

Waterstone's and the Changing Bookselling Environment in the UK: the Journey so far and Prospects

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Abstract

This study investigates the market environment of the United Kingdom high street bookselling business with emphasis on Waterstone's. In doing this, stress shall be placed on a brief exploration of the global outlook of book retailing venture as it relates to the United Kingdom. Another focus of this paper is the micro-environment and macro-environment of book retailing business in the United Kingdom and the internal environment of Waterstone's – that is a look at the PESTEL, SWOT, consumer behaviour, and Porter's Five Forces as well as strategies for a re-invented Waterstone's. Finally, marketing and management strategies for improved services and profitability will be considered as well as the conclusions of the major thrusts of the paper.

Key words: *Waterstone's, UK bookselling, market environment, publishing*

JEL Classification: *M30*

Introduction

The global situation of bookselling/retailing market is replete with fierce competition, globalisation and unpredictability (Yang, 2009). As such, Waterstone's should gear its marketing strategies to accommodate these vagaries in the business of bookselling especially in the UK. The global market environment of book retailing is within the macro environment, which is outside the control of Waterstone's. So in order to be continually "attractive" for business as Porter (1979) opined, Waterstone's ought to take cognisance of the impacts of PESTEL – political, economic, socio-cultural, technological, environmental and legal factors as well as global change in bookselling business for competitive business operation (Drybugh, 2002a). This is because Waterstone's does not have control of these variables.

Waterstone's has to take into account strategic views of international marketing, which involve the organisation to re-evaluate its marketing mix, distribution channels, competitors, globalisation and intermediaries as well as other marketing decisions across national boundaries. As globalisation homogenises consumer lifestyles across the world, Waterstone's should respond to this through its strategic marketing techniques. This will guarantee co-ordinated marketing decisions across the world. The factors that a good knowledge of global market environment of bookselling will engender include the following: It will make

Waterstone's to be aware of overall marketing landscape; it will make it poised to have insights into different marketing planning and domestic planning of competing organisations; it will bring about a good sense of the evaluation of international book retailing; and it will make Waterstone's able to appreciate its position in the international environment of book retailing (Burgess & Bothma, 2007).

Researches have demonstrated that the United Kingdom is highly commercialised society dealing with virtually all kinds of products in the world. This is mainly why London is one of the commercial nerve centres of the world. This is essentially so in the context of how the UK is one of the major players in global marketplace of book publishing and retailing. It is also worth noting that publishing and bookselling market is one of the key areas that the UK government derives huge revenue. In instantiating this, Scupola (2003) states that:

“The publishing industry handles a large number of products such as books, scientific journals and newspapers. The publishing industry is directly or indirectly very important in the economy of most countries because publishing is the most important channel for knowledge dissemination... It is an industry in growth; for example worldwide export of books grew from known 3.5 million US dollars in 1980 to 10.5 million US dollars in 1998” (p. 1).

The above makes it imperative to appreciate the marketing environment of bookselling and publishing as it affects high street bookselling and market (Yang, 2009). On this score, ascertaining the market environment of the bookselling/retailing in the United Kingdom will impact on how Waterstone's positions itself for increased productivity, strategic marketing, productive decision-making and strategic management (even in the face of tumultuous market changes). This is in view of the fact that high street bookselling is a facet of knowledge dissemination and reading culture, which is a corollary of the publishing industry. In addition, growth experienced in this industry calls for investigation as it robs off on how Waterstone's could appropriate marketing strategies and concepts such as branding, segmentation, communications, public relations, sales promotion and other factors to raise its head above water.

Waterstone's: A Profile

Waterstone's is one of the leading British high street booksellers. It is a book specialist enterprise established in 1982 by Tim Waterstone. It currently employs about 4, 500 staff throughout the United Kingdom and Europe. After becoming a subsidiary of the HMV Group in 1998, Waterstone's acquired Dillions and Ottakars bookshops. Together with Waterstone's, The HMV Group also owns the Irish store, Hodges and Figgis as well as Hatchards.

