

PUBLISHING DISTRIBUTION PRACTICES

How the future of publishing distribution can be forward-thinking, sustainable, eco-friendly, and profitable.

1

What needs to be done to make book printing truly carbon neutral by 2050?

2

What does efficient and cost-effective delivery of print books to readers look like going forward?

3

What chinks in the book industry's armor were most exposed due to the pandemic?

4

What's stopping the industry from embracing POD as the preferred means for printing non-illustrated, black-and-white trade books?

5

How can the book industry decrease the returns rate for books sold into trade channels from an average of 30% to an average of 15% (or less)?

Five groups of graduate book publishing students investigated these research questions through a mixture of secondary research, interviews, and survey data. Their findings are particularly relevant to small-to-medium publishers, but are also important for independent bookstores.



5 RESEARCH QUESTIONS BASED ON INDUSTRY PROBLEMS

Executive directors of IBPA and PubWest, along with the IBPA sustainability working group, created research questions for the PSU students to investigate, under the supervision of Dr. Rachel Noorda.

BECOMING CARBON NEUTRAL

WRITTEN BY RACHEL DONE, REBECCA GORDON, MEGAN JESSOP, STEPHANIE JOHNSON LAWSON

BACKGROUND

This report covers the areas of materials, energy, capital, and labor as key for the industry to become carbon neutral through the use of recyclable or greener practices in publishing.

Carbon neutrality indicates that there is net-zero release of carbon dioxide in the atmosphere. Eco-friendly practices toward the goal of carbon neutrality include minimizing use of fossil fuels in creating products, minimizing manufacturing processes that interfere with natural systems for sequestering and storing carbon, and limiting the emission of other greenhouse gasses during production. Carbon neutrality is a difficult concept in publishing because of the way that the industry categorizes fuel sources and because the system as a whole is analyzed rather than the results and applications of the system.

With how the publishing and printing infrastructure is currently set up in the US, there is no way to produce truly carbon neutral products. For example, carbon neutral paper assumes that paper doesn't negatively impact the environment by adding carbon dioxide to the atmosphere, even though it does. But, that does not mean publishers cannot aim for producing low carbon products in the now and short-term, and working towards a goal of carbon neutrality in the long term.

MATERIALS

These are the main materials related to the printing process: paper, ink, binding materials (like glue, cloth, and leather). The material prices, manufacturing and handling, and

distribution are primarily handled by mills, paper brokers, and printing presses. Publishers enter at the final stages of this process. Mills and paper brokers largely determine the price of paper based on the availability of resources and how great the demand is, and then presses process the material. For carbon neutrality to be achieved in the publishing industry, we must consider these concepts: ink types, virgin paper, post consumer fiber/waste paper, print and plant, pulping, and waste run off/emissions.

Ink

Most commercial inks are chemical and alcohol based. Many of these inks are toxic and can produce harmful gasses, usually collectively called volatile organic compounds, and are hard to dispose of. There is currently no solution for a completely renewable, self-sustaining, non-toxic ink source in the publishing industry. However, algae and UV inks may prove promising in the future. In short, vegetable inks are better for the environment overall, but they are not a perfect solution.

Virgin Paper

This is paper that is fresh from the mill, and has never been used before in any production. Producing virgin paper requires 4.25 metric tons of carbon dioxide emissions per ton of product. In comparison, 100% Post Consumer Waste (PCW) paper only requires 0.25 metric tons of carbon emissions per ton of product (Ford 2009).

Post Consumer Fiber/Waste (PCF/W) Paper

This paper is made out of pulp from recycled paper. Mills and printers usually offer different percentages of composite

papers made of this material, i.e 25% of PCW and 75% virgin paper, or 100% PCW. "Every ton of 100% recycled fiber copy paper saves 17 million BTUs over virgin paper, enough to power the average U.S. home for more than two months." This is one of the main areas where change can be made, and waste can be reduced by using as much PCW as possible.

Print & Plant

This is a method put in practice by publishers where a new tree is planted for every one tree that is cut down for printing. It is one of the most common practices used by "green" committed presses and publishers. While this solution does limit carbon emissions to a degree by trying to upkeep carbon sinks, it is not enough in the long-term. There are a variety of logistical issues involved in this process, such as the health of the tree being planted, the type of trees used, whether it will grow enough to be harvested again, forest fires, and so on. Only 50% of trees that are cut down actually get turned into paper; most are used for fuel. Research shows that the older a tree is, the more carbon they will absorb versus younger trees, like we see in old growth forests. Simply put, though this may seem like a good start, there are other solutions that make a bigger impact in terms of carbon neutrality.

Pulping

Pulping describes two processes: 1) pulping timber to make paper and 2) destroying books that have already been printed/bound. The latter is done for a variety of reasons, but mainly happens when books are deemed not to be of "sellable" quality. The pulp from already printed/bound books is typically not reusable to make PCW paper. The glue and ink used to bind the book, as well as the infrastructure of the press, are what determine this factor. Ironically, "the burning of trees for energy for pulping is the single biggest source of emissions by the industry (40%)" yet the actual making of paper from PCW is more efficient in the long term for both materials and energy. This is a huge portion of waste that can be used in the industry. Publishers can help

stop the hemorrhaging of resources by choosing recyclable materials and investing in recycling and press infrastructure.

Waste Run Off/Emissions

Every production industry produces some kind of waste byproduct. For presses, this generally includes paper clippings and fibers, contaminated water via the chemical baths for the paper and pulp, ink residue, fuel, electricity, methane and CO2 gasses. The pulp and paper industry are one the largest pollutants for the environment, producing large amounts of sulfur dioxide, nitrogen oxides, mercury, and other carcinogens. Other than the use of harvesting and using paper, this is the factor that has the biggest ecological impact.

ENERGY

The majority of energy consumption in the publishing industry is used by the mill and press. This is hardly shocking considering that paper production is the third-highest industry in the consumption of fossil fuels. It is also one of the heaviest users of freshwater, and is also the second-largest emitter of gasses in production. Paper is the single largest component of landfills in the US. In order to reach carbon neutrality, careful consideration needs to be given to what energy sources are used and environmental stewardship needs to be emphasized.

CAPITAL

Capital is the monetary return on investment for publishers to shift to carbon neutral printing options. Energy and labor appear to be the most impactful to changes in the prices of materials. More environmentally friendly options for energy and materials currently result in higher costs. However, some industry professionals believe that if the demand for more carbon neutral materials increases, the cost for the materials will decrease. The ultimate goal is to have eco-friendly materials used as the standard for the industry across the board.

Patagonia, for example, works with a specific paper broker in

Canada that is built next to a dump so they can turn gasses from the dump into a renewable energy source to power the paper mill. If more publishers worked with more intentional paper brokers, they would decrease the negative impact on the environment and the cost of eco-friendly materials would go down.

The principal dilemma is that paper is the largest issue when it comes to producing waste. Without an increased demand from the publishers for printers to use recycled paper, PCW paper will continue to be expensive and deemed unaffordable. For this to change, companies need to prioritize the use of PCW paper. If imprints of the Big Four moved towards PCW paper, the pressure for others to follow suit would increase, causing prices to drop. Some like Macmillan are already doing so.

While the initial increase in eco-friendly practices might cause a tighter budget in the immediate future, it would have long-term impacts that would eventually be less expensive. It might also increase investments into legislation to build infrastructure to process waste effectively.

LABOR

For the purpose of this research, labor includes those working in the printing industry, those working for the publishers (contract workers, freelancers, and distributors), and even the machines and tools used to print.

