



Loving to Read as a Strategist

Episode 18

www.eleonoraescalantestrategy.com

11-Nov-22

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"Cozy Reading". From the collection of exercises "Loving to read".

Size: 7 x 5 plg

Paper Fabriano Artístico Traditional White 300GSM, Painted with Daniel Smith, Ecoline Liquid Aquarelles & Holbein pigments. NFS (Not for Sale).

Loving to read as a strategist.

Episode 18

The business of reading

www.eleonoraescalantestrategy.com




















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Outline per Episodes

1. Prelude 
2. Philosophy, Rationale and Objectives 
3. Historic roots of reading 
4. Once upon a time write and read tied the knot 
5. Gutenberg 's Legacy 
6. Reading in the XX century 
7. Reading trends of today 
8. Contexts of reading 
9. What is to read 
10. How do we learn to read 
11. When do we read 
12. What to read 
13. Why to read 
14. We are what we read 
15. Is reading the same as learning 
16. The reading brain of the kids 
17. Who enjoys reading 
17. If you don 't like to read 
18. The business of reading 
19. Publishing industries and the Internet
20. The Information that we read
21. Reading as a need/want, as a tradition or as a fashion?
22. Reading as leisure
23. Substitutes of reading
24. Reading and NAIQIs
25. Libraries matter
26. The core of the strategist mind
27. Reading content as a strategist
28. Becoming a strategist since kindergarten
29. Research agenda on reading for the next 15 years
30. Summary and conclusions



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Important Announcement:



Eleonora Escalante Strategy has decided to offer 5 bonus content subjects that weren't consider initially in our outline.

1. **Bonus 1: Reading/printing during times of the Protestant Reformation.** ✓
2. **Bonus 2: Reading during the Renaissance.** ✓
3. **Bonus 3: Reading during the Enlightenment.**
4. **Bonus 4: Newspapers commencement.**
5. **Bonus 5: What happened during the first industrial revolution?.**

*To be revealed between
from 1 to 15 of January 2023.*

- We already delivered Bonus 1 and Bonus 2.
- Bonus 3, 4 and 5 will be written during our vacations time. The priority is to finish the outline of this saga first.
- We have pushed forward the delivery of these three topics to next year, after we finish the current saga.
- I apologize for the inconvenience, but I need to focus on the saga subjects as a priority for this autumn-winter season.










Thank you!



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Timeline

November 2022

SUN	MON	TUES	WED	THURS	FRI	SAT
		1 ✓  Episode 15 Is reading the same as learning?	2	3	4 ✓  Episode 16 The reading brains of the kids	5
6	7	8 ✓  Episode 17 If you don't like to read Who enjoys reading	9	10	11 ✓  Episode 18 The business of reading	12
13	14	15  Episode 19 Publishing Industries and the Internet	16	17	18  Episode 20 The information that we read	19
20	21	22  Episode 21 Reading as a want/need, as a tradition or as a fashion?	23	24	25  Episode 22 Reading as Leisure	26
27	28	29  Episode 23 Substitutes of Reading	30			





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The business of reading

Sales size book publishing industry

Let's take an overview of what is happening in the USA?

US Book Publishing Industry (NAICS 51113). *Data from Barnes Reports*

	2013	2014	2015	2016	2017	2019	2020	2021	2022	2023
Establishments	6448	6234	6105	6099	6102	6236	5660	5457	5193	4887
Sales (billions)	21.367	21.475	21.834	22.542	23.236	28.969	25.335	25.001	24.820	24.242
Employment	61669	59619	58384	58325	58355	54327	49309	47548	45246	41664

According to the data from Barnes Reports:

- In ten years, the book publishing industry has lost around 1/3 of its workforce. The reduction of employment in this industry attains the 32.43%, just in the USA
- Sales were augmenting since the year 2016, but they have been affected by the pandemic.
- The book publishing companies also show a reduction of 24.2% in the USA.

