Trade Publishing: A Report from the Front

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abstract: Academic librarians and scholars must be aware of issues and new developments affecting trade publishing in order to play a role in shaping its future. This article reports on the current condition of trade publishing and its future prospects based on interviews with editors, publishers, agents, and others involved in the industry.

Libraries and publishers are partners in an important cultural pursuit: creating conditions for the expression, public circulation, and preservation of ideas in a pluralistic society. Publishers discover and develop authors' works and bring them into the public sphere. Libraries, in turn, make those works available as a collective record of social discourse in all its diversity. Those distinct but complementary roles will continue to be important as publishing and librarianship evolve. The emerging electronic infrastructure for the production and distribution of books will change the way publishing works. It is crucial, as the industry changes, that libraries and publishers understand one another.

Academic librarians and scholars have embraced an active role in shaping the future of scholarly publishing. However, trade publishing, the sector of the industry that produces books for the general consumer, receives scant attention in academic circles. Though it can be argued the output of trade publishing more clearly reflects and influences the tastes and concerns of society at large than the more narrowly-focused output of scholarly, professional, or educational publishing, its cultural significance tends to be overlooked. Moreover, the conditions under which books in

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this sector are created are different than those of scholarly publishing. Assumptions about how texts are generated, produced, and shared based on scholarly models of communication will not hold true when extended to publishing in the trade sector. If academia ignores the cultural importance of trade publishing and its distinct dynamics, the complementary roles of publishers and libraries will suffer.

In order to gain a better understanding of the dynamics of trade publishing, I undertook a series of focused interviews with editors, publishers, agents, and others involved in the industry.[1] For each interview I developed a unique set of questions, but each subject was asked about his or her role in book publishing, the pressures facing the industry today, and predictions for the future. This report, based on these interviews and on a survey of recent literature, offers a broad-brush picture of trade publishing—how it works, what issues are pressing, and where the industry is headed—in the hopes such a picture will provide some insights into a significant sector of the publishing industry.

Renegotiating the balance between private and public interests

Trade publishers today engage in very much the same activities they always have: acquiring books from writers; providing editorial, publicity, and design services; seeing books into production; distributing books through wholesalers and distributors to retailers and libraries; promoting books through publicity and marketing; and selling any subsidiary rights obtained from authors. Emerging electronic developments will not so much change the nature of these activities as the manner in which they are conducted—and the ways books will be treated under copyright law. The debates surrounding changes to intellectual property laws have demonstrated that libraries and publishers have radically different perspectives on the future of texts in an electronic environment. Publishers in recent years have lobbied for greater legal control over the exchange of texts and the information they contain because electronic technologies make it easy for texts to be duplicated and circulated. Librarians and scholars have argued against restrictions that might hamper that circulation, essential to scholarship and the exchange of ideas.[2] Last spring, Linton Weeks of the *Washington Post* profiled Patricia Schoeder, CEO of the Association of American Publishers, highlighting her concern that librarians' determination to share information threatens the industry and describing the situation as librarians and publishers "squaring off for a battle royal."[3] These debates have demonstrated that the basic desire librarians have to share texts is, at times, in conflict with publishers' most basic beliefs about the value of books and how society should treat them.

This conflict disguises the potential symbiosis of libraries and the publishing industry. As the National Research Council's Committee on Intellectual Property Rights and the Emerging Information Infrastructure has pointed out, copyright law was created not only to protect the rights of property owners, but also to ensure public access to information. In their report, *The Digital Dilemma,* the committee asserts that public access is economically healthy for the publishing industry: "Being well informed and educated has value that increases with the population of others similarly informed and educated and ultimately contributes to a larger potential market for authors and publishers."[4] As trade publishing enters the electronic environment, libraries must help publishers

understand that public access is not only good for the public, it is good for business. But in order to make that claim, it will be necessary to understand how the business works.

In so far as academic library literature covers the publishing industry, it tends to focus on that segment of the industry through which scholars communicate with one another. The dynamics of scholarly publishing are quite distinct from those of trade publishing, and it isn't surprising that the scholarly segment of the industry has made the most progress in reconciling electronic access to intellectual property with sales to libraries. Not only are libraries well understood as a major consumer of these texts, scholarly publishers work with authors so eager to publish their work that they often give it away. Authors in this segment of publishing rarely receive large advances for books and profit primarily by their name being associated with a widely-circulated and cited text; sales are less important than the text finding readers. Though trade publishers often include books of scholarly interest in their lists and university presses publish "crossover" books that appeal to a consumer audience, they operate in very different ways when it comes to acquiring and marketing books. Assumptions academic librarians may hold about the dynamics of publishing based on their familiarity with scholarly publishing—that information should circulate as freely as possible, that it is in society's interest to promote that circulation widely—run counter to the trade publishers' basic instincts about preserving control over the texts they bring to the marketplace.

