

Producers of Information Materials

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Collections in today's libraries and information centers contain a wide variety of information formats. In the not too distant past, the vast majority of collections were print-based.

Acquisitions departments probably could function without knowing very much about the producers of the product they purchased. However, the departments will be both more effective and efficient when the staff understands something about the production side of the information cycle: creation, production, distribution, access/storage, and usage. Understanding the factors that enter into the costs and discounts of the products a library purchases assists in the business activities it undertakes (better vendor relations) as well as end-user interaction (better public relations).

Production of information materials underwent a series of changes during the last half of the twentieth century, and the pace of change is accelerating. Print-based publishing began to change in the 1950s, when most publishing firms were private partnerships. Company control was in the hands of only one family (or perhaps two or three families) throughout a firm's history. Family pride and a feeling of personal involvement with each title published were characteristics of such companies. Although they did not set out deliberately to lose money, many such firms passed up manuscripts they knew would make a profit simply because they felt that the material did not merit carrying their company's name.

Expanding educational programs in the post–World War II era translated into an explosive growth in demand for print materials. Private publishing firms lacked the capital to expand fast enough to meet the growing market. One method of securing the necessary money was to “go public,” that is, to sell company stock. Selling stock changes the nature of a firm’s business, because the firm takes on a commitment to attempt to return the maximum profit to the investor. As a result, the primary concern for many firms became profit rather than maximum quality.

As publishing grew more and more profitable, larger non-publishing businesses decided that the field was a worthwhile investment arena. Major electronic, computer, and other communication media companies bought publishing firms; in a sense this was the start of the blending of print and non-book production activities within a single firm. Some companies of this type controlled seven or eight publishing firms, each operating under its old name but actually controlled by non-publishing interests. If individual investors caused a change in the nature of publishing, it is not difficult to imagine the long-term effects of corporate investment. Profitability and corporate well-being became the primary factors in selecting materials for publication.

Beginning in the 1980s, the movement began toward electronic publishing. “Electronic publishing” has taken on several meanings; however, initially it meant producing a publication solely in a digital format and frequently selling it to individual users on demand. Today the term has taken on broader and less precise meanings, ranging from the original concept to producing some combination of print and digital material.

In the past, information producers could be categorized by their products: (1) those who produced printed matter (books, periodicals, newspapers, and the like) and (2) those who

produced non-book materials. Seldom did a producer work in both areas. Today the situation is different. Although some companies are solely devoted to the production of print or audiovisual materials, most trade book publishers also have one or more electronic and audiovisual lines. University presses and other scholarly publishers are also moving into electronic publishing, including the “publication” of materials solely on CDs or other digital formats. One such example is the University of North Carolina Press’s *Excavating Occaneechi Town* (R. P. S. Davis, P. C. Livingood, H. T. Ward, and V. P. Steponaitis, University of North Carolina Press, 1998).

Sometime in the future we may see the “paperless” world often predicted in both the popular and scholarly press. (F. W. Lancaster has written extensively about this topic; see *Libraries and Librarians in an Age of Electronics*.¹) Despite such predictions, printed materials are still very much with us and probably will be for some time. Print materials still make up the largest percentage of items available through most libraries and information centers.

A sense of the staying power of print is found in sources such as *Books in Print (BIP)*. The 1988 edition of *BIP* listed 781,292 titles; by 1998 that number had more than doubled to over 1.6 million. (Note: These numbers are based on unique ISBNs; titles are double counted if there were both hardcover and paper editions in print. Some popular titles might even be triple counted, if there were also an audio edition available.) Electronic products are being produced in increasing numbers, but as of 2001 they had not noticeably slowed the production of print materials.

A major reason for the staying power of books is that paper copies still provide the least expensive means of distributing large quantities of timely information to a large number of people. A long document (300 or more pages) can be mounted on the Internet, and many people

do so. Obviously any number of individuals can simultaneously read that document. However, very few individuals using that material attempt to read it on the computer screen. Rather, they print some portion (or the entire file) and read the material in printed form. (Anyone with experience in a reference department is well aware of the volume of printing being done of electronic data, mostly relatively short files.) Also, some people are uncomfortable with technology-based information sources. There is always some question, with electronic files, about the integrity of the material: Is what one sees on the screen what the author originally input? Finally, many people still like to read in bed, on the subway, at the beach, and in other places where technology-based systems are inconvenient, if not impossible, to use. (Try reading a CRT screen in full sunlight at the beach.)

Albert Greco has summed up the present-day situation in U.S. publishing as follows:

Many industry analysts believe that publishing is in disarray, dangerously weakened by steep returns, stark sales figures, fickle and price sensitive customer base, the “rise” of chains and superstores and price clubs and the concomitant “decline” of independent book stores, a population more interested in watching television than in reading books, paper-thin profit margins, staggering technological challenges, and author advances that dumbfound even seasoned industry veterans. . . . Its best days are indeed ahead, a fact that excites tens of thousands of people every day about this wonderful, funny, and, at times, hard business.²

WHAT IS PUBLISHING?

