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Library-Vendor Relations

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Issues in Library Vendor Relations

By *Corrie Marsh* (George Washington University)
and *Barry Fast* (Scholarly Book Center)

ISSUE: Should vendors supply publishers with the names of libraries who purchase their publications?

Well we certainly got a lot of responses to this issue! Thank you all. The replies are given in their entirety below.

A reply by *Christian M. Boissonnas*, Acquisitions Librarian, Cornell University Library

This is a non-issue. Worse than that, under the guise of a point-counterpoint Corrie and Barry present us only that old hackneyed, spavined, and sway-backed nag carrying into the sunset the bad, rotund, publisher holding his bag of disappearing discounts. This is just another tiresome bout of publisher-bashing, and not even an exciting one.

There are plenty of reasons why we should supply our names to publishers, either directly or through booksellers. For simplicity's sake, let us assume that we are only talking about publishers whose primary market is libraries. I rather doubt that many others are that interested in us or ask for our vital statistics that often. Why should they? The library market is just not that important to them compared to their other markets.

For those publishers who sell primarily to us, it makes sense, as

C&B point out, for them to know as much as possible about their market, and for us to help them. I seriously doubt that helping them will have any impact on the prices we pay, but it may have some impact on the appropriateness, timeliness, or usefulness of the books they sell us.

If C&B had stopped there, who could argue with them? But then they get fuzzy with that blather about enhanced publisher/library relationships. They are both nice people, and they'd like things to get better in the trench warfare that is the library/vendor/publisher relationship. So would I, but wishful thinking isn't going to help. Still, I can live with their idealism.

Where they really fail, however, is in the counterpoint. They say: "In the past few years more and more publishers have either been requiring direct purchase or offering competing discounts for direct purchase." True enough, but what does that have to do with the issue? C&B don't say it, but they have got to be suggesting that publishers will squeeze vendors more, or more effectively, with the information about ourselves that we give them. That, without conspicuously absent supporting data, is farfetched. That vendors figure at all in the thinking of these publishers, except maybe as minor annoyances, is conjectural at best.

But, even if true, so what? We are going to pay the price determined by the publisher, however surreptitiously (C&B's word, not mine) he chooses to increase it. The vendor has nothing to do with it, and how he copes with that kind of publisher is really

his lookout, not ours. So is the fact that the publisher may be trying to undercut him. We might even gain from that, if we could ever make some publishers understand that their distribution practices stink so much that we prefer to pay more and buy through vendors. That's the vendor's problem. Also his salvation because it isn't ever going to happen.

In any case he charges us. All a higher discount allows him to do is hide his service charge better. We pay him the same amount, regardless of what it's called. We just think we get a better deal if we see "discount" on an invoice instead of "service charge." The vendor knows that so he wants discounts to be as high as possible. He gives us what we want. He's pretty smart. Are we? Why don't we face the facts?

It's the implication that improved relations among us all will somehow help us financially that bothers me most. There is tension among us. There always has been and probably always will be. It's natural and, I suspect, desirable. By and large we have managed to keep it under control because we are reasonably civil toward one another. I don't think that wishing this tension away is realistic.

So this counterpoint doesn't address the question. C&B couldn't come up with a better argument because there isn't one. The issue they presented isn't one. What we are left with in this article is a vehicle for the imaginary library/vendor alliance to indulge in some light and meaningless publisher-

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bashing, its favorite recreational activity.

Do Vendors Divulge Names of Their Library Customers to Publishers? by Nat Bodian (Publisher's Marketing Consultant)

Although it may be widely believed among library customers, I seriously doubt whether any vendor would divulge the names of library customers to a publisher—except under special circumstances which I will explain later.

Perhaps the most valuable asset a vendor has is the customer list, which is both personal and privileged. No vendor to my knowledge makes this open knowledge and most take great pains to conceal their customer base from publishers whom they view as competitors.

I recall, over the years as a publisher's representative at library meetings and conventions, that when a participant from a major library spent an inordinate amount of time at my booth, on more than one occasion the vendor for that library—also exhibiting—would be at my booth inquiring as to the librarian's interest. Sometimes it happened while the librarian was still in the booth.

When I was sales manager of Baker & Taylor, we were inundated with printed literature supplied by publishers on their various projects, some of which I mailed to B&T's library accounts. However, if the publisher's full name and address appeared on the literature, I discarded the literature offhand. I recall one piece for *Portraits of Greatness*, which in the late 1950's probably cost over a dollar to produce, was tossed out (\$5,000) because it had the publisher's

return address on the corner card. The publisher reprinted the brochure without address. Vendors avoid giving supplier/customer addresses.

Now, as to when a vendor will supply customer names to a publisher: it is done usually for a series or subscription product which the library customer wants at the earliest possible date. A vendor may arrange for the publisher to 'drop-ship' the product to the library and bill the vendor so that delivery is speeded.

It is widely recognized that a customer list is a highly-valued asset of any business. It is unlikely that any vendor/jobber would dispense such an asset to a supplier/publisher. For any librarian to think otherwise is a misconception.

