

Business Administration and Marketing Department

Degree in Business Administration

Final Project 2014/2015



**UNIVERSITAT
JAUME·I**

MARKETING PLAN

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EXECUTIVE SUMMARY

Librería Herrero 21 is a small company specialized in buying and selling used books in Castellón de la Plana. Since its opening in August 2013, the bookstore has been progressing slowly through its owner Vicente Pizcueta, who already had professional experience in the sector. During these almost two years he has managed to compete by offering a wide variety of books at low prices –limiting costs except for the supply of stock– being the only second-hand bookstore in the city.

Should note that the company has never made a business plan before, and the marketing actions to date have been very limited, so we can say that preparing this marketing plan starts from scratch. In this way, many of the decisions are aimed at the creation, but to act effectively is important to thoroughly analyze the environment in which we will apply it.

We are in an uncertain environment. The economic crisis has seriously affected the consumption and therefore the business network –especially small businesses–. The book industry does not escape to this situation; the official data indicate that the turnover has decreased significantly in recent years. On the other hand, the habits of consumers and socio-cultural characteristics, such as higher education level, lead us to believe in an improvement of the situation in the future. The company can adapt to these conditions by taking advantage of its strengths and opportunities, and confronting its weaknesses and threats.

Once the current situation is analyzed, with the data obtained, we will set the objectives that will be useful to focus our efforts and resources, which are primarily intended to company growth, build strong relationships with customers and creating a brand image. Subsequently it will be necessary to choose the right marketing strategies to compete in the market and achieve those objectives.

Finally, 12 marketing actions will be programmed implementing the strategies to follow. We will make use of various marketing tools holistically and being consistent with the principles and values of the company. A budget and a schedule will be set to perform the actions in a timely manner in order to achieve business success.

Regarding typology, it is a general bookstore¹ where only physical –due to the appearance of e-Books it is important to distinguish– second-hand books are offered in a wide variety, having a catalog of a large collection of books in all literary genres, including fiction, essays, poetry and drama, as well as encyclopedias, art books and collectibles.

Although there are many national and regional associations, the company does not belong to any of them.

Next we are going to establish the mission, vision and values that characterize the company identity.

Mission: To offer a wide variety of books at an affordable price, providing personalized treatment in order to satisfy the customer's needs.

Vision: To become the meeting point of book lovers from Castellón, transmitting the culture values and knowledge through reading to make a better society.

Values:

- Respect to customers and to all groups that relate to the company
- Customer service: company philosophy aims to satisfy the customer's needs, with the products and through long-term relationships
- Community: the company activity aims to improve the environment we are in.
- Integrity: sincerity and honesty are very important values for the company. All of the products must meet appropriate conditions and the relationships with stakeholders are clear and transparent.
- Passion: It is a vocational activity, so it shows when the customer comes to the bookstore.
- Identity: the company values are the personal values.

¹ General bookstore: over 3.000 titles with a variety of genres.

1.1.2 Company Resources

The resources that a company might have fall into three classes: human, tangible and intangible. The first is related to the people who provide the human value of the company and organizational culture. Tangible resources are those that can be identified as physical and financial and quantified in figures. Finally, intangible resources are those whose value its complex to identify and consist mainly of the brand and technology.

With all the available resources, the company must seek to get a competitive advantage over competitors.

1.1.2.1 Human Resources

In the case we are studying, the value of human resources falls on the only person who is part of the workforce, the owner. Knowledge management over the sector is based on the professional and personal experience of the owner, which has been significantly involved in the sales of books, always as a worker, and this is the first time he has his own business in the book sector.

The motivation level for the project is high, both in self-satisfaction and in activity developed by the company.

It should be noted that through his contacts the company's human value is extended when required by other people's collaboration in the project. It is mainly the case of a part time assistant who collaborates with the company through the transport and storage of books, especially when participating in book fairs. Also, other contacts selflessly collaborate, providing expertise and helping in specific cases causing human resources be expanded considerably. These functions have been related to the pricing of books, graphic design, network management, the distribution of flyers and word-of-mouth marketing, among others.

1.1.2.2 Tangible Resources

Tangible resources are divided into financial and physical.

- **Financial Resources**

Because it's an academic and non-confidential case study referring to a competitive activity, the data that can be provided is limited and approximate.

The financial resources come personally from Vicente Pizcueta, who had to perform a required initial investment estimated at 15.000 euros at the start of business activity. The biggest expense was the acquisition of private libraries to provide stock to be sold later.

The costs of developing the business are going to be divided into fixed and variable.

- Fixed costs: are the costs that remain regardless of the activity of the company and consist of office rent, rates of autonomous tax expenses and accounting advice.
- Variable costs: they are the costs that vary depending on the activity of the company, and they are mainly composed of the acquisition of new stock. Other fees include participation in events, registration and transportation, the cost of electricity and maintenance.

These total costs do half of 2.000 euros about a month, approximately.

The only income is coming directly from the billing given by the activity of the company, i.e., the sale of used or second-hand books to the end consumer.

The approximate turnover is currently between 2.000 and 4.000 euros per month. The number of books sold is between 300 and 500 on average.

At this time there are no debts threatening the financial situation of the company, so the company accounts are properly to move forward.

- **Physical Resources**

The available physical resources of Librería Herrero 21 are:

- Space with a total surface area of 36m² located on Calle Herrero 21, Castellón de la Plana. It is the point of sale in Calle Herrero 21 with a capacity for 10.000 books. Its main advantage it is the situation, which is in an intermediate position very close to the center, making it easy to go from any point of the city, and is in a passageway from the south of the city to the center. It is a place that favors the close relationship, but instead is an excessively small shop that prevents a large number of people at one time and books to be displayed.



Image 2. Librería Herrero 21 outside view

- Warehouse: It is not owned by the bookstore nor used commercially; its only function is to store the books that cannot be put in the local due to capacity constraints. Now contains 90% of the books and there are more than 90.000 books available.
- Van: is not owned by the company but is used to transport newly purchased books or to transport them from the bookstore to the warehouse and vice versa.

- Furniture built by Vicente Pizcueta itself and consists of wall shelves and a central island that covers much of the space, so the books can be seen by passing hands, which encourages customer interaction with product. There is another small island attached to a wall. Finally there is a shelf that sits in the window showing some of the books to attract the attention of people passing on the street. It shows the kind of books that are available into the shop, which makes it easier to sell these books.



Image 3. Librería Herrero 21 inside view

1.1.2.3 Intangible Resources

As for the intangible resources, because the technological element has no relevance to the company we are studying, we will limit it to the brand, being the element that interests us most. It will be divided into marketing resources and corporate social responsibility (CSR).

- **Marketing Resources**

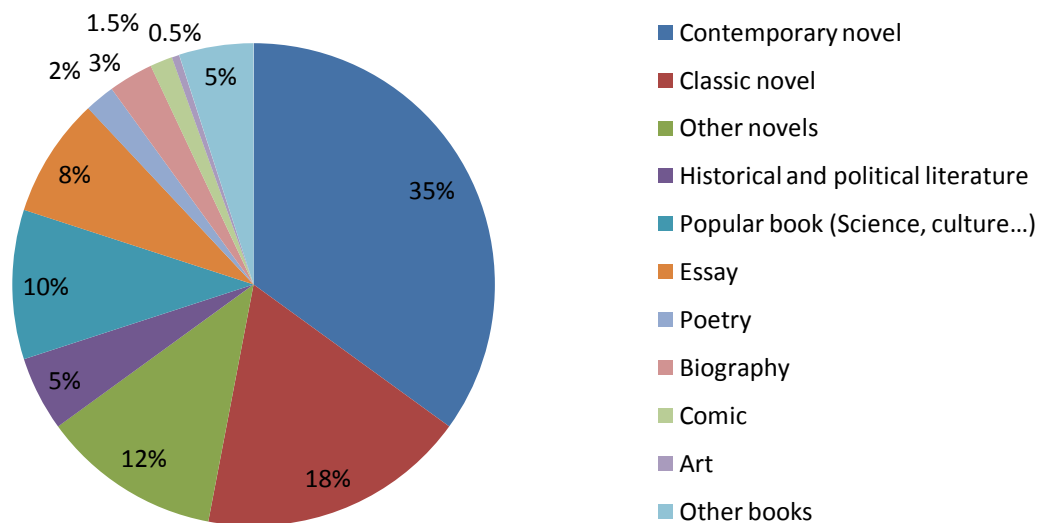
Due to our major interest in the marketing strategy of the company, we will pay special attention to this section. Marketing resources that are currently available are limited because there is only one employee, who has not developed any business plan previously to base such strategies. Nevertheless, since the basic practices in marketing are inseparable from the business, and thanks to the experience in the sector and personal owner contacts, some marketing actions have been done since its opening until today.

- **Product**

The main products that Librería Herrero 21 offers are second-hand or used books which must meet minimum quality requirements in condition to put them on sale, whether physical or theme.

In the presentation of the company we have briefly discussed the types of products offered by the company, which are: fiction, essays, poetry and drama, as well as encyclopedias, art books and collectibles. Within these, we can find styles such as novel, history, philosophy, biographies, comic books, psychology, religion, dictionaries, etc. In short, it is a bookstore that offers a wide range and is not specialized in any particular style. We can see the percentages of sales by themes in Figure 1.

Figure 1. Current percentages of sales by type of book



Source and data: Own elaboration

The bookstore does not provide any other editorial product than books and comics, which it means that does not offer newspapers, magazines, textbooks and books in digital format (e-Books). The services currently offered as a company are personalized treatment and the reserve of copies for a specified period.

- **Distribution**

Librería Herrero 21 is a company with a single sales channel, which is the physical outlet in Calle Herrero 21. It is a B2C company without intermediaries and the only sales force is the owner Vicente Pizcueta.

For specific events, the distribution also takes place in fairs, such as the “Feria del Libro Antiguo y de Ocasión” in Castellón and Valencia, where the bookstore has been participating since its opening.

- **Price**

In the book trade the ability to compete strategically on price it is null, because in order to protect small shops from large surfaces, legally, the editor must establish a fixed price for retail that cannot be different among retailers, a maximum of 5% discount per book is only applicable². This law is addressed only to new publications or editions, and it excludes used and old books, so the Librería Herrero 21, being this latter case, is free to charge the appropriate prices it considers for each copy.

The pricing strategy that has been used to date is characterized by fixing low-average prices. This is the only second-hand bookstore in the city nowadays, so its competitors are bookstores, department and chain stores that offer new products and are located in Castellón, and also other cities that sell over the Internet. This topic is discussed in depth in the section on external analysis.

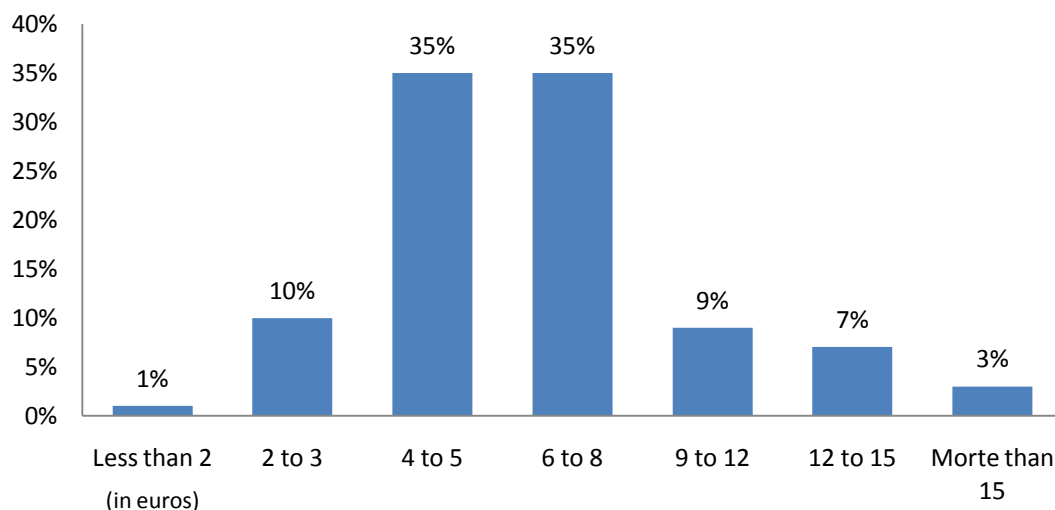
² To consult “Ley 10/2007, de 22 de junio, de la lectura, del libro y de las bibliotecas”.
<http://www.boe.es/buscar/doc.php?id=BOE-A-2007-12351>

Returning to Librería Herrero 21, books have different prices depending on several variables, particularly the condition, the quality of the edition and the uniqueness of the copy (i.e., supply). The original price of the book to recent editions and demand according to trends also influences, but often the strategy used is based on the first three variables. For example, all paperback editions of the publisher Alianza are sold between 4 and 5 euros, regardless of the year of issue or if the author or novel sells more easily than others.

The price range is wide, although it is characterized by low-average prices over the competitors. Over 95% of the units range from 2 to 15 euros, although there are lower and higher prices, which involves deluxe editions, singular copies or collections of several volumes. Prices are always round with no use of psychological prices. As a small business this facilitates cash flow. To date, discounts, deductions or promotional prices had not been used.

The average margin between the acquisition and the selling price, although it varies significantly depending on the case, is usually about 1 to 8, that is, books that are put on sale at a price of 4, 8 or 12 euros, buying them would be 0'5, 1 or 1'5 euros respectively. Although, as stated above, the variation is important because the purchases are often made in large batches and sales in small units, so this equalization shopping is often found in the purchase of a few copies. When buying many copies the estimation is different.

Graph 1. Percentage of books by current price ranges



Source and data: Own elaboration

- **Communication**

The course of time has generated a company reputation for the customers based on some of the values that we discussed in the section of corporate identity, as passion, customer service and respect. Also the company culture has been integrated between the company and the most regular customers, creating long term relations with a close and trusty treatment.

As for the creation of the brand image, an identifying logo has been made representing the name and activity of the company. The current logo was created by professional graphic designer Juan Antonio Tovar.

The logo has been used to perform other communications through leaflets that were given with the books and in some parts of the city. These were intended to make the opening known and have continued since. Also advertising through schedules leaflets of Magdalena 2015 celebration has been done, putting on the cover data of the bookstore for their distribution.

For the point of sale, basic merchandising actions have been done such as the distribution of the shelves, looking for the largest number of visible products on them and, at the same time, a relative freedom to move around the shop comfortably. Also furniture has been specifically made to make selected items visible in the window in order to represent a sample of what's in store display. In addition, there is a sign on the facade with the bookstore name, indicating that the activity is the purchase and sale of books.

