

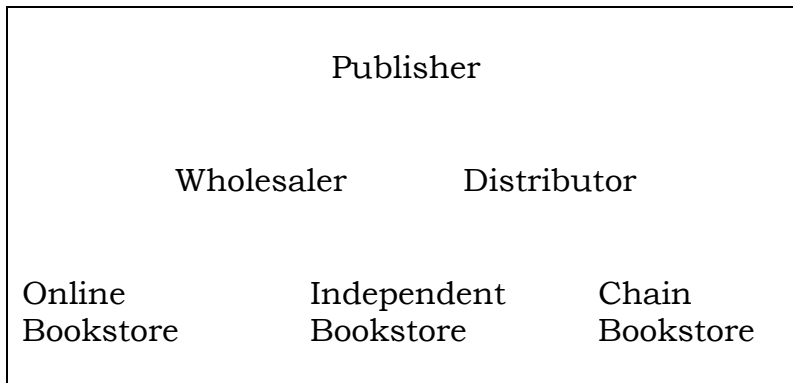
Article AB-302
1,114 words
DanPoynter@ParaPublishing.com
1-800-PARAPUB

Distribution to the Booktrade

by Dan Poynter

There are four stages in the life of every book: writing, producing (printing & binding), distributing and promoting. Each step is a unique challenge and each challenge must be met. Authors write and promote, publishers produce and distribute and self-publishers do all four. Now let's look at distribution.

Some self-publishers feel the system is unfair; they feel their books are being kept from the bookstores. In most cases, they just do not understand the book trade.



The Book Trade

Stores. There are about 15,000 brick & mortar stores in the U.S. that sell books. Some 8,000 of them are chain and independent bookstores that sell only books, (plus magazines and coffee). About 3,000 bookstores are a good match for any given book. Bookstores are profiled. Store buyers know the wants of the customers in their neighborhoods. If you have a business book, it will be sent to downtown stores. If you have a parenting book, it will be sold in the malls in the suburbs. If a chain store buys your book, they will not place it in every store in the chain.

They will place it in those stores with a large percentage of customers who are interested in the book's subject.

Wholesalers warehouse books and supply bookstores. The two major wholesalers are Ingram and Baker & Taylor; there are dozens of smaller ones. Ingram serves more bookstores than libraries while Baker & Taylor is stronger in library sales. Ingram has five warehouses across the US; they have a facility within one-day UPS of more than 90% of the stores.

Distributors appear to be the same as wholesalers but with one important difference: distributors have sales reps that visit the stores and get the orders.

“Wholesalers perform a valuable order-consolidation and distribution service, but they don’t market individual titles.”
—Mark Sexton

Wholesalers only make your book available if a bookstore orders. Distributors prime the book-pipeline pump by placing the book in the store.

Buyer	Discount		Nets	Publisher
<u>Retains</u>	<u>Nets</u>			
Distributor	66%	(\$13.17)	Publisher 34%	(\$6.78)
Wholesaler	55%	(\$10.97)	Publisher 45%	(\$8.98)
Bookstore	40%	(\$7.98)	Publisher 60%	(\$11.97)
Reader	0%	(\$19.95)	Publisher 100%	(\$19.95)

Based on a book's list price of \$19.95

Who is Getting a Piece of the Action?

Costs. Middlemen cost and services cost. The more you want, the more you pay. Wholesalers have to give the stores 40-45%. Distributors have to sell to the wholesalers at 50-55% off and stores at 40-45% off.

So how does the investor/publisher make money? In the increased volume. Printing is a quantity game: the more you print, the lower the per-unit cost. Focus on the buying and selling prices not just the 66% you have to give away. Selling to the book trade will increase your volume.

Most of your sales will probably be to the non-traditional markets—those outside the book trade. For example, I sell more parachute books to parachute catalogs/stores, the U.S. Parachute Association and skydiving schools than I do to bookstores. And, of course, you will make many retail sales to the ultimate buyer/reader.

Sending 20 cartons of books to a distributor requires the same amount of paperwork as sending a single book to a bookstore. Accordingly, distributors are very important to you. In fact, if your dealer price list requires a large number of books for a discount, it will force more stores to order from wholesalers and distributors, which may simplify your business.

Why not just sell to bookstores and keep 60%? Because most bookstores will not buy directly from you. They would rather write 25 checks at the end of the month than 25,000. It costs them too much to open and serve a new account. So they buy from major publishers, distributors and wholesalers.

“A distributor is a surrogate sales department for a group of independent publishers.” —Julie Bennett

A distributor serves as almost a division of your publishing company. They get your book into the wholesalers such as Ingram and Baker & Taylor, the online stores such as Amazon.com and B&N.com and into the independent bookstores. They transmit the bibliographic data and make sure your book is in the systems of each player in the book trade.

Distributors require an exclusive in the book trade (only). Store buyers do not like to have a book presented to them more than once. The exclusive is for bookstores and wholesalers only. You are free to sell elsewhere and may even have to find another distributor to serve other industries such as gift stores or sporting goods stores.

If you can land (the right) distributor, you can forget the wholesalers, chains, online stores and independents. The distributor will serve them

for you. Then you can concentrate your efforts on the non-traditional markets that are easier to reach, much more lucrative and a lot more fun.

Distributors specialize. There are about 85 distributors across North America; some carry several categories or genres while others sell just one type of book such as computer, children's or cookbooks. Now the question is how do you find the right distributor? The secret is to match your book (or line of books) with a distributor that already offers titles of the same type. They will have a relationship with stores that have major sections of that type of book and they may be serving other appropriate stores outside the book trade. See

<http://parapub.com/getpage.cfm?file=resource/promote.html>

Getting paid. Most distributors operate on consignment inventory and pay 90 days after they sell the books to the bookstore or wholesaler. You will not be paid for a long time. While publishers should avoid selling to small accounts on consignment, there are good arguments for these terms with major distributors. Book manufacture requires large print runs, so part of your inventory might just as well sit in another warehouse as your own.

Sending 20 cartons of books to a distributor requires the same amount of paperwork as sending a single book to a bookstore. Shipping by the carton will simplify your business.

The five large publishers have sales reps to get their books into stores. The medium-sized and small publishers have distributors that have sales reps to get their books into stores. The playing field is level. With a distributor, you will have the same access to the bookstores as Simon & Schuster.

Writing periodicals:

Dan Poynter does not want you to die with a book still inside you. You have the ingredients and he has your recipe. Dan has written more than 100 books since 1969 including *Writing Nonfiction* and *The Self-Publishing Manual*. For more help on book writing, see

<http://ParaPub.com>.

© 2003

or

Book Publishing periodicals:

Dan Poynter, the Voice of Self-Publishing, has written more than 100 books since 1969 including *Writing Nonfiction* and *The Self-Publishing Manual*. Dan is a past vice-president of the Publishers Marketing Association. For more help on book publishing and promoting, see <http://ParaPub.com>.

© 2003

or

Professional Speaking periodicals:

Dan Poynter has written more than 100 books since 1969 including *Writing Nonfiction* and *The Self-Publishing Manual*. He is past-chair of NSA's Writer-Publisher PEG and the founder of the PEG newsletter. For more help on book writing, publishing and promoting, see <http://ParaPublishing.com>.

© 2003