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CASE STUDY: PUBEASY.COM – ENHANCING SUPPLY CHAIN EFFICIENCY IN THE BOOK MARKETPLACE

Abstract

PubEasy is an B2B-service for booksellers to connect to their suppliers - publishers, distributors and wholesalers 24 hours a day, 7 days a week. The PubEasy service uses the internet to give booksellers access to order placement, order tracking, title, price and availability data from all participating Affiliates (suppliers). PubEasy helps to reduce the time and resources spent on contacting individual customer service departments by consolidating ordering, back order status, delivery status and more in one service. By this, PubEasy provides booksellers with a competitive edge: it leads to networking with other players in the supply chain which results in increased sales, reduced inventories, and lowered transaction costs.

Case Characteristics	
Full name of the company	PubEasy
Location	630 Central Ave. New Providence, NJ 07974 USA
Sector	Publishing and Book Retailing
Year of foundation	1999
No. of employees	n/a
Turnover in last financial year	n/a
Primary customers	Book publishers, wholesalers, distributors and retailers
Most significant market	Publishing
E-Business Focus	
B2B e-commerce	ä ä ä
Ordering	ä ä
Price & availability enquiry	ä ä ä
Order tracking	ä ä ä
Bibliographic research	ä
ä = in implementation stage; ä ä = used in day-to-day business; ä ä ä = critical business function	

Background and objectives

PubEasy.com was originally developed by VISTA Computer systems, a supplier of enterprise solutions to the publishing industry. This initiative was launched in 1999, in step with a small group of publishers that wished to leverage the Web for further efficiency in their routine dealings with bookstores. VISTA established a new service called PubEasy.com, which is an internet enquiry and ordering service, provided publishers distributors, wholesalers and booksellers with business-to-business e-commerce tools that reduce the cost of routine enquires, speed access to the status of orders and account information.

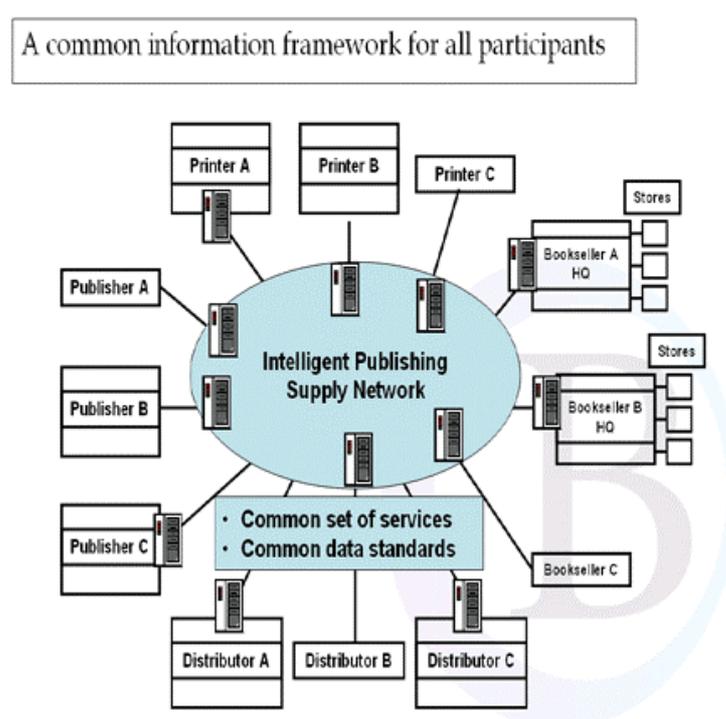
Bowker, North America's leading provider of bibliographic information, has taken over PubEasy as of January 2003. Under Bowker's control, PubEasy has grown to represent over 16,000 booksellers in 110 countries thousands of publisher imprints.

PubEasy offers publishers, distributors and wholesalers exposure to a large universe of potential clients, while increasing the ease with which booksellers can conduct business with their suppliers. Bowker has since put forth a strong vision for advancing efficiency and effectiveness of the publishing supply chain as marked by Bowker's President, Michael Cairns, in his 2003 Frankfurt address.

Cairns pointed at the industry's strategy to maintain profit margins by continuously improving internal efficiency. However, many firms of the sector have already reached a very high level of in-house efficiency, thus there is little room for further improvement. This results in a search for new opportunities, for example by focusing on supply chain processes with business partners. *"The supply chain is the next frontier for operational improvements"*, proclaimed Cairns. *"Creating efficiencies in the supply chain is the only area where sustainable expense and cost savings could be found [moving forward]."*

Following this strategic approach, PubEasy has introduced an idea aptly named "The Intelligent Publishing Supply Network" (IPSN).

