

Publishing now – and how we got here from there
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A friend of mine in Manhattan, the third-generation co-owner of a boutique hotel with a fabulous history, has a theory that ultimately three corporations will own everything in the world. He's betting on Google, Amazon and Walmart.

For the moment at least, we in the book world can forget Walmart, the US-based multinational retailer, but it's no exaggeration to say that Google and in particular Amazon - while not (yet) *owning* the publishing industry in a literal sense – have shaped the industry as we know it today. That is to say the Anglo-American publishing industry as it now is has been comprehensively reconfigured and shaped by the two internet Goliaths.

Amazon went live on 16 July 1995 and its first book orders were from American troops overseas, whose nearest terrestrial bookshop was far, far away. Founder Jeff Bezos had no particular interest in books but as a “product” to sell on the new-fangled internet (about which most people at the time understood zilch) they had much to commend them: easy to pack, unbreakable. Plus there were zillions more of them than any earthbound bookshop, however large, could possibly stock. What's more, they were all ready-catalogued!

Brothers Len and Steve Riggio, owners of the US bookselling chain Barnes & Noble, were quick to spot the danger for when they flew to Seattle to have dinner with Jeff Bezos in 1996, Amazon had sales of just \$16m as against Barnes & Nobles \$2bn. The brothers arrived back in New York determined to set up an online operation of their own which Len Riggio wanted to call Book Predator. He was warned against it and by the time BarnesandNoble.com was up and running, Amazon had expanded considerably.

The following year, 1997, the Riggios sued Amazon for claiming to be "Earth's biggest bookstore", asserting that it wasn't a bookstore at all but rather “a book broker.”

Come the close of 1998, Amazon – age just three - was the third largest bookseller in the United States, after Barnes & Noble and Borders.

As to Google, by 2002 the American Dialect Society chose Google as the year's "most useful word". Four years later, it was added to the *Oxford English Dictionary* and shortly thereafter to the eleventh edition of the *Merriam-Webster Collegiate Dictionary*. That tells us a great deal. At Frankfurt 2004, Google announced Google Book Search and Google Print, which searches the full text of books (and magazines) that it has scanned, converted to text using optical character recognition and stored in Google's digital database.

Google's Library Project was announced in December of that year, the five participants being Harvard, Michigan, Stanford, the New York Public Library and, in the UK, Oxford. The Project was expanded to include magazines and, soon, all

books. In 2005, the Authors Guild, representing some 8,000 American authors, filed a class action suit in a New York City court against Google over the service. In 2009, a French court decreed that the scanning of copyrighted texts violated copyright laws and shut the Project down in France – Google’s first legal loss. Google claimed to be in compliance with all existing and historical applications of copyright law but it eventually reached a revised settlement to limit its scans to books from the UK and US, Canada and Australia.

Last year, after much legal toing and froing, a US judge decided that the Google Books Program (as it had become) met all legal requirements for "fair use," citing "significant public benefits". The Authors Guild said it would appeal the ruling. In competition with Amazon.com, Google now sells digital versions of new books.

For various reasons – including, in France, which has restrictions on price promotion – Amazon’s impact on the publishing industry has been felt less keenly elsewhere. But in Britain and the United States, where online shopping for books and much besides really took off in the early years of the 21st century, as internet connections – first dial-up and then broadband - became as common as fixed telephones, the impact has been dramatic.

In the UK, booksellers - already under pressure since the 1995 abolition of the Net Book Agreement allowed discounting for the first time – have been driven out of business. Chain and independent alike have suffered as supermarket price promotions raised the stakes.

Where 20 years ago Britain boasted several chains, now we have just two: Waterstones, a pale shadow of its former self, and the much smaller Blackwells. Foyles, trading from Charing Cross Road for more than a century, is a mini-chain, as is Daunt’s, both of them London-centric. There are now fewer than one thousand independents in the UK, the lowest number since records began, with 67 closing in 2013.

