



# Loving to Read as a Strategist

## Episode 19 Part A

[www.eleonoraescalantestrategy.com](http://www.eleonoraescalantestrategy.com)

18-Nov-22

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"Teddy Bear". From the collection of exercises "Loving to read".

Size: 7 x 5 plg

Paper Cold Press Baohong 300 GSM, Painted with Holbein & Ecoline Liquid Aquarelles pigments. NFS  
(Not for Sale).

# Loving to read as a strategist.

## Episode 19 Part A

## The Publishing Industries and the Internet























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# Loving to read as a strategist

## 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 (Part A) 
20. Publishing Industries and the Internet (Part B) 
21. The Information that we read
22. Reading as a need/want, as a tradition or as a fashion?
23. Reading as leisure
- *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 for the next 15 years
30. Summary and conclusions



# Loving to read as a strategist



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 have included the subject “Substitutes of reading” in today’s episode.**
- **We decided to segment the episode “Publishing industries and the internet” in two sections. Today we will cover Part A. Next Friday we will continue with part B.**
- **Look at the new outline after these adjustments.**
- **Thank you!**



# Loving to read as a strategist

## Timeline

November 2022

The chapter Substitutes of Reading is included in this episode

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





## Timeline

# Loving to read as a strategist

December 2022

SUN	MON	TUES	WED	THURS	FRI	SAT
				1	 <b>Episode 24</b> Reading and NAIQs	3
4	5	 <b>Episode 25</b> Libraries Matter	7	8	 <b>Episode 26</b> The core of the strategist mind	10
11	12	 <b>Episode 27</b> Reading Content as a strategist	14	15	 <b>Episode 28</b> Becoming a strategist since kindergarten	17
18	19	 <b>Episode 29</b> Research agenda on reading for next 15 years	21	22	<b>Episode 30</b> Summary and Conclusions	<b>Our vacations begins</b>
25	26	27	28	29	30	31



Our next saga: "The Ocean Race 2023 Strategy Regatta" as of January 15<sup>th</sup>, 2023





# Loving to read as a strategist

## The publishing industries and the Internet (only books)

### *Porter Analysis*



- Our message is to provide a glimpse of a 6 forces analysis.
- It will be brief and concise.
- Instead of focusing on the strength or the degree of power or threats or bargaining of each Porter's influences, we will try to understand the main relevant factors for each of the 6 forces of competition.
- We have tried to identify the key variables that are common to all existing publishing business models.







# Loving to read as a strategist

## The publishing industries and the Internet (only books)

*There are different business models in the publishing industry. One view from Jane Friedman (2021-2022).*

