



Knygotyra
2020, vol. 75, pp. 38–65

ISSN 0204–2061 eISSN 2345–0053
DOI: <https://doi.org/10.15388/Knygotyra.2020.75.59>

PUBLISHING IN THE SHADOW OF LARGER NEIGHBOURS: OPPORTUNITIES AND CHALLENGES OF DIGITISATION FOR SMALL PUBLISHING HOUSES IN AUSTRIA AND SCOTLAND

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Abstract: *Trade publishing houses in small nations operate in a challenging market environment: digitisation and the spread of the internet have lowered the market entry barriers and increased the international competition. This is especially prevalent in English-language markets and increasingly so in the markets with a high English language proficiency amongst second language speakers due to the amount of English content readily available online. Moreover, traditional audiences are eroding, and global players push for multi-platform publishing for a global audience. However, the impact of digitisation on small nation publishers operating in large language markets lacks scientific exploration. Hence, the impact on small trade publishing houses in Austria and Scotland is explored through qualitative case study research. An overview of the state of the publishing industry in those nations is presented, followed by an analysis of the opportunities and challenges of publishing in an online world where borders are disappearing, thus changing the competitive situation of publishers competing with larger entities in neighbouring nations with the same language.*

Received: 2020 03 05. **Accepted:** 2020 09 30

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The research found that small nation publishers are benefiting from the possibilities offered by digitisation to reach a wider readership abroad, but at the same time it is becoming increasingly difficult for these publishers and their products to stand out amongst the abundance of content online. Thus, small publishers choose market niches and collaborations to create sustainable business practices. Furthermore, these results provide a basis for further research into e-publishing in other small nations. Additional comparative research is needed to better understand the cultural specificities of small book markets and how to best support publishers in and for those nations.

Keywords: *Small Nation Publishing, Trade Publishing, Europe, Austria, Scotland, Small and Medium Sized Enterprise (SME), Digital Publishing, Digitisation, Digital Disruption.*

Leidyba didesnių kaimynų šešėlyje: mažų leidyklų skaitmenizacijos galimybės ir iššūkiai Austrijoje ir Škotijoje

Santrauka. *Mažose šalyse veikiantys ir komercine veikla užsiimantys leidėjai dirba sudėtingoje rinkoje: skaitmenizacija ir plati interneto prieiga sumažino patekimo į rinką barjerus bei padidino tarptautinę konkurenciją. Tokia padėtis ypač ryški anglakalbėse ir tose leidybos rinkose, kuriose skaititytojai gana gerai įvaldę anglų kaip antrąją kalbą. Įprastos skaititytojų auditorijos nyksta, o tarptautiniai rinkų dalyviai, taikydami į pasaulinę skaititytojų auditoriją, kuria didesnę prieigą prie daugiaformatės ir daugiaplatformės leidybos. Vis dėlto skaitmenizacijos poveikis mažų šalių leidėjams, veikiantiems didelėse kalbinėse rinkose, kol kas susilaukė mažai mokslininkų dėmesio. Šiame straipsnyje pasitelkiama kokybinė atvejo analizė ir tiriami mažieji Austrijos ir Škotijos leidėjai. Pristatoma šių šalių leidybos industrijos apžvalga, taip pat pateikiamas tyrimas apie internetinės leidybos teikiamas galimybes ir iššūkius. Straipsnyje daroma išvada, kad mažų šalių leidėjai naudodamiesi skaitmenizacijos teikiamais privalumais pasiekia platesnį užsienio skaititytojų ratą, tačiau tuo pačiu metu patiria ir vis didesnę iššūkį išsiskirti internetinėje erdvėje pasiekiamu turiniu. Mažieji leidėjai renkasi įsitvirtinti rinkos nišose ir pasitelkia bendradarbiavimą kurdami tvarius verslo modelius. Straipsnyje pateikiamos išvados suteikia pagrindą tolesniems skaitmeninės leidybos kitose mažose šalyse tyrimams.*

Reikšminiai žodžiai: *mažų šalių leidyba, komercinė leidyba, Europa, Austrija, Škotija, mažo ir vidutinio dydžio įmonės, skaitmeninė leidyba, skaitmenizacija, skaitmeninis sutrikimas.*

INTRODUCTION

Based on case study research in Austria and Scotland this article examines the state of the trade publishing industry in small nations which compete directly or indirectly with a much larger neighbouring industry in the same language market. Besides addressing the challenging market conditions under which publishing houses in those small nations operate, this article also looks at the impact of digitisation on those markets. Through interviews with relevant publishing professionals, answers are sought to the question whether e-publishing presents opportunities or threats for small publishing houses in those nations.

The concept of a nation within the scope of this article is defined as social groups that share a culture, history and language. Besides, Boswell argues that small nation is a relative concept, manifesting itself in categories such as geographical spread as well as in its linguistic and economic status.¹ Craighill further defines small nations with regard to publishing as territories that occupy a peripheral position in the European market “due to a relatively low rate of publishing productivity.”² Hence, in the following a small nation is understood to be of limited economic power, with its own governing body combined with a strong sense of a distinctive culture.

Previous research by McCleery and Boswell into small nation publishing markets such as Scotland and Catalonia suggests that publishers in those nations not only publish for profit but also see publishing as a means to strengthen local culture that is distinct from their neighbours with whom they share a language and foster a feeling of belonging.³ This notion is enforced by national funding bodies set up to support local cultural production. Those markets are however increasingly affected by international trends and an accelerating pace of change in the commercial environment, especially due to digitisation and the

- 1 BOSWELL, Daniel. *Publishing and the Industrial Dynamics of Biblio-cultural Identity in Catalan and Scottish Literary Fields*. Doctor of Philosophy, Edinburgh Napier University, 2014.
- 2 CRAIGHILL, Stephanie. ‘National Literature Is Now Rather an Unmeaning Term; the Epoch of World Literature Is at Hand’ – Notions of Capital and Symbolic Power in the Globalised European Fiction Market. Doctor of Philosophy, Edinburgh Napier University, 2014, p. 10.
- 3 BOSWELL, Daniel. *Publishing and the Industrial Dynamics of Biblio-cultural Identity in Catalan and Scottish Literary Fields*; MCCLEERY, Alistair. *Small Nation Publishing: The 2009 Colico Lecture*. Edinburgh: Merchiston Publishing, 2009.

spread of the internet. On the one side, global markets emerged and with them a globalisation of lifestyles, but on the other side markets have become more dispersed as entry barriers fell away, which at the same time led towards market fragmentation and created opportunities for small publishers. Thus, Picard argues that “[m]edia companies worldwide are struggling to understand and adjust to wide-ranging external and internal changes that are altering modes of production, rapidly increasing competition, eroding their traditional audiences [...], altering established market dominance patterns, and changing the potential of firms.”⁴ Hence, digitisation has the potential to further disrupt the publishing industry which presents challenging tasks to managers of publishing houses in small nations looking for sustainable business models.

