Physical and digital: Not a question of either/or

A qualitative study exploring how Norwegian bookstores adapt to the digital age in an established book market

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Master's thesis
Department of Media and Communication
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Abstract

The literary landscape in Norway and internationally is changing as a result of digital technologies that cause literature to be produced, distributed, obtained and read in new ways. This master's thesis aims at understanding how *Norwegian bookstores* are affected by digital changes in the market, and how they adapt to these changes. In relation to digitization, the bookstores face big challenges, as well as great opportunities, which cause them to implement different approaches to offering new digital products and services. Their approaches to doing this have been explored by studying the Norwegian bookstores ARK, Tanum, EBOK.no and Storytel. Semi-structured elite interviews have been conducted with employees in the administration of the bookstores. Data and statistics from industry reports have been used as supplements. The Norwegian book market is fairly well established, the printed book is the dominant format, and the public's opinion signalizes that the digital development of the market is rather slow. Still, the bookstores are operating to offer new digital products and services, and modern exclusively digital bookstores have emerged. The bookstores' approaches can be linked to product, process, position and paradigmatic innovation. However, this study indicates that the digital offers are provided in parallel with physical formats in bookstores. The market consists of multiple book formats offered in hybrid bookstore formats; it is not a question of either/or, as both physical and digital products and services and physical and digital bookstores, can and are offered side by side.

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Oslo, May 2017

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1 Introduction

1.1. Background and purpose

The literary landscape in Norway and internationally is changing as a result of the introduction of new digital technologies that facilitate the production, distribution, access, and reading of literature in new ways. In relation to digitization, industrial institutions such as publishers, libraries and bookstores face big challenges, as well as great opportunities. This master's thesis aims to understanding how *Norwegian bookstores* are affected by digital changes in the market, and how they adapt to these changes.

The media industry has particularly been impacted by globalization, digitization and the emergence of the internet. Technology is at the heart of many media products in terms of production, distribution and consumption. In order to adapt to new consumer habits and market forces, the media industry is forced to be innovative in order to keep up with new developments. Nevertheless, the book industry is an industry that has been slower in this development compared to most other media industries and many seem to be under the impression that the book industry in Norway is seemingly unaffected by the new digital environment (Prytz, 2013, p. 6). The printed book has a very strong position in the Norwegian book market and is still the dominating medium for literary reading. The public discussions on digitization in the Norwegian book industry signalize that the development is as good as stagnant (Prytz, 2013, p. 6). Also over the past years, there have been several debates predicting the end of the physical bookstores. However, also the book industry has one foot in the digital world. Digital book formats have entered the book industry in recent years. These include e-books, digital audiobooks and digital reading services such as e-readers and book apps. Digital retail channels are also more common, such as online bookstores and subscription services through apps.

The concept of digitization in the context of the book industry is nothing new. The content of books is being produced and stored on computers, and other digital aspects of books such as printing, electronic databases and online stores have existed for a long time (Colbjørnsen, 2014, pp. 17, 23-24). However, to the general consumer, this concept seems to have a relatively new application in relation to the book industry. Reading devices for e-books were first launched on the market in the late 1990s, but at this point, e-book sales were limited to the enthusiasts. To the rest of the public, digital book reading did not become a realistic option until the e-commerce giant Amazon introduced the Kindle in 2007 in the USA, and globally in 2010. The new reading device had a dramatic impact on the public's purchase of e-books. By the time Amazon released their Kindle, they had already become the leading online retailer of printed books. To gain market share, they had a long-term strategy and a strong focus on customer service. They developed a giant database of loyal customers, utilizing customer information and knowledge about their purchasing habits. These customers were quick to adopt the Kindle and e-books. Amazon is credited with creating the first ecosystem that encouraged book consumers to easily and legally buy e-books from publishers (Clark & Philips, 2014, p. 16). Jeff Bezos, the founder and CEO of Amazon, said "Amazon isn't happening to the book business. The future is happening to the book business" (Stone, 2013, p. 11).

Not only has Amazon revolutionized the online retail and international book market, it is a major driving force behind e-books. Furthermore, Amazon has to some degree raised certain expectations with regard to how the Norwegian book market should adopt to a digitized society. While Amazon has developed in a global and lightly regulated market, and provides books in international languages, the Norwegian market is smaller and tightly regulated. It also primarily consists of the sale of books in Norwegian. These preconditions set the groundwork for Norwegian market actors[1] to be innovative and make strategic decisions based on digital solutions. To this day, an increasing number of digital products and services are offered on the market, and consumers seem to be more open to consuming digital literature and accessing it through digital channels. The Norwegian population is buying more e-books[2] and there has been an emergence of digital bookstores with exclusively digital content. Furthermore, audiobooks have followed in the footsteps of music; there are now three subscription services for streamed audiobooks in Norway. Two of them were released during the period of this research, illustrating that this is a time of digital development in the Norwegian book industry.

The core of this project is what happens in the retail stage of the life cycle of a book, and how the retailers are affected by other factors. This thesis will explore how Norwegian bookstores are implementing different approaches to offering new digital products and services. The 'new' element does not necessarily mean that the digital products or services are radically new in themselves, but that they consist of elements that are new for market actors. The bookstores that have been selected as objects of study are ARK Bokhandel (physical and online retailer), Tanum Bokhandel (physical and online retailer), EBOK.no (an online retailer with exclusively digital content) and Storytel (a streaming service for digital content). All of these distributes books to the end user in one way or another.

My interest in the Norwegian book industry began about six years ago when I started to work in a bookstore. At that point, the industry was characterized by a fear that Amazon would

[1] I use the term *market actor*, or just *actor* to describe any participants that provide something in the market. It is used as a more general term than *company/organization.*

[2] 7 % of the Norwegian population bought an e-book in 2011, 10 % in 2013, and 12 % in 2015 (Ipsos MMI, 2016).

enter the Norwegian book market. If Amazon was coming to Norway, the Norwegian retailers needed to be prepared with an established digital offer. To see this development firsthand has been very intriguing. Even if the market participants in the Norwegian book industry have other preconditions than many other international book markets, and even if many seem to be under the impression that the book industry in Norway is seemingly unaffected by the new digital environment, the digital development might not be as bad as rumors suggest.

1.2. Previous research and research contribution

There are many ways to study literature and the book industry. For example, one can study the linguistic or esthetic aspects of the literature, or one can study the economic or political aspects of the industry and its structures. In recent years internationally, several studies that focus on how the industry has undergone changes as a consequence of digitization have been conducted. However, most of these studies are concentrated on the publishing sector. Most notably John B. Thompson (2005, 2010) have conducted two comprehensive studies of Anglo-American publishing in a digital age. Terje Hillesund problematizes Thompson's *Books in the digital age* (2005) in his article *Bøker i en digital tid* (2006), in which he doubts Thompson's claim to be contextual, and shows that Thompson instead is in an externalist position, where he treats technology as an autonomous force that has changed the book industry from the outside. Bill Martin and Xuemei Tian (2010) also examined how the publishing business is responding to global changes in the market driven by changes in technology, and Robert DeFillippi and Patrik Wikström (2013) have asked how creative industries, such as the book industry, are responding to disruptive changes and how they generate innovation.

In recent years, The Norwegian book industry has also been studied. In *Bok-Norge. En litteratursosiologisk oversikt*, first published in 1992, Trond Andreassen (2006) has studied the Norwegian book industry by conceptualizing the path from author to reader as a literary system that is shaped by different agencies and institutions. Several studies have been conducted by Helge Rønning and Tore Slaatta on the Norwegian and the international publishing trades (2010, 2012). Several reports have been conducted based on studies related to the digital development of the Norwegian book market, and some of them are used as a supplementary material in my research. The Art Council of Norway has initiated several studies (Lekvam 2001, Asbjørnsen 2002, Hillesund 2002, Olsen 2009, 2011, Prytz 2013, Halmrast, Kavli, Nilsen & Sjøvold 2016) that concentrate on the consequences digitization has had on literature and literary institutions in Norway. The Ministry of Culture also initiated a study conducted by Oslo Economics (2011) that examined literature and language policy instruments from a national macro economical perspective, and a study on literary policy instruments in Europe (Rønning, Slaatta, Torvund, Larsen, & Colbjørnsen, 2012).

Terje Colbjørnsen (2014) studied digital publishing strategies and innovations by the Norwegian publishing houses Aschehoug, Gyldendal and Cappelen Damm in the period 2008-2012 in his doctoral thesis. He argues that while digital innovations and competition from international retailers and distributors have made their mark on the Norwegian book industry, there is little indication of disruption or major rupture to the industry's institutional structures and dynamics. Rather, the situation of book publishing in Norway is one of relative stability and continuity. He also argues that innovation and digitalization are embedded within institutional contexts. Katrine Paulsen (2015) studied how new online services are experiencing the established Norwegian book industry in her master's thesis. She found that five key factors have affected the new services; literature in digital formats, technology, access to content, the Book Agreement with regard to fixed prices, and the established economical structure in the industry.

The reason I have chosen to focus on bookstores is that bookstores have a crucial role in the supply chain of the book. They represent the last stage before the product reaches the consumers. There is also lack of previous research on this specific aspect of the field. Currently, there are 583 bookstores in Norway. 90 % of the population reads at least one book a year, and 72 % buy their books at a bookstore (Bokhandlerforeningen, n.d.-b). Therefore, bookstores are of great importance with regard to the availability and the dissemination of books to the country's population (Bokhandlerforeningen, n.d.-c). The aim of this study is to examine how Norwegian bookstores adapt to the digital age, and how digitization affects their dissemination of books to consumers.

Another essential point is that all media studied in relation to digitization are moving targets that are constantly changing and shifting, and the book industry is no exception. Literature on the subject therefore quickly becomes outdated. In general, this master's thesis contributes to the limited literature available on the Norwegian book industry in the digital age, and the retail sector in particular. At the time of the research, it examines how Norwegian bookstores implement different approaches of offering new digital products and services in the contemporary market. The discussions and findings in this thesis may be relevant for further research and debates concerning the industry, which can hopefully contribute new knowledge for the industry.

1.3. Research questions and scope of study

This thesis aims to examine how Norwegian bookstores adapt to the digital age, and how they are implementing different approaches to offering new digital products and services. This will be studied from the perspective of the retailers; both combined physical and digital bookstore chains, and exclusively digital bookstores. I will highlight their own reflections on how they perceive and adapt to the market. I will also explore how they facilitate innovation based on the above-mentioned preconditions, and factors that affect operating issues that are beyond their control and might create challenges.

The research questions consist of one generic question that will be answered through three sub-questions. As the theoretical framework of the thesis is media innovation, the research questions will be specifically connected to a classification of media innovation called *the four Ps of innovation* (Storsul & Krumsvik, 2013). Innovation is not limited to improving a product or service, but can be targeted in four main ways; product, process, position and paradigmatic innovation. Which P(s) that relate to which questions will be elaborated in the theory chapter and discussed throughout the analysis.

Generic question:

How do Norwegian bookstores implement different approaches to offering new digital products and services[3]?

This is the generic research question of the thesis that seeks to explore how Norwegian bookstores are adapting to the digital changes in the market, and how they are implementing different approaches to offering new digital products and services. The element of 'new' does not necessarily mean that the digital products or services are radically new in themselves, but that there are elements of something new for the market participants. This overarching question will be answered through the three following sub-questions:

Sub-questions:

1. **To what extent do Norwegian bookstores offer new digital products and services?**
   This question seeks to explore *which* new products and services the bookstores offer and *how* they offer them.
2. **How do Norwegian bookstores market their digital products and services?**
   This question relates to how the bookstores perceive their audience and how the consumers experience literature in new ways. Also, how the bookstores facilitate ways for consumers to discover books. This can relate to how the bookstores are marketing their digital products and services.

[3] The services the bookstores offer that are discussed can be used to both obtain and/or consume literature.

3. **How do Norwegian bookstores relate to the opportunities and challenges of digital technology?**
   This question will explore the opportunities and challenges the bookstores face in relation to digital technology and will particularly focus on the following aspects: 1) how do the bookstores relate to any synergy effects at the intersection between physical and digital, in terms of stores and products/services. 2) how do the bookstores seek to facilitate seamlessness within their digital channels.

1.4. Overview of the structure of the thesis

In addition to this introductory chapter, the thesis consists of seven more chapters, as follows:

Chapter 2: The Norwegian book industry: This chapter is divided into three parts: the structure of the Norwegian book industry (the supply chain), new digital offers, and Norwegian literature policy instruments. This chapter is not explicitly related to the research questions, but addresses structures, offers, and factors that are fundamental for how the industry is shaped and how it develops. It aims to create a better understanding for further references to the various aspects of the industry throughout the thesis, and can be used as a tool to gain the necessary background information on the topics. This is a large and complex sector, therefore I deemed it necessary to include a chapter on this topic.

Chapter 3: Theoretical framework: Media innovation: The theoretical framework of the thesis is based on theories of media innovation. Theoretical perspectives and terminology used in the thesis or relevant for the thesis, will be established in this chapter. Both theories regarding what the market participants are doing or how they wish to do to be innovative, as well as theories regarding the complexities they must consider that are beyond their control and might create challenges for being innovative, will be discussed.

Chapter 4: Methodology: Qualitative approaches: The purpose of this study is to explore and understand how Norwegian bookstores implement different approaches to offering new digital products and services. To adequately answer the research questions, the methodology of the study is based on three qualitative methods, with semi-structured elite interviews being the main method. This chapter includes a description of the research design and approach of the three methods, with a focus on the interviews, including selection, design of the interview guide, implementation, transcription and the analytical approach. In addition, research quality and research ethics are discussed.

Chapter 5-7: Analysis: The three analytical chapters are organized and presented around the three sub-research questions. At the beginning of the respective chapters, each related research question is introduced. At the end of each chapter, the essence of the analytical content is summarized and discussed in relation to the research questions. Throughout each chapter, topics that are relevant to addressing the research questions will be discussed. This information is related to data collected during the research process (mainly the interviews), the theory addressed in chapter 3, and information on the Norwegian book industry established in chapter 2.

Chapter 8: Discussion and conclusion: As each analytical chapter ends with a discussion of the essence of the respective chapter's analysis, an extensive discussion is not conducted in this chapter. The chapter instead summarizes the main findings of the thesis. It also addresses how the analyses of the three sub-research questions reflect on the generic research question. Topics and suggestions for further research will be discussed, as well as limitations within this research.

2 The Norwegian book industry

2.1. The structure of the Norwegian book industry

2.1.1. The life cycle of a book

A book's life begins with the author, and ends up in the hands of the consumer (reader/listener). In this section, I will discuss the three most important stages between the author and consumer in the life cycle, or the supply chain, of a book. They are the following: publisher, distributor and retailer. There are several other stages that will not be discussed, such as the author, agent, designer, and printer etc. The main focus in this section will be on the stage of the retailer as it is the most essential to my thesis.

Figure 1: The primary stages of the life cycle of a book. The retail stage is the focus of this thesis.

2.1.1.1. Publisher

The publishers decide which books will be published. The next step is to produce the books by editing and processing scripts in cooperation with authors. The books are then published (Oslo Economics, 2011, p. 11). As books are both products of culture and commerce, publishers are in a situation where both expected profit and other social and cultural ideals need to be taken into consideration.

There are three big publishing houses in Norway; Gyldendal, Aschehoug and Cappelen Damm, often referred to as *the big three.* There are also a large number of smaller publishers in Norway (Oslo Economics, 2011, p. 11). In a study conducted at the Department of Media and Communication, University of Oslo, on the Norwegian publishing situation, they found that there were 13.000 separate publishers in 2010/2011. The number was found by studying ISBN-numbers, and the separate publishers included both publishing firms and individuals (Oslo Economics, 2011, p. 11).

2.1.1.2. Distributor

In Norway, the publishers sell their books directly to the bookstores and other channels to market, which means there is no wholesaler link between publisher and sales channels. There have however, been developed separate distribution links that delivers logistics and reporting services to the book industry, and ensure coordinated distribution of books from the publishers to the retailers[4].

The three biggest distribution centers in Norway are *Forlagssentralen ANS* (owned 50/50 % by Gyldendal ASA and H. Aschehoug & Co. (W. Nygaard) AS), *Sentraldistribusjon AS* (owned by Cappelen Damm AS) and *Bladcentralen ANS* (owned by seven publishers) (Oslo Economics, 2011, pp. 11-12).

2.1.1.3. Retailer

Between the distributor and the end-user, one finds the channels to market, including bookstores, book clubs and the "mass market" (grocery shops, kiosks etc.). The most common retail channel is the bookstore. In both 2013 and 2014, this accounted for 55 % of the revenue of books in Norway with 72 % of the Norwegian population buying their books in a bookstore (Bokhandlerforeningen, n.d.-b; Halmrast, Kavli, Nilsen, & Sjøvold, 2016). Physical and digital bookstores are the most common sales channels for books, followed by book clubs, then supermarkets and kiosks (Ipsos MMI, 2015, p. 2). Most bookstores in Norway are members of the Norwegian Booksellers Association. There are currently 583 bookstores-members of this association (February 2017). This number is consequently used to approximate the number of bookstores in Norway. Included in this number are small district bookstores, large bookstore chains, traditional bookstores with or without an online store, and solely online stores (Bokhandlerforeningen, n.d.-a). Each of the three big publishers have substantial ownership in their own bookstore chains, respectively ARK Bokhandel AS (Gyldendal ASA 100 %) (Gyldendal ASA, n.d.), Norli Libris AS (H. Aschehoug & Co. (W. Nygaard) AS 51 %) (Norli, n.d.) and Tanum AS (Cappelen Damm Holding AS 100 %) (Tanum, n.d.-b).

Bookstores have been threatened by changes in the book market for a while. John B. Thompson (2005) argues that there are especially three factors that have transformed the retail sector in the book industry in the US and the UK since the 1980s; the rise of the retail chains, the decline of the independent bookstores and the advent of the online bookstores (John B. Thompson, 2005, pp. 64-74). This is a general international trend, and these factors also apply to the Norwegian book industry (Clark & Philips, 2014, p. 33). The last regular survey on "book purchases and trading channels" conducted on behalf of the Norwegian Booksellers Association (December 2015), showed that 63 % purchased their previous book in a physical bookstore (2 percentage points down since 2014), and 17 % purchased their previous book online (3 percentage points up since 2014). 57 % believe they will purchase books in physical bookstores

[4] The retailers can however also get their supplies directly from the publisher.

in the future (1 percentage point down since 2014), and 29 % believe they are going to buy the majority of their books online (4 percentage points up since 2014) (Ipsos MMI, 2015, p. 1). This shows an increase in online book purchasing, even if physical bookstores still have the strongest position on the market.

In recent years, new digital formats for books and audiobooks have also threatened the value of physical bookstores in general. This is because it is paradoxical to sell digital products in a physical store (Benhamou, 2015, p. 125). Understanding the retail sector is central to deciding the conditions for how publishers operate. The retailers are the intermediaries that provide publishers with their channels to market. They are the link between the publishers that produce the books and the customers that consume the books (John B. Thompson, 2005, p. 64).

The expansion of the retail chains has changed the relationship and the balance of power between the retailers and the publishers. As the number of retail actors becomes smaller, they gain greater power and impact with regard to determining the channels to market (John B. Thompson, 2005, p. 70). "As the market share of the national chains grows and the number of independent bookstores declines, the centralized buyers become increasingly important gatekeepers in controlling the channels to market and determining the visibility and sales of books" (John B. Thompson, 2005, pp. 70-71). The retail chains typically focus on commercial bestsellers and bestselling authors. The focus has shifted more and more towards high-profile frontlist titles at the expense of midlist and backlist titles (John B. Thompson, 2005, p. 70).

Online bookstores have opened new channels to market for publishers, but new factors with the online stores have also disrupted traditional practices (John B. Thompson, 2005, p. 2). Online retailers have the opportunity to offer a much larger range of titles compared to physical bookstores. Online retailers therefore tend to have a large and broad range of products and sell a relatively small quantity per product to many different customers. This allows online book retailers to offer backlist titles and more specialized niche books. This business strategy used by many online retailers is called *the long tail*. The term was first used by Chris Anderson in the tech-magazine *Wired* in 2004, and in his 2008 book *The Long Tail: Why The Future of Business Is Selling Less of More*, he further developed the concept. The long tail strategy is therefore the opposite of traditional retailers' business strategies, which is based on selling large quantities of a small selection of products (Anderson, 2008). Amazon is one of the first and the biggest online retailers internationally (John B. Thompson, 2005, p. 2). Amazon is often said to have revolutionized the e-commerce business, and made it one of the most profitable markets in the world today. Amazon is also the most used example of a business with a long tail strategy. In the Norwegian book market, there are several stores that are completely digital, such as

EBOK.no, haugenbok.no and Adlibris.no. In addition to traditional online stores, new types of modern digital bookstores have in recent years also been developed. Storytel is an example of a modern bookstore that offers book consumption in the form of an app where one can subscribe to a streaming service. If one subscribes, one has access to unlimited reading and listening time to the selection of books offered in the service.

While some book retailers only have physical stores and some only have digital stores, being omnichannel has become more common. Omnichannel is a type of business model that includes both online and offline operations. This means the company has both an online store and one or more physical stores. Operating with such a model gives the company the opportunity to offer either fast online transactions or traditional face-to-face service. By offering shopping opportunities both online and in physical stores, the customers have greater flexibility, more choices, more convenience and more services. This type of model is also referred to as 'click and mortar' or 'clicks and bricks' (Investopedia, n.d.-a). All three of the largest bookstore chains in Norway are omnichannel; ARK, Tanum and Norli.

2.1.2. Vertical integration

Three of the most essential stages of the book industry's supply chain have now been presented; publishers, distributors and retailers. In recent years, the Norwegian book industry has been consolidated and is now dominated by a small number of large established organizations who have control of the entire supply chain; publishers, distributors and retailers. E.g. Gyldendal operates in five main areas; publishing, distribution and logistics, retail, book clubs, and publication of dictionaries and encyclopedias (Gyldendal ASA, n.d.).

This business strategy is called *vertical integration*, meaning that a company has expanded its business operation to other stages of the value chain they are operating in. Incentives with vertical integration can be reduced costs, improved efficiency, independence and better control, greater security, and accumulation of market power (Doyle, 2013, p. 48).

There have been several public debates regarding this strong consolidation in the Norwegian book industry. The fact that some organizations control all parts of the value chain have been expressed to be the curse of the industry (Aanstad & Albridge, 2016, 29.06). Real concerns have been raised regarding whether the big organizations are cooperating in silence, and whether independent organizations are being barred and discriminated against. In 2014, The Norwegian Competition Authority conducted raids at the large publishers Aschehoug, Cappelen Damm, Gyldendal and Schibsted, under the suspicion that they were breaking the competition law. This year (2017), they received fines totaling NOK 32 million on the basis that the

Competition Authority believes they have collaborated on a collective boycott of the distributor Interpress, and that they have exchanged competitively sensitive information. All of the publishers deny they have been involved in actions with that intention (Albridge & Nærland, 2017, 22.03).

2.2. New digital offers

The structure of the Norwegian book industry has now been discussed, with a focus on three of the stages in the value chain of a book, namely; publisher, distributor and retailer. Also, the tendency within the industry towards vertical integration has been discussed. Because the focus of this thesis is how bookstores operate to offer new digital products and services, a description of some of the new digital offers in the market will now be provided.

E-books*:* The term 'e-book' (or 'ebook') is a contraction from the phrase 'electronic book', which is exactly what it is; an electronic representation of a book (Sargeant, 2015, p. 457). E-books can be designed as a variety of software platforms, and for the user it is not necessarily evident which platform that is being used. However, EPUB is the most widely supported e-book platform, and is a software platform and digital file type. This term is a contraction of the phrase "electronic publication". There are also other e-book software platforms that are designed for specific computer hardware. The initial Kindle-format for example, could only be used on Kindles (Sargeant, 2015, p. 457). Producers of e-books have the opportunity to implement several types of media content such as audio, animation and video (even though this is not found in most e-books), reading functions, and interactive elements. For publishers and retailers, e-books have strong advantages in that there will be no returns, storage costs, printing costs or shipping costs (Faustino, 2013, p. 66).

Digital audiobooks: Digital audiobooks are audiobooks that are offered in a digital format. One can listen to them on computers, tablets, smartphones or other electronic devices that are made for this particular use. They can be downloaded or streamed, and do not need a CD or other separate physical carriers to be used.

Streaming services: Streaming is the transmission of data, images and audio from a transmitter to one or more receivers. It may involve temporary copying of data in the memory of the receiver's device, but it does not permanently store the received data, as opposed to downloading. Streaming has become very common in the case of music and film/television, and there are now several providers of streaming solutions in the book industry. Especially digital audiobooks have developed to be a popular format for streaming services. Streaming services give the consumers the opportunity to "rent" books, instead of owning them.

E-readers: E-readers, or e-book readers, are mobile electronic devices that are primarily designed to read e-books. They usually have several functions to optimize the reading-experience, such as LED-light and long battery life. Amazon's Kindle is the most familiar example of an e-reader, but the Norwegian book retailer Norli has also developed an e-reading device called the Kibano Digireader (Colbjørnsen, 2014, p. 16).

Reading-apps: The term 'app' is an abbreviation of 'application', and refers to computer software programs that are designed to deliver complex, interactive media-rich content (Sargeant, 2015, p. 59). Apps have the potential to *seamlessly* integrate text, visuals, audio and interaction design, and can be designed for use on any computational device (Sargeant, 2015, p. 459). When e-books were first released in the market, one usually needed an e-reader to read e-books. Now several retailers offer their own reading-apps for smartphones or tablets. The apps usually have an automatic synchronization function so one can use the app on several devices, and one's library of e-books and digital audiobooks will be the same. Many apps also include a dictionary, and enable the adjustment of the font size, the backlighting, night mode and the display's direction. Some offer the possibility to build and organize one's e-book library according to suggested personal preferences. These can be organized according to genre, language, subject or other criteria.

'Klikk & Hent': 'Klikk & Hent' means 'Click & Collect', a service that allows the customers to reserve books in one of the bookstore chain's physical stores via the online store, and collect them in the chosen physical store after an hour. The customers will get the online price, and there are no additional costs. If there is a special offer online, customers that 'click and collect' will be able to get the same offer when they pick up the reserved book in a store.

Self-publishing: An old, international phenomenon that has recently taken on a new twist in the digital online era is self-publishing (Colbjørnsen, 2014, p. 68). Self-publishing is either authors communicating directly with their readers by selling their books through author websites, or, it can refer to book organizations, such as retailers, that have their own portal for self-publishing. EBOK.no launched a self-service portal for self-publishing after only two months in business. This is the only Norwegian bookstore with a publication channel directly for authors and small publishers. Amazon also has a program called Kindle Direct Publishing, that offers a gateway for self-published authors to the dominant e-reading technology. Such a service will eliminate the part of the publisher in the value chain of a book, and could cause the publisher's gatekeeping function to vanish. The author is a self-publisher and publishes the book directly in the retail stage (Colbjørnsen, 2014, p. 67). However, self-published books do not get the benefits that are offered by publishers, such as marketing. The process is the responsibility of the author.

2.3. Norwegian policy instruments relating to literature

The structure of the book industry, as well as the new digital offers on the market have been discussed. The discussion will now turn to Norwegian policy instruments relating to literature. The Norwegian book industry is a regulated industry, with several frameworks of policy, law and regulation. These frameworks will be addressed as they are important premises that shape the industry and the organizations' market conditions and affect how the retailers operate to offer new digital products and services. The Norwegian literature policy aims to facilitate the quality, breadth, diversity and accessibility of literature to readers. It also aims to facilitate a market where small, medium and large national players can compete with global players. To achieve these goals, several policy instruments are implemented in the industry's conditions. In order to understand this in context, the emphasis in assessing the literature policy has been to find the balance between good cultural policies and to facilitate equitable competition (Den norske Forleggerforening, n.d.-d). Two of the most important policy instruments and aspects will be discussed in this section. Other important policy regulations in the book industry are more relevant in relation to the role of libraries and authors, and are therefore outside the scope of this thesis.

2.3.1. The book agreement (Bokavtalen) and fixed book prices

"Bokavtalen" is a voluntary agreement between the Norwegian Publishers Association and the Norwegian Booksellers Association. The provisions of the deal only apply to publishers and booksellers that are members of either association. The agreement aims to preserve and develop the Norwegian language and literature. The Norwegian Publishers Association believes it is the most important policy instrument to ensure readers across the country can access the full breadth of literature available (Den norske Forleggerforening, n.d.-a).

The main element of the agreement is fixed retail prices on new books. This means that each publisher determines the retail price for their books when they are new. The retailers can provide up to 12.5 % discount on this price to the consumers. The fixed price is set from the time of publication until May 1 the following year. After this, the retailers decide the price at which they want to sell the book. The average duration of the fixed price period is nine months. The agreement applies to all types of books (except educational textbooks) in all formats, in all forms of sales and distribution, the first time they are published. There are also other elements of the agreement, such as the obligation to obtain and deliver books, trade and payment terms, and freight and delivery provisions (Den norske Forleggerforening, n.d.-a).

The authorities must approve the agreement every time it is renewed, even if it is a private agreement. This means that "Bokavtalen" is exempt from current competition law, which is justified by cultural policy and the social mission of the industry (Colbjørnsen, 2014, p. 88). Fixed price agreements are not unusual and several countries in the world use this kind of policy instrument. Because the fixed price period is relatively short, and because booksellers still can put a high discount on books bound by the fixed price, the Norwegian fixed price system is one of the most competitive compared to other countries.

The two industry associations behind the book agreement believe having fixed prices contribute to more breadth in the literature. The publishers can effectively cross-subsidize by spending the income from best-sellers to finance niche literature. Thus, all releases do not need to be profitable, but valuable in the terms of Norwegian literary and cultural diversity. In a market with free prices, investing in unknown authors and niche literature will often be too risky. A market with free prices on books will tend to provide cheaper bestsellers and expensive niche literature (Den norske Forleggerforening, n.d.-a). "Put this way, the choice between fixed and free book prices is a choice of value between the cheapest possible new bestseller for the consumer and a book trade that can fulfill other socio-economic and cultural-political demands"[5] (Den norske Forleggerforening, n.d.-a).

