



Core activities:

Origination

Book publishing:

- general (fiction and non-fiction)
- children's • educational

Learned journal publishing

Newspaper publishing:

- national and regional

Magazine publishing:

- consumer • business to business
- customer

Digital content publishing

11 Publishing

Related activities:

Internet and digital media

Disc based media production

Electronic storage

Libraries and education

Market research

Management consulting

Academic research

Distribution

Printing

Paper and ink manufacture

Exhibitions and Conferences

Masthead programming

Related industries:

Television & Radio

Music

Interactive Leisure Software

Software & Computer Services

Film & Video

Internet and digital media

11 PUBLISHING

1999	NEWSPAPERS	MAGAZINES	BOOKS & LEARNED JOURNALS	TOTALS
REVENUES	£7,797m ^(a)	£6,211m ^{(a) (d)}	£4,476m ^(a)	£18,484m ^(a)
EXPORTS	N/A	N/A	N/A	£1,654m ^(b)
EMPLOYMENT	N/A	N/A	N/A	140,800 ^(c)

^a Advertising Association, 2000: *Advertising Statistics Yearbook 2000*; The Publishers Association, 2000; Periodical Publishers Association, 2000; Newspaper Publishers Association, 2000; Newspaper Society, 2000. ^b ONS, 2000: *Production Inquiries Summary Volume*. ^c The Publishers Association, 2000; Periodical Publishers Association, 2000; Newspaper Publishers Association, 2000; Newspaper Society, 2000. ^d The revenue for magazines includes exports. Note: The trade organisations from the periodical, newspaper and publishing industry provide the statistical data sources in this chapter, unless otherwise specified. Note: n/a indicates that a figure is not available on a comparable basis.

The UK publishing industry is estimated to have a total value of £18.5 billion and employs approximately 141,000 people. It encompasses three main sectors: books and learned journals,¹ national and regional newspapers, magazines.

These three main sectors in publishing have traditionally been chiefly engaged in “print on paper” publishing but are increasingly becoming involved in interactive media development and are major investors in the information society.

Publishing is a global industry, subject to constant and dynamic change in both production and distribution sectors, while the publishing industry is repositioning itself to take advantage of IT development.

- In the book publishing industry, distinctions are made between the various divisions such as general books (fiction and non-fiction), children’s books, educational publishing, academic and professional publishing including learned journals.
- The newspaper industry is split into national press (daily and Sunday titles) and regional press (morning, evening, Sunday, paid weekly and free weekly titles).
- Within the magazine industry there is a division between consumer, business to business and customer magazines.

¹ A journal is a serial publication supplied on a paid subscription basis appearing regularly with at least two issues a year. A learned journal is a subset of this group.

INDUSTRY REVENUES

COPY SALES, ADVERTISING AND PUBLISHING LINKED REVENUE 1999

REVENUE FROM COPY SALES:	£ MILLIONS
BOOK PUBLISHING	<u>3,838</u>
LEARNED JOURNAL PUBLISHING	<u>508</u>
NEWSPAPER PUBLISHING (NATIONAL)	<u>2,080</u>
NEWSPAPER PUBLISHING (REGIONAL)	<u>685</u>
MAGAZINE PUBLISHING (CONSUMER & BUSINESS)	<u>2,103</u>
TOTAL REVENUE FROM COPY SALES	<u>9,214</u>
REVENUE FROM ADVERTISING:	
NEWSPAPER PUBLISHING (NATIONAL)	<u>1,937</u>
NEWSPAPER PUBLISHING (REGIONAL)	<u>2,495</u>
MAGAZINE PUBLISHING (CONSUMER & BUSINESS)	<u>1,992</u>
TOTAL REVENUE FROM ADVERTISING	<u>6,424</u>
PUBLISHING LINKED REVENUE:	
EXHIBITIONS (MAGAZINES AND NATIONAL NEWSPAPER PUBLISHING)	<u>1,100</u>
INTERACTIVE PRODUCTS (MAGAZINE PUBLISHING ONLY)	<u>450</u>
DIRECTORIES (MAGAZINE PUBLISHING ONLY)	<u>300</u>
CONTRACT PUBLISHING (MAGAZINE PUBLISHING ONLY)	<u>366</u>
OTHER INCOME (INCLUDING LICENSING, DIRECT MARKETING ETC) (MAGAZINE PUBLISHING ONLY)	<u>500</u>
EXPORT ROYALTIES AND OTHER INCOME (BOOK PUBLISHING ONLY)	<u>130</u>
TOTAL PUBLISHING LINKED REVENUE	<u>2,846</u>
TOTAL REVENUE	<u>18,484</u>

Sources: Advertising Association: Advertising Statistics Yearbook 2000;
Periodical and Publishing Industry 2000.

