



BIC Industry Returns Initiative

FAQs

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Prepared by Stephen Long, Book Industry Communication Limited, May 2022.



The Book Industry's Supply Chain Organisation

This Industry Returns Initiative (IRI) document is one of a set that Book Industry Communication has produced.

Together, these documents provide a detailed operational, commercial and technical overview of IRI.

BIC strongly recommends that you download and read the full set of documents. These currently comprise:

1. BIC Bite
2. Introduction
3. Stakeholders
4. Process Specification
5. Sales and Returns History
6. IRI Rule Book
7. Process Flow
8. FAQs
9. Glossary
10. Technical Specifications

A single document including all the above is also available.



1. What is IRI?

IRI is the Industry Returns Initiative. It is a cross-industry standard designed to reduce the cost of returns processing.

2. Why is IRI important?

IRI has been an integral part of the book supply chain for nearly 20 years and has been adopted by well-established publishers, distributors and retailers. IRI automates labour-intensive parts of the returns process, reduces costs and frees up time. It replaces many individual publisher returns policies with an industry wide standard that is both fair and transparent.

3. Do I have to use IRI to request returns authorisation?

Increasingly the answer is yes. As more publishers instruct their distributors to switch to IRI, the number of organisations willing to accept manual returns requests, with all the associated bureaucracy and complexity, will reduce.

4. What is the 'rule book'?

The 'rule book' is the set of instructions that all parties involved in IRI must abide by. They ensure that the IRI process is fair and equitable to all, is clearly understood and avoids any organisation seeking or gaining unfair commercial advantage through the returns process. By following the rules, authorised returns will be processed and credited far more quickly than following a manual process.

5. Why are there so many rules?

The rules must reflect the guidelines for the various types of organisation involved in the returns process, such as retailers, distributors and publishers. They are the set of principles recognised as delivering the best results when it comes to returns processing. They are the recognised industry standard in the UK.

6. Why is IRI so complex?

IRI appears complex, but it is replacing an even more complex manual returns process in which publishers all maintained their own returns policies. Under IRI, much of the complexity is automated with computers authorising or rejecting returns requests based on an industry wide set of criteria. This has been captured and documented so that organisations adopting or managing IRI processes can build and maintain a clear technical, commercial and operational understanding of what's involved.

7. Can I send my returns request to my local sales rep or supplier's customer services team? I don't want to use IRI on this occasion.

No. Where publishers have instructed their distributors to adopt IRI, ordinarily sales reps and customer services teams are instructed not to authorise returns.

8. Is there really a difference between new titles and backlist?

Yes. Stock is supplied to retailers in the expectation that it will be put on sale and have an opportunity to sell. To allow for this, new titles can't be returned within 3-calendar months of publication. This rule does not apply to backlist.



9. Why can't I return anything 15-calendar months after publication date?

You can. The IRI rules don't limit returns to 15-calendar months after publication date, but there is a cut off after which returns cannot be sent back. This is 15-calendar months after the book was last invoiced, assuming that a sufficient quantity of the book has been invoiced in the current 15-calendar month period. So, assuming all relevant rules are met, a book supplied and invoiced on 5 January 2018 can in theory be returned up to the 30 April 2019.

10. How do I return books left over from an author event?

An author event at or around publication date can sometimes leave retailers with large overstocks. It is usual to wait 3-calendar months after publication date before requesting returns where newly published titles are concerned. However, author event stock can be returned sooner by using the specific returns reason code B10 and giving the promotional number and invoice number of the event stock.

11. How long will it take for my returns request to be authorised?

In the vast majority of cases, the returns authorisation or rejection message will be received within 24 hours. Usually, it is within a few minutes of sending the returns request.

12. Who should I contact if I don't get a response to my returns request?

Wait 24 hours before chasing. If you have still not had an authorisation or rejection response to your returns request, then contact the customer services team at the distributor, wholesaler or self-distributed publisher for further information.

13. Can I manage non-conformance returns such as damages and shortages via Batch Returns?

Yes. This is publisher dependent. If the publisher allows non-conformance returns requests, these can be managed via Batch Returns.

14. Why are invoice numbers needed for some types of return? Surely distributors already have this information.

Invoice numbers are required for non-conformance returns such as ISBN recall, event stock, damages, defects and shortages. Distributors need to tie back the credit claim to the specific invoice. This is not always easy given that many booksellers will order little and often – repeatedly ordering the same ISBNs. The requirement for the invoice number also avoids spurious claims.

15. I'm a bookseller. Do I need any special labels or packaging to return my books?

Yes, you do. Your returns must include the printed barcode label provided as part of the IRI authorisation process. This is used by the supplier to manage their returns processes more efficiently. Your courier will want you to affix a label with their barcode on it to enable them to collect the parcel from your shop or distribution point and deliver it to the supplier's warehouse. They may also suggest you place a copy of this label inside the parcel. It is also good practice to place a copy of the returns authorisation inside the parcel too.



