

GOING OUT OF BUSINESS

BORDERS

THE WORLD OF PUBLISHING: THEN & NOW

To understand where we are now, you've got to know how far we've come. Here's a quick look at the history of the modern publishing industry as we know it.

BY KERRIE FLANAGAN

amazon

The early pioneers of modern-day publishing were visionaries, eager to make a name for themselves. Around the turn of the 20th century, the New York publishing houses were born, creating the foundation for the key players we know today. In the years that followed, we saw publishing houses merge, trade paperbacks gain popularity, innovative ways to sell books emerge, and big-chain bookstores open across the world.

Yet the basic publishing model, where the “big houses” ruled the business, remained until the onset of the digital age in the 1990s. The surge of new technology for printing and distributing books combined with the rising importance of the internet and the explosion of self-published books began to disrupt the system because authors no longer needed the big publishing houses to get their books into the hands of readers. Self-publishing and smaller presses were on the rise, competing with the big houses for market share. New visionaries stepped in, pushing the big publishing houses to examine old models and evolve with the times.

THE HISTORY OF THE BIG 5

The term “Big 5 publishers” refers to five key publishing companies located in New York City. For many authors, finding an agent and getting a book deal with one of these publishers is the ultimate goal.

Penguin Random House

In 1927, friends Bennett Cerf and Donald Klopfer acquired a publishing imprint that reprinted classic works of literature. Explaining their chosen name, “Random House,” Cerf said the initial plan was to “publish a few books on the side at random” – a plan that included James Joyce’s *Ulysses*.

As for the “Penguin” side, Sir Allen Lane, his brothers Richard and John, and V.K. Krishna Menon came together in 1935 to form Penguin publishing. An innovative thinker, Lane wanted to make paperback editions of classic literature available to the general public for the price of a pack of cigarettes and make them available in places other than bookstores, such as train stations, tobacco shops, and department stores. Woolworth then came on board with an order of 63,000, and Lane knew the team had found a successful model. The Penguin team also created the “Penguinator,” a book vending machine designed to make books more accessible to the London public, in 1937.

In 2013, to stay competitive in the new Amazon-driven digital age, Penguin and Random House merged and now publish over 15,000 titles each year, comprising more than 250 imprints, including historic imprints Viking and Knopf.

HarperCollins

In 1817, James and John Harper, two brothers in New York City, opened a small family printing shop; two years later, Chalmers & Collins Bookshop and Printing Works opened in Glasgow.

Over the years, the Harper brothers often showed their creativity and innovation. One way was offering prepackaged libraries, where customers could acquire a collection of books instead of only buying one. In 1926, they formed their Department of Books for Boys and Girls. A few years later, they published Laura Ingalls Wilder’s books, then went on to publish Maurice Sendak, E.B. White, and Shel Silverstein.

Initially, Chalmers & Collins struggled – Chalmers left the company in 1825 – but later found success by printing educational and religious texts like the King James Bible, which the business acquired the right to reprint in 1839. The company later branched out to fiction in the 20th century, ultimately acquiring legendary bestselling mystery author Agatha Christie. Like the Harper brothers, Chalmers & Collins also found success with children’s books, such as Dr. Seuss’s *The Cat in the Hat* and *Green Eggs and Ham*.

Simon & Schuster

Dick Simon (the singer Carly Simon’s father) and Max Schuster, both Columbia graduates, approached publishing with an entrepreneurial spirit in 1924. The idea for their first project, a crossword puzzle book, came about when Simon’s aunt was looking for one for her daughter. There was nothing like it on the market, so Simon and Schuster published one, only to have it become a bestseller with over 100,000 copies sold. They released three more crossword books that year and continue to publish them today. Always thinking of new ideas, Simon and Schuster created the children’s line Little Golden Books in 1942. They decided to release 12 different books each with a print run of 50,000 copies. The books

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sold for 25 cents (instead of the \$2-\$3 that was typical of that time). In only a few months, they were on their third printing and had sold over 1.5 million copies. Today, Simon & Schuster is part of the CBS Corporation.