TRADITIONAL (ADVANCE-BASED) PUBLISHING		NOT ADVANCE-BASED		INDIE OR SELF-PUBLISHING	
BIG FIVE HOUSES	OTHER TRADITIONAL	SMALL PRESSES	ASSISTED & HYBRID	INDIE / DIY	SOCIAL
<p><b>WHO THEY ARE</b></p> <ul style="list-style-type: none"><li>• Penguin Random House, HarperCollins, Hachette, Simon &amp; Schuster, Macmillan (each has dozens of imprints). Might soon become the Big Four.</li></ul> <p><b>HOW THE MONEY WORKS</b></p> <ul style="list-style-type: none"><li>• Big Five publishers take on all financial risk and pay the author upfront (an advance); royalties are paid if the advance earns out. Authors don't pay to publish but may need to invest in marketing and promotion.</li></ul> <p><b>HOW THEY SELL</b></p> <ul style="list-style-type: none"><li>• An in-house sales team meets with major retailers and wholesalers. Most books are sold months in advance and shipped to stores for a specific release date. Nearly every book has a print run; print-on-demand is used when stock runs low or sales dwindle.</li></ul> <p><b>WHO THEY WORK WITH</b></p> <ul style="list-style-type: none"><li>• Authors who write works with mainstream appeal, deserving of nationwide print retail distribution in bookstores and other outlets.</li><li>• Celebrity-status or brand-name authors.</li><li>• Writers of genre fiction, women's fiction, YA fiction, and other commercial fiction.</li><li>• Nonfiction authors with a significant platform (visibility to a readership).</li></ul> <p><b>VALUE FOR AUTHOR</b></p> <ul style="list-style-type: none"><li>• Publisher (or agent) pursues all possible subsidiary rights and licensing deals.</li><li>• Physical bookstore distribution nearly assured, in addition to other retail opportunities (big-box, specialty).</li><li>• Best chance of media coverage and reviews.</li></ul> <p><b>HOW TO APPROACH</b></p> <ul style="list-style-type: none"><li>• Almost always requires an agent. Novelists should have a finished manuscript. Nonfiction authors should have a book proposal.</li></ul> <p><b>WHAT TO WATCH FOR</b></p> <ul style="list-style-type: none"><li>• The majority of advances do not earn out.</li><li>• Publisher holds publishing rights for all major formats for at least 5+ years.</li><li>• Authors don't control title or cover design.</li><li>• Authors are often unhappy with marketing support or surprised at lack of support.</li></ul>	<p><b>WHO THEY ARE</b></p> <ul style="list-style-type: none"><li>• Not part of the Big Five, but work in a similar manner (same business model).</li><li>• Examples of larger houses: Houghton Mifflin Harcourt, Scholastic, Workman, Sourcebooks, Wiley &amp; Sons, W.W. Norton, Kensington, Chronicle, Tyndale, many university presses (Cambridge, Univ of Chicago Press). Smaller houses: Graywolf, Forest Avenue Press, Belt Publishing.</li></ul> <p><b>HOW THE MONEY WORKS</b></p> <ul style="list-style-type: none"><li>• Same as Big Five. Author receives an advance against royalties.</li></ul> <p><b>HOW THEY SELL</b></p> <ul style="list-style-type: none"><li>• The largest houses work the same as the Big Five, but smaller houses often use a distributor to sell to the trade. Ask your agent or editor if you're unsure. Nearly every book will have a print run.</li></ul> <p><b>WHO THEY WORK WITH</b></p> <ul style="list-style-type: none"><li>• Mainstream authors, as well as those with a more niche or special-interest appeal.</li><li>• Celebrity-status or brand-name authors.</li><li>• Writers of commercial/genre fiction.</li><li>• Nonfiction authors of all types.</li></ul> <p><b>VALUE FOR AUTHOR</b></p> <ul style="list-style-type: none"><li>• Identical to Big Five advantages.</li><li>• Sometimes acquisitions may be ideals driven or mission focused.</li></ul> <p><b>HOW TO APPROACH</b></p> <ul style="list-style-type: none"><li>• Doesn't always require an agent; see submission guidelines. Novelists should have a finished manuscript. Nonfiction authors should have a book proposal.</li></ul> <p><b>WHAT TO WATCH FOR</b></p> <ul style="list-style-type: none"><li>• Smaller houses offer smaller advances (and possibly a more flexible contract).</li></ul>	<p><b>WHO THEY ARE</b></p> <ul style="list-style-type: none"><li>• This category is the hardest to define because the term "small press" means different things to different people. For the purposes of this chart, it's used to describe publishers that avoid advances and print runs. They take on less financial risk than a traditional publisher.</li></ul> <p><b>HOW THE MONEY WORKS</b></p> <ul style="list-style-type: none"><li>• Author receives no advance or possibly a token advance (less than \$500). Royalty rates may look the same as a traditional publisher or be more favorable since the publisher has less financial risk upfront.</li></ul> <p><b>HOW THEY SELL</b></p> <ul style="list-style-type: none"><li>• They rely on sales and discovery through Amazon and possibly through their own direct-to-consumer or niche efforts, as well as the author's marketing efforts.</li></ul> <p><b>WHO THEY WORK WITH</b></p> <ul style="list-style-type: none"><li>• All types of authors. Often friendly to less commercial work.</li></ul> <p><b>VALUE FOR AUTHOR</b></p> <ul style="list-style-type: none"><li>• Possibly a more personalized and collaborative relationship with the publisher.</li><li>• With well-established small presses: editorial, design, and marketing support that equals that of a larger house.</li></ul> <p><b>HOW TO APPROACH</b></p> <ul style="list-style-type: none"><li>• Rarely requires an agent. See the submission guidelines of each press.</li></ul> <p><b>WHAT TO WATCH FOR</b></p> <ul style="list-style-type: none"><li>• Diversity of players and changing landscape means contracts vary widely.</li><li>• Don't expect bricks-and-mortar bookstore distribution if the press relies on print-on-demand printing and distribution.</li></ul>	<p><b>WHO THEY ARE</b></p> <ul style="list-style-type: none"><li>• Companies that require authors to pay to publish or raise funds to do so (typically thousands of dollars). Hybrid publishers have the same business model as assisted services; the author pays to publish.</li><li>• Examples of hybrid publishers: SheWrites, InkShares; examples of assisted service: Gatekeeper Press, Matador</li></ul> <p><b>HOW THE MONEY WORKS</b></p> <ul style="list-style-type: none"><li>• Authors fund book publication in exchange for assistance; cost varies.