

Creativity at Work:

# The Field of Japanese Publishing

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# Abstract

This working paper examines the field of Japanese publishing through a single event – the Tokyo International Book Fair – and analyses the part played by the three main players in the publishing industry: publishing houses, wholesale distributors, and bookstores and other retail outlets. It argues that the mutual relationships between the three are supported by two structural factors, the consignment sales and resale price maintenance (RPM) systems, before comparing the latter with the Net Book Agreement (NBA) that operated in the UK publishing industry for almost the whole of the 20<sup>th</sup> century. In conclusion, taking into account the rise of Internet retailing and the growth of Japanese chain retail stores, it tries to look at what effect the abolition of RPM might have on the field of Japanese publishing.

# Keyword

Book fair, field configuration, magazine, Net Book Agreement, publisher, publishing industry, resale price maintenance, retailer, wholesale distributor

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## The Field of Japanese Publishing

Brian Moeran

### The Tokyo International Book Fair

One of the better ways to embark upon the study of an industry is by visiting a major event – like a film festival or art fair. For it is at such events that key industry players gather and, as it has been said (Lampel and Meyer 2008), ‘configure’ – or, if the occasional is regular, ‘reconfigure’ – the field of which they are a part. By examining who the key players are, what they do, what values they hold dear, and how and why they relate to one another in the ways that they do, one can begin to put together an analysis of the field as a whole (cf. Moeran and Strandgaard 2009).

The TIBF was initiated many years back by the Japanese Book Publishers Association (JBPA) which held a fair first in downtown Tokyo, and then out at the Mahikari exposition site, near Tokyo Disneyland, before turning to Reed Exhibitions Japan (REJ) for help since, as an industry organization, it did not have the manpower or know-how to organize a large international-scale book fair on its own. There was some negotiation between Reed and the JBPA about ownership rights (*chosakken*) of the fair, but, after a couple of years of ‘uncertainty’, it has been co-organized by REJ and the Executive Committee of the TIBF since 1993, and held at the Tokyo Big Sight, an enormous convention centre on a landfill in Tokyo Bay, since 1997.

That the TIBF is a field configuring even can be seen in the composition of its Executive Committee, which consists of all the publishing field’s representative bodies: the Japan Book Publishers Association (*Nihon Shoseki Shuppan Kyōkai*), the Japan Magazine Publishers Association (*Nihon Zasshi Kyōkai*), the Japan Publication Wholesalers Association (*Nihon Shuppan Toritsugi Kyōkai*), the Japan Booksellers Federation (*Nihon Shoten Shōgyō Kumiai Rengōkai*), the Council for the Promotion of Book Reading, the Publishers Association for Cultural Exchange (*Shuppan Bunka Kokusai Kōryūkai*), and the Japan Book Importers Association (JBPA 2008: 22).

Fairs of all kinds communicate with one another. From at least medieval times, they have been organized to make the circulation of people and goods easier (Braudel 1992: 92). That books fairs are no exception to this general rule, and that they form an integrated international hierarchy, in which some fairs are deemed to be more important than others, can be seen in the past and present timing of the TIBF. Now held in early July every year (in 2009, four days from July 9<sup>th</sup> to 12<sup>th</sup>), the dates of the TIBF have come about very much as a result of the timing of other, previously established (and more important) fairs in other parts of the world. Early on, when the TIBF started, the London Book Fair (LBF)

was being held in September, just before the Frankfurt Book Fair (FBF). These two fairs, together with Bologna and Book Expo America (BEA), were the main competitors to the TIBF in that the latter's potential customers went to London, Frankfurt and Miami (with children's book publishers flocking to Bologna) rather than to Tokyo. To counteract this, the fair's organizers moved the TIBF first to February, and then to April, when it came just after the LBF, which was then being held in March. However, when the LBF failed to make a move to a larger venue (in the Docklands) and was obliged from 2005 to stay in Earls Court, but shift its dates from March to April because of a potential clash with another long-established industry trade fair (cf. Moeran 2010: 146), the organizers of the TIBF had once again to change *their* date to its present timing. The current July date for the TIBF is deemed to be acceptable by participants, in that it comes after the spring fairs in Europe and nicely before – but does not interfere with – the Beijing Book Fair (BBF) in September (with the Chinese market being so enormous that the BBF outguns all other Asian book fairs in importance for Western publishers and distributors) and the FBF in the second week of October.

In 2007, 749 exhibitors from 30 different countries and regions participated in the TIBF. Of these 572 were Japanese, and 177 foreign, exhibitors, whose stands were visited by something like 56,000 people during the four days of the event. By 2009, the number of both exhibitors (776) and visitors (64,844) had increased significantly enough for REJ to proclaim that the TIBF was 'Asia's leading publishing fair' and 'your expressway to expand your business in Japan and throughout Asia' (<http://www.tibf.jp/>). While such figures pale in comparison with the grandfather of book fairs, the Frankfurt Book Fair, which hosts more than 290,000 (181,000 of them trade) visitors over five days, the TIBF clearly tries to find a niche market for itself by focusing on the Asia Pacific region.

This explains REJ's clearly articulated, long-term aim for the TIBF: to gather *Asian* publishers in one place for both Asian and Western markets. As a general rule, what sells in Japan is quickly noted in Korea and Taiwan, whose publishing houses come to buy translation rights. For Japanese publishers this is profitable, in that one Japanese title sold in either of these countries is worth ten titles sold at a much lower price in the PRC (whose market will not bear Japanese prices yet). Moreover, the Chinese Government still exercises censorship so that there are 'contents restrictions' when it comes to translations by publishers in the PRC. This restricts opportunities for deals conducted at the Beijing Book Fair and helps the TIBF.<sup>1</sup>

Still, it has become clear over the years that the TIBF will not – and does not – attract international trade visitors, other than from neighbouring Asian countries like Korea and Taiwan (which, unlike the PRC in 2009, sent its embassy representatives to the TIBF Opening Ceremony – as did, of course, the selected international exhibitor, Egypt, along with Iran and Turkey). To make sure that key players *do* come, REJ and the JBPA provide free flights and accommodation for between 40 and 50 Asian buyers from Korea, Singapore,

<sup>1</sup> Interview with Hiromi Morikawa, Foreign Rights, Iwanami Shoten, Publishers, 9 July 2009.

