

**REMAINDERS OF THE DAY:  
THE COLLAPSE OF ANGUS & ROBERTSON AND THE  
CULTURE OF BOOKSELLING IN AUSTRALIA**

SUBMITTED BY

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## DECLARATION

This thesis contains no material published elsewhere or extracted in whole or in part from a thesis by which I have qualified for or been awarded another degree or diploma.

No parts of this thesis have been submitted towards the award of any other degree or diploma in any other tertiary institution.

No other person's work has been used without due acknowledgment in the main text of the thesis.

All research procedures reported in the thesis received the approval of the relevant Ethics/Safety Committees.

Carly Been

Signed .....  


14<sup>th</sup> November 2012

## STATEMENT OF APPRECIATION

This work is dedicated to all my family members and friends who, while not quite sure why I keep studying, still continue to support me lovingly and wholeheartedly. Thank you. I appreciate all of you more than you know.

This thesis is also dedicated to the many passionate book lovers and readers I have met through working at Angus & Robertson, some who have promised *faithfully* to read the work in its entirety when it is finished. I will shortly be taking them up on this offer.

## **ABSTRACT**

Bookselling in Australia has altered irreversibly since the collapse of REDgroup Retail, owner of the Angus & Robertson and Borders brands. A popular but misleading explanation in the media for the REDgroup collapse was the emergence of eBooks and other competitive technologies. While the essential cause of the business' failure was debt, the supermarket philosophy of the management team produced a corporate model of bookselling destined to fail as they lost sight of books as their primary product and the cultural value attached to the object of the book. Other significant factors that contributed to the collapse were the proliferation of similar format bookstores in close proximity to each other, failing to offer a point of difference between REDgroup chain stores and other competing bookstores, and being unable to effectively compete on price with discount department stores. Other indirect issues that continue to concern the industry include relationships between booksellers and publishers, the changing nature of the parallel importation debate, competition from other media and the financial and environmental cost of distribution. The failure of REDgroup was the end point of a corporate model of bookselling that the industry in Australia could not accept, but there were many problems that caused the collapse, with technology seized on by the media as a simple answer to a complex set of circumstances.

Booksellers contribute to the cultural and commercial life of Australia by fostering a book buying and book reading culture. Independent bookstore owners are the key to sustaining a strong bricks-and-mortar bookselling

industry as they continue to foster a sense of connectedness with the wider book community. Providing experiences to engage an existing or prospective book buyer is one of the main ways bookstores promote connectedness, with the ambience and experience of in-store events impossible to replicate online.

## LIST OF FIGURES

Figure 1: Effect of competitor closure on sales of remaining stores ...119

## LIST OF INTERVIEWEES

<b>Interview Participant</b>	<b>Industry Occupation</b>
Eltham, Kate	CEO, Queensland Writer's Centre (QWC)
Hibbins, Benette	Ex-REDgroup A&R Franchisee; Owner – Love That Book
Love, Joanna	Ex-A&R Store Manager
Neil, Malcolm	Ex-REDgroup Retail Group Communications Manager; Director of Vendor Relations Asia Pacific Kobo Inc.
Stager, Fiona	Owner – Avid Reader
Walkem, Stephanie	Ex-REDgroup A&R Franchisee; Continuing A&R Franchisee
Walker, Kevin	Ex-REDgroup Queensland & Northern Territory Business Manager, Casual Leasing; Owner - Can Do Books



## **INTRODUCTION**

The collapse of Angus & Robertson in 2011 was a watershed moment in Australia's bookselling history. The mainstream media blamed the fall of one of the country's oldest, largest and most iconic bookstores on an increasing trend towards online book buying by consumers, and a strong Australian dollar making it cheaper to buy books overseas. The real reasons behind the collapse were far more complex. The failure of REDgroup was the end point of a corporate model of bookselling that the industry in Australia could not support. The nature of A&R's failure is best explained through a study of contemporary bookselling culture. Studies with a focus on the role of retail booksellers to the furthering of book culture, in Australia and internationally, are increasing but bookselling is still underrepresented as a topic in the work of book and cultural historians. This study, using information directly from book industry professionals and focusing on the specific case of the Angus & Robertson collapse, its long-term causes and probable cultural consequences, is designed to address academic obliviousness regarding the role book retailers have in the creation of book buying and book reading culture. Early Australian bookselling professionals established a book reading and buying culture through their knowledge, professionalism and passion, and contemporary Australian independent booksellers continue this culture despite many local and global challenges.

This study has a two-fold argument: firstly that REDgroup Retail, owner of the Angus & Robertson and Borders bookselling brands, collapsed due to debt and a fatal combination of basic retail pressures. This is in opposition to the

popular understanding that eBooks and emerging technologies caused the failure of the business. Much print media coverage blamed the collapse on the challenge of EReaders and Internet book markets such as Amazon and The Book Depository (Dornin; Lloyd; Shirley; Hueber). Headlines, such as “REDgroup Sheds Staff as Net Shreds Book Sales” (Greenblatt), “Borders, Angus & Robertson Out of Step, Out of Time” (Steger) and “Booksellers on the Brink” (Zappone), made this easy to believe. Zappone’s “Booksellers on the Brink” newspaper article stated that “the book trade has been among the most affected by the rise of internet shopping, with comparable products often found more cheaply on overseas websites”. Dornin’s article for the *Adelaide Advertiser*, titled “Borders and Angus & Robertson in Hands of Administrators” included the statement “the rise of internet-based book retailers and the growing demand for electronic books has hit home”, while in his article, “Internet Spells the Death of Bookstores” Lloyd reported that “a debt mountain, the growing popularity of online book buying and digital formats are behind the chains’ financial woes”. Articles such as Blackwell’s “Internet Not Antagonist in Bookshop Fall”, which mentioned that technology was not the primary cause of the collapse, did not go into detail regarding other specific causes. Attempting to explain the collapse, the majority of media outlets reached for the convenient causes of Internet retailing and the advance of eBooks, rather than investigating the particular culture REDgroup had developed within A&R.

The essential cause of the business’ failure was debt, exacerbated by falling sales in a struggling retail environment. A plethora of poor retail practices and

pressures will be discussed as part of a survey of Australian bookselling. Significant factors that contributed to the collapse were the inability of the business to effectively negotiate sustainable terms-of-trade with suppliers; the financial difficulties experienced following the acquisition of the Borders stores; and the proliferation of similar format bookstores in close proximity to each other. While technology was not the sole cause of the collapse, the business' failure to offer a compelling reason for purchasing books at REDgroup chain stores rather than other competing bookstores, Discount Department Stores (DDSs) or online also contributed to the failure. The supermarket philosophy of the management team produced a corporate model of bookselling destined to fail because they lost sight of books as their primary product and the cultural value attached to the space of the bookstore and the object of the book.

This work then argues that the failure of the business has provided the Australian independent bookseller with an opportunity to foster a book buying and reading culture in Australia, using their book knowledge and retail experience to promote engagement with the object of the book. The cultivation of booksellers as conveyers of cultural artefacts and bookstores as cultural spaces, a strategy employed by the original founders of the A&R Company, assists contemporary booksellers in promoting a book buying culture in a shifting retail environment. Booksellers promote this book buying and reading culture in a technologically advancing retail sphere by building their bricks-and-mortar businesses while additionally providing access to different formats of the book and integrating digital options into their service

offer. The bricks-and-mortar retail storefront is still a viable business choice for Australian independent booksellers due to the cultural attachment associated with book objects and physical spaces, with eRetail acting as a supporting element of these businesses.

Analogue books and bookstores retain significance due to the importance of books as cultural objects and bookshops as cultural spaces. Independent booksellers of retail storefronts provide physical spaces and experiences where engagement with wider book culture can occur. Book buying of physical books by the consuming public is promoted by the ambience of a physical bookstore. This ambience is created in a number of ways: from organising author events in store, to establishing engagement between the bookseller and literary events within the local community, or by creating a specialty bookstore where booksellers have specific knowledge of a particular genre. Other elements that contribute to the success of a bookstore are the smell of the books in the store, or the inclusion of meeting areas such as coffee shops or children's area where social gatherings can occur. The independent bookseller has the ability to adapt their space to the needs and wants of their community, and the physical interaction with the book object, authors, or other members of the community cannot be replicated online.

The business of traditional book retail has altered irreversibly in the past few years and this change necessitates a greater output of study on how these developments will impact how books are conveyed and consumed. This work, situated within the broad field of book history but focusing specifically on the

bookselling experiences of Australian chain, franchise and independent booksellers immediately preceding, during and after the voluntary administration and liquidation of REDgroup Retail, attempts to address contemporary issues arising in Australian bookselling that have not been the subject of academic study as yet due to their recent occurrence.

## **CHAPTER OUTLINE**

This thesis analyses the symbiotic relationship between the bookseller and publisher, how it has evolved over time and what contemporary pressures are causing shifts in the power dynamic of the relationship. Booksellers and publishers must continue to address the paradoxically conflicting commercial/cultural dichotomy that permeates their relationship. McLean argues that:

While the book is essentially a commercial product, produced and distributed in a commercial environment for profit, it is also a significant cultural artefact. It is the conflict between commerce and culture that is a source of tension among authors, publishers and booksellers. (qtd. in Brown 12)

Chapter one of this thesis discusses specific pressures experienced by two of the major stakeholders in the book industry, specifically publishers and booksellers, explaining the distinct but symbiotic roles these separate businesses have in the life of the book. This will lead to an examination of the paradoxical arguments that both too many and too few books are being published. The chapter will differentiate between the pressures and cultural commitments felt by large and small publishers and how these commitments determine what stock makes the cut onto the booksellers' shelves. A further purpose of the chapter is to explain how changes to parallel importation laws,

business ownership and technology are affecting how publishers and booksellers conduct business. This chapter also touches on generic retail pressures felt by booksellers both internationally and domestically and how these pressures impact the book supply chain in Australia. The evidence presented in the chapter is intended to show that these industry stakeholders have an interest in cultivating a mutually beneficial relationship.

Chapter two examines the original bookselling philosophy of George Robertson and it demonstrates the importance of the historical Angus & Robertson (A&R) bookselling business to Australian literature and culture. It then outlines how that business metamorphosed into a corporate concern. This section outlines the three tiers of the business: bookselling, publishing and printing. These businesses were separate but, due to the vision of George Robertson, they had an overarching interconnectedness. The chapter examines what issues A&R had to overcome as book retailers and publishers, how the bookselling aspect of the business differed from but complemented their publishing program, and how Robertson's business philosophy played a role in the creation of Australian culture and influenced booksellers even after his death. This chapter also provides a description of the historical company structure and vision. This is juxtaposed against its modern equivalent, which has evolved significantly since the 1970s takeover era. Australia's social, business and literary expectations have shifted dramatically since the glory days of A&R and studies of the firm have not adequately addressed all of the pressures that relate to its decline. Previous studies have tended to concentrate on the publishing rather than selling aspect of the business, so chapter two of this work is included to show that George Robertson and his

professional bookselling staff were as integral to the establishment of A&R's literary reputation as the many people involved with the publishing program.

Chapter three outlines the formation of REDgroup Retail and reasons for its collapse. This section argues that, contrary to media representations, REDgroup did not go out of business due to eBooks. There were other more pervasive issues that caused the collapse of the company. Using a case study of a business solution trialled by the pre-cursor of REDgroup, Angus & Robertson Whitcoulls (ARW), to create more favourable terms of trade with their suppliers, this section will show how actions by the company's management team exacerbated the tensions between booksellers and publishers.

The restriction of access to the bricks-and-mortar retail store in Australia due to the closure of so many REDgroup Retail bookstores will be the subject of chapter four. The loss of the physical stores contributed to a decrease in book buying from physical stores. The main premise of this chapter is that REDgroup went out of business as a result of financial pressures that had been increasing for years. The full impact of the closure of so many retail storefronts is yet to be completely understood, industrially and culturally, in any quantifiable way.

Chapter five argues that the bricks-and-mortar future of bookselling belongs to independent book retailers because they have the ability to create cultural spaces that promote an engagement with book culture. For the purposes of this study, book culture encompasses all forms of the printed book, as well as

discourses about books, digital forms of the book and engagement with book communities both physically and online. Independent bricks-and-mortar booksellers foster a book buying culture by providing physical bookstore experiences that cannot be replicated online. They support these experiences by engaging with technological change, investigating eRetail and eBook solutions to provide books for their consumers in any format, and to build online brand awareness and customer loyalty to that brand. This chapter will expand upon the current technological innovations available at the time of writing and what these are doing to change the nature of the bookstore. Reports suggest that digital technology can assist in promoting the continuation of a physical book culture (*Keeping Young People Reading*) and foster connectedness with the physical book through online communities (Ibrahim and Smith). This thesis draws on recent bookselling industry results as well as research into people's cultural attachment to book objects (Collinson; Ibrahim and Smith; S. Young, "Elusive E-Book") to show that the collapse of one business within an entire industry has not rendered the industry obsolete. These conclusions are also supported by observations made in industry interviews by the researcher. The book, now available in many forms, will continue in its many forms for the immediate future with technological innovation allowing for a myriad of new and more convenient ways for people to access books.



## LITERATURE REVIEW

Robert Darnton admits that the history of the book is “a field only recently recognized as a new discipline” (“On the Ropes” 18), and within that field, bookselling as a distinct profession has been studied less than publishing. Recently, however, the impact of a possible “paradigmatic” change (Lee, Davis, and Thompson 91) within the book industry has excited new studies on the subject of bookselling. There have been significant international contributions to academic bookselling literature detailing the importance of the bookseller’s role in business, society or the cultural environment. Work such as Laura J. Miller’s *Reluctant Capitalists: Bookselling and the Culture of Consumption* details the bookselling history of North America, in response to what Miller believes to be a “lack of empirical research on bookselling” (6). Miller describes existing accounts of the book trade in America as “memoirs, admiring biographies of editors or publishers, and practical reports aimed at professionals” with the result that available work “lack[s] a critical edge” (6). Miller’s work uses semi-structured formal qualitative interviews with book industry professionals from all sectors of the supply chain to illustrate how “book professionals position themselves in relation to some general principles of capitalism, including competition, profitability, growth, efficiency, and impersonality” (11). Gathering data from in-depth interviews with chain bookstore managers from the United Kingdom, Audrey Laing and Jo Royle also examined a marketing quandary challenging these bookselling professionals in their 2005 article “Extend the Market or Maintain the Loyal Customer? The Dilemma Facing Today’s Booksellers”. They followed this with “Marketing and the Bookselling Brand”, a study into the “reassessment of the

marketing and branding strategies adopted by chain bookshops” (198). Similarly to Miller, Laing and Royle, this thesis uses the research apparatus of the semi-structured interview, specifically gathering qualitative data from questions concerning retail market pressures and issues arising due to developing technology.

Academics have identified problems within the field of book scholarship, including the problem of accurately documenting book history due to interdisciplinary challenges. In his article, “Historiographical Problems and Possibilities in Book History and National Histories of the Book”, Michael F. Suarez wrote that the interdisciplinary nature of the field was one of the elements that caused difficulties within book scholarship as “most practitioners of book history received their professional training in one, or at most two, disciplines” (141). However, the interdisciplinary nature of the field is also its strength, as scholars from many humanities backgrounds are able to contribute to the field. One of the most eminent critics in the area of book scholarship, Robert Darnton, was “primarily a historian of the French eighteenth century” (Sutherland 577) and twenty-five years later Darnton has established himself as one of the leading scholars of book history, utilising the interdisciplinary skills acquired through his training in historical scholarship.

Another challenge in the field of book and book history scholarship has been a lack of industry knowledge within the discipline. In his article, “Publishing History: A Hole at the Centre of Literary Sociology”, Sutherland discussed but did not resolve the issue of “scholarly ignorance about book trade and publishing history technicalities” (574). Bill Cope and Angus Phillips’ edited

volume of essays on various aspects of the book trade, *The Future of the Book in the Digital Age*, originated from the third International Conference of the Book. It attempts to go some way in dispelling that ignorance by including studies on, among other topics, reading habits, bookselling in Sweden, digital audio book possibilities and the changing techniques of book production. *The Case for Books: Past, Present and Future* from Robert Darnton also looks at where the book has come from and future possibilities for production and distribution in the digital era.

The difficulty for this “new” field of book history is that topics can be quite diverse. They might encompass what Kirsop calls “the three principal aspects of the subject” (“State of the Discipline” 284). These aspects are the production, distribution, and reception of books. Studies within the field analyse the role of the author and new modes of writing (Galligan, “Highly Charged”). There is also a large amount of interest in the similarities between the book and music industries as they move to digital formats (Hennings), book selling (Miller) as well as how, what, where, when and why people are actually reading (Collinson).

The specific study of the impact books and bookselling can have on the development of culture in Australia has been increasing since the beginning of the millennium with the publication of several significant works in the field. Ken Gelder’s *Popular Fiction: The Logics and Practices of a Literary Field* provides a distinction between literary fiction and popular or genre fiction. It argues that the field of popular fiction is “both cultural and

industrial/commercial in character” (75), with booksellers occupying the role of evaluators, categorizing, promoting and selling large volumes of genre fiction titles each month. *Making Books: Contemporary Australian Publishing*, edited by David Carter and Anne Galligan, includes discussions about the importance of the bookseller in the creation of books. Lorien Kaye and Katya Johanson’s chapter on “Publishing and Bookselling” outlines why booksellers play such a pivotal role in the creation of a sustainable book culture. They claim that publishers and booksellers need each other; both groups must work together to sustain the cultural significance of the book and its commercial viability. However, there is still a significant amount of research to be done in order to analyse the way in which bookshops, as an integral part of the life of a book, influence Australian reading habits, cultural production and society in general. This thesis is designed to go some way to add to the discourse in that field.

Works concerning the history of the book in Australia contain detailed historical analysis of the business of publishing, especially how the ideology of A&R’s publishing department contributed to the development of literature and culture throughout the twentieth century. Jennifer Alison’s *Doing Something for Australia: George Robertson and the Early Years of Angus & Robertson, Publishers, 1888-1900*, and Anthony Barker’s *George Robertson: A Publishing Life in Letters* are two works that specifically focus on George Robertson’s publishing practices and ideology. Jason Ensor’s article “‘A Policy of Splendid Isolation’: Angus and Robertson, George G. Harrap and the Politics of Co-operation in the Australian Book Trade During the Late 1930s” discusses the general international publishing business cultivated by A&R in

England. Another significant work in the field of A&R's publishing history is Neil James' PhD dissertation, *Spheres of Influence: Angus & Robertson and Australian Literature from the Thirties to the Sixties*, as well as articles by James which draw on this work, including "The Fountainhead': George Ferguson and Angus and Robertson" and "Basically We Thought about Books' - an Interview With George Ferguson". James' oral history tape recordings of interviews by A&R employees during the pre-takeover era studied in his dissertation are housed in the Mitchell Library archives as restricted data. To this point this archival material has remained unpublished.

Discussion of the early A&R business is further informed by a number of well-regarded studies. The second chapter relies heavily on two projects in particular, the first being Jacqueline Kent's biography of Beatrice Davis entitled *A Certain Style: Beatrice Davis A Literary Life*. In addition to explaining Davis' contribution to publishing and editing at A&R, it provides a well-researched and readable general overview of many aspects of the early business. The other two works that proved invaluable grew from the History of the Book in Australia project and were published by University of Queensland Press. *A History of the Book in Australia 1891-1945: A National Culture in a Colonised Market*, edited by Martyn Lyons and John Arnold, includes contributions such as "The 'Paternoster Row Machine'" (Nile and Walker), which illustrates how important A&R's bookselling activities were to the success of the business. The later volume, *Paper Empires: A History of the Book in Australia 1946-2005*, edited by Craig Munro and Robyn Sheahan-Bright, takes a more contemporary view of the industry. Contributions to the volume, including "Flagship Angus & Robertson" (Ferguson and James),

“A&R’s Takeover Crisis” (Munro), “The New A&R” (Walsh) and “Bookworld-Where You Never Pay Full Price” (Herbert) were all essential in placing the disassembly of the original business and its reemergence in its modern form within a cultural, social and political context.

## **METHODOLOGY**

This work is situated within the discourse of book history scholarship utilising a qualitative methodological research approach and featuring traditional research from books, journal articles and media reports. A contributing methodology is the use of conclusions drawn from semi-structured interviews with industry professionals. This oral history approach is a methodology that has recently been used in much book scholarship (Laing and Royle, “Marketing and the Bookselling Brand”; Miller; Collinson) and is included here to give a contemporary overview of the atmosphere of change currently permeating the Australian bookselling industry. At the time interviewing commenced, I was store manager of the A&R Bargain Books store which sold both full-price and remaindered discount books at Harbourtown Shopping Centre, Biggera Waters, on Queensland’s Gold Coast. Therefore, some participants were business acquaintances who, aware of my study, consented to an interview when formally approached. These participants also further recommended other industry experts who were sent an email proposal to take part. This “‘word-of-mouth’ or ‘snowballing’” approach (Collinson 29) has meant that many of the participants are geographically based in Queensland.

During the planning stage of this study, the interviewees were primarily expected to comprise employees, franchisees and members of the senior

management team. While most people approached for an interview prior to the administration process were still happy to contribute their views for research purposes, following the administration process, upper management did not respond to further interview requests. Other non-A&R book specialists were approached, and consented to interviews, and so interviewees comprise ex-REDgroup employees, franchisees and other book retailers or industry experts. There were seven semi-structured interviews undertaken, each at least thirty minutes in duration. This work utilises the opinions expressed by interviewees to explain how people with experience of the industry believe bookselling businesses can remain relevant in an increasingly challenging retail environment. These opinions add supporting primary evidence to existing literature on contemporary issues, and therefore, the use of interview data has been incorporated thematically throughout the thesis rather than dedicating a separate chapter to their inclusion.

The approach to oral history utilised in this paper has been informed by a number of oral history reference works. The primary source of guidance was the *Oral History Handbook* by Beth M. Robertson, which has been endorsed by the Oral History Association of Australia. This handbook provided practical information and suggestions on how to interview, equipment to use, and issues to be aware of when interviewing. Peer-reviewed work in the annual journal of the Association has informed my awareness of both the limitations and opportunities offered by the practicing of oral history. Furthermore, *The Oral History Reader* provided “contrasting and cross-disciplinary approaches that offer[ed] instructive lessons for the novice or experienced oral historian” (Perks and Thomson xi) including Alessandro Portelli’s article “What Makes

Oral History Different?” Portelli states that oral history is different from traditional historical sources because “it tells us less about *events* than about their *meaning*” (36). This is important because in this study my sources reveal what they were thinking and experiencing throughout the final years of the company’s life. Without this study, these invaluable feelings would remain ephemeral rather than being usefully engaged in creating a fuller picture of what actually caused the collapse of A&R. While oral history is different to traditional ways of analysing history, it is no less valid an avenue of study, as it encompasses elements that traditional historical study lacks.

Alan Young’s article “Oral history as emergent paradigm” identifies some criticisms made of oral history by practitioners of more traditional historical study who point out the inherent subjectivity of oral history and its lack of reliability. However, these criticisms can also be viewed as opportunities for the oral historian. Alessandro Portelli acknowledges the subjectivity inherent in the practice of oral history and sees this element as “unique and precious” to the study of history. Portelli further explains:

Oral sources tell us not just what people did, but what they wanted to do, what they believed they were doing, and what they now think they did. Oral sources may not add much to what we know, for instance, of the material cost of a strike to the workers involved, but they tell us a good deal about the psychological costs. (36)

This work uses semi-structured interviews as a data collection method because it seeks to go beyond the simple reporting of facts, dates and events that a purely quantitative approach to this topic would provide. Traditional historical documents such as books, letters and pictures have been utilised and interpreted, primarily in chapter two, but they do not provide a dynamic,



contemporary explanation for why A&R specifically, and the Australian book publishing and bookselling industry generally, have been faced with the challenges experienced in recent history. The businesses exist not as a separate entity within society, but as a *product* of Australian society, and the interviews assist in “appreciat[ing] events in a cultural context, rather than attempting to scientifically isolate them from context” (A. Young 5). The collapse of REDgroup was not the collapse of a faceless institution. It had financial and personal ramifications for many people within the bookselling industry. The responses to interview questions assist in illustrating how members of the industry have responded to this moment of crisis and to demonstrate that subjective responses to interview questions are framed by interviewees as they experience significant social events, and cannot be formed in isolation from historical events. While opinions may be subjective, they are no less true for the people who hold those opinions. Subjectivity, a word shunned and disdained by scientists and historians as they search for the essential ‘truth’ of history, can be used to provide motivation for actions that have caused historical events on large and small scales.

Finally, the issue of the unreliability of oral sources may be addressed by arguments put forth by both Portelli and Young. Portelli writes:

There are no ‘false’ oral sources. Once we have checked their factual credibility with all the established criteria of philological criticism and factual verification which are required by all types of sources anyway, the diversity of oral history consists in the fact that ‘wrong’ statements are still psychologically ‘true’ and that this truth may be equally as important as factually reliable accounts. (37)

An essential argument for using oral sources is to show the perspectives of varying people within social groups. The interviewees being asked opinions

would answer with statements they believe to be true due to outside factors that have shaped their belief systems. In this way, discovering the many truths about an issue from the perspectives of people who participated in events or who lived through a particular era is more valuable and useful to the historian than searching for an overarching ephemeral idea of truth. Portelli also defends oral history against the charge of faulty memory by writing that there is the:

Insistence that oral sources are distant from events, and therefore undergo the distortion of faulty memory. Indeed, this problem exists for many written documents, which are usually written some time after the event to which they refer, and often by non-participants. (37)

Bias and unreliability are constraining factors that create history for they allow for different readings of history to occur. As long as the occurrence of a particular event at a particular time is verified, the meaning behind what caused that event and the truth of the repercussions of the event can be infinite, depending on the aspect the historian wishes to investigate.

When studying sources, whether primary or secondary, oral or documentary, historians identify bias and unreliability and construct a version of history within the constraints of these factors. Young explains that all historians and all histories have an element of bias and unreliability:

Thus we must not only recognise that traditional histories from their locations in the present are equally imbricated in the relations of power but, rather than attempt an impossible methodology that is somehow *more* objective, we must articulate the politics of any historical work as an essential part of its methodology. Oral history has no less legitimacy than traditional documentary forms, and one might regard that the reading of either involves a relationship which is invested with as much ideology and as many techniques of persuasion as the other. (A. Young 2)

Therefore, for the purposes of this work, the perspectives articulated in the research interviews are middle class business owners or management professionals who all have backgrounds in bookselling, retail operations or the arts. These people were all personally or professionally affected by the collapse of the REDgroup Retail chain and many of them have a personal opinion about the collapse of the company. The interview questions were organised into sections regarding book retailing and the operation of a successful bookstore: the issues interviewees felt the industry was facing; specific questions on parallel importation legislation; and the impact on their businesses/industry of eBooks and online purchasing. The interview questions also concluded with a statement that invited interviewees to comment on the REDgroup crisis. The interviews have been transcribed and coded according to issues discussed, with these issues corresponding to chapters in the thesis. In this work those opinions are used, with supporting documentary evidence, in an attempt to explain the effect the collapse of the company has had not only on the interviewees, but also on the Australian bookselling industry.

Conclusions drawn from industry interview material are supported by research from quantitative sources to ensure arguments made throughout the thesis are underscored by examples of objective evidence. The *University of Melbourne Book Industry Study 2009* (Lee, Davis, and Thompson) provides a thorough overview of the Australian book publishing industry and supports observations made by booksellers as to issues and challenges the whole industry must work to resolve. Quantitative data from Nielsen Bookscan's

presentation to the 2010 Australian Bookseller's Association Conference is also used to illustrate how competition from other media is a major factor affecting the sustainability of a reading and book buying culture in Australia, especially amongst the younger population. Lastly, quantitative data is used later in the work to show that the lack of bricks-and-mortar bookstores, and not the evolution of technology, is detrimental to the fostering of a book-buying culture. This argument is supported by information from REDgroup Retail ("Parallel Importation") and from a survey of bookstores in South-East Queensland (Walker and Been). While this information is a localised sample in South-East Queensland, it shows a measurably lower percentage of accessible bookstores following the collapse of the REDgroup chain, with no business yet filling the bookselling void. Thorpe-Bowker's industry publication, *Bookseller + Publisher* provides supporting evidence that a physical book buying culture could be lost, or moved online, due to the lack of stores. These quantitative statistics and supporting data are included in this work to answer possible criticisms that may be leveled at oral history, such as subjectivity, bias or unreliability (A. Young 4).