One of the shrewd and resolute businessmen of recent years, Tim Waterstone is the founder chairman of HMV Media plc, which includes HMV music stores and Waterstone's bookstores, as well as the founder of the Daisy and Tom Children's department stores. Tim Waterstone joined W H Smith in 1973 and was made redundant in 1982. He founded Waterstone's the same year with £6,000.00 of the redundancy money he received when he left W H Smith, plus the sum of 100,000.00, which he raised as venture capital (Norman, 2005). With its first office in Old Brompton Road London, Waterstone's set the pace for modern bookselling in Britain. As Holroyd (2010) notes,

“The best thing that happened to bookselling during my time as a writer was the brave initiative of Tim Waterstone in establishing a chain of superb bookshops throughout the country. They were well-placed, inviting, efficiently-run and a wonderful improvement on WH Smith, the newsagents which were little more than pretend bookshops” (p. 1).

The above remarks are fundamentally part of the reason for the establishment of Waterstone's; the rest is enshrined in its mission statement:

“Waterstone's mission is to be the leading bookseller on the High Street and online providing customers the widest choice, great value and expert advice from a team passionate about Bookselling.

Waterstone's aims to interest and excite its customers and continually inspire people to read and engage in books” (p. 1).

It is based on Tim Waterstone's perception of the UK's bookselling marketing environment that made him come up with the concept of revolutionising it. Having worked for W H Smith (the first chain store in the world), the insights gained were brought to bear as he founded Waterstone's.

Market Environments

The marketing environment impacts as well as surrounds any firm or organization; the marketing environment always has considerable impacts upon any organisation. It is intricate to find organisations or companies who do not want marketing to take the lead in creating sustainable competitive performance and increased yields in the contradictory and speedily changing markets they face (Piercy, 2002). In analysing market environments, there are technically three key perspectives on this, namely the 'macro-environment,' the 'micro-environment' and the 'internal environment'. We shall be considering them one after the other. When considering the marketing environment, it is crucial for organisations to be strategic, careful and proactive. By this, it means such organisations need to make sound, strategic market decision that will offer them the greatest customer potential and profit. Thus, emphases on the microenvironment and macro-environments as well as internal and marketing decisions that respond to changes within these environments are important (Kotler & Armstrong, 2006; Porter, 1980).

Macro-Environment

The factors outside the control of any organisation constitute the macro-environment, which technically refers to external marketing environment of any business. Thus, this has to do with the external factors which surround any organisation. A company does not generally influence any laws (although it is accepted that they could lobby or be part of a trade organisation). As market environments continuously change, and companies need strive to be flexible and adaptive, there may be aggressive competitions and rivalry in the markets. Globalization is also a factor, it is a dynamic phenomenon, which keeps changing; there are the PESTEL factors; the five competitive forces (Porter, 1980); and SWOT analysis, which talks about the strengths and weakness of the organisation. All these three factors are approaches used to examine and audit the external business environment of an organization. So, in auditing the macro-environment of organisation, The PESTEL, SWOT and Porter's Five Forces need to be put into perspective.

Micro-Environment

Micro describes the relationship between firms and the driving forces that control this relationship. It influences business organisation directly; it includes suppliers that deal directly or indirectly with organisations, consumers and customers, and other local stakeholders involved. In this case, Waterstone's needs to shape its market strategies to consider where and how operators like W. H Smith, Amazon, Blackwell's, Foyles and others in similar business (that is high street bookselling) are having upper hand so as to compete favourably with them.

In this case, it is reasonable to understand the dynamics of customer behaviour, the intermediaries, the forces affecting Waterstone's to deliver value and services to its customers, suppliers and an appraisal of its marketing mix (Ali et al., 2002) as well as other variables that will facilitate change management strategies and competitive advantage.

Internal Environment

The factors that are internal (that is within the control of the organisation) are considered to be part of the internal environment of its business outlook. These factors include what is traditionally known as the Five M's: markets, men, money, machinery and materials. This environment – internal environment – is very crucial in making strategic marketing decisions as well as business decisions in order to manage change. It is as important as the external factors.

