



E-commerce for Booksellers

A Simple Guide

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This guide is intended to provide basic information about supply chain e-commerce and to enable booksellers to take advantage of the many benefits this can bring to their business and to their trading relationships

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ABOUT E-COMMERCE

What is e-commerce?

E-commerce is a fully auditable alternative to the transmission of paper documents by post or fax and enables all your communication with your suppliers to be done by electronic means, minimising the risk of errors by reducing the amount of keying and rekeying in the process.

E-commerce is sometimes used to describe online sales from a web site to a consumer. Although this is an efficient use of technology to take orders automatically, the focus of this document is on business-to-business (B2B) electronic trading.

Why should I do e-commerce?

Because affordable and simple-to-use technology is now making the use of paper documents obsolete and prohibitively expensive. With a computer you can carry out many business functions without the retyping of critical information and transmit it in seconds. Bookselling faces enormous challenges and must respond to them by eliminating unnecessary costs and increasing efficiency. You will come under growing pressure from your suppliers to trade electronically as time goes on and, though it may be onerous in the short term to understand new ways of conducting your business, the benefits will soon be apparent: less time taken up with paperwork, lower costs, fewer errors, quicker transactions and a better service for you and your customers.

What business functions are affected by e-commerce?

All the main business functions which involve communication with your suppliers. For booksellers, this means: placing orders electronically; processing order acknowledgments and delivery notes if you need them; receiving and processing invoices and credit notes; and sending returns requests to those distributors who are participating in the Industry Returns Initiative.

How many trading partners do I have, and will they do e-commerce with me?

The first question to ask yourself concerns the number, nature and size of your trading partners. If you are a single independent bookseller, the chances are you have relatively few suppliers and your main one is likely to be a wholesaler. Nearly all your major suppliers will be capable of trading electronically and will welcome the opportunity to do so with you. The more electronic trading that occurs in the industry, the lower the costs and the higher the benefits. Wholesalers in particular have been very successful in providing e-commerce enabled EPOS systems to their bookshop customers.

Am I too small to worry about e-commerce?

No one is too small. If you want to trade electronically with larger suppliers or wholesalers (and many independent publishers) you will be welcomed. What is more, there are several free internet-based services for booksellers which enable you to handle the basic transactions, so you can gain at least some of the benefits of electronic trading with minimal expenditure.

Can I use my existing systems to do e-commerce?

That depends on what systems you have. If you have an EPOS system it is very likely that it can send orders via TeleOrdering and, if it is fairly modern and internet-enabled, it will be able to connect with online services like PubEasy and Batch which are free to most booksellers. Where you may have difficulty is in integrating the different systems you have in use, e.g. EPOS, accounting software, product information sources. You need to examine your workflow to see how you can best manage what your business requires.

And, remember, if you have a very old system which you want to replace, make sure you invest in an e-commerce capable system. Some systems suppliers continue to sell partial or obsolescent systems: avoid them and take advice.

What equipment do I need?

To do basic e-commerce, all you need is a PC with access to the internet, preferably by broadband connection. This is now available from around £14 per month for unlimited access. Be sure to use appropriate security software (a firewall and a virus checker).

How do I start?

Talk to as many people as possible: suppliers, especially wholesalers, your systems provider (if you already have one), the BA, other booksellers and retailers. Try to make a strategy for addressing the parts of your business which cause most difficulty or aggravation and where the quickest wins can be made. There is information on the Book Industry Communication (BIC) web site; or you can investigate Batch, PubEasy and the Nielsen BookNet Web offerings.

Where can I go for help?

The Booksellers Association should be your first port of call. Book Industry Communication has various e-commerce resources on its web site. Or talk to your systems and service providers, or to other booksellers confronting the same issues.

The government is committed to expanding e-commerce usage throughout industry and Business Link has a website with practical information on IT and e-commerce at www.businesslink.gov.uk. Advice for small businesses on IT security is available at www.getsafeonline.org.

Information on broadband can be found at www.broadband-help.com.