In the field of book history, bookselling as a topic of study has been underrepresented, possibly due to its connotations of industry and business as opposed to links to culture and literature. However, the bookselling industry in Australia is also an avenue of cultural production and discussion, and this area deserves more specific study on the specific cultural contribution booksellers make to the book buying and reading habits of Australians. The bookselling industry underwent a moment of crisis in 2011 with the collapse of

REDgroup Retail, owner of the iconic Angus & Robertson and Borders bookselling brands, and due to the timing of this project, this thesis attempts to answer the question of how such a collapse occurred. This work goes further than just a recitation of events arguing, with the use of supplementary evidence gathered from interviews with industry professionals, that despite the collapse of REDgroup and the seemingly unstoppable encroachment of technological innovation, bricks-and-mortar bookselling has a healthy future in Australia. Passionate independent bookstore owners and managers will be responsible for creating commercially and culturally successful retail spaces where consumers can engage with book and reading culture. The book industry may be in a state of rapid metamorphosis, but people are still culturally attached to the object of the book and their bricks-and-mortar bookstores, and remaining booksellers are developing their businesses to encompass all formats of the book in order to maintain a strong bookselling and reading culture.

## **CHAPTER ONE**

### **ISSUES FACING THE AUSTRALIAN BOOK INDUSTRY**

The purpose of this chapter is to provide an overview of some of the main issues facing the contemporary book industry. This chapter discusses the complex nature of the relationship between booksellers and publishers and how, while addressing similar issues impacting upon both businesses, the actions and reactions of booksellers and publishers can be quite dissimilar. This chapter addresses the impact of both traditional and non-traditional market pressures on the industry, and begins by discussing topics such as whether there are in fact too many or too few books being published as well as the pressure of stocking and displaying books in a bricks-and-mortar store once it has been published. The chapter addresses the changing nature of parallel importation restrictions, competition from other media and conglomeration of media ownership, distribution and environmental sustainability and finally, online retailing and general retail pressures. The chapter is designed to show that all stakeholders within the bookselling industry are required to address difficulties confronting their businesses, and these difficulties are initiating necessary changes for the continuation of a strong bookselling sector.

One integral issue for the book industry is the question of what to publish. Many publishing houses concentrate on new frontlist titles rather than cultivating a solid backlist. An additional theme within this issue is whether there are in fact too many books being published or too few. Every month

booksellers must accommodate many new releases on increasingly limited shelf space. However, due to the twin pressures of time and money, new books have less and less time to become known in the public consciousness. The closure of the REDgroup stores has increased financial pressure on publishers and distributors because there are now significantly fewer retail outlets to sell books. Booksellers and publishers are also concerned about parallel importation, competition from other media, environmental sustainability, marketing and distribution, and finally, how technology is displacing the ingrained supply chain network. While the aforementioned pressures are specific concerns to the retail book industry, booksellers are also concerned with more general retail pressures. All stakeholders within the industry are working to ensure their businesses remain relevant in an evolving book buying landscape.

Booksellers and publishers share many similar concerns as the two businesses have a “symbiotic relationship” (Kaye and Johanson 68). In the traditional supply chain, publishers have had an interest in supplying their books to as many retail outlets as possible for maximum exposure. Peter Man, quoted in Jennifer Alison’s *Doing Something for Australia*, stated, “successful selling of books into bookshops is absolutely basic to the continuance of a publishing house” (2). Kaye and Johanson explain that, ideally:

Publishers need booksellers to sell their product just as booksellers need publishers to create the product they sell, and both groups have a joint interest in selling as many books to as many readers as possible, for both cultural and commercial reasons. (68)

They acknowledge that the agreement on trading terms is “a constant source of tension” (69). This thesis notes that the collapse of REDgroup Retail has, in most instances, caused the renegotiation of trade terms between publishers and independent booksellers. These changes will be discussed in detail in chapter three. Aside from trade terms, other evolving market pressures have emerged in recent years. This includes technological and supply chain innovations that have seen booksellers and publishers necessarily working together to find mutually beneficial solutions to industry wide issues. This is particularly obvious by the working relationship that has been forged between the Australian Booksellers Association (ABA) and the Australian Publishers Association (APA) which are the key associations representing the two groups. The most recent example of this co-operation was the release of the Book Industry Strategy Group’s (BISG) report to the government in September 2011. ABA President, Jon Page, acknowledged and thanked “all the booksellers, publishers, printers and writers who actively engaged in the [report] process”. However, while necessarily working together, tensions were also displayed with Page believing that booksellers’ interests were under prioritised stating, “the role of the booksellers at the end of the supply chain appears to have been paid lip service only”. The ABA as a representative body did “[welcome] the BISG recommendations that there be a Book Industry Collaborative Council (BICC) established. The industry is evolving at a rapid pace and all the stakeholders in our industry must work together to ensure a viable future” (ABA, “Australian Booksellers Association Responds”). As businesses within the industry strive to remain commercially sustainable, co-



operation between booksellers and publishers may or may not survive the disruption of digital technology.

The perpetual question of what to publish remains a primary concern for publishers because they need to be able to interest booksellers in stocking their products once published. Following his appointment as the managing director of A&R in 1959, Walter Burns announced, “we only want to publish bestsellers” (qtd. in Kent 225). This declaration caused “a great deal of irritated amusement in the editorial department-so he had found someone with a magic formula, had he?” (qtd. in Kent 225). Of course, there is no way for publishers to always publish bestsellers. The flaw in the attempt by marketing and sales executives to create a formula and profit and loss statement as a condition of publication arises simply because books are vehicles for ideas and the exacting standards of a finance department cannot predict the vagaries of cultural or commercial success of a book. This idea of not knowing what the next bestseller will be was acknowledged by a publishing accountant in the 1970s when he stated that “what we will be publishing in five years’ time depends on what’s going on in the head of some unknown person probably sitting in a garret, and we don’t know the address of that garret” (Murray 63). Rationalising the cost of book publishing has continued and conglomerates have been focusing on marketing and moving frontlist titles since the 1980s. Trevor Glover from Penguin observed that the decision to concentrate on marketing frontlist titles saw publishers having “to run to stand still” (qtd. in Galligan, “The Culture of the Publishing House” 42) because every new book needs time, energy and money to promote it effectively. Historically, and this is especially true of the original A&R

Company, publishers have used the enduring popularity and profitability of their backlist to invest in their frontlist. However, in the late twentieth century, with the industry increasingly concentrating on frontlist titles the success of a publishing house has only been assured if the next bestseller continues to be produced.

The argument has been made that there are too many books being published. In his biography of Gutenberg, John Man describes the annual Frankfurt Book Fair as the place “where you will find the American and English publishers and several thousand others from over a hundred countries doing their best to express or inspire interest in 400 000 titles, all created since the previous fair” (Man 14). Nick Webb, a former publishing executive has noted that:

There is no subject so esoteric, daft, narrow or embarrassing that it does not wearily sustain a book or ten. Oh, yes, a few will be sublime expressions of mankind’s creative genius that will enrich the reader and culture. But God’s teeth, you could heap the remainder into a veritable Alp of dross. (qtd. in Man 15)

The creation of these mountains of printed material prompted Paul Smiddy, a city analyst writing for British industry publication *The Bookseller*, to write that the “level of new releases looks like a deluge” (24). Michael Wilding also noted, in his “Australian Publishing in a Global Environment” commentary, that booksellers do not have the display space to stock all the books published every month. Booksellers continually receive and necessarily need to display many titles from a range of different publishers and their imprints. In an industry where a new book often only has approximately six months on the shelf before the bookseller can return it to the publisher for credit, there is increased pressure on authors and publishers to create books that are more likely to catch the attention of booksellers and sell in a short timeframe. It is

these 'market-driven' books that "are a quick-fix method of adding value to an imprint" (Davis qtd. in Brown 135). While often producing books with formulaic premises, or having their bestselling big name authors write more frequently to generate sales, these larger print runs are necessary to the continuing profitability of these imprints. For large conglomerates the commodification of book production means that the book has become just another corporate product whose only value is monetary rather than cultural. The repercussion is that some books may not see publication if they will not pay their way, irrespective of how important the ideas presented in them may be. The mass-market fiction or the "dross" produced to sustain the industry leaves corporate publishers open to criticisms of not publishing enough of the "right" books, books with more literary merit.

Due to the immediate financial returns expected of new books, titles are not given the time to become known within groups of readers and therefore justify the financial resources allocated to their initial publication. Some books are simply not published because a publisher has made the judgment that the title does not have a justifiable margin or the popularity to have them sitting on the shelf of a bookshop. Jackie Yowell, in her interview for Diane Brown's PhD thesis, *Publishing Culture*, suggests that the speed with which the industry moves, a speed that has only increased with the passage of the decade since Brown's 2003 work, is more detrimental to the cultivation of ideas than a publisher's choice not to produce a book. She acknowledges that books have "scant time [to] propagate ideas and analysis and a critique of those ideas is a bit of a worry. How good can ideas be, and how well honed if they don't really have time to stew in the culture for a bit and

pick up weight?” (135). New release books are not permitted time to become known within groups of readers because publishers and booksellers are being pressed to publish books that are taken up quickly and return profits in a timely manner.

The commodification of the book reached another milestone in the 1990s when Alberto Vitale introduced the system of micro-profit centres, a practice whereby each book published has to make a profit or break even (Murray 57). This scheme appears to limit or eradicate the publication of books that have some value beyond that of financial profitability. This mentality continued into the early part of the twenty-first century. Michael Wilding has argued that in the corporate publishing world, the sales department “has more power than the editorial department in an editorial meeting...[they demand] a product that is first of all ‘saleable’—its salability [sic] is more important than whether it is of any value to anyone” (“Australian Literary and Scholarly Publishing”). Corporate publishers are consolidating their lists and the result is that large print runs of brand name authors dominate the shelves each month. As this process continues, smaller publishers participating in the University of Melbourne’s Book Industry Study 2009 showed concerns for the lack of choice in Australia’s bricks-and-mortar bookstores. At least one independent publisher stated that there was a “diminishing range of titles available in bookshops” (Lee, Davis, and Thompson 78). The study found that the top ten publishers in Australia accounted for approximately 60% of all trade book sales through retail outlets in 2008 (10) and many of their publications are bulk titles, stocked by most chain stores, independents and DDSs (Discount

Department Stores). This gives the impression that many bookstores do not have a real choice of fiction. As well as commenting on the “deluge” of new titles being released, Smiddy also suggests that “at the chart end of the market there is clearly some telepathy going on between the top chains, with frequent overlaps in choice of books of the week” (24). The perceived diminishing range of titles in the local bookshop before the collapse of REDgroup Retail seems to be due to the emphasis publishers are placing on their front-list titles and the large displays of name brand authors that dominate the booksellers shelves every month. Publishing is a business as dependent on profitability as any other so this reliance on the bottom line is not a barrier to cultural production as long as the large corporations choose what to publish using their spread sheets while independent publishers use a more culturally sensitive approach to building their publishing list. Small presses may be the vehicles through which culturally significant works are published in Australia, but they have their own pressures that impact on cultural creation. These will be addressed later in the chapter.

The main issue impeding the publication of new authors by any publishing house is the financial risk of investing in an unknown author. In Australia seven major firms dominate trade book publishing. This includes the Australian owned Allen & Unwin, and six others, which are the Australian offices of global corporations: Pearson (Penguin); Random House; Hachette Livre; HarperCollins; Scholastic; and Pan Macmillan (Lee, Davis and Thompson 10). The importance of profitability to the business can curtail an unknown author’s opportunity for publication from a traditional publisher

because the “publication of first-time authors and non-bankable works [is] far more infrequent” (Murray 57). It is not accurate to say that large publishers do not take risks on first time authors but, in her interviews with Australian publishers, Diane Brown identified that producing profitable books is central to the purposes of medium and large publishers. As Brown writes:

Although editors and publishers have always functioned within finance- and market-led economies, they have continued to take on risky publishing projects, although the risks have become more calculated, as editors and publishers have become more accountable to the bottom line. (134-135)

Craig Munro from University of Queensland Press acknowledged, “in a company like ours, to produce books that don’t underperform is very important” (qtd. in Brown 134). Brown writes that risks taken with new authors “have become more calculated, as editors and publishers have become more accountable to the bottom line” (135). This economic rationalisation of book production was also highlighted by Wilding in his article “Australian Publishing in a Global Environment”. He states that:

In the interests of profitability, it is obviously better to have fewer titles that sell more copies. You make more money on one book that sells 250,000 than on a hundred books that each sell 2,500 copies. It was this realization that prompted HarperCollins to cut back from the 3,500 books a year it marketed in Australia, to 1,200.

With the pressure of having to ensure the profitability of each new book, large publishers are less likely to take a risk on an unknown author. Instead they ensure to invest in brand name authors or books written in a familiar style or genre that has a proven sales history.

Booksellers, especially owners and managers of independent stores, only have limited space and need to make a cultural and commercial choice about

what to display in their bookstores. This is where their role as cultural gatekeeper begins. Due to this lack of space, book-publishing houses, especially small presses, often find it difficult to have their books accepted for display in a store by a bookseller. Many small publishers believe the obstacle of getting their publications into bookshops is the main factor determining the success of their books and businesses. The role of the small presses in Australia, especially since the 1970s, has largely been as the producers of cultural products. Often these ideas transition to mainstream markets and are adapted to larger economies of scale after they have been trialled on this smaller scale. Small publishers often see their role as cultural producers in an otherwise commercial system. Ray Coffey claims that “if you let cost and market initially get in the way of your research and development of ideas they get stymied” (qtd. in Brown 135). Small presses, which Wilding noted had been victims of downsizing or corporate mergers during the beginning of the decade (“Australian Publishing”) are enjoying a period of resurgence, and have been assisted by the establishment of the Small Press Underground Networking Community (SPUNC) in 2006. A 2007 report commissioned by SPUNC outlined a few issues specific to small presses such as the difficulty in publicising and marketing their publications and generating interest from booksellers. With a ‘deluge’ of titles every month, it is difficult for publications from small presses to come to the attention of a bookseller. In the report, it was explained that small publishers already attempt to self-promote their publications but that in the current marketplace, self-promotion is not enough. Evidently, the report states, small presses “find marketing to booksellers and getting media attention difficult. It’s also hard to ensure good support and

point-of-sale merchandising once a title gets stocked in bookshops” (Freeth 9). Products from small publishers, and even unknown authors from large publishers, have the same problem as booksellers: not enough shelf space. The small publisher or unknown author is having trouble being stocked and noticed in a bookstore because the bookseller only has a limited amount of space with which to display books and those books must be profitable.

Booksellers cannot afford to have stock holdings that do not turnover as stock holdings can tie up capital that is needed to ensure the smooth running of the business in a commercial sense. Past CEO of the ABA, Malcolm Neil, who is also ex-REDgroup Group Communications Manager, argued that “if your bookstore is holding \$100 000 worth of stock and only turning it over three times a year...money could be better put to use somewhere else” (Neil). The issue of turnover is where the commercial considerations of industry come up against the lofty ideals of the creation of cultural artefacts. Ken Gelder recognizes the important position of bookshops and their employees when he writes in his work, *Popular Fiction*, that, due to the large range of fiction being published every month, “these venues inevitably sift, organize, arrange and select: that is, they must, and do, *evaluate*” (Gelder 76). Owners or managers of bookselling venues make decisions based on both cultural and commercial factors when arranging the stock mix in their stores, and these decisions cannot allow for stocking every book published. Booksellers do try, month after month, to provide their customers with the widest possible selection of reading material because they are trying to participate in the bookselling *industry*; a term Gelder notes is specifically defined by the discourses of



production and “sheer hard work” (15). Booksellers interviewed for this thesis are passionate about both books and business and are often under the same time and space constraints that small publishers identified in the SPUNC report. These booksellers rely on publishing representatives, industry fairs, their staff and the Internet to identify new titles and the next ‘big thing’. But even with publishers consolidating production output, there are still too many books produced to physically fit in a bookstore. Following the collapse of REDgroup, the argument has changed again as there is not just a lack of range in the local bookshop, but a lack of local bookshops.

Closing of the REDgroup stores has increased pressure on publishers because they have fewer outlets to display their books. The demise of REDgroup Retail saw the bookselling industry in Australia lose at least 139 storefronts and 2100 bookselling jobs (Keating and Dempsey). The possibility of these eventual store closures had concerned publishers since the beginning of the administration process. Scott White, Vice President of Sales for publisher Murdoch Books, explained on the day after REDgroup announced voluntary administration why the collapse of the booksellers would be detrimental to his company, noting that:

It’s worrying from our perspective because it’s 170-odd outlets that sell books today that potentially may not be there somewhere in the future. And you can’t replace those sales. Of our Australian business they account for 18% of our business. So that’s absolutely material. You’d think you might be able to replace half of it somewhere else but you certainly wouldn’t be able to replace all of it. (“Last page for book buying?”)

Following the Christmas trading season of 2011, the first holiday season post-REDgroup, White told the industry publication, *Bookseller + Publisher*, in the

article “Post-Christmas Survey”, that “the shape of [Murdoch’s] list has had to alter to take into account the varied shape of bookselling today”. Other publishers’ representatives also acknowledged that the volume of sales decreased during the first post-REDgroup Christmas. Jim Demetriou from Allen & Unwin, Lou Johnson from Simon & Schuster and Gavin Schwarcz from Random House all acknowledged that their sales were affected in some way (“Post-Christmas Survey”). While REDgroup’s demise does not mean the end of bookselling in Australia, this event is likely to have consequences not yet felt in the industry because “perturbations originating in a localized point of a supply chain have the potential to be passed onto subsequent tiers or branches of the supply chain” (Wu, Blackhurst, and O’Grady 1666). Casualties have already been triggered in the domestic book supply chain, with one of the first businesses to close being The Scribo Group. Scribo was a book distribution company for more than 200 publishers. It was formed in 2008 by the merger of Tower Books, Bookwise International, Gary Allen Pty Ltd and Brumby Books and Music. It was later acquired by Gordon and Gotch a company owned by PMP Ltd (Heffernan “Independent book distributor to close”). Heffernan’s article also stated that at the time of the closure, in July 2011, a number of reasons were given for the collapse, including increasing offshore online sales, increased competition from international wholesalers as a result of the strong Australian dollar and, significantly, the closure of REDgroup. The closure of REDgroup has come at a time when other pressures are assailing the industry and the loss of storefronts has simply exacerbated the profitability issue for many publishers and distributors.

The closure of REDgroup has changed the dynamic of the bookseller and publisher relationship, giving more power to independent bookstore owners who now make up a higher percentage of booksellers in Australia. Independent bookstore owners, or “indies” as they are known within the industry, had a twenty percent market share prior to the collapse, which increased in the six months post-REDgroup to twenty-three percent (Coronel and Rankin 7). This percentage increase has occurred because, as Coronel and Rankin report, “almost all of the former A&R franchisees have stayed in business, half rebranding as indies and half joining Collins” (7). The failure of REDgroup Retail has reversed the 2007 observation by Kaye & Johanson that “the bookseller needs the books from the publisher more than the publisher needs the bookseller to stock its titles” (69). Publishers now have fewer retail outlets to display their books and therefore need business from independents and franchisees to ensure the lost sales from REDgroup are compensated.

Independent bookstore owners and franchise owners of chain stores have become more significant customers for publishers since the collapse of REDgroup. The increased worth of business from these remaining retailers ensured that the 2011-2012 Christmas season had some positive outcomes despite the lack of storefronts. Simon & Schuster had much stronger sell-through even though sales were down; Random House was “really pleased that a number of retailers managed to pick up some of the deficit [caused by the loss of REDgroup sales]”, and Murdoch were “able to plug most of the gap with an increased level of confidence displayed by the existing chains and indies” (“Post-Christmas Survey”). This increasingly important role of the independent bookseller will be discussed in more detail in later chapters as

part of an analysis of book industry developments that are directly attributable to the REDgroup collapse.

Pressures identified by Australian publishers and booksellers also included parallel importation restrictions, competition from other media and environmental sustainability. These pressures were identified specifically by publishers in the second part of the University of Melbourne's three part report on the publishing industry in Australia, *Book Industry Study 2009: Australian Book Publishers 2007/2008* (Lee, Davis, and Thompson). Similar issues were raised during the qualitative interviews conducted with booksellers in 2011. These issues are outlined below, with discussion focusing on the differing concerns publishers and booksellers have regarding these issues and how their businesses are working to resolve current challenges.

## **PARALLEL IMPORTATION**

The issue of parallel importation restrictions concerns both booksellers and publishers. Below is a description of how the restrictions on parallel importation of books work within Australia, and exceptions to the rule.

### **The mechanics of the parallel import restrictions (PIRs)**

For a title to qualify for protection under the PIRs, the Australian territorial rights holder must release the book in Australia within 30 days of it being published elsewhere in the world, and must maintain a capacity to resupply it within 90 days. There are some exceptions to the restrictions — consumers can purchase books from abroad, for example via the internet and, under the 'single use' provisions, a bookseller can purchase a single copy of a book that would otherwise be PIR-protected, to fill a specific customer order.

Under the PIRs, if a particular novel or textbook is published in Australia within the 30 day limit, booksellers cannot import and sell stocks of the same book from, say, the UK, the US or Asia. This enables rights holders to charge prices (or obtain royalties) in the Australian market with the certainty that they cannot be undercut by commercial quantities of imports of the same titles.

Assistance from Australia's PIRs is not limited to Australian publishers and authors. The publishers who benefit from territorial protection can be Australian businesses, Australian arms of international companies or international companies operating from other countries. Likewise, the works of both Australian and foreign authors are equally protected from parallel imports into Australia (Productivity Commission xvii).

This is an important issue within the industry, with a number of government-convened groups spending much time and energy making recommendations about the future of parallel import restrictions. Although most stakeholders look forward to reform, the government is yet to legislate on this issue.

Publishers and booksellers both identify parallel importation restrictions as an issue that requires addressing but representatives from each business respond quite differently to the problem. From the publisher's perspective, the Book Industry Study survey results indicated:

A very strong view that there would be a significant industry impact if PIRs were abolished. Publishers collectively shifted their expectations...from quite buoyant growth to contraction...this change in business expectations from strong positive growth to moderate contraction is the measurable projected impact of the abolition of parallel import restrictions. (Lee, Davis, and Thompson 54)

Following publication of the 2009 Book Industry Study, the Productivity Commission released its issue-specific report, *Restrictions on the Parallel Importation of Books*, where recommendations were made to repeal the PIRs (xxv), but the government did not adopt these suggestions. Neil, whose past experience is as a bookseller rather than a publisher, explains "the Productivity Commission found that there should be an open market staged over three years...the government then debated it for around six months and in the end decided...not to proceed with the recommendations" (Neil). Fiona Stager, whose comments are also representative of booksellers rather than

publishers, said she believed the government's decision to do nothing at that point was "a great lost opportunity" (Stager, "Interview"). Furthermore she stated that the government:

Should have just banned 90 day...you're a foolish bookseller if you still subscribe to 90 days. You're a broke bookseller if you do and with the 30 days, they should have moved to 14 days and that would have been a perfect marketing PR opportunity for us to come out and say we as an industry have addressed your concerns and we've made changes and it will be 14 days...and really nothing would have changed...14 days or 30 days, there are very few examples where that would have any significant impact on any of the publishers...They all bleat about it, they hated 30 days when it was introduced...and now they're dying in the ditch to save 30 days. ("Interview")

Stager also said she believed that the maintenance of parallel importation restrictions was not effective in protecting the Australian publishing industry because the ruling favoured the smaller publishers. When asked if the ruling would save Australian literature and Australian publishers, Stager suggested "no, most of the authors who were up in arms aren't published overseas...[small publishers] harnessed the concerns of young adult and children's writers, most of them aren't published overseas in any great number. There was no chance of their books being flooded back into the market" ("Interview"). Kate Eltham, speaking from a writer's perspective as CEO of the Queensland Writer's Centre, acknowledged that the 30/90-day rule was a "protection of the publishers and rights holders" and that these protections did not appear to extend to Australian authors, especially with emerging technology offering "effective digital print solutions that include fulfillment and distribution" (Eltham, "Interview").

It seems as though protection of authors is not the primary concern of any stakeholders, as the Book Industry Study found “there was a notable lack of enthusiasm for greater government support for authors, particularly among large publishers and global firms” (Lee, Davis, and Thompson 50). The evidence shows once again that the large global firms want protection from overseas competition but do not see it as necessary to protect authors because they are not concerned with cultural production. The study further stated “small publishers were more inclined to favour increasing support for authors and were especially interested in increased state government support for the industry” (50). Personal interviewees held the opinion that parallel import restrictions were either unnecessary or irrelevant commercial restrictions placed on book retailers, due to the growth in global digital marketplace. Eltham, who is passionate about offering digital solutions to authors, publishers, booksellers and readers, still believed that the 30/90-day rule had some value, but only if all parties concerned adhered to it, stating:

When it comes to physical books I can see the benefits of having parallel importation on books but only if the system of parallel importation unshackles some of the ability for the retailers to compete against overseas retailers, particularly internet retailers, so the 30/90-day rule, there needs to be some reform there I think or even just more enforcement of it...Having it is great, but if the publishers are not going to bring out their editions in a timely fashion they can't complain when booksellers want to import titles from overseas. (Eltham, “Interview”)

Stephanie Walkem, an ex-REDgroup A&R franchisee, had a similar view to Eltham, stating that there were valid arguments for and against the ruling. She feared the loss of publishing representatives and the information they supplied if parallel import restrictions were lifted, but as a retailer felt it was wrong to

not be able to supply the customer with a product they wished to purchase.

She voiced concerns about the issue in general when she stated:

If parallel importing goes to the wall one of the biggest sacrifices is going to be that I'm not sure I'm going to see reps. I'm not sure that there would be a place for reps because the big companies, the conglomerates, Kmart, Big W...they'd go straight overseas. So...I perceive it as a loss of information...I fear the loss of reps but by the same token I don't see why I shouldn't be able to get it overseas if I wanted. (Walkem)

The essence of the booksellers' arguments was that adherence to the 30/90-day rule favoured publishers and did not allow retailers to compete effectively with overseas online competitors. Neil stated that "it's ridiculous that the consumer can do what they want but retail can't" (Neil). Stager said it would have "put a bit more pressure on them to be accountable, and for us to address the fact that people are buying online and it would have just bought us in line with overseas" (Stager, "Interview"). Eltham said the rule "makes absolutely no sense in a digital marketplace" (Eltham, "Interview") while Kevin Walker acknowledged that the free market might be difficult for some retailers to compete in but that ultimately a free market would provide the best products (Walker, "Interview"). During his interview, Walker was the most vocal supporter of an open market, saying "I think the whole idea of a free market scares the hell out of people [but]...let there be a free market in everything really and you'll get the best products at the best price" ("Interview"). No action was taken after the Productivity Commission made recommendations for change in 2009, but the issue again came under discussion with the formulation of the Book Industry Strategy Group (BISG) and the release of its final report in September 2011.



Booksellers feel increasingly frustrated at being unable to supply customers with the books they want as a result of the restrictions when competing in a global market. Peter Strong from Smiths Alternative Bookshop in Canberra illustrates this frustration with this example of a customer and bookseller dialogue:

**A man came into my shop.**

**He browsed the shelves and then approached the counter.**

“Good morning sir can I help?”

“Yes, do you have a copy of *Where the wild things are?*”

“I’m sure I do”

“I want the copy that is furred, you know has a furry cover”

“Oh I’m sorry sir but I don’t have that particular edition”

“Oh why not?? It is a film you know, if you were any good you would have that book!”

Well sir I am not allowed to have that book on my shelves, the government won’t let me”

“That is ridiculous, you can’t be serious!”

“It is ridiculous and I am, sadly, very serious.”

“Can you order one in”

“Well yes I can”

“What? You can order one in but you can’t actually have one on the shelf?”

“Correct”

“Madness. Anyway I have a friend who has a copy, he purchased it on a trip to New York!”

“Yes I know but the legislation won’t let me have it in my shop”

“But I have another friend who purchased one on Amazon? Surely you can have them in your shop”

“Sorry sir but the Australian Government are quite happy for you to go to Amazon and buy one or fly overseas and buy one but they would be most displeased if I had one in my shop and I would end up in court.”

“But Mr Bookseller that is preposterous!”

“Yes I know but somehow or other if I have that book in my shop it would destroy the Australian book industry and Australian authors would never be heard of again...it would be good if I could have the same products in my shop as they have on the internet, it is very unfair that I can’t”

“And another thing Mr Bookseller if I buy on Amazon I don’t pay GST but if I buy from you I do, that seems odd?”

“Yes that is true but apparently the sky will fall if I have that book in the shop.”