</li><li>• Hybrids pay royalties; other services may pay royalties or up to 100 percent of net sales. Authors receive a better cut than a traditional publishing contract, but usually make less than DIY self-pub.</li><li>• Regardless of promises made, books will rarely be stocked in physical retail outlets.</li><li>• Each service has its own distinctive costs and business model; secure a clear contract with all fees explained. Such services stay in business because of author-paid fees, not book sales.</li></ul> <p><b>HOW THEY SELL</b></p> <ul style="list-style-type: none"><li>• Most don't sell at all. The selling is up to the author. Some offer paid marketing packages, assist with the book launch, or offer paid promotional opportunities. They can get books distributed, but it's rare that books are pitched to retailers.</li></ul> <p><b>VALUE FOR AUTHOR</b></p> <ul style="list-style-type: none"><li>• Get a published book without having to figure out the service landscape or find professionals to help. Ideal if for authors with more money than time, but not a sustainable business model for career authors.</li><li>• Some companies are run by former traditional publishing professionals and offer high-quality results (with the potential for bookstore placement, but this is rare).</li></ul> <p><b>WHAT TO WATCH FOR</b></p> <ul style="list-style-type: none"><li>• Some services call themselves "hybrid" because it sounds fashionable and savvy.</li><li>• Avoid companies that take advantage of author inexperience and use high-pressure sales tactics, such as AuthorSolutions imprints (AuthorHouse, iUniverse, WestBow, Archway, and others).</li></ul>	<p><b>WHAT IT IS</b></p> <ul style="list-style-type: none"><li>• The author manages the publishing process and hires the right people/services to edit, design, publish, and distribute. The author remains in complete control of all artistic and business decisions.</li></ul> <p><b>KEY RETAILERS AND SERVICES TO USE</b></p> <ul style="list-style-type: none"><li>• Primary ebook retailers offer direct access to authors (Amazon KDP, Nook Press, Apple Books, Kobo), or authors can use ebook distributors (Smashwords, Draft2Digital, StreetLib).</li><li>• Print-on-demand (POD) makes it affordable to sell and distribute print books via online retail. Most often used: Amazon KDP, IngramSpark. With printer-ready PDF files, it costs little or nothing to start.</li><li>• If authors are confident about sales, they may hire a printer, invest in a print run, manage inventory, fulfillment, shipping, etc.</li></ul> <p><b>HOW THE MONEY WORKS</b></p> <ul style="list-style-type: none"><li>• Author sets the price of the work; retailers/distributors pay based on the price of the work. Authors upload their work for sale at major retailers for free.</li><li>• Most ebook retailers pay approx. 70% of retail for ebook sales if pricing within their proscribed window (for Amazon, this is \$2.99–\$9.99). Ebook royalties drop as low as 35% if pricing is outside the norm.</li><li>• Amazon KDP pays 60% of list price for print sales, after deducting the unit cost of printing the book.</li></ul> <p><b>WHAT TO WATCH FOR</b></p> <ul style="list-style-type: none"><li>• Authors may not invest enough money or time to produce a quality book or market it.</li><li>• Authors may not have the experience to know what quality help looks like or what it takes to produce a quality book.</li><li>• It is difficult to get mainstream reviews, media attention or sales through conventional channels (bookstores, libraries).</li></ul> <p><b>WHEN TO PREFER DIY OVER ASSISTED</b></p> <ul style="list-style-type: none"><li>• You intend to publish many books and make money via sales over a long period.</li><li>• You are invested in marketing, promotion, platform building, and developing an audience for your books over many years.</li></ul>	<p><b>WHAT IT IS</b></p> <ul style="list-style-type: none"><li>• Write, publish, and distribute work in a public or semi-public forum, directly for readers.</li><li>• Publication is self-directed and continues on an at-will and almost always nonexclusive basis.</li><li>• Emphasis is on feedback and growth; sales or income can be rare.</li></ul> <p><b>VALUE FOR AUTHOR</b></p> <ul style="list-style-type: none"><li>• Allows writers to develop an audience for their work early on, even while learning how to write.</li><li>• Popular writers at community sites may go on to traditional book deals.</li></ul> <p><b>MOST DISTINCTIVE CATEGORIES</b></p> <ul style="list-style-type: none"><li>• Serialization: Readers consume content in chunks or installments and offer feedback that may help writers revise. Establishes a fan base, or a direct connection to readers. Serialization may be used as a marketing tool for completed works. Examples: Wattpad, Tapas, LeanPub.</li><li>• Fan fiction: Similar to serialization, only the work is based on other authors' books and characters. For this reason, it can be difficult to monetize fan fiction since it may constitute copyright infringement. Examples: Fanfiction.net, Archive Of Our Own, Wattpad.</li><li>• Social media and blogs: Both new and established authors alike use blogs and/or social media accounts to share work and establish a readership. Examples: Instagram (Instapoets), Tumblr, Facebook (groups especially), YouTube.</li><li>• Patronage: Similar to a serialization model, except patrons pay a recurring amount to have access to your content. Popular platforms include Patreon and Substack.</li></ul> <p><b>WHO CREATED THIS?</b></p> <p>Jane Friedman has more than 20 years of experience in the publishing industry. She is the former publisher of Writer's Digest and co-founder of the industry newsletter for authors, The Hot Sheet. You can find free information about traditional publishing and self-publishing at her website, JaneFriedman.com.</p>
		SPECIAL CASES			
<p><b>AMAZON PUBLISHING</b></p> <p>Amazon has a sizable publishing operation (releasing 1,000 titles per year) that is mainly approachable only by agents. Amazon titles are sold primarily on Amazon, since most bookstores are unwilling to carry their titles.</p>		<p><b>DIGITAL-ONLY OR DIGITAL-FIRST</b></p> <p>Many publishers, regardless of size, sometimes operate digital-only or digital-first imprints that offer no advance and little or no print retail distribution. Sometimes such efforts can be indistinguishable from self-publishing.</p>			