Labor has a significant impact on capital in the industry, therefore influencing how eco-friendly practices can be executed. Books International suggests that shifting to digital editing and production methods would minimize the carbon impact of labor. Using digital methods during pre-production can save a lot of time and paper by not using hard copies. Using PDF files for manuscripts, for instance, saves on both materials and fuel emissions at the same time. When it comes to warehouse and stock, the “print first, sell later” production model often creates a surplus that needs to be stored and transported. Shifting to “sell first, print later”

would eliminate the need for storage, large print runs, and require less labor. Limiting “just in case” inventory would cut out a lot of time and carbon emissions due to vastly reducing the need for shipping and transporting the product.

Based on 15 responses from a brief survey of IBPA and PubWest members, here are some insights about current eco-friendly practices from small- to medium-sized publishers.

A written ecological promise, mission, or code is a place to start. Approximately half of the respondents indicated that they already had a written ecological code. Another one-fourth had an informal written code or one in development. The final one-fourth did not have any written code, even in development.

Respondents indicated which eco-friendly printing practices were implemented by their organizations. The results can be seen in Figure 1. The most commonly reported practices were carbon offsets and recycled paper. It is important to note that paper recycling and carbon offsetting are nuanced practices. The second highest results were recycling programs and other, followed by the use of vegetable or soy inks, and then the stoppage of printing and distributing advanced reader copies (ARCs) of their new books. As for the respondents who reported using recycled paper, only two reported using 100% PCW paper for printing.

FINDINGS

Barriers to implementing eco-friendly practices were also addressed. Results can be seen in Figure 2. One respondent who replied “other” stated that “the cost and availability of PCW paper is especially problematic for highly illustrated books and small print runs (5,000 or less)”

Questions five and six asked about pulping practices. Respondents typed in short answers. We received a total of eight responses to both questions, which can be seen in Figures 3 and 3.1. When asked if they track how many books

are pulped, 4 respondents reported that they do not, but the majority do. When asked about practices in place to avoid pulping, we received several responses including decreasing print runs and donating books. Two respondents stated that they practice remaindering, which is when publishers sell books at heavily reduced prices to bargain shops in order to clear out their inventories. The seventh question asked what factors limited their ability to make books out of 100% recyclable materials. Figure 4 displays the results. The most common answers were related to the cost and availability of the materials.

The final question asked people to answer on a scale of 0-5 what factors influenced their decision-making when it came to following eco-friendly practices in their organization (see Figure 4). It is interesting to note that the majority of the respondents said that eco-friendly practices only somewhat impact business decisions.

Our results show that there are some publishers that do not prioritize ecological awareness and sustainability in their decision-making process and outward image. Meeting publishers where they are is an important first step to a carbon-neutral industry.

RECOMMENDATIONS

There are many ways the industry can begin to work towards carbon neutrality. While this is not an exhaustive list of all the options out there, these recommendations are a good place for publishers to start working towards greener practices. There are also several examples of businesses already fostering environmental stewardship such as Rolland Sustana Group, Cascades, and Hemlock. Publishers that already operate greener business include Patagonia, Chelsea Green, Macmillan, and Berrett-Koehler.

Start with paper: PCW, paper weights, and print-on-demand.

Karla Olson, the publisher at Patagonia, believes that the most impactful area to start with is working with 100% PCW recycled paper. As mentioned previously, paper is one of the

largest contributors to waste, as well as a large contributor to power consumption. Changing the type of paper used will greatly increase the industry's carbon neutrality, especially if the green practices of the paper mill are taken into consideration as well.

Aside from changing paper type, the amount of paper used can also be minimized. MacMillan's director of sustainability and business partnerships, Bill Barry, says that they achieve this by using thinner paper, which reduces the amount of fiber that goes into each book, therefore reducing the weight of materials being transported. They found that going from a typical 45-pound basis weight paper to a 40-pound basis paper gave them an 11% savings on paper weight alone. Thinner paper can also factor into lower costs for distribution because using less wood and having lighter weights lowers transportation costs. Houses such as Scholastic are also trying to use less paper, increase the use of recycled paper, and use more paper certified by the Forest Stewardship Council, which ensures that paper comes from companies that manage their lands responsibly, as well as pay attention to biodiversity and worker rights. In addition to paper type, trim-size should be considered when determining cost effectiveness and sustainable printing options.

Another way to minimize the use of paper is to utilize POD options rather than running large print runs. Printing smaller runs that align more closely with sales projections and then printing more as needed is, however, impacted by current supply chain issues, creating delays in getting products to buyers.

For more information on POD, see section 5: Utilizing Print-on-Demand.

Assess your own emissions.

For those who are unsure of where to start, a climate change firm can be hired to assess what areas of the company are producing the highest carbon emissions. If hiring someone to do so is too expensive, there are also excellent resources out there to help publishers calculate their own emissions.

All of these recommendations are just the tip of the iceberg. For more in-depth information on eco-friendly printing practices, please consult our bibliography.

CONCLUSION

Achieving carbon neutrality in the book printing industry by 2050 is a lofty goal. Due to the lack of investment in eco-friendly infrastructure by publishers, the costs of switching to greener practices are currently high. Options are out there, however, for changing how the industry currently works. If companies invest in research and the development of more sustainable practices, the cost of going green can flip from too expensive to just right. At this point it is up to the publishers to commit to environmental stewardship and carbon neutrality and eat the early costs of this transition. Some organizations are making steps toward this goal, but many more need to join in to make the goal a reality.

COST-EFFECTIVE BOOK DELIVERY

WRITTEN BY ALEXA SCHMIDT, RYLEE WARNER, GLORIMAR DEL RIO

BACKGROUND

Like many other industries, the effects of COVID-19 on the supply chain will have a huge impact on the future of shipping physical materials. While COVID-19 did not create all the issues the industry is currently facing, it did accelerate the breaking down of processes that had been happening for years. Here is a brief overview of these supply chain issues.

The supply chain challenges are multifaceted, but include shipping delays, staff shortages, and paper shortages. Each aspect of the issue compounds the others, creating cyclical problems for publishing professionals. The first among these issues are the shipping delays. Worldwide shutdowns due to the COVID-19 pandemic have caused huge delays in shipping. Book production is often outsourced to other countries, so the delays with international shipping have been especially difficult for publishers. Across the board, industries are experiencing limited staffing, meaning not only that books are taking longer to ship due to limited means of transportation, but that manufacturing is taking longer due to staffing shortages. These issues, combined with paper shortages causing delays before books can even make their way to the presses, have exacerbated the existing problem of cost-effective and efficient delivery of print books to new highs.

This report considers what is cost effective not only for publishers and booksellers, but also for consumers, by focusing on good examples of delivery systems that limit costs for firms without passing off shipping costs to buyers. In terms of efficiency, this report evaluates ways in which publishers and booksellers can prevent extensive

backordering and waitlists. Our scope is focused on what small and independent publishers and booksellers can do in order to compete with larger scale operations like Amazon that are able to offer free two-day shipping and similar cost-effective and efficient benefits to their consumers because of their large presence in the industry.

PUBLISHERS

Direct-to-consumer: Many publishers are finding ways to pull in more online direct-to-consumer sales or creating their own bookselling outlets.

- Example: BookBook

In 2016, a joint venture of six Polish publishers, local business people, and a book distributor, Super Siódemka, launched bookstore chain, BookBook, to compete against other major retailers. As of 2022 the retailer offers online discounts for subscribers of their newsletter of 10zł on orders over 60zł (roughly \$13.46) and they offer delivery within 2-3 business days. Additionally, two major publishers Prószyński i S-ka and Bes launched their own online bookstore, Inverso.pl, in 2019 offering their books in print, ebook, and audiobook. The site also offers live chats with authors only available to their online customers as well as POD services and exclusive selection of large-print books.

