

MDL Pioneer Sophisticated Sales Analysis

At a time when the biggest book trade customers are moving ever closer to single book ordering Macmillan's new MIDAS system (Macmillan Information Delivery and Analysis System) offers publishers under increasing pressure to maximise sales the best way forward.

We have all read the articles in the trade presses about Waterstone's and their attitude to the subbing of titles and their allocation of stock ranges based around their categorization of the stock's selling capacity. "If in doubt", the story read, "just order a single copy".

From the sales and editorial perspective could there be anything worse than the thought of the product being disparaged and the order cut down to a single copy? And from a distribution point of view, the worst nightmare has arrived: one order line equaling one book.

Issues about "economic order quantities" arise. At what point does the value of the order exceed the cost of getting the order to the customer in a world where the publisher and distributor bear the freight charge? What does the distributor do? Should the publisher/distributor levy additional charges if the order is less than a certain value or hold onto it until such time as additional books are ordered and the total value of the consolidated order is sufficient?

This is, after all, a practice which is seen all the time in the export market where the customer has to pay for the delivery from the freight forwarder to its ultimate destination. In these circumstances the customer is balancing stock levels with the time taken to replenish stocks and their cost of freight.

On the other hand, the publisher can try to persuade the customer that one copy is not the right quantity. Increasingly, the sophistication of the sales data analysis tools allows much better analysis of the sales trend of the individual title and specific customer. Macmillan's new MIDAS system (Macmillan Information Delivery and Analysis System) is providing both internal Macmillan companies and MDL's third party client publishers with just such a system.

Ed Ripley from Pan Macmillan reports that he now uses the MIDAS system to analyse the sales by category for a large chain of bookshops. The MIDAS reports feed him a sales analysis, which is compared within MIDAS to the stock holdings of the chain. Simple calculations then enable Ed to recommend to the chain that certain titles be re-categorised, either getting the books into more bookshops or increasing the number held at each store and on more obvious display to customers. MIDAS is also used at both retailer Head Office and store level to demonstrate that an initial order of one copy of a similar title was not enough in a previous subscription a few months previous. He can thus aim to increase the number of units ordered per store, or at least increase the percentage coverage of a High Street chain.

The ability to select different slices of the data is critical for the complicated sales analysis. Questions such as "what were the net sales by discount band by specific customer by nominated date period" are now a 10 minute exercise for the trained user, where previously it would have had to form part of a work queue for a bespoke report for a programme developer. Ben Wright, Export Sales Director at Pan Macmillan, says *"If you ever want to know anything that you didn't think you wanted*

to know before, it's very simple to find out. And it's easy to find the answer to a question posed from a previous answer."

Other sales managers have used the MIDAS system to help them get fresher, more up-to-date analysis at their crucial times. For Lorraine Keelan, Head of UK Sales at Palgrave Macmillan that crucial time is "Back to University. *"The ability to compare frontlist and backlist sales against the previous year more easily and mid-month comparisons have been key improvements. The Macro view of the UK profile can easily be cut down into microscopic analysis of individual accounts or chain or group of accounts. Analysis of the sales by rep area is now being done every second or third day, rather than monthly, providing the sales teams with the opportunity to correct holes in sales rather than to report on them later. We can spot much earlier what books are working where and as a consequence where there are gaps in a customer's stock holding"*.

The current trend in the market to single copy ordering poses one of the biggest challenges to today's publisher. In this climate MIDAS is a key tool to ensure that not only every title, but every customer realises their full potential for the publisher.

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