What is publishing? That question has been with us, at least in North America, for almost 300 years. Publishers and others have debated whether publishing’s purpose is cultural or

commercial.

In the abstract, and to some degree in the real world, “The Book” is a cultural artifact as well as an essential means of recording and preserving the culture of a society. Certainly libraries of all types have to a greater or lesser degree some role to play in preserving and passing on their society’s cultural values and heritage. Thus, books have taken on a special aura of importance, some might even say sacredness, that is very different than that of, say, clothes, cars, or cameras. Discarding worn-out items like the latter may bring some scowls from a few people, but there is widespread disapproval of doing the same with a book. From early childhood one hears, “Don’t bend the pages,” “Wash your hands before using your books,” and “Treat your books with respect,” and being labeled a “book burner” is something most people would consider an insult.

HOW PUBLISHING WORKS

Publishers supply the capital and editorial assistance required to transform an author’s manuscript into a book and electronic product. (Two exceptions to this are vanity and subsidy presses, discussed later in this section.) Generally, publishers in Western countries perform six basic functions:

1. Tap sources of materials (manuscripts).
2. Raise and supply the capital to produce books or e-products.
3. Aid in the development of the manuscript.
4. Contract for the manufacturing (printing, binding, formatting) of the materials for sale.
5. Distribute the materials as well as promoting and advertising the titles.
6. Maintain records of sales, contracts, and correspondence relating to the production and sale of materials.

A thumbnail sketch of the basic publishing development pattern is pertinent. This pattern seems to exist worldwide, and it does have an impact on the acquisitions process. In the history of publishing, there appear to be three stages of development. These stages have occurred around the world as publishing has developed in a particular country.

In stage one, the publishing, printing, and selling of the product are all combined into one firm. The early giants of the “industry” in Europe acted as publisher, printer, and retail bookseller. These publishers included Froben, Schoffer, Manutius, and Caxton. When one examines North American publishing history, the same pattern appears on the eastern seaboard, moving west with the frontier; names like Franklin, Green, and Harris in the United States and Gilmore & Brown and Thomson in Canada fall into this period. Elsewhere in the world, publishing exhibits a similar evolutionary pattern, which is largely a function of how societies organize economic, educational, and human resources. In countries with limited resources, technical skills, and small markets, it is infeasible, and in many cases impossible, to have specialty firms handling the several functions required to produce books, journals, and today, electronic resources.

From an acquisitions point of view, stage one development presents many interesting challenges. Research libraries buy materials from around the world, but countries with weak economies and low literacy rates seldom have anything resembling a national bibliography or trade bibliography (mainstays in identifying important titles). As if this were not enough of a challenge, most publishers operating at this level produce a limited number of copies of each item. In many cases, they take orders before going into production. When they do this, they produce just a few more copies than the number ordered. Many acquisitions departments have

experienced the frustration of having an order returned with the comment “unavailable, only xxx copies printed.” Some items are, in fact, out of print on the date of publication; this frequently occurs in areas where publishing is at the stage one level.

In stage two specialization begins, with firms emphasizing publishing or printing. New firms, many with a single emphasis, appear. The factors creating this situation relate to available economic, educational, and human resources. Better education creates a greater market for books among both individual and institutional buyers. The retail trade develops at the same time, because the reading public exists countrywide, and a single outlet in the country’s major population center is no longer adequate.

Often, when bookstores begin to develop a company will decide to create a listing or publication through which publishers inform bookstores about new and existing titles. Acquisitions librarians expend time and energy trying to track down such systems in countries where the book trade is in stage two. The usual procedure is to establish a good working relationship with a large bookstore, with that shop functioning as a purchasing agent. This may entail signing an agreement to spend a certain amount of money each year with the store, but it normally results in much better coverage, and usually better service, than trying to buy directly from the publishing houses.

The third stage is the complete separation of the three basic functions, as publishers discontinue printing activities. For example, John and James Harper started as printers in 1817. Today, HarperCollins is one of the leading publishers in the United States. It ceased printing years ago. When publishing reaches stage three, all the trappings we see in contemporary U.S. publishing are evident: specialty publishers, literary agents, trade journals, sales personnel, jobbers and wholesalers, and so forth. Normally there is something resembling a national

bibliography as well as a trade bibliography, both of which are essential for collection development work.

