Intro:

In the last 20 years, the market for books has changed dramatically. With the rise of the internet and the increased convenience of shopping online, even retail giants have struggled to compete, especially after Amazon entered the scene. For bookstore owners, however, there is a second difficulty: books are now available as e-books and audiobooks, which are sometimes more accessible, affordable, or simply preferrable.

There has been plenty of speculation as to how deeply e-books and audiobooks have cut into the sales of print books, how much Amazon has dominated the bookselling scene, and how authors have been affected, whether positively or negatively. There are theories as to why Barnes and Noble has managed to survive when no other bookstore chain in the United States has, and how much longer it will last. With so many factors influencing the market for books, it can be hard to see the full picture. This is what some of those factors look like.

Number of Stores Story:

In the United States, corporate bookstore chains grew rapidly throughout the 1990s while independent bookstores declined, unable to provide the same conveniences and broad selection. The two biggest, Barnes and Noble and Borders, opened hundreds of stores, and Barnes and Noble partnered with Starbucks in 1993 to the benefit of both companies by adding café areas to each store.

In the 2000s, high-growth, public companies like Borders and Barnes and Noble found themselves in direct competition with Amazon. Barnes and Noble spent over $1 billion developing the Nook in an attempt to compete with Amazon’s Kindle and withered, while Borders went into massive debt, declaring bankruptcy in early 2011 with over 600 stores.

With corporate chains all but wiped out, independent stores largely no longer had to compete with them. However, they also didn’t have to compete with Amazon directly, because they have a different business model that isn’t focused on fast growth and high sales, and they appeal to a different, more local audience. Indie stores began to grow again by 2010. In 2015, Amazon opened its first physical bookstore.

In 2019, Barnes and Noble was bought by Elliot Advisors, a hedge fund known for previously buying British bookstore chain Waterstones and reviving it. However, due to shutdowns for Covid-19, over 400 of the remaining 627 stores were temporarily closed in 2020. Indie stores are still rising, and Amazon has opened a total of 21 physical bookstores so far.

Book Sales Story:

Michael Aldrich is credited with inventing e-commerce in 1979, though his idea didn’t catch until the 90s, when the World Wide Web was created. In 1992, it was possible to buy books on the internet for the first time ever. Amazon launched in 1995 and only sold books at the time. Audible was founded the same year, and released the first portable audio player for listening to books in 1997.

Amazon struggled at first, then spiked in sales and added new categories of products, causing massive problems in the late 90s and early 2000s as the company struggled to keep up. E-commerce itself was still fairly young, and while it was growing, both customers and sellers had problems to work out and new technologies to get used to. Borders sold its online business to Amazon in 2001.

Things began to move quickly on the e-book and audiobook front in the late 2000s: Amazon released the first Kindle e-reader in 2007, then bought Audible in 2008. Barnes and Noble released the Nook e-reader in 2009, which managed to contend with the Kindle for a while before fading. Borders relaunched its own online retail site in 2008 in an attempt to save itself, but arrived too late.

E-book popularity seems to have stabilized, at least for now, and though audiobooks are still gaining, print books remain the most popular book format. In 2020, Bookshop.org launched with support from the American Booksellers Association, designed to be an alternative to Amazon to support indie bookstores. Affiliates get about double the commission that Amazon offers, while the remaining profits go to participating stores and Bookshop’s own costs.

Self-publishing story:

Xlibris was founded in 1997 while CreateSpace was founded in 2000 as BookSurge. Self-publishing was not very common at the time, but there were still those who were frustrated with traditional publishers and publishing processes. The rise of the internet made it easy to provide relatively inexpensive print-on-demand and self-publishing services.

In 2003, Borders, the second largest bookstore chain in the U.S., opened up their own self-publishing service. If you paid for the upgraded service, you could even have your book on the shelf in a Borders store. Borders was the not the first or last bookstore company to do so: the internet made it easier for booksellers to become publishers themselves, cutting out the middleman and making it easy for authors to get their books on shelves.

CreateSpace was bought by Amazon in 2005. Blurb was founded the same year. When Amazon released the Kindle in 2007, it also opened Kindle Direct Publishing (KDP) so authors could self-publish e-books straight to the Kindle. Barnes & Noble followed suit with Nook Press for self-publishing to the Nook. The first smartphones having been recently released, e-books were on the rise, and self-publishing skyrocketed across various platforms.

Blurb partnered with Amazon in 2014 to make their books more available, but remains an independent company. In 2018, CreateSpace was merged into Amazon’s KDP and no longer exists, while Barnes & Noble upgraded its own self-publishing service to replace Nook Press. While the publishing industry as a whole has remained fairly constant, self-publishing is still rising quickly, and booksellers who offer such services are getting some of those rewards.