Industry Analysis: PESTEL Framework

This part discusses external factors affecting Waterstone's and examines the changes and their implications in strategic planning and marketing. Using **PESTEL** approach, the external environment is tremendously complex and dynamic. If it is ignored, there will be significant changes in the competition landscape. This is why PESTEL analysis really needs to be undertaken on a regular basis in order to ascertain supply and demand levels and its cost for increased yield (Johnson & Scholes, 1993; Kotter & Schlesinger, 1991). In addition, the interplay of PESTEL factors with each other on any organisation can be utilised to make strategic business as well as marketing plans for opportunities and contingency decisions or threats (Byars, 1991).

Political Factors

Waterstone's is a UK book retailer operating in the United Kingdom, Republic of Ireland, which includes Dublin, Cork and Drogheda, and the Netherlands and Belgium, including Amsterdam and Brussels. The political arena has a enormous influence on the regulation of businesses, the spending power of consumers and other businesses in the book retailing industry. Waterstone's performance is highly influenced by the political and legislative conditions of the United Kingdom. *Issues* to be considered are as thus:

- How stable is the political environment? That is how credit crunch is affecting the economy, level of credit facility, etc.
- Will government policy influence laws that regulate or tax your business? I.e. Taxation policy affects business costs. For example, a rise in corporation tax (on business profits) has the same effect as an increase in costs. Businesses can pass some of this tax on to consumers in higher prices. Other business taxes are environmental taxes (e.g. landfill tax), and VAT (value added tax). VAT is actually passed down the line to the final consumer but the administration of the VAT system is a cost for business.
- What is the government's position on marketing ethics?
- What is the government's policy on the economy?
- Does the government have a view on culture and religion?
- Is the government involved in trading agreements such as EU, NAFTA, ASEAN, or others?

Governments create rules and frameworks in which businesses are able to compete against each other. From time to time the government will change these rules and frameworks forcing

businesses to change the way they operate. In this regard therefore, according to Rosenheim (2007),

“In following a policy of high discounting, the British chains are struggling to compete against the increasing pressure of both the supermarket chains and Amazon, which have contributed to softening already weak sales for all three major book retailers. In its last financial year, Waterstone’s the largest book chain in the country, with annual sales of just under £400 million, saw comparable sales fall 4.1%, compared to an overall book market growth of 2.1%” (p. 1).

The high discounting policy brought by the government has become a major permanent part of British book retailing, which affects efforts at strategic marketing.

Economic Factors

These include interest rates, taxation changes, economic growth, inflation and exchange rates. In the UK the level of interest rates is determined by a government appointed group - the Monetary Policy Committee which meets every month. A rise in interest rates raises the costs to business of borrowing money, and also causes consumers to reduce expenditure (leading to a fall in business sales). Government also provides subsidies for some business activity - e.g. an employment subsidy to take on the long-term unemployed people in society. These measures impact on strategic marketing decisions. Economic factors are of concern to Waterstone’s, because they influence demand, costs, prices and profits. One of the most influential factors on the economy is high unemployment levels, which decreases the effective demand for many goods, adversely affecting the demand required to produce such goods. These economic factors are largely outside the control of Waterstone’s, but their effects on performance and the marketing mix can be seen. The company is highly dependent on the UK market. Hence, Waterstone’s would be badly affected by any slowdown in the UK book retailing market and is exposed to market concentration risks.

Socio-Cultural Factors

The social and cultural influences on business are a very important aspect which needs to be considered. These factors include: How much time do consumers have for leisure? What are attitudes to foreign products and services? Etc. The social system is the fabric of ideas and behavior patterns that are involved in human relationships. In particular, businesses are influenced by consumer attitudes and behaviours which depend on such factors as the age structure of the population, and the nature of work and leisure among others. What a consumer eats, wears, and believes are all learned and influenced by the culture they live in, their family, childhood and social environment. All of these are external factors that affect purchases. Looking at the age perspective, a number of shifts in the structure of the population by age could benefit particular sectors within the market, since participation in different sectors tends to vary by life stage. For instance, 25-44s are the most likely buyers of children’s books, while purchase of academic and professional titles will tail off among older people as they age and move out of the workplace. The consumer market is changing drastically everyday. Almost everyone in the United Kingdom now has Internet access; the market for electronic book services is increasing (e-books). Thus, according to Bharat Book Bureau,

“The UK total book market was worth around £3bn in 2003. Industry estimates indicate that 6% of that market consists of books sold online, consumer confidence in purchasing goods online is growing as more protection through the Data Protection Acts and through retailers’ own securities” (p. 1).

