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Cultural Diversity in the French Book Publishing Industry (2003-2007)

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La diversité culturelle dans l'industrie du livre en France (2003-2007)

Foreword

Cultural diversity is now a central aim of public cultural policies, particularly since adoption of the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, effective as of 18 March 2007 after its ratification by France and the European Union. Numerous cultural policy measures refer back to it, particularly within the cultural industries sectors. A largely political concern, there are nevertheless economic aspects of cultural diversity: it relates to important issues such as competition, industrial concentration, market power and economic efficiency, which are once again being brought to the fore in the present climate by economic globalisation and the effects of the digital revolution.

Aware of the public policy issues raised by the question of diversity, the General Secretariat has for the last few years included the issue in its research programme[1]*. In 2008 it launched a call for research proposals on "the assessment and processes of modifying diversity within the cultural industry". Aiming to build upon all the results of socioeconomic analysis on the subject, the call for proposals invited researchers to address the issue of assessing the various aspects of cultural diversity (definitions and measures) and identifying the processes by which the diversity of cultural products supplied, distributed and consumed has changed.*

In examining the book publishing industry, which in France is characterised by its concentrated nature, and about which the issue of overproduction is regularly raised, this study into the evolution of diversity throughout the 2000s attempts to address the how effective France's law on fixed book pricing has been in its ability to preserve the diversity of works and their distribution. It also confirms the validity of the so-called long tail theory whilst giving an updated view of it, whilst bringing new evidence about it to light.

Jean-François CHAINTREAU

French publishers' output increased considerably throughout the 2000s, such that questions about overproduction now dog the start of each new publishing season. That said, does this supposedly prolific supply actually result in higher diversity of consumption, or does it, as some claim, lead to demand simply becoming more focused on a few bestsellers and famous authors? Maintaining the diversity of creation and broadcasting was at the heart of the French law on fixed book pricing (only a discount of 5% on the retail price is permitted, as set by the publisher); voted through in France in 1981, it aimed to preserve its dense and diversified network of retailers (small bookshops as well as large independents with a wide selection), which were being threatened out of existence by discount practices[2].

Has this aim been achieved? Is diversity of supply and demand radically different in small and large bookstores in comparison with that at grocery superstores and specialist superstores? Finally, at the start of a revolution whose magnitude is unprecedented since the advent of printing itself, we are confronted with the question of the impact of digi-

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1. See Tristan MATTELART, *Enjeux intellectuels de la diversité culturelle. Éléments de déconstruction théorique*, Paris, Ministère de la Culture et de la Communication, DEPS, coll. « Culture prospective", 2009-2, July 2009. Moreover, this cultural diversity study also includes a section on promoting intercultural dialogue, see Hélène HATZFELD,Vincent BILLEREY, *Repères pour un dialogue interculturel*, Ministère de la Culture et de la Communication, Secrétariat général (SCPCI/DREST), 2010, available online at www.culture.gouv.fr/ under the "Politiques ministérielles" section

2. For a summary of the aims of this law, see Hervé GAYMARD, *Situation du livre. Évaluation de la loi relative au prix du livre et questions prospectives*, report for the French Ministry of Culture and Communication, March 2009. See also H. GAYMARD, *Pour le livre*, Paris, La Documentation Française/Gallimard, 2009.

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tisation on cultural diversity. Does it prompt higher sales of best-sellers, or does it extend the life of books with low print runs, in accordance with Chris Anderson's[3] long tail theory?

Three aspects of cultural diversity are analysed: the breadth of the number of books published and consumed (variety), the degree of inequality of sales across the different titles on the market (balance), and the degree of disparity between the various titles sold based on an analysis of their specific properties (author, publisher)(disparity). The scope of this analysis is focused on three market segments: literature, graphic novels and books for young people[4],and is based on completely new analysis of monthly "cash register" sales data for books, compiled by GfK for the period 2003-2007 (see "The Data", p. 14).

BACKGROUND[5]

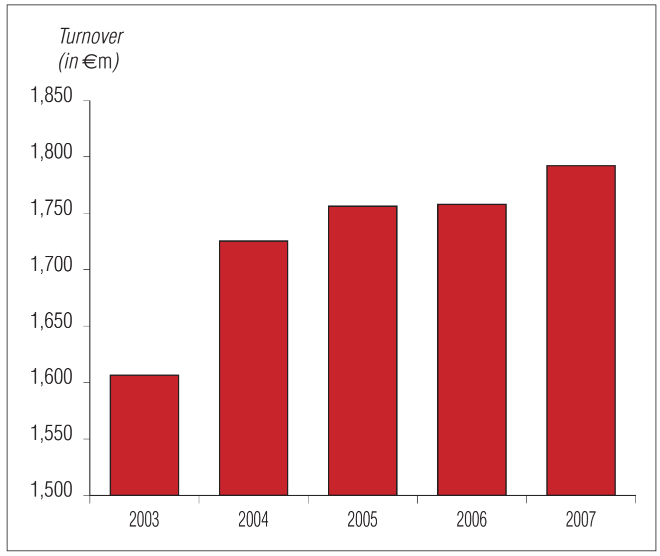
Changing Characteristics of the Book Market, 2003-2007

Between 2003 and 2007, the aggregated turnover for all three segments studied underwent relatively sustained growth (up 11.5% for the whole period, i.e. an average annual growth rate of 2.8%) (see Figure 1). However, this trend was disrupted in 2005, with the following 2 years seeing only 2% growth. This slowdown in turnover growth then fell into a decline before sales volumes then dropped slightly. From 193 million units in 2004, book sales within the three segments analysed fell to 189 million for 2007, i.e. a drop of 2%. For the period in question, the literature category accounted for around half of all copies sold, books for young people 30% and graphic novels 20%. Sales patterns were fairly similar for all three segments: the early part of the period saw slight growth, followed by a slowdown then a slight drop toward the end of the period.

Since 2007, grocery superstores (GSS) and specialist superstores (SSS) such as Fnac or the Virgin stores each represented around 27% of the volume books sold across the three segments in question.

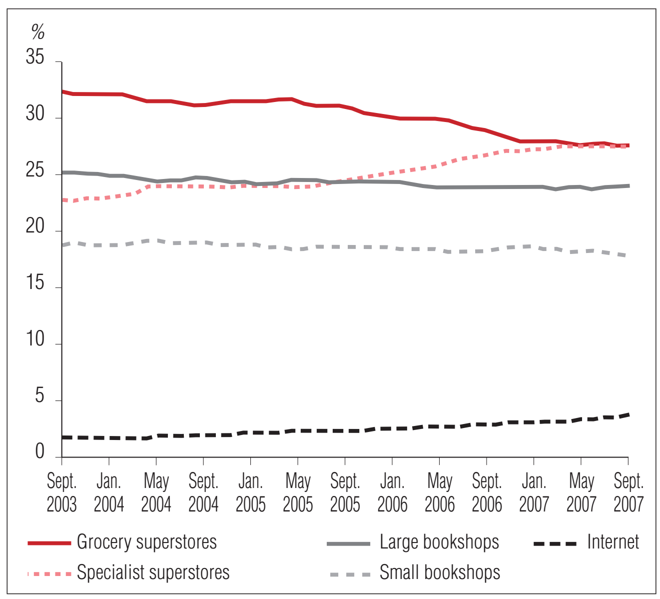
The large bookshops' market share amounted to around 24%, as compared to 17% for small bookshops, and 4% for online sales (Figure 2). Contrary to the per-segment changes, per-distribution channel changes over the period were fairly pronounced. Thus, the drop in book sales seen

Figure 1 – Pattern of Annual Book Sales for Literature, Books for Young People and Graphic Novels (by value), 2003-2007.



