

model," he said. "We thought new things and opportunities would come from it. That's true, but what happened next was very different." Lanier believes that while destroying traditional business models, digital technology is also destroying the middle class. "What is happening to publishing is a precedent for what will happen to the rest of the economy."

While McQuivey outlines a future of relentless innovation, powered by both technology and the input from vast numbers of producers and consumers

themselves, Lanier sees a wasteland of unemployment, with jobs across all categories wiped out by the inevitable processes of hyper-efficiency. "There will be more disruption of employment," he said. "This pattern will be repeated. Everything can be made hyper-efficient." He called Big Data, the ability to use cheap and powerful networked computing to process huge data sets and make predictions, a "short-term, winner-take-all" strategy that will ultimately fail.

Talk about mixed messages. While

McQuivey's vision of a world of perpetual disintermediation, each new upheaval creating new opportunities, new jobs, and new business models, seems closest to the world evolving right before our eyes, it's hard to completely dismiss Lanier's dystopian projections. But can publishing or any other business in today's world, really take seriously the notion that the internet can be "reinvented," retrofitted so that it's a kind of copyright-secure version of the current Web? It's all just a little hard to believe.

—Calvin Reid

Retail

Beyond the Bank: Bookstores and Alternative Funding

Ever since Janet Geddis launched one of the first bookstore crowdfunding campaigns in March 2010 to raise money to open Avid Bookshop in Athens, Ga., Indiegogo and, to a lesser extent, Kickstarter, have become the go-to places for cash-strapped book-

sellers trying to open a bookstore, add a second location, or move an existing one. And as was the case for Geddis, who raised a little over 15% of her \$13,000 goal, many stores have fallen short. But crowdfunding isn't just about the money.

"It showed the bank that we were de-

termined and had 50 people willing to put down money," said Geddis. Similarly, Leslie Hawkins, who opened Spellbound Children's Books in Asheville, N.C., a decade ago and wanted to raise \$18,500 last spring to move for the fourth time, was pleased with the \$5,400 she received. "It was a great way to reach out to our customer base," she said.

Even campaigns that have had a particularly slow start, like one for Harris Used Books, which hasn't received a sin-

THE WEEKLY SCORECARD Tracking Unit Print Sales (in thousands)

Unit Sales of Print Books by Channel

| | MAR. 17, 2013 | MAR. 16, 2014 | % CHGE WEEK | % CHGE YTD |
|--------------------------|---------------|---------------|-------------|------------|
| Total | 10,910 | 10,956 | 0.4% | -3% |
| Mass Merch./Other | 2,285 | 2,189 | -4 | -9 |
| Retail & Club | 8,625 | 8,767 | 2 | -1 |

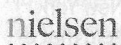
Unit sales of print books crept up 0.4% in week 11 of 2014, compared to the week ended March 17, 2013, at outlets that report to Nielsen BookScan. Sales in the mass market channel continued to drop, though at a slower rate than in past weeks, and the retail & club channel saw a 2% increase. Juvenile fiction continues to pick up steam, and its 11% increase in unit sales over the corresponding week last year can be attributed to the enduring popularity of Veronica Roth's *Divergent* trilogy (unit print sales of the trilogy is up 22% over last week) and the debut of Rush Limbaugh's second book for kids, *Rush Revere and the First Patriots*. Adult fiction, however, continued to slide, despite a strong first week for Danielle Steel's latest, *Power Play*, which sold about 27,000 copies. Adult nonfiction dropped off slightly, with the top-selling nonfiction title, *The Blood Sugar Solution 10-Day Detox Diet*, off 41% on the week, down to 13,884 units.

Unit Sales of Print Books by Category

| | MAR. 17, 2013 | MAR. 16, 2014 | % CHGE WEEK | % CHGE YTD |
|----------------------------|---------------|---------------|-------------|------------|
| Adult Nonfiction | 4,154 | 4,095 | -1% | -2% |
| Adult Fiction | 2,615 | 2,374 | -9 | -14 |
| Juvenile Nonfiction | 818 | 824 | 1 | 5 |
| Juvenile Fiction | 2,902 | 3,222 | 11 | 5 |

Unit Sales of Print Books by Format

| | MAR. 17, 2013 | MAR. 16, 2014 | % CHGE WEEK | % CHGE YTD |
|------------------------------|---------------|---------------|-------------|------------|
| Hardcover | 2,782 | 2,897 | 4% | -1% |
| Trade Paperback | 5,865 | 5,912 | 1 | -2 |
| Mass Market Paperback | 1,476 | 1,319 | -11 | -12 |
| Board Books | 521 | 540 | 4 | 3 |
| Audio | 92 | 106 | 15 | 4 |



SOURCE: NIELSEN BOOKSCAN AND PUBLISHERS WEEKLY. NIELSEN BOOKSCAN'S U.S. CONSUMER MARKET PANEL COVERS APPROXIMATELY 80% OF THE PRINT BOOK MARKET AND CONTINUES TO GROW.



