

**AUDIENCE AND MARKET DEVELOPMENT FOR NEW
ZEALAND LITERATURE**

STRATEGY 2004/05



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INTRODUCTION

This document outlines Creative New Zealand's implementation plan for delivering outcomes in audience development for New Zealand literature. It builds on the two reports

- New Zealand Book Publishing: Industry Development Issues, published by New Zealand Trade and Enterprise (March 2004), and
- Exports of New Zealand Published Books, published by the Ministry for Culture and Heritage (October 2003)

The conclusions of both the above reports were that a lack of marketing capability in the sector was the prime block to growth especially for book exports, and that “publishers are focussed on what they have to sell rather than who their prospective customers could be and what they are interested to buy”¹. Furthermore, there is some evidence that the primary off-shore markets (Australia and Europe) have some resistance to New Zealand literature, and in Australia's case may even be negatively disposed towards it.

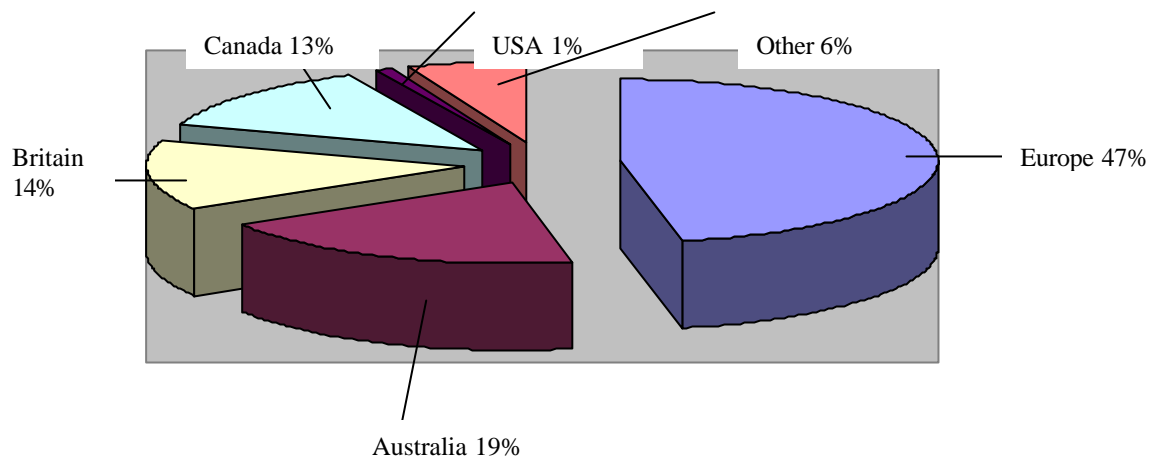
At the same time, New Zealand literature has been identified as excellent, innovative, energetic and distinctive. With the current increased interest in New Zealand overseas, there is a broad agreement that unique opportunities exist to brand New Zealand literature positively off shore and thereby increase the benefits to New Zealand publishers, book sellers, authors and their audiences. The success of “*Whale Rider*” as a movie followed its initial life as a book by New Zealand writer Witi Ihimaera. This success has opened doors in a crowded market place, and provides a compelling example of how New Zealand can establish a competitive niche for the work of its artists in overseas markets.

It has also been identified that in order for a healthy export sector to develop, success in the home market is crucial. Although there appears to be strong support for New Zealand literature in the domestic market, (as evidenced by independent book sellers throughout New Zealand), further development of the domestic market and audiences could occur, possibly via a targeted national campaign – e.g. New Zealand Book Month.

Further and ongoing research is required into prospective markets to establish more clearly the attributes and attitudes of publishers and readers with reference to New Zealand literature. In Australia, the nature of the perceived resistance to the New Zealand brand needs to be tested in order that promotional material and a targeted campaign can be mounted to change perceptions. It will also be important to establish bench marks from which meaningful targets can be set. The *Exports of New Zealand Published Books Report* has provided some initial data which tells us that in 2002 the total domestic sales of New Zealand literature are estimated at \$15 million and that this represents 18% of the total domestic sales of New Zealand books. Exports of New Zealand literature are estimated at some \$7 million with the estimated regional distribution of these sales as shown below.

