

MUSINGS

BY MARJORIE KELLY

Tempest in a Teapot

Independent booksellers' gripe against publishers may be legitimate, but it's vastly overdone



“I COULDN'T BELIEVE IT WHEN I FOUND OUT ABOUT IT,” my fellow editor Mary Scott was saying, leaning against the doorjamb, coffee cup in hand. She was talking about the page-one piece in *The New York Times* that morning, exposing the apparently little-known fact that bookstores like Barnes & Noble and Borders sell their display space: the end of an aisle for \$3,000, the “New Arrival” section for \$2,500.

“I just think it's deceiving,” she said. “I used to think, sure, these are big stores—but look, they promote obscure writers. Like the Barnes & Noble New Writers series, with its own magazine. I thought that was so great. Now I find out it's all paid space.”

“Yes,” I ventured, “but don't you think the best books get promoted? I mean, publishers select the books they're most excited about for special promotion.”

“Not necessarily,” Mary shot back. “It only works for publishers with money. A new writer with a smaller publisher has no chance.”

It's the independent booksellers that give the little guy a break, she said, but they're being squeezed out by the superstores. When Mary's own book, *Companies With a Conscience*, came out a few years back, it was the independents who believed in it, and gave it space. “I'd have been lost if it weren't for them,” she said.

So, OK, I'll grant that supporting the little guy is a noble thing. But do we need the courts to do it? Or, heaven forbid, the federal government? That's who's being called in to adjudicate this tempest in a teapot. And I find it all a bit overdone.

Independent booksellers—via the American Booksellers Association—are suing publishers over discriminatory practices. They announced not long ago that they were suing Random House, for example. The charge: violation of federal anti-trust laws. They claim publishers favor bookstore chains by giving them lower price schedules and greater promotional allowances (which are dollars used to purchase those end-of-aisle and New Arrival spots).

Did I say this was overdone? Let me state that more precisely:

I think it is a misguided and doomed attempt to evade the discipline of the market.

The chains get lower prices because they buy in bigger volume: so what? Instead of going to the courts, independents should get together and do some joint buying. Or find other ways to compete—as GAIA Bookstore in Berkeley did, when it countered the threat of a nearby Barnes & Noble by offering more readings. Like any good business, it reacted to competition by carving out its own unique niche: creating an intimate atmosphere where readers could mingle

with writers. And it worked. GAIA turned a 1993 sales slump into a 1994 growth spurt.

But hang on to your hats here. You haven't heard the worst of it. The Federal Trade Commission is also sniffing around this high-crime area. It started investigating pricing and promotional allowance discrimination in 1979, and in 1989 filed a complaint against six publishers. All six agreed to a settlement in 1992—but that settlement is sitting in cold storage, while the commission wonders if it should demand the same terms of yet a seventh publisher.

Excuse me: This is how the federal government spends its time, worrying about which bookstore gets promotional dollars?

Come to think of it, maybe *Business Ethics* ought to sue the publishers for not advertising in our magazine. I mean, we deserve some of those full-color two-page spreads too, just like the next red-blooded American magazine.

But back to Mary's original complaint. “What really bugs me,” she continued, “is that this is deceptive to consumers. They're not told this is paid space.”

Point taken. Consumer trust is indeed a fragile thing these days, and valuable: How else can we convince people to buy, buy, buy? So I offer a modest proposal: On those little signs on the display tables up front, we should require booksellers to add a disclaimer, like the one on cigarette packs. Warning: This space paid for by people who want to sell you books. If we can't get it through the state legislatures, we can always try a constitutional amendment. ✕



“It's so deceiving,” Mary said. Those end-of-aisle displays at Barnes & Noble are paid space.