In both Austria and Scotland publishers have the advantage of being able to access a wider readership outside their home markets but at the same time also compete with media companies in larger countries over money and time of readers. Publishers in Scotland can access the wider English-speaking market, and therefore compete directly with a larger publishing industry situated in London and worldwide.⁵ Austria is in a similar position, as publishers are competing with publishing houses based in Germany, the third largest book market after the US and China.⁶ Moreover, both markets have also seen changes in the wider publishing sphere as digitisation shapes the industry at large. Phillips, for example, distinguishes between disintermediation of the value chain, globalisation of book consumption, convergence of media types on digital devices, democratisation of authorship through the rise of self-publishing and new modes of content discoverability online with the emergence of new channels through which consumers can access, share and discuss content.⁷

This raises the question of how small publishers in small nations are affected by digitisation and the ability of the internet to let texts travel across borders more easily. In addition, globalisation and the concentration in the book indus-

4 PICARD, Robert G. *Environmental and Market Changes Driving Strategic Planning in Media Firms*. Media Management and Transformation Centre, Jönköping International Business School, Jönköping, 2004, p. 1.

5 MCCLEERY, Alistair. *Small Nation Publishing: The 2009 Colico Lecture*. MCCLEERY, Alistair. Maintaining the Cultural Exception: Publishing Literature in a Global Marketplace. In KELLY, William A. and TRENTACOSTI, Giulia (ed.). *The Book in the Low Countries*. Edinburgh: Merchiston Publishing, 2015, p. 155–179.

6 WISCHENBART, Rüdiger; CARRENHO, Carlo; CELAYA, Javier; KOVAC, Miha, and MALLYA, Vinutha. *Global Ebook 2015: A Report on Market Trends and Developments*. Vienna: Ruediger Wischenbart Content and Consulting, 2015, p. 58–59.

7 PHILLIPS, Angus. *Turning the Page: The evolution of the book*. London: Routledge, 2014.

try affect smaller nations and smaller publishing houses the most due to reduced economic power and hence they are in danger of being superseded by transnational conglomerates. Therefore, this article explores in more detail these disparate developments by drawing on findings from qualitative case study research. This approach was chosen because of its explorative nature which allows to shed light on an understudied area of the European publishing industry.

CASE STUDY RESEARCH

This article draws on data gathered through expert interviews and by adopting a qualitative case study approach to better understand the impact of digitisation on small publishing houses. As no prior research about digitisation in those markets exists, this approach was chosen because of the explorative nature of qualitative research that aims at understanding social realities and puts an “emphasis on situations and often structural contexts.”⁸ This type of research allows an in-depth analysis of the dynamics shaping complex social networks by focusing on the distinctiveness of the context under investigation.⁹ Hence, it facilitates a deeper understanding of publishing companies and the people who shape them through their decisions and actions.

Moreover, case study research is advantageous when little is known about the object under examination.¹⁰ It is “an empirical inquiry that investigates a contemporary phenomenon (the ‘case’) in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident” which is the case here as the book publishing industry is being influenced by changes in the environment.¹¹ The case study approach allows to focus on dynamic interactions within the wider context of publishing. Another advantage is the flexibility of the case study design, as a variety of data collection methods and interpretive strategies can be incorporated.¹²

- 8 STRAUSS, Anselm L. *Qualitative Analysis for Social Scientists*. Cambridge: Cambridge University Press, 1987, p. 2.
- 9 GAGNON, Yves-Chantal. *The Case Study as Research Method: a Practical Handbook*. Québec: Les Presses de l'Université du Québec, 2010.
- 10 EISENHARDT, Kathleen M. Building Theories from Case Study Research. In JOHNSON, Phil and CLARK, Murray (ed.). *Business and Management Research Methodologies*. London: Sage, 2006, p. 218–240.
- 11 YIN, Robert K. *Case Study Research: Design and Methods*. 5th ed. Thousand Oaks: SAGE, 2014, p. 16.
- 12 MARSHALL, Catherine; ROSSMAN, Gretchen B. *Designing Qualitative Research*. 6th ed. Thousand Oaks: SAGE, 2016, p. 19.

However, one of the most common objections to case study research is the fact that the external validity of the findings is often limited and results are difficult to generalise. When addressing this criticism, Flyvbjerg points out that in the study of human affairs, “there appears to exist only context-dependent knowledge.”¹³ As a result, he claims that “formal generalisation is overvalued as a source of scientific development, whereas ‘the force of example’ is underestimated.”¹⁴ Although generalisation is not the main goal of descriptive case studies, their findings can still be useful beyond the case study itself, for instance by paving the way for further investigations of the same (or similar) phenomenon in different contexts.¹⁵ Hence, a comparative case study design was chosen to make predictions more significant and generalisable.¹⁶ Empirical generalisation can be made as the same process is studied in different fields and leads to a better understanding of local specificity or generalities, which is of importance in book publishing because of the differences in book culture, history, and political and economic conditions.¹⁷ This study therefore provides a general understanding of two specific cases of small nation publishing in competition with larger neighbouring markets, which can then be used for the purposes of reflection and comparison with other small nations.¹⁸

Interviews were chosen as the primary mode of data collection. Therefore, in the first step, a list of Austrian and Scottish publishing houses was created, which formed the basis for the data collection phase together with one market expert.¹⁹ The criterion for selecting the participants was experience with digital publishing. Knowledgeable publishers were contacted that could offer

13 FLYVBJERG, Bent. Five Misunderstandings about Case-Study Research. *Qualitative Inquiry*, 2006, 2 (12), p. 221.

14 Ibid, p. 228.

15 SCHWANDT, Thomas; GATES, Emily F. Case Study Methodology. In DENZIN, Norman and LINCOLN, Yvonna (eds.) *The SAGE Handbook of Qualitative Research*. Thousand Oaks: SAGE, 2017, p. 347.

16 GLASER, Barney and STRAUSS, Anselm. *The Discovery of Grounded Theory: Strategies for Qualitative Research*, Chicago: Aladine Transaction, 1967; YIN, *Case Study Research: Design and Methods*.

17 GLÄSER, Jochen; LAUDEL, Grit. *Experteninterviews und qualitative Inhaltsanalyse als Instrumente rekonstruierender Untersuchungen*. 4th ed. Wiesbaden: VS Verlag für Sozialwissenschaften, 2010.