“Well Mr Bookseller this seems to be removing my rights as well...”

“Yes sir it seems that the government is censoring what you can see on my shelves” ...

“Oh well sorry Mr Bookseller but I will go to Amazon and buy my books. So everyone misses out don't they?”  
“Yes everyone in Australia misses out and in the end the authors and the large publishers ...will be no better off...” (Strong 11)

As existing PIRs have frustrated booksellers they are now responding positively to recommendations by the BISG to reduce the timeframe restriction. In the time since Strong's article was published, and also since the interviews were undertaken, the BISG's report on book industry reform has recommended:

That the Australian book industry (authors, printers, publishers and booksellers) formalise an agreed, industry-wide code of practice that will reduce the timeframe for retention of territorial copyright from 30/90 days to 14/14 days without the need to amend existing legislation. (BISG 58)

This recommendation, in line with comments from Stager in her interview, and made with the understanding that all stakeholders within the industry must agree, acknowledged that current legislation regarding parallel importation restrictions “has done much to bring on an era of rapid expansion for Australian books in all sectors and that many industry operators support the legislation and the Government's decision to leave the legislation unchanged” (BISG 57) but that:

With the rapid growth in online offshore retailing, the marketplace for books has been transformed and consumers now expect immediate access to books published in the English language. The business model for Australian publishers, printers and retailers is now challenged to meet consumer demands for speedy delivery and competitive pricing. (57)

These recommendations were supported by the Australian Booksellers Association which stated that the development of a “14/14 code of practice...will make a real difference to bookshops [sic] ability to compete with

global book retailers” (ABA). From 1 July 2012 a 14/14-day agreement that is officially known as the ‘Book Industry Speed to Market Initiative’, was implemented between publishers and booksellers. Its main purpose was to make books available in a timelier manner. This is not a legislative requirement as yet but is a move that prompted Senator Kate Lundy, the Minister Assisting for Industry and Innovation, to congratulate the industry on developing the initiative thereby:

Reducing the 30/90 day rule to 14/14 [meaning] local suppliers and booksellers will be able to access new books sooner...The initiative brings Australian book release dates more into line with overseas release dates and goes some way towards ensuring the Australian market is more in tune with global markets.  
(Lundy)

Parallel importation recommendations and legislation continue to be an evolving issue for Australian booksellers in what is fast becoming a global retail marketplace. These are observations made of the industry as they stand now, but conclusions drawn from interviewing industry professionals and ongoing developments appear to show that the adherence to the current laws does not seem viable for the long-term future of the industry.

## **COMPETITION FROM OTHER MEDIA AND CONGLOMERATION OF MEDIA OWNERSHIP**

Competition from other media has been a major issue identified by both publishers and booksellers, with reading as a leisure activity apparently decreasing over the last few years. It is another issue that has intensified in the wake of the REDgroup store closures. At the Australian Booksellers Association 2010 conference, Nielsen Panorama Survey results, also from 2010, showed that in a week, the average Australian aged fourteen or over

spends twenty-nine hours watching television, ten hours listening to the radio, seventeen hours on the Internet, three and a half hours reading newspapers (online and offline), two hours reading magazines (online and offline) and two hours at the cinema (Symonds 6). This data is shown to demonstrate that there is an increase of media outlets competing for the leisure hours of the average Australian. The result is that since 2007 the time spent on the leisure activity of reading has decreased. Compared to 2007, in 2010 reading as an activity done at least once a week by those aged fourteen years or over was down from 64% to 56%, with the most likely age bracket to read being those fifty-five and over. In 2010 this age group reported 69% of people reading, and even this category was down one per cent from 70% in 2007 (Symonds 8). Nielsen data reported that due to social networking, movie and music downloads, reading in the age group fourteen to twenty-four had the most significant decrease, from 50% to 40%, representing a loss of a quarter of the entire age group to other media (8). There is, however, an additional explanation for why the data illustrates such a significant drop in adolescent readership. The data corresponds with the years when both *Harry Potter* and the *Twilight Saga* had surpassed the peak of their popularity. These titles became significant popular culture artefacts and generated an enormous readership in the adolescent demographic due to this popularity. When both series' had concluded readership naturally decreased. Malcolm Neil observed that:

We had a bit of a moment in the sun over the last ten to twelve years with Harry Potter followed by Stephenie Meyer which I think gave a false dawn (that's a bit of a Stephenie Meyer joke) to purchasing of teenagers because teenagers aren't reading as much as they used to, but because those were cultural capital and they were the things everyone talked about, everyone kind

of got the idea that kids were into reading, and...I don't buy that so much as kids were into the stories that were being told which happened to be in that format. (Neil)

While traditional book reading may be falling most significantly in the fourteen to twenty-four age groups, there are programs in place to prevent reading from being displaced as a leisure activity for young people. The reading habits of young people will be discussed in detail at the end of chapter five. The data showed that book reading fell in all age categories, and therefore booksellers and publishers have to continue to compete vigorously with other media for public attention.

For publishers the conglomeration or concentration of ownership is an issue because it can dictate what books are accessible through production. In the 2009 Book Industry Study, small and medium sized Australian publishers<sup>1</sup> mainly identified concentration of ownership as being in their top three issues for industry consideration (Lee, Davis, and Thompson 82). The study also notes that "even among the large publishers it remained in the top five" (82) meaning that all businesses, even already large conglomerates, are dependent on the profitability of their balance sheet to remain immune from the threat of corporate takeover. There is a link between competition from other media and concentration of ownership and this link is the emergence of the movie tie-in concept. A publisher's strategy of producing commercially successful books is necessary if they wish to subsidise the cost of more culturally significant but less profitable titles. However, Jenny Lee explains that the book as a mass entertainment commodity is often more valuable to

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<sup>1</sup> Small publishers were defined in the study by the number of titles published per year: small = 1-19 titles, medium = 20-49 titles.

businesses than the book as cultural artefact. She specifically argues “the book itself is an elaborately contrived, digitally enhanced simulacrum of an object that was once manufactured by far earthier means” (“Exploiting the Imprint” 17). Lee said this has become the case because “in Australia, all but a few of the dominant brands are owned by global media conglomerates” (17). These global media conglomerates become involved in publishing to improve their profits and they do this by creating the movie tie-in. As Lee further states, “in the mass entertainment market, films based on books with extensive fan networks- *The Lord of the Rings*, the *Harry Potter* series...are recent examples...command ready-made audiences of millions...in the reverse direction, a successful film or television series can give an old book new life (as occurred with *The Lord of the Rings*), or a writer can be commissioned to produce a book to tie in with a popular film” (21). *Harry Potter*, and more recently, the popular culture phenomenon that has rewritten the rules on bestselling novels, Stephenie Meyer’s *The Twilight Saga*, have all been huge box-office successes. This success has resulted in many other promotional tie in products, particularly for *Twilight*, including calendars, bookmarks, key rings, bag clips, mugs, badges, underwear and other non-book (or non-book related) products. These all add to the profitability of the overall franchise. *Harry Potter* and the *Twilight* series had such an effect on book sales between 2000 and 2009 that data collected by Nielsen for the 2010 industry overview had to exclude these titles to give a true indication of the growth of the market (Symonds 14). It is these successful book/movie franchises that corporations aspire to discover and create. The pressure has become so great that it is holding the publishing industry hostage. Success is

a pressure in itself because should a medium or small publisher discover the next popular author or theme, they become the next target for corporate takeover. The continuing corporatisation of medium and small publishers stifles creativity with the result that the cultural role played by these smaller businesses, a role already acknowledged as central to the cultural life of Australian books and literature, becomes less about cultural creation for the broader Australian market and more about survival in a global economy.

For booksellers, the pressure of concentration of media ownership comes in the form of the vertical integration of the online A&R store with the publishing group, Pearson. Due to the sale of REDgroup Retail assets, Pearson, the parent company of publisher Penguin, bought the A&R online business (Zappone, "Pearson buys Borders"). This has given booksellers cause for concern and promoted the idea that publishers may not need booksellers in the future if they can successfully operate online retail outlets themselves. Some booksellers see this as the beginning of publishers controlling the accessibility of titles available to the public via online channels. The Australian Booksellers Association objected to this acquisition, with ABA president Jon Page from Pages and Pages Bookshop in Sydney stating in the article that "having a retailer with monopolistic control of different aspects of the supply chain is not good for competition for consumers and other retailers" (qtd. in Zappone). Pearson made assurances that their ownership would not affect the availability of titles. While the ACCC later reported that they would not oppose the sale (Johnson), this acquisition has raised concerns that should publishers move to online retailing and find this a profitable endeavour then

the availability of titles to other retailers may become limited. The threat that online retailing poses to bricks-and-mortar bookstores is that the focus could shift from the bricks-and-mortar store to the online platform, thereby making the bookstore redundant.

## **DISTRIBUTION AND ENVIRONMENTAL SUSTAINABILITY**

The problem of distribution is one that affects all participants in the Australian book industry and, along with the issue of the lack of a strong digital infrastructure, was identified as a major concern among publishers in 2008 (Lee, Davis, and Thompson 80). This is not surprising since distribution will always be a problem in a country the size of Australia. The BISG report stated that “Australian book retailers are disadvantaged by a distribution system that is comparatively slow and inefficient” (3) so in an effort to offer streamlined solutions to booksellers and publishers, various business developments have been adopted to improve the processes involved in taking a book to its final destination. The focus of these endeavours is primarily on finding ways to keep costs down while moving products quickly around such large distances. Today there are large companies that operate in the name of the publisher to distribute their publications to booksellers. The most common distribution businesses are Alliance Distribution for Hachette Australia and Murdoch Books, and United Book Distributors who distribute for a range of publishers in Australia and New Zealand such as Simon & Schuster. These businesses are able to amalgamate distribution to one central depot and cut the costs of distribution for single smaller publishers so that operating costs are cut and the movement of books into stores occurs in a more systematic and



structured way. The privacy of opposing businesses using the same warehouse can be maintained because of changing technology and increased computerised safety firewalls that keep company information separate from the warehouse distribution. This amalgamation of distribution channels has gone some way to making the distribution process, speed of supply and packing issues not only more profitable but smoother and more professional for booksellers and publishers with less lost and damaged products and greater ease of parcel tracking to find accountability for mistakes that do occur.

Distribution concerns are also closely linked with environmentally sustainable business practice. Lee, Davis, and Thompson reported “book publishers have become increasingly aware of the extent to which the industry’s practices contribute to anthropogenic global warming” (87). However, while once again the publishers and booksellers are addressing the same issue, its level of importance differed between publishers and booksellers. In the University of Melbourne’s Book Industry Study only 9% of all publishers who responded stated “they had no policy and did not plan to develop one in the near future” (Lee, Davis, and Thompson 87). Meanwhile the booksellers’ response to environmental policy creation did not appear to be as advanced, given the findings of an eco-efficiency survey conducted in 2010. This survey, produced by the Australian Booksellers Association (ABA), reported that 85.1% of booksellers did not have an environmental sustainability plan (Stager “Green Issues” 10). It seems that publishers have taken up the issue of environmental sustainability earlier than booksellers. However, the ABA has recognised the

need to assist their members with environmental solutions. In the same article Stager suggested “as an industry that is such a high consumer of energy-rich resources, we need to be actively working for change within our own businesses before we feel the heavy hand of government regulation” (10). Publishers and booksellers have addressed environmental planning but with different priorities. Publishers ranked issues of power usage and production ahead of the use of consumables and distribution in their environmental business plans. In contrast, according to Stager and the ABA, “the most frequent complaint from survey respondents [booksellers] was about damaged stock, distribution errors and unnecessary single order delivery which all result in a waste of energy through unnecessary transport” (10). Australian booksellers have always had distribution problems, and the logistics are entrenched and difficult to alter. Due to the size of the country the process is a huge consumer of time, money and energy - both environmentally and physically for the bookseller or publisher. This waste of consumable energy is exacerbated by the process of sale-or-return and compounded by unforeseen errors that occur within the system. Technological development, online purchasing and the development of eBooks could be the solution to the distribution and environmental concerns of the Australian book industry in the future. Kevin Walker explained this environmental solution when he said:

The eBook thing is going to gather massive momentum when the world, especially the environmentally aware world, realises what a massive saving it is to the environment if we didn't have to chop trees down to produce magazines and books across the world. Then we didn't have to ship all the pulp to factories to turn it into paper to then publish it and then send it on pallets and freight around the world, all that, when you can just download it on a pad. (Walker)

There are clearly environmental issues to be solved by developing more efficient supply chain solutions and adopting other digital technologies but the traditional infrastructure of the book industry has not broken down in the face of new technological advancement. Until this becomes the case, distribution will continue to be a problem in Australia because of the size of the continent and the consequent environmental and financial cost of moving books.

### **ONLINE RETAILING AND GENERAL RETAIL PRESSURES**

Online retailing is an issue that is being addressed by all retailers, not only the book industry, and is one of the general pressures being encountered by retailers both domestically and internationally. Mike Codling, partner and Banking Leader at Price Waterhouse Coopers, writes:

There is a seismic shift underway in how consumers are browsing, reviewing, choosing and buying goods and services...books are not the only target for digital commerce. The diversity of goods and services being sold online--wine, cars, baby accessories, flights, hotel rooms and even a bet on next Sunday's footy match--demonstrates consumer eagerness to embrace this new way of purchasing. (7)

The increase in online retailing over the past decade has occurred due to improved retailers' presence online, greater availability of products, and enhanced access by consumers to customer reviews and the availability of comparative pricing on products. Internationally, the increase has been "significant and sustained" (Doherty and Ellis-Chadwick 950) with the value of online retail in the United Kingdom growing "from £362 million in 1998 (0.2 per cent of retail expenditure) to £19.5 billion in 2008 (6.7 per cent of retail sales)" (Ferne, Sparks and McKinnon 903). However, it appears that bricks-and-mortar retailers are embracing a "clicks and mortar" strategy where

businesses can “leverage their existing physical assets and brand” (Tse qtd. in Doherty and Ellis-Chadwick 952) in an online environment but still provide customers with the “personal and sensual pleasures of going shopping” (Doherty and Ellis-Chadwick 952). While the book supply chain has been singled out by a number of commentators and academics as an industry that has been especially affected by the growth in online retailing (Codling; Doherty and Ellis-Chadwick; Brynjolfsson, Hu, and Smith; Tse), the clicks and mortar (CAM) approach is increasingly prevalent with Australian booksellers. Specific strategies Australian book retailers are integrating into their businesses will be discussed later in this work and will show that online retailing, while a challenge, is also an opportunity for increased customer engagement for the Australian bookseller.

Economic pressures and the fact that people are spending less in retail outlets affect all businesses in the retail environment. This is having a greater impact than simply the increase of online retailing alone would have. In Australia, Bernie Brookes, the chief executive of MYER, described the trading conditions at the end of the 2010-2011 reporting season as “a very challenging retail environment” with the same article stating that Australian retailers were “struggling against the worst trading conditions in 30 years” (Greenblat, “Retail cloud casts long shadow” 1). In the article Brookes said “I don't think there is going to be any return in the short term to people spending in retail in general” (1). Factors that have been speculatively given for the stagnation in the retail sector have been the Global Financial Crisis, coupled with “the cost of living pressures associated with rising fuel and energy bills, reinforced by the rising food prices that have been a consequence of natural

disasters” (Saunders and Wong 292). This retail downturn is also an international issue, not limited to Australia, affecting other countries such as the United Kingdom where food retailers in particular had a difficult 2011 due to “a slump in consumer confidence and a turbulent year at a corporate level for some major retailers” (Best). Silvia Ridone, author of a report entitled “The Store of the Future”, said that in the UK the retail challenges were multifaceted with retailers and consumers both under financial and online pressure. Outlining some of the specific pressures encountered by retailers and consumers, Ridone stated:

It's partly a reduction in consumer spending because of the downturn. Shoppers are spending less, and when they do spend they're spending differently--they're going online," she said in a phone interview from her London office. "On the other side, the contributing factor for retailers is that costs are going up. Anything from building costs to rent to heating to fuel for transport. So you have these economic pressures bearing down on retailers as well as consumers. As a result, the role of the store is changing, as are the requirements on how many stores a company realistically needs. (McLaren 51)

Many retailers both domestically and internationally are addressing the impact of general retail pressures on their businesses. This means they are forced to reconsider their rising operating costs and the impact of less discretionary spend from customers due to rising living expenses. While online retailing is an issue that needs addressing in this difficult economic climate, it is not the only problem within the retail marketplace in Australia. There are other general retail concerns that are often more detrimental to the success of the bricks-and-mortar business than the integration of technology into an otherwise successful business.

## **CHAPTER TWO**

### **THE ORIGINAL ANGUS & ROBERTSON – THE BOOKSELLING PHILOSOPHY AND LEGACY OF GEORGE ROBERTSON**

The Angus & Robertson Company began its life in 1886 as a family owned business. Since that time it has transformed into a modern chain store. This chapter chronicles the experiences of the company within a changing corporate context. Included are brief biographies of early Australian booksellers to show that passion and professionalism for the field of bookselling were essential traits in the proprietors of early Australian bookselling businesses. The success of these businesses often relied on the guiding hand of the owners, especially in the case of E.W. Cole and William Dymock. This chapter argues that Angus & Robertson (A&R) owed its success to the bookselling philosophy of its co-founder, George Robertson of Sydney, but as the business became more corporatised there was no longer an individual or group with the same knowledge, passion or dedication as George Robertson to maintain and build the business. During the course of the forty years between Robertson's death and the hostile takeover of the business, the staff Robertson trained maintained his philosophy of bookselling and publishing. However, the company succumbed to the Takeover Era during the 1970s because it could not adapt to more modern expectations. This initial takeover separated the bookshops, publishing house and printer into individual subsidiary companies and began a process of corporatisation that ultimately saw the bookshops pass to the ownership of a private equity firm, Pacific Equity Partners (PEP). The goal of the owners had shifted from

the cultural bookselling philosophy of the original owner to a profit-centred business focus. The business acumen and passion for his product George Robertson possessed ensured the original success of the business. However, this business mentality metamorphosed into an attitude with a greater emphasis on profitability that eventually threatened the continuation of the business.

There were some important early Australian booksellers who established book culture due to their personal philosophy concerning the importance of books in Australia's cultural life. A few of the most influential booksellers were another bookseller named George Robertson, who was based in Melbourne, William Dymock and Melbourne's Edward William Cole. These men were professionals in their field who knew their product and understood their market. George Robertson of Melbourne<sup>2</sup>- Robertson the Elder - described as the chronological "father of the Australian book trade" (Holroyd 5) was from Glasgow. He worked as a bookseller with Currey and Company in Dublin and McGlashan's in Glasgow (Tyrell 28). Tyrell describes the older George Robertson as "a figure and force to be reckoned with" (28) whose influence extended to his publication of Australian authors such as Adam Lindsay Gordon, Henry Kendall and Marcus Clarke, and also:

In opening a [bookselling] branch in Sydney...certainly had a lasting influence [there]. Not only did the two subsequent partners of Angus and Robertson's have their Sydney

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<sup>2</sup>George Robertson of Melbourne, also known as George Robertson the Elder, was proprietor of Robertson & Mullens. He was not related to George Robertson the Younger of A&R. In this work, the two Robertson's are referred to as Robertson the Elder and Robertson the Younger when discussed in the same section.

beginnings in the George Street branch of the Melbourne George Robertson, but, among others, William Dymock, who established Dymock's Limited, came out of that same prolific hatchery of Sydney booksellers. (28)

While Robertson the Elder has the distinction of being the “father” of the book trade, William Dymock, according to Kirsop, “retains the distinction of being the first native-born Australian to have launched an enduringly successful major book-selling business” (Kirsop, “Dymock”). In addition to the experience gained from George Robertson the Elder in Sydney, Dymock trained as a bookseller with John Andrews and James Reading & Co (Kirsop, “Dymock”). The chain, whose origins began in Market Street, Sydney, with the opening in 1879 of Dymock's Book Arcade (Dymocks) is still a privately owned business having been managed by the Forsyth family since William Dymock's sister, Marjory Forsyth, acquired the business following Dymock's death in 1900. Even though Dymock died at a relatively young age, he still left a legacy of physical bookstores to Australia.

One further esteemed bookman, Edward William Cole also contributed to the culture of Australian bookselling through the legacy of goodwill and memories that he left in Melbourne where he was based. Cole opened his first bookstore, which was a second-hand outlet in 1865. He soon expanded his business so that his arcade ran from Bourke Street to Collins Street. Cole also owned or leased the businesses in the surrounding premises (Turnley). Cole was an energetic retailer who sold all types of products including “perfume, musical instruments, confectionery and ornaments” (Lang 27) but he valued the skill of reading and therefore created a space where books and reading



could be enjoyed. This is a strategy A&R's George Robertson - Robertson the Younger - would later implement. Lang writes:

As one of [Cole's] slogans proclaimed: 'The happiness of mankind, the real salvation of the world, must come about by every person in existence being taught to read and induced to think.' With this in mind Edward filled the Arcade's ground with over a hundred chairs. His policy was that anyone could read for as long as they liked without being disturbed. (27)

Cole's attitude to books and retailing created an environment where books could be consumed and appreciated by all people in society, regardless of education or wealth. His Arcade was inextricably linked with Melbourne's social and cultural life and during his lifetime it "became part of Melbourne's soul" (Lang 27). Cole also exemplifies how the vision of one man can prove the success or failure of a retail venture; following his death disagreements among managing trustees led to the closure of the company in 1929. Each of these men were professionally trained booksellers and retailers who spent years learning their trade and using their influence to further the ideals of reading and bookselling in Australia and their efforts influenced many aspects of Australian society and culture.

The unique yet equally important businesses that must all synchronise to take the idea for a book and turn it into a commodity ready for the retail consumer are that of the publisher, the printer, and the bookseller. There are other businesses such as those involved in the distribution network that must work in synchronicity with these major players. Publishing houses are distinct from printers. They are responsible for accepting manuscripts from authors or for commissioning new book ideas. Often the printer of a book is a third party business whose sole responsibility is to have the manuscript typeset, bound

and sent to the distribution warehouse. As Craig Munro has noted in the second volume of the *History of the Book in Australia*, “since the halcyon days of A&R and its big Halstead printing press, publishing and printing have gone their separate ways. There are now only a few large book printers in Australia, and hardback...binding lines are almost non-existent” (“Editing, Design and Production” 176). After printing, the books are forwarded to a distribution warehouse whose responsibility is the logistical effort of delivering the books to the bookseller. At the end of the nineteenth century and for most of the twentieth century A&R had ownership and control of three main elements of the book distribution chain. In 2009 Jennifer Alison suggested “Angus & Robertson holds a premier position in the history of the Australian booktrade by virtue of the length of operation of the business and the scale and vigour of its three main areas of operation, bookselling, publishing and printing” (Alison, *Doing Something 2*). While each of these elements contributed in some way to the success of the business, the bookselling arm was the most profitable (Munro, “A&R’s Takeover Crisis” 14), and yet the least researched. What follows is an explanation of the different roles of the printer, publisher and bookseller within the original A&R enterprise, and how they were interconnected for most of the firm’s history.

## **THE HALSTEAD PRESS**

The acquisition of the printing works Halstead Press in 1923 was a George Robertson initiative to increase control of book production within his business. Named after Robertson's birthplace in Essex (Davis 42), Halstead initially came into being when George Robertson purchased a share of what was then the Eagle Press in 1923 because he did not trust the prices the printers were charging to print his books (Alison, "Publishers and Editors" 33). Robertson bought the business outright in 1929. This company printed almost all of A&R's books as well as those of other Australian publishers such as Oxford, Cheshire and Ure Smith because, as Alec Bolton remembers, books printed on behalf of other publishers "represented money in the bank" (Bolton 19). The printing operation was originally situated at Surry Hills but it moved to Kingsgrove over the Christmas-New Year period of 1956-57 (19). It remained under the A&R banner until it was sold to John Sands (Australia) Ltd in 1972. At this time many of the staff that had worked for A&R all their lives were dismissed (Davis 266). This was a period in Australian history when superannuation entitlements did not exist. George Robertson's great grandson acquired the Halstead name and logo in the 1970s when it stopped printing and became a publishing imprint. He passed them on to the current Halstead Press publishing company when it was formed in 1991. Currently, Halstead Press concentrates on publishing history, literature, current affairs and scholarly books (Halstead Press). Although Halstead is no longer a printer, the name and ethos of the company are part of the legacy left by George Robertson and his original company.

## **THE ORIGINAL PUBLISHING DEPARTMENT**

Publishing was the second tier of the original A&R business and it was the greatest contributor to the establishment of its literary reputation. This department was established in 1888 with the majority of projects overseen by George Robertson personally until his death in 1933 (Alison, "Publishers and Editors" 27). The role of publishing director then passed to Walter Cousins until his death in 1949 at which time it was taken over by George Ferguson who was the grandson of George Robertson. Ferguson remained in this role until he left the business in 1970 (Kent). The publishing team, including those responsible for production, sales and editorial, were accommodated at 89 Castlereagh Street in Sydney from 1895 until June 1960 (Kent 226). The bookshop occupied the basement and ground floor of the three-storey building and the publishing staff was housed on the upper floors. According to Craig Munro, they were "crammed into a rabbit warren of offices on the upper levels, including one room which was accessible only by a steep flight of stairs. George Robertson would retreat to this hideout to avoid the invariably drunk and indigent Henry Lawson" (Munro, "A&R's Takeover Crisis" 14). Similarly Jacqueline Kent reports that Beatrice Davis "edited manuscripts in an attic office the size of a sentry box" (7). New premises were not organised for the publishing department until 1960 when Walter Burns moved them to the fourth floor of 221 George Street. At this point the publishing department was housed in offices over the then newly acquired Robinson's Maps (Kent 226). Despite the lack of space, the activities of the publishing department have garnered the greatest interest due to the prestigious authors and poets

represented by A&R, including Henry Lawson, “Banjo” Paterson, Ruth Park, Ion Idriess, May Gibbs and Kenneth Slessor.

Existing studies of A&R have concentrated on the cultural contribution of their publishing activities. Most studies are concerned with the publishing activities from as early as 1888 until the end of the 1960s and do not focus on what became of the A&R brand following the separation from its publishing activities. The most recent and comprehensive of these studies is Jennifer Alison’s *Doing Something for Australia: George Robertson and the Early Years of Angus & Robertson, Publishers, 1888-1900*, a 2009 study of the business using archival records from the Mitchell Library. This is a thorough study of A&R’s early business which is described by one reviewer as “a monumental work...a true work of scholarship not to be relegated only to the shelves of our major libraries” (“Doing Something for Australia - Review”). Its focus is an analysis of the more general historical contribution of the company’s publication activities to Australian literature and it pays only minimal attention to the bookselling sector of the business. Since its focus is the 1890s, Alison’s work does not in any way encompass the modern bookselling industry. This leaves a wide gap in our contemporary knowledge of the industry. This tendency of academia to concentrate on the publishing side of the business continues into the firm’s twentieth century history. Studies have been primarily concerned with the shaping of Australian literature in the twentieth century through the A&R publishing house. Jacqueline Kent’s previously mentioned biographical work, *A Certain Style: Beatrice Davis A Literary Life*, specifically details Davis’ editorial career and contribution to A&R’s list of literary publications between the 1930s and the 1970s. Also, Neil

James' doctoral thesis *Spheres of Influence: Angus & Robertson and Australian Literature from the Thirties to the Sixties* addresses A&R's publishing contribution to the Australian literary canon during the same timeframe. Unfortunately for Australian book history scholarship, these primary research works in the field have largely neglected the contribution of A&R's bookshop and its booksellers to the commercial and cultural history of Australia.

Academic interest is concentrated on A&R's publishing output because George Robertson's publishing program specifically promoted works he believed to be beneficial to the cultivation of the Australian identity. The publishing activities were initiated and continued by George Robertson, because he was "a restless man and found the idea of publishing his own books immensely appealing" (Kent 43). Alison also writes in her contribution to volume two of *A History of the Book in Australia* that "as a bookseller Robertson...developed a particular interest and expertise in Australiana, which became a specialty of the shop...He referred to the firm's publishing as 'doing something for Sydney and Australia'. A&R's [published] books were initially either by Australian writers or on Australian topics" ("Publishers and Editors" 28). The widespread success of early publishing projects from A&R is also likely to have contributed to academic interest. Publishing is an industry fraught by tight margins and is often at the whim of the public. Alison observed "it was fortunate that *The Man from Snowy River* and Lawson's books were so successful so early in the publishing program, as they helped to make the firm highly visible and attractive to local writers and book buyers" (35). Early commercial and popular culture success allowed A&R publishers

to invest in less commercial, more literary titles. This helped to establish their reputation as publishers of cultural artefacts. Academics therefore have found the contribution of the publishing program rich material for continued study. However, while this publishing activity contributed to the success of the overall business, and the specialisation of the Castlereagh Street store, it did not lessen the importance of the A&R bookselling business as an overall cultural conduit. At its most prolific, the output of A&R publishers was not large enough in volume or wide enough in range to successfully stock an entire bookstore. By 1900 A&R were publishing eleven books a year on average and by 1920 they were averaging 33 titles per year. These numbers included all new general fiction publications as well as reprints, school textbooks, academic texts, cookbooks, children's books and poetry (Alison, "Publishers and Editors" 32-33). Furthermore, even at this highly profitable time in their publishing history, bookselling, not publishing, made up 75% of their total profit (35). Robertson embraced the publishing challenge in order to make a cultural contribution to Australia but he was primarily a bookseller.