While experts say that COVID-19 may be winding down, programs that were implemented during the pandemic can point to best practices in the future to promote independent booksellers.

- Example: Hachette

Hachette Book Group (HBG) offered a 5% discount off of MSRP for any title sold and delivered to customers in their local community, but only for books delivered by a store staff member or contracted local courier qualified. The program ran from March 16, 2020 through May 15, 2020, with no minimum quantity required for delivery nor any excluded titles from HBG and participating clients.

BOOKSELLER ASSOCIATIONS

Both domestically and internationally, booksellers associations are key players in creating solutions to issues regarding online retail shifts.

- Example: RELI

In Mexico, the Red de Librerías Independientes (RELI), established in 2019, launched website libreriasindependientes.com.mx in collaboration with retailer Librerías el Sotano that allows readers to buy books online and receive delivery from the store of their choice. The online retail platform connects 35 independent bookstores throughout the Mexican Republic with the goal to reach hundreds as they expand.

- Example: CIBA

The Canadian Independent Booksellers Association (CIBA) was officially established in January 2021 and has 115 bookstores, 50 associate publishers, and 15 affiliated institutions. Similarly, they collaborated with Bookmanager, producer of Canada's most popular point-of-sale bookstore software to launch the Shop Local add-on. Shop Local, a distributed version of Bookshop.org, allows consumers to search online for their books anywhere and find out which stores locally have stock available via a widget that they can then place orders for delivery or pickup. The intent of the program is to increase visibility of Canadian independent bookstores by providing a widget link anywhere a book is featured online; booksellers with physical locations can register for free on Bookmanager's website.

BOOKSELLERS/RETAILERS

As consumer buying habits further migrate from retail to online, organizations like the ones previously mentioned, aim to create efficient ways for consumers to get their books and at the same time support bookstores.

- Example: Bookshop.org

Bookshop.org, which is a public-benefit corporation started to operate as the pandemic was proliferating at the beginning of 2020 and by January 27, 2022 was hosting 1,323 participating bookstores.

Many bookstores and booksellers started taking advantage of the support that organizations like Bookshop.org offer. This ecommerce affordable platform supports independent booksellers, regardless if they have a brick-and-mortar store and online store, or an online store alone. Stores have a web page and customers can select the bookstore that they want to buy from. If customers prefer to buy from a local bookstore they can choose one from a map.

Booksellers, who sell books online using Bookshop.org earn 30% of the cover price on the sales they produce (by promoting the website in their social media platforms), without having to do the work of keeping inventory, picking, packing, shipping or handling complaints and returns. These orders are fulfilled through Ingram, which have greater access to cost-effective delivery because they process a considerable amount of mail packages. Bookshop offers fair shipping rates to consumers that range between \$3.75 to \$12.00 with estimated deliveries of five to ten days to three to six days respectively.

Of the regular sales, Bookshop.org adds 10% to an earnings pool that is evenly divided and given to independent bookstores boosting their economic power. That profit-sharing pool has seen its \$6 million split by 1,391 bookstores as reported by Porter Anderson in the Publishing Perspectives article: Interview: Andy Hunter on Bookshop.org's Second Anniversary.

Local delivery or pick up. Another cost-effective marketing tactic is to offer local delivery or pick up, when possible.

In Washington D.C. Kramerbooks & Afterwords Cafe is claimed to be using an “unexpected source for book delivery”. Kramerbook uses Postmates, an app known for its traditional use of food delivery, to hand deliver books to readers in the D.C. area. Alex Green, in his D.C. Bookstore Uses Food Delivery App for Books article reported: “The bookstore’s Postmates orders are fulfilled directly by the store for orders within a 4.5 mile radius, and are otherwise handled by Bookshop.org. In addition to the delivery service, the store is also doing promotions, including placing a free “mystery galley” in each order and offering a \$25 gift card with any orders over \$100. According to Frelinghuysen, “The satisfaction of being able to receive a book in under an hour while supporting your local, beloved, indie bookstore makes everyone a winner in this.”

POS system. As sales transition from retail to online, consumers expect to find on websites the availability of the product they are looking to buy. Knowing the product availability makes it easier and faster for them when making buying decisions and avoids customers’ disappointments. This data can be powered by a POS or point-of-sale system. IndieCommerce has been actively working to integrate popular bookstore POS systems into the IndieCommerce platform. Some examples of bookstore POS systems that can now exchange sales information with the IndieCommerce platform are iMRCHNT, IBIDie and WordStock.

FINDINGS AND RECOMMENDATIONS

PUBLISHERS

Pre-orders. In order to address the supply chain issues discussed in the introduction, publishers, especially smaller publishers, will want to increase advance demand on new titles in order to get high levels of engagement with delivery postponement offers. Delivery postponement in publishing translates to pre-orders for frontlist titles. Essentially, publishers will need to push pre-orders especially hard and make clear in the marketing that if one does not pre-order

a new title, they may have to wait longer for it to be back in stock. This pre-order process would allow publishers to have a POD run for pre-orders that they could then advertise as having sold out, further stimulating interest in the book. Having quantities pre-ordered by consumers will allow publishers to order appropriately-sized print runs that will decrease shipping costs and potential returns. By using this method, publishers will be able to make print book delivery more cost-effective from a manufacturing as well as a shipping standpoint.

For more information on POD, see section 5: Utilizing Print-on-Demand.

Local and discounted delivery. Publishers can make more active contributions toward promoting local delivery among independent booksellers, and programs like Hachette’s with a discount for delivery is a start. Offering discounts to booksellers or consumers for local deliveries would incentivize more local retailers to offer delivery services if they do not already. Or publishers can go the route of creating their own online retailer and partner with a distributor and investors. This would be the least cost-effective to start, but could result in delivery times that rival large retailers as seen through BookBook or in exclusive content to draw in your readers in the case of Inverso.pl. Inverso.pl is a more attainable model for publishers as they are exclusively an online retailer, and though the publishers saw a jump in ebook and audiobook sales on launch, they offer similar delivery times to Amazon and appear to have options for free delivery.

BOOKSELLERS ASSOCIATIONS

Bookseller associations like CIBA and RELI are great examples of implementing services for booksellers and for consumers in response to the COVID-19 pandemic and rising demand for online retail and delivery services. When an association uses their collective power, they can create their own online retailer to sell directly to the consumer in the case of RELI. Collaborating with a retailer gives them more power to deliver to readers as they can utilize their distribution

services to complete deliveries in a timely manner, while being able to contribute to the independent community and establish the best practices for small bookstores in Mexico that were impacted by the closing of physical stores. Many of these stores previously did not have an online shop nor the resources to set up one of their own for the delivery of print books. CIBA's implementation of an online widget through Bookmanager rather than a full storefront for independent bookstores allows them an online presence without the upfront costs associated with a website. A widget may be the most cost-effective way for independent bookstores to advertise their local inventory and then to provide customers with local delivery, but the service is only available in Canada at this time. They are working to expand their U.S. bookstore database to hopefully launch the feature stateside.

BOOKSELLERS/RETAILERS

Join trade organizations. Booksellers should continue to join organizations like CIBA, RELI and Bookshop that have proven victorious results and offer a cost-effective delivery of print books to readers. They could also join forces among them and follow the models of these ecommerce platforms. A few independent bookstores, if together, might become a stronger organization with bigger potential to offer better delivery options of printed books to readers.

