

## **Did the Romanian Book Publishing Industry and Its Management Change Within a Decade?**

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*Abstract.* In the last decade, the publishing industry has had to face special challenges, generated by the extremely rapid evolution of technology specific to the field, the unprecedented development of the Internet, global communications and social networks, which have produced profound changes in the book publishing value chain, but especially in the way of consumption and transformation of the preferences and requirements of the readers.

The authors present some significant aspects of their research work-in-progress (Stănciulescu & Scarlat, 2019, 2020; Stănciulescu *et al.* 2019a, b, c) regarding the changes that the Romanian book publishing industry has undergone in the last decade in both publishing and other components of the book value chain, as well as their influence on the sector profitability.

*Paper focus.* The analysis focuses first of all on the evolution of the industry, determined by the interdependence with digital technology, and secondly on the mutations produced on the Romanian book market, a “small” market but with specific characteristics, difficult to predict for a longer period of time. The paper provides a brief overview of the evolution of the main indicators that characterize the book market in the last decade, as well as an overview of the dynamic and even disruptive factors facing the book industry: the level of competition, important customers and suppliers, substitute products for the written book, etc. Therefore, the object of the analysis regarding the evolution of the publishing field in the last decade is to clarify the development trends of the book industry in the next period (next decade), as well as the extent of the influence on book consumption by readers, both as an essential support (element) of knowledge and education, as well as a high way of leisure.

*The research methodology* involves both secondary and primary research, through the study of the specialized literature and database search in the period 2010-2020, as well as through recent interviews

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with the current leaders of some Romanian publishing houses. The data currently collected (first semester of this year) were compared to the data collected about a decade ago (Grigore, 2013; 2014). The analysis of the publishing industry is not exhaustive (complete) due to the lack of transparency within the sector, the very small number of studies and in-depth research, but it tries to delimit certain directions to which the field is forced to evolve. In addition, the upsetting coronavirus pandemic made the process of data collection more difficult.

The *results* of this longitudinal analysis outline the entire publishing industry through the essential vectors of the book market, with major influence in the structural transformations of the field. These include the specific problems, opportunities and threats facing the publishing sector in this period of accelerated globalization and extremely rapid technological evolution, as well as those generated by the COVID-19 pandemic and the process of ownership and management succession (which has reached critical phase), all together leading to massive adjustments and restructuring – in order to allow continuing operations in the market.

Highlighting these aspects, as well as predicting possible directions for the evolution of the book publishing industry and its management in the next decade are among the notable *contributions* of this paper that sketch the contemporary Romanian publishing landscape.

The *conclusions* of this article seek to convince all those interested in the field of book publishing that its evolution is a positive one, the book remaining for a long time the main means of fixing and transmitting culture and knowledge, but the ways of existence and information support is at the beginning of a clear process of change. This process will lead to essential transformations in school education in the first place, in culture, information and leisure.

**Keywords:** Romanian book publishing industry, book publishing evolution, book printing technology, digital challenges, coronavirus pandemic challenges

## 1 Introduction

The sector of book publishing is facing in this period a series of extremely difficult problems, generated essentially by the transformations induced in society by the evolution of technology, especially digital technology. The versatility of this technology has made it incorporated (used) in the vast majority of human activities, from the most mundane to the most creative, outlining today a way of life and some perspectives that we do not conceive to lack.

The publishing sector, as a complex field of activity, between mass production, means of information and training, art and commercial activity, has fully benefited from the development of digital, information and communication technology in recent decades, transforming into a strong technological industry. This has greatly accelerated and simplified the book's production chain, with important implications for the way information is presented, increased aesthetic value, affordability and the profitability of publishing production.

The influence of digital technology in book production has spread among readers, especially the younger and educated generations, modulating their tastes and requirements and substantially transforming the consumption of books.

