

BOOK PUBLISHING INDUSTRY IN KERALA

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Requirements for the award of the Degree of
Master of Philosophy in applied Economics of the
Jawaharlal Nehru University, New Delhi*

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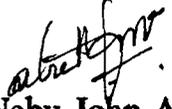
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JULY 1996

July 22, 1996

I hereby affirm that the research for this dissertation titled '**Book Publishing Industry in Kerala**' being submitted to the Jawaharlal Nehru University for the award of the Degree of Master of Philosophy was carried out entirely by me at the Centre for Development Studies, Thiruvananthapuram.

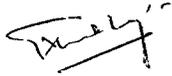

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Certified that this dissertation is a bonafide work of Mr. Nebu John Abraham and has not been considered for the award of any other degree by any other University. This dissertation may be forwarded for evaluation.


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Chapter 1

INTRODUCTION

Publishing is an integral part of the intellectual system of any country with a variety of accessible alternatives to books (Altbach,1975). A country's development is to some extent, reflected in the strength of its book industry-not only in the number of titles published but also in the number of copies of each titles printed. Anderson (1983) points out that " (I)n a rather special sense, the book was the first modern style mass-produced industrial commodity". In the course of time, the book publishing became a full fledged business and the publisher yet another profit maximising entrepreneur.

It is estimated that by the end of the second half of the 15th century more than two crores printed volumes were produced in Europe. As an offshoot of colonialism and missionary activities printing technology was introduced in many third world countries in the subsequent centuries. The production of this unique commodity called book has been increasing through out the world in the 20th century as well. In 1955, world book production amounted 2,69000 titles. Within a span of about four decades it has tripled. The available statistics compiled by UNESCO shows that during 1990, world book production was 8,420000 titles. Relevant data on book production with the percentage distribution of production is presented in Table 1.1.

Table 1.1: World book production

Year	1955	1960	1965	1970	1*975	1980	1985	1990
Europe*	1,86000	2,39000	2,60000	317000	3,43000	4,11000	419000	4,37000
Asia	54000	51000	61000	75000	88000	1,38000	138000	2,28000
America	25000	35000	77000	105000	1,21000	1,42000	142000	1,48000
Africa	3000	5000	7000	8000	11000	12000	12500	13000
Oceania	1000	2000	5000	7000	5000	12500	12500	12000
Developed	225000	285000	366000	451000	480000	570000	581000	600000
	(83.6)	(85)	(85)	(86.6)	(84)	(74)	(75.3)	(71)
Developing	44000	47000	60000	70000	88000	145000	191000	242000
	(16)	(14)	(14)	(13.4)	(15)	(20)	(24.7)	(28)

Notes: Figure in the parenthesis shows the percentage

* Including former USSR

Source : Statistical year Book (Various Issues), UNESCO.

As shown in Table 1.1, during 1955 to 1990, world book production was mainly concentrated in developed countries. Developed countries represents only 30 percentage of the world population but account for about 75 percentage of total titles published. However, during this period, the share of titles published in developed countries underwent significant changes. Between 1955 and 1970, the share increased from 83.6 percent to 86.6 percent. However, from 1980, their share has tended to decrease. In the year 1990, it was only 71 percent.

Table 2.1 shows the number of titles per million inhabitants in different parts of the world. In 1960, titles/million population (T/MP) in developed countries was 296, while in developing countries it was only 35. The T/MP has increased slowly in developing countries to 60 in 1990. In the developed countries T/MP rapidly increased from 296 in 1960 to 420 in 1970 and later it has tended to decelerate.

Table 1.2: Distribution of books/million population

Year	1960	1970	1980	1990
Developed	296 (41.6)	420 (38.5)	484 (26.6)	488 (23.3)*
Developing	35 (58.4)	41 (61.5)	45 (73.4)	60 (77.0)*

Notes: Figures in the parenthesis are percentage share of population

Source : Same as in Table 1.1

Developing countries' share of total production of books and the T/MP reflects the socio environment of these countries. Developing countries are characterised by low per capita income and low literacy rate which adversely affect the purchasing capacity and the ability to read books. These factors depress demand for books. Secondly, limited market leads to limited print-run. The limited print-run raises cost per copy which again reduces the demand. India is typical among developing nations in many respects. It is a vast nation with varied ethnic and linguistic mix. However, level of education in India is relatively better than many other third world nations which affects the demand for books. Table 1.3 shows that India is one among world's largest publishing nations and it ranks ninth in the world in terms of titles published.

Table 1.3: Major book producing countries

Country	1970	1980	1992	% Growth 1970-92
United States	79,530	1,42,000	1,44,000	44.7
Former USSR	78,899	80,676	76,000	-3.8
F R Germany	45,369	64,761	67,277	32
United Kingdom	33,441	48,069	86,573	61
Japan	31,249	45,596	66,000	53
France	22,935	32,318	45,379	49
Spain	19,717	28,195	41,816	52
Korean Republic	40,207	20,978	27,889	-44
India	14,145	13,148	14,438	2
Netherlands	111	14,591	11,844	99

Source : Same as in Table 1.1

During 1970 to 1992, among the top ten largest book producing countries, seven countries experienced a positive growth and the rest experienced a negative growth in book production. Although India's rate of growth of book production was positive, it was the lowest among the countries experienced positive rate of growth during this period.

1.1 Short History of Indian Publishing

Printing was brought to India by christian missionaries in the middle of 16th century. The earliest press was established by Christian Missionaries in Goa in 1556. In 1557 the first book *CATECHISM DOCTRINA CHIRSTA* was printed (Kesavan, 1988). Out of 37 titles of Doctrina, one was printed at Caulam (Koula) in 1578, one at Cochin in 1579, one at Punicale in 1587 and all the rest at Goa. Printing spread gradually to other centers and began to cover secular themes. It was in the 19th century that book printing became publishing and emerged as a commercial activity (Hasan, 1989). The following developments contributed to the expansion of demand for books and its commercialisation: a) The first was that Standardisation of educational system by the colonial government, b) Publishing got a rightful role in the country's intellectual life after the Indian renaissance, c) Along with this a net work of book sellers also began to emerge, starting with the establishment of a modern book shop in Calcutta in 1830. During the twentieth century, Indian publishing Industry showed steady but slow progress, pulled by the expansion of educational system and national movement. We do not want to go further into the pre independence history of book publishing. Our focus is on the post independence period.

Table 1.4 Total number of titles published in India (1961-1991)

1961	12617	1972	17557	1982	16798
1962	11502	1973	17020	1983	16650
1963	12869	1974	17660	1984	14202
1964	10925	1975	16192	1985	14591
1965	11132	1976	21959	1986	14503
1966	6984	1977	21922	1987	16970
1967	12409	1978	19659	1988	16650
1968	10121	1979	18584	1989	17073
1969	9605	1980	16466	1990	16037
1970	8147	1981	17168	1991	17713
1971	18306				

Source :National Library Calcutta and Statistical Abstracts Various Issues.

The total number of titles produced in India was 12617 in 1961. The number of titles published steadily declined to 6984 by 1966. The very next year it nearly doubled. It was followed by a few years of fluctuations. During the first half of 1970's it went up to 21959 titles by 1976-77. Since then total number of titles has slowly declined. In 1991 the number of total titles published stood at 17973.

After the attainment of independence, Government of India undertook a number of measures to promote book Industry. National Book Trust was set up. At the regional level, establishment of Southern Language Book Trust (SLBT) in 1955 helped in the production of books in regional languages in Southern India (SLBT,1974). Copyright Office was also established in January 1958 in pursuance of section 9 of the Copyright Act of 1957 which promoted authorship.

Despite these steps the book industry in India was practically languishing with a decline in number of titles produced. As a response a number of policy measures were launched in mid sixties.

National Book Development Board was established for the development of Indian Languages. The central ministry of Education also has two separate divisions since 1966 for the purpose of promoting books (Ganesan,1992). The book promotion division-I deals with indo-American, Indo-British, Indo-USSR text book. The Book promotion division-II includes the National Book Trust (NBT) which was constituted in 1957¹, and the National Book Development Council (NBDC) established in 1967. The book promotion activities of the trust include organisation of book fairs, workshops, seminars and celebration of National Book Week. In 1974, the central government entered into an informal contract with paper industry to ensure that industry would produce white printing paper at least equal to 30% of its total production and that paper would be supplied at a concessional rate to meet requirements of publishers (ibid). The indian printing industry also expanded meanwhile. A survey conducted by the Indian Academy of Printing and Graphic Arts showed that during 1975, the number of small, medium and large printing presses in India were 46,000, 4800 and 1350 respectively (NCAER,1975). Indian Posts and telegraph department also provided concessions to the Indian publishing Industry by reducing book-posts charge for carrying weight upto 800 gms. Moreover, the department is charging lesser amount for packets containing printed matter (Aloke,1985).

However, the promotion measures by Government of India have not been sufficient to stop the decline in the production. As we noted

¹ During 1993-94, National Book Trust (NBT) brought out 588 titles which included 297 originals, revised editions and translations and 291 reprints. Total net sales of NBT publications during 1993-94 amounted to Rs 186 lakhs.

earlier in mid 70's the number of titles tended to decline . The reasons for this are not very clear. One reason may be that the increase in the price of books tended to affect demand. The table 1.5 shows a faster price rise of paper and paper products than the general price level.

Table 1.5: Wholesale price indexes.(Base 1980-81=100)

Year	Paper	White Printing	All Commodities
1982-83	107	106	109
1983-84	116	130	118
1984-85	126	154	125
1985-86	140	163	132
1986-87	152	175	140
1987-88	166	203	152
1988-89	177	209	162
1989-90	202	268	177

Source: Index Numbers of Wholesale Prices In India, Ministry of Industry, Govt Of India, 1982-1990.

Many publishers found nationalisation of school level text books by the state governments very problematic because earlier, school level textbook production was a major incentive for the private publishers mainly due to its fast selling nature and lesser discount rates to the customers. Low discount rate would help increase the profit margin and fast selling nature of it used to give immediate returns on the investment made by the private publishers. Having briefed the overall trends we shall look into the English language and Indian language books separately.

Table 1.6 Number of titles and its percentage share

	1961	1971	1981	1991
INDIAN LANGUAGE	9806 (77.72)	12096 (66.07)	9513 (55.4)	10605 (59)
ENGLISH	2811 (22.27)	6210 (33.92)	7655 (44.5)	7368 (40.9)
TOTAL	12617	18306	17168	17973

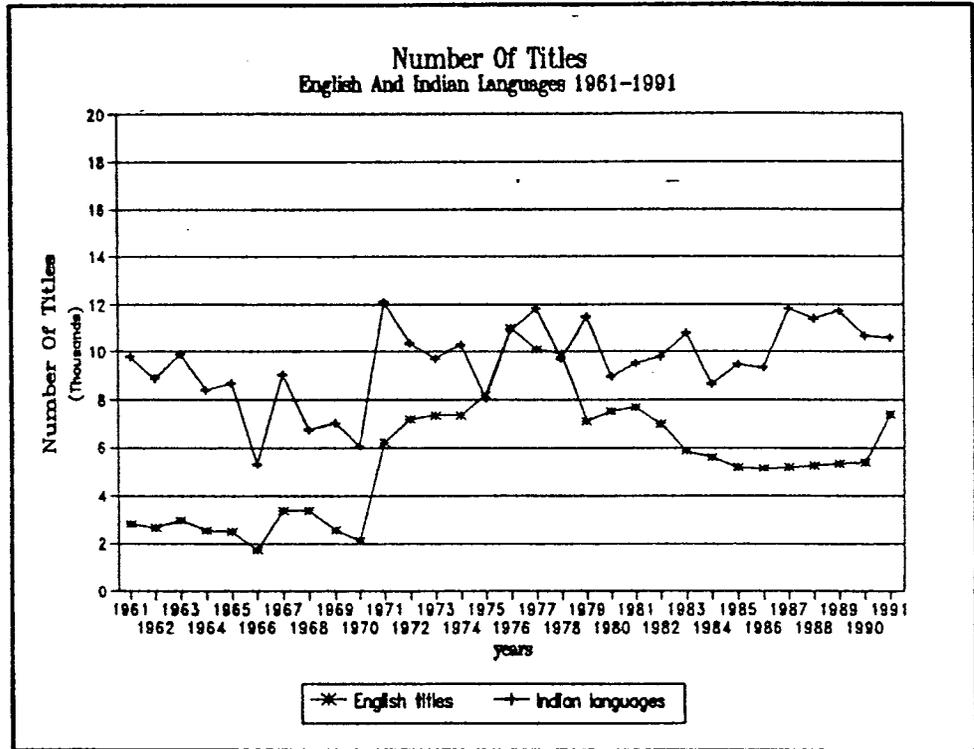
Note: Figures in parenthesis are percentage shares.
Source: Statistical Abstract-1962, National Library Calcutta.

From Table 1.6, it is also evident that the percentage share of Indian language in total number of titles has been decreasing and share of English has been Increasing. Percentage of titles produced in Indian languages was 77.72 in 1961. It decreased to 63.4 in 1971 and to 54.98 in 1991. Percentage share of titles produced in English has correspondingly increased. Over 40 percent of total titles published today are in English.

Overall trend in book production in English as well as Indian languages is clearer when we look into the figure 1.1. Figure 1.1 shows that titles produced in English language have increased sharply from 1970-71 and reached a peak in 1975-76. Thereafter there is a decline. Between 1960-61 to 1990-91, titles produced in Indian languages showed a fluctuating trend. Period-wise decomposition of Indian language publication shows that from 1960-61 to 1969-70, titles produced in Indian languages declined. However, titles produced in Indian languages reached its highest level in 1970-71. From 1970-71 onwards, year-wise fluctuation ranged between 8000 to 12000 titles. An attempt is made to analyse the reasons for this kind of trend in the production of titles in English and Indian languages.

English has an all India as well as export market (NCAER, 1976). English is still the medium of instruction at the University level in most areas. It guarantees educational publishers in English at college level and those who have specialised in foreign reprints of science and reference work an all India market. Thus English language has a comparative advantage over Indian Languages which leads to high production of English titles.

Figure 1.1



Increase in the production of English titles in absolute terms during 1970-1977 may also be due to the foreign books reprint scheme negotiated by Government of India (GOI). Due to the high price of imported textbooks, GOI negotiated with foreign countries from whom most of the books were imported. Accordingly, agreements were signed with the USA, the UK and the USSR during the early part of the sixties for supply of university level textbooks to Indian students at concessional rates with the help of government subsidy. The major groups of subsidised university level books in English available in India are as follows a) American text books published through Indo-American text book programme, b). Books imported under English Language Book Society (ELBS) programme, c) Imports from USSR under Indo-Soviet Text Book Programme, d). English Books published in India through the Text Book Subsidy scheme of National

Book Trust (Ganesan ,1992). These programmes were a boon to English publishers in India and those who managed to reprint American titles.

The reason behind the decline in titles published in English language in India from 1977 onwards seems mainly due to the large scale import of books in English language. The joint ventures of Book Promotion Division of the GOI with UK, USA and USSR for distribution of subsidised university level books of foreign origin had, in many ways, adversely affected the English book production in India as well as indigenous authorship. The value of import was Rs 158.7 million in 1980 (GOI,ud). It increased steadily to 828.4 million in 1991. The Indian publishers were unhappy over low priced university level books of foreign origin in india. Consequently, the similar Indian books became more expensive.

The rise in the Indian language books from 1968-69 may be linked to the three-language policy and the promotional measures taken by the Government. As far as the Indian language publication is concerned, the major problem seems to be its limited marketability compared to English Books. Indian language publishers have to be content with one region. That is why print order in Indian language books does not exceed 2000 on an average.

1.2 Slow Growth of Book Production In Kerala (1961-1991)

Having discussed the all India pattern at aggregate level, language-wise publication of titles in India is undertaken in this section to find out the relative position of production of Malayalam titles with respect to other languages. The period-wise

growth of titles, for Indian languages shown in Table 1.7 reveals that six out of eleven languages showed a decline in the rate of growth in second period (1976-1991) compared to the first period (1961-76). In case of Malayalam titles, rate of growth declined from 4.2 per cent in the first period to 1.6 per cent in the second period.

Afterwards it fluctuated between 650 to 850 titles except for a few years when the production of titles declined to below 600 mark. The growth rate of Malayalam titles during 1961 to 1971 was 6.1 per cent. Whereas between 1971 and, it was only 2 per cent². In 1970s, Malayalam publishing industry faced a stagnation, in 1980's it declined further (Govinda Pillai, 1995). Why the book publishing industry in Kerala is facing a stagnation despite high literacy rates and expansion of education is the central concern of the present study.