*Curated by Eleonora Escalante Strategy Research.
Source: Industry analysis reports Marketline and Barnes. The year 2018 has been omitted.*





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Sales size book publishing industry

Let's understand what is the book publishing under the NAICS 51113

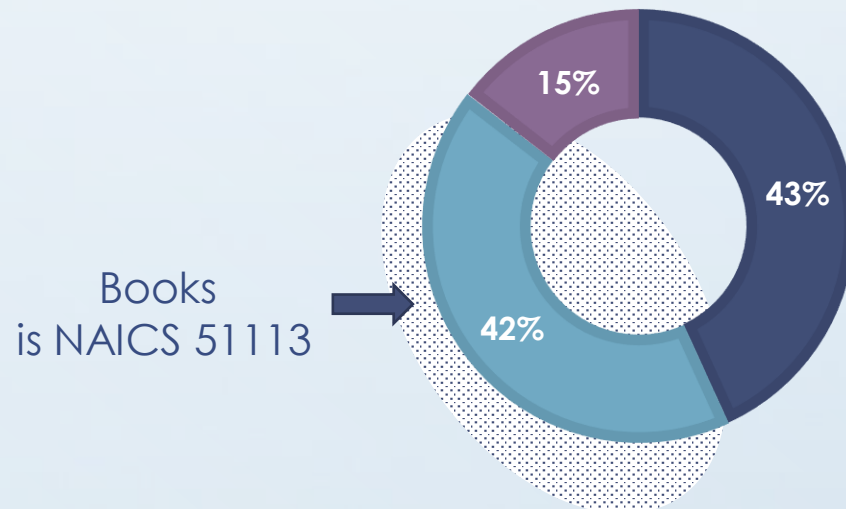


NAICS 51113 is about books

publishing: Establishments in this industry carry out design, editing, & marketing activities necessary for producing and distributing books in print, electronic or audio form.

Publishing Industry (NAICS 511). Data from Market Line 2016 **SALES**

■ Newspapers ■ Books ■ Magazines



- According to Marketline, for the year 2016, the total sales of the total publishing industry in the USA was of \$64,435 millions dollars.
- The 42.3% goes to books publishing and it is US\$27,234 million dollars
- Let's see what other sources of reference tells us about this.

Curated by Eleonora Escalante Strategy Research.
Source: Industry análisis reports Marketline and Barnes.





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Sales size book publishing industry

Let's understand what is the book publishing under the NAICS 51113



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publishing: Establishments in this industry carry out design, editing, & marketing activities necessary for producing and distributing books in print, electronic or audio form.

Publishing Industry (NAICS 51113). United States. Revenues per year



- According to Statista, the book publishing industry net revenues has been oscillating between 25 billion to around 28 billion per year.
- The three sources: MarketLine, Barnes and Statista offer a similar approximation of the sales market size of this industry.
- Also we can notice that before the pandemic, the sales were relatively stagnant since 2016.

Curated by Eleonora Escalante Strategy Research
Source graph: <https://www.statista.com/statistics/271931/revenue-of-the-us-book-publishing-industry/>





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Good news: the number of printed books sold is augmenting YoY.



NAICS 51113 is about books

publishing: Establishments in this industry carry out design, editing, & marketing activities necessary for producing and distributing books in print, electronic or audio form.

Publishing Industry (NAICS 51113). United States. Printed books sales (in units sold)

Unit sales of printed books in the United States from 2004 to 2021
(in millions)



MILLION
Units of
Books

- Since the year 2012, there is an increasing progression of sales of books in printed format.
- The incremental progression has been consistent and stable, even during the pandemic. With a higher jump last year.
- In addition, the e-books sales has eroded and reduced significantly during the last decade, even though during the pandemic sales started to increase again.

Curated by Eleonora Escalante Strategy Research
Source Graph: <https://www.statista.com/statistics/422595/print-book-sales-usa/>



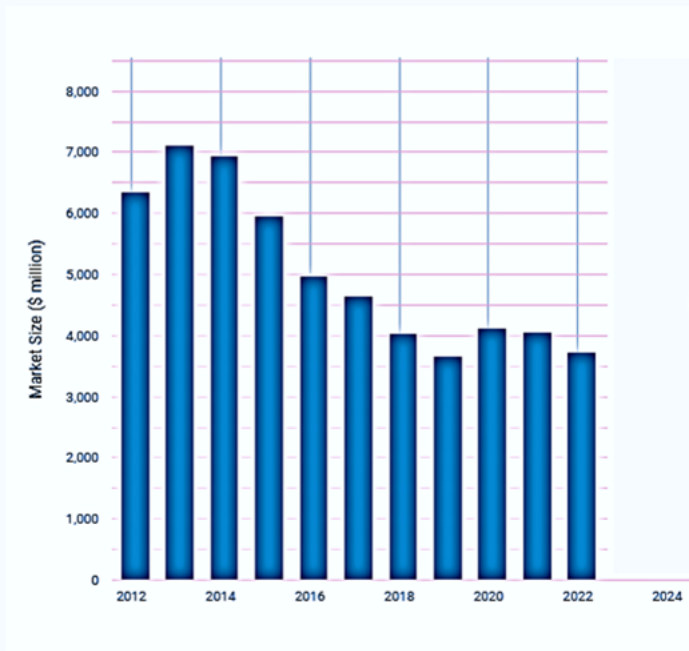
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The e-books sales has dropped since the year 2013 in the US

