

Dear Booksellers,

Many of you have heard about Bookshop (<https://bookshop.org>), our new bookselling platform with a mission to financially support independent bookstores like yours. We're about three months from when we hope to launch (after Winter Institute, 2020) and I wanted to let you know more about who we are, our plans, and our goals.

I am a book publisher, of Catapult, Counterpoint, and Soft Skull press. I am also a web publisher, of Literary Hub, CrimeReads, and Book Marks, and before that, I founded Electric Literature. I am thoroughly invested in the culture around books, and I understand how important bookstores are to that culture.

It has been wonderful to see how resilient bookstores have been over the past decade. But I worry about the future when I see Amazon growing from 37.7% of Bookscan's reported sales in 2015 to over 50% in 2019, and e-commerce's share of the US retail market growing 14% year-over-year. I believe indies need a piece of online sales to safeguard their future. Some have adapted: approximately 150 stores have websites that reach five figures in annual revenue; about 25 stores reach six figures--but the majority of stores do not.

Like all of us who have made books the center of our lives, I have a deep and abiding love for bookstores, which I have known since childhood as places to find meaning. Books allowed me to discover myself and the world, and they still do. Bookstores are the physical roots of book culture, necessary for literature, ideas, our social conscience, and our understanding of ourselves and the world, and if we don't nurture and protect them, people won't simply find other places to get books, they'll read fewer books. Without your stores, books will become a smaller part of our culture, and that would be bad for individuals, society, and the future, which is already so fraught.

I hope that Bookshop can help strengthen the fragile ecosystem and margins around bookselling by providing an alternative to Amazon for socially-conscious online book-buyers.

Bookshop will be a B-Corp, which is a corporation that puts our mission and the public good above financial interests. It is written in Bookshop's bylaws that we will never sell the company to Amazon or any major US retailer. Our investors are individuals who appreciate the necessary function that bookstores serve in our society and culture. There's no venture capital in Bookshop; we are in it for the long haul. Bookshop will have three independent booksellers on our seven-member board, and we are going to

create an advisory board to ensure full transparency and community participation in our decision-making. (If you'd like to be on the advisory board, email us at info@bookshop.org.)

It's important to us that everyone in the bookselling community understand that we're building this for your benefit. We are always going to be listening to booksellers and growing the platform in the way that benefits you the most. Digital projects need to experiment and evolve to succeed, so you can expect us to change and improve a lot in our first year, and you can help by offering feedback and guidance.

Our goal is to build a sustainable platform that helps solve three problems:

- First, authors, publishers, media, and fans need a universal site they can link to that supports you. Sales conversions for IndieBound.org have been too low. When we ask authors and publishers to do the right thing and support indies, they shouldn't have to forego sales.
- Second, affiliate programs are changing the Internet. Amazon has a huge funnel, across most popular sites on the web, that pays 4.5% commissions on books that are sold through their affiliate links. Advertising dollars have dried up and magazines, newspapers and websites who cover books need the revenue (affiliate fees are 20% of an average digital publisher's revenue) but their only viable option is Amazon. Even if Bookshop did nothing else, building a successful affiliate program that benefits indies is critical if we don't want to cede the whole affiliate market to Amazon. Our affiliate program will give 10% of the list price to the affiliate and 10% to indie bookstores, and provide meaningful analytics. We expect to launch with major affiliate partners, including all the big 5 publishers, The New York Times, The New York Review of Books, Conde Nast publications, Literary Hub, Electric Literature and many more. By fall, 2020 we expect to have thousands of affiliates.
- Third, a number of bookstores do not generate meaningful revenue online. All brick-and-mortar stores need to retain their customers when they shop online, yet so many of your customers shop in your stores in person, but go to Amazon when they need convenience. We want to help resource-strapped stores with a simple solution that requires no technical knowledge, no financial investment, and no internal resources (inventory, picking, packing, shipping, customer service) and allows them to easily sell books using social media, email, and the web.

Beginning in early 2020, IndieBound.org's direct sales function will be replaced with Bookshop. IndieBound is not going away; it will remain a place to locate independent

bookstores, discover the Indie Next list, and host other ABA resources. But all “buy” links to individual books on IndieBound.org will be redirected to Bookshop.org.

