

Can a business whose goals are ideological be successful? Andrea Millen Rich shows it can be done.

# “Our customers are weird”

By Peter Brimelow

JUST ABOUT every other day in America someone buys a mail-order \$49.95 hardcover copy of Ludwig von Mises' 1949 masterwork *Human Action*—the famous but forbidding 900-page *Treatise on [free-market] Economics* that even its admirers admit is written in a language stolidly planted between English and its author's German mother tongue.

You can buy *Human Action* easily through the mail because of a hard-driving businesswoman who describes herself as an idealist and an “ideologue”: Andrea Millen Rich, head of San Francisco-based mail-order outfit Laissez Faire Books.

Rich markets some 1,500 titles on assorted free market and libertarian themes via catalog and 24-hour toll-free phone (800-326-0996). The recent buzz in the book business has been about superstores. But Rich is proving that newfangled technology and old-fashioned knowing your customer makes possible the profitable penetration even of small (\$1.3 million annual volume) niches.

Politically, former TV producer Rich began as a fan of Ayn Rand, the atheist, procapitalist novelist and philosopher. Rand's still a significant factor in Laissez Faire's volume. Equally defining the Laissez Faire customer is an interest in economics revolving around three free market classics that are among Laissez Faire's perennial sellers: von Mises' *Human Action*; Henry Hazlitt's 1946 *Economics in One Lesson* (2,700 a year); Friedrich Hayek's 1944 *Road to Serfdom* (FORBES, Jan. 17), which sells 1,300 copies a year.

One reason Laissez Faire answers its own 800 lines, unlike many mail-



Laissez Faire Books' Andrea Millen Rich  
**Filling a niche.**

order operations, is to keep better tabs on its readers' reactions.

Commercially, Laissez Faire's main weapon is its monthly catalog, mailed to a carefully combed list of over 40,000 regular book buyers. Laissez Faire buys the books it markets, unlike retail bookstores, which in effect borrow them from the publisher on a sale-or-return basis. Upside: Publishers are relieved of risk. Downside: the bone-crunching discounts Rich demands—ruffling to those publishers not yet awake to the direct mail revolution.

Critics argue that Laissez Faire drains sales, reducing a book's exposure to bookstores and thus its chances of impulse purchases that might lead to word-of-mouth lift-off. Rich naturally dismisses this. She says Laissez Faire can guarantee to authors that their personal following will be delivered. That's particularly important for certain controversial writers, because their books have a funny habit of being buried by the politically correct bookstore proletariat.

“I can announce a new book by

[FORBES columnist and Hoover Institution economist] Tom Sowell without even saying what it's about and I'll get orders from our list,” she marvels. She is already planning a big promotion geared to the publication of his long-awaited major work *Race and Culture*, scheduled for this fall.

Rich is slowly moving into publishing directly—a return to what booksellers did in the 18th century. She began in 1990 with a \$21.95 paperback version of *Human Action* (which has taken total sales over 1,000 a year). She is also reprinting libertarian authors like Albert Jay Nock and Lysander Spooner, whose work is now in the public domain.

Although Laissez Faire Books shows an annual surplus, it has a nonprofit legal structure. In the last few years it has assembled and donated “a million dollars' worth” of free-market books to Eastern Europe. As a matter of principle, Rich insisted they be sold and the proceeds used to benefit the sponsoring local free-market group rather than just given away. She says this has indeed kick-started some effective allies. (“We have a real hotshot in Romania now.”)

“Our customers are weird,” says Rich fondly. Case in point: notably few bad debts. (And, even more curious for a group supposedly keen on modernity and change, a technophobic preference for paying by check rather than credit card.) The Clinton presidency has been good for the business—revenues rose 15% in 1993.

Emerging trends Rich detects: interest in education, particularly higher education, moving books like Myron Lieberman's *Public Education: An Autopsy* and Dinesh D'Souza's *Illiberal Education*. And in free-market environmental ideas—like Ronald Bailey's *Eco-Scam: The False Prophets of Ecological Apocalypse* and Terry Anderson and Donald Leal's *Free Market Environmentalism*.

Rich estimates the total U.S. community of book-buying libertarians at about 100,000. She figures her market is close to saturated. But recently Laissez Faire began advertising on the Rush Limbaugh radio show, pushing *Patient Power*, a pocket-size version of John Goodman and Gerald Musgrave's free-market alternative to the Clinton health plan.