² To calculate the growth rate of these two periods, kinked exponential method with the following function:

$$\ln(y) = A^{\wedge} + B^{\wedge} (D1t+D2k) + C^{\wedge} (D2t-D2k) + e$$

The result was

$$\ln(y) = 5.68 A^{\wedge} + .061 B^{\wedge} + .021 C^{\wedge}$$

$$t\text{-values} \quad \quad \quad (3.90)^* \quad (2.93)^*$$

$$R^2 = .66; D-W \text{ STAT} = 1.6; N = 30$$

* indicates significant at 1 per cent

Table 1.7: Number of titles produced in different languages and its period-wise growth rate

Year	Assam	Bengali	Gujarathi	Hindi	Kanada	Malayalam	Marathi	Oriya	Punjabi	Tamil	Telugu
1961	419	1138	1219	1033	417	357	578	415	135	1354	834
1962	244	729	1117	1880	200	392	716	329	176	1536	739
1963	203	700	832	2288	109	332	1375	345	204	1307	588
1964	250	603	800	2717	199	430	1359	175	140	1201	517
1965	245	548	820	1977	113	450	1084	150	485	1099	539
1966	210	550	700	2083	100	489	1015	140	195	1000	505
1967	180	500	721	1456	92	528	1284	125	221	1016	502
1968	241	300	754	1928	76	311	1275	135	115	1117	504
1969	214	200	648	1920	70	317	1250	100	100	1149	500
1970	200	208	645	1925	76	432	1289	120	51	1016	502
1971	304	1361	829	2642	1170	953	1552	205	123	944	1253
1972	207	1284	640	2566	751	746	1320	194	402	838	740
1973	282	1053	697	2825	285	617	1231	488	381	689	576
1974	284	1271	607	3254	665	587	1104	97	353	1073	546
1975	189	970	434	2138	394	532	618	488	85	864	637
1976	254	979	699	3210	867	640	1599	170	213	1044	397
1977	302	1339	763	3215	1261	601	1315	280	346	1294	446
1978	148	1104	673	2382	883	607	1118	245	320	1319	540
1979	259	1039	979	2966	823	819	1345	270	380	1595	414
1980	142	1025	495	2191	919	815	1058	402	273	900	388
1981	196	1046	767	2225	500	757	1360	445	277	1135	389
1982	193	1025	677	2556	502	913	1138	248	308	1315	392
1983	350	1035	708	2811	417	607	1246	611	325	1152	1030
1984	230	1288	500	2331	1610	649	1341	157	308	872	354
1985	202	1275	426	2488	1247	732	1283	333	324	1168	386
1986	204	1448	495	2616	885	780	1226	510	298	1465	419
1987	207	1622	565	2745	854	883	1119	451	272	1449	487
1988	203	1497	663	2457	826	803	1172	393	340	1434	556
1989	201	1372	761	2169	980	825	1134	299	408	1407	605
1990	216	1254	780	2025	1138	810	1097	205	413	1381	654
1991	232	1137	1140	1882	748	860	973	376	418	2078	719
Growth rate											
1961/76	1.0	2.0	3.2	3.8	12.1	4.2	1.9	.8	2.5	-1.9	-2.5
1976/91	.2	2.0	1.3	-1.9	3.6	1.6	-1.1	3.8	3.9	3.5	.9

Note: The period-wise Estimation is calculated using Kinked Exponential Fit $\ln(Y)=A + B(D1t+D2tk) + C(D2t-D2k) + e$.

Source: Statistical Abstracts Various Issues and National Library Calcutta.

1.3 Objectives and Methodology

Most of the persons connected with publishing share the opinion that there is not enough capital in the industry, professional management is virtually nonexistent, production cost is high and most of the publishers fail to distribute books sufficiently

(Gayathri and Dutta, 1995). This may be because of the structural rigidities involved in the book publishing process like, selection of manuscript, production structure, distributional structure and the demand for books. To understand what is happening in the publishing industry we have to look into the nature and interrelationship of the four basic constituents of the publishing industry, namely the author, printer, distributor and publisher.

The Author: The author is the creator of the ideas to be transmitted through a book. The author is the first owner of the work created and will usually try to sell that right, or lease it, or come to an agreement with a publisher to reproduce the manuscript for distribution.

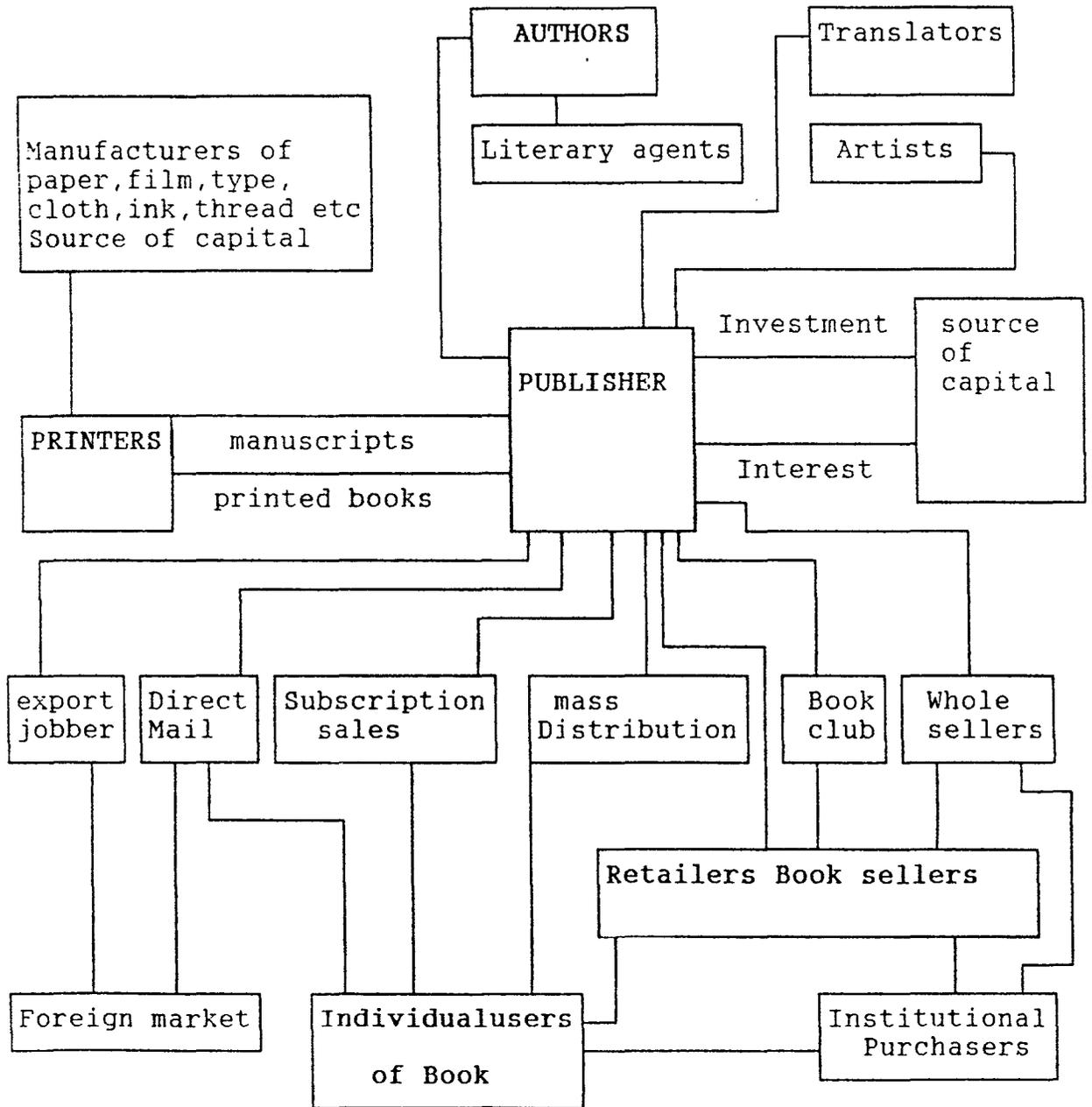
The Printer: The printer is the manufacturer. The printer receives the manuscripts from the publisher, composes, prints, binds an edition and sends the manufactured book back to the publisher. Printer has nothing to do with the book project³.

The Distributer: The wholesalers and retailers are part of the distributors. The publisher can distribute the books directly to the ultimate readers through institutions, libraries, book-clubs and individuals. Also, they can distribute books through professional distributors at a discount.

³ A book Project includes selection of manuscripts, its acceptance, rejection, area in which publishing is planned, considering the profit viability of the project.

Figure 1.2

Players in the book industry



The Publisher: The publisher is central in the general plan and has relations of some kind with each of the other agents. It is the publisher who receives the manuscripts from an author, enlists capital, engages the services of artists, translators and other editorial specialists, fixes commissions, supervises printers and

directs the distribution to potential markets. The above illustration shows the relation of publisher with the other agents. Publisher has to decide the following objectives: 1. area in which to publish, 2. markets in which to sell, 3. methods and trade terms to be offered, 4. the limit set upon the operation and the development expected in the business and the time period for this, 5. personnel policy to be followed (UNESCO,1990).

The overall objective of the present study is to trace out the reasons for the stagnation of book industry in Kerala. There are supply side and demand side factors which influence the performance of the industry. Supply side factors include profile and structure of industry , Production process, cost of production and distribution structure. The demand side factors mainly include the reading habits of the people in Kerala. Thus the specific objectives of the study include:

1. a profile of publishing industry in Kerala, and analysis of:
2. the production process
3. the determinants of pricing of books
4. the distribution system, and
5. the demand for books

1.4 Data Source

Since there is very little published data on the structure of the industry, selection manuscript and printing, prices of books, distributional modes, the study uses a detailed survey of publishers in Kerala. This survey covered only the commercial publishers in Kerala. There is an earnest attempt to cover almost

all commercial publishers in Kerala, recorded in the Directory of Book Industry in Kerala. This data is used in the analysis on different aspects of problems of supply side problems in the industry. While demand side is analysed with the survey data collected by Kerala State library Council. Also valuable writings in periodicals, brochures produced on special occasions, souvenir volumes and review articles form part of the secondary source of data.

1.5 Chapter Scheme

Following this introductory chapter, Chapter 2 discusses the brief history of publishing in Kerala, a profile of publishers and the structure of the Industry. Chapter 3 analyses the production process which includes selection of manuscripts and the Printing arrangements. Chapter 4 analyses the kind of pricing policy that the publishers have. Chapter 5 focuses attention on the distribution system. Chapter 6 analyses the demand for books. Chapter 7 gives general conclusions derived from the study.

Chapter 2

PROFILE OF PUBLISHING INDUSTRY IN KERALA

2.1 History of Publishing in Kerala

Europe used hand made paper and leather to write its literary works before the advent of machine made paper and printing machine in 14th century. South Indians used Palmyra leaves and stones and metal to record their works. In Kerala too "The verse one was to read were intended to palm leaf with a pointed stylus and given to one by the teacher to make it easier to read, the identical writing should be stained (Wood, 1985)". The growth of Malayalam literature started with Ezhuthachan while the history of Malayalam printing and publishing started with the Evangelist efforts in sixteenth century. Dr. Gundert a Basel missionary had done important grammatical and lexicographical work. Dr Angelos Francis was the author of first malayalam Grammar The grammar book by Fr. Ernest Hanxleden (Arnos Padree) was the second one to follow (Kesavan , 1988). Rev. Bailey had worked on Dictionary. The establishment of printing press by Jesuits have given a momentum for printing and publishing works in Malayalam. . The Portugese missionaries established printing presses in Cochin, Vypicotta, Sampalur and Ambazhakkattu (John ,1981). Although the printing presses were established much earlier, the more important factor which helped in the expansion of book production lies in the growth of literature and social awakening. The popularisation of poetry , and the social awakening by Sri Chattampi Swamikal (1854-1924) and Sri Narayana Guru (1856-1928) have contributed to the thirst for knowledge in Kerala. It was on the soil of Kerala that a book in an Indian language was first printed i.e, on 20th of 1578 by Jesuit

Priests (ibid , 1988). But after that there is no information about major publishing activities in the period between from 1578 to 1853.

There were eleven early publishing houses in Kerala from 1838 to 1926. The government press was established in 1838 by the then Maharajah. Kerala Vilasom (1853) was the first ever press started with a non-missionary outlook , it continued its activities till 1890. In 1861 Vidyavilasom Calicut was started by C.P.K. Mudaliyar. He published works of Ezhuthachan and Kunjan Nambiar. In 1862 Paramel Ittoop of Kunnankulam started St. Thomas Press. Mr. Walker published an English fortnightly, the Western Star. From 1864 he started Malayalam Paschima Tharaka. Kerala Kalpadrumam Trichur (1887) started by Chempukkavu Raphel and other Christian leaders of Trichur. Vidyavinodini Trichur 1887 started by Sundarayyar who established a book selling business in 1883 in monthly was printed at this press. Tarangini (1890) started by Kadathanattu Udaya Varma Thampuran. The first literary magazine of Malabar Tarangini, a monthly was published from this press. Mangalodayam press Trichur was the another important publishing concern. Desamangalam Mana, a famous Namputhiri Brahmin family purchased the Kerala Kalpadrumam Press for Yogakshemam Company. It was the leading publishing house for many years till its closure in 1969. B.V. Book Depot and Kamalalaya Printing Works, Trivandrum established by K. Raman Menon in 1903. The published works of Kerala Varma Valiya Koil Thampuran shows the high standard of the firm. The Sri Rama Vilasom press owned by K.G. Parameswaran Pillai in the year 1926. The following table 2.1 shows the number of books published in 10 year intervals from 1850-1990.

Table :3.1 Number of Malayalam titles (1850-1990)

Subjects	Upto 1850	1851 1860	1861 1870	1871 1880	1881 1890	1891 1900	1901 1910	1911 1920	1921 1930	1931 1940	1941 1950	1951 1960	1961 1970	1971 1980	1981 1990	Total
Generalities	--	--	3 (2)	2 (.67)	5 (1.8)	2 (.51)	3 (.53)	2 (.12)	--	15 (.47)	3 (.09)	17 (.23)	23 (.31)	39 (.47)	47 (.48)	161 (.36)
Science	1 (2.3)	--	13 (8.8)	20 (6.7)	22 (8.3)	29 (7.4)	41 (7.2)	103 (6.6)	150 (7.2)	197 (6.2)	160 (5.06)	378 (5)	376 (5.41)	779 (9.4)	658 (6.7)	2927 (6.5)
Religion Philosophy	2 (54.7)	25 (73)	48 (32.6)	86 (28.9)	73 (27.5)	74 (18.9)	162 (28.6)	261 (16.7)	451 (21.8)	558 (17.5)	402 (13.7)	1127 (14.9)	879 (12)	733 (8.9)	1303 (13.3)	6205 (13.9)
Arts	--	--	--	--	1 (.37)	2 (.51)	8 (1.4)	12 (.77)	12 (.58)	14 (.44)	10 (.31)	77 (1)	89 (1.2)	143 (1.7)	247 (2.5)	615 (1.3)
Linguistics	4 (9.5)	--	20 (13.6)	25 (8.4)	37 (13.9)	35 (8.9)	44 (7.7)	46 (2.9)	56 (2.7)	89 (2.8)	63 (1.99)	141 (1.8)	143 (1.9)	151 (1.8)	174 (1.7)	1028 (2.3)
Malayalam Literature	8 (19)	5 (14.7)	39 (26.5)	136 (45.7)	107 (40.3)	209 (53.5)	238 (42.2)	917 (59)	1144 (55.4)	1851 (58.2)	2018 (63.8)	4654 (61.6)	4610 (63)	5169 (63)	5616 (57.7)	26721 (60)
Social Science	5 (11.9)	4 (11.7)	22 (14.9)	28 (9.4)	17 (6.4)	28 (7.6)	41 (7.2)	127 (8.1)	121 (5.8)	201 (6.3)	273 (8.6)	689 (9.1)	692 (9.4)	898 (10.8)	1183 (12.1)	4329 (9.7)
Biography	1 (2.3)	--	2 (1.3)	--	3 (1.1)	11 (2.8)	28 (4.9)	86 (5.5)	130 (6.2)	250 (7.8)	233 (7.3)	469 (6.2)	502 (6.8)	289 (3.5)	502 (5.1)	2506 (5.6)
Total	42	34	147	297	265	390	565	1554	2064	3175	3162	7552	7314	8201	9730	44492

Note: Figure in the parenthesis shows percent share in the total.

Source: Beena.s .Social Science Books In Malayalam 1994.

It is interesting to note that till 1950 the scale of book publishing was limited, and Publishers often publish one book in a year and waited for two or three years for another one. After 1950 production rapidly increased. The roots of these expansion may traced to The period 1940-1962 saw many institutions promoting literature and language which includes Samasta Kerala Sahitya Parishad, established a printing press in Ernakulam. Purogamana Sahitya Sanghatana in 1944, the SPCS in 1945, Kerala Grandhasala Sanghom in 1946, and Kerala Sahitya Academy in 1956, The first point that emerges is the steady increase in the number of books published during the one and a half century. The sharpest increase in the number of books published was in 1960's. While during the 1930's 3175 titles published during 60's number more than doubled to 7314. Since then the growth has decelerated in 1980's 9730 books were published in malayalam. 60 percent of books so far published

are Malayalam literary works. This has been so right from 1930's. Initially religion and philosophy was character of the books published. However, Religious/ Philosophy books declined in relative proportion. We shall have occasion to discuss the trends in different type of books in the chapter six. Now let us have a look on some of the important publishing concerns existing now.

The Christian Sahitya Samithi (CSS): The Christian initiative in printing was later consolidated by the formation of Christian Literature Society (Malayalam publications). The first Ecumenical publishing venture in Malayalam was Malayalam literature committee (MCLC) formed in 1925. The MCLC while functioning as an independent body worked in close cooperation with Christian Literature Society (CLS)¹ Madras . The Church of South India (CSI) diocese in Kerala, Marthoma and the Luheron churches showed keen interest in the MCLC programme. Earlier CLS representatives who visited the parishes were called 'Travelling Missionaries'. They canvassed support for the MCLC programmes in churches through performing sales and collecting donations. This practice is continuing even now (css , 1996) . Now the book distribution campaign in parishes is arranged in the months October and November in every year. To make available books at fair prices it has set up a book club. The members are offered a discount of 33.33 percent for Malayalam books and 25 percent for English books. On an average CLS is publishing 20-30 titles every year. Generally, CLS publish bible study helps, commentaries and books on

¹ CLS is the former name of the Christian Sahitya Samithi.

Christian doctrine. In 1994 the CLS had renamed as CSS and it is now independent of CLS Madras ² .

