

JOHN B. THOMPSON

MERCHANTS
OF CULTURE

The Publishing Business in the
Twenty-First Century

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Praise for *Merchants of Culture*

'Merchants of Culture is an eye-opening tour of both American and British trade publishing. Veterans in the publishing world will learn a lot, and novices will feel welcome, in this behind-the-scenes examination of how book publishing works in an age of mass marketing and digitization. Thompson knows more about contemporary publishing than any other scholar and he asks just the right questions of his sources. Theoretically sophisticated but not burdened by academic apparatus, this is a landmark work.'

Michael Schudson, Columbia University

'Thompson's ground-breaking research into the world of consumer book publishing provides a fascinating insight into the high-risk culture on both sides of the Atlantic. Revealed is the world of agents and scouts, of auctions and deals, often with large sums of money paid out to authors, as publishers gamble in the hope of signing the next Harry Potter or Dan Brown. Thompson's work is of the highest quality and should be read by all those concerned about our literary culture and its future.'

Angus Phillips, Director, Oxford International Centre for
Publishing Studies

'For the uninitiated, *Merchants of Culture* provides a very perceptive, thorough and in-depth view of how trade publishing really works in the English-speaking world today. For those of us in the business or for writers who are mystified by their publisher's behavior, it offers a penetrating account of our business by a very shrewd, analytical observer. This book is the only thing I've ever read about our industry that has really got it.'

William Shinker, President and Publisher of Gotham Books
and Avery Books, Penguin Group USA

‘Thompson’s analysis of UK and US trade publishing is extraordinarily acute and insightful. It should be required reading for new entrants to the industry – but it will also illuminate many things for old publishing hands.’

Helen Fraser, Former Managing Director, Penguin Group
UK

‘This uncommonly perceptive and thorough study tells you all you need to know about the publishing industry at a time of momentous change.’

Drake McFeely, Chairman and President, W.W. Norton &
Company

‘*Merchants of Culture* is one of the most intelligent and accessible accounts of the curious business of trade book publishing I have read. Anyone interested in knowing more about how our industry works – and where it might be headed – will find this book invaluable.’

Morgan Entrekin, CEO and Publisher, Grove Atlantic

‘A must-read piece on publishing history ... The only history of publishing we’ll need.’

Richard Nash, former publisher of Soft Skull Press and
founder of Cursor

‘Excellent and fascinating study of the book business at this critical time ... Superb stuff. This is why we have academies and academics.’

West Cork Times

‘The single most impressive fact to drive home about this remarkable book is that Thompson displays a rare gift, that of presenting a world of the most heart-stopping complexity

in short, simple, inter-related steps ... a tour de force ...
this is a book to buy and use and keep on your shelf.'

Tribune Magazine

'[Thompson] draws on valuable interviews and the mass of statistics that the field itself devours in search of success. He offers a calm, relatively sanguine account of contemporary publishing, a world dominated by the \$6 million advance, the blockbuster and the buzz.'

Times Literary Supplement

'*Merchants of Culture* – in-depth, perceptive, profound – will remain the industry benchmark for years to come.'

Publishing Research Quarterly

'Professor Thompson has written a seriously good, almost monumental work, one that will quickly become required reading for seasoned practitioners and newcomers alike, whatever segment of the book trade they find themselves in or are about to commit to. It's a highly readable, absorbing account of a culturally important industry in the throes of transition.'

Logos

'Thompson is prudent in his method, generous with generalization, and sympathetic to his subject ... [his] attention to different segments of the trade offers something new for everyone.'

Journal of Scholarly Publishing

'Thompson's work, well-researched and documented ... should be required reading for anyone interested in books, publishing, and their impact on popular culture.'

Journal of Electronic Publishing

'Excellent ... a gift for those of us working to publish books that will matter to readers and to posterity, regardless of

where in the field we practice our craft.'

*The Exchange: The Newsletter of the Association of
American University Presses*

'Anyone fascinated with publishing will find no end of insight in this meticulously researched volume. I went so far as telling a friend of mine who chairs a graduate program in publishing and editing that if the students in his program aren't reading this book, they're not getting the education they've paid for. I can't recommend it highly enough. If you want to understand the publishing industry, read this book.'

Small Press Reviews

'For some time to come, this is bound to be the definitive thing to read for anyone trying to understand the infrastructure of book culture – especially as it has taken shape over the past two or three decades.'