16. What is the purpose of the third returns message?

The 'third message' confirms exactly what you are returning, rather than the quantities that you originally requested authorisation for. The actual returns quantity by ISBN cannot be higher than that authorised.

Distributors will check each return. If authorised quantities are not sent back in full and the third message has not been used by the retailer, the return will remain 'open'. This can delay credit and mean a future returns request for an open ISBN could potentially be refused or the returns allowance lowered.

17. If the confirmation is the third message, what are the first and second messages?

The first message is a returns request from the retailer to the supplier asking for permission to return a book or a quantity of books. The second message is the reply from the supplier to the retailer, either refusing or giving authorisation to return the requested quantity of books.

18. Are retrospective (retro) credits included in IRI?

No, they're not. They are excluded. If retro credits were taken into account, then the whole point of the retro, which is to incentivise retailers to buy stock and promote it in their stores, is lost.

19. Are there any books that can't be returned?

Yes. There's no definitive list, but books sold as firm sale when invoiced can't be returned. Books which have gone out of print cannot be returned after a certain time, often 3-calendar months. Books that don't adhere to the IRI Rule Book can't be returned.

Sometimes not all a distributor's client publishers will be IRI compliant. Travel publishers are a case in point. In these cases, it isn't necessarily that the books can't be returned, rather that they can't be returned via IRI.

20. What are SANs and GLNs? How do I get one?

The SAN (Standard Address Number) and GLN (Global Location Number) are unique numbers which enable suppliers to identify a bookseller's business address. Retailers specify their SAN or GLN in their returns messages and this uniquely identifies their business to distributors, enabling electronic returns authorisations and credits to be sent to the right location electronically. For the book industry, SANs and GLNs are normally issued by the SAN Agency.

21. Where can I find my SAN/ GLN?

For most businesses in the book industry, your SAN/ GLN will have been issued by the SAN Agency, administered in the UK and Ireland by Nielsen BookData. For more information, contact san.agency@nielseniq.com



22. I'm a publisher, how do I make sure certain books are not permitted for return?

These books need to be sold on a firm sale basis. Your distributor should have these books set up as firm sale in their product metadata. Their systems will automatically refuse authorisation and give the rejection reason code for firm sale.

23. I'm a publisher. If I move to IRI, will I lose control of what can be authorised for return?

As a publisher manually authorising returns, you will be looking up sales history and what terms were in place for that retailer. This is time-consuming and often difficult. With IRI, the distributor's computer system receives a returns request, checks whether the book was sold on a sale or return basis, looks up sales and returns history, applies the IRI rules, and sends back a returns authorisation or rejection message – usually within minutes. This is efficient and leads to improved, less adversarial retailer relationships.

24. I am an IRI capable distributor about to take on distribution of another publisher. What should I do about IRI?

Distributors should obtain a minimum 30-calendar months' sales and returns history from the previous distributor and load this into their system before enabling IRI for the publisher. This will allow the IRI system to lookback at the sales and returns history to authorise returns correctly. It will also enable the system to give the correct credit using the weighted average cost price over the previous 12-calendar months.

25. One bookshop (or bookshop chain) is being acquired by another retail business. How will this affect IRI?

The following answer assumes that both the acquiring and acquired businesses are IRI compliant.

Consideration needs to be given to whether the acquiring business wants to track and report separately on the acquired business (assets/ performance/ value for money) in the short term.

a). If it does, then there is no immediate requirement to transition from one set of IRI infrastructure to another. The original SANs/ GLNs should be retained, and returns requests continue to be made by the business/ business location that originally ordered the stock. From the publisher/ distributor viewpoint, sales and returns history will be accessible and authorisations/ rejections based on the acquired business's transactions only and sent to the originating SAN/ GLN. Do set a date for when the acquired business will be incorporated in the acquirer's infrastructure and notify all interested parties. Give at least 3-calendar months' notice (BIC recommendation). This approach also provides a period of stability and allows for longer term planning around consolidation and integration by publishers, suppliers and retail businesses.

b). If there is no requirement to track and report separately on the acquired business's assets, then give prior notice to IRI compliant publishers and distributors, (BIC recommends 3-calendar months), of the impending change and incorporate the acquired business into the acquiring business's IRI infrastructure. Be aware that during any transition period a greater degree of manual intervention may be required to expedite authorisations and rejections correctly. If sales and returns history for



the acquired business are not speedily merged with that of the acquirer, then overall sales by ISBN for the customer returns group may be insufficient to allow for further returns authorisations (where rules permit). Where invoice numbers and other references are required for non-conformance authorisations, these must be present. Likewise, firm sale flags (where firm sale was pre-informed) should be available for look up. More generally, booksellers are encouraged to ensure that ghost returns are minimised by diligently actioning the RETINS2 or returns confirmation message to ensure authorised returns are closed off speedily and accurately. This will ensure that the available returns allowance by bookshop or customer returns group is accurate.

