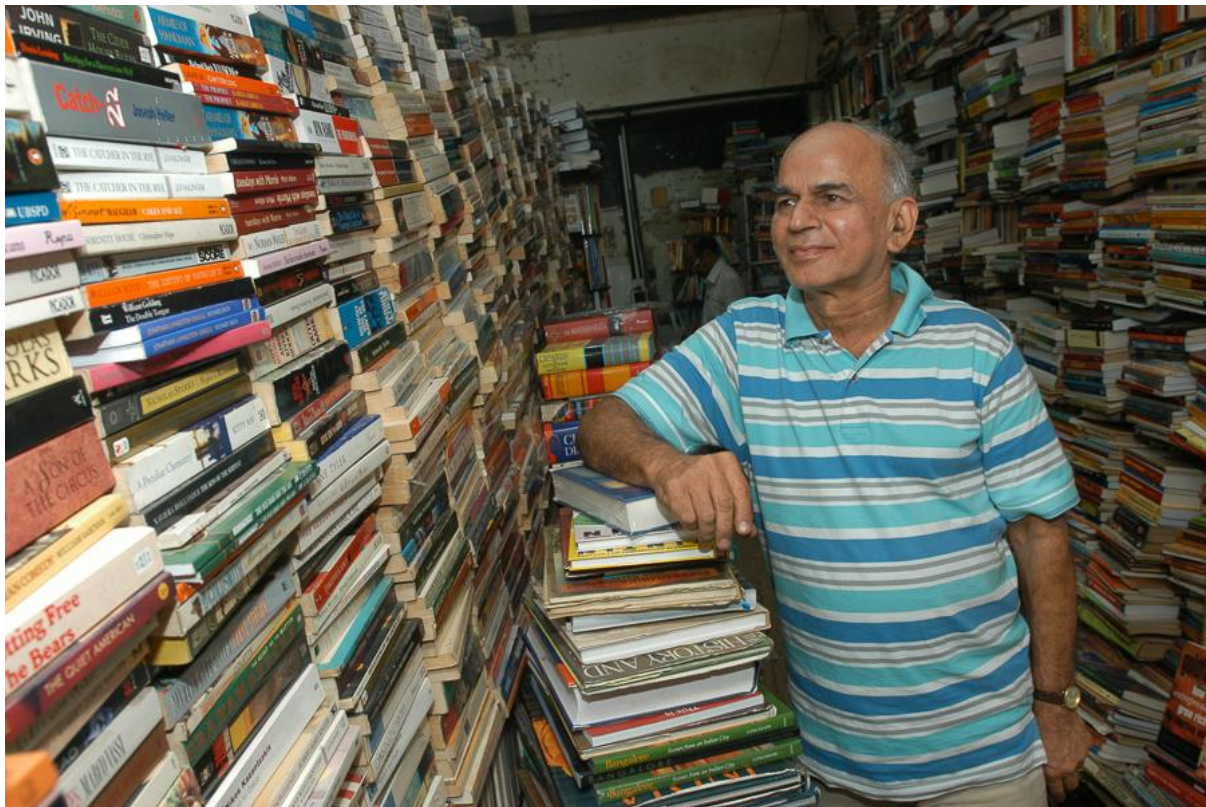


In honour of TS Shanbhag: Books to audio and e-books—the changing contours of publishing value chain

By M S Sriram | Jul 27, 2021

Audio and ebooks have changed the dynamics of the book publishing value chain—with the possibility of doing more with less or the same real estate and working capital, and giving new writers a chance to brush shoulders with bestsellers. What does that mean for booksellers like Shanbhag, and for writers, and readers?



Shanbhag, the legendary bookseller at his Premier Book Shop in Church Street in Bangalore

Image: Gireesh Gv / The India Today Group via Getty Images

TS Shanbhag of Premier Book Shop, the legendary bookseller of Bengaluru recently succumbed to Covid-19. Generations of Bengalurians grew up reading books from his shop, which was crammed, chaotic and free for all. Shanbhag would sit behind a pile of books on his table and scrawl a bill when the books were chosen. The bill would have a significant discount—voluntarily given.