The National

'A thorough and thoughtful analysis of publishing as a relatively self-contained world – a "field" obeying rules that are ultimately economic, but in ways refracted through maneuvers and conflicts that defy simple cost-benefit analysis. Anyone interested in publishing will want to read it.'

Inside Higher Ed

'Superbly researched and presented, *Merchants of Culture* is a seminal addition for academic library collections and essential reading for members of the publishing industry (including authors and book reviewers!) seeking to adapt to the constantly changing influences of modern technologies upon the art and economics of trade publishing.'

Midwest Book Review

‘Read this in one afternoon, was so riveted by it. One of the most intelligent and accurate discussions of the publishing world I’ve read. As an author, I think it’s so necessary to try to understand the world I work in. This book not only debunks a number of myths about publishing, but provides a real insider’s view. It is a must-read for anyone hoping to become a published writer, or who already is one.’

Jean Kwok, author of the *New York Times* bestseller *Girl in Translation*

‘As soon as I tore open the box, I had to start reading ... It’s frank, comprehensive, well-researched, with lots of interviews with people who know – and it pulls no punches. Want to know about the rise of the literary agent or why your mid-list books aren’t marketed properly or what the digital revolution means for the author in the street? Then buy this book.’

Karen Ball, author of *Starring Me as Third Donkey* and other children’s books

‘Just completed a first class degree course in trade publishing and the “making of a bestseller” – at least I feel like I have after reading *Merchants of Culture* by John B. Thompson ... From now on whenever anyone asks me how they can get published or get a job in publishing I’m going to tell them to buy this book because it is simply perfect at summing up how the whole messy business works and explaining why it very frequently doesn’t work.’

Andrew Crofts, author of *The Freelance Writer’s Handbook*

‘A must-read for anyone interested in books and the publishing industry, this is an easy-to-understand, fascinating account of the history of the publishing industry in the UK and US and a coherent explanation for the current pressures facing the main players ... A fascinating book and one that I would heartily recommend.’

Caroline Hooton, writer and blogger for *Quippe's Journal*
'By an order of magnitude, this is the best book on the economics of contemporary publishing.'

Tyler Cowen, George Mason University and blogger for *The Marginal Revolution*

'Fascinating ... a tremendous primer into the political economy of the publishing industry. Highly recommended.'

Displacement Activity

'A must-read for any writer trying to get a handle on what the future portends.'

Erik Olsen, wewantedtobewriters.com

'Anyone who is interested in our shared cultural well-being ignores the implications of [Thompson's] work at their peril.'

Ben Bennetts, *Things Unrespected*

'A compelling and necessary new book.'

Maria Popova, *Brain Pickings*

'*Merchants of Culture* is crisp and clear, and does a great job in both describing and understanding changes in this strange business ... Thompson's study is one of the most valuable studies on publishing in recent decades, and promises to be the new reference point for sociological research on the publishing industry.'

Cultural Sociology

'The richness of Thompson's analysis ... his fascinating ethnographical descriptions and ... the remarkable clarity of his demonstration ... shows the benefit that economic sociology could derive from the study of cultural industries.'

Economic Sociology

'[This] book updates the documentary record for sociologists and will rivet any wannabe author ... Even though corporations like Borders file for bankruptcy, the book will survive, and Thompson describes the conditions, some menacing but others safeguarding its always-uncertain future.'

American Journal of Sociology

'Thompson's study of book selling makes compelling and sometimes troubling reading.'

Journalism and Mass Communication Quarterly

'For anyone seeking to understand the industry, I know of no better resource. *Merchants of Culture* deserves to become an established text on publisher education courses.'

British Journal of Educational Studies

'Thompson has written a very valuable book that is likely to become the standard reference on the Anglo-American publishing industry for many years to come.'

*Mediekultur: Journal of Media and Communication
Research*

MERCHANTS OF CULTURE

THE PUBLISHING BUSINESS IN THE TWENTY-FIRST CENTURY

Second Edition

JOHN B. THOMPSON

polity

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PREFACE TO THE SECOND EDITION

Writing about a present-day industry is always going to be like shooting at a moving target: no sooner have you finished the text than your subject matter has changed – things happen, events move on and the industry you had captured at a particular point in time now looks slightly different. Immediate obsolescence is the fate that awaits every chronicler of the present. There is no remedy apart from revising and updating the text if and when the opportunity presents itself, though even then you will always remain a step behind the flow of events, freezing a world at the very moment that it slips away from you.

