Chapter 7: The Book Industry

Chapter 7 is the first chapter of the book to delve into the structures of the more traditional media industries and their reactions to the impact of convergence. Watch for the themes mentioned in the preface to Part II to connect across the following chapters. Each of these chapters will contain a timeline with several key themes related to the historical development of each medium.

Chapter Objectives:

1. Understand today’s books in terms of the development of books over the centuries.
2. Differentiate among the different types of books within the book publishing industry.
3. Explain the roles of production, distribution, and exhibition as they pertain to the book publishing industry.
5. Analyze ethical pitfalls present in the book publishing industry.

The History of the Book

- While the growth of ebooks has been rapid, with revenues reaching more than 20 percent of industry sales in just a few years, print sales still count for a significant portion of sales. (192)
- At its core, book use is about trying to record and circulate ideas. (193)
- Three themes from the timeline (194-195) include:
  - 1. The modern book did not arrive in a flash as a result of one inventor’s grand change. (193)
  - 2. The book as a medium of communication developed as a result of social and legal responses to technology during different historical periods. (193)
3. The book as a medium of communication existed long before the existence of the book industry. (196)

**The Book Industry Today**

- The book industry is growing and economically healthy; books are currently divided into the following categories:
  - Educational and training books, marked by their use of pedagogy (particular teaching approaches), including learning objectives, chapter summaries, and questions for discussion (197).
  - They include these three sub-categories (197):
    - K-12 books and materials are created for students in kindergarten through twelfth grade.
    - Higher education books are those that focus on teaching students through college and post-college learning.
    - Professional books help continue the learning process beyond college.
  - Consumer books are aimed at the general public. (197) They include these seven sub-categories, which describe how they are distributed, not their content (198-201):
    - Trade books are general-interest titles, including both fiction and non-fiction; typically sold at retail bookstores and to libraries; divided into adult and juvenile. Paperbound trade books are called trade paperbacks.
    - Mass market paperbacks are smaller than standard-size trade paperbacks and are sold at mass market outlets such as drug stores and supermarkets.
    - Religious books are trade books that contain religious content; sold at religious bookstores and general bookstores.
    - Scholarly books are published by university presses for those working in research, in higher education, government, or even corporate settings.
    - Book clubs are organizations through which individuals who have joined can select books from the club’s catalog and purchase them through the mail or via the club’s website;
traditionally, they have operated on a negative-option plan, requiring consumers to cancel their memberships or otherwise receive “main selection” books on a monthly basis.

- Mail-order books are advertised on television and in mailings and require consumers to use an 800 phone number to order books with a credit card.

- Subscription reference books constitute various “great books” series, dictionaries, atlases, and encyclopedias, sold door-to-door or via direct mail; several volumes are sold at one time with a deferred payment schedule.

**Variety and Specialization in Book Publishing**

- Financing book publishing (201)
  - Estimates on the number of U.S. publishers vary widely, but the U.S. Census Bureau counted about 2,450 publishers in 2010. About 100 had more than 500 employees, while around 1,600 had between one and four employees. (201)
  
  - Small publishing houses can reap benefits of readers and revenue, such as Writers’ Coffee Shop, which published the *Fifty Shades* series. The series outpaced the selling of the *Harry Potter* titles. (201)
  
  - Only five publishers account for nine of the top 10 titles sold in 2014, all ten of Amazon Kindle bestsellers, all of Nielsen BookScan’s Adult Fiction Top 20, and others. Those publishers include Random House, Simon & Schuster, Hachette Book Group, HarperCollins, and Macmillan. Several of these publishers are part of larger media conglomerates. (201-202)

**Production in the Book Publishing Industry**

- Production in trade publishing (203-204). See Figure 7.3 for the structure of a typical book publishing house (204).
  
  - The acquisitions editor recruits and signs new authors and titles.
  
  - Authors may be paid a flat fee or may earn royalties from sales of the book.
  
  - Literary agents market manuscripts to editors, publishers, or other potential buyers.
A hardcover bestseller achieves sales of more than 75,000 copies; a blockbuster achieves sales of more than 100,000 copies.

