

Publishers brace for another big hit

Returns of unsold books expected as retailers reopen their doors

GREGORY STRONG
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THE PROBLEM: Books will be returned to the publishers

As publishers try to deal with the massive disruption to the book industry in the wake of the COVID-19 pandemic, many are bracing for another big blow that could arrive over the coming weeks as more retailers open their doors.

A massive return of books stemming from the two-month run of closed doors at bookshops and retail outlets could be a crushing financial hit for many domestic publishers, particularly the smaller independent variety. "Publishing has always been a precarious business," said Sarah MacLachlan, publisher of the Toronto-based House of Anansi Press.

Books that don't sell often end up back in the publisher's warehouse, MacLachlan said, "and that's a big problem and it could sink people. There is absolutely no question about that."

Noah Genner, the CEO of the BookNet Canada trade association, said while many retail outlets shifted in recent weeks to online sales, curbside pickup and delivery, there was still a major drop in sales at English-language bookstores across Canada for

the eight-week period after mid-March.

Bookstores and retail outlets are now heading into a new season with much more product on hand than normal, with only so much retail space to showcase new items.

Kate Edwards, the executive director of the Association of Canadian Book Publishers, said a full-credit book return policy was established nearly a century ago. The premise, Edwards said, was to allow retailers to take risks on new writers or stock up in anticipation of new releases.

Rob Sanders, the publisher of Vancouver-based Greystone Books, said those returns may not come in until later in the year and can have a significant impact on the bottom line.

While publishers are used to the ebbs and flows of seasonal production and demand, the onset of the pandemic presented a unique challenge.

"Most publishers were just getting their books into the market," Sanders said. "The orders had been placed, the books were being fulfilled, or at least they'd been printed and then they got to the

market, and things shut down."

Sanders said he experienced a revenue drop of just over 50 per cent last month and was expecting a lot of returns from retailers.

"It's not easy," he said from North Vancouver, B.C. "We don't know where we're going. We don't know what's coming." As bookstores and retail outlets have opened their doors over the past week or two as provincial restrictions have eased, book returns are imminent, and publishers are dealing with balancing unusual inventory levels and it has publishers feeling anxious.

Edwards, whose association represents about 115 Canadian-owned and controlled book publishers, also said some spring books either didn't complete their print run, didn't launch, or went on hold.

There has been some financial relief, with the federal government announcing last month that it would provide \$500 million in emergency support funding for cultural, heritage and sport organizations.

"The Canada Council for the Arts is working closely with

Canadian Heritage to appropriately direct eligible recipients who regularly receive funding from Canada Council, Canadian Heritage or other federal partners," the Council said in an email.

However, the problem for many publishers is they could be feeling more pain over the coming weeks or months.

"Our anxiety is around being flooded with books coming back into our warehouse," MacLachlan said. "So we're aware of that and we're trying to come up with some ideas about how to re-invigorate the stock that is actually in bookstores now and try to encourage booksellers not to send that back."

She added that they are floating some marketing ideas, and discounts may be an option, too.

There have been some signs of optimism in the domestic book scene. Genner said there has been an uptick in ebook sales and overall book sales have been on a slow, steady rise after bottoming out in early April.

- Could book clubs be persuaded to buy "batches" at discounted prices?
- Could publishers be persuaded to discount sell "batches" or to register book clubs?

Handwritten note: funding help?

Handwritten note: book returns imminent

Handwritten note: Book clubs vs Libraries

Handwritten note: Publishers must buy. Book clubs must buy. Some