E-COMMERCE SERVICES

Product information: why is it important and how can I get it?

Access to sources of information about books, particularly about availability, price and how they can be obtained, is critical to ordering effectively, answering customers' queries and attracting customer orders. You can track down individual titles using general sites such as Google or bookselling sites with sophisticated search mechanisms such as Amazon.co.uk. The most-used source of information in the book trade is Nielsen BookData and you can subscribe to their CD-ROM products or online services which can be integrated into many EPOS systems. Many ordering systems also include access to current databases of available titles and prices, e.g. wholesaler systems such as THEsis, Bertline and GardLink, or PubEasy or the BookNet Web.

What's the best way to place orders?

Orders need to be placed electronically so that they get to the supplier as quickly as possible without delays or errors. The market leader is TeleOrdering, a Nielsen BookNet service, which enables you to enter the ISBNs for all the titles you want to order regardless of their supplier and have them automatically routed to the correct place. PubEasy is also an excellent ordering service, is free to booksellers and covers most of the major suppliers. The wholesaler systems can also be used for ordering, though they may require you to order from the wholesaler who supplied the system!

National Book Tokens can also be ordered quickly and efficiently online at www.nationalbooktokens.co.uk.

Note that sending an email containing a text message or an unstructured attachment is certainly quick from your point of view but does not count as e-commerce as the order has to be printed out and re-keyed by the supplier, leading to delays and possible errors.

How do I know that what I've ordered is what I'm going to get?

Most ordering services are able to send you an acknowledgment which confirms the availability of the books you have ordered and tells you where there may be supply problems. TeleOrdering in its basic form sends a functional confirmation that the order has been routed. On PubEasy you will get an email with an acknowledgment. You should use this information to alert customers to price changes, any delay with their order, or to seek alternative sources of supply.

Should I use telephone hotlines?

Telephone hotlines are widely advertised and orders placed in this way do get priority at peak times. However, it is not sufficiently realised that electronic orders can often be given the same priority and are often much quicker because instead of taking time queuing up for a telephone hotline to be answered and then for the orders to be keyed in by customer services at the supplier, electronic

orders go straight into the warehouse picking queue and are released, picked and despatched well ahead of normal orders. If you need to highlight an urgent order at a seasonal peak then you can put the word HOT into the order line reference in TeleOrdering and the word HOTLINE into the order line reference on PubEasy. This will ensure that if the distributor has a special hotline service your orders will be given priority.

Can I receive invoices and credit notes electronically?

Yes you can. The best way for booksellers to do this is to join Batch (free to BA members) and receive invoices and credit notes and authorise payments all online. The great benefit of Batch is that you can pay all your suppliers with a single payment each month. This service is secure, easy to understand and use; and it saves time and effort.

Can I post invoices directly to my accounting system?

Yes. Batch can also integrate (i.e. connect seamlessly) with the Sage Line50 accounts package, which is the most widely used in the book trade, so that invoices can be automatically allocated to the correct supplier in your accounting system. You should contact Batch to discuss your particular needs and explore other integration possibilities.

Can I get returns authorised more quickly using e-commerce?

Yes you can. Batch.co.uk has a simple online service called Batch Returns. You select the supplier (distributors who are part of the Industry Returns Initiative) and input the ISBNs of books you wish to return. You can expect an authorisation for these returns within two hours! You also receive a barcode for printing off and attaching to the top of the returns parcel so that the supplier can read it on receipt of the parcel and process it immediately. You will need to send a confirmation message to confirm the quantities you are actually returning. The supplier will then give the credit on the day the books arrive but it cannot be deducted from payments until your normal credit period with that supplier has expired.

Will e-commerce save me time and money – or will it just help my trading partners?

It should do both. E-commerce will save you time and money. It should improve your business efficiency and speed up the service you give to your customers. It is also good for your suppliers and this should be reflected in your relationship with them. In future it may be that discounts come to reflect more directly the real cost of serving a bookseller. E-commerce would be one of the key elements to keeping this cost to serve low and thus maintaining discount levels. One wholesaler already gives extra discount on electronic orders.

