

25/7/02 AP - sent this to
Anna for Booksellers News.
CLS

SOME THOUGHTS FROM THE FRONT COUNTER

Its worthwhile to acknowledge the wide range of NZ booksellers involved in library supply. We include:

- professional library suppliers, including educational specialists, who customise their operation to various library needs
- booksellers, especially independents such as Unity Books, who hold stock selections libraries regularly tap into and who operate professional relationships with libraries involving annual tendering and the preprocessing of books so they are shelf ready
- booksellers across NZ who drop off appro boxes and maintain good local relationships
- the chains, particularly Whitcoulls, who held a lot of the traditional pre-digital library acquisitions standing orders
- booksellers who enjoy the last of the library loyalty system (whereby the publisher's rep sells in but the order goes through a local bookseller).

For some of us, library supply can account for 12% of turnover. All of us are compelled to respond to the vagaries of the city and district council budgets. All of these relationships evolved over time and have their place in our complicated business world.

Latterly (in the form of a clandestine trial) we found a new competitor in the field and it was a predatory conglomerate of our own suppliers.

The CLS members argued that in order to maintain their viability as suppliers they needed to lure the library spend back to Auckland. We doubt the now abandoned trial indicated that this was likely and its very existence raised a lot of (viability) issues for booksellers already involved in business relationships with libraries. It also raised questions about colluding and predatory pricing by our suppliers.

Meanwhile, how were members of CLS going to analyse their turnover? How could they evaluate whether their turnover was coming from formerly foreign spending or from diverted NZ traffic. CLS suppliers said they don't want to interfere with existing relationships. Yet they offered trialing libraries big margins which NZ library suppliers and booksellers could not possibly compete with; indeed, not all booksellers/library suppliers enjoy a margin of 40 - 50%.

But even if the CLS margin was less, there remains the incontrovertible fact that our suppliers ran a trial towards competing with their very own customers for the library pie.

Why do the big municipal libraries in NZ direct import such vast quantities of books from offshore, including books for which there are NZ agents? What are the things that libraries need that can't easily be fulfilled in NZ? And do booksellers and libraries have many common requirements from the NZ suppliers?

Tony Harkins, speaking on behalf of CLS, outlined some library requirements in the May 02 Booksellers News. To recap, they want:

- titles frequently not in stock with booksellers or available from local publishers (ie no agency)
- pre-processed (shelf ready) books
- fast smooth supply chain
- highest possible discount
- to not have all their buying eggs in one basket.

At Unity Books we find libraries to be very high-need, specialist customers. To Tony's list I would add:

- downloadable pre-publication data (not books on appro)
- on-line buying with real time inventory giving stockholding status, accurate reporting and margin
- consolidated invoicing

Really, except for no-agency books and pre-processed books, these are the very same needs expressed by NZ booksellers.

We doubted that the predatory CLS initiative would stop libraries from parallel importing. CLS members would do better for booksellers and libraries, and indeed their own viability, if they concentrated on upgrading their supply chain with the provision of separate or (preferably) combined on-line inventory.

We suspect that only when the NZ suppliers deliver this will libraries invest more NZ dollars in NZ. Naturally enough I would hope that the extra business would be channeled through booksellers. A strengthening of city and district council policies towards libraries buying from NZ would help, but the services need to at least match off-shore wholesalers.

The micro-objective (local loyalty) came from poor analysis and the macro-objective (anti-parallel importing) remains controversial to booksellers who are still competing with the big e-tailers. The strategy

was doomed and the process, led by NZ's biggest trade suppliers, has been opaque and divisive.