Source: DEPS, Ministry of Culture and Communication, 2011.

Figure 2 – Pattern of Monthly Sales Distributions per Distribution Channel (by volume)



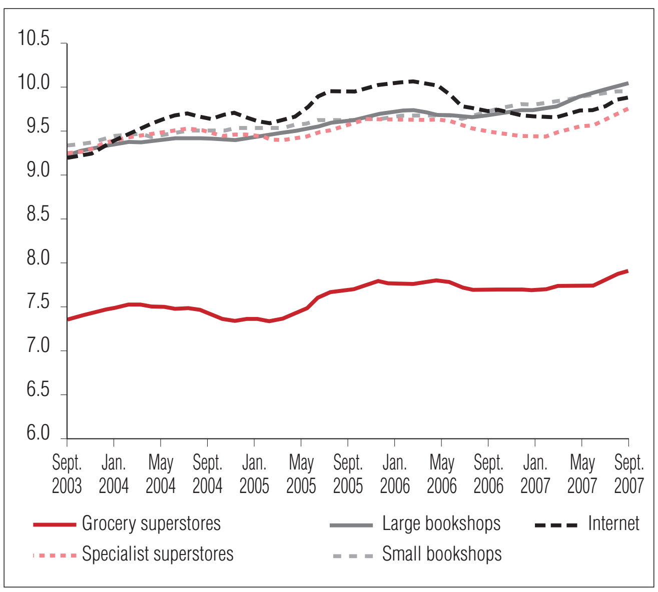
Source: DEPS, Ministry of Culture and Communication, 2011.

3. C. ANDERSON, "The Long Tail", *Wired*, October, 2004; *id.*, *The Long Tail*, London, Random House, 2006.
4. For the recorded music and video film markets etc., all products can be considered more or less substitutable. That is to say, they all satisfy the same consumer requirement, i.e. to entertain. This hypothesis is slightly more problematic when applied to books. The book market can be divided into four segments based on two opposing factors relating to purchasing decisions (distinguishing between formally-prescribed and non-prescribed books), and reading decisions (distinguishing between reference books and other books). Analysis focuses on non-prescribed books which essentially are destined for reading as a hobby, mainly literature, graphic novels and books for young people. The first is interesting because whilst it only represents 20% of book sales, it nevertheless remains the top market segment. The graphic novel market is a rapidly-expanding one, which also has a strong online presence through specialist websites providing advice and information. Finally, books for young people, also a growing sector over the last few years, appeal partly to a readership with a very strong online culture; again, comparative analysis of their changing diversity patterns is potentially highly instructive.
5. As for most cultural products, there are huge seasonal variations in book sales. Sales figures for December are always two to three times higher than the average sales figures for all other months of the year. Within the literature segment, modern fiction has an increased seasonal variation factor as the end of the year sees both the new publishing season and the holiday period. As a general rule, data shown is seasonally adjusted in order to make charts easier to read and the relevant trend patterns easier to determine. Seasonal adjustment is calculated on moving averages over 12 months.

since 2005 is largely down to the GSSs. Bookshop sales (whether for large or small shops) have fallen very slightly, whilst at the same time internet sales are gradually increasing, although the market share for this distribution channel still stands at less than 5%. On the other hand, sales in GSSs have fallen massively (a drop of almost 15% between 2005 and 2007), whilst at the same time SSS sales have continued to increase (rising to above 20% over the period as a whole). Thus, whilst at the start of 2007 GSSs remained, in terms of volume, the main distribution channel for the three segments in question, by the end of 2007 the SSSs narrowly beat them to lead the field. However, when we aggregate the small and large bookshop figures, it is the "bookshop" channel which emerges as the dominant force, with a market share of around 40%.

Analysis of the average per-book spend across the various channels gives a further insight into this analysis (Figure 3). The low per-book spend in GSSs shows that in turnover terms it only ranks as the third-largest distribution channel (with a market share of around 23% in 2007), behind the large bookshops (around 25% of market value in 2007) and the SSSs (around 29%).

Figure 3 –Average Per-Book Spend by Distribution Channel



Source: DEPS, Ministry of Culture and Communication, 2011.

The difference between the average per-book spend in GSSs compared with other channels probably relates to the sales strategy of this particular channel. On the one hand, they see higher book sales for the young persons' market as they more often are the result of impulse buying, and even more so where children are actually present on a GSS visit. On the other hand, the GSSs favour the retailing of either sale books or publisher-discounted titles.

Therefore for the three categories studied over the period 2003-2007, the book market was relatively stable, particularly in comparison with other cultural goods markets such as those for recorded music or video films; their respective market shares remained stable over the period in question, with GSS sales falling to the benefit of those recorded at SSSs and online sales.

Did Diversity Increase During the Period 2003-2007[6]?

Diversity increases with the number of titles (variety), with the standardisation of sales distribution between these titles (balance) and when they show a low degree of standardisation (disparity). The importance of simultaneously considering these three aspects can be shown in relation to the recurrent debate: could too many books be killing the book? Does this greater variety of works on the supply side allow consumers to more easily find books which reflect their tastes, or is it "a contrivance, constituting a kind of window-dressing for the sale of just a few products[7]"? The increase in the numbers of books published can in fact result in two effects which run contrary to diversity of consumption. It can result in an increase, if consumers are in a position to find books which correspond to their tastes. On the other hand, an increase in literary production may reduce diversity of consumption, as, faced with an overabundance of available books, as it is harder to make a choice. Thus, consumers purchases end up concentrating on a more limited number of titles[8], focusing on those which are promoted or falling back on past consumer experience (e.g. familiarity with a particular author or publisher). The number (variety) thus goes hand-in-hand with sales which are concentrated around a smaller number of titles (low balance) and higher standardisation (low disparity).

6. This work draws on Stirling's three-pronged approach based on "variety, balance, disparity". See A. STIRLING, *On the Economics and Analysis of Diversity*, mimeo, SPRU Electronic, Working Paper, 1999, no 28 ; *id.*, "A General Framework for Analysing Diversity in Science, Technology and Society", *Journal of the Royal Society Interface*, 2007, 4(15), p. 707-719.
7. Françoise BENHAMOU, *Éléments de réflexion et propositions à propos de la diversité culturelle. Les cas du livre et du cinéma en salles. Report for the 'Groupe d'analyse stratégique des industries culturelles' (GASIC)* Paris, Ministère de la Culture et de la Communication, 2008, p. 3.
8. This phenomenon refers to the attention economy and is known in marketing as "overchoice". see H. A. SIMON, "Designing Organizations for an Information-Rich World", in M. GREENBERGER (ed.), *Computers, Communication, and the Public Interest*, Baltimore, The Johns Hopkins Press, 1971.

