

# Harlequin enterprise mira decision

Life



Harlequin enterprise had a competitive advantage in the women's romance fiction genre up until the 1980's and early 1990's. Harlequin faced steady loss of share in a growing women's fiction market due to the popularity of single title novels. It is costly to imitate but to stay competitive I would recommend that Harlequin perform a limited launch of Mira by re-developing titles in their back-list and generating direct-to-reader sales through the Book Club, while it explores global distribution and marketing relationships.

The Mira decision is great way of gaining new grounds but there are numerous issues surrounding it. First, competitions are fierce and there is great deal of threat to its potential in the U. S market. The agreement with Simon and Schuster at the end of romance wars may not be sustainable. If harlequin launches Mira in direct competition with S&S it would be very difficult considering harlequin is dependent on S&S for the distribution of its series titles within the U.

S market. If Mira is pursued, harlequin would have to redevelop its distribution chain and its value chain within U. S. Harlequin's brandloyaltyis strong due to its readership base. This is evidenced by the direct-to-reader Book Club, which currently provides 3/8 of US Sales at significantly higher margins than indirect sales. With this value, harlequin should proceed cautiously but look towards reducing external threats and external opportunities.

The Mira decision could be the solution to increase sales. With harlequin's reputation of producing high quality books, Mira could be successful. There's a great deal of risk involved in this investment, with significantly higher cost

for production, distribution and marketing and considering harlequin's inadequate expertise outside of the romance realm. As with the 1987 worldwide case, I believe harlequin could learn from their mistakes and be optimistic towards their future.