

ПРАКТИКА И ОПИТ
PRACTICE AND EXPERIENCE

**FACTORS OF THE BUSINESS ENVIRONMENT OF THE BOOK.
FOR SOME STRATEGIC PROCESSES
IN THE BOOK PUBLISHING INDUSTRY**

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Abstract: *The present research elaborates on the current strategic approaches in book publishing and their projections in the world of printed communications. The study shows how a well-planned, thoroughly prepared and economically feasible strategy can be a crucial factor contributing to the financial prosperity of a publishing house. It also provides an analysis of the publishing industry; provides an account of the distribution processes in book publishing, and the modern trends in publishing management. There is a reference to some leading global events in the sphere of printed communications, as well as some strategies and attitudes. This research is based on the following research methods – reference and bibliography citing, comparative method, analytical method, method of personal empirical observation, etc.*

Prof. Luchezar Georgiev actively draws on his own experience of involvement in the world of printed communications – in his capacity of publisher, editor, head of a printing and publishing house, journalist, writer, author of numerous researches on the book and book publishing, and a university lecturer. Prof. Luchezar Georgiev is the author of 65 scientific, fictional and documentary books.

Keywords: *book; author; publishing management; strategic approaches; factors; book publishing; financial prosperity; publishing house; publishing industry; promotion of the book.*

Factors of the Business Environment

After the book production is released, the publishing house enters the market and is exposed to a number of factors which influence its behavior in the process of transferring the commodity from publisher's warehouses to consumers. Some of the factors are more global, whereas others are related to specific situations, intermediaries, consumers and public attitudes directly interacting with the publishing information.

Factors of the International Market Situation

Whether the publishing house is focused on the home market or its business priorities are the foreign markets, the activities of the publishing house are

affected by important factors related to the international market environment. One of these factors is the international prices of printing materials and supplies which have an impact on the supply of resources. In the past there were several pulp and paper plants operating in Bulgaria, the major factories were located in Mizia and Silistra. They satisfied a considerable part of the needs of the publishing and printing companies along with imports mainly from the Russian market. Today publishing and printing companies rely heavily on deliveries from abroad – paper is provided not only by the Russian suppliers but also by the United States and the countries of Western Europe. Other basic supplies – ink, exposed film, printing plates – are delivered from abroad as well, although there is a company producing them in this country.

Another important factor is the international prices of the computer and printing equipment. The bookstores in Bulgaria as well as the printing and publishing companies are equipped with imported computers, printers, scanners, printing and bookbinding machines despite the local attempts to organize the production of binder machines for small publishing houses. Many printing and publishing companies prefer direct delivery from the manufacturer which is more advantageous but puts higher demands such as excellent command of foreign languages, providing transportation and specialists for installation and commissioning (of the printing machines and the digital print systems).

The situation on the international book markets is an important factor. Although still shy, some Bulgarian publishers have set foot in the book markets mainly in the European countries through participating in international book fairs and bazaars, and establishing private contacts with publishers, booksellers and bookstore chains. Commercial contacts of this kind depend on the prices of competing foreign publishers and the potential interest of consumers in Bulgarian books. Past experience shows there is a certain market niche in the publishing of scientific literature in the most common languages – English, German, French and Russian.

Also, the fluctuations in exchange rates and the changes in the banking environment are important factors in deciphering the market situation. This refers to publishers when they export their book production and import books, printing supplies and equipment.

The market of copyright is a major factor for publishers of translated literature. Contracting and acquiring intellectual property rights may ensure the prosperity of the publishers in this country providing they are familiar with the terms and principles of this type of market, but with insufficient knowledge of that matter, they may get into a difficult situation and incur financial losses.

The factor of legal, political and cultural environment presupposes the existence of laws, regulations, state and political structures that are specific in each country, or similar in the European countries but different in the rest of the world. There are many common elements in the legislation and customs policy of the EU member states. What is important for the successful marketing mission of the publishing house abroad is to have a good knowledge of the legal status

and the political situation of the state with which it will be trading as well as the internal stability and international policy of the state. Religious values, language, ethnicity, the level of education, the attitude of the general public towards books, the level of financial security, family environment – all these indicators should guide the publisher towards a particular type of behavior in marketing during the international events in which the publisher takes part.

Communication should not be underestimated as a factor. The book publisher has to provide opportunities for communication with international partners utilizing the modern means of communication – business correspondence, e-mail, phones and fax connections. With regard to international marketing environment, it is essential to explore the possibilities of infrastructure in the country where the publisher intends to promote and sell his book production – transport links, airports, and railway transport.