Another one of the associations' objectives with regard to fixed prices is to ensure good quality and breadth in the bookstores. Their argument is that the concentration of power on the book market usually has a totally different dynamic in a country with free prices versus fixed prices. The number of publishers and bookstores are often bigger in fixed price markets, and it is easier to compete on quality instead of price for small publishers and bookstores. In free price markets, the big publishers get even bigger, and the small bookstores disappear. When new books have the same price no matter what bookstore one visits, it is natural to go to the bookstore with the best quality and the best supply (Den norske Forleggerforening, n.d.-a).

The agreement on fixed prices has been renegotiated several times since it first was introduced in the 1950s (Colbjørnsen, 2014, p. 88). The regulation has been debated and diverse interests have tried to renegotiate the agreement. Different governments have had different opinions on the effect of the agreement, and the Norwegian Competition Authority has been skeptical to the agreement as it limits the bookstores' ability to compete on price (Gravklev, 2016, 22.01). When the conservative government took office in 2013, it intended to renegotiate

[5] This quote, and all forthcoming quotes originally in Norwegian, are translated into English by me.

the present agreement, and for a while it had an uncertain future. The impact this has had on digital innovation has been discussed, as the market participants were forced to await the new agreement's terms (Colbjørnsen, 2014, p. 89). Whether e-books and other digital book formats should have fixed prices has been another topic of debate. One side, representing small and medium sized publishers believes it is not a good solution to introduce definite pricing mechanisms in an emerging market. The other side, mainly voiced by the three biggest publishers and the Norwegian Publishers Association, believes that all formats should be treated equally. They believe that the bookstores should compete on aspects other than price (Colbjørnsen, 2014, p. 89).

2.3.2. Tax exemption

There are no taxes on printed books and audiobooks in Norway, and there have not been since the 1960s. On e-books, however, a 25 % VAT (value-added tax) is imposed. The objective of the tax exemption is to ensure that readers can access to books at an affordable price, and give the publishers the opportunity to release niche literature (Den norske Forleggerforening, n.d.-c).

The Norwegian Publishers Association believes the objectives of the tax exemption should also be valid for e-books. They are working to ensure that the exemption will apply for literature in all formats as the e-book market in Norway is growing steadily, and the supply of e-books is getting bigger. However, without the same premises in the current tax scheme, it is challenging for the industry to develop a competitive and sustainable e-book market. The difference in prices on printed books versus e-books is not as big as consumers demand and the difference is much smaller than in other countries. This makes the Norwegian e-book market less competitive, especially with regard to international markets. Several consumers buy the English version of an e-book instead of the Norwegian version as it is usually much cheaper. This weakens the Norwegian language and related cultural-political objectives. A study done by Oslo Economics in 2014 shows that a technology neutral tax rate of 0 % would best protect the literary politics and that the book sales would increase regardless of consumer preferences on format, while the socio-economic profit would also be maximized (Den norske Forleggerforening, n.d.-c). The issue of tax exemption on printed and digital books has been widely debated across Europe, where a variety of different policies and practices apply (Colbjørnsen, 2014, p. 87).

The structure of the book industry, combined with state and industry literature policy represent fundaments that shape the framework for how actors in the market operate. Some of the most essential stages in the value chain of a book, structural tendencies, and literature policies have been discussed in this section. I have also described some of the new digital offers in the market. This overview is important in order to further discuss how the retailers in the Norwegian book industry are implementing different approaches to offering new digital products and services. This discussion is presented in the three analytical chapters of this thesis (5-7). First, however, theories of media innovation will be addressed in the next chapter. Media innovation theories can be used to review innovative actions in retrospect. Such theories will be discussed in the next section, as well as the characteristics of media innovation that illustrate that media innovations are multidimensional and risky products that develops as interactive, long-term processes that go beyond the control of particular media organizations (Dogruel, 2014).

3 Theoretical framework: Media innovation

Theories of media innovation represent the theoretical framework of this thesis. In this chapter, theoretical perspectives and terminology used in the thesis or relevant for the thesis, will be established. Innovation has been one of the core constructs applied to handling challenges caused by changing economic, social and technological situations, and to the potential to adapt to highly competitive markets (Dogruel, 2014, p. 52). The internet has obviously been a game-changer for the whole media industry, and the book industry is no exception. The introduction of disruptive technologies such as the e-book, followed by smartphones and tablets, have posed further challenges. There have also been essential changes in user behavior. There is an increasing demand for quality in services as users become more capable and creative in their use of technology. Following these changes in technology and user behavior have been very challenging to many traditional institutions (Culén & Gasparini, 2015, p. 1).

Media products represent cultural and economic goods at the same time. This means that media products are characterized by distinct features that distinguish them from other economic goods. Several media products are goods based on experience, making them limited marketable goods. Features like these restrict a direct transfer of traditional economic theories and innovation theories to the field of media economics and media innovation (Dogruel, 2014, p. 53). Researching media innovation involves interest in different aspects of the innovations. One can be interested in production systems, the content, and the reception and use of media products and services. Therefore, one should use theories that relate to the specific areas of the field one is studying (Lüders, 2015, p. 2).

The research questions of this thesis are angled towards with an interest in what the *bookstores* are doing. However, to understand what bookstores are doing, one must also understand the factors that affect the situations the bookstores are facing and creating. Therefore, the theories used aim to contribute to the understanding of how Norwegian bookstores are affected by digital changes in the market, how they adapt to these changes, in addition to how they in turn cause change.

First, a definition of innovation in general will be given (3.1), as well as some theories that can be linked to innovation. Then I will concentrate on *media innovation* (3.2). Regarding media innovation, I will discuss two theories; the four Ps of media innovation, and the characteristics of media innovation. The four Ps of media innovation, as well as the theories in 3.1, are theories that can be linked to what the market actors themselves are changing in order for something to be considered an innovation. These are theories derived from changes that are within the market actors' control, at least to a certain extent. Leyla Dogruel's characteristics of media innovation on the other hand, "[…] highlights the importance of approaching media innovation development as interactive, long-term processes that go beyond the control of particular media organizations." (2014, p. 52). Therefore, I will discuss both theories regarding to what the market participants are doing, or how they wish to do to be innovative, as well as theories regarding the complexities they must consider, that are beyond their control and might create challenges for being innovative.

3.1. Innovation and innovation theories

Innovation is often associated with invention. However, while an invention is a new idea or a new theoretical model, innovation is about applying these new ideas on a market and in a social context. Innovation can thus be understood as introducing something new to the socioeconomic system. By *new* it does not necessarily mean an invention, but a new combination of existing ideas, competences and resources. To be categorized as an innovation, it must have an additional economic or social impact (Storsul & Krumsvik, 2013, pp. 14, 17). Discussing innovation for commercial products and services, one implies that the product or service has been introduced to the market and used by the end users. An innovation is only an innovation if it has been used and has added value to the end user (Lüders, 2015, p. 2). All organizations must at some point innovate to remain competitive in their market and to respond to technological advancement (Küng, 2013, p. 10). To study innovations, one must have a prolonged approach, as an innovation must already be implemented, applied and experienced to be an innovation. Even if a change happens seemingly quickly in a market, there is a long process of change behind it. Especially studying media products; the products and services are in constant change, as are people's media habits (Lüders, 2015, p. 5).

Joseph Schumpeter was one of the first theorists that has been influential in his theorization of innovation. He was an economist and the role of innovation in economic growth was one of the most common themes in Schumpeter's writings. Already in 1934, he discussed five types of innovation; new product, process (new method of production), new markets/business models, source of supply/raw materials, and organizational forms (1983 [1934], p. 66). There is a close relationship between innovation and economics; innovations are considered as ever-evolving developments that change the market and economics of how the industry can adapt and meet the consequences of these new changes. Or, the other way around; when changing market structures force industries to innovate to keep up. Since Schumpeter first introduced his theory, the study of innovation has been an important aspect of the field of economics.

Innovations can be gradual or fundamental changes, and there are many terms that have been used to describe this dimension (Storsul & Krumsvik, 2013, p. 17). *Radical* and *incremental* innovation is by the Schumpeterian tradition one of the main dichotomies of this gradation. Incremental innovation refers to gradual process, where gradual improvements lead one innovation to build on another (Storsul & Krumsvik, 2013, p. 17) Radical innovation, on the other hand, has extensive consequences that may change the economy through creative destruction. Schumpeter defines creative destruction as "process of industrial mutation […] that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one." (1994 [1942], p. 83). Gillian Doyle understands Schumpeter's theory of *creative destruction* in relation to the media, as a process that happens when new technologies develop and new innovations emerge, which force existing businesses to either adapt or dissolve[6] (2013, pp. 26-28).

Another binary gradation of innovation, is *sustaining* and *disruptive innovations*, which were first introduced by Clayton Christensen (1997). Disruptive innovation is one particular kind of radical innovation and is the consequence of innovation that disrupts an existing market and revolutionizes traditional business models. This kind of innovation is developed by a smaller company with fewer resources, but successfully challenge established incumbent companies (Christensen, Raynor, & McDonald, 2015). In the beginning, disruptive innovations seem inferior and generally underperform established products in mainstream markets, but over time take over entire markets (Christensen, 1997, p. xv). The innovations usually have other features that a certain customer group values. The established businesses in these cases focus on improving their products or services for their most demanding and profitable customers, to make these customers even more profitable, but in the process the needs of other customer groups are ignored (Christensen et al., 2015). Disruptive technologies are typically simpler, cheaper, more convenient and more reliable than established technologies, which are exactly the features some customer groups are demanding (Christensen, 1997, p. 192). "When mainstream customers start adopting the entrants' offerings in volume, disruption has occurred." (Christensen et al., 2015).

Sustaining innovations are technologies that foster improved product performance and most technological advances in a given industry are sustaining in character. These innovations can be either radical or incremental in nature, but what they all have in common is that they improve the performance of established products that have historically been valued by mainstream customers in major markets (Christensen, 1997, p. xv). No matter how radically difficult sustaining technologies are, they are rarely the reason for the failure of leading firms.

[6] However, Schumpeter's theory on creative destruction can be understood in a wider perennial context.

This is the essential difference between sustaining and disruptive innovations; sustaining innovations have improved product performance and rarely lead to failure for established companies, while disruptive innovations usually have worse product performance (at least in near term), but are still often the reason for established companies' failure (Christensen, 1997, p. xv).

"The innovator's dilemma", which is also the title of Christensen's first book (1997), describes how established and well-managed companies continue to improve what made them succeed in the first place, ignoring other possibilities, and can therefore be the reason why they can fail even though they are "doing everything right". This theory has however been widely misunderstood and misapplied. The theory of disruptive innovations does not simply apply to any industry that has been shaken up or any shifting market (Christensen et al., 2015). In the media industry, as well as in many other industries, incremental or sustaining innovations are the most common.

Francis and Bessant (2005) were the first to define the four-dimensional set of innovation types that are referred to as *the four Ps of innovation targeting*. Innovation is not limited to improving a product or service, but can be targeted in four main ways, according to Francis and Bessant. These four ways of targeting innovation include the introduction or improvement of *products*, the introduction or improvement of *processes*, the definition or re-definition of the *positioning* of an organization or products, and the definition or re-definition of the dominant *paradigm* of the organization. These categories are not mutually exclusive, meaning that an innovation can fit under several of the four Ps. The boundaries between the categories are also rather ambiguous and they can often be linked together (Francis & Bessant, 2005, p. 172). These four Ps of innovation will be further discussed in relation to media innovations specifically in the next section.

3.2. Media innovation

The media industry has always been in a position where innovation is essential. Innovation and technological advances are closely linked, and as the pace of technological advances has increased, so has the urgency for innovations within the media industry (Küng, 2013, p. 9). Technological advances create new possibilities in the media industry that leads to new products and services, but it also impacts business models that are disrupted by new technology.
Media researchers often study technological developments with a constructivist approach. Meaning one is considering the social and societal context to understand how technology develops, as these factors affect the development (Lüders, 2015, p. 2). Media innovation is therefore about more than just technological change. Media innovation can among other things

be new media platforms, new ways of producing media text and new business models (Storsul & Krumsvik, 2013, p. 16). The key influences on media innovation include: technology, user behavior, competitor behavior, regulation, industry norms, organizational structure, capacity and resources, and culture and creativity (Storsul & Krumsvik, 2013, p. 13).

Even though most media innovations are sustaining or incremental, some media innovations have had bigger changes and bigger consequences. Digitization and the emergence of the internet are extensive, or radical, innovations that have led to several other innovations. This includes the transition of music distribution from CDs to streaming, the way television viewing has moved more away from scheduled TV and more towards on-demand TV, and the way Google and Facebook have challenged advertising strategies (Storsul & Krumsvik, 2013, p. 18).

The following sections will present theories based on innovative changes in the media industry, as well as the characteristics of media innovation. Examples of developments in different media industries will be used, and in the analysis, I will use these concepts in relation to the book industry.

3.2.1. The four Ps of media innovation

Storsul and Krumsvik (2013) take Francis and Bessant's four Ps of innovation (what is new) and apply them to the media sector:

Product innovation relates to changes, updates, redesigns or reengineering of the products or services that are offered by an organization. Related to media, product innovation includes the innovation of new media platforms such as the iPad and other tablets, smartphones and e-readers, or new media services such as Netflix, Spotify or apps (Storsul & Krumsvik, 2013, p. 16).

Process innovation relates to changes in how products and services are created and delivered. These relate to improvements in efficiency or ease of use. Also media organizations change how they are organizing their activities, but this can also include processes that are happening outside the organizations and institutions that are for example driven by the increasing user involvement (Storsul & Krumsvik, 2013, p. 16).

Position innovation relates to changes in how products and services are positioned or framed in the market. Media, marketing, advertising etc. are used to manage identities and reposition brands, products or services. A magazine or a TV channel could for example be repositioning itself to try and reach a new target audience (Storsul & Krumsvik, 2013, p. 16).

Paradigmatic innovation changes where, how and/or why the product is used. For example, it can relate to changes in an organization's values, mindset or business models. Digitization has had a large effect on paradigmatic innovation in the media industry. The shift from CD to streaming services in the music industry represented a paradigmatic innovation. Because of this development, media organizations are more concerned than ever with finding sustainable business models for online services (Storsul & Krumsvik, 2013, p. 17).

The four Ps of innovation are, however, according to Storsul and Krumsvik not sufficient to cover all sorts of media innovation. Therefore, *social innovation* is added as a type of innovation that meets social needs and improve people's lives (Ní Bhroin, 2013). This type of innovation can be using existing products or services in new ways to promote social objectives. Some might argue it is unnecessary to add social innovation as its own category, as all innovations' bottom line are about making something better and more useful (Lüders, 2015, p. 3).

This classification demonstrates the scope of what is considered as media innovations by showing that not only new media products or technology products are media innovations, but also new services, organizational changes, new business models and new organizational mentalities (Dogruel, 2014, p. 54).

As mentioned in the introduction, the three sub-research questions can be related to the four Ps of innovation:

Sub-question 1 – product innovation and process innovation: The first sub-question seeks to explore *which* new products and services the bookstores offer, *how* they offer them, and *what* they want to do with them. Which new products and services that are offered are connected to *product innovation*; changes, updates, redesigns or reengineering in the products or services that are offered by the bookstores. How the new products and services are offered can be related to *process innovation*; changes in how products and services are created and delivered, such as digital bookstores and services where one can obtain literature.

Sub-question 2 – position innovation: The second sub-question seeks to explore how the bookstores market their digital products and services. It will explore how the bookstores perceive their audience based on new ways for the customers to discover and experience their offers, and how this affects the course of their marketing of digital products and services. *Position innovation* is changes in how products and services are position or framed in a market. Media, marketing, advertising etc. can be used to reposition their brand, products or services, or how the bookstores try to reach new target audiences.

Sub-question 3 – paradigmatic innovation: Finally, the third sub-question will explore how the bookstores relate to opportunities and challenges of digital technology, and will particularly focus on 1) how the bookstores relate to any synergy effects at the intersection between physical and digital, in terms of stores and products/services, and 2) how the bookstores seek to facilitate seamlessness within their digital channels. *Paradigmatic innovation* in the media industry has been strongly affected by digitization, and media organizations are more concerned than ever with finding sustainable business models for online services. The book industry is no exception and the Norwegian book industry has especially felt the pressure. Paradigmatic innovation can be changes in where, how and/or why the product is used, for example in organization's values, mindset or business models. In relation to the research question, the opportunities and challenges of digital technology can be connected to the factors of paradigmatic innovation described here.

The four Ps of (media) innovation are not definite or exclusive categories; an innovation can be categorized as one or more of the four Ps, as there might be overlap in the categories and an innovation might be the result of new aspects in several of the categories. However, the connection between the different Ps and the sub-research questions laid out above will be used as a basis for the analysis in this thesis.

To this point, I have addressed and discussed theories of innovation and media innovation that can be connected to what the market participants change in order for something to be considered an innovation; changes the market participants, at least to a certain extent, are in control of. I will now turn to characteristics of media innovation that define media innovation as interactive, long-term processes that go beyond the control of market participants (Dogruel, 2014, p. 52). These characteristics create an overview of some of the many opportunities and challenges of maneuvering and being innovative in a complex landscape. Leyla Dogruel's analysis of media innovations' characteristics refers to existing approaches studying new media phenomena as innovation. Storsul and Krumsvik (2013), including their classification of the four Ps of innovation, are one of the approaches her analysis is based on. She also uses approaches from media economics, media management, cultural and creative industries, as well as media history, to apply a broad understanding of media innovation and the different factors and complexities that affect media innovation (Dogruel, 2014, p. 54).

3.2.2. Characteristics of media innovation

Leyla Dogruel presents eight attributes that distinguish media innovation from other types of innovation in her paper *What is so Special about Media Innovations? A Characterization of the Field*; "These attributes refer to media innovations both as products and as processes. They characterize media innovations as multidimensional and risky products and highlight the importance of approaching media innovation development as interactive, long-term processes that go beyond the control of particular media organizations." (Dogruel, 2014, p. 52). Dogruel further divides these attributes into two groups: a) attributes that mainly refer to the characterization of media innovations as objects of research and b) attributes focusing on analyzing media innovation processes (Dogruel, 2014, p. 55). Dogruel's characterization of media innovation shows some of the challenges media organizations might face that are beyond their control. There are a number of factors that affect these developments, and this characterization helps to understand the challenges of maneuvering in such a complex landscape.

a) Characterization of media innovations as objects of research

The first characteristic that is typical to studying media content as innovation is the continuous need for newness (Dogruel, 2014, p. 55). After the first consumption of a media product, the utility declines. Therefore, most media content has a short life cycle (Lobigs & Siegert, 2008, in Dogruel, 2014, p. 55). Even though every new film or book title for example could meet the attributes of an innovation, as they combine a new configuration of production factors such as content, organization, actors etc., the concept of media innovation needs to distinguish media innovations from these routinely produced media products. Instead, the definition of a media innovation should rather be new products and services that include considerable changes with respect to format, design, function and/or applicability (Dogruel, 2014, p. 55).

Secondly, the development and production of new media products or services require large financial investments, and have the risk of sunk costs in the case of failure. They can therefore be classified as high risk products and processes (Lobigs & Siegert, 2008, in Dogruel, 2014, p. 56). Because of the high risk of sunk costs in the case of failure, the media industry is often seen as less innovative. There are also other related aspects of innovation processes that underline the consideration of media innovations as risky. Because the acceptance of media innovations mostly relies on the process of social appropriation, it is hard to predict the success of media innovations; challenging the management of the innovation process (Dogruel, 2014, p. 56).

Third, media objects are multidimensional and cannot be limited to either technical or content-related elements, and media innovations are thus characterized by a close interaction between intangible or creative and technological or organizational aspects of innovation (Caves, 2000, in Dogruel, 2014, p. 56). Schweizer (2003) for example demonstrates that e-books mix intangible/stylistic and technological innovation in her analysis of the publishing sector.

Fourth, in a classification of media innovations, several media innovations can be categorized both as a product and as a process. New media technologies especially include both a product aspect and a process aspect in media organizations. This includes smartphones, tablets and apps, as well as for example a search engine (Dogruel, 2014, p. 57).

b) Characteristics of media innovations as processes

The fifth attribute is concerned with the differentiation of phases within the innovation process. There are theories on innovation that describe the phases of an innovation process, but these processes are often described as more linear than what they actually are. Media innovations are especially characterized by an interconnection of the innovation and diffusion/appropriation phase. The innovation process is therefore often an interactive process, which includes feedback loops and the spreading of relevant knowledge throughout the development process. The economic significance usually changes as well (Dogruel, 2014, p. 59). User-involvement is also typical for the media sector, especially in recent years, and user-sided appropriation and redesign processes can lead to radical shifts in the design of a product, its position and user-patterns. Therefore, the media innovation process is not limited to media professionals (Dogruel, 2014, p. 59).

Sixth, media innovations often exceed the boundaries of traditional product life cycles. The adaption process of media innovations is crucial to the complex phases of development. It can be a time-consuming process for an innovation to reach the right appropriation, as it requires the establishment of user-habits and social norms integrating these media in new communication contexts (Dogruel, 2014, pp. 59-60).

Seventh, the processes of media innovations are often characterized by close interaction between established media. The beginning of new media often imitate current formats and ways of use of already existing media. Media innovation often emerges from convergence processes (Dogruel, 2014, p. 60). Lucy Küng (2013) points out that the combination of existing elements is a more frequent strategy in the media industry than pure innovation. The diffusion and acceptance of media innovations in a market are also linked to already existing media; they are confronted with an existing variety of media that are also struggling to survive against new rivalry. This might lead to existing media needing to change and adjust their design, functions, business models or use modes (Dogruel, 2014, p. 60). An example of the requirement for such change relates to the situation confronting the music industry after digital solutions such as streaming services emerged on the market (Dogruel, 2014, p. 60).

The eighth and last attribute of media innovation defined by Dogruel refers to the final stages of the innovation process; the diffusion and consequences. Media industries are not only economical, but also political and cultural industries. Therefore, media innovations contribute to economic and social change processes, and thus have characteristics of both economic and social innovations. Media innovations may have economic value, as well as the ability to impact an individual's, an organization's and a society's communication capacities. Media innovations are not solely oriented towards economic exploitation, as innovation theories in general often indicate. In the beginning of some media innovations, such as social media, the development might be focused on exploring the new media's functions, design and user modes, while economic utilization evolves over time. It is therefore important to approach media innovations as both economic and social innovations (Dogruel, 2014, p. 61).

Dogruel argues that media innovations must be studied in relation to interactions of tangible and intangible parts, and as media innovations that appeal to changes in their functional performance rather than to their new content as in new book, film, or video game titles (Dogruel, 2014, p. 62). Dogruel's eight attributes demonstrate that media innovations are multidimensional, interactive, and long-term processes that go beyond the control of particular media organizations, and that media innovation research must consider the different dimensions media innovations refer to, including new technological, organizational, and content-related aspects of media. The different dimensions of media innovations can also relate to the four types of innovation (the 4 Ps) first defined by Francis and Bessant (2005), and in relation to media innovation by Storsul and Krumsvik (2013). In summary: "Media innovations can be distinguished by (a) the underlying dimension of change (technological, content/design-oriented, functional, organizational) and (b) the object in which this area of change is implemented (e.g., product, process, position and paradigm innovation)." (Dogruel, 2014, p. 62). As we will see in the analysis, all these dimensions can be connected in different ways when studying innovations in the book industry. Some of these dimensions are within the control of the bookstores when operating innovatively, while others are beyond their control. But before we turn to the three analytical chapters, the methodological approach and the methodological concerns of this thesis will be addressed and discussed in the next chapter.

4 Methodology

4.1. Research design: qualitative approaches

The purpose of this study is to explore and understand how Norwegian bookstores implement different approaches to offering new digital products and services. To adequately answer the research questions I am interested in, the methodology of the study is based on three qualitative methods. First, I established a preliminary overview where I identified and categorized the main providers in the Norwegian book industry and their offers, based on information openly available to their customers. With this as a starting point I gained a fundamental overview of the industry and decided which market participants were the most valuable objects of study. Second, I used public reports from the industry as supplements to gain statistics and to get an overview of how digital developments in the industry have previously been studied and perceived. The third and most important, was data collection via qualitative and semi-structured interviews. The interviews were conducted with employees in the administration of four different Norwegian bookstores. The employees were either responsible for web and digital solutions in their organization, or CEOs also responsible for web and digital solutions.

Both of the methods initially described above helped generate questions for the interviews. An overview of the industry as well as reports from the industry have been a crucial supplement to the research ensuring that all of the data did not come directly from the bookstores. The bookstores themselves might be biased and have a different perception of the situation. The goal is not to statistically test hypothesis, nor generalize, but to *describe* and *explore* how Norwegian bookstores implement different approaches to offering new digital products and services.

4.1.1. Identification, categorization and an overview of market participants

First, I established a preliminary overview and categorization of the offers of the main retail providers, based on information openly available to their consumers. To find out how the market participants that were my objects of study were operating to offer digital products and services, a natural starting point was to observe what they were actually doing to organize and position themselves in the market, and what products and services they were offering.

This overview functioned as a preliminary study, and several aspects and stages of the main research process were decided based on this. The overview includes seven market participants; ARK, Tanum, Norli, Libris, Haugenbok.no, EBOK.no and Storytel. The generic research question had already been created in the initial research project description, but the three sub-research questions that would answer the generic question were created after the overview of the main book retail providers was implemented. This overview therefore generated research questions, and identified which of the market participants that were most interesting to study further in relation to the research questions. Four out of seven market participants were selected for further analysis in the qualitative interviews, and comprise the main objects of this study. This will be further elaborated in section 4.1.3.

All the seven market participants in the overview were identified as central providers of literature in the Norwegian book market and were mapped in relation to owner situation, number of stores, type of stores, type of offers, and their public representation. The content in online stores, reading-apps and e-readers, as well as public goals and desires were elaborated. Perceptions of the degrees of innovation and economic situations were also studied. All of these factors were explored to create a picture of the market position of these actors with particular regard to how they operate to offer digital products and services. All providers were categorized according to their digital offerings in the form of either a product or a service, either as a commodity or as a channel, or tool for sales or information. These digital offers were defined beforehand and gave grounds for the description provided in chapter 2.

	ARK BOKHANDEL	tanum.no	norli	libris	HAUGENBOK.NO	ebok.no	storytel
Online store	✓	✓	✓		✓	✓	✓
Physical store	✓	✓	✓	✓			
'Klikk&Hent'	✓	✓	✓				
E-books	✓	✓	✓		✓	✓	✓
Digital audiobooks	✓	✓	✓			✓	✓
Reading-app	✓	✓	✓			✓	✓
E-reader(s)			✓				
Streaming service						✓*	✓
Electronic newsletters	✓	✓	✓		✓	✓	✓
Facebook-page(s)	✓	✓	✓	✓	✓	✓	✓
Self-publishing portal						✓	

*Table 1: A selection of Norwegian bookstores' offerings of digital products and services in March 2016 (blue cells symbolize that the given bookstore offers the given product or service) *Launched during the course of the study*

Table 1 gives an overview of the Norwegian bookstores' digital products and services offerings. This table will be further discussed in the analysis in chapter 5, based on the four bookstores that are the objects of this study.

The overview of the market participants was produced during the spring in 2016. It was one of the first stages in the process of the research and was the first phase of data collection. Some of the information gained from this overview is visible in the chapter 2 and in the three analytical chapters, while other information gathered impacts the thesis in less explicit ways such as informing the development of research questions, the most valuable objects of study, and generating questions for the interviews.

4.1.2. Document analysis of industry reports

Public reports from the industry were used as supplements to get an overview of how digital developments in the industry have previously been studied and perceived. Since there is not much previous research or written theory on the subject, industry reports become useful to obtain this understanding. Statistics from the reports have especially been useful.

Document analyses give insight and information about a subject matter recorded at a particular time and a particular place, so the purpose of this analysis is to get official numbers and gain information about the industry from political viewpoints and previously studied conditions. It is important to be aware of the contexts of the reports when studying them; when and where they are made, by whom are they made, and who are the intended receives. Therefore I have assessed and reflected on the credibility of the documents and the intentions of the authors when studying the reports (Karppinen & Moe, 2012, p. 186). Specific analysis techniques have not been used to study the reports, but they have been used to gain supplementary and relevant information on the industry. This is usual in document analysis when considering the documents primarily as sources, rather than being interested in the documents' qualities as texts in themselves (Karppinen & Moe, 2012, p. 185).

<u>The following reports have been used as supplementary material:</u>

- Arts Council Norway: Halmrast, Kavli, Nilsen & Sjøvold, 2016: *Litteratur i tall 2014 (Literature in numbers 2014[7])*
- Arts Council Norway: Øyvind Prytz, 2013: *Litteratur i digitale omgivelser (Literature in digital surroundings)*

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[7] All the report names are translated into English by me.

- Ministry of Culture: Oslo Economics, 2011: *Utredning om litteratur- og språkpolitiske virkemidler (Examination of literature and language policy instruments)*
- Statistics Norway: Odd Frank Vaage, 2017: *Norsk mediebarometer 2016 (Norwegian media barometer 2016)*
- The Norwegian Booksellers Association, 2016: *Bokhandlerøkonomien 2014 (The bookstore economy 2014)*
- The Norwegian Booksellers Association: Ipsos MMI, 2015: *Bokkjøp og handelskanaler (Juni 2015) (Book purchases and trading channels (June 2015))*
- The Norwegian Booksellers Association & The Norwegian Publishers Association: Ipsos MMI, 2016: *Leserundersøkelsen 2016. Lesing, kjøp & handelskanaler (The reader's survey 2016. Reading, purchases and trading channels)*

4.1.3. Semi-structured elite interviews

A qualitative research interview is an interpersonal situation based on a topic of mutual interest between the interviewer and the interviewee. Knowledge in a qualitative interview is produced in the social interaction between the interviewer and the interviewee. The quality of the data produced in interviews is dependent on the interviewer's knowledge of the subject matter, interviewing skills and personal judgement (Kvale & Brinkmann, 2009, pp. 82, 123). Kvale and Brinkmann defines *seven stages of an interview investigation*, which includes; 1. Thematizing, 2. Designing, 3. Interviewing, 4. Transcribing, 5. Analyzing, 6. Verifying, and 7. Reporting. I employed all seven stages in the process of the interview investigation, and most stages will be discussed in this chapter (Kvale & Brinkmann, 2009, p. 102).

The purpose of the interviews in this project was to gain direct information from the sources themselves; the bookstores. Interviews with employees from the bookstores with powerful and decision-making positions, as well as substantial knowledge about the organization and its digital strategies, were therefore essential informants to answer what do the bookstores themselves take into consideration when they make strategic decisions, and what are the elite-employees' thoughts regarding their bookstores' positioning in the digital age.