Sahitya Pravarthaka Sahakarana Sanghom (SPCS): A writers Co-operative - the very idea would appear to be incredible considering that writers are extremely individualistic. Yet that happened in Kerala in 19th March 1945. The protagonist of this movement were Shri Karur Nilakanta Pillai and Prof. M.P. Paul.

Thus in 1945 twelve writers³ joined together in Kottayam and got the SPCS registered with the main objectives of, eliminating the difficulties experienced by writers in getting their books published, guaranteeing reasonable royalties to writers, organising efficient sales of other published books and above all, stabilising the writers as an earning, self confident members of society (SPCS , u.d). Their initial capital was only Rs.120. They could not make much head way during the early years and in the course of the first four years they could publish only one book. Over eighty per cent of the known writers in Malayalam are members of the society. There are also 1,000 associate members.

The members of the SPCS are classified into 3 groups and hence the capital of SPCS is also divided into three groups, contributed by A, B, C class members (SPCS , u.d.) . Those who have anything to do with writing or publishing books can become A class members by

² Interview with Rev T.M. Philip ;April 1996.

³ The founding members were Prof. M.P. Paul, P. Sridharan Pillai, Pandit Narayana Dev, Karur Nilakanta Pillai, D.C. Kizhakkemuri, Dr. A.G. Nair, P. Damodaran Nair, K.P. Sivasankaran Nair, P. Kesavadev, Nalankal Krishna Pillai, L.C. Isaac and Advocate M.N.Govindan Nair.

subscribing to an A class share of Rs.100. Any person supporting the cause of SPCS can become a B class member with share of Rs.5. The C class members consists of other co-operative societies in Kerala and the share is also Rs.5. In 1986 SPCS had 619 A class members. State government contributed 2.5 lakhs by subscribing 2500 shares of Rs.100 each. The general body is the supreme authority in taking the decisions. A 17 member board of directors is vested with the administration. The board has elected members of President, Vice President and Executive Committee.

The board also elects a publication committee consisting of 5 members. This committee will supervise the selection and publication of manuscript. An average of 200 manuscripts are reviewed by SPCS every month out of which 20 is selected pays 30% royalty highest in the country. A separate marketing department for SPCS was started in 1949 when it took over the National Book Stall (NBS). It has 10 branches in 1995. It is of the biggest book selling agency in Malayalam titles in Kerala.

Table: 2.2 Titles published ,sales turnover,and net profit of SPCS

Year	Titles (Nos)	Sales Turnover (in Million Rs.)	Net Profit
1980-81	166	6.3	+ 1,73,010
1981-82	172	7.4	+ 1,63,275
1982-83	175	7.5	- 35,350
1983-84	162	7.2	- 1,52,700
1984-85	151	9.1	- 4,22,310
1985-86	212	8.5	- 5,76,100
1986-87	161	13.3	+ 5,94,984
1987-88	169	9.9	- 1,48,935
1988-89	169	11.5	+ 4,35,869
1989-90	118	12.3	- 7,84,279
Gowthrate	-1.55	7.32	--

Note: Growth rate is the slope / Arithmetic mean where slope b is the value in a regression line $A + Bt + e$.
Source: SPCS Records.

The above table shows that titles produced have negative growth rate of -1.55 % . The sales has shown a growth rate of 7.32 % . In spite of the constant growth in the sales turn over , the SPCS could make profits only in four years, out of the ten years selected. The losses, according to the officials were, due to high wages, cost of paper coupled with lack of commercial professionalism and weak market strategies.

D C BOOKS (DCB): DC Kizhakkemuri's name in Kerala's publishing industry since 1940s has been influential. DC along with Ponkunnam Varkey, K.J. Thomas and P.C. Koruthu started National Book Stall(NBS) in 1945 January 1 even before the SPCS⁴ . The capital was 300 x 5 = 1500/Rs. D C was the Managing partner of the concern Later with others he also took initiative in starting SPCS in 1945 March. In 1949 June 15 SPCS and NBS merged and NBS become its distribution wing. DC functioned as the General Manager of NBS. He became the Secretary of SPCS in 1965.

In 1974 August he started his own publishing firm named as "DC Books (DCB)". In 1975 April 30th first book "Malayala Saily Nighandu" published (Navadarsanam, 1995). The DCB News Bulletin carries, news relating to cultural, and literary importance from 1974 onwards. In 1974 December 2nd established its own printing department. In 1990 it was modernised with computer type setting and offset printing.

⁴ Interview with D.C. Kizhakemuri , April ; 1996.

The DC books is a partnership concern, having accountability like SPCS. Kairali Children's Trust and, Kairali Mudralayam which has started in the 100th Anniversary of printing in Kerala, are its sister concerns. DC books has its own distribution branches and retail book shops. In 1977 DC took over the Current books. Now Current books is its wholesale shop. It has 15 branches and 50 agencies all over Kerala.

The published works of DC books are widely acclaimed. In 1995 DC books got the FIP, and Kerala State Government awards for best book publishing. From 1974 to 1994 DC books published 2335 books.

Kerala Sastra Sahitya Parishad (KSSP): Kerala Sastra Sahitya Parishad (Kerala science Literary Forum) was formed by the writers in Malayalam in 1962. The main objectives of the organisation at that time were.

1. To cultivate interest and consciousness regarding science among people;
2. to publish science literature and science magazines;
3. to help other organisations working in the same direction;
4. to organise seminars and science film shows.

The growth of science publication in Malayalam is ultimately linked with the growth of this movement. It published popular science journals for various age groups: primary school children, high school children and adult population. Parishad entered into the field of book publication with the book 'Science 1968', distributed by another publishing firm. Parishad in 1971 sponsored a co-

operative society, 'Scientific, Technical and Educational Publishing Co-operative Society'(STEPS). Its children's book and reference have been highly popular.

Table: 2.3 Titles published By KSSP

Years	Titles	Face value of All Books
1982-1983	47	15,00000
1983-1984	42	19,00000
1984-1985	24	6,50000
1985-1986	47	15,00000
1986-1987	53	37,00000
1987-1988	55	37,98000
1988-1989	39	48,51558

Source: Zachariah Mathew and Moorthy Soorya (1994) .

Science dictionary , published in 1984 is a 400+ page publication containing definitions of over 3000 scientific words , over 100 biographies of scientists , about 800 sketches. Another ambitious undertaking was Sasthrakaoutukam (Science discoveries) published in 1982-83 (Zachariah and Moorthy ,1994). During the last decade and half KSSP had 500 titles ranging from booklets to reference books. More than 95% of the books are sold not through regular commercial shops but through the activists of KSSP who take them from house to house and from school to school. KSSP has grown as one of the biggest NGO in Kerala. The publication of books is the most important organisational activity and major source of funds. Book sales campaigns are part and parcel of every major programmes undertaken.

Other Publishing Houses: Vidyarthi Mitram was started in 1928 by P.I. John at Kottayam. In 1930 P.K. Brothers was established in Calicut. In 1931 Vidyarambham started in Alleppey , Prabhat Book

House in 1940 with the backing of Communist Party of India. In 1940, CICC was started by Peace Parameswaram (who was a freedom fighter) in 1954 in Ernakulam. Nava Kerala Co-operative Society established on the lines of SPCS in 1965. Poorna publications was started by N.E. Balakrishnan in 1951. Now it is one of the biggest concerns in Kerala. Desabhimani and Chinta was established as a political organ of C P I (M) (1968), in Trivandrum. In the next section we attempt to trace out the characteristics of publishers in Kerala.

2.2 Profile of Publishers in Kerala

Though the book industry in Kerala has been in existence for many years, there has been no systematic attempt to enumerate publishers in Kerala. Publishers do not have to register under any law, state or central, which even a small scale industrialist producing other commodities are obliged to do. The following table gives an account of publishers in Kerala given in the Directory of Indian Publishers by Dinakar Trivedi in 1973 and Directory of Book industry in Kerala by George Ediyadiyil in 1994. The present survey covered 67% of the commercial publishers in Kerala and covered important publishing centres.

Table 2. 4 Number of publishers

	1973	1994	1994*	1996**
Govt. publishers	3	11	11	--
Private Publishers	204	154	99	66
Others#	170	115	115	--
Total	377	280	225	66

Note: * estimates based on personal verification of 1994 directory entries.

includes Book sellers

** coverage of survey

Source: Directory of book Industry 1974 , Book Industry in Kerala 1994 and survey data.

Out of 377 entries in the directory of 1973 , 204 are private publishers, 170 are book sellers and 3 are government publishers. In 1994 there were 280 entries. Government publishers had increased to 11 . The private publishers declined to 154. In our survey we were able to cover only 66 commercial publishers .

As the problems faced by the small, medium and large firms would tend to differ, we attempted to divide them into groups. Grouping of the firms on the basis of capital was not found to be meaningful. The main reason why capital did not provide adequate criteria was that a large number of publishers had not given accurate and complete information about their capital structure. Also most of the big publishers have no printing machinery and investment on it. Also, some of the medium publishers are also news paper and other magazines publishers. So size of the firm is not often closely related to the capital structure of book industry.

In any case, the publisher has to be rated as large or small on the basis of the number of titles published. However, if we take the

number of titles published so far the new large publishing houses which have come up in recent years would not be properly represented. And if we take titles published last year, then some established firms which for some reason or another were not able to bring out many books last year were tend to be under rated. A judicious combination of both titles published till now and titles published last year is found to desirable.

Table 2.5 Distribution of publishing units by the total titles published and titles published last year.(Range)

Titles (till now)	1-19	21-40	41-60	61-300	301-600	<601	Total
Lastyear	44	10	3	9			66
Total titles	15	10	9	18	4	10	66

Source : Survey Data.

Large Publishers are those publishing houses which have published more than 600 titles to the date and also those which have published 40 or more than 40 titles, last year irrespective of the fact that number of titles published to date may be less than 600.

Medium Publishers are defined as those which have brought out between 300 and 600 titles till now and/or those which have published 20-40 titles last year.

Small Publishers are all those which have brought out less than 300 titles till now and have published less than 20 titles last year. The table 2.6 shows the grouping under the above basis.

Table 2.6 Firms by size

	units	%
Small	42	63
Medium	8	12
Large	16	24
Total	66	100

Source : Survey Data.

From the table 2.6 it is evident that 63% of the private commercial publishers are small publishers 12% of total are medium and 24% of the total are large publishers. The survey provided information on the historic cost values of fixed capital inputs including land, buildings, machinery, furniture and fixtures and other fixed assets. The average capital for small publishers work out to Rs.3.5 lakh. For medium publishers it is higher at about 7.5 lakhs and for large publishers it is more than 30 lakhs.

Location: Location of the firms are distributed in 7 districts in Kerala. The following table gives the distribution of firms in different districts.

Table 2.7 Location of firms

	Small	Medium	Large	Total	Percentage	1994*
	1	1	-	2	3	3
Kottayam	18	3	8	29	44	38
Kozhikode	8	3	2	13	20	15
Thrissur	2	1	2	5	8	8
Ernakulam	6		2	8	12	13
Trivandrum	5		2	7	10	16
Pathanamthitta	2			2	3	3
Palakad						2
Malappuram						1
Kasargode						1
Kannur						2
Total	42	8	16	66	100	99

* Note: This coloumn shows the regional wise distribution of entries of 99 commercial publishers in the 1994 directry.
Source: Survey Data

The survey results shows that 44% of the publishers are in Kottayam district followed by Kozhikode with 20% , Ernakulam with 12% . Out of 25 units in Kottayam 62% of the publishers are small publishers and 111127% are large publishers. Alleppey and Pathanamthitta accounts for only 3% of publishers each district. From the last coloumn it is clear that the survey has undertaken in all the major areas where publishing industry concentrates. This also shows more or less a similar pattern of the distribution of firms in Kerala.

Year of Establishment and Age Distribution: The details of the year of establishment are presented in the Table 2.8.

Table 2.8 Details of the year of establishment

	Small	Medium	Large	Total	%
Before 1940		2	3	5	7
1941-1950	2	2	3	7	11
1951-1960	4		4	8	12
1961-1970	7		4	11	17
1971-1975	2		2	4	6
1976-1980	7	3		10	15
1981-1985	5			5	7
1986-1990	6	1		7	11
1990-1995	9			9	14
Total	42	8	16	66	100

Source: Survey Data

From the table 2.8 it is evident that only after independence that publishing industry in Kerala became established. There is a relation between age of the firm and size. All the large firms in industry has been established before 1975. But the age distribution in table 2.8 shows how many firms in the small size remained small for 16 and more years. Of the total 45% of the small

firms remained small for a period of 16 and more years including, 12 firms for more than 26 years. All the large firms are more than 21 years old.

Table 2.9 Age distribution of publishing units

Years	Small	Medium	Large	Total (units)
1 - 5	10	1		11
6 - 10	5			5
11 - 15	8	1		9
16 - 20	5	2		7
21 - 25	2		2	4
26 and above	12	4	14	30
Total	42	8	16	66

Source: Survey Data

Table 2. 10 Type of business organisation.

	Small	Medium	Large	Total	%
Sole Proprietorship	22	5	5	32	48
Partnership	8	2	6	16	24
Private Limited	1	1		2	3
Co-operative	2		1	3	5
Religious/Political Organisation	8		3	11	17
Not Available	1		1	2	3
Total	42	8	16	66	100

Source: Survey data

The business organisation most favoured is the sole proprietorship with 48 % are under proprietorship follows with 24 % of total are partnership concerns and Religious organisations with 15 percent of the total. Co-operative firms are also negligible. This indicates that book industry in Kerala has been predominantly in private hands. The following 2.11 table shows the various reasons for engagement in the business and their participation in social life.

Table 2.11 Reason for entering into publishing

	Small	Medium	Large	Total	%
Inherited	4	2	7	13	19
Previous experience in Publishing	5	-	-	5	8
Interest in Literary Activities	6	-	-	6	9
Self employment To bring out literacy works of the Group	10	5	3	18	27
Ideological and (Religious/Political Cultural) Motivation	4	1	5	5	8
Total	42	8	16	66	100

Source: Survey Data

27 percent of the owners had some previous connection with industry either parental involvement or their own direct experience. An equal proportion are new entrants who venture firm as a source of self employment. 29 percent of the firms have been started by political , social and religious organisationa for their ideological propaganda. These include also 5 of the large firms.

Table 2.12 Units of firms with participation in organisations

	Small	Medium	Large
Total			
Political organisation	2		2
Religious organisation	7		2
Cultural literary organisation	18	3	5
Total	27	3	9

Source: Survey Data

The survey results shows that 58% of the publishers have active participation in social organisations like political, religious or

cultural. 27 units in small size 3 units in medium and 9 units in large have such socio cultural or political religious associations.

It is clear from the survey that some small and large publishers are part and parcel of some organisations. The book publishing industry in Kerala and its success is closely related to the established social organisations.

Titles Published: The language of publications of small, medium and large publishers are given below:

Table 2.13 Distribution of units by language of publishing (units)

	Small	Medium	Large	Total	%
English	16	2	7	25	38
Malayalam	42	8	16	66	100
Hindi	2	1	5	8	12
Others	1		3	4	6

Source : Survey data

Of the total 38% (25 units) are publishing English books also. It is interesting to note that most of these 25 units are guides or text book publishers. All the 66 units publish in Malayalam. 12% (8 units) in Hindi and only 4 units (6%) is engaged in other language publishing. From this it is clear that publishing in kerala is mainly is regional language. The following table 2.13 shows the average number of titles published last year, total number of titles published so far, average years in business, number of reprints and number of new books.

Table 2.14 Details of books published

		Small	Medium	Large	Total
Total Number of books published last year	(1)	253	252	915	1420
Average number of books	(2)	6	32	57	--
Total number of titles published so far	(3)	456	1934	16660	19050
Average Years in Business	(4)	11	37	41	
Average yearly production	(5)	41	52	407	
ie.3/4 Reprint in last years	(6)	202	161	604	967
New Books last year	(7)	50	92	251	393

Source : Survey Data

We can see that the total number of titles published so far comes to 19,050. 16,660 titles by large firms, 1934 by medium and 456 by small firms. Average yearly production by small firms is about 41 titles, 52 by medium and 407 by large firms. Total number of titles published last year is 1420, 915 titles by large (64%) , 252 by medium (18%) , and 253 by small (19%). Small and medium firms are producing same quantity i.e. 253 and 252 titles respectively . The average number of titles published last year by small firms is 6 titles, 32 titles by medium and 57 titles by large firms. Reprints comes about 68% of the total books published last year. New books published last year are 393 titles. Proportion of reprints is Reprints is highest in small firms (80%). 66% of titles in large firms is reprints. Data is available for more detailed analysis publishing by the characteristics of the last years . Books published can be broadly classified into educational, non-fiction non text, fiction, and children's books. The table 2.15 and 2.16 shows

number of units deals in and specialise in different areas respectively. There is a concentration in the industry. Large firms accounts for the 65 percent of titles published last year and 87 percent of the total titles published so far.

Table 2.15: Distribution of units by type of book published

	Small	Medium	Large	Total	% of T. units
Educational					
Text	8	2	3	13	20
Guide	12	2	6	20	30
Fiction	14	5	12	31	47
Non-fiction					
Non-Text					
Religious	12	5	7	24	37
Reference	10	5	9	24	37
Scholarly.	16	4	9	29	45
Science/Technical	2	4	3	9	14
Children's Book	6	4	11	21	32
Others	1	2			

Source : Survey Data

Number of units which deal in fiction is the highest (31 units) followed by scholarly books (29 units). Religious books comes third with 24 units deal in it. Science and technical publishing is the least developed area with 9 units engaged in this line of publishing. total units.

Table 2. 16 Number of units specialise in different areas.