Taiwan, Australia and the PRC. Japanese publishing companies pay the costs for participants' travel and REJ those for their accommodation.<sup>2</sup>

In spite of such examples of foreign participation, the TIBF has become very much a *readers' fair* and now almost all publishers and the occasional foreign-language book distributor use the fair to offer books at discounted prices (up to 20%).<sup>3</sup> In one corner of the hall there is a random array of English language books on sale: Cherie Blair's *Speaking for Myself* next to *A Short History of English Literature*, Pontryagin's *Selected Works Volume 2*, *SPIRI Yearbook 2001*, and *Minds, Brains & Science*. The distributor concerned advised me that there was almost nothing in the TIBF for a foreign book distributor such as himself, because foreign publishers never attended the fair, unless they happened to be part of that year's guest country. So participation was basically a waste of time; but he went to be seen by Japanese publishers since he was currently serving as a member of the TIBF Executive Committee.<sup>4</sup>

Exhibitors' aims are to sell to bookstores (and one could see buyers wandering around the fair with their vermilion name tags – distinguishable from exhibitors (white), corporate or government users (brown), computer & IT (pinkish red), *hōjin* users (purple), educators (dark blue), distributors (light blue), publishers (green), reading public (light brown) and VIPs (red and gold). But publishers also sell rights, although this business is generally conducted away from the fair in the publishing house's offices, as well as to the general public. They also take orders from Japanese libraries and bookstores, and the latter tend to see the TIBF as an opportunity to replenish their stock while getting an overview of new publishing trends. Generally speaking, therefore, the TIBF is a 'booksellers' fair – unlike, say, the FBF which is very much a 'rights buyers' fair.

Although, officially (what one informant refers to as '*tatema* to *shite*'), the general public is not allowed into the TIBF until the third and fourth days of the fair (Saturday and Sunday), in practice many ordinary non-trade personnel are present from the very first morning. They are able to do this because the organizers of the TIBF send out invitation tickets almost at will.<sup>5</sup> All a would-be

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<sup>2</sup> There are exceptions, of course. Both Finland and Denmark have had stands at the TIBF over the past two years. The latter is run by the Danish Arts Agency, which in 2009 sent a prize-winning illustrator to the fair in order to attract the attention of the public. Its two representatives reckon that it needs to participate in the TIBF for at least three years before it begins to realize real returns. They make their own selection of books and act as independent representatives for authors and their publishers, meeting with whoever is interested in obtaining translation rights (with an interpreter brought in as necessary, since neither of the two Danes speaks Japanese; nor have they any knowledge of the country's publishing industry). Seven meetings over the first two and a half days are sufficient to make them feel that attendance at the fair is worthwhile. "We're happy," they smile.

<sup>3</sup> The fact that the TIBF is a readers' fair can be seen in the inclusion of the Council for the Promotion of Book Reading in the TIBF's Executive Committee.

<sup>4</sup> Interview with Mark Gresham, President, United Publishers Services Limited, Tokyo, 10 July 2009.

<sup>5</sup> As they did to me in Denmark, where I received two invitation tickets and was offered more if I wanted them.

visitor has to do is file his or her name card with the registration desk and then s/he allowed access to the two halls in the west wing of Tokyo Big Sight. Again, this differs from 'strictly trade' trade fairs like the FBF and LBF where there is strict regulation of who does, and who does not, earn the privilege of participation.

It would seem that, for most publishers, sales generated at the TIBF about equal costs involved in renting and decorating their stands.<sup>6</sup> This more or less meets the aim of the fair's organizers, one of whose representatives said that exhibitors needed to cover their expenses through sales to the public and to booksellers, rather than through selling rights as in London or Frankfurt. However, once book production costs, overtime, and weekend employment rates are factored in, the TIBF cannot begin to be a financial incentive to exhibitors... other than for them to become a 'name' to readers. Even REJ has no idea how much business the fair generates, since it is only sent selective information by a handful of publishers (information that is then printed in the TIBF Catalogue).

Given that the TIBF is primarily for the general public, exhibitors do not need to compete for floor space or positioning at the fair, as they do at the LBF and FBF. Stands are allocated on a first-come first-served basis, although an exhibitor is never promised a particular spot when it makes its order (usually during the week of the preceding TIBF). All REJ does is take account of the publisher's preference, before making the final plan about three months before the fair is due to take place. In so doing, it considers a number of criteria: first, how big the publishing company is; second, how early it booked a stand; third, how big the requested stand is; and fourth, the number of times it has exhibited in previous years.<sup>7</sup> It seems that REJ never gets any complaints about the choice of location for each of the Japanese exhibitors. Foreign exhibitors, however, are an occasional exception. In 2009, for example, Macaw Books insisted on being separate from the Xact Group in the Foreign Books section.<sup>8</sup>

More than 60% of exhibitors make use of REJ's rental display package; the others use their own. But the latter make no special attempt to stick out from neighbouring stands and thus do not use rental displays as a means to assert status (as they do, for example, in London [cf. Moeran 2010: 147]). The result is that the visual side of the TIBF remains fairly uniform, although one or two larger companies – like Kōdansha – will change their stand décor every year to fit whatever theme it happens to be promoting (children's books in 2009).

The fact that exhibiting companies intermingle quite happily (with personnel drinking together after hours),<sup>9</sup> suggests that the publishing industry is quite

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<sup>6</sup> Interview with Shōji Hirai, Executive Intelligent Editor, Chikuma Shobō, 15 July 2009.

<sup>7</sup> This more or less exactly follows the principles laid out by Emma Lowe, of Reed Exhibitions, in her handling of stand organization at the London Book Fair (Moeran 2010: 147-8).

<sup>8</sup> Interview with Eiko Han, Reed Exhibitions Japan Ltd, 10 July 2009.

<sup>9</sup> I myself met the presidents of Misuzu Shobo in the company of Bungei Shunju, Miraisha with Kinokuniya, and so on, during my daily visits to the TIBF.

homogenous and conservative. The Director of Tokyo University Press, summarized the TIBF as being ‘a goodwill, not a trade’ fair, and others whom I met during the day repeated that they were present ‘to keep others company’ (*tsukiai de*).<sup>10</sup> The Director of the Tokyo Denki University Press, who led me around the fair halls for almost two hours after our interview, introducing me to numerous heads of publishing houses, editors, press journalists and publishing association personnel, said in answer to one of my questions about competitiveness: “Japanese publishers are on comparatively good terms with one another” (*wariai ni naka ga ii*) – something that is made possible by the fact that only about 30 of the country’s 4,100 publishing houses put out more than 100 titles a year, and the rest a handful. Publishers have for the most part carved out a niche for themselves, so that there is little direct rivalry.<sup>11</sup> This, together with the fact that publishers are not at the TIBF to sell to trade customers but to the public, enables them to engage in a lot of mutual greetings and social exchanges – in particular on the first day of the fair. Although one comes across this at other book fairs, it is to a lesser degree and more often among smaller independent publishers than among larger companies. In particular, at the TIBF one does not come across the kind of standoffishness that occasionally surfaces among two or three of the largest British publishers who refuse to have stands next to each other (cf. Moeran 2010: 147).

In some respects, then, such exchanges allow the TIBF to be classified as a ‘ritual tournament’ (Anand and Watson 2004) – but only in some respects and not in others. For example, as we have seen, stand visibility is not an issue among exhibitors, as it is at the FBF and LBF, although the Tokyo Big Sight accords with the general practice whereby fairs enable the coming together of heterogeneous strangers who create their own world set apart spatially and from calendar time (Skov 2007: 772-6). But there are none of the publisher stand parties that characterize the major book fairs, presumably because publishing houses don’t need to show off and compete for attention and thereby realize their relative position in the field. In other words, Skov’s ‘condition of comparability’ (2007: 769) does not appear to operate at the TIBF.