Elite interviews:

Interviews with persons who are either leaders or experts within a community or field are called elite interviews (Kvale & Brinkmann, 2009, p. 147). The interview subjects in this thesis are experts in their field with powerful positions within their firm where they make essential decisions and strategies on behalf of the firm. Consequently the interviews in this study are elite interviews.

There are a number of challenges one might meet when conducting elite interviews. First of all, it might be difficult to obtain access to the interviewees. They usually have positions that give them very busy schedules. Because of their strong positions and expertise on their field, it is important for the interviewer to have knowledge on the topic and to communicate in technical terms used within the field to gain respect from the interviewee. Elite interviewees might also be especially prepared with regard to how they want to communicate their position or the firm they represent. Therefore, the interviewer requires interview skills to get past this to get interesting conversations and answers from the interviewee (Kvale & Brinkmann 2009: 147). I had an advantage in that I have worked in a bookstore for five years, and therefore have knowledge and experience from the industry, as well as first hand-experience of digital developments in the industry. This meant that the subjects did not need to use unnecessary time explaining contexts and practices in the book industry that I was already familiar with. They did not need to patronize me as much, as might have happened in an interview with a less enlightened and experienced interviewer. I had also previously conducted research interviews in relation to another assignment, so the practice of interviwing was not unfamiliar.

4.1.3.1. Selection

Selection of objects of study

The objects of study are market participants in the Norwegian book market, and it was important to ensure diversity among the objects of study that would represent different segments of book retailers. Out of the seven market participants in the preliminary overview, four were selected as the objects of study, and represented two of the biggest omnichannel bookstore chains, one online store solely for e-books and digital audiobooks, and one streaming service for e-books and digital audiobooks.

Objects of study:

ARK Bokhandel AS

Omnichannel bookstore chain (online and physical stores and products/services)

Tanum AS

Omnichannel bookstore chain (online and physical stores and products/services)

EBOK.no (Vb Bok AS avd. Ebok No)

Online bookstore and streaming service (exclusively e-books and digital audiobooks)

Storytel AS

Streaming service (e-books and digital audiobooks)

These bookstores represent four out of seven of the bookstores included in the preliminary overview, and were strategically chosen.[8] ARK and Tanum were chosen as they are two of the biggest retail actors in the total book market in Norway. They are both established bookstores with both physical and digital sales channels, which provide both physical and digital products.

ARK communicates a very offensive approach to being innovative, while at the same time preserving their traditional bookstores. It is also the bookstore with the largest market share, and was therefore a natural choice.

Tanum is another one of the largest retail chains on the market and is owned by Cappelen Damm. Norli is also omnichannel, but was not chosen as three of the same types of retailer would overweigh the other types of retailers, and I wanted to ensure diversity among the objects of study. There are two reasons why Tanum was chosen over Norli. 1) Norli is administrated by the same holding company that administrates Libris, Norli Libris AS. It has a complicated ownership structure with Libris, and is not independent from Libris in strategic decisions. Both bookstores share mutual category, marketing, accounting and IT departments. Libris is not omnichannel and has very little digital offers (as can be seen in figure 2), and was therefore not as interesting to study. 2) Storytel, which is another object of study, is like Tanum also partly owned by Cappelen Damm, and the intention was therefore that it would be interesting to study two different sales channels from the same owner.

EBOK.no and Storytel are relatively new bookstores with new business models, and are solely digital, both in retail solutions and products offered. Both bookstores were therefore valuable objects of study. EBOK.no is the largest Norwegian provider of digital literature, and offers digital literature via two business models: traditional online retail and a subscription service. Storytel only has the subscription model, and offers primarily digital audiobooks in addition to some e-books.

Selection of interview subjects

The interview subjects were representatives from the four objects of study, responsible for sales strategies and digital strategies. In the two smallest bookstore organizations, the interviews were with the CEOs.

A very common question in the setting of qualitative interviews is: *how many interview subjects does one need?* Kvale and Brinkman's answer to that question is: "Interview as many

[8] Haugenbok was intended to be included in the study, but no one from the organization was available for an interview, which is a risk when doing elite interviews. Since the interviews is the most significant data collection in the study, the market participant was excluded from the analysis.

subjects as necessary to find out what you need to know." (Kvale & Brinkmann, 2009, p. 113). It is difficult or even impossible to generalize, test hypotheses of differences among groups or make statistical generalizations if the number of interview subjects is too small. If the number is too large, however, the amount of material and time consumed will hardly leave enough time for penetrating analyses of the interviews. Therefore, the number of subjects is dependent on the purpose of the study.

Instead of having as many interview subjects as possible, I decided it was more valuable to spend more time preparing each interview and more time doing penetrating analyses, as the aim is to *describe* and *explore* how Norwegian bookstores are implementing different approaches of offering new digital products and services. "Perhaps as a defensive overreaction, some qualitative interview studies appear to be designed on a misunderstood quantitative presupposition – the more interviews, the more scientific." (Kvale & Brinkmann, 2009, p. 113). I did not believe that the more interviews, the better, was the case for the purposes of this project. As mentioned above, it was also important to ensure a diversity among the objects of study that would represent different segments of book retailers. One interview subject was selected to represent each object of study. I considered reaching out to several subjects from each object of study, but the interviews were with the representatives I considered the most relevant and knowledgeable on the topics of the thesis, and each interview generated even more valuable information, insights and reflections than I hoped for beforehand. Therefore, I was satisfied with the nature of the data gathered after the interviews were conducted and during the processing and analyzing of the material. If I had more time and resources, I would extend this penetrating analysis to several more of the actors in the industry in order to give a broader picture of the Norwegian book retailers. This would enhance the significance of my contribution. However, given the resource and time constraints I was operating within, it was necessary to impose limitations in this regard.

It was important first to be sure that the interview subjects were in a position where he or she were the most relevant for the purposes of the study. In the two large bookstore chains, ARK and Tanum, I was interested in interviewing someone who worked directly with the web and digital strategies. In the two smaller organizations, Storytel and EBOK.no, the CEOs were the better choice as they take part in basically all processes and decisions in the organization as there are only a handful of people working with the stores, and their comprehensive knowledge of the organizations would provide me the most extensive information.

To recruit the interview subjects, I used slightly different approaches. I had received one of the informants' contact information through a mutual contact in the industry. Two of the informants had public contact information. Contact information to the last informant was received through one of the other informants, as both of their organizations were owned by the same publishing house. I had tried to gain contact with the organization without luck, so it was very convenient to ask the other informant to suggest a relevant informant from the desired organization. E-mails were sent to the informants with an introduction to the project and why I considered that each contact would be a valuable informant for the research. I included an information letter with further information about the project and the purpose of the research, what it would mean to participate in the research, and what would happen with the information they would provide, as well as ethical considerations. The letter also included a consent form at the end.

4.1.3.2. Designing the interview guide

Semi structured interviews

A semi-structured interview allows flexibility in the interview in terms of question order and follow-up questions, but at the same time it keeps a structured frame that makes the interview efficient and on track (Kvale & Brinkmann, 2009, p. 130).

Semi-structured interview guides were constructed before each interview. Several of the same questions were asked to all interviewees, but as the interviewees represented different types of retail actors and because some research questions applied more to some of the objects of study, a share of each interview guide was specified to each interview. The interview guides were divided into sections with introductory questions, questions relevant to the research questions, as well as other questions regarding innovation (theoretical perspective), economics and questions that wrapped up the interviews (see appendix 1).

The interview guides were used constructively, but sometimes the interviews took a slightly different course and sometimes the order of the questions was changed. Follow-up questions were also frequently asked. I kept track of the questions that were already covered and the ones that could be excluded. Almost all of the questions were open-ended questions that allowed for alternative answers and explanations, apart from a few short, direct questions with the purpose of establishing fundamental facts. The open-ended questions were, however, limited not to evoke overly long answers and explanations. To set the background for the upcoming question, some questions were preceded by me talking about the situation the object of study is in, some observations from the industry, or some theoretical perspectives.

Even though some minor changes were applied to the interview guides from interview to interview, I was generally pleased with all the interview guides as they provided me the right information, they were well received by the informants, and a good flow was kept during the interviews. The questions seemed to engage the informants and stimulate them to share how they work in their organizations and their perceptions of the digital changes in the book industry. Some informants even gave me feedback both during and after the interview on how they perceived the project as an interesting and serious one, and how the good questions made them want to talk about even more than I asked for.

4.1.3.3. Conducting interviews

I conducted four semi-structured interviews, all between 45 minutes and 75 minutes. All interviews took place at the interviewee's workplace. The first interview was with Håkon Havik, CEO in Storytel, and took place 20 October 2016. The second interview was with Elizabeth Sellevold, CEO in EBOK.no, and took place 25 October 2016. The third interview was with Kjartan Dannatt, Director of Market and E-commerce in ARK, and took place 1 November 2016. The last interview was with Marit Austgulen, Senior Advisor in the web editorial of Tanum, and took place 17 November 2016. Austgulen has been in the Cappelen Damm system since 2000, and has been a part of the development of online solutions for retailers of Cappelen Damm since the very beginning.

The first few minutes of an interview are decisive, and it is important to establish a good contact with the interviewee for them to be able to speak freely and expose their thoughts and perspectives on the topics of the interview (Kvale & Brinkmann, 2009, p. 128). After some informal greetings and talk, I initiated the interviews by telling a little about myself, my background and about the project. I briefly told about the background, scope and purpose of the study, as well as the theoretical perspectives the research is based on. I also asked for permission to use a sound recorder, and if the informants had any questions before we got started. Even before I asked if they had any additional questions, all informants showed an interest in and asked questions about the project, as well as my background. Since I have a background of working in a bookstore for several years, the conversation flowed naturally from the very beginning, and I gained respect and trust that I know the field well, that I otherwise might not have achieved.

I used a notebook in addition to the sound recorder, but to be focused on everything the informant was saying in the moment, I only partly took notes, which could be helpful in a way the sound recorder could not. I mostly noted topics or material that I immediately perceived as especially important, either for the analysis or for follow-up questions. I also noted if any particular body language was expressed etc.

By the end of the interviews, there was a debriefing where I asked if the informants had any further comments, and even if the immediate response mostly were no, the conversation always continued on a somewhat more casual note. I also cleared with all interviewees if it was ok to contact them later if any additional questions were to arise or some aspects needed further clarification. All interviewees were happy to prolong the conversations if necessary. After the interview, I also handed the informants a copy of the information letter with the consent form that was previously sent to them, and had them sign it (see appendix 2). I decided to do this after the interview to not create an unnecessary formal and stiff setting before the interview and as the letter had already been available to the informant since the very first contact had been made, there were no new information kept from them. After each interview, I spent some time writing down notes and impressions from the interview while it was still fresh in mind.

4.1.3.4. Transcribing

The post-interview stage starts with transcribing the interviews. This is where one first starts to work with the outcomes of the interviews and consists of the transforming the oral interview conversation to written text, which can later be used as the foundation for the analysis (Kvale & Brinkmann, 2009, p. 177). All interviews were transcribed using HyperTranscribe within a few days of conducting them.

Because detailed linguistic or conversational analysis was not the purpose of the interviews, I did not transcribe verbatim, instead a more formal, written style was used, leaving out 'hm's and the like. However, notable pauses, emphasized words, laughter and other emotional expressions, were noted. As the transcribing was done shortly after the actual interviews, and with the supplement of my written notes, I was able to remember the essential body language and reactions to questions and topics. If there were anything that would be crucial for further analysis, this was noted into the transcriptions.

4.1.3.5 Analytical approach

After all interviews were transcribed, I started writing out all the information from the interviews in a less fragmented way, categorized by research questions and topics of interest. This way I got a better overview of the information, and at the same time gathered all the answers on each specific topic.

This overview was the basis for the analysis in combination with theory. I have organized the analysis into three chapters based on the three sub-research question. As mentioned in the introduction to this chapter, the generic research question is answered through the three sub-questions. These will be further discussed in the discussion and conclusion chapter. Each analytical chapter is divided into topics related to the given research question, based on the defining sentences of what the research question contains and seeks to explore. This is presented under each research question in the introduction of the thesis

The analysis is primarily based on the data collected in the interviews, with supplements of data from the preliminary overview and industry reports. This material was connected to the theoretical perspectives discussed in the theory chapter, as well as the premises for the industry discussed in chapter 2 on the Norwegian book industry. Storsul and Krumsvik's theory with regard to the four Ps of media innovation are especially connected to the three sub-research questions, and relevant topics will therefore be discussed in relation to this classification.

4.2. Research quality: methodological challenges, generalizability, reliability, validity

"The trustworthiness, the strength, and the transferability of knowledge are in the social sciences commonly discussed in relation to the concepts of reliability, validity, and generalization." (Kvale & Brinkmann, 2009, p. 241).

The consistency and trustworthiness of research findings are measured in what is called reliability, and is often treated in relation to whether the results can be reproduced at another time with another researcher (Kvale & Brinkmann, 2009, p. 245). The findings in this study can to a certain degree not be reproduced at another time. The book industry is a moving target and the objects of study change their strategies and business models, as well as their position on the market, dependent on new technologies and changes in the industry. This can happen relatively quickly and the situation will therefore be different if the research was conducted at another time. Even during the time of this research, one of the objects of study changed their business model; EBOK.no launched a subscription model in addition to their online store. The results from this study are however valuable as a study of the contemporary situation at the time of the research, and can be used to compare with future situations and conditions.

In research within the social sciences, validity refers to measurement; namely, the extent to which one is measuring what one thinks one is measuring. It refers to the degree that a method investigates what it is intended to investigate (Kvale & Brinkmann, 2009, p. 246). Since the purpose of this thesis is to study the book industry from the perspective of the bookstores; how they are operating to offer new digital products and services, interviews with elite representatives from the bookstores themselves are a natural and valid method. The observation done in the preliminary overview exploring how they operate from the perspective of the public, as well as the industry reports with previous measurements from the industry are valid supplements for the material and to ensure that the data gathered is not biased. My previous experience and knowledge about the industry also increased the validity of the interviews.

Generalization is not the goal of this project, but by employing an explorative design it aims to increase the knowledge about the Norwegian book industry. Another aspect that needs to be considered, is that I have worked in an ARK store, which is part of the chain that is one of my objects of study, for five years. Even if my experience and knowledge might be positive for the validity of the answers from the informants, issues of reliability and validity are also concerned with being objective. "Objectivity as *freedom from bias* refers to reliable knowledge, checked and controlled, undistorted by personal bias and prejudice." (Kvale & Brinkmann, 2009, p. 242). Before I started my research, I had more knowledge and a stronger connection to ARK, than any of the other objects of research. I was, however, very well aware of this fact, and all objects of study were of equal interest in relation to the research. I wanted to gain a better knowledge of the diversity of the industry, and during the period of study, I was first and foremost a researcher on the Norwegian book industry, and not an employee in ARK. I was also open about this fact to the informants, and instead of raising skepticism, it rather resulted in the informants gaining more trust about my competence and understanding of the industry.

4.3. Research ethics

The Guidelines for Research Ethics in the Social Sciences, Humanities, Law and Theology provided by The National Committee for Research Ethics in the Social Sciences and the Humanities (NESH) were used for ethical considerations during the data collection and the rest of the research process.

Personal data protection and obligation to notify

The Personal Data Act by The Norwegian Data Protection Authority requires that persons who process personal data protect personal integrity and privacy (section 1). Information and assessments that can either directly or indirectly be linked to a person are considered personal data. This can include names, e-mail addresses, national identification number, or compiling background data. If such information is processed electronically, one has an obligation to notify, and the processing must be based on free and informed consent (The National Committee for Research Ethics in the Social Sciences and the Humanities (NESH), 2016, pp. 8-9). Since the interviews in this project includes names, workplaces and access to e-mail addresses, personal data are processed, and the project was therefore notified to the Data Protection Official for Research at the Norwegian Centre for Research Data (NSD). The project was approved 19 October 2016, by the time of the first interview (see appendix 3).

Even though the name, workplace and contact information of the informants are available in the research, the project does not seek to reveal other personal, private or sensitive information about the informants. It is the organizations the informants work for that are the objects of study, and the informants speak in the interviews on behalf of the organizations they work for. It was, however, essential to reflect on the ethical relationship between the information received by the informants and the commercial competition the organizations are operating in. The project does not intend to reveal confidential operative strategies, and there was no conflict during the interviews regarding this.

Informant consent, confidentiality and consequences

"Researchers must provide participants with adequate information about the field of research, the purpose of the research, who has funded the project, who will receive access to the information, the intended use of the results, and the consequences of participation in the research project." (The National Committee for Research Ethics in the Social Sciences and the Humanities (NESH), 2016, p. 13). All this information was provided to the informants in an information letter that was sent to them in the first e-mail contact. It also included a consent form that was signed by the informants after the interview. The data material was only kept on a private and password protected computer, and was deleted after project completion. The informants were notified that a quote check would be carried out before the project was handed in and published, and was carried out in the end of April 2017.

The role of the researcher

The integrity of the researcher is critical to the quality of scientific knowledge. One is morally responsible to be familiar with ethical guidelines and value issues, and to be honest and fair. In many qualitative interviews, there is an asymmetrical power relation between the interviewer and the interviewee, where the interviewer is usually positioned as the relatively more powerful side. This prevailing power asymmetry tends to be cancelled out by the powerful positions of the informants in elite interviews, which have been conducted in this research (Kvale & Brinkmann, 2009, pp. 76, 147).

The next three chapters (5, 6, 7) will comprise the analysis of the thesis, divided with respect to the three sub-research questions. These three sub-research questions will together reflect the generic research question. Each related research question will be given in the respective chapter. Topics relevant to answer the research questions will be discussed in relation to the collected data from the methodological approaches, mainly the interviews, the theory addressed in chapter 3, as well as information on the Norwegian book industry established in chapter 2.

5 New digital offers

This thesis aims at understanding how Norwegian bookstores implement different approaches to offering new digital products and services. A natural starting point is therefore to address which products and services the bookstores offer and how they offer them. This chapter will include discussion and analysis on topics with respect to the following research question: **To what extent do Norwegian bookstores offer new digital products and services?**

The new digital products and services are offered in a market, and the positions of the bookstores and other factors that define the market, affect what new products and services they offer, and how they offer them. Therefore, the positions of the bookstores will first be established. Next, two trends within the Norwegian book market will be discussed. These are trends that some of the bookstore representatives themselves established in the interviews as challenges that might affect their opportunities to offer new digital products and services. In relation to Clayton Christensen's theory on disruptive innovation, previous and potential disruption in the book market, internationally and in Norway, will be addressed as well. Subsequently, new digital offers provided by the bookstores in this study, will be addressed and discussed. The importance of digital offers from the perspectives of the bookstores themselves is also discussed. This chapter will explore the first sub-research question in relation to two of the four Ps of innovation; product innovation and process innovation.

5.1. The market and related positions

All of the market participants in this study are a part of the retail level in the value chain. They all position themselves in competition with each other and with other bookstores in the Norwegian book market. There are two main retail types the market participants in this study and are defined as; *omnichannel actors* and *digital actors.* As discussed, omnichannel is a type of business model that includes both online and offline operations. This means the company both has an online store and one or more physical stores. The digital actors in this study are both exclusively digital, and have both different and similar operations, including online store and subscription service through app.

The positions of the omnichannel actors

ARK Bokhandel AS is Norway's largest bookstore-chain in the total market for literature, and has today 113 physical stores across the country (ARK Bokhandel, n.d.-b). In 2016, they had 33

%[9] of the market share. With this large number of stores, its online bookstore ARK.no, and its reading-app “ARK e-bok”, it strives to be the most accessible way to buy books (ARK Bokhandel, n.d.-b). ARK Bokhandel is 100 % owned by Gyldendal ASA. Gyldendal ASA is the holding company of the Gyldendal-group, which operates within all fields of the book’s life cycle (Gyldendal ASA, n.d.). According to the Director of Market and E-commerce in ARK, Kjartan Dannatt, ARK also has the largest online store for physical and digital literature, and holds approximately one third of the digital market; at least of the commercial Norwegian e-book market.

In the “About ARK”-description on ARK.no, there are slogans like “Simply added value – in store, online and on mobile” and “Our goal is to be most people’s favorite bookstore and the most innovative bookstore chain”. This reflects ARK’s desire to be digitally innovative, and shows that their focus is not only on the physical bookstores, but also on the digital solutions. Kjartan Dannatt said that their slogan about being the most innovative bookstore chain applies on a general basis as innovation can be many things and that the whole chain is trying to have it on the agenda in all development assignments they are working on. They are consciously trying to be at the forefront of the innovation trail when they are creating new things, and that it must be on their guard to constantly remind them of it. He said it is definitely demanding, and that one cannot be innovative just to be innovative; there needs to be a balance.

In 2015 ARK Bokhandel was named “Omnichannel of the Year” on the e-commerce conference The Future of Business. The requirement for winning this award was that the company was selling both online and in one or more physical stores. The jury emphasized the degree of seamlessness between the company’s channels, the ability to create value for the customer and the company, and the degree of innovation (Evensmo, 2015). The jury’s arguments for naming ARK as the winner was: “A unanimous jury has been impressed by this store. In this store, the customer just needs to add items to their cart, enter their phone number and select the desired store for delivery. The delivery in store itself happens smoothly, easily and a maximum of 60 minutes after the order is placed. As a customer, one can also choose to have the item sent home for free with NOK 199 minimum purchases. The solution works just as well on desktop as on mobile.” (Netthandel.no, 2015).

Tanum is also one of the largest bookstore-chains in Norway, and has 10 physical stores in the Oslo area, one in Trondheim and in the airports Torp, Flesland and Værnes, as well as

[9] Number given by the Norwegian Booksellers Association through e-mail correspondence(19.04.17). The market shares include book groups 3-5: non-fiction/subject-oriented prose, fiction, and pocket. Audiobooks and electronic content are not included.

five newly opened stores in the airport Oslo Lufthavn. In 2016, they had 9 %[10] of the market share, but as they opened five new stores in 2017, this number has probably changed. Tanum has from 2007 been 100 % owned by the holding company Cappelen Damm Holding AS, which is 50/50 owned by the media groups Bonnier and Egmont. The publishing house Cappelen Damm is also part of Cappelen Damm Holdning AS. The online store tanum.no has existed since April 2001. It was reorganized in 2007 and from 2015 it has been its own division of Cappelen Damm Holding AS (Tanum, n.d.-b). According to the Senior Advisor in the Web Editorial of tanum.no, Marit Austgulen, Tanum is in the fifth position in the market with regard to online sales.

The positions of the digital actors

Storytel is a subscription service for streaming audiobooks and e-books, and is based on a business model of "all you can eat", or more precisely, "all you can listen". It can be streamed from your computer, tablet or smartphone, and the books can also be downloaded to your device so you have access to them in an offline mode (Storytel, n.d.). In e-mail correspondence with an advisor in the Norwegian Booksellers Association, she defined Storytel as a modern bookstore as their core business is book trade. Storytel is owned 50 % by Storytel AG and 50 % by Cappelen Damm AS (Proff The Business Finder, n.d.).

Storytel has a special position in the Norwegian book market, at least when the interviews were conducted. It is the first, and at the time, the only subscription service that touches the general market for books. Other subscription services such as Gyldendal Rettsdata, which is a jurisprudential service, have existed for a while, but Storytel was the first to offer audiobooks from the general market. During the period of the research however, both EBOK.no and Lydbokforlaget have released similar subscription services.

Another interesting aspect with Storytel's position is that it is a backlist service. This means that no new books are available in the service. CEO, Håkon Havik, said that this is almost outrageous, as there are no other sales channels on the Norwegian book market that does not offer new releases. The reason why Storytel only offers backlist books is because of the strong regulation in the Norwegian book market, and in particular the regulation of fixed prices through the "Bokavtalen" agreement. These regulations combined with the fact that the total market for books in Norway is quite big and that the price level in Norway is relatively high compared to other European countries, forces Storytel to keep a relatively high monthly price on

[10] Number given by the Norwegian Booksellers Association through e-mail correspondence(19.04.17). The market shares include book groups 3-5: non-fiction/subject-oriented prose, fiction, and pocket. Audiobooks and electronic content are not included.

their subscription service. Today the monthly price is NOK 199. Other streaming services in Norway are usually cheaper; Spotify for example has half the price with NOK 99 per month. Because of these factors, Cappelen Damm, a part owner of Storytel, found it hard to launch a streaming service with a high enough price to ensure the authors would receive a revenue that could correspond with the revenue they get from sales of new books in other formats and/or in other sales channels. For this reason, Storytel ended up being a so-called backlist service. However, Havik said that this opens the door for some interesting perspectives. He said that only offering backlist books gives good old, but forgotten books new life, and it highlights the huge range of books. This is interesting from the author's standpoint, from the publisher's standpoint, and even the reader's standpoint. Havik said it has been their way of trying to find their place on the market. "We are the service that will extend the life cycle of books, and we are the service that will highlight good books", he said. He also said that they try to be open to the customers about the fact that they do not have new books.

Another special aspect about Storytel's position is that they do provide books from all current publishers; the audiobook publisher Lydbokforlaget, does not deliver their books to Storytel. The two large publishing houses Gyldendal and Aschehoug own Lydbokforlaget, and books from these publishers are therefore not offered in Storytel. Lydbokforlaget has now launched their own subscription service called Fabel (the service was launched after the interviews were conducted). In addition to the fact that many bookstores do not only offer backlist books, there are not many bookstores that do not offer books from all publishers. Therefore, Storytel has a rare situation and position in the Norwegian book market.

EBOK.no is the market leader of the digital book market, having 45 % of the e-book market, according to CEO, Elizabeth Sellevold. EBOK.no launched in October 2013, and at the turn of 2014/2015, approximately 14 months later, they had become the market leader on the e-book market. EBOK.no is owned by VB Bok AS.

EBOK.no has now also launched a subscription service for e-books and digital audiobooks called EBOK.no Pluss (the service was launched after the interviews were conducted). The biggest challenge for EBOK.no, like for Storytel, in creating the subscription service is to get books from all publishing houses. There are especially two factors that are decisive in getting the publishers to be a part of such a subscription service. According to Sellevold, the publishers are very conservative, and not on the same innovative scale when it comes to this, even if the authors are positive. The publishers are probably concerned with cannibalization, and therefore act carefully. Market cannibalization is the negative impact a new product from an organization can have on sales performance of their already existing products

(Investopedia, n.d.-c). The other crucial factor is that some publishers have their own sales channels, and are therefore skeptical to join the sales channels of their competitors.

A growing market for subscription models

With Storytel, EBOK.no Pluss and Fabel (Lydbokforlaget), there are now three providers of similar subscription services on the Norwegian book market, and there are ongoing negotiations regarding subscription services for audiobooks, such as questions about content rights, sustainable arrangements for all parts; royalties to the authors, as well as profit for publishers and the providers of the services. Elizabeth Sellevold (EBOK.no) believes that having several similar services on the market will make it more predictable for all providers, and she hopes that one will instead sit down and negotiate some deals and take it from there, instead of postponing the questions regarding terms on the market. Even though three providers of subscription services for audiobooks is a pretty large number for such a small market, competition in theory will make the services and the offers better and cheaper from an economic perspective; leading to the audiobook market being more attractive. Sellevold believes the audiobook industry has not been able to keep up with the technological advancements earlier, and that CDs are not particularly desired among the consumers anymore. This has previously led to a weak audiobook market. However, Sellevold believes there is potential to build the digital offering and the digital market. With already existing successful providers of a service on the market, it is also less risky for another business to innovate by providing the same service. One is more fragile if one is offering something completely new in a market, than if others have already been successful offering it. If several are offering the same kind of service it will result in a bigger development in the market.

As Dogruel's seventh characteristic of media innovation suggests, the beginning of new media often emerge from convergence processes, and are often characterized by close interaction of established media (2014, p. 60). The innovation is often imitating current formats and ways of use of already existing media, and a result of a combination of existing elements. Streaming services for audiobooks are just that. It is a new way to distribute digital audiobooks, through a streaming technology that has been successful in several other media markets such as for music and television. Media convergence is as the full title of Henry Jenkins' book *Convergence Culture* (2008) indicates "where old and new media collide".

> By convergence, I mean the flow of content across multiple media platforms, the cooperation between multiple media industries, and the migratory behavior of media audiences who will go almost anywhere in search of the kinds of entertainment experiences they want (Jenkins, 2008, p. 2).

The streaming services for audiobooks are primarily designed to be used on mobile devices. The mobile phone is not solely used as a telecommunication tool anymore, but as a camera, a work tool, a social media tool, a music player, and also as a book reader or audiobook player. The flow of multiple types of media content today is accessible on a mobile phone. A large part of the Norwegian population today owns a smartphone and services for smartphones are for many more desirable than the CD, as Sellevold pointed out. Consuming audiobooks on a smartphone, on a device one already owns, and where one can also obtain the audiobooks, improves the efficiency and eases the use for the consumers. Streaming services for audiobooks can therefore be seen as a *process innovation*.

"The winner takes it all"

The market positions of the bookstores in this study have now been discussed in relation to market shares, ownership, and how they offer their digital products and services. In relation to position and being innovative with new digital solutions and offers, one essential challenge was expressed by Marit Austgulen in Tanum. She called the tendency "the winner takes it all". Investopedia defines a "winner-takes-all-market" as:

> A winner-takes-all market is a market in which the best performers are able to capture a very large share of the rewards, and the remaining competitors are left with very little. The expansion of winner-takes-all markets widens wealth disparities because a select few are able to capture increasing amounts of income that would otherwise be more widely distributed throughout the population (Investopedia, n.d.-d).

Marit Austgulen (Tanum) used Amazon as an example internationally, and ARK as an example in Norway. If one is big in the market, one also has the opportunity and the potential to become even bigger. To be able to reach large parts of the population, by having a large web of bookstores, is important when working with both physical and digital. Austgulen fears that ARK is only getting bigger and bigger and that there is a chance that the market will end up consisting of three large market actors that control most of the market, and that the rest will not be able to completely succeed or get market shares. If this happens, there might not be room for new innovative actors to contribute with new digital solutions and such. The latter can be related to Leyla Dogruel's second characteristic of media innovation; development and production of new media products or services require large financial investments, and have the risk of sunk cost in case of failure, and can therefore be classified as high risk products and processes (Lobigs & Siegert, 2008, in Dogruel, 2014, p. 56). Because there are often high risks and large financial investments required to manage innovation processes, it is more likely that a financially successful organization with a high market share will be able to take such risks and make such investments, and therefore be able to be more innovative.

