Fixed book price for a better competition

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The book is not a product like others

Fixed book Price on p. books in:
Argentina, Austria, France since 1981, Germany, Greece, Israel, Italy, Japan, Lebanon, Mexico, the Netherlands, Norway, Portugal, Slovenia, South Korea, Spain.

Mostly laws

Discussions in Belgium, Brazil, Poland, Quebec and Turkey.
The necessity to avoid a price war

- The need to avoid the disappearance of bookshops. EX.: in PL, -300 booksellers.

- **Objective:** to create a level playing field for all retailers.

- **The French law** of 1981 as an example:
  - Price fixed by the publisher or importer
  - Discount of 5% or 9% for public authorities, schools, universities, libraries.

  - A public policy in the line of the **UNESCO Convention on Cultural Diversity.**
Preservation of one of the strongest network of booksellers in the world

- 4,500 publishers
- **2,500 independent booksellers**
  1/ 26,000 inhabitants
  = 28% of sales (56% incl. chains)
  - Equality of citizens in terms of access to books.
  - 600,000 books available, including 90,000 new books each year.

(Source: SNE stats)
“There are no books without booksellers”

- **The demand for books:**
  Huge amount of products; prototypes; impulse buying.

- **Booksellers’s fundamental role:**
  expertise and promotion

  => New authors and long-term life of back catalogue

  Thousands of titles in stock and qualified staff

  => costs

  29,500 titles/ 30K available via 300 booksellers in Quebec.

  1/ 2 of sales : 1+ yr old books; a higher market share for HSS

- **Jan-March: creation of buzz by booksellers:**
  80% of sales by booksellers
  14% by chains of booksellers
  2.8% by online retailers

- **Mid-march: amplification of the buzz already created by booksellers**
  50.5% of sales by booksellers
  34% by chains of booksellers
  9% by supermarkets and press points
  2.5% by online retailers
Diversity of sales channels: diversity of books promoted

- **Role of booksellers in the society and for town and country planning.**
  
  "If a bookseller closes, it is the heartbeat of a city that stops." Dany Lafférierè

- **Cross-subsidization => diversity**
  - For booksellers: between best-sellers and more specialized titles
  - For publishers
  - For authors
Devastating effects of discount

- **On booksellers:** fewer sales of best-sellers and to libraries
- **In the UK:** 600 towns without bookshops
  - 1/3 of booksellers since 2005; Actors with dominant positions
  - 1,000 independent booksellers = 5% of the sales
- **In the US:**
  - 1/2 of booksellers in 20 years
  - 2,000 independent booksellers = 6% of the sales
- **On publishers:** pressure
- **On authors:** difficulties for remuneration
- **On readers:** less advice
A positive measure for everyone

- **Little « best-sellerisation »**

In 2005, the top 20 best-sellers: (Source: GFK)
1.7% of the sales of books in value in F,
16% in the UK; 20% in the DVD sector in F.

- **A wider range of books sold/ read**

- **No inflation**

1998-2008: ½ the increase of the consumer price index. 11€ in average for a book.

**In the UK: prices only went down on the best-sellers;** book price rises : +50% since 1995 vs. + 28% for the cost of living.

(Source: Prof. F. Fishwick)
Fixed book Price on e-books to maintain a diverse and healthy distribution

The French law of 2011.
Consensus of the book chain and the State.
Applies to all online booksellers, including foreign ones, selling e-books published by French publishers to French consumers.
Amazon and Apple are based in Luxembourg and Google in Ireland.
Fixed book price on e-books in: Argentina, France, Germany, Greece, Israel, Norway, Slovenia, South Korea and Spain.
Free Price on e-books

- **Risk of pre-emption of nascent e-book market by Web Giants.**
- **Web-giants are not booksellers**
  Goal: to sell the best-selling offer, so as to sell other products and gain market shares.
- **Downside effects of aggressive discounts on e-books in the US**
  - 90% market share for Amazon in 2009.
  - Hachette 2014: 60% market share for Amazon in the US, 78% in the UK
- **Danger of monopolies**
  - Need to ensure a level-playing field for all retailers.
Physical booksellers’s role for discoverability in the digital era

- Increasing market share of best-sellers
  80% of the sales of e-books of RCS Libri
  = 23% of the titles in 2011 vs. 14% of titles in 2014 (Source: Marcello Vena, 2014)

- Online retailers cannot replace booksellers and their promotion work
  61% of book purchases by frequent book buyers in the US made online
  But only 7% of them had discovered that book online. (Source: Codex group 2013)

- Need for both channels of sales and promotion
The risk of censorship by actors with a dominant position

- **Strong stakes of dominant positions for access to culture**
- **Cases of censorship by Apple:**
  - French-Belgian comics with nudity
  - Danish app about hippies
- **Amazon discouraged readers to buy Hachette US and Bonnier Germany books**
  - Danger for cultural diversity
  - Matter of democracy
The need for a regulation

**Competition law is not sufficient**
- Only ex-post
- Cost of litigation
- Fear factor

- A cultural policy for a greater diversity of books bought
Thank you!