Incorporate POS system. It is recommended that bookstores incorporate their POS system with their web stores. This will allow them to provide information about their available inventory to their customers, fulfilling their expectations and building relationships with their customers.

Analyzing needs, package weight, and packaging. Some extra tips to keep in mind when trying to maintain shipping costs low are: to analyze your store needs before making shipping decisions, reduce the weight of packages, choose the right-sized packaging, and use bubble mailers when possible. Also, the use of media mail of the United States Postal Services, if the weight of the package is less than a pound; is a cost-efficient method of shipping books and other educational materials. This makes Media Mail a great

option for ecommerce media items sellers. If the weight is higher, it is recommended to use flat-rate shipping instead. It is also convenient to use different carriers based on the specs of the packages, different carriers have better rates for heavier shipments.

THE FUTURE FOR CONSUMERS

Where to buy. The biggest change consumers are going to see moving forward with more cost-effective and efficient delivery methods will be where they are ordering their books from. The big sellers like Amazon and Barnes & Noble will continue to be huge players, but there are going to be many other options for buyers who want to prioritize supporting independent bookstores and publishers. Some publishers already offer direct-to-consumer via their own websites. Smaller publishers will need to group together to offer consolidated sites where buyers can go to order books away from larger corporations. This also means that buyers, especially those who buy many books a year, will be likely to be more mindful of where they are getting their books from.

Creative delivery options. There will also be more options for how buyers can receive their books. Books will become available on delivery services as we have seen with Postmates in the D.C. area. Instead of ordering and waiting several days for delivery, with services like Postmates buyers can receive their books within hours. This method in particular will benefit booksellers by helping them to sell books they already have on their shelves.

Pre-orders. Consumers will be deciding when to purchase sooner. Publishers will need to move toward the advanced demand system earlier discussed that will necessitate potential buyers committing to pre-orders. Consumers will find that with the option to pre-order, they will be able to get their books on a certain date without having to deal with delays and often at a discounted shipping rate or with some other incentive to buy. This will also mean that buyers will come to understand that if they do not participate in a pre-order for a new title, they may experience a longer delay or be unable to purchase the title, at least for a time.

Packaging. Consumers will find that the packaging of their books may change. When possible, those selling books will be moving away from boxes and toward bags, bubble mailers, and other lightweight forms of packaging meant for shipping. This will mean less waste for the buyer to have to dispose of as well as lower shipping costs. There will still be situations where books will need to be sold in boxes, particularly with large orders and books that require more protective packaging.

Price increase. Lastly, there will be an increase in the price of books over time. This is a natural consequence of the paper and labor shortage as well as the shipping difficulties now prevalent worldwide, not just in the publishing industry. Pre-order sales will be a way to deal with the increase in price with consumers as publishers will be able to incentivize the pre-order for the book in some way, either by making it less expensive than it would have been at release, or by offering other incentives along with the book to justify the price while keeping the cost of said incentives low for the publisher.

CONCLUSION

The publishing industry is one that is always changing and adapting. The future of cost-effective and efficient delivery of print books is one that will change as our world does. At the time of the research, we had no way of knowing that war would break out in Ukraine. For further study, one avenue could be to see what the effect of sanctions against Russia and potentially China will do to the delivery of print books. Other potential avenues of study include how booksellers can best utilize e-commerce software to lower shipping costs, strategies for marketing pre-orders and how that affects demand upon release of a new title, and further studies on the effect of CIBA's Shop Local widget on those groups involved. Looking ahead, there are many possibilities for the future of cost-effective and efficient delivery of print books.

COVID-19 AND THE SUPPLY CHAIN

WRITTEN BY SARAH BRADLEY, ALEXANDRA BURNS, IVORY FIELDS, AND ALEXANDER HALBROOK

BACKGROUND

The COVID-19 pandemic did not create the book industry's supply chain problems, but it did act as a catalyst to a perfect storm that exacerbated the already existing weak points. Additionally, not only did the pandemic aggravate issues in the production and distribution of books, but it also caused an increase in demand for books. In a New York Times article, Elizabeth Harris explains, "...one factor compounding these problems is good news for the industry: demand for printed books is strong. Publishers' trade-book revenue, which includes most fiction, nonfiction, and general-interest titles, was up nearly 10 percent last year compared with 2019, according to the Association of American Publishers, and was up 17 percent for the first six months of 2021, compared with the same period in 2020" (Harris 2021). Publishers were not able to keep up with the increased demand because of issues with the book supply chain, which includes paper shortages, printing backups, worker shortages, and shipping delays.

FINDINGS

Three areas that the industry is struggling with during the pandemic are, paper and printing, labor shortages, and shipping delays. This is mostly affecting new books publishing now or soon, as well as mid-level authors whose books aren't prioritized or intended to be a best-seller before pub-date. Not only that, as the pandemic fuels consumers' desire for books, more and more backlist titles are being bought up. "In 2020, backlist titles made up a stunning 67 percent of the 751 million print units sold, according to NPD BookScan. That was up 4 percent from 2019 and 13 percent

from 2010" (Shnuer 2021). This means that not only are companies having trouble printing new books, but second and third print-runs are also hard to get. These issues in the supply chain are causing books to go out of stock, book publication dates to be pushed back, and booksellers to not be able to get the books they've ordered.

PAPER AND PRINTING

Paper Shortages

One main problem befalling the paper world is a shortage of wood pulp. Wood pulp is made from the process of macerating wood, collecting the fibrous material, and reformatting it into what we know as paper. Over the years, there have been several environmental initiatives that have made acquiring trees and other substances used in making wood pulp difficult. These environmental initiatives have shut down 279 pulp and paper mills in Asia. Because of this shortage, the price of wood pulp has almost doubled since 2021. "According to a report from the printing company Sheridan, the price of wood pulp rose from \$700-\$750 per metric ton in 2020 to almost \$1,200 per metric ton in 2021" (Grady 2021). Not only that, due to other environmental initiatives to move away from toxic plastic products, more every-day use items are switching to paper therefore mills are using what paper they have for other products. Mills that survived the initial major hit of the pandemic have switched a lot of their output to packaging grade material. These hold-ups have led to some major backups with those who use the paper: printing companies.

Printing Backups

Where a book is printed is largely dependent on what kind of paper it will use. Books that require a lot of colorful, high-res pictures and high-grade paper are printed in Asia; the current printing mills in the U.S. just don't have those printing capabilities. North American printing has been hit hard lately, with most of the main front-runners going out of business or moving their businesses completely, and the last two major printers shutting down due to antitrust laws and bankruptcy (Grady 2021). Not only that, as mentioned above, the mills and printing companies left in North America and Asia are concentrating their efforts on other paper products, such as toilet paper and shipping-grade materials, i.e. cardboard boxes. "Mills that remain open have switched up to 40 percent of some machines' capacity from paper to packaging grades (such as the material for boxes), according to Quad, one of the few major American printing companies left" (Shnuer 2021). These mills and printers don't have space or time to print books, especially with the worker shortages. Moreover, with all of the shipping delays that we are seeing, getting books to and from Asia for printing is a lengthy process, with no real guarantees of timely delivery or feasible deadlines. We can't print books in North America, printing companies and mills are focusing on packaging grade paper, and we can't get the books that are being printed in Asia back to our shores. Between not having enough paper and not being able to use the paper we can get in a feasible or timely way, the publishing industry is taking a major hit in its ability to produce a major part of what makes a book.

