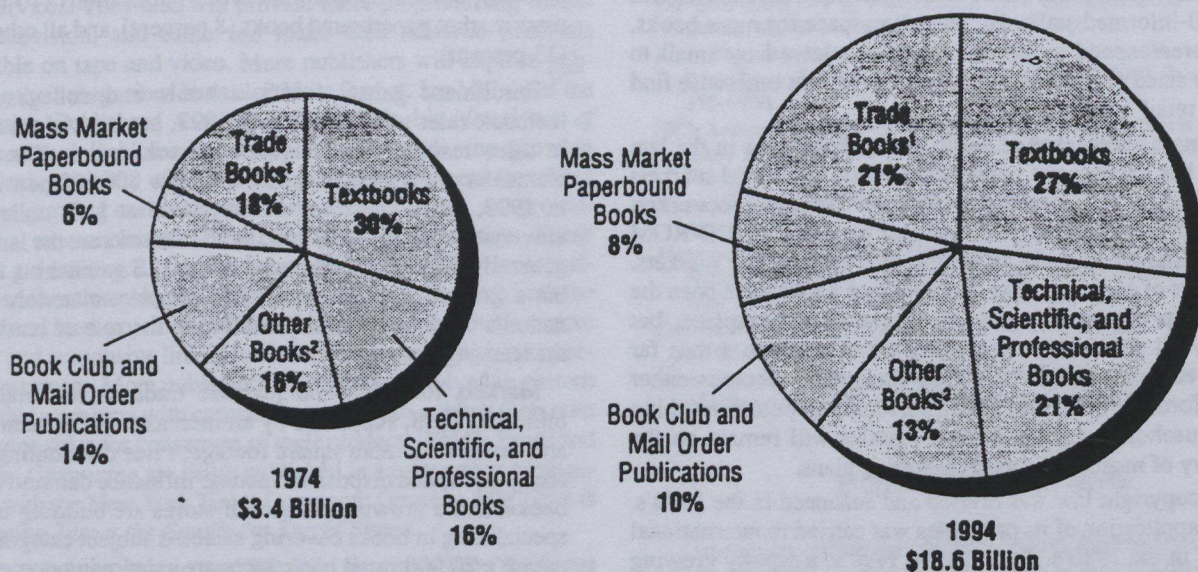


Figure 24-2

Trade and Technical Books Gain Market Share



¹Includes adult and juvenile books sold through retail outlets.

²Includes encyclopedias, reference books, religious books, music books, university press, and other books.

SOURCE: U.S. Department of Commerce, Bureau of the Census. 1994 values estimated by International Trade Administration.

helped these firms maintain an attractive profit range even in the face of slightly lower volume. Postage is a critical cost element that should remain stable through 1994.

Shipments of mass market paperbound books totaled \$1.4 billion in 1993, with gains over 1992 resulting essentially from higher prices rather than increases in units sold. Publishers reach the broad U.S. audience for low-cost books by reprinting hardcover bestsellers and engaging in original publishing under such theme subjects as mysteries, romance, military, and Westerns. Constraints on leisure time and growth of television viewing have limited growth of the mass book market, and little relief from these conditions appears in the offing.

An additional \$2.2 billion in publishers' shipments in 1993 were spread among an array of book categories, including religious, music, university press, and reference books. These are addressed to a variety of markets, some broadly based and others highly focused. Growth of the U.S. religious community

has spurred demand for books with spiritual themes. Music publishing has a small but stable market, with price increases accounting for most of its growth. University press publishers benefitted from increased library funding in 1993, but expect future expansion to come from shipments of their materials in CD-ROM formats. Publishers of reference works have moved heavily into electronic publishing, using both CD-ROM and computer software to expand markets for their products.

INTERNATIONAL COMPETITIVENESS

Foreign markets for U.S. books showed little growth in 1993, with U.S. exports of \$1.7 billion just 3 percent ahead of exports for 1992. Continued weakness in the economies of Canada, Japan, Australia, and most EC countries restrained demand for U.S. books. An exception to this general trend was the United Kingdom, which accounted for U.S. book purchases estimated at \$250 million in 1993, an increase of 10 percent over 1992.

International demand for U.S. books is a function of exchange rates, fluency with the English language, educational and occupational levels, and interest in the American experience. Combined shipments of U.S. textbooks and technical, scientific, and professional books account for 50 percent of U.S. book exports, reaching foreign college, university, library, and institutional markets in more than 120 countries. Exports of U.S. adult and juvenile trade books exceeded \$500 million in 1993, but many U.S. publishers capture foreign markets for these books through the sale of rights and translations rather than direct exports.

Unlike their European colleagues, U.S. book publishers have not made significant investments abroad. The large British, Dutch, French, and German presence in the U.S. book market is not matched by an American presence overseas. While the

Table 1: Top 10 U.S. Book Publishers, 1992

| Company | Sales (million \$) |
|-------------------------|--------------------|
| Paramount Publishing | \$1,524 |
| Reader's Digest | 1,407 |
| Time Warner | 1,137 |
| Random House | 1,097 |
| HarperCollins | 979 |
| Bantam/Literary Guild | 900 |
| Harcourt Brace | 867 |
| Thomson Publishing | 793 |
| Addison-Wesley, Penguin | 727 |
| Times Mirror | 680 |

SOURCE: SIMBA Information, Inc.