Literature distribution

The basics

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1. Introduction

I spent a fair amount of time and effort on putting together a workable, fair way to price and distribute vernacular literature. My focus was books in Quechua or about Quechua. I have aimed to establish (1) ongoingness, (2) a distribution network, (3) profit, and (4) a cohesive pricing system with a high enough price for sellers, low enough price for buyers, and easy pricing of books.

Some of these principles, such as ongoingness, are principles we all share. Others have been hammered out on the anvil of experience. I want to point out that I intend these principles to be descriptive, not proscriptive. They have worked for me. But if they do not work for you, do not use them.

2. Ongoingness

We want literature production, distribution, and use to continue after we have gone. This includes the sale and use of the translated Scriptures, so if we fail in ongoingness, all our work will have been in vain.

Many of the other principles are a natural outworking of ongoingness. A distribution network helps literature to continue to get out when we are gone. A pricing structure that keeps prices down, and yet (1993). Notes on Literacy, 19(3).
allows intermediaries to make a profit, makes the system self-motivating and not dependent on, say, our paying people a salary to sell books.

One thing we want to avoid is making our efforts hard to follow. Others cannot put the same time or finances into a project that we can. So, we aim for a pricing and distribution system that is economically viable. Then the time and finances contributed by outside parties is minimized.

A subtle aspect of ongoingness is the need to avoid too much quality. The four-color illustrated books put out by other literacy projects are beautiful, but most people do not have the expertise or money to make them themselves. The production of these books will halt when the project financiers leave. For this reason, we have deliberately kept down the technical quality of the books we have printed. Our first materials were mimeographed on newsprint quality paper, often without any special cover. Outside of Scriptures and technical material such as dictionaries, current materials are produced on bond with card stock covers. We do not wish to get fancier because we do not want to be a hard act to follow.

3. Distribution network

A distribution network is essentially a system of vendors or sellers. I provide literature in bulk to people who, in turn, provide the literature to the individuals who will use it. We must have a distribution system. Fifty linguists would like to make a significant impact on several million Quechua speakers. Fifty to two million is a ratio of 1:400,000. We cannot do the job alone.

The main advantages of a distribution network are (1) it multiplies our efforts, (2) it reaches areas where we have not gone or cannot go, and (3) it allows us to sell larger quantities and a broader spectrum of literature.

Sellers will be the key to a successful book promotion program and distribution system. One seller can sell much larger quantities of books than I can, and if I am supplying two, three, or more sellers, my efforts are greatly multiplied. For example, in the month of July 1988, I sold approximately $4.25 worth of books over a three-week period. I go out almost every day to practice Quechua, and I always go out with a stack of books, show them to people, read them to people, and in other ways promote them. So I have constantly been exposing books to potential buyers. On the other hand, in July, I also visited one seller in Cerro de Pasco. I received $11.50 from books I had left him on consignment, and received an order for $51.50 worth of tapes and books (he will pay cash for his order). This man is a traveling salesman of kitchen pots and gets to outlying communities. There are three sellers whom I regularly supply with materials, and several others whom I supply every now and again. So my efforts in book promotion are multiplied through sellers and their impact in book sales is greater than my own. In 1991, approximately 85 percent of the books I sold were through vendors.

Bookstores are particularly valuable here. They can give us a big market, especially for our bigger, more expensive books. In the same time period (July 1988), I received a request from a Cerro de Pasco book store for 50 copies of the Ambo-Pasco *Useful words* book. This kind of volume on the more expensive books is difficult to match by sales to individuals or even to sellers.


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Further, sellers will get to places I never will. One pastor has come to the door in Huanuco twice to buy books and tapes in quantity. He works in Monzón, an area I cannot go to. A seller in Cerro de Pasco goes to all four presbytery conventions of the largest evangelical denomination in Pasco and Junín, and sells Quechua materials in each one. I normally get to attend only one of these conventions.