LABOR SHORTAGES

Fewer Workers

While the demand for books increased during the pandemic, the availability of people to print, bind, and ship them understandably decreased due to various restrictions placed on not just workplaces, but all public spaces. This problem hit nearly every part of the industry's supply chain but hurt shipping and distribution the most. The main issue is that other, more essential industries rely on the same trucking

companies as publishers. So, when "the pandemic and its restrictions have limited the availability of dockworkers and truck drivers, causing delays in handling cargo from Southern California to Singapore", we began to see longer delays for the book industry as materials like face masks, toilet paper, and other essential items are taking precedent (Corkery 2021). These delays are being seen by publishers working both with US-only and overseas companies. Though publishers typically go through one main distributor, Ingram Content Group, this problem is impacting the distribution aspect of the supply chain in a similar way. In response to COVID-19, Ingram suggested that publishers "convert titles into industry-standard digital formats" and consider looking into ebook, audio, and digital library partners such as Amazon, Scribd, Nook, OverDrive and more (Ingram 2021). Their review states that "Ingram [still] supports physical distribution, but [they] also have a robust digital distribution program with CoreSource" that they are suggesting publishers use during this time (Ingram 2021). While these shipping and distribution issues hurt almost every industry, this put a strain on the already existing power dynamic between large and indie publishers, because, just as a printer "will always be in favor of the larger print run and the publisher who can exert the most financial pressure," shipping and distribution companies with limited employees and resources tend to put more focus on larger publishers leaving smaller publishers to turn to things like downsizing and enacting furloughs to cut costs (Pereira 2021).

Wage Competition

Another problem that the pandemic exacerbated in the publishing industry is the systematic issue with underpaid employment. From authors to editors to warehouse workers, the publishing industry has been historically known to have low pay and little to no transparency about salaries and wages. According to a research article published by Pew Research Center, since the lockdown of Spring 2020, most industries saw a 0.5-18.4% wage increase, while arts, entertainment, and recreation industries decreased by 6.9% (Pew Research Center 2021). During a time where people

are quitting low-paid jobs in droves, the publishing industry's supply chain continues to suffer as companies struggle to keep up with raising wages. During a webinar co-sponsored by Publishers Weekly and Westminster Publishing Services, it was noted that "Ingram has experienced a 30% increase in labor costs alongside new competition"; like Walmart, who can afford to pay employees \$19.50 an hour plus full benefits (Authors Guild 2021). If the industry wants to compete, they will need to be able to keep up with the rising cost of living and people's desire to make more.

SHIPPING DELAYS

Shortage of Boxes

Finally, the book supply chain cycle has been slowed down due to roadblocks and delays in the shipping process. As we mentioned earlier, books that require a lot of color are typically printed in Asia and they need to be transported via large ships because book shipments are typically too heavy to deliver by air. Books are transported through large containers and the cost of these boxes has drastically increased. Elizabeth Harris from The New York Times explains, "Publishing professionals say that a container, which can hold roughly 35,000 books, used to cost them about \$2,500 but can now be as much as \$25,000" (Harris 2021). Demand for containers dropped in 2020 and so, when the demand increased again, the boxes were left at different ports throughout the world and were not where they needed to be for shipments to happen again. This scarcity caused the price to increase dramatically, making it more difficult for publishers to afford shipping.

Shortage of Ships

In an article from The New York Times, Peter Goodman explains, "What happened to all the giant container ships? In simplest terms, they got stuck in the wrong places. In the first phase of the pandemic, as China shipped huge volumes of protective gear like masks and hospital gowns all over the world, containers were unloaded in places that generally do

not send much product back to China—regions like West Africa and South Asia" (Goodman 2021). At the beginning of the pandemic, China was sending large amounts of medical protective gear to different ports throughout the world. The large boxes and container ships used to transport these items would not be sent back, leaving them at different ports, so China did not have the large boxes and container ships needed to ship books. Other ports became overwhelmed by the number of ships arriving. Goodman explains, "At ports in North America and Europe, where containers were arriving, the heavy influx of ships overwhelmed the availability of docks. At ports like Los Angeles and Oakland, California, dozens of ships were forced to anchor out in the ocean for days before they could load and unload" (Goodman 2021). Some ports were so heavily congested that ships were not able to dock, so their delivery timelines were not met. This situation was exacerbated by the shutdown of the Suez Canal in March of 2021 after a ship became stuck and obstructed one of the busiest trade routes in the world. Additionally, many major ports in China have been shut down at different points throughout the pandemic due to COVID-19 cases. All of these factors have led to major delays in the shipment of books.

RECOMMENDATIONS

RELY LESS ON COMPANIES OVERSEAS

Many of the issues in the book industry's armor have one thing in common: outsourcing. A large part of the book publishing process has become dependent on paper making, printing, and shipping from companies in other countries, presumably to cut costs. The pandemic highlighted the possible existing issues that come with outsourcing most of the publishing process, such as shipping delays, lost cargo, and raising prices. Now that shipping prices are ten times higher in 2022, we hope to see a turn to U.S. based companies to lower overall printing and shipping costs. However, this switch may be hard since the few large book printers left in the U.S. faced hardships due

to the pandemic as well. After a failed merger just before the pandemic, Quad had to abruptly close its book publishing facilities in 2020 and went on to close three printing plants the following year. There is no quick solution to fixing the industry's outsourcing problem, but as publishers try to find ways to cut shipping costs and manage book project delays, a focus on U.S. based services could potentially strengthen the book industry's supply chain for the future.

TIME OF TRANSPARENCY

While the pandemic kept people inside for almost two full years, the internet was buzzing. Whether it be readers and authors or publishing companies, indie and large, the book industry in general was being more transparent about the things going right and wrong in the industry. From blog posts to twitter threads, people are becoming more comfortable expressing how they feel. Because of this, customer engagement is becoming very important during this uncertain time for the book industry's supply chain. Lee Francis of Albuquerque's retailer Red Planet Books and Comics said "When the delays start racking up, we let our customers know. We get that sometimes they need to spend their money elsewhere. We just want to maintain good relationships because we want them to come back" (Maher 2021). To some extent, all supply chains will be vulnerable to something as big as COVID-19, but more positive engagement with customers and employees can strengthen the flow and management of the process.

There are some steps that can be taken to help with these growing problems. One way to bypass the paper shortage issues is to forgo the paper altogether. This means ebooks. If publishers were to focus on promoting and pushing out ebooks, they could have their books in more hands and avoid the paper and printing crisis altogether.

With the increased issues associated with printing and distribution, one solution that may help alleviate these issues is finding North American printers that can meet

the demands of the market. As we discussed earlier, most printing happens in Asia since Asian printers have been the best equipped to meet the industry's printing needs—until now. If we stop relying so heavily on printing overseas, we could have more control over the printing process and avoid the issues that come with printing from so far. With the continually rising issues with printing overseas, as well as the rising cost, it may be more beneficial now to print in North America. Additionally, the cost of transporting books back to the U.S. after printing overseas is steadily increasing due to several factors. Shipments of books are too heavy to be shipped by air, so it's necessary for them to be shipped on large ships in steel containers that are drastically more expensive now than in the past. The drop and subsequent rise in demand for printed books also meant that when the demand increased, these containers were not where they needed to be, causing an additional delay in shipping. Redirecting printing to U.S. based printers would reduce the cost of overseas shipping and the need for these expensive containers, greatly cutting the overall cost of distribution.