A fourth stage—electronic publishing—is developing quickly. Some publishers offer information in two or more formats, for example, print and electronic, and others offer some information only in an electronic format. Digitization is especially useful in the production process; submission of electronic manuscripts containing digitized images also speeds editorial work. The implications of electronic publishing for the bottom line are clear to most publishers, as suggested by Gayle Feldman: “Whether it be CD-ROM opportunities for scholarly presses, document delivery revenue for journal publishers, or multimedia packages for the reference crowd . . . the coffee breaks buzzed with conviction that publishers who ignore new technology do so at their peril.”³ As the next millennium begins, few publishers are risking being left behind in a print-only world.

Insight into the impact of technology on the publishing bottom line appeared in a *Publishers Weekly* (PW) report showing that a completely digital publisher spends an average of \$13.60 per page to prepare material for printing. A traditional approach costs slightly over \$43 per page.⁴

TYPES OF PUBLISHERS

The publication *Book Industry Trends* employs a ten-category system for grouping the book publishing industry in the United States:

Trade	Mass market
Book clubs	Mail order (including e-mail)
Religious	Professional

University presses	El-Hi (elementary and high school textbooks)
College textbooks	Publisher/distributor

Because *Book Industry Trends* is primarily interested in economic and statistical data, and publishers can and do have several “lines,” this grouping is slightly different from the one used in this book. (Note: Publishers often have several “lines” or divisions that handle a specific type of publishing, such as trade books, college textbooks, and mass-market paperbacks.) The following discussion provides an overview of these and two additional types of publishing firms, some of which mirror the categories used by *Book Industry Trends* and some more specific to the library world. Some are identified by different names.

Trade publishers produce a wide range of titles, both fiction and nonfiction, that have wide sales potential. HarperCollins; Alfred A. Knopf; Doubleday; Macmillan; Little, Brown; Thames & Hudson; Random House; and McClelland & Stewart are typical trade publishers. Many trade publishers have divisions that produce specialty titles, such as children’s, college textbooks, paperback, and reference. Trade publishers have three markets: bookstores, libraries, and wholesalers. To sell their products, publishers often send sales representatives to visit buyers in businesses or institutions in each of the markets. Discounts for trade titles tend to be higher than for many other types of publications.

Specialty publishers restrict output to a few areas or subjects. Facts on File is an example of a specialty publisher in the field of reference titles. Specialty publishers’ audiences are smaller and more critical of the material than are trade publishers’ audiences. The categories of specialty publishers include reference, paperback, children’s, microform, music, cartographic, and subject area. Discounts tend to be low for titles in this category.

Textbook publishers, especially those that target the primary and secondary schools (El-Hi), occupy one of the highest risk areas of publishing. Most publishers in this area develop a line of textbooks for several grades, for example, a social studies series. Preparation of such texts requires large amounts of time, energy, and money. Printing costs are high, because most school texts feature expensive color plates and other specialized presswork. Such projects require large, up-front investments that must be recouped before a profit can be realized. If enough school districts adopt a text, profits can be substantial, but failure to secure adoption can mean tremendous loss. Larger textbook firms, such as Ginn or Scott, Foresman & Company, produce several series to help ensure a profit or cushion against loss. Given the extreme volatility of this venue, the question remains, “Why would a company take this risk?” During the 1990s, U.S. El-Hi publishers faced increased pressure to change the content of their publications from a variety of special interest groups.⁵ This pressure adds yet another element of risk to textbook publishing. Discounts are rare for El-Hi titles, except in very large quantities, and are low for college-level materials.

Subject specialty publishers share some of the characteristics of textbook houses. Many have narrow markets that are easy to identify. Focusing marketing efforts on a limited number of potential buyers allows specialty publishers to achieve a reasonable return with less risk than a trade publisher takes on a nonfiction title. Specialty houses exist for a variety of fields; examples include art (e.g., Harry N. Abrams), music (e.g., Schirmer), science (e.g., Academic Press), technical (e.g., American Technical Publishers), law (e.g., West Publishing), and medical (e.g., W. B. Saunders). Many specialty books require expensive graphic preparation or presswork. Such presswork increases production costs, which is one of the reasons art; music; and science, medical, and technology (SMT) titles are so costly. Another factor in their cost is their smaller

market compared to the market for a trade title. A smaller market means the publisher must recover production costs from fewer books. Although the risk level is greater for specialty publishing than for trade publishing, it is much lower than that for El-Hi publishers. Discounts for such items are low to nonexistent.

Vanity presses differ from other publishing houses in that they receive most of their operating funds from the authors whose works they publish. An example is Exposition Press. Vanity presses always show a profit and never lack material to produce. They offer editing assistance for a fee, and they arrange to print as many copies of the book as the author can afford. Distribution is the author's chore. Although providing some of the same functions as other publishers, they do not share the same risks. Many authors who use vanity presses donate copies of their books to local libraries, but such items frequently arrive with no indication that they are gifts. Books arriving in the acquisitions department without packing slips or invoices create extra work for the staff as they attempt to determine why the item arrived. By knowing vanity publishers, acquisitions department staff can make their work easier.

