Opportunities to Explore Market Niches

By Renato Fleischner

For a few years now, the publishing industry has wondered what the future has in store for books. Although some insist on predicting the death of print, books are as present as ever.

While doomsday prophets worry excessively about the extinction of books, too many of us continue to manage publishing companies as we used to 10 or 20 years ago, neglecting the fact that there is a new dynamic driving knowledge in our 21st century's society: the Internet.

New information technologies can be our ally. Computers represent a great technological advancement, but they no longer seem to make sense without Internet access. How long can you remain off-line without feeling useless? However, being online is not enough anymore. A fast broadband connection is also essential.

The long tail: a new economic model

Advanced search systems and successful online sales websites have created a phenomenon without precedent in the history of economics. Chris Anderson, editor-in-chief of *Wired* http://www.wired.com/ magazine and author of *The Long Tail* (New York: Hyperion Books, 2006), detected this trend and explained it clearly and thoroughly.

Anderson observed the emergence of a new economic model for the entertainment industry. Thanks to their capability to offer an unlimited variety of titles, something impossible for physical establishments,

virtual stores seemed to be meeting a repressed demand for low turnover products. The total sales volume of less requested titles added up to a sum several times larger than the profit generated by all the top titles together —an inversion in the logic of sales graphics, which are based on large sales volumes of few products. See the original article and graphic images here: http://www.wired.com/wired/archive/12.10/tail.html

Together with new on-demand printing technologies, online sales capabilities open a new possibility for editors to meet the needs of market niches.

Niche publishing

Niche markets can be a great alternative for small and large publishing companies. The idea is to identify customer segments by gender, age, activity, religious denomination, etc. Many editors make the mistake of thinking that their books will meet the needs of "the general public." **Actually, those who publish for everyone end up publishing for no one at all.** In fact, according to a humorous Brazilian saying, the best way for an editor to commit suicide is by jumping off the top of his inventory. The drama of large inventories is, quite often, the greatest of all editorial management problems.

As you segment readers in groups, you will see they have distinct needs and are willing to pay more for books that, in their perception, meet these needs in a "unique"

way. Besides, there is a smaller number of competitors and a better chance of generating revenue that can sustain this activity. However, producing "the right book for the right public" is not the only essential element for success. This is where the Internet becomes the editor's greatest ally.

Web 2.0
WEB 2.0 http://pt.wikipedia.org/wiki/Web_2.0, the second phase of the Internet, has allowed information exchange, interactivity, collaboration and speed to come together in a way that grants the final user unprecedented power to make decisions. The result is an environment in which users can bring down brand names or create celebrities overnight.

The Web has revolutionized the way people relate to each other and to companies. Readers desire a more balanced and participative relationship online. They want more than mere information about what the publishing company is offering. They want their opinions to be valued by publishers and to influence other people's book-buying decisions.

In this sense, a simple website is no longer sufficient. The publishing company that insists on keeping an outdated version of its website online may not only fail to meet its customers' needs, but also project an image of indifference towards its readers.

On the other hand, companies interested in working with a vast array of market niches may find several innovative solutions that can completely change the editor-reader relationship. Once you have profiled your target audience, the Internet allows you to create and develop segmented communities with customized language and resources. The editor can offer discussion forums, chapter previews, blogs, podcasts, videos, social channels, newsletters, and so on. The important thing is to assure readers you care about them and have created that space exclusively for them.

Companies and organizations that know how to make the web work for them often use a specific marketing action known, quite appropriately, as viral marketing http://en.wikipedia.org/wiki/Viral_marketing. Like viruses that spread through the web, faithful consumers pass information on through e-mails, blogs, and social networks, publicizing company initiatives at no cost. Some communities in Orkut http://www.orkut.com/, for example, focus on authors Philip Yancey http://www.philipyancey.com/ and Brennan Manning http://www.brennanmanning.com/—both published by our company, Mundo Cristão [http://www.mundocristao.com.br/].

Cases
About a year ago, a few weeks before launching a devotional Bible for women, our publishing house conducted a poll to define the colors of the cover. Besides the usual black, burgundy and pink, we suggested a cherry-colored cover, something new in the market at the time. To our surprise, Web users chose the new color. Their choice reflected in sales, with a higher demand for Bibles with the cherry-colored covers.

An informed public is not willing to buy a book without sampling it first. Mundo Cristão offers a sample with the introduction and first chapter of all the books we launch. Soon, excerpts from 250 of the main titles in our catalogue will be available in Google Book Search system http://books.google.com/. Web users researching a key word or paragraph will be directed to one of our books, to our Web site http://www.mundocristao.com.br/ or to some of the Web sites that sell our products.

We have just closed a deal with a press that specializes in on-demand printing

http://www.cook-partners.org/pages/page.asp?page_id=33129 and will be responsible for the whole process, from customers' orders to product shipping. The first phase will include 110 titles. This process has several advantages: No need to invest in inventory, good printing quality and ease of purchase. If, in the past, we could have 250 titles in our inventory, now we will have 360.

We were curious to test the limits of the web and its influence in distribution, so we conducted a small experiment. Once we were done with all the communications for the centennial edition of the book *Orthodoxy* (by G.K. Chesterton http://www.chesterton.org/*)*, we decided to offer a free download of the full text, for on-screen visualization, during a period of 24 hours. Our goal was 500 downloads. In the end, about 2,600 readers had downloaded the file.

I suppose you are wondering how the sales went. In four months, we sold 5,000 copies. Our forecast was 3,000 copies in twelve months!

Encouraged by this performance, we repeated the action a month ago with another launch: *In His Steps* (a classic first published by David C. Cook http://www.davidccook.com in 1899!). Mundo Cristão had 3,600 downloads in 24 hours and sales are approaching 1,000 copies. Both books are now in the public domain, a factor that contributes to such bold initiatives.

The future of books is in the Web

According to recent data http://www.internetworldstats.com/stats.htm there are more than 1.3 billion people on the web visiting more than 150 million websites. The Web grows 10 percent every year. In the past, the majority of Internet users (66 percent) were in the USA. Nowadays, only 18 percent are North Americans. Google http://www.google.com/, Yahoo http://www.yahoo.com/ and Baidu http://www.baidu.com/ (a Chinese search engine) are currently major news sources.

Other important data show that 550 million people access social networking websites like Orkut http://www.orkut.com/, MySpace http://www.myspace.com/, Facebook http://www.facebook.com/, and LinkedIn http://www.linkedin.com/. Two out of three people who access the web visit social networking websites. For those like us who need to create "communities," these figures represent a very encouraging challenge. Such networks offer us information about our products and the desires of our target audience, help us generate ideas for new books, and more. The good news is that many resources on the Web are free and quite easy to develop.

Facing the challenges

The Internet is not the only way to develop niche marketing. If you look closely, you will probably find that, one way or another, you are already meeting the needs of customer segments. Segmentation is particularly clear in churches. There we find men, women, young people, children, leadership, etc. The difference is we are dealing with an increasingly less passive public. And, like no other tool, the Web can promote the interactivity people crave.

As editors, we face an enormous challenge—and have our hands full. Different realities in each country represent equally distinctive challenges for each one of us. However, we cannot close our eyes to an important truth: The world is becoming flatter by the day. Geographical and ideological barriers are falling and only the Web-savvy will survive in the great global village.