Ebooks sales in the United States

Updated: April 21, 2022



- The market size of the E-Book Publishing industry in the US declined faster than the Technology sector overall during the last 10 years.
- The eBook wishes to substitute the paper print book, but we don't counsel it during formative years (K-12 and universities), neither for booklovers who read more than 1 book per month.
- The eBook sales represent around 3.7 billion US Dollars, which is around 14% of the sales of the printed books for 2022.
- During the pandemic e-books took their toll. Consumers are sensitive to price, once the paperback is below the e-book price, they return to the printed version naturally.

Curated by Eleonora Escalante Strategy Research.
Source graph: <https://www.ibisworld.com/industry-statistics/market-size/e-book-publishing-united-states/>





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Globally, the overview of the book publishing industry in terms of market sales size:

Market Research Reports	Global Market Sales Size (Sales USD billions) Year 2021-2022
IBIS World	109
The business report research company	88.7
Grand View Research	138.35
Future Markets Insight	93

Condensed by Eleonora Escalante Strategy Research.

Source:

- <https://www.ibisworld.com/global/market-research-reports/global-book-publishing-industry/><https://www.thebusinessresearchcompany.com/report/book-publishers-global-market-report>
- <https://www.grandviewresearch.com/industry-analysis/books-market>
- <https://www.futuremarketinsights.com/reports/book-publishers-market>

- The market size of Global Publishing industry represents an amount between 88 to 138 billion dollars.
- If we calculate the average, the size is of around 107 billion dollars sector overall.
- The market size of the book publishing industry is around the same size of the current GDP of countries as Guatemala, Luxembourg Ecuador, Kuwait, Puerto Rico, Cuba, Dominican Republic, or Kenya.
- Growth for paper books is in developing economies, which are still used to the paper printed version.



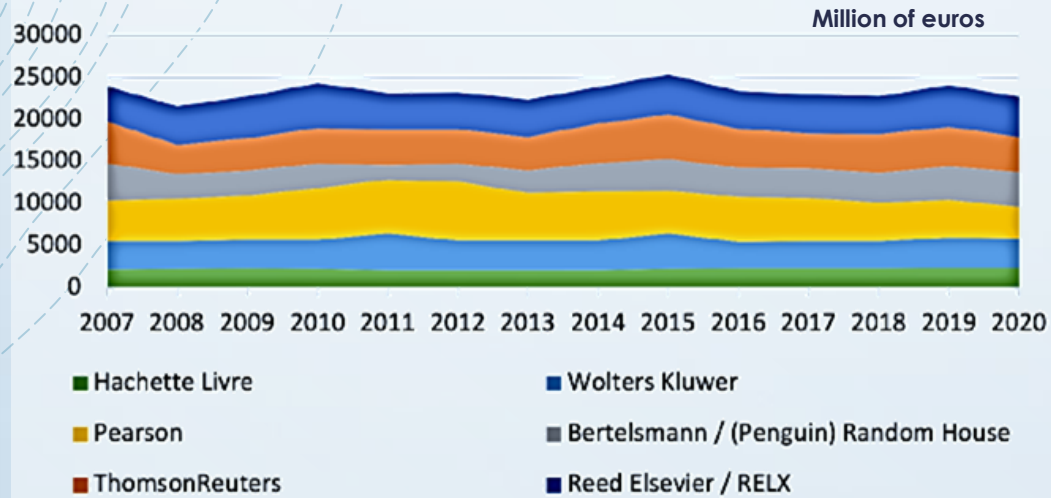


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Which are the main publisher companies in the world?