Private presses are not business operations, in the sense that the owners do not always expect to make money. Most private presses are an avocation rather than a vocation for the owners. Examples are Henry Morris, Bird, and Poull Press. In many instances, the owners do not sell their products but give them away. Most private presses are owned by individuals who enjoy fine printing and experimenting with type fonts and design. When an owner gives away the end product (often produced on a hand press), only a few copies are printed. In the past, many developments in type and book design originated with private presses. Some of the most beautiful examples of typographic and book design originated at private presses. Large research libraries often attempt to secure copies of items produced by private presses.

Scholarly publishers, as part of not-for-profit organizations, receive subsidies. Most are part of an academic institution (University of California Press), museum (Museum of the American Indian Heye Foundation), research institution (Battelle Memorial Institute), or learned society (American Philosophical Society). Scholars established these presses to produce scholarly books that would not be acceptable to most for-profit publishers. Most scholarly books have limited sales appeal. A commercial, or for-profit, publisher considering a scholarly manuscript has three choices: (1) publish it and try to sell it at a price to ensure costs are recovered; (2) publish it, sell it at a price comparable to commercial titles, and lose money; or (3) do not publish the item. Because of economic factors and a need to disseminate scholarly information regardless of cost (that is, even if it will lose money), the subsidized (by tax exemption, if nothing else), not-for-profit press exists. As publishing costs have skyrocketed, it has been necessary to fully subsidize some scholarly books, almost in the manner of a vanity press.

The role of the scholarly press in the economical and open dissemination of knowledge is critical. Every country needs some form of this type of press. Without scholarly presses, important works with limited appeal do not get published. Certainly there are times when a commercial house is willing to publish a book that will not show a profit, because the publisher thinks the book is important, but relying on that type of willingness in the long run means that many important works will never appear in print. Discounts for scholarly press titles are normally modest at best.

Like their for-profit counterparts, scholarly presses are making ever-greater use of electronic publishing techniques. Two good survey articles about how electronics are changing scholarly publishing are William Arms's "Scholarly Publishing on the National Networks"⁶ and

Ann Okerson's "Publishing Through the Network: The 1990s Debutante."⁷ Although the networks hold promise, they also hold the possibility of higher information costs. As Lisa Freeman notes:

If profit rather than commitment to scholarly communication becomes the primary goal of those controlling access to the Internet, university presses would find themselves unable to afford to publish the scholarly works that are the core of their activities. Thus the public nature of the Internet must be carefully guarded if we want to realize the true benefits of a democratic networked environment: broad access to scholarly research and information not driven by financial concerns. A diverse range of independent, nonprofit publishers is critical to that goal.⁸

Government presses are the world's largest publishers. The combined annual output of government publications—international (UNESCO); national (U.S. Government Printing Office and Canadian Government Publishing); and state, provincial, regional, and local (Los Angeles or State of California)—dwarfs commercial output. In the past, many people thought of government publications as being characterized by poor physical quality or as uninteresting items that governments gave away. Today, some government publications rival the best offerings of commercial publishers and cost much less. (The government price does not fully recover production costs, so the price can be lower.) Most government publishing activity goes well beyond the printing of legislative hearings or actions and occasional executive materials. Often national governments publish essential and inexpensive (frequently free) materials on nutrition, farming, building trades, travel, and many other topics.

Paperback publishers produce two types of work: quality trade paperbacks and mass-

market paperbacks. A trade publisher may have a quality paperback division or may issue the paperbound version of a book through the same division that issued the hardcover edition. The publisher may publish original paperbacks, that is, a first edition in paperback. Distribution of quality paperbacks is the same as for hardcover books. Mass-market paperback publishers issue only reprints, or publications that first appeared in hardcover. Their distribution differs from that of other books. Their low price is based, in part, on the concept of mass sales. Therefore, they sell anywhere the publisher can get someone to handle them. The paperback books on sale in train and bus stations, airline terminals, corner stores, and kiosks are mass-market paperbacks.

Books with paper covers are not new. In some countries all books come out with paper covers, and buyers must bind the books they wish to keep. The major difference is that most people think of only the mass-market paperback as a “paperback.” The emphasis on popular, previously published titles issued in new and colorful covers and sold at a low price is apparent. Those are the elements of the paperback revolution, not the paper cover or even the relatively compact form. Nor has the paperback created a whole new group of readers, as some over-enthusiastic writers claim. It has merely tapped an existing market for low-cost, popular books.

