



E-commerce for Booksellers

A Simple Guide

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This guide is intended to provide basic information about supply chain e-commerce and to enable booksellers to take advantage of the many benefits this can bring to their business and to their trading relationships

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ABOUT E-COMMERCE

What is e-commerce?

E-commerce is a fully auditable alternative to the transmission of paper documents by post, fax or email and enables all your communication with your suppliers to be done by electronic means, minimising the risk of errors by reducing the amount of keying and rekeying in the process.

E-commerce is sometimes used to describe online sales from a web site to a consumer. Although this is an efficient use of technology to take orders automatically, the focus of this document is on business-to-business (B2B) electronic trading.

Why should I do e-commerce?

Because affordable and simple-to-use technology is making the use of paper documents obsolete and prohibitively expensive. With a computer you can carry out many business functions without the retyping of critical information and transmit it in seconds. Bookselling faces enormous challenges and must respond to them by eliminating unnecessary costs and increasing efficiency. You will come under pressure from your suppliers to trade electronically and, though it may be onerous to understand new ways of conducting your business, the benefits will soon be apparent: less time taken up with paperwork, lower costs, fewer errors, quicker transactions and a better service for you and your customers.

What business functions are affected by e-commerce?

All the main business functions which involve communication with your suppliers. For booksellers, this means placing orders electronically; processing order acknowledgments and delivery notes if you need them; receiving and processing invoices and credit notes; and sending returns requests to those distributors who are participating in the Industry Returns Initiative.

How many trading partners do I have, and will they do e-commerce with me?

The first question to ask yourself concerns the number, nature and size of your trading partners. If you are a single independent bookseller, the chances are you have relatively few suppliers and your main one is likely to be a wholesaler. Nearly all your major suppliers will be capable of trading electronically and will welcome the opportunity to do so with you. The more electronic trading that occurs in the industry, the lower the costs and the higher the benefits. Wholesalers in particular have been very successful in providing e-commerce enabled EPOS systems to their bookshop customers.

Am I too small to worry about e-commerce?

No one is too small. If you want to trade electronically with larger suppliers or wholesalers (and many independent publishers) you will be welcomed. What is more, there are several free internet-based services for booksellers which enable you to handle the basic transactions, so you can gain at least some of the benefits of electronic trading with minimal expenditure.

Can I use my existing systems to do e-commerce?

That depends on what systems you have. If you have an EPOS system it is very likely that it can send orders via TeleOrdering and, if internet-enabled, it will be able to connect with online services like PubEasy and Batch which are free to most booksellers. Where you may have difficulty is in integrating the different systems you have in use, e.g., EPOS, accounting software, product information sources. You need to examine your workflow to see how you can best manage what your business requires.

And remember, if you have a very old system which you want to replace, make sure you invest in an e-commerce capable system. Some systems suppliers continue to sell partial or obsolescent systems: avoid them and take advice.

What equipment do I need?

To do basic e-commerce, all you need is a computer with a broadband internet connection. Be sure to use appropriate security software (a firewall and a virus checker).

How do I start?

Talk to as many people as possible: suppliers, especially wholesalers, your systems provider (if you already have one), the BA, other booksellers and retailers. Try to develop a strategy for addressing the parts of your business which cause most difficulty or aggravation and where the quickest wins can be made. There is information on the Book Industry Communication (BIC) web site; or you can investigate Batch, PubEasy and other online offerings.

Where can I go for help?

The Booksellers Association should be your first port of call. Book Industry Communication has various e-commerce resources on its web site. Or talk to your systems and service providers, or to other booksellers confronting the same issues.

The government is committed to expanding e-commerce and the digital economy. For more information go to www.gov.uk
Advice for small businesses on IT security is available at www.getsafeonline.org

E-COMMERCE SERVICES

Product information: why is it important and how can I get it?

Access to sources of information about books, particularly about availability, price and how they can be obtained, is critical to ordering effectively, answering customers' queries and attracting customer orders. You can track down individual titles using general sites such as Google or bookselling sites with sophisticated search mechanisms such as amazon.co.uk. The most-used source of information in the book trade is Nielsen BookData and you can subscribe to their online services which can be integrated into many EPOS systems. Ordering systems may include access to current titles and prices, e.g., BatchLine, GardLink, iPage or PubEasy.

What's the best way to place orders?

Orders need to be placed electronically so that they get to the supplier as quickly as possible without delays or errors. The market leaders include TeleOrdering, a service that enables you to enter the ISBNs for all the titles you want to order regardless of their supplier and have them automatically routed to the correct place. PubEasy is also an excellent ordering service, is free to booksellers and covers most of the major suppliers. Wholesaler and Batch systems can also be used for ordering, though they may have preferred sources of supply.

Note that sending an email containing text or an unstructured attachment is certainly quick from your point of view but does not count as e-commerce as the order has to be printed out and re-keyed by the supplier, leading to delays and possible errors.

How do I know that what I've ordered is what I'm going to get?

Most ordering services can send you an acknowledgment which confirms the availability of the books you have ordered and tells you where there may be supply problems. TeleOrdering in its basic form sends a functional confirmation that the order has been routed. On PubEasy you will get an acknowledgment. You should use this information to alert customers to price changes, any delay with their order, or to seek alternative sources of supply.

Should I use telephone hotlines?

Orders placed in this way do get priority at peak times. However, it is not sufficiently realised that electronic orders can often be given the same priority and are often much quicker because instead of taking time queuing up for a telephone hotline to be answered and then for the orders to be keyed in by customer services at the supplier, electronic orders go straight into the warehouse picking queue and are released, picked and despatched well ahead of normal orders. Some electronic services accommodate the flagging of orders as 'hotline orders'.

Can I receive invoices and credit notes electronically?

Yes, you can. Booksellers can do this by joining Batch (free to BA members) to receive invoices and credit notes and to authorise payments online. The benefit of Batch is that you can pay all your suppliers with a single payment each month. This service is secure, easy to understand and use; and it saves time and effort. Other services are also available (such as those provided by wholesalers).

Can I post invoices directly to my accounting system?

Yes. Batch can also integrate (i.e., connect seamlessly) with the Sage Line50 accounts package, which is the most widely used in the book trade, so that invoices can be automatically allocated to the correct supplier in your accounting system. You should contact Batch to discuss your particular needs and explore other integration possibilities.

Can I get returns authorised more quickly using e-commerce?

Yes, you can. Batch.co.uk has a simple online service called Batch Returns. You select the supplier (distributors who are part of the Industry Returns Initiative) and input the ISBNs of books you wish to return. You can expect an authorisation for these returns within hours. You also receive a barcode for printing off and attaching to the top of the returns parcel so that the supplier can read it on receipt of the parcel and process it immediately. You will need to send a confirmation message to verify the quantities you are actually returning. The supplier will then give the credit on the day the books arrive, but it cannot be deducted from payments until your normal credit period with that supplier has expired.

Will e-commerce save me time and money – or will it just help my trading partners?

It should do both. E-commerce will save you time and money. It should improve your business efficiency and speed up the service you give to your customers. It is also good for your suppliers, and this should be reflected in your relationship with them. In future it may be that discounts come to reflect more directly the real cost of serving a bookseller. E-commerce would be one of the key elements to keeping this cost to serve low and thus maintaining discount levels.

What will it cost to implement and run?

This depends on your starting point.

What cost-savings could I expect to see when I have implemented e-commerce?

This depends on the systems you implement and your procedures, staffing levels etc. Most booksellers who use Batch.co.uk reckon it saves them several hours a week in staff (or owner's) time in paying invoices alone. Consider areas such as postage, telephone, stationery and labour.