### **PUBLISHING DURING ANGUS & ROBERTSON'S "GOLDEN" ERA**

Publishing at A&R following George Robertson's death in 1933 remained profitable until the early 1960s due to a solid backlist catalogue. Publishing enabled the firm to extend their cultural contribution to Australia by being creators as well as purveyors of cultural artefacts. According to George Ferguson, Robertson's grandson, A&R's publishing director and later their managing director, A&R "always believed in the cause of helping Australian books...that philosophy lead [sic] to quite a lot of books being done before

their time. There were a number of books where the market hadn't developed sufficiently, but did later" (Robertson qtd. in James, "Basically We Thought About Books" 11). James argues that Australian literature would not have developed as it had without the contribution of A&R between the Post-war period and the 1960s. He terms this the "golden period of Angus & Robertson, during which it consciously used its dominance to consolidate and then advance the position of Australian literature" ("Spheres of Influence" 3). A&R could afford to produce literary fiction because they had a solid backlist that ensured financial security and they employed the human resources and infrastructure to publish and print a wide range of titles. Publishing of imaginative Australian literature grew during this period culminating in the 1950s when A&R were Australia's leading publisher of fiction and poetry with no other Australian publishers matching its output (84). This opportunity may have arisen for A&R as it corresponded with a time in Australia's corporate history when other British firms were scaling back their local publishing programs (122). Even though this was a time of literary expansion for A&R publishing there were other more practical and profitable titles such as technical, medical and agricultural books - what James terms the "bread and butter list" - which still had to continue to subsidise the less profitable literary fiction (105-106). Robertson understood this as he admits in a letter to Norman Lindsay:

I know that we publish certain books that are not any great contribution to literature, to say the least of them. But they sell and as long as we put part of what we make out of them back into doing something practical to help the country's cultural growth then their publication is justified. (Robertson qtd in James, "Spheres of Influence" 98)



This is a clear indication that Robertson had an understanding of the valuable role his firm was playing in establishing Australia's cultural integrity in terms of literary production. A&R published commercially successful books to ensure profit but these books allowed the business to invest in the production of work that had greater cultural significance.

While they may have cultivated a reputation as a publisher of great literature, in the 1950s A&R were also spending time and money on projects that did not contribute culturally or economically to the success of Australia or the business. The publishing of literary fiction was not seen as the most profitable venture. This remains the case in the twenty-first century. Publishing with no clear idea of why they were publishing or what the returns would be was a pattern that started to emerge at A&R. Alec Bolton remembered:

It was hard to know why some author's books were published...One sometimes felt that books were published which nobody could remember having been accepted...too many books were being published, including books that had no enthusiastic champion on the editorial or sales side. (Bolton 18)

The golden period as defined by James coincides with the career of Beatrice Davis, A&R's respected first full-time editor, who had enormous influence over what books the publishing house accepted. These publishing activities were a luxury that the earlier financial success of the A&R Company allowed, not the primary aim of the business. Jacqueline Kent, Davis' biographer even acknowledges how unbusinesslike A&R were as publishers, stating that:

By today's standards the editorial department Beatrice controlled in the 1950s was uncommercial to the point of perversity. A&R's aim was to publish as many books as possible about Australia and by Australian authors. Ensuring that these books came out at the optimum times for sale - for Christmas or Mother's Day, for example - was not considered important. (Kent 211)

This statement shows that even within the company, book publishers and booksellers had competing agendas. The publishing arm of A&R's lack of concern for publishing profitable titles at the peak trading times is a factor that contributed to the business becoming vulnerable to a subsequent successful takeover bid. While A&R may have had a major influence over what literature was produced in Australia, the profitability and therefore the cultural contribution could not continue because the firm did not innovate, successfully gauge changes in social trends, or publish books to be ready for peak trading times. These issues will be addressed later in the chapter, in the section titled "The Takeover Era".

### **GEORGE ROBERTSON: COMMERCIAL RETAILER**

Experience as a bookseller and retailer assisted A&R's George Robertson in the success of his publishing program (Alison, *Doing Something* 103). However, his primary business was always bookselling. The bookselling business was established in 1884 by David Mackenzie Angus, and expanded into a partnership with George Robertson of Sydney in 1886. The two men originally met while working in a Sydney bookstore owned by George Robertson the Elder of Melbourne. As previously mentioned, George Robertson of Melbourne was another early Australian bookseller bearing no relation to George Robertson the Younger of A&R. The bookselling business of David Angus began on Market Street in Sydney but moved to the iconic 89 Castlereagh Street store in 1890 and it extended to 95 Castlereagh Street by 1907, the same year the business became a public company. Another Sydney

store was established in Riley Place in 1902 and a Melbourne store was trialled under the management of Fred Shenstone between 1901 and 1905. While the Castlereagh Street store remained profitable and an icon in Sydney literary circles throughout the early part of the twentieth century, the Melbourne store was closed and the property sold in 1905. This chronological evidence coupled with other evidence from both primary and secondary sources shows that David Angus and George Robertson were always primarily booksellers. Instances of evidence, including comments made by George Robertson himself, show that David Angus, George Robertson and the retail team working at the Castlereagh Street store were primarily passionate booksellers who saw bookselling as “an honourable and valuable calling” (Ferguson 63). The business may have become famous as a publishing house but George Robertson, who was the force behind the success of A&R, even wrote in 1918 that “next year I’ll eschew publishing and be plain bookseller again - it pays better and is The Simple Life by comparison” (Robertson qtd. in Barker 31). Nile and Walker explain that A&R placed greater importance on their bookselling business over their publishing activities because “it was simpler and more economical for the local trade to organise itself to be importers and retailers rather than publishers” (8). When not selling from his shop floor, Robertson was “as immersed and involved in the selling of Angus & Robertson’s books as he was in making them” (Alison, *Doing Something* 59). He even used his bookselling experience to advise other booksellers how to sell his books, whether or not the advice was solicited. Alison reports:

Melville Mullen and Slade were told they should be able to sell 50 copies of *Hydatid Disease* and to put the book in their

monthly lists. The Adelaide branch of E.S. Wigg were informed that R.R. Garran was secretary of the New South Wales delegates to the Federal Convention in Adelaide and that most of the delegates would require a copy of his *Coming Commonwealth*, in consequence of which they were requested to: “kindly keep it to the front and push it all you can”. Cole’s Book Arcade were advised that if they ordered more sets of the Australian School Series they would be able to make a better shop display and thus sell more of them. It was pointed out to a bookseller in Fremantle that a large number of Australian books might be sold to passengers on the mail steamers calling at that port. (*Doing Something* 85)

Robertson’s bookselling experience enabled him to consistently sell his published products and this ensured the continued commercial success for the firm. However, publishing his own books was not enough to guarantee the continued success and profitability of his own bookstore and therefore he actively participated in the commercial retail system of the era.

Robertson actively participated in the commercial system of the era by importing many popular titles and this helped to foster a continuing reading culture in Australia. He was aided in this pursuit by Australia’s high standard of living (Nile and Walker 10) and by the fact that Australian book consumers could buy very cheap books. This was made possible because Australian booksellers “were energetic collaborators in the relationships that tied the Australian market to British production centres” (Lyons 25). To pass on these cultural objects to the public booksellers need to be, then as well as now, effective communicators, knowledgeable about the specialty of books and, lastly, determined retailers and salespeople. George Robertson was all of those things. Alison found that he was “robust, vigorous [and] toiled ceaselessly at both book-selling and publishing” (Alison, “Publishers and Editors” 27). But he was also in positions of power, which enabled him to

influence the industry. He was the President of the Retailers' Association, he formed the Association of Australian and New Zealand Booksellers (Nile and Walker 13) and he belonged to the group of retailers who cultivated the imperial importing relationship between Australian booksellers and British publishers. This relationship with British publishers was important because it was more profitable to be an importing bookseller and sometime local printer of colonial editions than simply a publisher (Lyons 24). To make certain their customers would have access to popular titles, A&R imported a large percentage of their stock from England. Australia was Britain's largest book export market at the beginning of the twentieth century and it retained that position until Britain began trading more markedly with America in the 1980s (Nile and Walker 10). Even Australia's largest book printing business, A&R's Halstead Press, could not compete with the capabilities of British printers (15) so Robertson, like other Australian booksellers, relied heavily on British imports. Britain was able to publish a more extensive range of titles in more profitable quantities than if the books had been produced locally (8). Nile and Walker assert:

It is doubtful that the cultural nationalism that inspired demands for a local publishing industry among Australian writers was shared by Australian book buyers: the pleasures to be gained from the devilry of Dr Fu Manchu or the brilliance of Sherlock Holmes readily crossed national borders. Besides, one did not have to be Sherlock Holmes to know that novels that were the talk of London were also likely to attract interested readers in Australia. (16)

The practice of importing more economical editions was how a retailer at the turn of the twentieth century met the needs of the customers, whether or not this supported the local publishing industry or local authors.

## **GEORGE ROBERTSON: BOOKSELLER AND PRESCRIBER OF CULTURE**

Although academic studies on bookselling are limited there exists enough primary evidence in A&R's business communications and George Robertson's personal letters to support the assertion that George Robertson believed bookshops were centres of culture. One work that utilises this primary evidence to provide an account of George Robertson's attitude towards bookselling is Anthony Barker's well-regarded study, *Dear Robertson* (1982), originally published by A&R, and re-released in 1993 as a University of Queensland Press edition entitled *George Robertson: a Publishing Life in Letters*. Barker's description of George Robertson and his bookshop philosophy indicates that Robertson saw his bookshop as a place where culture could be presented, created and absorbed by his customers. Barker writes that, as Robertson:

[was] largely self-educated from his own extensive reading, he set great store on the educational and informative value of books. He regarded bookshops as social and cultural centres, and when he had the opportunity of setting up his own bookshop, he designed it so that customers could wander about freely, handling the books and browsing in them, which foreshadowed the style for all subsequent bookshops. (15)

Barker's work begins to lay the foundation for the argument that bookshops and booksellers have an essential role in the creation of cultural life. Their role is equally as important as the role of the publishers. The publishers who published the books to stock George Robertson's bookshop doubtless contributed to the cultivation of culture in Sydney specifically and in Australia more generally, however it was Robertson's vision for his bookshop and his passion as a bookseller that enabled the bookshop to retain a bookish atmosphere so that the bookshop itself became a cultural icon.

George Robertson designed his Castlereagh Street bookshop to be a “landmark for book lovers throughout Australia” (Kent 41). The logic behind this comes from his idea that “a bookshop should be the centre of culture for every town in the nation” (47). The end point of this is the notion that it is both the producing *and* selling of books which create a civilised society (47). Without a passionate and far-sighted bookseller and business person at the helm the business would not have passed into Australia’s collective cultural consciousness as the place to go when buying a book. He achieved this by including a wide range of genres, by offering a service to sell new and second-hand books, and by creating a mail-order department. In essence he established a pre-cursor to the modern public library. Robertson created an atmosphere where culture, new ideas and the enjoyment of books could be communicated. Jacqueline Kent suggests that all these elements, combined with the smell and feel of the bookshop, made it a magnet for the reading needs of a significant sector of the Australian reading public:

With its varied departments-fiction and general, theology, military, children’s, history, hobbies, biography- wooden counters piled with new books in their crisp jackets, and the seductive and pervasive scents of fresh paper and printer’s ink, the bookshop was a magical place. Angus and Robertson sold second-hand as well as new books, and also boasted a small and select rare-book department and the Sydney Book Club, a large circulating library that provided an essential resource in the days before free municipal libraries...At one time the bookshop had also held a small art-gallery...The basement was a warehouse where spare copies were stored, and it was also the headquarters of the mail-order department, where books were wrapped and dispatched to all parts of Australia. (41)

Experienced retail booksellers have the ability to adjust stock in a store to accommodate the local demographic and to promote popular or critically well-

received titles. They contribute to the furthering of book buying culture and the continuation of any number of cultural discourses contained within the books they sell. George Robertson understood this role of booksellers as “dispensers” (Ferguson 64) of culture and he created a bookshop that would assist in communicating these cultural artefacts to the public.

## **BOOKSELLER’S PHILOSOPHY**

The success of the A&R bookshop can also be attributed to the employment of professional, knowledgeable and passionate booksellers who knew their product and their market. Within the company the influence of George Robertson was still considerable even after his death. Jacqueline Kent writes that “at times of uncertainty or crisis, the question was still: What would G.R. [George Robertson] have done?” (48). This tendency to follow Robertson’s example is epitomised in the description of the attitude of the bookseller Hedley Jeffries in Kent’s work. Jeffries was A&R’s chief buyer of fiction and general books who worked as a bookseller since the 1920s and is an example of the type of bookseller who adhered to Robertson’s example of bookseller as a lifelong profession and transmitter of culture. Kent states that for Jeffries bookselling was his life and he “often quoted [Robertson’s] dictum that you didn’t simply sell a customer the book they requested, you always tried them with several others, and he was expert at sending customers away with three books when they had thought they only wanted one” (48). In the *Golden Age of Booksellers*, a collection of booksellers’ memoirs, Jeffries recalls that:

The staff on the floor was expected to know what was in sections other than their own. We had a big mailing list with a note beside the number of the customer’s preferences and prejudices...It is not upstairs in an office that you find out what



people want, but down in the shop, and it is on the shop floor that you learn to sell. (Jeffries qtd. in Dearnley 107)

Jeffries' example demonstrates that booksellers do have a place in the creation of culture as his sales success was such that his buying patterns for the bookshop could influence the print runs for British publishers (Bolton 12). Bolton further supports the argument that for A&R, knowledgeable salespeople were essential to the success of the bookstore, a particular book, and the ongoing fostering of the reading culture in Australia, stating:

The department managers were knowledgeable men and women, and because most of them had been there for years, the A&R shop had an air of dependability that seemed as if it could never change. A lot of the customers had been around for a long time too, and their parents before them. (12-13)

A&R as a business was able to cultivate a reputation for dependability because of the knowledge and experience gained by its staff during their often-lifelong bookselling careers. The bookseller must make a professional judgment when recommending a book that the customer will be an appropriate audience member for a particular book. Bookstore employees need time to develop a reputation amongst their customers for solid recommendations. A bookseller can dispense cultural advice to many customers who may otherwise have been unaware of a publication or author. In a contemporary context, Fiona Stager stated "all independents have built a strong following...with customers" ("Interview"). A&R originally traded on this reputation. The importance of recommendations and the concept of hand selling to the success of contemporary independent booksellers will be further discussed in chapter five.

## THE TAKEOVER ERA

While the 1950s were dominated by the success of the publishing program the 1960s and 1970s saw A&R challenged by a number of takeover bids by large corporate businesses. In what has been referred to as A&R's "takeover crisis" (Munro, "A&R's Takeover Crisis" 13) Walter Burns acquired a large enough percentage of A&R shares to be appointed as a member of the board in 1959, and was proposed as managing director by George Ferguson in February 1960. Rather than revitalising the old firm, as Ferguson had hoped, Burns' agenda was profit driven with the result that energies and funds were not used for new publishing projects. Instead they were used to extend the more profitable retail sector. As Munro observes, "his priority was the expansion of retailing, but his motivation was to create a property-based empire" (16). In the time of Burns the bookshops and the publishing businesses were made wholly owned subsidiaries. Each division had its own board of directors. Under Burns, A&R in the 1960s was structured as follows:

In addition to A & R Ltd, the main firm, the company comprised the following subsidiaries: A & R (Bookshops) Pty Ltd; A & R (Properties) Pty Ltd; A & R (Publishing) Pty Ltd; A & R (Wholesale) Pty Ltd; Halstead Press Pty Ltd and H. E. C. Robinson Pty Ltd [publishers of maps & street directories, established in 1895 and incorporated in 1917]. (Burrows)

His methods made him unpopular with staff and authors and ultimately caused a rift between the board members that was only resolved when shareholders at the annual general meeting in December 1960 voted him out (Munro, "A&R's Takeover Crisis" 18). While Burns' ousting was touted a victory at the time, the era of Burns established the structure of the contemporary bookselling business. A&R Ltd rapidly expanded its network of

retail outlets, acquiring less well-known outlets as well as iconic destination booksellers and stationers including the H.E.C. Robinson Company and Robertson & Mullens of Melbourne, Alberts Bookshop in Perth and Swains and Co., another Sydney based bookseller and stationer (Burrows). While this appears to be one of the most convoluted and unstable periods in A&R's history, these acquisitions meant that A&R became "Australia's first nationwide chain of associated bookshops" (Angus & Robertson), and the immediate predecessor of the business that until recently was Australia's most prolific chain bookstore

George Ferguson stated that during his tenure, Burns "put a freeze on all publishing and made that famous remark that 'from now on we are only going to publish bestsellers'" (James and Ferguson 12). The ability to only publish bestsellers is chimerical at best but Burns and his supporters were not the only business leaders moving away from the cultivation of a solid backlist during this era. Corporate mergers post World War II saw publishing firms bought by larger non-publishing businesses who were more interested in making a quick, guaranteed profit, which meant concentrating on the front list. Jenny Lee explained, "as publishing became increasingly industrialised...it began to place more emphasis on the front list, and on general and bestselling authors in particular. Mass market bestsellers not only made money in themselves, but also helped to promote the publisher's imprint into new segments of the market" ("Exploiting the Imprint" 19). The upheaval experienced at Angus & Robertson during the 1960s and 1970s was not limited to the company. It was a part of a wider business and cultural

revolution that was being experienced throughout society. These changes were experienced both within Australia and overseas. Bestsellers, bestselling authors and popular fiction may not have been seen as great literature but these were the things that people were reading. Because this is what they wanted to buy, bestsellers and popular fiction had to be available in bookshops. Although Walter Burns was ultimately unsuccessful in his takeover bid, the focus on literary fiction in the A&R publishing department, and the old ways of doing business did not work in the cultural climate of 1960s Australia. This left the company struggling financially. Therefore, the company was susceptible to a successful takeover bid in 1970 with Gordon Barton's company, Ipec Insurance, taking control. George Ferguson left the business in that year because "the philosophy of Angus & Robertson changed quite considerably after the takeover...one might say that the thoughts of those in charge were more about money and less about books" (Ferguson and James 12). The 1970s had arrived and the age of the gentleman publisher and creator of culture had ended. The beginning of this period is described in volume three of *A History of the Book in Australia* as the 'New Wave Seventies' and it encompasses a time when the whole of Australian cultural life was developing a new style. The Whitlam government was supporting cultural innovation both ideologically and financially. In his contribution to *Paper Empires*, Jim Hart explains that:

along with the new names and new ideas, it was also a time for significant shifts in the infrastructure of the industry. Changes in areas such as trade practices and copyright, both here and overseas, affected how publishers did business, just as changes in technology affected how they produced their books. (53)

As the businesses separated bookselling became an altogether separate industry from the publishing that had linked it for so many years. The role of the bookseller grew in importance as cultural gatekeeper because the public were now completely removed from the publishing sector and more reliant on recommendations from accessible booksellers.

It is highly likely that A&R could not have survived as a profitable company without the change of ownership and direction. Richard Walsh, Managing Director of A&R from 1972 until 1986, stated that “by the time [he] became involved with Angus & Robertson...the famous Old Firm was more of a beached whale. Still recognisable as a former leviathan, it was in fact close to death” (Walsh 57). Society’s changing expectations of what constituted a bestseller and what people wanted from a book meant that A&R as publishers and booksellers had to adapt to what the market wanted to buy and in the social climate of post-war Australia there were certain issues that were occupying the hearts and minds of Australians. One such issue was the migrant experience. In one of the most famous instances of “books that got away”, Beatrice Davis turned down publication of Nino Culotta’s *They’re a Weird Mob* which, in the hands of Sam Ure Smith, a smaller local publisher, sold 300 000 copies in its first three years and had been reprinted forty-seven times by 1981 (Kent 213).

The second successful takeover bid in 1970 saw the beginning of multiple changes of ownership and internal management. As a result of Burns’ restructure of the company, in 1979 the bookshops were sold as a separate subsidiary company - A&R (Bookshops) Ltd - and were acquired by the

Melbourne based booksellers and distributors Gordon & Gotch (Australasia) Ltd (Alison, *Doing Something* 3). This was an official severing of ties with the A&R publishing business. The Castlereagh Street bookstore is now home to another iconic Sydney structure, although Jacqueline Kent appears to mourn the loss of the shop, writing “the former livery stables where the wonderfully cavernous Angus & Robertson bookshop stood for eighty years...is now the site of the Centrepoint Tower; at the former entrance stands an automatic teller machine” (7). While these changes ultimately precipitated the end of A&R, as George Robertson would have known it, Alec Bolton, publisher with A&R during the 1950s, makes the observation that this was a process that was happening throughout a range of Australian businesses in the 1960s. He remembers that “by the end of the decade the scene had changed...but these changes were not taking place in isolation. Australian publishing was growing and diversifying” (Bolton 20). Even with these changes, A&R (Publishers) Pty Ltd remained a viable and independent concern until 1989 when the company was merged with William Collins (UK) and Harper & Row (USA) to form the publishers *HarperCollins* Australia (Alison, *Doing Something* 3), which have the rights to publish books with the Angus & Robertson imprint.

The more recent history of the bookshop chain is one of corporate takeovers and mergers. Numerous owners have acquired the company since the initial takeover. After A&R (Bookshops) Pty Ltd were acquired by Gordon & Gotch in 1979, they were then bought by Brash in 1990 and merged with Bookworld, which was a successful Queensland based discount bookshop. Following this merger the founder of Bookworld, Terry Herbert, disagreed with the sales

approach taken by the newly formed retailing group, only staying with the company for six months (Herbert 231). He believed it was a mistake to amalgamate A&R and the discount brand, Bookworld, into the one business. Herbert wrote, “after I left, there was resentment among Bookworld staff about the Angus & Robertson culture. We should have continued to run the two chains as separate businesses” (231). This resentment appears to have resurfaced when the bookshops were acquired by the New Zealand listed Whitcoull’s group in 1993. Evidence shows that loyal employees were dissatisfied with the ethos of the newly appointed owners. John Preston, in a 2006 interview given to industry publication *Bookseller + Publisher* magazine, stated that after 28 years with the company “surviving 10 takeovers and the heady days of Gordon Barton, Ipec, Gordon & Gotch and even Peter Bennell and Brashes [it] was inevitable with the Whitcoull’s takeover...things would change and they did dramatically with the departure of many loyal, long-serving staff, including me” (25). Despite some staff discontent, the bookselling tradition and history that A&R had in Australia was shared by the Whitcoull’s brand in New Zealand. A&R and Whitcoull’s were to stay part of the same company for a number of years. The business was bolstered by the iconic status of the two brands. However, this did not stop the continual altering of the overarching ownership.

By 1996, the parent company of A&R Bookworld, Whitcoull’s, Bennett’s Booksellers and Bennett’s Tertiary was Blue Star Consumer Retailing which was then acquired by WHSmith in 2001. The UK retailer was reported by the BBC to be “struggling”, with a £72 million pre-tax loss in the six months to 29 February 2004 (“WH Smith Sells Australia Business”). An Australasian private

equity firm, Pacific Equity Partners (PEP), acquired it. PEP owned a range of businesses including the Godfreys vacuum stores and the Hoyts Group cinemas. The WHSmith acquisition was part of a larger corporate strategy of PEP to “create a major book retailer to float on the Australian sharemarket”[sic] (NZPA). This strategy also included the later 2007 acquisition of the Australian and New Zealand Borders businesses, which consisted of a large group of chain bookstores that were previously controlled by the American parent company, Borders Group Inc. The changes of ownership and the expansion of the business necessitated rebranding of the group in its entirety so that A&R bookstores, Borders ANZ, Whitcoull's, Supanews, Calendar Club and Casual Book Leasing were integrated into one office and operated by REDgroup Retail, a process that was completed in 2009 (“ARW Group Rebrands”). The intention to float the company may have been their initial reason for acquiring such a large percentage of the Australian book retailing market but it became apparent by January 2010 that the stock market float was not going to take place. Business journalists reported that instead of trying to float the company, PEP was expected to try and sell off the chain (Speedy). This suggested that the business was already struggling throughout 2009 without the added pressures of online book sales, eBooks and the associated media hype that arose throughout 2010. Unfortunately the business was placed into voluntary administration in February 2011, followed by liquidation in June 2011.

The original A&R Company was a well-run business controlled by a passionate bookseller and retailer whose literary legacy still endures today in the form of the remaining brand name bookstores and publishing imprint.



George Robertson was an experienced retailer but he was also passionate about and personally connected to the product he sold. He also communicated this passion to employees within his company by training and employing people with the view to maintain a lifelong career as professional booksellers. While the passage of over one hundred years in business has necessitated the adoption of a corporate style of retailing, the many changes in ownership the bookstores experienced from the 1970s until the present day prevented one person or team of people maintaining the longevity of association and connectedness with the company that the original team of proprietors and booksellers developed. Rather than implementing a long-term business strategy by an established management team aimed at maintaining close working relationships between publishers, booksellers and the public, the primary goal of the management team was to increase profits in preparation for a possible launch onto the stock market. As is shown in the next chapter this shaky management foundation, whose focus was on profits rather than people, ensured that REDgroup Retail was ill equipped to combat major issues that have arisen in the field of Australian bookselling.

## **CHAPTER THREE**

### **THE DEMISE OF REDGROUP RETAIL**

The failure of the REDgroup Retail chain has been attributed to myriad different reasons. This chapter evaluates the veracity of some of the claims that have been made and it attempts to clarify some of the actual reasons for the failure as distinct from the public's perception of the causes. The contemporary bookselling industry is facing a paradigmic technological shift in the way the business of book production and bookselling is conducted. This shift is just as significant as the revolution in book production that was caused by the Gutenberg Press in the late fifteenth century. The media capitalised on the news of developing digital book production and book-reading technologies to contribute to the discourse foreshadowing the imminent death of the traditional bound book. This chapter will correct a common misconception presented by the media that these evolving ereading technologies were the main cause of the collapse of REDgroup Retail bookstores. This chapter argues that this media representation was too simplistic and that there were other more pressing factors that caused the REDgroup collapse. These issues manifested over a number of years and included strained relationships with suppliers, financial management pressure, as well as competition from online book retailing. An analysis of the Tower Book Affair will demonstrate how ARW Group, the pre-cursor of REDgroup, specifically attempted to shift the balance of power from the supplier to the retailer. It will also show how close this episode came to causing a breakdown in supplier relations. REDgroup collapsed due to poor management and a failure to remain

focussed on selling their core product. The advent of many competing eReading devices during the time of the REDgroup administration crisis enabled the media to present the view that REDgroup, and bookshops in general, were destined to fail due to advancing technology. However, there were other more practical factors that caused the collapse.

## **A REVOLUTION IN BOOK PRODUCTION**

The bookselling industry is facing a shift in the way in which books are produced and disseminated. While this shift is presently causing upheaval, it is a revolution that the book production industry has previously undergone and from which it emerged stronger. The industry encountered a complete renaissance in book publishing and selling with the invention of the Gutenberg movable type printing press and the market evolved to meet that challenge. In the 1460s an Italian businessman, Vespaniano da Bisticci:

Employed forty-five scribes to produce 200 books for Cosimo de Medici's library...and pretended to despise the new invention [movable type printing press], but by 1478 he was out of business. Scribes actually copied printed typefaces...in a vain attempt to hold back the flood, to no avail. Along with the scribes went the illuminators and their gorgeous work of decorating capitals and margins. In their place came new specialties. (Man 246-247)

Nodoushani and Yang argue the industry of “publishing books is beginning to go through the most drastic change since the Dark Ages when the printing press was first invented after years of illiterate societies” (323). As MBA students, Nodoushani and Yang's use of the term Dark Ages may be historically inaccurate, but their point remains just as valid as Man's. The introduction of the printing press revolutionized book production and

consumption in the same way that the digitization of texts is doing today. Rather than eclipsing print book production, however, the contemporary evolution of technology is adding to the ways people engage with books and texts.