18 FLYVBJERG, Five Misunderstandings about Case-Study Research.

19 For Austria Rüdiger Wischenbart provided insights and background information about e-publishing. The Austrian publishing industry lacks scientific exploration and therefore no prior research exists, and hence this research had to rely on Wischenbart’s insights.

a variety of perspectives in order to enhance the credibility of the findings, as the reality is complex and therefore requires the gathering of contradictory and overlapping perceptions as well as nuanced understandings.²⁰ The data set was gathered during semi-structured, in-depth expert-interviews, based on an interview guide with discussion topics and a list of open questions, with directors and those responsible for digital publishing in publishing houses as they allow for direct access to the professional knowledge of practitioners. The interviews were recorded, transcribed and analysed following the procedures of qualitative content analysis.²¹

TABLE 1: Study Participants in Austria

| Publishing House | Focus | Role Interviewees | Interview Mode |
|------------------|--|---|----------------|
| Publisher A | Academic/Scientific publishing & Non-fiction | Director for new products (print & digital) | Phone |
| Publisher B | Non-fiction & Fiction with focus on Austria | Director | Face to face |
| Publisher C | Fiction | Director & Founder | Face to face |
| Publisher D | Fiction (eastern European literature) | Directors & Founders | Face to face |
| Publisher E | Non-fiction | Director & Founder | Face to face |
| Publisher F | Non-fiction & Travel guides | Director | Phone |
| Publisher G | Non-fiction | Director | Face to face |
| Publisher H | Fiction & Non-fiction | Director & Founder | Face to face |
| Publisher I | Non-fiction & Fiction | Director | Face to face |
| Publisher J | Fiction & Poetry | Director & Founder | Email |
| Publisher K | Children's books & YA | Director | Face to face |
| Publisher L | Fiction | Director | Phone |
| Publisher M | Fiction, Non-fiction, Children's books | Director & Founder | Face to face |
| Publisher N | Non-fiction & Art & Fiction | Director | Face to face |
| | | Industry Expert, Consultant | Face to face |

20 RUBIN, Herbert J.; RUBIN, Irene. *Qualitative Interviewing: The Art of Hearing Data*. 2nd ed. London: SAGE, 2005.

21 MARYING, Philipp. *Qualitative Inhaltsanalyse: Grundlagen und Techniken*. 10th ed. Weinheim: Beltz, 2008.

Table 1 and 2 provide a summary of the publishing houses consulted. For triangulation of the information obtained, public secondary data like websites of publishing houses, reports in daily and trade presses, publications of publishers' associations as well as company and market research reports were consulted.

TABLE 2: Study Participants in Scotland

| Publishing House | Focus | Role Interviewees | Interview Mode |
|------------------|--|--|----------------|
| Publisher a | Non-fiction | Directors & Founders | Face to face |
| Publisher b | Children's books | Chief Executive Publisher | Face to face |
| Publisher c | Fiction | Director & Co-founder | Face to face |
| Publisher d | Fiction, Non-fiction & Poetry (Scottish Interest) | Director | Face to face |
| Publisher e | Fiction & Non-Fiction (Scottish interest) | Chief Administrative Officer Operations Manager Managing Director | Face to face |
| Publisher f | Fiction & Non-Fiction | Publisher, Director & Founder | Face to face |
| Publisher g | Fiction, Non-fiction, Gaelic books | Managing Director Assistant Publisher Marketing & Publicity Officer | Face to face |
| Publisher h | Non-Fiction, Reference books, Children's books, graphic novels, fiction (Scottish interest) | Director & Founder | Face to face |
| Publisher i | Non-Fiction, Academic & Professional books | Publisher | Face to face |
| Publisher j | Non-fiction | Publishing Manager | Face to face |

LIMITATIONS. It needs to be considered that collecting and collating figures about the size of the Austrian and Scottish book market and especially digital publishing presents various challenges. For example, the Austrian Publishers Association (HVB)²² does not publish many figures and the bestseller lists still do not include e-books. Examining the size and state of the publish-

22 Hauptverband des österreichischen Buchhandels.

ing industry in Scotland is difficult as well, as ISBNs are issued UK-wide and not all Scottish publishers are members of Publishing Scotland (PS) which collects data on the Scottish publishing industry.²³ Consequently, disaggregated data on the Scottish publishing sector are not readily available.²⁴

Moreover it is impossible to gain a comprehensive overview of the size of digital publishing production and consumption as there are several discrepancies associated with quantifying the production and consumption in each country, which makes drawing comparisons between book markets challenging. The problem arises from inconsistencies among European nations in what is included in market statistics beginning with the unit of sales.²⁵ In addition the sales channels pose a challenge too, as some online outlets like Amazon are reluctant to share sales data. Furthermore, the growing popularity of self-publishing mostly through Amazon has led to an increase in e-book sales without ISBNs, which in turn are not accounted for in market statistics.²⁶

THE ROLE OF PUBLISHING IN AUSTRIA AND SCOTLAND

Even though Scotland became a stateless nation when it joined a political union with England and Wales in 1707 it remained its own national region with a distinct history and culture, visible, among other things, through

23 61 publishers are currently members with a majority being small, independent publishers. PUBLISHING SCOTLAND. *Annual Report: 12/2017-11/2018*. Edinburgh: 2018.

24 KOVAC, Miha; SQUIRES, Claire. Scotland and Slovenia: Making Books in Wee Lands. *Logos*, 2014, vol. 25, no. 4, p. 7–19.

25 *Nielsen Book* for example started tracking e-book sales data in the UK only in 2016 and only for e-books with ISBNs from top tier publishers. NIELSEN BOOK. Nielsen Book Launches Pubtrack Digital UK. http://emarketing.nielsenbook.co.uk/files/amf_nielsen/project_82/NielsenBook_PubTrackDigitalLaunch_Feb2016.pdf [accessed 29.08.2018].

26 Self-published books are frequently published without an ISBN (mostly via Amazon; Kindle Direct Publishing) and are therefore not included in traditional book market figures. Initiatives that have developed approaches to measure the market share of self-published books are the Author Earnings reports for the English speaking markets (Print vs Digital, Traditional vs Non-Traditional, Bookstore vs Online: 2016 Trade Publishing by the Numbers, 2016. <http://authorearnings.com/report/dbw2017/> [accessed 01.03.2017]) and the Self-Publisher-Bibel reports for the German speaking markets (Die Self-Publisher-Bibel: Alles über Self Publishing, 2018. www.selfpublisherbibel.de/category/charts/ [accessed 03.09.2018]). Only recently has Amazon started to publish bestseller lists for their Kindle e-book sales on amazon.de, which hint at general trends regarding self-publishing, price points and the popularity of Kindle Unlimited among readers.

its distinctive legal and educational system as well as separate professional bodies.²⁷ According to McCleery, “these institutions shaped and continue to shape a strong sense of Scottish distinctiveness reflected and fed by Scottish publishing.”²⁸ This sense of distinctiveness manifested itself in recent attempts to regain more control over Scottish affairs. Firstly with the establishment of a devolved Scottish Parliament after a referendum in 1997 and secondly with a bid to regain independence in 2014.²⁹

Although Scotland occupies an important role in foreign policy and in advancing literature and science as part of the UK, its own national region occupies at the same time a rather peripheral role, not only politically but also economically in its location at the northern end of Europe.³⁰ With a population of 5.4 million (as of 2017),³¹ Scotland is visibly smaller than its neighbour England with a population of 55.6 million, and of minor importance in the wider UK context with a combined population of 65.1 million (est. 2018).³² Nonetheless, with English being considered lingua franca as it is the most spoken language in the world (incl. second language speakers), Scotland is placed in an advantageous position when compared with other small nations that face restriction through their small linguistic area. However, Scotland is also home to 1.5 million Scots and 59,000 Gaelic speakers, which presents its own challenges in terms of inclusivity of the publishing industry.³³ Hence McCleery concludes that within the community of English-speaking nations, Scotland has been both an “embattled minority culture and leading influence thanks to its imperial diaspora.”³⁴

Today, in times of political uncertainty, as the UK prepares to leave the EU

27 On the 1st of May 1707 the Acts of Union formally united England, Scotland and Wales as Great Britain.

28 MCCLEERY, *Small Nation Publishing: The 2009 COLICO Lecture*. p. 8.

29 The re-established Scottish Parliament has control over many areas of domestic policy.

30 MCCLEERY, Alistair; SINCLAIR, Marion; GUNN, Linda. *Publishing in Scotland: Reviewing the Fragile Revival*. *Publishing Research Quarterly*, 2008, vol. 24, no. 2, p. 89.

