

Marketing james patterson assignment

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**ASSIGN
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He would not only market through the usual means of bookstores and book signings, but he would also promote his titles through billboard advertisements and TV ads. This was all done in the name of building his brand with an end goal of increasing his book sales. Sales in the early 1980s were brought in through several avenues in the consumer marketplace. Readers could buy books through bookstores, mass merchants, book clubs, Internet sites, and airport newsstands. James Patterson sold all of his titles through each of these avenues.

Although Patterson was very successful with the current way he sold his books, he began to believe that selling his books through the book club was a drain on his profits. He would like to exit distributing through the book clubs all together. On top of this, he is also trying to identify the best way to increase his total profit. In order to identify the best possible solution, we must first analyze the situation he is in, consider alternative solutions, evaluate solutions, and implement a recommendation on the controllable factors of product, price, place and promotion.

The Customer Patterson readers are older than he expected, and skew strongly female. Take the following two groups into consideration: crime fiction addicts and omnivorous readers. Crime fiction addicts read mostly within the genre. The Patterson brand is very strong among this readership. The second group consists of omnivorous readers who are numerically much larger but account for only a quarter of Patterson sales. The brand penetration is much lower among these readers. Two issues are identified to explain the reason: 1. Patterson has an awareness problem.

His book titles are often better-known than he is. C] 2. Patterson is not a “ badge” author. A badge book is one that you can tell people you have read and they are impressed by this fact The Competition The competition that James Patterson was facing in the market consists of many well- 1 OFF Dean Kenton are some of the authors he is competing with for sales within his genre of crime fiction. One of the main differences between Patterson and these previously mentioned authors is that he churns out on average three books a year while his closest competitors average around one.

From November 2000 through November 2003, Patterson sold 6, 005, 000 of hardcover books from the 9 titles he published. During that timestamp, John Gresham sold 7, 708, 000 copies of hardcover books from only 5 titles. Although Patterson may have the ability to work like an assembly line and quickly publish popular books, it is not translating into higher overall sales than his competitors. Company Analysis James Patterson published his first novel in 1976. Since then, he has published an impressive list of bestsellers, some of which have been reproduced into film helping solidify his brand.

Fans identify the James Patterson brand as assurance that they are buying a novel that they will not want to put down. A Patterson is a Patterson. What makes Patterson enterprises such a big success? 1. There is no doubt that his rating skill plays a role in his successful brand. Patterson novels have a number of unconventional features, noticed by fans and discussed approvingly on Internet chatrooms. 2. Systematic marketing and production support annual retail sales of \$120 million. He does this by working at a large circular table called “ a literary assembly line”.

As a result, three titles a year come off his production line compared to one for Clang and Cornwall. This system helps him attract readers' attention to his brand. At the same time, titles are promoted with tools such as television advertising, lapboards, and contests creating a wide identification. 3. Unlike most authors, Patterson is not coy about collaborating. It helps him get opinions and improves the book production process. He applies his advertising experience when he works with collaborators. His uses an outline to set the scope of the project, while his tastes and judgment set the bar for quality. 4.

Patterson depends on his own intuition when judging his work, tempered by the realization that he could sometimes be off base. He will listen to the readers input and then adjust to satisfy the readers. 5. Marketing and promotion are conducted for the James Patterson brand. He insures each new title is prominently displayed. By build buzz and strategically scheduling the launch date, he as been able to maximize his purchases and therefore his readers. Distribution Distribution and Transaction Costs (To publisher)

Book club Standard Manufacturing (per unit)	\$0	\$1.25
Marketing (per unit)		
Returns of unsold books (per unit)	\$13.0	

Book clubs cover all of the distribution and transaction costs for the books they offer to their members, including manufacturing and marketing to their customers. A standard sale through a bookstore or mass market are manufactured and marketed y the publisher and tends to cost about \$2.50 per unit. In addition, the publisher accepts returns for unsold books from the mass markets and bookstores costing them \$13.50 per unsold copy. Alternative Solutions There are many

alternatives for customers other than the use of Book Clubs. They have the option of using mass merchants such as Cost, Walter, Barnes and Noble, etc.

Each of these locations offers the customer great value for the books they buy, however, stores like Cost “ carried only 20 hardcover titles priced at about \$15”. So while you can get various books at a low cost, the store may run out of copies or not array the titles you are searching for. Also, when shopping at the retail bookstores, the customer needs to drive to the location to pick up the book. Book Clubs offer a better quality of service for its customers. Book Clubs allow the customer to shop for the title they want online and ship it directly to their home.

Book Clubs account for a large number of sales: about 20% of bestseller sales moved through books clubs. Being in a Book Club also appeals to authors as some of the clubs are willing to pay a lot of money to sell the selected title, “ We’ll pay over \$1 million for the club rights to titles”. By being part of a Book Club, the quality of the book will not go down and the quality of direct service given to the club members will go up. Marketing Implications A strategy that Patterson and his team could try is to remove his books completely from the Book Club.