Contrary to popular belief, using a paper cover rather than a hard cover does not reduce the unit cost of a book by any significant amount. Original paperbacks incur the same costs, except for the cover material, as a hardcover title, which is why their cost is so much higher than that of reprint paperbacks. The reason the price of paperbacks is so much lower than hardcovers is that most first appeared as hardcovers. The title already sold well in hardcover, or there would be no reason to bring out a paper version, so the book probably has already shown a profit. This means the publisher has already recovered almost all of the major production costs, thus making it possible to reduce the price. In addition, releasing a paperback version of a hardcover title

allows the publisher to benefit from marketing efforts expended on the hardcover version. Marketing efforts for the hardcover carry over to the paperback, which further reduces publishing costs. Economies of scale, or high sales volume and low per-unit profits, also reduce the price. Discounts for original titles in paperback are similar to those for hardbacks, while mass-market discounts tend to be higher.

Small presses are important for some libraries. Small presses are thought of as literary presses by some people, including librarians. Anyone reading the annual “Small Press Round-Up” in *Library Journal* could reasonably reach the same conclusion. The reality is that small presses are as diverse as the international publishing conglomerates. Size is the only real difference; in functions and interests, small presses are no different than large trade publishers.

Small Press Record of Books in Print (SPRBIP) annually lists between 15,000 and 17,000 titles from about 1,800 small publishers.⁹ Many of these presses are one-person operations, a sideline issued from the publisher’s home. Such presses seldom publish more than four titles per year. The listings in *SPRBIP* show the broad range of subject interests of small presses, and that there are both book and periodical presses in this category. Some people assume that the content of small-press publications is poor. This is incorrect, for small presses do not produce, proportionally, any more poor quality titles than do the large publishers. Often it is only through the small press that one can find information on less popular topics.

Another factor that sets small presses apart from their larger counterparts is economics. Large publishers have high costs and need substantial sales to recover their costs, but small presses can produce a book for a limited market at a reasonable cost and still expect some profit. Small presses also can produce books more quickly than their larger counterparts.

From an acquisitions point of view, small presses represent a challenge. Tracking down

new releases can present a variety of problems. Locating a correct current address is one common problem. Another is learning about the title before it goes out of print. *SPRBIP* tries to provide current information. However, waiting for the annual *SPRBIP* may take too long, because small presses frequently move about, and their press runs are small; that is, only a limited quantity of books are printed.

Acquisitions departments interested in small presses have had some commercial help. Quality Books of Oregon (a vendor that in the past was known primarily as a source of remainder books) has become active in the distribution of small press publications. Although it stocks books from only a small percentage of the presses listed in *SPRBIP* (about one-fifth), the fact that it does stock the items is a major feature. Like other distributors, it has a “Web presence” (www.quality-books.com).

Serial (newspaper and periodical) *publishers* are a different class of publisher. Usually, book publishers depend on persons outside their organization to prepare the material that they publish. Newspaper and periodical publishers have staff reporters or writers. Of course there are exceptions to the exception. For instance, some popular (and most scholarly) periodicals consist of articles written by persons not employed by the organization that publishes the journal. In general, in newspaper or periodical publishing, one finds the same range of activities found in book publishing. In other words, there are commercial publishers of popular materials, specialty publishers, children’s publishers, scholarly or academic publishers, and government publishers. All subcategories share the characteristics of their book publishing counterparts; some are divisions of book publishing organizations.

Publisher/distributors are an important part of the publishing industry in Canada. Because Canada’s small population is stretched over a very large country, distribution costs are

higher and production runs are lower than in the United States. Many Canadian publishers, such as Thomas Allen and Fitzhenry & Whiteside, also function as distributors or agents of foreign publishers to supplement their publishing activities. A list of Canadian publishers is found in Quill & Quire's *Canadian Publishers Directory*, published semi-annually.

FUNCTIONS OF PUBLISHING

Publishing consists of five basic functions, which apply equally to print and non-print materials: administration, editorial work, production, marketing, and fulfillment. A publisher must be successful in all five areas if the organization is to survive for any length of time. Just because the organization is a nonprofit does not mean it has any less need for success in each of these areas. Administration deals with ensuring that there is coordination among the functional departments, as well as making certain there are adequate funds available to cover the costs of doing business.

It is in the editorial area that publishers decide what to produce and when to release it for sale. Acquisitions and managing editors discuss and review ideas for books or articles. Publishers develop trade lists (a combination of prior publications, manuscripts in production, and titles under contract) that they hope will achieve a profit while avoiding unnecessary competition with other publishers.

Securing and reviewing manuscripts is a time-consuming activity for most editors. An educated guess is that editors reject approximately nine-tenths of all unsolicited manuscripts after the first examination. After the first complete reading, still more manuscripts are rejected. Even after a careful review by several people, all of whom have favorable reactions, the editor may not accept the manuscript. Three common reasons for non-selection are that (1) the title will not fit into the new list, (2) the sales potential (market) is too low, and (3) the cost of production would

be too high.

