such a dominant player, it has begun to impose highly unattractive business terms on what, after all, are not-for-profit academic publishers.

⁴² In fact the online questionnaire appears here as Appendix B.

As a result of these changes in sales patterns, presses' paths to their ultimate readers are becoming congested and in some cases even being cut off. For example, even though millions of people prefer to read electronic material on Apple devices (iPhones and iPads), Apple's trading terms make it difficult to display some scholarly books in the Apple iBookstore. This interferes with the dissemination of scholarship and harms the presses' finances, which will in turn curtail further dissemination of scholarship.

We propose to pursue a pragmatic strategy to help university presses and other academic publishers find new or augmented ways to reach their readership. The attraction of the direct sale of print and electronic books from websites is that it sidesteps problems with traditional bookstores, library budget cuts, and the dominant role of Amazon. The project will survey how presses currently handle direct sales and how other publishers and direct marketers outside the publishing industry sell on a direct basis, and will explore the various software tools that are essential for an effective direct sales campaign. The results of this study will be prepared in an openly available document and shared with the university press community, with the aim of improving the direct sales of all. We would hope that this research will help presses to sell more books, to sell them to more people, and to learn more about their readership, as direct sales provide opportunities for feedback that is otherwise not available to most publishers.

During the course of preparing the original proposal for this study, we encountered a number of good questions and quite a bit of skepticism about the ability of a university press to sell books on a direct basis. For example, why would someone buy a book from a press's website when they can simply get the same book from Amazon, perhaps for a lower price? Another comment was that presses could not develop the necessary secure ecommerce functions that D2C sales require, nor could they realistically hope to make their ebooks available in convenient formats for reading on a variety of mobile devices.

These are all good points, but the fact is that the world has moved beyond them. Most presses are already selling books directly from their websites (in some instances, just print books), and they have been able to build or license the necessary software to do this. As for making ebooks available in mobile formats, there is an emergent industry of ereader solutions, some of which may be useful for the press community. That is precisely the kind of thing we hope to study. We welcome comments and information (including from prospective vendors of D2C solutions).

We have set up a special email address for all communications for this project: please write us at rutgersd2c@gmail.com And, please, fill out that questionnaire. Here is the link again:
<https://docs.google.com/forms/d/1U5qfLDHEhHhwwzFi4WhV8rgdT3tib5zJLNYT4SIBTp4/viewform>

Thank you.

Appendix D: Worksheet for Telephone Interviews

Date of interview _____

1. What are the reasons you want to improve your D2C business?
2. Who is in charge of your website? Who would be responsible for increasing website traffic?
3. Have you considered special offers from your website? If so, how did they work?
4. Do you look at other websites for ideas on how to improve your D2C sales? Which ones?
5. What do you with the data you collect on people who (a) come to your website and/or (b) purchase something from your website? Do you have a marketing database?
6. Do you have a privacy policy? Does your university? Are there any conflicts here?
7. Do you see any linkage between selling books from your website and other forms of direct marketing, e.g., direct mail?
8. Have you explored making ebooks available from your website that can be viewed on mobile phones and tablets? Any war stories or obstacles you care to share?
9. Are you concerned about retaliation from Amazon if you begin to market more books from your website?
10. Have you explored any group initiatives for selling books from your website? Would you welcome a consortial approach?
11. Are there particular vendors for any aspect of D2C marketing that you would care to mention?
12. What information would you like to see in the report I will be preparing?

Appendix E: Excerpts from the Original Proposal to the Mellon Foundation

[The grant proposal to the Mellon Foundation included information on the market environment for university press publishing. That information has been extracted and appears below in abridged form.]