Variety

Diversity is primarily defined by two indicators: variety produced and variety consumed.

An Upward Trend in Variety of Production…

Using data supplied by GfK, the variety of production was estimated based on the total number of titles whose first week of sale occurred within a given year[9]. This measurement of variety of production is based on the implicit hypothesis that, within the segments studied, a book will automatically sell at least one copy in the week it is released. Excluding advance sales, which remain negligible within book publishing, it is reasonable to assume that the date of a book's release will correspond to the date of its first sale.

Looking at all segments combined, publisher production showed a slight increase. The number of titles sold in the week of first release went from 23,916 in 2003 to 25,863 in 2007, i.e. an increase of roughly 8%[10]. This increase was not stable throughout the period. After a slight fall-off between 2003 and 2004, the number of titles produced continued to increase until 2006 then diminished slightly in 2007 (falling by 1.2%[11]).

Unsurprisingly, of the three publishing categories studied, literature accounts for the largest number of titles published. It represented 54% of books published in 2007, as compared with 27% of books for young people and 19% for graphic novels. However it was graphic novels that showed the highest rise in number of titles published between 2003-2007 (up 43%). Books for young people showed an increase of almost 8%, whilst literature only grew very slightly (up just 0.8%).

Does an increase in variety produced lead to a greater variety consumed? The GfK data certainly seems to back up this hypothesis.

…and in Variety of Consumption

Taking all categories as a whole, the number of different titles sold each month (variety consumed, or more accurately, purchased) shows a sustained upward trend (Table 1). What is remarkable is that the increase in variety consumed is far higher than that for variety produced, which only went up by 8%. Thus, the increase in variety consumed is not focused on new releases but on older titles. This trend may be the result of new means of recommendation (e.g. blogs, forums, etc.) which encourage consumers to diversify their purchasing practices. It may also be the result of expanding online sales which allow the purchase of titles which are unavailable or hard to find in traditional shops (books which were released some years ago, books with limited print runs, foreign literature, etc.). The evolving variety of online consumption lends some credibility to this theory (see below).

Looking at a breakdown by genre indicates stronger growth in the number of different titles sold for the graphic novel category, well ahead of that for books for young people and literature, increases for which have been slightly slower than average.

Moreover, examining the per-genre breakdown, there is a clear correlation between patterns in variety produced and variety consumed. This hierarchy continues in a similar vein across the different segments. The graphic novel shows the strongest growth in variety produced (up 43%) and also for variety consumed (up 67%). Books for young people show the second-highest rate of growth both for variety produced and variety consumed (up 8% and 32% respectively). Literature falls into last place for both criteria (0.8% growth for variety produced, and 21% for variety consumed[12]).

If we look at the first aspect, variety, diversity is indubitably on the increase. There has been a rise of both new releases and overall sales in all of the segments studied, most strikingly for graphic novels. The oft-decried oversupply of books would at least, one would have thought,

Table 1 – Average Number of Different Titles Sold per Month, Calculated Annually (2003-2007)

	2003	2004	2005	2006	2007	Variation 2003/2007 *as a %*
Literature	48,260	51,050	53,450	56,260	58,240	21
Graphic Novels	11,540	13,480	15,330	17,210	19,300	67
Books for young people	25,320	27,230	28,820	31,380	33,420	32
Total	**85,120**	**91,760**	**97,600**	**104,850**	**110,960**	**30**

NB: the monthly sales figures are calculated on a year's worth of sales figures, divided by twelve to give an average monthly figure for each year in question.

Source: DEPS, Ministry of Culture and Communication, 2011.

9. Unfortunately, the available GfK data does not allow us to calculate variety supplied, *i.e.* the number of titles available per distribution channel at a given moment.
10. This increase is essentially down to the rise in books published in large format (up 18% between 2003-2007), although the number of titles released in paperback format fell (by 12%).
11. The increase in the number of titles sold for the first time may be slightly overestimated by GfK's method of estimating sales data.
12. There is always a 20 percentage-point gap.

Table 2 – Graphic Novels: Market Share of Titles and Sales

as a %)

Combined market share…	2003	2004	2005	2006	2007
50 % of sales	3	3	3	3	3
40 % of sales	22	21	20	20	20
9 % of sales	34	34	34	36	37
1 % of sales	41	42	43	41	40
Total	**100**	**100**	**100**	**100**	**100**

Source: DEPS, Ministry of Culture and Communication, 2011.

Table 3 – Books for young people: Market Share of Titles and Sales

as a %)

Combined market share…	2003	2004	2005	2006	2007
50 % of sales	5	5	4	5	5
40 % of sales	25	25	24	24	25
9 % of sales	33	33	34	34	36
1 % of sales	37	36	38	36	35
Total	**100**	**100**	**100**	**100**	**100**

Source: DEPS, Ministry of Culture and Communication, 2011.

Table 4 – Literature: Market Share of Titles and Sales

as a %)

Combined market share…	2003	2004	2005	2006	2007
50 % of sales	2	2	1	1	1
40 % of sales	15	15	14	14	14
9 % of sales	33	33	34	35	36
1 % of sales	50	50	51	50	49
Total	**100**	**100**	**100**	**100**	**100**

Source: DEPS, Ministry of Culture and Communication, 2011.

encourage the purchase of a larger number of different titles. However, a closer look at the concept of diversity leads us to modify this assumption.

Balance

Does an increase in variety consumed (a growing number of different titles sold) go hand-in-hand with a dilution of sales over a larger number of books, or does it increase sales of already-successful titles?

An Increasingly Small Number of Titles Account for 50% of All Sales

What is emerging is a greater polarisation of sales over a small number of titles, across all categories. Less than 5% of titles account for half of all sales (see Tables 2, 3 and 4). Concentration seems to be intensifying slightly over time[13].Looking at the annual average, the proportion of titles responsible for half of all sales fell between 2003 and 2007 from 4.9% to 4.6% in the books for young people category, from 3.2% to 2.7% for graphic novels and from 1.7% to 1.2% for literature. An analysis of the proportion of titles responsible for 90% of sales confirms the trend, falling for both literature and graphic novels and remaining relatively stable over the period in question for books for young people. Whichever threshold you look at (either 50% of 90% of sales), concentration levels are higher for literature and lower for books for young people, with the graphic novel category falling somewhere in-between.

And what about books with low print runs, (those responsible for 1% of sales), which represent what is termed the tail of the distribution curve? Whichever category you look at, whilst the proportion of these titles may be significant, it tended to fall between 2003 and 2007 (see Tables 2, 3 and 4). Conversely, an increasing proportion of titles are responsible for 9% of sales: 37% for graphic novels, 36% for books for young people and 36% for literature (up 3 percentage points on 2003 for all categories).

