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The Digitization in the Spanish Publishing Industry

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Abstract

The purpose of this chapter is to analyze the impacts of technological change in the Spanish publishing industry and see how it is adapting to the new digital environment. This work provides a deep insight into the Spanish publishing industry through the collection of available data, mainly from secondary sources of information, both public and private, and from a review of a great number of documents from different sources, grouping all the data obtained to generate a time series, allowing to glimpse the state and evolution of digitization in the Spanish publishing industry along these almost 20 years. This chapter refers to the new business models emerging from digitalization, ending with some conclusions, recommendations, and future lines of research. This chapter is not just trying to be a journey through the past, present, and future of the book industry in Spain, but it pretends being the first step to continue investigating these and other aspects in a deeper way.

Keywords: digitization, publishing industry, innovation, print on demand, business model, digital content, e-publishing, e-book, Spain

1. Introduction

As with music [1, 2], film industry [3], and advertising [4, 5], publishing industry is living a relevant process of technological change: the transition from analog to digital formats [6–8]. As a matter of fact, it is undergoing a profound transformation as a result of the step to digital world, as much in terms of new products offering technical changes operated on processes of production and market distribution, and extended along the whole value chain [8–12]: from the very definition of what can be understood as a book to the different ways of producing and distributing it [13]. This change challenges existing business models and encourages companies to re-examine as much their product portfolios as their core competencies [14, 15]. Despite the examples of digitization in other creative industries, what is not clear for the publishing one is the model to follow in its digitalization process [7, 14, 15], notwithstanding that publishing companies will not be impervious to technical change and that, therefore, current publishing ways will be modified in future [8, 16, 17]. Specifically, many companies operating within have had to face the new challenges posed by all the innovations and technological changes associated with the Internet, the e-book, or print on demand, among others [18, 19].

At the present time, due to new technologies and the chance of outsourcing both services and industrial processes, the possibility of publishing a book becomes increasingly achievable [19]. Digital publishing is a new mode of publishing where content is created, published, and produced using only digital technology, and

digital products or services are broadcast online [20, 21]. It offers the possibility of having the content in various formats (paper book and e-book) and display modes, depending on customer's preferences [19, 22]. In short, on-demand publishing and e-books have caused, since Gutenberg and his printing press, the greatest transformation in the publishing industry [6].

Technology plays a key role in the current structure of the publishing sector. Publishers are adapting their strategies both to the new demand for digital content and the new emerging technological devices, but not leading this evolutionary process [14, 23].

Over the last 5 years, within the publishing sector, new players have emerged offering innovative solutions to aggregate and distribute the content, establishing marketing and transaction terms suited to this new framework [19]. Hence, the weight of technology equals the weight of intermediaries [24] and economic agents supporting them: Google, Amazon, and Apple are representative examples.

The Spanish publishing sector has an important weight within the so-called cultural industries, due to its return, jobs offered, and its power of growth and development from the innovations and technological changes assumed.

The Spanish publishing industry is among the most powerful in Europe, being one of the most internationally renowned [14]. Spain remains among the world's leading publishing powers, ranked as the fourth largest publishing power in the world (both in production and in turnover), followed by the United States, the United Kingdom, and Germany [14].

Among the cultural industries in Spain, the publishing sector is the one generating the greatest wealth. According to data from the [25], the annual revenues obtained in 2016 by Spanish publishing companies amounted to 2317.20 million euros and generated 12,608 direct jobs. To this figure, the indirect employment linked to the rest of the activities associated with the book chain should be added. The publishing sector is, in fact, an important source of employment: in 2015, the cultural employment in Spain, as a whole, provided 515,000 jobs, which is 2.9% of total employment in Spain. Direct employment in publishing companies increased yearly until 2008, when, as a result of the great crisis, it began to decrease until 2015, at which point a slight upward trend in job creation appeared to be confirmed.

At present, nearly 40 Spanish publishers have subsidiaries in 32 countries [14], mostly in Latin America (80%) and Europe (13.3%). On the other hand, within the ranking of the 56 most important publishers in the world by turnover, we have two Spanish groups: the Planeta group and the Santillana group, ranked 10 and 36, respectively, according to the data corresponding to 2016.

There are more than 3000 publishing companies of private capital in Spain, although the vast majority publishes less than 10 titles per year, and the sectoral structure is mainly comprised of small and medium enterprises, and where more than a quarter belongs to a business group.

The turnover of the publishing sector in the domestic market exceeds 2000 million euros and, whether one takes into account the size of the publishing companies is noted where large publishers generate 61.5% of turnover, the medium ones 25.9%, and the smallest publishers accumulate about 12.6%.

Despite technological advances and the development of electronic commerce, 52% of sales of paper books are channeled through bookshops and chains of bookstores. Only 1% is sold through the Internet. Nevertheless, the market dynamic and the emergence of the Internet have brought the sector about a direct distribution, namely toward a reduction of middlemen in supply chain or the redefinition of their roles.

The main goal of this chapter is to analyze the impacts of technological changes in the Spanish publishing industry and see how it is adapting to the new digital environment. For that purpose, a descriptive study on the sectoral structure of the Spanish publishing industry is conducted to underline the paramount qualitative changes operated within it, such as the emergence of e-books, publishing on demand, and the new business models.

2. Structure of the Spanish publishing sector

There are very different businesses in size (both in size and in turnover), productive specialization, in terms of working conditions and the model of labor relations within the Spanish publishing sector, where it coexists from large multinational groups to small companies of almost artisanal production.

Regarding the market share by size, it can be observed that (a) small publishing houses only represented 37% of the Spanish publishing structure in 1996, while two decades later, they accounted for 75% of the total, (b) medium publishers lost one percentage point, going from 11.7% in 1996 to 10.9% in 2016, (c) large publishers remain very stable, representing around 3%, and (d) only 26.7% of the total of publishers belongs to some business groups.

In 2017, the Spanish publishing production was developed by 3032 publishing agents. Nonetheless, during these last 20 years, the outgoing companies are much higher than the new ingoing ones. This is due to the fact that technological changes are challenging the existing business models and encourage companies to re-examine their product portfolios and their basic competencies [14, 15], which implies that many of the companies decide leaving the market not adapting to the new changes.

