



Hidden Treasures in Your Backyard

By Claudinei Franzini

Claudinei Franzini is rightfully proud of the many awards Mundo Cristão's books have received. Some of the awards from the Associação de Editores Cristãos, the Brazilian Christian Publishers Association (<http://www.editorescristaos.org.br/>), are displayed behind him.

Question: Is it more important to work with the current distribution channels or to invest in the search for new channels? Every single company, be it large or small, must decide this day by day.

Where can a publishing company look for growth? Distribution is essential to reach our ultimate goal: placing books in the hands of readers.

If you consider distributors within traditional channels, you see that 80 percent of them already buy your products consistently. These clients represent the vast majority of the total revenue of the company. The other 20 percent, the distributors that still need to be reached, will require a high investment to become regular clients. Is this an investment worth making? Will it yield hidden treasure?

On the one hand, it is obviously much easier to work with current distributors than to search for new ones. If sales distribution in your country works like it does in mine, then 20 percent of your customers represent 80 percent or more of your company's revenue. Also, the cost to maintain the current customers is five times lower than the cost to find new retailers—so the easiest

and most profitable way to grow is to increase sales in current channels.

On the other hand, when current sales channels are saturated and unable to grow in the same proportion as the industry, this becomes a risk to the companies that rely exclusively on them. For this reason, no company can give up on the search for new customers in each distribution channel, as well as for new channels. Although this search demands high investment, finding new retailers can be a way of guaranteeing your company's longevity.

Sales development work should focus in two areas: 1) Finding new customers in existing channels, and 2) finding new channels with more potential customers. Considering these areas and the fact that we work in Christian publishing houses, where, then, can we grow? Allow me to present a non-exhaustive list of suggestions:

Churches: Most Christian publishing companies already sell to churches; after all, they represent a significant concentration of potential book buyers. The secret to establishing churches as a distribution channel is to identify the right church and the right book for that church.

Do not get carried away with large churches. Prioritize quality over quantity. It all begins with the leader: If the pastor is a

reader, he or she will make disciples that read. If the pastor discourages reading, no one in church will read. So look for churches where the pastor reads and recommends books.

Create a reading plan for churches and encourage them to read at least one book from your publishing house every month. In Mundo Cristão

(<http://www.mundocristao.com.br/>), we have a “Book of the Month.” Encourage them to build a library, starting with volumes from your book list.

For the appropriate churches you can suggest a book ministry. A little over eight years ago Mundo Cristão created the *Estação do Livro* (book station) program. We have bookstands available and each is placed in a church for a month. After one month, it is placed in a second church, then in a third church, and then the cycle begins again. The idea is to allow members to buy books on church premises and use a portion of the sales revenue to help other local ministries. This channel now corresponds to nine percent of the total sales of our company, with over 600 churches served each year.

Event organizers: Recently, we found a few companies that work with events. Since they do not sell to bookstores or churches, they cannot be called distributors. These companies only organize events and are usually small family businesses. The advantage of having such companies as customers is not limited to sales. Some

tangible benefits of our commercial partnership are brand advertisement, publicity for our most recent titles, networking with leaders, and contact with future readers. This channel has also helped our company reduce the costs of direct participation in events, now limited to only four events a year. Mundo Cristão has at least eight customers that work exclusively with events, generating the equivalent to over three percent of our annual income. These customers are potential buyers of our excess inventory.

Radio stations: Every major city in Brazil has at least one Christian radio station. We offer good products for low prices to these stations in exchange for advertising. The stations also work as retailers, selling the products they purchased from us and advertised. This channel has helped increase some book sales up to 35 percent! Many radio stations become customers and we can advertise our product in an entire region, improving the sales performance of the product in the bookstores as well.

Corporations: We have recently begun to send newsletters advertising our most recent titles to major companies and, as expected, the response was quite positive. Several companies are acquiring books from Mundo Cristão to use as gifts for their clients and suppliers. Many use our management and leadership books to train their teams. Some simple steps have helped us sell to companies such as Ford, Volkswagen

Brazil, *Pão de Açúcar* (Sweet Bread, a supermarket chain) and others.

Supermarket chains: They require some of our most arduous efforts and, in most cases, involve working with distributors and providing publicity support, return guarantees for unsold products, special discounts, and coverage of shipping expenses. Sales must be high in order to justify such investments, but supermarkets reach a large number of readers. At the moment, our products are in all the major supermarket chains in our country. In 2006, sales in this channel will amount to over three percent of our total sales.

Government agencies: In several countries, the government purchases new books for schools or public libraries on a yearly basis. Some publishing houses have specialized in selling to the government. Public institutions are usually good customers, particularly since they tend to keep their payment deadlines in order to guarantee future budgets. One of our books is part of a public library program and is about to be sent to two thousand libraries throughout the country. It is a small sale, but the ministerial opportunity is immeasurable.

Convenience stores: I enjoy traveling. Whenever my wife and I (and now, our newborn daughter) have a chance, we spend a few days away from the city. Our trips include gas stations and convenience stores, where I stop to have a cup of coffee and *pão de queijo* (a cheese puff, a delicious

Brazilian specialty). A little over five years ago, Mundo Cristão managed to place our books in these roadside stops. It did not take long to find a distributor specializing in convenience stores. Now we have products in all the main stops in the state of São Paulo.

These are just a few ideas for growing your sales and acquiring new customers. Other alternatives include: your own Web site, other companies' Web sites, door-to-door sales, catalog sales and more.

There are countless ways to place our products in the hands of readers.

Distribution is an essential link in the book industry and ministry chain. It allows us to reach the ultimate goal of a publishing house, namely, to place a book in the hands of its reader. Looking at the sales channel without considering the reader is a serious form of organizational myopia. Our ultimate goal is ministering to readers. Our books must reach them wherever they are.

Search for the precious opportunities that are sitting right in your backyard. Dig them out and use them well, before your competitors find out what they have in *their* backyards!

© 2007 Cook Communications Ministries International, First Published, January, 2007.

ChristianTrade Association International

PO Box 62187 • Colorado Springs, CO 80962-2187 USA

TEL +1 719 432 8428 • FAX +1 719 325 7001 • info@ChristianTrade.com • www.ChristianTrade.com