Instead, the ‘carnival’ atmosphere of the fair is directed at the visiting public (cf. Braudel 1992: 85). This is not to say that the TIBF is devoted *wholly* to satisfying reader interest in books and magazines. Trade-oriented lectures and panel discussions are also held during the course of the fair, and one in particular – held on the Saturday morning of the four day fair – attracted considerable attention – with between 900 and 1,000 people attending.<sup>12</sup> For the most part,

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<sup>10</sup> Interview with Masami Yamaguchi, Managing Director, University of Tokyo Press, 9 July 2009.

<sup>11</sup> A lot of academic publications are subsidized by universities, so that a publisher takes no direct risk in publishing, mainly unsellable, scholarly work. Interview with Yashio Uemura, Director, Tokyo Denki University Press, 9 July 2009.

<sup>12</sup> It was at this ‘specialist seminar’ that leading figures in the publishing, distribution and retailing sectors of the industry discussed issues of current concern. In 2009, the panel was asked to address two general questions: the first the effect of the current poor showing of magazines on the publishing industry as a whole; and the second the issue of returns,

however, exhibitor focus is on how best to attract visitor attention, by means of gaudy displays, freebies, PowerPoint lectures, balloons, scantily clad young women in the aisles, and so on.<sup>13</sup> Unlike other book fairs such as Frankfurt, London and Bologna, therefore, which bring together different constituents in the book *trade*, and so reconfigure international, and their respective national, publishing fields through the sale of rights, the TIBF reconfigures the field of Japanese publishing by focusing on its reader *consumers*. This suggests that within every industry field, there is a sliding category of trade events that (re)configure the relevant field in different, but complementary, ways. Some of these events – which include auctions, competitions and awards (Moeran and Strandgaard forthcoming) – are more like ‘tournaments of values’ (Appadurai 1986; Moeran 1993, 2010). Others may for the most part eschew ritual exchanges in their focus on (re)configuration of the relevant field.

### The Field of Japanese Publishing

The Japanese publishing industry, like publishing industries in general, is made up of a number of relatively discrete sectors – in particular, books, on the one hand, and magazines and comics, on the other. Each of these tends to develop its own ‘culture’, effectively limiting crossovers of personnel between – say – book and comic, book and magazine, or magazine and newspaper, publishing. Regardless of sector, however, certain key activities in the publishing business are regarded as core activities, of which publishing companies remain largely in control. These include product development, editorial strategy, content creation, brand identity and management, and marketing. These tend to be managed in different ways in different sectors of the industry (Rightscom 2005: 16).

The market for publications in Japanese is mature, and has exhibited what is euphemistically referred to as ‘minus growth’ during the past dozen years. In 2006, more than 80,000 new titles were published in Japan (the equivalent of 220 books a day) at an average price of ¥1,125, and some 780,000 titles were in print (JBPA 2008: 9) (See Figure 1 and 2 below).<sup>14</sup> These include approximately 3,600 magazines, whose number has also been on a slight increase over the past decade. Comic books and magazines (referred to by the generic term, *manga*) have a 22% share of the publications market (JF/PACE 2009: 11).

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particularly in trade books. What was the best business system to adopt? A fixed, or a recommended, retail price system? To this participant, the hall set aside for the ‘specialist seminar’ seemed at first sight to be ridiculously large: 40 seats across and 25 rows in depth. But by the time the seminar started – on time, of course – at least 900 people had arrived, and more continued to do so as the event got under way.

<sup>13</sup> Providers, in particular, tended to try to attract the attention of passers-by by stationing young women in glitter silver tops, hot pants and thigh-high boots outside their stands, where they handed out Japanese-style fans with exhibitors’ names emblazoned on them.

<sup>14</sup> In the UK, by comparison, 112,627 new titles were published in 1996, when the Net Book Agreement came to an end (see below), and in 2009, 133,224 new books (BA 2010).

**Figure 1: Selected Publishing Industry Statistics for Japan and selected EU countries**

2002	Titles per million population	Titles per million population	in Book sales per capita (€)
Denmark	499	9,348	46
France	496	7,560	44
Germany	242	11,680	112
Italy	597	7,528	61
<b>Japan (2007)</b>	<b>605</b>	<b>6,024</b>	<b>58</b>
Spain	758	6,208	66
Sweden	406	N/A	52
UK	1,404	18,827	91

**Source:** *The EU Publishing Industry: An Assessment of Competitiveness*, European Commission, 2003; *Publishing Market Watch: Final Report*, Rightscom/EU Commission 2005.

**Figure 2: Book and Magazine Publishing Statistics 1971-2006**

Date	No of Titles published	No of books published (m)	Total Book Sales (¥m)
1971	20,158	520.00	233,017.20
1976	23,464	857.84	533,566.01
1981	29,362	1,090.25	690,883.58
1986	37,016	1,304.67	715,715.86
1991	42,345	1,400.78	926,363.88
1996	60,462	1,544.21	1,099,601.05
2001	71,073	1,385.78	1,003,174.46
2006	80,618	1,436.03	1,009,450.11

**Source:** *Nihon Zasshi Kyōkai* (2007: 34)

Although there has been a constant annual *increase* in the publication of *titles*, what these figures mask is an annual *decrease* in book and magazine *sales* over the past dozen or so years (cf. Nakamachi 2008: 56). In 1997, for example, publishing sales peaked at just over 1.57 billion books and 5.22 billion magazines. The latter generated a turnover of about ¥1.57 trillion – almost 50% more than that of books at ¥1.1 trillion. By 2006, magazine sales had fallen more than 21% to 4.115 billion copies (¥1.25 trillion), and books just over 8% to 1.43 billion copies (¥1.01 trillion) (*Nihon Zasshi Kyōkai* 2007: 34).<sup>15</sup> Since 2003, the market has been sustained by high-priced blockbuster titles (such as the *Harry Potter* series), with seven of the top bestselling books passing the one million

<sup>15</sup> Different publications (e.g. Hoshino 2009, JBPA 2008) cite different statistics. For better or for worse, I have gone for the Japan Magazine Publishers Association statistics because they are more detailed and cover a broader time span than the others.

mark in 2008.<sup>16</sup> In other words, a decrease in unit sales has given rise to an increase in title outputs. This in itself has led to a decrease in a title's stock life, and thus book's lifecycle, because there has been no corresponding increase in retail space allocated to the sale of books and magazines (Satō 2005: 48; Kuwano 2009: 18). The forecast is that both magazine and book sales will continue to decline in the coming years.<sup>17</sup>