Response from Stephen Lustig,
Academic Sales & Marketing
Director, Cassell PLC, London,
England

As one who is relatively new to selling books to U.S. libraries, I was interested in your recent column in *Against the Grain*. The point is made in the article that some publishers offer competing discounts in order to attract libraries to purchase directly from them, and this leads to a climate of mistrust between publishers and vendors in turn leading to a lack of co-operation from the vendors to supply publishers with useful marketing information. I can quite understand how this might come about. How much effort do most vendors make to sell their services not only to libraries, but also to publishers? After all, if a publisher knows that certain library suppliers are providing an excellent service to libraries and are genuinely helping the publisher sell more books to libraries by good information dissemination, etc., then it would be to the publisher's interest to keep selling through

that library supplier. However, I suspect that most of the running, in order to maintain good relations with library suppliers, is done by the publishers rather than by the library suppliers themselves. Of course, that is the most obvious way of going about things—the library supplier is, naturally, the customer of the publisher. However, as the article pointed out, some publishers have seen fit to bypass the library supplier, and so the latter's role as the obvious customer is perhaps not so obvious after all. From my own quite limited experience over the past 18 months, I have been visiting the USA regularly and have made personal contact with about 15 major library suppliers who buy books from Cassell to supply to American libraries. I can truthfully say that not a single library supplier in the USA, in all my meetings with them, has ever gone out of their way to point out to me the reasons why I should sell to them and not to the libraries directly. Cassell does sell to U.S. library suppliers from our U.S. warehouse, and we do **not** solicit business directly from U.S. libraries by offering discounts. However, as I say, no library supplier has ever told me why I should not solicit orders directly from libraries by offering [direct] discounts.

Response from Gary Shirk,
Vice President of Operations,
Yankee Book Peddler,
Contoocook, NH

It would be easy to dismiss this as a trivial concern. Few publishers request this information, few vendors would pause before refusing it, and few libraries—at first thought—would object to having this information revealed. But one of the most fascinating aspects of the information business

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is that in seemingly inconsequential matters larger issues loom. The real issue is one of rights: the publisher's, the vendor's, and the library's.

Does the publisher have the right to refuse to sell the item if the library's name is not revealed?

Does the vendor, who depends upon hard won distribution channels, have a right to preserve them?

Does a library have a right to acquire the material through its vendor?

Yes! Yes! Yes! But each cannot simultaneously exercise these rights. They must strike a compromise: publisher and library can drop the vendor and deal directly, in which case both would lose a valuable and effective distribution channel. Or, the vendor can give the purchaser's name to the publisher and accept the potential consequences: a different (higher) price for one customer over another (e.g. foreign vs. domestic); loss of future sales; potentially irate customers.

Where should the vendor stop in sharing this information? If information regarding the purchaser of a single title has value, how much more would be learned from a library's full spectrum of purchasing? Should vendors provide this as well? Assuming further that this information has real value, should publishers expect to pay for it?

For now, vendors consider their customer's buying patterns to be confidential information and reveal it on a title by title basis and only after consulting with the library. The process is difficult enough to discourage excessive intrusion on the vendor's rights while allowing publishers to sell a book and libraries to buy it. This is how it should be. When it's an issue of conflicting rights, no one wins without compromise.

Here are our comments below. We couldn't resist. Remember, the lines of communication are always open!

Barry Fast (Scholarly Book Center) and **Corrie Marsh** (George Washington University)

Since we were not at the meetings that Stephen Lustig had with library suppliers, we can't really comment except to say that we think most emphatically that library suppliers should discuss direct selling policies with publishers on a case by case basis since on the whole libraries prefer to buy through vendors. Maybe this column will cause one small step in that direction of publisher/vendor relations. We certainly hope so.

Obviously, at least for some people, this issue is important. Gary Shirk seems to agree with many of our points while expanding on the rights of all parties (librarians, publishers, and vendors) and shedding light on things we might not have all thought about in such depth. We're glad to see it.

Nat Bodian reiterates our view that customer lists are valuable. And we reiterate that most vendors stand ready to work closely with publishers on promotion of books, just as it happens in Europe. There, for the most part, publishers and booksellers have a good relationship that benefits each of them, and ultimately libraries.

Now to the first response. Dare we say that there seems to be an honest disagreement here! We are as disappointed in Christian as he is in us. We disagree with his response, and hope you'll put up with us just a little longer. If we are accused of wishful thinking, we plead guilty.

First, this is clearly not a non-issue. The fact that several people

in publishing, vendors, and Christian himself, responded seems relevant here. Second, we totally disagree that "publishers will squeeze vendors more" if vendors give publishers their customers' names. Some vendors do not give publishers this information because it is valuable to publishers and, so, publishers may pay for it. Indeed, publishers can pay for such information with, for example, increased discounts, which, in a highly competitive market place, may benefit library customers with better discounts passed along to vendors. Third, we still object to publishers reducing discounts to vendors because we argue that it forces vendors to reduce or eliminate discounts to libraries — or add a service charge. In effect, this is a price increase. Since we assume that librarians take the price of a book into account when making their purchasing decisions, a surreptitious price increase is, by definition, unknown to the purchaser. Overall, librarians are making less informed purchasing decisions when a \$50 book actually costs \$60 because a publisher eliminated discounts to a vendor. If the publisher, before eliminating discounts, was selling this book to vendors at \$40, but now needs to sell it at \$50, why not announce the list price at \$60 and retain the vendor's discount? It seems obvious to us that the publishers believe too few librarians will purchase this book if they know, in advance, it will cost \$60. So their solution is to eliminate the discount, get the \$50 they need, and let the vendor give the library the price increase — after the purchasing decision has been made. Admittedly, all of this is a matter of how prices are presented to the customer which in the final analysis is the library. But let's call a spade a spade. 🍷