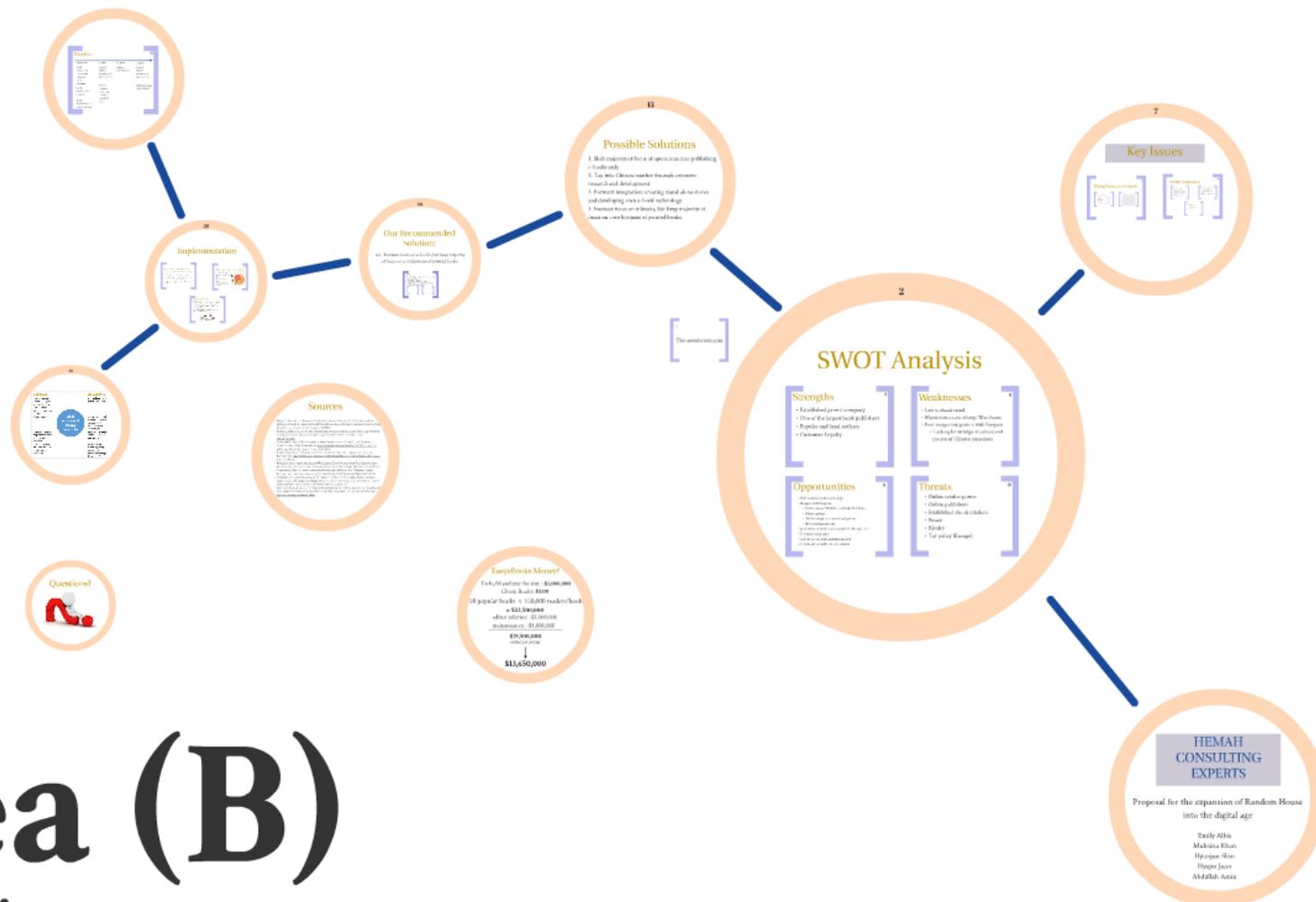


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# HEMAH CONSULTING EXPERTS

Proposal for the expansion of Random House  
into the digital age

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# SWOT Analysis

## 3 Strengths

- Established parent company
- One of the largest book publishers
- Popular and loyal authors
- Customer Loyalty

## 4 Weaknesses

- Late to ebook trend
- Maintenance cost of large Warehouse
- Post-merger integration with Penguin
  - Lacking knowledge of culture and pattern of Chinese consumers

## 5 Opportunities

- Shift towards new technology
- Merger with Penguin
  - International Market - particularly China
  - More authors
  - Wider range of content and genres
  - New pricing options
- Joint venture with Italian publisher Mondadori
- Forward integration
- Collaboration with mobile industry
- Collaboration with ebook retailers

## 6 Threats

- Online retailer power
- Online publishers
- Established ebook retailers
- Piracy
- Rivalry
- Tax policy (Europe)

# Strengths

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- Established parent company
- One of the largest book publishers
- Popular and loyal authors
- Customer Loyalty

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## Possible Solutions

1. Shift majority of focus of operations into publishing e-books only
2. Tap into Chinese market through extensive research and development
3. Forward integration: creating stand-alone stores and developing own e-book technology
4. Increase focus on e-books, but keep majority of focus on core business of printed books.



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