Books

1999 was a good year for book publishing, with the total sales of books published in UK reaching £3.8 billion. This figure includes export sales of £872 million at publishers' invoiced sales rather than retail sales.

The industry has shown continued growth over the past decade and there are early indications that this growth continued in 2000, with the forecast that retail sales could show an increase of 10% over 1999, and export sales are likely to have benefited from a weaker pound.

The total subscription revenue from the sales throughout the world of learned journals published in the UK rose by 8% to £508 million in 1999.

The export market is traditionally more dominant, with an estimated 90% of the total revenue.

The majority of learned journal publishers receive over 80% of their full-rate subscriptions through library subscription agents.

Newspapers

Newspaper publishing can be a highly profitable business. The major groups have consistently posted substantial end-of-year profits over the past few years. Trinity Mirror PLC, publisher of national and regional newspapers, the largest newspaper group in the UK and second largest in Europe since the September 1999 merger, announced operating profits of £136 million on a turnover of £594 million for 1999. Guardian Media Group, which publishes national and regional titles, recorded profits of £46.4 million for the 52 weeks to March 1999. Regional newspaper group Johnston Press PLC recorded profits of £66 million on a turnover of £243 million.

Advertising revenue for regional newspapers (second only to television) was £2.5 billion in 1999.

Magazines

Copy sales are now the principal revenue stream for consumer magazine publishers. At the start of the decade, circulation revenue accounted on average for less than half a title's income. In the interim, robust

price rises and other factors boosted the relative importance of copy sales revenue. Today, circulation revenue (£1.7 billion) comprises the bulk (64%) of turnover.

For business-to-business information publishers, the development of ancillary revenue streams has, to date, been even more significant. Electronic products, exhibitions, directories and other brand extensions are currently valued at £1.45 billion, which when added to traditional advertisement and copy sales revenues more than doubles the turnover of the sector to £3 billion.

Business and professional magazines' revenues are dominated (82%) by advertisement sales (£1.2 billion) with copy sales accounting for only £400 million in total.

The past decade has witnessed the establishment of customer magazines (for example, Sainsbury's magazine) as an important force in both publishing and marketing. This relatively new genre of publishing is now worth around £300 million.

UK MARKET SIZE

UK consumers' expenditure on books in 1999 was £2.4 billion (3.6%), newspapers £2.7 billion (4.2%), magazines and periodicals £1.2 billion (1.9%), out of a total spend of £65.5 billion.²

² ONS: *Consumer Trends 2000*.

Books

Overall the total UK book market (excluding exports) had a buoyant turnover of £3.1 billion (\$4.7 billion) in 1999, comparable to the US equivalent of \$24 billion (£16 billion)³ on a per capita basis. The Consumer book market was the single largest sector with total sales of £2.2 billion in 1999, followed by Academic and Professional with £766 million and Educational (including ELT) with £239 million. The estimated retail value of the Children's book market was £289 million.

The revenue of learned journals deriving from final destination sales to UK subscribers is a maximum of 10% of the total sales (i.e. £50 million).

The key publishers in the consumer book market include: BBC, HarperCollins, Hodder Headline, Little Brown, Macmillan, Orion Publishing Group, Penguin, Random House Group (including Transworld) and Scholastic.

Principal educational publishers include: Cambridge University Press, Collins Educational, Hodder Headline, John Murray, Nelson Thornes, Oxford University Press, Pearson Education, Reed Educational & Professional.

In the academic and professional sector, leading publishers include: Blackwell Publishers, Blackwell Science, Cambridge University Press, Macmillan Publishers, Oxford University Press, Reed Educational &

Professional, Taylor & Francis, Thomson, and John Wiley & Sons.

The top ten Children's publishing imprints in 1999 were Bloomsbury, Dorling Kindersley, HarperCollins, Hodder, Ladybird Books, Puffin Books, Red Fox, Scholastic/Hippo, and Walker Books.

