

## THE ROMANIAN BOOK PUBLISHING INDUSTRY: AN IT-CONNECTED INDUSTRY

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**Abstract:** *The book publishing industry represents one of the most complex fields of activity, combining artistic and editorial creation with the specific technologies of book production and all the processes necessary for its sale. The evolution of the field is closely related to the level of technological development of society, becoming very dynamic since the second half of the last century. In the last 50 years, the great qualitative leaps of the industry occurred with the development of digital technology that became the main technical support of the field.*

*A rigorous analysis of the field is difficult due to the small number of published studies and analyses, the lack of certified economic and statistical data, as well as the lack of transparency in the industry, with the leaders of the publishing houses not willing to transmit certain data about the activity.*

*This article tries to highlight certain aspects of the evolution of book publishing industry in Romania in the last 30 years, since the first private publishing houses appeared. The study focuses on the domain evolution in close connection with that of digital technology in recent decades. A series of negative influences suffered by publishing houses during this period are also presented, such as restructuring and reorganizations caused by economic crises, the Covid-19 pandemic, etc.*

*The methodology is based on the analysis of studies and articles published recently, as well as secondary research based on the analysis of large publishing houses websites, as well as analyses and annual reports carried out by Romanian institutions. The study has a more qualitative character, determined by the difficulties encountered in carrying out a rigorous analysis of the industry.*

*The article is part of a larger research into the business of the book publishing industry, research that attempts to provide a broader overview of the field and the issues facing publishers.*

*The conclusions of the study are addressed both to analysts and researchers, and especially to leaders and managers in the book publishing industry who must be aware of the domain importance for national culture. They need to focus their efforts on getting political decision-makers to update the legislation according to the specific, current and prospective requirements to support and develop the sector.*

**Keywords:** *book publishing industry, Romanian publishing house, digital technology, new technologies, Covid-19 pandemic, economic crisis*

### INTRODUCTION

Book publishing industry has seen many changes over time, especially due to technology development. It becomes an IT-connected industry with the emergence of Desktop Publishing (DTP or computerized techno-editing), a process by which a document is created and processed using computer, software, and applications with the aim of printing it. This qualitative leap could not happen without the advent of computer and especially Internet. [1][2]

Due to its versatility, digital technology can be found today in almost all human activities (mundane and repetitive or even creative), making human life easier and leaving room for continuous development in all fields. Book publishing industry benefited enormously from this development as the book production chain was simplified and accelerated. At the same time, there were important implications regarding the book aesthetic value, the accessibility or production profitability, all of which knew an increase of proportions. The influence of digital technology on book consumption is particularly noticeable among younger generations, their tastes and demands being shaped. The substantial transformation of book consumption began with the advent of e-books and audiobooks. [3]

What's new about this article is its presentation of book publishing future and industry changes, as well as the ways in which technology is shaping the sector. Book publishing future will know artificial intelligence and intelligent automation of book production chain processes, and online self-publishing process will become easier for first-time authors. Technical details or hiring expensive designers/graphics could be automated processes, done by apps or profile websites.

The choice of the topic is based on reasons such as the importance and relevance of the industry as a fundamental part of culture and education, digital transformation as a fundamental component in changing the way books are consumed and published, and in the continuous innovation of the sector. Writing an article on this topic could contribute to a deeper understanding of industrial transformation and to identify the opportunities and challenges that technological evolution brings to book publishing field.

## **METHODOLOGY**

Secondary research is based on the study of analyses carried out by research institutes and firms specialized in the business of book publishing industry, as well as on study of international articles and surveys appearing in major publications. Primary research consists in the analysis of structured questionnaires, applied online to leaders of some Romanian family businesses in book publishing industry, but also of interviews with leaders and/or successors of these enterprises. This article presents only some information collected through applied research methods (online survey and interview), information related to the impact of technology on the industry, changes, and trends, as well as how the book was consumed before, during and after the Covid-19 pandemic.

In Romania, this industry is insufficiently studied, the research being relatively few and outdated. Since Romanian publishing houses are predominantly family businesses, this perspective makes the subject addressed in this article a new one because in Romania family businesses are classified as SMEs and are not treated separately as is attempted in other states.

The objective pursued in this article is to demonstrate that Book Publishing Industry is an IT-connected industry, based on the analysis of sector changes and trends over the last decade, closely related to the rapid evolution of digital technology. This article presents the current situation of book publishing industry in Romania, Europe, but also globally, and highlights the changes and contributions of technology on the industry. The research results are aimed at everyone interested in book publishing industry and the family businesses of this important sector.

## **RESULTS**

### **3.1. General situation of the Book Publishing Industry**

The book publishing industry has evolved rapidly over the past 30 years. The balancing moments in industry were represented by the two important crises of this period after the 90s: the economic crisis of 2008-2012 and the crisis caused by Covid-19 pandemic. These caused big impediments to the industry and forced restructuring, reorganization, layoffs, technical unemployment, as well as adoption of cost-cutting measures.