Looking at the sales distribution curve, we can see a slight increase in concentration at the top end (a smaller number of best-sellers are responsible for half of all sales) a drop in the middle (a higher proportion of titles account for 9% of sales) and a broadening of the tail (a lower -but still significant- proportion of erratically-selling titles account for the remaining percentage of sales[14]).

However, the slight decline in the proportion of titles which account for a given percentage of sales does not necessarily represent increasing sales for all best-sellers. In fact, due to the increasing number of different titles sold over the period, this could conceal an increase in the number of titles jointly responsible for this proportion of sales and therefore ultimately a reduction in per-title sales.

A Falling Market Share for Bestsellers (those selling over 1,000 copies per month)

We can divide books into three groups, based on their monthly sales: low-selling titles (selling fewer than 100 copies per month); average-selling titles (selling between 100 and 1,000 copies per month) and high-selling titles (selling over 1,000 copies per month) (see Figure 4). A trend towards diluted sales emerges. The market share for

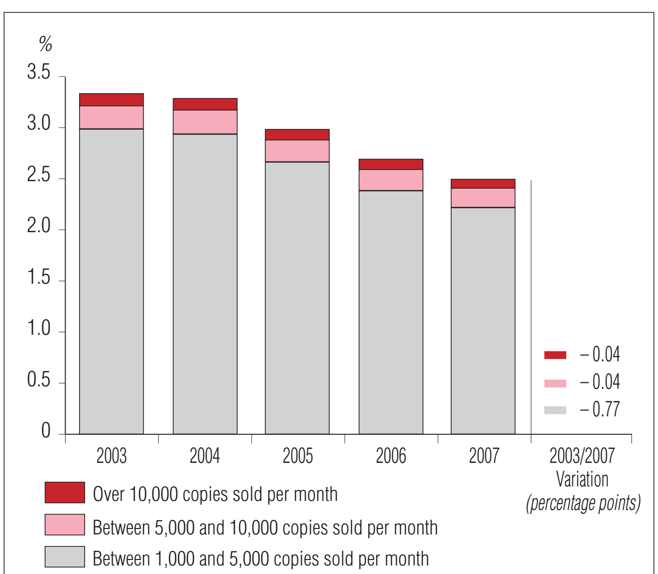
13. When interpreting these trends, it should be borne in mind that, particularly in the books for young people category, monthly moving average figures are quite sensitive to the possible release during the year in question of a best-seller, e.g. the *Harry Potter* series.
14. An increase in the sample size during the period contributes to an increase in the number of low-selling titles included (see “Data”, p.14). Although this may lead to an overestimation of the increased concentration of titles at the top of the distribution curve, it on the other hand underestimates the broadening effect on the tail.

low-selling titles increased by around 4.5 percentage points, going from 75% of titles sold in 2003 to almost 80% in 2007. This rise is at the expense of average-selling titles which account for only 18% of titles sold in 2007, compared with 21% in 2003. The proportion of high-sellers deteriorated very slightly, falling from 3.3% of titles sold monthly, to 2.5% between 2003 and 2007 (i.e. 0.8 of a percentage point).

Figure 4 - Distribution of Titles by Sales Level (annual average calculated from monthly data)

Source: DEPS, Ministry of Culture and Communication, 2011.

Figure 5 – Proportion of Monthly High-Selling Titles (annual average)



Source: DEPS, Ministry of Culture and Communication, 2011.

Increasing Preponderance of Narrow Readership Titles (selling between 5 and 50 copies per month)

An increase in sales of low-selling titles seems to largely benefit titles with a limited readership (selling between 5 and 50 copies per month). On average, their market share has gone from 34% to 39% of titles sold monthly, i.e. a 5 percentage point increase over five years. On the other hand, neither the position of so-called "narrow readership" titles (selling less than 5 copies per month) nor that of low-distribution titles (selling between 50 and 100 copies per month) have changed significantly. The percentage of titles selling less than 5 copies per month went up between 2003 and 2005, before in 2007 falling back to the level previously recorded at the start of the period (i.e. 31%). On the other hand, the preponderance of titles selling between 50 and 100 copies per month only fell very slightly over the period (9.7% of titles in 2007, compared with 10.4% in 2003).

Titles Selling Over 10,000 copies per Month Remain Stable

Only a very small number of books sell in very high numbers

In 2007, 2.5% of titles (2,767 titles) sold over 1,000 copies per month, 0.28% sold over 5,000 copies and only 0.08% exceeded sales of 10,000 copies per month. This concentration on a few star titles shows a diminishing trend (see Figure 5). The concentration of sales on a smaller number of titles shrank between 2003 and 2007, in favour of better sellers (selling over 1,000 copies per month) and bestsellers (between 5,000 and 10,000 copies). However, when looking at the number of titles sold, those titles selling over 5,000 copies per month are up slightly over the period in question (around 300), whilst those selling over 10,000 copies per month remained stable overall (around 90).

Nevertheless, the previously-observed fact that a falling number of titles account for half of all sales does not translate into an increase in the sales of a few best-sellers, but rather goes in tandem with a stable, if not slightly higher, number of high-selling titles. Is this result borne out for the super best-seller too?

The Increasing Preponderance of the Top 10

An analysis of the top 1,000 and top 100's share of total sales, and the top 10's share of the top 100 completes our analysis of variety consumed. Looking at the first two, the concentration of demand around the better sellers is considerably higher for the graphic novel category, followed by books for young people and then literature. In 2007, the top 1,000 accounted for almost two thirds of graphic novel sales (63%), over half of literature sales (55%) but only 42% of books for young people. The 100 best-selling books for young people accounted for 14% of sales, which is almost half the figure for graphic novels or literature (26% and 22% of sales respectively). However, the top

Table 5 – Average Share of the Top 100 and Top 1,000 and Top 10/Top 100 (by volume)

as a %)

	2003	2004	2005	2006	2007	Variation 2003/2007 *(in percentage points)*
Top 100	38.75	38.33	40.08	38.75	38.00	– 0.75
Top 1,000	82.08	83.08	83.00	82.08	81.58	– 0.50
Top10/top100	28.27	28.51	32.32	30.65	31.95	3.68

Source: DEPS, Ministry of Culture and Communication, 2011.

10's share of the top 100 is slightly higher in the books for young people category than it is in literature (34% compared with 31%). The consumption of books for young people seems more influenced by peer group preferences when it comes to runaway best sellers. Young people would seem to be more likely to buy books which everyone is talking about, influenced by huge marketing and advertising campaigns or following peer-group recommendations.

