

Back to the Future for Barefoot Books

BY JUDITH ROSEN

Barefoot Books is fighting a softening picture book market, high returns in the U.S. and an ailing book business on the other side of the pond by pulling its books from the chains and diversifying its sales channels, including getting back to its roots—selling from home.

"We have struggled to unravel the infrastructure we put in place," said president and CEO Nancy Traversy, referring to the changes that the U.K.-based children's publisher made when it opened its U.S. offices in 2001 in Cambridge, Mass., including more aggressive marketing to chains and mass merchandisers. In the intervening five years, Traversy has come full circle in her thinking about growing Barefoot, which she and partner Tessa Strickland began in their homes in 1993. The two, who continue to believe that "high-quality art and story can play a vital role in fostering youngsters' creativity," are once again looking to home-based selling—this time through the Barefoot party/fundraiser Stallholders program, where individuals sell books to other parents—as one way to lessen their reliance on the traditional book trade. Barefoot's Stallholder business grew 70% from 2004–2005, and is on target for similar growth in '06.

Late last year, Traversy stopped selling to the chains here to reduce returns—and now it is seriously considering cutting off Ingram to prevent Amazon from selling—and discounting—its books. Despite what Traversy called a "massive clear out" (return) of its books by the U.S. chains this year, she has seen returns drop 38% year to date over 2005. And she anticipates a significant decrease again next year, because of Barefoot's decision to sell more books to accounts that historically return less. "Life's too short to play that stupid returns game," she said. "When you're lit-

tle, it can cripple you. I just want to work with people who love us."

So far that strategy seems to be paying off. Traversy projects that this year's sales will be between \$6 million and \$6.5 million, a 28%–36% increase over last year. Although the book trade now accounts for only 9% of Barefoot's U.S. sales (down from 15% last year), other channels are picking up the slack. One of the company's fastest growing channels is gift stores and specialty merchandisers like Pottery Barn, which buy nonreturnable. Barefoot has also begun partnering with eateries, like the Giraffe cafés in and around London and O'Natural in New England. "The vast majority of our channels are now one-way sales," Traversy said.

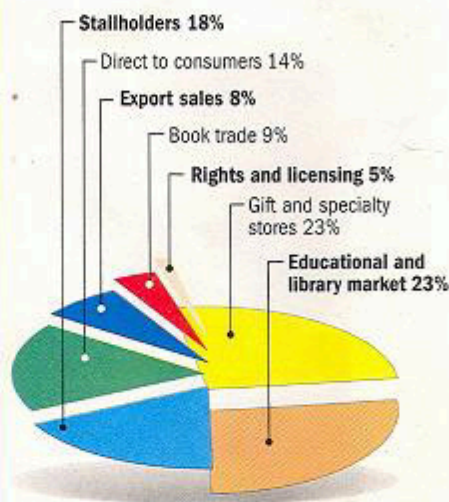
For independent booksellers and many of the wholesalers that cater to them, these changes have had little effect on sales. "Koen-Levy has just started carrying Barefoot Books," said children's book buyer Lisa Dugan. She anticipates the same type of steady sales that she saw when she bought Barefoot for Koen. "They've done a good job of branding themselves as a boutique publisher."

Barefoot has also begun implementing changes to its foreign distribution. In Canada, Traversy replaced Raincoast Books with a husband-and-wife team who sell to homeschoolers and retailers. "Since May," she noted, "they have sold more than we sold in Canada in three years." Similarly, Barefoot left Walker Books in Australia for Willow Connection. "It's all about the passion," said Traversy. "You have to work with small companies. We need each other."

At the same time Barefoot is growing its export business through agents—a market it had previously ignored. Book-and-CD packages for younger children, like Aleksei Tolstoy's *The Gigantic Turnip*, are popular in Korea and Japan, where

BAREFOOT'S U.S. SALES

(2006 FORECAST)



they are used to teach children English.

For Traversy, growth is not about selling more to key accounts. "It's about finding more customers and being more creative," she said. Part of that is the way she has come to look at all the channels as blurring together, whether they're gift stores or literacy-related organizations.

"I really feel like the industry has got to change. I hope we can stay ahead of the curve," said Traversy, noting that Barefoot was the first British publisher with a Web site. Ten years later it has revamped BarefootBooks.com to allow its 800 Stallholders to set up their own mini-sites and sell books online. The Barefoot site also includes a section promoting the company's flagship store in Cambridge, Mass., recently named the best children's bookstore in Boston for the fourth year in a row by *Boston* magazine.

In the past, Barefoot has extended its reach into the gift market by partnering with Folkmanis Puppets, Mudpuppy Press and others. Now it is looking to expand its book offerings for this channel with a new line of fabric baby books to launch next year. And in 2008 Barefoot will introduce a line of small-format illustrated fiction for the YA market.

Whether Barefoot can sustain its growth while reducing its reliance on the book trade is anyone's guess. But so far, diversity of channels, not just of content, is paying off in stronger sales overall. ■

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