

BIBLIOPHILE

News for and about publishing for our publishers.

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This issue is a little late getting out to you because we're very busy here at Biblio with the holiday sales season getting started along with the always-crazed fall trade show season.

Larry and I are both on the road for much of September and October attending regional bookseller and fall account shows. Larry just returned from the Mid-South Independent Booksellers Association (MSIBA) regional show in New Orleans and I was at the Ingram Publisher Showcase in Nashville last week. We're telling as many Independent booksellers as we can about your titles at these shows, but the turnout at MSIBA was fairly disappointing. We hope our remaining shows are better attended. I'm off to Ft. Lauderdale tomorrow morning for the Southeast Booksellers Assoc. (SEBA) show, so we'll see...

We are currently in production of our July-August 2002 Biblio catalog—which includes all the titles *we received in our warehouse during July and August*. The reps and our big accounts will receive their catalogs and sales materials in late September. All of these books should be available from Ingram by early November.

Some of you with books we received in May or June may have noticed that Ingram has been slow to order. We're once again getting into the hectic holiday ordering season and our buyer has been very busy. However, he is busy now placing the orders and we should see activity on those books in the next few weeks.

I will soon be sending you information about advertising. We have excellent rates with several publications that we'd like to share with you, so I've developed a program that should be fairly easy for you to participate in and for us to administer. I'll send out the details in a separate e-mail.

HOUSEKEEPING ISSUES

Please include your full name, book title, ISBN and publishing company in all e-mail correspondence. Oftentimes we get e-mails with just a first name on them and we have to deduce the rest from the e-mail address (not always easy!). This can make responding to you quickly far more challenging. Many e-mail programs allow you to add a signature file that automatically appears at the bottom of your e-mail composition—this would be an excellent place to include the above information, especially your full name and company name.

In advertising or promotional materials, we recommend using the phrase "**Available to the trade from Biblio Distribution (a division of NBN) 800-462-6420.**" Please do not mention any bookstores or

online retailers by name—our accounts can be pretty sensitive and are often irritated when a competitor is touted and they're excluded.

Inventory management has told us that it is no longer necessary to use the green "new books receiving" labels when sending a new book to the warehouse via truck. **The green new books receiving labels MUST be on any UPS, FedEx, and Post Office shipments. They must be on each carton.** If they are not, they will be processed incorrectly and delayed coming to new books receiving from returns. **We don't need them on truck shipments, however, the boxes must still say "NEW BOOKS RECEIVING" on them.**

When sending us information about your publicity, **please use the publicity update format** (or something very similar) from our website at: www.bibliodistribution.com/publishers/marketing.shtml. This will ensure that our reps and buyers READ the info when we forward it on to them.

Please make use of our convenient online data update form. It can be used for a variety of things including: notifying inventory management of arriving shipments; making corrections to your title information; telling us about an error you saw on an online book retailing site; and adding reviews to the online retail sites. www.bibliodistribution.com/publishers/passwordprotect/datacorrections.shtml

WHAT'S MY ROLE?

Here's a new way to look at our industry that may help illustrate the roles of various players:

Think of book publishing as analogous to a football team. The **author** is the quarterback, the star, responsible for the success of the book, the brains of the team, the front man. The **publisher** is the owner. They bankroll the project and hope it makes money. The **agent** is the same as a sports agent. They shop the quarterback around to different teams and negotiate with the publisher. The **editor** is the coach. They advise the author on how to make their message clear and act as an advocate for the book with the publisher. The **wholesaler** is the equipment manager. They warehouse books and fulfill orders. The **distributor** is the sports announcer. They make books available to wholesalers and bookstores. The **bookstore** is the stadium, providing a location for the fans to enjoy the game. The **readers** are the fans. They can be influenced, but ultimately hold the key to success. (Courtesy of Carol Colvin, Publisher, Twenty Minutes Press)

BACKLIST

We are heading into what is traditionally our busiest season for sales. Considering how high returns have been this year, it's time for all the stores to re-stock steady selling backlist. Please remember to monitor your stock levels carefully throughout this critical season. Inventory Management tries to keep up with the reports and contact you when we are low on a title, but if you will be proactive and watch your inventory levels, you will be able to maximize your sales. The report called "Title List By Owner" is the best report for checking stock. It gives you an easy to read list of how much inventory is available and what is committed on each book.

