BIC BITES

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Introduction to Pricing in ONIX

The clear communication of pricing between publishers, data aggregators, retailers and other interested parties is a key process for businesses. This BIC Bite explains how price data is supplied within the publishing industry, and how different business models and restrictions can be expressed using the ONIX 3.0 message.

How Pricing is Communicated in ONIX Metadata

A full range of pricing information can be provided by a publisher within an ONIX message, expressing either simple or more complex price models, market- or even customer-specific pricing. However, other sources of price data may also need to be taken into account, including any price and availability feeds from third-party suppliers (e.g. a distributor).

Basics of Pricing

Although a wide variety of price data can be expressed in ONIX, the structure of *how* these prices are expressed follows some underlying rules. Each price *composite* (the tags which form the full data element comprising a Price) will normally include at least:

- the Price Type (what *kind* of price it is, e.g. RRP, FRP, wholesale, library, agency)
- the Price Amount and Currency (the denomination)
- any appropriate Tax details (and this can include mixed rates for book/audiobook bundles if necessary)
- the Territory (the country or countries where the price is valid)

If a product is going to be made available in a particular country, pricing for that country should be included within the ONIX message.

More complex price composites may also include:

- relevant Discount terms (expressed as a percentage, or coded for confidentiality)
- Dates when the price is valid (e.g. this is a price that will be applied from some date in the future)
- Price type qualifiers, for example limiting the customer type for which the price is intended
- Price conditions (e.g. simultaneous purchase of another product [bundling], or for rentals)
- Constraints and licensing (particularly for digital products)

Price composites are *repeatable* for each supplier of the product, and within each separate market, which allows a variety of prices to be supplied within a single product record. This enables the publisher to communicate all the information their customers might be looking for at once, rather than sending separate information to each customer depending on their specific needs. Each customer can then identify the price that applies *to them*, and ignore the others. This could be done automatically by the system which ingests the ONIX metadata.

It is important that there is no ambiguity within the prices, and that no two prices apply to exactly the same circumstances.

The Price Composite

The Price composite within Block 6 of ONIX 3.0 is where the information about individual prices is located within the overall ONIX Product Record. For one single product, it's common to have multiple Price Composites, either with the same *type* of price covering different geographical territories and currencies served by the supplier, or with different types of pricing. Remember too that there can be multiple suppliers within a single market, and the product's sales rights may allow distribution and sale in multiple markets.

One price can be used for multiple countries, if the same price applies, but if relevant pricing is omitted, this can cause confusion within the supply chain. However, individual prices do not have to be supplied in the local currency for each country: the price quoted may be the price that forms the basis of business-to-business transactions.

For example, on a product for which a UK publisher is exercising World rights, they may choose to supply two recommended retail prices – for home and export sales – but both denominated in Sterling, with territories that together account for the whole world, as overleaf.

```
<Price>
    <PriceType>02</PriceType>                           <!-- 'Home' RRP including tax -->
    <PriceAmount>9.95</PriceAmount>
    <Tax>
        <TaxType>01</TaxType>                           <!-- VAT -->
        <TaxRateCode>Z</TaxRateCode>
        <TaxRatePercent>0</TaxRatePercent>             <!-- at zero percent -->
        <TaxableAmount>9.95</TaxableAmount>            <!-- taxable amount plus -->
        <TaxAmount>0.00</TaxAmount>                    <!-- tax amount = price amount -->
    </Tax>
    <CurrencyCode>GBP</CurrencyCode>                   <!-- Pounds Sterling -->
    <Territory>
        <CountriesIncluded>GB IM</CountriesIncluded>  <!-- Valid for Great Britain, -->
    </Territory>                                       <!-- Isle of Man -->
</Price>
<Price>
    <PriceType>01</PriceType>                          <!-- 'Export' RRP excluding tax -->
    <PriceAmount>8.95</PriceAmount>
    <CurrencyCode>GBP</CurrencyCode>
    <Territory>
        <RegionsIncluded>WORLD</RegionsIncluded>      <!-- Valid everywhere except -->
        <CountriesExcluded>GB IM</CountriesExcluded>  <!-- Great Britain, Isle of Man -->
    </Territory>
</Price>
```

These Price composites include little more than the minimum information, but adding further detail increases the specificity of the price. For example, a product for the trade usually includes trade discount detail. The academic market may need to express Library or Licence pricing in a variety of currencies. This would be done by repeating the Price composite for each independent price, changing the codes used to describe the Price type, and adding tags to include extra information about any associated terms of use. Supplying all the relevant information for each price enables resellers to look for precisely the price that applies to them or their end customers.

Price Changes

As well as communicating the *current* price for a product, the Price composite also allows *future* prices. This is done by including the date the current price ends or the date from which the new price is effective, within the Price composites for each of the two prices in question.

Free of Charge Products

Free-of-charge products often still need to be supplied with a Price composite, but it is *never* correct to do this by supplying <PriceAmount> as zero. Instead, a different tag should be used: <UnpricedItemType>. This tag can be used *in place* of a *Price composite* if the product is always free in all circumstances, or *within* a Price composite, so it still communicates all other restrictions (for example, a product can be free-of-charge for Canada, but conventionally priced in all other territories).

Further Information

There is a lot more information available about pricing and how to communicate different prices for different business models in ONIX 3.0 from EDItEUR via its website at https://www.editeur.org, particularly of relevance are the Application Notes *Pricing in ONIX 3.0*, parts 1 and 2, and the *ONIX 3.0 Implementation and Best Practice Guide*. BIC also runs a semi-regular Pricing workshop and intensive training including the ONIX: Essentials and ONIX: Advanced Topics courses.