The consumer and the market situation have changed. The consumer change pattern can be categorised as follows:

1. *Wake-up call in consumption pattern.* Like the consequences of the recession hits in 2009 and 2010; this change the way book retailers do business with their customers, or consumers of the service.
2. *Changes in attitude.* Consumption changes with tastes, trends, fads and emotions and we have had a huge emotional shock to the system, moving us ever forward from the traditional customers focused on transactions to the authentic customer, where purchasing is based not just on cost, but also is a reflection of their personal beliefs, values, behaviour and emotions.
3. *Conscious consumption spreads to all suppliers.* It does not matter which area of the economy is occupied. Changes in the consumption of books products will change forever because people are now running any purchasing decisions through their own checklist of questions – Do I need this? Can I purchase it cheaper elsewhere? Are there any better deals? Can I buy it on-line or somewhere else?
4. *Time and loyalty.* Time is of the essence. They want things now and time is a scarce commodity, so don't waste it. There is never a second opportunity to make a great first impression with the new consumer. Loyalties to one provider as a concept is out you have to impress them every time at every opportunity and at every stage of any transaction – pre to post purchase decisions.
5. *Pockets of growth potential.* One of the most marked shifts is the growing number of pre-teenage children. Together, these are set to account for almost one in eight of the population by 2014. Growing numbers here will provide a boost for every part of the children's market, from picture books and early readers to classics and other young fiction and non-fiction. At the same time, the number of 10-19s (and particularly 10-14s) will fall in the years to 2014. i.e., older adults are more regular readers – they have more time without any childcare responsibilities – so growing numbers of over-45s are favourable for all sectors.

Technology Factors

Technology is vital for competitive advantage, and is a major driver of globalization. Digital technology has started to achieve real visibility in the marketplace, with more affordable e-readers making headway in sales for the first time. The largest technological methods are in the academics sector. This is as a huge influence from the government to move a greater proportion of teaching resources online. The iPod/iPhone phenomenon has enabled rapid growth in audio books and more recently also in e-books. While digitalisation, combined with the power of the social web, is also leading to new developments in self-publishing and both downloads and print-on-demand. The adoption of Electronic Point of Sale (EPoS), Electronic Funds Transfer Systems (EFTPoS) and electronic scanners have greatly improved the efficiency of distribution and stocking activities, with needs being communicated almost in real time to the supplier (Finch, 2004).