Thirty or forty years ago, the risks of obsolescence would not have seemed so great to someone writing about the book publishing industry: sure, the industry was changing in important ways, but the basic principles and practices that characterized the industry were not being called into question. Publishing houses were being bought up by large corporations, retail chains and literary agents were becoming more powerful and the traditional world of trade publishing was being transformed into a big business. But the book itself as a cultural object – that unique combination of print and paper, the fusing together of the written word and the material artefact – was being produced in much the same way as it had been for centuries. Today that is no longer so. As we enter the second decade of the twenty-first century the oldest of the media industries finds itself in the throes of tumultuous change, struggling to cope with the impact of a technological revolution that is stripping away some of the old certainties, undermining traditional models and opening up new possibilities in ways that are at once

exciting and disorientating. What once seemed like a quiet backwater of the media industries has suddenly become news.

In preparing the text for the paperback edition I have concentrated on ensuring that the book takes account of significant new developments and that empirical data are updated where it is important to do so. There are many contexts where data from 2008 or 2009 continue to provide a good picture of how the industry looks today, and I have therefore left the figures as they were. But there are other contexts, especially in the chapter on the digital revolution, where a more thorough updating was necessary – when you're in the midst of a revolution, two years can seem like an eternity. I returned to around 20 of my sources in London and New York and spoke with them about the changes that have taken place, partly in order to make sure that I was fully apprised of the most important developments but also in order to see how their views have altered over time as they have struggled to cope with the changes swirling around them. Once again, I am enormously grateful to these individuals – who will, as before, remain anonymous – for their time, generosity and openness. However, I have resisted the temptation to rewrite the text and revisit every actor and organization: while much has happened, the basic structures and dynamics of the world of Anglo-American trade publishing remain pretty much as I described them. Of course, we cannot rule out the possibility that these structures and dynamics will be transformed over time by the changes currently taking place: no one should ever underestimate the disruptive potential of new technologies. But at the same time we must see that the development and implementation of new technologies are always part and parcel of a broader set of social relations in which agents and organizations are bound together in relations of

cooperation, competition and sometimes conflict with one another, and where outcomes are shaped as much by structures of power as they are by the intrinsic properties of technologies as such. This book describes those structures, shows how they arose, how they shape the practices of actors in the field and how they are changing today, and it intentionally leaves open the question of how far these structures will be altered in a future that remains – and is likely to remain for some while to come – uncertain.

J.B.T., Cambridge

PREFACE TO THE FIRST EDITION

It is a matter of some puzzlement that the one sector of the creative industries about which we know very little is the sector that has been with us for the longest time – the book publishing industry. First established in the fifteenth century thanks to the celebrated inventions of a goldsmith in Mainz, the printing and publishing of books is a business that has been around for more than half a millennium, and yet we know very little about how this industry is organized today and how it is changing. Books continue to command a good deal of attention in newspapers, radio and other media; they remain a staple source of inspiration and raw material for films and other forms of popular entertainment; and writers – especially novelists, historians and scientists – are still endowed with a stature in our societies, an aura even, that is accorded to few other professions. But on the rare occasions when the publishing industry itself comes under public scrutiny, more often than not it is because another journalist is eager to announce that, with the coming of the digital age, the publishing industry as we know it is doomed. Few industries have had their death foretold more frequently than the book publishing industry, and yet somehow, miraculously, it seems to have survived them all – at least till now.

It was partly with the aim of filling this lacuna in our understanding that I set out, nearly a decade ago, to study systematically the contemporary book publishing industry. I began by working on a sector of the industry that was close to my own world as an academic – namely, the field of academic publishing, which included the university presses, the commercial academic publishers (like Taylor & Francis, Palgrave Macmillan and SAGE Publications) and

the college textbook publishers (like Pearson and McGraw-Hill). The results of that research were published in 2005 in *Books in the Digital Age*. Since then I have immersed myself in a very different world – that of general interest trade publishing, the world of bestsellers like Dan Brown’s *The Da Vinci Code* and Rhonda Byrne’s *The Secret*, of brand-name authors like Stephen King and John Grisham, of the many styles and genres of fiction and non-fiction, from commercial to literary, from misery memoir to serious history, politics and current affairs. I have studied this world in the way that an anthropologist would study the practices of a tribe inhabiting some remote island in the South Pacific, only in this case the tribe lives and works, for the most part, in a small section of an island squeezed between the Hudson and East rivers in New York and on the banks of the Thames in London. Their practices may initially strike the outside observer as strange, even at times bizarre. But the assumption underlying my work is that once we understand the structure of this world and how it has evolved over time, even the most surprising things do not seem so strange after all.