These examples show that the sellers are already having an impact on the distribution of Quechua literature, both in terms of quantity and in terms of distribution through a wide area.

4. Profit

We need a motive that will encourage sellers (vendors) to make a distribution system work. Being able to earn part of your living through selling books and other literature is a significant motive.

In the system currently being used in Huanuco, the vendor receives books in bulk for 75 percent of the price he will sell them for. In Peru, vendors do not mark up from a wholesale price to get the retail price. Rather, the retail price is fixed and the wholesale price is viewed as a discount from the retail price. So instead of talking about a markup of 33 percent from the wholesale price, we talk to vendors about a discount of 25 percent from the retail price. In this way, we fit into the national culture. Further, we have tried to make the discounts comparable to the national norm. In 1988, the norm was 30 percent for vendors and 40 percent for bookstores. Our discount of 25 percent is slightly lower, to give the retail buyer a better price, and also because few of our vendors depend for their full livelihood on selling our books.

I have had most success when (1) the business of selling literature is an add-on to the vendor’s ordinary routine or (2) the person is already interacting with the market for our books. One vendor mentioned in the last section is already a traveling salesman. The pastor is already going to church conventions. A church convention is a high concentration of people who want Scriptures, chorus books, and tapes. These people bring money to the conventions to buy any materials available there. The book store is already a big provider of textbooks to university students, and many are required to take a course in Quechua, so they are primed to buy Quechua materials.

5. Cohesive pricing system

The two major factors of a cohesive price system are:

1. Set a price high enough for vendors but low enough for buyers.
2. Have a method of pricing books that is easy to manage.

The pricing of books is an area that will take much effort, and in which people will have a wide range of opinions. We still do not agree at all points here in Huanuco.

First, we set a price for almost all our materials. An exception has been the cholera pamphlet, which was distributed for free. People value materials more when they have paid for them. Further, ongoingness demands that we set a pattern that is economically realistic so it is possible for others to make a living by

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making literature. So we attempt to set a price high enough to yield a profit for sellers, yet at the same time is low enough to yield a modest price for the Quechua speakers we are ultimately trying to reach.

It is critical to have a method of pricing books that is easy to manage. A clumsy system will waste time, and opportunities will be lost if the difficulty of deciding on the price of a book causes us to say, “I just can’t give you the price of that book right now.” A system that does not yield a uniform price for a book can lead to misunderstandings between team members, or suspicions of bad faith on the part of the buyers. SIL colleague, Mark Bean, expressed this concern when he said that we need “a system whereby, under the changing economic conditions, any person can easily calculate the cost of books any time and anywhere.

Such a system needs to clearly determine

1. a book’s base cost that remains fixed through time
2. a factor for calculating the current cost of the book (for example, in the local currency), and
3. factors for calculating the cost of the book to vendors and to the public.

Our base price for most materials is the actual production cost minus a subsidy. The resulting value is **cost**. Most materials have no subsidy. Translated Scriptures are heavily subsidized; first, because we want to make sure that practically everyone can purchase Scriptures, and second, because they have already been paid for by The Bible League. The **cost** is the price at which we sell to vendors. There is a standard mark-up from the **cost** to the retail price, and this is the profit for the vendor.

Mark Bean has worked with a two-tiered pricing system, one for the rural areas and another for the city. The rural area prices are lower because the people there have less money. The principles are the same; the rural area prices may use larger subsidies or smaller mark ups. Where I work, people have more ready cash (in part, because many work in the mines), so I have used one price for both city and country. If I sold books personally for a lower price in the country, I would prefer to express the lower price as a sale price. Especially in the context of selling at a church convention, this would be a reasonable alternative.

It is clear that we are already a hard act to follow. First, we have not included at all payment to the authors of new literature, either money to live on while creating new material, or even royalties for the material sold. Second, we have bowed to the reality of subsidies. SIL colleague, Elizabeth Wyss, has told us that a very successful producer of vernacular literature in Bolivia can exist only because of the subsidies provided by mission groups.

