

Setting the scene:

Disruptions in the book publishing industry

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The sources of our knowledge lie in what is written

on bamboo and silk, what is engraved on metal and stone,
and what is cut on vessels to be handed down to posterity.

— MOZI, FIFTH CENTURY B.C.

大墨子卷之四
子墨子曰吾非與之並世
同時親聞其聲見其色也
以其所書於竹帛鏤於金
石琢於槃盂傳遺後世子
孫者知之

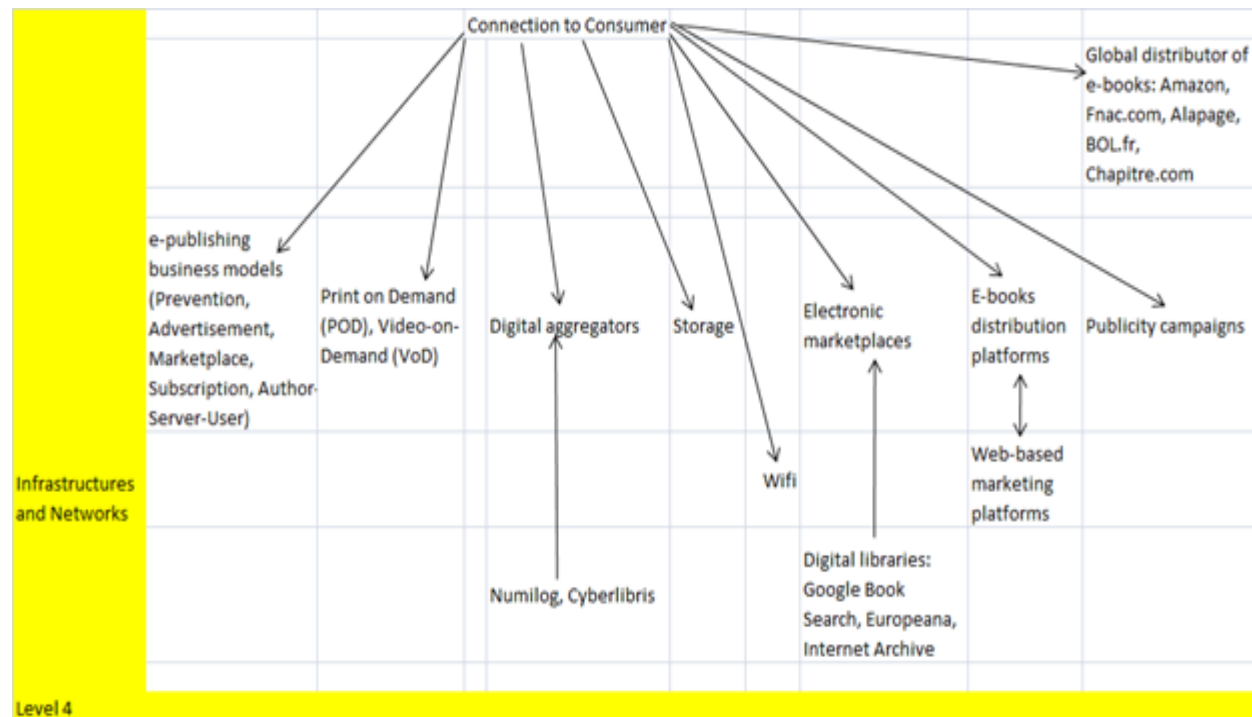
Source: Tsien, T.H (2004)
*Written on Bamboo and
Silk*

Strengths: a leading EU industry

- In the media and entertainment markets, the book market is the only one where EU companies (Bertelsmann, Hachette, Grupo Planeta, Pearson, Reed-Elsevier, Wolters Kluwer) lead, with seven companies among the top 10 ten (Publishers Weekly, 2012).
 - In July 2013, Bertelsmann and Pearson have merged their trade book-based publication arms, Random House and Penguin, operating in five continents, to create **the world-leading trade publisher, Penguin Random House**
- 101.6 bln \$ global revenue in 2012 (PWC, 2013)
€ 22.5 billion EU total annual sales (FEP survey, 2013)
- The three major EU markets (Germany, France, UK) account for over 50% of the EU market
 - Largest market in EU: Germany 9,536 billion Euros (based on retail sales) in 2012 (Börsenverein des Deutschen Buchhandels, 2013), e-book share 3,9%