Factors of the Domestic Business Environment

General Factors

The state of the domestic business environment is influenced by several factors that have a more general nature and are seemingly beyond the particular market situation in which the publishing house is involved. The following factors have an impact on the market position of the publishing house: population, state of the financial and economic system, political situation, educational and cultural processes, legal structure, technological level of printing and publishing business. The position of the publishing house in the book market and its policy towards the surrounding market environment is determined by the number of the population in the specific country, the sex ratio data, the purchasing power of the population, the juxtaposition of the different social categories, the level of costs and prices, the educational background of the people, and the rest of the demographic and socio-economic characteristics. A similar factor is the banking system of the country. The efforts of the private initiative in the book publishing business can be either stimulated or discouraged by the banks through their credit policy or inaction. The policy of state regulation in the pricing of some types of book productions (e.g. textbooks), the customs duty relief for exports of books by Bulgarian publishers, certain restrictions on the distribution of literature (e.g. books on fundamentalism, books of banned religious sects, books that undermine moral values, child pornography, etc.) are among the legal factors of the marketing environment for the book publishing business. The political processes in society and their stability also affect the business environment providing opportunities for safe and secure investment in publishing and printing businesses and for setting up book outlets, bookstores, superstores, retailers, etc. Another general factor is the development of the printing industry. Bulgaria has a sizeable capacity for offset printing; most of the equipment was imported in the 1980s and 1990s. Privately owned printing establishments continue to be equipped further to increase their capacity and develop technologically. The digital printing equipment is gaining popularity, and in the capital city and the major publishing

centers there are printing houses equipped with digital print systems. Multicolor printing and color exposure have been improved. As a result, the quality of the production has improved, and it has new aesthetic merits and is more convenient to be used by consumers. Thus, the final product becomes a competitive commodity and enhances the reputation of the publisher.

Factors of the Distribution

Consumers are the essential element in the structure of the distribution process. The different types of consumers who have their own tastes, preferences, requirements and interests determine to a greater or lesser extent the policy of the publishing houses, the thematic features of their production, the success of the books and library editions. The use of educational editions in primary and secondary school, for example, requires the creation of textbooks, teaching aids, readers, atlases that have to be delivered in sufficient quantities to meet the needs of the students before the beginning of the academic year. One of the best-selling editions in Bulgaria – university guide books – are on sale in April when there is a high demand for them in connection with the university admission campaigns. Another example is when a popular serial-type show with a high audience rating leads to the publication of the fictional version of the novel on which it is based, and it becomes a great success on the book market while the serial is on the air. Let me give you one more example: a corruption scandal is front pages news in all national newspapers, and the trial is extensively covered by the media. In the meantime, a book containing new facts and disclosures appears on the market – its success is guaranteed as most of the readers and viewers would be happy to purchase the book at a reasonable price. Another case – the publisher launches on the market the translation of a book written by a famous foreign author who is gaining popularity in Bulgaria. The readers themselves are prepared for the success of this edition. Of course what is important for the publisher in such cases is not to miss the boat on meeting the interests of the consumer. Any delay in publishing the book would not be in line with the expectations of the customers and would lead to a loss of profits for the publisher. And here we come to another crucial factor – the stages of distribution, which are an integral part in the marketing mix. The existing literature on the subject provides information about distribution channels (marketing channels) through which the production reaches the consumer. Some of these channels are direct – the commodity, after it has been delivered or received in the warehouse of the publisher, directly reaches the ultimate client, e.g. promotional sales, deliveries through book clubs and book fairs, subscription services for books, ordering books through catalogues, door-to-door sales and sales through the corporate bookstores of the publishing house. In these cases, the marketing department of the publishing house makes direct contact with the clients without a middle man. The other main channel of distribution is to use the services of a middle man. Books are usually distributed by wholesalers. Owing to them the book production reaches more remote areas and places in which the publisher does not have a distribution network.

Wholesalers purchase large quantities of goods receiving greater discount. They resell the book production using their own network which is comprised of retailers engaged in direct sales to customers. The retailers are mostly owners of bookstores and book stalls. They sell books at retail prices receiving discounts directly from the publisher or wholesaler. Retail booksellers maintain a considerable assortment of titles from many publishers, which facilitates customers in finding the book they need. Publishers obtain through them feedback about the demand of books and movement of sales over time, recommendations of the readers concerning the subject matter and layout of the books.