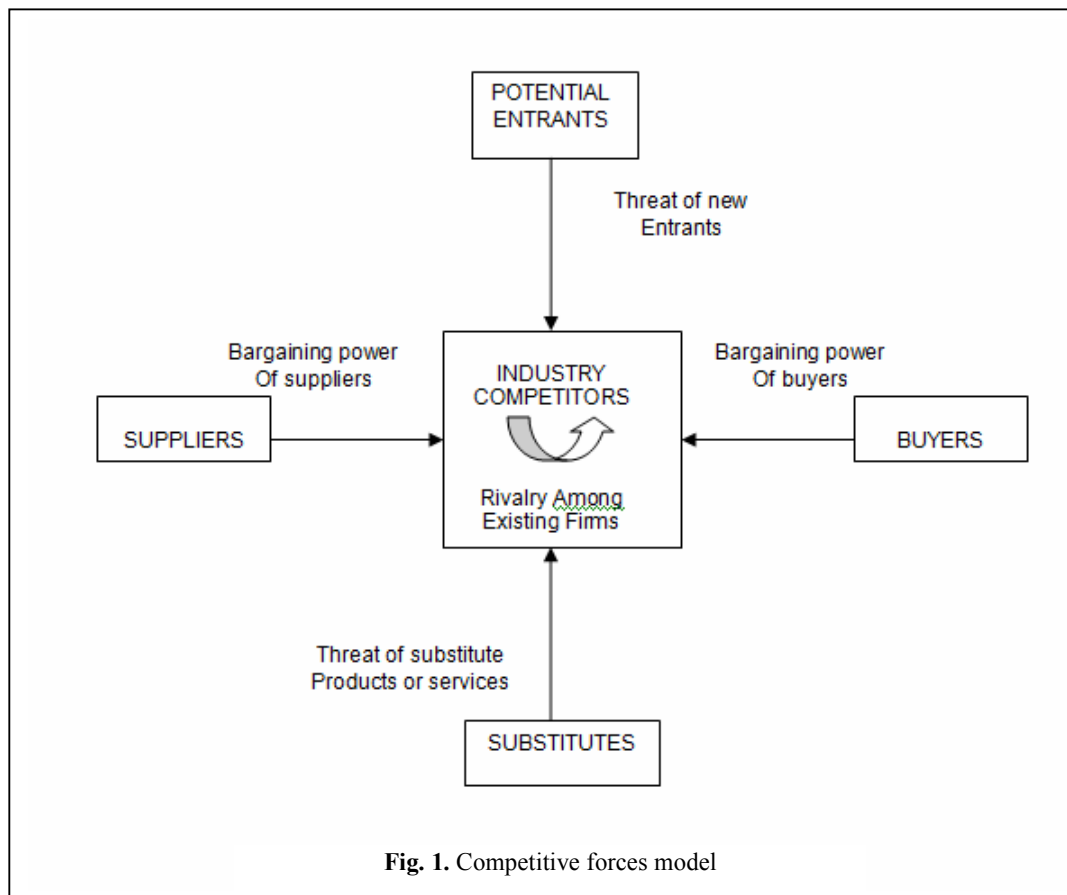
Environmental Factors

This essentially has to do with the weather and climate change. With major climate a change occurring due to global warming and with greater environmental issues this external factor is becoming a significant issue for firms to consider. The growing desire to protect the environment is having an impact on many industries such as the travel and transportation industries (for example, vat on books) and the general move towards more environmentally

friendly products and processes is affecting demand patterns and creating business opportunities. “It is also important that Waterstone’s has a voice on environmental issues within the book trade. To this end we are represented on the Publishers’ Association and Booksellers’ Association Environmental Action Group, which is working towards producing industry wide initiatives to reduce the environmental impact of book production, transport and sales” (Larner, 2009). In addition, Graiser & Scott (2004) state that:

“In 2003 the government has intended to launch a new strategy for sustainable consumption and production to cut waste, reducing consumption of resources and minimise environmental damage” (p.12).

Waterstone’s also works with the British Safety Council (BSC) to consider wider measures of environmental impact than just the company’s carbon footprint. In 2008, following an audit, the BSC awarded Waterstone’s three out of a maximum five stars for its commitment to managing its environmental impacts. This is a remarkable move in environmental-friendly policies as well as strategic effort for high productivity.



Legal Factors

Legal changes can affect a firm’s costs (e.g. if new systems and procedures have to be developed) and demand (e.g. if the law affects the likelihood of customers buying the good or using the service). There is the issue of local license and planning permission. Examples of the UK laws in relation to this matter are as thus: a. Consumer laws; these are designed to protect customers against unfair practices such as misleading descriptions of the product. b.

Competition laws; these are aimed at protecting small firms against bullying by larger firms and ensuring customers are not exploited by firms with monopoly power.

Waterstone's: Engaging Porter's "Five Forces"

In formulating strategies for competitive advantage as well as making sure Waterstone's increases its high performance in the high street bookselling environment, an appraisal of Michael Porter's Competitive Forces Model, which is commonly referred to as Porter's Five Forces Model is necessary. This model is by far the most broadly used framework for evaluation of profit potential, market advantage and entrepreneurial strengths of an organisation (Porter, 1980: 4). Below is a diagrammatic representation of Porter's Five Forces, a model for industry analysis and a blueprint for strategic marketing strategy.