What will it cost to implement and run?

This depends on your starting point. Here are some basic costs to give you some idea:

Item	Start Up	Annual	Suitable for
PC	£500	£30	Independents
Phone line + ISP	£50	<£240	Independents
Broadband + ISP	Free	<£300	Independents
Sub to PubEasy	Free	Free	Independents and chains
Sub to Batch	Free (to BA members)	Free	Independents and chains
Sub to Nielsen BookNet Web/TeleOrdering	Free	TeleOrdering: £500 BookNet Web: From Free	Independents and chains
EPOS system	£3000	£500	Independents
Nielsen BookNet EDI	£2000	£1500	Large independents and chains
Communications and translation software	£2500	£500	Large independents and chains
Batch integration with accounts	£350	£100	Bookshops using Sage
Other integration work e.g. to connect EDI and accounts	£1000	£200	Large independents and chains

All the above costings are approximate and you should contact the appropriate suppliers to confirm the actual costs before making any decisions

What cost-savings could I expect to see when I have implemented e-commerce?

This depends on the systems you implement and your procedures, staffing levels etc. Most booksellers who use Batch.co.uk reckon it saves them several hours a week in staff (or owner's) time in paying invoices. Total weekly cost savings in terms of postage/telephone/stationery and labour for an average independent should be a minimum of: £20 (cost). 8 (staff hours) = 8 x £10 per hour = £80, total: £100 per week = £5200 p.a.

SUMMARY

In this section we revise what we have covered and show at a glance the capabilities of the services and their suitability for your business:

Item	PubEasy	PubEasy Transact	NBN Web	Tele Ordering	Nielsen EDI	Batch
Product Information	Yes	Yes	Yes	No	Yes	No
Orders	Yes	Yes	Yes	Yes	Yes	No
Order Acks	Yes	Yes	Yes	No	Yes	Yes
Invoices	No	No	Yes	No	Yes	Yes
Returns	Yes	No	No	No	Yes	Yes
Cost	Free	Free	From Free	£500	£2000+	Free
Trading Partners	D: 13 W: 2 + a few others	D: 13 W: 2 + a few others	D: 5 + all others via T/O	All UK Ps, Ds and Ws + non-UK Ws	Top 40 Ds Top 3 Ws	Top 20 Ds Top 3 Ws
Suitable for Small	Yes	No	Yes	Yes	No	Yes
Suitable for Medium	Yes	Yes	Yes	Yes	No	Yes
Suitable for Large	Yes	Yes	No	Yes	Yes	Yes
Description	Free online service via browser	Automated service ideal for larger volumes	Online T/O with additional features	Routes files of orders to UK Ds 30m+ order lines p.a.	Market leading EDI service for book trade	Online (and EDI) payments and returns system

Key: D= Distributor, W = Wholesaler, P = Publisher, T/O = TeleOrdering

RESOURCES

Book Industry Communication

Peter Kilborn (peter@bic.org.uk)

020 7607 9021

www.bic.org.uk

Simon Edwards (simon.edwards@dial.pipex.com)

07742 988391

Booksellers Association

Sydney Davies (sydney.davies@booksellers.org.uk)

020 7802 0802

www.booksellers.org.uk

Service providers

Nielsen BookNet (TeleOrdering, BookNet Web)

www.nielsenbooknet.co.uk

sales.booknet@nielsen.com

0870 777 8710

PubEasy

www.pubeasy.com

uksupport@pubeasy.com

020 7832 1780 (UK Helpdesk)

Batch.co.uk

www.batch.co.uk

help@batch.co.uk

020 7802 0802

The Book Partnership

www.bookpartnership.com

info@bookpartnership.com

0870 165 1419

Wholesalers

Bertram's: www.bertrams.com

Gardner's: www.gardners.com

STL Distribution: www.stldistribution.co.uk