Hachette Book Group (HBG)

The mission of Hachette Book Group, owned by Hachette Livre in France, is “to publish great books well.” The original company was formed in 1826 by Louis Hachette. Hachette continued to expand over the years, most notably in 2006 when Hachette Livre bought Time Warner Books (including the Little, Brown imprint) from Time Warner in 2006. Each year, they publish 1,400+ adult books, 300 books for young readers, and 450 audiobook titles. In 2009, HBG announced its commitment to the environment and led the way for other publishers with its new environmental policy, which included progressive goals on recycled fiber use in creating books, greenhouse gas emissions, responsible paper sourcing, and a wide range of other initiatives.

Macmillan

Macmillan is well-known for its educational books, children’s books, and textbooks, but it has also published many well-known fiction authors. The company, founded in 1843 by brothers Daniel and Alexander Macmillan from Scotland, was located in London. In 1869, they opened an additional office in the U.S. in New York. One success story for this office was Margaret Mitchell’s *Gone with the Wind*. The book, published in June of 1936, sold over 500,000 copies in the first three months. Macmillan also published James Herriot and Madeleine L’Engle, among many other notable authors.

BOOKSELLING OVER THE YEARS

Early in history, many book printers also sold their books at their printing presses. Then stores dedicated solely to the selling of books from multiple presses opened. Bookstores had control over which books they carried and which titles they wanted to market. Moravian Book Shop in Bethlehem, Pennsylvania, the oldest bookstore in the U.S., opened its doors in 1745 and continues operation today.

In 1926, copywriter and mail-order expert Harry Sherman (along with two partners) wanted to combine his knowledge of marketing and love of literature and try a new way to sell books. The Book of the Month Club (BOMC) was born in April of that year when 4,750 members were sent the first club selection. By the end of that first year, membership exploded to more than 46,000. In the early years, books were offered at full price with additional shipping fees. Eventually, BOMC worked with publishers to provide discounts on selected books to its members. The club’s popularity grew, and by the 1950s it was selling nearly 5 million books each year. During the early 1990s, when chain

bookstores came into the market with even larger discounts, the company struggled, and it officially ceased operations in 2014. However, the company soon re-launched again in late 2015 under new management and with new ideas.

The arrival of the big bookstore chains

In 1971, the first Borders opened its doors in Ann Arbor, Michigan, and its owners began opening other stores. The first Borders “superstore” opened in 1985 and included an in-store coffee shop and a music section. This model became the prototype for other bookstores like Barnes & Noble, B. Dalton Bookseller, and Waldenbooks. Discounts were high – a boon for customers but a bit of a challenge for publishers, which now had to rely more heavily on their bestselling authors to make a profit. Toward the end of its 40-year run, with over 500 stores around the country, Borders struggled to stay in the market. The digital age had hit, changing how customers shopped, and many superstores did not fully realize the impact of the rise of digital products like eBooks and digital music downloads until it was too late. Customers browsed to find products at superstores, only to buy what they found on Amazon for a steeper discount. B. Dalton closed their stores in 2010 and Borders and Waldenbooks soon followed in 2011, leaving Barnes & Noble as the last chain standing, though struggling. After a series of store closures and changes in management, the store was sold to a British hedge fund in mid-2019 and is now helmed by CEO James Daunt, an Englishman who successfully revived Waterstones, a similar bookstore chain in the U.K.

THE DIGITAL AGE

From the 1950s to the 1970s, electronics slowly changed from analog to digital technology. By the time the 1980s rolled around, computers had risen in popularity, bringing new technology to more people. Each new advancement brought changes and new possibilities that eventually altered how people bought, read, and even published books.

The internet goes mainstream

In 1991, the world wide web became available to the general public. This was a pivotal point in history: Information could now be shared instantly, and people could connect with others anywhere in the world. Fan fiction grew, especially in the sci-fi and fantasy realms, thanks to sites like Fan-

Fiction.net. This led to the launch of other sites, such as Wattpad, in the mid 2000s and the discovery of authors like Anna Todd, who, after garnering a billion reads on Wattpad, was offered a publishing deal with Simon & Schuster.

