



Gardners gets digital

Gardners is making headway with web-enabled services at a time when its competitors are distracted by a high-profile Competition Commission investigation. **Graeme Neill** reports on developments in Eastbourne

Gardners will grasp the digital nettle this autumn with the launch of its new digital warehouse services. The books wholesaler—the largest in the UK—has kept focused on developing its business during 2007, as its main competitors THE and Bertrams became embroiled in a Competition Commission (CC) investigation into the former's proposed takeover of the latter.

Gardners has stayed largely silent about the proposed deal, with the publication of evidence submitted to the CC website its only public statement thus far. Bob Jackson, Gardners commercial director, is sanguine about the merger. "It's a very changeable time for the industry," he says. "It has developed a lot in the past few years, with consolidation on both the retailing and publishing sides. It was fairly inevitable that further consolidation was going to happen on the wholesaling side. But we want to concentrate on our business."

Go electronic

The business has nestled several miles outside Eastbourne for the past 15 years. When it first moved to the site, the wholesaler stocked around 50,000 titles and turned over £12m per year. It now stocks 709,000 titles—comprising 325,000 physical lines and the remainder e-books—with an annual turnover of £140m. This month, the business marks its 21st birthday and is looking ahead to the launch of its digital warehouse later this year.

The warehouse gives publishers the ability to offer their e-books; marketing materials, including audio and audiovisual downloads; and search-

GARDNERS REVENUE

Year	Turnover	Titles
2007	£140m	709,000
2003	£127m	325,000
1997	£53m	100,000
1992	£12m	50,000

able digital text files through Gardners to its high street and online retail customers. It will make Gardners the first wholesaler to supply hard copy and electronic versions of the same title through a single channel.

The wholesaler offers a digitisation service, enabling publishers to create e-books and digital marketing materials. Also, its print-on-demand service creates a digital file of a book, which can be printed and distributed directly from Eastbourne. "An order can be placed on a bookseller's or a publisher's website and the book can be shipped from Gardners," Jackson says.

E-bookshops

Booksellers can sign up to the digital warehouse service and offer the extras to customers through their own websites; alternatively, Gardners offers a web design and hosting service through www.easyentertainment.co.uk that enables bookshops to create a branded website with a distinctive look and feel. The website-hosting service costs £25 a week to booksellers.

Booksellers can also use the digital warehouse to offer customers the option to buy e-books, to view and download online marketing materials, and to search inside the books.

This year, Gardners has also extended the discounts on offer through the Select scheme to include discounts on top 20 bestselling titles; up to 55% discount on selected backlist and new titles; and a 45% discount on most of the leading frontlist titles for three months before publication. The wholesaler continues to offer Love Your Local Bookshop-branded

marketing materials, including a loyalty card scheme, and has created a *Harry Potter and the Deathly Hallows* promotional pack.

Jackson says that the new services are an easy way for publishers and booksellers to take advantage of fast-moving developments in how books are being marketed and sold online. "It enables publishers to make use of online advances and gives retailers access to all the new marketing materials," he says.

Buying made easy

Gardners is also making changes to its own business, with a plan to add more space to its storage facility by early 2008. There will be 17 new automated cranes that will be able to access individual crates, thus bringing the more popular, fast-moving books to pickers rather than the pickers having to go and fetch books manually.

Its website, www.gardners.com, has recently been relaunched with new features, including an improved search engine and the ability to list titles in various different ways, such as by sales rank.

Jackson believes that while online advances may have made it easier for booksellers to buy direct from publishers, this does not threaten Gardners' business model in the long term. He says: "Booksellers need to focus on selling and not be tempted by high discounts as the primary reason for buying. I feel very strongly about that. All I read about and hear about is the ability of booksellers to buy at high margins."

He argues that the intense focus on discounts is a distraction from the real business of selling books. "I don't want to lecture retailers, but my point is that it's not about buying-in so much as whether a bookseller can sell through the stock that they do buy. Discounts are largely in line with what they have always been. It doesn't alter the fact that the real challenge for retailers is to sell enough books to cover their costs and make a profit. What we do is make buying the right books as easy as possible."

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