	Small	Medium	Large	Total	%
Educational					
Text	3		2	5	7
Guide	11	2	4	17	25
Fiction	6	1	3	10	15
Non-fiction					
Non-Text					
Religious	10	3	2	15	23
Reference	2			2	3
Scholarly.	6	1	1	8	12
Science/Technical	1	1		2	3
Children's Book	2			2	3
No specialisation	2		5	6	9

Source: Survey data

Out of the total, 6 units do not have any specialisation at all. 17 units are specialising in Guides and supplementary materials. The next comes religious books, with 15 units. Fiction comes third with 9 units specialising in it. Majority of serious, scholarly reference books's specialisation is done by small publishers and they are content with one or two serious books in a year.

Table 2.17 Percentage of distribution of titles last year and reprint ratio in various types of books

	Small		Medium		Large	
	* % of title	Reprint**	% of title	Reprint	% of title	Reprint
Educational						
Text	11	0.96	9	0.86	8	1.00
Guide	36	0.93	14	1.00	30	0.97
Fiction	13	0.16	9	0.70	28	0.39
Non-fiction						
Non-Text						
Religious	21	0.37	30	0.98	5	0.84
Reference			7	0.88	3	1.00
Scholarly.	9	0.35	7	0.33	6	0.66
Science/Technical	3	0.43	13	0.79	4	0.30
Children's Book	7	0.70	1	0.23	13	0.85
Others	4	.5	4	0.60	5	0.49
Total	100		100		100	

Note: * percentage of books by small/medium/large firms
 ** total reprints/total books last year (small/medium/large)
 Source : Survey Data

As can be seen from table 2.17 there is a significant difference between the composition of publication of different size categories of publishers. For all categories educational books constitute an important component 47 percent for small to 23 percent of the medium. Most of these books are reprints rather than new titles. In contrast most of the fiction titles that published are new books. Though all the categories do publish fiction it dominated by large firms 28 percent of their titles are fiction. The religious books are important for small and medium firms accounts for 21 -30 percent of their total titles. Another significant contrast is in the science/technical and children's books. The former is important for medium publishers and the latter for the large category accounting for 13 percent each.

Table 2.18 Break up of number of employees

	small	medium	large	Total
Editorial Staff	24	3	43	70
Firms which do not have	(25)	(5)	-	(30)
ProductionStaff	140	30	259	429
Firms which do not have	(26)	(1)	(8)	(35)
AttendersStaff	30	7	43	80
Firms which do not have	(15)	(1)	-	(16)
DespatchStaff	33	3	41	77
Firms which do not have	(15)	(5)	(1)	(21)
SalesmenStaff	61	2	90	153
Firms which do not have	(29)	(7)	-	(36)
AccountStaff	22	7	44	73
Firms which do not have	(22)	(3)		(25)
ManagerStaff	8	2	15	25
Firms which do not have	(34)	(6)	(3)	(43)
Familylabour	35	-	-	35
Firms which do not have	(23)			(23)
Total	353	54	535	954

Note : Fig in the parenthesis show number of firms , and fig without parenthesis shows the absolute number of employees in each category.

Source: Survey Data

The total number of employees in the surveyed firms are 954 of which 353 in small firms , 54 in medium , and 535 in large firms. Out of the total 66 publishers 30 (45%) firms don't have any professional Editors. Also 35 units do not have any production

staff. Out of the total, 43 firms do not have trained managers and 25 firms do not have account staff. The larger firms for understandable reasons have more diversified occupational structure and division of labour.

CHAPTER 3

THE PRODUCTION PROCESS

The earlier chapter discussed the profile of publishers in Kerala. The present chapter is divided into two sections . The first section is deals with the processes of manuscripts selection and the second section with the printing process. With respect to the latter we shall examine (a) changes in the printing technology overtime, (b) the economies of scale in the book printing (c) growth of sub contracting in the book industry.

3.1 Manuscripts Selection

Selection and editing of the manuscript is the first step in publishing of a book. The publisher may receive solicited or unsolicited manuscript. Solicited manuscripts are those which are scouted for by publisher's representatives or commissioned by publishers. The table 3.1 given below shows the modes of manuscripts collection and the number of manuscripts received.

Of the total manuscripts received 32 percent are solicited (commissioned) manuscripts and 77 percent are unsolicited manuscripts. The books less reprint last year (newbooks), as a percentage of total manuscripts received is 11 percent. No publisher is seem to be collecting manuscripts through representatives. Since most of the publishers participates in cultural - literary organisations there may be no need for appointing a representative for collecting manuscripts. In small size, 40% of manuscripts received are solicited and large firms it is 15% only. The larger firms because of their prestige attract more unsolicited manuscripts.

Table:3.1 Solicited and unsolicited manuscripts received (Nos)

	Small	%	Medium	%	Large	%	Total	%
Solicited	333	40	123	22	319	15	775	32
Unsolicited	497	60	430	78	1792	85	2719	77
Total	830	100	553	100	2111	100	3494	100
New books	50		92		251		393	11*

Note : (393/3494) x 100
 Source: Survey data.

Commissioned manuscripts form an important part of publishing business. Text books/Guides are mostly commissioned works. These are often commissioned to cover a particular syllabus and to meet specific needs for specialised books. In most cases the publisher approaches well known authors or people well versed in the subject.

Most of the publishers get adequate number of manuscripts and publishing programme does not normally suffer for an account of paucity of manuscripts. Some criteria for selecting manuscripts are therefore necessary because choice becomes necessary due to constraints of resources and demand. The following table 3.2 shows the mean values of rejection acceptance and total manuscripts received.

Table 3.2 : Mean values of manuscripts received and rejected(nos)

	Small	Medium	Large
Solicited Manuscripts Received	8	15	21
Solicited Manuscripts Rejected	1	5	2
Unsolicited Manuscripts Received	11	53	119
Unsolicited Manuscripts Rejected	7	32	80
Not decided	5	8	22

Source:Survey data

It is clear from the above table that the mean values of rejection is much less in the case of solicited manuscripts whereas in the case of unsolicited manuscripts it is high. Commissioned manuscripts are normally not rejected. Unwin's(1960) observation that the quality of unsolicited manuscripts is not normally very high holds good in the case of Kerala also. Out of 42 units, 28 units (43%) have given good subject matter as first consideration and 14 units (21%) ranked it as second. The second consideration in selecting a manuscript is the reputation/ popularity of author. There are 35 units which have mentioned that name of author is an important consideration these 21 units ranked it as first and 15 ranked it as second. This points to the fact that established authors have an edge over new authors as far as selection of manuscript is concerned. The third consideration when choosing manuscript is marketability ie, price and cost of production. 30 units considered cost of production and marketability as important while 9 units ranked it as first and 2 units ranked it second.

The other considerations are coverage of manuscripts and style of presentation. 5 units ranked the former first and 3 units ranked latter as first consideration.

The reasons given for rejecting manuscripts are many, the most important reason is the low quality of manuscript. For 33 units this is the prime reason for rejecting a manuscript. The second reason is the unsatisfactory coverage and content. 18 units considered this the prime reason. 15 units considered cost and resource constraints as the reason for rejection. However, only 12 units have the practice of sending the manuscript to an outside reader.

Once a manuscript is accepted by the publishers, a contract is generally entered into between the author and publisher. Most of the publishers have formal contract with authors. Since the contracts are drawn up by publishers they tend to emphasise the publisher's right and author's responsibility. Generally it includes, (1) number of copies to be printed, (2) the price agreed upon, (3) the royalty rate, (4) the life of contract, (5) Reprint rights.

The two main points covered in most agreements are the copyright of publishers and the royalty payments to the authors. Royalty can be paid either on a lumpsum basis or on the basis of a fixed percentage of list price of book. The details are shown in the table 3.3 below. Copy right enables the author to control the uses made of his / her work and therefore he / she able to demand a reward for such use (Barker, 1974) .

Table 3.3 Distribution Of units by the mode of contract

	Small	Medium	Large	Total	Percentage
Lumpsum	13	4	4	21	32
Fixed percentage basis	28	3	12	43	66
Not paying royalty	1	1		2	3
Total	42	8	16	66	100

Source: Survey Data.

The table clearly shows that 65% (42 units) have contract on the basis of fixed percentage of the published price. 32% (21 units) have contract on the basis of lumpsum. 2 units do not enter into contract the authors. The details of preference regarding the nature of contract given below in table 3.4.

Table 3.4 Distribution of units by contract preference.

	Small	Medium	Large	Total	Percentage
Preferring lumpsum	18	5	5	28	42
Preferring percentage basis	23	3	9	35	53
No Response	1		2	3	5
Total	42	18	16	66	100

Source: Survey Data.

The table 3.5 shows that only in the case of educational books there is a trend towards a lumpsum contract. In the case of fiction, non-text non-fiction, and children's book the contract favours for percentage basis arrangement.

Table 3.5 : Distribution of units by mode of contract for different types of books

	Small		Medium		Large	
	**p	*L	P	L	P	L
Educational	4	10		2		6
Fiction	8	1	2	2	9	1
Non-fiction	19	3	3	3	8	5
Children's Book	3	3	3	2	9	4

Note:**p: Percentage basis

* l:lumpsum basis

Source : Survey data.

Although 43% of the units preferred lumpsum payments, only 21 units pay exactly on a lumpsum basis to authors. Lumpsum is generally paid to new authors. Publishers can then pay a nominal amount and buy the manuscript. Also with lumpsum payment reduces accountancy burden. The majority of publishers (65%) prefer to pay on a percentage basis. Details of the range of royalty is given below in table 3.5.

Table 3.6 Distribution Of units by rate of royalty

	Small	Medium	Large	Total	Percentage
1 - 8			1	1	2
9 - 10	10	1	4	15	33
11 - 15	16	1	6	23	55
16 - 30	2	1	1	4	10
Total	28	3	12	43	100

Source: Survey data.

The table 3.6 shows out of 42 units 55% (23 units) is paying royalty between 11 - 15% of the list price of books. 15 units (33%) are giving in a range of 9-10% of list price and only 4 units are giving (10%)between 16-30% of the list price.

Once a manuscript is accepted and contract entered into, the manuscript is edited and press copies prepared. Editing of a manuscript is very important as the final quality of the book depends greatly on good editing. Editing of a manuscript is necessary to make sure that manuscript is factually correct and that it is according to desired diction and style. The editor has to see to it that author has used uniform style with regard to abbreviations used, capitalisation of letters, headings, figures and punctuations. Editor has to ensure that there is no inherent consistency in the manuscript and the flow is smooth. However, more often than not, such professional standards are kept or followed with respect to publishing style in Kerala.

The argument that publishing sources do not have adequate reviewing and editing staff is often cited. Publisher selects a writer known for his special writing or perhaps a brilliant unknown (John, 1957) Most of the publishers are in the small category and will not be able to hire professionals for their editorial, sales and promotion division. The publisher is often engaged in all these functions simultaneously. Let us have a look at the survey results.

Table 3.7 Distribution of units by editorial details

	Small	Medium	Large	Percentage of Total
No. of units edit manuscripts	30	7	14	78
No. of units have Review Dept.	12	2	9	35
No. of units have editorial staff	17	3	16	-

Source: Survey Data.

78% of the total units will edit manuscripts but only 35% has a review department , 30 of the units do not have professional editorial staff . Most of the editing is done by publisher himself.

3.2 Printing

The second stage in publishing is the despatch of manuscript to press for printing. Printing is technically the most difficult of all branches of the book industry. The purpose of this section is to look into the main elements of book manufacture about which the publisher must know at least a broad outline eventhough it is the professional printer who will do the work. Printing is a separate industry from publishing. Book publishing firms may own printing plants of a printing firm may own book publishing houses (Smith ,1984).

The printing industry in India is a well established one. The exact number of printing presses in the country is not known. Ministry of Industry (GOI, 1977) has made a comprehensive study on the industry, According to the study the number of presses is 43400, giving total employment of 5-3 lakhs; 30% of them LPHC (letter press printing and hand composing) are in south India. Over the two thirds of the printing presses in India have jobbing (68%) work as their main source of income. Next in order comes book printing (14%) . All the presses are not equipped for book printing and only 12% of the Indian printing capacity was worked for book printing (NCAER ,1976). Book printing is a capital intensive industry. The printer has to invest in founding types of various types, points and types, ancillary machines to printing, such as proofing, binding, numbering, etc.

started in 17th century and Church Missionary Society printing at Kottayam, and Basel mission printing at Tellicherry in the first half of 19th century were the early printing process.

Unfortunately there is no statistics for the number of presses in Kerala. The Kerala minimum wages committee for printing presses; have made a survey in 1958 (GOK ,1958) . The statistics relating to the press is given below:

Table 3.8 Number of printing presses (1958)

Districts	No. of presses	Responded	No. of workers
Trivandrum	93	21	915
Quilon	76	24	86
Kottayam	109	25	472
Alleppey	73	18	133
Trichur	182	52	601
Palghat	42	12	80
Kozhikode	78	21	442
Cannanore	46	20	159
Total	699	193	2888

Source: GoK, 1958: 25.

According to the survey most of the presses were in Trichur and Kottayam followed by Quilon and Trivandrum. It indicated that there were 193 actively working presses and employing a total number of 2888 workers .

The table below gives CSO estimate from 1980/90 of the number for the printing presses in kerala .

Table 3.9 No. of printing factories in Kerala.

	Printing & publishing of Books and Periodicals***	Printing & Publishing of Newspapers**	Others*	Total
1980-81	67 (55)	18 (14.7)	37 (30)	122
1981-82	59 (50)	21 (18)	36 (31)	116
1984-85	54 (49)	22 (20)	34 (31)	110
1988-89	55 (47.4)	22 (19)	39 (34)	116
1989-90	55 (46.2)	21 (17.6)	43 (36)	119

Note: *printing and allied activities not elsewhere classified

**printing and publishing of newspapers

***printing and publishing of books, journals, directories, periodicals, schedules and pamphlets.

figure in parenthesis gives percentage share of total.

Source: ASI (Supplement and Summary Results For Factory Sector state x industry)

The limitation of the ASI data is that it does not giving district wise details , and the number of factories which are equipped for book printing only . The data shows that there is a decline in the share of presses which is equipped for book publishing , periodicals and journals etc, from 1980-1990. Mean while there is an increase in the share of presses equipped for news paper printing and the commercial presses in the same period.

2.3 The Changes in Technology

There are three basic processes in manufacturing a book.

1. Composition. i.e. the process of producing and arranging words that are to be reproduced on the printed page.

2. Press work is the process of applying ink to paper by use of a printing press and the metal type or plates.

3. Binding - is the process of folding and assembling in proper order the printed sheets and the fastening them together in some way.

We shall now discuss about each item and see chronology of introduction of technologies introduced. The survey results will also give a broad idea about the contemporary technological changes in presses connected with book industry.

PRESS WORK

Letter Press Printing: This is the traditional kind of press work which has been in vogue for centuries in many parts of the world. Ink is applied to the raised surface of type, paper pressed against it and forms of the letters are thus copied on the paper. In modern times, in addition to printing directly from the type, plates can be cast from moulds made from the original type and used for printing instead of the type itself. The plate is a thin shell that does not wear out as quickly as type metal. It can be easily stored for use in possible later reprintings. Majority of publishers print directly from type only. An advantage of using plates is the speed with which a book can be reprinted without going for composition again. The disadvantage is that a change in the manuscript needs another plate making for all the pages. Eventhough first edition is printed in letter press, offset plates can be made by photographing a copy of the original letter press printed edition.

Offset (Planographic Printing): Instead of using raised type, or plates with raised surfaces, the printing is from a smooth plate. The image of the letters is copied on the smooth plate, it is treated in such a way that the ink adheres to those parts of the plate but not to the rest. When the paper is pressed against a blanket cylinder in the press, the ink is transferred to the blanket and is then offset to the paper.

Offset printing has revolutionised book production. The advantages are that, composition can be combined by the printers with drawings, photographs, hand writing and so forth in one operation. The last stage before the plate is made, is production of a film carrying all the images, and that film can be saved for re-use if it does not seem worthwhile to save the plate itself.

Pressure less Printing: This is using electrostatic image techniques, of which xerox is the best known. It is good for small editions. Also books like Science and technology which has a limited market. This technique makes it so easy and inexpensive copy of the printed page.

The other press work, screen process, has only limited use. It is very useful for making posters or for single pages in colour when the quantity is too small for normal commercial methods.

The table below shows the details of changes in the press work technology in the press owned by publishing firms.

Table: 3.10 : Changes in press technology

Type	<1930	1931/40	1941/50	1951/1960	1961/1970	1971/1980	1981/1990	1991/1995	Total	%
<u>Small</u>										
Introduction of Letter press	1	--	1	--	4	--	3	2	11	
Introduction of Offset press								4	4	
<u>Medium</u>										
Introduction of Letter press	2	--	---	---	1	2	1	--	6	
Introduction of Offset press							1	1	2	
<u>Large</u>										
Introduction of Letter press	2	1	--	2	3	1	---	--	9	
Introduction of Offset press						1	3	---	4	

Source : Survey Data

The letter press are the traditional printing technique. Offsets were introduced from the eighties. Only one firm had an offset press during seventies. What is interesting to be noted is that mostly even the large publishers own letter press only. Equally interesting is that four small publishers also own offset press. The change in the technology (press work) was much earlier in the case of large firms i.e, during 1980 to 1990. As we have already stated the technological changes have taken place within a short span of 15 years of time.

COMPOSITION

Type setting by hand: In most developing countries, where labour is inexpensive, type setting by hand is the cheapest method. The disadvantages are the (i) slowness of work (ii) poor printing

quality (iii) the expense of maintaining a large supply of type in a wide range of designs and sizes.