¹ p29, NZ Book Publishing: Industry Development issues – a Report to New Zealand Trade and Enterprise: Dialogue Consultants Limited

Export of NZ Literature



Source: *Exports of New Zealand Published Books Report*, p19

Unfortunately, the research does not identify the actual numbers of rights, editions and books these percentages represent.

The report also identifies several key environmental factors which should inform strategy development, namely:

- Vertical integration all along the value chain of publishing is apparent² (p 21)
- The rise of the internet is changing the relationship between suppliers and users, with consumers now being able to order on-line from global retailers and direct from publishers
- Successful export strategies are driven by the establishing and maintaining of long term relationships built on trust and credibility
- The micro firms which predominate among New Zealand owned publishers lack resources and up to date market information
- New Zealand literature has to compete with an “avalanche of competing messages”³ both in the domestic market and internationally

In conclusion, and on the basis of the above findings, it is clear that even if New Zealand publishers and writers are capable of producing innovative, distinctive and excellent literary works, they will fail to make headway if they are trying to “penetrate” a hostile or indifferent environment. A considered but imaginative branding campaign for both the European and Australian markets is therefore recommended as a key component of this strategy.

Furthermore, more in depth research is required to establish actual units or numbers of rights, editions and books in the literature genres currently selling both within New Zealand and offshore, and qualitative research is required to test perceptions and attributes in the target markets.

² The publishing industry comprises a value chain of a series of operations: origination, publishing, manufacture, distribution and retail. In the past, companies have tended to focus on one particular step in the chain but this pattern is now changing. Various factors, including a desire to harvest value all along the chain have been driving vertical integration for some time. Ref: Exports New Zealand Published Books, a Report to the Ministry for Culture and Heritage, Dialogue Consultants Ltd.

³ Ref: Export of New Zealand Published Books Report, p24.

VISION

New Zealand literature: valued at home, desired overseas

Purpose:

To increase and develop the audience for New Zealand literature, to promote its value in selected markets in order to increase the sales of New Zealand literary works both in the domestic market and overseas.

Definitions:

New Zealand literature is defined as poetry, fiction, children's literature, biography, history, cultural discourse and drama by New Zealand writers.

Audience Development is defined as a sustainable development programme which aims to deepen the engagement of audiences, increase the frequency of current audience/participation and encourage new participants.

Market Development is defined as a proactive and forward-looking development programme which maximises opportunities for developing sustainable markets for the arts nationally and internationally through strategic investment and partnerships.

Delivery to Creative New Zealand's draft Strategic Plan 2004-2007

This strategy will work within the proposed following Vision and Strategic Priorities.

Vision: New Zealand arts: excellent, distinctive and essential in the lives of all New Zealanders.

Strategic Priorities:

- New Zealand arts growing internationally, leading to increased audiences, markets and professional development for New Zealand artists and arts organisations.
- Professional artists, rewarding and sustainable careers developed and maintained through targeted opportunities and resources.

STRATEGIC DIRECTION:

Strategic marketing and sector capability building are the basis of Creative New Zealand's plan to build audiences for New Zealand literature nationally and internationally. It is important to state that within the resources available to Creative New Zealand to deliver this strategy, it will not be possible to address all the sector issues identified in the research reports. It is also evident that New Zealand Trade and Enterprise, Book Publishers Association of New Zealand, the New Zealand Book Council and individual publishers and writers are currently involved in activities that address some of the issues. Some careful prioritisation is therefore necessary to complement this activity and add value to what is already taking place.

In the first 12 months the focus will be on developing markets and audiences for New Zealand literature offshore, and specifically in Australia and Europe. The issue of increasing readership of New Zealand literature in New Zealand is identified as a key component in the mid term.