The shipment of the book production is another crucial factor in distribution. Most publishers rely on their own transportation. Major publishing houses have built their own transport links and schemes in the structure of the marketing department (directorate). Smaller publishing houses rely on deliveries by rail, by mail or they use the services of transport companies. Despite the various forms of shipment, the aim is safe and reliable delivery of the book production within the agreed terms. This includes the return of unsold copies which must retain their best condition during the consignment period and on the return journey to the warehouses of the publisher.

The good communication of the marketing department with the bookstores of the publishing house, the wholesalers and retailers in the book trade, and the permanent distribution partners is of significant importance in the book distribution. The capacity of the department and the warehouses to process book orders quickly, the packaging of the books that are to be delivered, the methods of payment, the pricing policy and the promotion of the books play an important role as well.

Retail Outlets and Ways for Book Distribution

In the years of socialism, book trading was reduced to distribution of books which, apart from the tasks set in the commercial plans, had to perform some ideological functions. The management of the activity was centralized and concentrated mainly in the capital city. In each of the former administrative centers, there was a book distribution enterprise comprising two main departments – literature and stationery. The book distribution enterprises in the county towns had several types of bookstores based on territorial and sectional principles. The major towns had Houses of the Book, specialized and mixed bookstores (for technical literature, fiction, etc.), kiosks in residential areas, schools, railway stations and other public places, bookstores, stalls and kiosks in offices and state-run companies. Besides, bookstores for Russian literature operated in the capital city and some of the big towns. The so-called institutional bookstores selling forms and stationery to offices, hospitals and schools operated in the county towns. Also, there were other specialized stores for sheet music and vinyl records, stationery and antiquarian books.

The turmoil caused by the closure of the former book distribution enterprises in the year of democratic transition was hard to overcome. Some of the former bookstores were sold or privatized. Today, there are attempts to set up book trading companies with a wide scope of activities (bookstore chains), and independent bookstores and bookstores of publishers represented in one or several locations also operate in parallel with them.

Bookstore Industry in a Free Market Economy

Several types of bookstores can be distinguished in the conditions of free private enterprise. As a rule, major publishing houses and companies have their own bookstores operating in the town where the seat of the company is located and in some big towns too. These bookstores may also sell the production of other publishers. The problem with this type of outlets is the cost of maintenance (rent, lighting, heating, arranging windows, transportation of the book production and delivery of books from other publishing houses). Therefore, some publishers prefer an intermediate form such as opening company-stands upon agreement with the owners of bookstores especially in locations remote from the seat of the publishing company.

On the other hand, the promotion of the book includes all activities related to stimulating book trade and awakening interest in the edition – advertising, public relations and presentations in front of audience. The promotion is a communicative mix of all the activities undertaken by the publisher to boost sales, raise consumer awareness and interest.

The factors and processes discussed in this article will continue to evolve and be the subject of future research.

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ФАКТОРИ НА БИЗНЕС СРЕДАТА НА КНИГАТА. ЗА НЯКОИ СТРАТЕГИЧЕСКИ ПРОЦЕСИ В КНИГОИЗДАТЕЛСКАТА ИНДУСТРИЯ

Резюме: *Настоящата статия разработва актуални стратегически подходи в книгоиздаването и техните проекции в света на печатните комуникации. Изследването показва как добре планираната, щателно подготвена и икономически осъществима стратегия може да бъде решаващ фактор, допринасящ за финансовия просперитет на издателство. Също така представя анализ на издателската индустрия; процесите на разпространение в книгоиздаването и съвременните тенденции в управлението на издателската дейност. Дадена е справка за водещи световни процеси в сферата на печатните комуникации, както и някои стратегии и нагласи. Изследването се основава на следните изследователски методи: цитиране на справочници и библиография, сравнителен метод, аналитичен метод, метод на лично емпирично наблюдение и др. Авторът проф. Лъчезар Георгиев активно черпи от собствения си опит от участие в света на печатните комуникации: в качеството си на издател, редактор, ръководител на издателство, журналист, писател, автор на изследвания на книгата и книгоиздаването, университетски преподавател.*

Ключови думи: *книга; автор; издателски мениджмънт; стратегически процеси; фактори, книгоиздаване; финансов просперитет; издателска къща; издателска индустрия; промоция на книгата.*

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