The last decade has been atypical, difficult for most sectors of activity, affected by the two crises of the world economy – the economic crisis of 2008-2011 and the Covid-19 pandemic of 2020. These have led to significant declines in the world economy, with repercussions on the jobs and incomes of a wide

range of people. The book industry has been severely affected by the two economic crises because book consumption is closely linked to citizens' purchasing power, their emotional stability and the free time available for entertainment, all of which are at low levels in the aforementioned periods.

The book publishing sector in Romania is rarely presented in national economic statistics due to the extremely low share of GDP (below 0.1%), and studies on this industry are very few due to lack of transparency in the field – as the companies do not make publicly available information about their performance; this lack of transparency was acknowledged by the president of the National Institute of Statistics himself (INCFC 2020a, b).

This article focuses on the analysis of the evolution of certain economic parameters that characterize the sector during last decade, as well as on the specific problems faced by actors in the field, in order to identify the development directions of the book publishing industry in the coming years.

## **2 Literature survey on book publishing industry in Romania**

Unlike other states where there is an increased interest in the cultural field and obviously in the book industry, as an important material support of culture, in Romania there is no such concern on the part of policy makers, as evidenced by incomplete, ambiguous legislation and inconsistent governing the field, the ridiculous budgets allocated to culture each year and the lack of a coherent national strategy for the development and promotion of national culture. This situation may be the consequence of the lack of in-depth studies and analyses on the publishing sector, the essential sector in the development and promotion of culture, in the education of taste and creativity of society, which in the next period can generate economic capital, with beneficial consequences for general development.

The Romanian book market is one of the smallest in the European Union, its share in GDP being extremely low (below 0.1% of GDP) every year in the last decade (Grigore, 2013, 2014), and book consumption per capita is below 4 €/year (Iancu, 2017), which places it on the last place in Europe.

For the global economic crisis (2008 – 2013), Grigore (2014) makes an x-ray of the book publishing industry using the model of the five forces of Porter (1980). The paper analyses the influences that different characteristics of the Romanian book market have on book costs and on the development prospects of the publications market. The analysis is made on the basis of the five forces in the Porter Model. This model provides an explanation of the profitability of a business starting from the five forces. Applied to this particular industry, in a transformational economy, very diverse, in a period of economic downturn, the analysis cannot provide clear conclusions about the evolution trends.

Analyses of the Romanian book market were also made by the National Institute for Cultural Research and Training (2016) that provided a systematic description of the book publishing industry, according to several criteria:

- number and size of publishing houses;
- their territorial distribution;
- fields of publication and their share;
- material and human resources;
- obstacles encountered by Romanian publishing houses.

The study (questionnaire-based) relied on limited number of responding actors (12% only); consequently the conclusions and results have a limited validity. However, some important aspects of the publishing sector, namely (INCFC, 2016):

- in Romania, in 2016, there were 6157 publishing houses established, of which only 1963 were active (they requested an ISBN code in the last 5 years);
- most publishing houses were concentrated in the developed areas of the country, which are also large university centres: Bucharest, Cluj, Iasi, Craiova, Brasov and Timisoara;
- 50% of publishing houses operated in Bucharest and nearby areas;
- about 50% of the publishing houses conduct other activities besides publishing;
- major obstacles in the sector are threefold (financial, legislative, organizational).

A similar study conducted online, one year later (INCFC, 2017), has revealed several particular aspects related to marketing and promotion activities, distribution channels of book production as well as a categorization of publishing production from 2014 to 2016.

However, the specific literature on this industry in Romania is rather scarce.

### **3 Research methodology**

This article focuses on the changes produced in the publishing sector over the last decade, targeting a number of specific economic issues and parameters, which define the state and trends of the field and outline some directions for further evolution.

The main objectives pursued in the paper are:

- Observe the main macro-economic indicators specific to the publishing industry;
- Identify the influence of newer computer-centred technologies on the book publishing sector;
- Detect the recent impact of the current Covid-19 pandemic on the publishing industry, as well as the prospects for the post-pandemic period.

