

# Reading the Tea Leaves

A Book Sector Profile for British Columbia

Prepared for Creative BC  
and the  
Association of Book Publishers of British Columbia

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## INTRODUCTION

Book publishing has been operating within an upset applecart this last decade. In the trade publishing sector, the face of book retailing is almost unrecognizable and while digital change has happened and is well underway, it has not taken shape as expected – at least not for Canadian- and British Columbia-owned publishing companies. The opportunities for book discovery are also transformed; traditional review and interview media have shrunk as newspaper and broadcast media struggle with their own change, while online book discovery and other efforts to reach readers directly prove challenging. Within the scholarly and educational publishing sector, institutional budget constraints and the effect of Open Access legislation are transforming where and how materials can be accessed and acquired.

What has this meant for professional British Columbia publishers? Has it affected their sales volume and output? How are they adapting and surviving? What opportunities have arisen amid this change, and what challenges? What mechanisms would best aid these businesses in thriving and flourishing within the BC economy and cultural framework?

These are the questions we have been asked to answer.

This study was commissioned by Creative BC and the Association of Book Publishers of British Columbia (ABPBC). The ABPBC is a provincial association of BC-owned and controlled publishing companies that works to support the long-term health of the Canadian publishing industry in British Columbia, believing that the industry is essential to the educational, social, cultural and economic life of the province. British Columbia's publishers produce books in all genres that engage and inform Canadian and international readers.

The study's brief is to establish a baseline for the size of the Canadian-owned book publishing sector in British Columbia and to establish a methodology whereby the statistics could be gathered to depict a reliable annual snapshot of the sector. It was further commissioned to examine qualitative factors that define this sector, to look within and without BC's borders at the cultural impact of BC-published books and at the trends and stressors that are affecting the sector's capacity for stability and growth, both positive and negative.

## **EXECUTIVE SUMMARY**

### **Sector Snapshot**

Approximately 30 publishers operate professionally in British Columbia. A professional publisher is defined by the Department of Canadian Heritage (DCH) as an organization that undertakes professional activity involving the selection and development of manuscripts or draft manuscripts, entering into contractual agreements with creators or copyright holders, publishing books under the publisher's own imprint, and assuming the risks associated with their production and marketing. This study does not examine the self-publishing activity that falls outside this definition. Self-publishing encompasses works that authors produce and distribute themselves or with the help of external editorial and production services.

BC publishers are a durable and extremely valuable piece of the cultural fabric of the province. While there is a cluster of businesses in Vancouver and Victoria, BC publishers operate in all sectors of the province, from Fernie to Smithers and from the Okanagan Valley to Vancouver Island, adding their cultural reach and economic impact to communities outside the major urban centres. They are SMEs (small to medium enterprises), the lifeblood of local economies, agile, adaptable and committed to running their businesses in British Columbia. There have been independent BC publishers in the province since 1925 and new houses continue to start up, including in this most recent year.

While they publish authors from across Canada and from other countries, BC publishers are also committed to supporting and publishing BC authors. Yet, these are challenging times. Downward pressure on pricing, driven by Amazon and big-box retailers, discoverability issues led by the loss of

traditional review media and the transformation to digital discovery, and the shrinkage of books-and-mortar bookstores have all put additional pressures on publishers' opportunities for growth. They have responded with fortitude and intelligence, expanding their export efforts, finding non-traditional retail outlets, and utilizing social media and digital platforms. But strategic additional mechanisms on the part of the provincial government could jump-start a new level of growth and innovation, leading to more employment and greater business activity in their home communities.

Below is a brief snapshot of the publishing industry in British Columbia.

- Twenty-eight British Columbia-owned and -operated publishers are supported by the Department of Canadian Heritage/Canada Book Fund and 29 are members of the Association of Book Publishers of British Columbia. Twenty-two receive Canada Council support and 18 are supported by the BC Arts Council.
- In the most recent year (2013), their collective sales volume was between \$27 and \$28 million with a title base of 10,059 active print ISBNs tracked by BookNet Canada.
- In the period covered by the survey, publishers self-reported that almost half of that volume – 40% was earned within BC, with two companies reporting 99% and 95% of their sales volume from British Columbia.
- An average 30% of sales per surveyed year were export sales and just 7% on average came from e-book/digital sales. There is, of course, a wide range within the surveyed publishers and some reported export sales as high as 60% of their total sales.
- Seventy-eight percent of publisher respondents report that their sales are stable or have increased over the past four years. Sixty-five percent report that these trends are consistent across all sales channels.
- Fifty-three percent of the sector's expenses are spent within the province, estimated to be \$10-12 million.

- BC publishers are lean, with an estimated 300 full- and part-time employees and with a further estimated \$800,000 - \$1 million spent on freelance contractors. Spin-off economic impact numbers are impossible to estimate.
- Eighty-seven percent of publishers who responded to the survey are owner-operated and 91% are for-profit corporations, leaving 9% incorporated as not-for-profit.

### Marketplace Trends and Changes

International consulting group McKinsey reports that, except in emerging economies, global spending on consumer books between 2008 and 2013 registered zero growth. Educational publishing grew just .2%. This is in contrast to in-home video and video games that are up 9.2%, cinema 5.6% and broadband use up 14.2%. Newspapers declined 3.1% and magazines 3.7%.

The Association of American Publishers (AAP) in their 2014 US industry snapshot reported that sales in 2014 were \$27.98 billion, up marginally from \$26.75 billion in 2013 (reported in publisher net revenues) with the trade sector up 4.2%. E-book sales at 510 million units are now almost equal to hardcover at 568 million. After years of decline physical bookstores in the US saw a 3.2% increase in sales.

Canadian numbers match the global trend. Indigo, Canada's largest book retailer, reported print book sales of \$583.5 million for fiscal 2014/2015 against \$587.6 million for fiscal 14, a *de minimus* variance of 1%. Canadian sales reported to the AAP from their member publishers (American-owned publishers operating or distributing in Canada) stood at \$374.1 million in 2014, also down 1% from \$383 million in 2013.

Despite this relative stability, the McKinsey numbers reveal that there is a real challenge presented by people's growing consumption of other internet-based entertainments.

For Canadian-owned publishers in particular, the numbers show a slight decline. According to BookNet Canada, the total market was valued at \$934

million in 2014 with Canadian publishers selling \$39.9 million that year, down from \$52.4 million in 2013. These are print trade sales only, captured by BookNet's registered booksellers.

On the scholarly and educational front, educational fair use/Open Access and the increasing use of subscription services for academic purchasing are eating into the stability of sales for BC publishers who sell into the college and university markets. (Open Access is the act of permitting unrestricted access and re-use of in-copyright materials. Many academic institutions espouse the Open Access philosophy, restricting an author's and publisher's capacity to recoup their investment in a published work.)

Despite the challenges outlined here, it is important to note that the Globe and Mail reported in August, 2015 that the Statistics Canada economic report on the second quarter of 2015 revealed that the arts and entertainment sector grew more than any other in that quarter, by 6.4%, an additional sign of this sector's increasing importance to the Canadian economy.

## **Key Trends**

### ***Increased competition is here to stay***

Book publishers face increased competition, not just from other rising entertainment media, but also from the splintering of consumer access to books through new sales avenues and piracy, and through self-published books and free writers' sharing sites such as Wattpad.

### ***Contact and engagement with readers is necessary for success***

In this dis-intermediated world, people long for contact and engagement. Trend watchers predict that media that can make personal connections for or with their audience will be the ones to succeed.

### ***The world has become niche and locavorism continues to grow***

BC publishers excel at both these concepts. With good metadata, a niche publisher anywhere in the world can potentially meet up with its market. This is both an opportunity and a challenge. A BC publisher can sell anywhere in



the world but the converse is also true and is part of the increased competition issue.

### ***Think outside the book***

Trend analysts the world over are stating that content and the way readers consume it are changing. Traditional books are not passé but their commercial value can be extended in later non-book iterations and sold commercially (content marketing) or sampled as an enticement to direct reader engagement. Trans-media platforms, particularly in scholarly publishing, are rising.

### ***Industry Consolidation***

Publishers are adapting to the industry's changed environment through mergers and acquisitions. A new round has included the highly public merger of Penguin and Random House as well as numerous smaller deals around the world, including in Canada.

### ***Scholarly/Educational Market***

Scholarly and educational publishers share some of the same issues as trade publishers, but they face other unique challenges. Tablet and other non-print use will increase in the school systems here and abroad, changing how educational materials are bought, used and updated. Scholarly publishers and trade publishers that sell into the academic market are struggling with the impact on their sales of Open Access and fair use policies, tailored subscription services such as Scribd's Edelweiss, used book sales, student piracy and increased library use for class reading lists.

### ***BC Publishers in Context***

In the years covered by this study (2011-2014), surveyed publisher revenues held steady on average, with 78% reporting that their sales were the same or had grown. This statistic disguises the fact that nationally traditional bookstore sales declined by 6% in 2012 and another 4% in 2013. BC-based BookManager registered a much smaller decline: 1% in 2012 and 1.5% in

2013. The publishers survived by replacing these declining traditional retail sales with new sales avenues, strategies that once would have meant growth.

These strategies included increasing attention on export, expanding non-traditional sales outlets, experimenting with new sales models, and concentrating on niche marketing. The majority of surveyed BC publishers see increased effort in non-traditional domestic channels (69.6%); export and rights sales (60.9%); experimentation with new/different business models (69.6%); and increased attention to niche strengths (73.9%) as their top priorities.

### **Cultural Importance**

Publishing has one foot in business and the other in culture. Publishers are entrepreneurs but they are also avenues of cultural voice. Enlightened public policy at both the federal and provincial levels has recognized this, realizing that for Canadian voices to be heard, Canadian-owned publishing houses had to have a chance to level the playing field of our open, non-tariff marketplace.

### **Digital Transformation**

Digital production is strong among BC publishers, and sales reflect this effort. Survey responses show the majority (91%) of BC-based publishers offering e-books, and a comparison of Ontario-based publisher e-book sales with BC publisher digital sales shows a greater percentage sold on average by BC publishers.

## **KEY RECOMMENDATIONS**

Survey respondents targeted three key related challenges that need capital to undertake: tackling a changing marketplace/gaining access to sales 16%; visibility/discoverability for titles 13%; and having enough staff for the work that needs to be done 12%. Collectively these represent 41% of the core issues identified. Access to capital at 11% and profitability at 10% were listed as other identified issues, and these underlie a publisher's ability to tackle the 41%.

Publishers in BC publish across a wide spectrum of categories: fiction, non-fiction, regional interest, literary, children's, scholarly, and educational. Many publishers may well publish across more than one of these categories. But, broadly, their sales focus can be categorized as regional, national and/or international, literary, and scholarly/educational.

Publishers know best the needs of their own companies, and flexible programs and ideas are the most useful. Some of these recommendations include mechanisms requiring government funding support. Some, more modest, can be undertaken without additional funding, or with support from the wider corporate sector in British Columbia.

The following recommendations require working with the provincial government to structure new programs and financing that could be administered by Creative BC, or for which Creative BC could act as liaison:

- Provincial Loan Guarantee Program
- Sales Meeting and Fair Attendance Fund
- Marketing and Sales Innovation Fund
- Multi-Publisher or Cross-media Innovation Fund
- School Library Purchase Program with renewed public funding, with private sector support, or with a private/public partnership.

