Reality and Publishing Tendencies

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The economic outcomes and the information I am opening with this project intend to illustrate the reality with which Italian publishing is being compared today, to propose a reflection on the scenarios of change and current trends in editorial development.

These are the essential data:
- The production of books was in 2016, 82,088 new items, new editions and reprinting. That's 225 books a day: an overwhelming figure, not so much in itself, as for the absorption capacity of our market;
- The total book market at cover prices was Euro 2.899 billion; that of the book in the trade channel of 1,221 billion, which become 1,283 if they add e-book sales;
- The book area is dominated by 55.9% by 5 large groups: Mondadori with 29.3% after the acquisition of RCS Books; Mauri-Spagnol with 11.1%; Comes with 8.7%; Feltrinelli with 4.7%; Agostini with 2.1%;
- There are five groups that also drive the scholastic-educational market with 70.6%: Mondadori with 24%; Zanichelli with 21.2%; Pearson with 15.1%; Agostini with 10.3%.

Within these general data, one can observe:
- the growing weight of the editorial offer of the great publishers (that are, statistically speaking, those who publish more than 50 titles a year) with an average of 235.6 titles each, against the average media of small publishers, and an average circulation of 3,454 copies for the big ones, against the 1,191 copies of the little ones.
- the large market shares in the medium-large libraries by the five largest groups (Mondadori, Mauri-Spagnol, Giunti, Feltrinelli): today's market shares can be estimated at over 62%.
- the difficulty of independent libraries (representing 27.6% of the channel market today) due to a variety of causes: increased rents and running costs, reduced margins, strong competition with chain libraries and online libraries , rarefaction of the public ...);
- the growing concentration of the market in few commercial areas;
- fragmentation of sales and drastic reduction of the life cycle of books and the time of their stay in the library, especially for small publishers (40-50 days);
- the lengthening of the payment period of the sale;
- Constant contraction in sales in the Large Distributed Organization (- 20.3% in the first three months of 2017)
- the ever-increasing year-on-year increase in e-commerce, estimated at 16.1% of the total market;
- the situation of the libraries which when there are not in the state of pre-collapse, suffer from permanent precariousness; so they are no longer able to order almost anything, much less to small publishers.

I think these little points are enough to understand the nature and size of the change. Not only because it sells less because of a long stagnation and because public buying behavior has changed; not only because everything is being transformed or remodeled due to the digitization of publishing; not just because publishers are no longer alone in ruling the book market. In fact, with them, or against them, there are platform managers and large databases; there are "social networks" that aggregate for millions of people tastes, trends and narcissisms, and can thus decree in a flash the success of a physical book, an e-book, or any other editorial product; there are true or presumed writers who re-adhere to their creative freedom without endangering the constraints and choices of others, even becoming the possible owners of their copyright. As a result, although there is always someone to dominate the game, the game on the editorial scene is conducted today by several actors, each year more and more numerous.

But nothing is the same as before because, over the years, they have fallen on their knees within publishing companies, for the most part already undercapitalized, economic-financial, organizational and management problems that have had serious repercussions, triggering drastic countermeasures on balance, editorial policies and strategies.

The most profound consequences, on the corporate level, can be schematically represented as follows:
- the decline in revenues, the decline in profitability and financial indebtedness;
- the closure of numerous editorial inscriptions, financially and structurally too weak to deal with the difficulties of the moment alone;
- the sale, in whole or in part, of important publishers;
- cuts on fixed costs (in particular staff) and the simultaneous delegation of certain functions, in particular of editorial nature;
- the lightening of the warehouses, the intensification of promotions, sales and superstocols.

On the supply side and in the publishing market, the following trends have been consolidated:
- specialization and further diversification of production as an attempt to adapt to emerging needs and interests;
- Significant growth in library novelties and parallel catalog up-gradation, with securities increasingly being out of business (35,000-40,000 each year);
- decrease in average circulation by opera;
- the growing number of best-sellers in group and community policy major publishing houses, with massive investments for acquisition of rights, advances, scouting operations, advertising and marketing costs, and so on.
- overcrowded titles in the library, with little visibility and without real possibility of public absorption;
- increase of the investor and the number of low-selling securities.