In 1999 the UK released a total of 110,155 new titles/editions of which the largest percentage (32%) was the Academic and Professional category. Scientific, Technical and Medical (STM) books represented 17.7% of new titles/editions, while Fiction and Children's books represented 9.8% and 8.3% respectively.⁴

The book market is also stimulated by a variety of promotional efforts and events. The National Year of Reading (run by the Literary Trust in 1998) the Government's National Literacy Strategy (NLS) and the investment of £66 million to be spent on school library books to be used in the "Literacy Hour", major events such as World Book Day (run jointly by UK publishers and booksellers) and the London Book Fair have all had a positive impact on the children's book market.

National prizes and book awards also have a positive impact on the winners' book sales. There are over 140 annual book awards in the UK, perhaps the best known being the Booker (Fiction), Whitbread (Fiction First

Novel, Biography, Poetry and Children's Fiction), WHSmith (Literary fiction), Rhone-Poulenc (Science), Samuel Johnson (Non-Fiction), Wolfson (History), Orange (Fiction), Smarties (Children's Fiction) and BP (Natural World).

The UK book retail sector is divided between the main chain stores (Waterstones, Borders, Ottakar's, WHSmith), independent bookshops, supermarkets and book clubs. Recent expansion of this sector, particularly through the arrival of large American booksellers, has created fierce competition.

Online bookselling is a major growth area (albeit increasingly connected to terrestrial retail), providing additional service to customers (through its convenience) and also expanding the book market.

Since the abolition of the Net Book Agreement in the UK there has been substantial discounting (49% of consumer books were purchased at a discount from one source or another).⁵ UK booksellers discount a wider range of titles than the US and in general there is more aggressive price competition in the UK market. However broad brush discounting may be giving way to a more selective approach, which while concentrating on best sellers is also designed to promote sales across a range of stock including back lists.

³ Estimate based on the US Census of Manufacturers.

⁴ *The Bookseller*, 18 February 2000.

⁵ *Book Marketing Ltd.*

Newspapers

The circulation of many Sunday newspapers fell (between April and September 2000) year on year, but substantial gains have been made by some daily newspapers. The *Financial Times*, the UK's only international newspaper, rose 15.29% (1999/2000) and continues to win international awards for journalism and features; *The Scotsman* increased its circulation over the same period by 6%.

More than half (52%) of regional newspapers in ABC membership increased sales between January and June 2000 compared with 41% four years previously.

The weekly press – the largest sector – delivered the best performance with a total of 61% showing increases and the overall rate of growth at +0.4%. Regional press sales exceed £684 million a year. More than 40 million

regional paid-for newspapers are sold and 28 million free newspapers delivered every week.

Best performing regional daily titles included the *Paisley Daily Express* (+14.4%), the *Irish News* (+2.7%), *Wigan Evening Post* (+2.7%) and *Colchester Evening Gazette* (+2%).

Magazines

The total value of the magazine industry which includes exports is estimated at £6.21 billion. Not only are magazines seeing substantial growth in number of titles, circulation, readership and revenue, but magazine titles are increasingly driving a range of new activities and revenue streams. Leveraging their brand strengths, magazines are developing a host of branded products and services including websites, exhibitions, events and consumer products.

Key magazine titles are, in the main, owned by a handful of major publishing companies. Leading consumer publishers include Attic Futura, H Bauer, BBC Worldwide, Conde Nast, Dennis Publishing, EMAP Consumer Magazines, Future Publishing, IPC Media, The National Magazine Company (who this year took over Aim Publications and bought titles from Gruner & Jahr), Reader's Digest Association and D C Thomson.

Among major business and professional groups are Centaur Communications, The Economist Group, EMAP Communications, Haymarket Business Publications, Reed Business Information, United Business Media and VNU (who recently took over business publishers Ziff-Davis).

BALANCE OF TRADE

In 1999 the total exports of the publishing industry were £1,654 million whereas imports totalled £954 million. The publishing industry surplus showed a positive Balance of Trade figure of £691 million.⁶

UK book publishers' exports accounted for £872 million in 1999 (27.4% of total publishers' sales). Exports of Academic and Professional books amounted to 37.7%, consumer (31.8%) and educational (30.5%). The largest export market remains the US with 17.9%, followed by Australia (6.4%), Germany (6.0%), Netherlands (5.7%) and the Irish Republic (5.5%).