In the US, the figure is 2,000 – a seven-year high and the sector is described as "booming". But the American population is five times that of the UK and the land mass is many times greater. Two decades ago, there were around 4,000 American independents. As to the chains, Borders went under in 2011, while Barnes & Noble, even in Manhattan, is a shadow of its former self. At its pre-crash 2008 peak, it had 726 stores across America. There are now around 660, a number expected to reduce over the next couple of years by a further 200. Which means the chain will have much less to celebrate when it reaches its centenary in 2017.

On both sides of the Atlantic, the finger of blame is pointed at Amazon, which can sell books to the public for less than it costs many booksellers to buy them from a

publisher. In Britain, supermarkets and - in America, warehouse clubs such as CostCo - must also be held responsible.

But of course it's not just price-cutting of physical books that's damaged book sales. In November 2007, Amazon launched its much-anticipated e-reading device. The Kindle seemed an odd choice of name at the time: backward-looking, not at all 21st century. In retrospect it's possible to see it as a Bezos joke – for how quickly the Kindle lit a fire under the publishing industry, causing obsessive discussion over DRM and pricing, which resulted in court action. But I doubt anyone realised just how quickly the reading public would take to Kindle – certainly not the first e-reading device but the first appealing and attractively priced one.

And the crucial point was that it hooked readers in to Amazon, singlehandedly creating a market for the electronic distribution of ebooks at a point when the iPad was still on the Apple drawing board. Sales grew rapidly over the next five years (though they have now plateau-ed) so in retrospect we can see the coming of the Kindle as a tipping point.

There are now numerous devices on which we can read electronically and many younger people in particular read on their phones. But the Kindle's proprietary software means that Kindle-owners *have* to buy from Amazon. The ease with which they can do so – and the low prices at which ebooks are offered – has ensured that Amazon is now also Earth's biggest ebookseller. As for the company's new smartphone, it is a vending machine for books from which readers may order even as they browse in actual bookshops.

At a time when many people are counting the pennies, Amazon's controversial tax arrangements have angered the British public and there has been a perceptible boycott, with campaigns to "save our high street" successful in encouraging shoppers to spend their money locally. Good independent booksellers have helped drive the message home and publishers who, a decade or so ago, airily claimed not to care about the independent sector are now keen to work with them, directly and through wholesalers, to ensure better deals (enabling bookshops to discount on a top 10 or top 20) and to provide authors for in-store events.

Consumer research consistently proves that most people who buy books online use terrestrial bookshops for "discovery" (hence the Amazon phone). If we lose more bookshops, not only is the nation's cultural life impoverished but sales everywhere will be lost. And if the still-precarious and much-diminished Waterstones was to collapse, the ecology of the British book trade would be seriously imperilled.

But it's no longer just bookshops that are imperilled. British publishers long ago crossed the Rubicon when it came to negotiating terms with heavily muscled retailers. Amazon was no exception. To be fair, the whole concept of online selling

was so novel back in the day - not so long ago of course – that I doubt any sales director foresaw the dangers we now face. Rather they spotted only the immediate benefits, which included increased sales of heavier non-fiction titles and a healthy virtual shelf-life for the many books that often failed to become part of a bookshop's core stock – the so-called “long tail”. The long-tail effect occurred when Amazon's software noted patterns in buying behaviour and suggested that readers who liked this particular book might also like *that* particular book. Readers took the suggestion, wrote enthusiastic reviews and that led to more sales, more algorithm-fuelled recommendations and so on and on. We've all been persuaded to buy a book by this route, I'm sure.

As Amazon became more successful, buying other e-tailing operations such as the Book Depository and Audible and thus securing a monopolistic position, it also became more greedy. Not so much negotiating terms as *dictating* them. While the public understands about Amazon's tax arrangements and the working conditions in their many warehouses, it can't even begin to comprehend their relationship with publishers, though in recent weeks those too have been subject to a good deal of media commentary, much of it centred on Hachette's US Book Group, whose terms were the first to come up for renegotiation – in Germany that honour has fallen to the Bonnier Group, which has led to a complaint to the country's competition authority.