NOTES FROM NBN INVENTORY MANAGEMENT

Reports supplied to Biblio client publishers on-line show a wide range of information for the publishers' daily use. Information provided includes information on sales, inventory, receipts and low stock.

Reports are in two formats - Microsoft Excel for any calculations the publisher might need to do with the numbers, and Monarch, which is the information formatted in a easy to use report. Monarch can potentially be used on MACs using a couple of short cuts. If you have a MAC and are interested, please contact Karen Mattscheck at kmattscheck@nbnbooks.com.

We will be explaining a report in each issue of this newsletter. The first report chosen is the **Gross>Returns/Net report (GRN)**.

The GRN is a summary of all sales and inventory information on each title. It is run daily. We also keep the last report of each month also in a monthly section. The monthly reports will stay on line for at least 13 months.

The first information shown on the GRN is inventory data. For those using the Monarch version, these are the first three columns of data directly underneath the ISBN and title on the report. Key data in this section includes the total quantity of books in the warehouse (QOH) and the total quantity of books that are available for sale (QAV). The difference between these two numbers is the inventory that has been allocated for orders (QCTD), or quantity committed.

The quantity committed is in process of being shipped to our customers. Inventory will stay in the committed column until the goods have been invoiced to the customer. The committed quantity is always a changing number as orders are shipped and new orders are taken. At times you will see the committed quantity remain at a constant level for a period of over a week. This is not something to be concerned about. It is generally due to one of two situations: an account that has placed an order but has requested a delay in shipping, or an order placed by an account that has certain criteria selected for shipment. The smaller customers require orders be held for a minimum quantity of books and/or a maximum number of days to keep freight costs down.

You can also see any backorders (CBKO), and how many books have been shipped from NBN at no charge, generally due to requests from the publishers (QGRA). Also, if the publisher or our sales department has requested that books be held for a specific sale, the quantity is taken out of inventory and held aside or reserved (QRES).

We also show you the books found damaged in the warehouse (MDAJ) or books that are returned and cannot be restocked to the shelf (MNRT). Other information in the inventory data area includes price, format of the title and carton quantity.

The remaining part of the report shows sales history for the title. The information is sorted into three areas. The first is the gross sales, which is shown for the current month-to-date, the current calendar year-to-date and for the life of the ISBN with NBN. Sales are shown in units and dollars

(column titled amount).

Returns are then summarized. Please note that the units only reflect the quantity that could be restocked to the shelf (the units returned which could not be restocked is shown under MNRT in the area under the title). The dollars, however, reflect the total credited back to the customer. Again, the information is shown for the month, year and life to date of the title.

Finally, you see the net numbers for the title, again for the month, year and life of the ISBN.

The Gross/Net/Returns is a summary report that gives an excellent snapshot of all the critical data on your titles. Other reports show detailed information of activity on the titles. I look forward to explaining these reports in later issues of this newsletter. Please e-mail me at kmattscheck@nbnbooks.com if you have any questions. (Courtesy of Karen Mattscheck)

NOTES FROM THE FIELD

Chain Sales Rose 3.9% in Second Quarter, to \$1.73 Billion

Total revenues from the nation's three largest bookstore chains increased 3.9%, to \$1.73 billion, for the second quarter ended August 3. The increase was slower than the 4.8% increase recorded by the booksellers in the first quarter.

Bookstore sales at Barnes & Noble rose 5%, to \$885 million, but operating profit slipped to \$26 million from \$28 million in last year's second quarter. Sales at the company's superstores increased 6.6% in the quarter, to \$823.9 million. Comparable-store sales were up 0.3%, and the company added eight superstores in the period while closing one. Sales at Dalton fell 13.5%, to \$58.9 million, due to a combination of a 3.7% drop in same-store sales and the closing of 12 outlets.

Total revenues at Borders Group rose 3.2% to \$763.6 million and net income increased to \$3.4 million from \$100,000 in last year's second quarter. Revenues at Borders' superstores rose 3.6% to \$529.6 million driven by the opening of seven new stores. Comparable store sales were down 1%. Sales at Waldenbook fell 4.2%, to \$168.3 million, as the company closed nine locations and same store sales fell 0.6%. Sales in the international group jumped 23.7% to \$65.7 million.