Export sales of learned journals reached £457 million in 1999. The destination of UK learned journal publishers export sales in 1996 and 1997 were reported as Continental Europe averaging 23% in both years, and North America as 29% (1997) and 28% (1996). The corresponding percentage for Japan was 7% for both years. Geographical areas providing a market percentage of 5% or over in 1998 were Australia and Germany with 5% each.⁷

⁶ ONS, 2000: *Production Inquiries Summary Volume*.

⁷ The Publishers Association, 1999: *Trends in Journal Subscriptions 1998*.

EMPLOYMENT

Earnings from Employment and Royalties

The Publishers Association gives an estimated figure of 36,500 employed in book publishing and 2,300 in learned journal publishing, the Periodical Publishers Association quotes 53,000 employed in magazine and journal publishing, the Newspaper Publishers Association estimates that 15,000 people work in

national newspapers and the Newspaper Society quotes a figure of 34,000 employed in the regional press. The total figure of 140,800 employed in the publishing industry does not take into account the growing number of part-timers and freelancers working in the newspaper industry.

EARNINGS FROM EMPLOYMENT AND ROYALTIES

	PUBLISHING	£
	AVERAGE GROSS ANNUAL EARNING	<u>25,090</u>
	AVERAGE GROSS WEEKLY EARNINGS	<u>465,00</u>
PUBLISHING, PRINTING AND REPRODUCTION OF RECORDED MEDIA		
	AVERAGE GROSS ANNUAL EARNINGS	<u>24,648</u>
	AVERAGE GROSS WEEKLY EARNINGS	<u>454,00</u>

Source: ONS, 1999.

INDUSTRY STRUCTURE

Books

The book publishing industry consists of more than 15,000 publishers, covering 48,000 imprints.⁸ However, only approximately 3,500 are publishing on a regular basis.

Newspapers

There are around 112 newspaper publishing groups in the UK: six publishing national newspapers, 102 publishing just regional newspapers, and four publishing a combination of national and regional newspapers.

The 20 largest regional newspaper publishers account for 84% of all regional and local newspaper titles in the UK and 95%

of the total audited weekly circulation. Despite the continuing consolidation of the regional press, it remains far less concentrated than other, particularly broadcast, media. Some 44 regional newspaper groups publish just one title each.

⁸ *Bookseller Publications, 1999: Book Retailing in Britain.*

Magazines

According to the listings directory, BRAD, in December 2000 there were 5,713 business magazines and 3,174 consumer magazines (including customer magazines).

All sectors of the publishing industry have experienced significant global mergers and take overs (including the retail sector) and this trend may continue. Within the book publishing industry, in May 2000, Dorling Kindersley was acquired by the Pearson Group; Stanley Thornes and Thomas Nelson & Sons merged to form Nelson Thornes (1999);

Random House and Transworld became the Random House Group following Bertelsmann's purchase of Random House (1999); WHSmith purchased Hodder Headline; and HarperCollins bought Fourth Estate (2000).

In the newspaper industry, examples of recent mergers include Trinity Mirror PLC, the merger of the largest regional newspaper group with a national group (1999); Newsquest Media Group, taken over by the US newspaper company Gannett (1999);

and Express Newspapers, sold by Lord Hollick to Northern & Shell (2000).

REGIONAL DIMENSIONS

Books

A greater percentage of Londoners buy books than any other region in the UK, but residents of Yorkshire have a marginally higher average spend to Londoners.

Book chains head the list of outlets for the purchase of books (41.1%), followed by mail order/book clubs (21.7%), while purchases through the Internet accounted for 2.3%.⁹

BOOK PURCHASING % BUYING AND AVERAGE SPEND PER BUYER BY TV REGION

TV REGION	% BUYING	AV £/BUYER
TOTAL	<u>50.4</u>	<u>77.12</u>
LONDON	<u>54.8</u>	<u>86.21</u>
MIDLANDS	<u>48.4</u>	<u>78.06</u>
TYNE TEES	<u>43.1</u>	<u>61.34</u>
YORKSHIRE	<u>47.3</u>	<u>87.61</u>
LANCASHIRE	<u>51.7</u>	<u>74.87</u>
SOUTH	<u>53.1</u>	<u>76.47</u>
ANGLIA	<u>53.9</u>	<u>72.34</u>
WALES	<u>49.7</u>	<u>76.50</u>

Source: Book Sales Yearbook 2000, Bookseller Publications.

⁹ Bookseller Publications, 2000: Book Sales Yearbook 2000.