### *Publishers*

There are approximately 4,100 publishing companies in Japan, of which about 75% (3,126 to be exact) (JF/PACE 2009: 6) are located in Tokyo. More than half of Japan's publishing houses are small-scale operations employing fewer than ten persons. Only 42 companies have more than 1,001 employees. Approximately 500 publishing houses account for 68%, and the three largest – Shōgakkan, Kōdansha and Shūeisha – fifteen percent, of the total market. Kōdansha alone publishes approximately 2,700 new titles a year. Publishers make use of what is known as a Resale Price Maintenance System (RPMS), which enables readers to buy books and magazines for the same fixed price anywhere in Japan (see below).<sup>18</sup>

Almost all of Japan's large publishing houses are privately managed, independent, and not listed on the international Tokyo Stock Exchange. This has repercussions in terms of the kinds of mergers and acquisitions that have taken, and continue to take, place in publishing industries in Europe and the United States: the independence of Japanese publishers makes the concept of *Japanese* publishing meaningful – a point to which we will later return. This is no longer the case in the United Kingdom, for instance, where most of the books published every year are put out by multinational conglomerates 'which have no real "national" identity in the conventional sense' (Feather 2006: 228). Most of the oldest and largest publishing houses were founded on magazine publishing, and only moved into book publication after having established themselves in the former. As a result, almost all large and medium-sized publishers now publish both books and magazines, and it is from the latter that they have customarily made a profit (assisted by high advertising income in the magazine sector). Japanese informants thus tended to make a fundamental

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<sup>16</sup> The British book market has also experienced what is commonly referred to as 'the *Harry Potter* effect', with each new title from J.K. Rowling accounting for approximately 4% of the total annual turnover of books in the UK. The last four *Harry Potter* books have been the only ones that booksellers have not had the right to return. All seven volumes in the series have sold 23.6 million copies in Japan (JF/PACE 2009: 10).

<sup>17</sup> Three contributing factors are the growth of second hand bookstores, including the Book Off chain stores (with more than 1,000 outlets by 2008); the popularity of rental book stores; and the emergence of 'comic cafés' (*manga kissa*) where customers can read comic books, use the Internet, and help themselves to drinks for a fixed hourly payment. All of these have repercussions in terms of copyright law (Kuwano 2009: 22-31).

<sup>18</sup> This partly explains the popularity of the TIBF with consumers who have a unique opportunity to buy books at discounted prices.

distinction between ‘book’ publishers, and ‘magazine’ publishers who also publish books (especially, these days, ‘mobile phone’ [*keitai*] books).<sup>19</sup>

The reliance on magazine publishing by publishing houses like Shūeisha, Chūō Kōronsha and other big names in the industry, has so far made financial sense in that magazines have provided publishers with a ready supply of up-front cash with which to finance book publication (which is often in the red). Overheads also tend to be lower (as we know from the publication of journals in the academic field in UK and US publishing [Page, Campbell and Meadows 1997: 2]). Magazine rights are also comparatively easy to sell,<sup>20</sup> so that Japanese magazines are now being published in Korea, Taiwan, Hong Kong, and the PRC, and *manga* all over the world. Indeed, *manga* are said to have constituted 30% of the total annual revenue of, and incalculable profits for, such companies as Kōdansha, Shūeisha and Shōgakkān. The fall-off in sales over the past decade because of lack of consumer interest has, therefore, major financial repercussions for such publishing houses – in particular with regard to book publishing (cf. Nakamachi 2008: 53).<sup>21</sup>

#### *Distributors*

The early development of magazine publishing in Japan meant two things: that a nation-wide distribution system was in place by the end of the 19<sup>th</sup> century; and that, when they began to publish and distribute books, publishers were later able to leapfrog onto the distribution networks already established for magazines, rather than distribute books along separate channels. As a result, wholesale distributors have occupied, and still occupy, a very strong position in the Japanese publishing industry.

Today’s wholesalers came into being when the distribution departments of old publishing houses established themselves as independent organizations in order to distribute magazines nationwide (JBPA 2008: 15). In the 1930s, four big wholesalers emerged. These were then amalgamated by the Japanese Government during the Pacific war into a single company: Nihon Shuppan Haikyū, better known as Nippan. Although ordered to disband following the Anti-Monopoly Law of 1948, Nippan merely effected a reshuffling of its constituent companies, which continued business under the same name with the same personnel and distribution networks. Thanks to capital investment by a number of large publishing houses, Nippan and its main competitor, Tōhan,

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<sup>19</sup> Starting from January 2002, the 80 million owners of mobile phones in Japan were offered the opportunity to read books of various kinds for just ¥210 a month. This led to the release of new fiction – in particular, fiction aimed at teenage girls – as mobile phone contents first, and only later as books, which then became instant best-sellers. Major comic publishers have piggy-backed onto this trend and started to release *manga* in mobile phone format. The turnover of mobile phone books in 2006 was ¥11.2 billion, constituting 61% of all e-book turnover in Japan that year (JBPA 2008: 31).

<sup>20</sup> The standard rights sale is calculated at royalty percentage times retail price times print run (Shōji Hirai, Chikuma Shobō).

<sup>21</sup> One informant attributed declining consumer interest to the dearth of good *manga* writers (Yoshiaki Kiyota, *Shuppan News*).

have been able to continue their former wholesaling practices up to the present day. By cleverly combining the two functions of book distribution to retail outlet, on the one hand, and the collection and distribution of sales turnover (minus bookstores' and their own margins), wholesale distributors have effectively blocked alternative methods of distribution (Nakamachi 2008: 54-5). Currently, there are 60 to 70 wholesale distributors, which distribute a little over 98% of all material published in Japan. Of these, 31 handle 80% of all publications, while two distributors in particular – Nippan (Nihon Shuppan Hanbai) and Tōhan – dominate the publishing scene with a 70% share of the distribution market.<sup>22</sup> Together, these wholesale distributors act as intermediaries between publishers and bookstores, and take a percentage (ideally 8%) of the fixed retail price. Publishers consign books and magazines to distributors who then deliver consignments to retail outlets throughout the country on a sale or return policy. The average rate of returns for trade books has now surpassed 40%, which means that a large number of books are being transported back and forth across the country between publishers and bookstores via distributors.<sup>23</sup>

#### *Booksellers*

There are approximately 17,600 bookstores in the country, of which only about 6,000 are members of the Japan Booksellers Federation. This comparatively high overall figure<sup>24</sup> is, to some extent at least, attributable to the sale or return policy (*itaku hanbai* in Japanese, translated as consignment sales). Given that unsold stock can be returned at no cost to the bookstore, bookselling can be seen to some extent as an attractive, no risk business. However, the number of bookstores has fallen from 23,000 in recent years and is still falling (at an average of 800 stores a year [Hoshino 2008: 9]) – giving considerable cause for worry among those in the publishing business.

There are at least five factors contributing to this trend. One is that bookstores used to make a large part of their profits from selling weekly and monthly magazines. 75% of the sales of small-, and 70% of those of medium-sized, bookstores derive from the sale of magazines and comics (cf. Hoshino 2008: 7).