Naturally, all such negotiations are private - and publishers are forbidden from behaving like a cartel – but British publishers are also now in talks with Amazon, which is thought to be demanding payment for prominent placement on the website. It is also, apparently, insisting on a Most Favoured Nation clause meaning that books must not be sold at a price lower than Amazon's *anywhere* – including on the publisher's own website.

Another highly controversial clause requires publishers to *guarantee* stock, allowing Amazon to print-on-demand for customers ordering a title that is out of stock, however briefly. Or so it would appear. It wants print and ebooks to have terms parity. And academic publishers, who have so far suffered less punitive terms will be brought into line with trade publishers. One commentator suggested that publishers accepting such terms would be agreeing to “a form of assisted suicide”.

There's a way to go yet and some aspects of Amazon's behaviour have caught the eye of Brussels regulators. But there is no disguising the sense of panic that many publishers – including major groups – are feeling. Though it sounds melodramatic, there are now real fears that if Amazon's avarice continues unchecked it will lead to major casualties. *And sooner rather than later*. For Amazon, it appears, doesn't merely want to be Earth's biggest bookstore – it also wants to be Earth's biggest publisher. Since its own publishing operations having met with very limited success, it can only achieve that by putting “traditional” publishers out of business and picking up the pieces. In sum, Amazon wants to be the only game in town.

Not a happy or healthy state of affairs. So how did we get here from there?

Having graduated from university with a music degree in 1979, I found myself – by chance rather than by design – in publishing. On the fringes at first – a friend was finishing a major biography with which I became involved, researching photos, liaising with the editor – and then, for two years, in music publishing, that is to say music *per se* and books about music. But my career as an observer and chronicler of the book trade began in January 1984 – some years before most of you were born, I'm sad to say – when I joined the staff of *Publishing News*, a weekly magazine for the book trade. It was just five years old, something of an upstart, launched as a lively and people-centred alternative to the *Bookseller*, which was then much more staid and boring (and authoritative) than it is now.

To an even greater extent than is true today, the British book trade was posh, public school and Oxbridge. Broadly speaking, men were in charge - though there was no shortage of women in editorial or publicity, where guys were more of a rarity than they are now.

With the exception of a handful of chief executives, most of those working in the book business today wouldn't recognise the publishing world of the mid-1980s, when books were bought at full price and when to cross the portals of a Waterstones was to be led deep into temptation. Cheap books were available only via book clubs or in remainder shops – where, given a good exchange rate, all manner of arcane American goodies might be discovered. Bookshops in the 1980s were exciting places, thanks to Tim Waterstone. The stores still bear his name but they are very different today.

In those days *Publishing News* – *PN* as it was known - operated out of appropriately Dickensian offices in Museum Street, a beguiling yet down-at-heel cut-through from Bloomsbury Way to Great Russell Street that is now an extension of Covent Garden. We were a few paces from the British Museum and not much further from Bedford Square, then the beating heart of London publishing, home to some of its most celebrated names.

Sidgwick & Jackson, over which the other-worldly William Armstrong presided, was our immediate neighbour, hard by Hawksmoor's church of St George's, Bloomsbury. Souvenir Press was round the corner, and founder Ernest Hecht – at 83 still running the company today - would drop by for a chat and a riffle around our desks. André Deutsch was down the road, still a literary force to be reckoned with.

In the elegant Georgian terraces of Bedford Square, Hodder & Stoughton, Michael Joseph, Chatto, Cape and Bodley Head and Thames & Hudson went about their gentlemanly business. So, too, the Publishers Association. Hutchinson - at that time

owned by London Weekend Television - stood proud and alone in Fitzroy Square. Macmillan, whose corridors still occasionally resounded to the tapping of former Prime Minister Harold Macmillan's walking stick, perched near Fleet Street.