Newspapers

The demand side shows that 70% of readers living in London read a national newspaper, more than any other region of the country, and 81% read a regional newspaper. Regional newspaper readership is, however, greatest in Central

Scotland (94%), Borders (93%) and Northern Ireland (90%).

London has the largest number of regional newspaper titles (210), followed by the Midlands (204).

Outlets for regional newspapers massively favour Confectioners, Tobacconists and Newsagents (CTNs) and multiple newsagents: 67% of the total number of outlets.

READERSHIP OF REGIONAL NEWSPAPERS BY ISBA REGION

REGION	NET ADULT READERSHIP OF REGIONAL NEWSPAPERS (%)	NUMBER OF TITLES
TOTAL (UNITED KINGDOM)	<u>83.9</u>	<u>1,306</u>
NORTHERN SCOTLAND	<u>89.0</u>	<u>51</u>
CENTRAL SCOTLAND	<u>93.7</u>	<u>88</u>
BORDER	<u>93.2</u>	<u>25</u>
NORTH EAST	<u>81.5</u>	<u>46</u>
YORKSHIRE	<u>84.1</u>	<u>118</u>
NORTH WEST	<u>85.8</u>	<u>138</u>
MIDLANDS	<u>84.4</u>	<u>204</u>
EAST OF ENGLAND	<u>84.4</u>	<u>88</u>
LONDON	<u>80.9</u>	<u>210</u>
SOUTH	<u>82.8</u>	<u>120</u>
SOUTH WEST	<u>82.0</u>	<u>48</u>
WALES & WEST	<u>78.5</u>	<u>109</u>
NORTHERN IRELAND	<u>89.9</u>	<u>61</u>

Source: TGI/BMRB 1999/2000.

Magazines

95% of business and professional people regularly read the publications relevant to their sector. Over 80% of adults and 84% of women read a consumer magazine.

As with both the book and newspaper industries, the higher percentage of readers of consumer magazines are located in London.

READERSHIPS PROFILES BY REGION OF CONSUMER MAGAZINES AND PERIODICALS

SURVEY REGION	ANY GENERAL WEEKLY (%)	ANY WOMEN'S WEEKLY (%)	ANY GENERAL MONTHLY (%)
LONDON AND SOUTH EAST	36	32	37
SOUTH WEST AND WALES	14	15	14
MIDLANDS	16	16	15
NORTH WEST	11	12	11
NORTH EAST AND NORTH	15	16	13
SCOTLAND	8	10	9
GREATER LONDON	12	95	12

Source: Magazine Handbook, Periodical Publishers Association 2000.

INTERNATIONAL CRITICAL ACCLAIM

Books

The UK book publishing sector has consistently demonstrated its ability to write, design, produce and sell through the widest possible channels books that will satisfy markets both in the UK and overseas.

The Harry Potter books by J. K. Rowling, for example, have sold more than 41.4 million copies in 200 countries and translated into approximately 40 languages.

Book prizes, particularly the Booker, capture the attention of a global audience. The sales of Penguin Classics worldwide testify to the enduring popularity and attraction of English fiction.

Magazines

Magazine brands are global and therefore ideally suited for licensing and export; more so than newspapers, or even TV, as TV brand's language restrictions do not apply to magazines. Magazine titles can carry a global brand, but in local language and with local content.

Many of the major UK publishers have now diversified into international markets. Such is the potential to reap financial rewards and gain global presence that traditionally competitive publishing houses are now joining forces to launch their titles abroad. In September 2000, for example, EMAP and Attic Futura joined to launch the Dutch version of British-born title FHM. International editions are

currently published in 10 countries and EMAP aims to reach its goal of 20 countries by April 2001.

The London-based licensing hub of Dennis Publishing is also well-versed in the cultural nuances of the dozen or so countries in which *Maxim* is now sold. Dennis Publishing have done particularly well in the States – *Maxim* is the third bestselling men's magazine, outranked only by *Playboy* and *Men's Health* in the US.

SECONDARY ECONOMIC IMPACT

Books

The publishing of a book in conjunction with a television series has proved an effective way to maximise sales. Sales of books also

pick up dramatically following a film or TV adaptation series.

Pokémon has shown that an electronic game phenomenon can generate massive printed book sales.