In Romania, they produced changes in terms of production costs, but also in the number of publishing houses or bookstores. The Covid-19 pandemic, followed by global economic recession, as well as the war in Ukraine, have led to an increase in the prices of electricity, fuels, raw materials, and materials. Publishers found themselves in a position to raise prices because of rising production costs. Readers are therefore dwindling both because of this and because of declining purchasing power.

#### *Book market size*

Since it is not possible to say exactly the value of book markets due to the lack of data from the industry, specialists estimate these values based on the turnover of most publishing houses. However, globally, statistics show that the size of the book market is on a slight rise, estimated at USD 127 billion in 2022 and USD 129 billion in 2023 [4], and will register an annual rate of growth (CAGR) of 1.48% in the next 3 years [5] or 1.2% in the next 9 years. [4]

The Federation of European Publishers [6] states in a survey that in 2021, "the total annual sales revenue of publishers in the EU and EEA is approximately EUR 23.6 billion" or USD 26.2 billion. However, the total market value is approximately EUR 36 – 38 billion, i.e. USD 39.5 – 42 billion. [7] [6]

The US book publishing industry was worth approximately USD 29.8 billion (EUR 27.03 billion) in 2022, USD 29.9 billion (EUR 27.12 billion) in 2021, and USD 27.5 billion (EUR 24.94 billion) in 2020. [8]

The situation of the Romanian book market is summarized around 130 million EUR annually or 142 million USD and it ranks last in the European Union in terms of book consumption. The value of Romanian book market is 28.5 times lower than the German book market, estimated at EUR 3.7 billion or USD 4.05 billion. [9]

#### *Written book, e-book, and audiobook*

The Federation of European Publishers [6] states in 2021 that the turnover of the EU book publishing industry is divided by format as follows:

- Printed book: 84.8% (approximately)  $\approx$  EUR 20.01 billion
- Digital book: 12.6% (approximately)  $\approx$  EUR 2.97 billion
- Audiobook: 2.5% (approximately)  $\approx$  EUR 590 million.

Kolmar [8] and statistical data of Statista website underline the US book industry revenue situation in 2021 as follows:

- Written book: 75.58% (approximately)  $\approx$  USD 22.6 billion = EUR 20.46 billion
- E-book: 6.8% (approximately)  $\approx$  USD 2.04 billion = EUR 1.85 billion
- Audiobook: 5.35% (approximately)  $\approx$  USD 1.6 billion = EUR 1.45 billion
- Other types of books, articles, textbooks.

### **3.2. Technology as a shaping factor of the Book Publishing Industry**

The increased digitization of the last decades forced the book publishing industry to evolve very quickly, at the limit of the adaptation capacity of publishing production, but the satisfaction of the new generations of consumers, users of smart devices [10] [11]. They benefit from the huge number of virtual books, with quick access, aesthetic value, and affordable price. [12] [13]

As an IT-connected industry, book publishing industry is constantly shaped by changes in digital technology. The *main factors* driving *changes* in the industry are the constant increase in number of mobile devices in use, the decrease in cost of e-books, high quality of devices, e-books, and audiobooks, as well as digital reading applications.

The *changes effects* lean toward automated book production, thus saving time and reducing publishing costs.

The biggest changes facing the industry in the last decade are summarized as follows:

1. *Increase in e-book consumption.* The number of electronic devices and applications/programs that facilitate e-book reading has increased considerably in recent times, which has supported self-publishing and independent publishers by reaching a much wider audience. [14] [15] [16] [17] [18]
2. *The written book becomes a collector's book.* Younger readers' interest in quality written and printed books has been reborn in the digital age. Being constantly surrounded by technology, they increasingly appreciate the written book as a physical object. [14] [19]
3. *Technology is changing the way we read.* Virtual reality, augmented reality and artificial intelligence have transformed the written book into a book (electronic and audio) that is easy to access and interact with. Readers enjoy new ways of reading, at their fingertips, and writers can experience new ways to showcase their creations. [14] [15] [16] [18]
4. *E-books are more accessible than ever.* The popularity of e-books has grown along with the benefits brought to the reader: unlimited number of books on one device, instant purchase, no physical travel to the store, quick access. [14] [16] [17] [18]
5. *Increasing the number of independent publishers.* Challenges to traditional publishers have led to the emergence of more and more independent publishers, seen as nimbler and more adaptable to rapid changes in the industry. [14] [16]
6. *Traditional publishers are losing ground.* In a digital world where e-books and audiobooks are easily accessible, and self-publishing and digital book sales have increased, traditional publishing leaders have lost their monopoly on the industry. However, it has increased the freedom of early authors and readers. [14] [15] [16] [20]
7. *Ease of book publishing.* Digital technology and artificial intelligence support authors by reducing stages in the production chain, but also costs and time. Many of the processes have been automated and streamlined, others will be automated in the next decade, but meeting publishing standards and printing the book in physical or digital format have seen important transformations. An example of this is website Bookalope. [14] [16] [18] [20]

Including in Romania, book publishing industry has kept pace with European publishing houses, quickly adopting digital technology specific to the field: high-performance computers, laptops, printers, as well as software for computerized techno-editing, pagination, and photo processing.

