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Selling books and digital files

A comparative study of the sales of books and e-books in Sweden

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Published in:
Northern Lights

DOI:
10.1386/nl.13.1.11_1

2015

Document Version:
Peer reviewed version (aka post-print)

Link to publication

Citation for published version (APA):
Steiner, A. (2015). Selling books and digital files: A comparative study of the sales of books and e-books in Sweden. *Northern Lights*, *13*(1), 3-19. https://doi.org/10.1386/nl.13.1.11_1

Total number of authors:
1

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The reference to the published article is:
Steiner, A. (2015), 'Selling books and digital files: A comparative study of the sales of books and e-books in Sweden', *Northern Lights*, 13, pp. 11–27.

Selling books and digital files: A comparative study of the sales of books and e-books in Sweden

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Abstract

The book trade is going through wide-ranging changes pushed by digital technology, and e-books particularly, and there is considerable concern over the consequences this will have for literature, culture, and reading. The article proposes that the present development can be compared with similar changes in the book trade in the past, and that the effects of sales of e-books might not be all-encompassing as has been feared. A comparison between sales in the Swedish book clubs in the 1970s and the Internet bookshops in the 1990s, offers a range of similarities and differences. These are then related to the e-book sales since 2010. While the e-book might be a disruptive technology, put in a historical perspective and in a Swedish context, it appears less radical and the impact not as far-reaching as has been predicted. The comparison with book clubs and Internet sales gives an indication of the structural changes to be expected and what aspects are fundamental and new.

Keywords: book trade, bookshops, book clubs, Internet bookshops, e-books

Introduction

Shifts in the book market over the last twenty years have created new conditions for the sale and distribution of books. The trade in print books and e-books has changed rapidly, leading to a growing strong concern in the business and general cultural debate over the consequences for literature, culture, and reading. At present, e-books are taken to represent either a grave threat to the established order or the most promising opportunity in the book market since the advent of moveable type (see also Piper 2012). E-books and digital publishing are talked of everywhere: within the trade, naturally, but equally at institutions such as libraries and schools, in political reports and documents, and in the culture pages. There is much at stake, as digital technology is changing not only publishing but also other aspects of the book trade—sales, distribution, access, and discoverability. The concerns are that small publishers will not be able to survive, that booksellers will disappear, that libraries will not be able to take the costs, and that children will loose their ability to read longer texts. At the same time, e-books represent a vision of a better future where everyone can get published at no or very low cost, where books and reading are available to everyone all the time, and where new readers will be attracted, particularly young men and other groups with a low reading frequency. Digital publishing seems to offer a world where literature is free in the sense of being non-restricted and being gratis. Pessimistic and optimistic ideas alike appear rather naïve in the strength of their beliefs and concerns. The future might turn out differently to anything we can imagine; but more importantly, the arguments are rarely based on research, and display a common lack of deeper knowledge of the history and the structure of the book trade. To be fair, research into publishing is scarce, and most of the literature concerns the markets in the United States and the United Kingdom. Book markets are nationally specific and although comparisons can be made it is also clear that differences are more significant than correspondences, and there is a need to develop this field of research in other countries (Rønning & Slaatta 2012).

In this article I argue that the changes in the present-day Swedish book trade due to digital technology bear similarities with previous structural changes. By comparing two earlier periods of change it is possible to identify aspects that in the past have been repeated and form a pattern. These aspects and patterns are then discussed in relation to the ongoing development in the book market. There is strong correlation between the two earlier periods of change in bookselling in Sweden, but the present digital revolution and e-book market is yet to be fully developed and thus can only be understood in general terms and in comparison

with international development. By a comparative approach, it is possible to nuance the debate and illuminate the impact of digital change on the book market.

The two earlier shifts have both had profound impact on publishing, book sales, and distribution systems as well as on what books people buy and read. The first was the growth of subscription book clubs in the 1970s, and the second, the expansion of Internet bookshops after 1995. The results emanating from this comparison is throughout the article used as a tool for reflection on the ongoing, if gradual, growth of e-book sales since 2010. As a basic introduction, a general overview of all three periods will be given, followed by comparisons of four aspects and areas: firstly, market shares and bookshop competition; secondly, ownership; thirdly, bestsellers and English-language books; and finally, target audience and readers. Other aspects could have further supplemented these comparative points, but for the purposes of this article these areas provide a valid indication of the structural changes visible over time.

Comparisons have methodological advantages as well as disadvantages. By drawing historical comparisons, patterns over longer periods of time emerge along with the differences and similarities. This is a diachronic study, and, as previous discussions about comparative methods have noted, with that comes the risk of generalization and only seeing the factors and characteristics that are useful (May & Perry 2011: 243–67). A methodological awareness is necessary, especially as the format of an article necessitates limitations and choices. Not all the relevant aspects can be covered, but the structure of this analysis is not random, but based on factors identified in previous studies (Thompson 2010; Squires 2007; Miller 2006).