The research methodology includes both secondary and primary research (interviews with the founders and managers of several Romanian publishing houses; online questionnaire-based surveys; on-line specific surveys related to the impact of the current covid-19 pandemic on the book publishing industry). The secondary research consisted in the analysis of the data published on the websites of prominent publishing houses in Romania, studies published by the National Institute for Cultural Research and Training and the National Institute of Statistics, as well as a series of press articles on the publishing houses' behaviour during the Covid-19 crisis.

As the circumstances of the study were specific to the pandemic period (the first semester of 2020), namely social distancing and isolation on the background of which, stress and uncertainty among the actors playing in the publishing sector made it difficult to approach them, citing lack of time and related time pressure, while dealing with challenging, unexpected issues.

### **4 Results and discussion**

The Romanian book market (Figure 1) is extremely small, both in comparison with the other national markets in the European Union (actually one of the smallest in the European Union), but also in relation to the national GDP – it represents less than 0.1%. Book consumption relative to the number of population (3-5 euros/year per capita) is far behind other European countries (former communist states included).

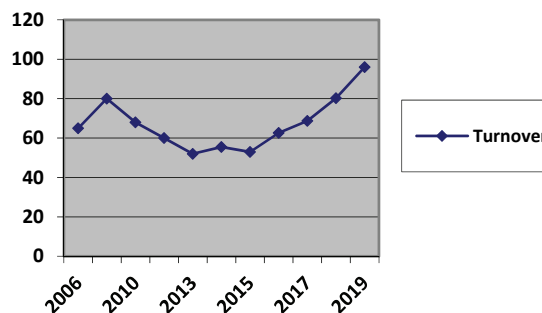


Figure 1: The size of the book market in Romania (Adapted from Grigore, 2013, 2014; Forbes Romania, 2015, 2018, 2019, 2020a, b)

The evolution of the book industry in the last decade has followed the pattern of the whole Romanian industry in the framework of a diversified and turbulent economic environment. It had a generally ascending evolution after 1990, with significant decrease during the global economic crisis (2008–2011). As result of declining per-capita income, the consumption of written books also decreased sharply, this being not an essential product for survival given that the vast majority of incomes were low. An interview with the founder of one major publishing house, reads that "best-selling books written by bloggers and celebrities that appear on television, colouring books for pre-schoolers and those for primary school children" (Iancu, 2017).

The crisis was followed by several years of market stagnation, amid fears of a population hit by an unexpected crisis, until the start of a new period of "shy" economic growth in the second half of the decade. Only in 2018, the book market returned to pre-crisis volume and had a positive trend until this year at the onset of the Covid-19 pandemic (March 2020).

An overview of the Romanian book market in the last decade is presented in the Table 1. Regarding the net profit of the publishing industry, from the data of the Ministry of Public Finance published by Forbes Romania (2020b), it varied between 8% and 12%, depending significantly on the inconsistent decisions of the Ministry of Education, to print alternative manuals or to return to the "unique" manual. And the number of publishing houses with a turnover over 1 million euros had a trend similar to that of net profit, being strongly affected by the volume of printed textbooks.

Table 1: The Romanian book market in a decade (2008-2019)

No.	Year	Turnover [mil. €]	Number of major publishing houses [turnover > 1 mil. €]	Net profit [mil. €]	Number of employees
1	2008	80	/	/	/
2	2012	60	/	/	/
3	2013	52	13	7.3	1164
4	2014	55.5	17	7.46	1159
5	2015	53	14	4.1	1159
6	2016	62.6	19	7.1	1469
7	2017	68.7	17	6.2	1396
8	2018	80.3	21	8.4	1394
9	2019	96	22	11.23	1192

Source: adapted from Forbes Romania (2020b) and the Ministry of Public Finance

The number of employees in the sector has been steadily declining, both due to relatively low incomes (they have migrated to better paid fields) and the technological and computerization of the field, as well as the efficiency policy of some managers in the field who preferred to work with collaborators in many of the “artistic” sectors of book production.