Hamish Hamilton, sister company to Michael Joseph and also part of what was then the Thomson Group – which they also owned Times Newspapers - was on Long Acre in Covent Garden. Across the Piazza, on Henrietta Street, Livia Gollancz, the most formidable of den mothers, ruled the firm her father Victor had founded. Upstart Century, where staff included a young publisher named Gail Rebeck, was just north of the Strand. Collins, still in the family, though Rupert Murdoch already held shares – was in Mayfair, the westerly limit of the Bookrest Walk (as the Book Trade Charity's then annual fundraiser was called), in which everyone, from office junior to managing director, turned out.

It was a close-knit and familial business 30 years ago, in feel it not in actuality.

With one or two notable exceptions, the agents with whom publishers did business were low profile. To an extent quite unimaginable today, deals were done over a proper lunch - that is to say three courses with wine - at historic old watering holes such as the White Tower and the Gay Hussar, with editors who knew their own mind. They most certainly did not answer to sales and marketing departments and they were more than happy to pick up the phone and chat to me, and other journalists, to discuss their acquisitions (and anything else for that matter) without going through the rigmarole of a three-page press release and a corporate communications department – which was in those days anathema to publishing.

They bought volume rights in this or that project – that is to say hardback and paperback rights. The aim was to make a success of the hardback and then sell on the paperback rights for a substantial profit – Chatto, Cape and Bodley Head sold mostly to Pan, then owned jointly by those companies, together with Macmillan and Collins. Michael Joseph and Hamish Hamilton sold to sister company Sphere. And numerous hardback houses sold to Penguin, which was *just* Penguin - reliant, as were Pan and Sphere, on the granting of licences.

At least they were until publishing's big bang, in spring 1985, when Peter Mayer, the American Chief Executive of Penguin UK - who had rescued it in the late 1970s from almost certain demise - in a move that both surprised and confounded, bought Hamish Hamilton and Michael Joseph. Vertical publishing was born.

In fact, though the Penguin deal altered publishing itself in the most fundamental way, the event that changed the way publishing was *perceived* – as a *business*, not a *trade* – had occurred a couple of years earlier, when Paul Hamlyn took his company, Octopus, to the London Stock Market. Hamlyn – like most of the great publishers of his generation – was a European émigré, a Bevin Boy during the

Second World War who had started his own company publishing low-priced non-fiction for the leisure market. In so doing, he made a great deal of money for himself and others and became one of the nation's great philanthropists.

The Octopus offer was vastly over-subscribed and, suddenly, the City began to take notice of publishing. Arguably, it was that event – which significantly enriched several Hamlyn employees, so allowing a number of start-ups – which led to the City-backed launches of Headline and Bloomsbury and to the merger-mania which characterised the Margaret Thatcher years of the 1980s.

Indeed, when, in 1987, Si Newhouse of Random House US hopped on a plane and signed a deal for the proud but loss-making family of Chatto, Bodley Head and Cape – once independent companies that had come together in a sort of federation, sharing what everyone now calls “back office”- it felt like another sell-out to Ronald Reagan's America. Then, in no time at all, Random House UK bought the recently merged Century Hutchinson. It was a move which, far more than Penguin's swoop on the Thomson book publishing companies, signalled the start of corporate publishing. International Thomson bought Associated Book Publishers, Reed Elsevier bought Octopus, News International bought all of HarperCollins.

The Nineties, too, brought change, particularly on the academic and professional front, much of it of a European nature: the upstart Headline bought first Hodder & Stoughton and then the celebrated John Murray, Lord Byron's publisher. The family-owned Germany company Holtzbrinck bought family-owned Macmillan – and shortly thereafter Henry Holt and Farrar, Straus & Giroux in New York. Bertelsmann, another German company, bought Random House US and UK.

Anthony Cheetham, who'd founded Century and so ended up running Random House UK, was booted out by his American boss Alberto Vitale, whom he described as “a small Italian mouse”. Cheetham then set up Orion, later bought – along with Hodder Headline *et al* - by Hachette Livre, part of France's giant Lagardere Group. And, of course, Little, Brown UK emerged triumphant from the Macdonald Futura shipwreck that followed Robert Maxwell's midnight dip in 1991. Pearson, of which Penguin was but a small part, marked the new millennium by picking up the pieces of Dorling Kindersley.