Librería Herrero 21 has participated in various events since the beginning of its activity. It has been present in the 2013 and 2014 editions of the "Feria del Libro Antiguo y de Ocasión" celebrated in Plaza Santa Clara of Castellón de la Plana. With this communication action has managed to increase the sales and to make itself better known. It has also been present at the "Feria del Libro Antiguo y de Ocasión" in Valencia in 2014 and 2015, which have the highest amount of public nationwide, and has served to significantly increase its sales, but given that currently only sells through the outlet and events, it has not had a significant extra role.

- **Corporate Social Responsibility**

Every company should be responsible with the environment, no matter the size. CSR is not only based on fund social causes as commonly seen, but is based primarily on the responsibility of the company activity doing the day to day, worrying about social and environmental issues.

Corporate social responsibility is seen in the relationship between business and stakeholders, both internal and external, and means that the company must be responsible with its choices and the consequences it has on society.

In the case of the Librería Herrero 21, its own activity is dedicated to social responsibility works, without the need for specific events that have nothing to do with the company and come from a share part of the profits of the company. Permitting the approach of culture to Castellón population is a socially responsible activity because this kind of bookstore did not exist before in the city, offering cheaper cultural products compared to the bookstores that are dedicated to new books. Therefore, book lovers have now the option of taking books at an affordable price, and thus extend the culture in Castellón.

Also environmental issues come into play, since the sale of used products is part of recycling and reuse, making products that people intended to get rid of them useful for others. So it saves paper. This point can be very important to develop marketing strategies, especially in terms of communication.



As for activities that are not in the own activity of the company, Librería Herrero 21 is very limited because it is personal and therefore has no time to develop them.

In this way, a small library can be socially responsible without having to spend significant amounts of money to major projects more often seen in large companies who want to clean up their image. It is more important not to have to clean up your image.

1.2 External analysis

Environment is a keyword when speaking about marketing. The environment influences everything that surrounds including, of course, the company. The reason for the company's existence is in the environment, so it is of special interest to go into detail about the subjects to understand it and thereby adapt and perform the necessary marketing actions to achieve the objectives.

1.2.1 Macroenvironment

First we will analyze the macroenvironment, which affects all of the companies in a certain space and time. The general data discussed in this section, will be very useful later to relate the behavior of clients in this particular sector.

1.2.1.1 Political and legal factors

Political and legal factors affecting the company's business are mainly the political stability, subsidies, self-employment taxes, VAT and applicable law.

All entrepreneurial activity concerning the traders is governed by the Commercial Law, whose sources are the law, custom and jurisprudence. The regulation of trade relations is established in the Código de Comercio³. Political changes and subsidies are closely related, because depending on the government different types of aid to the company will be established. The assistance and incentives given today can be consulted on the website of the Ministerio de Industria, Energía y Turismo, in the section of "Emprendedores y PYME"⁴.

Self-employment taxes are a cost to consider for the business we deal. Currently these rates for Librería Herrero 21 are over 250 euros. On this topic, various political parties are studying alternatives to the current model checking the monthly rates, lowering and making them more flexible, which could benefit Librería Herrero 21.

³ Código de comercio y legislación complementaria is available on the official website of the BOE.

⁴ <http://www.ipyme.org/es-ES/BBDD/AyudasIncentivos/Paginas/AyudasCCAA.aspx>

And finally, as for VAT, now books have a super-reduced VAT rate of 4%⁵ to be considered a cultural asset together with basic consumer goods, newspapers and magazines. This may generate a significant advantage over other types of entertainment, which could replace reading, which those have a 14% or 21% VAT. So, by having the super-reduced tax, it does not affect significantly the final price increase, contrary to what happens in those other leisure activities.

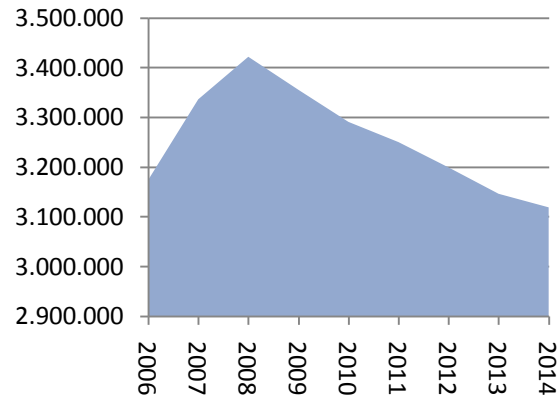
1.2.1.2 Economic factors

The economic factor influences meaningfully any commercial activity, and more specifically, commercial, because it is based on the economic capacity of the company and the stakeholders.

The most important fact to keep in mind is the ongoing crisis affecting the global economy since 2007, whose effects during this period were divers, but because our purpose is not to make a thorough analysis of the causes and effects of the crisis, we will focus on the destruction of the business network and the reduction of the households' expenditures. We have selected these problems caused by the economic crisis because they clearly reflect the competitiveness of companies and the purchasing power of the population, which will be very useful for our external analysis.

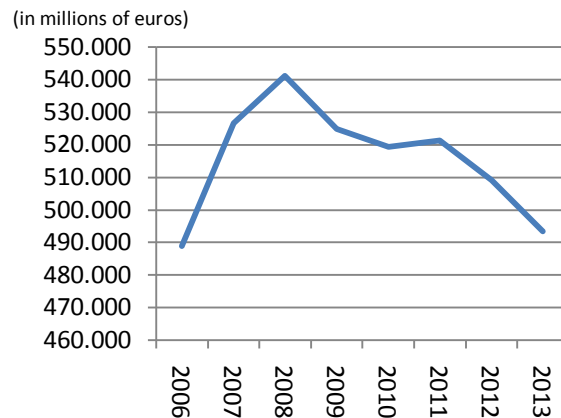
In Graph 2 we can see the evolution of the business network landscape in Spain, that it is, the number of companies regardless of their legal form (companies, associations, organizations, individuals, etc.), from 2006 to 2014. We can see that peak is in 2008 with 3.422.239 companies during the economic bubble, after which has been a continued decline due to the effects of the crisis up to 3.119.310. This leads us to think that we are at a point where being competitive is crucial to remain in the market, because otherwise the closure of the business would be imminent. Therefore, in any sector, we must optimize the use of available resources, and of course marketing resources, to achieve an enduring competitive advantage over time.

⁵ Spanish VAT Regulations:
http://www.agenciatributaria.es/AEAT.internet/Inicio_es_ES/La_Agencia_Tributaria/Campanas/IVA/_INFORMACION/Normativa__Guia_y_Manuales/Normativa__Guia_y_Manuales.shtml

Graph 2. Business network in Spain (2006-2014)

Source: own elaboration. Data: INE

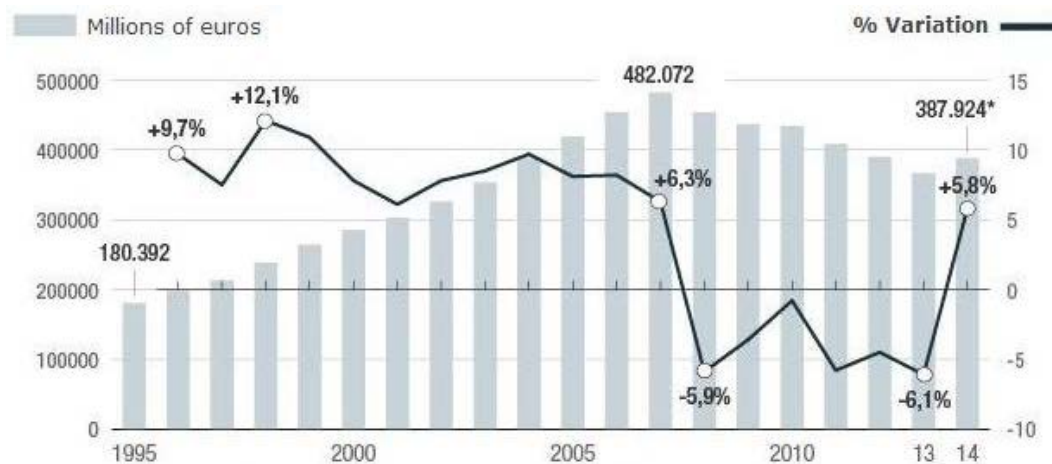
The disappearance of the business network implies lower household spending due to the decline of jobs, which feeds the decline in the number of companies; as a lower household spending, lower income for companies. The decrease of household spending as seen in Graph 3 follows a similar dynamic to the business, taking maximum 521.361.589.960 euros in 2008, down to the 493.513.605.010 in 2013, the latest official data available.

Graph 3. Total expenditure of households (2006-2013)

Source: own elaboration. Data: INE

Although in this case we see that, according to sources of Tax Agency, as we can see in Graph 4, there has been an estimated increase of the expenditure subject to VAT in 2014 compared to 2013, matching the expenditure of 2012, so this suggest that there is greater confidence in the population, being able to spend a larger amount in the future.

Graph 4. Evolution of final expenditure taxable (1995-2014)

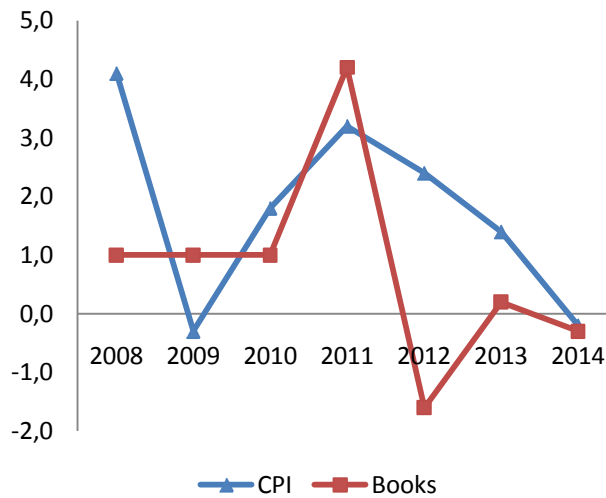


(*) Annual estimation based on the data recorded until November.

Source: Cincodias. Data: Agencia Tributaria

What we just discussed it is influenced by different variables, not just confidence. It may also influence whether there has been a significant increase in population, although as we shall see, it is not the case.

According to the Instituto Nacional de Estadística, we can see that the CPI has suffered prominent ups and downs in a short period of time due to economic instability. With the latest data, we see that in 2014 there was a slight deflation both in the overall index and the books index, having this one a deflation of almost 2% in 2012 and inflation of more than 4% in 2011, which indicates continuous readjustment of prices experienced by the sector. Although we will talk in depth later about the book sector, now we see in Graph 5 the comparison between the books average price variation and the general CPI in the period 2008-2014. We have chosen this period because the first data collected on index price of entertainment books was in 2008.

Graph 5. CPI – Average variation (2008-2014)

Source: own elaboration. Data: INE

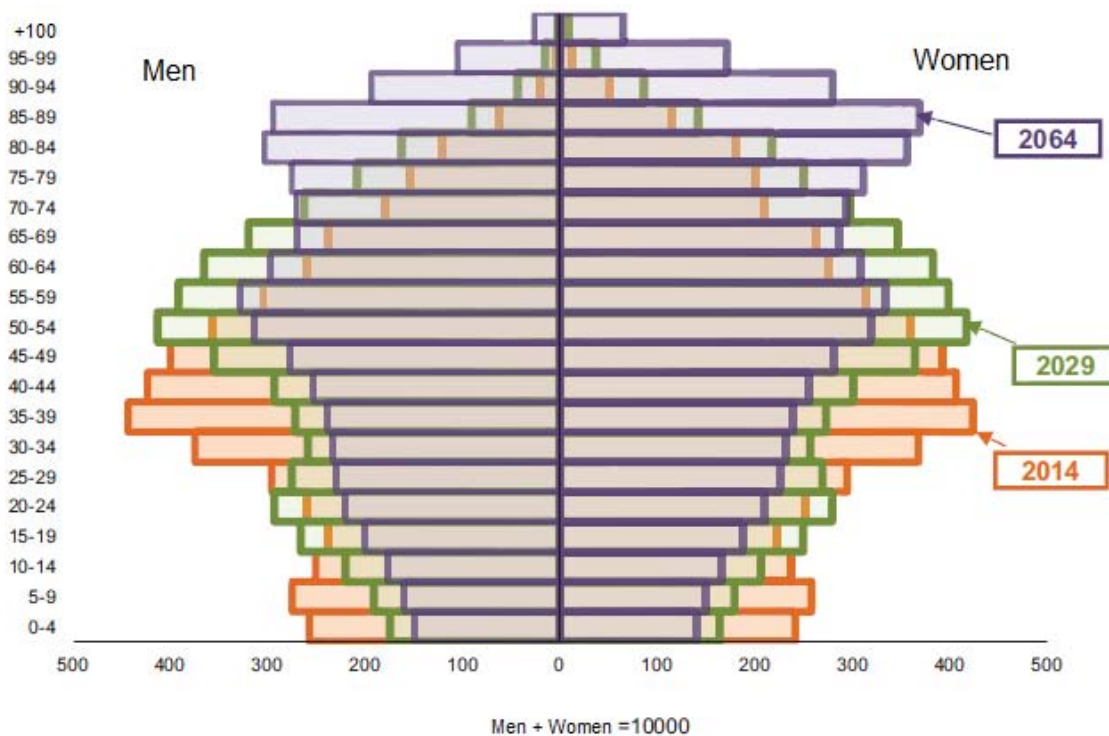
In conclusion, this decline in prices could encourage a higher consumption, but due to lower purchasing power and population spending, is offset, so at the end we get lower gains in the companies, especially the small ones which have been the most affected by this regressive economic cycle.

1.2.1.3 Sociocultural factors

The sociocultural factor is relevant to any sector but especially for the book one. Sociocultural refers to social and cultural data that describes the characteristics of a population in a specific environment. In our study, we will analyze the age of the population, the occupation of time and the education level, relating them to statistics obtained from the book sector to the analysis of the consumer behavior.

The demographic data are in a process of constant change, having developed countries in common an increase in the average age due to rising life expectancy, growing significantly since the last century. A quick way to see this progression is by a population pyramid (Graph 6).

Graph 6. Pyramid of population 2014. 2029 and 2064 pyramid projections.



Source and data: INE

Based on data obtained from the INE, we see that currently most of the population is between 30 and 50 years, so it is a regressive type, being the majority in a range of middle age mainly due to the decline of birth rate. If demographic trends maintain in future years, in 2029 and 2064 a major birthrate decline is expected and an increase in life expectancy, leading to ageing population which in 2029 the majority would be in the range of 50-70 years and in 2064 the population increase between 70 and 90 years would be very important. According to INE report, in the Valencian Community over the next fifteen years, the strongest absolute downward in population is expected respect from the rest of autonomous communities, being the sixth in relative terms and significantly below the Spanish average.