The Environment for University Press Publishing

University presses are no strangers to financial pressures. While sometimes these pressures are described in apocalyptic terms, the reality of university press publishing is that it remains an important component of scholarly communications overall, especially in the humanities and social sciences, and that presses have managed to participate in a number of programs that have attempted to offset such adverse trends as the decline of sales to libraries; in this regard we would point to the ebook ventures initiated in the past two years by Project Muse, JSTOR, and OUP and the aggressive marketing of academic titles to libraries by the newly energized commercial service Ebrary. Even as a comprehensive solution to what is known as the “monograph problem” continues to elude us, less comprehensive, more tightly focused programs may help to further the presses’ missions.

With this backdrop in mind, we note that the press sector is now wrestling with a growing distribution problem, which is likely to have a negative impact on the presses’ publishing programs if it is not rebalanced. The number of avenues available to the presses to reach their ultimate readers has been decreasing and the control of the remaining avenues has passed to commercial entities, in particular to Amazon, which has a greater percentage of sales for university presses than any other distributor. These commercial entities rarely share the mission of a university press; thus the presses are in need of new ways to reach readers.

It is worth reviewing the distribution situation for university presses today. It is well documented that the sale of university press books to academic libraries has been dropping for many years. In a report prepared by Esposito and funded by Mellon, which can be found online at <http://scholarlykitchen.sspnet.org/2012/10/16/pda-and-the-university-press-final-study-now-available>, it was determined that at this time the average university press derives about 25% (and perhaps less) of its total revenue from libraries, a figure about equal to what is earned from course adoption sales. Importantly, most university presses have sales through Amazon that

are greater than this—that is, Amazon typically represents anywhere from 25% to 50% of total sales for some presses. Most university press books are sold to individuals (scholars, students, and interested laypeople), not to libraries, and Amazon is the principal means to get to these individuals.

The means for university presses to reach individuals are superficially the same as those used for trade publishers: a network of retailers. University presses, however, rely more heavily on specialized and online retailers than do their brethren in the trade. Some retailers operate physical stores (college bookstores, museum stores, Barnes & Noble, etc.); some work with virtual venues (Amazon, Powell's, barnesandnoble.com, etc.). Over the past decade, with much hand-wringing, this network of retailers has been seriously disrupted, with news of bookstore closings coming almost weekly, and these closings come on top of the loss of approximately 600 physical outlets and a major web store through the bankruptcy of Borders. The principal beneficiary of this has been Amazon, which sells a great number of print books and is the market leader for electronic books.

It is noteworthy that Amazon's market share is widely discussed in publishing circles, but the exact figures are unknown. Amazon is said to have about 60% of the total ebook market, though that figure almost certainly differs among trade and academic publishers. For print sales, Amazon has perhaps 20–30% of the overall market, but its share for some university presses, as noted above, could be as high as 40–50%. One goal of the proposed research is to attempt to update these figures, with particular reference to the university press world.

It is regrettable that Amazon has not proved to be a more cooperative partner with its academic publishers as there is no real limitation on the number of titles an online bookseller can include in its catalogue. Thus, these retailers, including Amazon, are the perfect outlet for university press books, which are by industry standards “the long tail,” that is, they consist of a great many titles, each of which sells only a handful of copies.

There are many new venues for books (especially for digital versions), of course, but at this time they have not proven to be very effective for titles of interest to the scholarly community. Perhaps the new venue with the highest profile is Apple's iBookstore, which enables a user of Apple devices to purchase ebooks (not print). The iBookstore is elegantly designed and the software to display the text (known as an ereading app) is superb—precisely what one has

come to expect of an Apple product. Unfortunately there are almost no academic titles in the iBookstore (Rutgers, for example, does not count Apple as one of its customers⁴³) because of Apple's business terms, which force publishers into what has come to be called "the agency model," which requires that the publisher set customer prices as well as list prices and to do this in multiple currencies and across all distribution channels.⁴⁴ For many presses, it is hard to accommodate this requirement. Apple also insists that no other retailer can sell books below Apple's own price and enforces this by sending out Internet robots to scour the websites of competitors. If a lower price is found, Apple automatically lowers the price of its own books and thus reduces the amount paid to the publisher. The problem here is one of attention and priority. Apple is a consumer products company, perhaps the world's greatest consumer products company, but it has little time or curiosity for working with academic partners.