As shown in **Figure 1**, since 1996, there are 9% fewer publishers in Spain, a trend that will be continued in future.

Figure 2 shows the annual evolution of the average print run per title published in Spain from 1996 to 2017 (in thousands of copies) which, as can be seen, has been progressively decreasing: in 2017, the average print run was of 2743 copies, while in

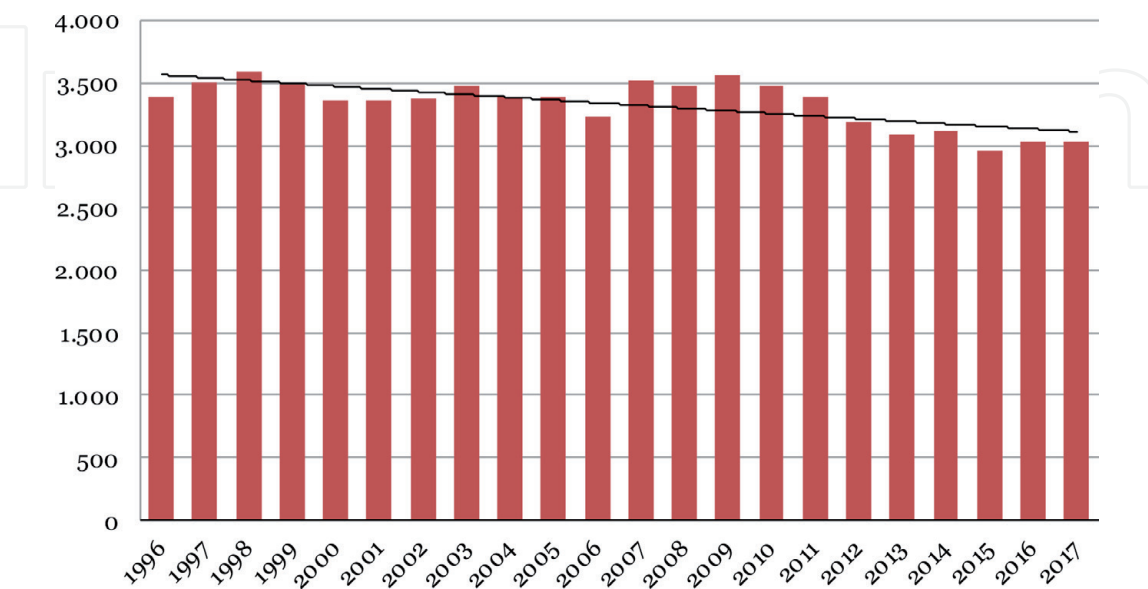


Figure 1.
Number of Spanish publishing companies (1996–2017). Source: own elaboration based on the data published in the *Panorama of the Spanish edition* (Ministry of Culture and Observatory of the Book in Spain).

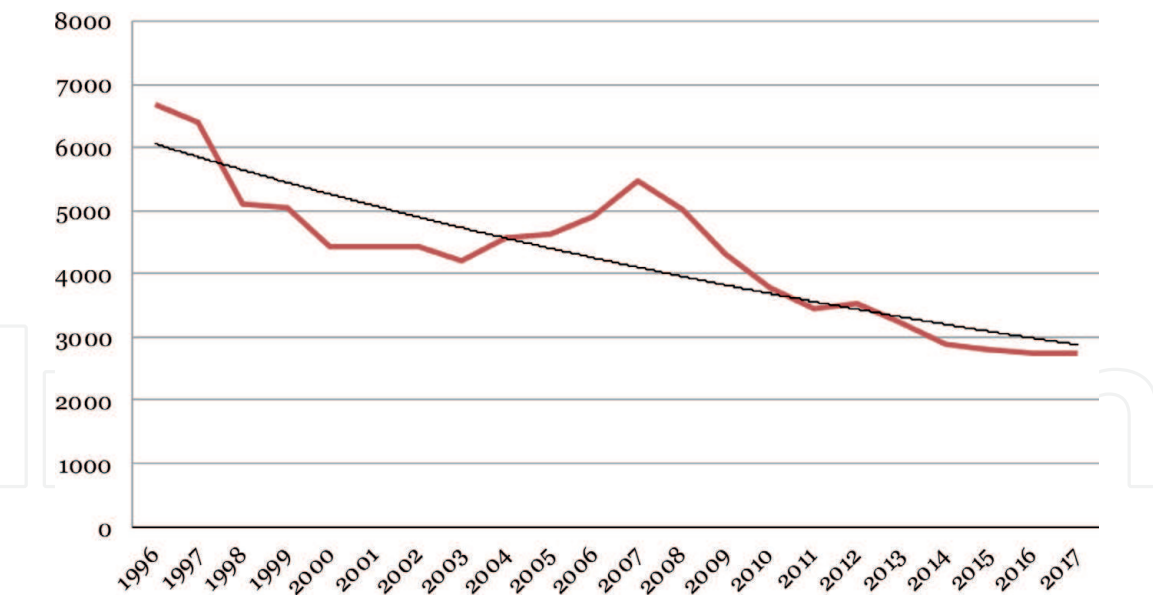


Figure 2.
Annual trend of the average print runs per title published in Spain (1996–2017). Source: own elaboration based on the data published in the Panorama of the Spanish edition (Ministry of Culture and Observatory of the Book in Spain).

1996, it was of 6670 copies, which meant a reduction by 59% for the period considered. However, there is a circumstance that, in the Spanish publishing market, works with significantly large print runs coexisting with other ones that barely reach 1000 copies.

Analyzing the data of the Spanish ISBN agency, it should be noted that it registered, for the first time in 2000, titles in the form of Internet file, but it is from 2012 when the new technologies burst with force, with the use of new formats. Since 2010, the number of publishing companies producing in electronic format has increased by 70%. In case of Spain, the electronic publishing experienced a significant increase in recent years, mainly in the Internet archives segment. New publishers emerge exclusively devoted to digital books, while many others publish in both formats. In 2017, 87% of titles published in digital format were also published on paper, and only 13% were published solely in digital format. These figures lead to the following conclusion: there is a duality in the publishing work, due to the same title frequently published in both the formats.