The data for 2020 are not final but many managers in the publishing industry agree that in the first six months, publishing activity has fallen by almost half, so they expect a contraction of the book market of at least 30% compared to 2019. Forbes Romania (2020a) publishes an interview with the director of a leading book publisher who estimates that, between March 15 and April 3, 2020, the publishing market has fallen by 70%, and it will probably return to the 2019 level in at least two years.

As Table 2 depicts the top of publishing houses, in terms of turnover, the first places have remained virtually unchanged and are occupied by large publishing groups. The evolution trend of publishing houses *towards publishing groups* arose from the need to diversify the book offer and to increase sales in order to maintain the market position in the uncertain economic climate of recent years. This is also reflected in the constantly growing turnover which further demonstrates the adoption of a professional management, able to face the challenges in the book production sector in this decade.

Table 2: The financial balance of the Romanian publishing houses in the period 2014-2019

No.	Publishing house	Turnover [mil. €]						Number of titles/2019
		2014	2015	2016	2017	2018	2019	
1	Litera Publishing Group	8.9	9.46	11.33	13.2	14.3	18.6	2117
2	Art Publishing Group	4.9	5	8.5	7.1	7.9	8.5	1285
3	Polirom	4.7	4.9	5.1	5.34	6	6.6	1620
4	RAO	3	1.6	0.99	0.06	2.64	2.8	1328
5	Humanitas	3.5	3.34	4.3	3.6	4.25	4.1	1164
6	Paralela 45	3.44	3.85	3.7	3.1	4	4.2	661
7	Trei	1.78	2.46	2.76	3.37	3.65	4.36	742
8	Curtea Veche	1.6	1.3	2.04	2	2.56	3.3	658
9	Corint	1.35	0.3	1.1	1.2	1.4	1.6	729
10	Nemira	1.83	1.55	1.5	1.65	1.74	2	510
11	Niculescu	1.3	1.4	1.46	1.37	1.14	1.1	462
12	Didactica	1	1.03	1.4	1.65	2.2	2.9	918

Source: adapted from Forbes Romania (2015, 2018, 2019, 2020a, b)

After an analysis of the top publishers, the validity of the conclusions from the study “Book Publishing Business in Romania” (Grigore, 2014) is still on, namely:

- the book market in Romania is a “zero-sum market”, more precisely the increase of the turnover of some publishing houses is due to the decrease of the turnover of others;
- competition in the market is practically between the same 12-15 large publishing houses (with turnover > 1 million €) throughout the entire decade;
- Romanian market remained the smallest in the EU, although it has grown in recent years;
- lack of transparency regarding availability of the economic data relevant to the activity of the publishing houses remains an issue.

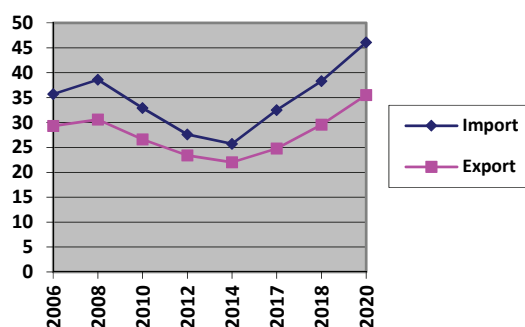


Figure 2: Dynamics of book import-export activity in Romania (Adapted from Grigore, 2013, 2014; Eurostat, 2011, 2016, 2018, 2019)

An important indicator of the activity of Romanian publishers, especially in terms of external visibility is given by the volume of exported / imported books (Figure 2). If until the global economic crisis (2008–2011), imports accounted for about 45-50% of the publishing house's turnover, after 2011 it was capped at about 20% (Grigore, 2014). Romanian book exports remained around 65-70% of the import value. After 2012, the trend of the volume of exported / imported books is increasing, following the evolution of the book market. The export of Romanian books is limited both due to the language that is not of international circulation, and to the lack of promotion of national literature and values abroad due to the disinterest of political decision makers in supporting the national culture.