31 OFFICE FOR NATIONAL STATISTICS. *Overview of the UK Population: November 2018*. <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/november2018#toc> [accessed 27.07.2019]

32 CENTRAL INTELLIGENCE AGENCY. *The World Factbook: United Kingdom*. <https://www.cia.gov/library/publications/the-world-factbook/geos/uk.html> [accessed 11.07.2019].

33 NATIONAL RECORDS OF SCOTLAND. *Scotland's Census: Ethnicity, Identity, Language and Religion*. <https://www.scotlandscensus.gov.uk/ethnicity-identity-language-and-religion> [accessed 27.07.2019]

34 MCCLEERY, *Small Nation Publishing: The 2009 COLICO Lecture*, p. 7.

(Brexit), books again play an important role in strengthening national identity. According to Marion Sinclair, chief executive of Publishing Scotland, “[j]ust as important as its economic contribution is the way a nation’s book industry helps shape its identity.”³⁵ This is an ongoing struggle for Scots, as books have long been a means to preserve their identity and idea of nationhood denied politically.³⁶ Thus, Scotland recognizes the “ability of the arts to enhance national life and signal [its] distinctive identit[y] on the world stage.”³⁷

Similar things can be said about Austria. After being the centre of power in Europe during the Austro-Hungarian Empire, Austria was reduced to a small nation after WWI and, following defeat in WWII, became a fully independent state only in 1955.³⁸ Although Austria has a population of only 8.7 million, the majority of its inhabitants speak German as a first language and therefore the country belongs to the largest linguistic area in Europe.³⁹

As a result, literature in Austria too is considered to play an important role in strengthening the feeling of national belonging and distinguishing Austrian culture from its neighbours. Publishing industry expert Wischenbart sees this as the reason for the extensive funding of Austrian literature through the government:

“Austrian fiction, this special kind of fiction, has been supported since the 70s as a result of the focus on identity and nation politics. It was especially used to support the constitution of an Austrian national identity in delimitation to the West German one. This was a post-Nazi topic and that idea still resonates in the amount of funding available today.”

Thus, the question guiding this research is to explore what happens to the local publishing industry that focuses on publishing in and for those small nations in an online environment. Digitisation and the internet allow content to spread more easily across national borders. Hence, increasing the competi-

35 GARAVELLI, Dani. *Against All Odds: The Rebirth of Scottish Publishing*. The Scotsman, 2019. <https://www.scotsman.com/arts-and-culture/books/against-all-odds-the-rebirth-of-scottish-publishing-1-4934751> [accessed 22.07.2019].

36 KOVAC and SQUIRES, *Scotland and Slovenia: Making books in wee lands*, p. 9–10.

37 MCGOWAN, Ian. *Scottish Publishing: Its Rise, Decline and Fragile Revival*. *Logos*, 1987, vol. 8, no. 4, p. 212–217.

38 CENTRAL INTELLIGENCE AGENCY. *The World Factbook: Austria*. <https://www.cia.gov/library/publications/the-world-factbook/geos/au.html> [accessed 18.09.2018].

39 For 16% of Europeans German is the mother tongue followed by English (13%) and French (12%).

tion but also potentially offering opportunities to small publishers and their national cultural production by circumventing restrictions and limitations of the analogue publishing sphere.

In the following, an overview of the state of the publishing industry in Austria and Scotland is presented, followed by an examination of how publishers in those nations react to the digital innovations in the marketplace. Further, the challenges and opportunities of digitisation for small publishers will be explored while also considering the specific market characteristics and the relationship those publishers have with the publishing industry in the larger neighbouring nations.

THE AUSTRIAN PUBLISHING INDUSTRY TODAY

MARKET OVERVIEW AND POSITION IN THE WIDER GERMAN PUBLISHING INDUSTRY. The publishing industry accounted for around 4.000 businesses in 2014 while employing over 22.000 people (incl. freelancers) and generating a total turnover of 3.846 million Euros.⁴⁰ Furthermore, the total market value at consumer price amounted to 735 million Euros (incl. magazines, newspapers and educational materials), decreasing from the previous year (-3,4%).⁴¹ Noteworthy is that book prices have increased in 2018 (+1,5%), but despite that, turnover has decreased (-1,15%) from the previous year with non-fiction and children's books being the only genres that showed sales growth.⁴² This can potentially be attributed to an increase in new titles being published each year while at the same time the print runs are shrinking, meaning individual titles have increasingly short shelf-lives as well as publishers earning less and less per title.⁴³ Consequently, many Austrian authors

40 KREATIVWIRTSCHAFT AUSTRIA. *Siebenter Österreichischer Kreativwirtschaftsbericht. Schwerpunkt Crossover-Effekte Und Innovation*. Wien: Wirtschaftskammer Österreich, 2017, p. 59. It was not specified, however, what kind of companies were included in the group 'book publishing' businesses.

41 WISCHENBART, Rüdiger; CARRENHO, Carlo; FLEISCHHACKER, Michaela A. *How Big Is Global Publishing? A Bird's Eye Perspective*. Vienna: Rüdiger Wischenbart Content and Consulting, 2017, p. 10–15. This means the total market value per inhabitant was 85€ in 2014 and the book market amounted to 919 new titles and re-editions per 1 million inhabitants.

42 HAUPTVERBAND DES ÖSTERREICHISCHEN BUCHHANDELS. *Der Buchmarkt Österreichs 2018 Im Überblick*. <http://www.buecher.at/der-buchmarkt-oesterreichs-2018-im-ueberblick/> [accessed 28.06.2019].

43 WISCHENBART, CARRENHO, and FLEISCHHACKER, *How Big Is Global Publishing? A Bird's Eye Perspective*, p. 2.

are looking for broader recognition and higher incomes in the larger German book market.⁴⁴ In summary, the underlying problem of the industry seems to be a market oversaturation as too many titles are being published according to Publisher N: “There are many publishers and some say too many, because, and this is something we cannot exempt ourselves from, some things are being produced which without question could have stayed unproduced.” This overpublishing of titles combined with a decline in book buyers results in books being bestsellers with only around 3.000 copies sold.