Exhibit: The Intelligent Publishing Supply Network by PubEasy.com



The IPSN is an effort aimed at reversing the currently dominant push distribution model to a pull model controlled by demand. This reversal is believed to significantly decrease operational costs. To accomplish this goal, suppliers, distributors and wholesalers have to closely collaborate and to share information among each other. From a technical perspective, this collaboration is possible. According to Cairns, most large publishing companies possess the technical infrastructure which is necessary to enable and support such a collaborative environment.

E-Business activity

Rationale and activities

The publishing industry has long suffered from problems with the supply chain. The retailer often does not know if book prices are accurate or if a specific book is available. At the other end of the chain, publishers are concerned with bookseller's lack of information about their products.

As more than 70% of calls to publishers' customer service centres are about price, availability and the status of individual orders, PubEasy decided to address this information gap and set up a system, which would make the whole process a lot simpler. Additionally, the system allows for personal pricing views specific to bookstores' specialized trading terms with publishers. So not only are they shown the right price, but the right price per their special trading terms.

Fall 2003 and early 2004 marked the release of PubEasy Central Services with further improved service functionality. Before Central Services, bookstores were limited to making enquires and placing orders with one affiliate (i.e. publisher, distributor or wholesaler) at a time. Now, with technological enhancements, Central Services allows member bookstores to make these same enquiries and order placements across all North American and UK affiliates at one time via the World Wide Web. This increases the efficiency and accuracy of enquiry and order entry processing for booksellers.

PubEasy continues to expand its service by integrating Batch.co.uk Invoice and Returns features for all UK members. This will tighten the links between the two services and offer booksellers greater speed and efficiency of use. Since 2005, users of PubEasy have been able to link directly into the Batch Returns service. Developed from the industry returns initiative, Batch Returns offers an online channel for retailers to electronically submit return requests and receive back authorisation of those requests within hours.

Most recently PubEasy has also integrated Bowker's "Books In Print" functionality to the website offering basics bibliographic and ordering contacts for titles not listed with current PubEasy Affiliates.

The business model

PubEasy offers two service levels to supply the aforementioned services, accommodating business of all sizes, priced on a tiering method. These are:

- PubEasy Exchange Service offers small to mid-sized suppliers with limited technology resources, a totally hosted online self-service solution with lower costs than those typically associated with launching a B2B e-commerce website. Booksellers can access a suppliers' site to check current titles' price and availability; place direct orders; create custom e-catalogues; and access comprehensive bibliographic information 24/7, from anywhere.
- PubEasy Full Affiliate Service offers mid-sized to large suppliers with advanced back office technology, the ability to virtually link their back office systems to PubEasy via web-based APIs. This allows for the real-time exchange of information from the supplier to PubEasy bookstores, including an order tracking ability, not offered in the Exchange Service.

Impacts and lessons learned

Innovations in electronic business could significantly affect a complex set of supply value chain propositions in the book industry. PubEasy is an example how e-commerce enhances supply chain processes in bookselling globally.

Although transactions have increased steadily since the acquisition of PubEasy by Bowker, challenges remain. A major obstacle for the further diffusion of electronic

supply chain systems such as PubEasy is to overcome initial scepticism on the side of booksellers. Although retailers receive the service for free, it is not easy to convince future users of the system's advantages before they have actually used it. As with many technologies, the applications need to be practically experienced before the benefits are fully understood and accepted.

Traditionally, order and book information inquiries are conducted by phone, with booksellers speaking directly to customer service representatives from the publisher. Thus, there are longstanding personal relationships, and booksellers often feel reassured that they have received the best possible deal because they are working directly with the publisher. Switching to automatic ordering and replenishing therefore requires a learning curve. Especially during peak selling periods, however, electronic supply chain management has clear advantages over traditional channels such as ordering per telephone or fax.

PubEasy regularly conducts user surveys to highlight areas where the site and service can improve. In 2005/06, the company plans to introduce a new facility specifically aimed at smaller publishers. This facility will further integrate PubEasy functionalities with bookstores' EPOS¹ and inventories systems in both the UK and the US markets.

References and acknowledgements

This case study was conducted by Paul Murschetz (empirica) on behalf of the *e-Business W@tch*.

References

- Interview with Mike Donoghue, PubEasy.com, Marketing Manager, Publisher / Retail Division, R.R. Bowker. March 7, 2005, and Janet Feeney, July 27, 2005.

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¹ EPOS = Electronic Point Of Sale, the bookshop till system used for sales data and stock control.