It would be a remarkable shift in outlook and strategy were Apple to change on this point, as such changes would ripple through much of Apple's ecommerce efforts. For example, Apple would have to cease forcing books into Apple's narrow pricing bands, which removes flexibility as to how a book is priced (and thus fails to recognize that the cost of creating some books is greater than for others), and Apple would have to stop adjusting pricing downward (thereby reducing the publisher's share) when lower prices are found elsewhere on the Internet, which effectively hampers a publisher from selling books through other distributors as the price can keep ratcheting down. Were Apple to accommodate scholarly books in this way, it would open up challenges from other media vendors, including trade book publishers and potentially the producers of music and video, many of whom also chafe under Apple's restrictions. It is unlikely that Apple would review its entire media pricing strategy in the interests of the commercially tiny category of scholarly books.

Another venue is Google Books, which can be purchased through the Google Play service; Google Play is available on any device that supports a web browser. The word "Play" is an indicator of where Google's interests lie. Google Books has many virtues, not the least being the range of hard-to-find titles, many of which are in the public domain; it also allows publishers to use some of Google's tools (e.g., a means to search the full text of a book). But sales through Google for university press titles have been negligible, in large part because of a lack of interest on Google's part to market the service more aggressively. . . . Here again it is a matter of

⁴³ Since this proposal was written, Rutgers has been able to come to terms with Apple.

⁴⁴ After the initial proposal to Mellon was submitted, Apple was challenged in the courts on its agency model and lost [footnote in original].

attention and priority. Google seems more interested in data-mining the texts of the books it hosts than in selling them, perhaps as a means to improve its core search capability or perhaps for reasons that have yet to be revealed.

Other new online bookstores appear almost every month, but none have gained much market share and very few have even a passing interest in academic titles. (Here again we must point out that most new venues are for ebooks only, neglecting the print market for scholarly books.) Esposito is currently advising a London-based start-up that has developed a sophisticated mobile platform for ebooks, which is fully integrated into social media; but when he proposed to the CEO that she attempt to include academic books as well as trade, she looked at him blankly. We are not surprised by this: retailers prosper when they can sell a great many copies, which naturally leads them to concentrate on trade books. If the scholarly community wants robust retail venues, it will have to create its own. . . .

Amazon's service itself is a mix of astonishingly useful and irrelevant tools for academic publishers and their readers. For example, the "Citations" tool presents inbound and outbound citations to a title, a handy means to explore the intellectual environment of a particular work. But this tool is not comprehensive; it is not available for all titles and it does not include all citations. Amazon's department-store approach—you can buy a refrigerator as well as a book on Erasmus—seems of little value to scholars, who, like everybody else, shop for appliances, apparel, and recorded music, but whose professional interests are specialized and unrelated to whether they purchased the Cuisinart or the Hamilton Beach food processor. The department-store approach introduces clutter, compromises the dignity of scholarly work, and obscures the branding of an academic publisher. It is exasperating to think of how much better Amazon could be for the scholarly community if anyone at Amazon were even slightly curious about it

Amazon appears determined to be the price leader, which accounts for why Amazon will sometimes charge less for a book than it has paid for it. Presumably some of Amazon's Kindle pricing is set against the used paperback market for course adoption books. Thus Amazon's market share continues to grow at the expense of other outlets, putting the fate of Rutgers and all other scholarly publishers increasingly in Amazon's hands.