Based on consultation with the sector and the findings of both reports it is clear that there is a requirement to build networks and leverage internationally strategic opportunities. This initiative therefore, will be driven by the following strategic assumptions:

1. Writers need to position themselves and their books in the international market place by the most effective means
2. Publishers need to increase their capability in order to market New Zealand literature effectively in selected international markets
3. International publishers and agents need to be provided with incentives to build networks and markets for New Zealand writers
4. The New Zealand audience for New Zealand literature needs to be developed and expanded
5. Excellent research, promotional materials, branding and communications are required to underpin the strategy

As with all Creative New Zealand supported activity, artistic excellence will be the primary prerequisite for authors and books included in this strategy.

Budget and timeframe:

The strategy has been allocated the amount of \$90,000 per annum. The first \$90,000 needs to be expended in the financial year ending 30 June, 2004. The second \$90,000 will be available for the period July 2004 to June 2005. This plan covers the period from June 18, 2004 until the end of the calendar year 2005.

Evaluation and peer review:

It is recommended that an external reference group be established to ensure the process and implementation of the plan is reviewed from sector and industry perspectives. The Terms of Reference for this group will include the development of measures of success for the strategy. Measures of success in reference to each of the identified strategic objectives overleaf, will be developed in consultation with this group during 2005, and evaluation of the strategic objectives and tactics will be built in to each of the operational plans. A preliminary review of the strategy will take place during the last quarter of 2005.

Additional environmental information:

The two reports, *New Zealand Book Publishing: Industry Development Issues* and *Exports of New Zealand Published Books* were based on extensive research into the publishing of New Zealand books. The key findings of the reports relevant to the New Zealand literature sector are:

- Wholly overseas-owned firms publish (and export) a significant number of New Zealand titles.
- Only 10% of publishers gain most of their revenue from exports and those succeeding in the export business do not make their money through literature.
- New Zealand literature sales within New Zealand are at about \$15million (18% of domestic market) while around \$7million is earned through exporting. A high proportion of each literature genre is exported.
- Publishers 'significant' for the New Zealand literature genres of fiction, poetry, children's literature, biography and history export mainly to Australia and Europe.
- Many publishers of literature are small operators and lose money in their attempts to export.
- The majority of publishing operations have little expertise in overseas marketing or the ability to collect revenue from overseas.

SWOT Analysis: audience and market development for New Zealand literature:

<p>Strengths:</p> <p>Political support Maori authors and unique content Good knowledge of local market Quality of the best = international standard Current high profile of some authors⁴ Innovative, energetic, cost-effective Dedicated core audience for New Zealand literature Independent booksellers Co-operative sector Children’s books selling well off shore General awareness of New Zealand overseas</p>	<p>Weaknesses:</p> <p>Under-resourced Lack of knowledge of international markets Small size of New Zealand market Geographical isolation Small incomes of authors Reluctance of authors to promote themselves Fragile infrastructure Small businesses and publishers – lack of critical mass Lack of specific research and data Lack of capability in sector specifically in marketing Focussed on indigenous content Costs of Exporting</p>
<p>Opportunities:</p> <p>Could grow domestic market share Could grow international market share New Zealand content and especially Maori content Offshore awareness of New Zealand Interest in New Zealand culture and product Film adaptations of New Zealand books Assistance from ex-pat New Zealanders New Zealand literature embedded into major events and initiatives Keeping up with the rapidly changing population in New Zealand:</p> <ul style="list-style-type: none"> • Maori, Pacific Island, Asian writers • Auckland opportunities especially <p>Possible Australia and New Zealand market focus at the 2005 London Book Fair Globalisation New technological developments</p>	<p>Threats:</p> <p>Competitive environment offshore and from imports Globalisation New technological developments Authors getting sales through international agents and publishers (seen as a threat to New Zealand based publishers)</p>

⁴ These were authors acknowledged as having international standing: E Knox, W Ihimaera, A Duff, M Mahy, L Dodd, J Cowley.