These are no dimensions where a professional led publishing house can survive. I need to sell at least 5.000 copies for the business to be healthy, but this is not possible in Austria. And in large bookstore chains in Germany they don't necessarily wait for Austrian publishers. (Publisher I)

This means that even though Austrian publishers have the advantage of publishing in a language that could reach a large readership, it is not that easy to access those additional readers. “It is rare that German bookstores stock children's books from Austria and because German publishers are much larger than us, it is difficult. It is a strong competition which we feel intensively” (Publisher K). Size seems to matter here as capital is needed in order to be visible in German bookstores. Publisher I even concludes that “[s]mall publishing houses are among the victims of globalisation and I don't believe that the situation will improve.” Hence due to a much larger neighbour with the same language, publishers face strong competition from German publishers while struggling for visibility in the German book market. This situation is even more troublesome when looking at the finding from a consumer panel study in Germany, which found that the industry had lost six million readers (-16,5%) between 2012 and 2016.⁴⁵ It is noteworthy that even regular book buyers stopped buying books entirely and buyers were lost throughout all demographics and social strata. It can, therefore, be concluded that the German consumer book market is in a slow decline. The study named new online media offerings and social media as main reasons for a shift in buying behaviour.

44 EIBLE, Albert. *Dvb Verlag. Der Verlag*. <http://dvb-verlag.at/der-verlag/> [accessed 28.06.2019].

45 BUCHREPORT.EXPRESS. Im Wettbewerb Der Zeitfresser. *Buchreport.express*, vol. 4, no. 4, 2018, p. 7. No separate statistics for the Austrian book market exist. It can be assumed, however, that those trends affect Austrian publishers as well as they trade with the larger neighbour. Moreover due to a decrease in sales and revenue of publishers in Austria one can deduce that the trend is the same and that readers have been lost there as well.

Consequently, the turnover of the largest Austrian publishing houses has been halved over the last years, estimates Wischenbart. The turnover of the largest trade publishing house shrank from around 15 million Euros to currently two to three million Euros with the turnover of the larger publishing houses now amounting to around four million Euros.⁴⁶ There is only one larger player left but only because it is part of a considerable German publishing group (Hanser) with a combined turnover of 43 million Euros in 2017.⁴⁷ Hence the book market underwent dynamic changes during the last ten years, resulting in a market structure divided into many small players. Wischenbart furthermore claims that the share of German imports has been rising, whereas exports from Austria to Germany are decreasing, which could further explain the dwindling turnover of publishing houses.⁴⁸ Lastly, he sees the state funding practices as being partially responsible for the lack of commercial success of Austrian books in the wider German market as funding is largely granted for very Austrian-specific content.

In these rather difficult market conditions, small publishers see only three ways to survive as the interviewees stated: self-exploitation, finding an affluent investor, or securing subsidies. Thus the overall situation of small publishing houses focusing especially on literary fiction can be described as challenging:

I am very sceptical when it comes to the future of small Austrian publishers because the day-to-day business gets harder and harder. There are only a few independent publishers left which are able to survive financially on their own. Austrian publishers are either part of German publishing groups or they belong to the church or are taken over by Red Bull [...] namely people with money. These are the options that one has, or one lives off state subsidies. (Publisher I)

⁴⁶ The *Börsenverein des deutschen Buchhandels* publishes a list of the 100 largest publishing houses in Germany, Switzerland and Austria every year according to their turnover. For the years 2016 and 2017 no Austrian publisher was listed there, so the largest Austrian publisher can only have a turnover of less than 7 Mio. €.

⁴⁷ BUCHREPORT.MAGAZIN. "Die 100 Größten Buchverlage." *Buchreport.magazin*, no. 4, 2018, p. 18.

⁴⁸ No official statistics could be found to confirm this assessment. Exports from Germany used to be twice that of imports but this is harder to confirm since 2014 when Amazon opened warehouses in Poland and 2015 in the Czech Republic, which altered the supply routes of books and in turn export and import statistics. BÖRSENVEREIN DES DEUTSCHEN BUCHHANDELS. *Buch Und Buchhandel in Zahlen 2016*. Frankfurt am Main: MVB GmbH, 2017.

Besides relying on funding, most small publishers survive because they occupy very specific niches.

Niches are very important. You need a unique selling proposition, something that helps to distinguish yourself from the competition. There are so many publishers. Within the German speaking market we have 100.000 new titles each year. [...] The competition is huge. [...] It is difficult for small and medium sized Austrian publishing houses to make it into the German market. (Publisher C)

Moreover, innovation and growth need continuous investment, but as argued above, the chances for return on investment are rather small in publishing. Hence, this can explain why the industry seems stable in the regard that only very few new publishers enter the market.

DIGITAL DISRUPTION IN THE AUSTRIAN PUBLISHING INDUSTRY. The “distance trade” (online-shopping, smartphone-shopping, mail order) is increasingly popular in Austria with the shares of voice and smartphone shopping growing, which has implications for the websites of publishers, how readers will search for and find books in the future as well as for their online marketing strategies.⁴⁹ Ultimately, the online trade with books is growing with a share of currently around 20%.⁵⁰

Furthermore, the e-book market is expected to develop similar to the one in Germany with a market share of around 5% in 2013.⁵¹ It must be noted that the absolute number of e-books sold is still growing in the German-speaking market (4.1% up in 2016 from 2015) but e-book turnover growth is slowing down due to prices further decreasing.⁵² The price pressure derives mainly from cheap offerings in the form of self-published titles and flat-rate models such as Kindle

49 These figures are taken from consumer behaviour research among 2.000 Austrians from the age of 15 conducted via telephone interviews between May 2017 and April 2018. KMU FORSCHUNG AUSTRIA. *E-Commerce-Studie Österreich 2018: Konsumentenverhalten im Distanzhandel*. Wien: KMU Forschung Austria. Austrian Institute for SME Research, 2018. https://www.handelsverband.at/fileadmin/content/Presse_Publikationen/20180619_studie_ecommerceKMU2018/Executive-Summary_E-Commerce-Studie_OEsterreich-2018.pdf [accessed 30.08.2018].

50 HVB estimate.

51 WISCHENBART, Rüdiger; CARRENHO, Carlo; CHEN, Dayou; CELAYA, Javier; KONG, Yanhong; KOVAC, Miha. *Global Ebook 2016: A Report on Market Trends and Developments*. Vienna: Ruediger Wischenbart Content and Consulting, 2016, p. 48.