The *technology development* and social order have always been the main levers that have driven the publishing sector evolution. The socio-economic changes induced by the accentuated globalization have greatly accelerated the development of book publishing, forced to face the explosive demand for information and knowledge in all fields.

The rapid development of digital technology has created a number of challenges and extraordinary opportunities for the publishing industry through multiple applications in the publishing production chain, starting with the creative and aesthetic side (Banou, 2017), writing and printing, and up to the promotion, highlighting and marketing of the book. All these have led to the simplification and sometimes even short-circuiting certain stages of the book production chain, thus increasing productivity at large runs and profitability at low runs.

Many of the publishing houses' activities have been transformed, such as: text taking, editing, book design, printing, publishing, distribution, promotion, marketing and advertising. In the case of small editions, new forms of publication have been adapted, such as on-demand printing and self-publishing. Thus, the IT revolution generated by the development of digital technology has left its mark on the publishing sector, which in recent decades has become a computerized industry, based on the latest technologies, standardized and systematized globally. It has had a major influence on the development of new digital technologies, tablets, smartphones and the emergence of 'low end' markets for them.

The increased interdependence between information technologies, communication networks and the publishing industry constantly shapes our behaviour, communication and the way of searching and consuming information, but also the forms of entertainment. These issues are currently leading to forms of segregation of consumers of information in terms of skills and access to technology. These are best seen in the inability to achieve unitary online school curricula, due to the limited focus on the internet and specific technology, of a large percentage of the population (generally rural and on the verge of or below the poverty line) (Stănciulescu *et al.*, 2019a, b, c; Stănciulescu, Scarlat, 2020).

The development of small and economical displays, with high resolution, allowed the emergence of smart devices for reading e-books and smartphones with media applications, which set a new direction for the consumption of the book, eliminating its physical support - paper, as well as all stages of the traditional book production chain. This qualitative leap in the field of publications was the biggest challenge in the publishing industry, forcing the players in the field to adapt quickly to new trends, to rethink their medium and long term strategies to face both the competition in the field and other forms of entertainment accessible on smartphones (access to social networks, games, movies, information) (Stănciulescu, Scarlat, 2020).

A closer look on the Millennials and Generation Z reveals an increased interest for both the written and electronic book – in general a large part of the population, with higher education and material possibilities. Lately, more and more young people appreciate the e-book that has benefited from many of the facilities offered by the media, gamification, augmented reality, videos, serialization *etc.*, redefining the artistic identity of the book and imprinting a convergent media trajectory.

Summarizing, over the last decade, the publishing industry has had to face major challenges due to:

- economic and social factors specific to our country that do not encourage book consumption;
- ambiguous and incomplete legislation, as well as the indifference of the political class to support the publication of books;
- the evolution of digital technology, smart devices and low-end markets for them, which have led to their widespread use among the population, allowing readers easy access to information, entertainment, communications and entire book libraries, on the same device always at hand;
- the particular characteristics of this period between two global economic crises (the global financial crisis 2008-2011 and the current one, caused by the Covid-19 pandemic).

### **Substitute products: e-books**

The written book still represents the majority of the publishing production. It is strongly competing for a number of alternative entertainment products that are accessible on personal phones. The direct threat to the written book is the electronic book (e-book) which, having different production, distribution and consumption compared to the traditional book market, has notable consequences in various components of the value chain. Thus, if paper is no longer a main book resource, the printing industry and – by influence – the writing paper industry are severely affected. At the same time, intermediaries such as traditional distributors and sellers are removed from the value chain, with mixed consequences: negative for the labour market but positive from the standpoint of final clients (the access to information is quicker and book price is lower).

The e-book market started slowly at the beginning of the decade, but grew sharply with the development of smart devices (smartphones and tablets) and their affordability for a wide range of book consumers, especially for Generation X, Millennials (generation Y) and Zoomers (generation Z). Enthusiastic users of digital communication technologies seek immediate access, anywhere, to information on the smart device at hand. Most publishers have taken advantage of this opportunity offered by technology and have developed the e-book segment by increasing it over time and increasing the number of potential customers (young readers).