A market with more books than ever, but with a still profit

Another challenge on the book market that concerns the bookstores is that today there are more books sold on the market than ever, but the profit is relatively stable, or even slightly decreasing. That means that the volume of books increases, but the bookstores' profits do not. One reason is that the costs are increasing. This situation creates trouble for the whole industry.

Marit Austgulen in Tanum says that this means that books are sold cheaper than ever. Bookstores constantly have different campaigns and discounts all year around. She said this is necessary to survive in the market, and that one must have sales and discounts to get the customer inside the store. If you get the customer in, you have in a way won the first battle, she said. She also said those kinds of battles for the customer's attention are getting more and more intense. People in general do not play the loyalty card anymore, because it is not beneficial. Austgulen said "The whole world is a 'quick fix', shop something here and something there. Everything is easily accessible, because it is only one click away. Our entire consumer mindset is changing".

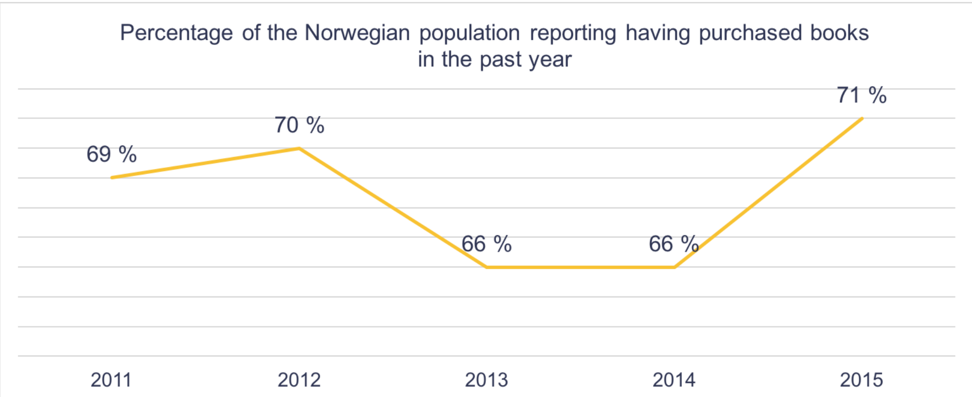

Figure 2: The percentage reporting having purchased books in the past year (increase of 5 percentage points from 2014 to 2015). Numbers from: (Ipsos MMI, 2015, p. 3)

The regular survey on *book purchases and sales channels* conducted on behalf of the Norwegian Booksellers Association (June 2015) showed that 71 % reported having purchased book(s) in the past year, which is 5 % more than the year before. As much as 36 % of those who purchase books claimed to have purchased more than 10 books the past year (Ipsos MMI, 2015). This shows that people are buying more books, but the gross profit of bookstores shows a small decrease in recent years (with the exception of 2013) (see figure 3). Gross profit is a company's total revenue (equivalent to total sales) minus the cost of goods sold. That means it is the profit the company makes after deducting costs related to making and selling its products or providing its services (Investopedia, n.d.-b). The changes in gross profit are small, meaning the revenue is relatively stable. This corresponds to Austgulen's worry about more books than ever being sold on the market, without the revenue increasing simultaneously. Also Kjartan Dannatt (ARK) mentioned the same as a trend in the market. He said the value of the book market today is the same as ten years ago. Considering inflation, this means the value is significantly less.

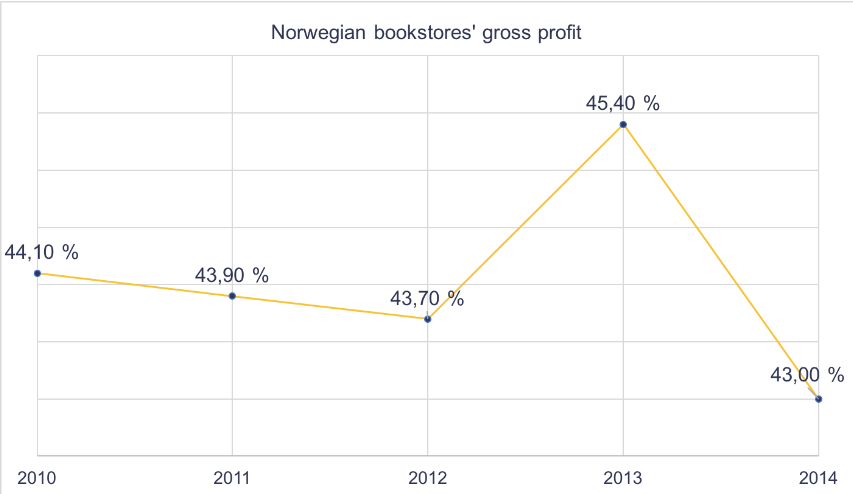

Figure 3: Norwegian bookstores' gross profit (in percentage) in the years 2010-2014. Numbers from: (Bokhandlerforeningen, 2016)

Disruption in the book market

In the theory chapter, Clayton Christensen's theory on disruptive innovation was established. In this section, the theory will be discussed in relation to disruption that has happened, or has the potential to happen, in the book market both internationally and in Norway.

Internationally, the main disrupters in the world of books are the major tech-companies Amazon, Apple and Google. Clark and Philips (2014) argue that Amazon is more of a disruptor than Google and Amazon, as it controls the main retail channel for books to the readers (p. 18). When Amazon was established in 1994, it started as a mail-order discount bookseller that sold books directly to the customer. Mail-order bookselling was at the time seen as a low margin if not loss-making business and the large incumbent book retailers ignored the new market participant. Amazon developed innovative technology and started selling a variety of products beyond books. They eventually overtook the largest book retailers in the USA, Barnes & Noble, threatened the world's largest retailer, Walmart, and are known for revolutionizing the e-commerce business. Amazon has expanded to be an online retailer way beyond book retail, and way beyond retail in the USA (Clark & Philips, 2014, p. 18). This is exactly what Clayton Christensen calls a disruptive innovation; innovation developed by a smaller company, but which successfully challenges established incumbent companies. The new business seems inferior in the beginning and generally underperforms established products in mainstream markets, but over time takes over entire markets (Christensen, 1997).

As Amazon has disrupted book retail, e-books and other digital publishing technologies such as the iPhone and the iPad, can be considered as a disruptor of publishing. The figure below illustrates a timeline of some important releases that already have affected innovation in the book industry. It shows the release dates of technologies that can be used for digital book consumption, as well as the most familiar streaming services in the movie and music industries. The technologies have made it possible to easily consume e-books, and the streaming services illustrate a tendency of media consumption in recent years. As will also be discussed in chapter 7, the book streaming service Storytel was beginning to develop in Sweden even before the releases shown in the timeline.

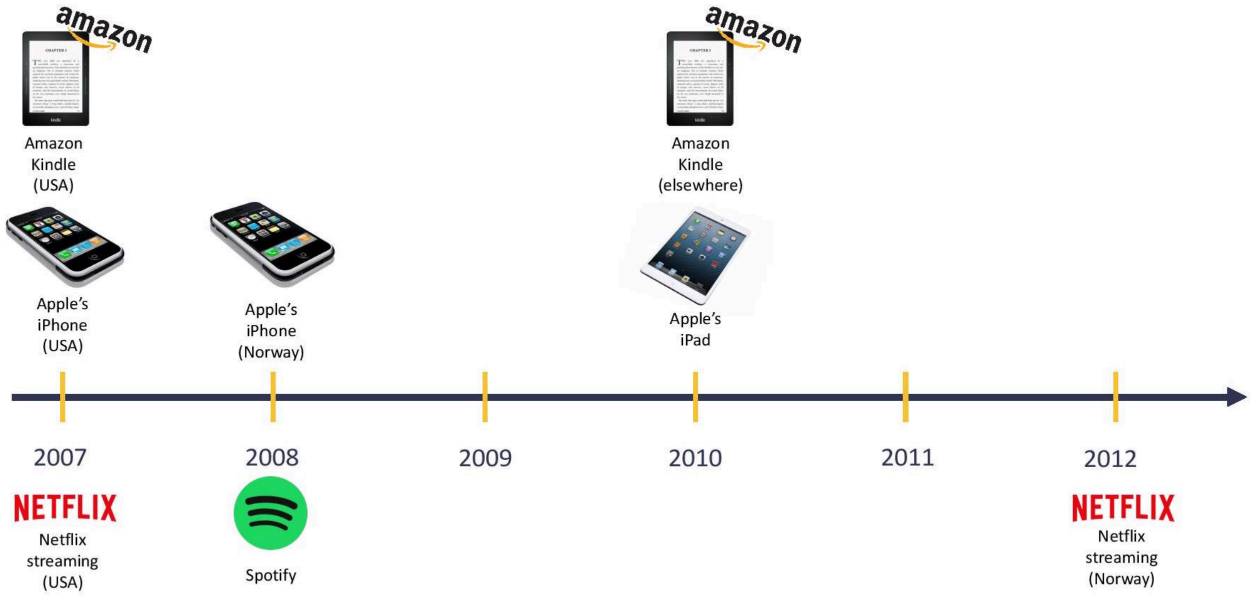

Figure 4: Release dates of technologies that can be used for digital book consumption (above the line), and other media streaming services (under the line).[11]

When Storytel was first released, it was the first service of its kind. It was the first Norwegian retailer of books that offered general literature in a subscription service through an app, with an *all you can eat*, or *all you can listen*, business model. Storytel was first established in Sweden in 2005 under the name Bokilur, but changed their name to Storytel in 2007 and aimed at an international expansion. In Norway, the service Ordflyt was established in 2012,

[11] URLs to photos used in the timeline:
Kindle: https://www.amazon.com/Amazon-Kindle-Ereader-Family/b?ie=UTF8&node=6669702011 [19.04.17]
Amazon: https://www.seeklogo.net/technology-logos/amazon-logo-vector-148.html [19.04.17]
iPhone: http://no.wondershare.com/disk-utility/iphone-2g-the-first-generation-of-iphone.html [19.04.17]
iPad: https://www.ifixit.com/Device/iPad [19.04.17]
Netflix: https://media.netflix.com/en/ [19.04.17]
Spotify: https://play.google.com/store/apps/details?id=com.spotify.music&hl=no [19.04.17]

and in 2014, Cappelen Damm's Ordflyt and Swedish Storytel merged and created the Norwegian Storytel. In addition to Norway and Sweden, Storytel is now established in Denmark, Finland, the Netherlands and Poland, and Storytel has bought web domains in 19 other countries and on the respective websites one finds the message "Unfortunately Storytel has not yet reached your country, but fill out your e-mail address to get updates on news about us and find out when we get to your country", suggesting Storytel will establish their service in these 19 countries as well.

In the Norwegian book market, Storytel is a relatively new and small book retailer compared to the big, well-established bookstores. Storytel only offers digital book formats and on the Norwegian market, digital literature underperforms the established printed book. Therefore, Storytel might be perceived as inferior to the established incumbent bookstores. But new services like Storytel create new and more user-friendly solutions for digital book consumption, and in the future, it might successfully challenge the established and incumbent retailers of books. EBOK.no and Lydbokforlaget have now also released similar subscription services with the same possibility to challenge the big, traditional bookstores. To disrupt a market takes time, so it is not possible to predict whether Storytel or other similar services will be a disruptive innovation in the Norwegian book market. It is also hard to predict as the future of digital books is dependent on how the responsiveness of the consumers develop, how the usability of digital products develops, and how the providers in the market adapts to the changes and create new solutions. As Dogruel's sixth characteristic of media innovations suggests, it can be a time-consuming process for an innovation to reach the right level of appropriation, as it requires the establishment of user-habits and social norms that integrate these media in new communication contexts (2014, pp. 59-60). But as the printed book still has a very strong position in the market, it is probably rather unlikely that digital book services like Storytel will take over the entire Norwegian book market anytime soon.

Even if the technology has come a long way, the digitization of the book industry is still at an early stage (Prytz, 2013, p. 80). The readers are still exploring digital ways of obtaining and consuming literature, and the publishers and retailers are still exploring digital ways of producing and distributing literature, partly based on how the readers respond to new digital products, services and solutions. In this situation, it can be difficult to identify and define the long-term trends or the short-term flickers. In the next section, new digital products and services offered by Norwegian bookstores will be discussed.

5.2. New digital products and services

New digital products and services offered by the Norwegian bookstores will be discussed in this section. The new offers are however not necessarily innovations as in a brand new product or service, but innovation theories assume that the degree of novelty must be understood in relation to whom the newness is new for (Colbjørnsen, 2014).

Norwegian bookstores' digital offers

	ARK BOKHANDEL	tanum.no	bok.no	storytel
Online store	✓	✓	✓	✓
Physical store	✓	✓		
'Klikk&Hent'	✓	✓		
E-books	✓	✓	✓	✓
Digital audiobooks	✓	✓	✓	✓
Reading-app	✓	✓	✓	✓
E-reader(s)				
Streaming service			✓*	✓
Electronic newsletters	✓	✓	✓	✓
Facebook-page(s)	✓	✓	✓	✓
Self-publishing portal			✓	

*Table 2: The bookstores' (that are the objects of study) offers of digital products and services (blue cells symbolize that the given bookstore offers the given product or service) *Launched during the course of the study.*

Table 2 shows which digital products and services the bookstores in this study offer. The table includes everything digital in relation to their business from retail channels, book formats, reading platforms, as well as digital marketing channels such as Facebook-pages and electronic newsletters. It also includes the physical store and the synergy service between physical and digital, Klikk & Hent, but not all categorizes will be discussed further. A description of the digital products and services that will be discussed in this section is also provided in chapter 2. Especially the *which* of the research question will be answered here. The *how* was partly answered in the sub-chapter "The market and positions", and will partly be discussed here as well. The bookstores' digital offers will be discussed in relation to two of the four Ps of innovation; product innovation and process innovation.

To repeat: *Product innovation* relates to changes, updates, redesigns or reengineering in the products or services that are offered by an organization. *Process innovation* relates to changes in how products or services are created and delivered. There might be improvements to efficiency or ease of use (Storsul & Krumsvik, 2013, p. 16). The bookstores in this study have in recent years provided new digital products and services that can be categorized as both product innovations and process innovations. Remembering Leyla Dogruel's fourth characteristic of media innovations, several media innovations can be categorized both as *a product* and as *a process* (2014, p. 57). I will now discuss each bookstore in relation to the new offerings: online stores, e-books, digital audiobooks, reading-apps, streaming services, and self-publishing portals.

ARK and Tanum: ARK and Tanum will be discussed together, as they offer the same categories of digital products and services. As can be seen in the table, both ARK and Tanum have online stores in addition to physical stores, which offer e-books and digital audiobooks.

They also have their own reading-apps. E-books and digital audiobooks can be defined as product innovations in the book market, as the digital books contain changes, redesigns and reengineering compared to printed books and audiobooks delivered on cassettes, CDs or in other formats. None of the bookstores are responsible for the production of digital books, but they are the main providers of digital literature to the consumers. Reading apps can be considered both as a product innovation and as a process innovation. According to Storsul & Krumsvik (2013, p. 16), apps are considered product innovations, but as a reading-app also includes changes in how products (books) are delivered, I consider reading-apps as a crossing of product and process innovation. Both reading apps have an automatic synchronization function so one can use the app on several devices, and one's library of e-books and digital audiobooks will be the same. The apps include Norwegian-English dictionaries, and enables one to adjust the font size, the backlighting, night mode, margins, brightness, and the display's direction. It is also possible to build and organize one's e-book library the way one wants to. One can organize into genre, language, subject, author or other criteria (ARK Bokhandel, n.d.-a), (Tanum, n.d.-a).

Even though an online store is not an innovation in itself, it is a channel through which to buy digital books, which are considered innovations. ARK and Tanum also has the service called Klikk & Hent that connects the physical store with the online store, and tries to create awareness of the bookstores' digital offers. There has been a change in how the bookstores organize their activities, and this can therefore be defined as a process innovation. Klikk & Hent will be discussed further in chapter 7.

EBOK.no: EBOK.no is an exclusively digital store, where both the store itself and all the content are digital. As mentioned, an online store is not an innovation in itself, but the fact that the store is exclusively digital regarding both products and process makes it a modern and innovative bookstore. Elizabeth Sellevold also believes their store is an innovation within the field as it is completely digital, and that they focus on that with an organic development. There is a continuous process of development with regard to renewing, expanding and improving the digital offer at EBOK.no. They are also experimenting with new business models based on digital content. After two months in business, EBOK.no launched a self-service portal for self-publishing, and they have now released a subscription service similar to Storytel's.

With the self-service portal for self-publishing, EBOK.no is today the only Norwegian bookstore with a publication channel directly for authors and small publishers, and is therefore a process innovation in the Norwegian book market. It includes changes in how products are created and delivered, with solely the authors themselves being the producers of the content, and delivered through EBOK.no's service. It takes away the publisher as an intermediary. The self-service portal for self-publishing is not a business model that generates income for EBOK.no, as the self-publishers can publish their books for free at EBOK.no. Sellevold said:

> Our thought is that we can see that this is a phenomenon internationally, so we created it to learn, and because we think it's fun. And also because we want to connect with enthusiasts; digital enthusiasts. Those that in a way are working to expand the digital field within the book industry. They are the ones we want as ambassadors for EBOK.no.

The subscription service for streamed digital books is part of a two-fold business model; they are mainly a store with purchases for individual titles, but they also offer a subscription service. Sellevold compares it to the "Amazon-model", which also offer a subscription model in addition to their primary store. She calls it a parallel universe where one can choose between the "store-universe" and the "subscription-universe".

The self-publishing portal and the subscription service are both process innovations. They are both changes in how EBOK.no is organizing their activities, and are changes in how the digital literature is created and delivered. It opens for more options regarding digital literature, both for authors and consumers.

Storytel: Storytel is a streaming service for digital audiobooks and e-books. The actual service in itself can definitely be viewed as an innovation on the book market. It was the first in the Norwegian book market to offer a service of this kind for general literature. As it represents a new way of delivering literature to the consumers in a more efficient way, and also easing the use as most people already have the right equipment to obtain and consume the literature; a smartphone or a tablet, and the fact that one can obtain and consume the literature in one place, it is primarily a process innovation. However, I have argued that reading-apps, can be viewed both as a product and process innovation. Storytel's app replaces the need of CDs or separate audiobook players, and can arguably be viewed as a product innovation as well. Storytel only offers e-books and digital audiobooks, which are product innovations in the book industry. Storytel also meets Dogruel's first characteristic of media innovation; new products and services that include considerable changes with respect to format, design, function and/or applicability (2014, p. 55).

In Sweden, Storytel has taken it to another level, and innovated the digital audiobooks even further. The new, innovative audiobooks have scripts written particularly for listening, and are divided into "episodes". The authors are not only traditional literary authors from the book industry, but also from the film, TV, and video game industries. These authors are more used to thinking episodically, and are creating new ways of experiencing audiobooks. These audiobooks are called Storytel Original. They are inspired by original series content from HBO and Netflix, and are specially written to retain narrative excitement through a series of episodes. In an interview on the Swedish news site Boktugg, Anna Öqvist Ragnar at Storytel Sweden said that they had noticed that not all novels are suitable for the audiobook format. As a listener one needs the books to be more straight-forward, have strong and clear characters, and a fairly clear goal, she said. Complicated, beautiful or metaphoric language is not as suitable while one is for example riding the bus or cooking at the same time, as many Storytel listeners do. When reading a book one is often more alone in the book experience, while a streamed audiobook competes with your everyday life, and therefore should contain a simpler language. The Storytel Originals are made directly for listening, in an entertaining and moving manner, and are presented in a similar way as television series. Öqvist Ragnar also said that with such book series, one can also think that "ok, I can listen to one more episode", without feeling the performance anxiety that a 10-hour long audiobook might give one (Perfekt, 2016). Håkon Havik (Storytel Norway) is not sure the same will be possible to produce on the regulated Norwegian book market, where market actors should not have a monopoly on content, which would be the case with "original content". However, the Swedish original content is also available in the Norwegian Storytel.

The importance of digital offers

Kjartan Dannatt in ARK said that digital products and services, and being available digitally are very important to them:

> We believe, or we know, that more and more of our customers will be shopping online. More and more of our customers will get oriented online, and we need to have the exact same offer online as we have in store. It should be as equal as possible and as seamless as possible.

Dannatt does not believe that people are as concerned with whether they are shopping online or in store; they believe that people are shopping in regard to their needs and the situation they are in at the time, and that this varies a lot from customer to customer. “Therefore, we need to have the best offer possible in store and online. For us it’s exactly the same, we don’t separate between the two as such”. This mindset sets the premises for how ARK is operating to offer both physical and digital products and services. To them it is important to build and maintain a strong digital position, but at the same time maintain a strong network of physical stores. They do not want to push the customers to use their digital services, but “we know how customers behave, and we’re thinking that when you decide that today I want to buy a book, and today I’m going to buy it online, then we’re going to have the best offer. And that is really important to us,” Dannatt said. Their way of using the “best of both worlds”, physical and digital, and in addition offering services like Klikk & Hent, can also be connected to process innovation; how they are trying to facilitate ease of use for the customers, by being available wherever, whenever and however the customers wants it. Tanum is also operating according to the same model, of offering physical and digital products, in physical and digital locations.

For both Storytel and EBOK.no as exclusively digital bookstores, digital products and services are not only important, but the foundation of the business. They both work with renewing, expanding and improving their digital offers.

> Our goal is to make it easier to buy and read Norwegian and English books no matter where in the world you are. We work here because we love both books and technology, and we want to contribute to more Norwegians having good reading experiences, also on digital platforms (EBOK.no, n.d.).

This extract from EBOK.no, illustrates that they are innovative and updated on new technology. Both the products and the process of obtaining and consuming literature at EBOK.no are innovative.

5.3. Discussion

This chapter has explored the extent to which Norwegian bookstores offer new digital products and services, in relation to *which* new products and services the bookstores offer and *how* they offer them.

The new digital products and services are offered in a market, and the positions of the bookstores and other factors that define the market, affect what new products and services they offer, and how they offer them. Therefore, the positions' of the bookstores in this study were established first. Two of the bookstores, ARK and Tanum, are omnichannel; a business model that includes both digital and physical operations, and are two of the biggest bookstore chains in the market. ARK has a significantly higher market share than Tanum, giving the means and opportunities to be more innovative and become even bigger. This tendency was expressed by Marit Austgulen (Tanum) as a challenge in the market that affects the opportunities of other market actors to offer new products and services. If the power is too centralized, there might not be room for new innovative actors to contribute with new digital solutions.

However, two relatively new and innovative market actors are EBOK.no and Storytel. They are solely digital bookstores that only operate digitally and only offer digital content. EBOK.no is the market leader of the digital book market, and offers today a two-fold business model with both a store for individual title purchases, and a subscription model. Storytel is a modern bookstore that only has a subscription service. Storytel has a special position in the Norwegian book market for several reasons. They were the first (and at the time of the interview, the only) subscription service for digital books for the general market. It is also a backlist service, not offering new books, and they do not offer books from all publishers. The two last factors are the result of policy regulations, restraint from the publishers, and competition from other similar services. There are now three providers of subscription services for streamed digital books on the market, and the mentioned factors, such as content rights, policy regulations, and sustainable arrangements for all parts of the process, are terms that need to be discussed for the providers to be able to give the consumers the best possible offer.

Another concern expressed by Marit Austgulen (Tanum) is that there are now more books sold than ever in the Norwegian market, but that the profit is relatively stable, or even slightly decreasing. The costs are increasing, and the books are sold cheaper than ever. The bookstores must operate with discounts and sales to get the attention of the customers. The customers are not as loyal as before, and the battle for the customers' attention is getting more intense. This will also be discussed in the next chapter.

Disruption in the book industry, internationally and in Norway, has also been discussed. Big, international tech-companies like Amazon, have disrupted the international book industry in several ways, as well as new technologies like Amazon's Kindle, the iPhone and the iPad, which have made it possible to easily consume digital books. Whether new providers of digital literature, such as Storytel, will disrupt the Norwegian market, is too soon to say, but it can be argued that they have the potential.

The bookstores' positions in the market, as well as other factors in the market that have been addressed, affect *how* the bookstores offer new digital products and services, but also *which* products and services they offer.

All the bookstores in this study offer digital products and services, to different degrees. The element of 'new' in the research question does not necessarily mean that the offers are innovations as in brand new products or services on the market, but the degree of novelty must be understood in relation to whom the newness is new for. The new digital offers that have been discussed in this section are online stores, e-books, digital audiobooks, reading-apps, streaming services, and self-publishing portals. Not all these are new inventions, but are either new offerings in relation to the organizations' previous business models, or in relation to other offerings on the market, or they can be channels that facilitate new ways to offer digital products or services. The digital offerings have been discussed in relation to the theories of *product innovation* and *process innovation*, as well as some of the characteristics of media innovation presented in the theory chapter.

Online stores are offered by all the bookstores. However, Storytel is not an online store in the same manner as the others, as Storytel does not offer sales of individual book titles. An online store is not an innovation in itself, but a channel to buy digital books, which are considered innovations.

E-books and digital audiobooks are offered by all the bookstores, and can be defined as product innovations in the book market, as the digital books contain changes, redesigns and reengineering compared to printed books and audiobooks delivered on cassettes, CDs or in other formats. None of the bookstores are responsible for the production of digital books, but they are the main providers of digital literature to the consumers.

Reading-apps are also offered by all the bookstores. All the reading-apps can be used to consume literature, and EBOK.no's and Storytel's can be used to obtain literature as well. Reading-apps can be considered both as a product innovation and as a process innovation. According to Storsul & Krumsvik, apps are considered product innovations, but as a reading-app also includes changes in how products (books) are delivered, I consider reading-apps as a crossing of product and process innovation.

Streaming services are a process innovation and are something new for the Norwegian book industry, even if streaming services have been established in other media industries for a while. Streaming services are a new way of delivering literature to the consumers in a more efficient way, and are also easing the use as most people already have the right equipment to obtain and consume the literature; a smartphone or a tablet, in addition to the fact that the literature can be accessed and consumed in one place. It can therefore be considered a process innovation.

A *self-publishing portal* is only offered by EBOK.no in the Norwegian book market, but has been an international phenomenon for a while. It is however new in the Norwegian market and can be considered a process innovation as it changes how content is created and delivered.

Another important aspect to discuss in relation to the extent to which the bookstores offer new digital products and services, is the degree to which the bookstores believe digital offers are important. To what degree they want to be innovative, and how they want digital offers to be an essential part of how they appear as a bookstore in the Norwegian market.

ARK expresses both on their website and in the interview I conducted with Kjartan Dannatt, that they seek to be the most innovative bookstore chain and that they are trying to be at the forefront of the innovation trail when they are creating new things. Tanum have the same digital offers as ARK, but do not as explicitly express the same degree of concern with being innovative and being at the forefront of the digital, neither on their website or through the interview with Marit Austgulen. She expressed concerns with the challenges they meet in the market and with their position on the market, that are partly beyond their control.

For Storytel and EBOK.no, as exclusively digital stores, digital products and services are not only important, but the foundation of their businesses. Both stores express a genuine interest in digital books and technology, and by combining this, they want to give Norwegian book readers good reading experiences on digital platforms. They have since the beginning been at the forefront of releasing new digital services for their customers. So, even if the printed book is the dominating format in the Norwegian book market, and even if there are regulations and market factors that create challenges for being innovative, all the Norwegian bookstores in this study are operating with product and process innovations by offering new digital products and processes. They are all concerned with having the best possible offer to the consumers, which include digital products and services.

The way the bookstores are positioned and organized, as well as their offers of digital products and services set the premises for how they market their digital products and services and will be discussed in the next chapter.

6 Marketing digital products and services

The previous chapter addressed and explored which new digital products and services the bookstores in this study offered, based on their position in the market and other market factors. To what extent they offer digital products and services, as well as how they want digital offers to be an essential part of how they appear as a bookstore in the Norwegian market, set the basis for how they are positioning themselves in the market. The research question that will be explored in this chapter is: **How do Norwegian bookstores market their digital products and services?**

This question addresses aspects of how the bookstores perceive their audience and how the consumers experience literature in new ways, as well as how the bookstores facilitate ways for the consumers to discover books. This can be related to how the bookstores are marketing their digital products and services. It will be discussed in relation to the third P of innovation: *position innovation*. Even if not all the bookstores are implementing big changes or innovations in the way they position or frame themselves in the market, they are trying to reach a more fragmented audience that consume both physical and digital literature. The omnichannel bookstores are trying to adjust to selling digital literature in addition to the physical literature and the digital bookstores are trying to let their innovative approach apply also to the way they market their products and services. Policy regulations also force the streaming services for literature to frame their services in new ways.

Based on the perceptions of the bookstores, derived from the interviews, certain typical consumer groups of digital literature, as well as factors that might affect the consumers' attitudes towards digital literature, will first be addressed. Then I will discuss how the bookstores believe consumers find new ways of experiencing literature, and how the bookstores facilitate ways for the consumers to discover literature. How they facilitate the discovery of literature is angled towards how they market their products and services. Finally, a concern among the bookstores will be addressed: namely, the battle for the consumers' time and attention.

6.1. The consumers' attitudes towards reading and listening to digital books

From the perspective of the bookstores themselves, the Norwegian e-book market is much better than the rumor suggests, but the development is slower than people first expected (Prytz, 2013, p. 6). The book industry actors have been criticized for being stuck in old habits of doing business (Colbjørnsen, 2014, p. 56). With this public perception, the bookstores are somewhat working counter-currently when marketing their digital products and services. When interviewing the bookstores however, they do not perceive the situation as a problem, and as addressed in the previous chapter, the bookstores offer several new products and services that meet with the digital society. The bookstores' perception is that there are different groups of consumers with different attitudes towards digital books, and that there are certain factors that affect these attitudes. The consumer groups and factors now presented are based on the interviews with the bookstores:

<u>Typical consumer groups of digital literature:</u>

- *Big readers*

  A shared perception among the bookstores is that the most common e-book readers are the ones that grasp everything, both on paper and digitally. They are more concerned with having the ability to read, than with what format they are reading.

