Book industry: traditions versus the power of the 'like'

We can establish differences between the baselines (starting positions) of a publishing start-up in relation to the majority of start-ups in general terms, which are usually technological or directly linked to ICT based solutions or value propositions. This difference is related both to the existence of some powerful legacies of content industry and the depth of uncertainty about consumption patterns and shifts in the digital content market.

For several centuries the book business has taken shape (even before the invention of print) and in its present form has reached a stage of *perfection* about four to five decades ago, as a result of fitting the pieces of a gear that works in the market engine. This was not exempt from periodic shocks, in which each actor has defined its role in a clear way. The emergence of digital technology in the consumer field (a few decades after its incorporation into production and trade process within the publishing companies) has led the opening up to the new ways to bring products to the readers and, perhaps more important, has expanded almost without limits the concept of a "book".

This perspective implies that the start-up which is purely technological acts on a field that is developing its fledglings moments, however, publishing start-ups get involved with some new technological tools in a mature stage and, for that reason, are resistant to change. From a certain point of view, one of the characteristics of the publishing industry is the historical connection to the *holy*, *academia* and finally to the *high culture*. With this genetic code it's easy to deduce a traditional inclination towards devising an unilateral offer, made from certain higher authority level whose offered books for readers frequently, from the height of a religious dogma, from technical solvency or finally from an editorial selection as a determination to build a personal catalogue.

However this spirit cannot easily survive in a new context like present era of "power of *I Like*".

The implied conclusion in this diagnosis is that getting very good insights of the readers wishes, needs and behavior should become a strategic priority for any contemporary publisher.

1. The key role of just *in time learning* for publishing start-ups

How is this need projected in this particular case of the publishing start-up? To answer this question we have some observation points that may be useful. One of them is the project in which the GSR Foundation collaborates with since 2014, with an incubation center of cultural micro-companies (called Cultural Factory, or *Factoría Cultural*). This project named 'Emprendelibro' offers support to a group of publishing start-ups that are selected from those ideas presented in a public competition.

Another interesting source of data is the work developed in recent years that consist in the mentoring and evaluation of projects from the Master of Digital Publishing which is taught at the Casa del Lector.

It is easy to identify a common structure in the version presented in those previously analyzed projects, in terms of priority effort when designing the value proposition: the focus and dedication in most of the projects when presenting a solution and value proposition are set primarily in the production and communication processes. The preparation of proposals is framed largely in the 'four P's' classic marketing mix (product, prize, promotion, place). Interesting innovative ideas can be seen, regarding marketing channels, sources of income, and mobility. However it is also possible to appreciate the lack of a clear strategy to understand the new audience in order to measure efforts and focus of the proposal.

Understanding the needs, preferences and priorities of readers is now more crucial than ever. This is a critical factor because the impact of changes occur in very short periods. It can be argued that the insights on demand behavior were always important but it is hard to dispute that in a world where the internet exists, that it may hold more definite significance.

The consequence of this analysis is that the publishing companies should learn about the readers and design the strategy or the new value proposition from the scratch using their knowledge about readers. Furthermore, it is not enough to have in mind this obvious principle, it's crucial to organize a scheme to discover the real preferences of consumers by integrating into the definition of the start-up a mechanism to incorporate this information in developing the value proposition.

The challenge here is to find out the particular nature of the sort of learning that is required in the case of a start-up. This feature is derived from the pace that errors and success show their effects sways the viability of projects. Eric Ries described an easy way to understand the challenge and proposes a strategy called *just in time learning*. This 'learning' takes place in order to test the product before defining more and before introducing improvements and new features.

2. Libraries as a R&D Lab for new publishers

If we support that the understanding of new readers behavior must be at the epicenter of contemporary publishing business, it is clear that we need to find a suitable system to perform this evaluation model. The proposal of Germán Sánchez Ruipérez Fundation is to consider public libraries as a natural partner of start-up publishers.

The reason why we identify the public library as a contributor to the start-up for accessing knowledge about readers, is because contemporary libraries are becoming communication hubs for readers, as they are the ground and mediator for 'conversations' among and between readers. We are talking about a large number of libraries, which have developed activities for sharing readings at book clubs or where users make contributions to generate a new collaborative content. In addition, they involve active participation in the definition of services of the library.

The same way that not all publishers have the similar attitude towards innovations, not all libraries are likely to be integrated into a process of this nature. Which the kind of suitable library for such alliance with the start-up? It is not enough that the library provides traditional service of public reading, the alliance is possible with those that deliver a comprehensive proposal for access to content while creating new experiences related to that IP and the contribution of the readers community.

The GSR Foundation presents some features to discover the meaning of the proposal that is emerging. Our organization integrates two vocations: to provide a public service of reading towards challenging environments; and conducting research and studies on reading attitudes and procedures to promote reading within society. The Foundation maintains a dual personality as an institution dedicated to design and run innovative reading centers - including the management of a public library- and also research organization. We've taken advantage of this twofold nature to explore the possibilities of building partnerships between start-ups and libraries.

Readers find in the contemporary library *the domains of reading*, a territory in which everything revolves around reading in a general sense and where engage readers gather creating a new value beyond the text, but linked to the creation of human experiences in a proactive fashion. The start-up cannot find a more suitable place to discover the real needs of readers .

The task we are undertaking the last years in my organization deals with start-up under the basis four fundamental questions:
- Are there any systems for retrieving useful information?
- When is conducted the first contrast between the value proposition and the needs and responses of readers?
- Should be used the opinions or the hands on behavior of the readers?
- Which the impact of the results of these tests readers in reformulating elements or the whole reengineering of the product or service?

The challenge is explain the contribution achieved from this sort of research to the decision making while developing a project of a business. The GSR Foundation has been investigating digital reading since 2009 and have tested several "utility models" and product integration within the dynamics of the library.

The following describes and briefly discussed three different dynamics:
-Experimentation with services and products within the library through programs with groups of readers.
-The generation of innovation projects from the library which could be subject to commercial development.
-The creation of joint projects with companies which involve innovation from reader's ecosystem.

During the last months we reached agreement with three Spanish companies towards a mutual benefit from the point of view of learning lessons about readers preferences and the

feasibility of some ideas that we supported from a theoretical point of view but lacking an experimental basis. There are clarifications of the collaborative experiences with companies like Odilo, Bubok and 24Symbols, among others, that have enabled them to implement solutions from identification of needs at work with the readers within the library lab. This can provide welcomed changes and reduce risk of uncertainty because of the creation of safer foundation for an investment in further software and tools developments.

These last undertakings could be presented in future months as three case studies:
- Technological partnership between library (lab) and a start-up for the development of a conversation module in a e-lending platform.
- Test of a subscription system as a business model.
- Integration of a selfpublishing tool within a library platform for readers.