Figure 3 shows the annual evolution of the number of e-books published in Spain between 2007 and 2017. In 2017, 28,433 digital books were registered in Spain, representing almost 30% of publishing production, while in 2008, it only represented 2.4%.

The development level of the e-book market in Spain follows a similar line to that of many other countries in our environment, with the exception of the United Kingdom, the leading country behind the United States [14]. In the case of Spain, the e-publishing experienced a significant increase in recent years.

It is concluded that the Spanish publishing activity shows a series of trends taking hold in recent years. In particular, it is worth highlighting: (a) the progressive shortening of the life cycle of books in the market; (b) the existence of more titles, but also fewer copies, that is, the decrease of the average print run; (c) the decline in printing and publishing, as a result of the growing commitment to digital publishing; (d) the reduction of public and private publishers; and (e) the diminished number of copies sold.

Therefore, the appearance and popularization of e-books, reading on digital media, the emergence of self-publishing and distribution platforms, the possibility of making short print runs on demand, or the birth of exclusive e-publishing houses [6] provides the basis for a reorganization not yet completed [19].

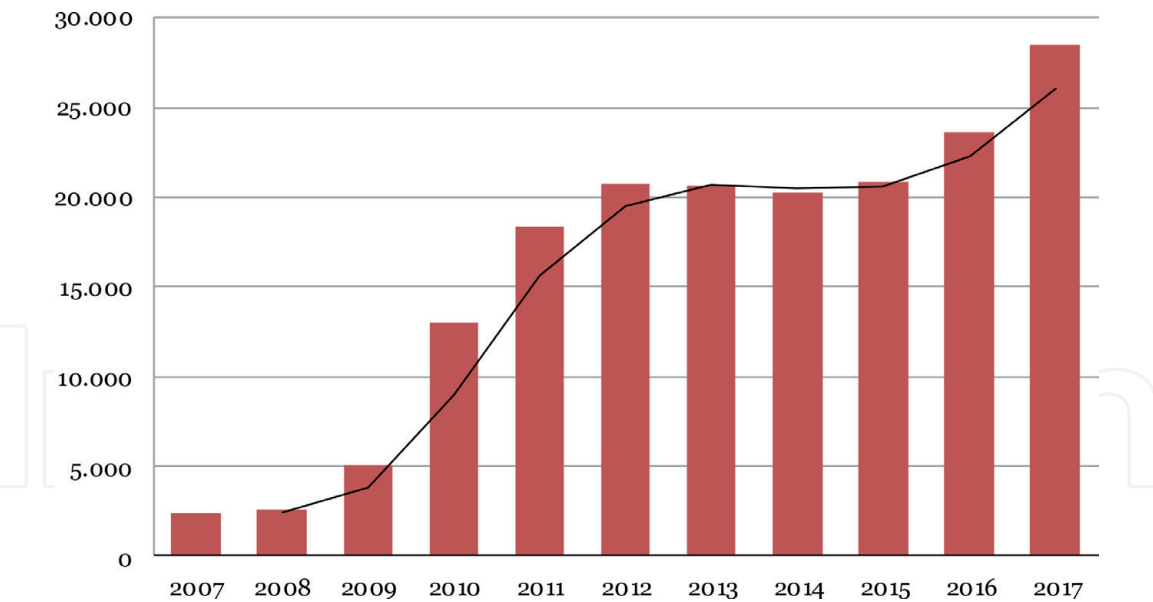


Figure 3.
Annual trend of the number of e-books published in Spain (2007–2017). Source: own elaboration based on the data published in the Panorama of the Spanish edition (Ministry of Culture and Observatory of the Book in Spain).

3. Qualitative changes in the Spanish publishing sector

The new environment of the Spanish publishing sector goes hand in hand with technology evolution [14]. Digital technology eliminates geographical boundaries inherent in printed publication, and the physical distribution channels associated with traditional publishing models are modified [10]. New productive processes are incorporated, leaving room for new ways of understanding the book. Finally, the contents have been disconnected from support [26].

However, not only innovations have taken place in the way of materializing the publishing work, that is, in the chosen support or format, but also in the production processes: the appearance of digital printing on demand (POD) is also modifying the way of publishing the printed books [27].

The POD is transforming the way publishers offer paper books; that is, it is no longer necessary to print several copies from a title and wait for them to be sold: with this system, any title can be offered in a library or platform, where an order is produced, then it is printed, and sent to the client [28]. In this way, the publisher need not make a significant investment in production, reducing, in this way, the business risk. In addition, a publisher does not need to store the remaining unsold print runs, avoiding returns from bookstores and distributors [29].

The Spanish publishing sector could not be understood, currently, without linking both process and product innovation. On the one hand, new products are developed, such as e-books, but on the other hand, the production processes of the books are improved, both in terms of paper and electronic formats, to which new features are also added, such as augmented reality and printing on demand, thus integrating design and manufacturing technologies [19, 30–32].

3.1 e-Book

In a seminal sense, the book is the raw material of knowledge, culture, and information [19]. Therefore, the essence of the book would lie in its content, not in its form [21].

There are multiple definitions of e-books [33, 34]. An electronic book can be considered: (a) a digitized version of a book in paper form to be viewed on a specific

e-device [35], (b) any work readable on the screen [6], (c) the reading device in itself [6], and (d) any digitized file capable of being downloaded and decoded in e-devices for reading and viewing [36].

In short, an e-book is a digital file that needs two integrated elements in order to be decoded: a physical reading device—hardware—and a decoding program—software—enabling to interpret the content of the file [20].

The book, as a way of communication whose traditional form has been paper, is currently at a crossroads due to the defiant and disruptive emergence from e-books, challenging the existing business models in publishing industry and promoting organizations to re-examine as much their product portfolios as their core competencies [6, 14].

Regardless of its qualities as a product, the e-book has changed both the way of reading and the way in which a reader can approach a text. In case of Spain, e-publishing experienced a significant increase in recent years, mainly in the Internet archives segment [37]. It will be with the launch of the Amazon Kindle and the Apple iPad when the distribution and commercialization of the e-book begins to develop [38, 39], suggesting that one of the constraining factors, within the digital publishing industry, was the lack of an e-reader sufficiently sophisticated to attract readers to the digital domain [20].

