

Top 5 Things You Should Know Before Opening a Bookstore

1. Customers need a reason to do business with you.

There are only so many ways to compete in today's retail landscape. You're not likely to be able to afford a 25,000 square foot space to house tens of thousands of titles, and discounting your products when margins are already so tight can kill you. What will be your "wow" factor that will give customers something positive to talk about? Will it be an eye-catching store design or display? A unique selection of merchandise hand-picked for your community? The kind of personal service that has mostly been forgotten by big-box discounters? Your answers need to be clear and your delivery on target.

2. It takes a village.

Are people in your community ready and willing to shop locally and support an independent bookstore when there are so many alternatives? Can the bookstore be the place in your community where people can meet and gather? What target markets will you be prepared to serve? Ensure that your community dynamics are favorable and you're delivering what people want.

3. Location, location, location.

Choosing the right location for your store can make or break your business. Will your total occupancy expense be in line with the averages of other profitable bookstores? Are there other bona fide retailers in the same area to attract shoppers? Can you rely on foot or auto traffic to supplement your marketing plan? Are there any building code or developer restrictions that could limit the visibility of your signage? A lease is a legally-binding document and moving to another location is expensive, so you want to be convinced that you've selected the space that will work well for your business.

4. Retail is detail.

If you expect your bookstore to be at all profitable, you'll need to run it as a retail business, with an eye on every little detail that will help maximize income and minimize expenses. However, unlike other retail businesses, bookselling has its own language, terms, and financial constraints. Are you prepared to be on your feet all day, be responsible for everything from keeping up with new releases to the cleanliness of the restroom, and still deliver customer service with a smile? Test yourself to see whether your expectations will match reality.

5. It's an investment.

There's much to think about, like ... How much will it cost to open a bookstore? How much can you personally afford to invest ... and risk? Will you be able to sleep at night knowing how much is at stake? How much of a return on investment can you expect? Over what period of time? How much space will you need to generate the kind of income you want? How will you know if you're successful? If you're not intending to run your bookstore as a non-profit venture, understand the financial dynamics before you go into business. You'll not only be investing your money, but your time, and your energy — so take your time.

The most successful bookstores have owners who realize that bookselling is a complex business and they'll wear many hats and juggle many balls. They are committed to life-long learning, creative thought, openness to change, attention to detail, and above all, a passion for the written word and all that it represents.

Our mission is to help you learn and prepare.