

# Trade barriers

The middlemen of the books world, wholesalers are often seen by self publishing authors as unnecessary. But can they help us to sell more books? **Jane Rowland** examines how the wholesalers work, and considers whether we should be exploiting what they offer,



I have often heard self publishing authors bemoaning the large discounts and often impersonal service that they feel wholesalers generally offer. Why should you give a large percentage of your book's cover price to a 'middleman'? I know some authors who are determined not to sell through wholesalers, and others who do so only reluctantly.

We elect to self publish for a variety of reasons, and for those publishing a small number of copies or with a strong local market, for example, it is perfectly possible to bypass the wholesalers completely. After all, the more copies of a book you can sell direct, the greater the chance you have of recouping your publication costs. Yet for authors who are serious about getting their book 'out there' into the hands of a wider reading public, or those who are 'testing the water' with their book, considering what the wholesalers do and how they can help the self publisher should not be dismissed lightly.

## What is a wholesaler?

A wholesaler is a company that buys in bulk, and at a good discount, from a supplier, in this case a publisher, and sells the books on at lesser discounts to the retail trade. For self published authors, bulk in this context will usually not mean hundreds of copies ordered in one go, but over time a wholesaler's orders for your book may well add up into satisfying numbers.

The main wholesalers in the UK are Bertrams, Gardners and THE (Total Home Entertainment). THE is currently being bought by Bertrams, which is owned by Woolworths, and with the merger likely to be given the green light by the Competition Commission, the large wholesalers will reduce to just Gardners and Bertrams. There are also local and genre-specific wholesalers, all of which could be considered if appropriate by self publishing authors.

## What does a wholesaler do?

Wholesalers are used by local and

national retailers alike, ordering their stock from a single source at a better discount than they could usually get buying direct from the publisher. The wholesaler will take the retailers' orders and despatch stock to the shops. If the wholesaler holds stock of a title themselves the book can be despatched immediately, otherwise they will have to order it in from the publisher as a 'special order' title. From the retailer's point of view it makes sense to use a wholesaler: imagine having to source your shop's stock from thousands of individual publishers – you'd spend all your time ordering, not selling! For the larger retailers too it is easier to order books from the thousands of small publishers in the UK through one source.

Most self published books will initially be 'special orders', and they will be ordered on an ad hoc basis by the wholesaler as and when they receive an order. But wholesalers are very good at reacting to trends, and if your book starts picking up

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To submit a book for review, send it to The Editor at the address above. The following information should accompany the book:

1. Publisher's name, address and email address.
2. Book's cover price and ISBN number.
3. Month and year of publication.

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more significant sales, wholesalers who have previously been selling it as a special order title can act quickly and order extra copies to hold as stock – thus being able to supply bookshops faster.

To make the wholesaler model economically viable, the wholesaler needs the publisher to offer them a reasonable discount (up to 55% off the RRP). The lower the discount offered, the less money a wholesaler can make on each sale, and the less inclined they will be to stock a title whose publisher is not able (or willing) to offer a larger discount.

Unsurprisingly, self published authors can be unwilling to offer such large discounts – especially as offering a big discount will bring no guarantee of increased sales. However, the wholesalers have some important benefits; most importantly, bookshops (especially independents, who are already under threat from the larger chains and supermarkets) like to order books such as yours through wholesalers. It makes their job easier on the one hand, as they already know the service and terms they can expect from the wholesaler, with whom they deal with on a day-to-day basis. You can see the logic, as more and more books are being published each year means more and more 'publishers' the locals would need to deal with to fulfil customer orders. It is a fact that some people entering into self publishing do not know how the books trade works and do not fully

understand the supply chain process. For a bookshop it is easier to order via a wholesaler; you can and very likely will lose out on sales if you are determined not to supply your book through a wholesaler.

If you have already self published and your book carries an ISBN, try this. Walk into a bookshop and ask if they can order a copy of your book. The first thing they'll do is look up its

availability at whichever wholesaler they use. If the wholesaler has stock in its warehouse, they'll order it there and then. A sale. If the wholesaler doesn't have a copy, they might tell you the book isn't available, they may say that as the wholesaler doesn't have a copy there is no demand for the book so they wouldn't stock it... no sale.

Gardners has a useful availability search on its web site that anyone can use. Just enter your ISBN into the search box and up comes your book, along with information on how many copies they have in stock (or not!) – [www.gardners.com](http://www.gardners.com)

## Wholesalers and promotion

The books trade works up to six months in advance, so to maximise what you can achieve with them, seriously consider making a timetable that fits in with what they offer. All wholesalers offer their customers (the bookshops) a free catalogue, which lists new titles being published in that month. But because they work so far in advance, the catalogue sent out in July will be featuring titles due to be published in December. To get a free listing in the wholesaler catalogues, you will thus have to submit your book information sufficiently in advance. Ask for a new

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titles schedule so that you can meet their deadlines. It's also possible to take a paid-for enhanced listing in catalogues – most wholesalers have media packs on their web site or you can call and ask for further

information. An enhanced listing will add a 'blurb' and cover image of your book to the basic free listing, which is just text.

Wholesalers all have different options for promotion – some offer pre-publication special offers, when bookshops can get a really good pre-publication price if orders are placed before a certain date, etc. There is no reason why self publishers can't take

advantage of such offers, but obviously you will have to understand what you are getting and paying for.

Wholesalers don't 'rep' books into bookshops – in general they do not have specific sales reps visiting bookshops and showing a selection of titles for sale. A certain amount of wholesaler promotion does go on, where they feel that a title has great potential, but that's something they will make decisions on themselves. In the main, they alert their customers to forthcoming titles using catalogues, mailings and special offers instead.