In addition to the product innovation boosted by e-book, in recent years, other product innovations have also been adopted [39], such as: (a) audio books and (b) “bridge” books. Regarding the improvement of the characteristics of such publishing products, the following must be highlighted: (a) the augmented reality, in both forms—printed and electronic forms, and (b) the QR codes, in printed books [19].

An audio book is the recording of the contents of a book read aloud. It can be narrated with actors and be dramatized, adding sound effects. It can also be narrated by a computer program with electronic voice. According to the global e-book report in Spanish-speaking markets, the audio book is breaking out with force and there are initiatives supporting strongly this format. According to the same report, more than 77% of the audio books available in Spanish are fiction versus 23% nonfiction [19].

A “bridge” book consists of putting together a paper book with an iPad with synchronized content. While browsing the pages of the book, the device will display additional digital contents. Augmented reality enables the instantaneous superposition of images, markers, or information generated virtually on real-world images. Through a webcam and a PC, it is possible to see 3D graphics displayed by means of computer-programmed codes or marks [19].

A QR code is a module for storing information in a dot matrix or in a two-dimensional bar code. For example, QR codes can be placed on books, either on its spine, on the cover, on the back cover, or somewhere where the user can quickly identify it. In this way, it can provide complementary information: Website of the book, book trailer, synopsis, works of the author, or any other hyperlinks [19].

In any case, the weight of e-book turnover continues to be quite low—compared to the rest of the formats, but books on Law and Economic Sciences, included within the Social Sciences category and Humanities [17].

Figure 4 shows the turnover of the Spanish e-book industry between 2009 and 2017, expressed in millions of euros, which meant an increase of approximately 2 million with respect to the figure recorded the previous year. The turnover from e-books reached 119.1 million euros in 2017, 1.8% more than in 2016. Although the turnover generated through e-books continues to rise, this does not suppose more than 5% from the total turnover of the Spanish publishing companies [40].

Despite the increasing production of e-books, its turnover continues to be a residual, it does not represent more than 5% of the total annual turnover, which is

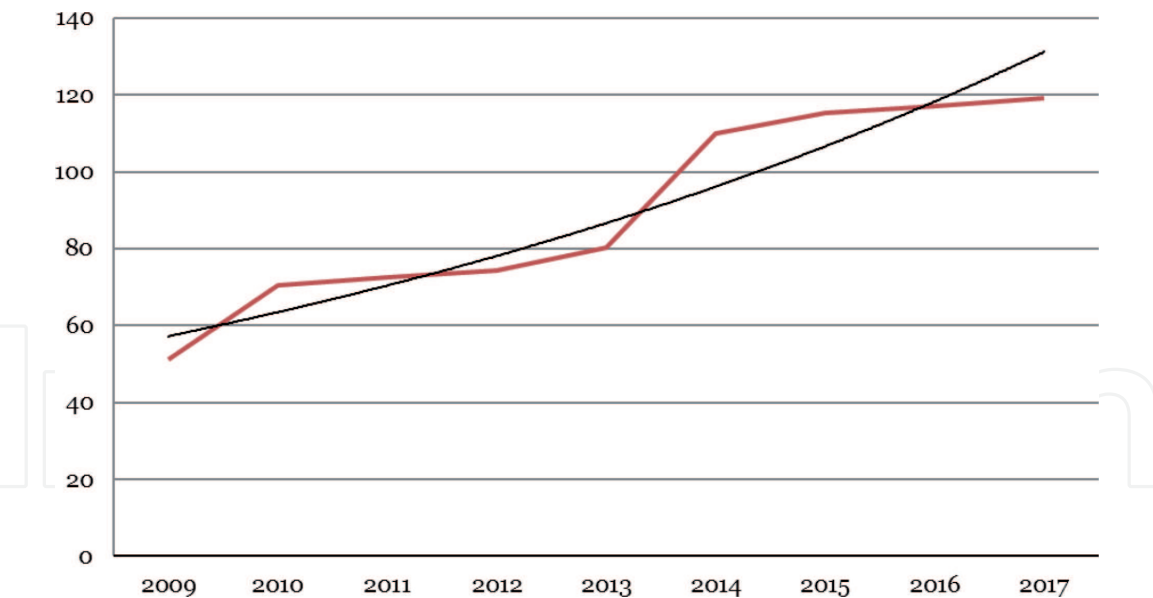


Figure 4.
Trend of the turnover from e-book in Spain (from 2007 to 2017), in millions of euros. Source: own elaboration based on the Domestic Commerce of the book (FGEE).

mainly channeled (79.5%) through digital platforms and distributors, like Amazon (with a share of 22.6% in 2017), Casa del Libro, Google or Apple Store, among others. **Figure 5** shows the income from the e-book sales in Spain in 2017, classified by commercial distribution platform and in thousands of euros. In that year, the turnover from e-books in the country through Amazon approached 27.04 million euros [41].

Some of the factors responsible for the low turnover of e-books in Spain are: (i) the high price of e-books, which is almost always close to or even higher than that of printed books as a consequence, mainly, of the different tax treatment between both [42], (ii) the high price of e-readers with an uncompetitive cost-benefit ratio [43], (iii) the incompatibility between the different reading platforms [44], (iv) the strict control of copyright [45], (v) the existence of illegal download platforms [46], and (vi) the lack of integration between suppliers of content [47].

As in paper format, Spanish publishers export a lot of digital content: 60% of digital downloads of Spanish books are made outside Spain, mainly in Latin America and the United States, consolidating the export trend of the Spanish publishers' production.

Throughout the year 2017, 53% of e-book sales of the Spanish publishers took place in Spain, while the rest of the sales took place in Latin America (33%), the United States (9%), Europe (4%), and the rest of the world (1%).

With respect to e-book distribution, most new players come from the technology industry and have few links to the world of publishing. In short, hardware manufacturers and Internet service providers have entered the book industry and can outperform the traditional players in creating new business models for digital content [14, 19].