### **3.3. The Internet - means of promoting and consuming the book**

In this period, Internet plays an essential role in book advertising and marketing. In Romania, a 2018 study by INCFC [21] analyses the frequency of Internet use in the cultural and educational field. Regarding access to books, articles, magazines and textbooks, the percentage is 66% in urban areas and 34% in rural areas of all respondents. Another INCFC study [22] from 2019 shows that 24% of respondents used the Internet for reading books, textbooks, articles, etc. and 16% for buying books, CDs, theatre tickets, etc.

According to INCFC [23], these percentages increased during the pandemic and printed book reading reached 58% of respondents in 2020, while e-book reading did not exceed 32%. The greatest interest in e-books during the pandemic was from young people aged 18-35 (55%), followed by people aged 36-50 (34%), then people aged 51-65 (24%), the percentage of those over 65 being low (8%) due to considerations such as difficult use of electronic devices and advanced age that tends to consume books in old formats (printed books).

Regarding the purchase of written, electronic, and audio books in the last 12 months (April 2022 – April 2023), a comparative situation is presented in Figure 1. In Romania, the book market is very small, and a few readers choose to buy books on the Internet. Because of this, the graph shows certain periods when the purchase of books on the

Internet is very low. The same situation is observed in Spain and much less in Germany and France. In addition, in the United Kingdom and the United States, countries with strong book markets and populations accustomed to doing their shopping on the Internet, the purchase of printed books is observed throughout the year. After the Covid-19 pandemic, audiobook sales started to pick up. However, no concise statements can be made about the value of e-book and audio consumption.



**Figure 1:** Comparative situation of purchases on Internet (Google) of written, electronic, and audio books of the states: Romania, USA, United Kingdom, Germany, Spain, France [24]

**DISCUSSION**

The publishing industry has transformed into a strongly IT-connected industry with the advancement of technology in recent decades. The use of technology has brought significant changes in how books are produced, distributed, and consumed. Digital publishing, online distribution platforms, self-publishing, computer-assisted editing, digital marketing and promotion, sales data and reader behaviour analysis, integration of multimedia and virtual reality represents some ways in which Book Publishing Industry has become connected to IT. These examples demonstrate how the book publishing industry has undergone radical transformation through its connection to IT, providing new opportunities and innovations that enhance readers' experience and efficiency of book production.

Even if they kept up with technology development, Romanian publishing houses do not focus on e-book production due to lack of control over print runs and free existence of millions of adult titles and hundreds of thousands of children's books on Internet. The few publishing houses that produce e-books, achieve around 1% of the sector's turnover and around 5% of the titles number in 2019.

According to book consumption trend, the written book remains at the top of readers' preferences, but it also leaves room for electronic and audio books due to digital technology increasingly present in people's lives and limited free time for reading and relaxation.

Buying books on the Internet is a growing trend in recent years because readers are a click away from receiving the desired book, in any format, using a smart device and an Internet connection. Currently, every publishing house has its own website, which makes book purchase extremely simple.

The entire course of the book, from technology used in book production chain to the way a book reaches the reader, demonstrates the fact that Book Publishing Industry is an IT-connected industry.

## **CONCLUSIONS**

The printed book developed because of social demand for information, knowledge, and values. Quantitative and qualitative development took place in close connection with technological development and increased demand for informative and artistic clarity. The development of digital technology and its applications in the publishing field have produced important qualitative leaps both in the format, aesthetics, and support of the printed book. The development and generalization of smart devices have allowed the emergence of adapted e-book for all categories of electronic devices.

The book publishing industry has proven to be an IT-connected industry. Today, it is very easy to buy a book, regardless of format. At the same time, it is very simple to have more books with you, anytime, anywhere, without worrying about how much they weigh, by simply purchasing e-books and audiobooks. These things are possible thanks to digital technology and an industry that has embraced new trends.

The use of artificial intelligence in the book production chain, especially in the content creation phase, is a controversial topic in 2023, but should be preceded by the design of appropriate legislation that clarifies copyright issues in both content and graphics. In addition, there should be a clear demarcation between the book designed by the authors and the one made with the help of artificial intelligence.

The Romanian publishing sector has kept pace with the general development of the European and world printing industry, being connected to top digital technology. Despite these aspects, the book publishing industry in Romania is little researched due to the lack of transparency of the sector and its extremely small weight in the national GDP. The article adds value to Book Publishing Industry in Romania by presenting a clear picture of the current situation and the changes undergone by this sector of activity in the last decade.

The research has certain *limitations*, including limited availability of published studies and analyses, absence of verified economic and statistical data, the lack of industry transparency, and confidentiality of publisher sales and contract information. Also, market volatility and the impact of external factors such as legislative changes can influence research results. However, an important limitation is given by the participants' reluctance in interviews and surveys that can affect information availability, as the publishing house leaders are not always willing to provide accurate information about their work.

*Further research* will include structured analyses of publishing sector in terms of publishing houses size, publishing domains, circulations/prints, turnover, market share, or in-depth analysis of family businesses in publishing field in Romania (regional/national level). Other research may include online activity of family publishing houses in Romania, the contribution of publishing sector in supporting online education at all levels or general aspects aimed at incorporating artificial intelligence in the publishing sector and especially in the segment of artistic content creation.

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