Of course, publishing houses were not passively watching what was happening, but they tried to understand the evolution of consumption, to put in place the most suitable strategies to turn the change into a positive one. They could have done this in particular by investing:
- in the acquisition of profitable companies in some strategic sectors of

publishing, printing and communication;
- covering all distribution channels by creating or acquiring distribution companies, extending library chain sales, intensifying and diversifying Internet investment;
- in the consolidation of alliances, joint ventures, business affiliations, forms of exchange and collaboration between publishers and media companies in general;
- the expansion of innovative products and services as a key factor in competition and development.

These modes of action reflect first of all the awareness that by now what publishers do in
whatever scope they must conceive and realize according to a global vision and integrated with everything else. Of course, it is not about projecting generically towards the new one that is advancing, but rather to identify those specific areas in which their business can interact better and be productive, but taking into account that it takes time to build a new and durable market.

In the inevitable game of mirrors between the traditional book market and the digital market, what is the underlying problem that everyone has to face? We could summarize it in one word: complexity. Complexity means first and foremost that one has to get used to the fact that changes will not only be more sudden but simultaneous as, acting simultaneously in many areas. They will affect one way or the other the scope in which we you personally work. Already today, through new technologies, the relationship between authors and publishing house has changed; the range of available information and services has been enormously expanded; direct, quick, interactive, stable with the public has been made possible (just think about Facebook or Twitter); the online information update and e-commerce of books were promoted; new ways of contact, research and acquisition of authors have been developed. And it goes without saying that this scenario will be constantly changing, under a more sophisticated, multimedia and interactive technology push, tending to the middle to speed up the integration of books and hyperlibros (word, image, music) in Italy with the prospect of arriving, for certain genres and typologies, to a single production and market reality where everything that will be developed in the editorial, management and distribution will no longer be an entity in itself, but each one will become an essential component of the other.

In other words, a certain type of publishing will be embedded in a larger container, partly alternate and in part complementary to the traditional book, in any case to a wider audience and, in large percentage, also different. In the foreseeable upsurge of all integrated products - with more and more powerful and easy-to-use, affordable, feature-rich reading tools - will open new perspectives, features, and workflow in publishing.

But complexity also means that, at any time, everything can suddenly change. This can be the case, for example, because a group acquires or takes over the control of an important publishing house, a distribution company, or a strategic company in a particular sector or sales channel, or

because it delivers alliances that may be decisive in a certain sector ... When, for example, as in Italy, the first Italian publishing group acquires the second, as in the case of Mondadori and Rcslibri, or the first distributor of books (Messaggerie Libri) makes a holding with the second (PDE), it is easy to deduce that the
competition will undergo radical changes and we will have to equip ourselves to deal with the situations that come to be determined from time to time.

Complexity means, finally, that competition has increasingly shifted from the value of books to the strength of editorial groups, which have accentuated their ability to make system, through synergies of various kinds, in different fields and faces, with the aim of strengthening the editorial and organizational structure and ultimately to increase the overall business strength.

From all this it can be seen that, for those who publish books - but also for anyone who collaborates to realize them, spread them and sell them - the daily life of their work is full of obstacles and problems, which must be overcome with the clarity of understanding what their development model is and having the awareness that in an ever-wider and integrated universe, it is no longer just a matter of producing good books but how to be able to include them - in terms of content typology, product form, channel and of the communication modes - in the most widespread circuits that today determine the rules and mechanisms of the market.

For a publisher, therefore, the problem becomes finding out which new authors, models, and procedures are best suited to these circuits; what types of audience should be referred to; which resources internal and external activate to achieve a certain result. All this, at least to a certain extent and at certain operating levels,
the need to "reinvent" his craft, in the sense that for each one the time has come to understand where the wind blows and where to put in order to be pushed in the right direction. In essence, the editorial machine, from the conception to the sale, must march differently, always starting from the awareness that despite the difficulties, you do not have to be defensive, but you must be on the attack: that is by experimenting with new competitive levers, new channels or sales formulas, new points of interest to support and strengthen their own development.