STRATEGIC OBJECTIVES

1. Writers are enabled to position themselves and their books in the international market place by the most effective means

Tactics:

- Targeted promotional campaign to programmers of literary festivals and literary events to encourage the inclusion of New Zealand writers
- Support for writers to attend strategic literary festivals and events especially in Australia and Europe
- Support for literary journalists and editors to come to New Zealand to meet individual authors in interesting settings

Actions

- a. Promotional material, (CD Rom, catalogue of New Zealand books, brochure) contextualising New Zealand writers and publishers and highlighting the history of New Zealand writing sent to key festival directors and programmers in Australia during 2004/05. Follow up telephone, e mail and fax communication conducted.
- b. Identification of potential Writers' Residencies, Tours and Events in Australia and Europe.
- c. Invitations sent to key literary journalists and editors (The Age, Sydney Morning Herald, The Australian, Australian Book Review, and Good Reading) to attend literary events in New Zealand during 2004/05. Follow up contact to ensure key messages are sent through both main stream and literary media with regard to profile building of New Zealand writers in Australia.

Outcomes

- a. At least **four** additional New Zealand writers included in key Australian and European literary activities in 2005. The nature of this support will be targeted to complement the work of the New Zealand Book Council through its Trans-Tasman Writers Programme.
- b. At least **three** media writers to attend key events in New Zealand during 2004/05.
- c. Purchase of space ensuring at least **one positive article** in The Australian Book Review in 2004/05.

Key dates: Trans-Tasman exchanges

Jan/Feb 2005	Sydney Festival
August 2005	Melbourne Festival
September 2005	Brisbane Writers Festival
October 2005	Queensland Poetry Festival

Key Dates: Visitors

July 2004	Montana New Zealand Book Awards
May 2005	Dunedin Wordstruck Festival
May 2005	Auckland Writers and Readers Festival

2. Publishers build their capability in order to market New Zealand literature effectively in selected international markets

Tactics:

- Targeted grants programme aimed at supporting New Zealand publishers and agents to promote New Zealand literary works and writers overseas and develop new markets in Australia and Europe
- Provision of specific training in order to build the international market development skills and capability of New Zealand based publishers and agents for New Zealand literature (In association with New Zealand Trade and Enterprise)
- Targeted promotion of New Zealand literature at both the Frankfurt and London Book Fairs

Actions

- a. Grants programme announced and expressions of interest called for by July 30, 2004.
- b. Export- market readiness seminar/workshop for publishers of New Zealand literature trialled in September 2004, in association with New Zealand Trade and Enterprise. This opportunity to complement the support being offered through NZTE's support for the Frankfurt and London Book Fairs.
- c. Negotiate the presence for a specific section on the existing New Zealand stand at Frankfurt.
- d. Support additional profile-building events at international book fairs including seminars featuring New Zealand authors.

Outcome

At least **five** targeted opportunities supported in 2004/05.

Key dates:

July 2004	Booksellers Conference, Auckland
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March 2005
TBA 2005

London Book Fair
Australian Book Fair

3. International publishers and agents provided with incentives to build networks and markets for New Zealand writers

Tactics:

- Development of a Visiting International Publishers programme in association with the ⁵Australia Council's already established programme. The objectives of the programme will be to increase international awareness of New Zealand literature and publishing and to build markets for New Zealand literature overseas.

Action

- a. Invitations issued to targeted international publishers in association with the Australia Council's Visiting International Publishers programme.

Outcome:

- a. At least **five** international publishers and/or agents visit New Zealand during 2005/05, possibly specifically timed for the Auckland Readers and Writers Festival in May 2005 and immediately following the Sydney Writers Festival.

4. The New Zealand audience for New Zealand literature is developed and expanded

Tactics:

- Scoping feasibility study commissioned to ascertain the nature and costs of how a national New Zealand Book Month Campaign would increase the awareness and readership of New Zealand literature. Campaign to run in 2006.

Key dates:

August 2004

Feasibility study commissioned

December 2004

Report received

⁵ In the six years until 2003 of the Australian programme, more than 50 titles totalling over A\$1m in rights sales have resulted from of the programmes entrepreneurial and networking opportunities.

