

## **Digital Transformation Course**

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Chosen business: Book Shops; Context: Pandemic

## **Current practices that need change:**

- 1. Restricting book sales solely to the Brick-and-Mortar Model without exploring digital channels or offering competitive advantages: Many bookshops rely solely on physical stores without offering compelling incentives to compete with e-commerce giants like Amazon. E.g. Not providing exclusive discounts, loyalty programs, or other trade-off offers (e.g. In-store events) that could attract customers to choose them over other online big players. Consequently, they miss opportunities to compete effectively and risk losing customers who prioritize the convenience of a wide selection of online books and the benefits of aggregation effects. [5] [7] [8]
- 2. Customer behavior analysis based only on sales transactional data (neglecting alternative data collection practices): When it comes to understanding readers and their preferences, relying on basic sales data doesn't provide the full picture. Books are incredibly diverse, each offering a unique experience shaped by its genre, style, and narrative. Furthermore, individual reviews offer detailed perspectives that go beyond mere transactional records. For instance, the time readers take to finish a book can indicate its level of engagement and appeal. However, accessing and analyzing such detailed information can be challenging, and bookstores struggle in this aspect, missing out on opportunities to better cater to their customers' needs and preferences. [4]
- 3. **Physical books as the sole value proposition, ignoring digital offerings:** Many bookstores focus solely on selling physical books and overlook the opportunity to enhance their value proposition by offering digital complements. While a book may be available in many stores, it's the additional digital content that can set one apart from competitors. [8]
- 4. Using book diversity/quality as the only way to enrich the reader experience (overlooking partnerships beyond traditional scope): Bookstores often overlook innovative partnerships beyond the traditional "buying a physical book" experience. The universe of reading a book can be infinitely enriched with the right partnerships. This reluctance to explore partnerships results in a failure to offer customers new, diverse, and immersive reading experiences. [4] [8]
- 5. Prioritizing Sales Over Community Building (not recognizing them as complements): Bookstores can overlook the importance of cultivating a sense of community among customers by neglecting book clubs, literary events, workshops, etc. By failing to create an environment where readers can connect, share ideas, and engage with like-minded individuals, bookshops miss out on opportunities to establish a loyal customer base. [2] [8]
- 6. **Basic literature qualification for Staff:** Staff can lack sufficient training and motivation to provide quality customer service. They may be unfamiliar with the bookstore's inventory or struggle to recommend books to customers. Additionally, they may lack the interpersonal skills to effectively communicate their knowledge. This results in a subpar customer experience, as customers may feel unsupported or unassisted during their book-shopping experience. [2] [6] [9]



## Desired future practices related to the **Pandemic**:

- 1. Integrating an Online Shopping (Hybrid approach) and User-Generated Content Business Model: This involves creating a simple website to facilitate online orders and ensure efficient distribution. Additionally, a link to a platform (such as Guild or Mighty Networks) is provided, where readers have profiles with their Reader footprint. Once a reader buys a book and activates their profile, gain access to an interactive platform resembling a metaverse for readers where authors host creative hubs, encouraging collaboration on new books, article brainstorming, and discussions. This blurs the lines between creators and audiences, fostering community engagement. Readers can also initiate/participate in forum discussions about books they've read. To incentivize engagement, a Rewards system (Bibliophile loyalty program) offers points for participation, redeemable for discounts or exclusive experiences. KPIs would include online engagement, such as forum activity (levels of user-generated content such as likes, shares, and comments). [2] [4] [8]
- 2. Data-Driven Digital Library Creation: Partnership with an app like <u>Notion</u> to create a custom template of a digital library for readers to upload book covers, track reading progress, rate/notes, etc. This helps the <u>bookstore gather data on reviews</u>, <u>preferences</u>, <u>reading habits</u>, <u>customer profiles</u>, etc. During routine breaks times such as the pandemic, these kinds of organizational tools are popular to maintain a level of productivity and motivation. [3] [4]
- **3. Bookish Escape Rooms:** Partnerships with local escape rooms to create book-themed escape rooms. If possible, these would be in-person, but if not, we can make online versions. This would entertain people during restrictions and help the escape rooms businesses, which are struggling due to pandemic restrictions. Accessible <u>exclusively to clients</u> (as a complement), participants can enjoy discounts or utilize loyalty points from their profiles. These puzzles would involve <u>plot development</u>, <u>character-building</u>, and <u>world-building</u>. [8] [9]
- **4. Language Learning Partnerships:** During times of crisis, such as a pandemic, people seek immersive experiences, making educational enrichment particularly appealing. Partnering with language schools allows the bookstore to offer language courses bundled with relevant books. Hosting language-themed events and workshops (online/in-person if possible) further solidifies the bookstore's position as a cultural hub within its community. [8] [9]
- 5. Book Pass/Book Subscription Boxes for Community Building: In the Book Pass, individual customers can subscribe and receive a different book every month, maintaining their connection to the bookshop community. Additionally, creating book subscription boxes for reader clubs, and offering group discounts to foster community engagement. Subscribers receive monthly book selections tailored to their preferences, along with extras like bookmarks, discussion questions, book-related challenges, Escape room tickets, etc. [8]
- 6. Employee Development-Driven Culture (internal community): Implementing internal initiatives like an employee-driven Newsletter and regular reading sessions promotes a culture of knowledge sharing and expertise. They can also provide employees with time to read during work hours, offer opportunities to create escape room narratives/ book subscription boxes to stimulate creativity, provide free language classes through our partnerships, aimed at assisting in serving tourists, and create a website section where customers can request consultations with our employees, ensuring they are well-versed in the literary universe. To track the progress of these initiatives, they can establish performance KPIs and monitor key indicators. These could include the number of recommendations given by employees that translate into customer purchases (a customer requests a recommendation through the website and subsequently places an order), contributions to the internal newsletter, and engagement metrics of their escape room activities. [6] [8] [9]



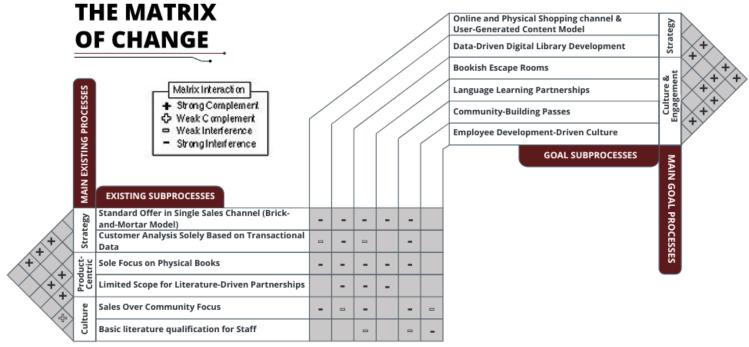


Figure 1. Matrix of Change for an Independent Bookshop

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