From the above data we have select 6 age ranges, 14-24, 25-34, 35-44, 45-54, 55-64 and over 65 years. These ranges have been chosen because we will use them later in the analysis of consumer behavior in the book sector.

In Table 1 we can see the absolute figures of the 6 ranges in the three dates before given of the population pyramid, 2014, 2029 and 2064, where the aging expected population can be checked.

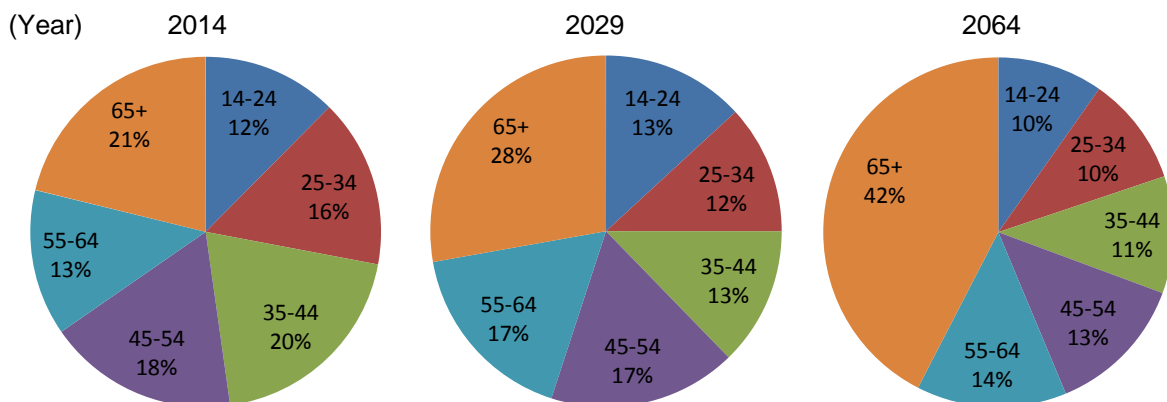
Table 1. Population in a particular age range

Age / Year	2014	2029	2064
14-24	4.955.382	5.362.064	3.640.900
25-34	6.200.503	4.823.156	3.763.219
35-44	7.888.762	5.181.183	4.034.640
45-54	7.023.140	7.047.509	4.872.979
55-64	5.371.072	6.995.687	5.180.802
65+	8.442.887	11.325.807	15.829.223

Source: own elaboration. Data: INE

In order to visualize it more clearly, in Figure 2 we can see how the age ranges evolve in percentage terms, now and in the future. We see that teenagers and persons between 55 and 64 maintain their proportion in relation to population, but in the following age ranges (25-34, 35-44 and 45-54) a clear drop occurs compared to the total, remaining that percentage in the age range of 65 years or more.

Figure 2. Population in a particular age range (in percentages)



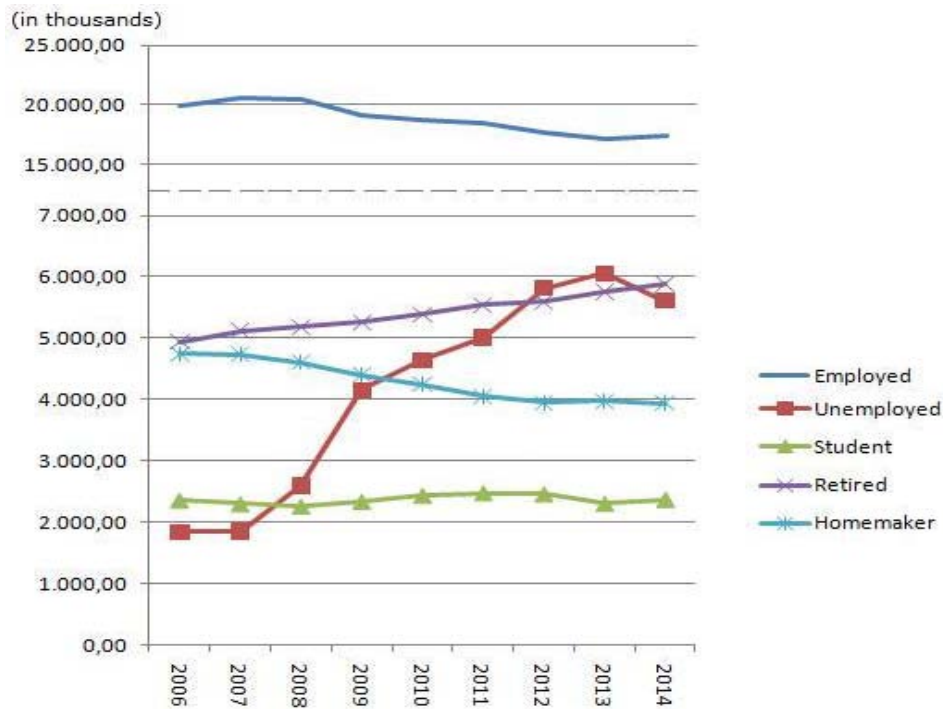
Source: own elaboration. Data: INE

Analyzing the data of the current situation, which will help us to establish the appropriate marketing strategies; we see how the population is distributed between 6 ranges. Still, most of the population is particularly in the third and fourth rank, that is, between 35, 54 years and those over 65, which will compare later with the reading habits and books purchasing, giving us relevant data about their respective target audience age range

Regarding to the occupation of the Spanish population, we will classify it into five groups: employed, unemployed, student, retired, homemaker. Later it will be helpful for the sector we are discussing.

The overall absolute figures provided by the INE can be seen in Graph 7. We can also see the evolution of these groups from 2006 to 2014. Keep in mind that the chart includes the labor force and the inactive population, and in the case of the employed, being a higher figure, the scale is different, but the axis of the total population shows its quantity and changes.

Graph 7. Occupation in Spain (2006-2014)



Source: own elaboration. Data: INE

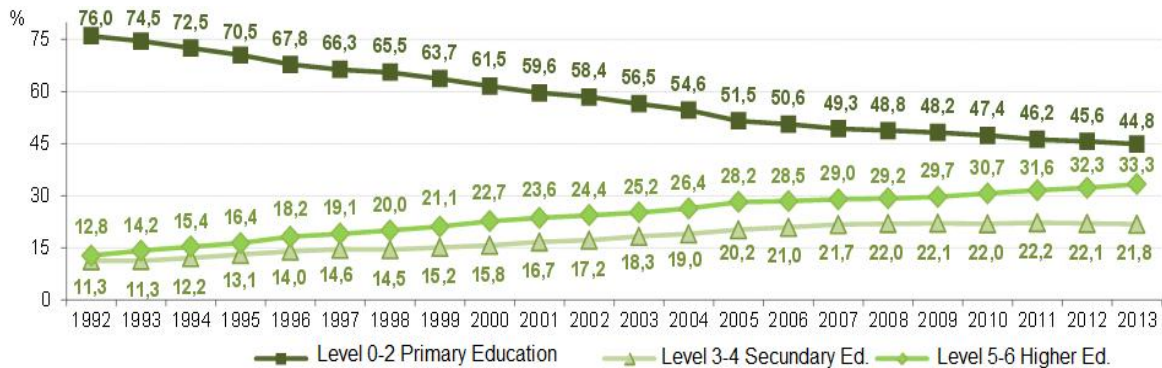
The crisis started in 2007 is also reflected in the employment data, being Spain one of the European countries with the highest unemployment rates⁶. This is clearly seen in the evolution of the number of unemployed gone from below 2 million to 6 million in just six years. In 2014 a decrease in number has been noticeable, so we can guess that this trend will persist, yet the figure is still extremely high and worrying for the national and local economy. This tendency is closely related to the number of employed, which has also fallen dangerously in 2014 reaching about 17 million after the 20 million in 2007 and 2008. For the retired group, we see a gradual upward trend of retirees contrasting the data seen in Figures 1 and 2, as the number of people over 65 is growing. Finally, regarding the remaining two groups, the homemaker have been declining since 2007, being below 4 million in 2014, which indicates that despite the decline in employment, the working population has increased on this side, either because they have found a job or mainly because they are looking for a job outside their homes. This data makes sense for two reasons, the increased participation of women in the labor market and the need for all family members to seek employment due to lower purchasing power in Spain. As for the students, it is the less varied figure in the last eight years, staying about 2 million people.

This last fact will lead us to see the education level in Spain, which is especially relevant in the issue we are discussing, since more education leads inherently to greater interest in culture. In Graph 8 we can see the evolution of the education level of the adult population in Spain between 1992 and 2013, with data obtained from the 2014 report "Sistema de Indicadores de la educación" of the Ministerio de Educación y Cultura.

In this case it is divided into 3 levels of education: the 0-2 level, which is composed of people with primary and lower education, 3-4 level consists on those with graduate school, secondary school, high school or similar, and level 5-6 including those with university studies, that is upper level studies and doctorates.

⁶ Eurostat data available at:

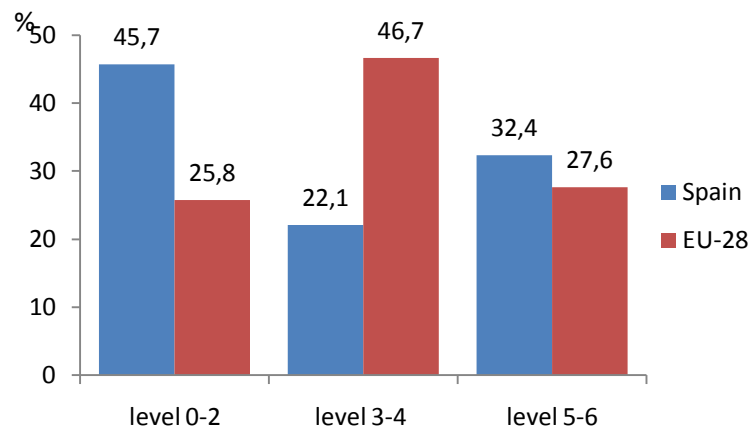
<http://ec.europa.eu/eurostat/tgm/table.do?tab=table&language=en&pcode=teilm020&tableSelection=1&plugin=1>

Graph 8. Level of education in Spain (1992-2013)

Source and data: Ministerio de Educación y Cultura

In general terms, we can appreciate an increased level of education in the adult population (25-64 years), since, despite the aging, the percentage of people with no education or lower education continues decreasing, while college and high school levels increases, reaching 33.3 % and 21.8 %.

Undoubtedly, it is noteworthy that in Spain there is a greater amount of population with higher studies than secondary. If we compare these data with the EU-28 countries, we see that Spain stands out from the average by a high degree population in the first level, while it is higher than the European average in studies 5-6 level, leading to an abnormally low level of people with intermediate studies. This can be seen in Graph 9 based on Eurostat data. This is one of many factors that affect high unemployment rates.

Graph 9. Educational attainment of the adult population. Spain and EU-28 (2012)

Source: own elaboration. Data: Education and training stats by Eurostat

To finish, all data collected will be very useful in the next section, but for now we can conclude that, at present, the population proportion is divided into age ranges and it is estimated that the aging population will gradually increase. Therefore, we see an increased in the number of retirees, while the number of employed descends and reaches an extremely low number of unemployed. Finally, although there are people with little or no training, education in the Spanish population improves every year, highlighting the high level in college studies.

1.2.1.4 Technological factors

Although, in general terms, in Spain the investment in R&D projects is low compared with major powers; due to globalization new technologies and businesses anywhere in the world can have an important influence in any environment. This can be specially seen in the case of technology, whose advances are getting faster and spread almost instantaneously through multinationals and social networks thanks to Internet.

Physical books, i.e., on paper, have not changed in a remarkable way over the years due to the limitations involved. But after the internet boom and the frequent use of electronic devices, thanks to technological innovation the electronic book or e-Book has emerged. This has certain advantages and disadvantages over the traditional book to be discussed below, but in an increasingly digitized world, this becomes a major threat to small businesses in the book sector.

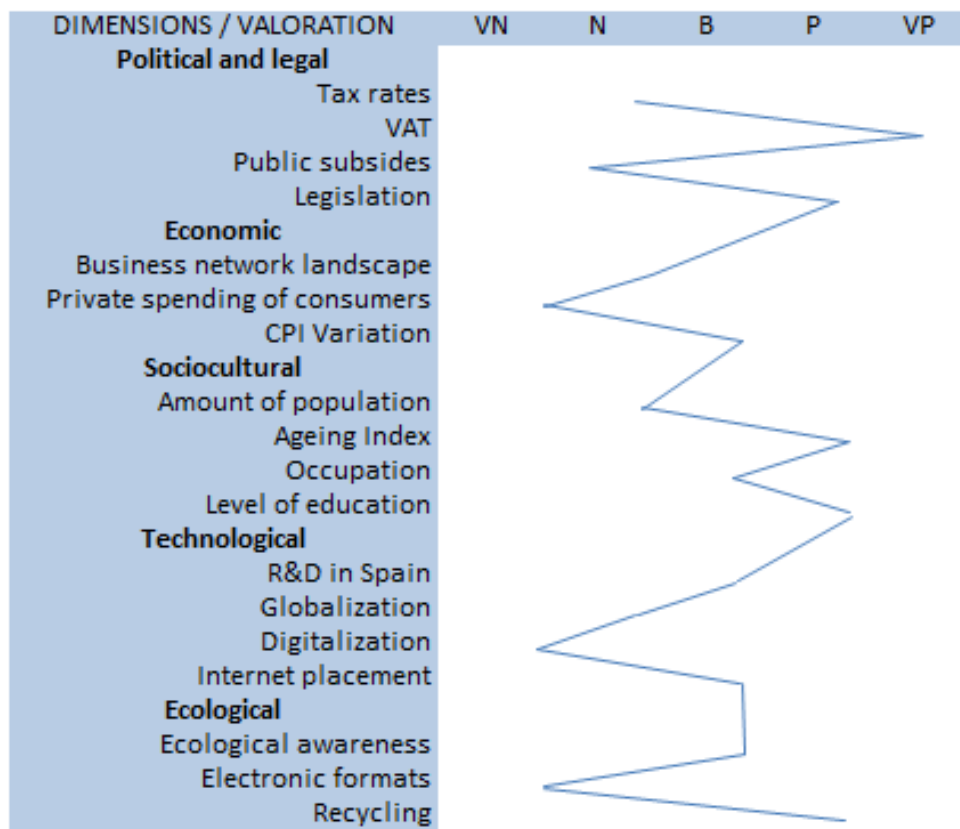
Technological advances have also created an important change in the world of distribution, allowing any bookstore reach any client over the world. This is due to the electronic commerce distribution and the price reduction of courier service. On the other hand, e-Commerce has led to a decrease in the number of intermediaries for each transaction, both in professional and in private field. Related to the second-hand book field, this facility to reach customers also allows people to sell their books directly through the Internet usually on specialized websites, in exchange of small commissions, instead of selling them to the bookstore.