The UK company Electronic Arts is to produce computer and video games based on J K Rowling's Harry Potter books, in agreement with Bloomsbury and Warner, showing how publishing and new creative industries can work together to mutual benefit.¹⁰

Magazines

Business-to-business publishers are already producing a wide range of media products, using most of the distribution and delivery methods available. While publishing magazines is their core activity, over half surveyed in the 1999 PPA

Opportunities for Growth report had extended their product range to include directories, list rental, sponsored publications and advertorials. Around 50% were organising exhibitions, conferences and awards ceremonies.

A clear indication that the industry has embraced new technology is given by the fact that 84% of business publishers have websites, and 41% distribute information on CD-ROM.

The value of current brand extension activities in consumer publishing is estimated at £300 million, though this is expected to rise substantially in the future. Brand extensions to date have included events, exhibitions and shows, providing a marketplace for consumers and advertisers alike.

Consumer publishers have also encompassed relevant products, services and merchandise which reflect and enhance a title's brand values. This has resulted in magazine branded household goods, financial services, toiletries and clothing, food and drink.

Most consumer publishers also now provide Internet products and other online services to complement the printed magazine title. A further significant brand development has been in TV and radio programming, until recently restricted by regulation.

POTENTIAL FOR GROWTH

The traditional book market has continued to increase year by year. Retail sales over 2000 should show an increase of 10% over 1999 on the basis of autumn estimates.

Forecasts indicate that the market for children's books will grow particularly strongly in the years up to 2004. Mintel forecasts a 12% growth in sales at 2000 prices.

Advertising revenues for magazines and newspapers are forecast to grow faster than the rate of inflation in the coming years.

IMPACT OF E-COMMERCE/ INTERNET/TECHNOLOGY

The new technologies have also had a substantial impact on the publishing industry. In the book publishing sector academic and professional publishers have invested in digital publishing and a high proportion of journals are available electronically on the Internet. A number of the major trade publishers have developed e-book lists, and on-

demand publishing is making high-quality one-off production available for high-cost publications. The magazine publishing companies currently manage over 1,000 websites, while the majority of newspaper groups provide online and other electronic services (audiotext, teletext, link up through local radio and cable operators).

Rather than posing a threat to books, newspapers and magazines, the Internet is helping the publishing industry to reach new audiences via a new, exciting and low-cost means of delivery.

DIGITAL CONTENT PUBLISHING

Digital content publishing commonly refers to the process of creating Internet, disk-based (mainly on CD and DVD platforms) and other digital products that deliver information to an audience. Many businesses involved in digital content publishing are also involved in at least one of the other Creative Industries particularly advertising, design, film, interactive leisure software, music, publishing, software, television or radio.

In the UK the vast majority of electronic publishing activity takes place in firms with revenues of less than £5 million a year. The highest recorded revenues (£4.74 million) were for the "Top 100 Web Agencies", who work mainly in the marketing and advertising sectors.¹¹ A broader sample, covering the whole of London, gives a figure of £805,000.¹² This compares with £740,000 in New York,¹³ £3.6 million in San Francisco¹⁴ and £331,279 in the North East of England.¹⁵ Estimated

¹⁰ *Mintel, 2000, website.*

¹¹ *New Media Age, September 2000.*

¹² *New Media Knowledge, 1999.*

¹³ *Coopers & Lybrand, October 1997.*

¹⁴ *Coopers & Lybrand, 1997.*

¹⁵ *Digital Media Network, 2000.*

total revenues for UK are likely to lie between £2.4 billion and £5.0 billion.

The UK is responsible for nearly 17% of the 32,162 “New Media Titles” (mainly CD-ROMs) available worldwide and UK companies make up 14% of the global total of 3,632 “New Media Title Publishers”.¹⁶ In the online sector 43% of the UK’s “Top 100 Web Agencies” have international offices and all are predicting rapid expansion.¹⁷ Consolidation is an issue, however, with a significant number of successful UK companies losing their independence to, mainly, US players: 19% of the UK’s Top 100 Web Agencies are US owned.¹⁸

In the absence of any official data the numbers of UK workers involved in electronic publishing is hard to gauge. Surveys in London and the North East have put the figures for those regions at 15,000¹⁹ and 3,500²⁰ respectively. An overall figure for the numbers of workers mainly or wholly working in electronic publishing in UK small and medium-sized enterprises is likely to lie between 80,000 and 100,000.