Key players in trade publishing

Trade publishing is, and always has been, primarily a for-profit industry. There is a certain nostalgia for the "gentleman's profession" of publishing, which persists in recent books about the industry by André Schiffrin and Jason Epstein.[5] John Baker, editorial director of *Publisher's Weekly*, has rebutted tartly that golden-age myth, describing the history of the industry as "small business producing a comparatively limited number of books for a cozy elite readership whose access to bookstores was limited by geography."[6] In fact, both publishing and bookselling have shown healthy signs of growth since the mythic golden age. In 1947 there were fewer than 700 publishers; by 1992 there were 40,000. Sales grew from under half a billion to over 20 billion in the same span of years while the number of bookstores and the geographic areas served by them soared.[7] Trade publishing today, as in the past, involves a number of constituencies whose relationships are at the same time interdependent and competitive.

Authors provide the content for publishers and depend on royalties—or rather, advances on royalties, a gamble on future sales that may or may not pay off. The current system of auctioning potentially profitable books to the highest bidder results in higher advances for authors—and greater pressure for the book to perform in the marketplace. As agent Jay Mandel told me, there is a great deal of emphasis on acquiring the next "big book"— and as a result editors sometimes "wake up the next day with a hangover." In turn, authors suffer when their sales figures are disappointing; authors who can't earn back their advances find it hard to sell their next work. Although publisher Donald Lamm has complained, "almost every publishable manuscript arrives bearing too high a price tag,"[8] not all advances are generous. Non-fiction authors are not always able to get

enough of an advance to support them during the time it takes to complete a book if it is not an obviously commercial title and mid-list books are difficult to sell at all because their earning potential is uncertain. [9],[10]

Agents represent the author, usually earning 15 percent of the author's earnings. Agents have become the constant in authors' lives as publishing houses change hands and editors migrate from house to house. John Baker of *Publisher's Weekly* suggests that agents have begun to take on some of the functions previously handled by publishing houses. They are the initial gatekeepers, as publishing houses rarely look at unsolicited manuscripts or proposals and rely on agents to screen submissions. They have begun to play a stronger editorial role, advising authors on manuscripts and proposals before they go out.[11] Agents also advise authors on promotion and publicity and handle the sale of rights that are not bought by the publisher. Finally, agents often come up with ideas for books, approaching authors with potential projects in mind.

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Agent David Black told me the role combines a love of words with marketing skills, requiring the ability to sell "substance disguised as product" to publishers. Many agents enter the field because they are attracted to the entrepreneurial aspect of publishing and want to work with authors outside of the corporate structure of most trade publishing houses. Indeed, many literary agents have left editorial jobs in major publishing houses to become agents.

Editors have a key role in the development of a book. They acquire manuscripts, receiving typically four or five a day from agents to consider. They bring those in which they take an interest to the publisher or executive editor with a "P&L" or profit and loss spreadsheet, estimating the potential return on investment. In some cases, acquisitions are discussed by a committee that may involve perspectives from marketing. The editors and publishers I spoke to, however, described a much more ad-hoc and improvisational approach at their houses, at times pulling in other editors for consultation and personnel in rights management for estimates on the sale of foreign or other rights, only on rare occasion consulting someone in marketing. However acquisitions are handled, editors invariably make offers with market potential in mind. As Jennifer Hershey, Assistant Publisher at Avon Books put it, editors are encouraged to "think more like publishers" as they acquire and develop their lists. An editor's career depends on making sound acquisitions that perform in the marketplace—no book is acquired unless it is expected to carry its weight financially—yet it remains a highly subjective decision that often must be made very quickly. Robert Baensch, Director of New York University's Center for Publishing, told me editors must have "a finger on the pulse of contemporary culture." Geoff Shandler, Executive Editor at Little, Brown, described the precariousness of that decision-making quite bluntly: "editors are mostly wrong." They rarely are able to predict with accuracy how a book will fare in the marketplace, but must develop an instinct for what will sell. In addition to acquiring and editing manuscripts, editors are

the lynchpin for a book at the house, shepherding it through design, production, publicity, marketing, sales, and after-publication extension. The hardest part of the job, according to Brian Tart, Dutton's Editor in Chief, is juggling all of the details that make a book successful for a number of titles at once, each one at a different stage in the publication cycle. Finally, editors also play an important role in developing the next generation of editors, who are typically trained through apprenticeship to a senior editor.

