Wholesalers See Silver Lining in Holiday Gloom

Low initial booksoellers orders could bring higher demand for restocks


The decision by many booksellers to reduce their orders for the holiday season compared to past years could prove to be a small boon to the nation's wholesalers. "We've heard from our retail customers that they are running very lean this season," said George Tattersfield, v-p of merchandising for Ingram Book Group, "so we will have books in stock." Rich Kallman, executive v-p and co-owner of Bookazine, said that given reports that some retailers have cut orders to publishers by more than 10%, his company is in position to provide "a backstop" for stores if they start to run low on certain titles. "We have not cut our orders," Kallman said. Mike Raymond of the Distributors is also hoping that smaller initial orders from accounts will mean more business for wholesalers. "We may find ourselves benefiting from the very conservative buying nature of the market, although there's no guarantee," Raymond noted.

In addition to the reduction in initial orders from booksellers, wholesalers could also benefit from the shortened holiday season—Thanksgiving is late this year. Tattersfield foresees sales ramping up on the first or second weekend in December, while Vicky Eaves, president of Partners-West, is "cautiously optimistic" that sales will pick up in December as retailers seek to restock on bigger titles and surprise hits.

Exactly what the hot titles will be, of course, is impossible to predict, so wholesalers have not significantly changed the types of books they're ordering for the season in an effort to account for the slumping economy. "We're making sure we have a good strong children's backlist and some major authors' backlist," said Raymond. Nearly all wholesalers expect children's books to be strong this year, and Kallman and Eaves also believe that cookbooks will be good gift items. Books on president-elect Barack Obama are currently very hot, a trend that could continue through the rest of the year. Ingram has been in touch with publishers to find out which titles they think are underrepresented in stores and has "bulked up" on those, Tattersfield said.

While wholesalers have not altered the book categories they typically order, some are stocking up on less expensive formats. "Certainly trade paper will win the day," predicted Tattersfield, noting that publishers are being extremely cautious about print runs for high-priced books. "I think price point will be crucial, with a few exceptions," said Eaves. "Trade paper seems to be the best format for fiction, and we've had some stores report a big increase in mass market sales." "Pricing will be a major issue," concurred Kallman. "Publishers need to adjust the pricing down."

Some smaller and specialized wholesalers are less optimistic about the holidays than their larger competitors. Brent Cunningham, director of operations for Small Press Distributors, noted that with booksellers so focused on ensuring that they have all the major books in stock, small press titles can suffer during the holidays even during the best of times. "We are seeing some challenging sales numbers to bookstore customers," said Cunningham. To compensate for a decline in trade sales, Cunningham is hoping course adoption sales will pick up, as they did in the last downturn. Cunningham said he is "thankful we have a diversified customer base."

Alim Thompson, president of New Leaf Distribution Company, said his expectations for the New Age wholesaler are modest. According to Thompson, sales in October were "pretty dismal" and business has not picked up in November. New Leaf has started some programs to try to generate new business, including an introductory special that offers a 10% discount on a new title for the first...

month. The company has also started distributing titles from smaller presses to national accounts in exchange for a deeper discount.

Even the more optimistic wholesalers, however, aren't kidding themselves about how difficult things are now. “This holiday season will be the most challenging since my brother and I have been in the business,” said Kallman, who has been part of Bookazine for 23 years.

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