Shifts and changes—the 1970s, after 1995, and 2010s

The Swedish book market has since the early nineteenth century seen increasing regulation. Rules were developed within the trade and supplemented by laws and government regulations. (Svedjedal 1993: 787–791). Retail, price, and distribution have been hedged about by restrictions in most countries. Sweden not only followed the general pattern, but in the event was one of the most regulated book markets in Europe. Most rules were written by the trade organizations—the Swedish Publishers' Association was founded in 1843 primarily as a means to control and organize bookselling (Rinman 1951: 59; Svedejdal 1993: 24–25). The system that developed and was retained until 1970 included controls on the establishment of dealerships, fixed book prices, and a regulated distribution system. It was a well-established structure with benefits for all parties involved, but it was inimical to innovation, and by the

1960s it was, from government perspective, clearly anti-competitive (Myrén 1958; Svedjedal 2003). In 1970, the government, as part of a liberalization of all commerce, forced through the complete deregulation of the book trade. The change covered four main areas: there was a ban on fixed book prices; all books became accessible to every retailer; the publishers lost their control over the establishment of bookshops; and the old system of sales on commission was abandoned (Steiner 2006a: 46–48). The deregulated market led to the rapid rise of subscription book clubs. In 1970 there were four book clubs in Sweden, but their market share was small and they were little more than a fringe phenomenon. By 1980, however, there were 39 book clubs in Sweden with a joint market share of well over 30 per cent (Steiner 2006a).

Due to the fast expansion and commercial exploitation of these new market conditions, book clubs as a phenomenon were heavily criticized. They became a symbol for bestselling fiction and a commercially driven book market, and were regarded as a threat to serious literature and 'good' ways of selling books. In the early 1970s, the protests came primarily from authors—it was the Swedish Authors' Guild that lodged an official protest and boycotted the Book-of-the-Month Club/Månadens bok. Protests were also heard from small publishers who feared, and rightly so, that their books would not be sold through these large clubs (Steiner 2006a). The gatekeepers in retail—the centralized, small group of buyers for bookshop chains and book clubs—became increasingly powerful during this phase (Mählqvist 2012). At the same time, the Swedish Booksellers' Association/Svenska Bokhandlareföreningen raised its concerns about rapidly shrinking margins. In abandoning fixed book prices, the Swedish book trade became a price-focused venture—a trait that has become increasingly prominent over the last thirty years (Sjögren 2003; Kulturdepartementet 2012: 389–90). The book clubs were made possible by the deregulation of the trade, but they soon became agents of change as they negotiated ideas of books, marketing, retail, sales and readers.

Between 1980 and 1995 the Swedish book market was relatively stable, which was one reason why people at first failed to foresee the consequences of the opening of the American Internet bookshop Amazon in 1995.[1] Very soon, however, Amazon began shipping to Sweden, and as there was no competition in the sale of English-language books at the time the company quickly became an important agent. Amazon's success did not go unnoticed, and in 1997 two Swedish Internet bookshops opened: Bokus and Adlibris. These offered more or less the same books as Amazon along with Swedish titles, and were able to take over the

[1] Very few articles on Amazon was published in the trade journal *Svensk bokhandel* 1995–1998, this changed dramatically in 1999 when the company became a hot topic in Sweden.

major share of the market. (Steiner 2006b) An issue that quickly arose was the fact that these booksellers were not competing on equal terms. Amazon, being American, could send books to Sweden without adding the 25 per cent VAT that all Swedish retailers were obliged to use.[2] There were protests from booksellers and publishers alike against unfair competition and a general debate on taxes on books arose (Kulturrådet 2000).[3] After several different state reports, the VAT on books was lowered to 6 per cent in 2002.[4]

Apart from debate on taxes, two major issues arose in the late 1990s: English-language dominance and the threat posed by Internet bookstores to high-street bookshops. The population in Sweden has a high level of English proficiency so a wide range of books in English sold well—everything from the more obvious academic books and special interest non-fiction to more unexpected sales of fiction (Engholm 1997). The impact of these sales generated a fear that English-language literature would be devastating to domestically produced titles (Steiner 2005: 74). Their variety, price, and accessibility made the English-language books attractive to many Swedish readers, and it was unclear if Swedish-language publishing could survive the competition. The objections to the Internet bookshops became linked to fears of bestsellerism, with American popular fiction flooding the Swedish market – even called 'the American invasion' (Lehes Löwenberg 1998) – to the detriment of domestic literary fiction.