Design, marketing, publicity, and sales staff draw on the authors' and editors' vision to present the book to the marketplace. Shandler said that editors must consider two audiences when acquiring books: the book-buying public and the sales force that will bring the book to readers. Henry Ferris, Senior Editor at William Morrow, told me that the role of these "service" departments had grown more central in publishing houses during his twenty years in publishing. Their work is no less a matter of guesswork and leap of faith than the editor's, since the trade publishing industry operates with a surplus of folklore and oral tradition about what makes readers respond to books, but almost no market research. Katherine McWeeny, who develops websites and web-based marketing strategies for Bantam Dell, told me that getting people's attention was the greatest challenge of her job. Bantam Senior Publicist Chris Ardis felt the same way. He helps create the buzz that sells books by organizing author's tours, finding slots for interviews on radio and television programs, and generally making books newsworthy, but there are limited opportunities for publicity and it is hard to influence tastes that are notoriously unpredictable. Art Greco of Fordham University finds this a particularly vexing aspect of book publishing: the industry does far less research than most to understand book buyers and their preferences. Certainly, libraries as a market do not figure highly in publishers' sales and marketing plans. Though potential sales to a library wholesaler such as Baker and Taylor may deserve an entry on a P&L statement when public library sales are expected to be significant, that figure will be dwarfed by anticipated sales to bookstore wholesalers, large chains, and even general retail outlets such as Costco.

Pressures on the industry

I asked those I interviewed to describe the most pressing issues facing trade publishing today. Protection of intellectual property *per se* did not emerge as a primary concern, though that issue has dominated much public discussion between librarians and publishers. The peril of losing control over intellectual property in an electronic environment is something of an abstraction for those in the trenches of trade publishing at the present time, since it is still unclear how trade publishing will adapt to an electronic future and what threats and opportunities it might bring. Instead, concerns about developing the market, delivering the product to the market, and the effects of corporate ownership were most frequently mentioned.

Developing the market Doreen Carvajal, who covers publishing for the *New York Times* culture desk, listed as her first concern the need to "grow the market." Reader demographics are alarming: most books are bought by people over forty. Art Greco

agreed it is a pressing issue and thinks the industry must do more to promote reading as an activity. He pointed out that publishing has a tremendous "installed customer base"—most Americans are taught to read successfully as children—but too few of them continue to spend significant time reading. Linton Weeks has summarized this trend in a *Washington Post* article on aliteracy. In his words, "[w]e pride ourselves on being a largely literate First World country while at the same time we rush to build a visually powerful environment in which reading is not required."[12] John Baker pointed out to me that reading currently has a low profile compared to other avenues for entertainment and information such as television and, more recently, the Internet.

However, certain synergies can be obtained through these competing media. Michael Korda, memoirist and long-time editor at Simon and Schuster, claims that television saved publishing because it could "put the author in direct contact with millions of people at one time" without a penny spent on advertising.[13] The Web may play a similar role. McWeeny told me that the Web gives readers a sense of personal connection to a writer—a process she called "marketing to the relationship." For editor Shauna Summers of Ballantine, the Web is also a conduit for "word-of-mouth" buzz from one reader to another, important for sales. Book packager Michael Cader, who is also the founder of the lively e-mail news service Publisher's Lunch, criticizes publishers for knowing too little about their customers and considers the Web a natural place to match books to niche markets of readers.[14] Agent Jay Mandel agreed that the Web is "well-suited to our audience" because it allows for "online communities of readers" to thrive. It's not clear yet, he told me, that these communities have had a direct impact on sales, but they do much to promote book culture.

Inefficiencies of the marketplace Book publishing is plagued by a practice that is unique in retailing: retailers can return the product for full credit if it doesn't sell. The numbers of books that are returned is enormous, rising from 20 percent twenty years ago to nearly 40 percent today. Begun during the depression as a way to keep bookstores open, it is now entrenched and no attempts to discontinue the practice have succeeded— indeed, some publishers feel it would be disastrous to try since booksellers are naturally risk-averse and would only stock titles they felt confident they could sell, leading to fewer outlets for developing new voices. The increasing sophistication of online inventory systems, which should make it easier to predict market conditions, actually have exacerbated the situation. Booksellers (particularly in the large chains) know exactly which titles are selling day by day and return slow-moving books quickly in order to free up shelf space. It is commonly held that a new book has a much shorter window of opportunity—less than six weeks—to prove itself in the marketplace than previously. Word-of-mouth is believed to be a crucial factor in a book's success, and six weeks is too short for word to spread.

Getting the books to the shelves involves even more inefficiencies. As Brian Tart, Editor in Chief at Dutton put it, "it's hard to get books to where the readers are." Sales are missed if the book in demand isn't available when the customer wants it. Meanwhile, a great deal of money is spent in shipping books around the country and storing them in huge warehouses. Other concerns relating to production and distribution include the fluctuating price of paper, the financial stability of distributors, and fears that the

collapse of a major chain or online bookseller could have an impact on sales and lead to large numbers of returns.

Corporate culture clashing with a cottage industry Publishing house lobbies offer an interesting reflection of the position of publishers in conglomerates. Random House offices located in the Bertelsmann Building at Times Square in New York are entered through a lobby that could have been designed for a Terry Gilliam film about a dystopian future. Soaring ceilings, cold, gray marble walls, and a huge bank of looming television screens dominate as guards scrutinize visitors. On the Random House floors, the scale is more human and books are the main decorative motif. Are they victims of an interior designer suffering from multiple personality disorder? No, I was told, the lobby was designed to impress visitors to another Bertelsmann holding, BMG. Of all of the publishing houses I visited, only HarperCollins had books on display in its street-level lobby—though I was told the new Random House building would have a more bookish look.