The research for this book was carried out over a period of four years, from 2005 to 2009; I am grateful to the Economic and Social Research Council (ESRC) in the UK for a generous grant (RES-000-22-1292) which supported this research and enabled me to spend extended periods of time in New York and London. During this time I carried out around 280 interviews with senior executives, publishers, editors, sales directors, marketing directors, publicists and other managers and employees in many publishing firms, from the large corporations to the small indie presses; I also interviewed many agents, authors and booksellers, including some of the central buyers from the large retail chains. I am grateful to all of these individuals for being so generous with their time – and in some cases

allowing me to interview them more than once. In a world where time is calibrated as carefully as money, I am very conscious of the fact that I was showered with temporal gifts. Their willingness to participate, their patient explanations of what they do and how they do it and their frank assessments of the challenges they face were the indispensable bases on which I have built my account of their world. For the most part, my interviewees remain anonymous; there are a few cases where I've allowed them, with their permission, to speak in their own name when I felt it would be helpful for the reader (or easy for a reader with any knowledge of the field to recognize who they were). But the fact that most of my sources remain anonymous, and that they and their companies are usually given pseudonyms, should not be allowed to obscure the magnitude of my debt.

I could not have completed this book without the generous assistance of Alanna Ivin and her assistants, who transcribed many hours of interviews with unstinting determination and professionalism. I am very grateful to Michael Schudson, Angus Phillips, William Shinker, Helen Fraser, Drake McFeely, Andrea Drugan, four anonymous readers for the ESRC and several of my interviewees – who shall also remain anonymous – who set aside the time to read an earlier draft of this text and provided me with many helpful comments. I am also grateful to Ann Bone for her skilful and meticulous copy-editing, to David Drummond for his inspired cover design and to the many people at Polity – including Gill Motley, Sue Pope, Sarah Lambert, Neil de Cort, Clare Ansell, Sarah Dodgson, Breffni O'Connor, Marianne Rutter and Colin Robinson – who steered this book through the publication process. My thanks, finally, to Mirca and Alex, who helped to create the space for this book to be written and who, in the case of

Alex, never ceased to remind me of the primordial joy of reading books.

INTRODUCTION

Imagine for a moment that you are in the office of a scout in New York. It's a sunny afternoon in November 2007; the sky is a brilliant blue and the air has the chill of late autumn. The office block is an old building, dating from the late nineteenth century; the offices have been tastefully redeveloped, with bright walls and polished wooden floors. Out of the window you can see several water tanks standing on the roofs of buildings, a common sight from upper-floor offices in this part of midtown Manhattan. A scout is a talent-spotter. She (usually they are female) generally works on a retainer for publishers in Italy, Spain, Germany, France, Scandinavia and elsewhere, looking for books that would be suitable for their clients to translate and publish in their own countries and languages. Scouts are the eyes and ears of foreign publishers in the heartlands of Anglo-American publishing. They are most commonly based in New York or London, working for publishers based in Rome, Frankfurt, Berlin, Paris, Madrid, Lisbon, Copenhagen, Stockholm, Rio, São Paulo, Tokyo and elsewhere; rarely does the direction of reporting go the other way. The scout you are talking to today – let's call her Hanne – is telling you about how she finds out about the new book projects that are out on submission to the New York houses and are likely to be published in the next year or so, and in the course of her account she mentions a proposal for a book called *The Last Lecture* by Randy Pausch. 'Who is Randy Pausch?' you ask. 'You don't know who Randy Pausch is?' she replies, a tone of mild astonishment in her voice. 'No, never heard of him. Who is he and what is the book?' And so she begins to tell you the story of Randy Pausch and *The Last Lecture*.