And of course, Internet bookstores were perceived as a serious threat to bricks-and-mortar bookshops. As the online retailers could hold their prices much lower than other parts of the market, price yet again became a major issue. In many cases the price was reduced by 50 per cent in comparison with the high street. The Internet stores' business model relied on low profit margins, and it was not possible for other retailers to follow suit. The new way of selling books thus appeared to menace traditional bookshops. It is also already possible to discern a pattern: when a new way of selling books is introduced it threatens old systems, and in the process the older disposition takes on the aura of having been culturally more diverse.

Book clubs and Internet retailing had many things in common but the e-book cannot be compared in the same manner. Firstly, it is a medium rather than a retail system although it encompasses aspects of distribution and sales, and secondly, it is not fully developed technically, as a distribution system, or as a way people read. Instead, the two previous

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[2] Officially the customer was supposed to pay duties on imported books, but this rarely happened, as customs did not bother much with individual parcels (Kulturdepartmentet 1997: 121).

[3] E.g. letters to this effect was written and published in a report (Kulturrådet 2000) from both the booksellers' association (Svenska Bokhandlareföreningen) and publishers' association (Svenska Förläggareföreningen)

[4] It began with the state commission *Boken i Tiden* (Kulturdepartementet 1997) and was followed by several state and agency reports.

periods of change are used as a tool for understanding aspects of the e-book and the digital market for literature. Thus it necessitates a brief summary of the present state of the e-book market in Sweden. It has been a surprisingly slow process considering that computer and Internet saturation is among the highest in Europe, and indeed the world, according to the Network Readiness Index, meaning that there is low resistance to new technology (Findahl 2013: 65–7; Wischenbart 2013: 42). To date there has been only one dominant distributor of e-books in Sweden, ELib, which is a business-to-business company supplying Internet stores and libraries alike (Kulturdepartmentet 2012: 250). However, there are several sale channels, e.g. the major Internet bookstores sell individual titles and streaming services offer monthly subscriptions. In 2014 Amazon announced that it would open a Swedish subsidiary, but at time of writing this has yet to happen, and they would then be the first joint distributor and retail system. Overall, there are negligible sales of e-books to talk about: the market has grown slowly, the production is sizeable but the proportion of the sales are only 2 % in terms of publisher's incomes and almost 90 per cent of the sold copies are to libraries (Svenska Förläggareföreningen 2013: 3 and 2014: 3). However, everyone expects this to change any day given developments in the United Kingdom and the United States and the likely expansion of Amazon.

Previously, there have been only half-hearted attempts to develop a market for e-books courtesy of the two Swedish online booksellers, Adlibris (Mondo) and Bokus (Dito). The reading tablets they have sold have not been of the best quality, and they have been slow to introduce updated models. The selection of e-books varies in kind and price, but so far they have not been particularly attractive to customers. Given the rapidity of change in the market, all this could change overnight, but at the moment Mondo offers a reading tablet, the Letto,[5] but does not sell books in English, while Dito no longer sells reading tablets, but does offer English-language titles and thus a wider selection (over half a million titles) than Mondo. Obviously there is a gap in the market for a bookseller that offers a wide variety of reading tablets and a broad selection of cheap e-books in English and Swedish. Thus far, Amazon has been able to sell its digital products from Luxembourg without incurring taxes, which has created serious controversy in many European countries (Wischenbart 2013: 7), but as of 2015 tax is to be paid in the consuming country rather than in the distributing country, which will change the conditions for existing and coming e-book sellers. There are concerns in many countries that it will lead to a rise in prices of e-books and that the market might stagnate

[5] A third-generation tablet, a Swedish version of the French company Bookeen's Cybook Muse Frontlight, was introduced, at Christmas 2014 using the well-established technique of e-ink in combination with backlight.

(Laxgård 2014). While the sale of e-books in most English-speaking countries have used dedicated e-readers the development in Sweden appears to be towards tablets, apps and streaming services. Three different streaming services by subscription is currently available in Sweden based on apps for tablets but then again it is to early to tell whether these will be the answer to the distribution problem of e-books or simply brief and unsuccessful tests.[6]

In Sweden, the cultural debate about e-books so far mirrors previous discussions—English-language books will swamp the market, cheap popular fiction will be widespread, bookshops will disappear from the high street—but with a positive note that reading and readers will increase. There are, however, differences. For example, the position of Sweden's public libraries is much discussed as the wish to increase reading is threatened by costs. The introduction illustrates the basic argument of the article: e-books may be completely new, but the debate they have prompted in fact mirrors discussions on previous occasions when the book market was in flux. In the following sections the meaning of this will be further analysed covering market share and bookstore competition, ownership, bestsellers and books in English, and finally audience and reading.