Monotype: This is a method of mechanical type setting that uses separate pieces of metal for each letter and in this respect is something like hand composition. There are two pieces of monotype equipment: the key board which punches holes in a paper tape, and the caster which actually casts the letters in metal and arranges them in the desired form, controlled by the position of the holes, the key board is made in the tape.

Linotype & Photo Composition: The linotype machine , set lines of type instead of separate letters. The general method is line casting. It is necessary to reset a whole line in order to correct an error.

In photo composition, the forms of letters are reproduced photographically or electronically in the desired manner and the machine produces a film or photographic print carrying that image.

Desk Top Publishing: In the mid-1980s the development of desk top publishing has revolutionised the composing technologies. Desk top combines a micro computer (for instance the Apple Machintosh or IBM AT), computer programmes (software) for word processing and page make up, and a laser printer to produce pages of composition on paper (a camera-Ready copy), which can be photographed to produce printing plates for an offset press. This enables publisher or printer a relatively inexpensive way to produce composition of very close to typeset quality.

The table given below shows the changes in the composition technology overtime in Kerala.

Table 3.11 Changes in the composition technology

Type	<1930	1931/40	1941/50	1951/1960	1961/1970	1971/1980	1981/1990	1991/1995	Total
<u>Small</u>									
Introduction of Hand composing	1	--	1	--	4	--	3	2	11
Introduction of machine composing							3	5	8
<u>Medium</u>									
Introduction of Hand composing	2	--	---	---	1	2	1	--	6
Introduction of machine composing							1	2	3
<u>Large</u>									
Introduction of Hand composing	2	1	--	2	3	1	---	--	9
Introduction of Machine composing						1	4	3	8

Source : Survey Data

The machine composing, as it is clear from the table 3.11 is largely 1990 phenomenon in Kerala. A few units had shifted to new technology during the 1980's and large firm during a decade before.

If we look on all the firms, we can see a major share of publishers preferred Desktop only recently. Those who have no own desktop facilities are giving either outside printers who has desktop facilities.

BINDING

Hand binding: The process of binding involves folding the sheets in proper way and gathering the folded sheets so that pages of book will be in right order, trimming the edges and providing a cover of some kind. Folding in many developing countries is done by hand. The next step after folding is gathering or collating the folded sheets in the order in which it comes out as book.

Perfect Binding: In perfect binding there is no stitching, and the sheets are trimmed on all four sides.

Burst binding: Here the folded sheets are trimmed on three sides only and into the remaining side holes are punched, into which glue is forced in order to hold all pages together.

Table 3.12 Changes in binding technology

Type	<1930	1931/40	1941/50	1951/1960	1961/1970	1971/1980	1981/1990	1991/1995	Total
<u>Small</u>									
Introduction of Hand Binding	1	--	--	1	4	1	1	1	9
Introduction of Machine Binding								1	1
<u>Medium</u>									
Introduction of Hand Binding	2	--	---	---	--	1	2	--	5
Introduction of Machine Binding							--	1	1
<u>Large</u>									
Introduction of Hand Binding	2	--	--	2	2	1	---	--	7
Introduction of Machine Binding						--	1	2	3

Source : Survey Data

It is clear from the above table that changes in the binding from hand to machine is not adopted by most publishers. There is no information about the other publishers who do not have press. Very few publishers introduced machine binding during 1984 to 1994 ie, 3 large publishers, 1 medium publisher in 1990-1992, and 1 small publisher in 1992, introduced machine binding and replaced the hand binding.

2.4 ECONOMIES OF SCALE AND MANUFACTURING COSTS

The cost of production can be subdivided into (1) composition charges cost. (2) printing and binding (3) paper cost. The cost of production can be otherwise called manufacturing costs. There are

substantial economies to be achieved by spreading the first copy costs of composition and (Pratten , 1971). These economies are illustrated by the estimates of manufacturing costs (printing costs) for order of varying number for a standard title, homogeneous; size and some paper quality.

The table 3.13 below gives an account of the decline in cost per copy (Economies of scale) when the number of copies increase.

Table 3.13 Manufacturing cost of book printing by varying print order * ¹ (Offset press) (in Rs)

	1000 copies	5000 copies	10,000copies
Composition cost (type setting cost unaffected by quantity)*	3500	3500	3500
Press work and Binding cost	7200	24400	45250
Paper cost	3800	18600	37200
Total cost	14500	46500	85950
Cost per copy	14.5	9.3	8.5

Source: Survey Data.

The table above shows that the manufacturing costs for a 1000 copies of a book having 100 pages with paper quality white printing 14 kg, and size D 1/8 the cost per copy will be 14.5 for 1000 copies . The cost will be 9.3 and for a number of 5000 copies and it will further decline to 8.5.

¹ Average cost for different editions is calculated with the following specifications: A 100 page book having, paper quality white printing , and size= demy 1/8.

Table 3.14 : Distribution of units by range of printorder

	SMALL	MEDIUM	LARGE	TOTAL	%GE
1000-2000	16	1	3	20	30
2001-3000	8	-	-	8	12
3001-4000	3	-	4	7	10
4001-5000	6	-	3	9	14
5001-6000	4	4	-	8	12
6001-7000	2	-	-	2	3
7001-8000	1	-	-	1	2
8001-9000	1	3	2	6	9
9001-10000	1	-	4	5	8
TOTAL	42	8	16	66	100

Source : Survey data.

Majority of the publishers have printorder between 1000-2000. Out of the total only 8 per cent of publishers have printorder between 9001-10,000. In the small category 1 unit and in medium 3 units have printorder between 9001-10,000. In the large category 4 firms have range between 9001-10,000. Only a 33 per cent of publishers have print order more than 5000. This points out the fact that most of the publishers cannot fully utilise the scale effect which help them to reduce cost per copy.

2.5 GROWTH OF SUB CONTRACTING

Sub contracting means a type of inter-firm relationship between large and small firms where by the large firms delegate partially or completely , production of components , parts and even complete products , as well as certain operations such as sub assembly to a number of small firms according to mutually agreed terms and conditions. Sub contractors usually undertake manufacturing or receiving orders from their parent firms , which furnish technical specifications. In more general terms sub-contracting refer to a

specific aspect of the organisation , where there is large and small firms which is highly specialised, coexist in an informal co-operation seems to be a collaborative and permanent kind (Nagaraj, 1984). But in book publishing , small firms can also subcontract printing operation to large scale printers. Some of the studies explain subcontracting with the concept of vertical integration which is determined by mostly the relative cost of sub contracting and technology involved (Richardson , 1972). The table given below gives the details of publisher's who have their own press and the type of presses.

Table : 3.15 : Details of press ownership

	Small		Medium		Large		Total	%
	No.	%	No.	%	No.	%		
Publishers who								
have own press	11	26	6	75	9	56	26	39
Do not have press	31	74	2	25	7	44	40	61
Total	42	100	8	100	16	100	66	100
Letter Press	11	26	5	62	8	50	24	36
Offset	3	7.1	2	25	4	25	9	13
Both	3	7.1	1	13	3	19	7	10

Source : Survey data.

It is clear that only 39 percent of the publishers have their own press. The size wise analysis shows that in small, medium , large firms , 26 percent , 75 percent and 56 percent respectively have their own press. It is interesting to note that in the mediun firms most of the publishers have press. 24 units have letter presses, and only 9 units have modern offset presses. From the table it is implicit that majority of the publishers is depending outside printers to get their books printed. The following table

shows that average percentage of books printed in own press, outside Kerala and inside Kerala for the period 1960-1995.

Table 3.16 1960-1995 (average percentage of books printed)

Years	1960	1965	1970	1975	1980	1985	1990	1995
<u>Small Size</u>								
Own Press	32	8	10	13	12	12	14	17
Outside Kerala	1	1	1	2	2	2	12	12
Inside Kerala	67	91	89	85	86	86	74	70
Total	100	100	100	100	100	100	100	100
<u>Medium Size</u>								
Own Press	77	65	78	76	68	57	54	55
Outside Kerala					7	14	16	15
Inside Kerala	23	35	22	24	25	29	30	30
Total	100	100	100	100	100	100	100	100
<u>Large Size</u>								
Own Press	70	65	55	38	38	38	35	36
Outside Kerala	2	5	12	15	17	18	17	16
Inside Kerala	28	30	33	46	45	44	48	48
Total	100	100	100	100	100	100	100	100

Source : Survey data.

In small size firms majority of the books got printed in Kerala itself. More than 67 percent of the books are printed in inside Kerala. Books printed in own press in 1960 was 32%. But in 1995 it has reduced to 17 percent. It is already seen that only 11 percent of the small publishers have their own press and among them only 3 units have offset press. But the interesting thing is, that during 1960 to 1985 the percentage of books printed outside Kerala was negligible in the case of small firms. From 1990 onwards, an unprecedented increase is observed with the percentage share of books printed outside reaching 12 percent in 1995.

Medium size firms Untill 1975 publishers have not given manuscript, to outside Kerala (printers). Most firms in this

category print more than 55 percent books in own presses. The books got printed in own press has declined from 77 percent in 1961 to 55 percent in 1991. As is evident from the table 3.16 the books given to printers started in 1980 , after that it shows a fairly good increase. In 1995 15 per cent of the total books by medium publishers got printed in outside Kerala.

In Large Firms: The practice of giving books outside Kerala started from 1960 onwards in large firms with 2 percent of total books. Until 1960 majority of the books printed were in own presses. The percentage of books printed in own press has declined from 70 percent in 1960 to 36 percent in 1995. Books got printed in outside Kerala and inside Kerala has increased from 2 percent to 16 percent and 28 percent to 48 percent respectively during 1960 to 1995. Here it must be noted that book printed in own press declined steadily during the period 1960 to 1995.

Arrangement with Printers

The reasons for printing books in outside presses when they have their own press are many. The often quoted reason, however, is that own presses are over worked and there is insufficient capacity (14 units). Another reason is that press is not fully equipped (7 units). 3 units considered rush of work as the main reason for giving to outside printers. 2 units cited the problem of high cost in own press as the reason.

So it seems that majority of publishers depend on outside printers to get their manuscripts printed. In this context, selection of a good press is important. For five units the question

is not relevant as they print exclusively in their own press. Among the remaining 61 units for 20 units, Mutual knowledge is the factor influencing selection of press. For 13 units quality of printing is the criteria for the selection of press while another 12 units put timely execution as the basis. For 10 and 6 units proximity and the competitive rates offered by the printers are important. The details of the fixation of printing rates is given below

Table 3.17 Distribution of units by method of printing rates.

	Small	Medium	Large	Total	%
Through Tenders	5	1	2	8	12
Negotiated Rates	20	4	12	36	55
Market rate	17	3	2	22	33
Total	42	8	6	66	100

Source: Survey Data.

Out of the total 66 units 12 per cent are fixing rates through tenders. As indicated by the table 55 per cent indicate that printing charges are fixed through negotiations. 33 percent of units indicated that it is fixed on the basis of the prevailing market rate.

Out of 61 units which are giving books to outside printers, 28 units indicate that printers keep to the time schedule agreed to. While according to 10 units excessive work load of printers, and press default is the main reason for delay. For 20 units pointed out power failure for the delay while 8 units indicated time taken in art work as the case for delay and 5 units did not give any reason.

Table 3.18 Details Of arrangements

	Small	Medium	Large	Total	%
Publishers supply paper to printers	33	6	16	55	90*
Publishers getting credit	21	4	11	36	54
No credit	21	4	5	30	46
Days for which credit is available					
1. Upto 30 days	11		5	16	44
2. 30 - 45 days	4	3	2	9	25
3. 60 - 90 days	2	1	3	6	17
4. Above 90 days	4		1	5	14
Total	21	4	11	36	100
Delay	20	5	8	33	50

Note : * $(.55/61) \times 100$

The above table 3.18 shows number of publishers who supply paper to printers. 5 publishers exclusively print books in their own press. Out of the balance 61 units 90 percent units supply paper to printers. Supply of papers by publisher will reduce cost because they will get wholesale discount as well as credit facilities. 54 percent Publishers get credit facility from paper suppliers. Publishers who do not get any credit is about 46 percent of the total publishers. Most of the publishers are getting credit facilities upto 30 days . Only 5 publishing units is getting credit for more than 90 days. So the analysis shows that the number of publishers getting credit from paper suppliers as well as their duration of time period is also very low (upto 30 days).

The analysis shows that the publishers in Kerala is not facing paucity of manuscripts. There has been a change in technology used by publishers. The recent change was towards offset press has a scale effect , which many of the publishers cannot fully utilise because of low print order they have. Growth of sub contracting is partly because of this scale effect.

Chapter 4

DETERMINANTS OF PRICING OF BOOKS

The profile of the publishing Industry in Kerala and the production process involved were discussed in the earlier chapters. The present chapter deliberates on the important determinants of pricing of books in the state. Accordingly, the outline of the chapter is as follows: Section I discusses the Determinants of price and Heterogeneity in pricing equations across the publishers in Kerala. Section II discuss the cost components of the price of a book.

4.1 Determinants of Price

The analysis of the determinants of price in the case of books is very complicated. A published book has either to be sold or distributed free. Books published commercially are priced. The practice followed in pricing books is sometimes very different from that followed in the case of other commodities. For analysis, commercial publishers are taken, where books are priced according to their characteristics. There is a general feeling that the publishers are adopting cost plus mark up pricing method. The former survey by NCAER pointed out that generally Educational books have a low mark-up compared to serious and general books. The Educational books have high print order, low discount rate and are often fast selling. Generally varying mark-up was seen for different types of books in the study. But it is not known whether the type of book is a major factor in explaining its price.

Books have several characteristics like, page, number of copies, binding (paperback or hard bound), paper quality, size (D 1/8 or C1/8), type of book like educational or general book ¹. Thus, determinants of price of a book can be analysed properly through the hedonic function, which does take into account the characteristics and quality content of a book. Each book is a model with the above characteristics. Each variable carries a positive weight in determining quality. An increase in paper quality will result in an improvement in quality while a decrease in it would indicate a reduction. It is in this context, the hedonic function is used, which relates the price of a commodity to its various identifiable characteristics.

Hedonic Function

A hedonic function is a relation between prices of varieties or models of heterogenous goods - or services and the quantities of characteristics contained in them (Triplett, 1987). Observed product prices and specific amounts of characteristics associated with each good define a set of implicit or Hedonic price. The hedonic function can be given as:

$$P = P(z) \dots\dots\dots (1)$$

where P is an 'n' element vector of prices of varieties and (z) is a 'k x n' matrix of characteristics. The theory put forward a hypothesis called 'hedonic hypothesis' where differential goods are sum total of characteristics and producers and consumers behaviour

¹ D1/8 is Demy size and C1/8 crown size. These are the standard size of books in Kerala while cream woven and maplitho are the generally selected paper.

is related to these characteristics ² . This theory states that when a commodity is bought or sold, we are buying or selling a set of a characteristics. Characteristics are the true representation of utility functions. Also characteristics are the inputs to the production process.

$$\text{Hence, } U = U(z, x)$$

where U represents utility, z , the characteristics, x , a vector of other homogeneous consumption goods. Both consumers and producers face their quantity decisions on maximizing behaviour, and equilibrium prices are determined so that buyers and sellers are perfectly matched. As usual market clearing prices $P(z)$, is determined by the consumer tastes and producer costs. The Hedonic function addresses two factors, namely : (1) the relevant characteristics; and (2) the relationship between prices and characteristics.

In most of the studies, Hedonic multiple regression approach has been used to construct price indices. Grilliches, (1971), Muell Bauer (1975), Burstein (1961), Fisher and Shell (1971) have constructed quality adjusted price indices. Automobile prices attracted the attention of Grilliches, and Dhrymes (1971), Cagan (1971) and Dhrymes (1971). The study by Dhrymes has tested the hypothesis of homogeneity in pricing functions across manufactures. The study also pointed out that the manufacturer adopts a cost plus mark-up pricing policy because of heterogeneity in pricing equations. There can be two interpretations of the relation between list price and characteristics. If we regard the

² See, Rosen (1974) for a theoretical discussion about consumers and producers equilibrium in a market where there is product differentiation.

established function as cost plus mark-up relation then the estimated coefficients reflect manufacturer's evaluation of each characteristics as well as pricing policies. It can also be interpreted as consumers evaluation of the characteristics (Dhrymes ,1971). The idea of a commodity as a bundle of characteristics has been developed by Lancaster (1982). Unfortunately the theoretical base of such studies has not expanded. The literature regarding the theoretical issues of hedonic function is few.

Mark-up Pricing

The publication of Hall and Hitch, in the late 1930s was a break through in the field of empirical price models. Hall and Hitch found the basic premises of the traditional theory based on $MC = MR$ as eventually impracticable. From an oligopolistic market structure they came up with the cost plus Mark-up Pricing Model. According to this theory prices are based on full costs, i.e., average variable cost (assumed to be constant over a wide range of output) plus average overhead costs (Fixed costs) plus a margin of profit. Kalecki criticised this model and according to him the actual overhead costs does not directly influence the determination of price since the total overhead cost remain stable as output varies.

Sample

The data on price and other related characteristics of books was collected through the primary survey. The observations are based on standard models produced by the three major publishers: publisher

1, publisher 2, and publisher 3. This helps to test the hypothesis of homogeneity in pricing functions of the three publishers.