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<sup>22</sup> Both Nippan and Tōhan own shares (from 2.2-5.8%) in publishing houses like Kōdansha, Shōgakkan and Bungei Shunju (Nakamachi 2008: 55).

<sup>23</sup> Mark Gresham, UPS. Although the figure of 40% (actually 40.1%) was much quoted by informants, as well as by those speaking at the TIBF's 'specialist seminar', it refers only to trade, and not to specialist, returns. For the latter, which includes academic publications, 15% is the norm. For magazines, it was 36.5% in 2008 (JF/PACE 2009: 16). In the UK, returns have been fairly steady at 12.2-12.3% since 2006, with a low of 10.8% in 2002 (BA 2010).

<sup>24</sup> In the United States, for example, before the rise of the retail chain superstores from the early 1990s, there were 5,400 independent booksellers in business. By the end of the decade, their number had fallen to about 3,200 (Schiffrin 2000: 125). It would appear that there are two models in publishing industries around the world: one favours many bookstores and not so many publishers (for example, Spain which has 1,272 publishers and 2,300 bookstores); the other more publishers than bookstores (like Germany which has 14,602 of the former and 7,394 of the latter) (BA 2010).

The rest come from the sale of textbooks and bestsellers. The fact that there has been a major decline (over 22%) in magazine and comic book sales over the past few years – together with a decision by public lending libraries to stock more magazines (Hoshino 2008: 9) – means that bookstores' turnover and profits have also dropped.<sup>25</sup> One well-placed informant suggested that even though, nominally, bookstores take a margin of 22% on every publication sold, their net profit now was probably no more than ¥20 in every ¥1000 sold (i.e. 2%).<sup>26</sup>

A second reason for the precipitous decline of independent bookstores is the rise of large national chain stores. Of the 12,000 bookstores in business in Japan, only thirteen have sales of more than ¥2,000 million each. Of these, four big chain stores – Kinokuniya, Maruzen, Yūrindō, and Bunkyo-dō – account for almost half of all retail sales. In terms of location, floor space, range and depth of inventory, customer service and amenities, therefore, Japan's numerous small 'mom and pop' independent booksellers cannot compete (cf. Thompson 2005: 66). Their rapid closing down is encouraged by a third factor: the rise of hybrid stores – like convenience stores and computer outlets – which also stock (specialist) books and magazines. In addition, fourthly, book selling no longer has the cultural cache that it used to have; independent bookstore owners' children do not want to take over the business, in the way that they themselves did from their parents in the past.

Lastly, their position has been made even weaker by the rise of Internet selling. During the first decade of the new millennium there was explosive growth in online bookstores, which made their databases, covering more than 780,000 Japanese titles in print, publicly available on the Internet. They have delivered orders through a national door-to-door delivery service (known as *takkyūbin*), or arranged for customers to pick up their orders at their local convenience stores. While such online facilities have been made available by big Japanese chain stores like Maruzen, Kinokuniya Sanseidō, Yaesu Book Centre, Junkudō, and Bunkyo-dō, competition began in earnest with the establishment of Amazon.com in Japan in 1992. Amazon Japan quickly stood out for the superiority of its computer system and high level of service, and now accounts for over ten% of all retail book sales in Japan (cf. JBPA 2008: 10-11) – equalling or even exceeding, it is said, the ¥12,000 million turnover of Japan's largest retailer, Kinokuniya.<sup>27</sup>

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<sup>25</sup> Two factors in particular are cited as reasons for this decline: a marked decrease in the number of Japanese children under the age of fifteen years; and young people's move away from the written word (cf. Kuwano 2009: 21). However, these reasons would appear to be contradicted by the big boom in e-books (*denshi shoseki*) during the past few years (cf. Kuwano 2009: 20).

<sup>26</sup> Yashio Uemura, Tokyo Denki University Press. This was seen as unfortunate because bookstores in many ways have served a cultural role as substitutes for public libraries in Japan. However, we should note the increase in public libraries over the past ten years. This has probably had its own effect on the closing down of local bookstores.

<sup>27</sup> According to one well-placed Japanese informant, Kinokuniya sells about 10% of all titles put out by the two giants, Kōdansha (¥3,000 million) and Shōgakkān (¥2,000 million). Probably only 2% of Amazon's customers use the Internet retailer exclusively. All others buy books through other sources.

Online bookstores have influenced the field of Japanese publishing in two substantial major ways. Firstly, they have made available a huge range of titles that enables customers to order books that are no longer in stock in even the largest chain stores. This is advantageous to publishers' backlist title sales and specialist books. And secondly, by introducing a significant change in retailing practices, they are exerting pressure on the current distribution system.<sup>28</sup> In other words, online stores are likely to effect structural change in the configuration of the publishing field in Japan, as they have done and continue to do elsewhere (cf. Thompson 2005: 71-74).

### *Summary*

It can be seen from this description that the Japanese publishing industry is characterized by a tripartite structure, consisting of what in Japanese are known as 'production' (or *maker*, i.e. publishers), 'distribution' (*ryūtsū*, i.e. wholesalers) and 'retail' (*kouri*, i.e. bookstores) (cf. Hoshino 2008: 6). Each of these to some extent colludes, cooperates and enters into conflicts with the others – as one has learned to expect from the analysis of various fields of cultural production (Bourdieu 1993). For example, small publishers help large retailers survive by supplying them with specialist books that only they have the space to stock. At the same time, the big publishers help the small retailers by supplying them with the magazines, comics and best-selling paperbacks that constitute a very large share of their sales. Distributors supply small bookstores with books that they do not order or necessarily want, and do not supply them with potential best sellers that they want. Publishers rarely seek pre-orders from booksellers. Instead, they push unwanted books onto distributors, who then pass them onto bookstores, which then return them to the publishers via distributors in what is a waste of environmental resources, energy, and manpower. Informants are adamant that the big publishers, big distributors and big retailers are in control of the publishing business, and that smaller firms in all three sectors are discriminated against.

In many ways, the tripartite structure of the publish industry resembles that of the advertising industry in Japan, in which similar divide-and-rule relationships are enacted between agencies, media, and advertising clients (Moeran 1996). Distributors and advertising agencies collect monies owed by retail outlets and clients and pass them back to publishers and media respectively, while taking their margins en route. In both advertising and publishing, it is the way in which money is circulated among the different key players that underpins their mutual interdependence. In the publishing world, this interdependence is formally recognized in two 'pillars' of book and magazine distribution: the consignment sales (*itaku hanbai*) and resale price

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<sup>28</sup> Japan's third largest wholesale distributor, Ōsakaya, has seen its turnover and market share increase over the decade as a result of an exclusive deal to supply Amazon Japan from 2000. By comparison, the country's fifth largest wholesaler Taiyōsha, which had built its strength on the distribution of magazines and comics, became less and less profitable and fell into the red in 2004 (Hoshino 2008: 13-15).

maintenance (*saihanbai kakaku iji seido*, abbreviated to *saihan seido*, or RPM) systems.