For the literature category, whichever best-seller lists you look at, there is a slight trend towards an increase in best-sellers and more particularly, the super best-seller. In a top 100 which accounted for an average of over 20% of total sales for the year 2003, rising to 22% in 2007, the share of the ten best-sellers increased by 3 percentage points, and attracted 31% of sales in 2007, as compared with 28% in 2003. Conversely, there was a marked trend toward dilution of sales within the graphic novels category. Nevertheless, this seemed to have less impact on the runaway successes of the genre than those classified as better sellers. Although the Top 1,000 dropped by 7 percentage points over the period (from an annual average of 70% to 63% of total sales between 2003 and 2007), and the top 100 fell from 31% to 26%, the preponderance of the top 10 within the top 100 remained relatively stable at around 38%. The decline of the best-sellers therefore seems to have had little impact on the superstars of the graphic novel world such as *Titeuf* and *Astérix* etc. For the books for young people category, the preponderance of the top 1,000 also fell between 2003 and 2007, although this drop is less marked than that in the graphic novel category (from an annual average of 46% to 42%). This decline is far less pronounced for the top 100 best-sellers, and in no way threatens the position of the super best-sellers. Between 2003 and 2007, the top 10's share of the top 100 gained 4 percentage points (from 30% to 34%).

Looking at the market as a whole, the distribution curve drops in the middle (as the share of titles selling between 100 and 1,000 copies per month fell), to the benefit of a broadening of the tail (the relative number of titles selling between 5 and 50 copies per month increased by 5 percentage points). On the other hand, the market share of narrow readership titles (selling fewer than 5 per month) remains stable, if not falling slightly, except in the graphic novel category[15]. However, (taking into account the increasing numbers of titles sold) this lengthening and broadening of the tail go hand-in-hand with an increase at the top of the distribution curve. The proportion of titles accounting for half of all sales shows a diminishing trend across all segments and the preponderance of the top 10 titles within the top 100 shows an increasing trend, except in the graphic novel category.

Disparity

With variety and balance at a constant, diversity can increase where works consumed show an increasing disparity. Conversely, an increase in variety and a more balanced distribution of sales can go hand-in-hand with greater standardisation of works. Working on semi-exhaustive sales data, it has been an impossible task to make a meaningful analysis and comparison of book content. However, three types of criteria were used to –partially- chart changes in disparity:

- the turnover rate for the top-selling chart titles, which shows whether the same books monopolise the charts for long periods, or whether on the contrary, the content of the best-seller lists sees rapid turnover;
- an analysis of author diversity, based on the literature category;
- a study of the publishers offering an insight into the changing situation of independent publishers during the period in question and their position on online sales in relation to other channels. A stronger sales position on the part of independent publishers during the period could be an indicator of greater diversity.

Turnover Shows a Downward Trend at the Top of the Charts

Do the titles in the bestseller charts stay the same from one month to the next or are consumers less and less faithful to the same bestselling works? The possible decline of bestsellers could be related to high turnover within the top 100, and not just to a reduction of their preponderance within overall sales or a reduction in the number sold. For bestsellers, the indicators used suggest a smaller disparity between titles. When faced with what is often seen as an over-abundant choice, consumers limit their risk by sticking with better known works which generally stay in the top of the charts for longer, or at least, for a less short period of time. Improving disparity should also translate into an increase in the top 100 chart turnover rate and a higher percentage of new chart entries each month. We can see a steady fall in the turnover rate for graphic novels (down 4.5 percentage points between 2003 and 2007), a slight decline

15. It is also the case that this category shows the greatest increase in which the number of different titles sold.

for literature since 2004 (down 2.5 points) and a relatively steady rate for books for young people since 2005, after which date on average there have been 39 new entries into the top 100 each month.

None of this constitutes proof of an increase in diversity within the top 100 bestsellers. On the contrary, a lower turnover rate indicates that it is harder for new works to make it into the top 100, but once there, a title is more likely to stay there. The consumers who this affects are not therefore more fickle but are rather increasingly loyal to a smaller number of works.

An Increasing Number of Authors Offset by the "Superstar" Effect

We assume that disparity also increases when the titles consumed are written by an growing number of authors and when demand is less concentrated on a few 'superstar' works, thereby leaving a larger proportion of sales to hitherto-unknown authors. It is clear that literary works[16] are now the product of a larger number of authors: on average, 18,200 authors sold one literary work per month in 2007, compared with 14,600 in 2003.

Does the existence of a larger number of authors also go hand-in-hand with a more balanced distribution of sales between them? The most striking aspect of this is the highly unequal nature of literary sales, which is even more obvious amongst authors than it is titles. In 2007, 15% of titles and only 5% of authors were responsible for 90% of sales. 50% of titles but 64% of authors accounted for 1% of sales. Moreover, this trend towards concentration intensified between 2003 and 2007, a sign of how powerful the self-perpetuating nature of fame is within the publishing sector,

The market share of the top 1,000 and top 100 bestselling authors increased between 2003 and 2005, then diminished, settling at the level it started at at the beginning of the period. On the other hand, a reverse trend is seen within the top 100, where the top 10 authors are responsible for an increasingly large share of sales: the ten 'superstars' were responsible for around 32% of top 100 sales in 2007, compared with 28% in 2003, i.e. a 4 percentage point increase.

A Growing Role for Small Publishers

The French publishing industry is an oligopoly with a competitive fringe. Several ruling houses divide up the lion's share of the market, a few lesser companies trail behind them taking care of most of the rest, with a string of small publishers sharing the remaining crumbs. Looking at monthly averages, for 2007 Hachette and Editis alone represented 37% of the market for books for young people and 52% of that for literature. For graphic novels, the Media Participation group and the publisher Glénat accounted for 51% of sales. A handful of lesser publishers follow these market leaders, although the tenth-largest publisher accounts for no more than 1% of sales, whether for literature, graphic novels and books for young people.

The typical view of the market is that, in the cultural industries, the product supplied by those companies which monopolise the market is qualitatively different to that put out by the competitive fringe. The former tend to target mainstream culture[17], publishing for instance famous authors originally discovered by the smaller publishers on the competitive fringe, with the latter investing more often in niche markets such as poetry. This rather caricatured view does however have some basis in reality. When Fred Vargas, the successful detective fiction author, said that she had always remained loyal to her first publishing house Viviane Hamy, the implication was that this was an unusual state of affairs. "If authors abandon those who first put them on the road to success, they cannot complain about the increasing concentration of the publishing market and the disappearance of independent publishing houses[18]."