Bookshops, market share, and competition

In looking at market share and the changing situation facing bookstores in Sweden, it must be borne in mind that the main arguments against new ways of selling and distributing books are that they threaten traditional bookshops. However, an examination of the trade statistics shows that things are more complex. There is no indication that the bookshops have been affected when it comes to market share, as they have retained more or less the same market share over the whole period (see Table 1). Instead, new ways of selling books have taken market share from other forms of sales outside the bookshop. On the other hand, there is evidence that bookshops have indeed been affected; for example, they were pushed into closer cooperation and chain structures, price pressure increased, and the selection of books on display in the shops has shrunk at the same time as book production has grown.

TABLE 1 ***Market share in the Swedish book market, 1970–2013***

[6] Mofibo, E2go and Readly were all founded in 2013, there are slight differences between them but they are all app-based streaming, pay-per-month services.

	1970	1981	1996	2000	2013
Bookshops	34%	39%	40%	42%	35%
Department stores	—	6%	9%	14%	8%
Book clubs	11%	29%	22%	17%	8%
Mail order and home sales	29%	13%	8%	—	4% private 5% companies and institutions
Press agents	6%	—	—	—	—
Other	20%	13%	9%	12%	6%
Wholesale	—	—	13%	15%	15%
Internet stores	—	—	—	—	19%

Sales in Sweden by members of the Publishers' Association/Svenska Förläggareföreningen

Sources: Utbildningsdepartementet 1972; 1982 års bokutredning 1983; Kulturdepartementet 1997; Svenska Förläggareföreningen 2014.

As visible above in table 1, over the last forty-five years, the bricks-and-mortar bookshops have retained a steady market share of around 35 per cent. A detailed study of the figures available reveals some variation, of course, but as a whole the numbers has not changed drastically. Notably, they also correspond to the structure of book sales in Sweden ever since the early nineteenth century. For the last two centuries, bookshops have had a 30–50 per cent market share, while the rest of the sales have been made by a large variety of people and companies: schoolteachers and clergymen, newsstands and tobacconists, travelling booksellers, direct sales from publishers, educational organizations, and representatives of the working-class movement (Svedjedal 1993). This list of different retail channels shows that book sales have never been done limited to one outlet, but have spanned a wide range of individuals and businesses, all with different purposes. Similarly it is evident in the above table that there are vendors that have either disappeared or been transformed, such as mail order and home sales that was common in 1970, inexistent in the year 2000, but seem to have had a recent comeback.[7]

The available figures for 1970–2013 come from the members of the Swedish Publishers' Association, which means they are slightly skewed: membership is limited to the large and semi-large publishers, who generally sell more through the high-street bookshops than do

[7] Another recent example are newsstands and tobacconists that can be compared with the convenience stores common today in Sweden. The most important are two large chains—Pressbyrån with 325 shops and 7-Eleven with a further 190 shops—both owned by Reitan Convenience.

smaller publishers, mainly because their books are more likely to be marketed, displayed, and stored. If figures for the entire market were available, they would probably show a higher proportion of direct sales and a greater reliance of different types of online sales. That said, the available data are a good indication of the structural changes.

It should be noted that the figures have not been collated in exactly same way for each of the five years in question, and although the data are comparable there are methodological differences—one year's 'other' might become a later year's 'wholesale', and the number of members in the Publishers' Association has varied, having been 77 in 1970, 125 in 1982, and 59 in 2013 (Steiner 2012a; 1982 års bokutredning 1983: 89)—but nevertheless, it is plain that high-street bookshops have not lost market share. Instead, whenever a new medium of sale has been introduced, it takes its market share from other kinds of sales, generally the less formally organized retailers or retailers with less of a focus on books (supermarkets, tobacconists, schoolteachers). The most reliable way to sell books throughout the period has been the traditional bookshop, and perhaps this is one of the reasons why they have been of such consequence.

Market share is one facet. Another is the number of bookshops. In the 1970s, it was clear that Sweden's bookshops were struggling, but that was only partially due to the book clubs. The problem was as much that sales of schoolbooks altered to become a direct transaction between the schools and the publishers, just as the national library service, Bibliotekstjänst, took over all library purchases. This loss of market contributed to a large number of bookshops closing down during the 1970s (Steiner 2006a: 66–9). However, an analysis of the number of bookshops in Sweden in the longer term shows that while there was a brief rise in number during the 1960s, the decline since then has been slow but steady (see table 2). The growth of book clubs and the decline of bookshops were simultaneous but only partly related. Nevertheless, the overall development has been towards fewer bookshops.