Since this channel had helped Patterson with the “ brand awareness” issue that he had identified as a part of his survey of omnivorous readers, the benefit that the Book Club channel provided to Patterson to assist with this awareness issue would now be removed. Since this channel would not be available going forward, Patterson and his publisher would need to work on additional marketing strategies for increasing his brand awareness to offset

the decrease in “ brand awareness” that his books would encounter by not being distributed in the Book Club channel.

This would require effort, money and resources by the marketing team of the Patterson to be used to create these strategies, implement them, and then track the results to see if they are working Using these limited resources for this purpose and removing them from working on other avenues of marketing for Patterson book that they could be working will have an impact on the sales of Patterson books, as the other market strategies will not be available to target additional readership.

Instead of removing his books from the Book Club channel, it is recommended that Patterson continue to leverage the Book well as the Book Clubs: Patterson gains an additional means of market penetration in areas where his brand is lesser known and readers do not know the Patterson name and the Book Clubs have an additional author that they can use to drive their sales. The Book Club channel assists with the issue of “ brand awareness” that Patterson has identified and is one in which Patterson would continue to receive royalty payments.

Although there may be an impact to the sales in other channels, Patterson should continue pushing his publisher to negotiate larger royalty payments to offset this loss. Economic Evaluation On the surface, selling his titles through book clubs may appear to be a profit-losing venture for James Patterson. While these clubs are willing to pay a premium to buy the rights to a title by a blockbuster author, that status has to be proven in sales before those types of earnings are awarded. The royalties paid by book clubs are

Just over half what the typical gross margin would be for a traditional publisher.

Yet the adoption of book clubs as an alternative sales outlet becomes more profitable in other ways that manifest themselves in the long term. To begin, the clubs take on the cost of printing their own versions of a title once they purchase the rights. Since the actual printed books are now their property, any unsold copies become their expense not the publishers. Conversely, traditional bookstores retain the option of returning any unsold stock to the publisher, a cost that will potentially impact the author's earnings on that title as well as future titles.

Considering the lower cost at which book clubs can print a title, this unsold stock becomes a substantially lower profit drain to them than it would to the publisher. The real revenue generation comes in the new market that clubs open up to an author. Patterson marketing strategy has so far enabled him to cull a loyal following from the overall market, but has still not pushed him into the “ badge” category he aims for. Patterson own research suggests he is missing out on a valuable category of readers, those he terms “ omnivorous” who switch between genres and categories.

He needs to capture this group in order to main a bestseller and this then becomes the real reason for utilizing book clubs. By positioning his titles in the club catalog, or better yet as the “ negative option”, he places his books in front of readers who may never consider them otherwise. After exhausting the limitlessness's of Patterson titles the club offers, an interested new

reader is forced to purchase a regularly priced title from a bookstore, something they would not have done without the book club offering.

Overall Patterson and his publisher may lose money on the sales they would have made to existing fans, but could potentially more than make up for it in sales to new readers. By offering only select titles through book clubs, he ensures that his current customers will still buy full price books elsewhere, and the money “lost” on the club titles to new readers would have never been made in the first place.

The promise of attracting a new audience, and therefore a new source of revenue, should be sufficient reason for Patterson to stay with book clubs. Recommendation should not stop using the book clubs as a channel. To increase profits from book club sales, we recommend a limited or exclusive access book club strategy. Our book club strategy is for Patterson to leverage the book club audience and use them to help create buzz and demand for his titles before they are released to mass retailers.

Oho can do this through offering limited or exclusive access to new titles before they are officially released to the mass retailers. This would add exclusivity to Patterson books that could then push him towards “badge” authorship status. “Badge” authors get their status when the reading of their books is used as a status symbol or something that readers are proud to admit. Book clubs can play an important part in reading a “badge” author or a “badge” title. Book clubs are full of voracious and influential readers.

These readers are often the first of their friends to read new books, and because of this, they become a word of mouth channel that create buzz

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around new books and drive the more profitable retail store sales when their non- book club friends purchase the books that they have been talking about. This limited book club strategy could be taken a step further and only the top or the most influential book clubs could receive the early access to Patterson books, such as book clubs like Opera’s Book Club and the Book of the Month Club.

This would add to the exclusivity of the early release and encourage quotes from influential readers that could then be used in the mass retailer promotion. For example, a marketing tag line that could play off this would be “ Top book clubs are raving about the newest Patterson” or “ Read the most talked about book this summer. ” Another benefit of using an exclusive or limited access book club strategy is because book clubs are now receiving an early release of a new title the publisher can demand a premium on the advance for the titles, thus raising initial profits.

With this strategy, we recommend a price increase of 1520% to the book clubs for the select early release titles. The royalties on the early release books should also be increased by the same proportion during the early release and then lowered to the normal rate once the book is released to the mass retailers. This will create a win/win for the book clubs and James Patterson. The book clubs will receive exclusive access to a new book and Patterson will receive buzz and higher premiums for the titles and higher profits from units sold.