Infographic Source:  
<https://www.janefriedman.com/key-book-publishing-path/>  
Visit this website for a better legible view .





# Loving to read as a strategist

## The publishing industries and the Internet (only books)

TRADITIONAL	PARTNERSHIP	FULLY ASSISTED	DIY + DISTRIBUTOR	DIY DIRECT
				
<b>KEY CHARACTERISTICS</b> <ul style="list-style-type: none"><li>• Author receives advance and royalties, usually based on % of copyright contract</li><li>• Process often takes 1–2 years</li><li>• Agent often required; highly selective process</li></ul> <b>VALUE FOR AUTHOR</b> <ul style="list-style-type: none"><li>• Publisher shoulders financial and creative risk</li><li>• Physical bookstore distribution often a given</li><li>• Best chance of mainstream media coverage and reviews</li><li>• Years of expertise in book editing, design, and production working for you</li><li>• Marketing and publicity dept. insight, advice, assistance</li></ul> <b>WARNINGS + EXCEPTIONS</b> <ul style="list-style-type: none"><li>• New digital-only imprints may offer no advance, charge for services, yet demand same rights as other contracts</li><li>• Part of the advance may be paid up to one year after the book's publication date</li><li>• Successful indie/DIY authors can negotiate better deals and sometimes keep their e-book rights</li></ul> <b>EXAMPLES</b> <ul style="list-style-type: none"><li>• The Big Six publishers (media conglomerate owned)</li><li>• Small, independent presses, such as Graywolf, Tin House, and Algonquin</li><li>• Mid-size publishers, such as Sourcebooks and F+W Media</li><li>• University presses, which often take lifetime rights and even copyright</li></ul>	<b>KEY CHARACTERISTICS</b> <ul style="list-style-type: none"><li>• Author partners with agent, publisher, or author collective, sharing the risk and the revenue</li><li>• Author does not pay a fee to publish, but advance unlikely</li><li>• There is a selection process; the partner does not accept all interested authors</li><li>• Partner provides industry savvy and marketing expertise</li></ul> <b>VALUE FOR AUTHOR</b> <ul style="list-style-type: none"><li>• Lower risk than DIY self-publishing; better royalties than traditional publishing</li><li>• Gain benefit of a partner with experience and knowledge of the book publishing industry</li><li>• Opportunity to focus more on creative work, less on administrative, business end</li></ul> <b>WARNINGS + EXCEPTIONS</b> <ul style="list-style-type: none"><li>• Not all partners are created equal; some may offer little more than digital distribution and administration</li><li>• Changing landscape means contracts may vary widely from partner to partner; consider hiring an agent to review the contract before signing</li><li>• Make sure your partner is doing something meaningful to earn their share of revenue</li><li>• Do not confuse this for agent-assisted self-pub (see below for special cases)</li></ul> <b>EXAMPLES</b> <ul style="list-style-type: none"><li>• Rogue Reader</li><li>• Diversion Books</li><li>• Coal Gus Publishing</li></ul>	<b>KEY CHARACTERISTICS</b> <ul style="list-style-type: none"><li>• Author pays an upfront fee for a package of services; service provider does only what is paid for</li><li>• All work is accepted; the only criteria is that author can pay</li><li>• Author receives better royalties than a traditional contract, but makes less than DIY options</li></ul> <b>VALUE FOR AUTHOR</b> <ul style="list-style-type: none"><li>• All you have to do is write a check and let the service provider do all the work</li></ul> <b>WARNINGS + EXCEPTIONS</b> <ul style="list-style-type: none"><li>• You get only what you pay for; you may end up with a book without commercial viability</li><li>• Your book may be available for order through bookstores, but it is rarely ever physically distributed</li><li>• The service company will try to sell you additional services that may provide little value</li><li>• Books published through these services are often seen as lower quality than every other type of self-publishing</li><li>• The self-pub success stories you hear about do not come from full-assist services</li></ul> <b>EXAMPLES</b> <ul style="list-style-type: none"><li>• Author Solutions, which includes: Archway, Xlibris, AuthorHouse, iUniverse, Abbott Press, Westbow, DelArte Press, Balboa Press</li><li>• Infinity Publishing</li><li>• Outskirts Publishing</li></ul>	<b>KEY CHARACTERISTICS</b> <ul style="list-style-type: none"><li>• Author does all/most work on her own, hires outside assistance as needed, and provides the distributor with final files</li><li>• The distribution service may charge an upfront fee and/or take a cut of sales, and is responsible for paying you</li><li>• Nonexclusive; the author is not bound to the distributor or giving up rights</li></ul> <b>VALUE FOR AUTHOR</b> <ul style="list-style-type: none"><li>• For e-book publishing, removes admin headache of managing accounts at multiple online retailers</li><li>• For print or POD distribution, a service partner is mandatory; however, your book will not likely be stocked in stores, merely available for order</li><li>• Some services provide free or paid e-book file conversion, marketing tools, and other services on an à la carte basis</li></ul> <b>WARNINGS + EXCEPTIONS</b> <ul style="list-style-type: none"><li>• Some distributors are also book retailers, such as Smashwords, Lulu, and Blurb</li></ul> <b>EXAMPLES</b> <ul style="list-style-type: none"><li>• Smashwords (e-books)</li><li>• BookBaby (e-books)</li><li>• eBookPartnership.com</li><li>• CreateSpace (owned by Amazon, POD service)</li><li>• Lulu (e-books and POD; avoid fully assisted service)</li><li>• Lightning Source (POD)</li><li>• Blurb (full-color books)</li><li>• BookCountry (e-books)</li><li>• Vook (enhanced e-books)</li></ul>	<b>KEY CHARACTERISTICS</b> <ul style="list-style-type: none"><li>• Author does all the work on her own, hires outside assistance as needed, and provides retailers with finished, ready-to-go files or books</li><li>• The retailer takes a cut of your sales, which may vary based on the price you set</li><li>• Nonexclusive; the author deals with each retailer on at-will basis</li></ul> <b>VALUE FOR AUTHOR</b> <ul style="list-style-type: none"><li>• Maximizes earnings; by dealing direct, authors get highest possible percentage of sales</li><li>• Authors can usually make changes and updates on the fly, as often as needed</li><li>• Author retains maximum control over product, pricing, marketing, etc.</li></ul> <b>WARNINGS + EXCEPTIONS</b> <ul style="list-style-type: none"><li>• Demands the most skill and effort from the author to get the best quality book</li><li>• Amazon demands exclusivity if you enroll in KDP Select</li><li>• Some agents will offer to assist you with DIY e-book publishing, and take 15% of your sales (see special cases)</li><li>• It is difficult to indie publish enhanced e-books outside of Apple without a distribution or service partner</li></ul> <b>EXAMPLES</b> <ul style="list-style-type: none"><li>• Amazon KDP</li><li>• Nook Press (Barnes &amp; Noble)</li><li>• Kobo Writing Life</li><li>• Apple iBooksstore</li><li>• Scribd</li></ul>

*There are different business models in the publishing industry. An oldie view from Jane Friedman (2013)*

continuation

### SPECIAL + HARD-TO-CLASSIFY CASES

- Agent-assisted DIY e-book publishing. When the agent takes care of all administrative and business duties related to DIY e-publishing (yellow column above)—giving you an “assisted” experience—then takes 15% of your sales, in addition to charging various editorial, production, and design fees.
- Agent-assisted DIY e-book publishing exclusive to Amazon. Amazon's White Glove program is only available to indie authors working through an agent. The agent receives 15% and your work receives preferential marketing and promotion from Amazon. However, your book may not be sold at any other retailers.
- Agent-assisted e-book publishing & distribution. The agent signs you with an e-book distributor that works specifically with agents and publishers. The two biggest firms are Argo Navis and iNscribe Digital. Be aware this puts two middlemen into the equation: the distributor who gets a cut, and your agent who typically gets 15%.

### POPULAR TOOLS & SERVICES FOR PRODUCING E-BOOK FILES

- Scrivener: word-processing software
- Calibre: free e-book conversion tool
- Sigil: free EPUB formatting/creation tool
- PressBooks: free e-book formatting tool, Wordpress-based
- Apple Pages: can export EPUB files
- Apple iBooks Author: for building enhanced e-books
- Book Creator: iPad app for creating illustrated e-books (for iOS devices)
- AesBook Maker: good for multimedia-driven work

### WHERE TO FIND FREELANCE ASSISTANCE + OTHER SERVICES

- BiblioCrunch: find professional editorial help
- Editorial Freelancers Association: the-efl.org
- Agent Rachelle Gardner keeps a list of recommended editors at her website (look under “Resources for Writers”)
- WriterCafe: marketing support
- For a link round-up on the basics of e-book publishing: <http://janefriedman.com/2013/04/21/how-to-publish-an-ebook/>
- For a primer on how to get traditionally published: <http://janefriedman.com/2012/01/28/start-here-how-to-get-your-book-published/>

Source: <https://the-digital-reader.com/infographic-5-key-book-publishing-paths/>  
For a legible view visit this URL.