For the purposes of computational convenience the units of several variables have been chosen as follows. Price (PR) is expressed in rupees, copies in absolute numbers (COP), pages in absolute numbers (PAG). The other variables binding (BIND), paper quality (PAQ), size of the book (SIZE), type of book (TYPE) are the dummy variables. They assume value 1, if the given model is equipped with, paperback, white printing, C 1/8 size, Educational and zero otherwise (0 is assigned for hard bound books , maplitho, d1/8 , and books other than educational). Thus, price of the book can be represented as:

$$P = p f (\text{PAG, COP, BIND, PAQ, SIZE, TYPE})$$

In selecting books, having special characteristic, the following criteria was used. Bond and cream woven paper books, and the sizes C 1/4, D 1/16, C 1/16 D1/4 and children's books are excluded. The exclusion will not affect the study because the most standard models are covered in the sample.

Empirical Results

Regressions using price as dependent and all other as independent are shown in the Table 4. 1 for publisher 1, publisher 2 and publisher 3.

Adjusted R^2 for publisher 1 is 0.9268, publisher 2 it is, 0.933051 and for publisher 3 it is 0.958411. Some of the components have positive and significant coefficients and some of them have negative significant coefficients. PAG (Page), COP (copies) are

significant for all the three publishers. PAG showed significant direct association with all the three publishers. This shows that page has direct and positive relation with price and when page is more, price will also be high. COP (copies) was found to be inversely related with price. The interpretation is that when number of copies increases, price decreases.

Table 4.1 Regression results

	publisher 1	publisher 2	publisher 3
PAG	0.1126715 (24.731439)*	0.1344204 (26.510218)*	0.3106071 (53.678786)*
COP	-0.0031797 (-5.6848305)*	-0.0034707 (-5.6785738)*	-0.0221748 (-10.659285)*
BIND	-12.458355 (-6.1984248)*	-15.709468 (-3.1309815)*	-26.368472 (-2.2765354)*
PAQ	12.934181 (2.218175)*	3.4142498 (0.2772683)	157.54610 (4.4773015)*
SIZE	6.6028914 (5.3739171)*	2.6769713 (0.7664654)	-6.8541853 (-1.2371817)
TYPE	2.0227194 (0.4353575)	14.408221 (1.8110301)	-9.3763778 (-0.2858670)
F-Statistic	233.3820	314.5764	640.9596
SDEV ₂	16.03935	62.86452	154.8388
Ad R ²	0.926876	0.933051	0.956411
Constant	25.747529 (11.305095)*	30.080450 (5.1289435)*	61.322501 (4.0513606)*
Size of squared Residuals	1956.443	34065.60	167713.8
D-W STAT	1.87023	1.960231	1.80967*

Source : Survey data.

Note : * denotes t-values, significant at 5% level.

The dummy variable, BIND is found significant in determining price for all the publishers. The significant negative coefficients means that a hard bound book would be more expensive than a paper back. This is reasonable and technically correct as hard bound book production incur relatively high cost. The dummy variable PAQ is significant for publisher 1 and publisher 3. The positive significant coefficients could very well interpreted in such a way

that given other factors constant, book with a maplitho quality will be expensive. This is a justifiable and reasonable result because maplitho is costlier than white printing paper. In the case of publisher 2 the PAQ is not significant. The dummy variable, size is significant only for publisher 1. For publisher 1 the significant positive coefficient shows that C 1/8 is less expensive than other D 1/8. This is because D 1/8 is much more bigger in size than C 1/8. For other two firms size is an insignificant factors in explaining price. The Dummy variable, type is insignificant for all the three publishers.

It is very interesting that the type of book is not at all significant in the determination of price. Here in the case of books we should note that the Educational books, will be printed in bad quality paper and; without proper binding and its print order is also high. So the effect of the type is also embodied in the other characteristics, like PAQ and BIND, print order and so on. The results from the Table 4.1 suggests that PAG,COP, BIND and PAQ (except for publisher 2) are the factors which determines the price while SIZE and TYPE more or insignificant for all the publishers.

Does this shows that the price and identifiable characteristics represent the market (consumer) evaluation of the features embodied in various models? But if this is true market evaluation by consumers, we can expect similar pattern across publishers. The first consideration in testing whether the estimated relationships represent market evaluation is to test for the significance of variable COP. This represents the number of units of a given basic model book produced by a publisher. The test for the

'significance' of the variable COP is important here as this variable should not show coefficient significantly different from zero. From the Table 4.1, it is clear that COP has a significant and negative coefficient for all the manufacturers. This negative coefficient can be interpreted as the producer's, market strategy. Also a negative coefficient indicate a trade off between quantity and price in the market strategy of an oligopolistic firm.

A more important approach to the problem of explaining the nature of estimated price regressions lies in testing the statistical hypothesis that the parameters in the price equations of the three manufacturers are identical³. If there is no product differentiation there is no need for consumers to make different evaluations, for separate publishers. For this, we need a separate regression based on the pooled sample. The Table, (Table 4.2) given below gives the results.

Table 4.2 Regression results based on pooled sample

<u>Variable</u>	<u>Coefficient</u>	<u>Variable</u>	<u>Coefficient</u>
PAG	0.2667262 (53.458685)	PAQ	97.443618 (4.6466969)*
COP	-0.0132200 (-13.255599)*	SIZE	-0.4723830 (-0.1146311)
BIND	-27.201014 (-4.2089842)	TYPE	-29.455620 (-1.3983301)
Ad R ²	0.892181	F-Static	582.9933
Sum of Squared Residual : 496934.4			
DW-STAT	1.966264*	No. of Observations 423.	

Source : Survey data.

Note : * denotes t-values significant at 5 per cent level.

The pooled Adjusted R^{square} is found to be less than the earlier R

³ For statistical tools for testing the homogeneity of pricing equations see (Dhrymes,1971).

squares of individual publishers. Also the coefficients are also different. The test for the homogeneity of pricing equations across publishers, have done. The results are given below.

Table 4.3 Test statistic for homogeneity of pricing equations for three publishers based on the first table.

Test statistic	45.130837
Distribution	F (6,422)
Critical point at	5% :2.09

Source : Survey data.

The result leave no doubt to reject the hypothesis of the homogeneity of price equations. This indicates each publisher has their own price strategies considering the characteristic of the commodity.

In general the heterogeneity or inhomogeneity of price equations across manufacturers seems to lend support to the view that estimated equations are cost plus mark up pricing relations; thus we can interpret it as manufacturer's evaluation of their role in his overall price strategy.

4.2 Mark-up and Cost Component

In section I, we have tested for the existence of cost plus mark-up pricing policy in the industry. This section deals with mark-up range and the cost components. The mark up range of the publishers is given in Table 4.4 below. A mark-up of 2 in the book industry means cost per copy multiplied by 2 or 2 times the cost; similarly a mark-up of 3 means 3 times cost.

Table 4.4 Range of mark-up

	less than 2	2-3 times	4-5 times	Total
Educational	2	15	5	22
Fiction	-	7	3	10
Non fiction/ Non text	8	12	9	29
Children's book	-	-	2	2
Total	10	34	19	63
%	16	54	30	100

Source: Survey Data

From the Table 4.4 it is clear that majority of the publishers have a mark up between 2-3 times (54%). Type of books have no much importance in the fixation of price altogether. The mark-up of 2-3 and 4-5 seems to be very high. But this high mark-up does not indicate a high profit in the industry . For this, it becomes necessary to examine the share each component has in the published price of a book. The cost components and their share in price are given in Table 4.5.

Table 4.5 Cost components of a book

components	average percentage
1.cost of production	45
2.cost of distribution	
a.Advertising	.2
b.Discount	34
3.Royalty	12
4.Profit	8.8
Total	100

Source: Survey data.

Note : Having 100 pages, d1/8 size with white printing.

About 45 percent of the price of a book is accounted for cost of production, .2 percent for advertising, 34 percent for commission(discount); 12 percent for royalty and normal profit comes to 8.8 percent only. The mark-up is different for publishing industry compared to other industries. Mark-up in book industry includes royalty percentage and discount. The total royalty and discount rate in the price of this adds up to 46 percent. The break up of cost of production is given in the Table 4.6.

Table 4.6 Break up of cost of production (average %)

1.	Cost of obtaining manuscript	1
2.	Cost of reviewing and Editing	4
3.	Art work	3
4.	Printing,Binding and paper	37
	Total	45

Source : Survey data

Note: From Table 4.5

Table 4.6 shows that the 4th component which includes paper binding and printing is 37 percentage of the published price of a book. The increase in the paper prices has an impact on the price of the book. The other cost components are by and large negligible in the cost of production.

The analysis showed that the factors such as price of paper, number of pages, number of copies, the quality of paper and binding are the significant factors in the case of book pricing in the state. Also we found that there exists a heterogeneity in the case of pricing functions across the publishers. The analysis also found

that though different pricing strategies are followed by different publishers, prices are determined on the basis of cost plus mark up. In the next chapter an attempt is done to analyse the book distribution system in the state.

Chapter 5

THE SYSTEM OF BOOK DISTRIBUTION

The current chapter is an attempt to explain how the mode of distribution, discount structure and break-even point in book industry affect the sale. In proceeding with this objective we have divided the customers of published books into three categories as: (1) individuals, (2) institutions and (3) libraries. Books may be distributed to all these above categories either by the publisher himself or through the distributors - who can either be a wholesaler or retailer. The conventional practice among publishers is to sell books directly to individuals, institutions, libraries who are also the clients of retailers and wholesalers. In this process, the role of distributors, who are otherwise known as the intermediaries, here in the economics sense, are affected. Negation of the role of these intermediaries, in turn, are often found to be affecting the book publishing industry. Thus distribution as a separate system relegated to the background (Smith, 1989).

It is in the above context that one should examine the views expressed by a number of publishers and book sellers about the "vanishing" of book shops (NCAER, 1976). The success of a publisher largely depends on a range and variety of effective retail outlets and thus the role of a book shop is of strategic importance in the distribution of books (Raghavan, 1988). In the face of competition from lending libraries, direct selling by publishers to public and availability of book in outlets other than book shops, the survival of the bookseller is some thing of a mystery (Barker, 1974). This chapter is divided into two sections. The first section discusses the mode of distribution discount

structure - which influences the sales, and the second section discusses the break even point (BEP), in the industry which is related to the sales promotion activities.

5.1 Mode of Distribution, Discount Structure and Sales

Table 5.1 gives information about the publisher's channels of distribution. Out of the total publishers, 86 per cent of them sell through distributors while 72 per cent have their sales through retailers.

Table 5.1 Distribution of units by mode of distribution

	Small	Medium	Large	Total	% of total
<u>Sales through Distributors</u>					
(a) Wholesalers	35	7	15	57	86
(b) Retailers	28	6	14	48	72
<u>Direct Sales</u>					
(a) Institutions	26	5	11	42	63
(b) Libraries	13	4	8	25	38
(c) Own retail outlet	25	6	16	47	71
(d) Individuals directly	27	6	12	45	68
(e) Book club	2	-	5	7	10
(f) Agents	1	1	-	2	3

Source: survey data.

It is clear from the table that greater proportion of medium and large firms are able to sell through both wholesalers and retailers while small firms are confined to the wholesalers.

Among the direct sales channels, 71 per cent of them make their sales through own retail outlets. All the large publishers have their own retail outlets. 75 per cent of medium firms have retail outlets of their own and the same is found to be 59 per cent for small firms. For small firms, direct sales to institutions and

individuals are equally important. All the large publishers have sales through retail outlets followed by direct individuals and institutions. The sales through book clubs and agents are not common among the publishers. Only large publishers are able to organise book clubs efficiently. Only two publishers, undertake sales through agents. As most of the medium and large firms have sales through own retail outlet, it is relevant to analyse the number of own outlets which is given in the Table 5.2.

Table 5.2 Distribution of units by number of own outlets

Range of Outlets	Small	Medium	Large	Total	% of total
1 - 2	23	6	8	36	54
3 - 6	2	-	4	5	8
9 - 10	1	-	3	4	6
11 and above	1	-	1	2	3
Total	27	6	16	49	74
No outlets	15	2	-	17	25
Total	42	8	16	66	100

Source : Survey Data.

The break up of publishing units which have own retail outlets is given above. It is apparent from the above table that 25 per cent of the publishers do not have their own retail outlets while 54 per cent of them have retail outlets. Only 3 per cent have 11 and more retail outlets (branches). It is also evident in the table that all the large firms owns retail outlet. Three of them have outlet ranging from 3 to 6. Another three of them own from 9 to 10 and only one unit has more than 11. This finding of ours further strengthens the earlier arguments that in Kerala, unlike in other parts, publishing activity goes hand in hand with the retail book trade activities (capital market, 1996).

From Table 5.3, it is evident that publishers are paying higher discounts to the distributors than to the customers who are buying directly from them. Wholesalers are getting a discount of 33.68, 38 and 35 per cent from small, medium and large book publishers respectively.

Table 5.3 Average percentage of discount given to different outlets (in per cent)

Categories	Small	Medium	Large
<u>Distributors</u>			
(a) Wholesalers	33.68	38	35.2
(b) Retailers	28.5	32.6	30.6
sub total	31	35	32
<u>Direct Sales</u>			
(a) Individuals directly	20	15	10
(b) Book club	-	-	16
(c) Libraries	26.5	30.5	31.1
(d) Agents	20	25	-
(e) Institutions	30.9	33.5	36.2
Sub total	25	26	21

Source: Survey Data.

Most of the retailers are crucial for the publishers because of their local influence. This explains why there is no significant difference in the discount rate given to wholesalers and retailers. It may be also noted that the discount rate offered by small publishers is relatively lower when compared to medium and large firms.

In the case of direct sales, institutions get high discount nearly equal to the discount given to the distributors. Institutions like schools, ITI's, colleges are important for publishers. On an average, 30.9 per cent is given to institutions by small publishers, 33.5 per cent by medium and 36.2 per cent by large ones. Thus, bigger publisher tend to give the highest discount to

institutions and what follows this is the libraries. Small and medium publishers also employ travelling agents for sale of books. The discount rate offered to them is lower than the above two channels, but higher than the direct sales to customers. Interestingly, discount rates offered to the individuals are inversely related with the firm size as small firms offer more. On an average, small, medium and large publishers give 20, 15 and 10 per cent respectively. The book club discount is, on an average, 16 percentage of the published price which is 5 per cent higher than the offer made to the individuals.

On an average, distributors are given discount rate ranging from 31 to 35 per cent while direct sales accounts between 21 and 26 per cent. This points out that distributors are comparatively in a bad position to bargain with the customers. There is only a maximum of 9 per cent of difference between the average discount offers to distributors and the discount offers through direct sales. Normally, to get the business of the customers, the distributors has to compete with publishers offer through the direct sales which further reduces the profit incentives of retailers and wholesalers.

Thus, it is clear that the discount structure in kerala has an unhealthy tendency to by pass by the wholesalers and retailers.

Table 5.4 Average percentage sales through different modes.
(in per cent)

	Small	Medium	Large
<u>Sales through Distributors</u>			
(a) Wholesalers	21	32	30
(b) Retailers	11	11	14
Sub total	33	43	44
<u>Direct Sales</u>			
(a) Own retail outlet	19	9	13
(b) Institutions	14	25	16
(c) Individuals	15	8	6
(d) Book club	-	-	2
(e) Libraries	20	6	19
(f) Agents	1	9	-
Sub Total	67	57	56
TOTAL	100	100	100

Source: Survey Data.

Table 5.4 explains the average sales through different channels. The average sales through wholesalers comes to 21 per cent for small publishers, 32 per cent for medium and 30 per cent for large. The sales through retailers is 11 per cent for the small, 11 per cent for medium and 14 per cent for large firms. The sub total of sales through distributors comes around 33 per cent for small, 43 per cent for medium and 44 per cent for large category. Relatively a higher proportion of sales is carried through direct sales than through distributors irrespective of size differences. One observes a slight decrease in the sales through direct efforts with the increase in the size of a firm. Small firms are by and large depends more on the sales through direct efforts to survive in the given competitive environment. It is interesting to point out that medium firms have high proportion of sales through institutions than other categories. Most of the medium publishers are educational publishers who publishes guides, supplementary materials and text books. This may be a reason why medium publishers concentrates more on institutions. Contrary to the

other categories, medium firms have less proportion of sales through libraries. Due to competition and for the short term gains, publishers allow discounts which some times slightly less than the discounts given to distributors. A retailer can not give the same discount to institutions or individuals.

5.2 Break Even Point and Time Taken For Break Even

A Break Even Analysis involves the study of revenues and costs of a firm in relation to its volume of sales and specifically the determination of volume at which the firm's costs and revenues would be equal (Sundaram and Varshney, 1992). The break even point (BEP) can be defined as that level of sales at which total revenue equal the total costs and net income is equal to zero. It is an instrument panel for the guidance in controlling the business. This is determined in physical terms with the following formulae.

$$\text{BEP} = \text{Fixed Costs} / \text{Contribution Margin}$$

where contribution margin is = Selling Price per unit - Variable costs per unit.

Table 5.5 Distribution of units by details of break even point

Percentage for break even by type of Books	Time taken for Break even (in months)						Total	% above
	2-5	6-10	11-15	16-24	25 &			
<u>Education</u>								
50% and below	4	2	8	1			15	52
51 - 60		9					9	31
61 - 75			1		1		2	7
Over 76	1		2				3	10
Total units deals in education	5	11	11	1	1		29	100
<u>Fiction</u>								
50% and below		1	2	1	6		10	26
51 - 60		1	2	1	2		6	16
61 - 75			8	1	7		16	43
Over 76					5		5	13
Total units deals in education	-	2	12	3	20		37	100
<u>Non-fiction Non-text</u>								
50% and below	1	2	4	1	4		12	30
51 - 60	1	3		1	3		8	20
61 - 75	2	2	3	3	3		13	33
Over 76			1	1	5		7	17
Total units deals in education	4	7	8	6	15		40	100
<u>Children's Books</u>								
50% and below		1	1	6	1		9	47
51 - 60		2		1			3	16
61 - 75		2	1	2	1		6	32
Over 76		1					1	5
Total units deals in education	-	6	2	9	2		19	100

Source: Survey Data.