Other alternatives that may help ease the constraints happening in the U.S. are relying more heavily on POD, adding a third shift to printing schedules, and having the entire process become more automated. These adjustments could offer solutions to the gap between industry demand and printer capabilities while printing with U.S. based printers, as well as address issues with worker and paper shortages. Utilizing POD more often would allow publishers to print shorter runs to keep up with the growing demand of print books. Though in the past, the cost of POD has been higher than traditional print runs, with the less predictable consumer habits of a post-COVID industry, the cost of traditional print runs may now outweigh the costs related to print-on-demand (The Authors Guild 2021). All these actions help the book industry supply chain to operate more efficiently. If we work together, we can alleviate some of the stress that is on the supply chain and hopefully get more books to where they're supposed to be.

For more information on POD, see section 5: Utilizing Print-on-Demand.

CONCLUSION

Despite the issues we have seen in the industry arising during the pandemic and as we recover, many of these are not the effect of COVID-19 but are rather existing problems that have been highlighted. While there may be issues in the book industry's supply chain, there are also solutions that have been brought to light. We are now seeing an opportunity to make widespread changes to how our industry operates and how we create and distribute books. With these changes, we will see positive effects across the industry as we find ever evolving solutions and create a better, more efficient process overall.

UTILIZING PRINT-ON-DEMAND

WRITTEN BY JILL BOWEN, KATHERINE FLITSCH, AND AMANDA HINES

BACKGROUND

Print-on-demand (POD) is a printing model in which a sale happens first, and then the book is printed. This approach is sometimes called “sell first, print later”, in comparison to the traditional “print first, sell later” model. POD can save warehouse space and costs, but it is also more expensive per unit in comparison to offset print runs and has more limited production and quality options. Some publishers and authors operate completely via POD (such as through platforms like IngramSpark or Lightning Source), others use POD to keep backlist titles in print after an offset print run has sold through, and some do not use POD at all.

Recognizing this diversity of POD use for small- to medium-sized publishers, this report uses four presses as case studies to illustrate the reasons for and barriers to POD implementation.

FINDINGS

We distributed a questionnaire to gain responses from 4 case study Pacific Northwest publishers on their printing practices. While the presses will remain anonymous, we will call them Press 1, Press 2, Press 3, and Press 4.

Press 1 publishes 70 titles per year across nonfiction and fiction, with typical print runs between 5,000 and 10,000. Over the past year, the median price for their paperback books has been \$14.95 and \$17.95 for hardbacks.

Press 2 publishes 4 titles a year across nonfiction, literary fiction, YA, and some genre fiction, with typical print runs between 1,800 and 2,500. Over the past year, the median

price for their paperback books has been \$16. They do not publish in hardback format.

Press 3 publishes 2-3 titles per year in fiction and memoir, with typical print runs between 2,500 and 3,000. Over the past year, the median price for their paperback books has been \$17. They do not publish in hardback format.

Press 4 publishes over 40 books per year, with typical print runs between 3,000 and 5,000. Over the past year, the median price for their hardback books has been \$19.95. They do not publish in paperback format.

Barriers to POD for publishers:

- POD printing is more expensive per unit,
- POD printing provides inferior quality,
- POD printing offers less flexibility for design and printing options,
- POD makes returns a hassle,
- POD reduces the risk of unsold inventory, and
- POD eliminates storage costs.

Barriers to offset printing for publishers:

- Offset printing is a bigger financial risk,
- Offset printing is less expensive per unit, and
- Offset printing provides more flexibility for design and printing options.

We presented each of these nine total statements to

publishers and asked them to state how much they agree or disagree.

WHY PUBLISHERS USE POD

Convenience and Speed

"It's convenient and faster. We can pay for it out of our Ingram account rather than having to pay via invoice and check."

Advanced Reader Copies

"I use POD for advance reader copies; it's efficient, I can do another run if I need to, and because we're distributed by PGW, using LSI means the bill just gets factored into my account. It's easy."

Proof Copies

"We use it to proof books and create marketing assets."

Scheduling Back-up and Filling Gaps

"As backup for offset printing of frontlist titles. Offset printing schedules have been challenging for us, so it helps to have POD just in case."

"After an offset print run has sold out for a backlist title, I will do a small digital short run printing or set it up as print-to-order (PTO) until the contract has ended."

"I have set it up as a stopgap for titles that are low in stock, while we await the next offset run, but I haven't had to push the button on that and actually do it."

WHY PUBLISHERS AVOID POD

#1: Cost

"It can be a lot more expensive, especially at a higher page count."

"Too expensive at scale."

Limited Options

"We can't do as many cool things."

Quality

"I prefer not using it for final copies because of quality and cost."

Availability of Vendors

WHY PUBLISHERS USE OFFSET PRINTING

Cost

"It's cheaper at higher quantities, although we print in such small print runs, the difference in unit cost between offset and digital short run is not as large as it used to be."

Production options

"We can get fancier effects like spot varnishes."

Scale

"We use it for large production runs."

"I use offset for all our actual print runs."

PRINTING PRIORITIES

The four publishers were asked to select their top three priorities when making choices about printing their books with POD or offset printing. The pie chart below presents those results.

As the pie chart demonstrates, the top priority amongst our respondents was finding the least expensive option per unit. The second priority amongst respondents was finding the option that provides the best quality results. There was a tie for third place between finding the least expensive print run

and finding options that afford the best flexibility for design and printing options.

Cost

One of the main concerns with POD is cost. Due to smaller print runs, there is less of a savings from bulk ordering, causing the production cost per book to be higher. Higher production costs mean that there will be smaller profit margins per book. However, it is also argued that, due to lower upfront costs, there is less financial risk involved with POD. Alison Schiff and Alex Daniel sum it up neatly: “self-published writers use print-on-demand as a flexible distribution strategy that allows them to make their work available in markets around the world – without making a significant upfront investment or dealing with the logistics of shipping, distribution, and storage.” While POD means profit margins per unit are smaller, there is less financial risk involved with POD, which might make it a safer financial decision.

Options

The options available for printing have also been a notable concern. Options for things like trim size, paper, and the use of color can be limited in POD. Also, the layout can be restricted in POD printing; for example, there are little to no options for printing interiors in landscape orientation with POD. Also, with POD, if you choose to print any interior pages in color, you are charged as if you printed the whole book in color even if only select pages are colored; this may also be an appeal of offset printing.

Quality

Some people are also concerned about the quality of books produced via POD. This is partially due to the quick turnaround of POD books that can introduce errors that aren't always caught.

The adoption of POD by vanity presses creates another problem because it drives down the overall perception of POD as a whole by delegitimizing its credibility, when in

fact POD is a viable option for reducing costs related to distribution and warehousing.

Returns

Another issue is that there isn't a good way to handle returns of POD books. This is due to the fact that you eliminate the need for warehousing when you print on demand, because books are only produced when there is demand for them; however, now there is no longer allotted warehouse space in the case of returns. This means that either you need to eliminate the options of returns entirely—something that would prevent books from being shelved and sold by bookstores—or you would need to find a system for warehousing (or destroying) returned books.

CONCLUSION

In conclusion, the main concerns preventing POD becoming the primary means of printing non-illustrated, black and white trade books are cost per-unit, flexibility of printing options, and complications related to the logistics of returns. Publishers consider multiple variables that go into the decision of whether to select offset printing or printing-on-demand.

While POD may carry less of a cost upfront when factoring in warehousing and distribution costs, it is overall more cost effective for many publishers to use offset printing, because the per-unit cost is lower and there is a greater quality for the work produced.

There is no single answer as to why POD isn't the preferred method, but there are multiple compelling factors that add up to the conclusion that POD is not yet at a point that it is the most financially viable option on the market. POD may become a more mainstream printing option for independent publishers when the logistical problem of returns is solved and when larger, aspirational publishers adopt the practice of POD themselves, blazing the trail for smaller presses to follow.