Threat of New Entrants

The UK book retail market is dominated by a few competitors, both from the high streets and the Internet. Waterstone's enjoys spontaneous brand awareness of an incredible 83%, compared to 74% for its nearest competitor. 66% of people regularly shop at Waterstone's compared with 51% in the nearest competitor. In this regard, recently, book market has undergone a significant change with new levels of competition from the supermarkets and online retailers impacting all specialist booksellers and in particular those with insufficient scale to compete on equal terms. There is the advanced technology for checkouts and stock control systems that impact new entrants and the existing ones. Other barriers include economies of scale and differentiation (in the provision of products or services with a higher perceived value than the competition) achieved by Waterstone's is seen in their tactics, promotional activity, children's events and activities, associated with 15 literary festivals as well as better distribution.

Bargaining Power of Suppliers

This force represents the power of suppliers that can be influenced by major book retailers and fear of losing their business to bigger retailers. Waterstone's is keen to support independent publishing, and recognises the rich contribution that independent publishers make to the world of books and literature. The forces of competitive rivalry have reduced the profit margins for book retailers and suppliers.

Bargaining Power of Customers

This force is the power of your customers to drive down your prices. Waterstone's is a consumer-oriented market and most Consumer-products organizations face weak buyer power because customers are fragmented and have little influence on price or product. The more products that become standardised or undifferentiated, the lower the switching cost, and hence, more power is yielded to buyers (Porter, 1980). The ability to meet up with the needs of consumers will ensure greater profitability.

Threat of Substitutes

The e-Retail business poses a lot of threat to conventional book retailing industries; it provides alternative sources for the same products and services (Kyle, 2002). This is affected by the ability of your customers to find a different way of doing what you do. If substitution is easy and substitution is viable, then this weakens your power. For Waterstone's, the new entrant for

e-books is growing fast and almost every individual has an access to the Internet via the pc, school libraries and mobile phones. The book retailers have seen the way and form of product-for-product or the substitute of need weakened by new trends. Waterstone's also now sells its books via the Internet in order to meet up the changing system and make its bargain power stronger to beat the substitution threats.

Competitive Rivalry

The book retail market is a highly competitive market that has fostered an accelerated level of development, resulting in a situation in which UK book retailers have had to be innovative to maintain and build market share. With the many competitors, and they all offer equally attractive products and services, then Waterstone's will most likely have little power in this situation. In order for them to reduce rivalry, the following steps will have to take place: Avoiding price competition; Differentiating their product; Buying out competition; Reducing industry over-capacity; Focusing on different market segments and communicate with competitors.

SWOT

In his *The Rise and Fall of Strategic Planning*, Mintzberg (1994) avers that SWOT analysis ushers in strategic insights into business planning as well as distils fragmentary facts and figures into articulate whole for robust strategic and marketing planning. In the same vein, in the view of Valentine (2005):

“SWOT analysis entails portraying a business's internal context in terms of strength and weaknesses and scouring its external context for opportunities and threats” (p. 91).

Waterstone's is the UK's leading high street bookseller and growing rapidly online. They provide their customers with the widest ranges, great value and expert advice from a team passionate about bookselling and marketing.

Strengths

At the beginning of 2008, Waterstones.com was awarded a silver badge for the Best Books Website category at the BT Online Excellence Awards. In a survey of 96 British chains in January 2009, Waterstone's scored 69% for a which? Customer satisfaction survey on “products, price, staff and shopping environment and whether they would recommend the shop to a friend” - places the chain in joint eight positions.

Waterstone's is the first bookseller in the UK to begin selling the Sony Reader in September 2008. An agreement saw Waterstone's branches and Sony Centre stores stock the e-Books reader exclusively for two weeks after its release, as Waterstones.com began to supply books in the recommended e-Books. The Waterstone's market-leading branding is widely recognized throughout the UK.

Eight former book stores in London were taken over and rebranded as Waterstone's. Waterstone's related products (e.g. Nintendo DS software and related hardware) increase to 4.6% from the previous year of 3.1%. Waterstone's multi-national loyalty scheme which was launched in the previous year had attracted 2.8million members exceeding the target of 1.5million. Waterstone's share of the high street market grew, reflecting in part the success of the multi-channel loyalty scheme, which had 2.8 million members by the period end. The loyalty scheme also contributed to a 60% growth in sales for waterstones.com. Thus,

“Waterstone's related product offer was enhanced by good sales of the Sony Reader, a portable electronic device on which to download and store books in digital format,

which was launched in the UK exclusively through Waterstone's, and we are pleased with the associated download sales of e-books from waterstones.com" (Fox, 2009: 2).