- *Tech-oriented readers (but not all e-book readers are technological clichés)*

  The media have a tendency to define all e-book readers according to technological clichés, but this is not the case for all e-book readers or readers of other digital book formats. Still, there probably is some truth to it. Consumers that are more concerned with technology generally adopt new technologies earlier, and are more appreciative of technological solutions.

- *Context-sensitive readers*

  The opportunity to use streaming services in all kinds of contexts, both for books and for music, arose especially with the development of applications for smartphones and tablets. In Anja Nylund Hagen's study on personal playlists in music streaming services, she discovered that some of her informants were sorting and placing tracks into *context-sensitive* playlists. The consumers' listening choices were based on the circumstances and purposes for different contexts. Daily routines and situations often influence listening habits, as well as mood and feelings (Hagen, 2015, pp. 633, 637-638). Based on interviews with the bookstores, there is also a perception that this is the case for some literature consumers. Kjartan Dannatt (ARK) believes that consumers' reading experiences today are to a large degree situational. That people act accordingly to the situation one is in when one is purchasing the book and the situation one is planning to read the book. The preference among consumers as to whether there are digital books or printed books, therefore may depend on the context. Håkon Havik also believe services like Storytel are typically used in specific contexts, such as when traveling, cooking or doing other things when one does not have the opportunity to be reading a book anyway.

- *Elderly readers*
  Elizabeth Sellevold (EBOK.no) mentioned a surprising customer group of digital books. From customer contact, it turns out the average age of customers at EBOK.no are relatively high. She said that the older crowd usually has better personal economy, more time, travels a lot, and already has a house full of physical books taking up space. They also find it convenient to stay at home and be able to have access to the book after a few clicks. If one is following a series, one can find the next book in no time, without having to go from bookstore to bookstore to look for a specific book. It is a hard to tell whether this is actually a typical group of consumers of digital literature or if it is just a coincidence.

The groups or segments of consumers of digital literature mentioned above are derived from the interviews with the bookstore representatives. The three first groups are types of consumers that were repeatedly identified by all the informants as typical consumers of digital literature. The group of elderly readers was only mentioned by Elizabeth Sellevold, and there may only be a coincidence that the typical customers she has talked to have been of a relatively high age. It is still a surprising and interesting discovery that I deemed worth mentioning. Now some factors that affect book consumers' attitudes towards digital literature will be addressed. These factors are also derived from repeated aspects discussed with the bookstores in the interviews.

<u>Factors that affect attitudes towards digital literature:</u>

- *International standards and international competition*
  International standards; what has been done in other countries is shaping consumers' expectations of what things should be like in Norway, and their attitudes towards digital literature. Big actors like Amazon have paved the way for what the consumers can expect in terms of offers, services and prices, and are also giant competitors to Norwegian actors in the consumption of international digital literature. If one is open to reading international literature in English, literature on Amazon and in other international online bookstores is just as accessible to the consumer, and is often cheaper than in Norwegian bookstores. Amazon sold e-books at extremely low prices in the beginning, creating losses for themselves, to get their own Kindle out on the market. This has led to a very pressed market, and many Norwegian consumers have noticed this and expect the same prices in Norway. They expect

it to be a lot cheaper than purchasing physical books online.

- *Contextual factors/convenience*

  As discussed, consumers' preferences towards literature may depend on contextual factors and convenience. Whether one is purchasing a digital copy of a book or a printed version may be affected by the situation one is in. "If you're going on a vacation it might be best suited to buy an e-book. Maybe not. How big is the suitcase? For how long are you going to be away? What is available in the store at the time? What kind of book is it?", Kjartan Dannatt (ARK) said.

- *Unawareness, unwillingness or previous experience*

  Through "drive and barrier surveys", EBOK.no has learned that one of the biggest drives for reading an e-book is if one knows someone else who uses it. Those who are not familiar with the experience of e-books tend to have stronger opinions on it being a very different experience from paper books than the ones that have tried it. Some consumers might be very conservative and not like change as much and are therefore not willing to consume digital literature. Others might have tried a service that is bad, or maybe do not like to read on a screen with backlight. Among book readers that have previously read e-books (16 %), 85 % believe they are likely to read e-books in the coming year. Among book readers who do not have e-book experience (75 %), 15 % believe they are likely to read e-books in the coming year (Ipsos MMI, 2016). This demonstrates that among those who do not have previous experience with e-books, many are reluctant to read e-books, while most of those with previous e-book experience believe they will continue reading e-books.

- *Equipment*

  The equipment is decisive in consumers' receptivity and approach to digital literature. Some book readers have the perception of not having the right equipment available and are therefore not exploring the digital possibilities. Others understand that they do have the right equipment and take advantage of the solutions that are more and more customized for apps and mobile equipment that one carries around anyway. Still, the reading format for e-books that is available through book-apps probably only satisfy the consumers to a certain degree.

- *High mobile penetration rate*

  Norway and the Nordic countries in general, have a high mobile penetration rate. In 2016, 89 % of the population in Norway had access to a smartphone, and 74 % had access to a tablet (Vaage, 2017, p. 90). When such large parts of the population have access to a smartphone, digital book services are also easy accessible.

- *Listening culture*
  Several of the bookstore representatives are under the impression that the digital audiobook format is in a period of tremendous growth. Consumers seem positive to listening to books, and more and more are open to listening to books, as the access and convenience of digital audiobooks are getting better. Most people have the required equipment to play audiobooks at all times because of the high mobile penetration rate. There has also been an increase in the popularity of another audio medium during recent years; namely the podcast. More people appreciate listening to something other than just music, especially while they are on the go. Håkon Havik (Storytel) said that statistically, the audiobook is the book group that is growing the most on an international basis. Today, Storytel is dominated by audiobooks, but there was a time when they offered almost as many e-books as audiobooks in their library, but 2 % of the consumption was on e-books, and 98 % on audiobooks. Kjartan Dannatt (ARK) also said that they can see a huge growth in the number of downloadable audiobooks at ARK. He sees a lot of opportunity and potential in that market, and is sure that the use of the format will escalate.

By having a notion of the consumer groups the bookstores are addressing when selling their products, as well as the factors that affect the consumers' attitudes towards digital literature, the strategies of their marketing will naturally be affected. Especially the omnichannel actors that previously only sold physical products in physical sales channels, have made changes in how their products and services are positioned and framed in the market; in terms of selling new digital products and services, selling their products and services in digital channels, and using digital channels to market their products and services. They are repositioning themselves to reach new target audiences in the new consumer groups of digital literature. Storsul and Krumsvik's fifth classification in addition to the four Ps, *social innovation*, may also be connected to the new consumer groups and factors that affect the consumers' attitudes towards digital literature. There exist fundamental innovations in opportunities for how people obtain and consume literature, and social changes in the society, such as the listening culture that has been discussed, may be connected to *social innovation*.

As Leyla Dogruel's fifth characteristic of media innovation suggests, the innovation process is often an interactive process, and is especially characterized by an interconnection of the innovation and diffusion/appropriation phase (2014, p. 59). During the interviews with the bookstores, it became obvious that they have clearly reflected on the factors that affect the appropriation of new digital products and services, and also how the consumers have new ways of experiencing digital literature. Their innovations in terms of new ways of presenting digital products and services, as well as how they market these products and services, are characterized by these reflections. To further explore how the bookstores market their digital products and services, I will first discuss how consumers are having new experiences of literature with digital formats. This is also based on how the bookstores perceive the consumers' new experiences and will especially be addressed in relation to e-books and digital audiobooks used on mobile devices. Then I will discuss how the bookstores are facilitating ways for customers to discover books in the arenas they control, and can therefore be related to how they are marketing their products and services.

6.2. New ways to experience books

As addressed in the earlier section, people have different opinions and attitudes towards digital literature, and there are different factors that work as drivers and barriers for the responsiveness of such literature. In this section, new ways to experience books will be discussed. E-books and digital audiobooks used on mobile devices will be in focus.

Marit Austgulen in Tanum said that studies have shown that people's reading experiences have changes over the past years and that the most important factor is that the use of mobile phones is increasing enormously. People are buying more products via their phone, and people are also reading more on their phone. Elizabeth Sellevold in EBOK.no said that she has received several e-mails and phone calls from customers that are really pleased with the experience of the e-book. The ones that have tried reading it have a tendency of continuing to read e-books. But reading a paper book versus reading an e-book on a screen is experienced very differently from person to person. Some people find it more tiring to read on a screen than on paper, and many people are just really fond of the paper book. Others are more positive to the e-book and the opportunities it presents as discussed in the section on users' attitudes towards digital literature. The e-book opens for new opportunities to design, create and use literature with interactive features, animations, audio or video, though most of these features are not used in most e-books. However, functions such as dictionaries and customization options are often offered in book-apps and e-readers. In general, e-books can be used in more practical terms. It makes the shop and transaction stages easy, it does not take up storage, and it is easy to use on the go. Elizabeth Sellevold in EBOK.no, believes that e-books have a strong position as something to read on the go. She believes the e-book is easy and practical, and as long as one is reading light fiction literature, the reading experience on the screen is not too different from the printed book. If one is reading professional or very theoretical literature one might find it easier to get an overview of the material by being able to turn back and forth between the pages in a printed book. She also uses the example of Karl Ove Kanusgård's books as examples where the physical copy of the book is sort of an artwork in itself. This way the physical book is part of an additional dimension of the experience. Marit Austgulen (Tanum) believes that people are reading on more platforms than before, but that the paper book still has a strong position.

When it comes to audiobooks, the bookstores have somewhat different opinions on how digital audiobooks are experienced versus other formats of audiobooks, such as CDs[12] and cassettes. Elizabeth Sellevold (EBOK.no) believes the experience with audiobooks is basically the same today as before. In her opinion, listening to an audiobook on for example a smartphone is just a modernization of the CD or cassette tape, but that the actual listening experience is basically the same.

Håkon Havik (Storytel), on the other hand, believes there are several aspects that make people experience audiobooks in the format Storytel offers, as something different. Technically, but not most importantly, Havik believes many customers have a poorer listening experience at Storytel than on CDs, because the audio quality is not as good. So technically, the listening experience on CD is better than the listening experience on for example a smartphone, but practically, the listening experience is far easier and more usable on the phone.

There is another interesting aspect with the experience of digital audiobooks. When reading books, one makes up images in one's head, and one does that when listening to audiobooks as well, but then there is also the voice of the narrator that affects the interpretation. The tone of the voice and how the narrator emphasizes the different words and sentences can be decisive for the interpretation of the story. To many listeners this plays a huge role for the experience of the books. Still, audiobooks are something between books and movies; because versus film, one receives a book experience with strong impressions from the narrator, but at the same time creates one's own images in one's head. Havik thinks it is important to be able to create one's own images, especially in relation to children and reading, literature and comprehension.

[12] The CD is also a disc for digital data storage, but digital audiobooks in this context is defined as digital files that can be downloaded or streamed via mobile devices, and do not need a CD or other separate physical carriers to be used.

As also mentioned in the section on consumers' attitudes towards reading and listening to digital books, reading experiences today can be very situational. Havik said many listeners have, or find, their own listening situations when they particularly enjoy audiobooks. Based on customer surveys, he is under the impression that Storytel listening is not at the expense of book reading. There are times during people's day that are particularly good for Storytel-listening, and not suitable for book reading anyway. For example, while walking or driving to work, cooking or cleaning. "People are experiencing it as something else, I think. And that is nice, for the listener, for the author and for the publisher, that in Storytel one can enjoy the same story twice, in a slightly different format," Havik said. Sellevold (EBOK.no) agrees with the idea that digital book consumption does not occur at the expense of other book reading, and that this tendency is similar with other cultural products. If one starts listening to podcasts, it does not necessarily mean one stops listening to the radio. "It has something to do with the fact that we are getting more and more advanced within our media consumption. In the way that we are using what is most suitable in our situation and in relation to price," she said.

Even if some elements of physical books are deprived in digital literature, e-books and digital audiobooks create opportunities for experiencing literature in new ways. There are technical, creative, and practical elements connected to digital literature versus physical literature, and some embrace the opportunities digital literature give them, while others still prefer the traditional formats. The experience of digital literature is closely linked to the situational context, and has a strong position as something to read on the go. This perspective of digital books is for example used in Storytel's marketing, as they are trying to find their place on the market. This will be further discussed in the next section under "new marketing strategies".

6.3. Facilitating the discovery of books

There are many ways for book consumers to discover books, and new technologies and new digital products and services change to some degree how consumers are discovering books. Since the perspective of this thesis is the bookstores, those who offer books, this section will also be discussed in relation to this perspective. How the bookstores are facilitating ways for customers to discover books in the arenas they control can be related to how they are marketing their products and services.

Bookstores work as both aggregators and curators. *Aggregation* of content means to collect different objects from different sources to form a whole. Bookstores aggregate a selection of books that they offer to their customers. Online bookstores are one of the largest aggregators in the book industry as they can gather large amounts of content to greater benefit their customers. At the same time they can gather great amounts of customer data to better their commercial prospects. Again, Amazon is the prime example of the biggest aggregator in the world of books and dominates the consumer market in many parts of the world. *Curation* is the appraisal and selection of books, and in the digital world, curation and aggregation work together as the parts aggregated are selected and presented through curation to help a browser or consumer navigate and select (Clark & Philips, 2014, pp. 21-22). Physical bookstores curate titles by displaying different books in different places of the store. Windows, tables at the front of the store, at the counter, and wall shelves with 'top 10', 'news', 'bestsellers' etc., are the prime locations of the physical stores and the prioritized books with the highest expectations of selling are placed at these locations. Other books are placed in shelves devoted to different subject categories. In online bookstores, metadata (data about data: for example, title, author, description) supplied by the publishers are used to place books in subject classifications, or to populate the algorithms that create recommendations for the customers (Clark & Philips, 2014, p. 22). The way the bookstores curate books, and how they facilitate the discovery of books, are ways to market their products and services.

Some are discovering new books for example through book reviews in the newspaper or in other arenas, but a very common way to discover books is either to seek out a bookstore, or seeing ads and campaigns marketed by a bookstore. This can happen online or offline and the bookstores are using both the space of either a physical bookstore or an online bookstore, as well as other channels to market and facilitate the discovery of books. Based on the interviews with the bookstores, different arenas used by the bookstores to market and facilitate the discovery of books will now be discussed, as well as other reflections they had regarding this topic. The ways of discovering books are not solely discussed in regards to digital products and services, but the bookstores' offers in general, as there is not necessarily a clear distinction between marketing of physical and digital products for the omnichannel actors.

Discovery in store: physical and digital

Many people seek a bookstore directly when they are discovering new books. How the physical bookstore or the online bookstore is arranged and organized is therefore crucial to which books the customers discover. The way in which this is controlled by the bookstores, is part of their marketing strategies.

In physical stores, the windows and storefronts create the first impression for the customer, and might affect which books the customer discovers, or where he or she will go next. In digital stores, the front page of either the online store or the app sets this same first impression. As discussed in section 5.1, and further discussed in 6.4, the battle for the customer's attention in terms of competition both from other book retailers and other media is getting harder. Discounts and marketing campaigns on books are widely used to get the customer into the store, and Kjartan Dannatt (ARK) said this has proven to be very effective. Marit Austgulen (Tanum) said that it basically is the physical stores that make the plans for which books are in focus, and then the online store is following up with the same focus; what is going to be promoted, what is going to be further promoted, where it should be placed etc. Tanum's online store is also always updated based on the books that receive media attention, and the books that sell.

The lay-out of the physical stores is important for a convenient discovery of books, and a clean store with order and structure more easily attracts customers. Marit Austgulen (Tanum) also said that informative signs and service minded people working in the stores, wearing shirts that clearly show that they are working there, are crucial for people to discover books in the physical stores. But lay-out, order and structure are also crucial in digital channels. In addition to physical or online bookstores, some reading-apps for digital books also let one discover, purchase and experience the books directly in the app. A challenge for the providers of the books on digital platforms is that a lot of content needs to be conveyed on a very small screen. In theory, one needs to convey the same selection, and often even a lot bigger selection, of books on a small screen as in the space of a large physical bookstore. Therefore, structure, categorization, user interface, and short and logical navigations within the digital stores are crucial to make it easy for the customer to discover books. If the customer does not find the layout and navigation easy and logical right away, there is a good chance they will move on to the next store immediately. Elizabeth Sellevold (EBOK.no) said that to give the customers the impression of the assortment, good entries are crucial, and said that creating book lists, showing news, and talking about the books in other channels are important.

One of the factors that seem to affect consumers' attitudes towards digital products and services are that they do not realize they have the right equipment to consume digital books. Elizabeth Sellevold says that EBOK.no tries to be very explicit in their marketing, showing the customers a Kindle, an iPad or a smart phone, to demonstrate how accessible digital books are.

Recommendations of books is an effective way of facilitating discovery of books. In physical stores, there might be notes or stickers on books that recommend the respective book. Online, algorithms make recommendations both more convenient and more intelligent. Recommendations may then be based on the customer's previous purchases, what other people have purchased, and the customers can see the author pages that show all the previous titles by the same author. Elizabeth Sellevold said that they are using this kind of recommendations at EBOK.no, but that they have the potential to become even more intelligent in the way these recommendations work, and that it is a goal to become better at this. The other bookstores also use recommendations to facilitate the discovery of books.

Booklists are also a much used method to feature different titles. Elizabeth Sellevold (EBOK.no) said they are using booklists a lot to convey the literature to the readers, and that they have all kinds of lists within general fiction literature. Especially during the fall/winter they are working a lot with fun and surprising booklists to emphasize the wide selection. Storytel also effectively uses lists that get a lot of clicks. This includes a list of new books, a coming soon list, a top list, a recommendation list, and genre lists. Also the omnichannel stores ARK and Tanum use similar lists online and in the physical stores. These include lists of new books and top 10 lists that are regularly updated. Updating these lists both in physical stores and online shows activity in the stores, that the stores are up to date, and creates a feeling of newness when the customers are visiting the store. The lists are much viewed online, and the walls with lists in the physical stores are often popular among the customers.

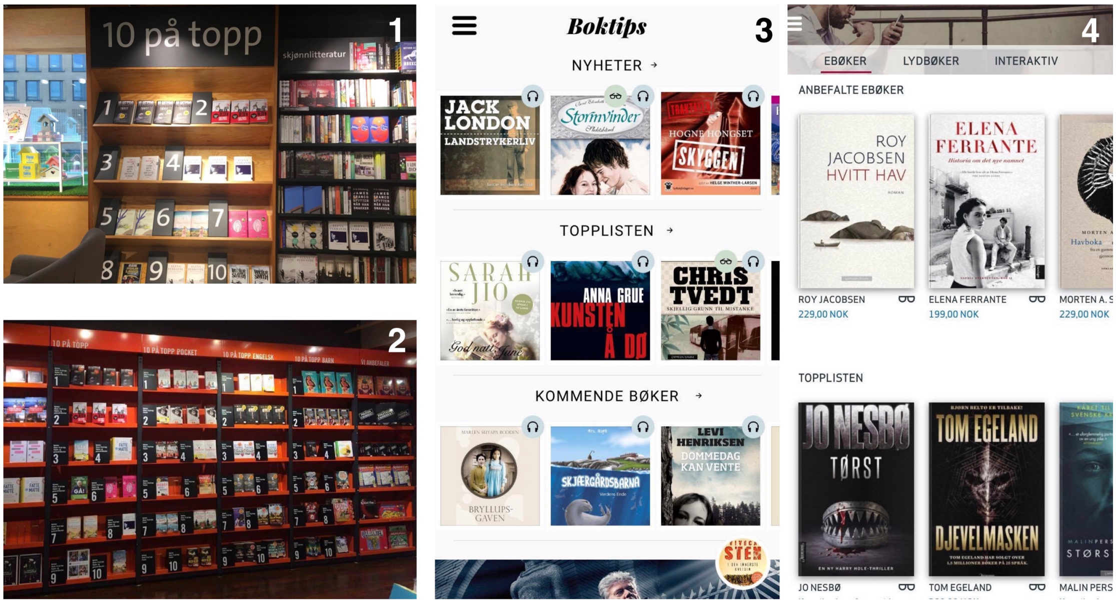

Photo 1: Booklists in physical and digital bookstores. 1. Tanum Oslo City (29.04.17), 2. ARK Rygge (06.05.17), 3. Storytel (06.05.17), 4. EBOK.no (06.05.17). Photos and screenshots taken by me.

In the physical bookstores, there is not a very big focus on digital products and services. There is obviously a connection between the customers that have been online to "click and collect" and the store, when they come to collect their books, but there are not a lot of marketing of the bookstores' digital products and services in the stores. It is paradoxical to try and sell not-physical products as e-books in physical stores. It is challenging to present a product that cannot be demonstrated in its physical form. However, Marit Austgulen (Tanum) said that they try to be informative about digital products in the physical stores.

And in the ARK stores there are a few reminders of digital products and services, even though the digital products and services are not particularly broadcasted in the stores. One example is that when customers buy books, a bookmark is put inside each book. These bookmarks contain marketing, especially of the digital products and services. They inform about the reading-app ARK e-bok, 'Klikk & hent', e-books and digital audiobooks.

Photo 2: Various bookmarks put inside purchased books at ARK. Photo taken by me (20.05.16)

Another difference between physical and digital stores is the long-tail effect that one can find in digital stores. Digital books amplify this effect as the different titles are always available and never out of stock. Elizabeth Sellevold (EBOK.no) said that EBOK.no's backlist is getting bigger and bigger. She thinks it fun to see all the weird books that sell, that it includes all kinds of literature. Because of the long-tail effect, all kinds of books are sold. Kjartan Dannatt (ARK) said that the best sellers are also fronted online, as they sell best also online, but that the tail is much, much longer online. There are many books with a very small demand, and Dannatt said that even if there are two people in a year that are interested in a particular book, ARK will make sure they have the book and are there to offer it with the right terms and conditions. To show the customers their wide range of books they have available, they use external channels to market their books. Such channels will now be discussed.

Discovery through external channels

External channels for marketing come in many forms, such as posters, TV-commercials, newsletters, social media, blogs, search engine optimization, and newspaper or magazine ads. All these channels are used by the bookstores to facilitate the discovery of books.

Håkon Havik (Storytel) is under the impression that the majority of digital book readers are not technical clichés that have to have everything digital, and that most people are flexible on formats. Storytel is therefore drawing a line from this perception to their marketing. Digital businesses have a tendency only to use digital marketing, but even though Stortyel is a digital service, not all their marketing is digital. In fact, the focus of Storytel, both in Norway and Storytel in other countries, has been outdoor marketing in the big cities, including posters on public transportation and in other public places. EBOK.no also uses print advertising in addition to digital advertising. Print makes them visible to people they know like to read, Sellevold said. Because EBOK.no was previously owned by Schibsted, Schibsted-channels have been used for marketing to a larger degree than what they would have done otherwise.

In this digital age, however, digital advertising is used a lot by all the bookstores. EBOK.no uses Facebook and their website to talk about books and present news. Google-searches also generate a lot of the traffic into the store, Sellevold said. Kjartan Dannatt said that ARK use digital channels to show the range of books available to the customers to get them into the stores. To make all the books available when people are searching for the books, they use everything from organic search engine optimization and paid searches to Facebook ads.

Most bookstores today, physical, digital or omnichannel, use newsletters via e-mail to market their offers and discounts, and these are getting more tailored for each customer. Many stores have customer reward clubs, which not only give special offers to the members, but also register all purchases made by the members. This way, the newsletters can be tailored to each customer based on previous purchases. For the customers subscribing to and reading these newsletters, their discovery of books might be affected by the newsletters.

New marketing strategies

The digital bookstores Storytel and EBOK.no are also using new marketing strategies to market the diversity of their available books. They want to feature niche literature in new ways. These strategies can especially be connected to the third P of innovation: *position innovation*. These are new strategies for how the books are positioned and framed in the market compared to other bookstores and relate to bookstores also implementing product and process innovation, as discussed in chapter 5.

Storytel differs from regular bookstores by not selling individual books. Håkon Havik said that the difference between selling individual titles or not doing so is substantial, and this affects how Storytel work to get their customers to discover their books. Measures used by other bookstores such as using window displays, front pages, stacking a lot of the same books on top of each other, having discounts and campaigns, etc. do not apply to Storytel. The users of Storytel are already subscribers and have already paid, and sales wise, it does not matter to Storytel which books the consumers are listening to. Havik said that of course they want the consumers to listen to their books, but they are not promoting individual books.

Their most important tasks in making the consumers discover the different books are therefore to show them the diversity, give them a good experience of the books and the service, show them variation and all their options. Storytel's strategy is to have a sort of editorial function as they are spreading release dates throughout the whole year. Because Storytel is a backlist service, the news of 2016 can be released from May 1 2017. But to release all the new books from 2016 on the same day and then be silent the rest of the year would be ridiculous, Havik said. He believes that it is fun for the consumers and others that they are simulating a new releases-function, even if the books are not new. Two books are released every day throughout the whole year, which is pretty comprehensive. Three to five years ago, Cappelen Damm released 15-20 audiobooks per year, but now almost 1000 audiobooks are released, which is a major upheaval. Havik said that he has noticed that the consumers are excited about this development.

Because of the absence of books from certain publishers, Havik believes the consumers appreciate seeing that something is happening in spite of this. Their strategy is that there should always be something to listen to and something to look forward to. The list with the overview of what is coming is also one of the lists with most clicks. Havik said that this is a very good sign, as it shows that the consumers are interested, maybe even loyal to the service. The consumers find it exciting to pay attention to what is coming and he draws the line back to the serial literature that started for real with the serials in English newspapers from the 1800s, such as Charles Dickens. Much of the great works are written as serials, and Havik believes that some of the pleasure with books is to look forward to the next book in the series. He says that it is not always that people realize it, but he believes it is that way. Not only for books, but for movies, TV-series etc. Series are therefore a big focus for Storytel. This trend has, as discussed in the previous chapter, been taken even further in Sweden with Storytel Original.

Another aspect with Storytel's release strategies is that they are trying to be democratic. They are not only focusing on the best sellers, but trying to show the diversity of books:

> If one is discussing the status of the niche literature, the forgotten books, and the 'I'm a newcomer, and I didn't get in to ARK and why do I not find myself in a bookstore', and 'why can I not find those books', and in those kinds of discussions, we are a channel that tries to do the opposite. We try to let everyone have a place.

Havik said that this is very interesting, especially from the authors' standpoint, but also for the customers'. The authors get the message that at Storytel every book is getting as much space and attention, even if it is the most popular, or the least popular. Every author gets their day, when their book is released, together with one other book. Everyone is getting the same attention on the 'news list'. Havik said it is very interesting to look at their statistics, seeing that every new book that is released is listened to, no matter what. There are not many sales channels where that happens. In physical stores, they get stacked into the bookshelf and are forgotten. The fact that there is always something happening, Havik finds exciting. He also thinks it is especially exciting that Storytel is a digital service and is available on the phone, and also because it is a subscription service, there is a low threshold to try books. It does not cost the consumers anything not to finish a book.

As both Elizabeth Sellevold (EBOK.no) and Håkon Havik (Storytel) pointed out, digital books are often used in more practical terms and as something to read on the go, and can be very situational. As Havik believes Storytel-listening is not at the expense of the printed book, they are trying to market Storytel as something else, a different reading experience. Several of their previous commercials have included people in a city scene being dragged into a fictional world, which is the experience they are trying to sell.

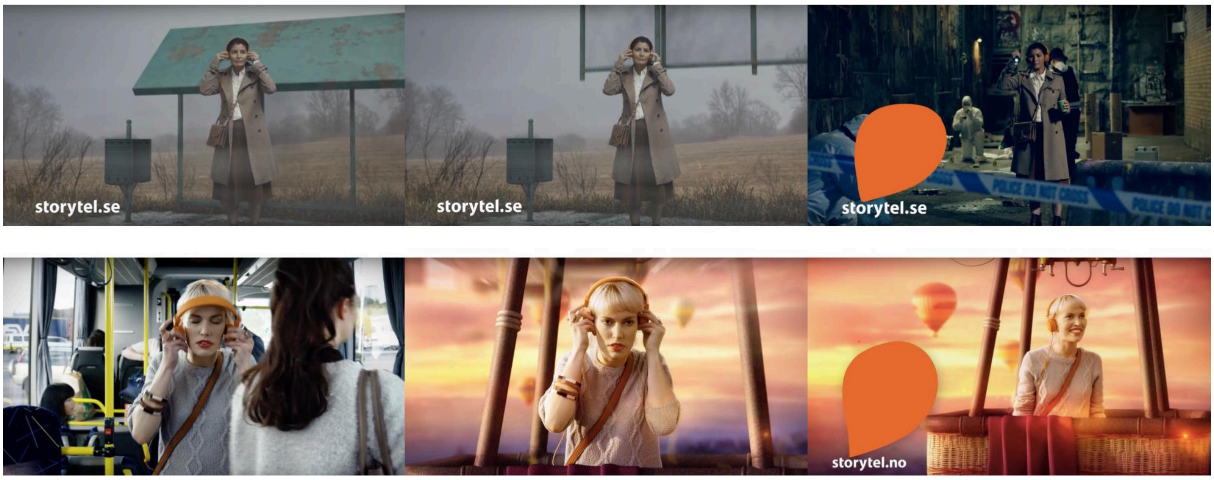

Photo 3: Screenshots (27.04.17) from video commercials from Storytel Sweden (Storytel Sweden, 2016) and Storytel Norway (Storytel Norway, 2016).

These video commercials illustrate both the abovementioned elements of Storytel's marketing. First, both the commercials used as examples here show people that use Storytel while they are on the go; one is at a bus stop, and one is on the bus, when suddenly getting dragged into a fictional world when starting to use Storytel. In another commercial from Storytel Sweden, a woman is watering her plants while she listens to Storytel, marketing Storytel as not only something to use on the go, but also as something to do while one is doing chores like watering the plants. As mentioned in section 6.1, many digital book consumers seem to be context-sensitive consumers that consume literature in regard to situational contexts. Secondly, Storytel is marketed as a different reading experience, with elements that drag one into a fictional world, into the story one is listening to. In the commercial from Storytel Sweden showed in the first photo series above, the woman has just received a cup of coffee from one of the police officers on the crime scene (in the third photo), which shows that she has been included in the crime investigation. These commercials therefore are trying to sell Storytel as a way of consuming literature in situations where one otherwise would not be able to read written literature, and as a literary experience with additional elements of excitement and enthusiasm.