TABLE 2 **Number of bookshops in Sweden**

1950	464
1962	524
1982	425
2014	343

Sources: Steiner 2012b:132; Svenska bokhandlareföreningen 2014

Comparing the transition during the 1970s with the 1990s, there were similarities such as the Internet bookshops being accused of threatening the bookshops. The online retailers were particularly well placed to compete when it came to English-language books, textbooks, other academic books, and special interest books. However, these areas have never been the primary focus of Sweden's high-street bookshops, and most of these books were sold on order only. The bookstores have since the year 2000 been under pressure with serious losses, particularly for the main large chain, Akademibokhandeln. In terms of revenue, profit and share of general sales the development has been negative, particularly after 2006 when the effects of the lowering of the VAT was wearing off. (Olsson 2012). However, the lion's share of the market that the Internet bookshops have been able to corner, as table 1 indicate, came from other kinds of direct sales: mail order, home sales, book clubs, and subscriptions. Furthermore, after the lowering of the VAT on books in 2002 the market for books grew quickly, and much of this growth was to the benefit of the Internet bookshops (Olsson 2012: 578). The differences between countries should again be emphasized. A comparison with the market in the United Kingdom is illustrative. In the British market, the transition towards a free-price market coincided with the advent of Internet bookshops and the structural shift towards a large online sales to the detriment of high-street bookshops, all of which was very different to Swedish developments where an opposition between bookstores and Internet sales were not as straightforward as in other countries (Laing & Royle 2013).

A similar analysis for the sale of e-books is not yet possible, but comparisons can be made with developments in the English-language markets. The first similarity is obvious: e-books, sale systems for digital publishing, and online publishing in general are regarded as a threat to bookshops. It should be noted that the position of the traditional bookshop has been much stronger in the United Kingdom and even the United States than in Sweden, which means that the shift is bound to be more conspicuous in these countries. It is more likely that the e-book threat in Sweden is first and foremost against the Swedish Internet bookshops. If Amazon enters the scene, it will not be easy for the local competition. It is also probable, as happened in the two previous periods, that most of the market will turn on other cheap and easy ways to buy books. At present, travelling purchases and impulse buys are mostly made at newsstands, convenience stores, and petrol stations, and these kinds of purchases will possibly be done using an app or a reading tablet.

On the other hand, it will conceivably no longer be relevant to talk about sales. In Internet society, the development of 'free' has transformed users' expectancy and willingness to pay

for culture and entertainment (Anderson 2009). There is a risk that people will not want to pay for e-books, and there are already plenty of downloadable e-books available, both legal and illegal. In Sweden, the main sources of free e-books are the public libraries. In 2012, almost 90 per cent of all e-book sales in Sweden were to libraries, and the growth of library e-book loans has been fast since 2010 (Facht 2012: 236; Svedjedal 2012: 39–43; Kåring Wagman 2013: 20). The implications for the book market when books are available for free are difficult to predict, but gratis e-books are more of a threat to the online retailers than to high-street bookshops.

Ownership

The first comparison, market share and bookstores, indicated on a general and structural level the meaning of the different shifts, but it needs to be supplemented by more detailed analysis of causes and consequences. The second comparison, ownership and the significance of different kinds of owners and their incentives, is such an aspect. Ownership affects profits, the selection of books on offer, exposure and marketing, and the structure and organization of the company or retail system, as well as the overall goals of the business.

The book clubs of the 1970s were owned by individual publishers or, in one prominent case, co-owned by several. There were no independent book clubs; all were linked to publishers (Steiner 2006a). Originally, the Swedish Internet bookshops that started in the 1990s were both independent, but they were soon bought up by large publishing companies. Today, Adlibris is owned by Bonniers and Bokus by KF Media (Norstedts), which means that the two major publishing and book trade companies own an Internet bookshop apiece. (Kulturdepartementet 2012: 254).

The fact that most booksellers are owned by one large publisher, or by other similar trade agents, gives them a certain stability, as the goal of the individual company is not solely a profit but also to promote books published by the owner. However, vertical integration is seen by many as a threat to an open and well-functioning market (Perry 1989; Croteau & Hoynes 2007), and particularly by independent and small publishers in Sweden, who over the years have claimed that the usual terms of business are unfair as they do not have access to the major retailers on the same basis as the owners of the various book sale channels do (Rimm 2014). For the last forty years, independence has not been usual among the forms of ownership, and has thus been a constant issue. The development is evidently heading towards

conglomeratization, vertical integration and the large publishers stepping up their involvement in different kinds of sale channels (Sundin 2012; Kulturdepartementet 2012: 262–264). Political concerns have been raised over this development, i.e. will it effect the selection of books on display, on which books are favoured in marketing, on systems for discounts, and will it create an unequal situation in terms of access to information on customers and sales (Kulturdepartementet 2012: 387–388).