1.2.1.5 Ecological factors

Environmental public awareness is increasing, so all environmental actions carried out by the companies are especially appreciated by consumers. Whence the increase in "green companies" and companies that allocate part of their resources to Corporate Social Responsibility with activities such as recycling and the use of renewable energies.

Books use paper and this is a disadvantage compared to digital format in ecological terms. But in the other way, the second-hand bookstore recycles used books offering them to interested users. So because it is a way of reusing books, it has a positive effect on the environment reducing deforestation for the paper need and preventing the production of new books through the industry. And also consumers who prefers, can enjoy a paperback instead an e-Book respecting the environment.

Figure 3. PESTEL Analysis for Librería Herrero 21



Source: own elaboration

1.2.2 Microenvironment

In the microenvironment we will see, using the model of the Porter's 5 forces, the different forces seeking to overcome to influence a particular market. This brief part of the direct environment of the company will continue in more detail in the following section about market analysis.

1.2.2.1 Bargaining power of buyers

The bargaining power of customers depends on the number of companies offering the product and the number of customers. If customers are few and organize, means a threat to the company. On the other hand, if there are many companies offering the product, customers will have more choices and therefore more power over the price.

In the case of the book sector, there are many customers but books are low value products and a consumer organization with power over the final price do not exist. In addition, the number of book suppliers for final consumers is big, so the bargaining customer's power is low. The final price is set by the publishers, and as seen in Graph 4 about the CPI in Spain, the dynamics of the price of books was similar to general CPI. Although the customer's power over the negotiation has always been low, with the entry of digital formats and the poor economic situation, the consumer power has begun to increase in a relevant way.

1.2.2.2 Bargaining power of suppliers

In this case we must make an important distinction between retailers offering new books and the ones offering second-hand books.

New books providers are the publishers who have great power when negotiating and pricing at any retailer, and they are the ones who have all the power to decide on the final price legally. In addition, although there are a lot of publishers, few publishing groups have significant market share. In any case, where negotiation is decided on the margins, and

this power has a bigger effect on small businesses, due to the difference between the amounts of goods they ask for, than from the large surfaces. They should also take into account factors such as supply and demand, so even having pricing with relative freedom they always must adapt it to market conditions.

As for second-hand bookstores, providers are not publishers, providers are mainly individuals who want to get rid of their collections. In this case, the power of suppliers is very limited, as they are the ones who head to the stores to sell the books. In fact, in most cases the bookstores directly fix the price and the individual accept it or not.

1.2.2.3 Threat of new entrants

This type of threat regards the barriers to entry for new competitors. In the case of a second-hand bookstore, being small business where financial resources are not excessively high, entry barriers are low, so the threat is big. Otherwise, the difficulty to generate sustainable profitability has led to the disappearance of previous libraries that took place in Castellón, although this may be due largely to inefficiencies in business management and lack of adaption to new market conditions.

It is a sector where it is not possible to generate economies of scale due to the method by which prices and market characteristics are fixed. As for product differentiation, although each bookstore can be selective on its catalog, books are not usually exclusive to certain stores, so the access to these is easy for any distributor. The greatest difficult for potential new competitors are the beginning and found on the know-how because the experience and knowledge about the publications are very important to the business activity.

1.2.2.4 Threats of substitutes

Books can be classified as cultural, leisure and entertainment goods. Although there are other books for study, work and consultations, the categories that Librería Herrero 21 works with are the first three ones.

When it comes to cultural, books are characterized by their durability and low price compared to other cultural activities. The activities that include the Ministerio de Educación y Cultura in this group, besides reading, are: cinema, theater, opera, concerts, libraries, archives, museum, listening to music, TV, radio, video, computing, training courses of complementary formation, among others. In short, what it is considered consumption of products subject to intellectual property rights.

Based on the results published in 2011 –the latest available– from the "Encuestas de Hábitos y Prácticas Culturales", the most practiced cultural activities in annual terms are listening to music (84.4%), reading (58.7%) and going to the cinema (49.7%), followed by visiting monuments, museums and contemporary music concerts (39.5%, 30.6% and 25.7% respectively).

And as leisure, reading is usually an individual practice and takes time. Due to the large number of leisure activities, we can classify them into four main groups: media, sports and outdoor activities, social life and entertainment, hobbies and computer. According to the INE, the time spent using the media is greater among the Spanish population, while the rest are almost equal.

The main factor of substitute's products threat is the wide availability and easy access to them, with low costs to change for the customer. Even so, books are different and involve an activity which, as a hobby, it is difficult to replace because of the customer loyalty of book lovers, and which is highly valued socially.

1.2.2.5 Existing competitors rivalry

Although in the next section we will see more information about the competitive market of the book sector, at this point we will briefly explain concepts related to the rivalry between competitors in that sector.

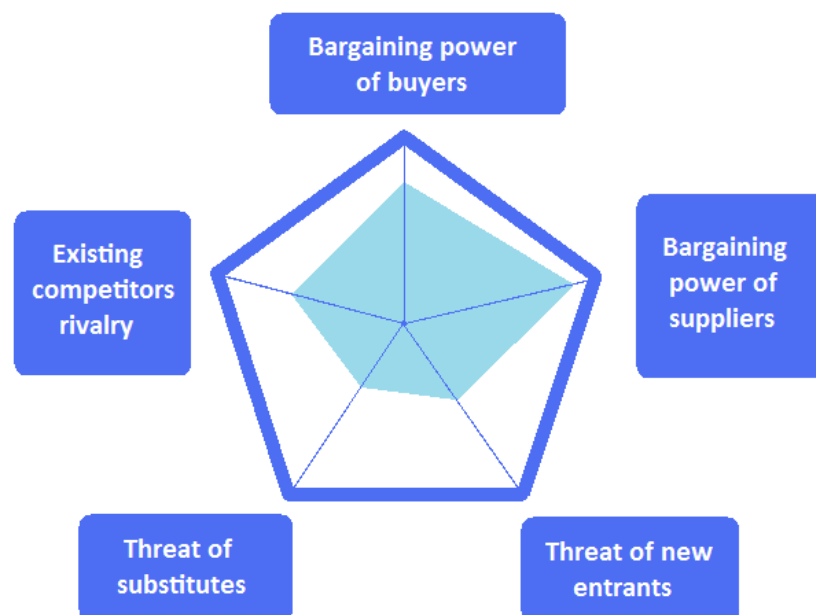
As we have been discussing, Librería Herrero 21 is the only second-hand bookstore in Castellón de la Plana, but due to advances in communications technology, currently its most direct competitors are from other cities.

The concentration of these businesses in Castellón is low relative to the population, but there is a high concentration of bookstores in major Spanish cities, both new and second-hand. The period of crisis has adversely affected all sectors of consumption, and the book sector is one of them, because of the decrease in the purchasing power of families. Although the number of bookstores is declining, the decreasing of demand and especially the new channels such as Internet, the competition for reaching customers is emphasized nowadays.

Otherwise, as an intermediary that does not alter the product, its differentiation is low in this sector, having to differentiate into other aspects like brand, service and catalogue. As for exit barriers, not a great economic effort is required to exit the competitive market, offering the stock to other bookstores that may be interested in expanding its catalog. In addition, there are different unions and associations of bookstores that provide support between them, gathering information and defending themselves from the bookstore chains and larger surfaces.

Therefore we can conclude that existing competitors' rivalry is low in terms of physical bookstores, but not the same over the Internet, where it competes with bookstores located throughout the country.

Figure 4. Porter's 5 forces plot



Source: Own elaboration

In the Figure 4, we see visually represented the valuation of how Porter's 5 forces affect to Librería Herrero 21. To help the understanding of it, the more it approaches one of the peaks of the interior pentagon to the outside pentagon, more positively affects to our company, and when is further away it affects negatively.

2. Market analysis

After analyzing macroenvironment and microenvironment, we will analyze the situation regarding the supply situation in the book sector.

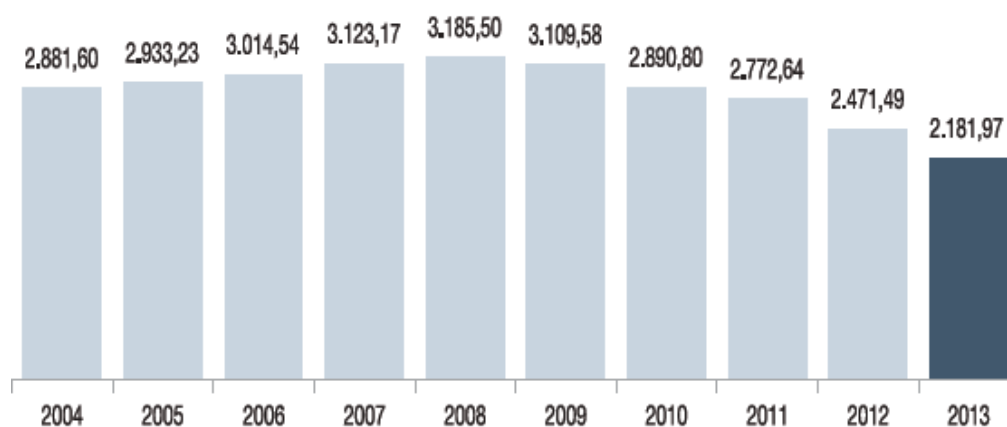
In the market analysis we will define the situation of the sector and the competitive structure in which we are, and what trends are most likely to influence over the next years.

The main reports that will be useful for this section are "El sector del libro en España 2012-2014" prepared by "Observatorio de la Lectura y el Libro" of Ministerio de Educación, Cultura y Deporte, "Comercio Interior del Libro en España 2013" of the FGEE⁷ and small bookstores report published in 2013 by CEGAL⁸ with the collaboration of Ministerio de Cultura and produced by BCF Consultors. To complete all the data presented here, we recommend reading the reports mentioned.

2.1. Situation of the book sector

As we see in Graph 10, the gross turnover of the book sector stands at 2.181,97 million euros in 2013, which minus the discounts applied and VAT, a net turnover of 1.514,10 million is obtained. A 10.3% lower than in the previous year.

Graph 10. Gross turnover of domestic trade of the book sector (2004-2013)



Source and data: Comercio Interior del Libro 2013

⁷ FGEE. Federación de Gremios de Editores de España

⁸ CEGAL. Confederación Española de Gremios y Asociaciones de Libreros

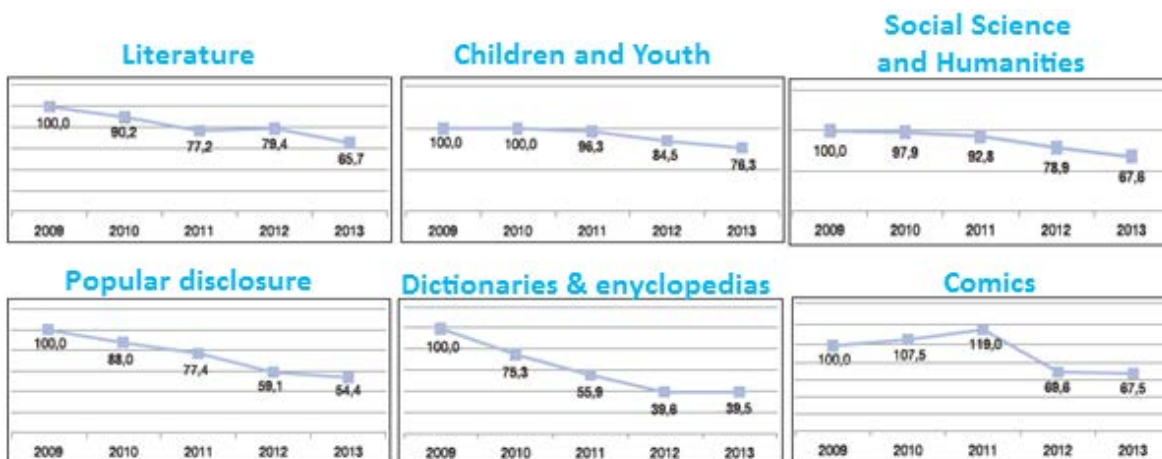
Literature, children and youth, social sciences and non-university text are the four areas equivalent to 77.6% of total turnover of the internal market in 2013. Similarly to the total market the four subjects are reduced turnover on the exercise above.

Same way as the total market, the four areas have their turnover reduced over the same period. Non-university text with 33.3% followed by literature with 21.5% have one third of the market share, and they are the subjects with the highest percentage of the total turnover. The following are children and youth (12.2%) and social sciences and humanities (10.6%).

Noting the evolution of subjects that Librería Herrero 21 offers, Literature billing declined by 17.2% in 2013, and in turn, within this subject, novel reduced to 17.8%, poetry in 16.4% and 8.4% other literatures. Social sciences and humanities were reduced by 14.3%. Children and youth has also been a significant decrease in the total turnover, while the decrease of general popular disclosure, dictionaries, encyclopedias and comics in 2012 was not as pronounced.

In the graph below we can see the evolution compared to 2009, where all subjects have decreased their turnover.

Graph 11. Evolution of turnover according to subjects (2009-2013)



Source and data: Comercio Interior del Libro 2013

The most important subject for the company is Literature, since it represents more than 80% of the catalog available. In literature, in figures for the sector, the main genre is the novel with 75% of the titles published, while poetry covers only 6% and the rest are other types of literature. This percentage of novel increases over the copies sold, since it represents 91.4% of the total.

As for novel subject areas, we can see in Table 2 how the contemporary novel is the outstanding leader, both in titles and copies published and turnover and units sold, always around 50% of all novels. The following most successful subgenres are classic, romantic and police, with 17.5%, 12.6% and 9.8% respectively of the total titles published.