With one eye to the future, Waterstone's has also announced a deal with Versaware's e-bookscity.com to sell e-books via its website. Waterstone's will pay a licensing fee to Versaware and will take a cut of sales revenue.

Weaknesses

Waterstone's has suffered some minor controversies in prior years. There is the need to work hard to maximise both the market share opportunity that has arisen from the withdrawal of competitors, and the investments that have been made over the last two years to improve performance. The performance of both HMV International and Waterstone's was more adversely impacted by weak trading conditions. Its reliance to the UK market is slight weakness that could alter the performance of the organisation due to obstruction in the economy. Its current share of a fast-growing online market resulted in an overall 0.4% dilution of total market share. Waterstone's total sales decreased by 3.6% for the period at constant exchange rates, including sales decline of 3.8% (3.0% after adjusting for the prior year release of *Harry Potter* and the *Deathly Hallows*).

The sales performance reflected a challenging and highly competitive book market, which contracted by 2% (after adjusting for *Harry Potter*). Waterstone's operating profit of £10.0m was £6.3m lower than last year, reflecting the sales decline, a 10 basis points reduction in gross margin due to the higher mix of online sales, and £2.0m of book hub start-up costs, partially offset by cost control measures, including bonus savings. Exceptional store closure costs of £1.6m were incurred in connection with the review of the combined store portfolio following the acquisition of Ottakar's and a further £2.3m has been charged to exceptional costs for restructuring due to the implementation of the book hub. Offsetting these costs is an exceptional credit of £2.1m due to changes in benefits receivable under the Group's defined benefit pension scheme.

Opportunities

Waterstone's and Dyslexia Action: Waterstone's has supported Dyslexia Action since 2003 as our chosen charity. They have also produced a resource guide, which is called the Waterstone's Guide to Books for Young Dyslexic Readers Book. The introduction of holding events is a great opportunity for the company. Waterstone's formally supports eighteen festivals across the UK including the Cheltenham Festival of Literature, Dartington Ways with Words, and Glasgow's Aye Write Festival. So it is not all about books sales alone; it has to appropriate other sources in order to spread its marketing tentacles, as well as protect its image. On top of this, Waterstone's could also use the instrument of diversification of business by going into other book related events and programmes that will impact on its profitability.

Threats

It is on record that all successful businesses always attract competition. Since Waterstone's sells the same or similar products as high street book retailers and other online businesses, it may become more and more difficult to differentiate the brand from its competitors. Having its own is a good alternative to fight off competitors. It also has a huge range of products therefore reducing price competition which could damage the business. Events held by Waterstone's are held seasonally, meaning that there is an element of seasonality to the business. Such seasonality may not be enduring to the company.

There are also threats coming from unhealthy customer relationship; so Waterstone's needs to re-engineer its framework of relationship marketing to put the customers first in order to be in business. Recently, the link between competitive advantage and superior performance is oftentimes hinged on relationship marketing in the sense that it goes beyond the traditional sales

promotional language and takes into perspective customer behaviour, as well as customer retention and satisfaction (Kim and Michell, 1999). In this regard, according to Jeffries (2009), “when it started, Waterstone’s was a breath of fresh air. But as it got bigger, many say it lost its soul... A customer is asking an assistant to explain the baffling price deal on Hilary Mantel’s Book-winning novel *Wolf Hall*... I wish they wouldn’t do that... They shouldn’t have deals that are so confusing...”. The exchange between the customer and the assistant shows that the customer is left confused and unsatisfied with the level of service received.

Factors for Improved Customer Relationship: Marketing Strategies for a Re-invented Waterstone’s

Marketing strategies for a re-invented Waterstone’s is very important for improved performance, as well as to maintain/improve customer relationship. Johnson (1993) asserts strategic management and marketing goes beyond the confines of operation-specific, short-term planning, routine and re-positioning. It centres on complex issues and situations arising sometimes outside the control of the organisation. Thus, it involves understanding some strategic marketing positions, approaches and choices that will impact on the organisation’s growth. By contextualising Waterstone’s, Apart from the factors above, Waterstone’s should reinforce and ensure that the strategies enumerated here are followed through for high performance and strategic marketing policy, as well as devising methods for a re-invention.