This raises an obvious question: Aren't lower prices good for consumers? The answer to that is definitely yes in the short term. The long term is harder to assess. What will Amazon do with all

the market power it is amassing? Will it, like Standard Oil, use a near-monopoly as a means eventually to raise prices? Or perhaps it will pursue a strategy of "upstream migration," businessspeak for adding services that are usually associated with the vendors—that is, publishers—that supply it. This is what Amazon is doing in the trade publishing world, where it has started its own publishing imprints and has rapidly become a market leader in self-publishing services. It is difficult to imagine Amazon wanting to take on the kind of publishing we carry out at Rutgers or any other university press. It is more likely that the kind of publishing university presses do will be neglected.

When electronic books are taken into the picture, the role of Amazon looms even larger. Five years ago, Rutgers' ebook sales were about 1% of total volume. In 2012 that percentage had risen to just under 10%. The trend is clear: a greater and greater proportion of Rutgers' sales will be electronic in the future. Indeed, the trade segment is already reporting that 20% of total volume is now electronic, with many industry observers expecting that figure to rise to 50% in the next few years. We believe that scholarly books will trail trade titles at least for several years, inasmuch as scholars use books differently from people who read for entertainment (scholars collect books, they mark them up, and they expect to see elaborate visual material including graphs and charts that ebooks have a hard time displaying). But even if the proportion of ebook sales merely doubles for Rutgers in the next three years, a figure that is probably conservative, the shift from print to electronic will affect all aspects of Rutgers' activities, from editorial acquisitions to production to sales and marketing; and it will affect all other university presses as well.

With all of the advantages of electronic books over print, the growth of digital at the expense of print may seem like a good thing, and indeed it is, but below the surface are the implications of playing even further into Amazon's hands. Currently Amazon's market share for ebooks is about 2–3 times greater than that for print books (the figures vary by publisher and the kind of books in question). As Rutgers and the other university presses become more digital in their product mix, Amazon's share of Rutgers' revenue will continue to increase, pressuring the Press's finances even further.

Actions Presses Are Taking

To solve the growing distribution problem, presses naturally look elsewhere, but the opportunities are not very great. The bricks-and-mortar retail world is all but closed to scholarly books, which simply do not sell enough copies to make claims on shelf space. Twenty years ago there were perhaps 750 physical bookstores, not including college bookstores, in the United States that stocked some professional books (McGraw-Hill Bookstore in New York, Kroch's & Brentano's in Chicago, Stacey's in San Francisco), a figure that has now dropped to about 50, and those remaining are mostly museum stores that stock only a limited range of topics.

It is thus interesting to note that virtually all presses in the United States invite sales directly from their own websites, a form of marketing known as “direct-to-consumer” and usually abbreviated as D2C. These direct sales remind us that sometimes everything old is new again, as university presses have long sold books on a direct basis to individuals, but the mechanism is typically a catalogue mailed to faculty and graduate students. Bookselling from a press’s website is a continuation of that tradition, with social media becoming an extension of historical marketing practices. An improvement in such sales provides a partial but helpful offset to the growing muscle of Amazon. D2C, in other words, is another sales channel for university presses, and it can and should be optimized like any other, whether sales to libraries, to bookstores, or to Amazon itself. (Currently, approximately 5% of Rutgers’ books are sold on a direct basis, mostly through print catalogues and inbound telephone sales. Web sales are a fraction of this amount.)

The significance of building a D2C channel for a university press is economic, but it also reaches to matters of discovery and editorial planning. On the economic side a press could see a great increase in margin. For example, a book with a list price of \$30 is likely to be sold to Amazon for \$15, but with D2C marketing, a press could collect the entire amount—that is, \$30. Even allowing for other costs in D2C marketing that whittle away at the \$30 receipt, a press could earn \$5 or even \$10 more for every book it sells from its own website.

This point raises the obvious question of why a consumer would purchase a book from a publisher's website if the same book were available from Amazon at a discounted price. The short answer to this question is not to speculate about why but simply to point to the fact that consumers do indeed purchase books directly from publishers now even when Amazon or other

outlets undercut the publisher on price. It's clear that consumers have multiple motivations, and a D2C marketing program can speak to them. For example, some customers simply like to support not-for-profit organizations; others are strapped for time and come upon the publisher's site first; still others find the highly commercial design of the Amazon website to be off-putting. Whatever the reason, the facts speak for themselves: there are active customers for direct sales.