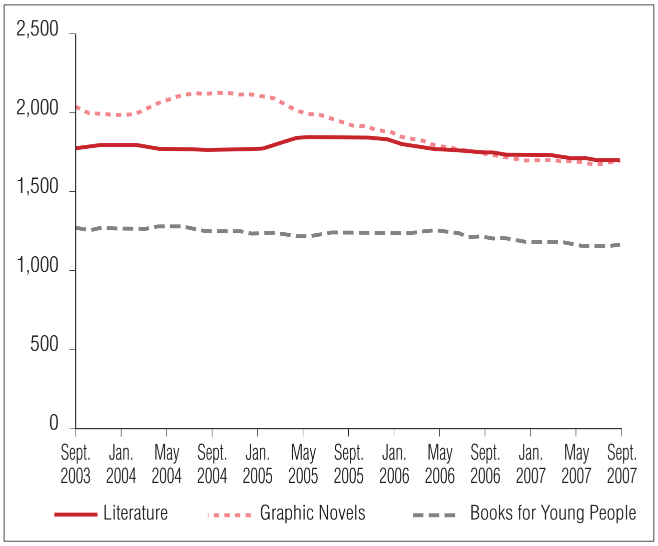
Analysing the changing population of the publishing industry and the concentration of sales per publisher completes the analysis of the diversity within the publishing industry. An increasing number of active publishers tends to lead to an increased disparity, whilst a trend towards a market concentrated on a smaller number of publishers works the opposite way. Looking at monthly averages for 2007, 1,800 publishers featured in the literature category (up 29% compared with 2003), 670 in books for young people (up 52%) and 457 in graphic novels (up 41%). A growing number of publishers leads to a certain deconcentration in publishing activity.

According to the criteria used by the European competition authorities, a sector with a Herfindhal-Hirschman index[19] score of over 2,000 is considered highly concentrated, those scoring between 1,000 and 2,000 averagely concentrated and those below 1,000 of low concentration. From this point of view, all three segments of the publishing industry should, for 2007, be considered to be of average concentration (Figure 6). The most significant drop concerns the graphic novel market, which averaged an HHI score of above 2,000 until mid-2005 and which by mid-2007 was about level with that for literature at around 1,700, the level of concentration for the latter having only dropped very slightly over the period. The books for young people category show the lowest concentration of publishers.

This fall in the HHI score, which is entirely relative within literature, could nevertheless be down to entirely difference forces. Is it due to an increase in the very small publishers on the competitive fringe, a growth in the aver-

16. This analysis could only be conducted for the 'literature' category (see "Aspects of Methodology", p.15).
17. Frédéric MARTEL, *Mainstream. Enquête sur cette culture qui plaît à tout le monde*, Paris, Flammarion, 2010.
18. Interview in *Télérama*, 9 Fenruary 2008, no 3030.
19. The Herfindhal-Hirschmann Index (HHI) is calculated by squaring market shares, and then adding together the resulting numbers It is given a value between 0 (situation in which no title has a significant market share) and 10,000 (situation in which a single title monopolises the entire market).

Figure 6 – HHI Concentration Index for Per-Publisher Sales by Volume, with Breakdown by Category Type



Source: DEPS, Ministry of Culture and Communication, 2011.

age publishers to the detriment of the dominant publishers, or conversely to a straightforward change of roles between the large and average publishers? By looking at the overall market share for the top four and top ten companies for each segment, we can attempt to address these issues.

The patterns for each vary somewhat from one category to another (see Table 6). For literature, the hierarchy has changed little. The market share for the four largest groups (Hachette, Editis, Gallimard, Flammarion) and the ten largest groups[20] has fallen slightly, but not by any significant margin. In the 'books for young people' category a diminishing market share for the top four groups[21] works almost exclusively in favour of the larger publishers on the competitive fringe[22]. On the other hand, with graphic novels we see a fall in the overall market share for the both the top four publishers and the top ten, with this diminishing share[23] benefiting all fringe publishers.

This crumbling oligopoly benefits independent publishers of graphic novels such as l'Association, Clair de Lune, etc., whilst it essentially works in favour of the publishers of books for young people, the largest on the competitive fringe. In the literature category on the other hand, small and medium-sized publishers do not appear to be in a position to challenge the market leaders. In this area, which is the most concentrated of those analysed, the market share for the top four (Hachette, Editis, Gallimard and Flammarion) remains stable overall at around 76% for the period in question.

Summary

Although the number of different titled purchased grew slightly over the period, a sign of the increasing variety produced (the number of new releases on the market), this does not necessarily mean that there is an increase in diversity. In terms of balance, the status of the super best sellers does not seem to be diminishing at all, or does so very little, with the top 10's share of the top 100 sales seeming to actually increase. This transfer of demand affects sales of less successful titles. Thus, the preponderance of the top 100 and top 1,000 within sales as a whole shows a downward trend. The effect is twofold: we see an increase at the top of the sales distribution curve alongside an increase (albeit limited) in the sales of narrow readership works.

The changing pattern of the third aspect, disparity, shows some sharp contrasts across genres. In the literature category, although there is an increasing number of authors, sales tend to be focused on a decreasing number of them. Moreover there is a low turnover rate for successful authors, a sign of poor disparity. The bestsellers show the lowest turnover rate, emphasising that the same titles tend to linger ever longer in the monthly bestseller lists. Finally, for literature, the dominance of the big four (Hachette, Editis, Gallimard and Flammarion) goes unchallenged. On the other hand, for books for young people and graphic novels, the main publishers' share of overall sales is continually falling to the benefit of smaller publishers. This could be taken as an indicator of diminishing standardisation, inasmuch as the nature of the publishers (whether the big groups or small publishers) can have an impact on the content put out (mainstream versus niche products).

Key Issues

This study brings new and complementary responses to the usual questions about the publishing industry, namely the effect of fixed book pricing[24], and how the internet is affecting the distribution of book sales in France[25].

20. In addition to the big four which dominated the period, the top 10 for 2007 also included La Martinière-Le Seuil, Albin Michel, Actes Sud, Rivages, Michel Lafon, Libella.
21. For the youth category, the top four publishing groups for the period were Hachette, Editis, Gallimard and Bayard.
22. In 2007, Média Participations took fifth place, followed by L'École des loisirs, Flammarion, Albin Michel, Lito and Piccolia.
23. In 2007, these groups were Media Participation, Glénat, Delcourt/Tonkam et Flammarion. The fifth to tenth largest were Éditions du Soleil, Hachette, Editis, Panini, Bamboo and Albert René.
24. See F ROUET, *le Livre. Mutations d'une industrie culturelle*, Paris, La Documentation Française, 2007 ; H. GAYMARD, *Situation du livre..., op. cit.*; J. PERONA and J. POUYET, *Prix unique du livre à l'heure du numérique*, Paris, Éditions Rue d'Ulm, "Opuscules du Cepremap" collection, 2010, no 19.
25. P.-J. BENGHOZI and F. BENHAMOU, *Longue traîne : levier numérique de la diversité culturelle?*, Paris, Ministère de la Culture et de la Communication, DEPS, "Culture prospective" collection, 2008-1; D. BOUNIE, B. EANG and P. WAELBROECK, "Marché internet et réseaux physiques: comparaison des ventes de livres en France", *Revue d'économie politique*, 2010, no 120, p. 141-162; S. PELTIER and F. MOREAU, "Internet and the 'Long Tail' *vs* Superstar effect debate: Evidence from the French Book Market", *Applied Economic Letters*, 2012, 19(8) : 711-715.