Looking into the break even percentage of sales and time taken for break even by types of books reveals that of the educational books, 29 units responded to the questionnaire of which 52 per cent indicated a percentage of 50 or below is enough to attain break even point. 31 per cent indicated, that 51 to 60 per cent and only 10 per cent indicated that over 76 per cent of sales is needed for break even. The table clearly shows that majority of publishers needed 2 to 15 months to attain the break even. It is clear from the table that, generally educational books require 50 to 60 per cent of sales to attain the break even and for this it would take a time span of 6 to 15 months. In the case of fiction, 43 per cent of units needs 61 to 75 per cent of sales to attain the break even point; and if we include the total units which needs 76 per cent or above then, 56 per cent of units needs 61 per cent or above for the attainment of the break even point.

The time taken for break-even sales for fiction is different from educational books. Out of 37 units, 20 units require a time period of 25 months and above. Out of this 20 units, 12 units needs 61 per cent and above for reaching the break even. So it is clear that most of the fiction books need 61 per cent or above for attaining the break-even and it takes generally 25 or more months.

The picture for Non-fiction (NF)/ non-text (NT) shows a different result. 33 per cent of the units deals with NF/NT indicated a sales of 61 to 75 per cent for the attainment of break-even, 30 per cent of the units indicated 50 or below as the attainment point. But in the case of time taken for break even for majority of the units indicated a period of 25 or more months. Another eight more

publishers indicated it as 11 to 15 months. From the Table 5.5, it is clear that 50 per cent of units needs 61 or above percentage of sales and needs 24 or more months for the attainment of the break-even. Again 50 per cent of the units indicated 60 or below percentage as the level of break-even and it takes 15 months or below. The reason for this is the fast selling of the religious books which is due to their religious network; but, the scholarly reference books needs much time.

Most of the publishers who deals with children's book indicated that a sales of 60 or below is enough to reach the break-even point. Out of the total 19 units, nine indicated a time period of 16 to 24 as the level to reach the break-even; six units indicated 6 to 10 months. It is, thus, clear that 6 to 10 or 16 to 24 months is needed for break even.

It is here we should note the importance of publicity and other facilities in the book trade. Quantum of sale of a publisher is largely dependent on the publicity which the book receives. Publisher's advertising has several subsidiary functions besides that of selling books like influencing the trade (i.e, impressing the book jobbers and retailers), authors, reviewers, sale of book club, reprint and other subsidiary rights (Franklin, 1957). Always it is the publisher who does the publicity and not the wholesaler or retailers. The publicity media used most frequently is the mailing lists followed by house journals and newspapers, sales promotion through representatives, advertisements in TV and book reviews.

Table 5.6 Distribution of units by publicity media

	Small	Medium	Large	Total	% of total
Those who have done publicity	19	6	15	40	61
Not done publicity	23	2	1	26	39
Have mailing list	12	4	15	31	47
House journals and newspaper advertisements	15	5	15	35	53
TV advertisement	-	-	4	4	6
Sales representatives	10	6	11	27	41
Pre publication advertisement in Newspapers	5	4	7	16	24
Book Reviews	6	3	12	21	32

Source: Survey Data.

As it is clear for the Table 5.6, of the total 66 publishers, 61 per cent have done publicity whereas, 39 per cent have not done it. The category wise analysis shows that only 55 per cent of the publishers in the smaller category have not done publicity. For most of the small publishers, advertisements is not affordable, as it is beyond their capacity. The most important method among publishers is advertisement through house journals and newspapers. The Table 5.6 shows that 24 per cent of the publishers have done pre-publication advertisements. The advertisements in newspapers is very costly, unless the publisher is able to recover it through sales. What follows this is the mailing list as it is popular among the publishers. For instance, 47 per cent of the publishers have "bulletin". Mailing is undertaken periodically with information carrying descriptions of new titles and reprints and these mailing lists are regularly revised and updated. Publishing units often prefer to mail bulletin rather than brochures, as they enjoy a postal concession. Other medias of publicity like book reviews (practiced by 52 % of the units), TV advertisements (practiced by 6 % of the units) are made use rarely and undertaken

by a small number of publishers. Most of the small publishers can not advertise because of the high cost of advertisement expenses.

Employing sales representatives is an expensive business. But the results shows 41 per cent of the publishers have sales promotion through representatives. This is because of the fact that direct sales, as we have seen earlier, is more prominent in Kerala. Unlike in other parts of the country, 71 per cent of the units have their own retail outlet/outlets. And the employees in the branches and outlets often go for sales promotion for once in two months. This is a reason why sales is still high in Kerala by representatives as the field representatives travel around and visit institutions, libraries, wholesalers, and book shops and carry samples of titles as well as brochures.

Other Arrangements With Sales Channels

The factors like sale and return facility and credit facility, would influence the decision of distributors to purchase books. Sale and return facility is a guarantee given by the publisher to the distributors that, books remains as dead stock will be taken back. In the case of former, the publisher will give credit note for the returned books while in the case of latter, retailers are responsible only for the sold books.

Table 5.7 Details of facilities (in units)

	Small	Medium	Large	Total	% of total
Publishers give credit facilities	29(69)	3(38)	8(50)	40	69
Publishers give sales and return facilities	21(50)	3(38)	6(37)	30	45

Note: Figure in parenthesis shows percentage share in each category. Source: survey data.

The Table 5.7 shows that only 40 units (60%) of publishers give credit to distributors; 29 small, 3 medium and 8 large. Among the 42 small, 69 per cent of the units give credit facilities; in the large category, 50 per cent of the publishers have no practice of credit facilities. In the medium, 62 per cent of publishers have no practice of giving credit. Most of the publishers pointed out that the book sellers are not reliable in quick payment. This is the reason why credit facilities are not common among the publishers especially among the large and medium.

Table 5.8 Credit range (units)

	Small	Medium	Large	Total	% of total
1. Less than 30 days	3	-	7	10	15
2. 31 - 45	5	-	-	5	12
3. 46 - 60	3	-	1	4	10
4. 61 - 90	2	-	-	2	5
5. 91 - 1 year	16	3	-	19	48
Total	29	3	8	40	

Source: survey data.

The range of credit shows that most of the large publishers give credit for less than 30 days or upto 30 days. On the other hand, most of the small publishers offer credit facilities upto one

year. Most of the publishers have no practice of sale and return facilities coupled with less time given to payment. This give rise logically a problem for small retailers.

Chapter 6
DEMAND FOR BOOKS

The previous chapters examined the supply side of the book industry. This chapters deals with the demand side aspects. Section I analyses the inter state differences in the book availability. The data base is a sample survey recently conducted by Kerala State Library Council. Section II deals with the reading habits of the people in Kerala and finally Section III analyses the demand of different types of Malayalam books.

*6.1 Inter-State Differences in Book Availability, 1960-1991:
Case of Kerala*

To analyse the interstate differences in the book availability, two ratios are used namely, titles per million population (T/MP) and titles per million literate population (T/MLP). The former refers to general book availability while the latter refers to availability to a particular section (literate). Only, the number of titles are taken, without reference to the number of copies printed. There could be significant interstate differences in the average number of copies of each title printed.

In 1961 among the 10 prominent Indian languages Gujarathi stood first with 52 books per million followed by Tamil and Bengali with 45 and 31 books respectively (see Table 6.1). Among the ten, Hindi book titles were 9th and Malayalam 6th . In 1971, Kannada emerged first with 54:1 followed by Malayalam 44:1; Marathi came third with 37:1. In 1981, Marathi became first with 33:1 followed by Malayalam 29:1. And in 1991 Kannada again stood first with 32:1

followed by Malayalam 24:1. The national average shows an improvement from 1961 to 1971 from 25:1 to 30:1. Since then the ratio declined to 17:1 in 1991. Except in 1961 ratio of Kerala is well above the national average. Kerala remained second through 1971, 1981 and 1991. It indicates that in general Malayalam is much ahead of other languages in the case of general book availability.

Table 6.1 : Titles/million population *

Languages	1961	1971	1981	1991
BENGALI	31 ³	30 ⁵	20 ⁵	16 ⁵
GUJARATHI	52 ¹	32 ⁴	23 ⁴	25 ³
HINDI*	6 ⁹	13 ⁹	8 ⁸	6 ⁹
KANNADA	23 ⁵	54 ¹	20 ⁵	32 ¹
MALAYALAM	20 ⁶	44 ²	29 ²	24 ²
MARATHI	16 ⁷	37 ³	33 ¹	17 ⁴
ORIYA	25 ⁴	10 ¹⁰	19 ⁶	12 ⁷
PUNJABI	10 ⁸	29 ⁶	16 ⁷	15 ⁶
TAMIL	45 ²	25 ⁸	24 ³	17 ⁴
TELUGU	23 ⁵	28 ⁷	8 ⁸	10 ⁸
National Average	25	30	20	17

Note: * Since census data on speakers are not available for 1991, 1981 data has been used to calculate the proportion of speakers in 1991 assuming that the proportion is same as 1981. The Hindi speaking population is estimated as forty percent of the population (see Jeffrey 1987).

Source: Census Report 1961 and 1981 and National Library Calcutta.

The above consideration is reinforced by the ratio of titles per million literate population in Table 6.2.

Table 6.2 Titles per million literate population

LANGUAGES	1961	1971	1981	1991
BENGALI	111 ³	92 ³	48 ⁴	35 ⁴
GUJARATHI	194 ¹	87 ⁵	53 ¹	54 ¹
HINDI	33 ⁸	52 ⁹	29 ⁸	15 ⁹
KANNADA	69 ⁵	127 ¹	36 ⁷	54 ¹
MALAYALAM	45 ⁷	73 ⁷	43 ⁶	38 ³
MARATHI	49 ⁶	78 ⁶	47 ⁵	27 ⁸
ORIYA	109 ⁴	36 ¹⁰	50 ³	30 ⁶
PUNJABI	27 ⁹	89 ⁴	47 ⁵	41 ²
TAMIL	127 ²	58 ⁸	51 ²	32 ⁵
TELUGU	109 ⁴	118 ²	25 ⁹	28 ⁷

Note : Hindi literate population is calculated as the average of the same in Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan, Delhi, Haryana, Himachal Pradesh.

Source : CMIE Social Sectors 1996.

Gujarathi tops the Indian languages with 194 book for a million literate speakers in 1961. But in 1971 Gujarathi became fifth, Kannada stood first with 127:1 followed by Telugu 118:1. In 1981 again Gujarathi ranked first with 53:1 and Tamil ranked second with 51:1. In 1991 Gujarathi and Kannada stood first with 54:1 followed by Punjabi (41:1) and Malayalam (38:1). Malayalam stood seventh in 1961 and 1971, sixth in 1981 and third in 1991. The decadal growth of T/MLP shows that except Punjabi all other languages showed a decline in T/MLP in the period 1961-91. In the period 1961-71 there is a 62.22 per cent increase in T/MLP in Malayalam and it showed a drastic decline (-41.0 percent) in 1971-81. It showed a marginal improvement (-11.6 percent) in the period 1981-91.

The analysis reveals an interesting point that, though the literate population is increasing the availability of books has shown no improvement except during 1961-71. The literate population in Kerala has increased from 17 million in 1981 to 22.68 million in

1991. Even though T/MP in Kerala is high; T/MLP is very low in Kerala.

What factors could probably explain interstate differences in the book availability?. Of the demand side factors, first factor would be the ability of the population to read books, i.e, literacy level. Logically next in importance would be the ability of the literate to buy books, i.e, the purchasing power as indicated by per capita income. Close interlinkage between books and per capita budget expenditure on education is taken as another demand side variable. Given the rural urban divide in India the extent of urbanisation can positively affect the demand for books. Finally there could be complementary or competitive relationship for books and other printed media like news papers and periodicals.

Table 6.3 presents a correlation matrix of T/MP and the other variables for the year 1991 with reference to major language groupings in India.

Table 6.3 : Correlation matrix with T/MP (1991)

Literacy Rate	.0975
per capita Income	.1635
News papers /million population	-.1881
Periodicals /Million Population	-.0147
Per capita Budget expenditure on Education	.1086
Urbanisation	.3205

Source : Census of India, 1991; CMIE 1996.

Contrary to the expectation, T/MP appears to have no significant correlation with any of the variables . The same exercise was repeated for the year 1961, 1971 and 1981 and all showed similar

results except in the year 1981. In 1981, literacy rate showed a positive and significant correlation with T/MP.

In Kerala, establishment of village library or reading room was an important component of political activity. The Malabar library conferences were convened by the nationalists. In Travancore, the attempt to start networking of libraries received patronage of the state.

The Trivandrum public library is one of the oldest libraries in India. It was established in the year 1829 AD. The success of Trivandrum public library led to the setting up of other public libraries. The Kottayam public library established in 1882. Later public libraries were established in Neyattinkara and Chengannur in 1909. The YMCA library established at Keezhukara in 1910. Jnanapradayani library established in Kandiyoor Mavelikara in 1915 were important. In Malabar, the public library at Tellicherry was established in 1901 (Muraleedharan Nair,1980). The Canannore public library was established in 1927. But only after the establishment of Kerala Grandhasala Sanghom in 1945, that the number of libraries increased sharply in Kerala.

Table 6.4 shows the increase in the number of public libraries affiliated to Kerala State Library Council from 1961 to 1991.

Table 6.4 : Growth of public libraries

1961	1971	1981	1991
3011	3886 (22.5)	4713 (17.5)	5511 (14.4)*

Note:*Figure in the parenthesis shows growth%
Source: Affiliation Register ; book no : 3 & 4.KSLC TVM.

From 3011 public libraries in 1961 it increased to 5511 in 1991. The 1961- 1971 decade shows a 22.5 percent increase in the number of libraries while 1971-1981 shows a 17.5 percent increase. The period 1981-1991 shows an increase of 14.4 percent increase over the previous decade. This shows a fairly good increase in the number of libraries in the state.

From the above discussion, a couple of factors that might have contributed to the relative improvement of Kerala's position in book availability during the post independence period can be pointed out. First, is the improvement in educational level. There has also been a tremendous expansion in the public expenditure on education from 19.38 crores in 1961 to 751 crores in 1991. The number of educational institutions also increased during the time period. In 1961 the total expenditure on education was 19.38 crores . This has increased to 751.48 in 1991 in Kerala. The total number of educational institutions increased to 12286 in 1981 from 10126 in 1961. This reveals the fact that the development of book availability depends much on the reading habits than mere literacy, urbanisation and per capita income. Literacy and income are only indicative of people's capacity to buy and read books. Much would depend on reading habits which determines the real demand of the

people. The next section deals with the reading habits of people in Kerala.

6.2 Reading Habits

Reading is the counterpart of writing and the most important demand side factor. Reading cannot be considered independently of the communication system. For example, the decision whether to read or not has a different context for a man living in a world where reading has no place, no purpose, no support. The promotion of reading habit depends on the efficient distribution system as well the cheap editions available to the people. Moreover, the identification of the tastes for book, for different classes is crucial, which vary according to age differences.

In Kerala, even though the trend in the expansion of libraries is encouraging there has been disturbing signals on the trend in the utilisation of books by the library members. There was a wide spread apprehension that it has shown a drastic fall. It was in this context a survey on reading habit was undertaken by Kerala State Library Council (KSLC,1995). The survey on reading habit conducted points out a general decline in the reading habit of people. It was pointed out that there is a 20-30 per cent decline in the book release through libraries to the library members. On the other hand, people are showing more interest in reading newspapers and periodicals. The main reason indicated was the lack of good books, price escalation , and the publication of novels and stories through periodicals. Also 71 percent of the people prefer novels. Only 7 percent showed interest in science books. 85 percent of the people indicated that price of books are high. The

buying habit of books is high in Trivandrum and low in Quilon (Grandha Lokam, 1995). The factors that influenced the reading habit of the people in Kerala are:

Education

Table 6.5 shows the relationship between educational qualifications and age with time spent on reading. It is clear that the average time spent on reading is directly related to educational level. Average time spent for reading tends to rise with qualifications. Post Graduate students on an average spent 2.07 (hrs), Degree students, 1.92 hrs, PDC students and SSLC 1.3 (hrs) each for reading.

Table 6.5 Educational levels, age and reading

<u>Qualification</u>	Time spent for reading (hr.)
1. Till SSLC	1.13
2. PDC	1.13 (0)
3. Degree	1.92 (.79)
4. PG	2.07 (.15)
<u>Male (Age)</u>	
15 - 30	1.46
30 - 45	1.16
45 - 60	1.07
60 +	0.89
<u>Female (age)</u>	
15 - 30	1.59
30 - 45	1.10
45 - 60	1.79
60 +	0.59

Note: Figure in the parenthesis is difference between 1 and 2, 2 & 3, 3 & 4.

Source: Kerala State Library Council Brief Report on Survey on Reading Habit 1995.

The age wise column shows that in the 15-30 and 45-60 age group females are spending more time for reading than men. In the case of males, when age increases the average time for reading declines. Such an inverse relationship is not clear in the case of females.

In the 15-30 age group the average time taken for reading is 1.46 hrs and 1.59 respectively for males and females.

Both the results point to the fact that students are by and large the most important constituents of readers. But once their studies are completed the interest in books declines . Once schooling is over, the obstacles to read such as physical, psychological or social obstacles that originate in the reader himself tends to become stronger. However, in the case of students, improvement in the reading habit is directly proportional to rise in qualifications. Time spent on reading in case of PDC students and SSLC students are same. The difference between the PG and the degree students is lower than difference in the degree and pre degree students. The difference between post graduates and degree holders is negligible.

