

Sales and Distribution Options for Canadian Publishers in the United States

3rd edition

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Introduction

For many Canadian publishers large and small, independent and publicly held, the American retail and wholesale bookselling markets have long been

enticing. The reasons are simple and cogent. The United States represents a potential market

- that dwarfs the Canadian bookselling market;
- with potential for sales far larger than might be possible in Canada alone;
- with an easy-to-access common border and few trade restrictions on books;
- that is close enough to allow books to be sent from one country to the other quickly, at reasonable cost and without the extra imposition of taxes on that commodity;
- with one jointly held national language, which means the majority of Canadian books don't have to be translated; and
- where media crosses borders and can generate publicity as well as sales in both countries to the benefit of the Canadian publisher and author.

Canadian publishers, long accustomed to working in the international publishing arena, have had a significant amount of contact with American publishers at American industry events such as BookExpo America, the American Library Association Show, and at international book shows such as the Frankfurt Book Fair and the Bologna Children's Book Fair. Canadian publishers have had excellent success selling the US rights to many of their books to US publishers. And lest we forget, in the close symbiosis of the two countries' publishing programs, many American publishers also sell rights to Canadian publishers and own minority shares of Canadian publishing houses.

Many Canadian publishers, such as Douglas & McIntyre, Penguin/Putnam, Random House, Key Porter Books, Kids Can Press, Firefly Books, Fitzhenry & Whiteside, House of Anansi Press, Self-Counsel Press, Lone Pine Press and others have represented the best of Canadian publishing over many years and have established significant international reputations for publishing highly desirable books that have significant rights potential around the world, not just in the United States.

Yet despite this strength, with one or two exceptions, Canadian publishers have had less luck penetrating the American market through the direct sale and distribution of their books into the United States. Over the last 30 years, there have been some significant, but mostly limited, attempts at direct sales and distribution, notably in the 1970s with: Books Canada; Methuen, which opened a US office; Gage Publishing, which started a very small sales and distribution venture with Vanguard Press; and, in 1979, Firefly Books, the most successful of all Canadian distributors in the United States. The 1980s saw the start of Beaufort Books, a US subsidiary of General Publishing, which from 1981 to 1984 distributed and co-published Canadian and American titles in the United States. Today, there are a variety of Canadian companies trying once more to successfully penetrate the American market and offer services to Canadian publishers: Fitzhenry and Whiteside, Second Story Press and of course Firefly, which continues after 20 years in the business.

Today, economic conditions within the Canadian publishing industry are difficult due to the reduction in the number of independent stores and the high levels of returns that have rocked the industry over the last few years, not to mention the global recession. In an effort to counter the negative business impact of these actions and provide Canadian publishers with greater revenue at low additional fixed cost, Canadian publishers must take a renewed look at all the business options open to them.

One of the primary areas Canadian publishers should look at with great interest is selling and distributing directly into the United States. It is to this end that this report is written. Its intent is to illuminate the sales and distribution options Canadian publishers have in America that will allow them to sell their books in this large market. This report also tells Canadian publishers about some of the techniques and nuances necessary to choose a sales and distribution option and to make it work. Since this report was originally written, the geometric growth of the internet and the ability of publishers to use it to enhance their global sales efforts and generate substantial sales in both print and digital formats has become normalized and essential. While direct online sales for the most part won't carry a publisher to profitability, it is a method that we need to, and will, discuss.