The technological paradigmatic shift in the way book production and selling is occurring has been in progress since the latter half of the last century. Contrary to media reports eBooks are not an overnight issue. The first digital books date back to 1971 and the establishment of the Project Gutenberg digital Library (Lebert; Nodoushani and Yang). Project Gutenberg was started by Michael Hart as an “idea of being able to digitalize some of the oldest written or printed documents still in existence today in order to ensure that their words were preserved and never forgotten, just in case the originals were ever destroyed” (Nodoushani and Yang 319). While digitization of texts and the emergence of easily accessible eBooks has steadily grown in importance since the beginning of the new millennium, the industry has been quickly evolving for the better part of the last generation. Articles such as Hilary McPhee’s 1996 “Australian Publishing at the Crossroads – Again!” states that publishing “is going to be soon somewhat more about *developing content* in a range of media than it will be about book publishing” (19). Galligan’s 2000 article, “Highly Charged: The Electronic Writing Environment in Australia”, argued that “the information revolution-that convergence of developments in computer technology and telecommunications- is inevitably bringing radical change into the Australian community and the writing environment” (85). While not debating the validity of these arguments, the fact is that the revolution has been predicted for over fifteen years and the exact

date of the revolution continues to shift. In 2007 Sherman Young wrote, “the book was dead” (*Book is Dead* 81) but in 2009 he acknowledged that eBook penetration of the market had made a “stuttering start” (“The Elusive e-Book” 71). Jenny Lee suggested in her 2008 *Overland* article, “The Trouble With Books”, that “the printed book is beginning to look like the odd one out as other media rush into the electronic domain” (17). This contradicts a prediction by Emmy Hemmings in the same journal that “we are a good ten years away from a popular e-book culture” (15). The revolution is still in the process of arriving, but it may just be the slowest revolution in history. In a 2011 article Darnton claimed that more than one million books appeared in print worldwide. This fact is used to illustrate his assertion that “however it is measured, the population of books is increasing, not decreasing, and certainly not dying” (“5 Myths About the ‘Information Age’”). The emergence of eBooks has created the “death of the book” discourse, which is likely to continue as the field develops and which now has a history of over a generation of academics debating when and how the book will die.

## **PROPHECIES OF DOOM & GLOOM:**

### **MEDIA REPORTS ON THE DEATH OF BOOKS**

For a number of years the global media have been portraying electronic books as the product that would put all bookstores out of business when it has actually been retail and economic pressures that have caused the failure of certain international bookstores. In 2010 Jeffrey A Trachtenberg’s “Booksellers Upended: Digital Revolution Rewrites Rules of the Game” argued that “electronic books are still in their infancy...but they are fast

accelerating the decline of physical books, forcing retailers, publishers, authors and agents to reinvent their business models or be painfully crippled” (30). He continued his ominous commentary on the effect of eBooks on bricks-and-mortar bookstores with co-reporter Dennis K. Berman, in “Barnes & Noble Up for Sale”, reporting:

Barnes & Noble has put itself up for sale, succumbing to pressure from shareholder activists as digital books erode the traditional business of the US’s largest bookstore chain...[the company] has been hobbled by larger technological forces, with books becoming mere digital files, peddled by anyone with an internet connection. (31)

Throughout 2010 reports centred on how technological advances in eBooks and online retailing would change the retail landscape for bookselling. A press release from Ubiq Technologies proclaimed that “2010 starts new chapter as the year of the eBook”. This was one example of businesses promoting eBooks over traditional bound books and the media were able to draw the conclusion that developing technology would cause the imminent death of the book. Reports such as this and the emergence of many different tablet computers and dedicated ereading devices into the retail sphere, were used to support this pessimistic view.

Domestic media reports also focused on emerging technology as the cause of the obsolescence of the printed book and, consequently, the reason for the downfall of the REDgroup Retail bookselling chain. In January 2010, the business partnership between REDgroup Retail and Kobo, a Canadian digital content provider, to roll out their eReaders and eBook store online prompted a story in the *Sydney Morning Herald* encouraging publishers and booksellers to find digital solutions by May 2010 if they wanted to be part of the “digital

revolution” (Egan). This report stated that the partnership “has brought new urgency to Australia’s race to go digital” (Egan). Emphasising the apparent importance of eBooks and digital solutions to the bookselling industry were observations made by industry professionals such as Elizabeth Weiss, digital publishing director of Allen & Unwin, who claimed “2010 is going to be the year where e-books become hugely important to the book trade” (qtd. in Egan). Fuelling the urgency and media hype surrounding eBooks was an ABC story reporting how the Australian Council for the Arts were running symposiums for book industry professionals encouraging publishers to “digitise quickly” (S. Page qtd. in Nicholson). Other media articles in 2010 reported on the “threat” of eBooks and online purchasing (AAP). While 2010 may have been the year of the eBook, 2011 became the year that reconfigured retail bookselling in Australia with domestic media reports blaming eBooks and technology not just for the death of the book, but also the failure of the REDgroup bookstore chain. As outlined in the introduction, examples of media reports included “REDGroup Sheds Staff as Net Shreds Book Sales” (Greenblatt), “Hundreds Lose Jobs as A&R, Borders Stores Close” (Greenblatt, Schneiders, and Steger), and “Booksellers on the Brink” (Zappone). Other reports that perpetuated the fallacy that technology was the cause of the collapse were Dornin’s “Borders and Angus & Robertson in Hands of Administrators” and Lloyd’s “Internet Spells the Death of Bookstores”. The media were able to seize on digital technologies and eBooks as the essential cause of the REDgroup failure because at the time reports about the release of the iPad and competing EReaders were prolific in the media.

## **MEDIA PROMOTION OF APPLE'S IPAD AND OTHER EREADING TECHNOLOGY**

Authors wanting to remain profitable and who also wish to provide their readers with access to content for whatever digital platform people choose to read on cannot ignore the market in eBooks. Devices range from phones that download an app to read with to single function eReaders such as the Kobo, the Amazon Kindle or the Barnes and Noble Nook, to the tablet device, such as the Apple iPad or the Samsung Galaxy Tab. The release of the Apple iPad attracted greater media commentary than other devices, possibly due to the success of the iPod, but the iPad has not decimated the book industry as it did the music industry. Shortly before the release of the iPad in Australia, the *Gold Coast Bulletin* ran a story titled "iPad the 'missing link'" where Manhattan-based Eddie Strauss, a sixty-two year-old musician, extolled the virtues of the iPad. Strauss believed "the iPad is the missing link that nobody realised was missing" (qtd. In Crawford 45), with Crawford reporting that "he uses the iPad as he would a book or a newspaper - taking it with him when he eats breakfast, flicking through it on the train or sitting on his couch" (45). Since this media discourse began, the iPad has become a popular tablet device, with multiple functionalities. The release of the third-generation iPad with retina display has Apple encouraging buyers to "pick up the new iPad and suddenly, it's clear. You're actually touching your photos, reading a book, playing the piano. Nothing comes between you and what you love" (Apple). Technology commentators have positive reviews of the retina display, writing "Apple has taken the very good display on the iPad 2 and dramatically



improved two of its major weak points: sharpness and color saturation – they are now state-of-the-art” (Soneira), but other reviewers found the “revolutionary” display (Apple) unnecessary for the task of reading eBooks, writing:

Although the text on the new iPad is certainly sharper than that of its predecessors, the display on the original iPad still performed well enough for long periods of reading. Flipping through several pages of the same book on the first- and third-generation iPads felt pretty much the same when it came to actually reading. (Torres)

The release of the iPad 3 and the interest it has attracted may be an important step in the evolution and uptake of tablet devices. Analyst Enderle made the observation in 2010 that “it was a third generation iPhone, tied to an online store for fun applications, that catapulted the Apple smartphones to the top of the market and brought billions of dollars to the firm’s coffers” (qtd. in Chapman). Apple and many other businesses in the eReader and tablet device market are looking to upgrade their products as new technology becomes available. At this point it is impossible to predict which device will be the most successful, as it appears that tablet devices and dedicated eReaders will continue to evolve quickly for the foreseeable future.

Reports also centre on how businesses will profit from eBooks since works are becoming more readily available as the technology becomes more prolific. Articles such as “E-Potter to make \$155 million” show that there are not only huge profits to be made by authors who adapt to digital technology but there is also escalating pressure, especially for bestselling authors, to choose to go digital. The article states “a spokesperson for Rowling said the author was actively investigating the release of the Harry Potter e-books, despite

previously ruling out making the books available electronically, in an attempt to support booksellers” (“E-Potter”). Rowling’s position on eBooks may have seemed appropriate prior to the explosion of eReaders and other tablet devices that occurred in mid-2010 but, especially with the release of Apple’s iPad, eReading technologies have become more accessible and prolific. Furthermore with other bestselling authors such as Stieg Larsson and James Patterson reportedly having sold over one million copies of their books in eformat (Italie), publishers and booksellers need to establish how to effectively and profitably deliver digital books to the consuming public.

EReading technologies were a pressure encountered by REDgroup but not a cause of the collapse because they had a strategy in place; they created a partnership with the Canadian eReading company, Kobo. As late as September 2010 REDgroup still reportedly has a future strategy in place to engage the eReading market. This was reported by Charlotte Harper on the Fancy Goods website under the title “Sony Forum: The Trade Talks eBooks”. In the article James Webber, who was the then REDgroup Retail Managing Director responsible for eCommerce and Digital in Singapore, stated that following the launch of the Kobo device “ebook sales [were] two to three times what they’d expected” and believed that eBooks were a necessary addition to the business. Kobo appears to have designed their business to have maximum accessibility for users of digital technologies, entering into both the device and content distribution markets. As the Kobo website states:

We believe open standards for eBooks are best for consumers, publishers, retailers and hardware manufacturers. Closed systems stifle innovation and growth. Kobo proudly supports EPUB and encourages our users to read a Kobo-purchased

eBook on their smartphone, Sony Reader, laptop, or whichever device they choose. (Kobo)

In his industry interview, undertaken pre-REDgroup collapse, Malcolm Neil, the ex-REDgroup Group Communications Manager and at time of interview, Director of Vendor Relations Asia Pacific for Kobo Inc., explained that personally he reads on his iPad because “Kobo has a really good app for the iPad” and it is this ability by the company to provide versatility between devices, content provision and application designs that has seen Kobo continually provide innovation. Neil stated at the time of interviewing that “everything’s in development” (Neil), which has been proven, at least in Kobo’s case, with the announcement in September 2012 of additions to the Kobo range including: the Kobo Touch, the Kobo Mini, the Kobo Glo for reading night and day, and the Kobo Arc which “reads you like a book” by remembering your reading preferences (Serbinis). Kobo was founded in 2009 and is currently owned by Rakuten Inc., which is a Japanese eCommerce business with a global business network (Kobo). Although the media have capitalised on the idea that eBooks are killing the bricks-and-mortar bookstore, statistics from a report by Clare Marshall on digital publishing show that the eBook sector is substantially growing, but:

Media predictions that 2010 will be the tipping point for digital publishing in Australia are optimistic. Digital sales currently account for an estimated 4 to 7% of the US book market, and Australia is widely considered to be two years behind the US in digital adoption. (25)

While eReading technologies are causing businesses to re-evaluate their retail offer, in contrast to the dire predictions of the media, other industry

stakeholders have a more positive view of the long-term success of bookstores.

### **GO BOOK GO: BRICKS-AND-MORTAR BOOKSTORES HERE TO STAY**

Although businesses have been put under pressure to address the encroachment of digital technologies on their bricks-and-mortar businesses, there are stakeholders who believe bricks-and-mortar bookstores will survive despite negative predictions. In 2010, the then Rudd government established the Book Industry Strategy Group whose role was to “[ensure] the sector survives by taking advantage of the move towards the digital age” (AAP). This was a sentiment that apparently ran in the family, as author, internet blogger and Prime Minister’s daughter, Jessica Rudd furthered the argument for bricks-and-mortar bookstores by stating on her blog “in my view, all bricks-and-mortar bookshops deserve our support.... I want my kids and grandkids to be able to hold my hand, walk into a bookshop, run their fingers along the spines and find one that lights them up” (“Bye-bye Bookshops”). Stephen Page, the British publishing professional who urged publishers to “digitise quickly” also argued that booksellers were still necessary in the bookselling market, but that digital technology needed to be a part of the retail mix available to consumers. At the time the story was run, February 2010, Page stated, “the print book will continue and co-exist like bicycles and cars for a very long time to come” (qtd. in Nicholson).

Additionally, despite the media predictions to the contrary, Barnes & Noble have managed to remain in business since newspaper articles voiced fears in

2010 of its demise. Liberty Media has since agreed to buy a stake in the company for \$204 million, an investment Barnes & Noble intend to use to “continue its e-reader strategy, which is built upon the Nook device” (De La Merced). Barnes & Noble have been able to compete in the digital marketplace because of their defined business strategy, conceived in 2007, to offer their own device and their own online purchasing outlet. In the article “Barnes & Noble, Microsoft Close Deal, Unveil Nook Media”, PCMag.com reported that:

Barnes & Noble and Microsoft are now officially partners; the two firms closed a deal first announced in April and announced that their newly formed venture will be known as Nook Media.

“As demand for digital content continues to increase, we are focused on bringing ground-breaking reading and learning content and technologies to more people in more formats than ever before, including the imminent launch of our exceptional Nook reading application for Windows 8,” William Lynch, CEO of Barnes & Noble, said in a statement. (Albanesius)

Conversely Borders “offered a wide selection of devices that never managed to parallel the popularity of the Nook or Kindle. Moreover, Borders linked its online store to Amazon in 2001 and did not start its own e-commerce site until 2008” (Yi). Developing technology has made the book business more challenging on a global scale, but it is poor business planning and a failure to innovate when innovation is necessary for business survival that causes businesses to fail. In the case of the American book superstores it appears Borders failed in its sales targets and its innovation strategy, with Barnes & Noble investing heavily in the future of their Nook device as a path to future profitability.

## **THE COLLAPSE OF REDGROUP**

The collapse of REDgroup was more complex than the media reported. The perception shared by industry professionals was that REDgroup actually went under due to poor management, which caused strained supplier terms of trade, poor stock holdings and unreliable replenishment. These views have been expressed especially in industry publications, as well as comments made directly by interview participants. In simple terms, as Malcolm Neil puts it:

REDgroup went under because of debt, because of availability...poor management decisions, poor stock holdings, it never got availability right, never had the right book in the right place at the right time no matter how many times people said that, they didn't replenish fast enough, had the wrong books, didn't associate close enough with the suppliers to form partnerships that could actually leverage that kind of relationship...They took an adversarial approach." (Neil)

This adversarial approach is examined in the following case study, an episode in recent A&R history that originally caused great public outcry and seems to have set the tone for REDgroup's interaction with suppliers from 2007 until the present.

## **THE TOWER BOOK AFFAIR**

The issues appear to date back until at least 2007 when strained terms of trade garnered commentary in national newspapers with the revelation of the Tower Book Affair. The Tower Book Affair is a case study of how management of the bookselling chain attempted to rationalise the costs of stocking books from many different suppliers. However, as shown in chapter one, publishers and booksellers do have a symbiotic relationship due to the

nature of their product. Should relationships disintegrate between bookstores and publishers, bookstores do not have the option to source certain titles from other suppliers as other retailers of more generic goods may do. Books cannot be treated as generic products and the Tower Book Affair was the result of an attempt by ARW (Angus & Robertson Whitcoulls Group, before rebranding as REDgroup Retail) to improve their supplier terms of trade by any means possible. Unlike other industries if publishers and retailers cannot sustain viable terms of trade there is no alternative supplier who can replace a specific title. The Tower Book Affair demonstrated that due to this distinction the book industry and the consuming public still view books as primarily cultural rather than commercial objects.

The initial outcry began on 30 July 2007 when ARW sent a letter to Tower Books asking for financial recompense for the group to stock their books. The letter was sent to Michael Rakusin who was the Director of Tower Books, which was one of Australia's small publishers. It was written by the then Group Commercial Manager for the ARW Group, Charlie Rimmer. Rakusin leaked the letter to the *Sydney Morning Herald* blog. Copies of the letter were apparently sent to other small publishers but this was the only one leaked to the public. The letter asked publishers to pay a pro rata fee that ranged from \$2 500 to \$20 000 in order to have their books stocked by ARW. The justification for such a request was the following:

We will be rationalizing our supplier numbers and setting a minimum earnings ratio of income to trade purchases that we expect to achieve from our suppliers.

I am writing to you because TOWER BOOKS falls into this category of unacceptable profitability.

As a consequence ***we would invite you to pay the attached invoice by Aug 17<sup>th</sup> 2007.*** The payment represents the gap for

your business, and moves it from an unacceptable level of profitability, to above our minimum threshold.  
If we fail to receive your payment by this time we will have no option but to remove you from our list of authorised suppliers.  
(Wyndham, “A&R dumps books”)

The outcry over the letter was so strong that *Sydney Morning Herald* blogger Susan Wyndham wrote about it on four different occasions: 8, 9, 18 and 24 August 2007. Wyndham reported that members of the Australian Publishers Association were "outraged" by the company's action (“Books Aren’t Bricks”). In making this comment, the Australian Bookseller’s Association “broke its policy of not commenting on commercial relationships to state its commitment to Australian publishers, authors and customers” (“Books Aren’t Bricks”). Michael Rakusin’s reply to the letter of demand was also published on the *Sydney Morning Herald* blog. It openly criticised the request for payment and the approach to supplier negotiations. It attracted 293 overwhelmingly supportive blog comments, which are available to view following Wyndham’s online publication of the leaked letter (“A&R dumps books”)<sup>3</sup>. The reaction to the letter was vehement enough to prompt follow up meetings with the directors of the publishers approached. In the case of ARW, the terms were changed to reflect sustainable trading terms that had already existed between bookseller and publisher. Dave Fenlon, Chief Operating Officer of ARW and later REDgroup, who had originally approved the letter, was required to post a response to the subscribers of the blog website *crikey.com.au*. This response was dated 10 August 2007, two days after the original story came to light, and the tone of the letter is more explanatory than conciliatory. He stated:

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<sup>3</sup> The actual link for the blog comments is  
<http://blogs.smh.com.au/entertainment/archives/undercover/014948.html>



I...understand that the correspondence sent to some of our suppliers has caused offence...As a commercial business, we have the right to make decisions about which suppliers we do business with. In our negotiations with suppliers, we are the customer. Unfortunately we cannot work with every publisher in Australia, particularly if the relationship is not commercially viable for us. (Fenlon)

Fenlon, ARW, and A&R were all criticised in the media for this approach to the publishers and perhaps they realised that it was too adversarial as weeks later it was reported by Wyndham that the company had decided not to continue to ask for publisher funded subsidies. Instead they came to the agreement that “Tower will continue to supply books at current terms” (“A&R Changes Tune”). In the article, Michael Rakusin stated “the tone of the discussion was very different from the tone of the letter...Clearly the experience of the last two weeks has left them wiser people” (“A&R changes tune”). Tower Books, as part of what became the Scribo Group, continued to be an authorised supplier of REDgroup Retail until the company’s administration in 2011.

The Tower Book Affair was especially noteworthy that year as Tower Books was the publisher of the 2007 Miles Franklin Award winner, *Carpentaria*, and the demand restricted the availability of stock in the bookstores during the course of the crisis. While there was no mandate stating that REDgroup as a business had to stock literary books, A&R stores did trade on their reputation of being one of Australia’s oldest bookstores, and they prominently featured the works of Miles Franklin Award shortlisted and winning authors as a marketing strategy. As New York publishing representative, Teresa Nielsen Hayden stated in response to the Tower Book Affair:

Rimmer is inappropriately borrowing language from other industries, as though A&R were a construction firm and he'd noticed they were buying their bricks from too many different brickyards. Bricks are interchangeable. Books aren't ... A bookstore that only carries stock from a few publishers will have a thin, poor selection to offer its customers. (Wyndham, "Books Aren't Bricks")

Literary fiction may not have been the highest selling product in a REDgroup Retail store but during the period of time when the Miles Franklin Award is announced, that product needs to be available in store for maximum profitability. This principle is also applicable for Christmas, Easter, Mother's and Father's Day stock; these items need to be available at the corresponding time of year. Therefore, a bookshop needs to have favourable terms of trade with publishers and suppliers of a wide range of titles to be a profitable business and this is true for large and small bookshops alike.

Other industry experts made observations concerning the REDgroup relationships with publishers, showing that the Tower Book Affair was not the only instance when REDgroup was attempting to change their supplier terms of trade. REDgroup's attempts to secure larger and larger discounts from publishers was an example of big corporations attempting to rationalise cost cutting or revenue raising ventures to the detriment of business ethics. Henry Rosenbloom, founder and publisher at Scribe Publications, stated soon after the administration process that "REDGroup...was a very badly-run business, for which the owners, PEP, are responsible" ("Last Page"). He refers to the managers of REDgroup as "bovver boys" who "alienated all their inherited knowledgeable staff (who left), made appalling decisions about stock selection and presentation, and tried to treat books like potatoes" ("Last Page"). Another publishing industry professional who agreed that REDgroup

was a poorly run business model was Maree McCaskill CEO of the Australian Publishers Association who acknowledged that there were indications of a business in trouble as early as Christmas of 2010 (“Last page”). Finally, evidence comes from within the company with the A&R breakaway franchisees stating that the “collapse was related to how the business was run, and [we] are confident bookselling has a healthy future” (Heffernan, “All Borders Stores to close”). The breakdown in the publisher/retailer relationship that occurred over a number of years from 2007 until the administration process was a major issue that exacerbated the difficulty of continuing business success when the group later found themselves in more dire financial circumstances.

The REDgroup Retail management team were attempting to use their collective retail experience, garnered in this case specifically from the supermarket industry, to gain the balance of power in their supplier terms of trade. This gambit was not well received by publishers, but it can be understood in terms of retail logistics because, as Fernie, Sparks and McKinnon explain “it should be stressed that UK grocery retail logistics is relatively distinctive. Retailers not only control the supply chain but also have taken over marketing responsibilities that were once the sole domain of the manufacturer” (900). Fenlon’s experience as CEO came directly from Tesco, which is a successful UK chain store. He was using that retail experience and the supermarket experience of others in the REDgroup management team in his negotiations with publishers. Fiona Stager, owner of Brisbane’s Avid Reader bookshop, understood the motive that precipitated the Tower Books

Affair and when asked whether people with a supermarket background should be running a bookstore she stated:

I think it was a really classist, elitist attitude from the publishers because what...REDgroup were trying to do is they were trying to change the balance of power. Most retail, especially in the supermarket, the power lies with the retailer. It doesn't lie with the supplier. In our industry, the power lies with the publishers and not the retailers and what they were trying to do was change that, bring it more in line with the rest of the retail industry...and I think calling...the guys who were running REDgroup, bovver boys...was a really elitist, class orientated thing to do because they were all working class British boys, it all came down to class. ("Interview")

Stager goes on to say, "I don't agree with the way they were doing it, certainly not the way I would have conducted business, but that's what they were trying to do"("Interview"). In retail partnerships, there needs to be negotiation with suppliers with regards to favourable terms of trade, but there is a point where suppliers and retailers need to come to an agreement. As Malcolm Neil said:

There should be competitive tension. There should be that element where you're trying to screw your suppliers for as much as you can get. Absolutely you should have that. But once you've done that you then work with them to make that deal work. You don't continue to do it, deal after deal after deal...[otherwise] you don't get the deal. You're just too hard to do business with, and that's what they all ended up saying. We were too hard to do business with. ("Interview")

Neil also said that

everyone expects to be played a bit but no-one expects to be played 100% of the time and the publishers had been played 100% of the time for such a long time that I realised if I stayed my brand if you will, my reputation, would be tarnished so I started to look for another job.

REDgroup became too difficult to do business with so publishers and other creditors could not come to an arrangement when the company began to experience financial problems. However, while the publishers may have been

critical of the actions of the management team of REDgroup, the failure of REDgroup Retail has caused an interesting development in the independent bookseller and publisher relationship. With fewer chain stores to stock their product publishers have, in some cases, had to increase their discounts to independent bookstores (Stager, "Interview"). Stager further stated in her interview, that this discounting development in the bookseller/publisher relationship "is the great irony, and I really would like to tell Dave Fenlon...that they started the year all the major players, most if not all, a couple notable exceptions, having improved their terms of trade". So it appears that in the short term, the ongoing failure of the A&R business has actually done exactly what Dave Fenlon and the team from REDgroup were attempting to do: improve discounts from publishers to booksellers. Unfortunately, the collapse of the business has caused other pressures that remaining booksellers in the marketplace need to address.

## **HOW REDGROUP FAILED**

The facts suggest that the company was already seriously in trouble prior to the overwhelming interest in eBooks and electronic sales that were expressed in the media during 2010. Malcolm Neil cited management, debt and supply as the main factors to cause the business' demise ("Interview") and Kevin Walker suggested the lack of forward business planning was a major issue that it was too late to rectify ("Interview"). This argument is also supported by evidence in *Bookseller + Publisher* magazine's annual commentary of the Australian book scene for the Frankfurt International Book Fair, *Think Australian 2011*. In this publication, Coronel and Rankin state "the general

consensus is that REDgroup failed mainly due to misguided management and a huge debt burden at a time of a more general retail downturn” (7). Kwanghui Lim from Melbourne Business School goes further suggesting that “the real picture that emerges is of strategic marketing blunders, the failed merger of Borders’ regional operations with A&R Whitcoulls, a lack of knowledge about the burgeoning e-book market and an inability to adapt from being a traditional bookseller” (“What really went wrong”). He also suggested that the business had been unprofitable since at least 2008 and that the acquisition of Borders in June 2008 exacerbated this unprofitability. The financial pressure placed on the chain with the acquisition of the Borders stores was something the business never recovered from. While they did at one stage strive to be the number one retailer of books in Australia, the acquisition of Borders appears to have inhibited the breadth of range that was necessary for Borders to be a “category killer”<sup>4</sup>. As Malcolm Neil put it, “the problem that someone like REDgroup had [with] Borders was thinking that if you’re big enough you’ll Hoover everyone up, but you never will” (Neil). REDgroup appeared to have expanded too quickly and overextended their finances without having the means to recoup their fiscal outlay. The acquisition of Border’s required the investment of a large amount of capital and meant that bills with suppliers could not be paid and this meant that stock could not be supplied. This saw a contraction of stock in stores across the group with both Borders and A&R

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<sup>4</sup> The term category killer in this context is defined by credoreference.com as “retailers that offer such an extensive and comprehensive range of products of a particular type that they threaten to eliminate the competition. A category killer will usually dominate its market on price, product selection, store appearance or any combination of these elements. A retail phenomenon that has grown substantially in the 1990s, category killers in the United States include stores such as Wal-Mart, Toys “R” Us, Home Depot and Barnes & Noble.”

stores suffering supply issues. In an effort to recoup some of their financial losses, Neil states that REDgroup “forgot that they were a bookstore” and moved to the “ridiculous concept” of describing the business as a “virtual and physical content gift provider” (Neil).

Neil goes on to state in his interview that:

It’s just disturbing, that’s not what the consumer wants to hear. What’s a virtual and physical content gift provider, what’s that mean? And I recommended that they got rid of it but everyone wanted to get away from the idea that we were just a bookstore, and that attitude in itself drove our customers away.

When asked if there was anything wrong with just being a bookstore, Neil stated that margin is poor in just selling books, but that it should have “been about books and more, [even though] that sucks as a tagline”. Speaking as a consumer, Kate Eltham, CEO of the Queensland Writer’s Centre in Brisbane, also stated that at the time of interview:

I haven’t been a fan of Borders for a while...I went into Borders at Christmastime and I spent eighty dollars and I didn’t buy a book. So I bought a pencil sharpener shaped like a cat, I bought some ironic stationery, I bought kitchen supplies, so there was really a confusion around their brand positioning by the end of that sort of process. (“Interview”)

As Eltham spent eighty dollars in store, it is likely that REDgroup would have considered this sale a success of their non-book approach to retailing. However, while retailers acknowledge the importance of having non-book items in their bookstores for margin, items stocked generally need to be book related to contribute to an air of “bookiness”. REDgroup’s strained relationship with publishers disrupted their book supply so they could not offer the range of a category killer. Lastly, the non-book items REDgroup did choose to stock, such as kitchen supplies (Eltham, “Interview”) and teddy bears (Hibbins) were

not products that aided the business in maintaining their industry positioning or market share.