These considerations lead us to a first conclusive reflection, which is this. In a book market for a very focused, highly fragmented, a small cabotage is not enough anymore. Small cabotage means having episodic, casual programming, or at least without a strategy projected for the future; it means living in the day, waiting for events rather than going to meet them; it means keeping the marathon's pace in the moment that the sprinter would shoot, as the speed of the times requires.

What then seems more necessary today to ensure that its publishing business has a significant presence in its reference market and a sufficient profit margin to ensure a non short-term stability to its business?

I would say first that we need to build a
a capillary and efficient system of relationships at all levels that can support and interact with the editorial project as a whole and with the type of specific products you want to propose.

Secondly, communication should be cultivated with utmost care. I am not referring to internal communication in publishing houses (that is, to inform, listen, to confront, to involve employees), which is already a key factor because it creates a climate, a work style, a sense of belonging to a group where each one is part of a whole, that is "being together" to work better together. I am referring to everything that the company needs to be effective and coordinated as a promotion and advertising strategy so as to positively and dynamically affect its ability to strengthen its image and interact better with its audience. It is therefore a preliminary matter to identify the goals to be achieved, the means to reach them and the resources to be made available for that purpose.

Speaking of communication, you cannot even focus on the image of the product-book as a communicative act. In fact, the first form of communication is the book itself, as a physical object, it communicates to those who observe it. In this light, the graphics, the cover and, although underestimated, the fourth cover, are essential, because the various elements of what the customer sees are a showcase, an idea, a message on which on large measure the sale depend. It is evident from this that many publishers, especially the small ones, have much to improve; in some cases, have much to change.

There is now no time to specifically analyze the fundamental theme of book communication in all its aspects. However, I would like to emphasize this concept: communication is one of the components or, if you want, one of the ways to achieve the quality of a system: in our case, the editorial system. It is not a support or a modality in the editorial organization. It is a premise on which depends the effectiveness of the entire activity that takes place, because publishing work, at all stages and in all its processes, lives of communication that crosses the publishing house as an indispensable link between the various departments, and also lives in the communication that the publishing house actively engages in with its audience or its intermediaries.

The third essential element of the editorial system is marketing. The books that come out every day are so many, even in a specific field; there is no room for everyone in the library and, moreover, those that are then sold in significant quantities are very few. To enter the commercial, information and media circuit, there is a need for everyone to "push them". Sometimes publishers tend to "push them" a bit too much, so that in certain areas, the market gives the impression of being just "junkie". But there is no doubt, beyond the excesses and distortions that marketing - with everything that it means at launch, booking, promotion, advertising, etc. - it can not be considered a luxury or optional, because without a true - that is, organic, articulated, effective marketing action it is difficult to market books that do not have virtually the ability to sell themselves, in the sense that fame or the peculiarities of the author automatically make him promoter of himself and of everything he writes.

All this is necessary in this disrupted and riddled market order, - where seemingly refined jewels of literature and editorial craftsmanship with ingenious cianfrusaglie da suc coexist - you risk living on a daily basis, hoping ... But for those who do not work or in any case is not the protagonist in the few driving and ascending sectors - that is, narrative and books for children - but it is active in more specialized areas, there is a need for a commitment and creativity supplement to avoid vanishing make their own efforts or make them less productive than you would like.

This is unfortunately true even for the religious sector, which concerns us most closely, since religious publishing has for some years gone back to now - 8.3% in value and -2.6% % copies. While maintaining Catholic publishing in a leading position in the market (76.9%), with its traditional landmarks (São Paulo Group, Library
(20.7%), the traditional reference points (São Paolo Group, Libreria Editrice Vaticana, EDB, Paoline etc.), this has obviously not been enough to ensure stability and growth in the sector. There are, in fact, several nods to dissolve on the corporate, editorial and communicative level, and from my point of view, there is a need for a new beginning, not just for what individual publishers have to do on their own, but for what the entire Catholic world must set in motion on the editorial and associative editorial level, to stimulate and promote more comprehensively the reading of religious books.