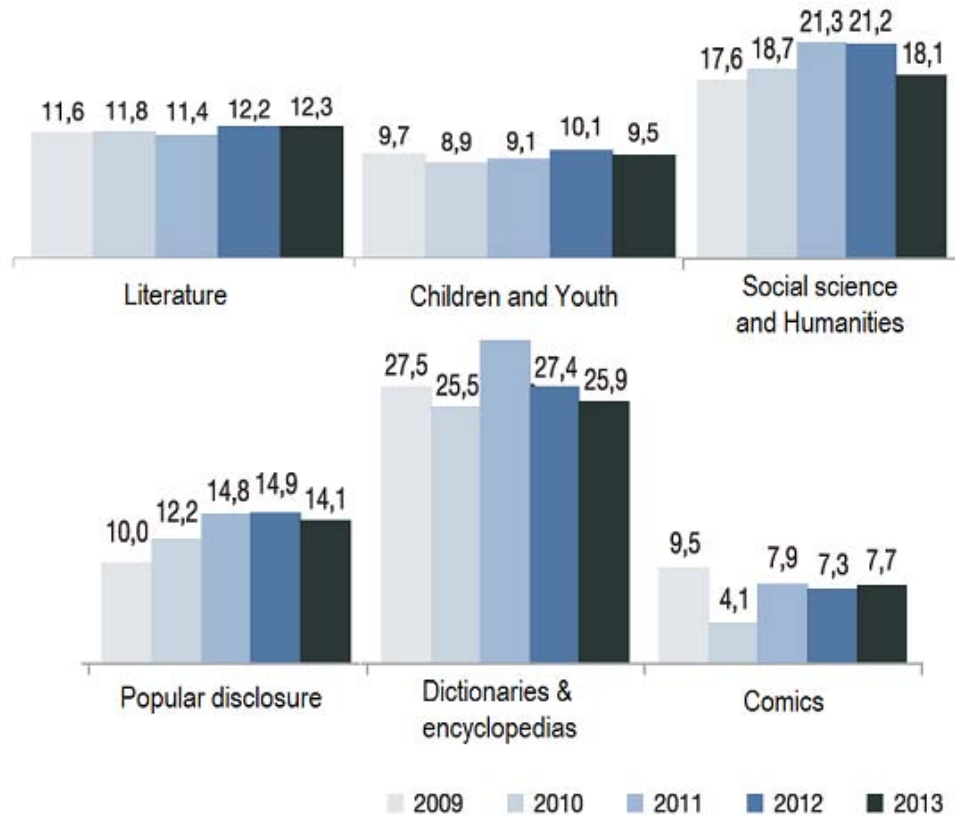
Table 2. Detail of the novel subject data

	Titles published	Copies published x 1000	Average print	Living titles	Turnover	Copies sold x 1000	Price
Novel	9.773	43.838	4.485	86.556	426,27	34.943	12,20
Classic	1.714	5.055	2.948	13.864	36,58	2.807	13,03
Contemporary	4.841	19.888	4.108	51.862	218,66	17.239	12,68
Detective, spy novel	960	4.336	4.515	7.047	40,74	2.997	13,60
Romantic	1.236	10.000	8.091	3.098	48,22	7.015	6,87
Sci-fi, horror	446	1.330	2.982	4.649	15,43	1.127	13,69
Erotic	107	1.579	14.762	2.218	51,83	2.761	18,77
Humor	103	337	3.288	1.099	3,67	312	11,75
Others	366	1.312	3.590	2.720	11,15	686	16,26

Source and data: Comercio Interior del Libro 2013

Returning to the sector in general, in 2013, 153.83 million copies were sold, 9.6% less than in 2012. The average price per issue in this year amounts to 14.18 euros.

Then we will see the evolution of prices in the period 2009-2013 by groups of subjects in the Graph 12.

Graph 12. Average price according subjects (2009-2013)

Source and data: Comercio Interior del Libro 2013

The average price of Literature increases from 11.61 euros in 2009 to 12.27 in 2013. Regarding Children and youth books, its turnover went down to 9.8% over the last five years and its average price has remained between 9.69 and 9.49 euros in 2013. On the other hand, we see that Social science and Humanities has increased its average price from 17.60 to 18.10 euros, while popular disclosure has increased it from 10 euros in 2009 to 14.1 in 2013. Dictionaries & encyclopedias, types of books who have worse rotation, have decreased its prices in 2.5 euros, similar price drop that happened to Comics.

We see how these figures do not represent a significant global increase in the price considering that five years have passed, but despite the crisis there has been a decline that might have been expected in the price of the new book. The price decrease has been more remarkable in the second-hand book market due to the greater trader's flexibility to change the prices.

In conclusion, we must take into account that these results cannot be isolated from the economic and social situation. The results obtained follow a similar pattern to the economy in general, as we can see how the turnover had a tendency of growth until 2008, and once into the economic crisis, the figures began to drop severely. Therefore expectations for the sector may vary depending on what happens next. Presumably, when there is an improvement in the purchasing power of consumers, the turnover figures improve.

2.2. Competitive structure

By retail channels, bookstores and bookstore chains accumulate more than half of the turnover (51.2%) and remains the main sales channel of books. The bookstores turnover is currently estimated at 773.10 million euros, which implies a drop of 14.1% compared to 2012 and 25% compared to 2009. Meanwhile, the bookstores chains invoiced 345.58 million, 28% less than in 2012 and 2009. The remaining spread mainly over superstores and kiosks, and others. Hypermarkets suffered a decline of 15.6% from 2012 and 36% from 2009 and kiosks had a collecting of 21.3%, lower than in 2012 and a fall of 67.3% in the last five years. In Graph 13 we can see that evolution.

Graph 13. Evolution of the retail channels sales (2009-2013)



Source and data: Comercio Interior del Libro 2013

Spain has an extensive network of bookstores and, according to the results of the latest Mapa de Librerías published by CEGAL in 2013, it is one of the largest in Europe. Spain is the European Union the state with the highest number of bookstores, representing 16.9% of all the bookstores in the area. Spain is followed by Germany (14.9%), France (14.6%) and Italy (11.2%). Spain also ranks second after Cyprus, in the number of bookstores per capita, with an average of 9.2 bookstores per 100,000 inhabitants.

In Spain a total of 4.336 bookstores are registered of the 5.556 that exist, according to estimates given by the INE. The companies considered with this designation are the bookstores with sales of over 150,000 euros per year, or less but with 50% of its sales are from books. Department stores of larger surfaces, large bookstores chains or bookstores that do not use the shop as a sales channel are excluded.

In Spain there is a predominance of small bookstores, since according to the size of the sales, 60% of the identified bookstores in the study are small and bill less than 150,000 euros per year. Even nearly half of the registered ones do not exceed 90,000 euros per year for book sales.

The study shows the superiority of general bookstores, which together represent 62.5% of the total, being 33.3% of general background bookstore –that is, with more than 3.000 background titles– and 29.2% of general proximity, with less than 3,000 background titles. Specialized bookstores —those in which more than 60% of its sales are books of 1 to 3 matters– are 27.1%, while 10.4% are general with specialization –among 30% and 60% of its sales are of 1 to 3 subjects–.

As for the location in the territory, there has been a high concentration in large cities. The identified bookstores are situated in 862 cities encompassing 35.8 million inhabitants. This means that almost 90% of the cities do not have bookstores, encompassing a population of nearly 11.5 million. By regions, Andalucía with 603 bookstores, Catalonia with 601 and Madrid with 517, account almost 40% of the Spanish bookstores.

Still, due to the circumstances, the number of bookstores in Spain is decreasing over the years. According to Eurostat, while in Europe the number of bookstores has grown 18.6% between 2008 and 2010, in Spain has fallen 16.4%. The INE data shows that compared to 2008 the number of bookstores has fallen a 21.5%, from an average of 15.3 bookstores per 100.000 people in 2008 to an 11.8 bookstores in 2012.

Furthermore, every kind of bookstores aims to promote and boost reading. The most common activities are the presentation of books –38.8% of bookstores–, followed by storytelling (22.6%), conferences (17.5%) and promotion of reading (14.4%).

The competitive market in the book sector is composed of the sales channels that we can see in Table 3.

Table 3. Turnover rate in 2013 according to retails of book sector

Bookstores	35.4%	Credit sale	3.4%
Bookstores chains	15.8%	Telephone sale	1.5%
Hypermarkets	9.3%	Postal mail	0.6%
Kiosks	3.6%	Internet	0.8%
Firms and institutions	15.5%	Subscriptions	3.3%
Libraries	0.5%	Other channels	3.7%
Clubs	2.8%	Channels for digital book	3.7%

Source and data: Comercio Interior del Libro 2013

To conclude the analysis of competitors, we are going to remark the characteristics of some of the main competitors, selecting the most characteristic of each group for comparison with the reference bookstore, Librería Herrero 21.

In Table 4, at the top we put the three companies that have higher turnover in the sale of books actually. Casa del libro is the largest chain of bookstores nationwide, while the other companies are dedicated to many more kinds of products. Amazon is the leading company selling exclusively online, while Fnac and El Corte Inglés, combine both channels and they have a very significant presence in the sector. Argot represents the kind of bookstore who sales new books at the local area, while Alcaná and París-Valencia are bookstores what would represent the second-hand bookstores selling nationwide.

The features discussed are: type of bookstore, sales channels, price level, size (1 means small and 3 large), and the current major strength.

Table 4. Characteristics of representative competitors

Company	Type	Sales channel	Price	Size (1:3)	Main Strength
Casa del libro	Bookstore Chain	On/off	High	3	Placement and size
Amazon	Department	Online	High	3	Online service / Customer service
Fnac	Department	On/off	High	3	Cultural atmosphere
El Corte Inglés	Department	On/Off	High	3	Awareness
Argot (Castellón)	Books and more	Offline	High	1	Additional services
Alcaná (Madrid)	Second-hand Books	On/off	Low	1	Price
París-Valencia	New and Second-hand Books	On/off	Mid	2	Catalogue width
Librería Herrero 21	Second-hand Books	Offline	Low	1	Price

Source: Own elaboration

3. Analysis of consumers' behavior

In the analysis of consumers, we will see the customer behavior in the demand and their needs. We will also see the reading trends of the population.

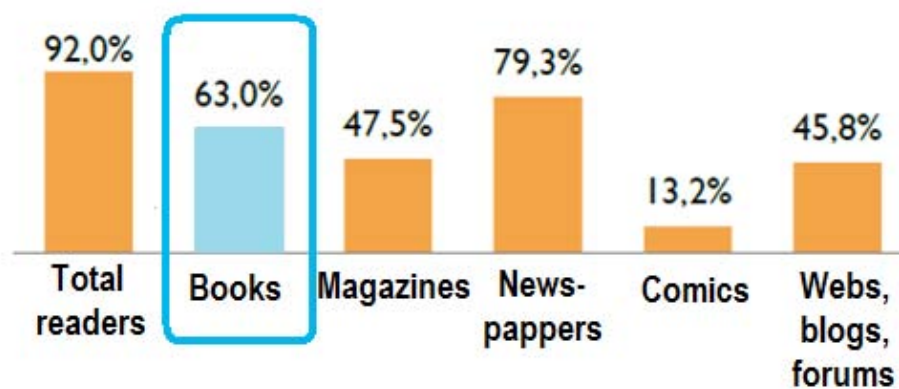
To know this data, we will use the report “Hábitos de Lectura y Compra de Libros en España 2012” developed by Conecta and published by the FGEE with the financing of the Ministerio de Educación, Cultura y Deporte, about reading habits and buying books in Spain, which is the largest and most recent report available. The reading of this report is recommended to thoroughly understand the data presented below.

3.1. Reading behavior

According to the report, 63% of respondents read books including for leisure time activities or for work or studies. This figure increases by 1.6 points over 2011 data reported. The average number of books read in a year also increased from 10.3 to 11.1 books.

In Graph 14 we see a comparison between books with other types of reading. Books are the seconds next to newspapers, which are read by 79.3% of respondents.

Graph 14. Book readers compared to total readership. (On total survey)

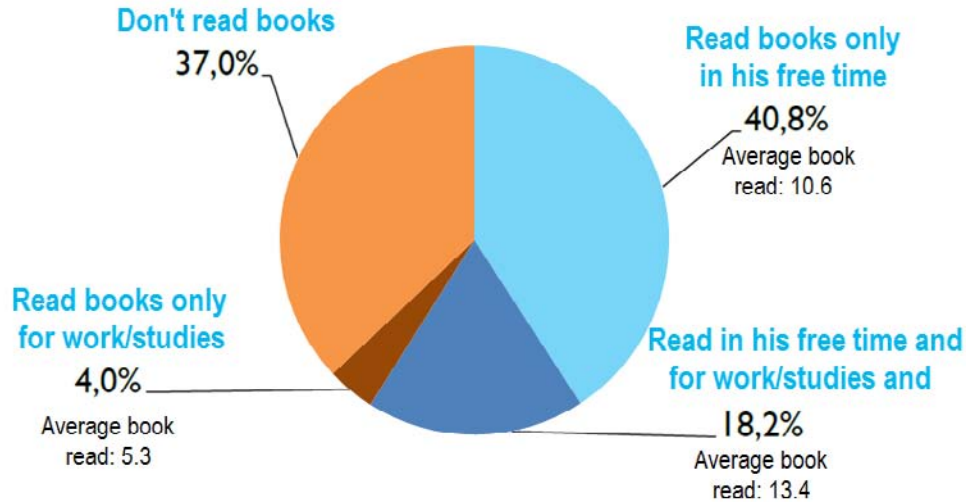


Source and data: Hábitos de lectura y compra de libros 2012

Following the above, in Figure 5 is represented the division of book readers as when reading. 93.65% of book readers do it on his free time, which is a good data for Librería

Herrero 21 because is selling this kind of books. In the blue areas are included all leisure time readers.

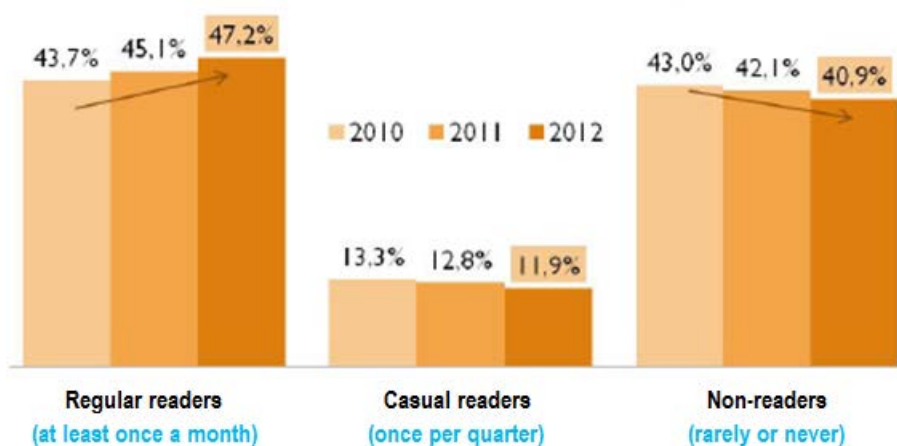
Figure 5. Percentages of types of reading and non-readers (On total survey)



Source and data: Hábitos de Lectura 2013

Because the case of our bookstore is for no technical books, it is for books for leisure time, from now we will focus on the statistics relating to this type of readers. In the Graph 15 we can see an increase in the number of regular readers compared to casual readers and non readers.

Graph 15. Frequency of reading books in leisure time (2010-2012)



Source and data: Hábitos de lectura y compra de libros 2012

- **Comparison with sociocultural characteristics: gender, education level, age, occupation and location.**

By gender, although both men and women have increased their reading rate in recent years, the percentage of women is 10.1 points higher than men. Also this difference occurs mainly among frequent readers.