The unprofitability of REDgroup appears to have been exacerbated by the proliferation of similar format A&R stores with no point of difference from other book retailers. In interviews both Kevin Walker, who was interviewed prior to the voluntary administration announcement, and Malcolm Neil, who was interviewed shortly after, expressed the view that a viable future may be difficult for booksellers in the retail mix of the local shopping centre because similar format bookstores in popular shopping precincts do not provide enough of a point of difference or a reason for a consumer to buy from one bookstore over another. Walker stated that A&R were systematically:

Rolling out the same process, exactly the same as Dymocks, exactly the same as QBD, three small formats in all centres, very small range and [they] can't possibly please...every customer...competing against each other and no point of difference and...what they've done is made the problem twice as bad as it was. They've just opened far too many stores with the same problem. (Walker, "Interview")

In a separate interview, Neil identified the same issue stating that

In shopping centres, you don't need three booksellers or four. That's just too many...they don't differentiate themselves enough so it's just brand loyalty, and when you come down to it, brand loyalty to a bookstore...well, it's rapidly disappearing. (Neil)

With very little or no point of difference and similar formats to other bookstores in the same shopping centres, A&R did not retain the brand loyalty that had sustained it through the early part of the twentieth century.

In addition to providing similar format chain bookstores for customers so that its bricks-and-mortar bookstores were ill equipped to compete with similar



format bookstores, REDgroup was also unable to compete effectively against online book retailing, whether that be Amazon, Book Depository or its own online store. For bookstores to effectively compete with online retailing, they need to add value so people make a conscious choice to disregard the option to buy via online retailers. According to Lim REDgroup failed to do this. He stated that “there are still segments of the market where physical retailers add value, especially in differentiated or specialist markets where independent bookstores largely compete, but these were not areas REDgroup focused on. REDgroup focused mainly on physical stores aimed at broad audiences” (“What really went wrong”).

Bookstores, as with any other retailer, still need to get the basics of retail correct if they are going to remain successful, profitable businesses against the developing eRetail sector. Fiona Stager suggests that book retailing has characteristics in common with other types of retailing. She says “I’ve met lots of people who are really passionate about retail, whether that was selling fridges or selling handmade jewellery” (“Interview”). Furthermore, she states that, “I’m passionate about books and reading, [but] it does have to be more than that, you actually have to be passionate about small business, and that’s whether you’re a small or large bookseller, I think you still have to really enjoy the nuts and bolts of running a business” (“Interview”). Malcolm Neil similarly suggests that the idea that the bookselling industry differs from other retail industries is “the greatest fiction”. He stated:

We seem to think that the specialised knowledge required in bookselling is different from the specialised knowledge required in selling bespoke suits or something like that. There’s a specialty in books and that makes books different from wine. But

it doesn't make them different in terms of specialty retailing, because that's what it is. (Neil)

In this transitional stage of book retailing, there is also a change in the specialised knowledge retailers need to acquire to sell digital products effectively. There are technology departments devoted to new reading devices there are programmers attempting to come up with the newest bestselling app, and there are those small businesses trying to find the right solution to help their customers buy books in the digital landscape. Fiona Stager is not closing down her bookshop because of digital technology but she is trying to find a way to evolve with the technology and implement it effectively with her existing business by investigating Bookish, and by reassessing the effectiveness of the bookshop's website ("Interview"). This is what any successful business will need to do. The difference is that the industry is at the beginning of the upheaval so nobody yet knows how exactly books will evolve, what will be the end product, and indeed how many businesses will fail or start up before the industry has stabilised with a new standard format.

Unlike the original A&R business, the corporate culture fostered by the management of the REDgroup Retail chain did not encompass management continuity, forward planning or passion and was therefore not well placed to combat the pressures of an increasingly difficult retail environment. One of the constraints of the modern REDgroup Retail Company and, by extension, the A&R Bookshops is that in this modern era, they were run by a corporate culture, and specifically by the large private equity firm, Pacific Equity Partners. As Kevin Walker, Queensland State Business Manager for Angus &

Robertson Casual Leasing stated, one of the main problems with the corporate culture at REDgroup was the lack of forward vision for the business. In a statement that echoes Fiona Stager's sentiments about being passionate about business, Kevin Walker suggested that the downfall of REDgroup and A&R came because of a lack of management continuity and passion. Walker said that at A&R "you've got corporate retailers who come in to a business and move out of a business and...It doesn't guarantee you full forward vision...as you've seen with A&R you get someone in for two or three years [who] suddenly moves on to a bigger, better job. But do they really care about where they are taking the company? Have they got their heart and soul in it?...And in a business like books that's probably necessary...It hasn't been applied" ("Interview"). Walker's comments were made on 28 January 2011 and his views on the corporatisation of A&R concluded with the statement "it's probably too late, I think, for Angus & Robertson" ("Interview"). This was a remarkably prophetic view given A&R collapsed a month later.

## **CHAPTER FOUR**

### **BOOKSELLING IN A POST-REDGROUP AUSTRALIA**

The collapse of the REDgroup chain has seen the closure of approximately 139 bookstores. Many of these were in regional and rural Australia. This makes access to the physical book more difficult. The impact from the loss of the chain stores has not been measured yet but evidence shows that the loss of competing businesses in an area does not immediately correspond to increased sales for remaining businesses within the industry; rather sales are lost altogether or absorbed by the Internet. A survey that was jointly conducted by the author with assistance from her employer calculated the difference in the number of bookstores in shopping centres throughout South-East Queensland both prior to and following the collapse of REDgroup Retail. The survey found that bookstores had been reduced by nearly fifty percent. American research shows that, even with the growth of eBook sales over the past two years, the preferred channel for purchasing books remains a bricks-and-mortar bookstore (Verso). From this it can be inferred that the loss of so many Australian storefronts will cause a shift in consumer book purchasing habits. The A&R brand has seen a small revival in Queensland but whether this proves to be enough to re-establish the iconic brand remains to be proven.

In 2009 REDgroup made a submission to the Productivity Commission regarding parallel importation. The authors of this submission stated:

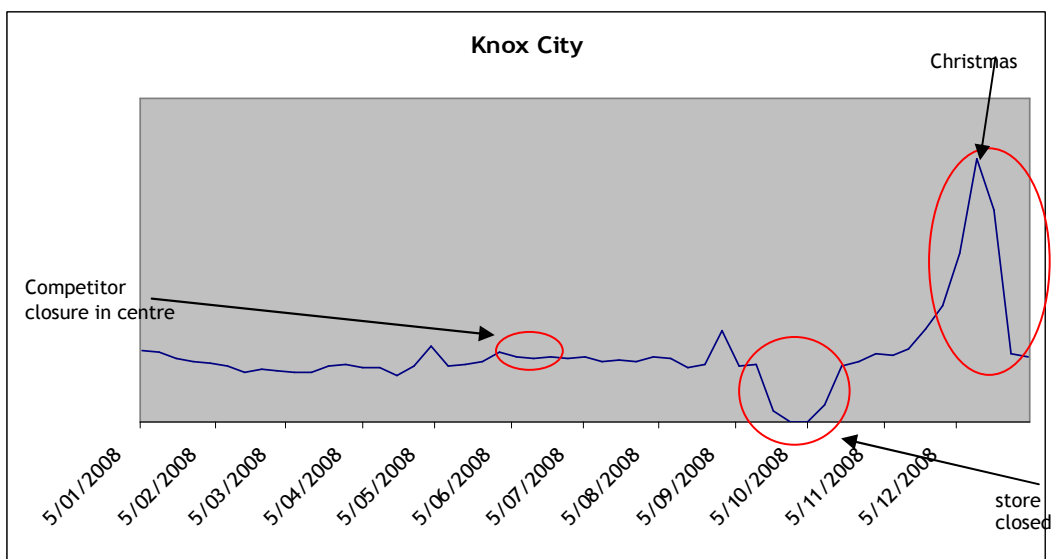
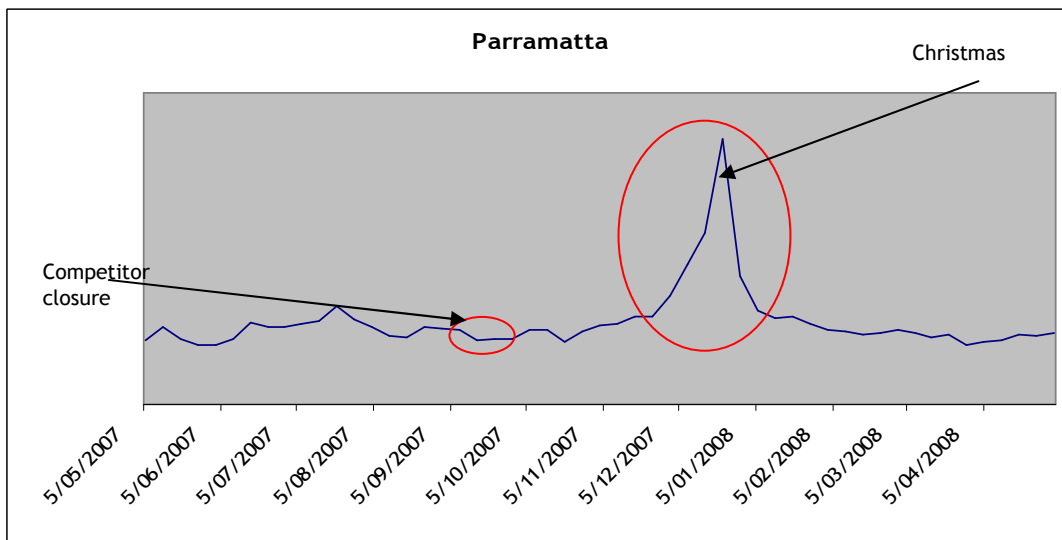
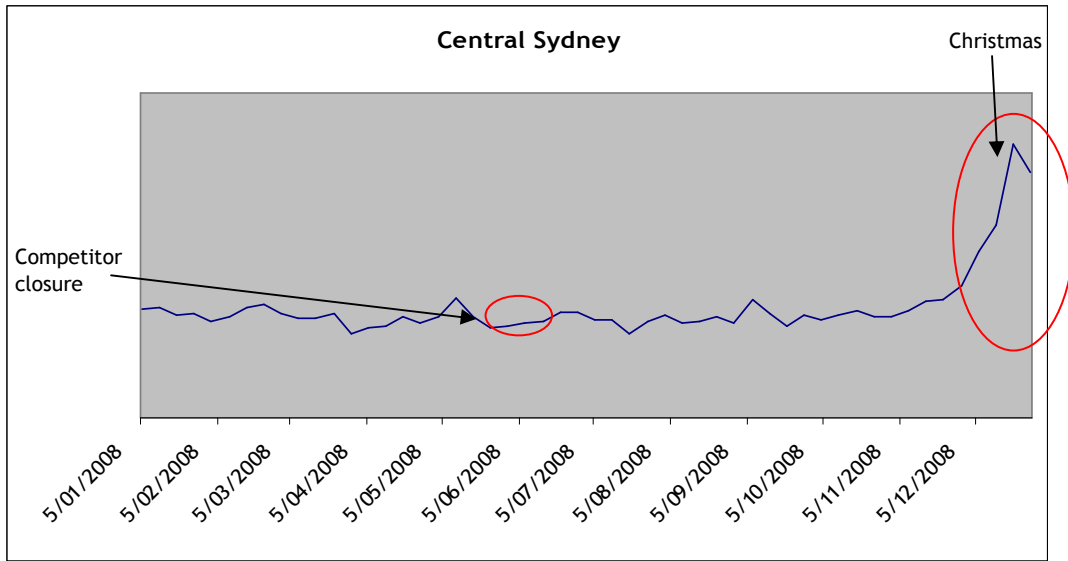
An environment that fosters a competitive and strong Australian bookselling industry, both in physical bookstores and online

bookselling, is more likely to ensure that the creative output of Australian authors and publishers continues to be displayed to and made accessible for Australian readers.

Conversely, a weak or contracting Australian bookselling industry would be to the detriment of Australian authors and publishers. REDgroup Retail has direct experience that the closure of bookstores in a market results in a fall in book buying generally in that locality; all of the book sales from a bookstore that closes do not automatically flow to other booksellers left in the area and our data is that book sales in the market actually diminish, as evidenced by the following charts. (REDgroup Retail, “Parallel Importation” 2)

The charts on page 119 (Figure 1, REDgroup Retail “Parallel Importation 3) show that following the closure of a competitor in a centre, the sales at the remaining REDgroup store did not increase against sales prior to the closure. The circled red portions of the charts indicate that, even without a competitor, sales at the remaining store remain fairly consistent with the usual sales experienced by the store in general. There is a significant increase in sales during the Christmas period, which is expected, and could partially be attributed to the closure, but overall, the closure of a competing bookstore does not directly correlate to increased sales for the remaining store. Emmett Stinson, Lecturer in Publishing and Communications at the University of Melbourne, stated “we’re in an environment where less books are going to be sold, they are part of consumers’ discretionary spend, when their store closes, consumers don’t buy books, they buy something else” (Heffernan, “Independent book distributor to close”). The closure of bookstores makes it more difficult for customers to access books through bricks-and-mortar outlets and one key result is that opportunistic buyers are less likely to spend money on a book as an impulse purchase.

While remaining chain stores and other outlets may have reported some recovery of sales lost to the industry in the initial Christmas period following the REDgroup collapse, it has been speculated by online retail commentators that the retail spend on books has been lost altogether or has drifted to an online environment. Ease of access and price are two factors that are causing buyers to go online for either paper or eBooks. The actual volume of books sold in the Christmas 2011 period decreased “12.5 percent in value and 7.1 per cent in volume-to an estimated 60.4 million books” (“Booksellers’ Bonanza”). Furthermore, while the Dymocks chain stores mainly reported an increase in sales, only 40% of independents recorded an increase (“Booksellers’ Bonanza”). If the future of the Australian bookselling industry rests on independent booksellers and 60% of those booksellers are not recording an increase in sales following the closure of so many retail outlets, the future of Australian bookselling could see greater losses in future years as fewer people seek out their local bookstore and increasingly turn to the convenience of online purchasing.



**Figure 1: Effect of competitor closure on sales of remaining stores**

This is not an isolated Australian trend, as independent bookstores in America have also not recorded an increase in custom due to the failure of the Borders chain. Independent bookstores in close proximity to closed Borders stores did not see evidence that customers had “simply fallen on their laps as a direct result of Borders’ expiration” (Yi). People are either not buying as many books or their book buying behaviour is moving to the web. Verso advertising, in its *2012 Survey of Book Buying Behavior* presented to the American Booksellers Association in January 2012 had a more positive outlook. Its findings indicate “the maintenance and nurturing of a diversified retail ecosystem (indies, chains and online) is a matter of business necessity because it mirrors consumers’ preferences” (Verso Advertising 20). Verso also showed that while independent bookstore owners had benefitted to some degree from the Borders collapse, these purchasers were still splitting their purchases amongst “chains, indies and online” (29). Furthermore, over 60% of book buyers still had their book-purchasing dollars “in play” with these consumers having no definite book buying destination. The Association of American Publishers also noted in *Bookstats 2012 Highlights* that even though “eBooks’ net sales revenue more than doubled in 2011 vs 2010...brick-and-mortar retail remains the #1 sales distribution channel for publishers in 2011, as it did in 2010” (Sporkin). A healthy bookselling industry requires a range of different retailers, and while independent bookstore owners are responding to the challenge, outlined in the next chapter, the loss of storefronts severely restricts the book buying habits, especially of opportunistic consumers. The decreased storefronts in both the United States and Australia mean that



online book buying is increasingly becoming the easiest way to buy books because local shopping centres do not provide the level of booksellers that were available before the Borders and REDgroup collapse.

A sample survey taken in the southeast Queensland region for a local discount bookseller showed that since the REDgroup collapse, the number of full-priced dedicated booksellers in shopping centres has decreased significantly<sup>5</sup>. This survey of sixty-nine shopping centres throughout South-East Queensland and the greater Brisbane area, not including Brisbane city, indicates many were without dedicated bookstores. Some centres had one or two and others had only discount outlet bookstores which, while being technically bookstores, do serve a different function and demographic to full-priced bookstores. A list of actual shopping centres visited and the book retail outlets trading there are included as Appendix A (Walker and Been). This lack of bookstore availability will not only force book-buying to the web but it will see opportunistic book purchases all but disappear as consumers are not given the option of buying a book in a brick-and-mortar bookstore.

Prior to the collapse of REDgroup, the shopping centres in the region studied had fifty dedicated bookstores where new and backlist books could be bought or ordered. Following the collapse this figure dropped by nearly 50%. This significantly restricts access to booksellers. This figure is exclusive of bargain bookstores, which will be discussed in greater detail subsequently. Twenty-

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<sup>5</sup> The researcher conducted the survey with the assistance of her employer and fellow employees over two days in early 2012. The explicit purpose of this survey was to scout for appropriate bookselling locations for bargain bookstores.

eight of these bookstores were REDgroup owned or franchised stores, including twenty-five A&R stores and three Borders stores. Of the total number of stores where new books could be bought, 56% were REDgroup owned or run. Following the collapse, the number of full priced bookstores in the region has dropped to twenty-eight which represented a loss of twenty-two stores in total or 44% of full priced bookstores. In some shopping centres - Harbourtown, Redbank Plaza and Sunnybank Plaza - there were no book outlets at all. In others - Cannon Hill, Peninsula Fair, Stafford City, Stockland Burleigh, and Toowong Village - there were only remainder book outlets. Some of these were taking advantage of the retail spaces vacated by the A&R stores. Finally, in many of the other centres, the collapse of REDgroup has left only one bookstore, either full-price or bargain, restricting choice and availability. Of the sixty-nine shopping centres visited in southeast Queensland, there were only twenty-eight dedicated full-priced bookstores, including The Book Bank at Toowong, dealing in new and second-hand books and Bookstars at Pacific Fair, where new books are available but where bargain books are given some prominence.

After the collapse of REDgroup, only two shopping centres in the region had more than one dedicated bookseller, not including Discount Department Stores (DDSs), as they do not fall into the dedicated bookseller category. After the collapse only two shopping centres, the Westfield Shopping Centres at Carindale and Chermside had two dedicated bookstores, QBD and Dymocks, meaning that in the region studied, only twenty-five shopping centres out of sixty-nine profiled, or 36% of common shopping areas, have

dedicated stores for new books. The figure does increase when discount bookstores and news agencies with a discount book section are included in the statistics with there being fifty-six book retailers in sixty-nine shopping centres, but this translated to only forty-five centres where a bookstore existed as some centres had more than one outlet. Including newsagency bookstores, 65% of shopping centres had retailers where customers could buy a book. However, when newsagencies were taken out of the statistics, the number dropped to forty-three book retailers in the sixty-nine centres, with consumers being able to buy books in only thirty-five, or 51% of the sixty-nine shopping centres surveyed in stores where books were the primary product. Many of the centres surveyed did include DDSs such as Target, Kmart and Big W where books can be bought but these DDSs were operating alongside the chain bookstores prior to the collapse and their continued existence does not fill the gap left by the chain's collapse. Overall, the conclusion can be drawn that while people can still buy books from the Discount Department Stores, in a large percentage of the centres visited, access to books and bookstores has decreased. While these statistics are specific to the region sampled, they are indicative of a wider restriction of access to bookselling professionals.

The move to online purchasing could become more pronounced in Australia due to the loss of 139 A&R and Borders stores throughout the country, many in regional and rural areas. Industry commentators made the observation shortly after the announcement that REDgroup Retail stores would be closed

or sold that these closures geographically impacted the ability of people to access a bookstore, writing:

It is not about the quantity of bookshops that have been lost; it's also about where these shops were located. While the Borders shops were generally located in large shopping centres or precincts, Angus & Robertson shops were often the only general bookshops located in suburban or regional areas. Some of these suburbs and towns are now without a dedicated bookshop. (Keating and Dempsey)

The collapse of REDgroup has severely restricted the availability of books, including new release, backlist and bargain books and has inadvertently conditioned consumers to find other sources for their books. In some instances, Dymock's has opened new premises in the wake of the A&R closures, specifically in Richmond and Weribee in Victoria and Belmont in Western Australia, with other store openings in Whitford in Western Australia and Tuggerah in New South Wales. However, with the collapse of the most prolific chain bookstore in Australia, no one company has expanded to fill the commercial or cultural gap that has been left by the mass closure of so many retail book outlets.

Most of the industry interviews were completed prior to the closure of the REDgroup stores so interviewees were unwilling to state unequivocally that there were too many bookstores in Australia. Malcolm Neil, however, was one who was prepared to claim "there were too many bookstores in this country" ("Interview"). But he qualified his comments by stating that:

I actually think spaces change so...you get a developing corridor...there might be space, for example, in certain parts of Sydney and Melbourne where you've had a large Muslim community come out or something like that, there's obviously a market there for a bookstore selling a lot of English as a second

language stuff, I'm not saying that there's not ever room for it.  
(Neil)

Kate Eltham stated that there were not enough bookstores in Australia's regional centres even before the widespread closures. She explained that:

I think there are not enough. The Queensland Writer's Centre delivers services right across Queensland so...I'm always going to regional areas in Queensland. If you go to Gladstone, there's no bookstore in Gladstone. You can get your books at Big W or Kmart but I think the last time they had a bookstore was a Dymocks and it closed in about 2006...So that's a problem. Gladstone's a town of 30, 000 people. I think there needs to be more. Australia's a really tough retail environment because we are so decentralized. Our population's so spread out, especially in Queensland so that makes it really hard for bookstores to survive. ("Interview")<sup>6</sup>

Fiona Stager also emphasized the important role that the chain franchisees in regional centres play within Australia "I think the first...bookshop I went into would be QBD in Townsville...So I've got a soft spot for those kind of franchisees because often they're the only bookshop in town...so yeah, I think there's a role still for bookshops (Stager, "Interview"). Prior to the closures Stephanie Walkem, a former franchisee with REDgroup and still owner of the A&R stores at Victoria Point and Ipswich, stated that:

Perhaps there are too many concentrated in metropolitan areas but to say there are too many nationally when there are quite large country centres who don't have access to a bookshop and they have to travel half an hour to get to one, then I wouldn't say there are too many. It's the distribution that may be at fault and the types of bookshops and where they are that's a problem.  
(Walkem)

Likewise Malcolm Neil stated that the changing nature of spaces in Australia could mean that spaces become available for bookstores. He believed that:

Gentrification of inner city suburbs, as you raise the income level of the people living there, naturally the reading level comes up

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<sup>6</sup> The Australian Bureau of Statistics reports the population of Gladstone in 2011 was 52 949 ([www.abs.gov.au/AUSSTATS](http://www.abs.gov.au/AUSSTATS)).

as well and it becomes a space for a bookstore. But while all that's happening, and it used to happen quite quickly, online sales and digital will take a lot of that away, so you won't see the same growth in bookstores that you've seen. (Neil)

However, online purchasing and eBooks were challenging the viability of bricks-and-mortar bookstores in what would otherwise be a naturally prosperous socio-economic area where a bookstore could traditionally have been profitable.

In Queensland, the iconic A&R brand is being re-established as a bricks-and-mortar bookselling business with the establishment of the Angus & Robertson Book Retailing (ARBR) business. The closing of the A&R stores was not just evidence of another failed business, but also the failure of an Australian icon, an icon to which many in Australian society have an emotional attachment. REDgroup Retail traded on this sense of history and emotional attachment, stating on their homepage that:

Angus & Robertson is...the most recognised book-retailing brand in Australia. The Angus & Robertson name has a proud heritage in bookselling and Australian literature, and book sales represent the majority of Angus & Robertson's total sales. Angus & Robertson has a history in Australia that dates back to 1886 when David Angus and George Robertson opened a bookshop in Sydney. (REDgroup Retail, "Angus & Robertson")

During the administration of the REDgroup business, the Supanews newsagency chain established Angus & Robertson Book Retailing (ARBR). It was reported on *Bookseller + Publisher Online* that "negotiations took place with Pearson Group Australia, owner of the Angus & Robertson online business, to secure the exclusive right to operate bricks-and-mortar A&R stores" because as Adrian Gaskin, managing director of both Supanews and Angus & Robertson Book Retailing, stated "Angus & Robertson is an iconic

Australian brand [and] we want to give Australians back the brand they love” (“Supanews to Open A&R Bricks-and-Mortar Bookstores”). In July 2012, A&R stores are still trading in the Brisbane suburbs of Capalaba, Brookside and Victoria Point, as well as Ipswich and in Townsville, Far North Queensland with tentative plans for some future stores. As with REDgroup, these stores are a mixture of company-owned and franchise stores but the brand may never regain the strong profile it enjoyed before the REDgroup collapse. Furthermore, due to the extended absence of bookstores from shopping precincts as a result of the collapse, the new Angus & Robertson Book Retailing Company may need to reposition itself more in line with certain independents’ strategies. They will need to provide the ability for customers to place online sales where the customers can pick up their order in store or create retail spaces where customers engage with books as cultural capital. These are the types of necessary steps to business success because if they simply provide similar bookstores to that of REDgroup, there will again be no point of difference and no reason for this venture to succeed where the previous business failed. Chain bookstores do not have the same capacity for creating cultural meeting places when compared to the more intimate capabilities of independent bookshops. Consequently, to compete against this limitation chain stores need to become businesses where all books in all formats can be easily accessed.

The demise of REDgroup Retail occurred due to poor management rather than the commonly expressed belief that people are not engaging with book culture and this collapse may be the catalyst for the widespread adoption of online buying habits and eBook technology. However, the loss of so many

book outlets in Australia and not the threat of encroaching digital technologies on the production of books will be the tipping point that causes the migration to online and digital editions of books. Online and digital book developments have not killed the traditional book; instead they have added a myriad of ways in which books can be produced, consumed and otherwise engaged with and they have also reawakened the dialogue surrounding book culture. However, while independent bookstores are re-inventing themselves as community focused cultural spaces, should there be no business that expands to replace the lost retail book outlets, there will be nowhere for publishers and consumers to go but online. Furthermore it is the loss of these outlets, which also includes all casual lease and bargain book activity generated by REDgroup, which has caused those people who may have been impulse book buyers, to look elsewhere for their entertainment. Lastly, if there remains no large-scale re-emergence of the bookshop as a cultural space in busy shopping precincts, it will be more difficult to foster an Australian reading and book buying culture. Ultimately it is the loss of retail storefronts and not the evolution of technology that will be the greatest factor in creating a nation of non-readers.



## **CHAPTER FIVE**

### **INDIES UNITE - THE CULTURAL IMPORTANCE OF THE INDEPENDENT BOOKSTORE TO BOOK CULTURE IN AUSTRALIA**

Independent bookstores are the future of book retailing in Australia as they have the capacity to engage their customers in all forms of book culture. The death of the book argument lacks force because the book will not die but it may continue to evolve. Booksellers have an important role in creating book culture as they put the books into the hands of the public. Book culture encompasses many different book categories, including literary and genre fiction, the functional book and the 'anti-book'. Booksellers actively participate in the modern commercial system by providing books and book products of all genres to consumers, regardless of their literary merit. The physical book and the bookselling industry can continue profitably, at least in the short term, because independent booksellers are actively incorporating author events and cultural experiences into their businesses. Booksellers in the majority are also evolving to meet the digital challenge and to provide the best retail solution for their customers. This may be in the form of books or by offering a portal for online purchasing. Technology must also successfully compete with the physical experience of purchasing a book from a successful independent bookstore. The physical book experience can be enhanced but not replaced by technological innovation because there are visual, tactile and olfactory elements encompassed by the object of the physical book with which book buyers emotionally connect. The complementary experiences of digital

engagement and the reading of a physical book will assist with the creation of children as readers from a young age and assist in the creation of a future physical book culture. The independent bookseller has the ability to meet the need for innovation within the bookselling industry and can still remain a profitable and relevant business if they continue to foster a book buying culture in Australia by encompassing both online and off line elements.