The rise of Amazon

One of the biggest advances to hit the publishing world was the launching of Amazon in 1994. Its mission and vision statement read: “Our vision is to be earth’s most customer-centric company; to build a place where people can come to find and discover anything they might want to buy online.” The success of the site changed consumer buying habits; as a result, more than half of book sales in the U.S. now occur online.

Print on Demand (POD) and the growth in self-publishing

Authors have been self-publishing books for centuries, including Mark Twain, Beatrix Potter, and even Stephen King. The author oversees the content, editing, cover, and layout of the book. In the past, it also entailed finding both a printer to print the books and a way to distribute them. In 1998, Ingram changed that with its print on demand option, Lightning Source, making self-publishing a more feasible option for authors. Thanks to digital printing technology, books could be printed when needed instead of requiring a large print run all at once. POD also allowed smaller independent presses outside of the Big 5 to flourish since they no longer required the physical space or finances to maintain a large inventory; instead, presses could purchase a small print order of any given title and reorder based on demand.

In the mid 2000s, Amazon joined the game when it acquired the POD company BookSurge and then launched CreateSpace (which is now Kindle Direct Publishing, or KDP). This allowed authors not only a place to have their books printed but also an avenue to distribute them through the Amazon online store. Other companies, like Lulu and BookBaby, joined this movement, which provided more options for authors to get their books to readers, no longer requiring a reliance on traditional presses to publish a book.

Digital books

As part of Project Gutenberg, which makes public domain documents and books available to people for free, founder Michael Hart published the Declaration of Independence as the first digitized book in 1971. This helped pave the way for books

in the Digital Age and broaden the possibilities of what was currently available.

By 1998, the first handheld e-reader, the Rocket eBook, was released. The following year, Simon & Schuster created a new imprint called iBooks, becoming the first trade publisher to publish some of its titles in print and eBook format simultaneously. In 2000 Stephen King released the first mass-market eBook, a novella exclusively distributed online, selling 500,000 copies in 48 hours. Random House and HarperCollins began to market digital books as well.

In 2007, Amazon launched the Kindle e-reader along with the Kindle Store, which contained more than 88,000 eBooks. The e-reader sold out in 5.5 hours. It wasn’t long before others joined this movement. Soon after Barnes & Noble released the NOOK in 2009, the Canadian-based digital book company Kobo joined the market and Apple’s made e-reading easy with their popular iPad. Today, there are reading apps that allow users to consume eBooks on most smart devices, so even e-readers are no longer necessary.

Audiobooks

The first audiobooks were created on vinyl records in the 1930s for consumers with visual impairments. By the 1960s, they were recorded via cassette tapes and then CDs in the 1980s. As technology improved with cassettes and later CDs, the big publishing houses opened audio publishing divisions. Today, smartphones and smart speakers such as the Amazon Echo and Google Home give consumers the ability to listen just about anywhere; as a result, audiobooks have become the fastest-growing segment of the publishing industry. According to the Audio Publishers Association (APA), audiobook sales in 2018 totaled more than \$940 million, up 24.5% over 2017, and unit sales were up 27.3%. Over 44,000 audiobooks were published in 2018. The most popular genres continue to be mystery, thriller/suspense, and sci-fi/fantasy. Similar to other areas of publishing like eBooks and POD, modern technology has made it more affordable for self-published authors to also create audiobooks and take advantage of this rising market.

We live in an exciting era where the publishing industry has evolved to become a place with many opportunities for authors to get their books out to readers, whether it’s via the traditional publishing market or self-publishing. And one thing is apparent over the course of history: There will always be a desire for the written word, regardless of whether they come in the form of a print book, eBook, or audiobook. 📖

Kerrie Flanagan is a freelance writer from Colorado who moonlights in the world of romance with a co-author under the pen name C.K. Wiles (ckwiles.com) as well as the fantasy realm under the pen name C.G. Harris (cgharris.net). She is a writing consultant, speaker, and author of eight additional books under her label, Hot Chocolate Press, along with the *Guide to Magazine Article Writing*, and she is the creator of *Magazine Writing Blueprint*. KerrieFlanagan.com