Table 6 – Publishers' Market Share, per Segment (average based on monthly market share figures)

as a %)

		2003	2004	2005	2006	2007
Literature	Overall market share for the top four publishers (CR_4)	77	77	78	76	76
	Overall market share for the following six publishers (CR_{10} - CR_4)	12	12	12	13	12
	Overall market share for all other publishers (100 - CR_{10})	11	11	10	11	12
Graphic Novels	Overall market share for the top four publishers (CR_4)	76	76	73	70	69
	Overall market share for the following six publishers (CR_{10} - CR_4)	18	18	20	23	22
	Overall market share for all other publishers (100 - CR_{10})	6	6	7	7	9
Books for Young People	Overall market share for the top four publishers (CR_4)	66	65	65	64	62
	Overall market share for the following six publishers (CR_{10} - CR_4)	22	22	23	24	25
	Overall market share for all other publishers (100 - CR_{10})	12	13	12	12	13

Source: DEPS, Ministry of Culture and Communication, 2011.

Does Fixed Book Pricing Favour Cultural Diversity?

Unlike the music industry, in which the absence of any fixed pricing regulations certainly contributed, along with the early 80s sales crisis, to the decline of the independent record store even before the emergence of new technologies, it is clear that the French Law of 10 August 1981 helped maintain a dense and diversified network of bookshops. Indeed, at the end of 2007, the grocery superstores (GSS) and specialist superstores (SSS) only accounted for 55% of books sold, compared with 85% of all recorded music sales. Small and large bookstores continue to be the largest sales channel for literary works, books for young people and graphic novels: accounting for 41% of sales by volume compared with 27% for the grocery superstores and the specialist superstores. The extent of this distribution network means that the diversity produced, and more broadly supplied, "is done so in all areas of the country and at the same price, eliminating the costs of searching for the best prices, and reducing the unavoidable distribution costs which one encounters in those countries more sparsely populated by retail outlets[26]". In bookshops, the variety of titles consumed has continued to grow even though they position themselves behind the specialist superstores and the internet in terms of the number of different titles consumed.

Bookshops: Fewer Titles than the Specialist Superstores or the Internet...

The specialist superstores sell a higher number of different titles (Table 7), as they are supposedly better stocked than the other sales channels. In 2007 for instance, they sold almost 84,000 different titles each month, with their variety consumed 2.5 times higher than that of the grocery superstores, 2.3 times higher than small bookshops and only 1.4 and 1.2 times higher than large bookshops and the internet respectively. The GSS emerges as a retailer of limited variety, focusing more on books with higher print runs. With the exception of the internet, large bookshops are the channel with the strongest recorded growth (up 45% between 2003 and 2007[27]).

...but with a Higher Proportion of Narrow Readership Titles

An analysis of the relative balance of sales distribution across small and large bookshops on the one hand, and all other channels on the other, is potentially biased by the number of titles available from each and their sales volume. It seems more appropriate to examine the market share through a fixed proportion of titles.

The market share of the 1% of the bestselling titles tends to be lower in small bookshops than in the GSSs, but

Table 7 – Average Number of Different Titles Sold per Month, Breakdown by Year and by Channel (2003-2007)

	2003	2004	2005	2006	2007	2003-2007 change *(as a %)*
Large bookshops	43,130	49,090	52,670	58,310	62,530	45
Small bookshops	29,300	31,710	32,310	32,470	36,110	23
Specialist superstore	73,110	76,380	78,590	82,630	83,670	14
Grocery superstore	26,980	29,860	30,600	33,020	33,540	24
Internet	28,640	40,660	52,720	60,290	69,760	143

Source: DEPS, Ministry of Culture and Communication, 2011.

26. F. BENHAMOU, S. PELTIER, "La diversité culturelle et le livre", in H. GAYMARD, *Situation du livre..., op. cit.*, Annexe7, p. 344-348. www.culture.gouv.fr/culture/actualites/rapports/rapport_gaymard.pdf
27. As far as the larger bookshops are concerned, as well as the smaller ones, some of this increase could be explained by GfK's data calculation methods, and more specifically by the ongoing inclusion in the panel of an increasingly large number of bookshops offering specific titles compared with those more recently surveyed

higher than in the larger bookshops and particularly higher tha in the SSSs. The concentration of sales on a smaller number of titles is also seen in the small and large bookshops. However, this trend for the bestsellers to dominate which exceeds that of the SSSs is counterpointed in bookshops by a better performance for low-distribution titles. In fact, the market share for the median title (i.e. the title which separates a sample group into two equal sub-groups) is higher in small bookshops, and to a lesser extent in large bookshops, than it is in the SSSs and the GSSs.

Small and large bookshops have one particular distinguishing feature: they combine sales of bestsellers (those titles which bookshops say “sell themselves”) with sales of far more limited readership titles which manage to achieve a higher market share in bookshops than they do in SSSs. These titles stand out more easily here as they are less submerged by the increasingly huge choice.

Similarly, substituting competitive pricing with competitive quality seems to have played a role in upholding diversity. Whatever the category, of all the traditional sales channels, it is the small and large bookshops which always dedicate more space for small publishing houses.

Furthermore, in the literature category, the preponderance of the ten best-selling authors is smaller in the large and small bookshops than it is in the other channels In 2007, the top ten authors accounted for 33% of top 100 sales in the SSSs, compared with 31% and 27% for small and large bookshops respectively. The advisory role of bookshops therefore seems vital in encouraging the purchase of first works and lesser-known authors.

This comparative exercise is limited by the impossibility of conducting a counterfactual analysis, i.e. one which would compare these changes with those which might have taken place within a different legislative context. As such, this analysis allows us to suggest that the law may have helped to preserve diversity somewhat, in the sense of maintaining pluralism within publishing and distribution sources and protecting more challenging books.

Do Online Sales Represent a Leverage Effect for Cultural Diversity ?

Internet sales of literature, graphic novels and books for young people (excluding digital books), while growing rapidly, still represented less than 4% in 2007 (precisely 3.6 % in volume and 3.7 % in value). Although the place of the Internet is still modest, might we anticipate that the growth of online sales will have a significant impact on cultural diversity?

The Internet: A Positive Impact on Variety Consumed

First and foremost, the Internet plays a significant role in the increasing variety consumed over the period (an average of 69,760 different titles sold monthly in 2007, representing 41,000 more titles than in 2003). The Internet now represents the second distribution channel in terms of this criterion, behind SSS (83,670 different titles sold monthly in 2007 but only 10,500 titles more than in 2003). Variety consumed on the Internet therefore represents more than 80% of variety consumed in GSS[28]. Of course the scale of the increase in variety consumed on the Internet can be explained in part by rising online sales[29] and by the inclusion in the panel of new online trading sites during the period (Fnac.com, Alapage). However, since the end of 2004, when Fnac.com entered the panel, the rise has been sustained.