Most trade publishing houses are now owned by large multinational corporations. Mergers are nothing new—they were making news in the early 1960s. The current global nature of the conglomerates is striking, however. Most trade publishing is now owned by European corporations. Murdoch, Bertelsmann, and Von Holtzbrink among them own many of the best-known American publishing houses. With some exceptions— Murdoch's reported decision to drop Chris Patten's book, *Hong Kong*, from the HarperCollins list because it jeopardized his media interests in the Chinese market is a much-cited example—the impact of multinational corporate ownership on specific editorial decisions appears to be minimal and the identity of houses under corporate umbrellas remains distinct; for example, editors in different houses under Random House ownership can still bid against each other for an acquisition.[15]

The apparently *laissez faire* attitude of corporate owners toward specific editorial decisions, however, conceals a financial imperative that has infused each editorial choice with anxiety about profits. This anxiety has had a negative impact for the public, as lists have been pared of books that are perceived to have a small market niche, prices have increased, and distribution channels have narrowed. All of these developments have been introduced to improve sales, yet there is little evidence that corporate control has increased the financial well-being of the industry. Publishing, according to Jason Epstein, remains a cottage industry that still involves the same kind of laborious hand-crafting it always has.[16] Corporate ownership does not provide efficiencies—in fact, both André Schiffrin and Ted Soltaroff have argued that a corporate focus on greater profitability coupled with ignorance of the industry actually shrinks profits.[17] Trade publishing has traditionally earned small profit margins—4 percent being a frequently quoted figure. Corporate owners expect publishing to perform like other parts of their conglomerates and demand as much as 15 percent profit. This pressure to make profits has made it impossible to publish "small books" that are risky in the marketplace, and the time frame for an author to develop a solid reputation is shortened when cash flow problems drive decisions. Corporate ownership has also led to consolidation—there are fewer editors and fewer houses publishing smaller lists so the competition for commercially attractive books is tighter. And whenever houses change hands, so do many of the staff.

Editors no longer stay at a house for long, and the result is an erosion in the institutional memory as well as disruption as the books an editor has acquired and developed are handed off to other editors in mid-cycle.

On the positive side, according to Brian Tart, corporate ownership often means there is more cash on hand to acquire and promote books; on the down side, a few bad hunches can lose enough money to seriously threaten the existence of a publishing house—and publishing still relies on playing hunches.

The future of trade publishing

The year 2000 marked a turning point in trade publishing—not because publishing changed, but because publishers' attitudes changed. The e-book was suddenly something to take very seriously. Perhaps it is a symptom of the industry's fascination with big books and big names that the event that appeared to change minds overnight was Stephen King's experiment with *Riding the Bullet*—a book available only in electronic form that in one day achieved 400,000 "sales," many of which were free downloads from sites that crashed because of the novella's popularity.[18] Publishers had to bite King's bullet and begin planning for an electronic future. During this a*nnus mirabilis*, Gemstar (owner of *TV Guide*) bought two leading e-book readers, Rocket and SoftBook, bringing out new versions of these products in time for Christmas sales. Microsoft's Reader software debuted and Adobe bought the competing Glassbook reader software. Random House bought shares in Xlibris, a web-based vanity press, and Time-Warner invested in iPublish. In November Random House startled the industry by announcing they would split e-book royalties with authors after insisting for years that royalties on electronic sales would be treated like print royalties, going no higher than 15 percent.

The time had come, apparently, to stake a claim on this new frontier. Yet the timing was bad: by the end of the year, the heady days of dot-coms were coming to a close, Silicon Alley in Manhattan was shaken by numerous bankruptcies and layoffs, and some of the early entrepreneurs in electronic publishing such as Mighty Words were rethinking their initial business plans. Trade publishing was waking up to its next millennium just as investors were growing cautious about tech futures.

I heard mixed predictions about e-books as a change agent in the industry. Some editors were frankly bored with the hype and the prognostications of consultants that disagree about the ultimate impact of e-books. Some thought that the impact would be positive, but minimal, with the same sort of market penetration for e-books as for audiobooks. Others were excited about the possibilities for positive change. Geoff Shandler had an optimistic prediction: "everything will be better." Not only will e-books give writers and readers new ways to connect, the potential for shaving even 5 percent of the cost it currently takes to get books produced and distributed will make a difference in what can get published. Books that currently are considered too "small" to be profitable could be financially feasible. Niche books could reach niche audiences more easily. And POD technology (print on demand) means books will not need a mass audience to remain in print—and can reduce shipping and warehousing costs.