### **Distribution and Sales**

Let us start by looking at consignment sales. Japanese publishers do not actively solicit preorders for books from wholesalers and/or retailers. Instead, they determine print runs according to 'gut instinct' and what they think the market can bear. They then deliver new books to wholesalers who automatically distribute them to bookstores, which may or may not have an interest in the titles in question. Bookstores can return unsold magazines after 45 days, and books after three and a half months (105 days), although there are variations.<sup>29</sup>

It is the wholesale distributors who, together with publishers, fix retail prices; they who distribute books to booksellers (who, as we have seen, do not pre-order); and they who collect money from the proceeds of retail sales. Something like 80% of a retail sale made by a bookseller is passed back to the distributor approximately six months following that sale. The latter can then decide how quickly to pass on the money (minus his cut) to the publisher of the book sold. Generally, only half the owed sum is passed back at once and the remaining half about six months after that. So we can see that there is a kind of self-perpetuating system at work: magazine publishing needs a strong and efficient distribution network to ensure that the weekly or monthly product goes on sale promptly all round the country. The distributor thus takes on great importance, since no publishing house is able to finance and manage its own distribution system. Moreover, because it is the distributor who collects, but does not immediately pass on, money owed the publisher, the latter is in a difficult financial position and thus resorts to the publication of magazines in order to finance the sale of books.

Theoretically speaking, a publisher would need to print at least 12,000 copies of a new title in order to supply every bookstore in the country with a single copy. Most books, however, do not enjoy print runs over 10,000 copies. The highest circulation of books is in the category of literature, for example, and averages 8,967 copies, while the lowest is that of natural science at 2,044 copies (JBPA 2008: 16).<sup>30</sup> It is the wholesale distributor who decides which bookstores should receive which new book titles. He is able to select booksellers' stock because almost all publications are distributed on a 'sale or return' (or consignment) basis.

Under the consignment system, even small bookstores are able to distribute a large selection of books with no risk (other than to overall turnover). In this respect, the consignment system is seen to be extremely democratic on all fronts. All things being equal, it enables publishers to publish a wide range of

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<sup>29</sup> It might be noted that the consignment system has a beneficial, labour- and cost-saving effect on the payment of author royalties, which are paid in advance according to initial print run rather than annually according to sales, as in the American and European publishing industries.

<sup>30</sup> Between these extremes, we find that the average sales of philosophy and children's books are 6,850, and of social sciences 2,780, copies.

titles, offers consumers a wide range of choice, and helps booksellers maintain their vitality (JBPA 2008: 17). However, as we have seen, not all things are necessarily equal. To compensate for loss of sales, publishers have increased their output of titles in a market where both turnover and retail space are continually shrinking.

During my research during and after the 16<sup>th</sup> TIBF, informants were extremely concerned about what they frequently referred to as ‘responsible sales’ (*sekinin hanbai*) (cf. Nihon Zasshi Kyōkai 2007: 47-51).<sup>31</sup> By this they meant: firstly, that something had to be done about returns; secondly, that each of the three players in the tripartite structure of the publishing industry – publishers, distributors and retailers – needed to rethink their current practices; and thirdly, that the issue of resale price maintenance, or ‘net book agreement’, had to be addressed. In short, as one informant with 40 years’ experience in editing an industry news publication bluntly put it:

“Everyone’s talking about ‘responsible this’ and ‘responsible that’ because they are *all* acting *irresponsibly*. Publishers publish whatever they feel like publishing. Distributors distribute whatever is published to bookstores. And bookstores sell or return whatever they are obliged to stock. Each of the three takes its cut, but that cut is fixed because of RPM. So the publisher gets his 70%, the distributor ten, and bookseller 20. If the net book agreement comes to an end, then the whole system has to change, and everybody’s afraid of that – of what will happen to supply and demand. Publishers are afraid they won’t get their guaranteed 70%. Distributors worry that they won’t get their 10%, and retailers are convinced they won’t get anything close to 20%. It’s hardly surprising they’re all in a dither.”<sup>32</sup>

It was clear that none of my informants had a solution to the problem of returns, and, depending on their position in the tripartite structure of the field, tended to shift the blame onto one or other colluding player.<sup>33</sup> Thus distributors and retailers thought that publishers’ responsibility lay in thinking harder about the market: in other words, they needed to conduct more research on the kinds of books that would sell. Publishers themselves tended to adhere to the classic ‘nobody knows’ principle typical of creative industries in general (Caves 2000: 5). No bestseller guaranteed another bestseller; no failure a follow-up failure. Publishers and retailers seemed to think that wholesale distributors needed to think more about what the market would bear, rather than indiscriminately transport books back and forth around the country. They should have a choice of what titles to take or reject. Their responsibility lay in working more closely with publishers.

For their part, both publishers and distributors thought that retailers should do their own market research. Their responsibility was to take public taste into

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<sup>31</sup> This concern is by no means recent. It seems to have first surfaced in a 1970 document calling for a policy regarding an decrease in returns, and an appropriate measure of responsibility to be taken by each party in the publishing industry (Nihon Zasshi Kyōkai 2007: 50).

<sup>32</sup> Interview with Yoshiaki Kiyota, Managing Director, *Shuppan News*, 11 July 2009.

<sup>33</sup> To be fair, there were also self-critical voices – in particular, among publishers.

account and stock their shelves accordingly. There was no need for all Japanese bookstores to stock the same books in the way that they did. After all, in other countries – Germany was cited as an example – retailers created their own individualized bookstores that attracted certain kinds of customers. They also adopted different systems simultaneously: consignment, preorders, and so on. Staff in Japanese bookstores also had to get to know their client base. That would help reduce returns.

Consequently, there were also one or two voices calling for the partial abolition of the consignment system: returns should be limited to, say, 20% of consigned stock, and retailers would then be obliged to take, at least partial, responsibility for the inventory that they received from distributors.<sup>34</sup> But if the consignment system were abolished and retailers obliged to purchase books in advance of sales, then – said the bookstore managers – they would need to increase their margin to something like 50%. Impossible, cried the publishers, who swore that they could not offer a greater margin to retailers because of the comparatively low price of books in Japan – half the price of books sold in, say, Germany. They were concerned that the market, in its present deflated state, could not bear price increases.

The overarching, unspoken question in all these calls for ‘responsibility’ was who would take the initiative in what one informant called ‘the need to get back customers’ trust’ in the publishing industry. The phrase that surfaced from time to time was the system of resale price maintenance: should it be kept or discarded?

In general, RPM is ‘a practice whereby upstream manufacturer(s) control the prices of their products when sold by downstream distributors’ (OFT 2010: 5). The RPM system in Japan officially came into existence in 1919, although a move towards a pricing agreement between publishers and booksellers started in 1900 (Kuwano 2009: 16) – the year that the Net Book Agreement came into effect in the United Kingdom (Feather 2006: 102). As in the UK, it was not entirely unchallenged during the following decades, and it came under close scrutiny when Japan’s Monopoly Law (*Dokusen Kinshihō*) was first promulgated in 1947.