**Production at a university press (204-205)**

- Major success means selling several thousand copies (far fewer than in the hardcover trade area); success is often based on commanding respect from professors who tell their students and university libraries to buy copies.
- Editors start with established professors as well-known universities to reduce risk. They then rely on consultants who give them tips about young professors (potential writers) whose work seems promising because established professors alone can’t meet the entire demand for scholarly work.
- Academic conferences are typically used to publicize books; brochures are sent to scholars who specialize in a given topic.

**Book production in the electronic age (205)**

- The biggest book publishers are active in creating books for the electronic market.
- Interest has soared in devices known as e-readers, such as the Kindle, Nook, and others.
- Sales of ebooks also have taken off, accounting for almost 50 percent of new best-seller sales.

**Reducing the risks of failure during the production process**

- Three of these strategies include the following (206-208)
  1. Conducting prepublication research to see if audiences might be interested.
  2. Using track records, or histories of successes or failures of a product, person, or organization.
  3. Offering advances on royalties, or a payment made before the book’s publication, based on what the publisher thinks the author will earn.

**Distribution in the Book Industry**
• The role of wholesalers in the distribution process: They purchase copies from publishers and then sell them to retailers (exhibitors) at a discount; wholesalers risk giving too much storage space to a title; publishers risk having unsold copies returned, so the publisher must be realistic about the print run (the number of copies printed). (209-210) See Figure 7.4 on p. 209.

• Assessing a title’s popularity rests on three indicators (209-210):
  o Popularity Indicator 1: The size of the print run
  o Popularity Indicator 2: The content of reviews
  o Popularity Indicator 3: The scope of the marketing plan (including the author’s book tour)

Exhibition in the Book Publishing Industry

Many different kinds of bookstores exist, and the online presence of publishers, as well as electronic publishing, is changing the means of exhibition in the industry. (211)

• Exhibition of consumer books (211-212)
  o Bookstore chains (brick and mortar stores) took over bookselling from independents in the mid-1990s.
  o These chains are struggling in the face of Amazon.com, which controls large portions of both print and ebook sales.
  o In addition to promoting more awareness of books, lower prices at online outlets offer competition to physical stores.

• Exhibition in textbook publishing (212-214)
  o The exhibition area for K-12 books is constituted by the evaluation boards that determine purchases; Texas and California are most influential in this process because the selection process is centralized and the states are very large.
  o College-level textbooks are assigned by professors; new editions of college textbooks have two purposes:
    ▪ New editions have more up-to-date information.
• Publishers discourage used book sales in order to maintain profit; revised editions of popular textbooks keep publishers in business.

• Several states have passed laws that attempt to keep textbook prices as low as possible.

• Students also now have the option of renting textbooks for a lower cost than the book’s purchase price.

Convergence and Conglomeration in the Book Industry

Book publishers are frequently part of larger media and other corporations. (214)

• A title that moves content across media boundaries is typically presold (the publisher expects it will sell well to specific audiences because it ties into material that is already popular with the target audience); book lovers are concerned about this process because they fear it may drive out other titles from the marketplace. (214-215)

• The media-literate person may well ask these questions about the book industry:
  
  o To what extent are the books that garner the most media attention today generated as a result of an author or character’s popularity in another medium? (215)
  
  o Are we seeing an increase in cooperative activities between movie companies and book publishers owned by the same conglomerate? That is, are movie companies mostly using the publishers to sell books that publicize the movies, and are book companies trying to come up with titles that can become films? (215)

Ethical Issues in Book Production

Ethics issues in book production start with plagiarism, which involves using another person’s work without citing the original author. (215)

• Ethical issues for authors (215)
  
  o For fiction writers, it involves taking passages without citing.
  
  o For nonfiction authors, it involves making up “facts” or quotes.
Ethical issues for editors and literary agents include stealing ideas from unknown authors and assigning better-known authors the job of turning the ideas into books; sometimes, unscrupulous agents charge authors fees to represent them but then don’t follow through. (216)