

Booksellers: Why You Should Partner With Kobo

Why Kobo?

- Kobo is a world leader in the eReading industry, with customers in over 190 countries
- Kobo is owned by the Japanese media giant Rakuten, who is committed to ensuring that Kobo continues to set the standard for global eReading ecosystems
- Kobo has a line-up of award-winning devices and top rated apps to suit all customer groups
- Kobo currently has nearly 3 million eBooks in its catalogue with new titles being added continuously
- Kobo has 1 million free eBooks available
- Kobo has already 10 million subscribers
- Kobo has invested in first class 24/7 customer support for the UK
- Kobo has held extensive discussions with the BA to produce its best possible offer to BA members

How Does It Work?

- First, sign up to the Kobo Bookseller Agreement - the Kobo Partner Programme is non-exclusive and is for a period of one year, renewable with a four month notice period
- You will then be offered a number of options for e-reader displays and marketing material to suit your shop – at no cost to you. These may include counter display units, leaflets and POS to create a visual stand out within your store
- You can choose how many e-readers and accessories you wish to purchase, with a minimum of only five units
- This will normally be on a 'firm sale' basis (there are special terms for the launch – see below), but Kobo will provide help and, if necessary, financial compensation, should stock become obsolete or prices change during the period of the Agreement
- Kobo will lead the logistics process for all devices, accessories and displays
- Each e-reader has its own unique serial number – when you sell that e-reader, this number will be recorded against your account and ALL ebooks bought subsequently on that e-reader will earn you a commission during the life of the Agreement, irrespective of where the purchase is made

- Most customers also typically buy 1-2 accessories (e.g. - covers, charger, screen protector) for every e-reader bought, which will earn you additional profit
- You will also be able to add a Kobo logo and link to your website to register your customers and earn commission
- The eReader market is highly competitive; to keep prices as low as possible to attract consumers, the margin on devices is only 5% - but you should see this as 'a sprat to catch a mackerel' as once your customer has purchased the Kobo eReader, you will earn commission EVERY TIME your customer buys an eBook
- Accessories are much more profitable and you can expect a discount of around 50% on these products
- Margin on eBooks is not like printed books; the cost base is completely different – bear in mind that there is no stock risk and consequently, no returns
- For the eBooks themselves ('eContent'), there are two methods of pricing by publishers; agency (where the retail price is fixed – typically a 30% trade discount) and non-agency (where wholesale prices apply)
- Kobo has overheads to bear, such as DRM (Digital Rights Management) and credit card fees; once these costs have been taken into account, Kobo will share the net revenue with you on a 50/50 basis
- Typically, the net revenue to you will be in the region of middle single digits % but we cannot put a fixed amount into the contract as this may fluctuate according to individual titles and we have to retain the ability to compete so as to ensure your customers keep coming back
- In order to price competitively, from time to time Kobo may have to sell certain titles below cost, but we will ensure that Partners will never incur a loss on eBook sales
- The Kobo appointed Agent will invoice you directly for eReaders and accessories on usual trade terms – all invoices will appear on Batch
- Kobo will pay your commission on eBook sales on a quarterly basis via Batch
- Kobo will provide you with full customer data, including email and titles bought via Batch
- Partners will therefore be required to register with Batch
- Kobo will provide training for you and your staff via workshops, online tutorials and printed material – but rest assured reading with a Kobo is intuitive and your customers will find it as easy as ABC

Launch Promotion Period Incentives

- During the initial launch period, ending on 31st December 2012, Kobo will be offering packages and incentives to join the programme, including Sale or Return – for full information, see Schedule B in the Terms & Conditions

What Are The Benefits?

- A seamless user experience – whether they buy a device or download an app
- An easy way for your bookshop to obtain and sell eBooks to your online and in-store customers
- The ability to sell a competitive line-up of eReaders, both e-Ink and LCD. Kobo's new range of devices are easy to set up to enable your customer to enjoy the eReading experience
- The world's largest library of eBook titles for your customers to choose from
- A viable return on each sale of e-readers, accessories and ebooks
- The ability to retain customers and build relationships – every customer you sign up will remain yours as long as you continue to be a Kobo Partner
- For more information see the BA and Batch websites or contact Nick Quattromini at Kobo: nquattromini@kobo.com