The above discussion poses serious concern about the reading habits of the 15-30 age group who are the important constituents of readers in Kerala. The analysis indicate there is no relation between qualifications and the time taken for reading. To some extent, the educational system itself is to be blamed for the situation.

Income

Income is another variable, which has influence on the reading habit. The higher income groups , have access to higher education and also have a high buying capacity. Table 6.6 below gives average time spent for reading, average money spent on books, periodicals, and entertainment for the different income groups.

Average time spent on reading is found to be positively related to income. Time spend on reading in the case of, 1000-2000 income group is lower compared to 500-1000 group. But the difference between 2000-3000 and 1000-2000 is negligible.

Table 6.6 Income groups, time, money spent on books, periodicals and entertainment

(Category)	Average time spent on reading	Average Rs. spent for books/ periodicals (monthly)	Average money spent for books (monthly)	Col. 4 as % of 3 percentage	Percentage Rs. for periodicals without book	Average Rs. spent for entertainment
(1)	(2)	(3)	(4)	(5)	(6)	(7)
500 - 1000 (750)	1.21 (0)	41.37 (0) (5.5)	14.5 (0) (2)	35.0	65.0	21.56 (2.8) (0)
1000 - 2000 (1500)	1.14 - (.07)	66.97 (25.6) (4.46)	29.3 (14.8) (2)	43.7	56.3	36.50 (2.4) (14.94)
2000 - 3000 (1500)	1.44 (.3)	110.91 (44.0) (4.43)	48.7 (19.0) (2)	43.9	56.1	50.48 (2) (14)
2000 - 5000 (4000)	1.63 (.19)	159.54 (49.0) (3.98)	41.2 (-7) (1)	41.2	59.0	89.11 (2.22) (38.63)

Note: Col.(2) - Fig. in Parenthesis is difference between C2 and C1, C3-Cs, C4-C3
 Col.(3) - Fig. in Parenthesis is difference between C2 and C1, C3-Cs, C4-C3
 Col.(3) - Fig. in Parenthesis is percentage share in Column 1 (mid point)
 Col.(4) - Fig. in Parenthesis is difference between C2 and C1, C3-Cs, C4-C3
 Fig. in Parenthesis is percentage share in total income.
 Col.(7) - Fig. in Parenthesis is percentage share in total income.
 Fig. in Parenthesis is difference between C2 and C1, C3-Cs, C4-C3

Source: KSLC: Brief Report on Survey on Reading Habit.

The average money spent for publications (books and periodicals monthly) is shown in column 3. The difference in reading time of an income group with next lower income group is showed in 1st parenthesis. In case of 1000-2000 group, there is a difference of Rs 25.6 with the next lower group on the average money spent on

publications . The difference between 2000-3000 group and 1000-2000 is Rs. 44. Although the expenditure on publications increases with income rise, the relative difference in the expenditure among the different income groups is declining with rise in income. It is interesting to note that out of the total monthly income, the share of money spent (monthly) for publications is high in the case of low income group.

The percentage share of money spent on an average for books is uniform at 2 percent for the three income groups and it is only 1 percent for higher income group. The difference in the money spent on books between 1000-2000 and next lower income group is Rs. 14.8 while the highest income group and next lower group has a negative difference. This strengthens the argument that higher income group is spending relatively less on books compare to low income groups.

The percentage share of money spent on books and periodicals in the total money spent is given in Column 5 and 6 respectively. The comparison indicates that irrespective in all classes there is a strong preference for periodicals.

The average money spent on entertainment indicates clearly a positive relation with income rise. The difference in the money spent on entertainment in the case of 1000-2000 group and lowest group is 14.94 while highest income group and the next income group is Rs. 38.63.

Competition from other Media

The reading habit cannot be seen separate from other communication systems. Availability and spread of newspapers and periodicals is also an indicator of the reading habit of people. In this respect that reading habits of the people in Kerala is rated to be high. Two weeklies and a news paper which has the highest circulation in India is from Kerala.

The data given below shows the dailies to people ratio (DTP)and periodicals to people ratio (PTP) in 1991.

Table 6.7 Dailies and periodicals to population (Kerala).

	DTP Ratio* (1991)	PTP Ratio* (1991)
Bengali	70 ⁹	72 ⁸
Gujarati	24 ²	32 ⁴
Hindi	36 ⁴	30 ³
Kannada	50 ⁸	34 ⁵
Malayalam	22 ¹	9 ¹
Gujarathi	34 ³	77 ¹⁰
Oriya	45 ⁶	75 ⁹
Punjabi	40 ⁵	27 ²
Tamil	48 ⁷	35 ⁶
Telugu	104 ¹⁰	52 ⁷

Note: DTP ratio is calculated speakers divided by circulation (daily newspapers) in different languages.
PTP ratio is calculated taking speakers divided by circulation of periodicals. Population is same as table 5.1.

Source: CMIE Social Sectors 1996 and Press India 1992

Table 6.7 shows that, Malayalam tops in DTP ratio as well as in PTP ratio in 1991. There is one newspaper for every 22 speakers and one periodical for every 9 speakers of the Malayalam language. It shows the high demand for newspapers and periodicals in the state compared to other states in India. In the DTP ratio Gujarathi comes next while in PTP ratio it is ranked fourth among the other languages. Punjabi showed 2 nd rank in PTP while it is 5th in the

DTP ratio. It is interesting to note that Malayalam is the only language where both PTP and DTP are ranked first among other Indian languages.

The survey conducted by the Library council pointed out that the people are showing more interest in reading newspapers and magazines than books. If the PTP and DTP are indicators of high reading habit why book reading habit is declining ?. To examine this, changes in the content composition of periodicals are analysed. Table 6.8 given below shows the number of periodicals according to contents in 1971, 1981 and 1991 in Malayalam.

Table 6.8 Number of periodicals according to contents

Contents	1971	percent change		
		1981	1991	1971-1991
News & Current affairs	38	89	146	74
Religion & Philosophy	184	253	127	-45
Literary & Culture	79	96	331	75
Commerce & Industry	3	3	7	57
Medicine & health	6	12	17	64
Film	34	42	52	34
Social Welfare	4	6	10	60
Labour	-	4	5	-
Education	2	4	13	84
Law & Public Administration	-	1	2	-
Engg: technology	8	-	-	-
Agriculture	-	8	11	-
Children	5	19	33	84
Transport & Communication	1	10	2	50
Banking	-	-	2	-
Science	-	2	1	-
Finance & Economics	4	-	1	-300
Women	1	6	10	90
Art	6	-	1	-500
Radio Music	-	-	1	-
Sports	-	4	4	-
Unclassified	46	113	128	64
Total	421	663	907	53

Source: Press in India 1972, 1982, 1992, Ministry of Information and Broadcasting, Government of India.

It is evident from the Table that the contents of periodicals have undergone change. The coverage of news and current affairs, showed an increase of 74 percent during 1971-1991. Number of periodicals covering, literature and culture increased to 75 percent, commerce and industry to 57 percent, medicine and health to 64 percent, film to 34 percent, education to 84 percent, children to 84 percent in the time period. But religious periodicals decreased tremendously during the period. The important point is that the increase in the number of periodicals and the changes in the content of periodicals has resulted in a variety of topics available at a low price.

Another factor that has adversely affected book reading habit is the rapid spread of the TV network. Television started in India in September 1959 with a limited transmission of three days a week. The eighties had been a period of rapid growth for Doordarsan. In March 1994-95, TV Network of India covered 85.1 per cent of the area, covering 67.8 per cent of the population. The southern region of India comprising Andhra Pradesh, Karnataka, Tamilnadu, Kerala, Pondicherry and Lakshadweep accounted for nearly 28 per cent of the total number of television sets in the country.

Table 6.9 Regional spread of TV sets in 1993

<u>Region</u>	<u>Share %</u>
North	25.10
East	17.25
North East	2.27
South	27.99
West	27.39
All India	100.00

Source: CMIE : India's Social Sectors, Feb 1996.

The cable television grew rapidly from mid eighties onwards. In 1984 it was estimated that there were around 100 cable operators. This increased to 15,000 cable operators in 1992 . The first Foreign satellite channel to enter India was Cable New Network. In May 1991, star television network made its appearance by providing BBC channel. Several Indian entrepreneurs also started setting up satellite channels offering exclusive programmes in regional languages like Tamil and Malayalam (CMIE: India's Social Sector, 1996). It is estimated the viewers connected to a cable television can have access to forty different channels both Indian and foreign. Following Table shows the average time spent for reading and watching TV .

Table 6.10 Time spent for reading and watching TV in Kerala (hrs)

Average time taken for reading	1.31
Watching TV	1.45 (.14)

Source: KSLC Survey Report

The average time spent for reading is 1.31 hrs while the average time taken for watching TV is 1.45 hrs. People take more time for watching TV rather than reading books.

The general decline in the reading habits of people has been the focus of attention of many cultural debates and discussions in Kerala recently. News paper and other media are actively promoting discussions on this topic. Prominent cultural personalities and social and literary critics in Kerala have commended extensively on this. Govinda Pillai (1995) argues that the decline in reading habit is surprising even though there is an increase in literacy rates in Kerala. Well Known critic and columnist M. Krishnan Nair

(1995) is of opinion that modernism with its penchant for obscurity keep people away from new books. The schooling system with its sole emphasis on a competitive examination where teachers do not get time to pay attention for students and to motivate them for reading is also usually blamed for this general decline. (Gupthan Nair , 1995). Gupthan nair also finds fault with the states cultural policy and proliferation of cable T V net works. The rapid pace of urbanisation and its associated problems like faster life also contributed to the shrinking of reading habit. Urbanisation brings with it, a preference for light reading (Babu Paul , 1995). The debate is still on, and sociological and psychological observations are being raised by many who are really concerned.

6.3 General Demand for Different Type of Books

The gradual transformation of the content of books published in Malayalam during the period 1850-1990 (Table 2.1) has already been discussed in Chapter 2.

The books are classified into generalities; science, religion, philosophy, arts, linguistics, Malayalam literature, social science, biography. Generalities which include the miscellaneous books showed a relatively stable share during 1880 to 1990. On an average it has 0.59 per cent share in the total. The science books showed an increasing trend during 1850-1940 (6.2 per cent) after that it declined. Only in the period 1971-1980 it showed an increase (9.4 per cent). Now out of total books the percentage share of science books is 6.5. It has increased from 2.3 per cent to 6.5 per cent. The English medicines and the instruction of

science in English is one of the reason why science books in Malayalam has not increased much.

The trend in religious and philosophical books is very interesting to study. During the period 1871-1870; religious and philosophical books accounted for the major share of books published. Its share decreased from 73 to 32.6 per cent. The religious motivation of Christian missionaries and the cultural awakening may be the reason for the high share of religious and philosophical books during the time period. The share of religious books was only 13.9 per cent in 1990. The Arts books also showed a moderate increase. it increased from 37 per cent in 1880 to 2.5 in 1990, and it has 1.3 per cent share in the total books purchased. The Linguistics category shows a peculiar trend that, the share of linguistics books was very high during 1880-1910. This may be because of the formation of language and the earliest attempts by foreigners to write dictionaries, grammar books. From 1920 onwards it shows a sharp decline. It decreased from 2.9 percent in 1920 to 1.7 percent in 1990.

The Malayalam literature books showed a continuous increase during 1871-1880. The percentage share rose from 45.7 per cent in 1880 to 57.7 per cent in 1990. Until 1870, religious and philosophy books dominated and after that Malayalam literature books showed increase. From 1891 to 1900 Malayalam poetry and prose witnessed, rise of good writers like K.C. Kesava Pillai, Kumaran Asan (1873-1924), Vallathol (1878-1958), Ulloor S. Parameswara Iyer, Nalappattu Narayana Menon (1887-1955), G. Sankara Kurup (1901-1978), Edappally Raghavan Pillai (1909-1936), Changapuzha Krishna

Pillai (1913-1948). The poetry became popular among people and this is evident from the number of copies reprinted during 1936-1983. A total of 1,24,000 copies were reprinted during this time (Kesavan B.S.1988). C.V. Raman Pillai (1858-1922), O. Chandu Menon (1847-1899), Thakazhi Sivasankara Pillai (b. 1912), P.C. Kuttikrishnan (b. 1915), P.Kesava Dev (1905-1983) gave impetus for the prose in Malayalam. Though the absolute titles published has increased; the percentage share of social science books has not increased. The Biographical books increased its share from 2.3 in 1850 to 5.1 in 1990.

The titles published by NBS can be examined as a typical example to know the changes in the components of malayalam literature and Which is given in Table 6.11.

Table 6.11 Ten yearly average titles published in different type of books by NBS

	1951-61	1961-71	1971-81
Novels	15	25	55
Short Stories	15	13	16
Drama	13	15	18
Poetry	7	10	25
Children's Literature	4	7	7

Source: SPCS Sovenier 1985.

From Table 6.11 it can be observed that there is a gradual increase in the publication of novels where as short stories drama poetry and children's literature show only a modest increase. Novel is the single most important form of literature widely in demand. It is notable that even though Novel as a form of literature is much ahead of other literary forms , in the case of Kerala there is an undeniable popularity for poetry as indicated by the Table. Thus, it can be concluded that institutional factor is the most important determinant of the demand for books.

Chapter 7

SUMMARY AND CONCLUSION

[Book publishing is the most vital component of intellectual life of any country, and is often considered as an indicator of cultural development. India is one of the largest book publishing country.] However, the number of titles published per million population is low compared to that of developed countries and has declined in the recent decades. In terms of absolute number of titles published too, a decline is observed over the years. A similar trend is observed in most of the states in India. [Kerala, with high level of literacy and a long history of publishing, is not an exception.] In this context, this study on book publishing industry in Kerala becomes relevant.

[The focus of the study has been on the supply and the demand factors affecting the market for books in Kerala.] This has been carried out with a detailed study of four principal actors related to publishing industry, namely, author, printer, distributor and publisher. Survey of reading habits conducted by Kerala State Library Council was considered for analysing the demand for books.

[The book publishing in Kerala was an offshoot of evangelical efforts.] It had slowly expanded during the colonial periods, aided by the social reforms and national movement. The growth of Malayali sub-nationalism and literature was an important factor in this expansion. The publishing industry steadily grew from 1930s, gained momentum after independence and became a fullfledged industry in 1960s. In the trajectory of its growth, an important transformation, that is, commercialisation of the industry, has

occurred. Despite its commercialisation, commercial publishers, who today dominate the industry, do maintain their socio-political organisational links and motivation.

The analysis also revealed that the total number of publishers has been declining. Though the number has declined, the average size of a firm has tended to rise. More importantly, there is also evidence of concentration in publishing. Large publishers, with more than 600 titles to date including at least 40 titles last year, constitute 87 per cent of total titles published so far and account 65 per cent of titles published last year.

It was indicated by the survey that most of the firms do not follow modern practices of book publishing due to scale considerations. We examined the manuscripts selection and printing process. Excepting text books and guides, the manuscripts are not generally solicited. It would, hence, appear that the publishers have a fair supply of manuscripts to select from. As regards royalty payment, an universally form of payment was noticed and majority of the units were found paying more than 10 per cent. Lumpsum payment was more in the case of non-fictions.

Shift to modern technologies like photocomposing and offset is also observed. This has been a result of the rapid technological change characterising printing process. This facilitates enjoying economies of scale, however, as found in the survey, limited size of print order is a constraint. Only less than 40 per cent of the publishers have their own press, and most of the publishers subcontract printing works. During the period from 1960 to 1995,

the percentage of press work contracted has increased. Majority of the contracts are reached through negotiations. In almost all cases, paper is supplied by the publisher. In most of the cases, the publishers also get credit from printers. As printing press of Kerala is not as competitive as of Tamil Nadu, a greater proportion of books are given to outside Kerala.

The determining factors of pricing of books were examined. It was found that number of pages, number of copies, binding quality, and paper quality were the significant factors. While the number of pages had a positive influence, number of copies printed had a negative relation. Type of books and size were found to be insignificant factors. The study confirms to the general belief that the industry is following cost plus mark-up pricing policy. Though degree of mark-up ranges between 2 and 3 times of the cost, the overall profit of publishers is low. This is mainly due to the prevailing high discount rate in the industry. About 37 per cent of the cost of production is accounted by printing, binding and paper.

The study revealed the inherent weaknesses of the book distribution system, with a strong preference for direct sales. About 75 per cent of the publishers have their own retail outlets. It shows that in Kerala, retail book trade is a parallel to publishing. Though there is not much difference between discount provided to distributors and offered through direct sales, there is a strong preference for the mode of direct sales as revealed by the higher discount rate. This is likely to result in the disappearance of intermediaries.

The factors influencing the demand for books in Kerala were also examined. The literacy level and the capacity to purchase books were found to be the two basic factors determining the demand. It was, however, found that these factors did not have significant relation to interstate differences with regard to the availability of books. It was also found that institutional factors, influence the reading habits of people, explained the demand. Though time spent for reading is directly proportional to the educational qualifications, time spent by highly educated people for reading is not satisfactory. The expenditure on books is comparatively lower than periodicals. The higher income classes spent less money for books as compared to other income classes. It was observed that borrowing habit is preferred to buying habit. We found that Kerala ranks first in number of dailies to people ratio and number of periodicals to people ratio. This does not, therefore, fully reflect the book reading habit in the state.

[The publishing industry needs to be reoriented if it has to successfully compete with the alternative media.] A review of the educational system with more emphasis on reading habits of the students is important. [The rural libraries, a major source of demand for books in Kerala,] has been on the decline from mid-sixties. [The revitalisation of the library movement is yet another issue which assumes significance in view of book publishing industry and cultural development as well.]

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