Where is innovation taking place? (1)

- An array of innovation at several levels:
 - Operating systems standards (e-ink and EPD technologies),
 - Terminals and hardware (e-book tablets, readers and PDAs),
 - Standards and software: the intermediary role of blogs, social networks, platforms, consortia and partnerships among editors,
 - Infrastructures and networks: the issue of connectivity
 - Middleware



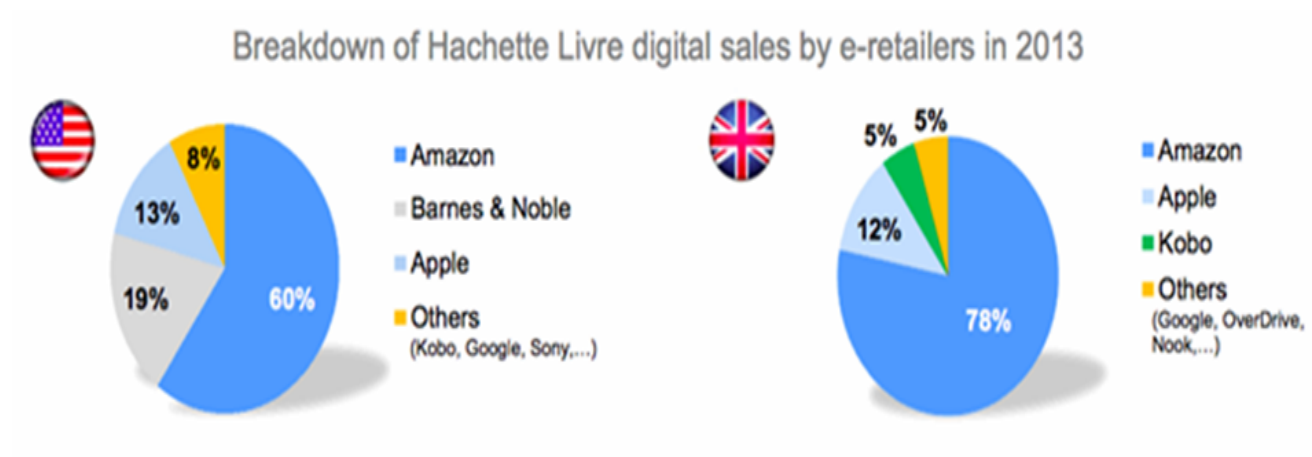
Source:
Benghozi, Salvador
2013

Where is innovation taking place? (2)

- Key tools: Digital libraries, publishing-related community blogs, social media and social networking sites
- Collaborative e-book distribution platforms
 - created by a consortium of major publishers and coproduction agreements among publishers
 - and developers who specialized in the area of new technologies are other key tools.
- In this context the effective role played by editors is not emerging as a pivotal factor
- Example: e-pub and pdf formats have not been a choice, but an imposition at the international level.
 - several companies specialized in digital editing are becoming the pivotal tools for developing these formats

Challenges: downstream domination

- Move toward downstream domination in the media sector
- Even with leading EU companies, the power struggle changed scale:
 - now competing with the world largest market cap companies: Apple and Google
- Illustration: the Amazon Hachette controversy



Innovation and disruption

- Publishers are adapting their editorial strategy to the succeeding new digital demand needs,
- but they are not leading this evolving process with a convincing strategy (Benghozi, Salvador, 2013).
- The European Commission report (Publishing Market Watch: final report, 2005, p. 70)
 - *“a mature sector with no immediate driver for change”.*
 - *“the industry has been slow to respond to some of the threats and opportunities created by digital technology and the Internet in particular”*
- Publishers are still looking for model to use effectively and efficiently these innovations

Thank you



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