3.2 Publishing on demand

The influx of digital printing has given graphic arts workshops much more agile tools—mainly in time—to respond to new demands: short print runs, printing on demand—increasingly frequent—and personalization of copies that is modifying the way to produce the printed books [27, 48]. Publishing on demand (POD) is nothing more than applying the philosophy of Just in Time to publishing sector or, in other words, producing what is going to be sold, thus avoiding overproduction.

POD is transforming the way publishers offer paper books, and as a consequence, it is no longer necessary to print several units of a title and wait for them to be sold [49], and it allows printing a book formerly shown in a virtual library, produced by an order and starting from one single copy [28]. POD eases publishers to have a title available indefinitely from a printed publishing and replenish the market in a short period of time without incurring logistic costs.

Due to this system, any title can be offered in a bookstore or platform: an order is produced, then it is printed, and sent to the client [19, 28]. So, publishers reduce their business risks and, in addition, do not need to store the remaining print run, avoiding the returning of books from bookstores and distributors [29].

Figure 6 shows how the POD process is carried out, beginning with a publisher entering a title on the platform until it reaches the reader.

Many platforms, such as Amazon, have launched printing on demand, combining printing, distribution, and sale from their Websites anywhere in the world. POD has erased barriers to market entry and has provided a solution for small publishers to access a global market, linking to a wholesaler or retailer with the means of performing POD.

Unlike the production of very short print runs (from 50 to 100 copies), POD allows the production of a book as a specific response to a customer order, avoiding

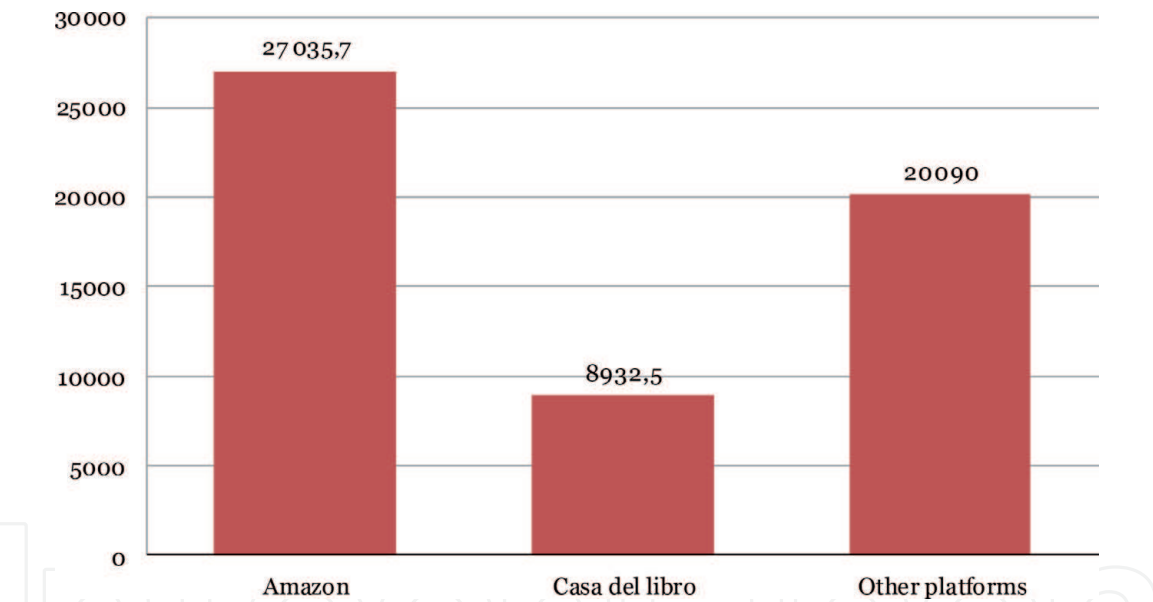


Figure 5. Revenues generated by e-book sales published in Spain in 2017, classified by commercial distribution platform (in thousands of euros). Source: own elaboration based on the data published in the Panorama of the Spanish edition (Ministry of Culture and Observatory of the Book in Spain).

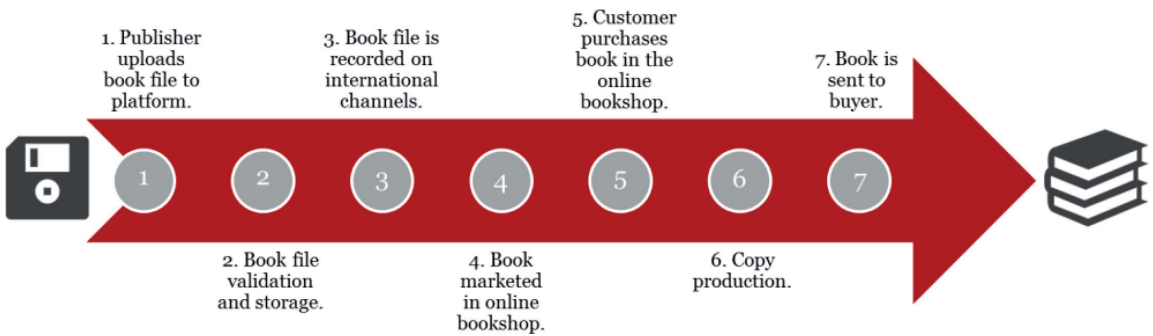


Figure 6. The POD process. Source: own elaboration.

overproduction. In the same way, by facilitating reprinting “on demand,” titles never get exhausted. With a model that implies to sell the copy first and then produce it (a converse process to the traditional one), any publisher can offer a title both on its Website and in other global distribution and sale platforms.

POD represents only 0.5% of the total published on paper in Spain. This is because many publishers only use it as an alternative for the reprinting of discontinued titles. This 1:1 printing model could serve to guarantee replenishment and sale by drip, mainly in medium- and small-sized publishers [19].

The technological change experimented by the Spanish publishing sector gives rise to the development of new business models arising from the adaptation within their productive structures of those innovations emerging from information and communication technologies.

For example, Logista Books, the largest independent book distributor in Spain, has recently launched a new integrated service of POD and distribution jointly with Lantia Publishing, a leading company in the application of new technologies in the publishing sector.

