

## **Book Brawl**

### **Independent bookstores, the Internet, chain stores and discount houses duke it out.**

By Patricia Holt  
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One of the shocks to emerge in recent years from the book industry is the fact that blockbusters such as *Angela's Ashes* and *Cold Mountain* almost didn't make it into America's consciousness.

These books hit best-seller lists, publishing experts agree, because of thousands of privately owned, independent bookstores around the country that discovered them and spread the word. Everything else followed far behind in terms of stimulating the books' early sales.

One would think that these neighborhood bookstores-their numbers so diminished and their efforts so embattled in the "bookstore wars" of recent years-would be celebrated by publishers for saving such worthwhile books from obscurity. Instead, independent bookstores are increasingly abandoned by publishers as a kind of dying breed, as though they have already been Starbucked, Costcoed, and Amazoned right out of existence. One would think independent bookstores have played no historic part in preserving the best of American literature. And yet, noted modern writers who were once unknown-Toni Morrison, Amy Tan, Anne Lamott, Ethan Canin, Alice Walker, Dorothy Allison, Cormac McCarthy, Barbara Kingsolver, Charles Johnson, and many others-would never have been widely read if it were not for the support of this network of independent bookstores.

As we reach the end of the twentieth century, perhaps the greatest shock is that these privately owned neighborhood bookstores, so key to the health of literature in the United States, are dying.

### **Under-the-Table Deals?**

The problem began in the 1970s when the first wave of chain bookstores (B. Dalton, Waldenbooks) brought thousands of quick-profit mall stores into competition with traditional neighborhood bookstores. The result: 1,000 of the 7,000 independent bookstores in the United States closed down within the decade.

With more chains, department stores, and price clubs in the 1980s (Crowne, Walmart, Costco), and the most recent wave of chain superstores with CDs, videos, and cafes, in the 1990s (Barnes & Noble, Borders), a few thousand more independent bookstores have gone under, bringing the total number of independents (according to the American Booksellers Association) from 5,132 in 1991 to about 3,200 today, many of them teetering close to bankruptcy.

What no independent can compete against are the alleged illegal discounts and

under-the-table deals that independents believe publishers have been giving the chains from the start. The courts have agreed with independents in two separate lawsuits, but abuses continue, according to allegations in the American Booksellers Association's own lawsuit, set for trial next year.

As a consequence of the chains' success, the percentage of books sold by independents has fallen disastrously. According to the Book Industry Study Group, in 1991 independent bookstores accounted for the largest share (32 percent) of the book market. Today that percentage has dropped to 17.2 percent, leaving independents in third place, below chain bookstores (26 percent) and price club/department stores (20 percent).

### **Enter Amazon.com**

By 1998, Amazon.com (launched in 1995), the first of the snazzy, reader-friendly bookselling Web sites, had begun to pull ahead of chain book superstores in sales while at the same time its stock price soared at unprecedented rates. By mid-April 1999, although Borders and Barnes & Noble kept showing declines, the stock of Amazon, which has never shown a profit and loses millions each quarter, was up more than 75 percent for the year.

The fun of browsing through Amazon's cyberstore with its virtual shopping carts, irreverent "customer comments," and alluring discounts (including the online moratorium on sales tax) has pulled many a loyal customer away from independent stores and onto the Web. Media adoration of "e-commerce" during the 1998 holiday season glorified Amazon and resulted in further hemorrhaging of independent bookstore sales.

A few cracks have opened in Amazon's armor, beginning with recent disclosures that this hip and "customer-centric" online marketplace has been taking money from publishers to place titles on its best-seller list and "recommendations" in such categories as "Destined for Greatness," without telling customers.

Amazon now tells readers about paid placements (on a hard-to-find page). Some customers seem to have lost their loyalty along the way and often go searching for cut-rate imitators like [bestsellersforless.com](http://bestsellersforless.com).

### **Enter Bertelsmann**

The bookseller wars are chaotic and damaging enough, but at least the separation between church and state (publishing and bookselling) remained sacrosanct—that is, until last year, when two events brought the industry into cataclysm.

This occurred in the midst of the "merger mania" in New York that has reduced the publishing industry from thirty houses a few decades ago to about seven conglomerate firms today. Not only have foreign houses begun to dominate the scene, but Bertelsmann of Germany, the largest publisher in the world, has initiated a series of takeovers with horrifying repercussions.