It is the potential for cutting costs that is most attractive to publishers. Currently, they must guess at how many books to print, ship them around the country, house them

in warehouses, deliver them to bookstores for half the cover price, and still have no idea of how many books they've sold until they have counted the returns against sales. E-books can be delivered much more directly, the print run does not need to be established in advance and, because they won't take up valuable shelf space, they won't be returned.

Trade publishers are pouring money into development, fearful of being left behind yet unsure how e-books will ultimately be integrated into their practices. Many visions of the future depend on saving money, but exactly how

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it will be saved and who will benefit is up in the air.[19] And in many scenarios, the envisioned savings depend on cutting one of the current players out of the picture. Jason Epstein says "a world without booksellers . . . is hideous to contemplate,"[20] yet cheerfully imagines the savings realized through direct sales being divided among publisher, author, and reader. He predicts that "[w]hoever prevails in tomorrow's digital marketplace, today's baffled and lumbering conglomerates in their current configuration face certain extinction,"[21]—but in his vision it is booksellers that will disappear first. Barnes and Noble has turned the tables by positioning themselves as an e-book publisher, offering a much-ballyhooed original work by popular bestseller Dean Koontz and promising authors 35 percent royalties.[22] Larry Kirshbaum, CEO of AOL Time-Warner's publishing division points to their iPublish venture as an opportunity to lure new writers directly, apparently cutting out agents (and puzzling others who wonder whether publishers really want a mountainous slush pile, electronic or not). Agents see a role for themselves in the future; in fact, Richard Curtis has gone so far as to become a publisher of e-books. Some authors are quite happy to contemplate a future without publishers— Stephen King selling his serialized story *The Plant* directly from his website demonstrated the potential for electronic self-publishing by "brand name" authors, and vanity presses such as Xlibris offer otherwise unpublished authors an avenue into print—for a price.

Everyone seems ready to cut someone else out of the picture and reap the rewards. Yet, as Richard Bernstein, book critic for the *New York Times,* asked plaintively, "what's in it for the reader?"[23] If benefits aren't passed along to the consumer, will the savings accruing to the publishing industry be enough of an incentive for e-books to flourish?

Where do libraries fit in?

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factored the role libraries play in the circulation and preservation of ideas into their vision of an electronic future. This lack of awareness was illustrated at a panel discussion

of e-books in New York when Steve Brill described a scenario for the future in which publishers would provide collections of material and customers would "harvest" the parts of books and magazines they wanted.[24] Brill's Contentville website uses this model as it allows for "cross-content" searching of various media, with consumers paying only for the parts they choose. One naïve member of the audience asked him, "How can you compete with libraries? They do the same thing—for free." While the questioner seemed unaware that libraries pay for the electronic content they provide and that library users are constrained by copyright laws, it did underscore a conflict between the publishers' desire to sell texts (and protect themselves against piracy) and libraries' tradition of sharing them. First-sale rights of printed books allowed libraries and others to purchase texts and subsequently share them. New licensing arrangements and technological "shrink-wrapping" of digital texts, designed to prevent the unlimited copying of intellectual property, limit the sharing of electronic texts and tilt the balance previously struck by copyright law between private and public interests toward publishers.

As e-books emerge from hype to reality, this essential conflict is being addressed in a variety of ways. Early on, trade publishing focused on models for pricing and distribution that would greatly restrict libraries' ability to add e-books to their collections. The field is evolving rapidly, however. Four companies profiled below have developed different models for e-books, each treating libraries and readers differently.

Gemstar envisions a future in which e-books and periodicals will be delivered by them to consumers that have purchased one of their proprietary reader devices. They address publishers' intellectual property concerns by providing a book-like solution: one book, one reader. Libraries have been experimenting with these devices, but have encountered some problems because the model does not take libraries into account as a market.[25] Gemstar's emphasis on providing a single, shrink-wrapped solution to security concerns means, for example, that content delivery bypasses the Internet entirely, requiring downloads to cross old-fashioned analog telephone lines. Furthermore, it is an inherently monopolistic solution that suggests e-books will need to be read using one manufacturer's proprietary products.

netLibrary is one of the few companies that has actually sold a significant number of e-books. Their strategy from startup was to view libraries as an important market and to capitalize on libraries' history as early adopters of technology; not only do libraries buy books, they have a customer base that is accustomed to using electronic information sources. They also targeted scholarly and professional publishers as initial partners in the process, knowing they were interested in new markets but didn't have the financial clout to develop electronic products themselves. netLibrary reproduced aspects of the traditional "one book, one user" model in order to placate publishers' fears. The greatest challenge they have faced so far has not been the technical development of the product, but rather persuading publishers that netLibrary's model is secure and viable, pioneering the development of contractual arrangements that successfully addressed publishers' fears.[26] An early interest in expanding their market by selling books to individual readers has been scaled back, culminating in the March 2001 sale of their Peanut Press subsidiary

to Palm, Inc. netLibrary's current focus is on libraries as the primary market, with products also being developed for textbook and print-on-demand services. Although the company is relatively well-established, plans for an IPO were postponed toward the end of 2000 due to declining confidence in tech stocks.