In 2016, the Spanish Confederation of Booksellers (CEGAL) incorporates the printing on demand in its alliance with Podiprint so that bookstores throughout Spain can incorporate more than 5000 titles up to now inaccessible for them.

The contracting of printing services and on-demand distribution is an increasing practice among Spanish publishers, mainly to meet the international demand [50].

4. New business models in the Spanish publishing industry

Every business model must be built on a logical plan to bring a product to market and make profits [14]. Accordingly, companies have to innovate in their respective business models with new manners of creating and capturing value for their stakeholders [51, 52].

Business models not only provide the logical architecture behind the production and supply of a product, but also a comprehension and response by companies to markets and their needs [15, 53–55].

Digitization in the publishing sector offers new ways of presenting content [19, 56] and eases new business models to be developed [21, 57–59], adopting innovations arising from information and communication technologies [60–62] in order to expand their product portfolio [63].

There is no denying that the change in the business model exists, although the printed book remains, for the moment, the most profitable product within the portfolio of publishing products. Among the possible business models that Spanish publishing companies are currently testing, the following is highlighted: the fragmented content, the payment for consumption or content on demand, the subscription model, membership, crowdfunding, gamification, direct sales, and self-publishing [14, 19].

The sale of fragmented content on the Internet started with music, through iTunes, which offered loose songs on the margin of the original album. This fragmentation is spreading through all the cultural industry, including the publishing one. In Spain, the Gestión 2000 label of Grupo Planeta was a pioneer in selling individual chapters of books, and Random House Mondadori created, within the Debate publishing house, a collection called “enDebate” to publish short nonfiction texts of some 10,000 words in digital format.

Payment for consumption or content on demand is based on offering the client the possibility of paying for what is really consumed. As a result of this type of

initiatives and awareness on the existing demand—especially in nonfiction books for the consultation and acquisition of chapters or parts of it, “Slicebooks” emerged. The Planeta group has launched the Planetahipermedia.com initiative, a Website for business training through videos and short textual materials on a specific topic.

Subscription is a model adopted mainly because it entails very interesting advantages from the business point of view, including having a database with information from customers and with a fixed and preestablished income stream, which makes it possible to adapt the supply to the demand, so it is also good for business planning. The subscription models reached the publishing sector through subscriptions of legal content and technical books. Today, there are different generalist platforms in Spain offering this service to the reader such as 24Symbols and Nubico. In the Spanish digital market, the pioneer company to introduce this model was 24Symbols (10 years later, in 2011). To this, it added streaming reading from any device with access to a browser, relying on cloud computing. Although sales derived from online bookstores such as Amazon, Apple, and Kobo, among others continue to be one of the priority sale channels for Spanish publishers, sales derived from subscription platforms in 2017, especially in the United States, Germany, Spain and Mexico, are becoming more relevant for publishers, reaching 6% of total digital sales compared to 5% that represented in 2016. The sale of licenses of e-books to libraries reached 3% of the total digital sales in 2017 compared to the 2% achieved in 2016. All these figures show the consolidation of the subscription model.

Membership consists of forming a part as a member from a group or service, which implies in our analysis belonging to a group of clients that, in terms of exchange, is linked to a set of services and contents offered by a company whose affiliation may or may not entail an economic payment. Within this model, others may be included, such as payment for consumption, or, what is more usual, the subscription to certain services or contents. However, in principle, they are two different models, and although they are close, they should not be confused and should be considered separately. In the Spanish publishing world, *Círculo de Lectores* is the benchmark for using this business model in paper format since 1962 and continues with it when in 2010, it was acquired by Grupo Planeta. Belonging to said club has no cost, but there is an obligation to stay at least for 2 years and, during that time, acquire at least one product regardless of the value of each of the seven paper magazines received per year. In exchange for belonging to this group, users receive special offers, of up to 30% off, not only in books, but also in other services, which can be negotiated or obtained thanks to the volume of members, which currently exceeds 1 million.

The essence of crowdfunding is the financial support of the crowd (micropatronage), which allows publishing works to be addressed, regardless of conventional financing channels, in exchange for a share in the benefits or through a free or more advantageous access to the service or product from the publishing work. In Spain, the Libros.com platform has based its business on crowdfunding, so it is a publishing company that ensures quality, design, and distribution at no cost to authors.

Crowdfunding in the publishing industry opens its business models to customers, co-creating with them a value proposition [64]. The co-creation means a collaborative action between client and organization for the generation of value: (a) creating new products or services, or (b) improving the existing ones. In the publishing industry, crowdfunding is a driving force for new titles or works financially supported by a part of the market that wants to access them and, therefore, gives them a value, allowing collective financiers to take an active role in the publishing process. This opening not only has the goal of getting funds for those publishing works linked to a high financial risk or that, merely, would not find the support of

conventional financing channels, but also that allows both publishers and authors to validate such publishing works and interact with readers [65, 66].

It can be noted that (a) crowdfunding is used by those publishers facing publishing works exceeding their limits to obtain the necessary resources through traditional channels; (b) the most common form is the modality of rewards; (c) the impact of crowdfunding is not limited to financing, but also has global effects throughout the value chain, altering the relationships between the interested parties within the industry; (d) crowdfunding in the publishing sector appears as a halfway alternative between traditional publishing and self-publishing; (e) with crowdfunding, publishers and authors assume lower financial risks, and (f) the profile of the publishing company employing this formula might be said to be that of small publishing companies or one of the recent foundations [64].

From 2012 to 2017, crowdfunding has financed publishing works in Spain of very diverse nature for a value close to 400 million euros, and the trend is that, in the coming years, this financing mechanism will be used more and more. Only in 2017, crowdfunding in Spain captured resources for a value of € 101,651,284 compared to € 73,172,388, experiencing a percentage variation of 38.92% [67].

Within crowdfunding and during 2017, the loan platforms are the ones that have raised the most (€ 35,916,516), followed by investment platforms (€ 23,196,229), real estate (€ 23,148,200), rewards (€ 11,581,603), and donation (€ 7,808,736) [67].

