

**KEN FIREMAN:** Hi, I'm Ken Fireman, the managing editor for SAGE Business Researcher, and I'm speaking with Lisa Rabasca Roepe, who has written our report on the trends in the publishing industry. Hi, Lisa.

**LISA RABASCA** Hi, Ken.

**ROEPE:**

**KEN FIREMAN:** So let me begin by asking this. You discovered that a great disruptor is haunting the industry, but it's not the one that most people expected just a few years ago. What happened?

**LISA RABASCA** Well, I think most people expected e-books to be the big disruptor, but as it turns out, **ROEPE:** paperback and hardcover books are gaining popularity again, currently because there isn't as big of a price difference between an e-book and a physical book anymore. And audio books are very popular, I think because we're all used to listening to podcasts. But the big game changer is really the acceptance and the popularity of independent presses that are publishing authors that traditional publishers are turning down. And in some cases, those authors are actually making a lot more money than they would with a traditional publisher.

**KEN FIREMAN:** These independent publishers, how do they differ from the so-called vanity presses of earlier years?

**LISA RABASCA** Well, with a vanity press, the author would be paid a fee, and the press would print whatever **ROEPE:** the author gave them. The author is in charge of editing, designing, making all the decisions. There is no third party looking at it and providing input. But with an independent press, there'll be a publisher who is vetting manuscripts. They decide if the manuscript is publish-ready, and then they work with the author to really produce a high-quality editorial product. I spoke with a number of people who work at independent presses, and they were very specific about the fact that they want to turn out a high-quality product that the average reader wouldn't know the difference between what they are printing and what one of the big five publishers was printing.

**KEN FIREMAN:** So it sounds like these independent publishers have integrated some of the functions of the traditional publishers, but have a much wider range than the traditional publishers. They try to go down the middle, I guess, would be one way to put it. Is that right?

**LISA RABASCA** Yeah, a lot of the people who work at these independent publishers actually came from some

**ROEPE:** of the big five publishing houses. As the houses have been consolidating and being bought out by bigger and bigger entities and looking to make more and more profits, there's also been attrition, layoffs, and even some editors that I spoke with said that they wanted to move away from traditional publishing, because they felt that they were being told they could only publish certain types of books, or only books by authors that have a big following.

**KEN FIREMAN:** So do these independent publishers, or at least some of them, take on all of the tasks that are associated with producing and publishing a book, the kinds of things that the traditional publishers do?

**LISA RABASCA** Well, they are in some ways. The author has to pay into the publishing of the book, so it's a shared cost. So the author will pay for some of the publishing costs, and the publisher helps them get through the process. They will help them edit, they will help them copyedit they will help them design the cover. They do everything-- the process is very similar to a traditional publisher, but the author is paying into the model. So I guess it's author-subsidized.

**KEN FIREMAN:** Do these independent publishers typically make money? Are they profitable?

**LISA RABASCA** Well, the authors that actually can make-- if the author is able to sell the book, they can actually make a little bit more money, because they will get a higher percentage of the profits. So in a lot of ways, these independent publishers are changing the way authors are paid. So instead of receiving an advance-- we all hear about the big author advance-- instead of getting an advance, the author will start to get royalties after they've reached the amount-- they will immediately start getting royalties, because they paid for the publishing costs. They're not paying against that. And they often get a higher percentage. So an independent publisher will give 60% compared to 8% or 12%, which is what most traditional publishers would do.

**KEN FIREMAN:** And what about the independent publishers themselves? Do they make money? Is this a business model that works?

**LISA RABASCA** Yes, I believe so, because I don't think they would be doing it if it wasn't. And also, they don't have the same costs as a traditional publisher, because many of them are using this print-on-demand technology. So they're only printing books as they are ordered, or they're using digital books to distribute them. So there's no warehousing costs. You don't have to do a huge print run, because you just print the book as it's ordered and then ship it out.

**KEN FIREMAN:** Now, what is the impact of all these trends on bookstores? First of all, the last remaining

national bookstore chain, Barnes & Noble. Is it in imperiled?

**LISA RABASCA** Yes, most of the people I spoke with for this report expressed concern about Barnes & Noble.

**ROEPE:** And they also discussed the fact that it's really unclear how readers are finding books these days, because we're not going to go to Amazon to browse for a book the way we would at a bookstore. However, there has been a resurgence in smaller independent bookstores. And a Harvard Business School professor actually recently did a study that came out last November, and it found that between 2009 and 2015, the number of independent bookstores grew by 35%.

**KEN FIREMAN:** So they're clearly experiencing a resurgence.

**LISA RABASCA** Yes. And also, we shouldn't forget that Amazon, who, obviously, is always selling us stuff

**ROEPE:** online, also has opened a number of physical brick-and-mortar bookstores.

**KEN FIREMAN:** Well, I've been speaking with Lisa Rabasca Roepe, who has done SAGE's report on publishing. Thank you very much, Lisa.

**LISA RABASCA** Thanks, Ken.

**ROEPE:**