Questia is introducing a collection of electronic texts and utilities that, as of this writing, will be marketed directly to a niche of readers, bypassing libraries, although many librarians are involved in the company as employees or advisors. They plan to digitize a selective collection of books for an undergraduate audience and will provide a variety of support features for writing term papers. Searching will be free, but only individual subscribers will be allowed to view, print, and download information. Currently, they plan to add full-text periodicals to the product mix. The company's revenues will come from customer subscription fees and, in turn, will provide publishers with payment based on use of their digitized materials. The extensive, targeted marketing for this product is designed to sell students on the idea that using Questia will make writing papers quicker and easier, and publishers on the notion that they will recover profits that are "lost" when a book is sold to a library. A full-page ad campaign in *Publishers Weekly* illustrates their approach: under a towering stack of books the message: "Number of times your book gets checked out from the library." Under a single book: "Number of times you get paid for it"—in effect, suggesting that the first-sale rights of print publishing are inferior to the electronic model they propose. The viability of such a business plan is much debated, but the company has been able to attract significant venture capital. [27]

ebrary proposes to provide a gateway between publishers and readers by mounting digital texts on the Web, offering pay-per-use access to customers and returning fees to publishers based on use. Though they do not propose to digitize texts—instead, mounting electronic files created by the publishers in the normal course of production— they will make them available for full-text searching and will manage rights for the publishers. One unusual feature of their plan is that reading texts online will be free; intellectual property control only is exerted when the customer prints or downloads material, a feature that suggests publishers are still highly conditioned to think of texts as units that change hands, not content that might be consumed at a computer screen. And, putting to use Steve Brill's concept of "harvesting," they are providing for the sale of *pieces* of texts, not entire books—as one commentator has pointed out, "[t]he Web changes rights management because of the granularity of digital material."[28] Like Questia, ebrary plans to include periodical content as well as books. They have formed powerful alliances with major trade publishers, including Random House, Pearson, and McGraw-Hill, and are primarily focused on a consumer market, but include libraries in their plans. At ALA's 2001 midwinter meeting, company representatives described two options: libraries would be able to start deposit accounts with the company to cover their patrons' use, or their patrons could pay for use and libraries would receive 5 percent of the sale to recoup printing costs—the latter option, of course, running contrary to most libraries' instincts to provide information freely to its patrons. Another of the benefits the company touts, its ability to provide the market research so lacking in trade

publishing (publishers will be told exactly which portions of what books consumers are most interested in), may strike librarians as an intrusion into readers' privacy, even though company representatives insist no personal data will be linked to use. In May, ebrary announced plans to make its software, ebrarian, available to "channel partners" to make it possible for them to sell online content securely from their own websites while making pay-per-use content searchable through common Internet search engines.

These models offer different means of connecting electronic texts with readers, each offering a reward system for the publisher. Only one—netLibrary—reproduces the one-book, one-reader model while treating the purchase of an electronic book as a first sale, making that text available for sharing while ensuring that only one reader at a time can use it. Tellingly, netLibrary has targeted their development of partnerships to scholarly and professional publishers, segments of the industry that recognize libraries as likely purchasers of their products. Trade publishers do not view libraries as a significant market and in fact, if Questia's ad campaign is any indicator, worry that sales to libraries promote a loss of revenue. If the complementary roles of publishers and libraries are to continue—that is, if a new balance is to be struck to satisfy both private and public needs for digital intellectual property inclusive of popular, consumer-oriented books—trade publishers must be persuaded that libraries have a healthy place in their electronic future.

Academic libraries and the future of trade publishing

Should academic libraries, already pressed to meet the special needs of their constituents, be concerned about the future of trade publishing? After all, it is difficult enough to reserve a percentage of the materials budget for any kind of books, as serials and electronic subscription prices rise.[29] In the 1983–1984 fiscal year, academic libraries spent nearly half of their acquisition budgets on books. In 1998–1999, the percentage of dollars spent on books had dropped to under 30%.[30] Clearly, the $283 million academic libraries spent on books in 1998–1999, only a portion of which were trade publications, is a relatively insignificant percentage of the $6.5 billion trade book publishing industry.[31] Given limited resources and the demand for scholarly information, is the popular output of trade publishing a poor fit for academic libraries?