This suite of recommendations requires modest infusions of government financial support:

- Partner with BC libraries to establish bookstores for BC-published books and authors in library spaces
- Re-establish sales and information events with BC librarians
- Increase collective projects for Pacific Northwest market penetration
- Continue the Read Local campaign

## METHODOLOGY

*There's a sort of weird obsession with the idea that data can solve anything. I really haven't seen data deliver the results that I've seen a great editor deliver. –Evan Spiegel, CEO, Snapchat*

Two lines of inquiry were used to establish a body of knowledge about BC publishers that informed this study. Our approach, which was directed with the express purpose of attempting to benchmark publishing activity in British Columbia, was to employ both qualitative and quantitative research as part of the primary outreach to support this project. In any case, our inquiries were structured around three strategic questions: how significant is book publishing, both fiscally and culturally, in the province of British Columbia; how does the market in British Columbia compare to the publishing sector in Canada as a whole; what are the key issues and challenges for BC-owned and -operated publishing firms?

Quantitative inquiry was used to build a baseline of statistical knowledge of the size, shape and breadth of the professional publishing sector in the province of British Columbia, and to table recommendations on key trends and the concomitant policy options. This knowledge was solicited and delivered through direct online publisher survey, document review and secondary research, both national and international, and through analysis of existing sales and statistical records available from the following associations and firms: The Association of Book Publishers of British Columbia (ABPBC), The Association of Canadian Publishers (ACP), BookNet Canada (BNC), BookManager (TBM), the Canadian Urban Libraries Council (CULC), the Department of Canadian Heritage (DCH), Livres Canada Books (LCB) and Statistics Canada.

Much of the data provided by these organizations was not publicly available, and was obtained through generous support for the project, the result of an abiding interest on behalf of all parties in understanding and contributing to the cultural value of publishing in Canada.

Aggregated sales figures for publishers operating in British Columbia were made available for benchmarking purposes through the Department of Canadian Heritage, BookNet Canada and BookManager. Taken together, these figures provide a window into the economic situation for publishers locally as well as on the national stage. Export figures were also made available to this study from Canadian Heritage and Livres Canada Books. Separately, each of the supplied datasets reveals significant and unique indicators about the activity of publishers in British Columbia, particularly as it relates to the broader cohort of publishers operating in Canada. The nuances and types of data made available will be explained in more detail in the following sections.

Qualitative inquiry was employed to understand key challenges faced by stakeholders in BC, and was facilitated through individual interviews with industry representatives. Interviews were conducted in person or by phone, with heads of firms at BC-owned and -controlled publishing houses, publishing staff and other industry players.

Firms selected for individual interviews comprised a focus group of publishers selected jointly by the consultants and project steering committee members. Efforts were made to ensure that interview subjects were illustrative of all types of professional publishing present in the province – trade, educational and scholarly, local and national in scope. Booksellers, other retailers, librarians and industry thinkers were also among the interviewees consulted for this project. This secondary group contributed observations of trends, patterns and developments in British Columbia, Canada and globally to the scope of our research.

## **The Survey**

A direct publisher survey was designed for this study and circulated to an audience of 25 BC publishers, both ABPBC members and non-members, identified by the ABPBC. The survey was administered online.

In addition to soliciting general and background information about the respondent firms including staff size, management structure and publishing methods, the survey collected data about publisher activity in five areas of interest. The five areas of inquiry laid out in the survey were: Sales and Revenue Information, Expense Information, Future Planning, Priorities and Challenges.

Generally, online surveys do not engender high response rates but publisher engagement with the purpose of this study engendered a substantial response. Twenty-one of the 25 British Columbia-based publishing firms solicited submitted completed surveys.

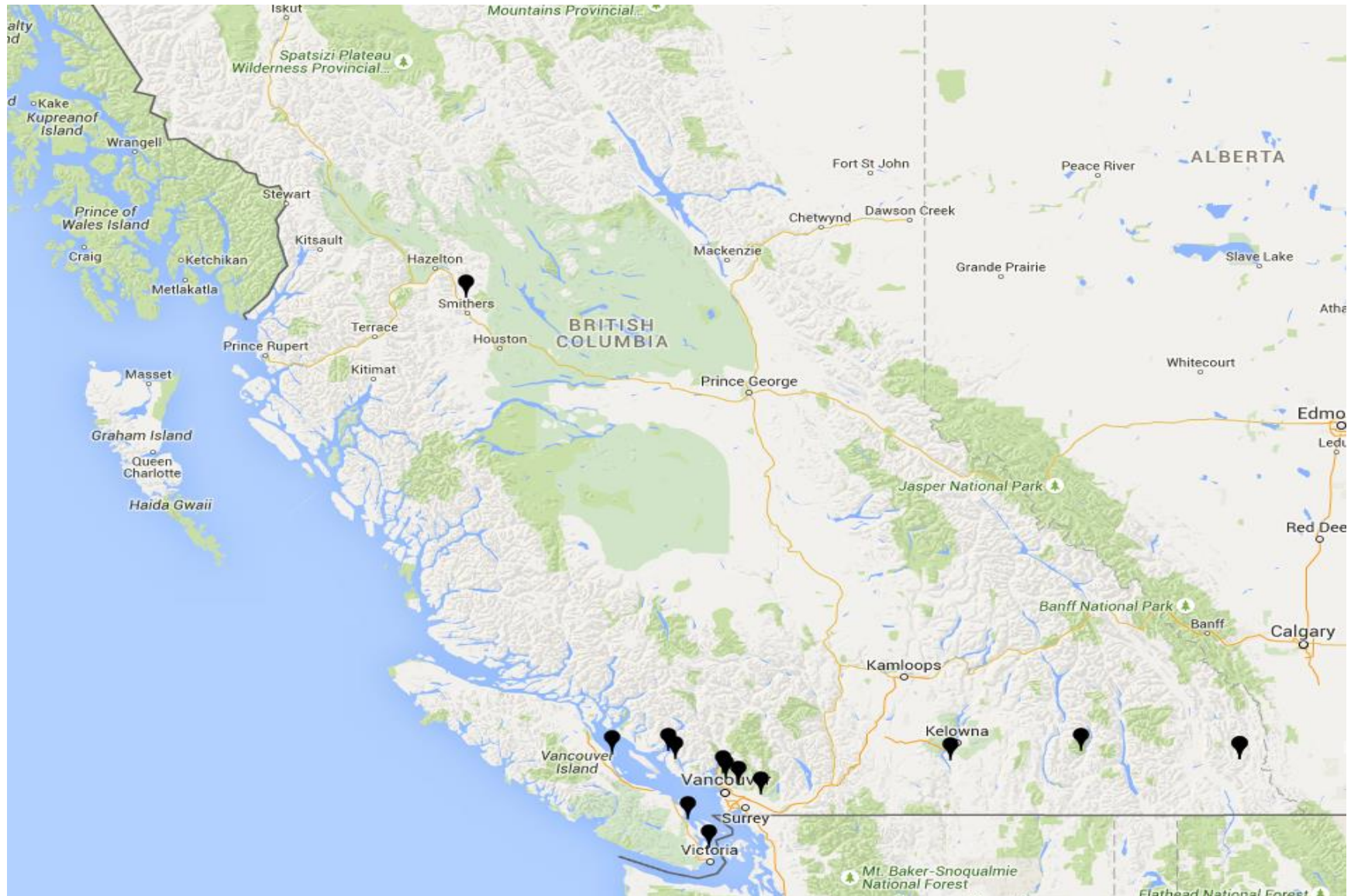
The survey was comprised of 44 questions in total. Please see Appendix B, where all survey questions are made available.

One important point confirmed by the survey is that publishing activity in BC occurs not just in the major centres, but across the province – from Smithers to Victoria and from Madeira Park to Fernie.

A map on the following page pins the locations of members of the ABPBC in 2015. Only one pin is used for each city or town, though there may be more than one firm present in each location.

## Location of ABPBC member publishers in British Columbia, 2015

Source: The Association of Book Publishers of British Columbia





## UNDERSTANDING BOOK SALES

The size and scope of the book publishing sector in Canada, and indeed in British Columbia, is more important to understand now than ever before. Canadian publishers, as well as agencies and other bodies working in the sector, must understand not only the size and tolerance of the market in order to effectively sell into it, but must be able to identify where avenues exist and where new venues for sales emerge in retailing and consumer landscapes that are in a state of flux.

Traditionally, publishing in Canada relied, and could depend, upon a framework where print books were primarily sold in retail bookstores, with some sales extending to outside channels. Generally, publishers knew where books would likely sell and could predict with some confidence which titles would be appealing to particular markets, stores or communities.

Understanding what sells, and what doesn't, has always been important and remains so, in part because of the peculiar fact that publishing operates on a returnable procurement model. Retailers can order and accept books into stock and can later return that stock to publishers if it remains unsold. Curiously, this is the model that allowed Amazon to enter e-tail and build a core book business. An upstart and perhaps savvy Jeff Bezos realized that there was little to no risk in starting an online bookstore, mainly because books were one of only two products that could be brought into a warehouse with full return privileges, negating the necessity in risking capital in inventory upfront.

For publishers, attracting attention for their books and authors in retail channels has always been a challenge, even before Amazon and other big box retailers entered the market. Creating buzz through media coverage and word



of mouth has also always been an unpredictable goal. These are even steeper challenge today. However, strategic tools that affect a publisher's ability to track sales and stock levels have emerged.

## **Sales Tracking**

Sales data tracking and analysis has long been available to publishers in the United Kingdom and in the United States through Nielsen BookScan. The creation of book industry supply chain agency BookNet Canada, in 2001, set Canada on a path to the same metrics and analytics available to publishers elsewhere. BookNet Canada was conceived by the Department of Canadian Heritage as an industry-led and funded body that would not just develop sales data tracking services for Canadian publishers, but assist in levelling the technological playing field for firms scattered across the country. Among the technological issues addressed by BookNet were the offering of sophisticated but simple Electronic Data Interchange (EDI) capabilities for ordering; education and promotion of international standards for digital information transfer; and an investment in and liaison with the retail sector.

BookNet Canada introduced its core product, BNC SalesData, in 2004. The service collects point-of-sale transaction data as well as on-hand and on-order levels from retailers across Canada and marries it with rich, title-level bibliographic data to provide a snapshot of a publisher's performance in the market. The metrics produced through BNC SalesData allow Canadian publishers to measure and forecast in ways that were previously unavailable.

## GATHERING SALES FIGURES

No one agency or organization holds or maintains a comprehensive view of publisher sales in Canada. As outlined in the previous section, several bodies collect or receive data from and about publishers, all for distinct and idiosyncratic reasons.

For the purposes of this study, we identified four seemingly reliable sources of data, and set about requesting, aggregating and synthesizing those sources in order to knit together a statistical likeness of the publishing sector in British Columbia today. The sources we consulted, and that were consistent in our estimation were Statistics Canada, the Department of Canadian Heritage, BookNet Canada and Kelowna-based BookManager.

Each of these sources tells us something different about the market in Canada, and about the situation of British Columbia in the Canadian tapestry. Moreover, the data hailing from each of these sources expresses peculiarities of one kind or another and can, at times – in the manner of Robertson Davies constructing *Fifth Business* – require a dash of the magical to rationalize.