We should take a moment to discuss where publishers' D2C sales now come from and where they potentially could be headed. As noted above, publishers are already selling books, both print and digital (though the digital offerings are often more limited), from their websites. Let's imagine a press with sales directly from its website of \$100,000 in a year. If that publisher were to stop selling books on a direct basis, would all of those sales simply migrate to other venues or would some portion of those sales simply disappear? We don't know and it would be hard to design an experiment to come up with a definitive answer (though we will be asking publishers this question when we begin our research). Our hypothesis is that some of those sales would be lost. Indirect evidence of this comes from information Esposito learned from the managers of the French university press site, <http://lcdi.fr>. The French site was surprised to find a large market for French-language books outside France, sales that the French presses determined were additive.

Our hypothesis is that increased direct selling would take some sales away from other channels and that it would also add to sales overall. The sales taken from other channels would likely yield greater profit for the publisher, and are therefore desirable on that account alone. But the sales that are entirely new—that is, sales that would not have taken place had the publisher not established a robust D2C capability—are the most intriguing, as it potentially points to a broader market for university press titles, one which all presses would be very eager to serve.

Publishers are already exploring various tactics to improve their D2C sales, and it is one of the goals of our proposed research to understand what works and what does not. For example, one tactic would be for university presses to try to discount books on their websites, but Amazon may then discount its own offerings even further. Similarly, a university press might try to sell packages, such as our entire sociology list for \$500, but once again Amazon might retaliate with a creative counter offer or other unexpected response. We realize that D2C could enhance sales at Amazon as people shop for price but discover books on publishers' sites. In that sense,

D2C would be more of a marketing tool than a sales tool, but would still have accomplished the goal of improving sales, albeit at a relatively unfavorable discount.

Regarding discovery a press may find that its own website presents the best description of its books to be found anywhere. This is for the obvious reason that the presses care more about their own books than any retailer does, especially retailers whose primary business is to sell trade books. Internet search engines will find these descriptions, thereby enabling individuals to make informed decisions about what books to purchase. Thus the augmented presentation of books on a press's own website that is a characteristic of D2C marketing programs could enhance sales of a press's books even at other online venues.

As an aside, we should mention that attempting to build web traffic requires that publishers become more knowledgeable about search-engine optimization (SEO) and search-engine marketing (SEM). SEO is a subset of SEM. SEO is a method to increase the ranking of a particular website in the results of such services as Google and Bing. It involves understanding, or claiming to understand, the search algorithms so that the website can be tailored in such a way as to get preferential treatment. SEO can be overplayed: search engines may feel that the website is attempting to manipulate the results and may punish the site by downgrading it in the search results. SEM, on the other hand, is broader-based and is concerned with such things as how the text of a site is written (e.g., accurate descriptions are highly desirable) and the kind of tags or identifiers affixed to the site. One aim of the proposed study is to explore how presses are currently working with SEO/SEM and to see if we can generalize about best practices.

The long-term benefits of capturing user data from direct sales are still largely unknown, but it could alter a press's overall strategy and editorial program. For example, as noted above, we have learned that a French university press site (<http://lcdpu.fr>), which sells only print editions, receives over half of its sales from outside France. This is a figure large enough to invite the French university press world to rethink its marketing plans. On the other hand, if these figures were to hold for university press sales through Amazon, the presses would have no way of knowing it, as Amazon will not share its user data. D2C marketing for a university press is thus not only a marketing channel but also a way of researching a press's own operations.

A D2C marketing program for a university press is thus not only a tactical offset to challenging market conditions but also an important strategic tool to help ensure the ongoing viability of the

university press sector and the research disciplines it serves as well as means to improve the presses' performance overall.