### **What's the difference between a wholesaler and a distribution company?**

Wholesalers are generally not distribution companies (though nowadays the distinction is becoming a little blurred as one or two wholesalers do also handle distribution). If you think that you are not set up to deal with the invoicing and despatch of books, you could consider using a distribution company to handle all of that for you. A distribution company will hold all of your stock and fulfil orders from retailers, wholesalers and even individuals on the phone on your behalf. A wholesaler will only stock a few copies of your book for re-sale, and will return those to you (or your distribution company) pretty smartish if they don't sell!

Distributors will take a percentage of every book they sell on your behalf, over and above the percentage taken by the wholesaler or retailer, and they will charge you for storage as well. At the end of the month they'll provide you with a sales report showing what has been sold and at what discount. Many distribution companies can also, for an extra fee, rep the book into bookshops, but for self publishers the levels of discounts that are often required to do this really are quite prohibitive. You need to do your sums carefully!



### **What can you do to maximise your relationship with the wholesalers?**

Send your Advance Information (see p.6) to the buying team at each wholesaler. You can follow this up with a phone call, though buyers are notoriously hard to deal with and, annoyingly for the self published author, often don't like to take unsolicited calls from 'authors'. However, they exist to offer a service to their customers (bookshops), and they do want to know about new titles.

Generally, the wholesalers view all books as products, so there is no longer any real snobbery against self published titles as such... though you will still find a lot of variety in attitude to self published books from

some people at wholesalers! The wholesale buyers want to deal with well informed and business-like suppliers who understand a little of how they work. They don't want to know the plot of your book in great depth, only whether it is *realistically* likely to sell.

### **A sting in the tail**

In addition to the larger discounts wholesalers usually require, using them has two other drawbacks. First they pay up to three months in arrears – for a self published author that is frustrating, but that is standard practice in the books trade, and you will have no room to negotiate this. The second, more contentious, problem is that most orders are placed on a sale or return basis. If you are mainly dealing with special

orders, this is unlikely to be a problem, but if the wholesaler takes stock, you can have been paid for it, and then receive a 'returns request authorisation' 6–9 months later, when the wholesaler will return the stock to you and you have to credit them for the unsold books. Ouch! The returns system is a moot point in publishing, and no less frustrating for the self published author. For self publishers working on much tighter margins than traditional publishers, it can be disheartening. Again, if you have accepted an order on sale or return (SOR), you'll have no room to manoeuvre if the stock is returned.

I don't think this is sufficient reason not to work with the wholesalers. If you are fortunate to get a decent size stock order you need to be aware that some of the books may be returned, but if you are also working hard to promote the book and the orders are there, then the chances of books being returned are reduced. As with most aspects of self publishing, make sure you know how the wholesalers work and check the terms and conditions so you don't get caught out.

Self published authors are often 'unknown', so bookshops are reluctant to take a risk on stocking their books without the safety net a wholesaler supplies. So you have to take a risk in making a sale too – refusing SOR will reduce your sales. Having your book available through a wholesaler makes you and your book look more professional.

Self publishing is about taking charge of the publication and distribution processes, including the supply chain. Getting your books out there – even at discounts that mean you may find it hard to break even – may ultimately be better than having a garage full of unsold books. The best model is to concentrate on getting direct sales on the one hand, sales where you make the full cover price, but balance this with sales through the wholesalers and the trade to reach a wider readership.

## Dealing with Wholesalers' Orders

Wholesalers (and all bookshops who wish to place an order) will order books from the company specified as the distributor of that title by the bibliographic databases of Nielsen and Bowker. So if you name yourself as your book's distributor, perhaps at your home address, this is where any trade orders will be sent. If you use a distributor or your self publishing company is handling this for you, they should notify the bibliographic databases of where orders should be sent.

When you receive an order, or an order enquiry, ensure you understand the terms and conditions on offer. You will need to generate an invoice for the sales, and give the retailer or wholesaler the agreed discount off the total cover price of the books. You will need to quote their order number on the invoice and boxes that you send.

Most wholesalers will not pay postage or delivery costs of stock delivered to them by you. Clarify this with them before adding carriage costs onto an invoice, otherwise it may delay payment. Include a copy of the invoice with the books and ensure that the books are despatched to the correct delivery address. Payment of your invoice will take up to three months (in arrears) and, unless you have agreed firm sales with the wholesalers, then the books can be returned to you for credit anything up to 6-to-9 months after the order was originally placed. Again, check that you understand the terms and conditions on offer when accepting an order.

### TOP TIPS

- Be professional in your dealings with wholesalers. If you make contact with the buying teams, do not call them up every other day to see how sales are doing.
- In the first instance approach the buyers with a well laid out Advance Information sheet (a single side of A4 paper), which contains the book title, RRP, ISBN, book size and format, ordering information, and a short blurb about the book and author. Unique selling points and a book cover can also be added.
- Before even contemplating approaching the wholesalers (or retailers), make sure you have registered your book (via its ISBN) with Nielsen or Bowker so that the book is on all of the bibliographic databases.
- Consider paying for an enhanced listing in the wholesalers' catalogues – but only if you are able to work ahead to their deadlines, otherwise it will be wasted.
- Never send books to wholesalers that they have not ordered. They will not pay you and you will not get them returned.
- Be flexible on discounts. Wholesalers will require up to 55% from you; it is worth accepting this if you want a chance of getting your book 'out there'.
- Understand the terms of wholesale orders... sale or return, firm sales, etc. Be prepared for returns if they order larger amounts of stock, and know how to deal with this.

Further Information

<http://www.bertrams.com/BertWeb/welcome.jsp>

<http://www.gardners.com/gardners/default.aspx>

<http://www.the.co.uk/>

The Bookseller Association has some useful general information about distribution which can be found at

<http://www.booksellers.org.uk/industry/reports.asp?categoryID=2>