

superstores maintain large inventories of anywhere from 30,000 to 80,000 titles, and employ generally well-informed sales personnel. They present a competitive threat primarily to those mall-based chain stores with small book inventories and less well-informed staffs. By providing space for more books, superstores expand audiences for titles released by small to medium sized publishers whose books may not otherwise find a broad retail market.

The mass acceptance of audio books, beginning in the late 1980's, has encouraged publishers to seek additional markets for products released in nonprint formats. The initial focus is on supplying database and informational materials on CD-ROM disks, designed for sale to institutional and library markets. Publishers of encyclopedias and reference books have been the first to tap opportunities in the electronic marketplace, but virtually all publishers are seeking entry points to a thus far elusive audience. Until CD-ROM equipment becomes either more affordable or housed within personal computers, reaching U.S. households and educational markets will remain on the periphery of most publishers' marketing plans.

U.S. copyright law was revised and enhanced in the 1970's, and the application of its principles was carried to international markets in the 1980's. By the early 1990's, a rapidly growing number of U.S. publishers was becoming cognizant of foreign markets for U.S. books and the protection afforded by international copyright. Direct exports account for 10 percent of the book publishing industry's sales, but the fastest growing segment of the international market is U.S. royalties derived from the sale of rights and translations. Foreign payments to U.S. publishers from royalty transactions were placed in the range of \$300 million to \$500 million in 1993, values that could double by the close of the decade.

Changing Markets for U.S. Books

Total sales of U.S. books approached \$17.2 billion in 1993, with shipments spread among consumer, educational, business, and institutional markets. Factors influencing U.S. book demand include general economic conditions; disposable personal income; educational enrollments, funding levels and attainment; professional and occupational employment; and institutional and library funding. With approximately 50,000 new books or editions published annually, the industry's

products defy simple classification. Ranked by market share, the categories consist of textbooks (27 percent), trade books (21 percent), technical, scientific, and professional books (21 percent), book club and mail-order publications (10 percent), mass market paperbound books (8 percent), and all other books (13 percent).

Enrollment gains at U.S. schools and colleges pushed textbook sales to \$4.7 billion in 1993, but most of the increase in sales resulted from higher textbook prices. The nation's elementary and secondary schools drew 800,000 new students in 1993, while the matriculation level at U.S. colleges and universities increased by 150,000. Textbooks are the largest and generally most profitable sector of the U.S. publishing industry, but a gradual movement of more nonprint materials into the nation's classrooms could undermine the role of textbooks in the learning process.

Markets for adult and juvenile trade books totaled \$3.6 billion in 1993, supported by an increase in U.S. retail outlets and stores with more square footage. Price discounting, author recognition, and disposable income influence demand for trade books, and a growing number of stores are building traffic by specializing in books covering selected subject categories. The nation's 20,000 retail bookstores are employing computerized order and inventory systems to better serve the book buying public and to increase store profitability. Books sold through retail warehouse operations focus on sales of the most popular titles and currently account for just 3 percent of total shipments, but their importance rests on bringing books to an audience not predisposed toward book buying.

Publishers of technical, scientific, and professional books recorded shipments of \$3.6 billion in 1993, an increase of 10 percent in nominal dollars over 1992. Sales gains were supported by increases in library funding and growth in the number of persons employed in technical and professional occupations. Exports of U.S. technical, scientific, and professional books saw minimal growth in 1993, with stagnant economies in the EC and Japan limiting foreign demand.

Combined sales of book club books and mail-order publications approached \$1.7 billion in 1993, with price increases lifting shipments fractionally above 1992. Growth in the number of U.S. retail book outlets provides stiff competition to book club and mail-order houses, but tight cost controls have

Trends and Forecasts: Book Publishing (SIC 2731)

(in millions of dollars except as noted)

Item	1987	1988	1989	1990	1991	1992 ¹	1993 ²	1994 ³	Percent Change (1989-1994)					
									88-89	89-90	90-91	91-92	92-93	93-94
Industry Data														
Value of shipments ⁴	12,620	13,571	14,074	15,318	16,596	17,425	18,730	20,320	3.7	8.8	8.3	5.0	7.5	8.5
Value of shipments (1987\$)	12,620	12,803	12,455	12,872	13,341	13,675	14,085	14,610	-2.7	3.3	3.6	2.5	3.0	3.7
Total employment (000)	70.1	70.2	73.9	73.5	77.3	76.8	76.0	77.0	5.3	-0.5	5.2	-0.6	-1.0	1.3
Production workers (000)	15.9	16.5	17.1	17.3	17.1	17.6	17.3	17.5	3.6	1.2	-1.2	2.9	-1.7	1.2
Average hourly earnings (\$)	10.67	10.76	11.56	11.68	12.72	13.04	13.30	—	7.4	1.0	8.9	2.5	2.0	—
Capital expenditures	240	302	319	329	331	—	—	—	5.6	3.1	0.6	—	—	—
Product Data														
Value of shipments ⁵	11,630	12,156	12,981	14,267	15,215	15,975	17,175	18,635	6.8	9.9	6.6	5.0	7.5	8.5
Value of shipments (1987\$)	11,630	11,468	11,487	11,989	12,230	12,535	12,910	13,395	0.2	4.4	2.0	2.5	3.0	3.8
Trade Data														
Value of imports	—	—	746	845	878	990	1,020	1,075	—	13.3	3.9	12.8	3.0	5.4
Value of exports	—	—	1,123	1,428	1,498	1,636	1,690	1,775	—	27.2	4.9	9.2	3.3	5.0

¹Estimate, except exports and imports.

²Estimate.

³Forecast.

⁴Value of all products and services sold by establishments in the book publishing industry.

⁵Value of products classified in the book publishing industry produced by all industries.

SOURCE: U.S. Department of Commerce: Bureau of the Census; International Trade Administration (ITA). Estimates and forecasts by ITA.