How do you keep a reasonable value for books in an environment of rapid inflation, such as Peru was experiencing in 1988? We calculated the net cost in dollars, and then computed wholesale and retail prices in the local currency by multiplying by the exchange rate. This straightforward strategy can serve admirably, and does give a very good first approximation of fair prices. There are two cases in which other strategies are helpful.

First, in 1987–1988 the dollar was growing in strength against the Peruvian Inti, even when the exchange rate was taken into account. This is, the dollar value of goods (for example, paper, ink, and masters) was decreasing through time. The result was that the dollar cost of producing earlier books was greater than (1993). *Notes on Literacy, 19*(3).
the dollar cost of producing later books. The effect was that the earlier books were slowly being priced out of the market. A solution (which we never actively put into practice) was to reevaluate the production cost of earlier books by changing the cost to the production cost of an equivalent recently printed book.

Second, inflation in the city can be different from prices in the country. In a village rather isolated from the national scene, where the cost of living may be stable during a certain period, people may resent paying an escalating price for books simply because the national currency is being devalued. In this case, colleagues suggested two expressions of the same principle:

*Peg to the egg* (David Coombs)

*Match the match* (Bruce Benson)

The idea behind both is that the value of books can be fixed to the value of local products. If you will be in the village for the season, calculate how many eggs a book is worth, and use this value for the entire season, regardless of how the national currency performs.

Finally, there is the special case of fixing prices for music tapes and for Spanish Bibles. In the case of vernacular books, we can set prices according to our desires because even in the general market, books of roughly the same size will vary in price according to quality, demand, captive markets (for example, school books), and so forth. But in the case of music tapes and Spanish Bibles, we are constrained by the wider market. The price of music tapes is fairly standard, and exactly the same editions of Spanish Bibles are sold in the local Christian bookstore.

6. How to begin distribution

Basic principles of distribution are:

1. Scratch where potential readers itch.
2. Keep it short.
3. Start with books from other related dialects and have a variety of stock.
5. Be a Bible person.

A basic rule of community development is: “Scratch where they itch; later they will itch where you want to scratch.” So, start with books and other materials which meet their felt needs.

Christians: chorus books (not, in fact, Scriptures)

Ordinary villagers: alphabet books, riddle books


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University students: dictionaries, grammars

Note that we need different materials for different audiences. It is valuable to have and to show other kinds of books to the different audiences, but do not expect big sales at first in health books or large Scripture books.

Quechua people are not used to reading. Keep it short—both the book as a whole, and the basic units of the book.

<table>
<thead>
<tr>
<th>Type of book</th>
<th>Basic unit</th>
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<tbody>
<tr>
<td>alphabet book</td>
<td>1 word</td>
</tr>
<tr>
<td>riddle book</td>
<td>2-4 lines</td>
</tr>
<tr>
<td>small folktale</td>
<td>2-4 small pages</td>
</tr>
<tr>
<td>small collection</td>
<td>20 pages, with illustrations of folktales</td>
</tr>
</tbody>
</table>

It seems more trouble to make an individual book for each folktale, but more people will buy a small one. A 30-page book, even when broken up with pictures, is imposing for most of our readers.

If you do not yet have books in print, it may be practicable to sell books produced in one or more neighboring dialects. This should be done only in the initial stages, lest speakers of the local dialect get the idea that books can be written only in a neighboring dialect.

Further, keep a variety of books for a variety of audiences. I have a cardboard box already packed with chorus books and tapes (for Christians), alphabet books and folktales (for other villagers), dictionaries and grammars (for professional people and students). I show all the kinds of materials to all the audiences. Sometimes I am surprised what people buy. Also, it shows the ordinary villager a wider world that he might participate in at a later time.

My cardboard box comes provided with a price list and a block of sales receipts. If I go on a trip, I just need to pick it up and my literature promotion and distribution is ready to go. If I am in the village, I just need to make a quick selection and I have books to take with me while I walk about the village.