Top 6 largest publishing groups worldwide
(2007 to 2020, by revenue in €)



Curated by Eleonora Escalante Strategy Research

Graph source: Ruediger Wischenbart Content and Consulting 2021 • Global 50
The world Ranking of the Publishing Industry 2021

<https://www.scribd.com/document/599137539/Top-Publishers-Worldwide-by-Revenue-2021#download>

Publishing Group	Parent Company	Country	Revenues 2021 Billion USD
RELX Group	Reed Elsevier	UK-US-The Netherlands	5.717
Thomson Reuters	The Woodbridge Co. Ltd.	Canada	5.487
Bertelsmann	Bertelsmann AG	Germany	4.879
Pearson	Pearson PLC	UK	4.626
Wolters Kluwer	Wolters Kluwer	The Netherlands	4.109
Hachette Livre	Lagardere	France	2.939
Harper Collins	News Corp	US	1.985
Wiley	Wiley	US	1.942
Springer	Springer Nature	Germany	1.923
Phoenix Publishing	Phoenix Publishing and Media Co	China	1.819

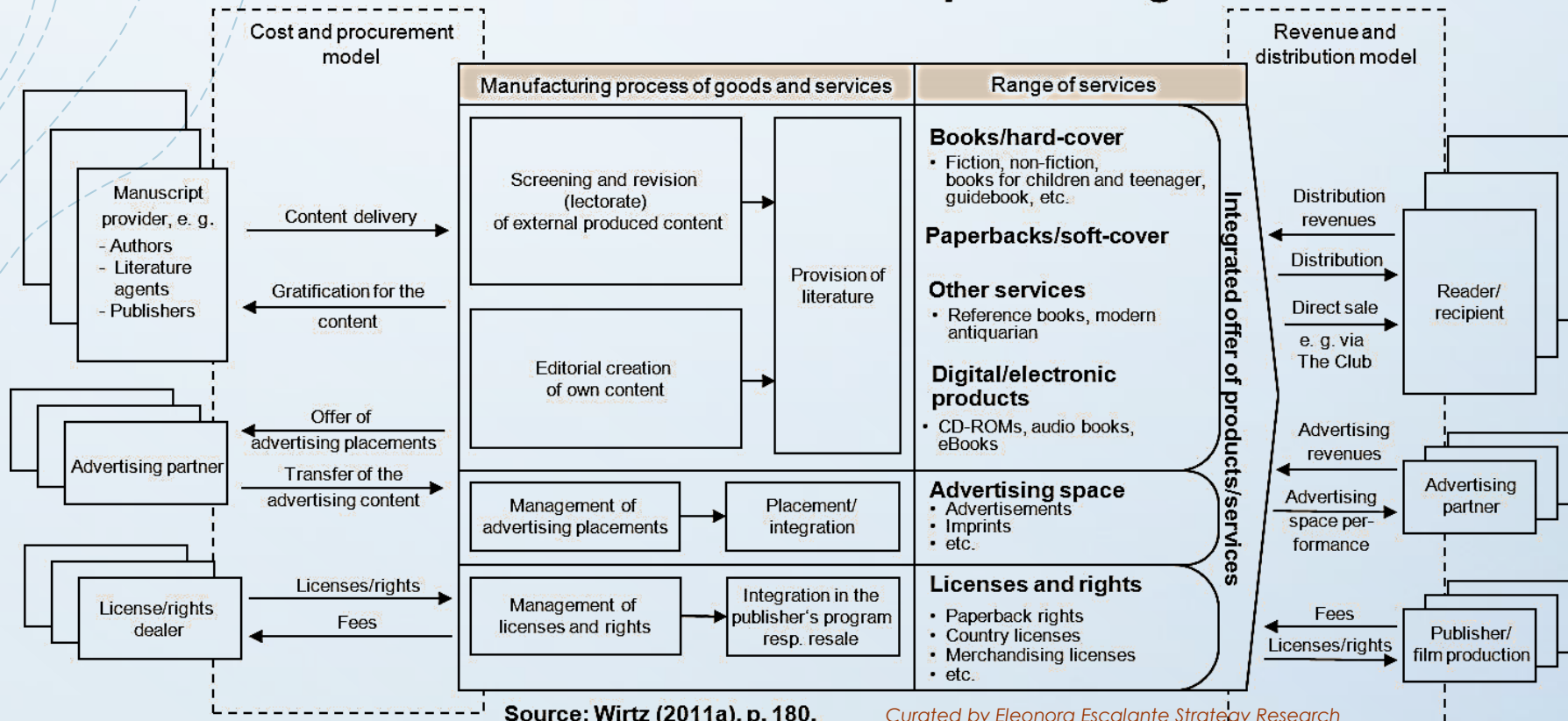


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How are the publishers making profits? It depends on the size of the company, its product, their copyrights control and the diversification of revenue streams.