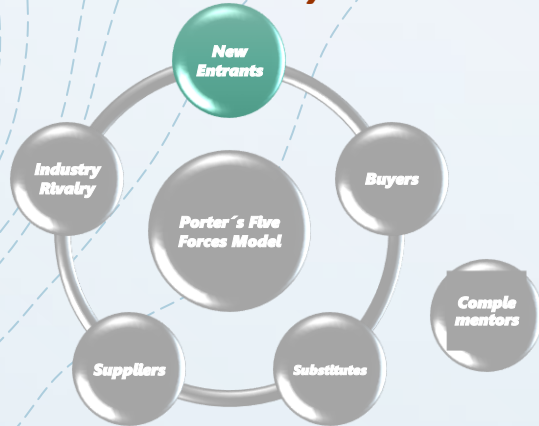




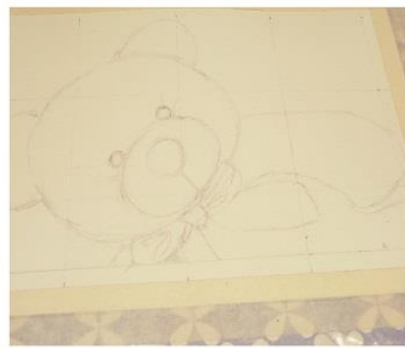
# Loving to read as a strategist

## The publishing industries and the Internet (only books)

### Porter Analysis: New Entrants Threats



- The book publishing industry (regardless the business model) is threatened not by human competitors, but by the fundamentals of the new digital disruptive technologies.
- The biggest threat entrée is for the first time the pseudo-human applications, artificial intelligence and NAIQI powered technologies (Nanotech, AI, Automation, Quantum supremacy, the Internet).
- Let me explain with an example related to an artwork that I did over the weekend:



Drawing with my right hand, over paper using the grid method. No tracing.



First pigment washes when applying watercolor



Final Product



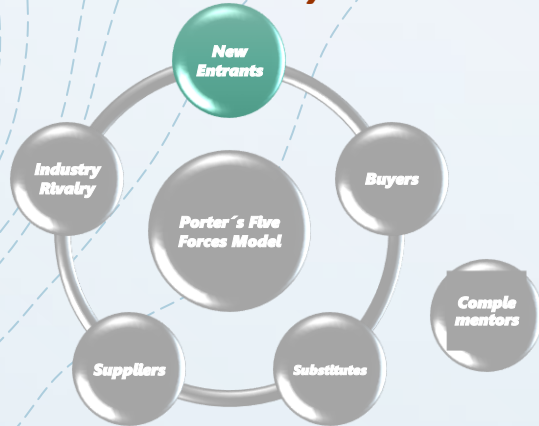




# Loving to read as a strategist

## The publishing industries and the Internet (only books)

### Porter Analysis: New Entrants Threats



- The photo I used as the prototypical for the drawing is here:



Original Photo  
used as the model  
for my drawing  
(last slide)

- This photo can be adjusted using Photoshop or any Adobe software or Corel Draw or even Powerpoint to modify our original photo: If we click this photo twice in PowerPoint, we can apply different artistic effects as below, and get the desired modified option. This is the same basic principle of the company <https://creator.nightcafe.studio/stable-diffusion-image-generator>

Glow diffused



Pastel Smooth



Watercolor  
Sponge



Glass

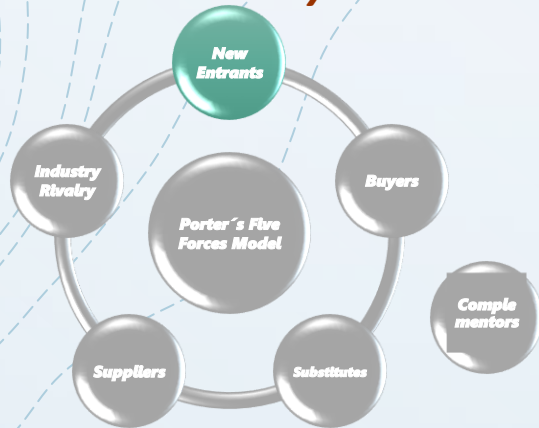




# Loving to read as a strategist

## The publishing industries and the Internet (only books)

### Porter Analysis: New Entrants Threats



- In the book publishing industry, the same is happening in every single piece of their value chain. Anyone can utilize the most recent NAIQs technologies to write, to edit, to modify words, to cut and paste, and to self-publish to market their products without any regulation.
- The new entrants aren't anymore other competitors guided by humans, but what we define as "pseudo-humans", who use the most recent technologies to "cheat", under the flag of making publishing ubiquitous and available for all.
- Anyone can create a book using an e-book platform such as

1. Kindle Direct Publishing (KDP)
2. Barnes and Noble Press
3. Kobo
4. Apple Books
5. Self-Publishing School
6. Reedsy
7. Lulu
8. IngramSpark
9. PublishDrive
10. Draft2Digital
11. SmashWords
12. StreetLib
13. Others...



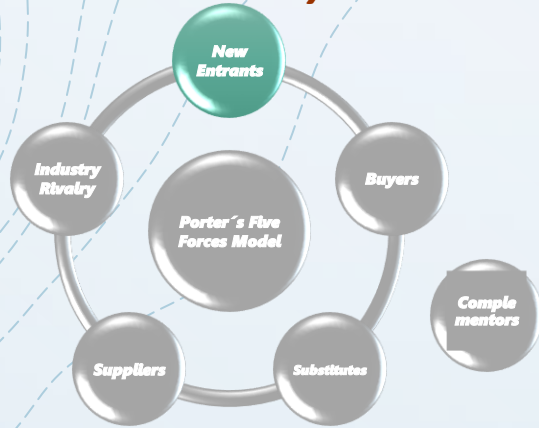




# Loving to read as a strategist

## The publishing industries and the Internet (only books)

### Porter Analysis: New Entrants Threats



- It is for the first time since Gutenberg that the “author” intellectual capabilities have been disrupted by machines.
- The largest publishing players all over the world are facing a tough challenge: high tech is doing the job of the authors.
- The small players, in which we can position the self-publishing new entrants are focusing to compete by offering specialized services in the retailer, distribution or some section of the traditional value chain. Even co-creation of books to authors. How? Using the new NAIQs to make the authors’ job.
- The territory or domain of authors is being disrupted by NAIQs. For the first time in 500 years.
- There are several entry barriers that the traditional book publishing industry used before the digital era:
  - The sale and return model
  - Exclusivity contracts of talented authors, designers and editors
  - High-end salaries for the core publishing team
  - Advance payments, regulation compliance from new entrants
  - Exquisite review research and validation of on copyrights and trademark issues before publishing
  - High costs of scholarly publishing services
  - Lack of quality control.
- With textbooks and academic books, the entry blockade is measured in terms of the high reputation of the authors.
- With scholarly academic papers in modern large scale publishing platforms the peer review per article cost around \$700 to \$1000 per article in prestigious journals with rejection rates exceeding 90%.

