

## **Peter Schiffer's Bold Idea**

**To protect the value of his authors' works and ensure his retail partners a level playing field against online sellers, the publisher instituted minimum advertised pricing.**

Peter Schiffer, President of Schiffer Publishing Ltd., created the Schiffer LTD imprint two years ago in response to his authors' complaints that their books were being devalued in the marketplace.

Many of the books he publishes are about the arts, history, antiques, or collectibles. His authors, who work hard to support their titles by speaking and conducting workshops in museums and bookstores, were troubled that potential customers would "whip out their smartphones and find the books massively discounted online," according to Schiffer.

He wanted to protect his authors and safeguard the value of their works. He also wanted to protect his retailers and ensure them a level playing field. So he developed the Schiffer LTD imprint and announced a minimum advertised pricing (MAP) policy; that is, resellers are not to advertise the books for less than the preprinted price. Many of the major independent booksellers and museum shops are on board with MAP although Schiffer notes that some didn't understand the concept at first and he needed to educate them about it. We at UConn Co-op embraced MAP when it was unveiled.

Because no publisher in the U.S. had tried this before, Schiffer launched with just three titles that the press itself generated, thus taking on any marketing risks. Today the Schiffer LTD imprint offers more than 40 titles.

Schiffer points out that retailers can sell the books for less, but they can't advertise them for less. If they do, he won't sell books to them. In his information for booksellers and those who buy Schiffer books for resale, he states, "Advertisement is defined by us as, but not limited to: television, radio, billboards, newspapers, fliers, print ads, window banners, telemarketing coupons, broadcast e-mails, magazines, web sites, and other electronic media (including eBay or other auction sites), direct mail, or posters."

Asked about enforcement, Schiffer says he monitors compliance. While he doesn't want retailers "ratting" on each other, his company does watch and has refused to ship to a few accounts that didn't comply.

Schiffer was returning from meetings with some of his trading partners in Germany when we spoke by phone. "In Germany," he said, "they don't give this a second thought. They have protected the value of their books for a long time." He noted that in the bicycle business, in which he has also worked, many manufacturers instituted minimum retail pricing years ago to protect their bricks-and-mortar resellers.

I spoke to people at our local bike shop, who confirmed that this is indeed the case. Top manufacturers, such as Maverick and Jamis, and many parts manufacturers use minimum advertised pricing so their physical-store partners remain viable and aren't driven out of business by deeply discounted online sellers.

As I write this, Amazon has all the forthcoming Schiffer LTD titles listed at 37% off. It has not adhered to the policy and Schiffer doesn't ship the books to Amazon; neither do the wholesalers. Amazon apparently lists the books and then, when it receives orders, declares them unavailable.

Stacy Mitchell of The New Rules Project, a program of the Institute for Local Self-Reliance, points out in her excellent piece, "Why Publishers, Not Amazon, Should Set Book Prices," that it's the actual prices—not merely the advertised prices—that publishers should control. She goes on to point out that in the dozen European nations where the book industry has adopted fixed pricing, as well as in Argentina, Mexico, and Japan, consumers have benefited. There, bricks-and-mortar stores are vibrant, publishers are doing well and able to invest in authors, and book prices have actually declined.

Here in the U.S., fixed pricing is working with the agency plan for e-books. It's also working in parts of the toy industry. It will work with printed books.

Mitchell also points to the 2007 Supreme Court decision that supports the legality and benefits of "manufacturer-mandated retail pricing. " That allays any worry that fixed pricing might be illegal.

Schiffer has taken a bold step in instituting MAP for selected titles. Two years after launching, though, he is still, shockingly, alone. It's time for all publishers to follow his lead. It's time for booksellers to applaud his action and encourage others in the same direction if we want to ensure a future for books and physical bookstores.

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