Librarians and readers often complain that commercial publishers are exclusively, or at least overly, concerned with profit and have little concern for quality. What these people forget is that publishing houses are businesses and must show a profit if they are to continue to operate. In 1998, the *New York Times* published an article about rising book production costs, loss of editors, and the increase in errors in books. This article noted that there was a 16 percent decrease in the publishing workforce in New York City between 1990 and 1998, primarily in the editorial category. It also speculated about the role mergers played in the situation. One editor was quoted as saying, "It's all become a big, fat, screaming, mean, vicious, greedy, rude, and crude feast. . . . So little of your time is spent doing creative work that I'm seriously considering leaving."¹⁰ One hopes that the critical situation in New York City does not reflect the field as a whole.

Production and marketing join with the editorial team to make the final decisions regarding production details. Most publishers can package and price publications in a variety of ways. Some years ago, the Association of University Publishers released an interesting book, *One Book Five Ways*.¹¹ The book provides a fascinating picture of how five different university presses would handle the same project. In all five functional areas, the presses would have proceeded differently, from contract agreement (administration), copyediting (editorial), physical format (production), pricing and advertising (marketing), to distribution (fulfillment).

Production staff considers issues such as page size, typeface, number and type of illustrative materials, and cover design, as well as typesetting, printing, and binding. Their input and the decisions made regarding the physical form of the item play a major role in how much the title will cost. Although electronic and desktop publishing are changing how and who

performs some production activities, the basic issues of design, layout, use of illustrations, and use of color remain unchanged.

Marketing departments are responsible for promoting and selling the product. They provide input about the sales potential of the title. Further, this unit often decides how many review copies to distribute and to what review sources. Where, when, or whether to place an ad is the responsibility of the marketing department. All of these decisions influence the cost of the items produced. Many small publishers use direct mail (catalogs and brochures) to market their books. Publishers' sales representatives visit stores, wholesalers, schools, and libraries. When salespeople visit the library or information center, they keep the visits short and to the point. Each visit represents a cost to the publisher, and the company recovers the cost in some manner, most often in the price of the material.

One activity for which most marketing units are responsible is exhibits. For library personnel, conventions are one of the best places to meet publishers' representatives and have some input into the decision-making process. From the publishers' point of view, if the conferees go to the exhibits, conventions can be a cost-effective way of reaching a large number of potential customers in a brief time. Library staff members should also remember that the fees exhibitors pay underwrite some of the cost of the convention.

Fulfillment activities are those needed to process an order as well as those connected with the warehousing of the materials produced. In many ways, fulfillment is the least controllable cost factor for a publisher. Libraries and information centers sometimes add to the cost of their purchases by requiring special handling of their orders. Keeping special needs to a minimum can help keep prices in check. Speeding up payments to publishers and vendors will also help slow price increases, because the longer a publisher has to carry an outstanding account, the more

interest has to be paid. Ultimately, most increases in the cost of doing business result in a higher price for the buyer, so whatever libraries can do to help publishers control their fulfillment costs will also help acquisitions budgets.

For various reasons, despite strong marketing efforts, some publications do not sell as well as expected. When this happens, sooner or later the publisher has to dispose of the material; often these become remaindered items. A decision by the U.S. Internal Revenue Service (*Thor Power Tool Co. vs. Commissioner of Internal Revenue*, 439 U.S. 522 [1979]) has influenced press runs in the United States and the speed with which publishers remainder slow-moving warehouse stock. Remaindered items sell for a small fraction of their actual production costs. Prior to the *Thor* decision, businesses would write down the value of their inventories, or warehouse stock, to a nominal level at the end of the tax year. The resulting loss in the value of the inventory (which was by and large only a paper loss) then became a tax deduction for the company, thereby increasing the profit margin. Since *Thor*, publishers can only take such a deduction if the material is defective or offered for sale below actual production costs. Under the previous method, publishers could find it profitable to keep slow-selling titles in their warehouses for years. Thus far, efforts to get an exemption from the ruling for publishers have been unsuccessful. At first the ruling increased the number of remaindered books, but now most publishers have cut back on the size of their print runs in an attempt to match inventories to expected sales volume. More often than not, this means higher unit costs and retail prices. Despite all the problems for the field, U.S. total net sales income for book publishing has increased steadily, from \$14.1 billion in 1989 to an estimated \$24.02 billion in 1999.¹²

What is a “typical” return for a 250-page trade book selling for U.S. \$25.00? Following are costs for a hypothetical first press run:

Suggested retail price \$25.00	
Printing/binding	<u>-2.00</u>
	23.00
Warehouse/distribution	<u>-2.00</u>
	21.00
Discount to retailer	<u>-12.50</u>
	8.50
Overhead (including editorial)	<u>-2.00</u>
	6.50
Marketing	<u>-1.50</u>
	5.00
Author royalty (10–15%)	<u>-1.25*</u>
Profit	\$3.75

*Most royalties are based on the net sales income, not the list price.