For ages, the percentage of readers decreases as the age increases. However, it is noteworthy that in the last three years has increased 5 points of the responders aged 54 years old or over, and also this group is recording the highest growth. Comparing age with gender, the percentage of women in leisure reading is higher for any age, although after 55 years differences are minimal.

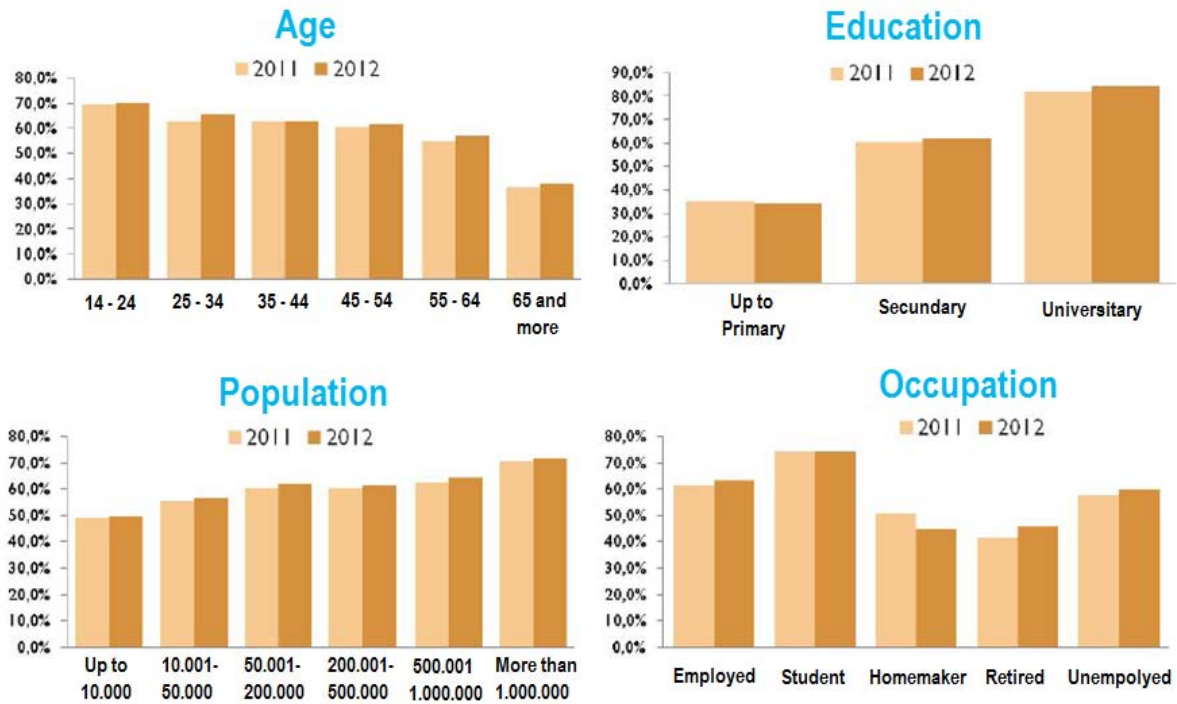
The variable that generates more differences in percentages of total reading time is the educational attainment. University students have higher figures reaching 80% compared to those with only primary studies with values of 30%. Linking reading with gender and education level, the percentage of readers is higher among women, although this difference is lower among those with university studies.

When it comes to the type of location, the rate of reading in leisure time is greater as the size of habitat increases, with nearly 50% in towns of 10.000 inhabitants and about 70% in the 1 million ones.

Finally, referring to occupation, students and employed are the ones who most read at leisure time. Still, it is important the increase occurring among retirees –in relation to the growing number of readers over 65 years– and among the unemployed. This may be largely due to the increase in educational attainment in the adult population.

In Graph 16 it is represented what was just explained above. It can be seen separately the percentages of readers in leisure time according to sociocultural characteristics, i.e., age, education level, people on location and current occupation.

Graph 16. Percentage of readers according to sociocultural characteristics

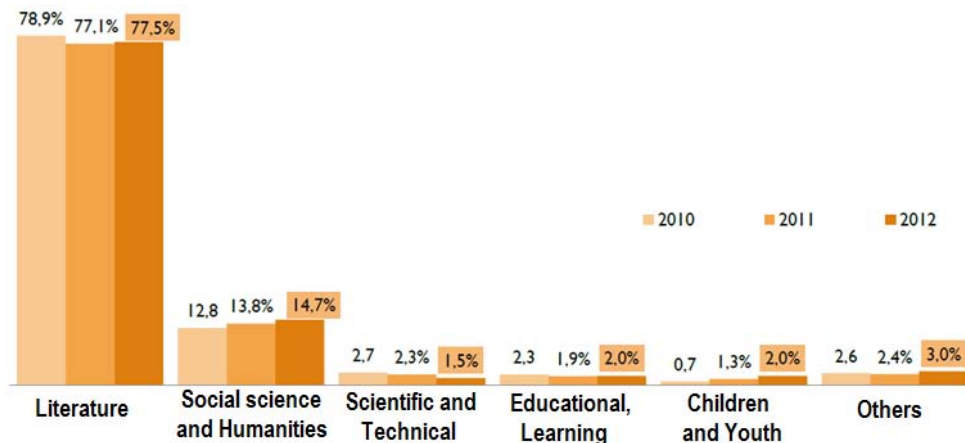


Source and data: Hábitos de lectura y compra de libros 2012

- **According to books subject**

As we see in Graph 17, the subject of the last book read for the 77.5% of the book readers was novel and short story. The literary works –including novels and short stories, essays, poetry or drama– are the most read, above humanities, which recorded an 11.8%. Also note that the last book read by 24.3% of the readers was paperback in pocket format.

Graph 17. Subject of the last book read (2010-2012)



Source and data: Hábitos de lectura y compra de libros 2012

- **Reasons for not reading**

The main reason for the non-reading population is the lack of time, which recorded 48.8% and rises among the population between 25 and 54 years. Work, studies and family care are the main causes within the lack of time. The second most frequent reason is the lack of interest in reading (29.9%) being men and aged between 14 and 24 years, plus over 55 years old, the most people preferring to spend their free time on other entertainment.

- **Books at home**

The book average in surveyed households is 201 books, although only a 22.1% of households exceed 200 books. This average is significantly influenced by those households that have more books, because they have a large amount of books in his private libraries. On the other hand, 19.1% do not exceed 20 books owned.

- **Origin of the book**

About how the book come to their hands, 42.5% of the readers purchase for themselves their last book read, while 21.1% are given as a present and 17.8% are borrowed. Thereby, for the 65.2% of book reading population, the way they got their last book was through purchase, either by themselves or by other else as a gift.



Photo credit: beavertonlibrary.org

- **Reading places**

Regardless of the type of reading that made in their leisure time or studies or work, their favorite place for reading is at home (91.4%) followed by public transport (13.1%) and outdoors (9.6%).

3.2. Purchasing behavior

Before we have seen the statistics relating to reading books, and now, we are going to expose relevant data about the action of buying books. The trends are very similar, so we will see shortly, but it still will be useful to quantify the book purchases according to the characteristics of the population.

Same as seen before in reading, the purchase of books is related to the education level, the higher level of studies means higher percentage of book buyers. Referring to the occupation, students, employed and unemployed are the groups showing a higher purchase percentage. An increase is also observed in the percentage of purchase among retirees.

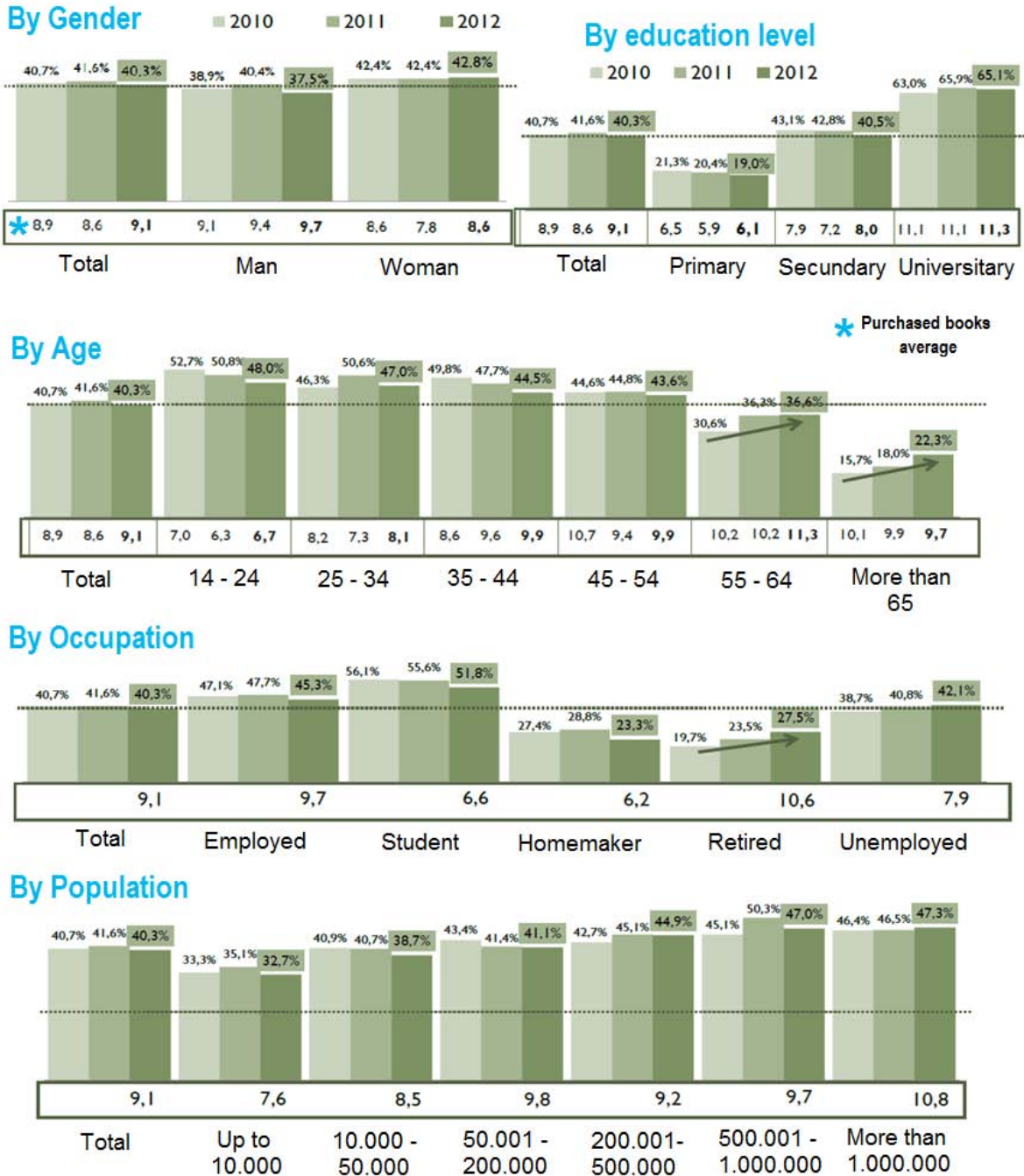
The books purchase according to the size of the population in a location, grows progressively as the number of inhabitants, being the average 40.3% people who purchase books. The locations with a population over 50.000 inhabitants are above of this percentage. In 1.000.000 inhabitants, this percentage is 7 points higher compared to the total.

For the 65.8% of book buyers, the most widely used purchase channel is the traditional bookstore. According to the report, 46.8 % acquired his latest book through this channel. On the other hand, bookstore chains (22.6 %) and department stores (20.3 %) are the usual second and third option. In the comparison of evolution we observed that bookstores keep similar percentages and they still are the most used channel. Of the remaining channels, bookstore chains continue their uptrend growing almost 6 points in the last three years. By contrast, department stores, books club and hypermarkets decline gradually, while purchasing through Internet grows.

About the first thing considered when purchasing, the subject of the book is the first, followed by the author and the recommendation of an acquaintance or family.

To conclude this section, in Graph 18 we can see a comparative summary of the purchase of books data related to the different variables: gender, education level, age, occupation and size of habitat. Also, down of the bars, we can see the average quantity of purchased books.

Graph 18. Purchasing book rates according to different variables



Source and data: Hábitos de lectura y compra de libros 2012

4. Diagnosis of the situation

In this section we will compile some of the aspects seen in the previous analysis which are the key to determine the company condition and must be taken into account when setting objectives and marketing strategies. So we will use **SWOT analysis** to classify into Strengths and Weakness regard to internal analysis, Opportunities and Threats regard to external analysis.

Strengths

- Experience and social skills of staff, i.e., the owner.
- Large catalog available, with the main demanded subjects.
- Store placement.
- Contacts that increase the human value of the company.
- Currently there are no debts compromising the financial situation, overcoming the early periods after the creation of the company, which are the hardest to make profitable due to the initial investment.
- Loyal customers.
- Great margins on trading.
- Lower costs due to the size of the company.

Weakness

- New and unknown company.
- Lack of planning and non-use of business and marketing strategies.
- Do not belong to any guild book support.
- Very limited space for selling.
- Unattractive place for the customer.
- The company has few physical resources beyond the furniture and stock.
- Limited financial resources.
- Poor awareness regarding marketing resources. It does not have a clear identity.
- Only one person is directly involved in the project, so the growth options are reduced.
- Unlike most of its competitors, does not have online presence, limiting to a single distribution channel.
- Lack of more objectives tools to manage inventory and to price articles.

Opportunities

- Possibility to choice between different pricing strategies, something that new book stores cannot make.
- It's the only second-hand bookstore in Castellón at this moment, so is the unique in the second-hand books market providing a physical point of sale.
- As a little known company, has the ability to grow and create an awareness brand image through marketing tools.
- While the crisis negatively affects consumption, being a low-price business makes books available for the new books readers.
- Possibility of expansion of sales channels due to the boom in telecommunications.
- Increasing concern of the environment and responsible consumption. Second-hand books equivalent to recycling.
- Expectations of economic recovery, so will improve the employment and the ability to purchase of consumers in the long term.
- Rise in the average age of the population, so the market of possible readers increases proportionally if we consider that the adult population is improving their education levels.
- Increase of population with higher education levels in general terms, but specially university level, who are the group who most read.
- High bargaining power over suppliers.
- Weak bargaining power of customers, but with the new digital format and the crisis is currently increasing.
- There is no great rivalry between competitors in terms of physical point of sales due to the low concentration in Castellón.
- Literature and social sciences are the predominant subjects among readers, being the main offered in the bookstore.
- Despite the emergence of large chains and online sales of big companies, the sum of little bookstores remains the main channel retail sector.
- Over 60% of population read in its leisure time. The highest growth was seen in women.
- Readership has increased from 2010 to 2012, and also the number of frequent readers.