Last year, though it already owned Bantam Doubleday Dell, Bertelsmann acquired Random House with all its many imprints (Knopf, Pantheon, Crown, Times, Ballantine,

Vintage, Villard, Fawcett, etc.), then proceeded to buy one-half of barnesandnoble.com, the online division (and competitor to Amazon) of Barnes & Noble.

Wham! What had been feared before, that publishers were cozying up to booksellers in compromising ways (asking chains to approve jacket illustrations, flap copy, even the authors' texts), seemed frighteningly real. Piling all the imprints together under the Random House imprint, Bertelsmann controlled more than a fifth of the publishing market; now its investment in Barnes & Noble meant Bertelsmann controlled a major player in the bookselling side as well.

And then, wham! again. Barnes & Noble announced its intention to buy Ingram, the largest book distributor in the country, whose main clientele up to that point had been-ta da!-independent bookstores. This meant that Barnes & Noble would have access to the financial records of competitors it was mowing down right and left, and also have the power to direct sales of best-selling books to itself first. A nationwide protest of the Ingram purchase has brought thousands of letters and calls to the Federal Trade Commission, which has the authority to approve or disapprove the sale. (Industry observers think the FTC will approve it when it makes its decision later this year.)

Wham! Wham! Wham! With the decline of independents, publishers are cutting back on the sales representatives who visit each store to present the publisher's list of upcoming books to the store's buyers. This means that books by unknown or highly literary authors will not be explained to store buyers in a way that would inspire the staff to read them, promote them, hand-sell to customers, and get word-of-mouth going.

### **The Tide, She Changing**

In the last few years, independents have joined together to sue the pants off the chains; create their own Web sites to compete with Amazon "brand" consumers' consciousness with "Book Sense," a branding and marketing campaign for independents that will also offer a national gift-certificate program that operates like FTD; fight the Ingram sale; and, by god, make a stand.

Do they have a chance? Here are some reasons even skeptics believe the "day of the independent bookseller" may yet see a comeback.

Famous Authors such as Barbara Kingsolver, Larry McMurtry, and Adrienne Rich are speaking out in support of independents by writing letters to newspapers, making speeches, appearing on radio and television.

1. Who Loved Ya (First), Baby campaigns (my term but that's what they are) have started up among independents to educate authors like Frank McCourt ( *Angela's Ashes* ) and Stephen King to stop appearing in television ads promoting Barnes & Noble.

2. Friends of the Bookstore groups are sprouting to help independents bring in donations, host benefits, offer lectures, present authors, and conduct classes, book clubs, writers' groups, etc.

3. Planning Commissions and City Councils are beginning to deny petitions by chain bookstores to locate 25,000-square-foot super-stores in areas where they would compete unfairly with independents.

4. Nonprofit and Profit-Making Combinations are being built into independent booksellers' financial statements so that the many services these stores have provided for free can bring in new income.

5. Redevelopment Money is being directed toward independent bookstores to help revitalize seedy areas and give the independents a chance to compete.

6. Community Centers are forming with space for galleries, theaters, computers, cafes, conference rooms, and, at their core, independent bookstores.

So let's all slow down and remember this wonderful tradition of independent bookselling. Let's just get out of the fast lane and recognize that the human element (conversation, selection, trust, opinion, love of reading, expertise, community involvement) has always been a staple of the neighborhood independent bookstore.

You think independents are whining? "This is a war," writes one bookseller, referring specifically to Barnes & Nobles' purchase of Ingram, "and every book sale by Barnes & Noble is a bullet at us, and every book sold by an independent is a bullet at Barnes & Noble."

As they say on TV (that old dinosaur): "Are you ready?" Because that's just the opening salvo.

So here's how you can become a foot soldier in the war to preserve the heartfelt caretakers of American literature:

1. Pledge to buy nothing but books as gifts for every holiday; concentrate your shopping at one or two or a handful of independent bookstores and never set foot in a Barnes & Noble or Borders store again;
2. Seek out the best Web sites of independent bookstores and never order from Amazon.com again;
3. When in doubt, buy big gift certificates right now at your local independent-this helps finance the store (cash flow is the hardest problem for any retailer right now) and brings in more walk-in traffic.
4. Join a Friends of the Bookstore group if you can find one, and if not, start one.
5. Attend autographings and other in-store events.

Do you love your neighborhood? Then love that neighborhood bookstore, because if you don't, it's not going to be there tomorrow.