### Statistics Canada

Statistics Canada gathers figures on a sampling statistical model, with input from the DCH data. Their latest numbers were released in March 2014 and reported on the 2010 and 2012 fiscal years. They report BC publisher sales of \$29.6 million in 2010 and \$31.3 million in 2012 against national sales of \$872.1 million in 2010 and \$796.6 million in 2012. BC is trending stronger than overall national averages.

Reports StatsCan in the 2014 survey release regarding the national numbers: “Operating revenue for the book publishing industry declined by

6.0% between 2010 and 2012. Although the industry reduced its operating expenses, this decrease did not keep pace with the steeper decline in operating revenues. As a result, the industry's operating profit margin fell from 11.2% in 2010 to 9.4% in 2012." In contrast, BC publishers' sales increased 5%.

We have been unable to verify the discrepancy between the numbers we have from DCH, BNC and BookManager and the StatsCan numbers. We surmise that the approximately \$2 million difference represents sales of publishers operating in BC not captured by our other sources, or it could represent a skew driven by the profile of the StatsCan sampled publishers. Publishers not captured by the other sources could include educational, computer book or other professional publishing selling directly to their customers. This is also likely to include outside sales and sales in non-book retail locations. For example, many British Columbia publishers sell in outfitters and other non-traditional outlets.

### **The Department of Canadian Heritage**

Publishers in receipt of funding support from the Department of Canadian Heritage (DCH) are required to report on sales activity over the fiscal year. All sales activity must be reported, meaning that DCH can readily be identified as the most comprehensive source for data about the sales revenue, and the breakdown of that revenue, for independent Canadian publishers.

Publishers submit sales in all formats, print or digital, for all sales channels for materials published in both English and French. Channels include trade, educational, scholarly, professional and institutional, and also include any direct or special sales made through publisher events or via the publisher's own web site. All sales must be captured.

The caveat for the DCH numbers is that not all BC publishers receive support and are, therefore, not caught in their statistics.

While the data collected and aggregated by the Department of Canadian Heritage is as accurate as possible given the direct reporting by publishing

firms, it is subject to two issues surrounding timeliness. The first issue is that the data is not a direct representation of annual figures, year over year, for all publishers. Differences in fiscal periods among publishers can be recognized as a considerable factor here.

At the time of reporting, individual publishers are asked to submit sales figures over a 12-month period. For some companies, with a fiscal year beginning in January and ending in December, that 12-month period will reflect a calendar year. For others, where the fiscal year might begin April 1 and end on March 31 in the following year, for example, the 12-month reporting period can't be evaluated in a linear way.

While publisher sales data is not reported on the same schedule, year over year, by all recipients, it is possible to approximate annual sales, albeit with a lag applied to the data. DCH staff estimate that there is a delay of about one and a half years on data aggregated by the department. For example, data summarized by the Department of Canadian Heritage for the 2014-2015 reporting period roughly captures sales and publishing activity undertaken by Canadian firms in 2013.

The Department of Canadian Heritage generously made Total Sales, Export Sales, Digital Sales, and New Title Production for all formats available to this study. These figures were provided for the 2012-2013, 2013-2014, and 2014-2015.

Our analysis employed DCH figures to benchmark the contribution of BC publishers to Canadian book sales overall, and to build a meaningful comparison of British Columbia firms to Ontario publishers in both export and digital sales. The following table outlines how periods were rationalized:

<b>Program Year, The Department of Canadian Heritage</b>	<b>Represents</b>	<b>Year Presented in This Study</b>
2012-2013	Roughly 2011	2011
2013-2014	Roughly 2012	2012
2014-2015	Roughly 2013	2013

## BookNet Canada

BNC SalesData currently captures transactional data from more than 2,000 retail outlets across Canada. While this is significant, it is important to note what is captured. The data collected by BookNet Canada represents:

- Domestic sales figures through book retailers and big box outlets
- For print titles only
- Books published in English, though there may be a few French language titles represented
- For the trade market only.

Digital formats, educational and scholarly markets and export sales are not included. Generally, institutional, special and outside sales are also not included, though publishers do have the ability to input these figures directly and an increasing number are beginning to do so.

BookNet Canada estimates that its SalesData platform captures 85% of book sales in Canada, per the conditions outlined above. CEO Noah Genner estimates that for the segment of British Columbia publishers, that number varies due to the volume of outside and specialty retail sales occurring in the province – for example, BC ferry shops, outdoor outfitters, spinner racks in unconventional retail locations – that are not present throughout Canada.

*SalesData captures 85% of sales in Canada, for our market. In BC, that number is probably somewhere between 70 and 75%. – Noah Genner, CEO, BookNet Canada*

The strength of BookNet Canada's data lies in its accuracy and timeliness. Data is collected directly from retail outlets and is processed on a weekly schedule. It is the most up-to-date view that publishers, distributors, retailers and other supply chain participants can access. BookNet Canada data are evaluated on an annual, year-over-year basis as well as on more granular monthly or weekly intervals.

BookNet Canada supported this project by providing aggregated Value (Total Sales) for the population of Canadian firms identified and represented in BNC SalesData, as well as for a population of BC publishing houses

previously identified by the ABPBC and represented in SalesData. Figures were provided for the years 2010-2014. In addition to aggregating the value of book sales from 2010-2014, BookNet Canada provided Units sold over the same period of time. The list of publishers measured by BookNet Canada is available in the Appendix.

Our analysis compared BookNet Canada figures to overall figures from the Department of Canadian Heritage in an attempt to estimate the extent to which publishing activity is happening outside of traditional retail channels.

### **BookManager**

BookManager is an essential part of the supply chain in British Columbia, capturing sales for independent bookstores, many of which are located in the province. Sales data from BookManager was gathered in comparison to, and as a supplement to sales figures from BNC SalesData. The inclusion of data from both sources ensured the most comprehensive view possible of where sales occur for our publisher set.

In 2014, BookManager captured sales for 176 retail outlets nationally, 47 of which were also captured by BookNet Canada. In British Columbia alone, BookManager collected data for 72 retailers in 2014, 9 of which also report to BookNet Canada.

BookManager data represents:

- Domestic sales figures through independent retailers in Canada
- For print titles only
- Books published in English, though there may be a few French language titles represented
- For the trade market.

### **Analysis of Sales Data**

Sales data provided for the purposes of this study revealed that benchmarking the publishing sector in British Columbia, in Canada, or in any market, is not easily done or easily replicated in a straightforward and repeatable way. Among the sales figures gathered, many vulnerabilities were identified: sales for firms supported by the Department of Canadian Heritage

could not always be reliably captured and tracked by BookNet Canada, and a certain amount of fluctuation existed in the province with firms moving in and out of physical location in British Columbia, and others dropping in and out of program support from one reporting period to the next.

This is not unique to Canada. The Frankfurt Book Fair analyst Rudiger Wischenbart moaned in a recent report “... the challenges to producing a data-based overview...includes the limited, poor and often inconsistent nature of the available statistics.”

Considerable effort was made to align figures from the Department of Canadian Heritage with those of BookNet Canada and BookManager. Our analysis concluded that the best indicator of the size and scope of publishing in Canada is through the Department of Canadian Heritage – and that although the data is not as current as might be desired, it does provide the most complete figures for activity in all areas of publishing, for all formats, and in all markets – local, national and international.

In 2012-2013 (roughly representing sales in 2011), BC publishers reported a total sales volume of \$21,881,863 to DCH. This number rose to \$33,830,464 in 2013-2014 (roughly 2012 sales), and dipped back down to \$27,897,964 in 2014-2015 (roughly 2013 sales).

The fluctuation for the first two years can generally be explained by the addition of A.I.M Language Learning, an educational publisher of substantial size, to the Canada Book Fund in 2013-2014. Douglas & McIntyre Publishers (D&M) filed for bankruptcy in 2012 and they did not receive funding for that year, so their numbers would not be reflected in DCH totals for what was the 2011 sales year. (It is important to note that all D&M’s imprints have continued under different ownership.) The drop back to \$27.9 million in the final year is not easily explained. The 2013-2014 year may be anomalous and future sales trend tracking could answer the question.

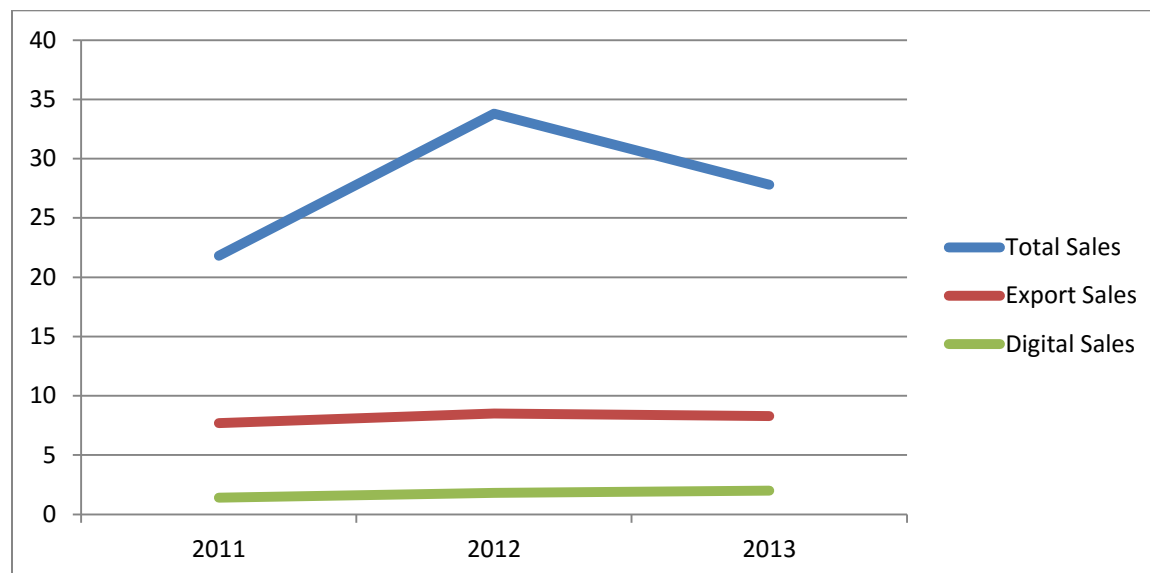
While it is certain that the presence or absence of A.I.M. Language Learning and D&M affect the scope of what can be gleaned from DCH figures, it must also be noted that Company’s Coming and its parent company, Lone

Pine Publishing, changed provinces over the course of this dataset, moving from Alberta to British Columbia in the 2014-2015 (roughly 2013) year.

Despite this change, we believe that BC publisher sales are largely accurate in the most recent year, with sales between \$27 and \$28M.

The following chart illustrates total sales as well as export sales and digital sales for publishers in BC, as provided by the Department of Canadian Heritage.