Threats

- Decrease of the total turnover of the sector
- Not having in property all the necessary physical resources, there is a significant reliance on third parties. For example, store dependence due to renting.
- No business diversification, so risks are higher
- Book sector is uncertain and difficult to predict.
- Political changes that affect rates, taxes or subsidies and could change legislation.
- The economic crisis seriously affecting the purchasing power and financial needs through damaging the business networks and employment.
- Decline in demand and prices, leads to a decrease in economic benefits.
- Rise of e-Books that take away market share to traditional bookstores.
- New technologies severely affect traditional books, due to producing new substitutes products with a lower cost and greater ease to purchasing.
- Threat of new competitors once the market grows because there are no significant barriers in costs.
- Wide current variety of substitute products or services related to leisure and culture.
- Rivalry between competitors through internet sales channels.
- Decline of total turnover in the sector.
- Reticence by some consumers when dealing with second-hand books, because they relate it to products in poor condition and lower class.

5. Market segmentation

Once we know the current situation we are in, it is time to define the target market. After analyzing the diverse factors that affect the company, we can see how the market is composed by different segments. Because of this reason, the company needs to dedicate its resources effectively in certain segments, as required, responding to customers and company needs.

We have to keep in mind that although it is a library dedicated exclusively to the sale of books, the different subjects and genres attract diverse customers depending on the type of book.

Moreover, in the target audience of Librería Herrero 21 we can see common characteristics as the search for lower prices and personalized and friendly service. This target is made up of fans of reading and collectors of paperback books.

Based on the criteria previously used, we will relate the results of the external analysis and the analysis of consumers' behavior. We will mostly use the economic, demographic and socio-cultural data with the analysis of consumers, to indicate much of the characteristics of the target audience.

Demographically, the bookstore audience will be situated in a wide age range –divided in three segments– and both sexes, although the higher proportion is women readers. Socioeconomically, being a second-hand bookstore with low prices, Librería Herrero 21 can be especially target to groups with a medium or low purchasing power over competitors, which it can be an opportunity and a threat as we have seen in the SWOT Analysis. Therefore, in this area, we can include students, unemployed and pensioners. Socio-culturally, people with studies, both secondary and university, are the ones who most read, so it is important to satisfy this groups needs. Unlike the previous, this audience has a greater purchasing power over the average.

These and other features will be applied more clearly in the following market segments.

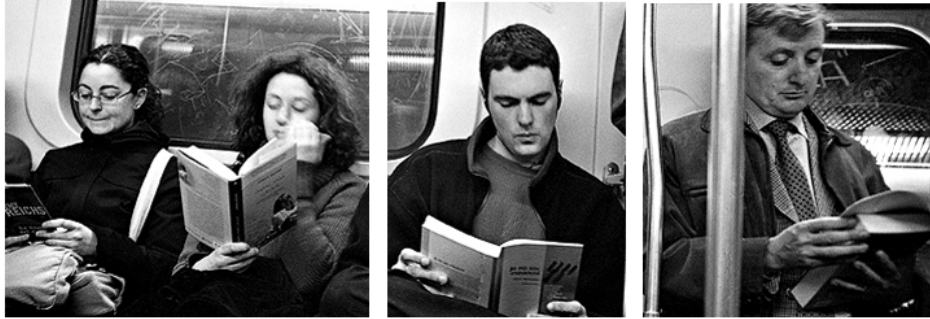


Photo credit: Goodereader. (Edited)

In this way, we are going to divide these criteria into three different group's segmentation: Market Segment 1 (MS1), Market Segment 2 (MS2) and Market Segment 3 (MS3).

MS1: People between 35 and 54 years with a high educational level

This is the largest and most generic group. Because the wide age range, we find into the group different characteristics that combines aspects of the other two segments that will see, but in this segment they are sharing certain features that distinguish them.

The characteristics they have in common are the high frequent purchase and the specific book search to make the decision to buy. The sales channel is a combination of physical and online, and is also the communication channel a mix of online and offline. Referring to personal motivations, it is a group of people concerned about culture and socially conscious. Otherwise, their income levels, although they are varied, are higher than the average, although they seek practical products and consistent with their literary tastes instead of luxurious ones. The types of books associated with this group are the most diverse.

Table 5. Market Segment 1

	INCOME LEVEL	MOTIVATION	DECISION	FREQUENCY	CHANNEL
MS1	Medium-High	Cultural-Social	Search	High	Mix
Types	<i>Novel, Essay, Social Science and Humanities, Art, Esotericism, Popular disclosure</i>				

Source: Own elaboration

MS2: People aged 55 or more with free time to practice hobbies

They are currently one of the main groups of the bookstore clients, especially because the physical store is the only point of sale. Their purchases are usually stable with an average frequency due to restrictions on their income level. The buying behavior is usually based on the experience and is given in-store, looking for a friendly and personal service.

In the case of women, who are predominant, their purchases usually are novels for leisure with exceptions, while in the men cases the kind of purchase is more varied and more interested in collecting. While it is the sector with the lower percentage of readers according to the report seen before, it is the group with fastest growing due to the aging of the population and the increase of their education level over the years.

Table 6. Market Segment 2

	INCOME LEVEL	MOTIVACIÓN	DECISION	FREQUENCY	CHANNEL
MS2	Medium	Leisure / Collection	Experience	Medium	Physical
Types	<i>Novel, Social Science and Humanities, History, Art</i>				

Source: Own elaboration

MS3: Young students with a high use of technologies and social networks

While in this kind of clients the use of digital books grows significantly, we must have in mind that it is the group with the highest percentage of readers –largely due to their educational requirements and the higher average education levels– and the similarity in lower prices can attract a certain group who prefer reading paper books than electronic books.

Table 7. Market Segment 3

	INCOME LEVEL	MOTIVATION	DECISION	FREQUENCY	CHANNELS
MS3	Medium-Low	Leisure / Learning	Recommendation	Low	Online
Types	<i>Novel, Social Science and Humanities, Comic, Scientific-Technical</i>				

Source: Own elaboration

What characterizes this group is their motivation to purchase, both learning –including personal development– and leisure as it may apply. Purchase frequency is the lowest of the three groups, due to their lower income and the great possibilities of substitute products available on the market. The purchase decision is mainly based on the recommendation because they are initiated. The sales channels may vary, but in this group increases the use of online tools for the purchase and for the communication with the bookstore.

In short, as seen in this section, the age range covers almost the whole sector of the population, but in each of the segments their differing characteristics are useful key elements for the bookstore when targeting them. In the next section, we will see the segmentation strategy graphically represented.

6. Marketing objectives

These are the 7 main objectives to reach. They are proposed to achieve them within a year, which should be kept under review and new ones will be updated at the end of the established period. All of them are attainable and they will be very useful to focus our resources, applying the marketing activities that are necessary. Also note that the Objective 02, which we will see in many of the marketing actions, is the most complex to measure because has a more qualitative nature, but it is undoubtedly a key goal for the company.

01) Sales growth of 30% in the short term.

02) Increase brand awareness.

03) Attracting 25% of new customers to bookstore locally within one year.

04) Increase customers' loyalty, reaching 200 club customers in the first year.

05) In the selection of product portfolio, improve efficiency ratio of trading by 40%

06) Enhance customer satisfaction with the service received, obtaining a valuation of 8 out of 10 overall rating at the end of the year in future satisfaction surveys.

07) To reach gradually new geographic markets, in particular, the national market.

7. Marketing strategies

To achieve the proposed objectives it is necessary to implement certain marketing strategies. In practice, the combination of different marketing strategies, –which are growth strategy, competitive strategy, strategy of competitive advantage, segmentation strategy and positioning strategy–, become to marketing actions that we will see then in the next section.

But before that, we will select Librería Herrero 21 strategies to follow from a theoretical point of view as we shall see below.

7.1. Growth strategy

Figure 6. Growth strategies based on Ansoff matrix

	Existing products	New products
Existing markets	Market penetration	Product development
New markets	Market development	Diversification

Source: Own elaboration

To attain the objective of growing, the main strategy to follow will be the market penetration, which is a kind of intensive growth strategy according to Ansoff⁹. This consists on addressing the same market segments but reaching, with the same products, new customers through marketing tools aimed to increase brand awareness. With greater brand awareness, we will generate a customer value improvement moreover a stronger customer loyalty generating a higher consumption by the existing customers. To reach the new customers, with the use of Internet we will compete more effectively with the competitors.

⁹ Ansoff, I.: Strategies for Diversification. Harvard Business Review, Vol. 35 Issue 5, Sep-Oct 1957

Because growing is one of the main objectives, we will additionally follow a market development strategy. With it we will continue with the same product but reaching new geographic markets, as well, thanks to the addition of online sales channels.

In Figure 6 we saw these strategy selections represented on Ansoff matrix.

7.2. Competitive strategy

According to Kotler¹⁰, there are various roles to follow by the companies to compete in a market, which are: leader, challengers, followers and market nichers. Currently acting in a local context, we could say Librería Herrero 21 is implementing a type of market nicher strategy to compete. That is because, as the only second-hand bookstore in Castellón, our bookstore has distinguished from others selecting a particular segment of customers.

Once the market area of Librería Herrero 21 expands to national level reaching new geographical areas, the strategy in this aspect will be more follower, because at the beginning will adopt strategies similar to other second-hand bookstores to compete with them. In the second-hand market there is not a clear leader established.

This gives the opportunity to eliminate one of the main weaknesses of the bookstore, which is the limited sales area regarding national competitors. Even entering new markets as a follower, we shall gradually implement innovations in the imitation to differentiate ourselves from competitors.

7.3. Strategy of competitive advantage

About Porter's generic strategies¹¹, in which there are just two types of competitive advantage to get a position in the market, a company has to choose between differentiation and cost.

¹⁰ Kotler, P., & Singh, R. (1981). Marketing warfare in the 1980s. McKinsey Quarterly

¹¹ Porter, M. (1985). Competitive Advantage. Free Press

In our case we can say that we will be in an intermediate position. This is because the company has the possibility of having lower prices, while new books bookstores cannot make this because prices are restricted by law. At the same time, Librería Herrero 21 has a differentiation strategy because of being a second-hand bookstore in Castellón; and has the objective of keeping this while growing through greater brand awareness.

At the beginning, Porter considered this as a negative thing because he said it was like being stuck in the middle, with the application of two strategies the organization could lose its focus. But this was a very limited point of view; there are many organizations that with a mixed competitive strategy have become very successful, even some writers¹² claim that the most successful companies are those that are able to solve the opposites' problem.

Additionally, even being in the middle, Librería Herrero 21 is oriented to a particular strategic target determined mainly by used books, and although they are involved in a wide range they are not industrywide.

7.4. Segmentation strategy

As we have seen in the section of market segmentation, strategy of segmentation to follow by Librería Herrero 21 is based on product specialization. The company is focused on developing a particular product, the second-hand book, which sells to three individual segments according to a certain characteristics as previously seen.

In Figure 7 we can see represented how the company targets different market segments with one product.

¹² Baden-fuller, C., & Stopford, J. (1992). Rejuvenating the mature business: The competitive challenge. Routledge

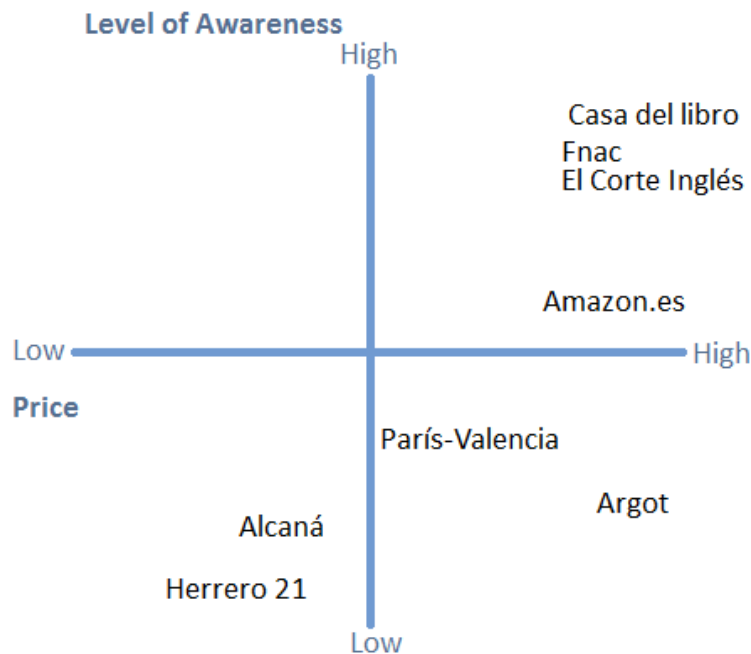
Figure 7. Librería Herrero 21 segmentation strategy (Product specialization)

Source: Own elaboration

7.5. Positioning strategy

Using the same examples of competitors in the section of competitive structure in market analysis, now we will develop a positioning map. Therefore, we can easily position the image occupied by each of the companies in the consumer's mind.

So we are going to select two variables that will determine the position of the companies. In Figure 8 we see that these variables are price, on X-axis, and brand awareness, on Y-axis.

Figure 8. Positioning map

Source: Own elaboration

We can see that Librería Herrero 21 currently stands as the lowest price one close to Alcaná, which is highly valued by customers. On the other hand, our bookstore is also the least known company.

For the price variable, we have discussed several times the fixed prices for new books, so the small differences reside in specific promotions. For example, Amazon offers the highest possible discount (only 5%) throughout the year, while Fnac, El Corte Ingles and Casa del Libro offer the discount on certain occasions. Argot and similar new books bookstores do not usually offer the 5% discount. Meanwhile, Paris-Valencia is in the middle, offering new and second-hand books. Prices of his second-hand books are slightly larger than their closest competitors, although its catalog is the most extensive. The Alcaná bookstore, placed in Madrid, is the most similar in prices to ours.

About the second variable, awareness, considering exclusively the book department, the most recognized by the general public are Casa del Libro, Fnac and El Corte Ingles at a very similar level. After them is Amazon, who has a major online presence, but lost awareness to general public by not having physical presence. Finally, and far below, are the small and medium-sized bookstores, which have low market share individually. By order of awareness we have Paris-Valencia, Argot and Alcaná.

Finally, as we have seen in the objectives, the main purpose for Librería Herrero 21 is to increase its awareness to attract and retain customers, within the limits of a small second-hand bookstore. All this must be done modifying the prices as little as possible to maintain this strength, but leading gradually to a slight rise due to the increase of the company growth costs.

8. Marketing actions

Based on the proposed objectives, it is necessary to develop marketing actions that help us to achieve them. An important point is that will be required to hire a fixed employee, so as a temporary one for some of the actions, which will increase the overall cost of such operations. In the long term, more staff could be added to the team if necessary. Then, we are going to expose and detail the actions, but because of space restrictions, they will be specified in the correct time. Due to the previous lack of marketing actions, most of these are primarily aimed at creating rather than development.