Interim Outcome:

- a. Relevant study received on time

5. Excellent research, promotional materials and communications underpin the strategy

Tactics:

- Promotional tools developed within an overall brand for the underpinning of the above strategic objectives must be high quality, focussed on the international market and portable. They will include CD Rom technology; printed materials such as a catalogue of New Zealand literature titles, promotional brochures and web based information housed on Creative New Zealand's web site with links to the New Zealand Book Council, Booksellers NZ, Playmarket, New Zealand Society of Authors, New Zealand Poetry Society and Book Publishers Association of New Zealand sites.
- Additional and on-going research commissioned to assist with the identification of target groups and the testing of assumptions in the Australian market.

Key dates:

June 2004 Contracts for materials development and agreed research signed
October 2004 Research completed and analysed and materials developed in time for
the Frankfurt Book Fair

Actions:

- a. CD Rom, catalogue of New Zealand Books and related brochure developed by September 2004
- b. Materials distributed to publishers, media, agents and relevant agencies
- c. Research brief completed and report received and analysed

BRANDING PROPOSITION AND ANALYSIS: NEW ZEALAND LITERATURE

In order to build an awareness and enduring engagement with New Zealand literature in audiences nationally and internationally, a relevant and compelling brand proposition is required. It should be created with target markets in mind and communicated to those markets in a manner most likely to break through the plethora of other competing messages in the field. However, the key factor is acknowledged to be the quality of the work itself rather than its “New Zealand-ness” which in and of itself is not enough to garner genuine increases in sales.

Initial anecdotal evidence gathered in the Australian market (E. Caffin, December 2003) indicates that there is a resistance to the New Zealand brand, and this is supported by evidence from other government sectors, e.g. Trade and Enterprise, who confirm that export of any product to Australia is a “hard ask”.

In Europe however, the problem is slightly different as there is a perceived openness and interest in all “things New Zealand”, largely as a result of the successes of the *Lord of the Rings Trilogy* and *Whale Rider* movies. The anecdotal evidence provided for this market indicates that lack of awareness and knowledge of the offer is the main issue.

In both cases, follow up research conducted to a clear brief is required to confirm more scientifically the perceptions and needs of the target audiences. In this way effective marketing messages supported by a brand, can be established and communicated. The outcomes of such an approach should ensure that the process of engagement is able to be translated into actual participation.

The brand development should in all cases rest on “telling the story of New Zealand literature” in compelling and easily assimilated messages. This unique proposition should capture the essence of New Zealand writers and writing and communicate clearly the benefits to the end user, whether they are publishers, media, festival programmers, librarians, retailers, teachers or simply readers.

In order to change any pre existing stereotypes, the use of key writers who have established reputations off shore is recommended and this should be backed up by credible international commentators.

In summary, a simple, relevant and inspirational message should be developed which links to the vision “*New Zealand literature; valued at home; desired overseas*” and this message should be positioned effectively within the selected target markets and audiences within those markets.

Target Markets and Audiences

Publishers, media, festival programmers, retailers, teachers, libraries, schools and tertiary education institutions and readers in Australia, Europe and New Zealand.

The Message

New Zealand literature is excellent, innovative and energetic. It is reflective of a unique physical environment and cultural context – “writing from the islands of imagination”. This message needs to be tested on a sample of target markets.

Where

In the work places and homes of the target markets

What

1. Interactive CD Rom which tells the story of New Zealand literature featuring commentators, writers, publishers and reviewers. These “champions” will introduce the brand and tell their stories through a structured series of mechanisms including filmed segments in varied settings. The CD Rom will also include an interactive element of “menu choice” for the user and provide links to all relevant web sites and resources.
2. Printed catalogue of New Zealand literature titles and brochure summarising the key messages and contents of the CD Rom
3. Media releases and launch materials

All the above to be designed and produced in a high quality format with imagery and copy consistent with the brand and reinforcing the key message – *read the writing from the islands of imagination.*