Clearly, depending on ownership incentives and profit, demand varies substantially. Previous studies have shown that book clubs favour their owners, often quite openly so (Steiner 2006a). The largest Swedish book club had three owners and also sold books by other publishers, but all in all the profit requirements of the various clubs were not particularly high as it was concurrently a marketing devise. Many publishers used their book clubs as a way to promote their newly published titles with the overall goal to sell more books rather than make profit as a subsidiary.

The Internet bookshops in Sweden do offer books from most publishers, but in this case the issue is not availability but exposure. Visibility on the front page, inclusion in newsletters, and similar marketing methods are all key assets. Even more importantly, the owners of the Internet bookshops have access to information on sales and customers that is denied others. This is a difference from the markets in the United Kingdom and United States, where Nielsen Book Scan offers such information to all publishers. Sales information, metadata, and statistics are invaluable, but in Sweden they are only accessible to the retailers' owners (Kulturdepartementet 2012: 388). In the first ten years of their existence, neither of the two large Swedish Internet bookshops was profitable. It was seen as an early phase of development and the primary goal has been to grow and take market share. Unlike the book clubs, the Internet stores' main objective has been to develop as businesses rather than to sell their owners' books.

The conclusion from the comparison between book clubs and Internet bookstores in terms of owners, is that a change towards vertical integration in the book market is taking place, but also that the more obvious marketing of a publisher's books have shifted towards hidden marketing and access to important data and information. It is yet to early to draw conclusions for the e-book market, but as most of the current retail stems from the Internet booksellers the changes are not radical. When it comes to ownership in the 2010s the structure is complex, because much of the digital material is published on independent platforms or through non-profit systems. The majority of e-books in Sweden are sold through ELib or Amazon. ELib is

co-owned by the four largest publishers, and Amazon is a foreign company in terms of the Swedish book trade, it is a major corporation with a large number of subsidiaries linked to the trade. However, streaming services such as Mofibo, E2go and Readly uses ELib as a tool for their sale systems and it is clear that this is a field where new agents are likely to enter, particularly technology and media companies.

The e-booksellers also have another model for profits, costs, and risks. So far the development costs have been substantial, but on the other hand they spend little on storage and distribution. The e-booksellers are still seen as start-up companies with minimal profit requirements. Elsewhere, when Amazon has started selling e-books it has done so at a loss in order to create and later expand the market (Clark & Phillips 2014: 42–43). It has enjoyed considerable success, tying customers into its system through the Kindle e-book reader, and however controversial has been instrumental in the development of an e-book market (Reid & Deahl 2014). If it does anything similar in Sweden, its competitors will not stand much of a chance. On the other hand, despite being a conglomerate, Amazon is at least not a company so tightly bound to the Swedish publishing industry as the other retailers are. Together with many small agents, new companies, non-profit platforms, etc., Amazon will most likely change the balance of power in the Swedish book trade. Already in 1995 the Danish literary scholar Hans Hertel identified a development towards increasing concentration and polarization in the book trade (2012). What was visible already then, but since has intensified, is a book market with a few global dominant companies combined with a large number of small businesses and individuals. The polarization that terms are unequal and that the market is continuously hard to survive for mid-sized publishers, booksellers, and alike.

Genre, bestsellers, and English-language books

When it comes to selection and sales, there has been recurrent criticism of new ways of selling books: retailers are said to promote reading of a lesser kind by pushing books that are generic, popular, and of poor quality, ‘peddled’ by increasingly commercial booksellers, and the fact that bestsellers and trade fiction sell much better puts literary fiction at a disadvantage (e.g. Lundkvist 1974; Barkman 2010). Allegedly, different sale systems are linked to quality, genre, and readers. This was not a new idea even in the 1970s, for it has an historical explanation. In Sweden, during the long period of official regulation in 1843–1970, books could be sold through different retailers depending on their price. In practice, this meant that

the traditional bookshops sold new, hardcover, and more expensive books, while newsstands, newsagents, and the like would sell cheap books. The low-priced books were of all sorts, but mostly different kinds of inexpensive, popular genre fiction.

The introduction of the new book clubs in the 1970s might have been based on the opening of a price orientated book market, but as a whole they developed into a much more varied enterprise that could have been expected. The success was based on a broad selection of books and a large readership, which meant they were able to challenge the traditional divides between high and low and between educated and popular circuits—they were what Robert Escarpit has termed, 'forceurs de blocus' (1958: 90), agents who can cross barriers in the book market. Contrary to the facts, criticism from authors and the daily press claimed that the selection was narrow and inhibited variety by ignoring multicultural and literary texts. The opposition between popular and literary publications was described as the counterpart to the opposition between bookshops and book clubs. In hindsight, the large clubs' selections can be described as literary rather than popular. They sold more than the most popular books, many bestsellers of the day were never included, and the selection was focused on the customers' wishes. (Steiner 2006a).