Werner Rebsamen published some percentages of costs provided by a major New York publisher to use at his presentation at the Book Manufacturing Institute in 1997:

24.1% Royalties and guarantees

5.7% Editorial production

16.4% Marketing

24.2% Manufacturing

9.2% Returns

8.4% Fulfillment

9.3% General administration¹³

Annual sales data are available in a variety of sources: *PW*, *The Bowker Annual of Library & Book Trade Almanac*, Standard and Poor's *Industry Surveys*, and so forth. Anyone concerned with acquisitions budgets must make use of statistical data about publishing to develop intelligent budget requests and work plans. Statistical data about the number of new titles available as paperbacks, reprints, and so forth can be useful in planning the workload for the next fiscal year. For example, perhaps the library will need to hire some temporary staff or redirect efforts of existing staff, if the volume of acquisitions increases. Knowing the pricing patterns over a period of years and the expected acquisitions budget allows libraries to project workload. The two most accessible sources of publishing statistics for the United States are *PW* and *The Bowker Annual*. Data in both sources, and almost all other printed statistical data about publishing, come from the American Book Producers Association (ABPA), and not all publishers belong to the group. In fact, a great many small and regional publishers are not members.

Publishers use a variety of distribution outlets, selling directly to individuals, institutions, retailers, and wholesalers. Distribution is a major problem for both publishers and libraries, because of the number of channels and the implications for acquiring a specific publication. Each channel has a different discount, and they are accessed through different sources. Production and distribution of information materials, whether print or non-print, consist of several elements, all interacting with one another. Writers and creators of the material can and do distribute their

output in several ways: directly to the community or public, to agents who in turn pass it on to producers, or directly to the producers. Producers seeking writers often approach agents with publication ideas.

Most publishers use all these sales channels. Wholesalers, direct mail companies, and retail store operators act as middlemen; a retailer may buy from the jobber or directly from the publisher. Each seller will have different discounts for different categories of buyers, ranging from no discount to more than 50 percent. Not only are there a great many choices available to the buyer, but the sources compete with one another. These factors combine to push up the cost of distributing a publication, which in turn increases its list price. With multiple outlets, different discounts, and different credit conditions, the publishing industry has created a cumbersome, uneconomical distribution system.

This brief overview outlines the most basic elements of publishing. Its purpose is to start a technical services novice thinking about the trade. The next section discusses non-book producers. Unfortunately, because of their diversity, it is not possible in a limited space to parallel the discussion of print publishing.

PRODUCERS OF NON-BOOK MATERIALS

Non-book media producers are a diverse group working in a variety of formats (sound recordings, film, video, models, and so on), making it difficult to generalize about their operations. The following discussion is an attempt to cover all of these non-book formats, but it would require a full-length book to describe all the individual variations and exceptions.

Media producers enjoy substantial annual sales to schools and libraries. In fact, this market is almost the sole sales outlet for the majority of educational media producers. Two major exceptions are audio and video recordings. The audio and video recording industries are major

sources of “other media” for most libraries. Recorded music, as part of a growing sound collection that includes talking books, is a common feature of libraries, reflecting the fact that a large segment of the general population buys or listens to music. In terms of sales, however, libraries and other institutions represent only a fraction of the music industry’s income.

Considering average circulations per title, video recordings are often the top circulation format, especially in public libraries. Video collections in libraries contain both educational and theatrical film recordings. The sales of motion picture videocassettes are far larger to the general public than to libraries, but libraries (including school media centers) are the largest market for educational video.

One important fact to remember about most media, with the exception of books, is that they require the user to follow the material at a fixed pace—the pace of the machine involved. The equipment allows for rewinding and reviewing a section of special importance, and video players can freeze a frame, but aside from DVDs, most formats make it difficult to skip around as one can do in a book. Interactive video and hypermedia allow for easy random access, and these technologies are most likely to replace many of the traditional media formats libraries have made available. What newer formats and technology will replace interactive systems is impossible to guess. To many people who follow developments in the field, “virtual reality” is an enhancement of interactive systems and not really a new “system.”

Most media producers design products for the average ability or level of knowledge of the target audience. In the case of educational media, the producer assumes the item is for group presentations, with a teacher adding comments and creating a context for the material. Although individuals working alone can benefit from the material, many will gain less from the use of the item without some interaction with an instructor. More teachers in schools and higher education

are assigning media use outside the classroom in the same way they have employed print material to supplement the instructional program. This translates into libraries and media centers receiving requests for bigger and more diverse media collections, part of the “more factor.” It also means more money is needed to acquire materials, often with the added cost of securing “performance rights.”

The primary difference between book publishers and media producers is that media producers market a product designed primarily for group use, and book publishers market a product designed primarily for individual use. This difference has an influence on how media producers market and distribute their products. Media producers place heavy emphasis on direct institutional sales. Also, there is less use of wholesalers. Although some book jobbers do handle audio and video recordings, a large percentage of media acquisitions are made directly from the producer.