If at the beginning of the decade, the Romanian e-book market represented an insignificant percentage, well below 1% of the Romanian book market, explainable by the high price of smart reading devices but also by the poor quality of the offer based exclusively on narrative content, involvement publishers in launching dedicated applications for tablets and smartphones, as well as improving their aesthetics by using specific media procedures, led to an increase in market share by about 20% per year, reaching in 2019 to about 5 % of the book market.



The growth of the e-book market in Romania follows the global trend and is due to several factors:

- the development of 'low end' markets for smart reading devices with the evolution of large and economical screen technology for them;
- the involvement of visionary publishers in the development of the e-book sector and of applications for tablets and smartphones;
- increasing the aesthetic quality and attractiveness of the e-book by using specific media processes with important effects in enhancing the content;
- quick access to new editorials;
- the relatively low price of the e-book compared to the written book;
- free titles offered by publishers through social networks for advertising purposes or to retain readers;
- conditions for keeping written books - libraries, large spaces;
- restrictive reading conditions - at the office, in the means of transport, in bed;
- reprinting famous titles, personalized forms and children's books, which can be read in bed with parents;
- development of online bookstores and specialized e-book stores;
- increasing number of current users of smart digital technologies with the growth of new generations of young people (Y, Z and Alpha).

Substitutes with a high impact on the book consumer are movies with book scripts and audio books that are much easier to track by very busy readers.

### **The price of written and e-books**

The price of the written book is limited by the cost associated with the value chain of production. The development of technologies specific to the publishing industry has simplified this chain and, in the case of self-publishing, some components of the chain have been short-circuited. However, the lack of regulations in the field and the high costs of distribution, storage and sale have made the price of the book constantly increase both in the European Union and in Romania. An Eurostat study (2017) points out that the average price of books in all European Union countries has been lower than the "harmonized index of consumer prices" (HICP-EU). The decade 2010-2020, being a warning to consumers about the possibility of economic crises and declining incomes, partly explains the weighted rise in the price of books, which for most people are not essential goods.

### **Impact of the current corona-crisis as compared to the global crisis (2008-2011). Consequences**

By the end of last year (2019), the Romanian book market reached approximately €100 million, the highest value in a decade. From this value, €35-to-40 million is represented by textbooks and other auxiliaries needed for the education system.

The Covid-19 pandemic, which occurred unexpectedly, took the entire publishing sector by surprise, especially due to the measures of distancing and social isolation imposed by the government. Thus, in a single month (March 15 – April 15), the closure of bookstores led to a fall of about 70% of the book market (Micu, 2020).

According to the Romanian Publishers Association, there are about 250 bookstores in Romania. Their opening, under the relaxation measures set by the government, could bring the book market up to about 50-55% of the pre-coronacrisis level. This effect will hit hard the small and medium publishing houses, mainly those focused mainly on book publishing, due to lack of orders and editing delays.

Unlike the 2008-2011 period, when the economic crisis was more foreseeable and its consequences on the income of the population were announced, the economic crisis of 2020 as a result of the Covid-19 pandemic started suddenly, taking by surprise the entire economic sector but especially the book publishing field, by closing bookstores, blocking the publishing activity, book fairs, launching new titles, etc. (Scarlat, Stănciulescu, 2020).

At the beginning of the 2008-2011 economic crisis, publishers benefited from a certain period in which they took measures to reduce the foreseeable effects, reduced their activity and non-essential costs, in order to survive in the market. In the absence of state support, the activity stagnated around 65-70% of the book market in 2008, the return being extremely difficult because only in 2018 (after 10 years) the total turnover was reached before crisis.