In Sweden, the Storytel Original audiobook series discussed in chapter 5, is marketed with so-called book trailers. With inspiration from the movie and television trailers, these videos feature excerpts from the audiobook, illustrated with abstract video clips. For example, trailers from crime literature series show creepy houses, hand-held cameras, red filters, blood and dead bodies to the voice of the narrator reading excerpts from the audiobooks (Storytel Sweden, 2017). This illustrates how they are trying to replicate TV-series and present audiobooks in similar ways.

Havik believes that Storytel could also be good marketing for sales of paper books in physical bookstores. He is guessing that Storytel might cannibalize for 10 %[13] as there will always be someone that ends up listening to a book on Storytel rather than buying the physical copy. But then, Havik said, there might be nine others that use Storytel, but when the subscription runs out, they choose to buy the paper book instead. He believes the upselling would outweigh the cannibalization to a large degree.

Also EBOK.no are concerned with featuring niche literature. They have previously had a campaign that was about discovering new authors. Famous, established authors such as Jan Kjærstad and Lars Mytting, recommended one young, unknown author or an unknown book each. They have also had poetry days, which also was a way of trying to shed light on niche literature. In Elizabeth Sellevold's opinion, EBOK.no has made some communication initiatives that she does not see in the same degree with other digital bookstores. With a leading position in the market, she feels it is important to show that there is a wide range of literature, and to show a commitment to the literature.

During the period of this research, EBOK.no also released a subscription model in addition to their online store. Sellevold said that they are aiming at two different audiences for their two business models: their store and their subscription service. The audiobook market will be especially important for the subscription service, and they are trying to recruit tech-oriented users to this service. People who like to obtain literature in this way, that are not interested in owning every file, and that are familiar with this way of consuming literature. Sellevold said they wished to revitalize the width of the literature assortment, but that it will not be news oriented because of the fixed price legislations in Norway. Their target group is therefore the "big readers"/"big listeners", the ones familiar with the model, and the tech-oriented. This can be related to position innovation, as EBOK.no is trying to reach new target groups that they otherwise have not aimed at reaching out to with their other business model.

[13] In the music industry, subscription services are cannibalizing sales in Norway; from 2012 to 2013 physical sales fell by 29 % and music downloads fell by 21 %. (Dredge, 2014, in Hagen, 2015, p. 628)

Amazon: digital discoverability turning physical

So far, some factors that affect how customers are discovering books in Norwegian digital and physical bookstores have been discussed. There are opportunities and challenges with both, and internationally, there is one giant retail actor that has tried to take advantage of both. The retail actor is Amazon. This example is beyond the collected data material from the interviews I have conducted, but it is a very interesting example that is very suitable for the research questions and the topics addressed in this thesis. It is an example of a very innovative strategy from a big international actor that has, as mentioned several times already, previously set standards in the book industry internationally. In 2017, the e-commerce giant has opened five physical bookstores, and five more are opening soon. “The company that ruined the bookstore industry is doing the unthinkable.” (Robischon, 2017). The stores are called Amazon Books, and are trying to integrate benefits of offline and online shopping. The stores are closely linked to the elements of the online store, and they sell both books and devices related to them (Amazon, n.d.). In a time where everyone is talking about being innovative in terms of going from physical to digital, it is very interesting to look at an actor that is so big and so well-known for its online business, now being innovative the other way around, and going physical. Is Amazon trying to use the best of both worlds? The concept will now be discussed in relation to discovering books. Amazon Books will also be discussed further in chapter 7 in the section “synergy effects in the intersection between physical and digital”.

“The store solves one of the biggest problems with online shopping: discoverability” (Robischon, 2017). In most physical bookstores, the thought is that the more books, the more attractive the offering. Stocking large piles of the same book are creating the strongest impression. Amazon Books is doing the opposite. Instead, Amazon uses the massive amounts of consumer data they are in possession of, and data-driven design, to increase the likelihood that one will pick up a book that one did not know one wanted to read. At this point, the stores are an experiment, but the consumer data they are in possession of allows them to experiment and optimize (Robischon, 2017).

In the Amazon Books stores, all books are facing out, displaying the cover (Robischon, 2017). This way of stocking books is the least space-efficient way, and as one of Amazon’s core principles is frugality, this does not seem to make much sense (Amazon jobs, n.d.). But the way the books are being stocked was tested beforehand, showing that this way of stocking books is the way that the customers like best (Robischon, 2017). From my own experience, this is well-known for employees stocking books in bookstores, and it is a general “goal” to have as many books facing out as possible. The books facing out attract more attention and are therefore easier to discover, and generally tend to be the ones sold first. The problem is that in regular physical bookstores, the lack of space makes it impossible to front all books. For Amazon Books, this means they cannot stock as many titles as other bookstores. This is, however, not the point for Amazon Books. The selection of books that is stocked are highly rated and popular titles from Amazon's online rankings. All the books have at least a 4.6-star rating out of 5. In addition, metadata from Amazon.com in different forms are presented below each book. This includes customer reviews and suggestions in the form of "if you like…then try…". The consumer data Amazon is in possession of is also used to tailor the selection of each store based on data from the local area. They know what people in the area like to read, and there is even a section in the stores dedicated to popular titles within the local community. The books that are not in store can be ordered online, and there are terminals in the stores where one can order books if the need arises. In addition to the books that are displayed in the Amazon Books stores, Amazon's gadgets and devices are also displayed and for sale. Employees are there to show you how they work if necessary (Robischon, 2017).

> Amazon Books is a store without walls – there are thousands of books available in store and millions more available at Amazon.com. Walk out of the store with a book or device; lighten your load and buy it online (Prime customers, of course, won't pay for shipping); download a book for your Kindle; or add a product to your Amazon Wish List, so someone else can buy it." (Amazon, n.d.).

This quote, which is part of the description of Amazon Books on their website, illustrates how Amazon is trying to integrate both physical and digital stores, and physical and digital books and devices, to help make the discovery of books easier and more available. Amazon is trying to reimagine physical retail for the internet age, and they are exploiting their huge amount of customer data to create the best of both worlds, and help customers discover books in any way they could imagine. This data gives Amazon the advantage that they know a lot about how people are buying things, and they are now trying to facilitate new ways and compositions for the customers to discover books.

Amazon's new initiative can both be seen as a process innovation and as a position innovation. They are reorganizing their activities, delivering books in other ways than they have traditionally done, and they are also repositioning themselves on the market trying to reach their audience in other ways.

6.4. The battle of the consumers' time and attention

The bookstores are not only marketing to compete with each other, but they are also fighting for the time and attention of the customers. Media consumption today is very fragmented, and technical devices make it easy to switch between different media. Reading on a digital device might therefore cause distractions from the Internet, e-mail, social media etc.

Kjartan Dannatt (ARK) believes this is the greatest challenge for the Norwegian book industry in the digital age, to gain attention and time from the customers. The digital book format as such is not his greatest concern, but generally other digital platforms. He believes the future is about getting people's attention and their time:

> We are increasingly getting competition from the internet in general, social media, blogs, and what have you. People spend a lot of time on it, and the new channels eat off the traditional media that used to spend a lot of time writing about books. They don't have the opportunity to do that anymore. There are fewer readers, so there is less focus on books. So, we're being squeezed from that side, and then we are squeezed from the other side, which is similar, but not completely: the new streaming services; Netflix, HBO, Amazon Prime etc. And TV-series specifically wipe out the book. Narratively it is similar to the book, but it is more convenient, it is cheaper, lots of accessibility, and there are incredibly good services. So, we're really being squeezed on that part.

Statistics Norway publishes statistics for mass media use every year, called 'The Norwegian media barometer'. In the diagram below one can see that the use of books has been relatively stable since the millennium. The use of video media was relatively stable from the millennium and up to 2014. As seen in figure 4, Netflix's streaming service was released in 2012 in Norway, and has along with other streaming services for movies and TV-series generated great growth for video media use. While the use of books was more than double of the use of video media for 14 years after the millennium, the use of video media was in 2016 one per cent more than the use of books.

Figure 5: Use of books[14] and video media an average day in Norway (in per cent). Numbers from 'The Norwegian media barometer' 2000-2016. (Vaage, 2017)

[14] The numbers only apply to printed books. In 2016 2 % of the population read an e-book an average day (Vaage, 2017).

The development illustrated above supports Dannatt's concern regarding people's time being used on other digital media, and TV-series specifically. The consumers are in total control of what, when and how they want to consume media.

The consumers today are also in constant search for novelty and good prices, and a 'click-culture' has developed, which means that the consumers are easily switching between different media, but also in the search for a specific media product, for example a specific book, they are jumping from store to store or service to service to get the best offer. There are both cultural and economic aspects with this tendency. This has created relationships between the consumers and the providers that lack loyalty, and makes it harder to gain the time and attention from the consumers. The bookstores and other actors in the book market must therefore take measures to reach out to the customers both in creating good offers and campaigns that lure the customers into the store, as well as creating easy and accessible services, and interesting products and content. For example, the measure that Storytel Sweden has taken in creating Storytel Original, by replicating the form and elements of TV-series, may be a way of seeking the attention of the consumers that particularly enjoy TV-series.

6.5. Discussion

This chapter has aimed to explore how Norwegian bookstores market their digital products and services. To position oneself in a market and to target particular audiences, one must know the audience. The bookstores have therefore reflected on who they believe are the typical consumer groups of digital literature, and what factors that might affect the consumers' attitudes towards digital literature, in addition to how they believe the consumers are experiencing digital literature. How the bookstores are marketing their products and services have been explored through how they facilitate discovery of books for the consumers. New and traditional ways of discovering literature have been discussed in relation to the bookstores marketing measures, both in physical and digital stores, and via physical and digital channels.

In the book *Marketing Literature. The Making of Contemporary Writing in Britain*, Claire Squires defines the acts of marketing of literature as the making of contemporary writing, constructing the meaning of literature, representing it in the marketplace and influencing its reception (2009). How the literature is represented in the marketplace is up to the bookstores, and the way they frame and position their products and services may also influence their reception and the meaning of literature.

Position innovation has been discussed in this chapter, as it concerns changes in how products and services are positioned or framed in the market. As established in the introduction of this chapter, not all the bookstores are implementing big changes or innovations in the way they position or frame themselves in the market, but they are trying to reach a more fragmented audience that consume both physical and digital literature. Because the audience and the media consumption today is so fragmented, partly because of the convergence culture that has existed in the media especially since the millennium, it is also harder for the bookstores to gain the attention and the time of the customers. Kjartan Dannatt (ARK) believes this is one of the greatest challenges for the Norwegian book industry in the digital age. The omnichannel bookstores are trying to adjust to selling digital literature in addition to the physical literature, and the digital bookstores are trying to let their innovative approach apply also to the way they market their products and services. Public debates have also suggested that the digital development has been almost stagnant in the Norwegian book industry, which somewhat forces the bookstores to work counter-currently when marketing their digital products and services. However, the bookstores are not as concerned with the public's opinion on where they are with regard to digital development. Instead, they believe there are certain consumer groups of digital literature and physical literature, and they are trying to reach the different consumer groups based on what they know about their customers and their preferences.

How the bookstores perceive the typical consumer groups of digital literature include 'big readers', 'tech-oriented readers', and 'context-sensitive readers'. EBOK.no have also experienced that the average age of their customers is relatively high. There are also some factors that affect attitudes towards digital literature, and based on the interviews with the bookstores, these include: international standards and international competition, contextual factors/convenience, unawareness, unwillingness or previous experience, available equipment, high mobile penetration, and a trending listening culture. By having a notion of the consumer groups the bookstores are addressing when selling their products and services, as well as the factors that affect the consumers' attitudes towards digital literature, the strategies of their marketing will naturally be affected by this. The omnichannel stores have especially made changes in how they market their offers, as they are now offering digital products and services in addition to physical products. They are repositioning themselves to reach new target audiences in the new consumer groups that purchase digital literature. Position innovation can therefore be connected to this, as well as Storsul and Krumsvik's fifth classification; *social innovation,* in the way that there exist innovations in the opportunities for how people obtain and consume literature, as well as social changes in the society, such as the contemporary listening culture (2013, p. 17).

Reading and listening to digital literature may create different experiences for the consumers. The perception of the bookstores is that the consumers experience digital literature in different ways. Some find the actual reading experience of an e-book on a screen more tiring than in a printed book, or they may be missing elements of the physical book. Others find the opportunities of the e-book very valuable in relation to technical aspects, creative aspects, or in practical terms. The latter relates to Dogruel's third characteristic of media innovation; media objects are often multidimensional, and may include a close interaction between creative, content-related elements and technical elements (2014, p. 56). These elements affect the experience of digital books to different degrees. E-books for example include innovation aspects on different elements. The actual production of an e-book is based on a technological innovation. It is an electronic representation of a book; built on a digital file type and software platform. The technological aspect makes it possible to make creative versions of books by implementing audiovisual effects, animations or interactive elements. The technical aspect is by some experienced as very convenient because it is practical; one can store several books on one carrier, one purchases books at the same place one is consuming books, and one can easily bring along a whole library when travelling. The creative aspect of the e-book is also appreciated by some as it presents the opportunity of a more complex experience of the content. Others may, as mentioned before, rather appreciate the format of the printed book. This multidimensional characteristic of media objects can also be related to digital audiobooks. Havik (Storytel) said the technical quality experienced is poorer in streaming services than on CD, but that the practical element of the service makes the listening experience far easier and more usable. According to the bookstores, the practical element of digital literature seems to be the most important factor of the experience; how and where it is used. Sellevold (EBOK.no) believes the e-book has a strong position as something to read on the go, and Havik is under the impression that Storytel is especially used while doing other things, such as travelling, cooking etc., when one cannot sit down and read a book anyways. This perspective of digital books is also used in Storytel's marketing, as they are trying to find their place on the market. The excerpts from the video commercials given in section 6.3, show that the people in the commercials are on the go when using Storytel; one is on the bus and one is on a bus stop.

Even if understanding the consumer groups, factors that affect their attitudes, and how they experience the books are important topics in relation to how the bookstores are marketing, it is the sub-chapter "facilitating the discovery of books" that explicitly discussed how the bookstores are marketing their products and services. There are many ways for book consumers to discover books, and new technologies and new digital products and services change to some degree how consumers are discovering books.

Today, there are more books produced than ever, which is creating a pressed and competitive market. In the physical stores, the books are short-lived and are fighting for places on the bookstore shelves (Squires, 2009, p. 26). A mass-market logic exists, and there has been a solid distinction between frontlist and backlist books. The life prediction of digital books is different, and the backlist books are re-appreciated. When a bookstore offers a digital book, they will never be out of stock of that book. This gives eternal life to digital books, and the digital bookstores do not have to worry about storage space. The consequences of this, is the long tail effect, which is selling a small quantity of a large range of titles. All the bookstores in this study are taking advantage of this situation. The omnichannel bookstores have an increased opportunity to have different titles available for their customers, and ARK is using this in their framing of being available on all platforms at all times. Even if they have not prioritized space in their physical stores for particular titles, they can still offer a digital copy of the book. The digital bookstores are also framing themselves based on their wide range of books available, and especially the streaming services are creating new release strategies of books to make the consumers discover niche literature. Storytel has clearly positioned themselves as a backlist service that gives longer life to the books, and EBOK.no expressed this is important to them as a provider of digital literature as well. Kjartan Dannatt (ARK) said that it is about making books available, encouraging people into the store with good offers, and to make sure everything is available:

> We are working more and more with content. Via the blog, on the web, via recommendations, newsletters, and so on, to try to be more relevant to what we perceive as people's reading preferences. So, in a way we always want to meet the customer with the book. When the customer has the demand for a particular book, in a particular format, we want to be there with the right book.

The bookstores are using the layout of their stores, as well as external channels, physical or digital, to market their products and services. These ways of facilitating discovery have not only been discussed in relation to digital products and services, but their products and services in all formats, as there is not necessarily a clear distinction between marketing of physical and digital products for the omnichannel actors. In physical stores, windows and storefronts are used to promote particular books, and categorization based on genre and author is used to facilitate discovery of books. A clean, structured store with service-minded employees is important for people to easily and pleasurably discover books in physical stores. In digital stores, the front page of the website or app works in the same way as windows and storefronts in physical stores. Structure, categorization, user interface, as well as short, logical navigations to content are crucial to facilitate discovery on digital platforms as a lot of content needs to be conveyed on a small screen. Discounts and campaigns are often used to get people into the stores, and are advertised through external channels such as social media, printed media, outdoor posters, and electronic newsletters. Recommendations and booklists are also often used techniques to guide consumers to literature. Digital purchases or registration of purchases make recommendations on digital platforms especially intelligent and tailored for each customer based on customer data and algorithms. Booklists, such as 'news', 'top 10', 'coming soon' etc. are also frequently used by all the bookstores, whether they are physical or digital.

As Storytel has a rare position in the market, as discussed in chapter 5, and because they are not selling individual books, they are using new marketing strategies to help their consumers discover books. A release strategy is used to show diversity and to simulate a new releases-function even if it, as a backlist service cannot release new books when they are released elsewhere because of the policy instrument "Bokavtalen", which sets fixed prices on books from the time of publication until May 1 the following year. EBOK.no has also used strategies to show diversity and niche literature. Famous, established authors have been used in campaigns to front new and unknown authors or books. These marketing strategies can especially be connected to position innovation.

The international retail giant Amazon was also discussed in relation to their brand new initiative that combines the physical and digital to facilitate tailored discovery of books, with the help of massive amounts of user data. They have opened physical stores where the selection of books, as well as the layout of the stores are based on information they have derived from their purchase- and user data. Geographical data are used to tailor the selection of the physical stores with titles popular among consumers from the local community, and a relatively small selection of books are presented in each store based on ratings in the online store. This example will be further discussed in the next chapter, as it will explore how synergy effects might be facilitated in the intersection between physical and digital. Synergy effects is one opportunity that will be discussed, when we will now turn to the next chapter that will examine opportunities and challenges of book retailing in relation to digital technology.

7 Opportunities and challenges of book retailing in relation to digital technology

When implementing different approaches to offering new digital products and services, the bookstores also face opportunities to be exploited by new digital technology, and challenges that are partly out of their control. This chapter will therefore discuss the following research question: **How do Norwegian bookstores relate to the opportunities and challenges of digital technology?**

Out of the many opportunities and challenges the bookstores face, I have limited the discussion to two topics; 1) how the bookstores relate to any synergy effects at the intersection between physical and digital, in terms of stores and products/services, and 2) how the bookstores seek to facilitate seamlessness within their digital channels.

As addressed in the theory chapter, this research question can be connected to *paradigmatic innovation*. Paradigmatic innovation in the media industry has been strongly affected by digitization, and media organizations are more concerned than ever with finding sustainable business models for online services. The book industry is no exception, and the Norwegian book industry has especially felt the pressure. There are opportunities to exploit new digital technology, but there are also challenges that are partly outside of the bookstores' control. In addition to the four bookstores studied in this thesis, the international actor Amazon will also be discussed in relation to synergy effects between physical and digital, as they are once again trying to reimagine book retail.

7.1. Synergy effects at the intersection between physical and digital

As discussed in chapter 2, omnichannel businesses have both online and offline sales channels, and by merging digital and physical shopping, they provide the customers with a shopping experience with more choices, more convenience, greater flexibility and more services. The retailers themselves are provided with more customer transactions and better customer relations (Investopedia, n.d.-a). The shopping process may involve several stages, including research, comparing and purchasing. The internet has made all of these stages easier, but some still prefer the physical connection with the products and the employees in physical stores. By being omnichannel, the retailers are providing the customers with the opportunity to combine these two ways of shopping.

Opportunities that can be exploited at the intersection between physical and digital retail will now be discussed. These opportunities are referred to as *synergy effects*. A synergy effect is "an effect arising between two or more agents, entities, factors, or substances that produces an effect greater than the sum of their individual effects." (Business Dictionary, n.d.). This will be explored by discussing what opportunities and challenges there are with physical retail and with digital retail, both from the perspective of the omnichannel retailers and the exclusively digital retailers. If there is any collaboration between the physical and digital stores for the omnichannel retailers this will also be discussed.

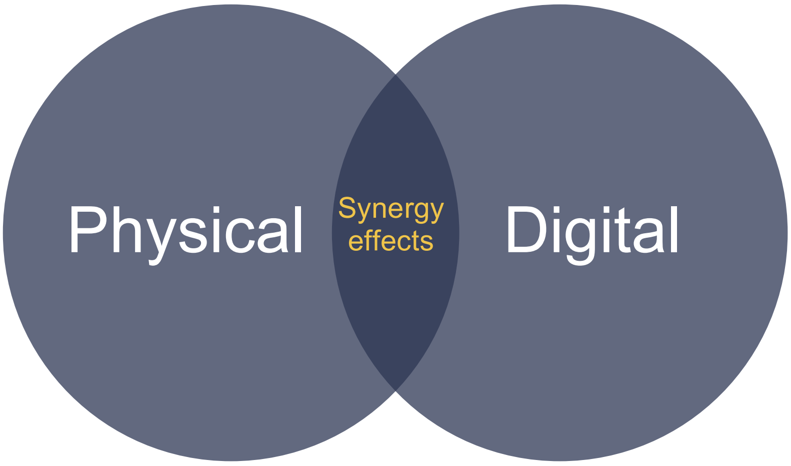

Figure 6: Synergy effects in this context are created at the intersection between physical and digital.

7.1.1. Opportunities and challenges with physical retail and digital retail

A transaction process today can be rather complex. A purchase does not necessarily happen in one act or through one channel. When customers have the opportunity to make a purchase on several channels, there are several factors that might make the customers change channels during the several steps of a transaction process. Maybe one is doing research on the products one is looking for online, and then goes to the store to look at the physical product in real life before actually doing the purchase. There might be external interruptions or a change in context that forces the customer to finish a purchase through another sales channel. Maybe one is about to go through with a purchase in a physical store, but then receive a phone call that forces one to leave the store. Then one has the opportunity to finish the purchase online at a later time. Understanding why and when users move across different sales channels can help the bookstores to design efficient and streamlined channel transactions (Flaherty, 2017, 19.03).

Omnichannel retail

ARK and Tanum are two of the biggest bookstore chains in the country. Both have online stores as well as several physical stores across the country. This gives them the opportunity to create synergy effects between the online and offline sales channels.

Kjartan Dannatt in ARK sees the situation of having both digital and physical stores as exclusively positive. This way ARK has a wider offer available for their customers at all times, and the number of titles sold today is much higher than five years ago. Being online has increased this number by having everything that is available in stores, also available online. Online, one can also check which stores have the different books or other products in stock.

Marit Austgulen (Tanum) can find both opportunities and challenges with the situation of being omnichannel. By being omnichannel they have the opportunity to offer an expanded customer experience by linking online and offline offers together:

> There is so much that can be linked together; one can link social media together, one can link what's done online together, and one can link what the customers are experiencing in the stores together. We feel it's kind of a synergy experience, striving to let the customers recognize the same values and offers online as in the stores.

But Austgulen also mentioned several challenges with doing retail online that differ from physical retail. These challenges can be summed up in less loyal customers, higher frequency, and higher expectations of lower prices. First of all, the customers online are less loyal, and harder to enthuse, surprise and get in touch with, than in physical stores. A high frequency is the result of a "click culture" that exists online. The customers are clicking into one site, and clicking out just as fast. There is a constant hunt for the best terms and prices. This creates a much bigger focus on prices and discounts, making it challenging to extract profitability and good margins online. People have the perception that things are supposed to be cheaper online because there are costs that are connected to physical retail that do not exist online. It is very challenging to put prices on digital literature, and there are many factors that need to be taken into consideration; market prices, competition, what are people willing to pay etc. This is especially challenging in relation to subscription models. A lot of people are under the impression that it is free to produce digital content, and many expect that digital content should therefore be free. However, this is not the case. Digital technology needed to produce digital literature is expensive, data costs are expensive, and the production cycle of digital literature is different. Then there are still large costs connected to the authors and the publishers.

Then again, selling physical products online has other expenses, such as distribution and postage. Because of the high tempo online, the campaigns also need to change at a higher frequency than in physical stores. Customers have an understanding that preparing and changing a campaign in a physical store takes time, but the expectations are different online. Austgulen said that online, they might have to instantly turn around and create new campaigns and discount prices. This can also create challenges trying to coordinate campaigns.

Digital retail

EBOK.no and Storytel are exclusively retailing digitally, and they are also selling exclusively digital content. Therefore, they do not have the opportunity to create synergy effects in the intersection between physical and digital, but to put it in perspective, it is still interesting to explore opportunities and challenges of only using digital platforms as sales channels.

Elizabeth Sellevold (EBOK.no) believes the biggest advantage of being solely digital is the simplicity, as having physical retail as well is both demanding and expensive. She said that to receive the books right away, never being out of stock, and having cheap distribution, is a very effective way of spreading literature. As mentioned in the last section, there are still large costs connected to digital literature, but the advantage with only having digital distribution of books is that there are not as many variable costs. When a digital version of a book is produced, it never needs to be re-produced, unless new editions are made. Neither do the exclusively digital bookstores have to have more employees at work on a day when 1000 books are sold instead of 500, as the traffic controls itself. However, there might be more customer inquiries on days with more traffic.

On the other hand, Sellevold said that online stores do not have the same personal meetings with the customers as physical stores. The employees in physical bookstores are there to tell the customers about the books and answer any questions they may have. The customers can hold, browse and look at physical copies of the books. This gives them a more complex impression of the book, than a picture and description of the book online gives them. The physical stores also have the opportunity to be present in a shopping street or on a mall, which is an advantage to attract customers.

Håkon Havik (Storytel) said that there are many physical aspects of the bookstores that are important, such as events, personal and direct guidance, and the people that work there and the conversation with them. It is important that the chains do not get too streamlined. Havik believes readers are different people in different moods. Sometimes one might be in a mass consuming mood, and other times one might be in inspiration seeking mood or just want to look. Physical bookstores have a unique position in relation to the latter, and Havik said that he both personally and as the leader of Storytel supports that:

> In our communication and marketing of Storytel, we have tried to think that we can help the physical bookstores to sell more, so we see physical bookstores as a good thing. I sure hope that we can support each other, with a mutual interest for literature.

Havik also told about a previously planned project for their digital service to exploit physical space. When the people behind Storytel first started out, they started with a service called Ordflyt, and Ordflyt and the Oslo Public Library (Deichman) planned to do a project together. The project never happened, but the plan was that if a consumer had the Ordflyt app on their phone, then books were activated for listening as long as one was inside the library. The thought behind it was that the library is a place where people meet other people, and if everyone is sitting home alone consuming digital loans, it would be really sad. So, the project would have been a way for Ordflyt as a digital service to take advantage of what the physical libraries and bookstores have.

Elizabeth Sellevold said that EBOK.no, as a digital bookstore, needs to be a driving force that preserves the digital interest in the industry. For example, when planning the campaign Mammutsalget[15], they had to make sure that the campaign ends on a Sunday and not on a Saturday. The physical retailers do not think about Sunday as an important day for shopping, as the physical bookstores are closed on Sundays. The exclusively digital bookstores also work as driving forces in getting books converted to digital formats. To provide an attractive offer, they are working on having e-books published at the same time as printed books. Sellevold said that it is important that they preserve the perspectives concerning digital book formats and digital bookstores, and remind the industry about those perspectives. She feels the industry is listening, but that there is an educational job that remains to be done. The publishers are most concerned with physical book formats as they are most familiar with that format, and this format is also generating most of their income.

New digital retail models

There are also technological challenges that to a large degree affect digital retail. Innovations and business models are closely linked. Digital technologies have indeed brought growth within certain fields in the way that it creates new ways to reach and connect with audiences. The audiences have engaged in the developments, and adapted by investing in the new gadgets and infrastructures that are needed (Küng, 2013, p. 10). The prehistory of Storytel illustrates how technical shortcomings made it difficult for the founders in Sweden to create a digital channel for book obtaining and book consumption. As new technical innovations were introduced on the market however, the opportunities opened for a modern bookstore like Storytel.

The Swedish founders of Storytel were first in negotiations with Audible[16] about starting a division in Sweden called Audible Nordic. This did not happen, but during the dialogues with

[15] Mammutsalget is a nationwide campaign with up to 80 % discount on books. More than 70 publishers and between 380 and 500 bookstores participate. (Den norske Forleggerforening, n.d.-b)
[16] Audible is a producer and provider of audio entertainment, including audiobooks. It has been a subsidiary of Amazon since 2008.

Amazon, the Swedes learned that Audible and Amazon were really concerned with mobile phones. The Swedish entrepreneurs went back to Sweden and took this interest seriously. They started up Storytel's predecessor Bokilur in 2005, a mobile service that worked very poorly. As seen on the timeline in chapter 5 (Figure 4) this was before Apple released the iPhone, and before Spotify released a streaming service for music. The contemporary Sony Ericsson and Nokia mobile phones people had at the time were not suitable for this kind of service, and according to Havik, one almost had to be an engineer to understand how to use it. One needed to install Java-applets to be able to listen, and the only reason why the solution was streaming was because there was not enough storage on the phones to be able to download audiobooks to the phone. This way, they stumbled across what would be the future's business model. The service sounded like a robot reading audiobooks into a tin can, and the business was bad for many years. But when the iPhone and App Store were released, a whole new possibility opened. By creating an app service, they made it easy, well-functioning and convenient to stream audiobooks. Bokilur turned into Storytel, and the business has been growing since.

In respect to this development, a *paradigmatic innovation* can be related to Storytel. The audiobook industry has undergone a paradigm shift, which is a change in how, where or why services are being used. The music industry has also undergone a paradigm shift in how CDs have been replaced with streaming services. Today, everyone has a potential audiobook player in their pockets, and most people know how to use a smartphone by now. The usability on mobile phones that was enabled with iOS made the situation of audiobooks completely different, and it has changed how and where one may consume audiobooks. There has also been an explosion in the number of users, and Havik said it is a fun situation to be in the Nordic countries with one of the highest mobile penetration rates in the Western world and to be on a digital forefront.