### Total Sales (in Millions) for DCH recipients in BC from 2011-2013

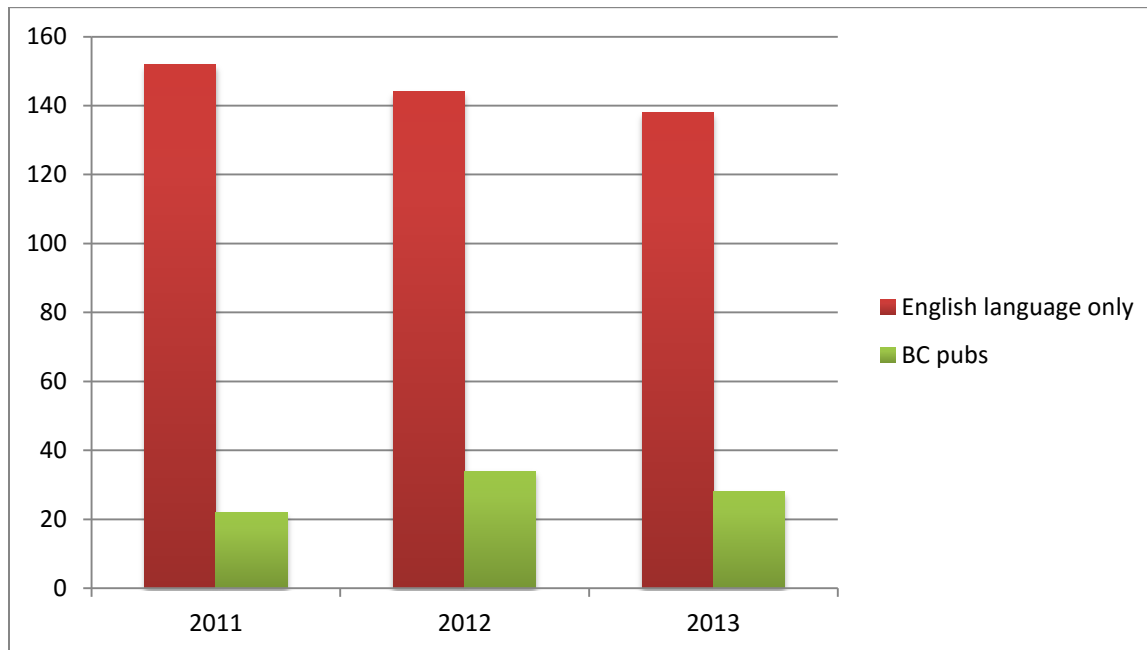


Source: Department of Canadian Heritage, 2012-2013, 2013-2014, 2014-2015

Total Sales from British Columbia publishers, aggregated by the Department of Canadian Heritage, and outlined above, are shown below in comparison to a subset of English-language publishers supported by DCH programs. The publisher sets are available as an Appendix.



## Total Sales (in Millions) for DCH recipients from 2011 to 2013



Source: Department of Canadian Heritage, 2012-2013, 2013-2014, 2014-2015

## Export Markets

In direct publisher interviews, BC publishers reported an increase in the importance of export markets, with particular emphasis on the United States as sales there continue to grow. Figures gathered from Livres Canada Books (LCB) support the position of the US as BC publishers' largest export market, but also identify the United Kingdom and Australia as continued, significant trading partners.

Livres Canada Books (LCB) is an Ottawa-based book industry association charged with administering funding support for foreign rights development on behalf of the Department of Canadian Heritage. The association gathers information about the export activities of Canadian publishers in both English and French, and organizes collective marketing efforts on behalf of client publishers.

Canadian publishers submit financial records regarding export activity to the Department of Canadian Heritage, while export marketing, foreign sales trips, and general market interest are captured by Livres Canada Books. LCB has recorded export sales to 91 countries by British Columbia-based publishers over the last 22 years, and in the 2014 program year, publishers in British Columbia exported to 45 countries. The historical figures represent sales across 23 publishing houses.

The following page shows a map representing all 91 Export Countries for British Columbia Publishers from 1992-2014.

## Export Countries for British Columbia Publishers, 1992-2014

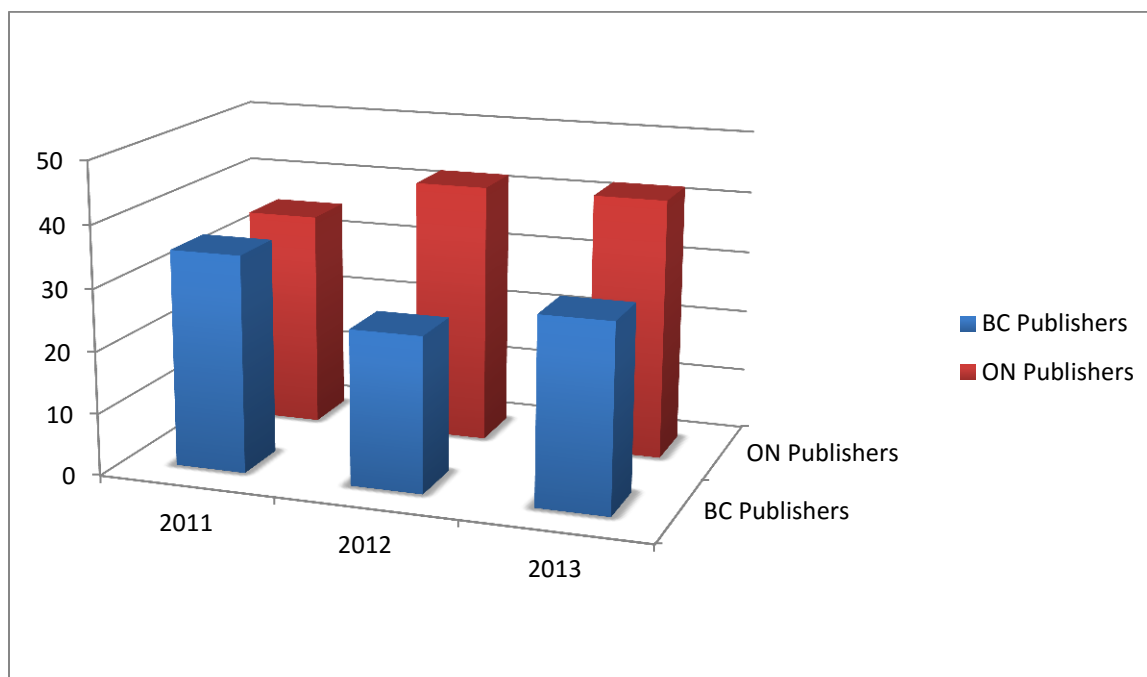
Source: Livres Canada Books, 2015



The Department of Canadian Heritage reports that the export activity of BC-based publishers represents an average of 30% of total sales revenues over the last three reporting periods, which roughly describe the years 2011, 2012 and 2013. Over the same period, the export activity of Ontario publishers registers at an average 40% of total reported revenue. This difference in export percentages between Ontario and BC can be explained by the amount of regional publishing undertaken by BC publishers. Regional publishing is not as significant in Ontario publisher lists as it is in the lists of British Columbia publishers. The difference may also be attributable to the additional provincial export support Ontario publishers receive through the Ontario Media Development Corporation (OMDC).

The figure below shows a more detailed, comparative view of export sales for BC publishers and Ontario publishers over the three-year period.

### **Export sales of BC publishers and Ontario publishers 2011-2013**



Source: The Department of Canadian Heritage, program years 2012-2014.

## Top Export Countries

For the 2014 program year, the top export countries for Canadian publishers, for all methods of export in both official languages, were the United States, France, United Kingdom, Australia and China. Narrowing the audience of publishers to English language producers only, the top five export countries for all methods in 2014 vary slightly and somewhat predictably. The top countries are:

1. United States
2. United Kingdom
3. China
4. Australia
5. Brazil

For the subset of BC-owned and -operated publishers, the list of top five export countries, for all methods of export in the 2014 program year changes, and is described by Livres Canada Books as follows,

1. United States
2. United Kingdom
3. Australia
4. Germany
5. Vietnam

Not surprisingly, the United States and United Kingdom occupy the top two export positions, but standing in stark contrast to the activity of English-language publishers supported by program funding through Livres Canada Books and the Department of Canadian Heritage, BC firms do not reflect the same export activity in China.

Going beyond the top five countries, the activities of BC publishers are strongest in South Africa, Netherlands, South Korea and Norway, with China occupying the number thirteen spot after Sweden and Nigeria, with each of the subsequent countries ranking further below in the 2014 program year.

## Markets of Interest

The ability and opportunity to experiment with new and varied business models may not always fall in line with a publisher's willingness to trial and test new ways of stepping into the market, but the ability to try new export markets may, where distribution costs can be carefully managed. Respondents to our survey identified Asia, South America and Mexico as markets of particular interest.

Within the US, there is great enthusiasm and strong interest among BC publishers in the Pacific Northwest. Many survey respondents and interviewees identified the region as an area of potential growth and opportunity for export sales. Mutual interest among British Columbia-based publishers and independent publishing houses in the Pacific Northwest region of the United States includes not only regional and local specialty publishing but also political activism including, but not limited to, environmental awareness and aboriginal affairs.

## Digital Sales

It may be surprising, given the constant chatter about digital transformation and the uptake of e-books, to know that digital sales represent less than 10% of reported sales for publishers in British Columbia. Figures obtained from the Department of Canadian Heritage suggest that digital sales represent an average 7% of total sales for BC firms over the last three reporting periods (presented here as 2011, 2012 and 2013).

While this number may seem small or questionable in comparison to the importance placed on digital books, it is quite significant in the Canadian context. This significance is illustrated when figures for independent BC publishers are compared to those of independent Ontario publishers with digital book sales. For Ontario publishers funded by the Department of Canadian Heritage, sales of books in digital format over the same period average just 3% of total sales.

The advantage of BC publishers over others in Canada can be attributed in part to early experimentation with digital formats, and entry into the digital market with projects such as KnowBC.com in 2001 (Harbour Publishing's

online edition of *The Encyclopedia of British Columbia*) and BC Books Online, a collaborative effort between BC publishers and libraries to promote and purchase electronic rights to BC-published books.

The strength of e-book sales in British Columbia is also in keeping with digital sales analysis that shows that the biggest factor in e-book sales is genre, with romance, science fiction and fantasy, and mystery dominating. E-book sales to date are mostly cannibalizing mass-market paperback sales, an area in which the majority of BC and Canadian publishers do not publish.

In terms of production, 91% of BC publisher respondents to our survey reported offering titles in digital format. This compares with 93% of the publishers – both independent and ‘Big 5’ – tracked in a BookNet Canada report published in June 2015 titled, ‘*The State of Digital Publishing in Canada 2014*’, reporting that they produce digital books. And 56.5% of the surveyed publishers in British Columbia report producing and circulating their own metadata rather than hiring a service to undertake the work. This speaks to a high level of digital sophistication on the part of BC publishers.

## THE MARKETPLACE – TRENDS AND CHANGES

### Market Size

There is remarkable consistency of trends in the book industry, nationally, internationally, and locally. Physical book sales have stabilized; physical bookstores have rebounded slightly and sales of digital books have stopped their meteoric rise but are still increasing.

The Frankfurt Book Fair released a paper in late June: *The Business of Books 2015: An Overview of Market Trends in North America, Europe, Asia, and Latin America*. In it trend analyst Rudiger Wischenbart quoted a McKinsey report that stated that, except in emerging economies, global spending on consumer books between 2008 and 2013 registered zero growth. Educational publishing grew just .2%. This is in contrast to in-home video and video games that are up 9.2%, cinema 5.6% and broadband use up 14.2%. Newspapers declined 3.1% and magazines 3.7%.

Despite these global numbers, North America seems to be bucking the trend slightly in that the Association of American Publishers (AAP) in their 2014 US industry snapshot released in late May of this year reported that sales in 2014 were \$27.98 billion, up marginally from \$26.75 billion in 2013, with the trade sector up 4.2% largely due to the young adult and children's categories. E-book sales declined in 2013 but were up 3.8% in 2014, at 510 million units now almost equal to hardcover at 568 million. After years of decline, physical bookstores in the US saw a 3.2% increase in sales and Tina Jordan, vice president of AAP, feels this is a solid rally, not a blip. Online continued to dominate, however, with \$5.9 billion in sales compared with \$3.8 billion in physical bookstore sales. What is most encouraging about these stable numbers is that they occurred in a year with no single blockbuster bestseller. (Please note that these are publisher net revenue numbers, not retail sales figures.)