Part of Changing Hands' successful campaign.

gle pledge in its first two-and-a-half weeks, can have value. If Victor Harris doesn't receive the money he needs to open a bricks-and-mortar bookstore just outside of Durham, N.C., he says that he'll push back his plans for a year or two. In the meantime, he is continuing to operate the bookstore as an Amazon storefront. "[Crowdfunding] is still a new phenomena. The rules are not set yet. For me," said Harris, "the worst case scenario is I get more people to notice my campaign."

Successful campaigns like one that Changing Hands in Tempe, Ariz., ran over the holidays to raise money for a second store in Phoenix to open in mid-May, are also about community. Its tongue-in-cheek campaign, "Frank 'N Moby Build a Bookstore," featuring two literary characters not often conjoined (Frankenstein and Moby-Dick), helped it earn a whopping \$91,000, more than \$10,000 over its stated goal. The money won't come close to covering the \$800,000 in initial costs, including start-up capital, books, fixtures, and bar equipment. While the bulk of the funding will come from loans, an investment from the bookstore, and from the store's

partners, the Indiegogo campaign, said co-owner Gayle Shanks, "was designed... to allow our customers to help us build the store, which they truly wanted to do. We have over 1,100 people with a personal investment in our new space." Plus the store doesn't have to pay back donors.

Crowdfunding campaigns can take months to plan, and even so, Spellbound's Hawkins said, she wished she could have done a practice one first to refine the perks. "It was so much work," added Changing Hands marketing director Brandon Stout. "Sometimes we asked ourselves if we couldn't have done a bake sale." In part, that was because the store chose to go all in with fixed funding. If it didn't hit its goal, it wouldn't receive a cent. "Once you've launched, you're only just getting started," added Stout, who described keeping the campaign on track as "a constant flog." When it was running behind about half way through, he and other staffers sent out emails, tweets, and even stuffed shopping bags in the last two weeks to let people know that the store needed their help.

Indiegogo vs. Kickstarter

Michelle Baron, owner of the 28-year-old Book House in Maplewood, Mo., has had plenty of practice. She ran two consecutive Indiegogo campaigns followed by one on Kickstarter after she lost the lease for her pre-Civil War location to a developer, who tore it down. A customer was behind the store's initial Indiegogo campaign to save the building, which raised just over \$5,650 towards a goal of \$50,000. Baron

managed to turn the idea around so that customers understood that it wasn't just the building that was in trouble—so was her bookstore and her livelihood. The second Indiegogo campaign, which began three weeks after the first one, netted \$2,530 towards a goal of \$25,000.

For Baron there is no contest between Indiegogo and Kickstarter. "We reached a lot of new people with Kickstarter," she said. Although some indie booksellers object to Kickstarter because it uses Amazon for payments, Baron chose it over Indiegogo because of Kickstarter's much bigger following. The campaign, which ran from November 8 to December 8, was picked up on Reddit and earned more than Baron had from the two Indiegogo campaigns combined: \$12,280.

Baron also tried to get more creative with perks. One for \$500, which enables a person or group to sponsor a bookshelf, has been so popular that she continued selling it after the campaign ended. To date, 10 people and groups have sponsored a shelf, including the St. Louis Romance Writer's Group and local publisher Reedy Press. As with Indiegogo, Baron, said, "It's not just about getting money. You're giving something back to the community." She's already planning another Kickstarter campaign for the fall.

Graphic designer Safwat Saleem, a 2013 TED Fellow who cowrote the video for Changing Hands with his wife and designed many of the perks, including t-shirts and a calendar, prefers Kickstarter. "It's not even close the amount of people who see your project," he said.

News Briefs

Bloomsbury Consolidates Children's Imprints; Easton Leaving

Bloomsbury is folding its Walker Books for Young Readers imprint into the larger Bloomsbury Children's Books. As a



result of the consolidation, Walker publisher

Emily Easton will be leaving the company. The decision to fold Walker into Bloomsbury Children's Books comes less than a

year after Bloomsbury refocused Walker as a "boutique imprint" with most of its list of 18 books coming from Easton.

Hastings Finds Merger Partner

Hastings Entertainment has

agreed to merge with one of its biggest vendors and shareholders. According to March 21 announcement, the retailer will merge with two companies controlled by Joel Weinshanker, whose National

Entertainment Collectibles Association Inc. owns 12% of Hastings' stock.

Judge Rules for HarperCollins In Open Road E-Book Dispute

In a significant ruling, a New York court held that e-

“For an entire industry to shun a tool so powerful, it’s like shooting themselves in the foot. Eventually, they’ll have to come on board. You should go where the people are.” He estimated that by going with Indiegogo, Changing Hands started out \$40,000 in the hole.