Books-A-Million reported that total sales rose 0.7% in the second quarter, to \$104.7 million. The net loss fell to \$667,000 from \$676,000. Comparable-store sales were off 1.2% in the quarter, although book comp sales were up 0.3%.

BAM chairman Clyde Anderson said that while the company had expected non-book sales to be soft, he was disappointed in book sales, particularly at the end of the quarter. Bestsellers did satisfactorily, but backlist sales were soft, and sales in the computer book category continue to be "way off," Anderson said, while sales of business books are also slow. Bright spots included fiction, children's books, social sciences and entertainment, particularly cooking. (Courtesy of Jim Milliot, *PW*)

What does this mean for us? Despite small gains in the second quarter, sales are flagging and returns are up. It means we are going to have to work extra hard at marketing and publicity this fall to get budget conscious consumers to open their wallets. It's always been said that books do well in a

troubled economy. Books make great gifts, with a high perceived value. There is a strong campaign for reading underway, led by First Lady Laura Bush. I would encourage you to get on the bandwagon and promote books as great Holiday gifts particularly in a troubled economy. Let me know if you have any great marketing ideas that have worked in the past. If you would like to share them I'll pass them along in the next newsletter.

TOP 5 REASONS TO ATTEND THE SPAN COLLEGE & TRADE SHOW

The sixth annual "BookPublish 2002" will be held October 18-20 at the beautiful Denver Marriott Southeast

Why YOU should be there...

- 1) You will have the privilege of hearing, meeting, and talking with more than 30 publishing professionals who will show you how to take your writing and publishing to new heights.
- 2) The Trade Show provides a forum for personally connecting with endors from all over the U.S. Find out who has the best prices. (Some attendees have saved thousands of dollars!) See samples of their work and get your specific individual questions answered in a friendly and professional atmosphere.
- 3) Panels present more essential strategies. Good relationships with printers can save you big bucks and days of frustration. Get the "inside scoop" from the Publisher-Printer Relationships panel. Hear the POD hallelujahs (and horror stories...plus how you can avoid them) during the Print on Demand panel. And discover the secrets you can apply immediately to generate bookselling publicity and special sales at the Killer Marketing and PR Strategies panel. During 30 Bright Ideas in 30 Minutes, the audience shares success strategies that can be the most value-packed half hour you've ever spent.
- 4) This is the Big Kahuna of networking opportunities. Not only can you schmooze with the pros, but also your peers. Share ideas, problems, and solutions. Make the kind of contacts that can take your career to a whole new level.
- 5) This is the most affordable investment in your future available! We've held the price for six years. All three days still only \$295 for members IF you register by September 30th. (SPAN even offers an additional 10% discount for two or more people from the same company or family.) Can you imagine staying in a luxury hotel for only \$59 a night? You've got it...plus free parking, indoor and outdoor pools, whirlpool, exercise room, etc.!

EXTRA BONUSES: There's more yet...

You'll receive a SPAN briefcase filled with goodies from suppliers. Three delicious lunches are included (no rubber chicken!), plus complimentary hors d'oeuvres at the gala reception. Additionally, you'll have a chance to display your most recent book (or catalog) on the SPAN Book Membership Table.

TO REGISTER:

<http://www.SPANnet.org/2002/register.htm>

COMMENTS FROM PAST ATTENDEES:

<http://www.SPANnet.org2002/sayconf.htm>

COMPLETE SCHEDULE OF EVENTS:

<http://www.SPANnet.org/2002>

BEA WANTS YOUR IDEAS

Book Expo America has issued a call for speakers for next year's convention to be held May 28-June 1 in Los Angeles.

Submission proposals for BEA special events, including author breakfasts, lunches and evening receptions, as well as the Editor & Booksellers Buzz Forum, should be sent to Tina Jordan at tjordan@reedexpo.com or 203-840-5384. Proposals for the Education Program, including seminars that address industry issues, should be sent to Mark Dressler at mhdressler@chartermi.net or 231-932-0475. The deadline is December 20. All questions about these events should go to Tina and Mark, as well.