Canadian numbers reveal a similar trend. Indigo, Canada's largest book retailer operating 208 stores nationwide saw a slowing decline pattern for book sales. In their year ending March 31, 2015, Indigo reported print book sales of \$583.5 million against \$587.6 million for fiscal 14, a variance of just 1%. E-book sales declined to 2.6% of sales from 3%, probably due to the continued effect of the sale of Kobo to Rakuten. CEO Heather Reisman in her Annual Report statement reported that Indigo's "core book business showed growth for the first time since the advent of e-Reading." Canadian sales reported to the AAP from their member publishers stood at \$374.1 million in 2014, down from \$383 million in 2013. (Other major publisher retail clients such as Amazon, Rakuten, and Costco do not separate book sales in their annual reports.)

The rate of bookstore closure slowed finally. Indigo closed just eight locations in 2014 and an anecdotal report assessed just four independent closures in BC since 2010, although two of the four had more than one location.

Despite this relative stability (and the fact that publishing is surviving better than its print partners, newspapers and magazines), the Frankfurt report numbers reveal that there is a real challenge presented by people's growing consumption of other internet-based entertainments. Added to that is the fact that more of book sales revenues each year are being gobbled up by a few mega bestsellers. Fewer books are taking more of the pie.

On the scholarly and educational front, educational fair use/Open Access and the increasing use of subscription services for academic purchasing are eating into the stability of sales for BC publishers who sell into the college and university markets.

Price Waterhouse Cooper in its annual global industry predictions had this to say about near-future prospects: "Print/audio revenue will fall across the board, but continue to make up more than 70% of total books revenue. In 2019, global total books print/audio revenue will stand at US\$92.39bn, down from US\$101.63bn in 2014, a decline of 1.9% CAGR [Compound Annual Growth Rate]. While print/audio revenue is declining across consumer,

educational and professional books, by 2019 it will still account for the vast majority of global total books revenue, taking US\$72 out of every US\$100 spent.”

## **Market Trends**

### ***Increased competition is here to stay***

Book publishers face increased competition, not just from other rising entertainment media, but also from the splintering of access and production. Self-publishing, often low-priced, populates the online bookselling environment. And companies that assist authors to publish for themselves are a growing force, putting well-edited and packaged books into the marketplace. The dollar value of this aspect of the book trade would be difficult to quantify but it would be stubbornly foolish to deny that this is a growing aspect of the business. Readers don't distinguish between gatekeeper-published and self-published books. They simply ask themselves if it appeals to them. The old concept of vanity publishing is now largely irrelevant. (Well-received self-published books are now often picked up by traditional publishers and re-issued to a wider audience. In a way, such titles have become “R&D” titles for publishers, just as larger, often multi-national publishers looked to independent publishers' lists for prospective authors.)

*Consider for a moment the growing volume of books available through the global e-book supply chain. In some respects this represents a Renaissance, as never before have so many books been available for readers to download instantly. But suddenly joining every book that has been published in the last 150 years are hundreds of thousands of books created by independent authors and millions of foreign language titles as well. – Jim Bryant, Trajectory.com*

### ***Contact and engagement with readers is necessary for success***

In this dis-intermediated world, people long for contact and engagement. Trend watchers predict that media that can make personal

connections for or with their audience will be the ones to succeed. As Price Waterhouse went on to say in their global prediction paper quoted earlier: one of the driving trends is “... [the] consumers’ common desire for content experiences that are relevant to them personally – which is why, even in a globalised world, meeting local preference remains critical.”

And Richard Nash, *enfant terrible* and leading thinker on publishing issues, said in an interview for this study: “The role of the book as ‘thing’ grows in importance. It is what remains once an experience is over. Publishing must shift from the provider of information to the provider of the thing that exemplifies the experience. Publishers need to connect in a pragmatic way with their communities and their time.”

In other words, publishers can no longer rely on mass media for discovery and third-party retailing for sales. This is not news but the degree to which publishers must shift their mindset and effort is still often underestimated.

Publishers must not only understand the community their books serve, but they must think of engagement as an end in itself. Publisher marketing has traditionally been targeted to retail buyers – bookstores, wholesalers and other institutional professionals, the third-party intermediaries between a publisher and its readers. But, as laydowns and order commitments shrink, direct reader engagement becomes an increasingly critical part of a publisher’s outreach. As Brian O’Leary of Magellan Media said in an interview, “Marketing to readers instead of buyers involves a change in mindset.”

Marcel Fenez, PWC’s Global leader, entertainment and media, comments: “Digital or non-digital – for consumers, it’s all about content experiences. Given the wide variations in consumer preferences, the challenge for entertainment and media companies is to blend data insights and consumer intuition to maximise the value of the experiences they offer. The prize for achieving this is heightened by the fact that the consumer has never been more up for grabs than today.”

### *The world has become niche and locavorism continues to grow*

This is good news for BC publishers who already excel at both these concepts. With good metadata, a niche publisher anywhere in the world can potentially meet up with its market. Borders are no longer barriers (provided territorial rights are in place). This is both an opportunity and a challenge. Yes, it means that a BC publisher can sell anywhere in the world but the converse is also true and is another piece of the increased competition issue raised above.

Mike Shatzkin of the IdeaLogical Company, a publisher think tank based in New York, said in an interview for this study, “The world is closer than it ever was before. The nichier you are, the more the world gives you opportunities for discovery.”

This is fairly straightforward for local and regional interest books and for specialty subject books – good metadata and good local/specific relationships come to the fore here. But it becomes a thornier issue for mainstream fiction and non-fiction that sit in a broad category dominated by a few mega-bestsellers in any given year and that fight for shrinking square footage in physical bookstores and for landing-page exposure online.

One of the solutions is to exploit the locavorism that has sprung up as a reaction to globalism. While reaching out to the world with one hand, take hold of the desire for contact and engagement that the dis-intermediated world has engendered with the other, and connect even more with the local community.

Says Nash, “Look for partnerships with the culture interested in the book’s subject matter. Partner with anybody to reach your audience. Think of the dollars that could be directed to this if publishers re-directed their investment away from traditional publicity and marketing to finding and exploiting the specific communities of interest that will connect to a book. Leave mass marketing and focus in.”

## ***Think outside the book***

This is perhaps the most difficult mindset change for traditional publishers but trend analysts the world over are stating that content and the way readers consume it are changing. This is not to say that traditional books are passé. Quite the opposite, in fact. It is that books can be parsed any number of ways in later iterations and sold to companies looking to build customer relationships beyond advertising, or sampled for free as an enticement to direct reader engagement. A book's life can be extended by thinking of its content in non-traditional ways.

*The entire non-publishing world is looking for connections to narrative. We are hard-wired for story. – Richard Nash*

## ***Industry Consolidation***

One of the ways in which publishers are adapting to the industry's changed environment is through mergers and acquisitions. A raft of deals has been taking place over the past decade that has left few sizeable independent publishers in most countries. Recently, a new round has included the highly public merger of Penguin and Random House and Madrigal's (Gallimard's holding company) purchase of Flammarion in France, as well as numerous smaller deals around the world, including in Canada where Toronto-based Fitzhenry & Whiteside bought Whitecap Books, Random House Canada fully acquired McClelland & Stewart and the Dundurn Group has purchased eight other Canadian houses, including most recently Thomas Allen & Sons.

Outside North America, these mega-publishers are increasingly turning to vertical integration, including branded bookstores.

This is true also for other aspects of the global book business, notably Japanese online giant Rakuten's purchase of e-book retailer Kobo and online library platform OverDrive, and the consolidation in Europe of various online portals into a single entity.

The thesis is that there can be economies of scale and sales growth gained through consolidation and that the combined companies can better

weather the storm. Inevitably, staff, authors and backlist get jettisoned or re-arranged after consolidation and there is opportunity for other independent publishers to gain through others' restructuring, particularly in picking up authors and content.

### **Scholarly / Educational Market**

While scholarly and educational publishers share some of the same issues as trade publishers, they face a number of unique challenges.

"Educational books growth will outpace consumer and professional books revenue. Between 2014 and 2019, global total educational books revenue will grow at a CAGR of 2.0%, exceeding the CAGRs of 0.8% for consumer books revenue and 1.6% for professional books revenue. Educational books will benefit from strong growth in digital and only a marginal shrinkage in print, with print books still being easier to share around a classroom and pass on to new students."

So predicts Price Waterhouse, with the caveat that much of this growth will be in the emerging countries.

Tablet and other non-print use will increase in the school systems here and abroad. Will this be a benefit as educational institutions use all or partial selections of educational materials in a newer and more flexible context? Or will fair-use legislation, particularly here in Canada, have deleterious effects on educational publishers' ability to earn income from their books, as book sections will be used to make composite textbooks and deemed fair use?

Scholarly publishers and trade publishers that sell into the academic market are struggling with the ramifications of Open Access and fair use policies, tailored subscription services such as Scribd's Edelweiss used book sales, student piracy and increased library use for class reading lists. The decline in print sales is not being replaced by digital and academic libraries' model of patron-driven acquisition is further driving down sales.

Publishers interviewed for a 2015 study commissioned by the Association of Canadian Publishers, *Public Opinion on the Value of Books in the Education Book Sector* indicated that revenue from the education sector has decreased substantially over time, most notably within the last decade. A decline in public spending for education, resulting in smaller purchasing budgets for books, was cited as a factor in K-12 markets while increased price points for post-secondary materials may contribute to a decline in sales.

University presses are increasingly looking to the trade sector to replace lost academic sales and are experimenting with new platforms and business models to remain viable. Alternative business models include diverse publishing, including advertising in books, offering supplementary content and making chapters or other sections of works available.