After 6 years of development and consolidation of crowdfunding in Spain, some of these platforms already show leadership in their respective sectors: for example, Kickstarter, Verkami, or Goteo, in the crowdfunding of rewards [67].

Established in 2010, Verkami.com emerges as the first cultural and social crowdfunding platform in Spain, aimed mainly at creators, artists, designers, and other creative collectives. Since its creation, it has financed 6484 publishing works with a success rate of 72% and has collected 32.7 million euros. Using the platform and the support services and personalized advice of Verkami, it costs up to 5% of what the publishing works collect and the maximum duration of the campaign is 40 days.

In Spain, at least, two relevant crowdfunding platforms in the world of books can be pointed out: Libros.com and Pentian.com.

The Libros.com platform is, in fact, a publishing company that ensures quality, design, and distribution at no cost to authors, and therefore, completely transforms its business model by turning all operations and publishing processes around crowdfunding, offering authors a co-publishing format based on this model: the production of the book is budgeted, the investment offer is published with its corresponding rewards, and if the necessary funds are obtained, Libros.com proceeds to the publication of the book, sharing with the author 50% royalties.

Another platform devoted solely to the book sector is Pentian.com. As in the previous case, it is also a publishing company that fully adopts the crowdfunding model: authors present their works, patrons support the book, making its publication possible, and all participate in the profits generated by the sales. The Pentian.com publishing model shares royalties among authors (40%), patrons (50%), and the publishers of the same name (10%). The timing of the campaign is 60 days. In this case, patrons become partners of authors, sharing benefits, but have no influence in making decisions about the content of the book or its commercial strategy.

The concept of gamification deals with the use of game in a context other than solely being an entertainment—in fact, it is also called serious games—with the intention, for example, of acquiring skills and competencies in areas such as education or professional development, among others. One of the first guidelines of gamification in the publishing sector has been the development of relational marketing, which seeks to increase the active participation in business social networks of potential customers who browse the Internet.

Direct sales continue to rise as another possible income channel that complements the traditional sales model through third parties and consists of distributing and selling products directly to consumers without any type of intermediary or distributor (B2C model). Direct sales through the Internet do not reach 1% of the turnover in the publishing companies, but it can facilitate the integration of all the B2B sale processes—which takes years for the traditional distribution channel—through their Web platforms, offering better prices and more personalized services, suggestions based on the individual history of purchases or viewing, and discounts on content related to the interests of the user, among others. The strength of direct sales lies in the direct knowledge of customers and their behavior throughout the purchase process, to which is added the possibility of analyzing their consumption patterns. In this field, Bookmobile makes it easier for publishers to create and manage stores or platforms for direct sales without the need for third parties. Within these opportunities, there are other cases, such as Pubsoft, which offers the necessary software for the management of all online content promotion and sale processes. With this platform in the cloud, publishers and authors are able to autonomously manage author accounts, load e-books, and sell directly to readers.

Publishers can become their own booksellers through their Webs, while authors can help publishers market their titles online: for example, through social networks [68].

The main channel for the distribution and sale of e-books in Spain is specific digital distribution platforms (79.5%), especially through generic commercial platforms such as Amazon, Google Play, Casa del Libro, and App store, among others, being the specific distribution platforms, the medium that condenses the highest turnover.

Direct sales from the publisher's Website gain weight and account for 19% of turnover. For its part, the sale through bookstores loses ground only representing 1.5%. Inherent in this scenario is, also, the fact that publishers lose control over content; and they can even become a link, less and less necessary if authors choose to assume the entire publication process in the new digital context [20].

In the preparation and distribution of e-books, most publishers are compelled to interact mainly with companies in the technology sector—with hardly any links to the world of publishing—to address the problems and challenges arising from technological and sociocultural changes in which they are immersed [69–71].

With regard to the reading devices for which the digital work is commercialized, according to the Internal Book Trade in Spain, the computer has lost its ground substantially with respect to previous years, decreasing by 24.9%. The results show a greater tendency toward the commercialization of contents for e-readers—31.8% of digital works have been marketed for reading on these devices and tablets (5.2%), although the sale of contents also increases for streaming reading (4.4%).

In recent years, publishers and booksellers are firmly committed to becoming a space in the world of desktop publishing, as one more line in their business. The self-publishing platforms linked to publishing houses could redefine the boundaries, so far established, between writers and aspiring ones (indie authors) in the world of books [19].

In Spain, Bubok is a pioneering platform of online self-publishing that allows publishing, publishing and selling books on demand, both in paper and digital formats. Likewise, Bubok is also an online and offline book store, as it recently opened a physical store in Madrid.

The book Country of Penguin Random House has designed a space to discover new books and authors, discuss, share tips and experiences, and learn about the publishing industry. In Spain, the same publishing group has created “I like to write,” a social network for writers where, in addition to including resources for

writers, tips or news, they offer self-publishing services ranging from design or ortho-typographical review to promotion and marketing.

In March 2017, the Planeta group has launched the “Universo de las letras,” a new professional desktop publishing platform that was born to serve those who wish to fulfill the dream of seeing their books published [19]. In addition, it will function as an observation platform that encourages the discovery of new authors, so those works that stand out for their dissemination will be valued for possible publishing.

Some bookstore chains have also opted for self-publishing, such as Casa del Libro through Tagus, a platform that allows users to publish their books independently, but with offering the features and quality of a traditional publishing house [19]. The most successful books at this stage are selected by Tagus in order to make, subsequently, new publishing and develop promotional actions.

5. Conclusions

Technological changes and innovations play a key role in the current structure of the publishing sector. Spanish publishers are fitting their publishing strategy to the new needs of digital demand and the new emerging technological devices. In these moments, the old business models coexist with the new emerging ones. However, some publishers do not adapt to technological changes or do so at a slower pace than would be desirable. Mainly, in the last 5 years, Spanish publishers have been getting digital knowledge and trying to position themselves to respond adequately to changes both in the market and to the changing technologies [19]. Nonetheless, digital products are still seen as secondary to paper books. In point of fact, the distribution systems developed around the e-book, such as the Librandia platform, replicate the traditional chain of paper books.