MINIMIZING RETURNS

WRITTEN BY MEGAN VADER BONGOLAN, ALEXANDRA MAGEL, AND FRANCES FRAGELA

BACKGROUND

When it comes to the book publishing industry, there are many methods to selling books, such as direct-to-consumer, direct-to-retailer, direct-to wholesaler, and sales by trade distributor. An important part of the industry is finding the correct balance between direct sales and sales to stores. So, what about book returns? To outsiders, one of the most puzzling business practices in the book industry are return policies. Publishers grant full refunds to bookstores of all unsold books within a year, a practice in place since the 1930s. The process of accepting returns challenges the industry and might signal that books are priced too high, which is why they may not be getting sold in bookstores. Book prices could be cut in half if the industry had a more efficient distribution system. Publishers continue to struggle with the amount of returns independently instead of working together as an industry to solve the problem. In other words, if publishers came together, the rate of returns would significantly decrease.

Among publishers, the way a book is marketed can impact sales and returns. To market books, publishers generate strategies to promote authors and ensure that books are not returned but sold. The better the marketing, the lower the returns. Books are supplied to booksellers, wholesalers, and retailers on sale or return basis. The practice that allows books to be returned for full credit has a long history in Europe, but not as much in the United States. In 1930, Putman Norton and Knopf introduced schemes to allow booksellers to return stock for credit. Publishers should take steps to prevent returns and this starts with a good marketing plan. If publishers work with authors to come up with new ideas on book promotion, it will prevent returns.

Knowing what appeals to readers is a step in the right direction.

According to John Thompson, the average publisher's returns are at thirty percent, five percent higher than a decade ago. Additionally, publishers with extensive backlists have lower return rates. For every 100 books that are shipped, thirty to sixty are returned. This is a loss of profit for publishers, so action is needed now to prevent even higher return rates in the future. On average, new books have about six weeks to sell and prove themselves. This means that the first six weeks of a book's life is extremely important and marketing should be at its highest to get readers to purchase and prevent returns. Preorders are also important in book sales because it prevents an extremely high print run that is not likely to sell (Thompson 2012, 284). Publishers and authors should work to promote preorder sales to show how the book is selling from the start. There is no easy solution to a decrease in sales, but if publishers worked with authors in marketing, it would be a great first step in decreasing returns to fifteen percent.

In order to work toward a solution to the high return rates in the industry, it's important to understand not only its history, but also the nuance and many facets of the system. As mentioned before, the returns system has been in place since the Great Depression. Since many of the leaders of the paperback revolution had experience with newspapers and magazines, the practices of those industries (stocking new items regularly, unsold newspapers/magazine issues returned for full credit) were adopted.

The system was originally developed for what was deemed short-life, disposable goods; newspapers and magazines

are only intended to be used as long as its issue is current. The intended longevity of print books is a debate for another conversation, but it should be noted that mass market paperbacks continue to match newspapers/magazines by having “low prices [...] high volume; high returns; and a “no guts no glory” selling concept”—leading the mass market segment to be a “hit or miss book category” with notoriously high returns among even the high numbers in the industry (Greco 2005, 30). It must be taken into account if using the same method for a more durable product, such as a hardcover book, makes sense.

Further, for a manufactured object that may last many years with care, the commercial life of books is very short. The returns policy is generally limited to a year, but “if the book does not generate sales quickly, it is dead, pulled from the shelves in perhaps six weeks” (Greco 2005, 6). This is likely due to the extreme unpredictability of reader buying habits: “a clustering process takes place among readers, and groups of people will all buy the same book, but no one knows for sure when and why this occurs” (Greco 2005, 6). Nobody knows how long the buzz around a book will last, or how many copies to prepare for it. Inherently, the industry as a whole is based on risk. Editors gamble on manuscripts they hope will ring true with readers, publishers gamble on the print runs and investments in getting the book into the market, booksellers gamble on how many copies to order and with their limited shelf space, and readers gamble that they will enjoy reading the book. The returns process is a reaction in finding where to offset or minimize the risk.

A common argument for returns is that booksellers would be hesitant or refuse to stock unproven authors or riskier titles, preferring to stick with proven sellers. Thus, “[b]ook publishers are compelled to discount titles and offer a full refund to the bookseller if the book does not “turn” (i.e., inventory turnover)” (Greco 2005, 40). While this is often the case, there are also instances in which the returns policy pits the rate of discount against returnability. For example, a bookseller may get a deeper discount on an order if the books are deemed nonreturnable; if the books go unsold, the

bookseller cannot send them back. Likewise, a returnable book has a slighter discount for the bookseller. Supporters of the returns policy argue that the system encourages sales, gets books to market, and that it’s “the cost of doing business;” arguments against the system include the supposition that the policy “undermines the strength of the industry” and, undeniably, that the practice leads to incredible waste in the supply chain (Greco, Rodríguez, and Wharton 2007, 48).

FINDINGS

INTERVIEW WITH ROBYN, INDEPENDENT PUBLISHER

These are the results from a semi-structured interview with Robyn Crummer-Olson, the publisher at Ooligan Press. Ooligan Press is an independent publisher staffed by graduate students and partially supported by Portland State University. Robyn offered a look into the difficulties and unique challenges that a smaller, independent press faces in the returns system. For Ooligan, returns are accepted back to the distributor for one year after purchase; for out of print titles, returns are allowed for 180 days. A publisher can choose if returns (including POD) are allowed and, if returns are allowed, what happens to those returned copies. Allowing returns is considered industry standard and the default. Among returns, a publisher further has the choice to continue warehousing the book (delivered) or have the book destroyed.

In Robyn’s experience, returns always cost the publisher more than the retail price: the publisher is also charged a restocking fee. For Ooligan, the average restocking fee ended up being \$0.44. It costs about 1.8 cents per month per copy to warehouse a book. So, if a book was returned and not destroyed, it was returned with full retail price, a restocking fee, and will be warehoused until the book moves again. (Publishers are also billed if a book doesn’t move for more than a year.) If a book is returned and destroyed,

it returns with retail price and a destruction fee. Another dilemma indie publishers face is the print runs they can afford versus the amount of stock they need on hand in order to avoid stocking out. Robyn illustrated this with *Laurel Everywhere* (2020). The book had strong early reviews and the former publisher suggested a 2000 offset print run; the press didn't have the money for such a run, so 1000 were printed.

When the distributor representative alerted Robyn to the fact that 1000 would fall short of the pre-orders, Robyn quickly did a 500 digital print run to cover them—and the title didn't stock out. However, the more expensive digital run was paid for by the sales of the offset run and, with returns coming in a year later, there are 700-800 sitting in the warehouse. On one hand, *Laurel Everywhere* avoided being penalized for stocking out and missing out on sales. On the other hand, it had to be supplemented with a costly print run and returns still came back in larger numbers. Robyn noted that she didn't regret it, but she wished she could have been able to afford the 2000 offset print run and have it sell through in five years.

Ooligan's unique situation needs to be noted for not being scalable to other independent publishers. For one, Ooligan has the backing of Portland State University, which it relied upon during the uncertainty of the early pandemic in 2020. For two, because Ooligan is a teaching press, it has a unique relationship with its distributor. Ooligan has both been an established client for many years and the university backing meant that the distributor could take into account another source of capital for the press, so fallow times were allowed to ride a little longer. Early 2020 unfortunately saw the close of some smaller publishers, a situation in which a distributor would carry the risks for an account in the red.