## **BC PUBLISHERS IN CONTEXT**

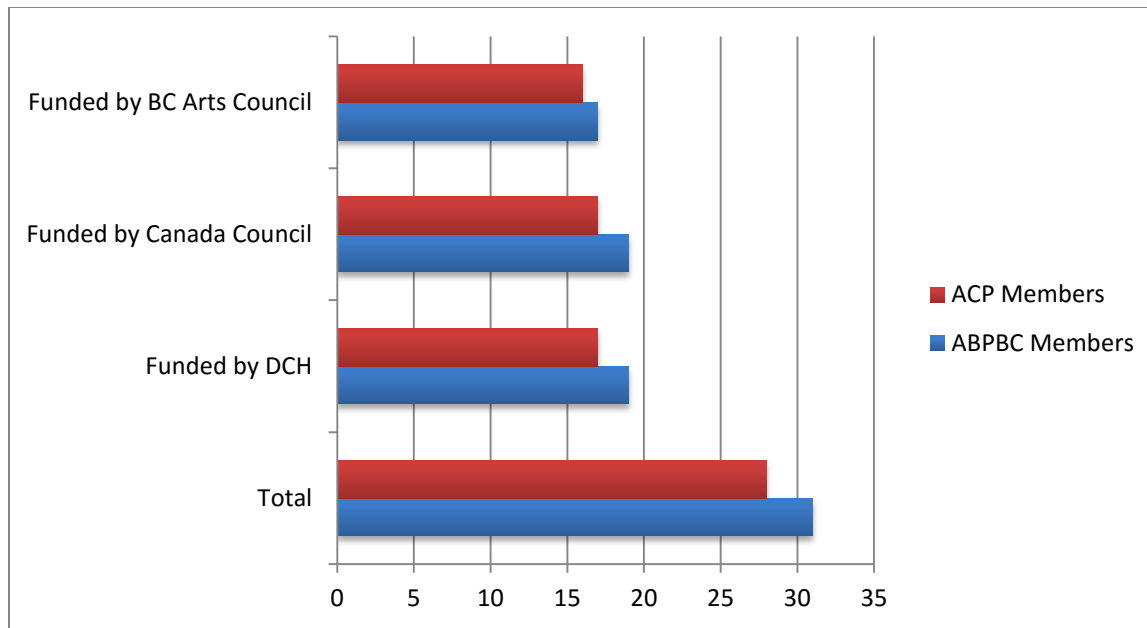
### **Challenges and Priorities**

British Columbia publishers range in size from sales below \$100,000 per year with no paid employees to those with sales in the single digit millions and 25+ employees. They publish across the full range of categories and cover trade, scholarly and educational markets. Twenty-eight receive DCH funding, 22 receive Canada Council support, and 18 BC Arts Council support. Twenty-seven are members of the ABPBC and a further three are members of the ACP but not the ABPBC.

There are publishers operating in BC that are not captured by the parameters of this study. They are not members of the ABPBC or the ACP; they are not funded by DCH or the various arts councils; and, if their sales are not trade-based, they are not captured by BookNet Canada or BookManager. They are the outliers and their sales size is unknown.

The bar chart below summarizes membership and funding participation in British Columbia for each organization's most recent program year. Non-members are not shown.





In the years covered by this study (2011-2014), surveyed publisher revenues held steady on average, with 78% reporting that their sales were the same or had grown. What this heartening statistic disguises, however, is that traditional bookstore sales declined by 6% in 2012 and another 4% in 2013. BC-based BookManager registered a much smaller decline – 1% in 2012 and 1.5% in 2013. The publishers survived by replacing these declining traditional retail sales with new sales avenues, strategies that once would have meant growth. In other words, their growth strategies by necessity became replacement strategies.

*Sales are fairly stable. What has changed are the factors affecting book sales. The places where sales are happening have changed.* —Brian Kaufman, Anvil Press

These strategies included increasing attention on export, expanding non-traditional sales outlets, experimenting with new sales models, and concentrating on niche marketing. Each of these is a strategy currently promoted by leading publisher thinkers. BC publishers' limitations, therefore, are not ones of sophistication or imagination but of limited resources that can be diverted from the core activity of getting the books made and out the door

to the arduous efforts of finding and building new markets. Says one surveyed publisher, “I feel if we cannot increase profitability, we will never be able to increase our staff size which we need to undertake many of the projects/activities that need to be done in hopes of increasing sales....”

While some BC publishers see increased effort in traditional domestic sales channels as one of their growth strategies (39.1%), the majority feel that focus outside that realm is where growth lies: non-traditional domestic channels (69.6%); export and rights sales (60.9%); experimentation with new/different business models (69.6%); and increased attention to niche strengths (73.9%). Over 30% felt that the market was requiring them to change their list shape and focus in order to adapt successfully.

Publisher respondents laid out their challenges clearly: 69.6% cited the changing marketplace and access to sales as their biggest challenge; 56.5% cited visibility and discoverability; 52.5% not enough staff for the work to be done; 47.8% access to capital and another 43.8% listed profitability. Ability to compete and attract and retain authors came in at 30.4% while digital strain (17.4%), succession (4.3%) and other (21.7%) rounded out the list.

Interestingly, no one listed banking issues as a challenge, a compliment to publishers’ business savvy. This indicated that, while publishers might need access to more capital, they had solid ongoing relationships with their bankers.

## **Competitiveness and Cultural Importance**

*I began doing writing projects ... to explore a new way of seeing Canada ... to present a wide-open Canadian sense of colour, adventure, communication and openness that defines our country. – Douglas Coupland*

BC and other Canadian-owned publishers have always operated in a difficult marketplace. The reading population is relatively small and dispersed across a huge country, making distribution expensive. Imports from the larger

English-language markets of the US and the UK and Commonwealth bring not only competition of choice but also the lower price points that larger print runs permit.

But publishing is that bifurcated thing, with one foot in business and the other in culture. Yes, publishers are entrepreneurs. They are also avenues of cultural voice. We understand who we are as Canadians, in large part, because publishing has given voice to writers and thinkers who have helped us define ourselves and reflected our sense of nationhood. And this is what sovereignty is to a lesser power with an indefensible border that rightly embraces freedom of reading and thought. We are who we are not because of an ancient shared history, or the protection of mountain barriers, or of unique language but because of culture, a culture that is alive and constantly changing. Publishing has had, and continues to have, a huge part in this ongoing metamorphosis. We are, as historian Modris Eksteins once said, “the world’s first post-modern nation.” We are an act of will. Without a shared understanding of our identity, what are we?

Decades of enlightened public policy at both the federal and provincial levels has recognized this, realizing that for Canadian voices to be heard, Canadian-owned publishing houses had to have a chance to level the playing field of our open, non-tariff marketplace. Public funding has permitted these publishers to price their books competitively against the pricing that economies of scale has given imports and has had a large hand in the vibrant literary landscape we know today.

Independent publishing in Canada and in British Columbia is this delicate balance of entrepreneurship, enlightened public policy and cultural importance. It has never been easy being Davids against the multi-national Goliaths and the current global industry upheaval has made it even more challenging. But, perhaps because the marketplace here has always been challenging, the publishers are well-trained and positioned for survival. As a respondent wryly stated in the survey, “Nobody said this would be easy.”

## DIGITAL TRANSFORMATION

Publishers surveyed reported an enthusiasm and a willingness to publish digital versions of their books, but many cited the challenge of not having enough, or knowledgeable, staff to publish simultaneously with print. Despite this, BC publishers show strong digital sales, particularly in relation to Ontario publishers, with an average 7% of total sales occurring with digital books.

In *The State of Digital Publishing 2014*, BookNet Canada reports that Canadian publishers surveyed for the study cite the driving forces for creating e-books as increasing sales (77%), meeting customer demand (63%) and meeting accessibility needs (55%). Producing digital books as a “mechanism to lower costs” registered as a driving force for only 5% of respondents, a sharp decrease from the previous year.

E-books are here to stay, and while publishing and uptake have both risen significantly in recent years, Ken Roberts, retired CEO of Hamilton Public Library, offered the opinion that e-books – like all new consumer technologies – are subject to the law of diffusion of innovation.

The Law of Diffusion of Innovation suggests that for new products or business innovations, a bell curve of consumer reception and acceptance exists. Several types of consumers, identified as Early Adopters, Innovators and Majority Adopters are among the types of consumers that begin to use new types of products or offerings. There are a few different types of Majority adopters. To be successful, an innovation must engage and capture the majority of users, as this is where growth occurs.

E-book adoption, or growth in the uptake of e-reading, is complex and multi-faceted. It takes place in many ways, and applies to many different types of books and materials. While e-book activity has plateaued recently, it has also reached the top of the bell curve, the point at which the law of diffusion posits that an innovation can confidently be predicted to have reached critical mass and be sustainable.

Digital reading has allowed us to understand more than we ever thought was possible about the reading habits of Canadians, and others reading our books. In a recent talk at BookNet Canada's 2015 Technology Forum, Nathan Maharaj of Kobo outlined the kinds of data metrics that are available as a result of e-reading.

Beyond whether or not a book is purchased, Kobo is currently able to gauge whether or not a book was opened, whether or not the reader actually read it, the percentage that was read, and even the length of time that it took for a reader to finish the book, if indeed it was finished. What does that mean for publishers? When combined with analysis of sell price, Kobo is able to provide a picture of reader engagement based on price.

Current findings suggest that when an e-book is opened, it is often approximately one month after purchase. Customers motivated by discounts or low-priced titles are not necessarily reading those titles right away. At the same time, books purchased at higher prices correlate with stronger reader engagement.

## RECOMMENDATIONS

### Overview

Publishing is a small-margin business, shaved even more finely in recent years by deeper discount demands and downward retail price pressure. Most of a publisher's resources routinely go into the financing of the next season's list, leaving little for the financing of new initiatives. Unlike film or game development, a publisher's risk is spread across a number of properties each year and those properties are relatively affordable to get to market. A few successes each year can cover the cost of the rest of the list. Sadly, this stability does not attract venture capital that would rather chance creative properties that are much riskier but promise a greater return if one takes off. As a result, publishers' biggest single issue is getting access to the capital that would let them take on sales growth initiatives.

Survey respondents targeted three key related challenges that need capital to undertake: tackling a changing marketplace/gaining access to sales 16%; visibility/discoverability for titles 13%; and having enough staff for the work that needs to be done 12%. Collectively these represent 41% of the core issues identified. Pair this with access to capital 11%; and profitability 10% as other identified issues and a clear picture emerges.

The statistics presented in earlier sections of this paper show that BC publishers have been impressive in their ability to hold their revenue lines in a volatile and changing market. But if they are to be able to build on this stability and see growth, mechanisms that offer seed funding or access to seed funding are critical.

Price Waterhouse Cooper's global media experts has confirmed in their annual outlook that "... while global revenue from digital media will continue to exhibit stronger growth, non-digital media will still contribute well over 80% of global consumer revenues in 2019. A key feature of this multifaceted environment is the resilience—and in some cases resurgence—of aspects of

‘traditional’ media, including the shared, live experiences that consumers still love.” In a publishing context, this means that print isn’t going away anytime soon.

## **Challenges and Recommendations**

Publishers in BC publish across a wide spectrum of categories: fiction, non-fiction, regional interest, literary, children’s, scholarly, and educational. Many publishers may well publish across more than one of these categories. But, broadly, their sales focus can be categorized as regional, national and/or international, literary, and scholarly/educational and these have specific challenges and opportunities specific to the category.

The recommendations tabled below are broad enough to encompass the differing needs of the segments. There are few one-size-fits-all recommendations in this new applecart world, and these recommendations have been imagined to be parsed as the individual publisher needs. Publishers know best the needs of their own companies, and flexible programs and ideas are the most useful.

There are recommendations here that are predicated on increased public funding. Others, more modest, require smaller infusions of additional capital.

### **Challenge: Access to Capital**

#### **Recommendation: Provincial Loan Guarantee Program**

Loan-guarantee programs have been successful support mechanisms within different governments in the past. A provincial loan guarantee program permits a publisher to negotiate with its existing banking institution for extended credit to undertake new initiatives to expand its sales revenue and overall growth. The government acts as a guarantor, not for the publisher’s entire line of credit, just for the new credit extension. This is a low-risk, low cash outlay strategy. BC publishers are stable businesses, unlikely to default. A government would only have to expense the guarantee in the unlikely event that a publisher failed. While complex legally, there are other loan guarantee

programs past and present that could be used as precedents for structure and regulation. A reasonably small fund-cap commitment on the part of the provincial government would give BC publishers much-needed financial breathing space to undertake sales expansion strategies.