52 BÖRSENVEREIN DES DEUTSCHEN BUCHHANDELS. *Buch Und Buchhandel in Zahlen 2016*.

Unlimited and Skoobe. No reliable data exist for the share of self-published titles, however, and audiobooks are absent from statistics as well. Nonetheless industry experts estimate that self-published e-books accounted for around 15% of the whole German-speaking e-book market in 2013.⁵³ This includes sales via Amazon, Tolino and Apple, among other e-retailers.⁵⁴ Moreover, Wischenbart stated that according to his research, self-published e-books account for half of the sales in the lower price segments (up to 5€). Lastly, Tolino is the second most popular platform for e-book purchases and eReaders after Amazon in the wider German speaking market.⁵⁵

Overall, most interviewees were concerned about the decline in regular readers, especially among the younger generations, and emphasised that they feel that attention spans decrease, plus that schools do not teach enough about literature anymore, which they see as potential cause for the further decrease in regular readers. As the choice in online entertainment grows, consumer behaviour is changing so that once loyal customers increasingly spend their free time otherwise. Even though publishers are aware of those changes in society and the wider media sector, hardly anyone ascribes importance to digital technology, and if they do, it is hardly in an optimistic way. Established publishers focus mostly on what they have been doing for years and see the slowing down of market share growth of digital products as confirmation that nothing drastic will change in the future. Thus, they conclude that there is no need to further change or adapt.

We did invest into the whole digitisation and we managed to earn back those costs quickly.

So the costs did make sense. But now I feel a kind of tiredness when it comes to inves-

53 MATTING, Matthias. Schätzung: Wie Groß Der Marktanteil Von Selfpublishing-Titeln in Deutschland Ist. Die Self-Publisher-Bibel, 2015. www.selfpublisherbibel.de/schaetzung-wie-gross-der-marktanteil-von-selfpublishing-titeln-in-deutschland-ist/?highlight=Marktanteil [accessed 18.07.2019].

54 It remains unclear how large the share of self-published titles in English is. It can be expected, however, that a significant number of readers in the German-speaking market has moved away from traditional publishing, motivated by low prices and a larger selection of available titles. Moreover, flat-rates like Kindle Unlimited and platforms with free content like Wattpad might have further increased this trend.

55 Tolino started as a brand for eReaders and tablets distributed in the German-speaking market as an industry solution among book sellers to provide an open infrastructure as an alternative to Amazon's closed Kindle universe. Moreover, small bookshops have been included as they can sell devices and e-books (via the Tolino cloud and White Label Shops) to their customers. Rakuten is the new soft- and hardware partner of the alliance after acquiring those shares from the Deutsche Telekom (German telecommunication network).

ting further and this is also true for my colleagues. The e-books sales do not develop as they did a few years ago. (Publisher B)

Wischenbart, on the other side, stressed that most publishers misunderstand the slowing down of e-book share growth and predicted that the disruption only just began, and that the book publishing industry will be much more affected than it is visible at the moment.

THE SCOTTISH PUBLISHING INDUSTRY TODAY

MARKET OVERVIEW AND POSITION IN THE WIDER ENGLISH-SPEAKING PUBLISHING INDUSTRY. A comprehensive study about the state of the publishing sector in Scotland commissioned by Creative Scotland (CS) found that 105 publishers operated in Scotland in 2014 and employed 1.000 individuals.⁵⁶ Moreover according to Nielsen BookScan, the Scottish print book market in 2018 accounted for 8.4% of the UK book market in terms of books sold.⁵⁷ Overall, 2018 saw an increase in book spending, value sales (+2.5%) and volume sales (+0.1%) from the previous year. Furthermore, the value of the Scottish print book market has been growing slightly over the last years, not at least attributable to an increase in the average Recommended Retail Price (RPR) as well as the Average Selling Price (ASP).⁵⁸

As Scottish publishers are making most of their sales outside Scotland, it is worth looking at the wider market as well.⁵⁹ According to sales data collected by the Publishers Association (PA), the total book sales in 2018 amounted to 3.600 million pounds (-4% in comparison to 2017) with physical book sales totalling at 2.900 million pounds (-5%) and digital sales at 656 million pounds (+5%).⁶⁰ Finally, the home market is still slightly larger than the

56 NORDICITY, and WYLIE, Drew. *Literature and Publishing Sector Review. Final Report*. Creative Scotland, 2015, p. 7.

57 16.3 million copies were sold which equals a spending of 137.2 million £. These figures, compiled from collecting point-of-sale data from bookstores, were presented at the Publishing Scotland Conference in February 2019.

58 The data was provided by Nielsen and is based on their BookScan.

59 A PS survey among their members in 2013 found that less than a quarter of sales were in Scotland and 84% of members sold titles overseas. NORDICITY and WYLIE, *Literature and Publishing Sector Review. Final Report*, p. 60.

60 Figures are derived from the Sales Monitor, which collects the physical and digital books sales of publishers that are estimated to account for 3/4th of total UK publisher sales. A

export market in terms of sales (2.000 million £ compared to 1.600 million £ in 2017).

Overall, further research into the publishing sector portrays the industry positively with an abundance of potential but with little opportunity for capitalisation.⁶¹ Hence McGowan calls the development of Scottish publishing since the 1970s a “fragile revival.”⁶² This evaluation was confirmed in a 2007 review which concluded that “publishing companies remain fragile, vulnerable to external takeover when flourishing and to disappearance when unsuccessful.”⁶³ This refers to the competition Scottish publishers face from mostly London-based publishing groups, as this is where the centre of the UK publishing industry is located, that outperform them in terms of turnover, titles in print and full-time employees.⁶⁴ McGowan compares the London-centric publishing industry to Goliath, because it is “better capitalized, more prestigious and apparently offering greater exposure to authors in this age of worldwide exploitation of intellectual property.”⁶⁵ As a result, similar to Austria, success can be “a double-edged sword” for Scottish publishers as authors nurtured in Scotland are most likely to sign with London-based publishers due to higher advances and better national and international sales opportunities.⁶⁶ On the other side, the publishing industry in Scotland has been described as “small and incestuous, more cooperative than competitive” because of their economic constraints.⁶⁷

Nonetheless, Scottish publishing, while interwoven with the wider UK industry, is also internationally connected due to transnational media groups dominating especially the English-speaking industry. Hence defining what

one-off benchmarking year (2005) is used as a base to calculate a total for all UK publishers. The base total is periodically reassessed. In addition, since 2000, sales figures from distributors and large publishers are collected twice yearly and since 2008, digital sales are also accounted for. Since 2014 the digital sales data is being split in the UK and overseas sales and for 2018, self-published as well as titles published by Amazon have been included.

61 LITERATURE WORKING GROUP, *Literature Working Group Policy*, Edinburgh: Scottish Government, 2010.

62 MCGOWAN, *Scottish Publishing: Its Rise, Decline and Fragile Revival*.

63 MCCLEERY, SINCLAIR, and GUNN, *Publishing in Scotland: Reviewing the Fragile Revival*, p. 97.

64 *Ibid.*, p. 89.