The death of the book has been predicted since the sixteenth century but the book has proved a resilient invention. It competes effectively against other forms of entertainment. The book is not dead and it does not look as if it is about to take its last breath in the near future. The book has existed in some form since the clay tablets of the Bronze Age circa 3500 BCE (Cowley and Williamson 3) and, due to the impact of digital technologies, it probably will not continue indefinitely in its current printed form. But that is not to say that the book as a distributor of information and entertainment will not continue to exist. Sherman Young argued that not only is the book already dead, but that people do not read books anymore, stating as proof “look around next time you’re on a bus or train and count how many books are being read. Compare that with the tally of...headphones dangling out of ears” (*Book is Dead* 5). Young makes the point that the ideas in a book can live on in a digital arena if society can find “new ways of spreading the word, new engagements with the text...we need to salvage the book’s essential organs by discarding the decaying body” (*Book is Dead* 19). Young is not the first to argue that the book object is dead, as a quote from British cultural critic Raymond William’s suggests, the book has been dying for most of its history. An English printer in 1518 explained to a prospective author, “bokes be not set by: there time is

past, I gesse; The dyse and cards, in drynkynge wyne and ale, Tables, cayles, and balles, they be sette a sale. Men lete thyr children use all such harlotry, That byenge of bokes they utterly deny” (Williams in Collinson 4). Collinson explains that in the early sixteenth-century, England “was under siege from the distractions of popular culture (dice and cards [being] proxies for the internet and video games)” (Collinson 4). Williams states “there has hardly been a generation since...that has not lamented the imminent passing of the book” (Williams in Collinson 5). Collinson also states that “if books were ever to disappear, as they well might do, then two cultural traditions would be lost: book-reading and worrying about the future of book-reading” (Collinson 5). This discussion, then, is firmly placed in the cultural discursive framework of worrying about the future of book reading.

In a post REDgroup Australia, the independent bookseller has the role of ‘making readers’ by providing a sense of connectedness with book culture and catering for the needs of a range of book buyers. As Kaye and Johanson wrote, “publishers create books; booksellers put them into the hands of consumers. In doing so, booksellers play an integral role in the process of ‘making books’...and both groups have a joint interest in selling as many books to as many readers as possible, for both cultural and commercial reasons” (68). Books promote the dissemination and discussion of ideas and can bring about revolutionary change. In a post REDgroup Australia, the independent bookseller has a more prominent role in the cultural and commercial mix of Australian life and retailing. Consumers now have many less retail book outlets than they did at the beginning of 2011 and this has increased the percentage of independent bookshops from 20% to 22.5%,

making Australia what Michael Heywood described as “a nation of independent booksellers” (Keating and Dempsey). Booksellers see themselves as the creators of cultural spaces, and the Books Industry Strategy Group, established to advise the Australian government on book and book-related technology issues, acknowledged the contribution independent booksellers made to Australian cultural life. In their report, submitted in 2011, the group reported that:

Independent bookshops play an important role in creating a culture; ‘making readers’; developing reading communities; holding events, such as book launches or discussions; acting as intermediaries, providers of information and curators. As providers of information, well-informed booksellers can compete with the internet. (BISG 8)

In their report, *Restrictions on the Parallel Importation of Books*, the Productivity Commission confirmed the cultural contribution books make to the world by describing them thus: “As well as being sources of information and entertainment, books can be tools of earning or learning, repositories of history or even markers of cultural identity. And reading books improves literacy, which is fundamental to individual well-being and to the smooth functioning of society and the economy” (2.2). With the loss of the large chain store, the number of booksellers has diminished from the supply chain. Although there are now fewer booksellers, Independent bookshops can still effectively fulfill this role of ‘making readers’ and of adding value by providing information about the book community and a space where books can be reviewed, purchased and appreciated.

The importance of input from a bookseller can be integral to the continuation of book culture as they provide recommendations and employ the use of

handselling to put the book into the hands of a customer. In their introduction to *A Companion to the History of the Book* Simon Eliot and Jonathan Rose opine “critics, booksellers, and educational bureaucrats can proclaim a book a classic or consign it to oblivion” (1). An example of the importance of recommendations and “handselling” was the establishment in 1991 of the American Booksellers Book of the Year (ABBY). Rawlinson claimed that “the American Booksellers Association...set out to prove that a book can be sold by a very old-fashioned, labor intensive, and not easily predictable method: personal recommendations by booksellers” (6). Rawlinson goes on to report that the attention garnered for the winner of the inaugural award, *The Education of Little Tree* by Forrest Carter, originally published in 1976, “has caused it to leap from a word-of-mouth phenomenon to a book that may soon “be a major motion picture” (6). Clare Alexander, a literary agent and former publisher at Viking and Macmillan, was impressed by “Heather’s Pick”, a system of recommendations instituted by Heather Reisman at Canadian book chain, Indigo Books. Alexander explains how influential Reisman’s recommendations are to the sales success of particular titles, writing that:

With the power within her market of "Richard & Judy" or "Oprah", Heather is a passionate advocate whose choices are trusted by readers, and every book she chooses becomes a bestseller. But the exciting thing is that she is also the owner of the biggest book chain, and so those picks are not only promoted at the time of publication, but they go on being promoted and re-promoted because the stores' enthusiasm is for the life of the book and for other books by the same author.  
(30)

Bennette Hibbins, ex-A&R franchisee and owner of Love That Book at Westfield Helensvale on Queensland’s Gold Coast said that books are about

“knowledge and passion” and explained that recommendations from her store help build the reputation of the store, and:

That is the only thing we trade on. We don't trade on price. We don't discount. What we sell is, is just that, our recommendation. We have book knowledge. We know what we're talking about. We'll help you find something...that is our reputation exactly and that is what we trade off. (Hibbins)

Hibbins also made clear that honesty about whether or not she enjoyed a book was of paramount importance. She stated that:

I will always say if I didn't like it...I will always back that up with saying I didn't like it but maybe one of my other staff members loved it, or I just didn't like it, that doesn't mean you're not going to like it, but I do always tell the truth, because again that's our reputation. (Hibbins)

Recommendations and handselling were important aspects of many A&R stores with Joanna Love, an ex-A&R company store manager saying in her interview that the knowledge booksellers provide to customers is so important to customers discovering new authors or new books. The scenario outlined by Love is indicative of the value that booksellers place on handselling:

if I go into a bookstore I walk up to someone and go: this is my favourite author, is there anything new out by that person. They say no there isn't, however, I've got this person who writes very similar to this person, or what is it that you loved about that author and I can say certain words and they go well, I just read this or I've read that, or I've had another customer who told me about this. You get more knowledge in a bookstore, a bricks-and-mortar bookstore, than you'll get from *anywhere* else. (Love)

Knowledge, recommendations, and the act of handselling are what set a bricks-and-mortar bookstore apart from a discount department store or an online bookseller. While Amazon.com does have recommendations, the act of going in to a bricks-and-mortar bookstore and asking for assistance is still essential to the discovery of new books for many customers.

Reporting on the previously mentioned Verso study, Milliot and Rosen wrote:

the Verso survey showed...that bookstores remain a principal place where readers “discover” books. Bookstore staff recommendations trailed only personal recommendations as a way book buyers learned about a book. And again, as other surveys have indicated, blogs and social networks finished at the bottom of ways readers learn about books. (2)

Technology can supplement the bricks-and-mortar bookstore but the increasing use of the handselling technique has ensured booksellers can create the next bestseller, the next literary sensation, or breathe new life into an older, less well-known but otherwise excellent book.

Book culture should not be confused with literary culture; literature is a part of book culture, but belongs to the discourse of literary fiction as opposed to the discourse of genre fiction and other anti-books or non-books that have sustained the book trade. In *The Book is Dead* Sherman Young argues that the ‘anti-book’ is killing the ‘real book’ (S. Young 6), writing that books published today “do not speak to the 500-year history of book publishing” (6). However, the paradox of a successful book buying and book reading culture as established by retail booksellers does not distinguish between books as literary objects and books as commercial objects because retailers provide solutions for consumers in all book categories. Sherman Young argues that some books such as “cookbooks, dietary guides, cleaning tips, decorating titles, business books and self-help” (49-50) are “functional” books that “don’t privilege ‘book culture’” (50). He further writes that the publication of “celebrity autobiography titles, and others intended to play to a particular moment in time...owes more to sales potential than the quality of the ideas within” (50).

Young labels these books 'anti-books', calling them "the boy bands of the publishing world, cynical creations, manufactured for marketing reasons only. These books make no lasting contribution to book culture" (50). However, functional books and anti-books have always been a central part of book publishing and selling culture, an example being A&R's publishing output between 1893 and 1900. Close to fifty percent of books published were handbooks, manuals or "publications directed at the education market" while literary and fiction books accounted for less than twenty percent of the output (Alison, *Doing Something* 20). These "real books" (Young, *Book Is Dead* 95) have always struggled for publication and profitability. If booksellers were guided by Young's real book and anti-book dichotomy, their stock choices would preclude them from creating a bookstore with a wide range of titles. As David Carter writes in his review of Young's book:

Personally I'd want to make an argument about the way that the self-help, travel, cuisine, interior decoration and other lifestyle books share the contemporary function of the 'good books', the classy literary fiction, memoirs, biographies and histories, that we find them next to in the 'good book stores'. And if we look back to the early twentieth century we find book culture constituted as much by the ephemeral bestsellers as by the literary classics. (106)

The modern history of book publishing has always been to inform as much as to entertain. Gutenberg biographer, John Man, wrote "Germany in the early fifteenth century, during Gutenberg's youth, experienced a boom in vernacular books recording what had once been oral: instruction manuals, verses, histories and legends" (93). As Man shows in the chapter "In Search of a Bestseller", Gutenberg was not immediately drawn to printing a Bible because commercially and culturally, it was too difficult. Man clarifies this point by writing "it would have been obvious to Gutenberg that a market for such an



immense and controversial project would have to be sought among the great institutions - monasteries, courts, universities. It was just too big, too expensive" (145). In any case, Man argues, Gutenberg had already chosen a more profitable project:

a stopgap answer, something that offered the possibility of a fast return. It was the book that he himself had probably had as a student, which any student would have if he could afford it: the standard Latin grammar, the *Ars Grammatica*...It was a sensible choice, being only twenty-eight pages long and with a guaranteed market. (145-146)

The phrases "fast return", "sensible choice" and "guaranteed market" are just as welcome in the modern publishing and bookselling industry as they were to Johannes Gutenberg. They show that while cultural development at the time may have spurred Gutenberg to later produce his bible he was also, as both publisher and bookseller, a capitalist, reluctantly or otherwise. Malcolm Neil states that:

The problem with our industry is that it's also a mass market, so it's a high cultural, it's a pop cultural and it's a mass culture product, and mass and pop are often conflated into one, and that we tend to only give primacy and precedence to that high cultural aspect which is, you know, the three percent of the market that's about literary fiction, or culture or whatever, forget that the industry's sustained on mass market fiction, dot-to-dot books, colouring books, you know, publish to order celebrity biographies, things that follow the latest trend, and they're consumables and that part of the industry isn't so much specialty, you don't need to carefully nurture and hand sell a colouring book, for example, and yet colouring books, you know by volume who knows, I'm just guessing but it could be that they, in terms of turnover, add up to the same as all the literary fiction produced in this country. (Neil)

A consensus of booksellers' perspectives indicated that book buyers wanted different things from different bookstores and that chain stores with no customer focus would struggle in this retailing environment. Interviewees were agreed that what the public wanted from a bookstore differed because, as Neil

states, there are a “number of different consumers and there [are] a number of different bookstores for those consumers” (“Interview”). Interviewees acknowledged that certain bookstores appeal to different consumers for many reasons, and bookstores must successfully appeal to their target market to remain viable. Neil stated that:

A literary book buyer wants to have a relationship with the person who preferably owns the store because they're all snobs and don't just want to talk to staff. They want to feel like they're engaged in a wider community so that...they're connected to the literary world in some way, which is where the events and bringing the authors in. So it's all about feeling connected to what they see as fundamental to, I don't know, the process of enlightenment, and it's culture...and to a lesser extent we've got things like the romance readers specialty bookstore...they're also about a sense of community and they want to feel connected and those sorts of things...But not every store can have a sense of community and be connected. Some are just...places where you know you'll find the book you want or if they're organised the right way or the light hits the floor and they've got a comfy chair. There's lots of reasons. (Neil)

In her interview Eltham claimed that chain stores would suffer due to the lack of connectedness and knowledge they projected:

But I think that, I really do believe, I've come to believe over the last five years of working in this industry that there is this strange alchemical complex kind of interaction happening between readers and bookstores and publishers and authors and it's all part of a kind of ecosystem that ultimately readers are part of and they know that they're part of, you know. Partly I think that's because it's a cultural industry as well as being simply a retail sector. It's also part of some sort of larger conversation about who we are and how we acquire knowledge and how we share things. So not understanding readers very well makes it really hard to do your business well, you know? So that's why I think that the bookstores that are most under threat in the future, and I mean now, are those really particularly company owned stores of the big national chains like Dymocks and A&R where you see a lot of young people working casual jobs who don't have a lot of product knowledge, who don't understand what their readers want, who aren't able to serve their customers well because of that, that kind of lack of understanding (and) why you see the

indies continue to, and I won't say thrive because it's obviously a marginal business at the best of times, but who have really understood the kind of core value that they represent in a community context. And everything about what they do is trying to strengthen those community bonds between their customers. And sometimes that's hard for local stuff, so there's a lot of stuff that Riverbend does at Bulimba for example that's not really about books but about Bulimba and about the people who live nearby. And then there's a lot of stuff that Avid does that's about the sort of literary community around Avid...You know it's one of the reasons they attract staff who are writers. It's one of the reasons why a lot of writers' groups like to use it as a place to meet. I mean, writers' groups could meet anywhere, right, but they love meeting in libraries and bookstores because that's kind of -- there's a sense of belonging there. That thing, that intangible belongingness. That's the secret sauce and if bookstores are going to survive they need to work out how to kind of, how to spread that around. (Eltham)

And Walkem also had positive things to say about the community feel and connectedness of Avid Reader and Riverbend Books, while also making a distinction between company owned and franchise stores:

Well you only have to look at how strong the real independents are versus the chains. I mean Riverbend Books is an outstanding bookshop. I love going there. Every six weeks or so I go and sit on the terrace and have a cup of coffee and just walk around and look. Avid Reader is the same thing. I think the view that, chain store bookstores -- I think they're going to have to shift their game a little bit. Those that try to tread the middle line between being a chain store and offering that value service are the ones that won't survive. I call to mind one franchisee who has been an Angus & Robertson franchisee for twenty plus years and I love going to his bookstore because its fit outs have been there for a while. It's got a window that faces onto the street with windowpanes and you walk in and you can smell the books. No way...is he like one of the nice bright new bookshops and he will keep going because people know him as a reputable bookseller. And the other thing is being in the community. I think if you're going to run a small business you have to be seen to be part of the community. So whether you're a manager or an owner of a bookselling business, membership of social organisations, P&C, whatever, all go to help people perceive you not as just some faceless representative of a big brand but someone who is a businessperson working in the community. (Walkem)

An important part of fostering connectedness to book culture is author appearances. This is an experience that cannot be duplicated online. The appearance of authors in bookstores has always been important to the creation of an environment conducive to reading and cultural consumption. From the earliest days of A&R's bookshop appearances by both 'Banjo' Paterson and Henry Lawson have caused comment. Kent writes that Lawson:

Was the subject of many stories. Tall, with a mop of dark hair, a hook nose and brilliant, lively dark eyes, Lawson was usually the worse for wine. One day a disgusted woman customer in the art book section asked who 'that dreadful man' was. When told, she approached Lawson for his autograph. With a flourish, he picked up the nearest ten-guinea art book, ripped out the title page, signed it and handed it to the customer. After that, according to legend, Lawson was paid ten shillings a week to keep out of the bookshop. (42)

Most author appearances, however, are more financially rewarding than Lawson's interaction with the art book section. The regularity of the events program that Stager has initiated is part of its success because the loyal customer base has come to rely on her writers for the interaction with the reading and writing community. This regularity is important as people come to expect a certain level of engagement with their local bookshop. The role played by the sales assistants and the authors of the books they buy is fundamental to the sales technique. In his study on popular fiction, Gelder investigates the importance of both the consistency of production and author engagement with his audience that in the past contributed to the success of John Grisham. Gelder writes that "Grisham's approach to popular fictional production is regular and systematic, a feature which heightens its impact across the cultural field" (104). Grisham himself acknowledged in an article in 1998 how important his expected annual publication was when he remarked

that: "I'll tell you what I think about: When I'm in one of those real small bookstores, some of the stores I've gone to for years to sign books...I confess I've had the thought, 'What if I skipped a year?' It would have a significant impact on the store" (Zaleski in Gelder 104). Stager claims that literary events will be what save her bookshop, and something that other bookshops will have to consider, stating:

we've gone very strong into an events program...when I looked at the music industry a couple of years ago -- I've got friends who work in the music industry, I realised that the only way people were making money, a lot of money, well, money was through touring and selling merchandise. So that's something that the Internet really, Internet and eBooks can't offer you is that one-on-one experience. Speaking with an author. Hearing them in conversation. So we have ramped up our events program. So now it's up there with one of the best in Australia, really. And someone described it, one of the customers described it, it's like an all-round, yearly writer's festival, and it's because there's always something happening and, you, know, we have 50 to 120 people come to our in store events. They love them. There's something about sitting in an audience, listening, participating, hearing the nuances of a conversation. It's an experience that's really hard to duplicate online, even with all the Skype, even with all the kind of chat programs. There's something just a little bit different about it. So we've gone strongly down that line and that's what's saved us. That's really what's saved us. And so I think booksellers will have to look at that kind of thing...making it a whole experience. And all of them are going to have to do that. I don't think booksellers have ever really had the luxury of just being able to put books on their shelves and just sit behind the counter. We've always had to do more than that. And that's the reality. (Stager, "Interview")

Successfully executed author appearances and events are a valuable addition to the business of brick-and-mortar bookselling, both in commercial and cultural terms. Events give the consumer a valid reason to travel to the bookstore rather than buy online because it is the experience of the reader-writer community that they are participating in. At an event there is an increased likelihood the customer will buy the physical book at the store, not

the online or eBook version, for the author to autograph. This transforms the object from a mere consumable to a cultural artefact. This participation promotes connectedness and community, an experience that, for the successful independent bookstore, can be enough to transcend the often significant price differential offered by online and eBook sellers.

Booksellers participate in the modern commercial system by providing a range of 'anti-books' and book related products. The risk of the online retailing challenge rendering the bricks-and-mortar bookstore redundant is being reduced by independent bookstores moving heavily into destination and event programs, as well as stores retailing book associated giftware. An independent bookstore owner cannot afford to not have giftware in the store because, as Stager states, "you get better margin [and] you're also getting more of the economic spend from a family or a couple...you know they're going to buy a gift, I'd rather they bought it here than MYER" ("Interview"). A successful bookshop, in the past, now and in the future, is as much a question of identity as it is about successfully targeting the correct demographic. Stager makes the point that hers is essentially a bookshop and therefore any giftware she includes in her stock mix is designed to complement that identity. Stephanie Walkem similarly stated that, with regards to giftware:

I am careful about what allied product I might consider...I've got Book Seats. I'm looking at paper based things, I'm looking at bookmarks, I'm looking at some small gift lines but for example, I disagree with the measuring cups, but the Penguin mugs I thought was a good [thing]. That's the sort of thing I mean. ("Walkem")

These allied products included for sale in franchise and independent bookshops add to the identity of a bookshop. They include book related products that suit the character of the store and items associated with book culture that contribute to what Kate Eltham defines as a sense of “bookiness” in a store. If bookstores can become more about the destination and the experience of the book as well as tie in successfully with an online platform, the bricks-and-mortar store and the online retail world can co-exist.

Bookstore owners continue to build their businesses in the analogue paradigm because people are still emotionally and physically attached to the tactile and olfactory elements of the object of the book. The book as object is often important as a possession as much as for its contents. As Sherman Young writes in *The Book is Dead*:

Those who ‘love books’ are often attracted to the object as much as the ideas; their library’s shelves overflowing with titles that provide them with touchstones of identity, and a particular status...Five minutes spent examining bookshelves on a first date makes it much easier to decide whether to have a second one. (28)

Even though the quality of printing and binding in the modern book industry has been placed under scrutiny, especially by Lee who “set out to dismember a John Grisham hardback and a 1907 evangelical tract” (“Trouble with Books” 18) proving that *Songs of English Praise* “resisted my assaults on its sewn binding and cloth cover [while] the Grisham book succumbed to a swift blow of the Stanley knife;” (18), the object of the book is still important to readers and consumers. The Book Industry Strategy Group (BISG) acknowledged the importance of books as historical, cultural and emotional artifacts that transcend commercial liabilities. Their report suggests “in addition to their

content, books have been important as possessions, physical objects, important mementos of childhood, gifts or for display, collectors' items distinguished for beauty or rarity, and the treasures of great libraries" (8). The importance of books as physical objects is further supported by findings from Collinson whose interviews with readers found that the book object functions as a self-representation of the collector (75) and as a desired "commodity" which was an important material object to be "lent or given as [a] gift" (74). There are customers who go to a bookstore "to come in and just have a look around and touch books and open them and have a flick...have a look" (Hibbins). Joanna Love stated that it was her customer service skills specifically that had customers returning to her A&R store at Australia Fair on Queensland's Gold Coast:

So we started doing things, what's called lifestyle questions -- Where do you read? What do you read? How do you read? What is it that you love about reading?...Who, what, where and why questions, so that the... customer actually had to talk to me about their books. It evoked passion about books but also got me to understand; I used to get people who used to come in and want, this is their words, I want a crap book. I want a really light, romantic read because I read textbooks all week and I don't want to actually...use my brain. I want to read a book that's really light. Now if I didn't know of those books, how could I sell that? ("Love")

The book knowledge and customer service skills displayed by managers, franchisees and staff of A&R contributed to the public attachment to the brand. Love also said "we gave them what books do. We gave them books. We gave them that emotional attachment that people have for books, and how they feel about books. They didn't get that from anywhere else" (Love). The emotional attachment people feel to books is complemented by the smell of the physical bookstore. This is also an experience that cannot be



duplicated online. Olfactory perception has been “viewed as a primitive, archaic, *needed* sense” (Le Guéner 4) largely due to the “inadequacy of (verbal) classification and conceptualization” (Rindisbacher 10) available to theorists, but it is also the sense most likely to trigger memory (Rindisbacher 15). Therefore this is important for bookstores where the smell of the books can arouse memories and emotions attached to book experiences. David Smiedt writes “any reader will tell you that bookshops carry their own special scent” (81) and Strand Bookstore in New York City encompasses all levels of scents within its walls, including:

New, used and rare books, and each of these groups boasts its own olfactory imprint. Pristine, straight-from-publisher stock bears the slightly acidic tang of virgin paper and a rather watered-down version of your office printer’s ink. Beautifully bound, the rare books exude the faint yet unmistakable waft of ageing leather. Yet it’s the used books that tell their own dog-eared stories via the stains...and the lingering mustiness of sitting too long in garages or cupboards. (Smiedt 81)

Bookstore owners can capitalise on the physical sensory and emotional value people assign books to continue to build viable businesses.

EBooks are not the technological nemesis of the traditional print book. ERetail is still in competition with the retail storefront culture of consumption because cultural change manifests itself much more slowly than technological change.

In “The Elusive e-Book” Sherman Young hypothesizes why the eBook has not killed the print book:

Technological change is relatively easy, cultural change is much more difficult. For booklovers, the social practice of reading books (duGay et al, 1997) is inextricably tied with the use of printed objects and a culture that is not yet commonly associated with what they consider ‘technology’. (71)

Digital books and eReading technologies appear to be, at this stage, the future of publishing, bookselling and reading, but people are still culturally attuned to reading physical books. The physical process of shopping is also a cultural construct that will take time to adjust as people become familiar with shopping in different arenas. Until that point, the eBook and online shopping must still compete with the successful retail storefront because “even during periods of advanced, seemingly seamless capitalism” there is “an ongoing process whereby different cultural models of retailing and consumption continue to compete with one another” (Miller 11). While Miller was specifically referring to corporate chain stores competing with independent book retailers, the idea remains the same. In retail, there are different models of retailing, with eRetail being one of these models. Traditional retailers are adapting this additional consumption model for their businesses but continuing to trade as brick-and-mortar retailers because in the retail wars the two channels of consumption do not as yet have a clear victor. The industry is at a crossroads, which Richard John Guthrie describes, in the following terms:

Much of the resistance to the e-book and digital technologies can be understood as axiomatic of a major scientific, technological and societal change in Kuhnian terms. The analogue paradigm is defending itself against the growth of digital solutions...Currently, in terms of Kuhn's ideas and analysis, analogue book and digital publishing are in the midst of a battle for supremacy, a phase best described as a “paradigm hiatus”. (Guthrie 18)

Bookshop owners are defending their analogue technology in the form of their bricks-and-mortar bookstores and their traditionally bound books. John Siracusa writes that “the beloved, less technically sophisticated information conveyance with the pedigreed history doesn't win...it can happen without changing a single person's mind. To put it bluntly, people die”, but until a

whole generation or two of book lovers pass on bookstore owners must work within this 'paradigm hiatus' to continue to sell as many books as possible, whether print or digital editions. The bricks-and-mortar bookstore is still the primary access point for book objects and book information due to the difficulty of cultural change. Other influencing factors include commercial concerns about "awareness, pricing and availability" (Young, "Elusive e-Book" 71). This slow shift to online and eBook purchasing is also evident internationally with Richard Mollet, British Publisher's Association chief executive stating, "physical books remain the format of choice for the vast majority of British readers, underlining the continued importance of a strong high street sector" ("Huge rise in ebook sales offsets decline in printed titles"). To ensure that they remain commercially relevant, booksellers are slowly integrating digital technologies. Still, this has been happening for a number of years and it will not be until publishers find it unprofitable to publish paper books that a truly digital revolution will occur. At this point in time, that position has not been reached and bookshop owners are still confident that the good businesses will survive even in this climate of digital technology and economic uncertainty.

Independent bookstore owners are also actively engaging with technology in an effort to provide their customers with books in all formats. The provision of accessible eBooks and online purchasing options has become a necessity in recent years, more markedly so since media reports of eBooks outselling physical books on Amazon (Campbell), and growth in the eBook market causing attrition of print sales ("Huge rise in ebook sales offsets decline in printed titles") make their way into the public information sphere. Online

research from American blog paidContent.com also reported that in 2011 “mass market books were down more than 33% while ebook sales were up by more than 131%” (Herther 15) with the research also stating that “many publishers saw triple-digit ebook growth...thanks to the increased availability of books in digital formats and affordability of e-readers” (paidContent.com qtd. in Herther 15). The digital book is achieving greater market penetration and by establishing digital retail solutions to accompany their physical stores booksellers are providing the best customer service and continued engagement with book culture. In an attempt to compete with online bookstores, independent bookstores now offer the option to shop for physical books online or to purchase eBooks from independent store-branded sites through the Booki.sh website. The Melbourne based independent bookstore, Readings, originally partnered with Booki.sh in 2011 and since then other independent booksellers have joined the online platform. Now Gleebooks in New South Wales, Mary Ryan, trading in Queensland and New South Wales, Fullers from Tasmania, Books for Cooks in Victoria, and Avid Reader in Queensland all have partnered with Booki.sh. This platform is an example of a developing business strategy allowing book buyers to buy eBooks while supporting their local bookseller. The various costs associated with establishing and maintaining an online retail presence, including investments of time, money and human resources, are reportedly high (BISG 76; Newling, “So You Think You Can Sell Online?” 18). Therefore, the Book Industry Strategy Group ensured one of its recommendations made to the government was “that the Government, through new or existing grants programs, support the introduction of...business development programs for new and proposed

digital enterprises, including for authors, publishers and booksellers, and...training grants to enable small business to invest in digital skills upgrading for staff” (76). The Australian Booksellers Association (ABA) welcomed this recommendation with Joel Bekker, the ABA’s Chief Executive stating:

For local bookshops to compete in what now – from a consumer perspective – is a global market, they require access to e-Commerce with the concomitant ability to sell e-Books. Many shops will require both technical support and access to small business grants. Funding of the recommendations of the report will facilitate access to this essential on-line capability to all booksellers, whether they are in a country town, a suburban shopping centre, or a major CBD. (ABA)

However, while these recommendations were greeted positively by the ABA, the Association was “concerned that there are no timelines for the BISG report’s recommendations and there is little assistance for Australian booksellers in the short term in competing in the global market” (ABA). With no timeline, and with Senator Kim Carr resigned from the government, the recommendations from the study could be seen as a less important item on the government’s agenda, or they could be ignored completely, like the recommendations by the original Productivity Commission report. If recommendations are ignored at this stage, Australian small business may find it hard to recover as the retail sector overall continues to be a difficult marketplace where technology has changed the way people read, how much they read, what they read, when and how much they are willing to pay for the entertainment of reading. The ability to sell eBooks may be a necessity for customer service in a technology-savvy world but profits are yet to be realised from the eBook presence in the local bookstore.