7.1.2. Collaboration between physical and digital stores

Klikk & Hent

Kjartan Dannatt said that they are looking at ARK as one unit, including the physical stores and the online store, as they are part of the same chain. The online store is treated as a store in the same way one physical store is treated as a store. He used Klikk & Hent, or click & collect, as a good example of a collaboration between the digital and the physical stores, and said that it is a service that is very important to them. Klikk & Hent is probably the most distinct example of a synergy effect in the intersection of the digital and the physical bookstores. It connects the digital with the physical by letting the customer get an overview of the assortment in the various stores through the online store, and directly reserving it in the available and desired physical store. The customers then go to the physical store to purchase the reserved book. This way the customer can discover and browse through books wherever they want through the online store, and also get any online discounts and not have to pay for shipping. For the bookstores, it generates traffic in both the online and the physical stores. Dannatt said that it is lucrative for ARK as well as the customers liking it, making it a service with solely positive effects. He said that clearly these types of things are very favorable to them as an omnichannel retailer, unlike the retailers that are exclusively online. He said that he believes that the physical stores are as happy with the Klikk & Hent solution as those that are working with the online store are, as it generates traffic to the stores giving them profit they otherwise would not have gotten. Tanum also has the Klikk & Hent service. Klikk & Hent is creating a strong collaboration between the online and physical stores in the omnichannel chains. The online store refers customers to physical stores that have the book they are looking for in stock, but employees in the physical stores may also refer customers to the online store if they do not have a particular book in stock. The campaigns also coincide online and in physical stores.

To ARK, it is important to be available on all platforms. Therefore, they have worked a lot with having the best offer on all platforms, incorporating this mindset among the employees, and presenting it to the customers. Because of this, Dannatt believes the ARK stores are more open to a connection between the online and physical stores than other bookstore chains. How ARK is trying to change the mindset of the organization, by having the best offer on all platforms, also on the digital platforms, can be related to paradigmatic innovation. Their mindset sets the premises for how ARK is operating to offer both physical and digital products and services. To them it is important to build and maintain a strong digital position in addition to their leading position with regard to physical bookstores.

Digital focus in physical stores

ARK also has a customer reward club called "ARK-venn". ARK sends out digital newsletters to everyone that is a member up to several times a week. The newsletters provide information about campaigns and discounts both online and in the physical stores. Also, if one is an ARK-venn, one can come into the store to pick up the Norwegian newspaper Dagbladet for free. Before one only had to say one's phone number to get the newspaper, but now one must download ARK's reading app, where there is a QR-code that is scanned in store, to get the newspaper. Dannatt said that there are a few more people that have started to use the reading-app for other purposes than just getting the newspaper after this arrangement was introduced, and that this was part of the rationale for introducing this arrangement. The reward club ARK-venn is therefore generating more traffic both in the reading-app and in the physical stores, and ARK are implementing measures to try to link the different digital and physical channels together. The newspaper works as bait to get customers into their physical store, and then they are getting “pushed” into the app.

Dannatt said there is little focus on digital content, such as e-books and digital audiobooks, in the physical stores. He said there are challenges connected to selling digital products in a physical store. Because of today’s infrastructure and technical solutions, it is not very suitable to sell e-books in physical stores:

> Digital formats are very corny to buy in a physical store. Why would you do that? Why would you buy an e-book over the counter at the store, when you might as well buy it on your phone where you’re going to read it anyway? It doesn’t make any sense because you still need to go through the digital transaction interface.

It is different the other way around; selling physical books in a digital store works fine, and is just giving the customers more options and convenience. Selling digital books in a physical store, however, is paradoxical as it does not make it easier for the customer, nor is there a physical delivery from the store to the customer. Dannatt believes that the mobile phone is the solution to this problem, as people always carry an online store with them, and that the distinction between the physical and digital will not be as strong in the future. “The distinction between physical stores and the internet is in many ways a bit artificial because people are not as concerned with that axis anymore,” he said. This is an interesting point, because as the consumer mindset is changing, and as online shopping become more common, the general customers are not as concerned with where they buy things, as long as they get the desired products whenever they want, as quickly and easily as possible, and with the best terms available. When people always have the phone with them, it is easy to purchase the desired book immediately, no matter where they are. The internet and digital services are so integrated into peoples’ lives and are not experienced as something extraordinary to people anymore. The distinction between physical and digital is therefore getting more and more invisible, as the customers are more concerned with the access, convenience, prices and other terms than whether they are shopping online or in a physical store.

Marit Austgulen said that in Tanum there are a lot more people working with physical stores than with the online store. In the management team, there is one representing the online store, while the rest are representing the physical ones. She said that it is in a way stipulated that there are the physical stores that are the foundation for strategies and what is done online. But there is still a lot of collaboration between the physical stores and the online store. Austgulen said there is a completely different collaboration between them now than there was when there were two different divisions with two different directors.[17] Austgulen said that there are several synergy effects that can be created in the intersection between the physical and the digital, and mentioned the customer experience, the degree of service, the breadth of offer, such as international books, and easier return options for the customer.

Even if it is paradoxical to sell digital content in a physical store, Austgulen said they try to be informative about digital content in physical stores, and about the physical stores in the online store. The physical stores will soon get an iPad where one can register for digital newsletters, and online there is also easily accessible information about the physical stores such as their location, opening hours, and events such as book signings.

Reimagining physical retail for the internet age

Amazon's physical retail experiment, Amazon Books, has already been discussed in relation to discovering books. The e-commerce giant is the perfect example of an actor that is trying to create synergy effects between their major online store and physical bookstores, as the stores are closely linked to the elements of the online store. Noah Robischon describes the Amazon Books store he visited as: "One of the first physical stores from the e-commerce giant that is associated more with closing bookstores than opening them."(2017) When asked whether Amazon would ever open physical stores, CEO Jeff Bezos always answered that they would if they had a differentiated idea, because the physical world is so well-served already (Robischon, 2017). In 2017, apparently Amazon felt their idea was differentiated enough.

In addition to Amazon Books, Amazon is opening a convenience store called Amazon Go, which is a store without cashiers or checkout lines. It involves using an app, cameras and sensors to replace the cashiers, and lets the customers pick up what they want and just walk out. One will be automatically billed through their Amazon account (Brownlee, 2016). Amazon calls Amazon Books and Amazon Go a push to reinvent the way physical retail works (Robischon, 2017). Scott Kirsner in Boston Globe calls it "the next assault on traditional retail" (Kirsner, 2017, 23.03).

With Amazon Books and Amazon Go, Amazon is trying to reimagine physical retail for the internet age. It is kind of ironic that the online retailer that is known for decimating the physical bookstore market in several countries is now turning to physical retail as they are realizing that data collected from online retail can help reimagine physical retail. "As a physical

[17] When the two publishing houses Cappelen and Damm merged in 2007, changes happened in relation to their online bookstores (Cappelen and Damm had one online solution each), and the physical Tanum stores and tanum.no were kept separate. In 2015, the two divisions merged.

extension of Amazon.com, Amazon Books integrates the benefits of offline and online shopping to help you find books and devices you'll love." (Amazon, n.d.).

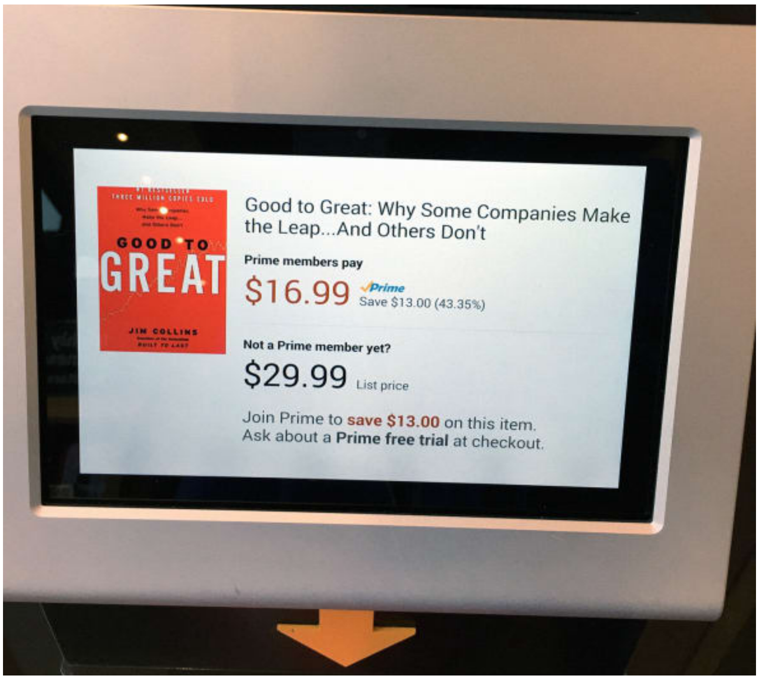

Photo 4: Screen in the Amazon Books stores that show the beneficial discount price for Amazon Prime subscribers. Photo: (Robischon, 2017)

One reason why Amazon would want to open physical bookstores when they already gain great profit from their online retail, is Amazon Prime (Robischon, 2017). Amazon Prime is a subscription service that gives customers access to streaming e-books, video and music. Amazon CEO, Jeff Bezos has for a long time called the membership service a "flywheel" that drives Amazon's growth, but lately there has been speculations that Prime is becoming saturated; that everyone using Amazon and is interested in becoming a Prime subscriber, already is one (Robischon, 2017). To reach other possible Prime subscribers then, Amazon Books might be a solution. The Amazon Books store is a constant reminder about the benefits of Amazon Prime. This includes discounts on the cover price of a book as the Prime members pay less than nonmembers for the same books.

7.2. Seamlessness in digital channels

Seamlessness in digital channels means that the transition from one channel to another, or within a digital channel or service, involves zero or minimal overhead for the users (Flaherty, 2017, 19.03). The elements within a digital channel should be well-integrated, the interface should be delicate, and the navigation should make the guidance to content logical and intuitive. If one is changing channels, one should be able to recognize the same content and the same design, and one should be able to pick up where one left of. Seamlessness is close to a perfect condition that is "smooth and continuous, with no apparent gaps or spaces between one part and the next" (Oxford Dictionaries, n.d.). To be able to create complete seamlessness within or between digital channels is as good as impossible, but it is an ideal to strive towards. It is also a well-known expression used among developer of digital services. In relation to the research question, this section seeks to explore how the bookstores seek to facilitate seamlessness within their digital channels. To narrow it down, the focus will be on seamlessness within the reading-apps the bookstores offer. All four bookstores in this study offer a reading-app, but the importance of the reading-app to each bookstore varies. First, the most essential functions in the reading-apps will be defined based on the bookstores' perceptions of their own reading apps. Then, the bookstores' reflections on the importance of seamlessness within digital channels will be discussed. Finally, the challenges of creating a seamless service will be outlined.

7.2.1. The most essential functions in the reading-apps

Apps have become a mainstream and trusted way to deliver content and services, as more people than ever are frequently engaging with their phones throughout the day (Gove, 2016, p. 2). Reading-apps are an alternative to e-readers, giving the consumers the opportunity to consume books on a device they are already in possession of. For the reading-apps to function efficiently and pleasantly for the consumer, a set of essential functions need to be present and work smoothly. All the bookstores in this study have a reading-app, and based on the interviews, as well as trying the apps, the most essential functions of the apps will now be outlined. All these functions are important to the user experience, and for a seamless experience all must be well-integrated.

- *Log-in and registration*:

  This is the first step to use a reading-app, and the user needs to be authenticated and registered the first time of use. This is a requirement for all reading-apps. It is therefore crucial that this works effortlessly.

- *Transaction interface*:

  In some reading-apps one can buy e-books or audiobooks directly in the app. This requires extra operations and security measures in the development of the app and from the user. If the transaction is done on an Apple device through iTunes, Apple requires 30 % provision, which may affect the profit for the bookstore or the prices for the customers. This complicates the option of having a transaction function in the reading-apps, as the bookstores must adjust their prices with Apple's provision taken into consideration. If the reading-app has a transaction function, however, the interface should be user-friendly as well as assuring the user about safety regarding one's payment information. Neither ARK or Tanum had a transaction function at the time of the interview, but ARK expected to release it soon. Storytel is a subscription service, meaning one only pays for the content when signing up for subscription. Because of the provision to Apple, this must be done through their webpage.

- *E-book reader*:
  The e-book reader is the main element of most reading-apps[18], and is the actual reading experience. Most Norwegian e-book players include a Norwegian-English dictionary, and enables one to adjust the font size, margins, the backlighting, brightness, night mode and the display's direction.

- *Audiobook player*:
  In addition to the e-book reader, all the apps except Tanum's also have an audiobook player. The audiobooks can either be streamed directly using internet connection, or it can be downloaded to one's device so one can listen offline. The audiobook players should enable one to rewind, pause and fast-forward, put in bookmarks and adjust speed. Especially long books might be divided into several parts, as one book contains several hours of listening. This makes it easier to navigate in the content of the book on a small screen. Storytel's audiobook player also allows one to put it in sleeping mode after a desired amount of time.

- *Representation of books:*
  The e-books and audiobooks in the reading-apps can be presented in two places; the "bookshelf" and the "store". The bookshelf, or library, in reading-apps is where one has an overview of the books one has purchased, and that are available for reading or listening. In Tanum's app one can organize one's library by new books, or by title or author. The design of the representation can also be adjusted, and one can create folders with different collections of books. The store is the overview of the books that can be purchased, if the app has a transaction system. If the bookstore has a subscription service, such as Storytel, it is presented in a similar way. The books can be categorized by genre, author, title, series, etc. Some bookstores also categorize into lists, such as top list, news etc.

- *Recommendation of books:*
  Digital consumption is to a large degree based on ratings and recommendations from other consumers. Most digital bookstores, either on web or in an app, give the consumers the opportunity to either rate or leave a comment on each book. This helps guide other

[18] In some reading-apps, as for example Storytel, the audiobook player is the main element.

consumers. Algorithms may also give recommendations based on previous purchases or personal information provided by the consumer. Recommendations from the bookstores are also often presented in lists, as mentioned under "representation of books".

- *Navigation:*
  For an app to be seamless, the road to get started with reading or listening needs to be short, and it must be easy to navigate between the different functions. There needs to be a logical and intuitive guidance to content.

- *Synchronization:*
  For a digital service to be seamless, it must include the ability to function properly on different digital platforms, and by having a user-account, one should be able to obtain the same content regardless of what device one uses. Therefore, all the reading-apps have an automatic synchronization function that allows one to use the app on several devices, and one's library of e-books and digital audiobooks will be the same. Bokskya is the Norwegian service that works as a digital bookshelf. It stores the digital books one owns, and makes them available in all reading-apps.

The reading- and listening experiences are especially important, but for a composite good user experience, the registration, transaction and such, are prerequisites for an app to function properly. Elizabeth Sellevold (EBOK.no) called these functions for so-called "hygiene factors"; factors that consumers generally take for granted that function properly.

7.2.2. The importance of seamlessness within digital channels

Dannatt (ARK) said that seamlessness or integration in the app and in digital channels is absolutely critical. The consumers are not concerned with seamlessness as such, as a concept, but they just want things to work and that everything to be as easy and usable as possible. "The consumers just want it to be simple. They wouldn't describe it as a seamless experience, or that the integration works perfectly," he said. It is easy to pick up a physical book and start reading in it, and Dannatt said it needs to be as easy to "pick up" a book in the app and start reading that as well. There needs to be as little friction as possible in all stages.

Sellevold (EBOK.no) said that lack of seamlessness in a reading-app might cause frustration among users if they experience faults or do not understand the navigation, as they might feel stupid if they do not understand how to use the app properly. She said that

EBOK.no's app is not perfect, but that they are actively working on improving the usability. The "hygiene factors" are something they work on continuously, as they are prerequisites for the app to function properly, as well as new functions in the app are updated along with new things happening on the market. EBOK.no therefore has a close relation between customer service and IT-section, trying to notice technical errors or potentials for improvement on a daily basis. If the users report something that does not work as it should, the IT-section looks at it immediately. This way, working on the seamlessness in the app is a continuous improvement process at EBOK.no.

In Tanum, the app has not been a priority within digital sales, and Austgulen said their app is not particularly user friendly. The app was made in 2014 on an already existing solution and technology from digitalbok.no. It was a quick and cheap solution, and it has been neither updated nor a priority since. But she said that if apps are still going to be as important in the future, they first and foremost needed to create a transaction solution within the app to make it easy to just do a few clicks and be ready to go. For an app to be usable, she said that the consumer should only be one click away, and not having to spend much time on circumstantial processes.

Håkon Havik (Storytel) said that with digital services, consumers seem to seek the feeling of freedom. Seamlessness and good integration is facilitating this feeling of freedom. He finds it funny that titles on Storytel that exists both in audiobook and e-book format are statistically more listened to than books only available in audiobook format, even if the e-book version is not actually read. Many consumers just want to have the opportunity to switch to the e-book version if they feel the urge to do that. The ability for the consumer to switch between listening to and reading a book seems to be an important element of the seamlessness within Storytel, even if the ability is rarely exploited. Havik believes this is part of the feeling of freedom that the consumers seek in relation to digital services. He also pointed out that a typical comment by new users is that it is not possible to switch from chapter to chapter in the audiobooks, but that experienced listeners do not seem to care about that. He said the majority are only concerned with getting to listen to a good story, and not the small technical shortages.

7.2.3. The challenges of creating seamlessness within digital channels

As we have seen, all the bookstores believe seamlessness within their reading-apps is crucial for a good user experience. Still, it is not easy being a bookstore in the Norwegian market and having the opportunity to create a seamless service. Through the interviews, all the bookstores expressed the same thoughts on the challenges of creating seamlessness within digital channels. These challenges are:

- *Costs:*
  App development is very costly, and cannot be a main priority in all bookstore businesses. Especially if the app is a byproduct.[19]

- *International standards:*
  One of the biggest challenges in creating a seamless service is being a small, Norwegian company being measured in international standards. One is being measured against international technology, where there might be thousands of developers working on a service, and with way bigger budgets. The big international services reach out to a worldwide customer base, and take markets worldwide. The bookstores agree on the fact that the customers do not take this into account. They frankly do not care what terms and means the business creating the app has. They just want to have a good and easy experience. "The users do not care if one is a small or a big company, or what kind of budget one has. In many ways, it is the big international market leaders that raise the audience on how things should be. Following that development process is following international standards," Elizabeth Sellevold (EBOK.no) said. But she also said that they cannot be whining about that fact, and instead they must be better at other things, such as striving to be the best on Norwegian literature, be more personal, close and charming, and be better at customer service.

- *Adaptation to different operating systems:*
  App development is more demanding than web development because the app needs to be compatible with several different types of devices and operating systems.[20] Those that have a transaction function in the app making it possible to purchase literature directly in the app, also need to take Apple's provision fee into consideration. At EBOK.no for example, the book prices are higher on Apple devices than on Android devices and on the website. This is because when purchasing on an Apple device, the transaction is happening via the customer's iTunes account and not via EBOK.no, and Apple takes 30 % provision on all

[19] At services like Storytel, the app is the actual bookstore, and has a stronger position. At Tanum, the app is not at all a priority.
[20] Though web development today also needs to take different devices and browser formats into account.

such purchases. Therefore, EBOK.no needs to increase the prices on purchases made on Apple devices, not to lose money.

- *Complexity of technology systems:*
  With all the functions mentioned in the earlier section being essential for a good user experience in a reading-app, it means that the app consist of many programs running at the same time. To have all these programs and systems running smoothly at any given time can be challenging. Marit Austgulen (Tanum) said that getting all these systems to work together, and to prioritize it, is the biggest challenge in creating a seamless service.

With all these challenges of making a seamless and user-friendly service, it happens that the app does not work as it should, as might be the case with any other digital service. Håkon Havik (Storytel) said that the users get really frustrated when the Storytel-app does not work. “That can almost make you kind of happy, and give you a feeling of awe, because you realize how much it means to each user,” he said.

Kjartan Dannatt (ARK) sincerely summed up the challenges of creating seamless digital services on the Norwegian market:

> It is definitely challenging. Integration, dataflow, technology, and user experience. It costs a lot of money and it is damn hard. We need to develop the app for a lot of different formats, on a lot of different devices. For Android, there is an ocean of phone versions, software, and third-party software that the provider has placed on top of everything. So basically, it’s hell.

This sums up the challenges created by the complexity of technological systems, and the adaptation to different operating systems. As expressed by Dannatt, creating a seamless experience in all kinds of digital channels and on different kinds of technological devices with different kinds of operating systems, is close to impossible. He continued:

> And then it is costly, and we’re a small organization; few people and relatively limited investment funds. We’re competing with Apple and Amazon, and they’re setting the standards. And I’m not complaining, it’s completely fair, but if you’re comparing ARK to Amazon, looking at how much money ARK has for digital developments and how much money Amazon has for that, then one can ask oneself ‘OK, how easy is it to compete with them?’”.

The international standards and the costs are also by Dannatt highlighted as factors that stand in the way of creating seamlessness in digital channels for a relatively small organization on a relatively small market. So, even if seamless and user-friendly reading-apps are desired by all the bookstores, there are a lot of factors that restrain them from creating perfectly seamless reading-apps. They do however find the situations they are in fair, and understand the challenges, but are still doing their best with the means they have.

7.3. Discussion

The introduction to this chapter stated that it would include a discussion and analysis of topics related to the following research question "how do Norwegian bookstores relate to the opportunities and challenges of digital technology?". The chapter has explored the opportunities and challenges the bookstores face in relation to digital technology, and has particularly focused on 1) how the bookstores relate to any synergy effects at the intersection between physical and digital, in terms of stores and products/services, and 2) how the bookstores seek to facilitate seamlessness within their digital channels.

Regarding how bookstores relate to any synergy effects at the intersection between physical and digital, omnichannel retailers are the natural matter to discuss. But even if the digital retailers do not have the opportunity to create any synergy effects between physical and digital, opportunities and challenges of being solely digital have been discussed as well, as this is closely linked to the research question. Omnichannel retailers have the opportunity to give the customers a shopping experience with more choices, more convenience, greater flexibility and more services. They have a wide offering available, and can meet the customers' varying preferences. However, there are challenges with digital retail that differ from physical retail that can be hard for the omnichannel retailers to adapt to; less loyal customers, higher frequency, and higher expectations of lower prices. The solely digital retailers have the advantages of simplicity, never being out of stock, customers receiving their books right away, and cheap distribution. However, they lack the opportunity of the personal meeting between the employees and customers, having events, the complex impression of the book by not being able to hold, browse and look at it, and they are not present in a shopping street or on a mall.

The omnichannel bookstores are relating to synergy effects by being available on all platforms, and connecting the various platforms. The service Klikk & Hent is provided by both ARK and Tanum, and connects the shopping experience online with the shopping experience in the physical stores. There can be campaigns that coincide on the different platforms, and the online and physical stores can refer customers to each other if the respective store does not have a particular book in stock. ARK also uses their customer reward club 'ARK-venn' to try to push people from the physical stores into their reading-app. Internationally, Amazon is once again used as an example. Amazon has done it the other way around; starting with a digital store and has now opened up several physical stores. There is a strong connection between the physical and digital at these stores, called Amazon Books, as they are basing their physical stores on data from the digital store. In this way they are trying to reimagine physical retail for the digital age. But Amazon is not the only online store that has opened up physical stores. As more shopping is done online, more online businesses open physical spaces that work more or less as a showroom. A Norwegian online retailer that has been inspired by Amazon Go (another physical store experiment by Amazon) is the grocery store Kolonial.no. Kolonial has opened up a physical pick-up point for groceries; one selects the groceries online and picks them up at the physical store. A similar model to the Klikk & Hent service except Kolonial's physical store does not contain groceries, but a playground for the kids and a coffee shop for the adults (Nilsen, 2017, 21.03). Is this a new business model that will lead to paradigm shift for retail?

Håkon Havik (Storytel) believes book consumers are in different moods, and obtain and consume literature based on this. The physical and digital retailers have different positions regarding this, and the same have physical and digital literature. Kjartan Dannat (ARK) believes the distinction between physical and digital retail will not be as strong in the future, because people are not as concerned with separating the two anymore.

Turning to seamlessness in digital channels, we have seen that all the bookstores believe seamlessness within their reading-apps is crucial for a good user experience. Even if the users are not concerned with seamlessness as a concept, or all the small technical shortages, an easy, smooth and functional user experience are decisive for the users. However, there are several challenges the bookstores face in trying to create a seamless service.

The cost is the first challenge mentioned by several of the bookstores. Developing good technological services is very costly, and cannot be a prioritized field of business for several of the bookstores. Technological systems are complex, and the systems must work on all kinds of operating systems. It is challenging to get all the programs within a service to work smoothly together, and to have it work on all kinds of devices. Not least, the international standards are a huge challenge for Norwegian reading-apps. Being a small, Norwegian company being measured against huge international companies and their well-invested technology is close to impossible. And the users do not care about what terms and means the actors are operating with; they will go to the best service that is offered. In a way, the big international market leaders have raised the audience to expect certain standards.

As addressed, *Paradigmatic innovation* can be connected to the research question presented in this chapter. Paradigmatic innovation changes where, how and/or why the product is used. For example, it can relate to changes in an organization's values, mindset or business models. Digitization has had a large effect on paradigmatic innovation in the media industry, and media organizations are more concerned than ever with finding sustainable models for online services. Overall, this is closely related to the research question that asks how Norwegian bookstores relate to the opportunities and challenges of digital technology. A concrete example was how Storytel and other streaming services now are presenting new business models for obtaining and consuming audiobooks, and how the users are embracing this type of literature experience. It has been a long process, but with the similar paradigm shift happening in the music industry and the TV-industry, streaming services seem to be a growing trend also regarding books. The fact that in only a few months, the number of streaming services for books went from one to three in the Norwegian book market, amplifies this trend. This example can also be related to Dogruel's sixth characteristic of media innovation; it often exceeds the boundaries of traditional product life cycles. It can be a time-consuming process for an innovation to reach the right appropriation, as it requires that the establishment of user-habits and social norms integrates these media in new communication contexts. Even if Storytel's predecessor was established even before Netflix and Spotify, it is not until recent years the streaming service for books really has been appropriated by the consumers, at a time when streaming services for other media are well-integrated into peoples' lives. Today, there exists several streaming services for audiobooks, and the numbers of users are growing; embracing the new way of consuming audiobooks. So, even if the founders of Storytel believed in audiobooks for mobile many years ago, some things are out of their control and are slowing the process – both technologically and socially.

As illustrated with the two topics of this chapter (physical vs. digital retail and synergy effects, and seamlessness within digital channels) there are both challenges and opportunities related to digital technology and innovation in the book industry. Digital technology has indeed brought growth in several ways by enabling new ways to reach and connect with consumers, but new digital technology has also created challenges for the actors in the industry. It is challenging to create new and well-functioning services of digital technology, and digital technology creates the need for organizational changes. The book industry is concerned with finding sustainable business models for digital products and services. "It is a development where one work to offer new business models in a fairly established industry, and a regulated industry," Elizabeth Sellevold (EBOK.no) said. The exclusively digital retailers want to give users good reading experiences on digital platforms and are finding their place in an established market, and the omnichannel retailers try to succeed both online and offline, and to create synergy effects between the two.

The three preceding chapters have each taken on the three sub-research question. These three research questions have aimed at answering the generic research question. The next and last chapter will discuss how these three sub-questions have answered the generic question on an overall level, and what I consider the most important findings and development features of the bookstore industry with regard to digital operations. Furthermore, some concluding remarks regarding limitations of this research and suggestions for further research will be addressed.

8 Discussion and conclusion

The aspiration for this research has been to create something that can be useful to support a broader understanding of how Norwegian bookstores are adapting to digital developments. The aim has been to explore and describe how the bookstores are implementing different approaches to facilitate innovation by offering new digital products and services, and what complexities they must consider that are beyond their control, and might create challenges to operating innovatively.

Innovation is essential in media industries. Innovation is closely linked to technological advancements, and so are media industries. Technological advances create new possibilities in the media industry that lead to new products and services, but the established book industry has had challenges trying to profit from this development (Küng, 2013, pp. 9-10). Innovation is change, and when the need for innovation in the media industry is persistent, the same is true with regard to need for organizational change. This can create challenges for even the biggest and most successful companies as they are facing discontinuous and disruptive changes. The paradox then is that even if the companies are successful in existing markets, they might fail in new ones. Another paradox is that the need to optimize the current operations and productivity might obstruct the ability to be innovative and adaptive (Küng, 2013, p. 11).

In the Norwegian book market, the printed book is the definite dominant medium for literary reading, and a few established organizations are dominating the market. When the e-book entered the market, the expectations were high for digital development in the industry, as had happened in other media industries. The e-book failed to live up to its early hype, and public discussions on digitization in the Norwegian book industry have been signalizing that the development is as good as stagnant (Prytz, 2013, p. 6). However, the Norwegian book industry is also facilitating innovation and is adapting to an increasingly digital society. The literary landscape in Norway and internationally is changing as a result of the introduction of new digital technologies that cause literature to be produced, distributed, obtained and read in new ways. This thesis has aimed to explore how Norwegian bookstores are adapting to the digital age, and the findings have shown that the bookstores are to a certain degree operating to offer new digital products and services. However, the public has constructed some expectations based on international standards that the Norwegian bookstores and the rest of the industry cannot live up to. The established actors, vertical integration and policy regulations are some of the reasons why some things are and will remain stable.

The perspective in the thesis has been the last link between the book and the consumers; the bookstores. Even if other parts of the literary system have been addressed, the perspective has been to explore how the bookstores are implementing different approaches to offering new digital products and services, which is also the generic research question. I have strived to answer this research question through answering three sub-research questions. These have been connected to the media innovation theory *the four Ps of innovation*, as well as characteristics of media innovation that go beyond the organizations' control.

Chapter 5 discussed the first sub-research question. All the bookstores are to some extent offering digital products and services. This includes e-books, digital audiobooks, streaming services, Klikk & Hent, and self-publishing portals. Two of the bookstores offer digital products and services alongside physical ones, while the other two are exclusively digital stores with exclusively digital content. The bookstores' offerings can be related to product and process innovations as the new offerings can be understood as something new for the actors and for the market, even if not all these offerings are considered brand new products and services in themselves. Storytel for example, offers digital book products that can be considered product innovations as they include changes, updates, redesigns and/or reengineering compared to traditional book formats. These new products are delivered through a new type of retail channel for the book market; a subscription service for streaming, which can be considered a process innovation. All the bookstores are concerned with having the best possible offer for the consumers, which includes digital products and services. Even if there are regulations and market factors that create challenges for being innovative, such as too centralized market power, and that the revenue is not growing simultaneously with the number of books being sold on the market.