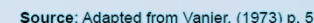




## Porter Analysis: New Entrants Threats



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Source: Adapted from Vanier, (1973) p. 5



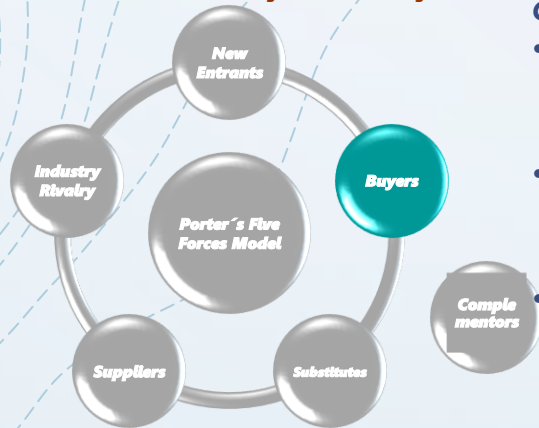




# Loving to read as a strategist

## The publishing industries and the Internet (only books)

### Porter Analysis: Buyers



*The end customers' preference has been shifting from real books to digital short content.*

- We should differentiate between the ultimate buyer of books (the consumer), and the direct buyers to the publishers, or intermediaries who then distribute books (brick mortar and/or on-line marketplaces) to end-consumers.
- The end-consumers are happy by getting books for free (whether on e-readers or not). Nevertheless, the paper (hardcover or paperback) is still preferred because the youngsters consciously are trying to save themselves from digital addiction.
- Digital books obtained online for e-readers, tablets or Smartphones have not been able to capture the expected share of readers (projected in 2010) because the consumer segment above 25 years old still holds the preference for paper. And the youngsters, desperate, have started to return to paper books.
- Digital natives are in a crossroad. They were trapped to use e-readers but are consciously reverting to paper book.
- Nevertheless, end consumers are shoppers with a minimum negotiating power. When the traditional publishing (and self-publishing tariffs) collude on pricing. The buyers always go for low-price.
- Most end consumers are price-takers, choosing for the low-price or used books. Institutional buyers have more bargaining power: schools, universities, governments (ministry of education), etc.
- The intermediary book dealers: wholesalers, retailers, book-clubs, bookstores switched from brick-mortar to on-line, destroying the concept of the local physical bookstore. These business models were ignoring the importance of libraries. Nowadays, the shift is to go back to paper books. Community bookstores and libraries will rise in the following decade again.

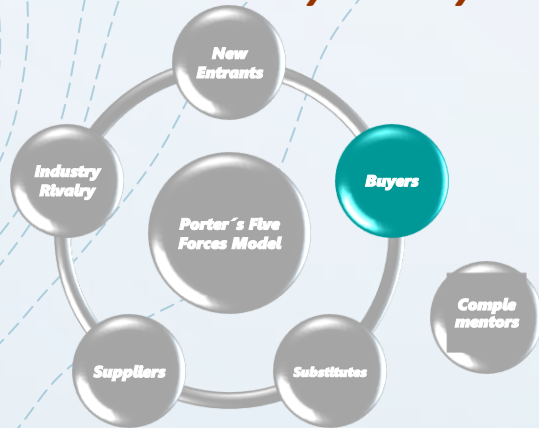




# Loving to read as a strategist

## The publishing industries and the Internet (only books)

### Porter Analysis: Buyers



**“Younger generations today are turning more and more to physical books as an escape from the torture of endless technology”.**

- The most recent discovery: early adopters of digital reading devices are not reading at high level of Literacy 5, but only at the level of Literacy 3 (secondary or high-school level). This is shocking the premises of the digital reading format.
- Still the e-readers have not offered a sight-friendly design that can help long-readers (those who read a book of more than 70,000 words per week). These long e-readers are hurting their brains. This include the utilization of multipurpose tablets, and Smartphones.
- E-readers engage in non-linear reading, which is skimming reading. Meanwhile reading printed books involve “linear reading”, which requires the brain to analyse, make inferences and process differently.



Last paragraph source: <https://www.dailycal.org/2018/02/03/textbook-vs-ebook-longhand-notes-kindle-technology>



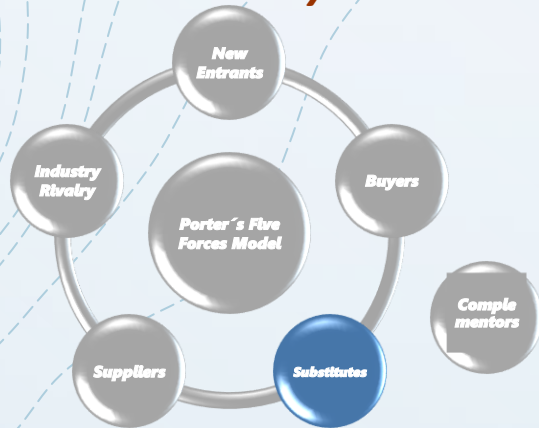




# Loving to read as a strategist

## The publishing industries and the Internet (only books)

### Porter Analysis: Substitutes



The substitutes of books (published on paper) and e-books are of different magnitudes and formats, depending on the consumers.

- The substitute of the printed book is not the e-book produced by the same publishing company or another self-publishing small competitor. There is no comparison between the experience of reading when passing real pages, and digital wiping of a screen. The e-book option is an additional medium for reading content. The e-book option is the same book using a virtual quasi-reading screen, but it is the same content. Literally.
- So, an e-book is not a substitute. It is an additional option in between paperback books, hardcover books, audio-books and Print-on-Demand books.
- The genuine substitutes of books as a content platform of reading/learning are introduced below:

#### Open Educational Resources (OER)

- Khan Academy
- Study.com
- Worldhistory.com

#### On-line courseware platforms

- MOOC providers
- Udacity
- Udemey
- Edx, HarvardX

#### Multidigital tailor made applications

- Knewton
- Adaptive learning apps
- Pearson labs
- Smart-sparrow
- Realizeit
- Others to cover specific needs of schools and universities.