Be a book person—carry some with you always


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Be a Bible person—have some available in the language of wider communication and in a variety of readable dialects.

7. Specific problems

7.1. Consignment sales

This has been an easy way to jump-start a distribution system. Simply give books and materials to a person, with the understanding that they need to return to you the wholesale value of the books. I had good success with this for a number of years. The sellers would faithfully return to me the wholesale value, and order more books, again on consignment. The major problem I had was that, in 1987–1988, the Inti was in hyperinflation. If I did not get back to the vendor for several months, a significant fraction of the value of the books sold was eaten up by inflation. More recently, several vendors have failed to return with the wholesale value of the books. Instead, I feel that some have used the capital for their daily needs. When this happens, they are embarrassed to return, and the account continues without being paid off.

More recently, I have gone to a cash basis. In part because of this, in part because of the economic hardship, and in part because I have spent less time with church leaders and villagers, I sold virtually no books last year.

In moving to selling on a cash basis, I have compensated by offering to buy back any stock that a vendor cannot sell, as long as it is still in good condition. This encourages vendors to take more materials, since they do not run as great a risk of being stuck with unsold stock. (Unfortunately, this again contributes to our being a hard act to follow.)

7.2. Control of retail prices charged by vendors

I give the vendors a list of the latest prices, both retail and wholesale. Most have followed my guidelines, and so I feel I have been giving a fair price to the public. However, some of the vendors have taken advantage of the low supply and high demand to charge what the market will bear. At the moment of the sale, I have no control over the price asked. However, there are several remedies:

1. As much as possible, pick reputable vendors (this includes being discriminating among Christians). There is no value in getting books out, if the exorbitant prices charged bring a bad name on Christians in general or us in particular (the buying public knows we are the ones providing the books).

2. Get more than one seller in an area so the competition keeps the price down.

3. Disseminate the prices, so the public is aware of the true current prices.

The most effective means is to choose reputable vendors. In all this, I will say that the most honorable vendors have been the professionals, that is, the two well-established nonreligious bookstores for whom I have supplied books.

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There have been times, especially in the case of expensive music tapes, when I have suggested to vendors that they could sell materials at under the stated retail price. This would cut down on their profit per item, but would probably be compensated by an increase in sales.

### 7.3. Pricing of music tapes

The prices of music tapes are controlled more by general market forces than are books, so there are special problems in this area.

I sell the tapes of a Quechua gospel ensemble. We have agreed to sell tapes for the same retail price. This way, I am not underselling them (which I could, since I do not need the profit). Also, I am not overselling them, leading to the loss of sales for me.

We also sell tapes to the local Christian bookstore. It has a standard price for Spanish music tapes and a standard (but lower) price for Quechua music tapes. We need to adjust our wholesale and retail price of chorus book tapes to conform to this reality. If we sell in other places for lower or higher than their price, people will complain that one or the other of us is unfair. The standardized retail price also influences the wholesale price paid by the bookstore. In 1987–1988, we had a stock of tapes which had been purchased at a very good price. We wanted to pass these prices on to the folks in the rural area. But, we also sold the tapes at the same price to the bookstore, who then marked the price up over 100 percent (suggested markup was 33 percent) to match the retail price of their other Quechua tapes. In effect, we were subsidizing the bookstore. We probably could have passed on the good price to people buying tapes sold in the rural area, and simply raised our wholesale price for the bookstore so they could have a fair, yet not excessive, markup.

We ran into a special problem during this same time period. Our wholesale price for music tapes was actually below the cost of blank tapes. Several times, a member of a local Spanish ensemble came to our door and requested large volumes (hundreds) of our tapes. We stopped selling when we realized that he might be throwing away the chorus books, erasing the tapes, and using them as blank tapes for his group. So, for reusable media such as tapes, the media must be priced above the price of blank media. Or if you want to pass a good price on to legitimate buyers, such abuses need to be recognized and guarded against.