Action 01: Create a brand image and new logo

Objectives supported: 01, 02, 03, 04, 06, 07

Budget allocated: € 800

Timeframe: August 2015

Description: Although all marketing activities are interrelated, this marketing action influence over the rest. Brand awareness adds value to everything related to the company, creating a meaning and symbols to consumers with whom they identify.

To have an own identity is important to create an attractive brand that sets the company apart from other competitors, especially from other second-hand bookshops and when entering the online marketplace. Therefore the creation of a corporate image, including a new logo, consistent with the values and activities of the company is required; with particular emphasis on the ecological aspect of the recycling of used books. The cost of this kind of project with the help of a graphic designer and a marketing expert depends on the size and needs of the company, so it would be affordable.



Image 4. Proposed new logo and typography for Librería Herrero 21. Own elaboration

In Image 5, I have designed an example of what could be part of the new brand image. The green tone logo represents the environmental advantage due to recycling that involves the buying and selling of used books. Likewise, it is symbolized by the circular arrows, which also describe the nature of second-hand bookstore explicitly, which differentiates it from other bookstores in the city. Inside arrows, the prime activity of the company is represented, a book. In this book we can see on the cover a “21H” with the “1” built into the “H”. This is related to the font, where Herrero’s “H” stands above the rest of the text. Typography is also at the same color to emphasize the ecological character of the company.

Action 02: Stocktaking – More selective portfolio - Quarterly catalogs

Objectives supported: 02, 05, 06

Budget allocated: € 1.000

Timeframe: August 2015

Description: An essential task that has not been yet carried out due to lack of staff is a thorough inventory of products, with detailed information about titles, authors, publishers, year of publishing, subject, etc.

By having an inventory report enable us to have a greater control of the products in our portfolio and, therefore, a better selection of products to be acquired in the future. A more selective purchase will reduce costs by avoiding excessive duplicate books or the ones that cannot be sold in the future, so efficiency will improve and reduce the impact of hiring a new employee.

It will also allow us to carry out communication activities through the sending of quarterly catalog reports to customers who subscribe to our website. Moreover to have an inventory will make easier to compare with second-hand bookstores competitors, so will help us to set appropriate prices according to market.

Action 03: Merchandising

Objectives supported: 01, 02, 04, 06

Budget allocated: 2.000 €

Timeframe: August 2015

Description: To facilitate the access to the books, some changes in the physical point of sale are necessary. Currently the arrangement of the books is relatively good because maximizes the space available making a large amount of books visible. But because of the great limitation of space, it is important that the client feels more comfortable to increase its visit to bookstore frequency.

An adapted merchandising to the new consumer habits should be developed at bookstore. The first step is to set up small spaces for reading, because sometimes customers need to leaf through the books pages to decide the purchase, so these spaces will help to make this purchase step more comfortable, which will also attract new customers. The environment must be fully dedicated to reading, being the books the best decoration. The right lighting for reading and research is essential. The arrangement of the product is the most important point and should be disposed according to the customer demand and needs. For example, a larger space for novels is required, while the reading points should be close to the essays section. Also, all the books should be well classified to facilitate the search and the purchase. The shelves placing must be well adapted to the demand, with the higher rotation books to eye level and lower rotation books staying below. As for the window display, must be an invitation to the passerby and should peaks the customer's curiosity. A display of representative copies of the catalog is already on the store window. The improvement in this point should be directed towards a more attractive pole sign to represent the seller better, with new brand image as we saw in Action 01, and also the use of the window and the door to communicate with customers through posters and stickers. Finally, a consistent sensory experience should be generated, where the buyer can browse and touch the books relaxed, especially in the case of the central island and the reading spaces.

In conclusion, merchandising elements should focus in two purposes: customer attraction and the ease of the purchasing process.

Action 04: Online sales channels

Objectives supported: 01, 02, 06, 07

Budget allocated: € 750

Timeframe: October 2015

Description: The opening of new distribution channels greatly contribute to achieve the prime objectives. The first step would be to register in the main second-hand bookstores websites, which are the most popular among book lovers for searching. These websites are Iberlibro¹³ and Uniliber¹⁴, where many of the largest second-hand book stores of the Spanish territory are registered, so it is a proper place to reach a new market and start getting known outside. Although the competition in these web pages is large, the economic cost of integration is very low.



Photo credit: Iberlibro / Uniliber

The next step would be to create an official website, where besides of being an online sales channel it would be an important booster to brand awareness. Due to the difficulties in positioning a small bookstore website in the Internet search engines, its main function would be to support the other sources –the specialized web pages mentioned earlier and the in-store sales– through communication actions. The principles and values of the library would be exposed to create a distinctive brand image, and messages about us would be spread among our clients. The website should also allow the registration of customers, so mailing actions, such as the sending of updates, news and catalogs, can be done.

¹³ IberLibro belongs to AbeBooks community, where thousands of booksellers around the world put up for sale millions of new, old, sold-out and used books. <www.iberlibro.com>

¹⁴ Uniliber is a Spanish National Association of used book professionals, created with the primary objective to enhance and facilitate the books trade through Internet. <www.uniliber.com>

Action 05: Order management process

Objectives supported: 04, 05, 06

Budget allocated: No additional cost

Timeframe: October 2015

Description: Although it is more typical of management operations, is closely related to other marketing activities. A process by which the orders management can be fast and efficient should be defined. It may seem simple, but with the expansion of distribution channels and communication, this process will be more complex and therefore we must be prepared so the customer can get satisfied with the service provided.

First of all, is to enter the information of the stocktacking into a database (Action 04). At this time orders will come through offline and online channels, so we have to be able to give a fast response, within 2 hours maximum respond through the online channels. In the first case the response will depend on the availability and in the second the order will be proceed once charged. This point is very important because directly affects the final price and usually involves the biggest problems of online sales. After a search of the best shipping services for the bookstore, the offered options to customers will be three:

- Registered post by Correos.
- Special postage for bookstores with the Post-libris card, reducing 25% the cost of shipping to the customer. It has to pick up by customer in the post office (Correos).
- Alternative service delivery with courier Kiala for orders up to 8 kilos at a cost of 4.71 euros. It is the lowest market price but is limited in terms of picking up points.

By this way, customers from anywhere in Spain have the opportunity to buy in our bookstore, enjoying low prices and quality services and adding the lowest possible cost in terms of shipping.

With a fast, efficient and reliable service, we can differentiate from most of small bookstores, which are limited compared to large companies in this aspect. With this, we attract clients and build loyalty meeting their needs.

Action 06: Social networks presence creating an online community

Objectives supported: 02, 03, 04, 07

Budget allocated: No additional cost

Timeframe: August 2015

Description: New consumer habits tend to communicate through online channels, via smartphones, tablets and computers. To stay in touch with current customers and future ones it is important to be present in the channels they use. According to “VI Estudio de Redes Sociales de IAB Spain”, networks most commonly used are Facebook and Youtube, and the most often used Facebook and Twitter. Given the company characteristics, the main networks to use are Facebook and Twitter, where we will connect with consumers to:

- Increase visibility raising awareness of the bookstore.
- Share information about events.
- Channel of communication with customers.
- Create content about reading to generate discussion.
- Link to the company website and other pages where our catalog can be seen.



Image 5. Example of an official Facebook page for Librería Herrero 21

All contents and messages included in social networks need to be consistent with the other marketing company actions. The aim is to create a small community of followers connecting with customers, differentiating and meeting their needs.

Action 07: Customer loyalty program

Objectives supported: 01, 02, 03, 04

Budget allocated: € 100

Timeframe: September 2015

Description: For loyal customers, we will create a simple card to link them to the company. With the card “Librería Herrero 21 Club” they could enjoy special offers in the purchase of books. To reduce implementation costs would be created without a magnetic stripe, so it will work just with a reference number. The customers of Librería Herrero 21 with Club card will have the following benefits: a voucher of 5 euros in the next purchase after accumulating purchases worth 60 euros and events priority. In return, this promotional activity enables to increase the purchasing frequency and the customer loyalty. Also, a subscription to the newsletter commented on Action 04 will be offered. Despite the limitations of manual data entry, the card would also be a useful tool to collect certain information about the customers’ preferences and characteristics

Action 08: Book fairs and events

Objectives supported: 01, 02, 03, 07

Budget allocated: € 2.000

Timeframe: October and November 2015 / February and March 2015

Description: This action has already been carried out since the bookstore opening. As discussed in marketing resources, Librería Herrero 21 has participated in “Ferias del Libro Antiguo y de Ocasión” in Castellón and Valencia.

The participation in fairs requires a significant investment due to the registration cost and books transport, but they provide an important source of income. For this reason it is important to continue participating in these events, along with other actions, that from now will have a greater impact on the company. For example, will be particularly useful in the introduction to new markets; thanks to the participation of book lovers from different Spanish regions in these fairs, it will be a useful tool to make the bookstore better known by new customers.



Image 6. "Feria del Libro Antiguo y de Ocasión" in Valencia

Action 09: Advertising in digital newspaper: www.castelloninformacion.com

Objectives supported: 01, 02, 03

Budget allocated: € 250

Timeframe: October 2015 to January 2016

Description: The main advantage of online advertising is the reaching of general public at a low cost. The reason for a newspaper choice is that the daily information is closely related to culture. The implementation dates will coincide with the rebranding; once major changes are made, to spread then the new brand image of the company.



Image 7. Proposed banner for digital advertising. Own elaboration.

The banner that we see in Images 7 and 8 consists on the new proposed logo, with the name of the company highlighted and a subtitle remarking some strength, as the price. Also are included Facebook, Iberlibro and Unilibro icons to connect the banner with the company information.



Image 8. Proposed advertising for digital newspaper

In this way, the rest of the marketing actions would also get a boost in the short term, letting us to reach a major number of potential customers.

Action 10: Activities related to reading

Objectives supported: 02, 03, 04

Budget allocated: No additional cost

Timeframe: To be determined

Description: Although the company is already differentiated from the rest of the city bookstores, this differentiation should be strengthened by expanding the services offered by the company with activities related to reading. These activities are:

- Meetings with writers, teachers and people involved in culture talks to generate discussion with the audience.
- Authors' presentations, where people can meet some new writers of the area and get their copies signed. Although it is a second-hand bookstore, to attract new customers, it would be possible to agree with the writer and the publisher to bring some new copies in this kind of events for customers who are interested.
- Book discussion club with reference works where reading is promoted.

These activities also will help to achieve the objective of loyalty and the brand awareness.

Action 11: Temporary sales promotion

Objectives supported: 01, 03

Budget allocated: No additional cost

Timeframe: With Rebranding, Christmas holydays and Day of the book.

Description: As a relatively new company, is interesting to make special promotions on special dates to attract new customers in order to increase the short-term buying. For existing customers, although the bookstore prices are characterized by being low, it is a temporary incitement that would encourage the consumption on significant days. The relevant dates are: from August to October with the rebranding, Christmas holydays to gain market share, and April-May on the occasion of the Day of the Book.

Action 12: Sales promotions according to segmentation

Objectives supported: 01, 03

Budget allocated: No additional cost

Timeframe: October 2015

Description: Referring to the section on market segmentation, all actions explained above are aimed in varying degrees to the different targets. In this action we will specifically address two of the three targets, which are due to lower income levels more necessary to promote their purchases. These groups are MS2 and MS3.

- MS2: People aged 55 or more with free time to practice hobbies
There will be a special discount for seniors by showing the SIP card. The applicable promotion will be “buy 5 get 1 free” in a particular selection from the catalog related to this segment.
- MS3: Young students with a high use of technologies and social networks
Similarly, the promotion works by showing his personal student card. It will have the same procedure, but the difference will be in the selection of the catalog because there will be books related to young people.

These discounts only will be applied in-store to avoid complications in checking data by online channels.

9. Time schedule and budget


In this section we will display the action programs into a table where we can see the budget for each of the actions, resulting in a total budget of 6.900 euros.

In Table 8 we can also see the timing of such actions. It is marked in blue color the month of implementation and, if necessary, orange plot means it continues executing. Green is used for other events, which currently is limited to the quarterly catalog drawn up to send it to subscribers.

Table 8. Schedule and budget

ACTION DESCRIPTION	BUDGET	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
01 Brand image	800	Implementation	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance
02 Stocktaking & Catalogs	1.000	Maintenance	Maintenance	Others	Maintenance	Maintenance	Others	Maintenance	Maintenance	Others	Maintenance	Maintenance	Others
03 Merchandising	2.000	Implementation	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance
04 Online channels sale	750	Maintenance	Maintenance	Implementation	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance
05 Order management	-	Maintenance	Maintenance	Implementation	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance
06 Social networks	-	Implementation	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance
07 Customer loyalty card	100	Maintenance	Implementation	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance
08 Book fairs	2.000	Maintenance	Maintenance	Castellón	Maintenance	Maintenance	Maintenance	Valencia	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance
09 Advertising	250	Maintenance	Maintenance	Implementation	Implementation	Implementation	Implementation	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance
10 Reading activities	-	Maintenance	Implementation	Maintenance	Maintenance	Implementation	Maintenance	Implementation	Maintenance	Implementation	Maintenance	Maintenance	Implementation
11 Temporary promotions	-	Implementation	Rebranding	Implementation	Maintenance	Christmas	Maintenance	Maintenance	Maintenance	Book Day	Maintenance	Maintenance	Maintenance
12 Segments promotions	-	Maintenance	Maintenance	Implementation	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance
	6.900												

 Implementation
 Maintenance
 Others

 No additional cost

10. Monitoring results

Right from the moment of implementing marketing activities, it is essential to collect data from customers to make appropriate corrections and adjustments to get the expected success.

Therefore, specific indicators and tools have to be established to measure as objective as possible. In Table 9, we can see the relationship between the objectives and actions of marketing and the control data, measuring what is happening at every moment. In the last column we can see the frequency within the company's possibilities will allow us to make corrections at the right time.

Table 9. Control data

Objectives and marketing actions	Monitoring data	Periodicity
Sales growth	Evolution of billing data	Monthly
Efficiency in stock provisions	Buys-sales ratio	Monthly
Customers satisfaction	Average rate on satisfaction surveys	Semiannually
Customers loyalty	Number of Club cards issued	Quarterly
Order management process	Average time between order and shipment	Quarterly
Social networks presence	Followers and people reached	Monthly
Brand image online	Number of subscriptions to mailing	Monthly
New online channels	Comparison online-offline sales	Quarterly
Extent of advertising	Clicks on the banner	Monthly
Profitability of marketing actions	Net profit comparison	Semiannually

Monitoring results is a very important part of our marketing plan because it will give us the necessary information for possible future actions.

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