In October 2012, Pearson and Bertelsmann embarked on a joint venture that saw the German media giant buying a 53% share of Penguin. It is only a matter of time before they own it all – to the detriment, I would argue, of the health of the industry itself and literature *per se*.

So publishing became big news and big business, the subject of wider fascination and scrutiny. When I was first at *Publishing News*, the sale of a first novel for £10,000 would make the front page. Soon one hardly blinked at deals worth ten

times that. In counterpoint to the increasing conglomeration, independent publishing gained a new lease of life, with start-ups including the short-lived Sinclair-Stevenson Ltd, which spent all its money in no time at all, Kyle Cathie and Quadrille, both still flourishing, and, of course, Fourth Estate, which News International bought in order to install its founder, Victoria Barnsley, as Chief Executive of HCUK, a post of which she was sadly relieved this time last year. Profile has blazed a brilliant trail, but Quercus – over-ambitious following the international success of Stieg Larsson’s *Millennium Trilogy* - crashed and burned, sold to Hodder earlier this year for £12.6m. Many think it was bought only to stop it falling in to the hands of Amazon, for whom Quercus would have provided an entry point into terrestrial bookshops.

They and other successful (often small and specialist) indies, prove there’s still scope for those whose vision is not matched by their bank accounts. Just last week, the Desmond Elliott Prize for first novelists, of which I’m a Trustee, was awarded to Eimear McBride for *A Girl is a Half-formed Thing*. It is the fourth honour for the young Irishwoman, following the Goldsmith’s Prize, the Kerry Prize and the Baileys Prize for Women’s Fiction (she was also shortlisted for the Folio Prize). To be sure, the novel isn’t easy – but why did it take nine years to find a publisher? And that publisher was not a major house who could afford to take a risk but a tiny house, based in Norwich.

Sam Jordison, one of the trio behind Galley Beggar Press, has written: “Our targets were all about publishing the best possible books that we could find, making them look beautiful, and finding plenty of like-minded readers to enjoy them. We thought we might be able to help make our authors' names. We thought we might be able to tap into what we knew was a strong desire in the market for high-quality, fearless fiction. We thought we might have something good to offer.”

Fearless McBride’s novel certainly is – which is no doubt why Faber & Faber, supposedly a cheerleader for all that is good and independent, came in as a partner on the project only earlier this year, when it had already achieved success.

Speaking at the Desmond Elliott ceremony, jury chairman Chris Cleave – himself an award-winning novelist – delivered an impassioned speech which included these words: "Debut fiction is the bravest, most exciting and purest form of the art, but today's forces in book retail are lethal to new talent. Publishers are much less able to take risks on unconventional first novels, so I believe that it is now up to established authors to seek out, champion and amplify the best new voices. Eimear McBride has had widespread recognition for her achievement, but she is the exception after a fight of almost a decade. We writers now have a responsibility to raise up the next generation of novelists - to be an antidote to the short-sighted venality that seeks to crush publishers and their flair for taking risks. Otherwise the McBrides of the world will go unheard and - crucially - unread. It is up to us now to make McBride's triumph a rallying cry, and not the novel's last stand."

It's true that publishers *are* now less able to take risks. But they are also less *willing*, and I don't think the unwillingness owes entirely to external pressures. While it's certainly true that few if any editors at major companies can today make decisions without the blessing of sales, marketing and accounts, it is *also* true that few editors are equipped to work on raw text, to shape a novel paragraph by paragraph, and authors book by book. I haven't worked in the US book trade but my perception is that the situation there is less dire.

Editing, at least in the UK, is a dying art – and with respect to Oxford Brookes and other academic institutions offering publishing courses, I don't believe sufficient time and attention is paid to teaching editorial skills. Scott Berg's biography, *Maxwell Perkins: Editor of Genius*, should be the set reading of every aspiring editor, even though supporting authors in the way Perkins and Scribner did F Scott Fitzgerald, Ernest Hemingway and Thomas Wolfe would be impossible these days. But there are great lessons to be learned from it about editing - that is to say, working with the *text* itself.