Randy Pausch was a professor of computer science at Carnegie Mellon University in Pittsburgh (now the story must be told in the past tense, though in 2007 Hanne used the present tense). He was a specialist on computer-human interfaces and had published numerous technical papers on aspects of programming, virtual reality and software design. But in September 2007 Pausch's career suddenly took an unusual turn. He had been invited to give a lecture at Carnegie Mellon in a series called 'The Last Lecture' – a series in which professors are asked to think about what matters most to them and sum up the wisdom they would like to pass on to their students in a single lecture, as if it were their last. By a tragic twist of fate, this was, in all likelihood, one of the last lectures that Randy Pausch would be giving: this 46-year-old father of three was dying from a terminal form of pancreatic cancer. The lecture, on the subject of 'really achieving your childhood dreams', was delivered to an audience of some 400 students and staff on 18 September 2007; the hour-long lecture was videoed so that his children could watch it when they were older. In the audience was a columnist from the *Wall Street Journal*, Jeff Zaslow, who had heard about the lecture on the grapevine and driven down from Detroit to attend. Like many who were there, Zaslow was deeply moved by the occasion, and he wrote a short article about it for his column in the *Wall Street Journal*. The article appeared on 20 September with a link to a short five-minute clip of highlights from the lecture. ABC's *Good Morning America* TV show saw the article in the *Journal* and invited Pausch on to the show the following morning. Media interest grew and Pausch was invited to appear on the *Oprah Winfrey Show* in October. In the meantime, the lecture video was posted on YouTube and millions of people watched either the short clip or the full-length version.

Shortly after the article appeared in the *Wall Street Journal*, publishers in New York began emailing Pausch to see if he would be interested in writing a book based on it. 'I found this laughable,' explained Pausch, 'since at the time the palliative chemo was not yet working, and I thought I was down to about six weeks of good health.' But after some reflection he agreed to do it, on the understanding that he would co-author the book with Jeff Zaslow and that Jeff would actually write it. Jeff contacted his agent in New York and the agency took charge of preparing a proposal and submitting it to publishers. The agency turned down a pre-emptive bid and sent out a short, 15-page proposal to numerous New York publishing houses in October. Within two weeks they had done a deal. 'So how much did it go for?' you ask Hanne. '\$6.75 million,' she replies. '\$6.75 million?! You must be joking!' 'No, seriously, it was bought by Hyperion for \$6.75 million,' she explains. 'They closed the deal a couple of weeks ago. It will be a short book, about 180 pages, and they're planning to publish it next April.' You can't quite believe what you've just heard. Why would anyone pay \$6.75 million for a book called *The Last Lecture* by a professor of computer science with no track record as a successful author? Maybe \$40,000 or \$50,000, you think, or perhaps even a modest six-figure sum if you were feeling particularly bullish. But \$6.75 million? How could a publishing company talk itself into laying down this kind of money on what would seem like a wild bet? To an outside observer this seems amazing, surprising, utterly bizarre. Even Pausch himself confessed to being astonished by the size of the advance ('the book getting a large advance-on-royalties took us both by surprise'). How can we make sense of this seemingly bizarre behaviour? To many it will seem like another example of the 'irrational exuberance' of markets, but is it really as irrational as it seems?

To answer these questions properly we will need to step back from the details of our story and make a detour. We will need to understand something about how the world of trade publishing has changed over the last 40–50 years and how it is organized today – who the key players are, what pressures they face and what resources they have at their disposal. We will also need to introduce some concepts that will help us make sense of this world, and help us to see how the actions of each key player are conditioned by the actions of others. For these players are not acting on their own: they are always acting in a particular context or what I shall call a ‘field’, in which the actions of any agent are conditioned by, and in turn condition, the actions of others.

Publishing fields

What is a field? I borrow this term from the French sociologist Pierre Bourdieu and freely adapt it for my own purposes.¹ A field is a structured space of social positions which can be occupied by agents and organizations, and in which the position of any agent or organization depends on the type and quantity of resources or ‘capital’ they have at their disposal. Any social arena – a business sector, a sphere of education, a domain of sport – can be treated as a field in which agents and organizations are linked together in relations of cooperation, competition and interdependency. Markets are an important part of some fields, but fields are always more than markets. They are made up of agents and organizations, of different kinds and quantities of power and resources, of a variety of practices and of specific forms of competition, collaboration and reward.