At this stage, we shall be considering certain factors that are relevant for a successful operation and business as well as strategic marketing factors. As an organisation, for Waterstone’s to be effective in driving high performance and growth, it has to pay key attention to the factors below as integral aspects of its marketing policies and blueprint for organisational development and sustainability in the face of strict competition from other organisations like W. H Smith, Amazon, and Foyles, among others. They are as follows:

- Branding and Reputation;
- Supplier Management;
- Product Strategies: New Products, Nichers, Challengers, Leaders and Services;
- The UK Book Retailing: Engaging Problems and Prospects;
- Customer Behaviour: Market segmentation, Positioning and Targeting;
- Pricing strategies: Channel management, price setting and Distribution;
- Marketing Mix – The examination of the four P’s of tactical marketing plans for strategic marketing and management, which include these variables: products, price, promotion, and place;
- Marketing Communication – promotional plans and viral marketing;
- The level of competition outfits like Amazon pose in the book retailing industry needs to be curbed. Thus, Waterstone’s need to broaden its marketing base to conform strictly to the new information age – that is Internet marketing, which is rapidly changing the nature of bookselling markets in the United Kingdom and the rest of the world in the wake of globalisation;
- Waterstone’s need to strengthen its link with the European Booksellers Federation (EBF), a non-commercial umbrella outfit representing national Booksellers’ Associations in the European Union and EEA (Dubruille, 2010). If Waterstone’s strengthens its ties with the EBF, it will be at a vantage point to enhance its image and interest (Dubruille, 2010);
- An Examination of PESTEL, SWOT and Porter’s Five Forces;

- A Re-evaluation of Relationship Marketing.

After looking at the external (PESTEL) analysis of the book industry and SWOT analysis discussed above (even Porter's Five Forces Dynamics), it is crucial to consider internal operational effectiveness of Waterstone's in the form of identifying critical success factors of the company within the book retailing sector as they are crucial for a re-invented Waterstone's.

Conclusion

From the foregoing, it is appreciable that Waterstone's is in strict competition with other major high street book retailers, which include Foyles, W. H Smith, Blackwell's and Amazon (on the Internet). So, in order to gain the competitive edge and strategic marketing techniques that will bring improved performance and high yields, Waterstone's needs to re-engineer its marketing blueprint as well as business philosophy to sustain consequences emanating from any change in the diverse market environments discussed in this paper. On top of this, through an examination of the PESTEL, Porter's Five Forces, customer behaviour and SWOT analysis, which are integrated into the external environment or macro-environment of book retailing industry in the United Kingdom, Waterstone's will be in a position to make marketing decisions that will impact on profit and organisational performance. It is also necessary for Waterstone's to re-engineer its internal as well as microenvironment of marketing to drive profitability. Thus, in this age highly marked by the currents of globalisation and cut-throat competition, it is of essence for Waterstone's to position itself in order to stay in business.

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Waterstone's și schimbările survenite în vânzarea de cărți în Marea Britanie: trecut și perspective viitoare

Rezumat

Articolul de față prezintă o anchetă în cadrul mediului de afaceri britanic implicat în vânzarea de cărți, acordând o atenție specială distribuitorului Waterstone's. În acest scop, se pune accent pe o scurtă explorare a viziunii globale asupra comerțului cu cărți, așa cum se relaționează aceasta cu situația din Marea Britanie. O altă problemă pusă în discuție în acest articol o constituie mediul micro și cel macro al comerțului cu cărți în Marea Britanie și mediul intern al Waterstone's – inclusiv o privire asupra factorilor PESTEL, asupra analizei SWOT, asupra comportamentului consumatorului, asupra Celor Cinci Forțe Porter, precum și asupra strategiilor de reinventare a distribuitorului Waterstone's. În final, se au în vedere câteva strategii de marketing și management în vederea perfecționării serviciilor și creșterii profitului și se formulează concluziile principalelor probleme aduse în discuție.