In London publishing's recent past, figures such as Philippa Harrison, Joanna Goldsworthy and Geoffrey Strachan – the latter forever associated with one Adrian Mole - knew how to take a book apart and reassemble it, working with an author to polish and perfect a manuscript. To be sure, there are people at all ages and stages of their career who can and still do edit – Macmillan's Maria Rejt is a great example - but increasingly few. As Carole Blake, a high-profile agent told me: "I get rejection letters saying a manuscript needs work. I want to say *so - that's your job. Work on it.* But editors are paid to shop, not to edit."

Too many editors these days expect the written equivalent of the cook-chill supper. These days, it is the agent, not the editor, who's most likely to roll up their sleeves – though, of course, there are now some agents who might as well be selling cars.

The digital age has made self-publishing both easier and cheaper. Not so many years ago, self-publishing was derided as *vanity publishing* and "proper" publishers and agents wanted nothing to do with it. While it's true that even some relatively established writers now actively choose self-publishing, the vast majority of self-published titles would be unlikely to survive any half-way decent editorial scrutiny. Yet publishers and agents now spend increasing hours trawling through offerings on CreateSpace and Kindle Direct or Kobo Writing Life to see what, if anything, is trending. Amanda Hocking, John Locke and E L James all signed lucrative publishing contracts having been spotted in this way. Of these *Fifty Shades of Grey* has been by far the most successful, and on an international stage.

I doubt that anyone anywhere in Random House would have bought *Fifty Shades* had it come in via the slush pile (to which few publishers and increasingly few agents pay any attention) but its self-published success ensured it claimed the attention of

the CEO. It was, apparently, Gail Rebeck who whipped staff into line, ensuring that E L James had a place on the Century list. Its success has ensured the Group's dominance of the general marketplace, pushing Amanda Hocking, 2011's poster girl for self-publishing (subsequently acquired by Tor) off the front page.

It also launched a ghastly trend.

In the space of a week or so in July 2012, Penguin rushed out Sylvia Dare's *Bared to You* (self-published before being snapped up by Berkley in the US), while Headline bought Beth Kery's *Because You're Mine* (self-published, Berkley), while Michael Joseph pitched in with a (supposedly) real-life *Diary of a Submissive*, and HarperCollins *Fifty Ways to Play - A Beginner's Guide to Unleashing Your Inner Goddess*. (What happens if it goes wrong, I wonder – whom would you sue?)

Then, the *coup de grâce*: in the same month, Penguin – not yet merged with Random House remember - bought Author Solutions Inc (ASI), the world's leading supplier of publishing services, for \$116m. John Makinson, Penguin's the Chairman and CEO, described the move as bringing "significant opportunities". It would, he said, "allow Penguin to participate fully in perhaps the fastest growing area of the publish economy and gain skills in customer acquisition and data analytics that will be vital to our future."

His colleague, UK CEO Tom Weldon – now CEO of Penguin Random House UK - added that "responding to what consumers want is a perfectly respectable way of doing business. Tens of thousands of readers love *Fifty Shades*." But consumers mostly don't know what they want until they see it and, anyway the runaway sales of bad erotica – boosted by curiosity and midsummer madness – inevitably petered out, leaving all those me-too publishers with vast quantities of unsold books.

Of course, there are good examples of self-publishing - usually the projects publishers have allowed to get away, authors with a decent track record unable to find the right home in today's dismal climate who decide to go-it-alone – but they are vastly outnumbered by the bad. And I come back to my original point: the role of an editor is to be a talent spotter; a midwife to nascent writers, be they commercial or literary, nurturing them from book to book, helping them shape their prose and their careers; to take calculated risks. It is an editor's job to seek and to find, to create from scratch – not merely to search the ether for some self-published, market-tested equivalent of a Big Mac.