Saleem is also an advocate of the all-or-nothing Kickstarter approach, which he regards as more “authentic. If you’re telling people that you need \$80,000 to do this, then you need \$80,000.” He advised other booksellers who might not have the ability to hire someone to make their video to focus on the ideas. “It’s about working around your budget,” he said. “Production values absolutely help, but the idea matters, too.”

Other Sources of Funding

Modern Times Bookstore Collective in San Francisco has raised \$20,000 to date through last fall’s Indiegogo campaign and straight donations through its fiscal sponsor, PeaceKey, which loaned it its nonprofit status. Although the bookstore didn’t raise the \$60,000 it needed to retire its debt, collective member Ruth Mahaney, who handles accounts payable and is the children’s book buyer, is pleased that the store has been able to pay off some of its highest-interest credit cards.

Now the collective is considering an online auction and taking steps to lower its expenses. “I think the future of bookstores is continuous fundraising,” said Mahaney. “To have a bricks-and-mortar bookstore is important to people. But a lot of people don’t shop there. I’m resigned to

some form of [ongoing] fundraising.” Another thing the bookstore has done is to cut costs by using volunteer staff. It also submitted a proposal to area business schools for help with marketing. A team of students is putting together a marketing survey, a first for the bookstore.

To open Avid, Geddis borrowed an idea from five-year-old Greenlight Bookstore in Brooklyn, N.Y.—finding lenders in the community, who are paid back, with interest, over five years. During the life of the loan, those community lenders get a discount on purchases and other perks. Geddis targeted 15 people, and 10 ultimately lent the store money. “They’ve been an integral part of the bookstore,” she said. “There’s something special when one of the lenders comes in.”

Word Up Community Bookshop in Upper Manhattan also wanted to involve the community by creating a Community Supported Bookshop program modeled after the Community Supported Agriculture programs used to support local farmers. “It allows us to expand upon local values within a community,” said store cofounder Veronica Liu. She also likes the idea of giving people something when they sign up for a \$20 share, a tote bag and six wooden nickels redeemable for used books. The bookstore is also working with a specially priced school share that enables teachers to receive a wooden nickel for each student in their class. And it holds regular Book Harvests so that CSB members can get a first look at newly received books.

—Judith Rosen

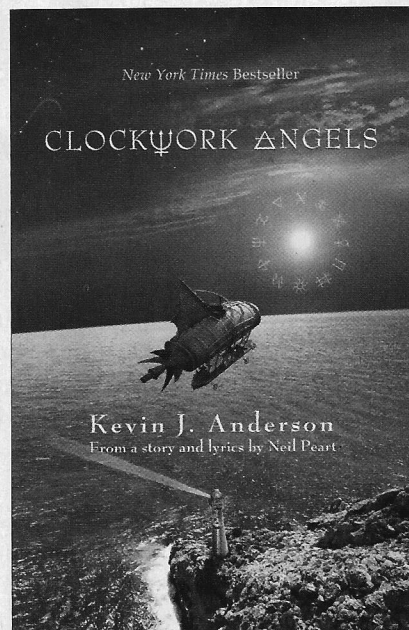
book publisher Open Road infringed HarperCollins’s copyright with its e-book edition of Jean Craighead George’s 1973 bestselling children’s book *Julie of the Wolves*. No damages have been assessed at

this time, but the judge has ordered the parties to submit a briefing schedule on potential remedies.

Vintage Launches Movie Classics Line
Random House is

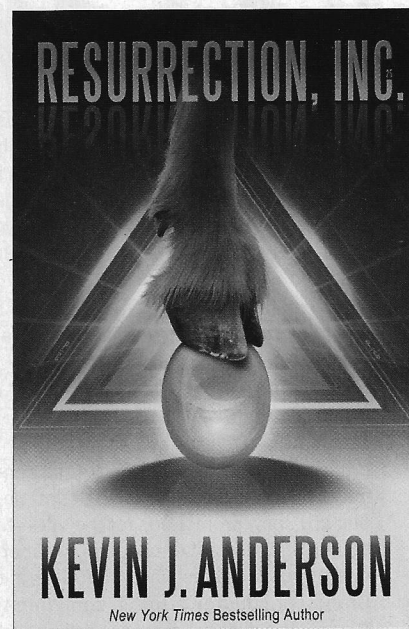
going after film buffs. The publisher’s Vintage Books imprint has created Vintage Movie Classics to release backlist books that served as the basis for iconic films. The new line will release its first list

in the spring with four re-issues: Edna Ferber’s *Showboat* (1926); *Cimarron* (1929), also by Ferber; Fannie Hurst’s *Back Street* (1931); and Booth Tarkington’s *Alice Adams* (1921).



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