

Book Industry Study Group

Summary of Results

Bookland EAN / Price Point UPC

Retailer and Vendor Survey

March 2004



Disclaimer

- The format, segmentation and number of responses do not allow for statistical inferences to be made as to the entire market
- The conclusions in this report are qualitative rather than a quantitative in nature
- All percentages cited throughout this report reflect specific respondents' views



Purpose of the Survey

- As a follow-up to the BISG Policy Statement on Product Identification (Sep 2003)
- At the request of BISG's Board of Directors and general membership
- To better understand reasons for the current use of Price Point UPC and the anticipated issues in moving to the item specific Bookland EAN on mass market paperbacks



Responses

- Retailers – 17 companies completed Survey
- Vendors – 30 companies completed Survey
- Between retailers and vendors, more than 10,000 retail stores were covered
- Follow-up interviews were conducted primarily with respondents who appeared to prefer the continued use of the Price Point UPC on the original survey
- Readers are cautioned that, although a broad spectrum of book retailers are represented in this survey, the survey itself was not designed to produce *statistically significant* results and the data should be treated accordingly



2005 Sunrise

Can they work with 13-digit barcodes?

- There was a high degree of “2005 sunrise” awareness among respondents
- Most are either capable of 13-digit SKU or planning to be
- 73%* of vendors will be ready by Jan 2005 – 86%* by Jan 2007
- 82%* of retailers will be ready by Jan 2005 – 88%* by Jan 2007
- Conclusion - Sunrise 2005 is unfolding as it should

*See disclaimer



Price in the Bookland EAN Add-on

Can they scan the price in the add-on?

- There is little awareness of the price in the Add-On *other than by traditional booksellers*
- Only 36%* of retailers and 46%* of vendors claim they will use it by Jan 2007
- General retailers are not equipped to use the price in the Add-On barcode
- Conclusion – General retailers are unlikely to obtain the price at point of sale from the Bookland EAN add-on barcode

*See disclaimer



Charging Correct Price

- Retailers use price lookup (PLU), Bookland EAN price Add-On (traditional booksellers) or on Price Point UPC (general retailers) to charge the price printed on the book
- There is some concern about price inconsistencies at the POS if a retailer's system scans Bookland EAN for PLU without also checking the price in the Add-On bar code
- Conclusion – Universal implementation of the price in the Bookland EAN Add-On would greatly reduce possible price inconsistencies at POS for traditional booksellers. While rapid turnover in general retailer inventory minimizes price inconsistency issues when using PLU, some general retailers may continue to use Price Point UPC to assure correct price at POS



Item Specific Bar Codes

Processing the Data

- All respondents who stated a preference for using the Price Point UPC also confirmed that they (or their clients) are able to do price lookup (PLU) from item specific bar codes
- Conclusion – Confirmation of general conformance with Sunrise 2005 and the universal ability to handle PLU indicates that basic technical issues no longer prevent standardizing on the item specific Bookland EAN



Price Point UPC

Why do they want to keep it?

- Those who prefer using Price Point UPC cited merchandise data logistics issues, not technical issues, as blocking the move to Bookland EAN
- Lack of standardized and readily available methods of electronic data transmission
- A perception that the number of items to be maintained is large and resource intensive
- Conclusion – Overcoming the concerns is possible with improvement in standards, maintenance processes and electronic communications



Inventory Management

- 80%* of vendors reported managing fewer than 400 titles in a retailer's inventory
- Over 80%* of retailers (and 90%* of vendors) have some electronic data exchange capabilities
- Specifics of electronic data exchange standards and processes vary widely outside traditional book retailing channels

*See disclaimer



Bar Code Over-Stickering

- Over-stickering is widespread – particularly by wholesalers serving general merchandise clients
- 50%* of vendors over-sticker Price Point UPC with an item specific bar code for selected retailers
- If the item specific EAN were printed on cover 4 of mass market paperbacks: 73%* of respondents indicated little or no over-stickering would be required

*See disclaimer



Overall Conclusions

- Respondents preferring a continuation of Price Point UPC nevertheless indicated having the technical ability to handle item specific bar codes
- Data logistics and possible price discrepancies were cited as issues impeding the move to item specific
- Many respondents indicated a preference for a standardized item specific bar codes
- Overall, item specific bar codes using price lookup dominate retailing; and, in general retailing, there is clear evidence of movement towards acceptance of item specific *book* inventory management with the associated bar codes



List of Respondents

Vendor Survey completed by:

- HarperCollins Publishers
- Anderson Merchandisers
- Consortium Book Sales & Distribution
- Bookazine Co., Inc.
- Pelican Publishing
- The News Group
- Random House, Inc.
- Andrews McMeel Publishing
- iUniverse, Inc.
- Action Publishing LLC
- Banta
- Midwest Library Service
- Houghton Mifflin Co.
- Benjamin News Group
- Penguin Group (USA)
- John Wiley & Sons
- H.B. Fenn and Company Ltd.
- Offset Paperback Mfrs., Inc.
- Sales new Inc./The News Group
- Rushmore News/The News Group
- Scholastic, Inc.
- The News Group - Grand Prairie
- Hudson Group
- Gopher News Company
- Harrisburg News Co
- Baker & Taylor
- S&S
- The News Group
- Ingram Book Group
- Time Warner Book Group



List of Respondents

Retailer Survey completed by:

- Boulder Book Store
- Powell's Books
- Westfair Foods/Loblaws
- Barnes & Noble
- Amazon.com
- Washington Law & Professional Books
- Border's Group, Inc
- Fred Meyer Stores
- Bi-Mart Corp
- Navy Exchange Service Command (NEXCOM)
- Christian Publications Inc.
- Lowes Foods
- Krogers
- Levy Home Entertainment:
 - 1st entry representing 4818 various mass merchant / drug stores
 - 2nd entry representing 4221 mass merchant stores carrying paper back books



Questions?

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ISBN 0-123456-47-9