Shanbhag was not talkative, but perceptive. He knew the art of providing books, without being intrusive. He provided a better bargain at the cost of his profitability. R Sriram of Crossword bookstores fame once told me why it makes no business sense to give discounts to non-discount seekers. While some customers seek discounts, most valued a curated range of books, personalised service and convenience. When they come to the counter, they would have made up their mind and discount would not change the decision. On a purchase which is impulsive and specific, discounts did not make sense from a business perspective.

RSS The legacy publishing value chain, as it stands, operates on these parameters: The retailer gets about 30 percent of the cover price as her commission; the author gets a 10 percent royalty on value realised by the publisher which translates to 7 percent of the consumer rupee. The rest of the consumer rupee is for the publisher for sourcing, editing, page-making, printing, warehousing, and logistics. The stack of the consumer rupee is disproportionately taken up by the publishing link, while the content provider gets a small pittance. Or so it appears. But, look at this from the perspective of the publisher-printer-retailer.

They are taking a bet on a writer, putting an upfront investment in the editing, designing, printing, warehousing and transportation of the books. Books occupy significant real estate and working capital. In order for a few titles to be sold, the customer needs a choice of several books that she may not purchase. The bestsellers bear the cost of dud writers.

But, the publishing trade has gradually but fundamentally changed in the past years. The changes question our assumptions about the value chain.

With audio and e-books, the concept of a book, and the concept of reading has changed. From being a physical object with its own touch, feel and smell of the glue, it has changed form. It could be listened to, consumed on the mobile, on a tablet, like the like **Kindle**. It is now possible to put material in plain HTML format behind a paywall or sell a story in the electronic form. The printing technology has also evolved. It is possible to have smaller print runs or even a solo print on demand (POD) book.

We are in a paradoxical situation: books are never in print but never out of stock! The concept of a book, the concept of publishing and the value chain has changed. But is this the end of the book? Not yet.

Purchase of books follow two distinct routes. One is a specific and targeted purchase. You know a book, and want to get it. The choice is to be exercised. Such purchases could happen even on an electronic platform. The other process is yielding oneself to the purchase of a book. That requires a stack, a spine, the aesthetics of a jacket, the endorsements and the blurb.

One flips pages, gets a feel, appreciates the font face, inhales the smell of glue. It involves browsing, a conversation with the bookstore attendant. The thrill is in discovering a new writer, a new book, a new genre, and getting excited by laying your hands on something that was not there in your life before. This is not going away in a hurry. We see so many youngsters in bookshops browsing to buy. That is the promise that held out to booksellers like Shanbhag.

Publishers like Juggernaut who are deeply into multimedia publishing are also significantly into the legacy print publishing. Chiki Sarkar, the publisher of Juggernaut tells me that both the formats feed into the other. They are able to check out new writers on the electronic format and the experience of digital has provided them greater insights into print publishing, resulting in a thriving business in both formats.

The experience of holding a book in the hand, marking it, folding the corner and dog-earing it, making notes... these pleasures cannot be adequately simulated elsewhere. While one cannot negate the possibilities of consuming audio and e-books, we are not bidding goodbye to legacy books yet and not to the bookshops either.

So, what is the role of a bookshop in this ever-changing ecosystem? How does the book trade change? Would there be **re-adjustments in the value chain** and in the relative shares of the consumer rupee? We reimagine the role of Shanbhag in current times.

With POD, there is no need for a heavy inventory of book-copies at each location. The same shelf space and real estate could be used to store more titles to browse, thereby giving consumers a greater variety. The same working capital could be spread on a wider range. The narrow range of bestsellers can be handled with de-centralised POD reorders for a quick turnaround. This enables the new and interesting writers to wrestle their way and rub their shoulders with the bestsellers.

Today, Shanbhag would make Premier a more interesting place by making it even more accessible. Now books have multiple streams of revenue with little costs (in case of audio and e-books) making publishing an attractive business. The question is would the publishers transfer a bit of the pie to the writers?

As the book trade is changing, we are looking at the tributes that are flowing in for Shanbhag, twelve years after he shut his shop. He was a brand and a destination to reckon. It is difficult to have a beer in a pub that occupies that space.

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