When publishers ceased to read their slush piles, which most had done before the century turned, they subcontracted the talent-spotting role to agents. With its purchase of ASI – closer to old-fashioned vanity publishing than self-publishing, with would-be authors charged for dubious advice and services and promised an earth they will never inherit, which led in America to a class legal action – Penguin completely abrogated its responsibilities.

Nor are the publisher and agent-led creative writing courses an answer, in my opinion. Indeed, I believe they are an entirely inappropriate and even unethical blurring of the boundaries. Easy money straight to the bottom line from an endless line of aspirant authors. But that's for another day...

All of you, embarking on your careers in publishing – not necessarily as editors of course – need to aspire to high ideals and high standards. Neither is necessarily incompatible with good house-keeping. Indeed, publishers have wasted countless millions on over-hyped projects - novels and non-fiction - basing calculations on sales projections they know to be unachievable.

Publishing is of course part of “the media”, but I think some of today's problems owe to its having become *simply* another media business, part of the entertainment industry. While it is both of those things, it is also – or at least once was – something apart. More serious, almost by its very nature, attracting bright young graduates whose sole purpose was to discover great writers and illustrators, not merely to chase this or that celebrity or to turn television programmes into book franchises. Publishing perceives *itself* differently to 25 years ago and is in turn perceived differently by those on the outside looking in. Where once its excitement and glamour came from publishing a Booker or Pulitzer Prize-winner, or a Nobel Laureate, now it seems to come from its being an adjunct of showbusiness. A number of people in it – agents and publishers, whose role it is to be midwife to talent – seem to feel *they* are the stars and so they behave accordingly. The thrill of working in publishing – whether as an editor or designer, or in production or rights or sales; in trade publishing or academic, children's or adult – is about discovery and nurture, of knowing – not in a vainglorious way – that you have helped an author or illustrator fulfil their potential and achieve success.

How do we measure success? These days not simply in terms of the number of copies sold, which in the UK is far smaller than even a decade ago. Publishing conglomerates measure their success in market share – always dangerous because it measures quantity of output over quality. And market share has to be *bought* in various ways – selling in at high discount in order that retailers can price promote.

Market share is a rather macho measure. For some years, Hachette Livre UK was our largest trade publisher, with Random House in second place and Penguin in third. The creation of Penguin Random House has changed that of course and though there was much speculation as to what Hachette might buy in order to regain its position, it seems unlikely that it can overtake Penguin Random House UK any time soon. And Penguin Random House is the world's largest trade publisher, followed by Hachette and Holtzbrinck. Indeed, one of the main reasons put forward

for the merger was that it would enable them to better stand up to Amazon. We shall see: they are still dwarfed.

In any event, the conglomeration of publishing has led almost inevitably to homogeneity. Where once – even as recently as the 1980s – it was possible to identify a Weidenfeld title, say, or one from Jonathan Cape or from Hodder & Stoughton, today titles published under one trade colophon differ little from those published under another. That's because conglomerates – unlike the standalone publishing houses of old – require each book to be its own profit centre, contributing to overhead and profit. From that follows an inevitable concentration on front list – which delivers an immediate boost to turnover – as opposed to the building of backlist, which, adds to profits – but over time. Publishing, once a long-term business, is now – like politics – increasingly short-term.

The drive to increase sales and profit – always the priority for big corporations, whatever their business – in turn means that every division of every imprint within a publishing house is forced to compete with every other, in addition to external competitors. So while there are always some internal checks and balances, that means (for example) that at Penguin Random House, Michael Joseph, Century and Ebury may all be bidding in the same auction, driving up the price – much to the delight of agent and author.

Editors have profit and loss accounts for each title and an overall budget which they have to make – not least because it will likely earn them a bonus. They have a number of slots to fill in any given season, and the need for a sure-fire success – or what they *imagine* will be a sure-fire success – leads to the offering of mega-advances to supposedly bankable authors, rather in the manner of football transfers, or, or to celebrities whose fame might deliver that Christmas number one. Except it often doesn't work out as planned.