Online purchasing of physical books appears to be a greater threat to bookstores but due to the high cost of maintaining an online presence, independent bookstores are yet to recoup profit from online retailing of physical books. For independent bookstores the costs associated with online marketing, online book orders, maintenance of a website and the ability to sell eBooks are so far proving unprofitable as demonstrated in an article for *Bookseller + Publisher* magazine in August 2011 when independent bookshop owners advised that there were increased costs associated with running an online ordering service. Mark Rubbo, managing director of Readings, stated that “to pick, pack and send a web order still probably costs more than someone walking into your store, but it is a necessity” (Newling, “So you think you can sell online?” 18). As with events and author signings, independent booksellers appear to see their online presence as value adding, as a marketing tool and as a customer service that is a necessary provision to maintain customer loyalty and connectedness with their brand. However price and profitability, the two connected elements that independent bookstore owners have been able to combat with their personalized in-store experiences, are still proving difficult to overcome even with an online presence.

To a technophile, the printed book may seem obsolete, but the printed book has allowed itself to be enhanced by technology rather than superseded with some commentators believing that the future of books is multi-format. What the book industry has done by engaging extensively with the web in general, and blogs and social media specifically is make the book in all its forms more relevant than it has been since Gutenberg began printing. Associate

Professor in multimedia at Bond University, Brand, stated that “over the next four decades we will see the evolution of the book and the computer game and they will take us to a blended product” (Killoran 42). The initial forays into blended products are already here, with Killoran citing the David Baldacci novel *Deliver Us From Evil* as an example of an eBook with added functions (42). Another area where the blended product is most significantly being investigated is in art books. A feature article on art books in *Bookseller + Publisher* magazine quoted art publishers Julius Wiedemann from Taschen and Paulina de Laveaux from Thames & Hudson sharing the opinion that, in the case of art books at least, straight page to screen transfer of pictures and text is not how art books should be published digitally. In the article Wiedemann suggested “why not have voice-over, geolocation, animation...many consider these a distraction, but it is simply a new way of doing it. And the generational shift in the user base will allow creators to explore new kinds of narrative” (Tapper 22). Similarly Laveaux stated, “Thames doesn’t believe in simply releasing PDF versions of their books for iPad. They are exploring alternate functionalities” (Tapper 22). Alternate functionalities, like the added features included on movie DVDs, seem to be an area where all books can add value and where publishers could explore future publication options, especially considering the growing abundance of tablet devices.

The industry has another greater concern than adapting to changing book formats and this is the question over the attention span and ability of readers to apply themselves to long form reading in the modern world. Readers, no

matter what platform they are using, will still need to pay attention long enough to understand and value or derive some entertainment from the book they have chosen to download. It has been suggested, “that the changing nature of work and leisure is rewiring the human brain in such a way that “deep reading” - the concentrated pursuit of linear stories and thought - is being trained out of us” (Knox). If society really is not reading because our attention spans are not developed enough to sit through the approximate half a day that the average book takes to read, then killing it off in the print form and restructuring as either an online purchase or a downloadable file will be an irrelevant exercise as readers will not exist. The industry must continue to promote a specific culture of book reading to ensure the practise of long form reading, and not just the act of buying physical books, does not decrease.

Engaging young people with the most appropriate digital technology to complement the act of reading a physical book will form the basis for the continuation of physical book culture. Governments and libraries are contributing in their own ways, sometimes collaboratively, to ensure that the next generations of young people do not become non-readers. In 2009, the Victorian State Government commissioned a study titled *Keeping Young Australians Reading 2009* which raises issues such as the demands on young people’s time and their attention spans but it argued that keeping young people reading was especially important from a neuroscience perspective to create future adult readers. Ultimately, readers between the ages of ten to thirteen need to create the habit of reading because:

Researchers have discovered that dynamic activity in the brain continues and the thickening of the thinking part of the brain doesn’t peak until around 11 years of age in girls, and 12 in



boys. After this point, which occurs at about the same time as puberty, a further pruning-down process takes place. Cells and connections that are used will survive, while those that are not will be cut back.

So, if 10 to 13-year-olds are not reading for pleasure, they are likely to lose the brain connections; the hard-wiring that would have kept them reading as adults. Reading after this age could become an unnatural chore, affecting young people's ability to study at a tertiary level and perform well in the workplace. (McKerracher 12)

This research means that new technology may have had an impact on the reading attention spans on a generation of children and young people who have been reading from the Internet in short bursts of text. This does not mean that the habit of reading novel-length or larger books has to be lost forever due to technology. If reading can become neurologically habitual between the ages of ten to thirteen, then every parent, teacher and librarian has the opportunity to create everyday readers by engaging the right child with the right book. The report also showed that our understanding of children's reading habits could often be challenged by unprecedented changes. The example given to highlight this is related to the Harry Potter phenomenon. The report stated, "one of the great ironies of the publishing industry is that everyone said kids wouldn't read longer books, then along came JK Rowling. If you can make a story captivating enough, then kids will read it whatever the length" (Gleeson qtd. in McKerracher 26) In this digital age, engaging them with the most appropriate digital technology to support entertainment and learning outcomes that arise from the act of reading a book is a complementary experience to reading the book itself. In the report McKerracher acknowledges how important the integration of new technologies into the practice of reading is for young people when writing that:

the rise in social networking means that young people are used to sharing experiences with their friends. Reading has traditionally been a solitary pursuit but we need to explore new ways of making it a collaborative exercise while also focusing on the value of personal reading and of deep engagement with a book, its characters and ideas. (6)

The importance of digital technology has not so much been the digitization of books, but the online communities and author websites that have made engaging with books more proactive than ever before possible. This has seen not only a rise in online communities but has also facilitated the organisation of festivals and author events. Such things increase the reader's engagement with the book. The book as object may not, as Sherman Young suggests, "sit at the centre of our culture" (*Book is Dead* 5), but for those who engage in reading books, the printed book still is the focal point around which other digital activities revolve:

Bob Stein, Director of the Institute for the Future of the Book, told readers of *The Age* on 25 July 2009 that he had been exploring the potential for new media for 30 years: 'Readers will see the experience of reading expand to include a range of behaviours, all situated firmly within a social context. To illustrate, here's a mother in London describing her 10-year-old boy's reading behavior: "He'll be reading a (printed) book. He'll put the book down and go to the book's website. Then he'll check what other readers are writing in the forums, and maybe leave a message himself, then return to the book. He'll put the book down again and Google a query that's occurred to him."

'I suggest that we revise our definition of reading to incorporate this range of activities, in addition to time spent absorbing the content of the printed page'. (Stein qtd. in McKerracher 36)

Stager states that her young customers are "big readers...they give me hope that they will continue to read" ("Interview"). But there is an acknowledgement that they may just be reading in other formats. Neil believes reading "is not about reading on any one device, it's about reading in the manner, in the

place where it's best suited for you to do that" (Neil). Kevin Walker is more unequivocal in his opinion expressing the view that:

Those people who are that savvy to buy an eBook, and that's most of us and we're getting more savvy by the day, are not going to need any help whatsoever to buy a book going forward. They'll be the odd bod, but generally speaking most people and especially young people and the young generation coming up, are going to be you know. My son's 12 he knows exactly how to buy a book and everything else online. I have trouble. He doesn't. So that new generation when they come through, they're going to wipe booksellers. There's no need for him to go to the bookstore. You might say it's a wonderful place and that touches all this sort of sentimental stuff. I agree with that but we've moved, and we're going to move really quickly. (Walker, "Interview")

So while the Nielsen book data from 2010 shows growth in the category of children's fiction, the Internet and downloadable entertainment, including music, movies or eBooks, is competing for and winning the time the younger generation spend on leisure activities. Young people are technologically savvy and downloadable instant entertainment is proving more popular with children than the on average fifteen hours that most people need to read a book. A well-run business can still commercially compete with other media but these new media challenges will see only the strongest businesses survive.

Instead of causing the obsolescence of the book object, the digital era has elevated the physical book to the centre of a digital galaxy within the Internet universe. The reading of books is paradoxically both a solo and social activity and rather than kill off the book as printed object, the web has enabled book lovers and book buyers to engage in a deeper way with the object of the book, the author of the book, and online communities for a particular book or a genre of books. Sherman Young's argument that it is possible to kill off the

object to create a digital book renaissance is valid if his argument is confined to functional books. Reasoning that, “for functional reading, there are good alternatives to books” Sherman Young highlights that more practical book categories could smoothly be transferred to the digital form without any significant loss to physical book culture (*Book is Dead* 60). New developments in publishing textbooks are also proving popular with teachers and publishers for their interactivity and the practical reason of not having to carry so many heavy books to and from school. However, books as objects are cultural artefacts and rather than turning all books digital, the digital revolution has created new, faster ways to communicate about books and to interact with books. Communities are created by readers in digital forums through a shared relationship with the object of the printed book. In these online meeting places the book works in its capacity as both a historical and contemporary cultural artefact and assists to “forge a communal imagination even though members of a community may not have met one other” (Anderson qtd. in Ibrahim and Smith 66). The digital age, instead of killing off the object of the book, has caused the book to become the centre of a digital galaxy within the Internet universe. Online community discussions involving ideas and events contained within printed books have expression in real world terms. This is because:

Virtual communities can form through discourses about literary content and in the process the electronic platform can create virtual communities which occur through such discussions...the Internet has also created market-places and networks which circulate information about old and new books. The intertextuality between different media as well as offline and online practices reiterate that virtual communities and offline ones are not dichotomous. (Ibrahim and Smith 66)

The book industry has been digitizing for many decades already but digital interaction only seems to increase the book industry’s engagement with the

printed book (67). Ibrahim and Smith note, “interactive technologies such as the Internet enable authors and readers to start new conversations about literary matters beyond the editorial gate-keeping of newspapers and magazines (69). They also suggest “the television age has created a celebrity culture which has produced different types of engagement with the author and his or her works. The popularity of book-signing events and book festivals are a testimony to this (69). The online communities and e-newsletters are vital elements for promoting books, authors and author events, but the online experience is a complementary experience to the physical experience of participating in book culture at a bookstore venue. Book signings, other author events and literary festivals are promoted throughout reading communities, and while Ibrahim and Smith focus on libraries, bookshops are part of this promotion of author engagement also. The online forum is a way in which people who are geographically isolated can engage in the book community.

Australia will sustain a strong bricks-and-mortar bookselling industry as long as independent bookstore owners continue to foster a sense of connectedness with the wider book community. Providing author signings and other events to engage existing or prospective book buyers and book enthusiasts is one of the main ways bookstores can promote connectedness. The ambience and atmosphere of in store events is impossible to replicate online. However, independent bookstore owners accept the growing accessibility of online purchasing and digital eBooks and are continually adapting their businesses to provide their customers with the widest choice of reading options. By using digital technologies to enhance the reading experience, established readers as well as young people can engage with

multi-format texts thereby establishing an ongoing reading culture. At this point, people still have a cultural attachment to the object of the book, which may remain strong for a number of generations. The independent bookseller can continue to aid this feeling of cultural attachment to the book object and, as long as that translates into enough dollars for the industry to remain profitable, bricks-and-mortar bookstores will continue to trade.

## **CONCLUSION**

In order to remain profitable businesses, the booksellers of Australia have always had to overcome obstacles such as distribution, time, distance, availability and price. These concerns, along with general retail market fluctuations will continue to be of concern to contemporary booksellers. New pressures have also come to modern booksellers in the form of online purchasing and eBooks. Whatever the pressure, Australian booksellers, especially those in the independent bookselling market, will always continue to develop their businesses to meet these challenges.

In the case of the A&R brand, the original family-owned business functioned more like a contemporary independent bookstore than the chain store incarnation of the brand owned by REDgroup Retail. George Robertson had a vision for his bookstore and his publishing company to specialise in and promote Australian literature. The atmosphere of his bookstore promoted books and a connection with the book and reading and literary community, especially in Sydney. The changes of ownership experienced by Angus & Robertson from the 1950s until the early part of the twenty-first century saw the disintegration of the original company and HarperCollins Publishers subsumed the publishing imprint.

Contrary to the popular perception of the media, REDgroup did not go out of business because of developing technology. They went out of business due to escalating debt and a lack of forward vision by the management team who had the short-term goal of an IPO on the Australian Stock Exchange. While the collective retail experience of the management team should have ensured

continuity of the brand during challenging economic conditions, their continued expansion and the use of supermarket practices with regards to supplier negotiations, did not translate effectively to the book industry. While online purchasing and eBook access was a pressure that REDgroup had to address while still trading, the sale of the A&R website as a profitable concern during the administration process in 2011 shows that the business actually had a successful digital strategy in place. The closure of the REDgroup stores was a significant loss to the bookselling and book-buying culture of Australia, an event from which the industry may never fully recover, and which may see buyers increase their purchasing online due to the lack of bricks-and-mortar store.

While 2011 was a year filled with financial and emotional upheaval in the Australian bookselling industry there were some positive developments. The A&R brand has not vanished completely, having been kept afloat on a smaller scale in Queensland as part of the recently formed Angus & Robertson Book Retailing (ARBR) business, a subsidiary of Supanews Pty, Ltd. Bookselling statistics for the previous year indicate that while the volume of books sold was lower due to the loss of A&R and Borders, remaining bookstores continued to have strong product sell-through. The independent bookstore owners and book industry professionals interviewed are cautiously optimistic about the future of Australian physical bookstores, and none of them expect to go out of business in the short term. If remaining bookstores, especially independent bookstores, can reposition themselves as destinations for book events and as places to engage with book ideas and objects, they have the opportunity to evolve into multi-format businesses which can foster a strong,



continuing book reading and buying culture. Australia has always been, and continues to be, a nation of book lovers and consumers of books and they will always read, discuss, buy, sell, give and share books, in whichever format they are available, and booksellers will continue to sell books as long as there are books to sell.

**APPENDIX A:  
BOOKSELLERS IN SOUTH EAST  
QUEENSLAND SHOPPING CENTRES**

SHOPPING CENTRE	SUBURB	BOOKSTORES	DDS	DISCOUNT BOOKSTORE	PREVIOUS A&R STORE
Alexandra Hills Shopping Centre	Alexandra Hills	NA	NA	Nextra	No
Arana Plaza	Arana Hills	NA	NA	NA	No
Arndale Shopping Centre	Springwood	NA	NA	Book Warehouse	No
Aspley Hypermarket	Aspley	NA	NA	Book Warehouse	No
				Queensland Booksellers	
Aspley Village	Aspley	NA	NA	NA	No
Australia Fair Shopping Centre	Southport	QBD	Kmart	NA	Yes
Booval Fair Shopping Centre	Booval	NA	NA	Nextra ABC Centre	No
Bracken Ridge Plaza	Bracken Ridge	NA	NA	All Books 4 Less	No
Brookside Shopping Centre	Mitchelton	Angus & Robertson	Target	NA	Still A&R
Cannon Hill Central	Cannon Hill	NA	NA	NA	No
Cannon Hill Kmart Plaza	Cannon Hill	NA	Kmart	Book Warehouse	Yes
				Nextra	
Capalaba Central	Capalaba	QBD	Big W	NA	No
Capalaba Park	Capalaba	Angus & Robertson			Still A&R
Carseldine Central	Carseldine	NA	NA	NA	No

Centro Lutwyche	Lutwyche	NA	NA	NA	No
Centro Southport Park	Southport	Love That Book	Target	NA	Yes
Centro Springwood	Springwood	NA	Target	NA	No
Centro Surfers Paradise	Surfers Paradise	NA	NA	NA	No
Centro Taigum	Taigum	NA	Big W	Book Warehouse	No
Centro Toombul	Toombul	QBD	Kmart	Nextra	No
			Target		
Centro Tweed	Tweed Heads	Collins Booksellers	Target	NA	No
Deception Bay Shopping Centre	Deception Bay	NA	NA	Australia Post	No
Fairfield Gardens Shopping Centre	Fairfield	NA	NA	NA	No
Forest Lake Shopping Centre	Forest Lake	NA	NA	NA	No
Grand Plaza Shopping Centre	Browns Plains	QBD	Big W	NA	Yes
			Kmart		
			Target		
Great Western Super Centre	Keperra	NA	NA	NA	No
Harbourtown Shopping Centre	Biggera Waters	NA	NA	NA	Yes
Inala Town Centre	Inala	NA	NA	NA	No
Ipswich Riverlink	Ipswich	Angus & Robertson	Kmart		Still A&R
			Target		
Indooroopilly Shopping Centre	Indooroopilly	QBD	Kmart	NA	Yes
			Target		
Kallangur Fair	Kallangur	NA	NA	NA	No
Kenmore Village	Kenmore	NA	NA	Nextra	No
Logan Hyperdome	Loganholme	QBD	All Majors	\$5 Booksale	Yes
Manly on Mayfair	Manly	NA	NA	News Express	No
Margate Village	Margate	NA	NA	NA	No

Marina Mirage	Main Beach	NA	NA	NA	No
Mt Gravatt Plaza	Mt Gravatt	NA	Target	NA	No
Mt Ommaney Centre	Mt Ommaney	QBD	Kmart Target	All Books 4 Less	Yes
Murrumba Downs Shopping Centre	Murrumba Downs	NA	NA	NA	No
Nerang Centro	Nerang	NA	NA	Newsagency	No
Nerang Mall	Nerang	NA	NA	Newsagency	No
Orion Springfield	Springfield	Mary Ryan's & ABC Centre	Big W	All Books 4 Less	No
Pacific Fair Shopping Centre	Broadbeach	QBD	Kmart Bookstars Target	NA	Yes
Peninsula Fair	Kippa Ring	NA	Kmart	Book Warehouse	Yes
Redbank Plaza	Redbank	NA	Kmart Target	NA	Yes
Robina Town Centre	Robina	QBD	Big W Kmart Target	NA	Ex-Borders
Runaway Bay Shopping Village	Runaway Bay	QBD	Big W Target	NA	No
Showcase on the Beach	Coolangatta	NA	NA	Book Sale	No
Stafford City	Stafford	NA	Big W	Back to Books	Yes
Stockland Burleigh	Burleigh Heads West	NA	Big W	Art store booksale	Yes
Stockland Cleveland	Cleveland	NA	NA	Nextra	No
Sunnybank Hills Shoppingtown	Sunnybank Hills	NA	NA	Newsagent	No
Sunnybank Plaza	Sunnybank	NA	NA	NA	Yes
Sunny Park	Sunnybank	NA	NA	NA	No

The Pines	Elanora	NA	NA	Book Sale	Yes
Toowong Village	Toowong	The Book Bank (New & Secondhand)	NA	Book Warehouse	Yes
Tree Tops Plaza	Burleigh West	NA	NA	NA	No
Tweed City Shopping Centre	Tweed Heads South	QBD	Big W	Blink Retail	Yes
Underwood Marketplace	Underwood	NA	Kmart Big W	NA	No
Victoria Point Shopping Centre	Victoria Point	Angus & Robertson	All Majors	NA	Still A&R
Westfield Carindale	Carindale	QBD	All Majors		Yes
Westfield Chermside	Chermside	QBD	Dymocks Kmart		Yes
Westfield Garden City	Mt Gravatt	QBD	Target All Majors		Yes
Westfield Helensvale	Helensvale	Love That Book	Kmart		Yes
Westfield Northlakes	Northlakes	Dymocks	Target Big W		Yes
Westfield Strathpine	Strathpine	QBD	Target Big W	NA	No
Wynnum Plaza	Wynnum	NA	Target Kmart	Book Warehouse	No

## APPENDIX B: ETHICS APPROVAL FORM



### Human Research Ethics Committee

#### Committee Approval Form

**Principal Investigator/Supervisor:** Associate Professor Simon Ryan Brisbane Campus

**Co-Investigators:**

**Student Researcher:** Ms Carly Been Brisbane Campus

**Ethics approval has been granted for the following project:**

It's all about the Book: A history of Angus & Robertson and Bookselling in Australia. (A History of B

**for the period:** 30 August 2010 to 30 September 2011

**Human Research Ethics Committee (HREC) Register Number:** Q2010 35

The following standard conditions as stipulated in the *National Statement on Ethical Conduct in Involving Humans* (2007) apply:

- (i) that Principal Investigators / Supervisors provide, on the form supplied by the Human Research Ethics Committee, annual reports on matters such as:
  - security of records
  - compliance with approved consent procedures and documentation
  - compliance with special conditions, and
- (ii) that researchers report to the HREC immediately any matter that might affect the ethical acceptability of the protocol, such as:
  - proposed changes to the protocol
  - unforeseen circumstances or events
  - adverse effects on participants

The HREC will conduct an audit each year of all projects deemed to be of more than low risk. There will be random audits of a sample of projects considered to be of negligible risk and low risk on all campuses.

Within one month of the conclusion of the project, researchers are required to complete a *Final Report* and submit it to the local Research Services Officer.

If the project continues for more than one year, researchers are required to complete an *Annual Progress Form* and submit it to the local Research Services Officer within one month of the anniversary date of approval.

A handwritten signature in black ink that reads 'K. Pashley'.

Signed:

..... Date: 30.08.2010

(Research Services Officer, McAuley Campus)

## **APPENDIX C: INFORMATION LETTER FOR INTERVIEW PARTICIPANTS**

### INFORMATION LETTER TO PARTICIPANTS

TITLE OF PROJECT: A History of Bookselling in Australia

NAME OF SUPERVISOR: Associate Professor Simon Ryan

NAME OF STUDENT RESEARCHER: Carly Been

NAME OF PROGRAMME IN WHICH ENROLLED: Master of Philosophy

Dear Participant,

You are invited to participate in a study that is investigating the history of bookselling in Australia, focusing primarily on the last thirty years, and culminating with the changes and challenges technology is presenting to business right now. This research is being undertaken as part of the requirements for a Master of Philosophy higher research degree. Information for the study will be gathered through face to face interviews, and as you are a leader in the bookselling field, your participation in an interview would be greatly appreciated.

#### Purpose of research

The purpose of the research is to understand how book publishers and booksellers are responding to social, technological and legal changes that have occurred in their businesses over the past generation. The most important aspect of these industry changes is to examine how digital books are shaping the business of publishing and bookselling. The secondary purpose of this research is to add to the growing collection of academic literature about digital publishing, as the body of literature available is still limited. Responses to these interviews are intended to be published in articles for both industry and academic publications.

#### Methods

The method of information collection is through participation in a face to face research interview with the student researcher. Participation in this interview is voluntary and would require you to donate up to two hours of your time, at a mutually agreeable time and location. Participants are to be asked questions about developments within the book industry, a copy of which will be sent with this letter for your perusal. It is also the participant's right to terminate the interview at any time. Interviews will be recorded using a digital recorder and then transcribed. A transcription of the interview will be made available to the interviewee, to make sure responses are understood correctly.

#### Benefits

This research will benefit both the bookselling industry and the academic field of Australian book history as no project has been done academically that encompasses how the technological changes of the past thirty years will affect the future of the industry. This work will bring together a large enough sample of interviews with people involved in the book industry to assist in understanding the needs of an industry in the middle of a cultural shift, as books are beginning to be created, distributed and sold in many different formats. These interviews intend to provide the industry and the academic community with an understanding of what steps the industry needs to take to remain competitive in today's commercial climate. Your informed responses to the interview questions will assist in ensuring that this research is interesting, timely, and practical and not merely educated guesses from academics and industry

outsiders. The main benefits are to the academic community and the book industry, as the research will provide knowledge and understanding about how many issues, but specifically the advent of new technology, have affected an industry that is integral to Australian cultural production.

### Risks

It is anticipated that this research has a negligible level of risk to the participant, a level that is described by the *National Statement on Ethical Conduct in Human Research* as research where the only foreseeable risk is that of inconvenience, which in this case relates to giving up time for participation in the interview. The intention is for portions of the research to be published in academic journals as well as industry publications. It is important for you to be aware that, should you participate in an interview, publication of results will involve the disclosure of your identity, your place of work, your position within the company and your opinions on certain aspects of the book selling trade.

Other than the details outlined above, no other personal or professional information will be gathered or used for the purposes of the study. As an industry expert, the use of the aforementioned details is simply to lend credibility to the research, but you are free to object to the use of certain details if you feel uncomfortable at their disclosure. Furthermore, you are free to refuse to participate in this interview process altogether without having to justify that decision, or to withdraw consent and discontinue participation in the study at any time without giving a reason.

Please feel free to contact us if you have any questions or concerns about the project, either before or after you make the decision to participate in the study. Any questions regarding this project should be made during business hours to the supervisor or the Student Researcher on the project, whose names and contact details are listed below:

Associate Professor Simon Ryan or student researcher Carly Been  
(07) 3623 7238 (Simon Ryan) or 0433 836 384 (Carly Been)  
Australian Catholic University School of Arts & Sciences  
Campus Address: Mc Auley at Banyo, 1100 Nudgee Road, Banyo QLD 4014

Following the actual interview, you may request to see the results of the interview process including official interview transcripts, and/or the finished study prior to publication. You are also entitled to provide feedback to the university and the researcher about the interview process. Follow up contact will be made by the researcher to ensure you were happy with the process and to address any questions or concerns that may arise following the interview.

This study has been approved by the Human Research Ethics Committee at Australian Catholic University. However, if at any time you have any complaint or concern, or if you have any query that the Supervisor and Student Researcher have not been able to satisfy, you may write to the Chair of the Human Research Ethics Committee care of the Research Services Office listed below.

QLD: Chair, HREC  
C/- Research Services  
Australian Catholic University  
Brisbane Campus  
PO Box 456  
Virginia QLD 4014  
Tel: 07 3623 7429  
Fax: 07 3623 7328

Any complaint or concern raised will be treated in confidence and fully investigated, and you will be informed of the outcome.



Following consideration of this offer, if you agree to participate in this project, you should sign both copies of the Consent Form, retain one copy for your records and return the other copy to the supervisor at the following address: Attn: Simon Ryan, PO Box 456, Virginia QLD 4014. Thank you for your time and consideration, and we look forward to hearing from you.  
Regards,

.....  
Simon Ryan (Supervisor)

.....  
Carly Been (Student Researcher)

**APPENDIX D: CONSENT FORM FOR INTERVIEW PARTICIPANTS**

CONSENT FORM  
*Participant Copy*

TITLE OF PROJECT: A History of Bookselling in Australia

NAME OF SUPERVISOR: Associate Professor Simon Ryan

NAME OF STUDENT RESEARCHER: Carly Been

I ..... (*the participant*) have read (*or, where appropriate, have had read to me*) and understood the information provided in the Letter to Participants. Any questions I have asked have been answered to my satisfaction. I agree to participate in a face to face interview with the student researcher, conducted at a mutually agreeable location and time, which will take between 1-2 hours. During this time I agree to my responses being recorded using an audio recording device. I realise that I can withdraw my consent at any time without adverse consequences. I agree that research data collected for the study may be published in any media or may be used by other researchers provided the only identifiers are those that have been outlined in the *Information Letter to Participants*.

NAME OF PARTICIPANT: .....

SIGNATURE: .....

DATE.....

SIGNATURE OF SUPERVISOR:.....

DATE.....

and

SIGNATURE OF STUDENT RESEARCHER: .....

DATE.....

## **APPENDIX E: INTERVIEW QUESTIONS**

### Interview Questions

#### The Book Industry

1. Why do you work in the book industry?
2. How does the book production/selling industry differ from other producers or retailers?
3. What does the book buyer want from a bookstore? How effective has your business been in meeting these wishes?
4. What are some challenges the industry faces? How are you working to overcome these challenges?
5. From your knowledge of the industry, what developments do you believe will occur in the Australian bookselling industry in the next decade?
6. Are there too many bricks and mortar bookstores operating in Australia?

#### Productivity Commission

1. What is your opinion of the finding by the productivity commission that the parallel importation laws not be changed?
2. Who does the ruling favour?
3. If and when e-books are successful with general book buyers, will the parallel importation laws become irrelevant? Why/Why not.

#### E-books

1. What is the largest growth area in books at the moment?
2. How will digital technology change the way people produce/sell/consume books?
3. Does the growth in digital books mean that print runs for traditionally bound books may be reduced? Could this mean that traditional books become inaccessible and less cost effective?
4. What are some opportunities that e-books provide?
5. What is the greatest challenge to the success of e-books?
6. How will bricks and mortar bookstores and digital technologies co-exist?
7. How has your business evolved to meet the growth in the digital book industry?
8. How do you see publishers/bookshops changing to accommodate this new technology?
9. How does the RedGroup e-reader, Kobo, compare to the Apple iPad and the Amazon Kindle? Or Will your books be compatible with all digital formats/devices.
10. Barnes & Noble in America are looking at providing other products in their bookstores as e-books become more popular. What do you think of this business strategy?

Any Final Comments?

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