As mentioned above, when the two Swedish Internet bookshops opened in 1997 there was little debate. Eventually, however, it became obvious that this was an expanding market and a threat to the established order. The Internet bookshops offered a much wider selection than the bricks-and-mortar bookshops, and attracted sales on a scale never seen before. The main change was in the sales of English-language books, and although it was a mix of genre fiction, small publishers, and academic books, the impression was that Sweden was being flooded by cheap foreign fiction (Lindberg 1997). 'Foreign' in this case seems to have been equated with American genre fiction, which the Swedish Internet bookshops sold in unprecedented amounts. There was a polarization between foreign, American, and popular books and the domestic, literary, and quality books. A decade later, it remained true that most books sold in the two Swedish Internet stores were published in Swedish, although the online stores offered more books in English than all the traditional bookshops and also sold large amounts. Similar to the book clubs in the 1970s there was a claim that the Internet retailers promoted bestsellers, but as Chris Anderson has shown using the notion of 'the long tail' (2006) the fact is that Adlibris and Bokus had about 80 per cent of sales from the wide variety of small sales. Contrary to initial concerns, then, the Internet bookshops were offering a much wider selection, were not hard-selling bestsellers, and provided better distribution opportunities for

small publishers. However, a general concern ever since 1995 has been a culture of low prices and a strong price pressure in the retail sectors. The problem is that such a market tends to be focused on few titles because it is generally not possible to keep a low price on every book and instead advertising is made only on the select few. (Kulturdepartmentet 1997: 121; Kulturdepartmentet 2012: 389).

In the case of e-books, there have been a great many concerns. Some of the arguments can be recognized from the comparison presented above: e-books tend to be cheap bestsellers with low production values and only written in English. The development in the United States and the United Kingdom indicates that some of the criticism is valid. For example, romance and erotica are major genres in the production and sales of e-books, and the producers of these books have been key innovators in e-book publishing (Tapper 2014). In the case of erotica especially, recent years have seen a new and substantial production, and Amazon has been a significant facilitator. In 2011–2014, 120,000 titles in the erotica genre have been issued as e-books for Kindle. Erotica was a minor genre before 2011, and E. L. James' erotic romance *Fifty Shades of Grey* and most of the titles are short, cheap, and have the appearance of being hasty productions. Perhaps this is a temporary upsurge, but erotic e-books are evidence that new kinds of producers are entering the book market thanks to digital publishing. Amazon is just such a company, or rather it has become one over the last decade, having remapped the book publishing scene by being what Clayton Christensen has called a 'disruptive innovator' (1997)—a company that changes the terms of the market through its innovations. This describes the American and British scene and things might very well turn out differently in Sweden in terms of the dominance of genre titles. Furthermore, e-books are replacing other cheap ways to access books quickly; mainly paperbacks in newsstands and supermarkets, and in these areas bestsellers have always had a central position. In this case it might therefor be more relevant to compare with other areas of the market.

One general conclusion that can be drawn is that any new way of selling books does change what is being sold to a certain extent, but not specifically towards bestsellers. The Swedish book market has overall seen a growth in production, greater accessibility to books in English, increased variety in methods of storage, and a development towards increased long tail sales.

Target audience and consumption

The fourth comparison concerns how different sales channels relate to customers and how, when, and to what purpose readers are expected to buy books. There are two often-repeated notions in terms of readers and book buying, to the effect that any new way of selling books will reach new readers and will change people's reading behaviour. Each new method of selling books has been the subject of a debate about reading, and the image of the reader is strongly linked to different sale systems (Escarpit 1958; Carlsson 2012). When the book clubs started in the 1970s they were accused of selling books to people who read little. On a more positive note, some people argued that hopefully book clubs would be a way to reach new readers, especially those living in the countryside far from the nearest bookshop. In reality, the members of the book clubs were middle-class, ambitious readers, women between 35 and 55 who simply were pleased to have someone help them find the next good book to read (Steiner 2006a). The book clubs offered an assurance that members would not miss any important books, and much like America's the Book-of-the-Month Club in the twentieth century, the Swedish counterpart promised culture, education, and a middlebrow library (Radway 1997). The Swedish book clubs were initially eager to link themselves to middle-class culture and geared their marketing to the large group of well-educated professionals born in the 1940s. What they did not do was reach out to new readers, nor did they change the way people read, instead, they merely affected the particular book choices and buying patterns of one generation of readers.

