**Waterstones**

The bookshop’s fight-back in the digital age gathers pace. Waterstones is to open its first new store in six years “designed for the 21st century,” which follows news that the growth in ebook sales is set to slow.

Waterstones will will open the doors to its shop in Ringwood, Hampshire, tomorrow, the first opening in a new location since 2008. James Daunt, managing director of Waterstones, said: “We’ve got to a point where we can start moving forward and indeed need to. This is the first with others to follow.”

The boss of the chain, which was founded in 1982, said to survive the bookshop “had to be remodelled for the 21st century” adding: “The model of old, rather unattractive, stores crammed with books, spaces that were intimidating rather than appealing, is in the past.”

The new store will be designed to make sure people want to meet, socialise and stay in the shops, by adding cafes and children’s playing areas. “The book shop should be a social place,” he said. “We need to create much more interesting, vibrant and appealing environments.” There is no other bookshop in the area, and Waterstones is to target other towns that lack a bookshop.

“We can all think of towns that don’t have any bookshops,” Mr Daunt said. “I’m not talking about opening up in places where there are bookshops already, there are many that don’t.” The next Waterstones store to open will be in Lewes, East Sussex.

Next week the chain is re-opening in York, where its old format bookshop has been overhauled to make it more attractive. “The old one was very conventional; the new one is much more inviting,” Mr Daunt said.

With competition in the form of Amazon, supermarkets that heavily discount books and ebooks, physical book shops face a real challenge in the 21st century. “You could certainly give up losing a lot of money in the process,” Mr Daunt said. “That is definitely not my agenda. I think bookshops are really nice places to be in, and I think the high street shops have a future.”

This comes as another chain, Foyles, prepares to reopen its flagship store in central London, dubbed the “bookshop of the future”.

The design is being fiercely guarded ahead of the opening in June with a spokesman revealing little more than it would take the “cultural hub approach”.

The Booksellers Association revealed that the number of its bookshop members had risen by 4 per cent last year to 3,746. The Booksellers Association also revealed that while the number of people going to bookshops had fallen by 1 in 10, sales were up just over 1 per cent on 2012.

However the figures did reveal the parlous state of affairs for independent bookshops around the country, with the number dropping below 1,000 for the first time since the survey began.

“You’ve really got to be good,” Mr Daunt said. “But if you are good and imbedded in a community, provide a good service and people want to come you will do very well.”

Better news for booksellers came in a recent report by Enders Analysis and Bain & Company predicted that the ebook market would hit 35 per cent of sales in two years abut grow “only very slowly” after that.

“An equilibrium has been reached,” Mr Daunt said. “The place of the e-reader within people’s reading patterns has been established. That figure leaves us perfectly able to survive with the 65 per cent.”

He continued: “The physical book is the much more pleasurable way to read. You actually have something to put on a book shelf and to lend. All of those things that the physical book brings means that digital reading has its place but it doesn’t do everything.”

**Questions**

Identify 4 methods of market research that Waterstones are likely to have undertaken prior to making the decision to open new stores. (4)

Explain how they would have used these methods to obtain useful information that informed their decision making. (8)