Ingram’s direct-to-consumer business will handle our orders, inventory, picking, packing, shipping, and returns. Ingram is excited to support our effort and eager to help.

How will Bookshop support your store?

1. Just take our money. 10% of the list price of everything we sell goes to a pool for indie booksellers with brick and mortar stores who are ABA members. Sign up and we’ll send you a transparent accounting and a check every six months. We don’t require anything more than your sign up: email sarah.high@bookshop.org for more information.
2. If you want to be a Bookshop affiliate and sell books using our platform, you can. Brick-and-mortar ABA members earn 25% of the list price of any sale, much more than the normal 10% affiliate fee. If you don’t have a website that sells books, or just want to experiment, you can use Bookshop links to sell books. Authors or organizations who love your store can use your Bookshop to help support you; customers can buy from your bookshop page to ensure their purchases to benefit your store; and you can contribute staff picks and book lists and get the affiliate fee if our visitors buy based on your recommendations.

After paying the publisher, distributor, discounts, and processing fees, Bookshop’s net revenue will be about 30% of a book’s list price. For a media-partner like Literary Hub, the affiliate sale will be split as follows: a third goes to the affiliate, a third to the bookstore pool, and a third to Bookshop.

Bookstores get a better deal than media affiliates. We believe any bookstore-driven sale should benefit that store in particular, rather than going into a general pool. So bookstores get the 10% affiliate fee, plus the 10% that would normally go towards the pool, plus an additional 5% (because supporting stores is our mission). When we give 25% of the sale to a store, Bookshop makes less than 5%, just enough to keep the platform going.

Customers on Bookshop will be able to search for their favorite store and buy from them. Stores who provide recommendation lists (the staff picks, reading lists, shelf talkers, etc, which can appear on Bookshop’s homepage, category pages or product pages) will also get 25% of those sales (if there are multiple recommendations for the same books, they will be given equal exposure). So when a Bookshop customer adds a

book to their cart based on your recommendation, you'll get the affiliate commission. Email kevin.chau@bookshop.org to create lists for us.

When we promote Bookshop, we are going to be careful to target customers who are not already shopping at indies online. We'll do this by convincing influencers and publications to link to Bookshop rather than Amazon. We want to convert socially-conscious Amazon customers, not yours. We hope we can also lead some customers into their local indie's sales channel:

- We are not doing signed pre-order campaigns; we are telling publishers to select indie partners for those.
- We will put information about a customer's local bookstores on every email receipt, encouraging all our customers to visit. After launch, we'll add local bookstore events, too.
- We ask all our customers if it is okay to share their email addresses with their local bookstore, and if they agree, we will provide their email to local store(s), based on their proximity.
- If your store uses a Bookshop link to sell a book (on the web, social media, or email), you are entitled to their contact information - they are your customer.

Bookshop is not a replacement for your IndieCommerce or IndieLite site. We recommend that stores contact the ABA's Indiecommerce team to build full-featured websites that can sell merchandise, handle event orders, do in-store pickup and more.

Our affiliate profiles pages are simple, with a photo, short bio, recommended book lists, and search. We expect thousands of curated pages from bookstores, authors, chefs recommending favorite cookbooks, travelers, celebrity bookclubs, mainstream media, blogs, instagrammers, and many more. We want to create a buzzing hive of book-lovers, and a rich collection of recommendations from all the people who make up the community around books. That will be a true alternative to Amazon - a site that puts humans and human recommendations first.

We hope to launch in the last week of January, 2020, right after Winter Institute. We will launch with something simple, and improve on it every week thereafter. When Bookshop launches, it will have bugs and rough edges; all new platforms do. But we will keep working to make it a little better every week, with actual customers giving us feedback. We will work to deliver a good experience, be a good partner to bookstores, and try to make the right decisions. We will eventually add features like bookseller and/or customer book reviews, used books (with indie partners through Biblio), and much more. That phase, the continuous small improvements phase, will never really

end. To be a robust alternative to Amazon, with something special to offer our book lovers, we will have to continuously evolve.

If you want to be a bookshop affiliate, have questions, or would like to receive more information about Bookshop, please email Sarah at sarah.high@bookshop.org

Thank you for reading. We look forward to working with you.

Andy Hunter
CEO, Bookshop.org