For minimizing returns, Robyn's biggest focus was marketing. As she puts it: it doesn't do any good to inaccurately promise what a book is or about, so positioning is very important. Instead of "tricking people," you focus on demonstrating that you have something that they'd want, that your book would solve their boredom. She's more interested in the

units that stay out in the world than the ones that come back as returns. She turns to reports on sales and returns for previous titles to strategize for the future. When asked on her thoughts if pre-orders were hypothetically nonreturnable, she said she'd make different decisions since she knew what was sold was sold. She takes the average return rate into consideration at a book's launch, so she's already expecting a certain number to come back.

For the POD discussion, her ultimate takeaway was that it depends on the book. She had some students in the press do research on the price break between offset and digital print runs and found their results similar to hers: POD made more sense when the book was shorter, but not for longer books. In light of this, she optimized the printer as much as possible for savings and found that page and signature count were the biggest distinguishing factor for price for Ooligan. In light of this, the design of Ooligan books will have economy in mind (in terms of words/lines per page) and editorial practices will also change to shorten manuscripts (including editing out extraneous scenes or cutting images). In her words, "editors need to keep manufacturing in mind while they're editing." The manufacturing process isn't simply a step in the process, but a consideration in the existence of the book object as a whole.

At the end of our conversation, we discussed possible solutions to the returns problem:

- Partnerships with publishers for deeper discounts for a nonreturnable book, but the readership and customer base are clear
- A hybrid system where debut authors are returnable but authors with proven track records are nonreturnable
- Penalties for bookstores overordering and returning a lot

These are the results from a semi-structured interview with Miles, who's worked in retail for 15 years mostly in the book industry. He's worked for an independent bookstore and a multimedia store's book department as a bookseller and used book buyer.

This is the returns system from the bookseller viewpoint: every day, week or month, you would make a list of the entire inventory and figure out which books had been sitting unsold anywhere from 8 months to a year. You would then pick those books from the shelf, unsticker them, clean them, rebox them, figure out which publishers they go to, take them out of inventory, print giant lists of what they're worth, print another list for your boss, and then pack them up and send them out. At the indie bookstore, returns were more based on the amount of time a book sat unsold on the shelves with an upper limit of one year. He was given more leeway over what to keep and send back over what the store owners had chosen to return (as in, if he felt he could use a book in his section, he would keep the book rather than returning it). At the multimedia store, "returns" weren't sent back to the publisher, they were sent to another store. The corporation had information on which titles sold well at which stores, so the remaining books would go where they were more likely to be sold. That applied to hardcovers and trade paperbacks; mass market strippables were stripped and sent to the publisher immediately.

In his opinion, the biggest factor that went into returns at indies was a book not selling well. For smaller stores, shelf space is a big issue. If a book couldn't be seen on the shelf, it wouldn't be sold and be returned. In Miles' experience at the indie, overordering was often a problem. Even if the book did sell well, there were too many copies. For example, a political book could sell well for a short time, the store would still have 20-50 extra copies with no place for them, and they'd be sent back almost immediately. Also at this store, oftentimes returns were done when sales were down and capital was needed to fulfill school book orders or special customer orders.

For nonreturnable books, it depended on the deep discount offered for it to be worth it.

He pointed out that often the store would order nonreturnable books for its deep discount hoping to make more of a profit—but often the store would end up breaking even or the books wouldn't sell. Miles noted that, in his

general retail experience, even well-regarded books tended to sell worse if there were many copies on a shelf. For example, even if a Stephen King title was a bestseller, too many on the shelf had customers assuming that nobody wanted them and passing by as well.

Miles also reported that floor booksellers often don't have contact with sales reps, who talk to the owners instead. The booksellers like the ARCs that would arrive and might champion a book, but at the end of the day there were too many to read, too many to handsell successfully, and booksellers don't have final say on what gets ordered. Booksellers could request a riskier title be ordered and they would if there was room in the budget; but if there wasn't, the riskier titles would be cut to focus on bestsellers, books that had done well at the store, special orders, newsworthy titles, school booklists, and other staples.

RECOMMENDATIONS FOR REDUCING RETURNS

As we have determined, there are no clear pathways to reduce the large number of book returns that happen on a daily basis. Returns becomes a game on how publishers and booksellers can protect their own assets and profits instead of finding a solution to benefit the industry as a whole. The literature review provided recommendations to reduce returns from the perspectives of both publishers and booksellers, highlighting what they believe are some solutions to reduce returns and get them as close to 15% as possible.

In 1992, Greco gathered solutions that had been proposed in the industry over time:

- Increase the discount rate and refuse returns
- Keep the current discount rate and refuse returns
- Penalize wholesalers with high return rates
- Reduce print runs
- Control the release of new titles, especially in slow

moving segments

- End or minimize the midlist
- To focus on more flashy titles (Greco's examples were cookbooks and cat books)
- To convince booksellers not to overorder
- Avoiding overselling the potential of a book

His own recommendations included further market research into customer interests, sales pattern differences between chain and independent bookstores, the library market, and further investigation into domestic and international markets. When he revisited the topic in 2005, his proposed solutions were largely the same, with the addition of encouraging more development in book projects and adopting strategies from other markets.

PRINT ON DEMAND

POD is relatively new in the publishing world. POD as opposed to offset printing is a speedier way of getting books on shelves. The question still stands whether POD is a good option to reduce the frequency of books being returned to distributors.

Having books available with POD allows distributors to invest less in a large print run, which makes the returns process less complicated. Inventory and warehousing issues are taken into consideration when books are not selling, and POD can help ease the pressure of inventory space which would benefit both the publisher and booksellers. According to IngramSpark, many authors and publishers see POD as an expensive investment. However, if we consider the amount of money that is lost in a print run of a book that will ultimately be returned to the distributor's warehouse in six months and then pulped, POD seems like a viable option. Booksellers oftentimes purchase large amounts of books in fear of running out of inventory. This can be a double-edged sword in the business because if that order is not sold it becomes a loss for the bookseller and publisher. If the publishing industry relied more on efficient systems like POD, book returns would become less frequent since

bookstores would only be selling the amount of books they requested. POD is not a magic solution to reducing book returns; however, if it can lighten the overstock and warehousing issues that happen in the industry, it's definitely something that should be collectively considered.

For more information on POD, see section 5: Utilizing Print-on-Demand.

MARKETING

One of the most common issues in regards to returns is poor book promotion. If a book is not marketed properly, it's more difficult for booksellers to sell books. Readers are very specific in their likes and dislikes. Books are discovered in these ways: self-discovery in-store or online, through promotional materials, and/or bookseller/third-party recommendations. A book with a strong marketing plan sells more copies. If titles were promoted better, booksellers would have less trouble selling products to the public. We can achieve this by having more book launches and analyzing consumer trends on platforms such as Instagram and TikTok. The reality is there is only so much we can do when marketing books. Getting to know what is popular in the market can secure sales, but nothing is guaranteed.

CONCLUSION

Book returns occur due to a number of factors. Solutions to definitely reduce their frequency are hard to determine, however the researchers have discovered some practices that could help this ongoing problem. Based on our interview data and an in depth literature review we can determine the following strategies could help with book return rates: better marketing strategies, shifting printing practices (POD), reducing print runs. If some of these strategies are implemented we will be able to see a change in the market. However, the publishing industry must come together and find a solution together if we truly want to see a change. A limitation when gathering research has been not hearing from some publishing professionals in time, which could be done in the future. For future researchers, we advise

contacting more professionals involved in book distribution. With more data, researchers might be able to determine a better solution to help reduce book returns.

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