#### Online Video Streaming

- Youtube
- Vimeo
- Teachers specific streaming websites
- Skill-share
- Patreon

#### TV and Films

- Movies
- Netflix
- Disney Plus
- Cable TV
- Cinema

#### Social media

- Instagram
- Facebook
- WhatsApp
- Twitter
- Snapchat
- Tik-tok

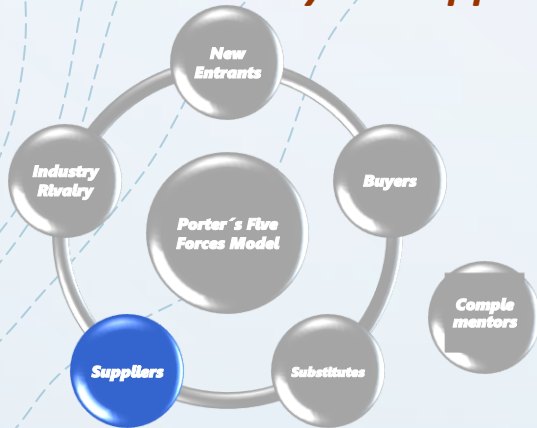
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# Loving to read as a strategist

## The publishing industries and the Internet (only books)

### Porter Analysis: Suppliers



### The suppliers for books are now more diversified:

- Once we understand that the e-book is the mediocre low-class option of the family of book formats; the paper will continue to be privileged only if the new generations wish it.
- The power of the book's suppliers depends on their quality and their size. In addition, switching suppliers because of low-cost (going e-book) has demonstrated to be a cause for cannibalization of the industry. The free e-books are hurting the industry, particularly the authors.
- The book publishing industry suppliers are:

Inventory of books is a big deal for publishers. Unsold books are typically returned to publishers by wholesalers and retailers.

Without the internet many publishing companies would be in trouble.

Paper Merchants

Printing Services

Warehouses (wholesalers)

Authors' content

The Internet

Reading Gadgets

Paper is a key resource. Price is correlated with quality, which increases supplier power of bargaining.

Some large publishers often have their own printing operations. Printing services reputation and quality triggers long-standing contractual relationships. Print on Demand (POD) services only applies for book-clubs and self-publishing companies

Excellent authors have always been treasured by publishers. The ubiquitous online education and AI software has weakened the new authors capabilities & quality.

E-readers cost between \$99.99 to \$899.99

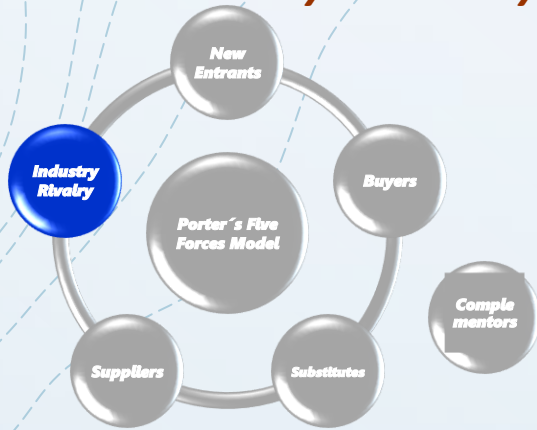




# Loving to read as a strategist

## The publishing industries and the Internet (only books)

### Porter Analysis: Rivalry Competitors



- The book publishing industry main competitors are well known in every market. Each country has its own local big size, medium and small players, regardless the international publishing companies.
- The concentration, size and economies of scale of publishing companies make it hard to small size publishers to compete, unless in specific market niches.
- The digital technologies and the internet have changed slightly the competitive map, but the preference of the consumer for the paper printed version of books has restricted the growth of the new competitors.
- E-books shouldn't be a rivalry to printed books.
- Nowadays all traditional publishing companies have diversified into digital media through other business lines, which include streaming media and digital apps (out of the newspapers and magazines).
- The digital apps which offer reading products are high-tech takers. But they also have experienced the cannibalization of their own business model during the last decade. Otherwise, they wouldn't have searched to enter the streaming and digital magazine businesses. Once they invested into streaming and mobile applications, they have been eliminating their original value proposition in the intent.
- The competitive landscape includes all business that operate under other content business models: independent digital publishers, self-publishing platforms, textbook rentals, and the secondhand retailer market for used books. This market-niche competitors have not touched the traditional competitive landscape of the largest publishing corporations.
- People are reluctant to buy news or content, if they can find it for free in social media platforms. Remember this for next episode.
- Mergers and acquisitions have been a strong tendency during the last 10 years.



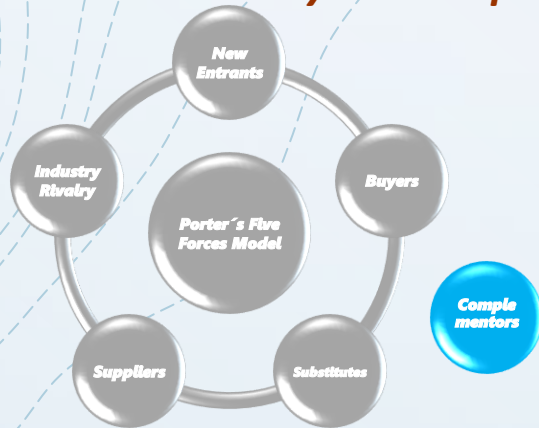
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# Loving to read as a strategist

## The publishing industries and the Internet (only books)

### Porter Analysis: Complementors



#### Complementors

Is the digital e-book format a complementor to the printed version book or is cannibalizing the same publishers' expectations of revenues?.

Our hypothesis is that the e-book is simply the mediocre low-class option of the family of book formats.

For Eleonora Escalante Strategy, the more literate level a person is, the more she or he will choose for the paper version of the book. Particularly for long-readers who are conscious of it.

We foresee that e-readers and tablets will be an option for skimming information or for those who opt for short-read stories. Meanwhile those wish to attain longer reading experiences or stop digital-addiction will opt for the paper version.

For example, from the point of view of e-marketplaces, as amazon.com or Barnes&Noble. Are new content suppliers joining a digital platform as complementors to Amazon.com products and services? Are publishers selling e-books on Amazon's Kindle to attract consumers to the digital platform? Who is complementing what with self-publishing eBooks?

The utilization of complementors has a purpose: "This strengthens the digital platform's ability to outcompete other distribution channels and dominate the downstream market, thus gaining bargaining power over the upstream content suppliers". Who is helping whom with e-books at these e-marketplaces?. Can you get the message?