The American market is not a panacea for Canadian publishers. It is a tough market for all publishers, both American and foreign. But it can be worthwhile. In order to succeed in the United States, Canadian publishers must keep in mind some key facts:

- Not every Canadian book will sell in the United States. Since Canadian Publishing began, Canadians have rightly published books about their own culture, about Canadian personalities and about the Canadian political process. While this is fine for Canada, such ethnocentricity does not necessarily play well in the US and Canadian publishers must choose carefully the titles they expect to sell south of the border. Some are much more appealing and will sell better than others. As Lionel Koffler, president of Firefly Books, puts it, “Publishing for the market, or for the North American market, must be an objective in itself.”
- The 10:1 myth is just that—a myth. Many Canadians look at the US market with very high expectations. Because the US population is about 10 times that of the Canadian population and because the US book industry is at an even larger 18 times multiple (\$27 billion: \$1.44 billion for English language publishing according to the Book Industry Study Group in the United States and Statistics Canada). Canadian publishers often think that every book should sell 10 times more copies in America than in Canada. This almost never happens. Most US books sell between 2,500 and 5,000 copies—some more, some less. The same will happen with Canadian books sold in the US and Canadian publishers should, therefore, keep expectations modest.
- Your books must be warehoused in the United States, either directly through your own or a contract warehouse, or through a distributor’s warehouse. US wholesalers and retailers do not want to deal with extra shipping charges, customs forms, and returning books across borders. They want a local US address they can work with. As one publisher aptly put it, “You want to create reasons for accounts to work with you, not create new reasons for them to say ‘No.’”
- Book jackets and covers often tell the tale. Like the titles themselves, sometimes there are different aesthetics between countries reflected in the cover art and design, which are critical to the book’s acceptance by retail and wholesale buyers, not to mention the greater book-buying public. While this aesthetic difference has diminished over the years, it still happens frequently that one country’s great cover is another’s has-been. Keep this in mind and learn to bridge the gap. Do in-store research to see what’s selling.
- Approach the US market as a long-term venture. As Lionel Koffler says, “The hard part for Canadian publishers is to say we’ll take the long-term view when you want badly to get sales now.” It’s true. While you may find

About the Authors

ANI CHAMICHIAN is a publishing professional with over 30 years experience in book publishing. Her experience is wide-ranging and includes work as: a buyer for a national library wholesaler; sales representative in Northern California, Oregon, Washington and Alaska at Harper & Row; V.P. Marketing and

Associate Publisher at Harper San Francisco; Managing Director at Peaceable Kingdom Press in Berkeley, California; and, Director of Content at GoMo Technologies. She is also the co-author of a special-interest guide to videos published by Broadway Books, a division of Random House. She is currently working as a sales development consultant with a variety of publishers in northern California.

CARLA RUFF has worked in book publishing for over 30 years. Beginning as a sales rep for Random House, she went on to become the sales and marketing director at Nolo Press and Sierra Club Books. Ruff is currently a sales and marketing consultant. She has consulted to The Rand Corporation, O'Reilly & Associates, Publishers Group West, Harper San Francisco, Self-Realization Fellowship, and many others. She is based in San Francisco.

THOMAS WOLL has 30 years of experience in the areas of trade, direct response and professional publishing, most at senior management levels. He has, uniquely, been directly responsible for companies as small as start-ups and divisions as large as \$80 million. Woll's experience spans all areas of trade book publishing, including editorial development and planning; new product search and acquisition; sales and marketing (including creation of marketing plans and budgets; setting up distribution; and creating sales terms); rights; production and manufacturing; budgeting and strategic planning.

Woll has held the following positions: President of Cross River Publishing Consultants, Inc., which works with publishers both large and small; Vice President & General Manager, Professional & Trade Division, John Wiley & Sons; Vice President & Publisher, Book Division, Rodale Press, Inc.; Publisher, Storey Communications/Garden Way Publishing; Vice President & Publisher, Beaufort Books, Inc. (US subsidiary of Stoddart/General Publishing Co., Toronto); and, Vice President & General Manager, Vanguard Press, Inc.

Woll has also served on industry panels and lectured frequently at industry events. He holds an MBA from New York University (NYU) and currently teaches at NYU's Center for Publishing.

He is the author of the book *Publishing for Profit: Successful Bottom-Line Management for Book Publishers* (Fisher Books © 1998), now translated into five languages, and *Selling Subsidiary Rights: An Insider's Guide* (Fisher Books © 1999).

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