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It can be argued that, as a mirror of culture generally, the products of trade publishing should be represented in academic libraries. For many researchers, the preservation of materials that now have a short, six-week shelf life in bookstores has lasting importance. As Gregory Crawford and Matthew Harris have pointed out in their study of best-sellers in academic library collections, such books provide "a reflection of the time and culture in which they were produced."[32] As a case in point, one of the most important literary projects of recent times has been rediscovering non-canonical texts by writers such as Zorah Neale Hurston and Kate Chopin. These books were rediscovered by

scholars on the shelves of academic libraries—and they were not on those shelves because they were endorsed by the academy but because, when they put there, they were acquired as representatives of popular book culture. If we are short-sighted enough to believe that mainstream culture and the books that reflect it have no place in our libraries, the canon of today and our focus on fueling highly specific and arcane scholarly debates (whose shelf life is only slightly longer than that of books on bookstore shelves) will limit such discoveries in the future.[33]

This issue becomes even more pressing as the legal balance between private and public interests in intellectual property is renegotiated for a digital world. At this point it is too early to predict which model for e-books will become dominant in the industry, but it is important for academic libraries and scholars to be involved in ensuring that our interests, and those of future researchers, aren't excluded in their development. We need to be aware of—and sympathetic to—the concerns of publishers who fear the value of their product could be eroded through electronic piracy. As early adopters of technology working with a technologically-savvy and relatively young demographic group, academic libraries are well-positioned to nurture the market. A recent *Library Journal* editorial pointed out that libraries "present a huge opportunity for publishers to test their products in a relatively controlled environment with a huge potential audience"[34]—an audience that, once comfortable with the technology, will be more likely to purchase e-books in the future. We also need to be able to articulate in a broader sense how libraries promote book culture and develop habitual readers. Though sales of trade books to academic libraries may seem insignificant, the academic enterprise increases knowledge of and interest in books. We can be partners in "growing the market" that many in the industry fear is stagnating. Finally, along with an understanding of publishers' legitimate concerns, we need to advocate for social as well as economic benefits of sharing information responsibly so that publishers don't allow their fears to erect technological barriers that would ultimately slow the development of e-books, alienate consumers, and do damage to the development of a technologically robust book culture for the future.

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Notes

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    Robert Baensch, Director, Center for Publishing, New York University
    John Baker, Editorial Director, *Publishers Weekly*
    David Black, David Black Literary Agency
    Henry Ferris, Senior Editor, William Morrow
    Albert Greco, Associate Professor of Communications and Media Management, Fordham University Graduate School of Business Administration
    Jennifer Hershey, Deputy Publisher, Avon

Jay Mandel, Virginia Barber Literary Agency
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2. As of this writing, publishers appear to have gained the high ground. The Digital Millennium Copyright Act left unclear whether the criminal liability invoked when electronic control over content was circumvented trumped the legal right to fair use of texts. In 2000, the Library of Congress ruled that, for now, fair use does not apply to electronic texts if it can only be exercised by breaking through electronic protections.

3. Linton Weeks, "Pat Schroeder's New Chapter; The Former Congresswoman Is Battling For America's Publishers," *Washington Post,* February 7, 2001, C1. *General News—Lexis/Nexis Universe* [June 2, 2001].

4. Committee on Intellectual Property Rights and the Emerging Information Infrastructure, National Research Council, *The Digital Dilemma: Intellectual Property in the Information Age* (Washington, DC: National Academy, 2000), 202.

5. André Schiffrin, *The Business of Books: How International Conglomerates Took Over Publishing and Changed the Way We Read* (London: Verso, 2000); Jason Epstein, *Book Business: Publishing Past, Present, and Future* (New York: Norton, 2001).

6. John F. Baker, "Reinventing the Book Business," *Publisher's Weekly*, March 14, 1994: 36–40.

7. *International Book Publishing: An Encyclopedia* (New York: Garland, 1995), 2.

8. Donald Lamm, "Vicious Circles: Trade Publishing in the U.S. Today," *Logos* 4, (1993): 199.

9. Non-fiction titles are typically acquired on the basis of a proposal and are completed after the contract is signed; fiction is acquired on the basis of a completed manuscript.

10. For an interesting analysis of this issue, see David D. Kirkpatrick's *Report to the Authors Guild Midlist Books Study Committee* (2000). Available: <http://www.authorsguild.org/midlist.pdf >[July 9, 2001]. A section on "The Trouble with Libraries" accurately describes stresses on library budgets, but fails to distinguish between academic and public library markets and accepts at face value some curious claims about the impact of photocopying on the purchase of multiple copies of books.

11. Baker's book, *Literary Agents: A Writer's Introduction* (New York: Macmillan, 1999) offers a solid overview of the agent's role and interviews with prominent members of the profession.

12. Linton Weeks, "Read All About It, or Maybe Not; Millions of Americans Who Can Read Choose Not To. Can We Do Without the Written Word?" *Washington Post,* May 14, 2001, C1. *General News—Lexis/Nexis Universe* [June 2, 2001].

13. Michael Korda, *Another Life: A Memoir of Other People* (New York: Random, 2000), 122.

14. Michael Cader, "Never Mind the Friggin' E-book. It's All About the Web," *Inside,* December 26, 2000: 37–38. Subscriptions to his informative e-mail service, Publisher's Lunch can be started at <http://www.publisherslunch.com> [July 9, 2001].