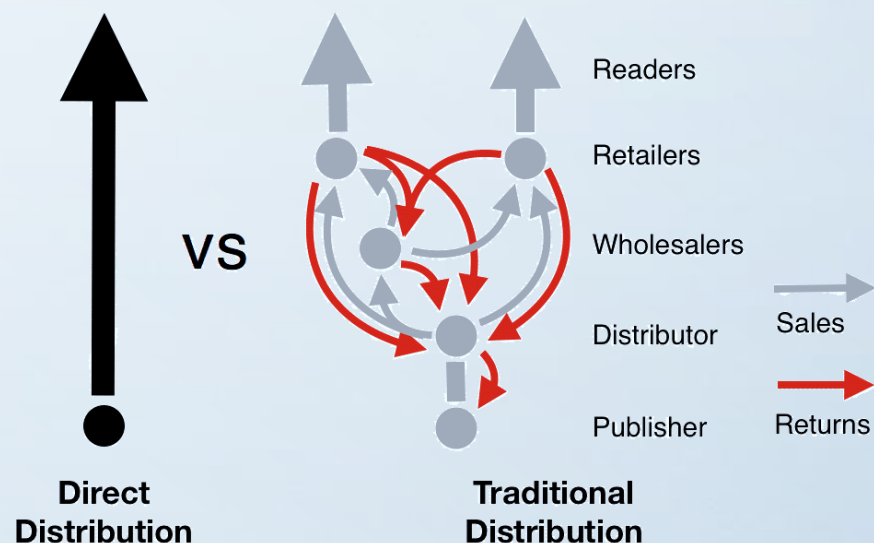


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## The publishing industries and the Internet

*An overview of the industry drivers, critical issues, challenges, trends, opportunities will proceed in the next episode Publishing industries and the internet Part B.*

*The answer to the question: Why the D2C publishing model has organic flaws that need to be addressed will be covered on Part B, next Friday.*



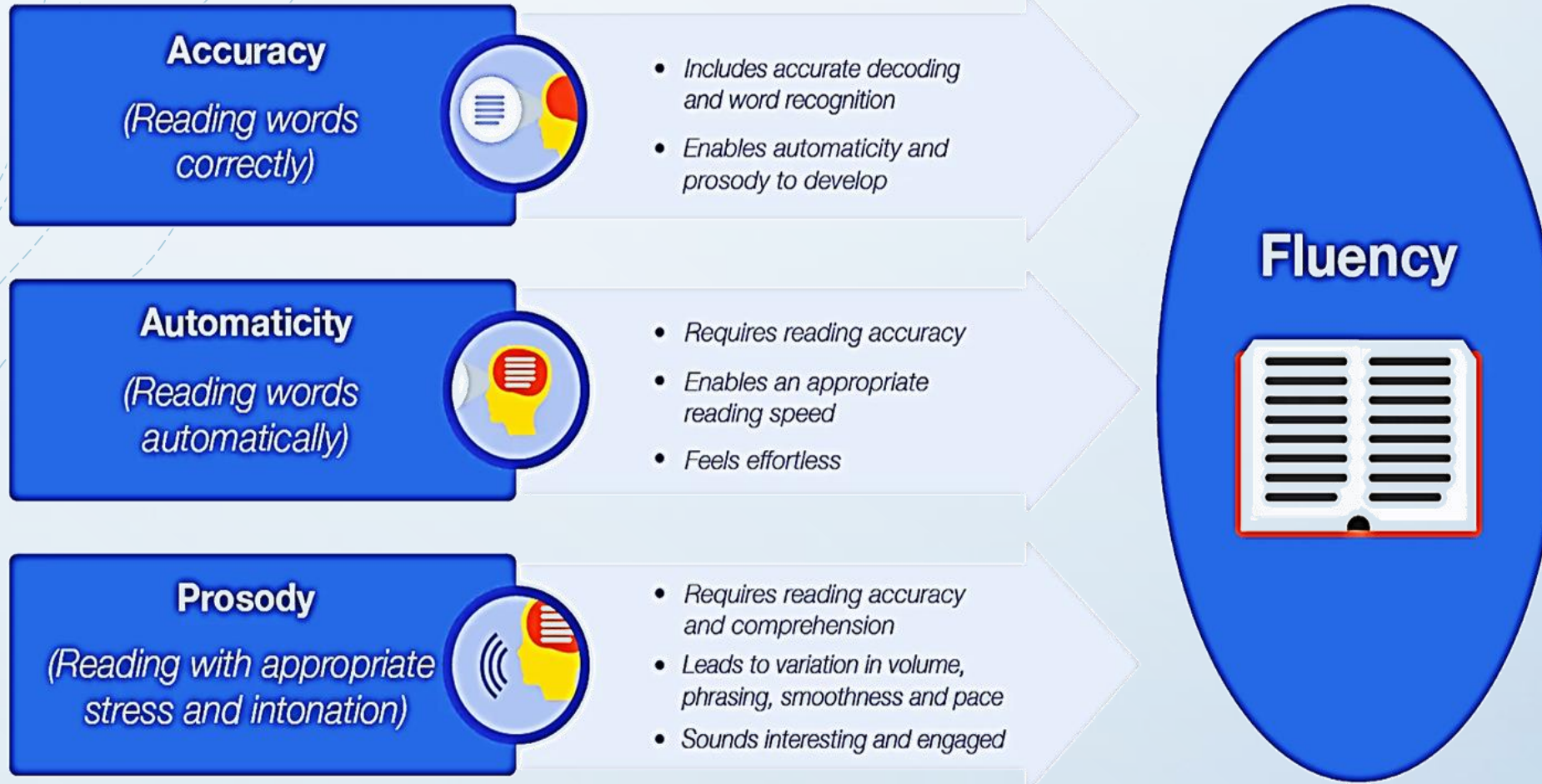
Source Graph: <https://www.bookmobile.com/publisher-case-studies/direct-consumer-core-book-publishing-business-model/>





# Loving to read as a strategist

## Music for Reading Section. Reading Fluency



Figures Source: <https://educationendowmentfoundation.org.uk/news/why-focus-on-reading-fluency>







# Loving to read as a strategist

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Eleonora Escalante 2022