65 MCGOWAN, *Scottish Publishing: Its Rise, Decline and Fragile Revival*, p. 216.

66 MCCLEERY, *Maintaining the Cultural Exception: Publishing Literature in a Global Marketplace*, p. 167.

67 MCGOWAN, *Scottish Publishing: Its Rise, Decline and Fragile Revival*, p. 217.

Scottish publishing is can become a challenge, and therefore McCleery distinguishes between publishers publishing *for* Scotland and those publishing *in* Scotland.⁶⁸ The former are under threat to lose their independence through mergers and acquisitions from larger publishers and the latter heavily rely on markets outside Scotland. In recent years, however, Scottish publishers found international success in exploiting a Scottish aura, as Publisher g described:

What I found is that London matters only proportionally. We want people to walk through Waterstones in London and [...] see our books. [...] That is credibility. The challenge at the start by being here was credibility and logistics and then contacts. [O]nce we got past the credibility aspect and weren't just a curious wee thing, then the highland aura would appear around us. [...] So we are hoping we can survive.

This has been facilitated largely by the spread of digital technologies.

Most publishers interviewed have embraced the international opportunities which publishing in English offers them.

The longer we're in business the more international we are, because ultimately the overtly Scottish content is problematic, because we're a country of 5 million that isn't really known for its literary output, where a kind of literary sensibility hasn't penetrated the collective British consciousness other than crime and drugs. [...] Scottish crime is acceptable within the culture. [...] That's the representation of Scottish culture that people are interested in from a literary point of view and they are less interested in people in Edinburgh or Glasgow [...] and their inner lives. Although we do publish that stuff, we know we're unlikely to make any money. We do it consciously. (Publisher c)

This also indicates that in terms of Scottish literature, publishers are relying either on external funding or need commercial successes to cross-finance those books. It can be argued that those market conditions make small publishing houses risk averse in their publishing choices as they cannot afford to publish many titles that do not sell well.⁶⁹

DIGITAL DISRUPTION IN THE SCOTTISH PUBLISHING INDUSTRY. Survey data (Nielsen Books & Consumers) show that for the period from 2012 till 2016, the volume of digital purchases (e-books, apps and audio) increased, while the overall number of book purchases remained fairly

⁶⁸ MCCLEERY, *Small Nation Publishing: The 2009 COLICO Lecture*.

⁶⁹ *Ibid.*

stable, meaning that digital now accounts for one third of the purchases from Scottish consumers.⁷⁰ This means that print has in parts been substituted by digital purchases but has, overall, not led to market growth and more book purchases. Moreover, when looking at the whole UK market, consumer e-book sales decreased by 2% (251 million £) in comparison to 2017, whereas audio-books saw an increase in sales of 43% (69 million £).⁷¹ In general, digital formats accounted for 18% of the total net invoiced value of books (19% home and 16% export market) with fiction being much more popular than non-fiction and children's books in digital formats (35%, 12%, and 3% of e-books sold, respectively). Finally, Nielsen estimates that the volume share of self-publishing (incl. Amazon) among e-book sales was 22% in 2016 and the value of self-published e-books among all e-book sales in the UK was 13% due to mostly low price points.⁷² Moreover, convergence trends were noticeable in Nielsen's data, as the physical and digital realm are gradually influencing each other. For example, books authored by well-known YouTubers are selling well, and online influencers such as Zoella with her book club have an increasingly positive impact on book sales.⁷³

In general, e-retailers account for the majority of book sales (both in volume and value), selling more books than bookshops and supermarkets combined.⁷⁴ Amazon in particular dominates the online market of both e-book and print book sales (94% market share in e-book distribution and 93% market share in physical book distribution among e-retailers).⁷⁵ However brick-and-mortar bookshops still sell more print books (especially adult fiction) than e-retailers.

In Scotland, Amazon is the driving force behind innovation and developments in e-publishing. The interviewees stated that at least 90% of their e-books are sold through the e-retailing platform with the share increasing every year and, as Publisher g argues, this can mostly be attributed to convenience for readers: "You serve readers. Amazon does this particularly well. They really got things worked out right at the start with their own software and hardware and managed not to call this a monopoly. And then they got the pricing

70 The data was provided by Nielsen.

71 THE PUBLISHERS ASSOCIATION, *PA Publishing Yearbook 2018*. London: 2019.

72 BOHME, Steve. Books & Consumers in 2016. Scottish Book Trade Conference, Edinburgh, 2017. The average price for e-books in 2016 was 3.50£.

73 WOODFIELD, Anne-Claire, Book Research Markets with a Focus on the UK, TCM and Scotland. Publishing Scotland Conference, Edinburgh, 2017.

74 BOHME, Books & Consumers in 2016.

75 NORDICITY and WYLIE, *Literature and Publishing Sector Review. Final Report*, p. 71.

exactly right as well.” Amazon used the first mover advantage to set industry standards, tying their customers to their format across many different devices. Most interviewees view this with criticism, as large discounts make it challenging to make a profit from titles sold through the platform. Amazon’s impact on the amount readers are willing to spend on books presents an additional challenge for publishers, as staying profitable through book sales becomes increasingly hard to accomplish, according to the interviewees. “I don’t like the way they operate, that whole thing of trying to sell cheaper than anybody else. It makes people expect to get things almost for free.” (Publisher j).

Furthermore, audiobooks are increasingly popular in the UK, with Amazon again comprising the dominant position in the market.⁷⁶ With Audible, Amazon established the market standard for online access to audiobooks and moreover consolidated the market.

Overall, as e-book sales growth is slowing down, the enthusiasm for digital innovation amongst publishers in Scotland is subsiding. “I guess to some extent I’m taking digitisation for granted now. It’s not presenting many new things now and it hasn’t for a while” (Publisher g). The lack of innovation was also attributed to the smallness of publishing businesses:

We can put a lot of effort into something that is really good, but it won’t work unless we put a lot more resources into distribution and marketing. That puts that sort of research and development much more into the area of Penguin Random House [...]. We are much more imaginative, because you have to go and do these things, but we can’t throw millions of pounds that we don’t have into it. (Publisher g)

Furthermore, interviewees also stated that their small size constrains them in adopting digital strategies in general: “If you don’t have the time to even create an e-book, you’re not going to have the time to promote it” (Publisher i). It seems as if most interviewees have accepted the market conditions, and instead of using the opportunities to be flexible as well as exploit their intellectual property in new ways, try to come to terms with the dominance of transnational corporations.

I think that globalisation is sort of allied to digitisation. It means almost by definition that we are dealing with fewer entities which are becoming much bigger. And therefore the

⁷⁶ Sales rose 25% from 2017 to £31 million in 2018. THE PUBLISHERS ASSOCIATION, *PA Publishing Yearbook 2018*.

smaller companies are losing control. [...] For example, simply because they are being told, not asked, to give a specific discount to supplier. If you take that to its logical conclusion there will be fewer and fewer companies. Those that remain will just be reacting to what they have to do. [...] All we can do as publishers at the moment is work within the structure that we are faced with particularly small companies like ours. (Publisher i)

This feeling of powerlessness was also expressed regarding new platforms and services emerging all the time, competing for attention, money and time of consumers, due to lower market entry barriers. Lastly, the growing popularity of devices like smartphones in combination with easy and affordable access to media are the biggest threats for publishing, as this can be linked to a decline in time spend reading.

