

1. Is there any argument for big publishing companies to stay?

While they do not outweigh the costs of the intellectual property laws required to truly save them, there are a few good arguments in favor of maintaining the current major company model of publishing. The most major one being that economies of scale and supply chains work best when there is only one party to negotiate with. This is on account of the relative ease of transaction between two larger market players, as well as their ability to obtain and understand drastically more and more accurate information than any one member of the group would ever be able to know (on account of larger firms being able to devote more people to gathering and analyzing data), results in a relatively more competitive market and prevents the market as a whole from operating based on false or misleading information (which in turn results in a higher overall utility, since less of everything is wasted or lost).

Furthermore, other major benefits stemming exclusively from large publishing companies include the much beloved practice of advances (the publisher paying significant amounts of money, almost always in the tens of thousands of dollars if not the hundreds of thousands, in order to get certain exclusive rights with regard to an author's book before that book is even sold for the first time, ensuring the author a payout even if the reading world cares nothing for their work). This is something that only large publishing companies can truly maintain on account of the immense risk associated with publishing a book in general: some "85%" of books fail (i.e. they do not make enough to cover the costs of the number of copies the publisher printed, and of the advance given to the author) and on top of that an approximate "19%" of books never sell more than 12 copies (making them failures in the truest sense: despite major

launches, they end up as tremendous money sinks for the publishers that were printing them)(Umstattd 2025). Obviously any small firm would find itself either bankrupt or nearly so if it attempted to operate under such conditions, but large publishing firms can make up for the revenue lost on risks such as those with either multiple guaranteed bestsellers (i.e. those with a strong brand or author behind them, like JK Rowling or Star Wars, that are guaranteed to sell a significant number of books) or else the 'evergreen' collections that they have built up over the years (the small number of books that just flatly never stop selling and selling in extremely significant quantities, such as the Lord of the Rings or Chronicles of Narnia). Ending these large publishers would mean the end of advances as a practice, and thereby the end of a major benefit to authors attempting to break into the space without the starting capital to hire assistants or devote their full time to their preferred work.

2. Are there any arguments against smaller publishing companies?

While not covered over the course of my speech, there are a few reasons that either authors or the industry as a whole might prefer larger, more stable publishing businesses over the more nimble yet vulnerable ones that the current market conditions favor. For instance, one of the major issues any publishing company must face is distribution networks: making deals with bookstores both local and chain for availability, attempting to sell to libraries, online marketing, ensuring overall visibility of the work to potential consumers, ect. Smaller publishers, on account of both their lessened market power relative to those they are cooperating with, and their need to compete with one another for attention to their own published works with regard to the reader base, are

simply and inevitably less capable than the massive distribution networks that larger publishing companies can create and maintain. As a matter of fact as smaller publishing companies get more common, they actually get worse on the whole in terms of this matter as competition increases for a limited number of positions.

In addition, an industry of many smaller publishers will face problems with attrition, sabotage between publishers, and most importantly of all for many authors a lack of overall prestige for the industry as a whole as well as for themselves. An industry of small companies competing against each other is never going to create major brand names like MacMillan that exist today, and as a combination result of an industry of constantly churning competition and the ability of self publishers to “list yourself as the publisher of the book or use another name as the publisher,” thereby allowing them to go about “creating publishing company names that they list as the publisher of their books,” consumers are likely to think as little of an author for being professionally published as a man who successfully sells street food(Freese). With professional publishing as the end goal for many an author, one can reasonably expect such a precipitous drop in perception to be extremely demoralizing, potentially even turning some off from the industry entirely.

3. What would be the fiscal impact of switching the industry from large to small companies

The fiscal impact would include two major shifts as a whole. First, the collapse inherent with regard to the current Big 5 companies, which control “over 40%”(Curcic) of the U.S. publishing market collectively, and especially the collapse of their stock prices,

would be inevitable, and would leave experienced or cautious investors in the industry worried and likely unwilling to invest heavily in any one company. This will result in much slower growth regarding the new firms usurping the traditional publishing companies than would otherwise be possible in a more 'daring' market. Perhaps it will even result in a drop in this segment of the market on the whole (at least in terms of the Market prices pure), since a major portion of the stocks currently held in publishing are done on the basis that they are largely 'safe' investments with little/no change in price from year to year.

Secondly, the shift in market power away from the aforementioned Big 5 should see an end to the effective monopoly conditions and pricing that they place on the novels they publish, especially with regard to the "trade book market" of which they control "80%"(Curcic), and result in dramatically lowered prices and increased availability on those novels and on novels in general. This is a general trend anywhere that market power shifts largely away from one or the other side of supply and demand (most typically away from supply, seeing as consumers rarely form enough of a centralized power block to exert their will as a singular unit) and an increase in overall market utility (i.e. consumer + producer surplus) should be expected as things approach closer to perfectly competitive conditions.

4. Would shifting focus to smaller publishers affect communal relationships in the United States?

As a general rule, no major social or societal changes are likely to result from the book market shifting the nature of its production: as long as written (or typed) works

continue to circulate more or less as freely and to be produced to fit demand, larger society is unlikely to care from who or where they come. We saw this during the industrial revolution when it first began (wherein individuals and society on the whole never really cared whether they got their shoes from a cobbler or a factory, unless and until you were the cobbler that factory took a job from) and during the Dot Com Bubble as well (wherein the extreme explosion of money going into internet businesses had no real impact on local communities, even though in the end the businesses themselves did).

Within the publishing industry, on the other hand, one is likely to see a revolution in the writer-publisher community. As it currently stands authors have an extremely adversarial relationship with both publishers and editors in service to larger publishing houses, with authors as a whole seeing publishers as an enemy attempting to remove their “creative control” and “complete ownership” over their work (Umstattd 2025). Author-equity publishing, as well as increased communication and control between an author and the editor of his or her work, is likely to either lessen or remove these feelings entirely. This should result in an overall much closer relationship between individuals in the industry, and in the development of much more equitable processes and procedures for dealing with one another rather than viewing the interaction as an ‘either I win or he does’ situation.

5. What steps have already been taken to make the shift or keep it the same?

In addition to various businesses and individuals attempting to fill the market space that currently exists for small companies in the publishing industry, which I

explained in my speech, there, unfortunately, also exist multiple attempts by the publishing industry at large to pursue increased copyright protections and to extend intellectual property laws to cover the internet as a whole. Most notably this is in the instance of the so called 'internet archive,' an archive of hundreds of thousands of books, many unobtainable anywhere else or completely out of print, that seeks to operate under the same effective charter as a library, 'borrowing' out its collection to those who sign up for some limited period of time and then 'returning' it to the archive once that is finished (and in doing so allowing them to freely share copyright protected material all over the globe, even if one person at a time). Publishing house Hachette Book Group Inc has recently sued said Internet Archive and successfully won in the Second Circuit of the United States Court of Appeals, successfully arguing that "scanning and lending digital copies of books doesn't qualify as fair use under the Copyright Act." (Moss)

This is one of many areas in which larger businesses in general, especially in creative industries such as movies, television, and of course writing, have been struggling to shut down the immense potential the internet maintains for the copying and distribution of information (and especially creative information), and on account of the particular cheapness and ease of sharing writing the traditional publishing houses have been the spearhead of multiple attempts to criminalize and to dispute different attempts at unlicensed information sharing across the web. So far, their efforts have met with relatively little success (as seen by the prevalence of websites such as PirateBay, which is exclusively devoted to the copying and sharing of copyrighted material), but that does not mean that the industry's major firms are not trying to bring about the less ideal

solution using what social and economic pull they have available to them rather than accepting that their business model is outdated in the internet age.

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