One characteristic of media production that is frequently overlooked is authorship. Most books are the result of the intellectual effort of one or two persons. Textbook publishers frequently commission books. Perhaps in the age of mergers, this approach will become more common for trade publications as well. For media, the process is opposite. Normally, the producer generates the ideas and seeks the necessary persons to carry out the project, if the company’s staff cannot handle the project. *This means that in most cases the producers have almost total control over the final product.*

Despite the producers’ control, people often think of the media field as one of independence and freedom. One reason for this view, at least in the past, is the relatively low cost of entering it. One hears stories about the individual who started off with a few thousand dollars and some equipment and is now a major producer. One does not hear about the thousands

of others who tried and failed. Mediocre equipment and a low advertising budget usually mean a mediocre product and few, if any, sales. The opportunity is there, but the chances of success are only slightly better than for any other business venture. High-quality professional media production equipment is exceedingly expensive; however, many of the so-called producers do not invest in quality equipment.

Another characteristic of media producers is that their products have a fairly high cost per unit of information conveyed. Many media items are single-concept materials. Books, on the other hand, have a low cost per unit of information. For example, no single film, videotape, audiotape, or set of 35mm slides can convey the same amount of information about Native Americans as one 300-page book. This fact has budget implications for the library, as most media cost more than do books. Today, educational videocassettes range from U.S. \$200 to \$300 for educational videos, to theatrical cassettes for under U.S. \$20. Sets of 35mm slides range from U.S. \$5 to \$500. In general, the kit combinations of media are high-profit items. Prices on such combinations run from U.S. \$20 to more than U.S. \$100.

Although book publishers use a multitude of outlets to sell their products, media producers use few outlets. With the exception of audio and video stores and a few map shops, there are no retail outlets for "other media." There are no media-of-the-month clubs (except for music recordings and videos), few mail-order houses, and no remainder houses (except for recordings and some videos). Even wholesalers dealing with all media are few and far between. The main source, and in some cases the *only* source, is the producer. Because the producers are the basic source, acquisitions department personnel must spend large amounts of time and energy maintaining lists of producers' addresses. Without such records, schools and libraries would almost have to halt their acquisition of "other media." Because many producers are small and

move frequently, updating addresses is a constant problem for the library. Directories more than twelve months old are likely to be out of date.

The one advantage to this situation is that the market for media is clearly identifiable: schools and libraries. Like the specialty publisher, the media producer is better able to focus advertising and sales activities on a small area with a high probability of success. Trade book publishers use a broad spectrum of advertising sources, newspapers, periodicals, flyers, radio, and television. In general, the trade publisher must take a “shotgun” approach, but specialty publishers and media producers should have a much better idea of their market.

The majority of media producers are small-business owners without a large capital reserve. For the small media producer, cash flow is a real problem. Anything that the library can do to help the small media firm control its costs will help to control the unit cost of products as well, such as using cooperative previewing and keeping order and billing procedures simple.

One other important characteristic of the media field is the speed with which its technology changes. This characteristic is a central problem for everyone concerned, both producers and consumers. Improvements in equipment constantly make existing equipment almost obsolete; occasionally a new format may, in fact, make equipment obsolete. Given the volatile nature of the field, many users, with good reason, are reluctant to invest heavily in equipment. For the producer, the problem is greater; it means deciding quickly whether to go with the new or stay with the old. Staying with the old too long may cut the producer out of the field because of licensing and franchising considerations or simply not keeping up to date. On the other hand, moving too soon may expend precious capital on a change that does not last. The following table provides an overview of the basic differences between book publishers and media producers, differences that have an impact on acquisitions work. It presents broad

generalizations, to which there are many exceptions.

Differences Between Media Producers and Book Publishers

	Media Producers	Book Publishers
Audience	Individual as part of a group	Individual
Idea authorship	Company generated	Agent generated
Use	Group and sequential; equipment paced	Single and nonsequential; self-paced
Cost per concept	High	Low
Library selection process	Usually group	Individual
Cost to enter field	Relatively low, except for interactive formats	Moderately high; desktop publishing low
Inventory	Low	High
Market	Clearly defined	Highly variable
Potential sales	Low (except for audio and video recordings)	Medium
Cost per copy to buy	Moderate	Relatively low
Ease of copying	Easy to copy; high	Easy to copy; low

	sales price	sales price
Distribution	Mostly single source	Multiple source
Changes in format and equipment	Very rapid; high rate of obsolescence	Relatively slow

SUMMARY

This essay briefly outlines the history and development of organizations that produce the materials that libraries acquire, catalog, and process to create the collections for their user communities, touching on how these businesses function as well as some of the major types of material they produce. It also notes how the various types of businesses differ and what impact those differences have on the cost of the materials acquired.

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