COMPARISON OF THE IMPACT OF DIGITISATION

DIGITAL PRODUCTS. The publishing industry in both markets has gone through changes over the last years because of digitisation. Technological advancements and the spread of the internet has affected Scotland more than it has Austria. At first glance this is notable in the larger variety of product innovations and routes to market that Scottish publishers utilise to address new and old audiences. Moreover, the market share of digital products is larger in Scotland, which can be attributed to them being priced much lower but also to a larger market, thanks to a continuing rise of English proficiency around the world, combined with easier access to digital content online. The fixed book price in Austria has been credited to encourage a higher price level in general and, as a result, is seen as one of the reasons for the lower share in e-book sales.

PUBLISHING APPROACH AND LIST BUILDING, The approach to publishing is also different in the two countries, with Austrian publishers focusing mainly on their home market while paying less attention to the possibilities of e-publishing to reach a wider audience. Even though they notice that especially online selling generates additional visibility for them that results in additional sales, most publishers, however, do not dedicate many resources towards targeting the wider German-speaking market online. The main reason for their hesitance is the uncertainty whether additional sales will be able to recover the extra costs involved. This is paired with an overall lack in commercial titles that can be marketed to a wider German-speaking audience, thus most publishers only survive thanks to subsidies or as part of larger publish-

ing groups. Whereas in Scotland publishers are much more outward looking in their approaches, trying to reach as many readers across the world as possible. This is also visible in the lists publishers are building, which are more suitable for a general audience or for very specific niches that publishers can now target more easily thanks to the internet. Hence, in both markets very focused niche publishing houses have emerged alongside publishers with unique lists that combine trade titles among other things with educational or academic titles in order to diversify the business risk.

BOOK DISTRIBUTION. In terms of retail channels, the German-speaking market is more diverse, possibly due to the fixed book price and overall collaboration in the book trade. Hence with the Tolino Alliance, the large booksellers tried to transfer the structures and power dynamics of the book trade to the online space. Amazon is however becoming more dominant thanks to its customer centricity and focus on convenience. In Scotland, Amazon has already a more dominant position in the market. Hence publishers in both countries would like to sell more books directly to circumvent the struggle for visibility on- and offline along with not having to give away high margins to booksellers. This is not easy, as Amazon changed the expectations of book delivery among customers, making it hard for small publishers to compete. It seems that publishers with a manageable amount of titles in print and easy access to an established readership are more successful in selling directly. So are those that are part of larger publishing groups with more resources to dedicate towards establishing a direct sales channel.

OPPORTUNITIES AND CHALLENGES OF E-PUBLISHING. Overall, e-publishing progressed more quickly in Scotland thanks to the larger language market. Now, however, Scottish publishers increasingly struggle to find opportunities online as the market matures and English-language content has a harder time standing out, whereas in Austria the opportunities of e-publishing are not fully taken advantage of, as publishers do not seem to see them as such. Moreover, online marketing is increasingly challenging as well due to an abundance of content being shared on social media platforms for example. This concern seems to be more prevalent in Scotland where publishers struggle for visibility and to connect with readers, as especially advertisements on those channels is becoming more expensive, so is visibility on e-retailing platforms. At this point, creating communities of fans and adding value with content that is given away for free, however, is still seen as an opportunity of e-publishing by the small publishers interviewed.

Conclusion

As the home markets of small nation publishers are limited in size, they cannot support themselves by solely publishing for them. Small publishers depend on digitisation to help them expand internationally. Even though digitisation allows Austrian and Scottish publishers to access a wider audience more easily thanks to them publishing in languages understood by a larger number of individuals, English is the dominant one online. Therefore, digitisation offers more possibilities and advantages to publishers and authors publishing in English. However, the publishing professionals in both countries indicated that literary fiction, and specifically literary fiction with strong national themes, profits the least from e-publishing and a potentially wider audience abroad. Thus, the two markets are evolving: publishers focusing on publishing for the home market are supported by subsidies, and those that publish predominantly for a wider audience, which can be reached more easily with the help of digital technologies and most successfully in English.

However, previous research into book publishing has addressed the prevalence of the Anglophone world and thus the challenges for cultural diversity.⁷⁷ Ultimately, this hampers particularly small nation publishers due to an increase in English reading material readily available online and mostly for free or little money. Consequently, the domination of English and the continued trend to overpublish will decrease the margins of publishers even further. Hence, small publishers in small nations have no choice as to focus on digital publishing's promise to be able to reach a wider audience. Though, when targeting wider language markets, those small nation publishers then compete with much larger and more affluent publishing companies in their neighbouring nations. Hence, the majority of small nation publishers interviewed operate in market niches that can be reached more easily online.

Moreover, small publishers are undercapitalised and struggle especially with marketing and the promotional side of the business as it is increasingly difficult and expensive to reach a larger audience with a marketing message online. In addition, those financial restrictions force small publishers to be more selective with the titles they publish. To counterbalance those limitations (e.g. lack of resources) and to compensate for the lack of proper workflows, partnerships within the publishing industry are becoming more important for small

77 CRAIGHILL, Stephanie. *'National Literature Is Now Rather an Unmeaning Term; the Epoch of World Literature Is at Hand' – Notions of Capital and Symbolic Power in the Globalised European Fiction Market.*

publishing houses according to some interviewees. Collaborations among small publishers are, moreover, helpful to counterbalance the consolidation that is prevalent in the industry. Furthermore, it allows them to invest more in infrastructure and thus to reach a larger audience. Moreover, forming loose publishing groups is seen an advantage by smaller publishing houses especially when these collaborations allow publishing houses from small nations to access other markets with the same language more easily. A prerequisite for the success of those partnerships and publishing groups is, however, that the single entities stay independent in their publishing decisions and only share resources.⁷⁸ That way the advantages of both worlds (local market knowledge and more resources) can be combined.

In general the continuing democratisation of book publishing is seen as the biggest advantage of e-publishing by the small publishing houses interviewed as particularly content dissemination is becoming a more level playing field. Publishers can now offer their books via online channels where everyone has the same amount of space. As mentioned during the interviews, this is a great opportunity for small publishers who before had difficulties convincing bookstores to stock their wares and to be visible in those physical spaces. Now the books are available worldwide and easily findable online. Nonetheless, the online marketplace is becoming increasingly crowded, especially in English, thanks to an increase in publishing output. Therefore keywords become very important for the discoverability of books, which is especially a chance for niche titles. In addition, the backlist becomes more important as a source of additional income, since these books get a “second chance” online. However, the online distribution of content in publishing follows the traditional model of book dissemination in the analogue world and therefore replicates old power structures.

To conclude, these results provide a basis for further research into e-publishing in other small nations. Additional comparative research is needed to better understand the cultural specificities of small book markets and how to best support publishers publishing in and for those nations.

78 KLAMET, Anna. Make or Buy? A Qualitative Analysis of the Organisational Handling of Digital Innovations in the German Book Publishing Sector. *Publishing Research Quarterly*, 2017, vol. 33, p. 41–55.

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