Business model of a book publishing house



Source: Wirtz (2011a), p. 180.

Curated by Eleonora Escalante Strategy Research
Diagram Source: <https://www.berndwirtz.com>



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Who are the clients of the publishers?



Wholesalers



Retailers



School Districts Clients



Government



Colleges or Universities



Libraries



Bookstores



Book-Clubs



Teachers



Others: Supermarkets, Stands, Specialized channels

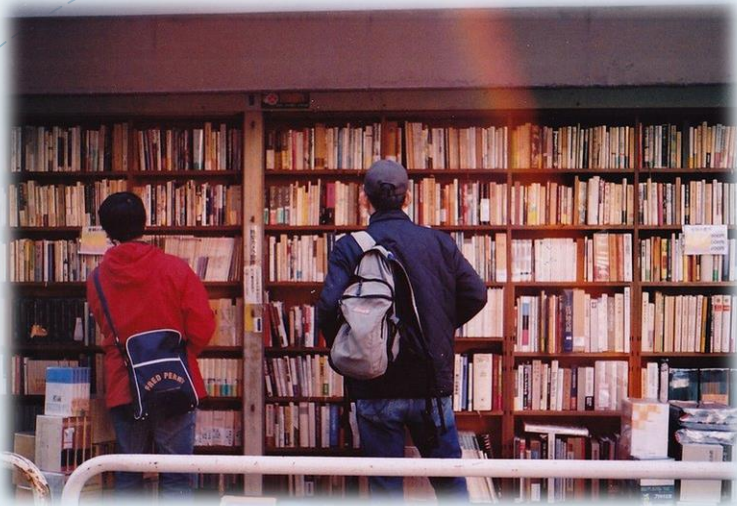
Eleonora Escalante Strategy Research. Industry análisis reports Marketline and Barnes.



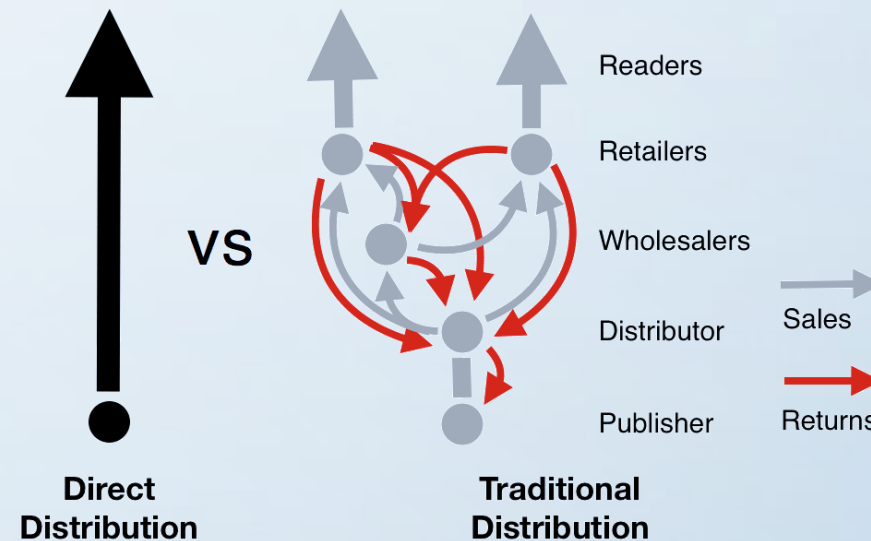
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In our next publication we will cover more about the publishing industry. We will provide a Porter Analysis and an overview of the industry drivers, critical issues, challenges, trends and opportunities.



We will also offer you a rationale of why the D2C publishing model has organic flaws that need to be addressed.



Source Graph: <https://www.bookmobile.com/publisher-case-studies/direct-consumer-core-book-publishing-business-model/>



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OUR TEAM



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