Electronic publishing in the UK is dominated by small and medium-sized enterprises. The highest earning company of the Top 100 Web Agencies has a turnover of £21 million and employs 130 staff. The average turnover of the 100 companies was £4.7 million.²¹ This holds true for the rest of the

“Interactive Media” industry in London.²² In the regions small and medium firms also dominate: none of the “Digital Media Companies” in the North East employ more than 150 staff.²³

The average number of staff working for business in the sector is 8 in Sussex, just over 11 in the North East and 20 in London.²⁴ The highest figure is for the Top 100 Web Agencies who, on average, employ a staff of 64.²⁵

Without any official data available, the numbers of business in the UK involved solely or mainly in Electronic Media is hard to gauge. The largest commercial database lists some 496 companies.²⁶ This figure fails to adequately take into account the recent rapid growth in the numbers of Internet-related business. Regional statistics indicate that there may be as many as 750 businesses working mainly or solely in interactive media in London, 350 in Sussex and 400 in the North East.²⁷ An overall figure for the UK is likely to lie between 6,000 and 9000.

The British Interactive Multimedia Association (BIMA) and BAFTA both organise well-attended awards ceremonies at which UK companies perform well. They are dominated by UK entrants, which makes it difficult to make valid international comparisons. The Newspaper Society’s new media division runs an annual New Media Conference and Awards

Ceremony for regional newspaper online publishing activities. It also holds seminars and provides legal advice for online publishers. The Periodical Publishers Association has created an interactive division, PPA Interactive, which organises an annual conference, awards and forums as well as providing guidelines and bulletins to help publishers develop online.

The growth in Internet use allied to the introduction of new electronic publishing platforms (Interactive Digital Television, e-books etc.) provides myriad opportunities for electronic publishing. Business confidence is high: 71% of companies in London working wholly or mainly in interactive media expected “better” or “much better” revenues in 1998-99 compared with 1997-98, 28% expected no change and only 1% predicted downturn.²⁸

The 1998 *Creative Industries Mapping Document* predicted that the:

“market for electronic information is likely to be boosted by the introduction of the digital versatile disc (DVD).” In fact DVD-ROM has been slow to take off as a format, in 1998-9 just 118 discs were available worldwide and there was virtually no increase in the number of electronic publishers developing for the format. DVD has done much better as a carrier of video with 2,318 DVD Videos available – published mainly by film studios.²⁹

16, 26 *Waterlow, 1999.*

17, 18, 21, 25 *New Media Age, September 2000.*

19 *New Media Knowledge.*

20 *City University, 2000.*

22, 28 *New Media Knowledge, 1999.*

23 *Digital Media Network, 2000.*

24 *Digital Media Network, 2000; New Media Age, May 2000, New Media Knowledge, 1999.*

27 *New Media Knowledge, 1999; New Media Age, 2000; Digital Media Network, 2000.*

29 *Waterlow, 1999.*

ELECTRONIC PUBLISHING: REVENUE & EMPLOYMENT

REVENUE	EMPLOYMENT
£2,400M – £5,000M	80,000-100,000 (ESTIMATE)

Source: City University estimates, 2000.

GROWING THE SECTOR – POINTS FOR CONSIDERATION

Encouragement and maintenance of a healthy competitive market place to ensure creativity, quality, pluralism and consumer choice.

The incorporation of the new technologies in the distribution and promotion of books, supply chain efficiency, and the utilisation of online sites by newspapers and magazines will assist the expansion of the industry.

Matters of copyright, digital rights, price freedom and regulation need to be treated as priority issues.

Skills and training of staff in new e-technology – across the evolving and converging range of potential applications.

Development of literacy in the UK – at all age levels.

Retaining literature as a priority in the school curriculum and encouraging children to read books.

Expansion of the teaching of English as a foreign language overseas (through e.g. British Council).

Media ownership changes should enable traditional publishing companies to expand into broadcast and other media and to enjoy the benefits of greater industry consolidation.

The broadband future, interactive digital TV and other delivery mechanisms, require more skills and more mixes of skills than ever before in publishing.

The importance of maintaining and supporting current self-regulatory structures such as the Advertising

Standards Authority and Press Complaints Commission. Also the importance of working with Government to ensure self-regulatory principles are extended to the Internet.

Ensuring effective and fair mechanisms for copyright protection both at UK and European level in both print and digital media, and taking rigorous action against piracy and counterfeiting, worldwide.

Venture capital to assist small publishers making the transition to electronic publishing.

Maintenance of zero rating for VAT purposes of magazines, books and newspapers.