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It Is Not Just Books! A Global Perspective on Publishing Markets and Companies

Publishing today, at least in a global perspective, is not just about books and authors. It is about information, knowledge, and education. It is as much about digital publishing as about ink on paper. It is a mirror of the global balance of (economic and technological) power, yet with surprises: It is far less about US, or even Anglo-Saxon cultural predominance than one may expect, but yes, it is an American-European domain, with Asian countries only starting to become visible in the big picture. And sure, expectedly, any glimpse at global publishing will portray an industry that is currently subject to extraordinary change and even turmoil.

The top 45 publishing companies worldwide combine revenues of ca. 53.5 bn Euros (or ca. 73 bn \$). This is certainly not a big industry, if compared to computers, or cars. Toyota alone had sales of 179 bn \$ in 2006. But as publishing (which, in our definition, includes books of all kind, scientific journals and professional information in commercially run databases, yet excludes newspapers, wire services and magazines, as well as non-publishing revenues within those companies that we have in our ranking) is at the heart of today's information economy. It is about stuff that truly matters, as those books and electronic archives hold a fair amount of what shapes the brains and minds around the globe.

Within our ranking, the top 10 companies account for ca. 2/3 of the combined top 45 revenues. The overall 73 bn \$ from the top 45 companies, or all publishers with revenues of more than 200 m Euros (or 250 m \$) in 2006, compare to a global publishing market of ca. 80 bn \$ according to a statement of the International Publishers Association (IPA) in October 2006 at the Frankfurt Book Fair. Even if the IPA definition is probably a bit more restricted than ours, it clearly shows that the publishing industry has pretty much consolidated over the past 10 years.

Now who are the top publishing companies worldwide?

The top 3 are Reed Elsevier, a UK-Dutch-US science and professional information group, Pearson (which is clearly the world's top educational publisher, a position that is even getting stronger with the acquisition of major parts of Reed Elsevier's Harcourt publishing in early 2007), and the Canadian/US Thomson group, which has strong holdings, again, in professional information.

Among those top 3, only Pearson has a significant stake in trade publishing, or traditional 'books', with the Penguin group.

'Trade', or 'books to read for you and me', come strong only thereafter, with Bertelsmann's Random House plus Direct Group (Bertelsmann's old, yet crises shaken book clubs) at # 4, and France's aggressively expanding Hachette group, a division of the arms and aviation conglomerate of Lagardère (and these are followed by the Italian de Agostini, doing mostly books that sell across other channels like newspaper outlets, Germany's Holtzbrinck group, and the first Spanish language publisher, Planeta, of Barcelona.

A few more things are obvious from this list: 'Europe' is defining 'publishing' much more than one would expect, and looking at 'book publishing', hence excluding those databases and educational scoring manuals, it is the unacknowledged publishing superpower, or a cultural force that is shy to admit the intellectual muscle it could have if it would only want to.

The other surprise is the extent to which top global companies are dominated not by anonymous shareholders, but families.

Thomson, Bertelsmann, Hachette, Holtzbrinck, Planeta, and many others are basically controlled by founding families which, to this day, even oversee day-to-day operations.

However, this is about to change radically, not in trade publishing, but in the more thriving segment of professional information, with notably Private Equity funds and other investment

groups who recently started to discover those fields as lucrative targets for takeovers. Prime examples are the formerly German (part of Bertelsmann) Springer Science and Business Media, or the US Houghton Mifflin group.

It is only at #17, and below the 1 bn Euro (or 1.3 bn \$) threshold that the first non-US or non-European group enters the ranks, with Japan's traditional publishing flagship Kodansha, followed closely by its rivals Shogakukan and Shueisha. The only non-Japanese companies from outside US/Europe are Korea's Kyowon, and Higher Education Press of the PR China, both unsurprisingly the educational publishing flagships of their respective home countries.

To our knowledge, there is no Indian company, and no Latin American publisher coming close to the playing field that we could observe and analyse, as these markets are still clearly run from the outside, that is from the UK, the US, and Spain.

These are just a few very general observations, of course, yet even they clearly hint at the enormous forces of change that are about to reshape those traditional havens of knowledge and information that are added up under the label of 'publishing', and we can often only guess at all those details which we certainly would hope to better understand as further data come up and more analyses is done.

This analysis is based on the Livres Hebdo Ranking of Global the Publishing Industry, executed by Ruediger Wischenbart in 2007.

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