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The Library Marketplace — Defining Trade Books and Trade Discounts

Column Editor: **John Riley** (Sales Director, Eastern Book Company) <jdriley@javanet.com>

Editor's Note: This column is open to librarians, vendors, publishers, anyone who would like to address an issue concerning pricing in the library marketplace. Just contact me at <jdriley@javanet.com> if you would like to address any of these issues. — **JR**

The term “trade” in relation to books and publishing is an ambiguous designation. Publishers generally market trade books to bookstores, so the closest you might come to a definition would be to say that “trade” applies to any books you would find in a retail bookstore. This is also the term that wholesalers and vendors use for the books that carry the highest discount, or “trade” discount. But there is another definition of “trade,” one that is more current in academic libraries, that would include any book that is for sale, as opposed to say, society and association publications or textbooks or government publications (even though any of these may enter the marketplace and be for sale to the public). And though this latter definition is much broader, it points us towards the problems we can run into when calling, or selling, a book as “trade.”

Many publishers that are considered trade publishers offer a wide variety of publications and price schedules. **St. Martin's, Scribners, Macmillan**, just to name a few, offer reference books and textbooks, as well as their well known trade publications. Many others have textbook lines, such as **Houghton Mifflin, Harcourt** and **Harper** that are “net” priced and some of these books have no price at all in **Books in Print** and their final pricing is left up to the bookseller. This situation leads to confusion when a library orders a book from a publisher that is considered “trade,” but instead receives a lower discount or none at all.

Librarians are familiar with “short” discounts from university presses, but they are sometimes not aware that trade publishers do the same thing. Some university presses may have as many as five different pricing schedules and some trade publishers are not far behind in creating Byzantine pricing schedules. In addition, university presses have their own “trade” line. **Oxford, Cambridge** and **California**, amongst many others, will give a trade discount on titles that they hope to place in bookstores, but it is unpredictable as to which titles will be covered. As university presses publish more in the manner of trade publishers and trade publishers seek to can-

nibalize the u.p. market, we will find “trade” publishing to be even harder to define.

Both trade and university press sales were down in 2000. According to preliminary statistics from the **AAP** reported in the *Bowker Annual of Library and Book Trade Almanac, 2001*, trade books were off by nearly 10% (excluding children's titles, which were up 15%) and u.p. sales were off by 2.4%. Also in the *Annual* we find that total sales for trade books was 6.5 billion vs. 400 million for u.p.

College libraries may not think that they buy many “popular” trade titles, but if they are buying art, architecture, history, biography, fiction or poetry, they are buying a significant number of trade books. Another thing to keep in mind is that trade books cost less than academic titles and they come with higher discounts, so dollar expenditures are not a good indication of numbers. If your library is spending 5-10% on trade books, those dollars could represent 15-30% of purchases. Approval plans cover most of the trade publishers, but statistics on trade purchases are hard to come by, since library ILS doesn't break them out as a separate entity.

With a growing interest in popular culture in academic libraries, we may even see greater sales of trade titles. Trade books provide a great resource for primary material, they are always topical and they are often of interdisciplinary use. In the case of children's books, colleges are even finding that it is not just the education department that is looking at them, but also art and design and English students. As evidence of the growing interest in children's books, **Hampshire College** has just broken ground on the **Eric Carle Museum of Picture Book Art**, a library/museum of children's illustrated books.

Trade books have been in the news lately because of the enormous returns problem that publishers are experiencing. Last year, according to the *New York Times* (“Book Returns Rise, Signaling a Downturn in the Market,” July 2, 2001) publishers received one return for every two books shipped. What this means for libraries is that fewer books will be published in the future as publishers seek to minimize risk and absorb losses. Why all of the returns? One reason is the expansion of the book market into stores such as **Sam's Club, WalMart**, even **Home Depot**

and **Staples** and supermarkets, drugstores and toy stores, etc. I recently saw copies of *Harry Potter* for sale in a gardening store. Their only book, but a good bet. These stores order many copies of bestsellers and using their “right of return,” send back all unsold copies. No risk, no worry. By over promoting, publishers are making it easy to over order.

Large retailers and chain bookstores have a peculiar method for financing their large inventories, which **Bernie Rath** of the **ABA** once called “...expensive wallpaper.” When the credit period for a purchase comes due, whether 90 days or 180 days, chain stores simply pack up the unsold inventory and ship it back for credit. Then they will often re-order the same books the next day, benefitting from another extended credit period. This may be one reason your local independent bookstore is no longer around. Despite the recent settlement between **ABA** and major publishers regarding more favorable discounts for chains than for independents, there will continue to be inequities as chains benefit from “racking fees,” essentially fees for placement of favored titles, large amounts of co-operative advertising money (the soft money of publishing) and flat fees for handling defective and short shipments.

In the trade, returns are referred to as books that are “Gone today, here tomorrow.” Even with this black sense of humor, publishers will have a hard time staying in business if these levels of returns continue. They will find it harder to continue publishing marginal books, leading to fewer titles published. With the demise of independent and smaller chain bookstores, we can also expect fewer local interest titles being published. Smaller publishers will find it harder to place their books in an environment where, as **Calvin Trillin** observed, “Books will have a shelf life somewhere between milk and yoghurt.” Perhaps “print on demand” (POD) will help alleviate this situation, allowing publishers to meet demand without over printing.

And though we don't seem to be any closer to an exact definition of “trade” we can see that trade publishing effects academic libraries in many ways. We also see that publishers, vendors and librarians can have different interpretations of what a trade book is. When we talk to each other, we should keep that in mind. 🍄