The unanticipated coronacrisis produced a fall of approximately 70% of the book market in 2019, affecting publishers and bookstores as well as distributors, authors, graphic designers, etc. The measures taken by the managers in the sector were initially purely administrative, namely the dismissal of non-essential staff, the technical unemployment of the staff affected by the lack of orders, the drastic reduction of certain expenses by organizing "work from home". This was followed by a massive migration of online publishing activity, especially promotion, advertising, marketing and retail activities, as well as reorientation measures towards certain categories of books requested especially by young people, namely: science-fiction, fantasy and bestsellers as well as e-books.

In just a semester, the online book trade has increased, mainly due to the closure of bookstores, but the increase only slightly compensates for the lack of sales through bookstores. From this point of view, the publishing houses and publishing groups that have already developed an important segment of online sales and e-book production, as well as the big retailers in the field such as Elefant.ro and Libris.ro, have some advantages (Scarlat, Stănciulescu, 2020). The return of the second wave of the Covid-19 pandemic and the isolation measures imposed by the government, as well as the uncertainty about its evolution and duration, greatly complicates any analysis that would aim to estimate how, duration and consequences of return to normal of activity in the publishing industry.

### **Trends in the development of the book industry in the next decade**

Today's society is engaged in a rapid process of increased globalization. Romania's reaction possibilities are reduced – economically, socially and culturally. In the publishing industry, the trend will be imposed by the great economic and cultural powers of the world. New information technologies clearly outline the future evolution of the book industry towards the standardization of production equipment, as well as the forms of promotion, advertising, marketing, distribution and sales.

The written book will remain for a long time in the preferences of a wide range of educated readers in this system, but over time it will become a collector's item for most new generations. The e-book will have a rapid growth trend due to the sharp increase in its aesthetic and informational value through the use of specific media procedures, as well as due to the increase in the number of readers from young generations, frequent users of smart reading devices.

The first years of the next decade will be difficult for the book industry to adapt to the new working conditions imposed by the Covid-19 pandemic. Thus, social distancing, isolation, working from home, changing the population's perspective on the consumption of non-essential products and the general decrease in household income will continue the period of reduced demand for written books started in March 2020.

Uncertainties regarding the end of the pandemic lead to major fears among publishers and managers in the field of resuming the growth of book production and consumption and reaching the pre-coronavirus 2019 level.

In the second half of the next decade, with the generalization of 5G technology, new opportunities and innovative publishing and business models in the publishing field will emerge that will set a convergent trend with media technologies.

## **5 The book publishing industry in the last decade: Conclusions**

This analysis tries to outline the evolution of the publishing industry in the last decade, through the essential vectors of the book market, with major influence in the structural transformations in the field.

- a. The specific problems faced by the publishing sector during this period, generated by the economic crisis of 2008-2011 and the Covid-19 pandemic, superimposed on an extremely rapid technological evolution, imposed massive adjustments and restructurings in the system and stressed the need to accelerate the succession process to the next generation of leaders, better prepared to face the threats and opportunities of a very tough time for the book industry.
- b. The publishing business is Romanian and mostly family business characterized by a prudent management style, without risky investments, focusing more on maintaining the business in the market and on family values, and less on maximizing profit. All this results from the analysis of turnover and publishing profit.
- c. Thus, despite the difficulties caused by the economic crisis 2008-2011 and the lack of state aid, the bankruptcy rate was low, the book market falling for a period of 5-6 years by about 30% compared to the level before the economic crisis. In 2019, the book market has grown to the level of about € 100 million, remaining the smallest market in the European Union and with the lowest per capita book consumption.
- d. Book exports remained around 20-25% of the book market, being limited both due to the language without international circulation but also due to the disinterest of policy makers for national culture and its promotion abroad.
- e. The post-crisis implosion of printed book market and emergence of surplus printing space have boosted the vertical integration of major publishers by purchasing printing houses and developing publishing groups to diversify the book supply in the market as a solution to increase turnover.
- f. Publishing groups have dominated the Romanian book market for the last decade by adopting a professional management.
- g. The explosive development of information and communication technology has imposed the framework of the evolution of the publishing industry, which has acquired the characteristics of a high-tech field, benefiting from the opportunities offered by digitalization.
- h. Substitution products have been developed: audio books and e-books, with better and better aesthetics and media functions as photos, videos, augmented reality, gamification etc.
- i. The transfer of certain activities from the production chain to the online environment and the use of social networks have intensified, with the Covid-19 pandemic that imposed social isolation and distancing, being the main way to reduce losses caused by the closure of bookstores.