Chapter 6 discussed how the bookstores are marketing their digital products and services. In terms of position innovation, they are trying to reach a more fragmented audience that consume both physical and digital literature. Because the audience and the media consumption today is so fragmented, partly because of the convergence culture that has existed in the media especially since the millennium, it is harder for the bookstores to gain the attention and the time of the consumers. The omnichannel bookstores are trying to adjust to selling digital literature in addition to physical literature, and the digital bookstores are trying to let their innovative approaches apply also to the way they market their products and services. Again using Storytel as an example, policy regulations, restraints from publishers, and competition from similar services, have made them a backlist service that do not offer new books nor books from all publishers, giving them a rare position in the market. This forces them to also be innovative in the way they are releasing books and branding themselves. Both Storytel and EBOK.no are framing themselves as services that give the niche literature a place and general books a longer life. Storytel is releasing two new[21] books every day, not distinguishing between popular or less popular books/authors. EBOK.no has also had a campaign that uses popular and established authors to recommend new and unknown authors/books.

All the bookstores are using both the space of their own stores, in terms of physical and digital stores, as well as physical and digital external channels to facilitate discovery of their products and services. Lists for example, e.g. ‘new releases’ and ‘top 10’, are used by all the bookstores. Even if the bookstores are kind of working counter-currently with a general public opinion that illustrates an as good as stagnant digital development of the book industry, the bookstores are not worried about that, and instead they believe there are different consumer groups of digital literature and physical literature, and they are trying to reach the different consumer groups based on what they know about their customers and their preferences.

Chapter 7 discussed how the bookstores relate to opportunities and challenges of digital technology in relation to 1) physical vs. digital retail and synergy effects at the intersection between the two, and 2) seamlessness in digital channels, with focus on reading-apps. Digital technology has indeed brought growth in several ways by enabling new ways to reach and connect with consumers, but new digital technology has also created challenges for the actors in the industry. It is challenging to create new and well-functioning services of digital technology, and digital technology creates the need for organizational changes. The book industry is concerned with finding sustainable business models for digital products and services. The exclusively digital retailers want to give users good reading experiences on digital platforms and are finding their place on an established market, and the omnichannel retailers are trying to succeed both online and offline, and to create synergy effects between the two. Klikk & Hent is an obvious attempt from the omnichannel stores to create synergy effects by implementing both digital and physical into the different parts of the shopping process. This is offered by both ARK and Tanum. Amazon was also used as an example that illustrates how one can go from digital to physical and use customer data derived from the online store as an advantage in the physical stores, and in this way reimagine physical retail for the digital age.

Concerning seamlessness in digital channels, reading-apps was the focus, and all the bookstores believe seamlessness within their apps is crucial for a good literature experience. However, there are lots of challenges that make it really hard for the bookstores to create digital services that are seamless, such as costs, international standards, and the complexity of technological systems. In relation to the fourth P of media innovation; paradigmatic innovation, the opportunities and challenges of digital technology have led to changes in the bookstores’

[21] New in the service, but not new in the market.

values, mindset and business models, and the industry can therefore relate to paradigmatic innovations as well. The rest of this section will in more general terms discuss the most essential discoveries derived from this thesis and answer the generic research question.

The bookstores studied in this thesis include two of the largest and most established omnichannel bookstore chains on the Norwegian book market, as well as two modern exclusively digital bookstores; one streaming service, and one online store and streaming service combined. To the omnichannel actors it is important to build and maintain a strong digital position, but at the same time maintain a strong network of physical stores. They do not want to push the customers to use digital services, but if customers decide that they want to purchase books online, they will provide them with the best offer.

The digital actors are concerned with giving Norwegian book consumers good and convenient reading experiences, also on digital platforms. An interesting aspect is that on an international basis, the retail trends seem to have somewhat turned. In recent years, people have desired the option to buy everything online, leading to physical retailers opening online stores as well; while lately there have been tendencies of online retailers opening physical stores in addition to their online option. Amazon has been discussed as an example of an e-commerce giant trying to integrate the benefits from online and offline shopping in their newly opened physical bookstores. Adlibris, another online bookstore, has also opened a physical store in Stockholm. The trend can be seen in other markets as well, and some have opened something similar to a showroom. It gives the customers the physical aspects of the transaction process, e.g. holding the products and getting help from the employees, or the ability to pick up the goods, while the actual purchase is done online. In Norway, this includes the grocery store Kolonial, and the furniture store IKEA.

Concerning the actual book formats, digital formats versus physical formats is not a question of either/or. The bookstores offer and the consumers obtain books in different formats, and it can be considered a *hybrid*. Some consumers prefer printed books, some prefer digital books, while others like both[22]. Already in 2009, the British comedian and writer, Stephen Fry tweeted: “This is the point. One technology doesn't replace another, it complements. Books are no more threatened by Kindle than stairs by elevators.” (Fry, 2009, 11.03). So even if the growth of digital books continues, today’s situation suggests that physical books and digital books will be demanded and provided in parallel, in the same way as other introductions of new media and information technologies.

[22] In 2016, 36 % of the Norwegian population believed they would read both e-books and printed books during the next three years. (Ipsos MMI, 2016, p. 7)

To the omnichannel actors it is not a goal in itself that people are going to consume digital literature. The goal is to offer good solutions and a lot of availability in all formats. This was also expressed by the director of the publisher Cappelen Damm, Tom Harald Jenssen, in an interview with Aftenposten in 2015. He said:

> As a publisher it is my job, in cooperation with the authors, to develop and release good literature in all formats: hardcover, paperback, audiobook and e-book. As well as make the books available in all channels; in bookstores, in online bookstores, in supermarkets and in streaming services. Then the customers must choose for themselves. It is not a goal in itself that people are going to read e-books. It is a goal that they are going to *read* (Albridge, 2015, 24.02).

Cappelen Damm is the owner of both the bookstores Tanum and Storytel. As mentioned in the section "Selection of objects of study" in chapter 4, the intention when choosing the objects of study was that it would be interesting to study two different sales channels from the same owner. When interviewing Havik in Storytel and Austgulen in Tanum, they expressed that they had nothing but good experiences by being under the same ownership. Austgulen said that it was noticeable that there are several sales channels owned by Cappelen Damm, but at the same time they are two completely separable ways of selling books.

The digital actors are also not trying to replace printed books, instead they are providing book consumers with good alternatives. The digital actors see the value of physical books and physical bookstores, and do not believe digital book consumption will compromise the printed book. Håkon Havik even believes Storytel can facilitate sales of physical books if they were to cooperate with physical bookstores. If the digital book market is to grow significantly, it will cannibalize parts of the market for physical books, but new business models may also aim at reaching new markets, new customer groups, and new needs. The bookstores are especially trying to front digital books as something that is convenient on the go or in situational contexts that are not suitable for physical book reading anyway. In my understanding, it generally does not seem like there is an ongoing process of *creative destruction* in the Norwegian book industry based on how Schumpeter's theory is applied to media innovation theories; namely as a process that happens when new technologies develop and new innovations emerge, which forces existing businesses to either adapt or dissolve (Doyle, 2013, pp. 26-28). Even though innovations in the book industry may involve more flexibility, opportunities and productivity, such as the e-book, there are other valuable aspects with the traditional printed book format that the consumers do not wish to replace. The traditional book providers adapt to the innovations by including the new formats into their business models, but their traditional business models do not dissolve. Even if new, modern exclusively digital bookstores emerge, the consumers are still demanding the physical book format that they can discover in physical bookstores.

However, the “joker” of digital book formats is the digital audiobook through streaming services. In the middle of the “e-book bubble”, when everyone was talking about and getting ready for the e-book to “take over” the market, the digital audiobook turned out to be the desired digital book format that to a large degree has replaced other formats of the audiobooks. The digitization of audiobooks was for a long while largely unnoticed, but is not anymore. All the bookstores in this study have recognized the trend and predict a bright future for the format. Two of the bookstores have implemented or based their business models on streaming services for audiobooks, and Havik (Storytel) said in the interview that he believed in the format long before everyone else recognized it. At the time he got no support in his predictions, which he finds very interesting in retrospect. The podcast trend and the transition from CDs to music streaming services have facilitated the development of a listening culture, which is probably an important facilitator for the streaming of audiobooks as well. In a way, the big readers stop being big spenders when they can subscribe to streaming services for both audiobooks and e-books. Even if the subscriptions are fairly expensive, it is cheaper to subscribe and have access to a large library of books than to buy every single book for a person that consume a lot of books in a short period of time (the ‘big readers’). The user interface of the streaming services for audiobooks also makes it easier for people that usually do not read books, to consume books.

The arrival of several subscription services for digital books happening in such a short period of time is pretty unique in an international context, and is probably influenced by the high smartphone penetration rate and the popularity of streaming services in general. The digital audiobook is today probably the closest to a paradigm shift in the book industry, in the way that it has been a change in how and where one can consume audiobooks, and subscription services have changed the business model. This change has led to a growing consumption of audiobooks.

The general perception is that even though the Norwegian book market is a relatively stable market, the bookstores are operating to offer new digital products and services, and modern exclusively digital bookstores have emerged. My study indicates that the digital offers will be provided in parallel with physical formats in physical bookstores. The bookstores seem to disagree with the public’s perception that there is a crisis in the book industry, and unlike everyone that is complaining about how slow the development has been and about everything the industry is doing wrong, the bookstores believe they are doing what they know best in relation to the factors that influence their ability to be innovative, such as technology, regulation, market structure, organizational structure, consumer behavior, industry norms, and capacity and resources. The market consists of a hybrid of book formats offered in a hybrid of bookstore formats; it is not a question of either/or, as both physical and digital products and services and physical and digital bookstores, can and are offered side by side.

Limitations and further research

The Norwegian book market is a complex market, and there are many aspects that would have been interesting to study further. Since this is a master's thesis with limitations both in terms of time aspect and in terms of capacity of the format standard, limitations have been made regarding theory, objects of study, topics and analysis. Regarding the theoretical approach, media innovation is a very complex field, and it is challenging to get a complete overview of all theoretical contributions. There might be other theoretical perspectives that would be suitable for this thesis, but I found that the theories I have used are relevant and applicable for the analysis. The analysis is especially based on Storsul and Krumsvik's (2013) four Ps (and one S) of media innovation, and Leyla Dogruel's (2014) characteristics of media innovation. The theory of the four Ps of media innovation has worked as a tool to describe changes and innovations in the industry, and can be connected directly to the research questions. As established innovation theories within other fields do not necessarily apply to innovations in the media industry, Dogruel's characteristics of media innovation has been useful to understand what considerations one must take into account when studying media innovations, as well as describing factors that are partly outside of the bookstores' control when trying to be innovative.

Regarding the methodological approach, I consider the methodological approaches used as suitable for answering the research questions. Some might consider the number of informants as too low, but the amount of data retrieved from the interviews has been extensive enough to thoroughly answer the research questions. Even so extensive, that the number of topics included in the analysis could have been limited, as it to some degree exceeds the capacity of the thesis. If the number of topics had been limited, I would have the opportunity to explore others even further, as there are so many interesting topics of this thesis and the field of research in general. Therefore, I recommend that for further research, some of these topics can be taken even further.

The book industry is also as aforementioned, a moving target and this is a study of the contemporary situation the bookstores are in. The situation is changing quickly and there will always be new aspects to study. When I started to conduct this research and during the time of the data collection, Storytel was the only streaming service for general literature in Norway, but by the end of this research, two more had been released. This is a pretty dramatic change regarding the digital book market and would be especially interesting to study further. What consequences this will have for the market and the digital book consumption in Norway, and the digital audiobook development in general would also be of interest.

The further development of the bookstores in the digital age and their relation to their surroundings is an appealing field of study that can include several aspects. How are the users interacting with digital book formats and services? How do the relation and dependency between the bookstores and the publishers affect facilitation of innovation in the book industry? Or how do the Norwegian actors relate to the international development and large international actors like Amazon? Several of these factors have to some degree been addressed, but all have the potential for further research.

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Appendix 1 – Interview guides[23]

Interview guide Storytel:

About the project

The project is based on the Norwegian book industry in a digital age, focusing on the bookstores – the last link between the book and the consumer.

It aims to explore how Norwegian bookstores implement different approaches of offering new digital products and services. Media innovation is the theoretical approach of the research.

Introduction:

- Currently, how many subscribe to Storytel?
- What is your position on the market compared to other providers of literature?
  Do you provide the market with anything *new* that makes your position as a provider of literature special?

The users' experiences and discoveries of books:

- What is your impression of the consumers' attitudes towards reading and listening to digital books?
  - Why do you believe it is that way?
  - What do you believe these attitudes will be like in the future?
  - What is the Norwegian situation regarding this versus the situation on international markets?
- How are you trying to let people discover your literature?
- How are you marketing your service?
- How do think people are experience this way of experiencing literature? Is there anything special about the reading experience of audiobooks via Storytel?
- How receptive do you think the users are of audiobooks versus e-book?
  - Audiobooks are your main priority, but you also offer some e-books. What is the background for this allocation?

Physical/digital:

- (Let him know that I've seen Storytel commercials) – These commercials seem to illustrate that one can be anywhere and still get dragged into the literary experience. You're in a special situation by not having a physical location, one can use the service anywhere and whenever. What kind of opportunities and challenges can be related to this situation?
  - Do physical book retailers have any advantages that you don't? Vice versa.

[23] All interviews were conducted in Norwegian, meaning the interview guides were originally written in Norwegian.

<u>User-friendliness in the app:</u>

- What is the most essential functions/components of your app?
- What kind of feedback have you gotten regarding the app?
- How do you relate to this feedback?
- What's the importance of seamlessness/integration in the app and in digital channels?
- What are the biggest challenges in creating a seamless service?
- Are there other functions the app should have?
- What kind of opportunities and challenges can be related to a subscription service for audiobooks versus individual purchases?

<u>Other questions:</u>

Product innovation: changes in products/services (new platforms such as the iPad, or new services such as Netflix, Spotify)

Process innovation: changes in how products/services are created or delivered (increased efficiency, user involvement)

Position innovation: changes in how the products/services are positioned or communicated (new target groups, new marketing strategies)

Paradigmatic innovation: changes in how/where/why products/services are being used (the digitization has had large consequences for the media industry – CD → streaming)

- Can you relate to any of the four Ps of innovation?
- What is your role in getting literature translated into sound? Are you a motivator for making it happen? Are there any costs connected to this?
- As an exclusively digital service you have low distribution costs etc. How does that affect your resource allocation? Are there particular areas you have the opportunity to spend more money on? (e.g. marketing, user-friendliness)
- From 2014 to 2015, your development growth has been 18 million. What do you believe Storytel's future look like?
- What is the Norwegian book industry's biggest challenges in relation to the digital?

Any last comments?
Is it OK if I contact you again via e-mail if I have any follow-up questions?
(Get signature on the consent form)
Ask for contacts/informant in Tanum.

Interview guide EBOK.no:

About the project

The project is based on the Norwegian book industry in a digital age, focusing on the bookstores – the last link between the book and the consumer.

It aims to explore how Norwegian bookstores implement different approaches of offering new digital products and services. Media innovation is the theoretical approach of the research.

Introduction:

- What is your position on the market compared to other providers of literature?
  Do you provide the market with anything *new* that makes your position as a provider of literature special?

- Can you tell me about your business model?
  - How does the self-publishing portal work?
  - What is the proportion of self-published books?

The users' experiences and discoveries of books:

- What is your impression of the consumers' attitudes towards reading and listening to digital books?
  - Why do you believe it is that way?
  - What do you believe these attitudes will be like in the future?
  - What is the Norwegian situation regarding this versus the situation on international markets?

- How are you trying to let people discover your literature?
  - How is different books fronted?
  - Can self-publishers front their books via your service?

- How are you marketing your online store and the app?

- What is special about the reading experience of digital books and audiobooks?

Physical/digital:

- You're in a special situation by being exclusively digital without any physical aspects. What kind of opportunities and challenges can be related to this situation?
  - Do physical book retailers have any advantages that you don't? Vice versa.

User-friendliness in the app:

- What is the most essential functions/components of your app?

- What kind of feedback have you gotten regarding the app?

- How do you relate to this feedback?

- What's the importance of seamlessness/integration in the app and in digital channels?

- What are the biggest challenges in creating a seamless service?
- Are there other functions the app should have?

Other questions:

- Do you consider EBOK.no an innovation?
- What is your role in getting literature translated into sound? Are you a motivator for making it happen? Are there any costs connected to this?
- As an exclusively digital service you have low distribution costs etc. How does that affect your resource allocation? Are there particular areas you have the opportunity to spend more money on? (e.g. marketing, user-friendliness)
- You have announced that you will release a streaming service by the end of 2016. Can you say something more about that?
- Will you offer books from all publishers in the service?
- How do you picture the allocation between the streamed books and the individual purchases?
- Lydbokforlaget has also announced that they will release a streaming service. What effect will that have on the market; that there will be three streaming services for digital books? In relation to competition and regulations (e.g. agreements between Norwegian Authors' Union and the Norwegian Publishers Association)
- The book prices at EBOK.no vary in the online store, in the app via iOS and in the app via Android. What's the reason for this?
- What is your role in getting literature translated into sound? (practically and economically) Are you a motivator for making it happen?
- EBOK.no, as well as haugenbok.no and Akademika, are owned by Vigmostad & Bjørke. The Norwegian book industry is characterized by three big publishers and their bookstore chains. Do you believe this will look different in the future? Will digital books and bookstores have a bigger role on the market? In that case, will it challenge today's situation?
- What does EBOK.no's future look like?
- What is the Norwegian book industry's biggest challenges in relation to the digital?

Any last comments?
Is it OK if I contact you again via e-mail if I have any follow-up questions?
(Get signature on the consent form)

Interview guide ARK:

About the project

The project is based on the Norwegian book industry in a digital age, focusing on the bookstores – the last link between the book and the consumer.

It aims to explore how Norwegian bookstores implement different approaches of offering new digital products and services. Media innovation is the theoretical approach of the research.

Introduction:

- What is your position on the market compared to other providers of literature?
  And what is your position in relation to digital products and services?

Physical/digital:

- Which digital products and services do you offer?
  (E-books, digital audiobooks, Klikk & Hent, app…)

- How important are digital products and services for your organization?

- You have a situation where you offer literature in both physical stores and online.
  Which possibilities and challenges are related to this situation? (possibilities/challenges in the online store vs. the physical stores)

- How is your focus allocated between the physical stores and the online store?

- Is there a collaboration between the physical stores and the online store?
  - What is the importance of such collaboration?
  - What kind of focus and relation do you believe the physical stores have on/with the online store?

- Are there any advantages you can create at the intersection between the physical and digital? (synergy effects)

The users' experiences and discoveries of books:

- What is your impression of the consumers' attitudes towards reading and listening to digital books?
  - Why do you believe it is that way?
  - What do you believe these attitudes will be like in the future?
  - What is the Norwegian situation regarding this versus the situation on international markets?

- How are you trying to let people discover your literature? Both in physical stores and in the online store.
  - How is different books fronted in the different stores?

- Is there any focus on digital content in the physical stores, and is there any focus on the physical stores in the online store?
  - Are there challenges related to selling digital products in physical stores?

- How are you marketing your stores and your app?
- How do you believe reading experiences have changed in the past years?
- What is special about the reading experience of digital books and audiobooks?

User-friendliness in the app:

- What is the most essential functions/components of your app?
- What kind of feedback have you gotten regarding the app?
- How do you relate to this feedback?
- What's the importance of seamlessness/integration in the app and in digital channels?
- What are the biggest challenges in creating a seamless service?
- Are there other functions the app should have?

Other questions:

- It says on your website that you strive to be the most innovative bookstore chain. How do you work towards that goal?
- What do you believe ARK's future look like?
- What is the Norwegian book industry's biggest challenges in relation to the digital?

Any last comments?
Is it OK if I contact you again via e-mail if I have any follow-up questions?
(Get signature on the consent form)

Interview guide Tanum:

<u>About the project</u>

The project is based on the Norwegian book industry in a digital age, focusing on the bookstores – the last link between the book and the consumer.

It aims to explore how Norwegian bookstores implement different approaches of offering new digital products and services. Media innovation is the theoretical approach of the research.

<u>Introduction:</u>

What is your position on the market compared to other providers of literature?
And what is your position in relation to digital products and services?

<u>Physical/digital:</u>

- Which digital products and services do you offer?
  (E-books, digital audiobooks, Klikk & Hent, app…)
- How important are digital products and services for your organization?
- You have a situation where you offer literature in both physical stores and online.
  Which possibilities and challenges are related to this situation? (possibilities/challenges in the online store vs. the physical stores)
  - Do exclusively digital book retailers have any advantages you don't? Vice versa.
- How is your focus allocated between the physical stores and the online store?
- Is there a collaboration between the physical stores and the online store?
  - What is the importance of such collaboration?
  - What kind of focus and relation do you believe the physical stores have on/with the online store?
- Are there any advantages you can create at the intersection between the physical and digital? (synergy effects)
- Tanum and Storytel are both owned by Cappelen Damm. Do you notice that you are two book retailers owned by the same publisher? Is there any collaboration? Are you part of any shared infrastructure?
- How do you think it is for Cappelen Damm to provide consumers with literature on several different platforms?

<u>The users' experiences and discoveries of books:</u>

- What is your impression of the consumers' attitudes towards reading and listening to digital books?
  - Why do you believe it is that way?
  - What do you believe these attitudes will be like in the future?
  - What is the Norwegian situation regarding this versus the situation on international markets?

- How are you trying to let people discover your literature? Both in physical stores and in the online store.
    - How is different books fronted in the different stores?

- Is there any focus on digital content in the physical stores, and is there any focus on the physical stores in the online store?
    - Are there challenges related to selling digital products in physical stores?

- How are you marketing your stores and your app?

- How do you believe reading experiences have changed in the past years?

- What is special about the reading experience of digital books and audiobooks?

<u>User-friendliness in the app:</u>

- What is the most essential functions/components of your app?

- What kind of feedback have you gotten regarding the app?

- How do you relate to this feedback?

- What's the importance of seamlessness/integration in the app and in digital channels?

- What are the biggest challenges in creating a seamless service?

- Are there other functions the app should have?

<u>Other questions:</u>

- What do you believe Tanum's future look like?
- What is the Norwegian book industry's biggest challenges in relation to the digital?

Any last comments?
Is it OK if I contact you again via e-mail if I have any follow-up questions?
(Get signature on the consent form)

Appendix 2 – Informed consent

Forespørsel om deltakelse i forskningsprosjektet "Norwegian bookstores' adaptation in the digital age", med samtykkeerklæring

Bakgrunn og formål
Dette er en mastergradsstudie i medievitenskap, ved Institutt for medier og kommunikasjon, Universitetet i Oslo. Formålet med studien er å belyse hvordan norske bokhandlere tilpasser seg den digitale tidsalder. Jeg ønsker å finne ut av hvordan bokhandlere (i vid forstand; leddet som distribuerer bøker til sluttbrukeren) organiserer og posisjonerer seg for salg av digitale produkter og tjenester.

Mitt utvalg består av fem sentrale aktører i den norske bokhandlerbransjen, og jeg ønsker å intervjue personer som jobber med digitale strategier og salg innad i disse bedriftene. Fordi Storytel er et av mine studieobjekter, vil din posisjon i Storytel være helt sentral for innsikt og kunnskap som vil belyse problemstillingene mine.

Hva innebærer deltakelse i studien?
Datainnsamlingen til studien vil i hovedsak komme fra intervjuer med de ulike aktørene, samt dokumentanalyse av rapporter fra bransjen og kartlegging av hvilke tilbud aktørene tilbyr basert på offentlig tilgjengelig informasjon. Intervjuene vil ha en varighet på ca. 45-75 minutter.

Spørsmålene i intervjuene vil omhandle aktørenes egne refleksjoner rundt dagens norske bokhandelbransje i en digital endring. Respondentene vil ikke bli spurt om strategier som kan oppfattes som forretningshemmeligheter, men heller egne refleksjoner rundt hvordan de selv mener aktørene tilrettelegger for salg av digitale produkter og tjenester per i dag. Refleksjoner rundt hvordan dagens leservaner har endret seg i form av å oppleve og oppdage bøker vil bli diskutert.

Dataene registreres ved hjelp av lydopptak og intervjuers notater i innsamlings- og etterarbeidsfasen, men kun analyse av disse dataene vil bli bevart etter studiens slutt.

Hva skjer med informasjonen om deg?
Da dette er en studie av markedsaktører vil bedriftens navn og navn på representanten fra bedriften som studieobjekt, altså deg, være kjent i studien. Dog vil ingen andre personlige opplysninger enn navn og stilling i bedriften være kjent, da dette ikke vil være av interesse. All informasjon som blir viderebrakt meg i intervjusammenheng blir behandlet konfidensielt og i tråd

med forskningsetiske normer for behandling av personlige og konkurransesensitive opplysninger. Dersom du ønsker at særskilt sensitive enkeltopplysninger skal unndras offentlighet eller ikke viderebringes før et gitt tidspunkt ber jeg deg om at du informerer spesielt om dette.

Prosjektet forventes avsluttet sommeren 2017. Etter prosjektets slutt vil oppgaven offentlig lagres i Universitetet i Oslos vitenskapsarkiv, DUO, og datamaterialet vil deretter anonymiseres. Alle andre personopplysninger enn det som fremkommer i den publiserte oppgaven vil slettes ved prosjektslutt. Bokbransjen, som de fleste andre mediebransjer, er en bransje som stadig er i endring. Prosjektet vil derfor være et spennende bidrag til situasjonen slik den er under prosjektets gjennomførelse, og i retrospekt for videre studier, og den publiserte oppgaven vil derfor bli lagret på ubestemt tid.

Frivillig deltakelse

Din deltakelse vil være et nyttig bidrag til prosjektet, men deltakelse er helt frivillig og du kan når som helst trekke deg fra studien uten begrunnelse. Studien er meldt til Personvernombudet for forskning, NSD - Norsk senter for forskningsdata AS.

Veileder for prosjektet er Yngvar Kjus, universitetslektor ved Institutt for medier og kommunikasjon, Universitetet i Oslo.

Har du spørsmål til prosjektet, ta kontakt på:

Cathrine T. Pettersen
c.t.pettersen@media.uio.no

Yngvar Kjus
yngvar.kjus@media.uio.no

Samtykke til deltakelse i studien:

Jeg har mottatt informasjon om studien, og er villig til å delta

Håkon Henrik 20/10-2016

(Signert av prosjektdeltaker, dato)

Forespørsel om deltakelse i forskningsprosjektet "Norwegian bookstores' adaptation in the digital age", med samtykkeerklæring

Bakgrunn og formål

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Mitt utvalg består av fem sentrale aktører i den norske bokhandlerbransjen, og jeg ønsker å intervjue personer som jobber med digitale strategier og salg innad i disse bedriftene. Fordi EBOK.NO er et av mine studieobjekter, vil din posisjon i EBOK.NO være helt sentral for innsikt og kunnskap som vil belyse problemstillingene mine.

Hva innebærer deltakelse i studien?

Datainnsamlingen til studien vil i hovedsak komme fra intervjuer med de ulike aktørene, samt dokumentanalyse av rapporter fra bransjen og kartlegging av hvilke tilbud aktørene tilbyr basert på offentlig tilgjengelig informasjon. Intervjuene vil ha en varighet på ca. 45-75 minutter.

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Frivillig deltakelse

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Samtykke til deltakelse i studien:

Jeg har mottatt informasjon om studien, og er villig til å delta

25.10.16

(Signert av prosjektdeltaker, dato)

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Frivillig deltakelse

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Samtykke til deltakelse i studien:

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[illegible], 1/11-2016

(Signert av prosjektdeltaker, dato)

Forespørsel om deltakelse i forskningsprosjektet "Norwegian bookstores' adaptation in the digital age", med samtykkeerklæring

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Yngvar Kjus
yngvar.kjus@media.uio.no

Samtykke til deltakelse i studien:

Jeg har mottatt informasjon om studien, og er villig til å delta

17/11-2016 [illegible]

(Signert av prosjektdeltaker, dato)

Appendix 3 – NSD Confirmation

Yngvar Kjus
Institutt for medier og kommunikasjon Universitetet i Oslo
Postboks 1093 Blindern
0317 OSLO

Vår dato: 19.10.2016 Vår ref: 50397 / 3 / HJP Deres dato: Deres ref:

TILBAKEMELDING PÅ MELDING OM BEHANDLING AV PERSONOPPLYSNINGER

Vi viser til melding om behandling av personopplysninger, mottatt 05.10.2016. Meldingen gjelder prosjektet:

50397	*Norwegian bookstores' adaptation in the digital age*
Behandlingsansvarlig	*Universitetet i Oslo, ved institusjonens øverste leder*
Daglig ansvarlig	*Yngvar Kjus*
Student	*Cathrine Thøgersen Pettersen*

Personvernombudet har vurdert prosjektet og finner at behandlingen av personopplysninger er meldepliktig i henhold til personopplysningsloven § 31. Behandlingen tilfredsstiller kravene i personopplysningsloven.

Personvernombudets vurdering forutsetter at prosjektet gjennomføres i tråd med opplysningene gitt i meldeskjemaet, korrespondanse med ombudet, ombudets kommentarer samt personopplysningsloven og helseregisterloven med forskrifter. Behandlingen av personopplysninger kan settes i gang.

Det gjøres oppmerksom på at det skal gis ny melding dersom behandlingen endres i forhold til de opplysninger som ligger til grunn for personvernombudets vurdering. Endringsmeldinger gis via et eget skjema, http://www.nsd.uib.no/personvern/meldeplikt/skjema.html. Det skal også gis melding etter tre år dersom prosjektet fortsatt pågår. Meldinger skal skje skriftlig til ombudet.

Personvernombudet har lagt ut opplysninger om prosjektet i en offentlig database, http://pvo.nsd.no/prosjekt.

Personvernombudet vil ved prosjektets avslutning, 10.05.2017, rette en henvendelse angående status for behandlingen av personopplysninger.

Vennlig hilsen

Kjersti Haugstvedt

Hanne Johansen-Pekovic

Kontaktperson: Hanne Johansen-Pekovic tlf: 55 58 31 18
Vedlegg: Prosjektvurdering

Dokumentet er elektronisk produsert og godkjent ved NSDs rutiner for elektronisk godkjenning.

NSD – Norsk senter for forskningsdata AS Harald Hårfagres gate 29 Tel: +47-55 58 21 17 nsd@nsd.no Org.nr. 985 321 884
NSD – Norwegian Centre for Research Data NO-5007 Bergen, NORWAY Faks: +47-55 58 96 50 www.nsd.no