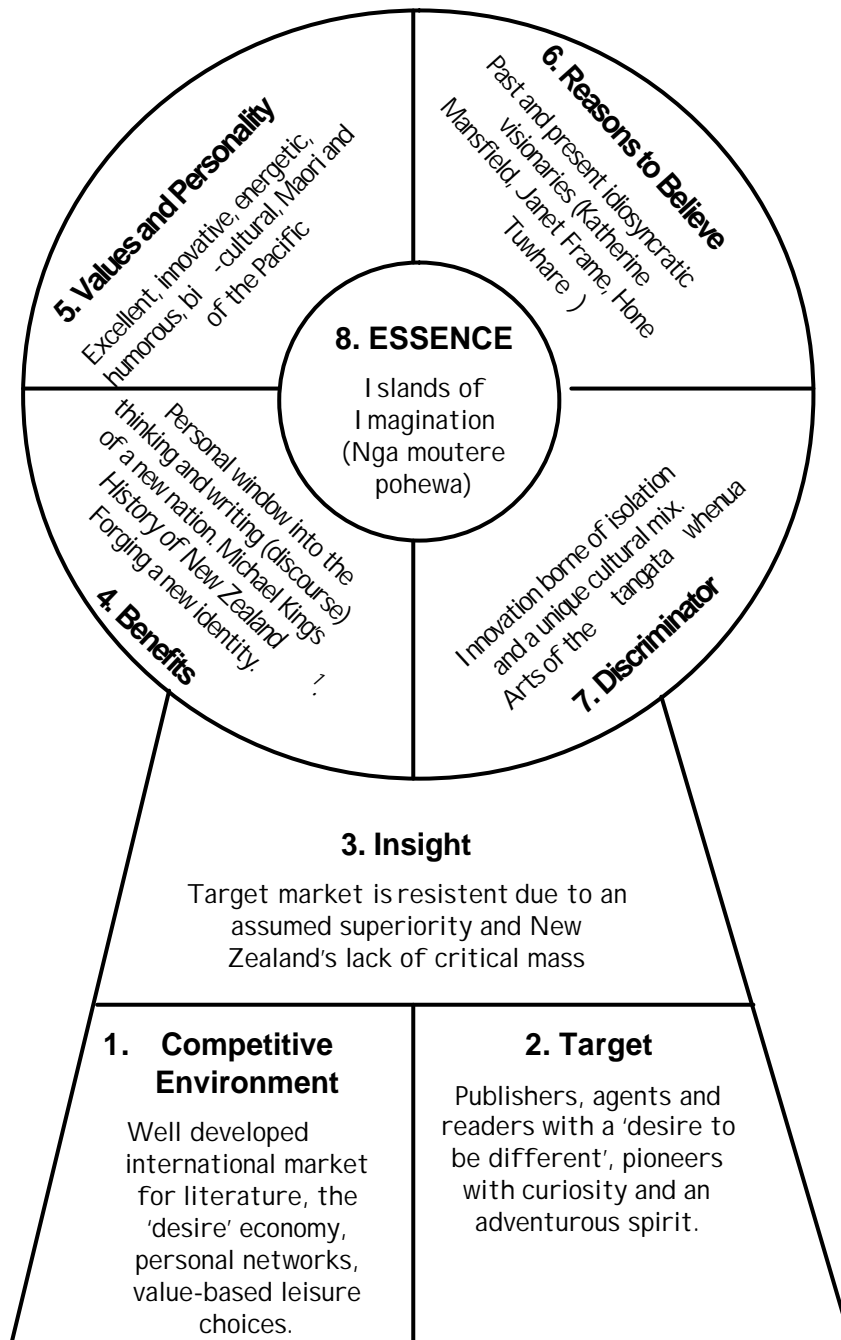
How

Direct mail, e mail, print media, face to face meetings, writers appearances, publishers meetings, book fairs, festivals, retail displays in targeted book stores, library-based New Zealand literature days, forums.

Measurement

Titles published, overseas editions of New Zealand titles, book sales, sales of rights, hits on Creative New Zealand web site, number of writers’ appearances, and feed back from target markets.

Brand Key: New Zealand Literature



¹ "What distinguishes New Zealand's history from that of other human societies is that these (historical) themes have been played out in a more intense manner, and at a more accelerated pace, than almost anywhere else on earth." p26, *The Penguin History of New Zealand*, Michael King.