In a 1953 amendment, however, book publishers’ RPM was made an exception to cartel practices on the grounds that (1) there was an enormous number of, and variety in, the kinds of publications put out, and that their contents, which were singular in each publication, were such as could not be found in other commodities – a fact realized by consumers of books and magazines. In these circumstances, if the resale price maintenance system were not applied, reasoned Japan’s lawmakers, (2) the variety of publications would decrease, their contents become narrower, and their prices increase in such a manner that only best-selling books would be published. Moreover, (3) there was a danger that prices would vary across the country, with central bookstores in major

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<sup>34</sup> The Japanese Magazine Publishers Association believes that, as a first step, returns should be limited to 16% for monthly, and 20% for weekly, magazines, and 20% for books (Nihon Zasshi Kyōkai 2007: 48). This still gets nowhere near the UK average of approximately 12.5%.

urban areas able to charge lower prices than bookstores flung farther afield, which had to pay higher transportation charges. Consequently, (4) the number of retail outlets for books and magazines would decrease as a result of price wars (Kuwano 2009: 16).

Although RPM was thus legally permitted during the period of Japan's high economic growth in the decades following the end of the Pacific War, it met with some resistance from the end of the 1960s into the 70s, when certain publishers of multi-volume encyclopedias began offering large rebates and freebies to booksellers who ordered such publications in quantity. Further consumer dissatisfaction was caused following the oil shocks of 1972-3 when publishers' began sticking new, higher prices on returned books and sending them out to bookstores again, as a way to counter increasing prices in paper and printing.

This led to a long-running investigation by the Japanese Government's Fair Trade Commission (*Kōsei Torihiki I'inkai*), which argued that from the standpoint of market competition the resale price maintenance system should be abolished (Kuwano 2009: 16-17). Following numerous protests from different constituents in the publishing industry (including authors, as well as the three main parties), it was agreed in March 2001 to let the RPM system stand. At the same time, however, the Fair Trade Commission requested that publishers, distributors and bookstores consider ways in which the system might be made 'more flexible and practical' (JBPA 2008: 16-17). A few minor cosmetic changes have been put in place: thank-you sales for readers, for example, and limited-period discounts (such as occurs at the TIBF where discounting is deemed permissible because it is over a limited period of time [4 days] in a limited space [the Tokyo Big Sight]). But RPM is still the means by which almost all books and magazines are still sold in Japan.

### **A Comparative Perspective**

It is at this point that we might usefully compare the Japanese consignment and resale price maintenance systems with the Net Book Agreement (NBA), which operated in the United Kingdom between January 1<sup>st</sup>, 1900 and March 1997. The NBA - as I have argued here for the RPM system in Japan - 'was the principle support upon which the whole structure of the British publishing industry rested for almost the whole of the twentieth century' (Feather 2006: 152).

Concisely put, the NBA was 'a retail price maintenance mechanism that was introduced by publishers as a voluntary agreement in 1900 to protect specialist booksellers from the effects of discounting by general traders' (Thompson 2005: 68). It was designed to stabilize prices, regulate profit margins and guarantee a reasonable income to both publisher and bookseller. In this respect, it brought stability to the trade and 'had the broad effect of ensuring the continued, though often precarious, existence of bookshops in most towns' (Feather 2006: 158).

However, the NBA was essentially a response to a specific problem of the late nineteenth century: booksellers' cash flow and price-based competition between booksellers (Feather 2006: 100). Intensive price competition meant that

booksellers could only afford to stock the popular books that moved quickly from their shelves, and not more serious literature or larger and more expensive works that sold more slowly. This obliged publishers to take the initiative and propose that all books be published with affixed, or 'net', retail price, and that, in exchange, booksellers would be given a fixed margin that guaranteed them a reasonable measure of profit (Feather 2006: 101-2).

Through the institution of the NBA, publishers, booksellers and authors – and in this context in the UK, no mention is made of wholesale distributors – 'recognized their mutual interdependence, and the perils of wholly unregulated trade' (Feather 2006: 102). In this respect, as with RPM in Japan, it allowed the British book publishing trade to continue in familiar ways. Japanese publishing industry players seem as suspicious of innovation, as well as of innovators (cf. Kuwano 2009: 15), as their counterparts in the United Kingdom were during the first seven decades of the 20<sup>th</sup> century (Feather 2006: 158).

The NBA was challenged by the Restrictive Practices Court (RPC) in 1962, but in handing down its judgement, it argued that abrogation of the NBA would result in: (1) a reduction in the number of bookstores operating in the UK; (2) a reduction in both the number and variety of books stocked in retail outlets; (3) an overall increase in book prices; and (4) the publication of fewer titles of literary and scholarly value (BA 2010a). In particular, Mr. Justice Buckley famously stated: "books are different". The parallels in the reasoning of the RPC in 1962, therefore, and of those charged with the amendment to Japan's Anti-Monopoly Law in 1957 are almost identical.

One other point should be made here. Unlike Japan's RPM system, which was underpinned by law, the NBA was a voluntary agreement between publishers and booksellers. There are, in general, two forms of fixed price system: those enforced by trade agreements (such as in Denmark, Norway, and Hungary); and those enforced by law (as in Germany [1878], France [1981], and Japan). But there are differences within both fixed and free pricing between systems. Fixed price regulations vary according to the range of books they cover, the length of their validity, author royalty contracts, and so on. Similarly with free pricing: the printing of a Recommended Retail Price (RRP) is legal in the UK, but illegal in Sweden.

The NBA came to an end because of the growth and consolidation of such large retail chains as Waterstones, Dillons, WH Smith, and Borders, which began to experiment with non-net titles in the mid 1990s. Soon after the Director General of the Office of Fair Trading announced, in August 1994, that the 1962 decision in favour of the NBA was to be reviewed by the RPC, Random House and HarperCollins struck a deal with WH Smith in 1995 and announced that they intended to withdraw from the NBA. Other publishers soon followed suit, the relevant associations for publishers and booksellers decided not to defend the NBA in court, and the agreement collapsed. As a result, consumers are now able to purchase books whose RRP has been heavily discounted, and take advantage of other offers like the well-known '3 for 2' deals.

So, while the UK has joined the USA and several European countries like Sweden, Slovenia and Poland in adopting a free pricing system, other countries

such as Germany, France, Spain and Italy maintain an RPM system. Both systems seem to work well enough. So should the Japanese stick with RPM or follow the UK and end their net book agreement with distributors and booksellers? To answer this question, we should look at what has happened in the UK since 1997, taking into account the fears expressed by the RPC in 1962, and remaining mindful of similar reservations expressed in the amendment to Japan's Anti-Monopoly Law in 1957.

