BIC BITES

Introduction to EDItX reporting formats

EDItX is a family of mostly 'transactional' XML message formats designed by EDItEUR for communicating orders, invoices, dispatch notes and so on. But within the family, there are 'report' messages too, for reporting Inventory and Sales. These are intended to be sent by retailers, retail platforms and other 'stockholders' to their suppliers further 'up' the supply chain – for example from a wholesaler to a distributor, or a retail platform to a publisher.

The Sales report format is most used when the products sold are digital or manufactured on demand, as the retail platform can create copies for retail sale independently of the publisher and must ultimately report sales to the publisher for invoicing, taxation and royalties purposes. The Inventory format is designed for reporting both physical and digital inventory. Physical inventory highlights unsold copies that remain in the supply chain and which may be subject to future return. Digital 'inventory' highlights technical issues in the supply chain including faulty master files or missing metadata records which prevent digital products going on sale.

Background and history

Versions of these EDItX report messages have been in use with a small but growing selection of adopters since 2009, with documentation and XML tools available from EDItEUR (see https://www.editeur.org/53/Sales-and-Inventory-Reporting/). The Sales report and a special Sales & sales tax report variant designed to meet North American requirements have also been available in a simplified 'flat file' (Excel spreadsheet) format since 2011 (from BISG – see https://bisg.org/page/EDItXXML). There were minor updates to the Sales reports in XML and flat form in 2012 to cope with the Agency pricing model. Both Inventory and Sales reports in XML form were updated again in 2018 – to versions 1.1 and 1.2 respectively – to add the 'digital inventory' functionality, increase the flexibility of the prices that can be reported (particularly for e-books), and to align some EDItX terminology with the more familiar terms used in ONIX while retaining compatibility with previous versions.

Inventory reporting

The EDItX Inventory report format allows three reporting options:
- reporting physical inventory at a particular point in time (number of copies in hand, including both free stock and copies reserved for pending orders, and number of copies on order);
- reporting *changes* in physical inventory over a period (minimum and maximum number of copies held over the period, as well as number of copies received, dispatched, returned, lost, destroyed, moved between stockholding locations *etc.*);
- for digital products and for physical products manufactured on demand, the status of master files and metadata, and the on-sale status of the product at a particular point in time.

As with all EDItX messages, the overall report structure consists of a message header containing information about the report itself, the reporting party and the party the report is for, a message body consisting of multiple report lines, one for each product, and a brief trailer or summary to allow the recipient to check that the message is received complete and intact.

Each report line in the message body is relatively simple. It contains an identifier for the product (typically an ISBN or GTIN-13), and brief product details such as title and binding or file format (HB, PB, PDF, EPUB and so on). For digital and manufactured on demand items, the report line contains a single status code indicating either that the product is on sale, or why it is not on sale (master files not yet received, metadata missing, accepting pre-orders, technical issues *etc.*). For physical products, there can be a series of quantities with different statuses – on hand free stock, on hand frozen stock, on order but reserved to meet an existing customer order and so on.

Automated inventory reporting would remove the need for publishers to scrape retail websites, as many do to check their digital products are on sale, and should give visibility to physical goods on consignment or early warnings of potential future returns.

Sales and sales & sales tax reporting

The EDItX Sales report message formats always cover sales of products – digital or physical, retail or business-to-business – made over a period of time. (For physical, the product is usually manufactured on demand or stocked by the seller on consignment terms.) The reports are intended to be used by a retailer, retail platform, wholesaler, distributor or other party in the supply chain, or by an agent reporting on their behalf, to report these sales to the supplier or publisher.

Alongside the usual header and trailer, the body of each message consists of multiple report lines listing either individual sales transactions made over a particular period, or multiple transactions aggregated by product, class of sale (wholesale, retail, agency *etc.*), location of sale and/or price point, or even by retail outlet. Each line contains an identifier (ISBN or GTIN-13) and brief product details (title and binding or file format), and reports the sum of money due to the supplier (usually the recipient of the report), based on recommended or fixed retail price less a trade discount, a net (wholesale) cost, an actual selling price or the retail price less the agency commission.

Note that the price details can include all the usage constraints, conditional prices, class of sale, discounts and other pricing details that are available in ONIX 3.0, so any price 'advertised' can also be reported upon. The EDItX reports can also include any extra service charges levied by the seller, for example for gift wrapping or special delivery. (These features are not present in the BISG 'flat file' versions of the reports.)

Adoption of EDItX Sales reporting by multiple retailers greatly simplifies the aggregation of sales figures by publishers, invoicing and the calculation of royalties, compared with the use of uniquely-structured reports from each retailer. Reported amounts should tally exactly with actual payments from the retailers to the publisher, so reconciliations are as simple as possible.

The Sales & sales tax report variant also allows reports that list individual sales transactions to include the country, region, zip code or full street address associated with each transaction, plus the applicable jurisdiction-specific sales or value-added tax that has been remitted on behalf of or is due for payment by the recipient of the report. This is necessary for products sold in North America, where sales tax is calculated at the point of retail sale and varies from state to state (or province to province in Canada) and from city to city. The same requirement applies for many European and other countries, as VAT must be charged for goods sold online according to the location of the retail purchaser rather than of the retailer. Such detailed reporting to publishers by retail platforms is vital for sales under an agency model.

Further information

EDItEUR maintains an EDItX International Steering Committee to govern development of the EDItX standards, and a mailing list for EDItX implementation queries and announcements – subscribe via an e-mail to editx+subscribe@groups.io

Written by Graham Bell, Executive Director, EDItEUR
Last updated 27th January 2020

THE BOOK INDUSTRY'S SUPPLY CHAIN ORGANISATION