The most successful prototype for this was the Ontario Publisher Loan Guarantee Program operated by the Ontario Development Corporation and underwritten by the Department of Tourism, Culture and Recreation (as it was then named). It operated for 23 years from 1973-1995 when it was discontinued by the government of Mike Harris as part of wide-spread cutbacks. To my knowledge, there were only three defaults in that time. Currently, the Ontario Financing Authority operates the Aboriginal Loan Guarantee Program and there are various agricultural ones, such as Saskatchewan's Livestock Loan Guarantee Program.

### **Challenge: Access to Sales/ Marketing Sales Trips**

#### **Recommendation: Fund a Sales Meeting and Sales Fair Attendance Program**

Regardless of size, BC publishers indicated that essential business travel is being set aside due to limited funds. For some literary publishers, a sales trip to Toronto is as prohibitive as one to the London Book Fair. Toronto might as well be Frankfurt or New York. For other publishers, they must pick and choose among necessary trips, leaving some critical to new business on the table. Despite the benefits of metadata and the internet, and the valiant efforts of sales reps or international sub-agents, there is still no replacement for face-to-face contact.

Within Canada, a publisher meeting with major national accounts can raise the profile and the brand of their house so that when the reps come to sell, the account will take a closer and more interested look at the list.

Outside Canada, whether it is increased outreach to the Pacific Northwest, attendance at US sales conferences, or attendance at one of the



major international fairs, there is no replacement for the recognition and increased willingness to do business that comes from personal contact.

This recommendation supposes that such a program encompass both domestic and international sales growth needs, recognizing BC's unique problem of distance from the head offices of most major national accounts for domestic business, and the increased attention being paid by BC publishers to export sales growth.

A program such as this does not need a big pot. The Ontario Media Development Corporation runs a successful export marketing fund with a small six-figure allotment. And it could be accommodated within Creative BC's existing Passports to Markets program as long as domestic travel was permitted.

### **Challenge: Visibility/ Discoverability**

#### **Recommendation: Fund a Marketing and Sales Innovation Program**

All the trend analysts recommend pursuing niche marketing strategies and heightening direct reader engagement. And, as traditional review media suffer their own decline, display space in bookstores shrinks and a few mega bestsellers take up all the remaining oxygen, this becomes critical. The issue for BC publishers is that this is all well and good – and true – but the traditional marketplace *is* still there and still needs to be serviced as long as it exists. And there is not the risk capital available to tackle new sales and marketing methods while maintaining the old.

An innovation fund would permit BC publishers to pursue new marketing and sales strategies that have been outside their normal course of business to date. With maximum flexibility, the fund could assist publishers to pursue innovation specific to their particular business needs, be it digital marketing, direct reader engagement, direct sales strategies, expansion into new sales channels, or experimentation with new sales models. The assumption would be that successful strategies would become part of a

publisher's regular course of business, once proven to generate the sales needed to finance them.

Such a fund could have rigour: publishers would have to set benchmarks and establish measurable outcomes. And the fund could be subject to a program review process every few years.

A program like this would complement the BC Arts Council Innovation fund, whose innovation funding has had to shoehorn publishers into a substantially underfunded program really designed for arts organizations and non-profits. Publishers' business-focused needs have not been a comfortable fit for the BCAC's innovation funding.

### **Challenge: Changing Marketplace**

### **Recommendation: Multi-publisher or Cross-media Innovation Fund**

As content delivery channels morph and as internet-based media consumption grows, the lines blur around media silos. What constitutes a book in this brave new world? Where can narrative be found? Where will consumers look for trusted information and content? How can BC publishers position themselves to adapt to this world, using their skills of taste and curation, editing and production? How can professional, scholarly and educational publishers adapt to a tablet and multi-platform publishing model? Where can value be established in the culture of free?

This is where the real frontlines of the business of culture lie. And for BC to remain a player on the valuable cultural industry stage, these lines must be tried. This fund would permit a group of publishers or an alliance of trans-media companies, including publishers, to experiment with new forms, new business alliances, new cross-media business models, or new ways of engaging with consumers.

**Challenge: Access to Sales/ Loss or shortage of book retailers in BC**

**Recommendation: Partner with public libraries to place bookstores within library branches.**

In response to the loss of bookstores in downtown Vancouver, and in those towns without local bookstores, library systems could be approached to divert some of their unused main floor space to a bookstore dedicated to selling books from BC authors and publishers. Libraries could take a commission on books sold to help defray their costs, and the store could hire local authors to act as booksellers. In Vancouver, where a few bookstore locations remain, a three-way partnership could be considered.

This has been done successfully at Toronto Public Library with their dedicated Toronto Comic Arts Festival (TCAF) bookstore inside the Reference branch, a beautiful store dedicated to graphic arts books and merchandise. Representatives of Vancouver Public Library expressed interest in such a model at a meeting in May, 2015 with the consultants, and library systems around the province could be approached. Libraries are in the process of re-inventing themselves as community hubs, redefining their relevance to the communities they serve. We believe they are open to strategic partnerships within the book ecosystem as part of this transformation.

**Challenge: Access to Sales/ Institutional**

**Recommendations: Re-establish Sales and Information Meeting with BC Libraries and Re-establish School Library Purchase Program**

***Sales and Information Session with BC Librarians***

One of the issues for publishers in the last decade has been the increased power of the institutional wholesaler as a gatekeeper separating publishers and librarians. As acquisition strategies changed with declining budgets, wholesalers stepped up with purchase lists tailored to a library's

acquisition strategy. Fewer acquisition librarians escalated the need for this buying policy but the side effect was that publishers and publishers' sales reps had less personal contact with actual librarians. Wholesalers are susceptible to the discount enticements and populist titles that large multi-nationals bring to the table, and independent publishers struggled to maintain profile with the various library systems to which they sold.

One of the high points in BC that helped to counteract this trend was the annual lunch hosted by Ampersand at which librarians and publishers could mingle. In a meeting with the Vancouver Public Library, the librarians lamented the loss of this event, commenting that it was one of their favourite calendar dates for the year.

We recommend that the ABPBC re-launch an annual or semi-annual publisher/librarian meeting. It need not be lavish or expensive to undertake. Publishers could present their "hot picks" list to the librarians and librarians could explain library acquisition policy updates and give publishers feedback on the response to their titles from library patrons.

Librarians are increasingly conscious of their place in the book ecosystem in Canada and are more willing to participate in local-interest book and publisher profile building than they have traditionally been. It is part of their own transformation to community hubs and serves their interest as well as publishers'.

### ***BC Books for BC Schools***

One of BC's signature successful programs was the Ministry of Education's school library book purchase program that gave schools a budget to purchase BC-published books for their libraries. When that program was discontinued, the ABPBC began the BC Books for BC Schools catalogues to encourage and facilitate the purchase of BC-published titles. The original program was valuable on every front: it was a crucial sales avenue for publishers; it gave schools a modest book-buying budget and control over

what they purchased; and it also guaranteed that BC schoolchildren would have access to local, culturally important books.

This program could be brought to life again under a number of funding models: renewed public funding, corporate sponsorship, or an innovative public/private partnership that permitted a tax break for the value of the corporate support.

### **Challenge: Access to Sales**

#### **Recommendation: Collective Action Ideas**

While much publisher marketing and sales activity in its nature is specific to the company and its list, there are places where collective action can be effective. While none of the ideas below require a large infusion of funding to get them underway, they do require some. A combination of publisher participation fees and some limited funding would be required to launch any of these. As it would most likely be the ABPBC that undertakes the initiatives, it is important to note that the limited staffing of the organization limits its capacity. Funding for contract staff or outside freelance management should be considered.

#### ***Pacific Northwest Increased Market Penetration***

A majority of surveyed publishers indicated that the Pacific Northwest was a sales expansion territory for them. Whether they were publishers with a lot of US export activity, or were businesses that restricted their export efforts, all emphasized the market next door with shared geography and shared interests. BC-published books that might otherwise be too regional to travel can work here, and broader interest books can also find a market. Most publishers indicated that they had participated in the PNBA book fair at least once, and that they would be interested in doing more.

We recommend that the ABPBC continue its efforts in the Pacific Northwest market penetration, through assistance to book fair attendance

and that the association investigate the value and viability of PNBA bookseller incentive programs and direct digital customer engagement initiatives.

### *Read Local Campaign*

Librarians, booksellers and publishers felt that the recently concluded Read Local campaign was a success. The Vancouver Public library set up a Read Local table near their checkout and said that the table was always needing to be replenished. We asked if there would be any statistics on circulation spikes but the library didn't think that they could trap that this year. In future, it is possible that ISBN and other data could be loaded into the circulation programming to trap this important metric. Other ways of gathering hard data to prove the campaign's effectiveness should be investigated.

Increased co-operation between libraries and the campaign should be initiated. Ideas for future Read Local weeks could include: a BC books aspect to the library's reader recommendation program (one of the VPL's most utilized patron tools), co-operation with libraries' active social media platforms, or development of an author/patron engagement program.

## CONCLUSION

Publishing in Canada and in British Columbia has never been easy. Competition from huge multi-national publishers, a small and far-flung reading population and the cost of distribution in a country as vast as ours, was (and still is) a constant pressure. But these challenges created a breed of canny survivors, leading one of the most prominent American publishers of his day, Alun Davies, to declare that Canadian publishers were the shrewdest businesspeople he had ever encountered and that most of his New York colleagues would not survive a year in the Canadian marketplace.

Between 2010 and 2015, there has been tumultuous upheaval in publishing, and the publishing sector in British Columbia has not been immune. A perfect storm of pressures came together in that time that cost Canada and BC some of its leading indie publishers, including Douglas & McIntyre. Despite these pressures, the BC book industry has remained largely stable, with publishers adapting to the marketplace by seeking out new revenue streams, venues and audiences for their books. Stability—and in some cases, growth—has been maintained with no small amount of streamlining on the part of independent publishing houses.

While global outlook experts predict a steady slow decline for book publishing to 2019, the mechanisms they recommend for continued strength within the sector are already tactics BC publishers use to survive at distance from the publishing centres of Toronto, New York and London. They have a readership base with a strong sense of regional pride that they understand and cater to. The mantras of direct engagement and niche are ones BC publishers already understand. There is no reason not to think that they can buck this global trend. Outliers at the start; they can be market leaders now.

The publishing scene in British Columbia has always been vibrant. With modest attention and investment, the sector can be strengthened and supported so that it is positioned to take advantage of the tremendous opportunity lying at the heart of this change.

## APPENDIX A: Sources Cited in This Study

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## APPENDIX B: British Columbia Book Publishing Sector Survey

The following questions were circulated to publishers in British Columbia as part of a direct, online survey.

The survey is divided into 5 sections: General Background and House Information, Sales and Revenue Information, Expense Information, Future Planning, and Priorities and Challenges.