Here is an article I received recently from one of the regional booksellers associations about the Z-Shops program at Amazon. I've heard from many of you with questions about the z-shops and I haven't had any answers—it's something Amazon is doing as a service to its customers, but many of us feel is a disservice to publishers—especially small presses who can't afford to have their sales cannibalized. I believe the author below expresses this frustration fairly well and wanted to share it with all of you.

DON'T LET INDEPENDENTS SINK IN THE AMAZON RIVER by Joan Claire Graham
(Courtesy of the Upper Midwest Booksellers Association)

Just when we thought independent booksellers had as many challenges as they could tolerate; our friends at Amazon.com have placed another block in the road to business survival.

As an independent publisher of a small regional series, I know where most of my books are warehoused, sold and distributed. Therefore, I was flummoxed when I logged on to my Amazon Minnesota Memories title page and saw that several New Jersey sellers are offering new copies of my books on Z-shops cheaper than my direct mail price, bookstore price, and the price charged by Amazon. Curious, I clicked on the About Me link and learned that sellers are offering new copies, direct from the distributor. Some of these new copies were actually listed under Amazons Used link.

I thought, This is weird. I know exactly how many copies I've sold, how many are warehoused, and I know that a cache of Minnesota Memories books has not been sent to New Jersey. Nobody in New Jersey even knows where Minnesota is! A further check of one seller's credentials led to a list of all 5000 items he has sold on Amazon Z-shops and E-bay. Customer comments included complaints that service was slow and postage and handling cost \$7 for one book.

The puzzle pieces started to come together. I checked other book titles and saw that this is Amazons new mode of business. Amazon is allowing Z-shop sellers to undercut their price and everybody else's price. Z-shop sellers are apparently ordering books directly from distributors at 40% discount, marking the price up a little, and socking the bargain hunter Amazon shoppers an arm and a leg for postage and handling. Our friends at Amazon are encouraging this and allowing this to happen.

Z-shop sellers pay \$39 a month to have a Z-shop, plus a 15% commission to Amazon for each sale. By piggybacking Amazons web resources and name recognition and the publishers carefully designed and developed title page, a Z-shop seller (who has no real interest in the product and who has done none of the traditional grunt work associated with marketing) can earn lots of money on volume and handling costs, if not on individual item profit margin. Without having to pay rent, salary, utilities, advertising, taxes, or any other business expenses, a Z-shop seller can seduce buyers away from legitimate booksellers by posting an apparently lower price right next to the traditional retail price. And our friends at Amazon are encouraging this and allowing it to happen.

Amazon Customer Service sent me a form letter stating that they realize that their new Marketplace business strategies pose a challenge to the traditional seller, but that they hope that this challenge might strengthen our business. Right. I'm sure Amazon cares deeply about our survival.

It's Sunday afternoon. If I were in London, I would be standing on a soapbox in Hyde Park expressing my outrage to anyone who would listen. But since I am not in Hyde Park, I offer what I can. If any independent bookseller wants to use all or some of this expression of outrage in their newsletters, book talks, or informal chats with customers, you have my permission. If you want to reprint this and make it available to customers, go right ahead.

Here are a couple of ideas for getting all-important industry information and for networking opportunities:

SUBSCRIBE TO PUBLISHERS WEEKLY

www.publishersweekly.com

JOIN PMA:

<https://pma-online.org/membappl.cfm>

SUBSCRIBE TO THE SPAN NEWSLETTER

To subscribe email Lurina@SPANnet.org and type in "SUBSCRIBE."

While Larry and I are in and out of the office over the next six weeks, please feel free to contact Theresa Thomas at 301-459-3366 ext.5505 or tthomas@bibliodistribution.com with your questions. She can direct you to the right person or get the answer for you. She also knows our schedules and when we can be reached.

Enjoy your Fall! And if you're at any of the Fall regional shows (SEBA, NEBA, UMBA, NAIBA), please come by and introduce yourself. We'd love to meet you face to face.

Attention Publishers: If there is anything you would like to read about in an upcoming issue of *Bibliophile*, please e-mail your idea to me at info@bibliodistribution.com. In future issues, we hope to have additional contributions from our sales, accounting and inventory management departments.

Thank you! --Jen