15. David D.Kirkpatrick, "Literary Family Feud: Inside Bertelsmann, Two Editors Fight for Position and Prestige," *New York Times,* January 15, 2001, C1.

16. Jason Epstein, "The Rattle of Pebbles," *New York Review of Books,* April 27, 2000. Available: <http://www.nybooks.com/nyrev/archives.html> [July 9, 2001].

17. Schiffrin and Ted Soltaroff, "The Literary-Industrial Complex: How the Corporate Mentality has Undermined the Profession of Publishing," *New Republic,* June 8, 1987: 28–45.

18. For a summary of the response, see Doreen Carvajal, "Big Publishers Looking Into Digital Books: Success of King Novella Ignites Industry Activity," *New York Times,* April 3, 2000, C1.

19. For a solid overview of the jockeying for position in the industry, see David D. Kirkpatrick, "With Plot Still Sketchy, Characters Vie for Roles: The Struggles Over E-Books Abound, Though Readership Remains Elusive," *New York Times*, November 27, 2000, C1.

20. Jason Epstein, "The Coming Revolution," *New York Review of Books*, Nov. 2000. Available: <http://www.nybooks.com/nyrev/archives.html> [July 9, 2001].

21. Epstein, "The Coming Revolution."

22. For details, see David D. Kirkpatrick, "Digital Book Turf Battle Escalates Over Royalties," *New York Times,* January 4, 2001, C1.

23. "A Brave New World for Books: How E-Publishing Will Transform Books & Literature," panel discussion sponsored by PEN, the Writer's Guild, and the New School Writing Program, held at the New School for Social Research, New York, November 30, 2000. Panelists were Bernstein, Time Warner executive Larry Kirshbaum, ICM agent Amanda Urban, and publisher Steve Brill, with author Ron Chernow as moderator.

24. "A Brave New World for Books."

25. The *Electronic Book Evaluation Project* offers interesting reports on library use and patron reaction at <http://www.rrlc.org/ebook/ebookhome.html> [9 July 2001]. For a summary of findings thus far, see Susan Gibbons, "Ebooks: Some Concerns and Surprises," *portal: Libraries and the Academy* 1, no.1 (2001): 71–75.

26. It may be a measure of publishers' concern about piracy that the AAP lists "copyright" as the first item under "industry issues" at their website <http://www.publishers.org/home/issues/index.htm> [July 9, 2001]. Certainly the Napster phenomenon fuelled those fears—while at the same time demonstrating the power of the Internet for connecting content with customers; the fact that Bertelsmann first sued Napster, then bought it demonstrates the mixed feelings publishers have about the digital future.

27. See, for example, Robert E. Dugan, "Isn't Life Wonderful? A Dot Com Delivers Access to the Wealth of Human Knowledge," *portal: Libraries and the Academy* 1, no.1 (2001): 97–101; for a more recent business analysis, see Tom Fowler, "Digital Library for College Students: A Solid Future for Questia Media is Still an Online Question Mark," *Houston Post*, April 14, 2001, Business page 1. *General News—Lexis/Nexis Universe* [June 2, 2001].

28. Geoffrey Rust, "Issue of the Year: Online Delivery of Digital Content," In *Book Industry Trends* (New York: Book Industry Study Group, 1999), I–3.

29. For a well-articulated summary of the impact of the serials crisis in libraries and on publishers, see David D. Kirkpatrick, "As Publishers Perish, Libraries Feel the Pain: Mergers Keep Pushing up Journal Costs," *New York Times*, November 3, 2000, C1.

30. "Academic Library Acquisition Expenditures, 1983–1984," in *Bowker Annual of Library and Book Trade Information* (New York: R.R. Bowker, 1985), 441; "Academic Library Acquisition Expenditures, 1998–99," in *Bowker Annual Library and Book Trade Almanac* (New York: R.R. Bowker, 2000), 421.

31. This incidentally parallels a reported drop in the use of books as sources cited in student papers. See Philip M. Davis and Suzanne A. Cohen, "The Effect of the Web on Undergraduate Citation Behavior 1996–1999," *Journal of the American Society for Information Science and Technology* 51, (2001): 309–314. The authors speculate that the increase in the use of non-scholarly articles and websites, coupled with a significant drop in the number of books cited in bibliographies, may in part be in response to the increasing ease of access of full-text articles, both scholarly and popular. It will be interesting to see if, as e-books are added to library collections, full-text retrieval of books increases their attractiveness to undergraduate researchers.

32. Gregory A. Crawford and Matthew Harris, "Best-Sellers in Academic Libraries," *College & Research Libraries* 62, (May 2001): 216.

33. For a discussion of how collection development can support or challenge the canon see John J. Doherty, "The Academic Librarian and the Hegemony of the Canon," *Journal of Academic Librarianship* 24, (September 1998): 403–406.

34. Francine Fialcoff, "A Wake-Up Call for Publishers," *Library Journal,* February 15, 2001: 152.