To quote one celebrated example: in 2006, HarperCollins UK paid £5m to footballer Wayne Rooney for a five-volume autobiography to be written over 12 years. The deal was predicated on the Manchester United star shining in that year's World Cup. Except that he messed up in a crucial game. *My Story So Far*, published the following year, was not a conspicuous success and it remains his only book. Sadly, though the deal was signed off at the highest levels of HarperCollins' management, a much-respected sports publisher lost his job.

Where once we talked of “the book trade”, now we talk of “the publishing industry” or perhaps “the book business”. The changing terminology is not insignificant. For most of the twentieth century, publishers were happy to make a profit of between 3 and 5 per cent annually. Once City money was involved, banks, venture capitalists – the late Eighties and Nineties, when publishers began to be swallowed up by large media conglomerates – such figures looked puny.

Targets of 10 and 15 per cent were set. Growth was now what mattered. And that's a problem, because while some books will perform above expectations, others will do far worse. Much of publishing is down to serendipity. If you've been fortunate to publish something that's swept all before it – a *Harry Potter*, for example, or *Fifty Shades of Grey* or *The Girl with the Dragon Tattoo* – you cannot hope to better it, so everything else feels like a failure.

Some twenty years ago, HarperCollins UK commissioned a fancy-pants consultancy firm to analyse how it could improve its profits. The answer – which would itself have costs hundreds of thousands of pounds – was to publish only bestsellers! If only it were that easy – but it's not possible for every book to be a bestseller. Nevertheless, the large groups inevitably concentrate on those books with the highest sales potential – which means that it's more and more difficult for an author to find a publisher. Hence Galley Beggar Press and Eimear McBride, to name but one.

Publishing, in Britain at least, is increasingly polarized, as the Galley Beggars of the world – fleet-footed, enabled by cheap technology which these days makes all manner of things possible, fuelled by enthusiasm and midnight oil, run on courage and self-sacrifice – seek out the prize-winners of tomorrow. With their low overheads, books can break even on just a few thousand copies. But all too often they find their authors poached by the majors just as everyone concerned is on the verge of making some money.

It can be easier to carve a niche if you're publishing non-fiction. Down in Dorset, in the south-west of England, Little Toller Press launched a few years back with revivals of countryside classics. They wrapped them in striking jackets and commissioned some distinguished names to write new introductions. They've been a great success, so Little Toller has now embarked on a series of original Monographs, approaching established authors such as Adam Thorpe and Iain Sinclair, with ideas that no conglomerate would entertain, and coupling them with a modest advance and decent royalties. They won't deal with Amazon, selling only direct from their own website or via a distributor to bookshops.

So the question is: will the big guys stand up to Amazon? Will they say no? And what happens if they don't?

Jeff Bezos has often talked about the elimination of "gatekeepers" who slow innovation. "I see the elimination of gatekeepers everywhere," he told Thomas Friedman of the *New York Times* in May 2012. That would mean, Friedman wrote, no agent, no publisher, no paper - just an author, who gets most of the royalties, plus Amazon and the reader.

It's not a very cheering thought, so I'll finish with something far more inspiring. Peter Mayer, the unquiet American I mentioned earlier who saved Penguin and started a revolution, is now 78 and back in the States as an independent publisher once more. The company is Overlook Press and he founded it in order to publish books that had been "overlooked" by the big houses. His 2008 acceptance speech of the London Book Fair Lifetime Achievement Award was a concise master class in publishing.

I will conclude with two quotes:

I am hopeful that a creative and resilient publishing industry will adapt to change, perhaps with authors having to share more in performance than in upfront sums based on the promise of performance. We will find a way to go on. Why? Because, in the beginning, there was the word, and with every new generation, there is a new beginning.

A man who is equal parts idealist and pragmatist, Mayer also said this:

The chips are now down and the über-idealists need to examine their sense of superiority or hostility to the market, while at the same time to be wary of too great an attachment to market-determined measurements of success - the car and driver, the bottom line, the corner office. At the close of day, one needs to remember why, when the sun came up, one chose to be publisher. That's easier said than done.