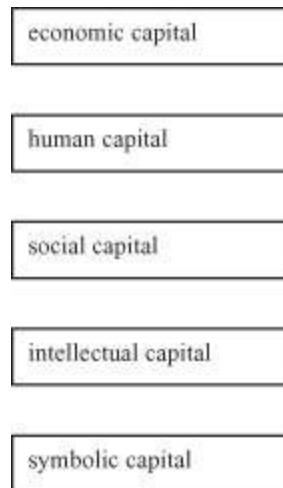
There are four reasons why the concept of field helps us to understand the world of publishing. First, it enables us to see straightaway that the world of publishing is not one

world but rather a plurality of worlds – or, as I shall say, a *plurality of fields*, each of which has its own distinctive characteristics. So there's the field of trade publishing, the field of scholarly monograph publishing, the field of higher education publishing, the field of professional publishing, the field of illustrated art book publishing and so on. Each of these fields has its own peculiar traits – you cannot generalize across them. It's like different kinds of games: there is chess, checkers, Monopoly, Risk, Cluedo and so on. To the outside observer they may all look similar – they're all board games with little pieces that move around the board. But each game has its own rules, and you can know how to play one without knowing how to play another. And publishing is often like that: people who work in the business tend to work in one particular field. They become experts in that field and may rise to senior positions of power and authority within it, but they may know nothing at all about what goes on in other fields.

The second reason why the notion of field helps is that it forces us to look beyond specific firms and organizations and makes us think, instead, in *relational* terms. The notion of field is part of a theory that is fundamentally relational in character, in the sense that it assumes that the actions of agents, firms and other organizations are oriented towards other agents and organizations and predicated on calculations about how others may or may not act in the field. Agents, firms and other organizations never exist in isolation: they are always situated in complex relations of power, competition and cooperation with other firms and organizations, and the theory of fields forces us to focus our attention on this complex space of power and interdependency. The theory constantly reminds us that the actions of any particular agent or organization are always part of larger whole, a system if you like, of which they are part but over which they do not have any overall control.

The third reason why the notion of field helps is that it calls our attention to the fact that the power of any agent or organization in the field is dependent on the kinds and quantities of resources or *capital* that it possesses. Power is not a magical property that some individual or organization possesses: it is a capacity to act and get things done that is always rooted in and dependent on the kinds and quantities of resources that the agent or organization has at its disposal.

So what kinds of resources or capital are important in publishing fields? We can see, I think, that five types of resources are particularly important in publishing fields: what I shall call 'economic capital', 'human capital', 'social capital', 'intellectual capital' and 'symbolic capital' ([figure 1](#)).² Economic capital is the accumulated financial resources, including stock and plant as well as capital reserves, to which publishers have access, either directly (in their own accounts) or indirectly (through their ability to draw on the resources of a parent company or raise finance from banks or other institutions). Human capital is the staff employed by the firm and their accumulated knowledge, skills and expertise. Social capital is the networks of contacts and relationships that an individual or organization has built up over time. Intellectual capital (or intellectual property) consists in the rights that a publisher owns or controls in intellectual content, rights that are attested to by their stock of contracts with authors and other bodies and that they are able to exploit through their publications and through the selling of subsidiary rights. Symbolic capital is the accumulated prestige and status associated with the publishing house. The position of any publishing house will vary in the social space of positions, depending on the relative quantities of these five forms of capital they possess.



[Figure 1](#) Key resources of publishing firms

It is easy to see why publishers need economic capital: as the principal risk-taker in the publishing chain, publishers must be able to draw on their financial resources (or those of financial agents and institutions to which they are linked, such as banks or parent companies) at various stages in order to finance the production and publication of books and in order to build and expand the business. Early in the publishing cycle they must be prepared to pay an advance on royalties to an author or an author's agent. At later stages publishers must invest in the production of the book, paying the bills of copy-editors, typesetters, designers, printers, etc., and tying up resources in stock which may or may not be sold, and they must invest in marketing and promoting the book. The larger the capital reserves of the publisher, the larger the advances they are able to offer in the highly competitive game of acquiring content, the more they are able to invest in marketing and promotion and the more they are able to spread the risks of publishing by investing in a larger number of projects in the hope that some will bear fruit.

It is also easy to see why publishers need human capital: like other organizations, publishing firms are only as good as their staff. A highly trained and highly motivated