In light of the figures of the publishing sector in Spain, it can be pointed out that the development of the Internet and new technologies is modifying business models and causing organizational changes in companies within the publishing sector. Technological change modifies the way of producing the content and its distribution, affecting the value chain of the publishing sector.

Despite the progressive evolution of the weight of the digital publishing on the global production, the proportion of titles available in digital formats is still reduced in relation to the number of titles published on paper, which may be due to: (a) lack of economic resources and specialized personnel that limits the digital publishing, (b) some risk aversion or fear of piracy, underpinning them in the predominant traditional business model of paper, (c) high uncertainty associated with technical aspects (dominant formats and processes), and (d) lack of institutional support to stimulate their digital transition and the redefinition of their respective business models [19].

The opportunities generated by the new information and communication technologies also have an impact on the urgent need to review the regulations governing the publishing markets, particularly copyright protection regulations, in order to safeguard intellectual property of the creations that are disseminated through the various channels currently available, both on paper and in electronic format. Publishing contracts will have to be reformulated to adapt them as much to the new needs as business models. Digital economy has complicated the context in which publishing companies move, which has caused a disruptive effect on them and their business models.

Despite the distinction between process and product innovation, which is included in the literature on innovation management [72, 73], it is important to

have an integrated vision [74]. The current publishing sector could not be understood without connecting both processes. Frequently, innovating organizations in product must wait for the appearance of those innovations in process that allow them to advance in their better adaptation of the product or service to the requirements of the market, that is, to their potential clients. Damanpour and Gopalakrishnan [75] concluded that the adoption of both types of innovations happens in a more synchronized way, since it is difficult to separate the introduction of new products from the processes on which they are based. In this sense, publishing organizations follow this pattern.

Innovations that occurred in the Spanish publishing sector were adopted progressively and with caution by the industry in the face of reluctance derived from the observation of other sectors, such as music or film, and analysis of the experience distilled in other countries. The e-book has not just become commercially a more profitable alternative than the traditional book, but, however, none of the companies in the sector want to be left out of this innovation. Even, publishers start to emerge exclusively oriented to the production of electronic books. To these reluctance or caution of the industry, it follows an interest on the part of the authors to continue seeing his work published on paper and a clear attitude of the readers to continue betting on the traditional books instead of assuming the acquisition of a device of reading e-books. The e-book, rather than being a substitute for the traditional paper book, is being managed by publishing companies as a complement.

For the time being, Spanish publishers are focusing mostly on publishing digital versions of their paper books on digital distribution platforms, in an attempt to minimize risks by betting on positively contrasted works in the traditional business model. This strategic decision leads, at least, in the short term, technological companies, such as Apple or Google, with enough financial resources and specialized knowledge to control the distribution and sale of the digital books [41].

Despite the progressive evolution of the weight of the digital edition on the global production, the proportion of titles available in digital formats is still lower in relation to the number of titles published on paper. It may be due to: (a) lack of economic resources and specialized personnel that limit the digital publishing, (b) some aversion to risk or fear of piracy, which underpins them in the predominant traditional business model of paper book, (c) high uncertainty associated with the technical aspects (dominant formats and processes), and (d) lack of institutional support to stimulate their digital transition and the redefinition of their respective business models [14].

The potential from the new information and communication technologies also has an impact on the urgent need to review the regulations ruling the publishing markets, particularly the copyright protection ones, to safeguard intellectual property of the creations disseminated through the various channels currently available [41].

From all the analysis carried out in this study, a series of conclusions and implications for the Spanish publishing sector can be established.

Firstly, the Spanish publishing sector presents two lines of business that coexist as complementary and not as substitutes: on the one hand, the paper book and on the other, the electronic book.

Secondly, for the moment, publishers have limited themselves to making a simple change in book format: from paper to electronic form, and have not advanced or driven the development of all those possibilities that new technologies can offer as links to Websites, hyperlinks, and images, among others. It is necessary that publishers should not limit themselves to making a simple change in book format (from paper to electronic), but they should promote the development of all those possibilities that new technologies can offer, leading the digital transition in the book industry [19].

Thirdly, the lack of joint digital initiatives is causing new actors outside the sector, such as Amazon, to enter the book industry and overcome the traditional actors (publishers, distributors, and bookstores) of the industry in the creation of new business models for digital content. The publishers considered have already assumed so many commercial and esthetic risks when creating new contents that they cannot face additional technical risks. As a result, publishers are reluctant to invest directly in R & D projects and prefer to adopt proven technical solutions. This process is giving rise to an involuntary dependence on external innovations that determine the real evolution of the sector [14].

Finally, in fourth place, the development of the digital publishing will require companies to adapt to a new virtual and global commercial environment. The electronic book requires a new treatment of the content—from production to distribution—that in the digital era, it is forced by the new technologies and commercial relationships, marked, in turn, by the virtual and global sale platforms.

The implications derived from the conclusions previously exposed for companies in the Spanish publishing sector are the following: (a) favoring entrepreneurship aimed at the creation of new companies in the sector that are capable of linking the technological base with creativity and knowledge; (b) rethinking its business model in the face of transformations and changes in processes and products; (c) betting definitively—together with the printing presses—for digital printing, new materials, online sales, and developing 1:1 printing; (d) rethinking their business model looking for a way to link both realities: the paper book and the digital book; they must be aware what is truly relevant, what adds value is the content, and not the medium in which that is expressed; (e) redefining the new role of distributors in the face of changes in the marketing channel; (f) joining physical and digital sales at the points of retail marketing, and (g) adapting the regulatory framework to the new changes for the adequate protection of copyright.

To conclude, it is necessary to highlight that this work is a sample from the past and present of the Spanish publishing sector, but it would involve the first step to continue exploring partial aspects in a deeper way.


The following future lines of research derived from this study are pointed out: firstly, an in-depth analysis of the role of e-books in the Spanish publishing sector is proposed. Secondly, the reasons why publishers of medium and small size do not implement formulas to collaborate in the development of digital platforms must be analyzed. Thirdly, it is suggested to study the new business models arising in the Spanish publishing sector. Finally, it is needed to research the potential of the Internet as an effective export channel both for Spanish printers and publishers.

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