26. What have sales and returns history got to do with IRI?

The returns authorisation process is complex. Occasionally valid returns may be rejected, simply because of the way in which booksellers manage their orders and returns. Publishers also acquire and divest imprints and partial lists quite often. This sometimes leads to changes in distribution and returns arrangements.

Having complete and accurate sales and returns history is essential:

- a) In cases of appeals by booksellers against returns rejections.
- b) Where a publisher, imprint or list is divested or acquired, and distribution arrangements change.
- c) When a distributor, publisher or self-distributed publisher transitions to IRI for the management of returns.

27. I'm a publisher. If I move to IRI and have more returns, how does that relate to more sales?

Booksellers are very keen to support publishers that use IRI. They tend to order more titles at higher volumes, as the risk to the bookseller is considerably less. Extra orders don't necessarily result in extra returns.

28. Do the returns parameters vary by publisher?

No. The parameters are industry wide for transparency and simplicity. However, there may be specific and very limited circumstances where both the publisher and the bookseller recognise that flexibility is required to suit a specific trading relationship. In these situations, both parties agree which parameters need to vary and in what circumstances. This would be confidential and unique to the two parties.

29. What are red box/ green box returns?

Red box returns describe authorised returns that should be sent for destruction. The condition of such stock is immaterial. This excludes firm sale items. Green box returns describe authorised stock that should be returned in a resaleable condition (i.e., without sales or promotional stickers) because the stock will be returned to a supplier's inventory. This also excludes firm sale items. Non-conformance returns are not subject to red box or green box criteria.

30. Can red box and green box returns be returned together as they are going to the same address?

No. It is important that these are boxed and returned separately. Green box returns will be put back into the distributor's inventory for sale; red box returns will be destroyed.



31. What is a certificate of destruction?

The official, documentary proof provided by an accredited organisation for the destruction of authorised returns. The certificate warrants that the returned stock has been destroyed, cannot re-enter the supply chain and that the returning book business is entitled to credit for this stock.

32. I've sent my authorised returns to the distributor, but the consignment has been lost in transit. What should I do?

Request proof of delivery from your carrier. If this is provided and shows that the consignment of returns was successfully delivered to the distributor, then contact the distributor's customer services team and explain. Be prepared to share the proof of delivery with them.

If no proof of delivery is available, then confirm that the consignment has been prepared and collected. Is the consignment at the carrier's hub?

33. Why are all returns not credited although they were returned in the same box or with the RAN enclosed?

There are a few potential issues to consider. If the books were returned for resale (green box), were they all in a resaleable condition (no marks, stickers, damage)? Is it possible that the returns consignment wasn't properly packed and sealed? Could books have been lost in transit? Was the RETINS2 or returns confirmation message updated to accurately reflect those goods authorised for return? Are you awaiting credit for pre-informed firm sale items or rejected returns? Distributors will close returns authorisations and issue credit when the consignment received is ~95% complete.

34. Why haven't I been credited for what I sent back?

See the above FAQ. Has the whole consignment (or single box) been dispatched to the distributor? Has the consignment been delayed or split in transit, meaning the distributor has received less than 95% of the authorised returns? If this is the case, the return will stay open until the remainder of the consignment is received, or until 3-calendar months have elapsed (whichever happens first). Has the consignment arrived at the distributor during a busy period (seasonal such as Christmas/ academic, or month-end)? If it has, then there may be a delay in issuing credit. However, under IRI rules, the credit will be backdated to the actual date of receipt by the distributor.

35. How do I find the address of a distributor's returns department?

Look on the RAN if you have authorisation paperwork to refer to. If not, contact the Customer Services Department at the distributor for more information. Be clear what you want the information for.

36. Who should I contact if my returns request is rejected?

Firstly, check why the returns request was rejected. You can do this by looking for the rejection code. This is a 2-digit code prefixed by 'R'. If the reason for rejection is valid, then no further action is required. If you disagree and want to appeal the decision, please talk to the publisher's sales representative or sales office in the first instance.



37. Is there an electronic appeals process to challenge rejected returns authorisations?

Unfortunately not. If you believe that a returns request has been incorrectly refused, please contact your publisher's sales rep or sales office with evidence.

38. Can rejected returns that are subsequently authorised be added to an existing RAN?

No. A new RAN will be provided.

39. As a bookseller, what should I do with items for which authorisation is refused?

Each rejected ISBN will be accompanied by a response code giving the reason for the rejection. Dependent on the code, further action will be required. For example, if the code is R02 (too early), then return the item to stock and try again 3-calendar months after publication date.

40. Where should I go for more information? I have further questions on IRI.

Please contact BIC in the first instance via email: info@bic.org.uk or telephone: +44 (0) 20 4551 1570.