\* Required Question

### Section 1. General Background and House Information

1. **Publishing house:** \*
2. **Survey completed by:** \*
3. **Contact e-mail (for clarification or follow-up):** \*
4. **What year was your publishing house founded?** \*
5. **In what categories do you publish?** \* *Check all that apply.*
  - Fiction
  - Non-fiction
  - Poetry/Drama
  - Children's/YA
  - Educational/Scholarly
  - Specialty Regional
  - Other:
6. **Is the house owner-operated?** \* *Mark only one.*
  - Yes *Skip to question 8.*
  - No
7. **Your house is not owner-operated. Please describe the management structure.**
8. **How is the house incorporated?** \* *Mark only one.*
  - For profit
  - Not-for-profit
9. **Please indicate your staff size by entering the number of full-time employees.** \*
10. **Please indicate the number of part-time employees.** \*
11. **What is your average title output per year? Include new titles and**

**new formats. \***

**12. In what languages do you publish? \*** Select all that apply. *Check all that apply.*

English

French

Other:

**13. Please list the export markets you sell through. Include both rights sales and direct distribution countries. \***

**14. Do you publish all of your current titles in both print and digital formats? \*** *Mark only one.*

Yes *Skip to question 16.* No

**15. Please indicate how you publish. Check all that apply.**

Publish in print only

Publish digital editions of some titles

Wish to publish all titles in digital format but lack time, knowledgeable staff and/or monetary capacity

Other:

**16. How is your metadata managed? \*** (e.g. book data in ONiX or Excel)  
*Mark only one.*

We create and circulate metadata directly

We create it and our distributor circulates it

We create it and a third party that is not our distributor (e.g. Firebrand) circulates it

I don't know

Other:

## **Section 2. Sales and Revenue Information**

**17. Please indicate your Total Annual Revenues \*** *Mark only one.*

Less than \$50,000

Between \$50,000 and \$100,000

Between \$100,000 and \$200,000

Between \$200,000 and \$500,000

Between \$500,000 and \$1M

Over \$1M

**18. How would you categorize your sales revenues in the years 2010-2014? \*** *Mark only one.*

Stable     *Skip to question 21.*

Increase

Decrease

**19. For an increase or decrease in sales revenues, the change is:** *Mark only one.*

In general, across the board

In specific channels

Specific to format

**20. Please elaborate on changes to sales revenues by listing factors that affect or contribute to the change.**

**21. What percentage of your revenues comes from public funding vs. earned/sales revenues? \*** *Please supply figures for the fiscal years 2010-2014*

**22. What percentage of your sales represent Domestic Traditional Trade Sales? \***

**23. What percentage of your sales represent Institutional Sales? \***

**24. What percentage of your sales represent Domestic Non-Traditional Sales? \***

**25. What percentage of your Export Sales represent rights sales?**

**26. What percentage of your Export Sales represent direct distribution?**

**27. What percentage of your total sales represent Digital Book Sales? \***

*This will be a subset of your other sales, above.*

**28. What percentage of your sales is earned within British Columbia? \***

### **Section 3. Expense Information**

**29. What percentage of your expenses represent direct publishing cost? \***

*Include advances, pre-production, pp&b, and post- production, including sales and publicity/marketing costs.*

**30. What proportion of these expenses is spent within BC? \*** *You can approximate.*

**31. What percentage of your expenses is payroll and benefits? \***

**32. What percentage of your expenses covers other overheads? \***

**33. How much do you typically spend on freelance work? \***

#### **Section 4. Future Planning**

**34. Is a succession plan relevant to your publishing house? \* Mark only one.**

Yes *Skip to question 35.*    No    *Skip to question 36.*

**35. Where are you in the succession planning process? Mark only one.**

Need a plan but haven't started yet

We have a plan developed but it's not in place yet

Our succession plan is underway now

We have completed the succession process

**36. Are you experimenting, or have you recently experimented with new business models? \* Mark only one.**

Yes        No    *Skip to question 38.*

**37. Please elaborate by describing the new business models you have tried.**

#### **Section 5. Challenges and Priorities**

**38. What do you see as your top three current challenges? \* Check all that apply.**

Access to capital

Banking Issues

Profitability

Changing marketplace / Access to sales

Succession

Ability to compete in attracting and retaining authors

Visibility / Discoverability for your titles

Digital strain

Not enough staff for the work that needs to be done

Other:

**39. Can you comment further on your current challenges?**

**40. What do you see as your top three current priorities? \* Check all that apply.**

Access to capital

Banking Issues

Profitability

Changing marketplace / Access to sales

Succession

Ability to compete in attracting and retaining authors

Visibility / Discoverability for your titles

Digital strain

Not enough staff for the work that needs to be done

Other:

**41. Can you comment further on your current priorities?**

**42. Where do you see growth potential for your company? \*** *Check all that apply.*

Traditional domestic sales channels

Non-traditional domestic sales channels

Export and rights sales

Experimentation with different business models (e.g. subscription sales, partial content sales, corporate partnerships, inter-publisher cooperation)

Focus on niche strengths

Change list shape and focus

Other:

**43. Are there export markets that you do not currently sell in, that you are interested in? \*** Please list markets of interest.

**44. Are there other ideas or issues you would like to bring to our attention? \***

## **APPENDIX C: BC Publisher Survey Respondents**

Anvil Press  
Arsenal Pulp Press  
Caitlin Press, Incorporated  
CCI Learning Solutions  
Creekstone Press  
D&M Publishers Incorporated  
Greystone Books, Limited  
Harbour Publishing  
Heritage House  
McKellar & Martin Publishing Group  
Midtown Press  
Orca Book Publishers  
Pacific Educational Press  
Ronsdale Press  
Self-Counsel Press, Incorporated  
Sono Nis Press  
Talonbooks, Limited  
Theytus Books, Limited  
TouchWood Editions  
Tradewind Books  
UBC Press

## APPENDIX D: List of Interview Participants

Brian Kaufman	Anvil Press
Brian Lam	Arsenal Pulp Press
Tina Jordan	Association of American Publishers
Margaret Reynolds	Association of Book Publishers of British Columbia
Gillian Wood	BC Arts Council
Michael Neill	BookManager
Noah Genner	BookNet Canada
Mary Ann Yazedjian	Book Warehouse and BC Booksellers Association
Vici Johnstone	Caitlin Press
Rob Sanders	Greystone Books
Howard White	Harbour Publishing
Rodger Touchie	Heritage House Group
Pat Touchie	Heritage House Group
Mike Shatzkin	Ideological Company
Nathan Maharaj	Kobo
Ken Roberts	Library consultant
Christen Thomas	Literary Press Group
Francois Charette	Livres Canada Books
Brian O'Leary	Magellan Media Partners
Jessica Walker	Munro's Books
Julie Raddysh	New Society Press
Janet Hawkins	Ontario Media Development Corporation
Ruth Linka	Orca Book Publishers
Bob Tyrell	Orca Book Publishers
Andrew Wooldridge	Orca Book Publishers
Kirk LaPointe	Self-Counsel Press
Richard Nash	Serial Entrepreneur
John Maxwell	Simon Fraser University Writing and Publishing
Suzanne Norman	Simon Fraser University Writing and Publishing
Kevin Williams	Talonbooks

Paul Seesequasis	Theytus Books
Craig Riggs	Turner-Riggs
Melissa Pitts	UBC Press
Kay Cahill	Vancouver Public Library
Christina de Castell	Vancouver Public Library
Hal Wake	Vancouver Writers Festival



## APPENDIX E: Publishers Funded by the Department of Canadian Heritage

The following firms received publishing support or business development assistance from the Department of Canadian Heritage in the program years cited.

### 2012-2013

Anvil Press Publishers Inc.  
Arsenal Pulp Press Ltd.  
Brindle & Glass Publishing Ltd.  
Caitlin Press Inc.  
CCI Learning Solutions Inc.  
Éditions de la Montagne Verte Inc.  
Hancock House Publishers Ltd.  
Harbour Publishing Co. Ltd.  
Heritage House Publishing Co. Ltd.  
International Self-Counsel Press Ltd.  
Morriss Publishing Ltd. (o/a Sono Nis Press)  
New Society Publishers Ltd.  
New Star Books Ltd.  
Nightwood Editions Ltd.  
Orca Book Publishers Ltd.  
Pacific Educational Press  
Rocky Mountain Books Ltd.  
Ronsdale Press Ltd.  
Simply Read Books Inc.  
Talon Books Ltd.  
The University of British Columbia Press  
Theytus Books Ltd.  
TouchWood Editions Ltd.  
Tradewind Books Ltd.  
Wood Lake Publishing Inc.

### 2013-2014

AIM Language Learning Inc.  
Anvil Press Publishers Inc.  
Arsenal Pulp Press Ltd.  
Caitlin Press Inc.  
CCI Learning Solutions Inc.  
Douglas and McIntyre (2013) Ltd.  
Ekstasis Editions Canada Ltd.  
Greystone Books Ltd.  
Hancock House Publishers Ltd.  
Harbour Publishing Co. Ltd.  
Heritage House Publishing Co. Ltd.  
International Self-Counsel Press Ltd.  
Morriss Publishing Ltd. (o/a Sono Nis Press)  
New Society Publishers Ltd.  
New Star Books Ltd.  
Nightwood Editions Ltd.  
Orca Book Publishers Ltd.  
Pacific Educational Press  
Rocky Mountain Books Ltd.  
Ronsdale Press Ltd.  
Simply Read Books Inc.  
Talon Books Ltd.  
The University of British Columbia Press  
Theytus Books Ltd.  
TouchWood Editions Ltd.  
Tradewind Books Ltd.  
Wood Lake Publishing Inc.

### 2014-2015

AIM Language Learning Inc.  
Anvil Press Publishers Inc.  
Arsenal Pulp Press Ltd.  
Caitlin Press Inc.  
CCI Learning Solutions Inc.  
Company's Coming Publishing Limited  
Douglas and McIntyre (2013) Ltd.  
Éditions de la Montagne Verte Inc.  
Ekstasis Editions Canada Ltd.  
Greystone Books Ltd.  
Harbour Publishing Co. Ltd.  
Heritage House Publishing Co. Ltd.  
International Self-Counsel Press Ltd.  
Lone Pine Media Productions Ltd.  
Morriss Publishing Ltd. (o/a Sono Nis Press)  
New Society Publishers Ltd.  
New Star Books Ltd.  
Nightwood Editions Ltd.  
Orca Book Publishers Ltd.  
Rocky Mountain Books Ltd.  
Ronsdale Press Ltd.  
Simply Read Books Inc.  
Talon Books Ltd.  
The University of British Columbia Press  
TouchWood Editions Ltd.  
Tradewind Books Ltd.  
Wood Lake Publishing Inc.

## **APPENDIX F: Publisher Entities Captured in BookNet Canada and BookManager Sales Data**

Anvil Press  
Arsenal Pulp Press  
Brighter Books Publishing House  
Brindle & Glass Publishing  
Caitlin Press, Incorporated  
CCI Learning Solutions  
CCSP Press  
Creekstone Press, Limited  
D&M Publishers Incorporated  
Eaglecrest Books  
Ekstasis Editions  
Granville Island Publishing  
Greystone Books, Limited  
Hancock House Publishers  
Harbour Publishing  
Hedgerow Press  
Heritage House  
Heritage House Group Limited  
KLMK Enterprises  
McKellar & Martin Publishing Group  
Mother Tongue Publishing  
New Society Publishers, Limited  
New Star Books, Limited  
Nightwood Editions  
Now Or Never Publishing  
Oolichan Books  
Orca Book Publishers  
Pacific Educational Press  
Polyglot Publishing  
Poppy Productions  
Raven Publishing  
Rocky Mountain Books  
Ronsdale Press  
Royal British Columbia Museum  
Self-Counsel Press, Incorporated  
Simply Read Books

Sono Nis Press  
Stanton Atkins & Dosil Publishers  
Talonbooks, Limited  
Theytus Books, Limited  
TouchWood Editions  
Tradewind Books  
UBC Press  
Wood Lake Publishing, Inc.