It is clear that the pandemic and the economic crisis that is looming in the next period are major threats to the book industry. It will have to restructure, reinvent itself and find innovative ways to adapt to a market totally changed by both post-Covid-19 human behaviour, focused on drastically reducing non-essential spending, and new ways of consuming the book, oriented towards the online environment and smartphones.

## 6 Recommendations for managers in the publishing industry

Given the difficulties and threats that book industry should face in the coming period, some resulting recommendations are listed below.

- a. Changing the way of doing business by using information about the behaviour and needs of the book consumer.
- b. Emphasizing the book as a commodity, not discounting (abstracting/not giving up at) the informative, formative qualities and its artistic quality.
- c. Accelerate the process of business succession to the new generation, ready to face threats and take creative advantage of the opportunities offered by new technologies.
- d. Focusing on complex marketing studies to know the target audience, an important condition for orienting the publishing activity (who, what, how much he reads, what they want to read - the level of expectations - in order to increase the number of readers and sales volume).
- e. The use of aggressive and multiple forms of promotion, publicity and advertising for editorial production through authors, recognized public figures, influencers, artists, through all media channels but with a focus on television, in shows with a large audience because is the main means of entertainment for most citizens.
- f. Orientation of publishing production at the request of the book consumer and less on elitist or niche editions.
- g. Constant concern for building and improving the company's brand and the artistic identity of the book, easily recognized by loyal readers.
- h. Focusing on activity in the online environment, on social networks, e-books, e-commerce.
- i. Giving maximum interest to the adaptation of publishing production for smartphones - the most widespread access devices in the online environment of the population.
- j. Active and creative approach to the opportunities offered by the new 5G technology being assimilated in Romania.
- k. The organization of the publishing sector and the insistent demand for the involvement of decision-makers from the Ministry of Culture in harmonizing the legislation in the field of book publishing and in subsidizing publishing houses in crisis situations and for external promotion.
- l. Re-engineering of publishing houses to achieve distance from work and work at home for the period of the Covid-19 pandemic and post-pandemic.

## 7 Research limitations and future research pathways

The analysis made in this article on the publishing field is incomplete and limited due to the particular vision on the business of book producers and the restrictive conditions caused by the Covid-19 pandemic. The main limitations are given by:

- The low number of studies and analyses on the publishing industry;
- Lack of transparency in the industry regarding the activity, projects and economic performance;
- Lack of official statistical data on the economic activity of this industry due to its low share of GDP;
- The difficulty of conducting a larger number of interviews with leaders and managers in this sector due to the isolation conditions imposed as a result of the Covid-19 pandemic.

The publishing industry is relatively weakly present in studies and in-depth reports of economic analysts in Romania. Regarding the future of the field, it is foreshadowed quite vaguely, more in interviews with leaders in the field or in conferences organized by the Ministry of Culture, where the publishing sector is superficially analysed.

Taking into account the trend of increasing the share of e-books and the migration of publishing activity to the online environment, especially in pandemic conditions, more, in-depth research is needed on:

- Prospects for the e-book development in the next decade;
- Newer ways of promoting, advertising and selling the book using social networks;
- Convergence of the book publishing sector with the media through the use of specific procedures.

At the same time, the editorial system must be prepared for the opportunities that 5G technology can offer them in the field of communications (being assimilated in Romania).

An important issue, which has not been analysed in any study, is the succession in the family business in the publishing field and the impact of this process on the future evolution of the book publishing industry.

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