Print vs. electronic books

While the proposed study aims to focus on both print and electronic books, the issues surrounding the two formats differ and are likely to have a material impact on how individual presses adopt D2C marketing plans.

When a consumer goes to a website to buy a book, the mechanisms for print and electronic books are superficially the same. The user finds the sought-for title and then clicks on the link for the desired format. Credit-card processing is the same for print and electronic texts. The key difference that the customer will experience is that the print book requires a shipping address and may involve a shipping fee. For the most part, however, the shopping experience for print and electronic titles is pretty much identical.

Behind the scenes, on the other hand, things are very different. For print books there is the matter of inventory. Some online retailers, including publishers that sell books on a direct basis, have their own warehouses and ship books directly from there. Some retailers have print books shipped directly to end-users by the leading wholesalers (Ingram and Baker & Taylor). Some publishers have made arrangements with third parties for physical distribution. In the university press world, the The University of Chicago Press and The Johns Hopkins University Press run distribution services that cater to academic publishers. For any university press that wishes to sell print books on a direct basis, the infrastructure is readily available.

With ebooks distribution is more complicated. First there is the matter of file formats. Which technical standards should a publisher support? The answer to this is not self-evident—though we will be asking publishers about this in our survey. Second is the question of the established reading devices and "apps" in the consumer market from such vendors as Amazon, Barnes & Noble, and Kobo. Can a publisher's books be made available on all these platforms and, if so, what are the business terms? Then there is a matter of providing the technical infrastructure to enable the downloading of ebooks and the customer support that goes with it. The production and publishing process for digital books is much more complicated than for digital journals, where the simple application of PDF files enables any publisher to sell on a direct basis if it

chooses to.

One goal of the proposed study is to identify how the various presses are dealing with both print and electronic formats in their attempts to sell books on a direct basis.

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Appendix F: Links to Scholarly Kitchen Posts That Form Part of the Background of This Report

Early drafts of this report were published in stages on the *Scholarly Kitchen* blog (<http://scholarlykitchen.sspnet.org>). These drafts, along with responses to selected comments on these drafts, were then edited and incorporated into the final report. The names and dates of the relevant blog posts appear below.

1. "Announcing a University Press Research Project," January 6, 2014:
<http://scholarlykitchen.sspnet.org/2014/01/06/announcing-a-university-press-research-project/>
2. "Marketing in the Stream," February 18, 2014:
<http://scholarlykitchen.sspnet.org/2014/02/18/marketing-in-the-stream/>
3. "Privacy and the University Press," March 11, 2014:
<http://scholarlykitchen.sspnet.org/2014/03/11/privacy-and-the-university-press/>
4. "A Survey of University Presses," March 24, 2014:
<http://scholarlykitchen.sspnet.org/2014/03/24/a-survey-of-university-presses/>
5. "Why Do Publishers Want to Sell Direct?" April 8, 2014:
<http://scholarlykitchen.sspnet.org/2014/04/08/why-do-publishers-want-to-sell-direct/>
6. "Build a Better Mousetrap," May 13, 2014:
<http://scholarlykitchen.sspnet.org/2014/05/13/build-a-better-mousetrap/>
7. "The Business Model is a Community Affair," July 1, 2014:
<http://scholarlykitchen.sspnet.org/2014/07/01/the-business-model-is-a-community-affair/>
8. "How to Shoot the Moon with D2C Sales," July 17, 2014:
<http://scholarlykitchen.sspnet.org/2014/07/17/how-to-shoot-the-moon-with-d2c-sales/>
9. "The Quest for the Perfect Vendor," July 23, 2014:

<http://scholarlykitchen.sspnet.org/2014/07/23/the-quest-for-the-perfect-vendor/>

10. "Some Practical Steps toward D2C Marketing," July 29, 2014:

<http://scholarlykitchen.sspnet.org/2014/07/29/some-practical-steps-toward-d2c-marketing/>