When the Internet bookshops opened, they too seemed to be the solution to the problem of a lack of bookshops in many places. Sweden is a large country geographically speaking, and almost 30 per cent of the population lives in a town that has no bookshop (Sjögren 2006; Kulturdepartementet 2012: 251). The Internet bookshop obviously had the potential to reach readers countrywide, and to some extent their distribution systems changed who could access what. However, as in the case of the book clubs, most people who bought books from the online stores were the same people who were already heavy book buyers. The Internet bookshops found the majority of their costumers amongst students and a well-educated urban middle class, most of whom had a bookshop in the vicinity (Olsson 2012: 577). Again, the new retail system did not change book-buying or reading patterns. Instead it confirmed what was already known: the interested reader always discovers new ways to find books. Research in the United Kingdom by Laing and Royle shows that online book buyers there are attracted by range, convenience, and price, but that they spend very little time in the store. A

comparison between different book-buying situations disclosed 'that in many cases these are the same consumers, visiting different retail environments' (Laing & Royle 2013: 116). Although Internet stores have the potential of reaching new customers it is not a prospect that seems to have been fulfilled. New readers do not appear to have been reached, and parallel to the book clubs, the Internet stores did to some extent change the books that people bought as it increased English-language books and an interest in a wider variety of titles according to the principle of long tail.

As seen, when both book clubs and Internet bookstores were introduced they created hopes of reaching new readers. Similar claims have appeared in the 2010s, e.g. in an opinion piece in the Swedish press in the autumn of 2013, a group of librarians wrote about the promise of e-books and e-reading. Their point was that e-books should be made less expensive, but they started their argument by claiming that the number of people reading has increased due to e-books, that boys and men are now reading more, and reading as a whole has increased (Mebius et al. 2013). As with previous innovations in the book market, the e-book distribution system is not likely to broaden or increase reading. Evidence from the book markets in the United States and Canada indicates that e-book readers are the same as other readers, and that the ones who pick up on e-reading are the ones who already read more in general (Park 2013; Booknet Canada 2014). However, the results from different studies are inconclusive, for e-books are still a developing form of distribution and reading, and other research suggest that there is a stronger interest in reading e-books than paper books among young boys which would indicate that new groups could be attracted to reading still (Kåring Wagman 2013: 28–32).

The overall pattern for 1970–2014 in Sweden is that readers will move from one retail environment to another without experiencing conflict or loyalty. In all cases, there has been a belief that new readers will be attracted, but in fact the majority of customers have remained the same, and although they might change their purchasing patterns, they have not really changed their reading habits.

Mediation and disintermediation

In the present-day book market, disintermediation features large. According to Giles Clark and Angus Phillips, disintermediation is the removal of mediators in the market and supply chain (2014: 19). Every part of the book chain (Thompson 2010: 15)—author, publisher,

printer, critic, wholesaler, bookseller, librarian—is threatened by one another in the digital market. Authors become their own publishers and booksellers; booksellers such as Amazon have become publishers, printers, critics, archivists; and so on. The process of disintermediation takes place on the individual level as well as in the corporate sphere, with so many individuals active in publishing, writing reviews, marketing, and selling at the same time as large companies, and particularly Amazon, Apple and Google, are refining their methods of disintermediation, technologically, practically and for business purposes. Clark and Phillips note that the 'publishing chain is in a state of flux' (2014: 20); Laura Miller that 'several once firm distinctions in the book industry' (2013: 172) have evaporated, and the mechanisms of distribution and sales have been destabilized.

The international book market and the Swedish book trade are still structured around different types of mediators, and thus the comparisons made in this article are all between different booksellers. The conclusion is that while e-books might be a disruptive technology consequent to social necessity (Wilson 2014), put in a historical perspective and in a Swedish context it appears less radical and its impact not as great as has been predicted. A comparison between book clubs and Internet sales gives an indication of the (non-disruptive) structural changes to be expected and the degree to which they will be fundamental and new. The changes that follow the general pattern are price pressures, a shift in market share between different forms of direct sales, an expanding selection of books on offer, a wider range of books available in English, and small shifts in who reads what, given that education and socio-economic aspects remain determining factors.

The differences in the present market for e-books lies in the expansion of the publishing business and rising sales of certain genres (perhaps echoing the fluctuations that preceded the disappearance of the Western genre); greater numbers of self-published titles being sold; a growing reluctance to pay for books now there is greater access to free e-books; a move towards a wider range of owners, as small independent companies give way to large conglomerates such as Amazon and Pearson; and a greater focus on discoverability, whether in terms of access, the number of titles, or places to acquire books. The case considered in this article is Sweden, and specificity of national conditions cannot be overestimated; however, as the market for books has become increasingly international, there is every reason to believe that global developments will also define local markets.

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