First, let us look at the current state of bookstores in the UK. There has been a steady decrease in the number of independently operated bookstores over the intervening years, but the overall figure appears to be about 50 stores net *per annum* (unlike the 800 annual decrease mentioned earlier for Japan). Other affected sectors include regional bookshop chains, newsagents, and specialist library suppliers. At the same time, the retail space devoted to books has grown enormously, thanks to the growth of bookshop chains, while supermarkets and other non-traditional outlets have increased the sales and range of books that they stock.

Secondly, it is claimed by the Booksellers Association that the range of stocks has expanded enormously thanks to new book superstores, Internet selling, and print on demand (POD). But only the first of these was a realistic possibility in 1962, so that it is not certain that the expansion in bookstore inventories comes as a result of the abolishing of the NBA. Superstores tend to stock the same fast-moving titles, rather than specialist works of 'literary or scholarly value', since their aim is to move stock off the shelves.<sup>35</sup>

Thirdly, while discounting has been widespread, it has mainly been applied to bestselling titles put out by major publishers. Book prices have risen above the level of inflation, but the actual average selling price has gone down. More new titles are now published (133,224 in 2009, as opposed to 112,627 in 1996), but it is not clear whether this is directly connected with the abolition of the NBA, or (in)directly with something else – like the annual increase (3,009 in 2009; 2,248 in 2001) in the total number of publishers operating in the UK (approximately 10,000 all-told in 2009) (BA 2010a); or an attempted recompense for the shorter shelf life of book titles since the beginning of the new millennium.

In view of the above, the Booksellers Association's conclusion gives pause for thought:

Given the important changes in the bookselling and publishing arena and the global market for English language books, it is extremely difficult to assess what changes in the market can be attributed to the end of RPM in the UK.

(BA 2010a)

Where does this leave the Japanese debate over RPM? Will it come to an end? If so, when? Who will make the first move? Retailing giants like Kinokuniya and Maruzen? Or the two major distributors, Nippan and Tōhan? Which publishers

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<sup>35</sup> Sales per square foot of space devoted to books (space productivity) in UK supermarkets is estimated at £900 *per annum*. This compares with an annual overall aggregate of £1,100. This is three times more than the space productivity of a typical Waterstones chain store (OFT 2010: 64).

will form what kind of alliances with either or both of these other players? What kinds of change will come as a result? Will the consolidation of titles in the large retail chain stores provide sufficient variety of titles? Will they combine to lessen the power of wholesale distributors as they deal directly with publishers? Will the small 'mom and pop' bookstores that have been a feature of small town shopping streets all over the country disappear entirely? Will publishers raise their prices (in order to offset retailers' discounts)? Will smaller publishers fold as the trend towards blockbusters continues, or will they be able to survive on long-selling titles? Will young people in Japan continue to read as avidly as their parents and grandparents have done over the past six decades? If so, what kinds of books will they want to read?

### Conclusion

So many questions, to which one can only hazard a few comments in place of answers by way of conclusion. Two issues in particular are worth noting.

Firstly, one would think that the digital revolution does not readily admit cultural peculiarities of the kind that have characterized the development of capitalism (with its different Anglo-Saxon, German-Japanese, and Scandinavian models). The growth of large retail chain stores and Internet retailing, on the one hand, and the inevitable - if still slow - move towards e-publishing in Japan, on the other, support this view. However, not everything is as uniform as might be expected, particularly where the success of Internet selling is linked with the abolition of RPM. A University of East Anglia Report for the Office of Fair Trading (OFT 2010: 10-11) argues that 'price, and the ability to discount, played a non-negligible part in the success of entry' of Internet retailers like Amazon. It goes on to assert that Amazon has not been nearly so successful in Germany where RPM is still the norm, and argues that a free pricing system works to the advantage of Internet sellers. However, Amazon Japan would seem to disprove this argument. Its entry into the Japanese book market has been extremely successful, even though RPM is in force there, and it has as great a share of the market (12% and rising) as it does in the UK. Clearly, we need to detach the success of Internet book retailing from a free price system.

Secondly, the fact that neither Japanese publishing houses, nor media groups, have engaged in the kind of merger and acquisition activity found in the United States and UK over the past three or four decades provides the background for an alternative cultural scenario in Japan. Thompson (2005: 54-64) cites three 'noteworthy' aspects of this consolidation process, none of which necessarily holds for Japanese publishing. First, book publishing is *not* part of 'a more diversified portfolio of businesses concerned with various aspects of entertainment, information or education' (p. 55). Japanese publishers are still first and foremost *publishers*. Second, editorial activities have not yet been restructured to be more in line with the overall strategic priorities of some larger corporate entity. They still maintain their 'craft', rather than 'bureaucratic', identity (Satō 2005), which means that the author-editor relationship still comes first - unlike in the US or UK where a plethora of other

personae such as literary agents and managers actively intervene in the publishing process and authors are encouraged to provide camera-ready copy. The third point is perhaps the most telling and underpins the first two: the 'essentially *Japanese*' nature of the field of Japanese publishing. While there is still, of course, some element of what it means to be a *British* publisher, for the most part all the large British publishing houses are part of multinationals and thus international in character. Precisely because they are independent, and often family owned, publishing houses like Kōdansha and Shōgakkan are very much *Japanese* publishers. They have been founded and nurtured in a Japanese literary tradition, which makes use of a distinct Japanese language and distinct Japanese syllabaries. Even its use of Chinese characters differs from that of mainland China where Mao Ze Dong's reforms during the Cultural Revolution mean that the characters used by Japanese (like those used in Taiwan) are in many respects older and 'more traditional'. It is in its embrace of a 'Japanese cultural tradition' (whatever that may mean), that the field of Japanese publishing asserts its 'distinction'.

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- #2 **From Participant Observation to Observant Participation: Anthropology, Fieldwork and Organizational Ethnography**  
By: Brian Moeran  
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- #3 **Creative Encounters in the Film Industry: Content, Cost, Chance, and Collection**  
By: Mark Lorenzen  
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- #4 **Hvilke kulturtilbud bruger den kreative klasse?**  
By: Trine Bille  
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- #5 **Chinese Tourists in Denmark**  
By: Can-Seng Ooi  
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- #6 **Authenticity-in-Context: Embedding the Arts and Culture in Branding Berlin and Singapore**  
By: Can-Seng Ooi and Birgit Stöber  
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- #7 **Credibility of a Creative Image: The Singaporean Approach**  
By: Can-Seng Ooi  
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- #8 **On the Globalization of the Film Industry**  
 By: Mark Lorenzen  
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 By: Bo Christensen  
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 By: Brian Moeran  
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 By: Nina Poulsen  
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- #14 **Much Ado about Nothing? Untangling the Impact of European Premier Film Festivals**  
 By: Jesper Strandgaard Pedersen  
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 By: Fabian Faurholt Csaba  
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- #18 **Ethics and the fashion industry in West Europe**  
 By: Lise Skov  
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 By: Lise Skov and Marie Riegels Melchior  
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