How far has the Internet contributed to the growth in variety consumed overall? Though it is difficult to answer this question with any accuracy, some avenues of approach deserve consideration. In aggregate terms, the number of titles sold increased by 25,800 between 2003 and 2007. Over the same period, there has been an increase of only 10,600 titles in the SSS, the distribution channel which receives most traffic. It is therefore probable that the 15,000 or so new titles sold which do not pass through the SSS are at least partly a consequence of the rise in Internet sales. Titles sold on the Internet have in fact seen a rise of more than 40,100. No doubt a significant proportion of these constitute a sub-set of the titles sold in SSS, but certainly not all [30], particularly since, if the growth in the number of online sellers in these years has obviously resulted in a rise in the number of different titles sold on the Internet, conversely the SSS are often criticised for having contracted their range over the same period. Further, if in 2003 only 14 % of the different titles sold had not been bought at least once in SSS[31], this had climbed to 26% by 2007.

28. All the more so since while consumers can access the entire online offer no matter where they live, the same is not true for the physical supply in traditional channels, which is limited to the shops in their near vicinity.

29. On the Internet, the increase in variety consumed has also been encouraged by the rising popularity of this sales channel over the period. According to the TNS/Sofres consumer panel, only 5.7% of the population aged 15+ had bought a book on the Internet in 2003, but this rate had climbed to 16% by 2007.

30. We might imagine that the steep rise in different titles sold on the Internet is simply due to a sharp increase in the sales of literature titles in the original language, but this appears not to be the case. While the average number of titles sold monthly on the Internet rose by an average of 18, 900 between 2003 and 2007, the number of titles in the original language sold in this channel has grown by only 1,600, barely 9%.

31. On average each month, 85,100 different titles were purchased at least once in 2003, but through the SSS channel alone this figure was only 73 100, or just 86%. In other words, in each month of 2003, on average14% of the titles sold at least once registered no sales in SSS.

An Ambiguous Impact on the Concentration of Sales

The growth in online sales has a contrasting impact on the balance of sales. The study demonstrates a more egalitarian distribution for Internet sales than for sales through other channels (less pronounced in the case of books for young people). Thus, the proportion of titles which represent 50% of sales is more than twice has high on the Internet as in SSS (7% against 3% for graphic novels and 4% against 1.5 % for literature at the end of 2007), except in the case of books for young people where it is very close (around 5% in late 2007). Likewise, on average in 2007 the minimum market share of the best-selling 1% titles was higher in SSS than online (except for the youth category): best-sellers thus occupy a less dominant place on the Internet. In contrast, the median market share, (i.e. that separating the titles into two), was higher on the Internet than in GSS, illustrating the fact that titles with lower sales do better there[32].

Following Anderson's thesis[33], it appears that on the Internet the best sales are shared by more titles and that the sales in the tail of the distribution curve are more important. In parallel, this analysis suggests an increase in concentration, with a diminishing proportion of titles taking up 50% of total sales. Here again, this result seems consistent with empirical analyses of the long tail, tending to demonstrate a strengthening of the position of best-sellers in parallel with the development of a long tail. The analysis of best-seller charts, and thus of super-best-sellers, confirms these results. The proportion of the top 10 in the top 100 is higher on the Internet than in the other circuits for the literature category and books for young people, and the same or even lower for graphic novels. Additionally, over the different segments, the weight of super-best-sellers tends to strengthen on the Internet as compared with other channels (figure 7). It appears that, with the democratisation of online sales, purchases by occasional readers are now occurring online, perhaps to the detriment of the GSS.

Table 8 - Market Share of Authors and Sales for the Literature Category in SSS

as a %)

Combined authors' share…	2003	2004	2005	2006	2007
50 % of sales	1.4	1.3	1.3	1.2	1.3
40 % of sales	4.7	4.6	4.6	4.6	4.6
9 % of sales	36.5	36.1	36.2	36.2	36.1
1 % of sales	57.3	58.0	58.0	58.0	58.0
Total	**100**	**100**	**100**	**100**	**100**

Source: DEPS, Ministry of Culture and Communication, 2011.

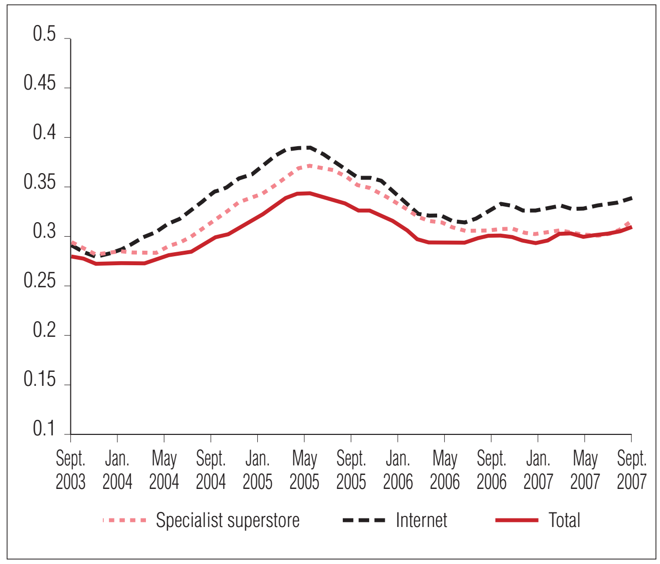
Table 9 - Market Share of Authors and Sales for the Literature Category on the Internet

as a %)

Combined authors' share…	2003	2004	2005	2006	2007
50 % of sales	3.3	2.8	2.2	2.2	2.0
40 % of sales	12.7	11.1	8.8	8.5	7.7
9 % of sales	63.8	61.2	72.0	71.2	71.4
1 % of sales	20.2	24.9	17.0	18.1	18.9
Total	**100**	**100**	**100**	**100**	**100**

Source: DEPS, Ministry of Culture and Communication, 2011.

Figure 7 - Market Share of Top 10 in the Top 100 by Distribution Channel (literature)



Source: DEPS, Ministry of Culture and Communication, 2011.

Online Sales Benefit Unknown Authors, but Also Superstars

For the third aspect, disparity, online sales of best-sellers appear to present no special features in comparison to physical sales. The best-sellers sold on the Internet are not very different from those sold in specialist superstores and bookshops. The turnover rate for the top-selling charts is no higher than in other channels. Internet sales are nevertheless characterised by a less marked star effect (concentration of sales on a small number of successful authors); see tables 8 and 9: 2 % of authors account for 40% of online sales compared with 1.26 % of authors in SSS and 1.14 % in all channels combined. Nearly 10% of authors are needed in order to account for 90% of Internet sales, almost twice as many as for SSS (6%) and for all channels combined (5%). On the other hand, the situation of less-sold authors is distinctly better for sales online. Though around two-thirds of authors share 1% of total sales, this proportion falls to 40% in SSS and to less than 20% on the Internet.

32. This better position is entirely relative. The internet share of the book market is so small that for a given title, even the lowest market share achieved in SSS rather than online can still translate into higher sales volumes in the former than latter.
33. C. ANDERSON, *The Long Tail, op. cit.*

The results are radically different when we consider the market share of superstars, the handful of writers who are very well-known. Changes in the market share of the top 10 in the top 100 authors, although very sensitive to the release of one or several very well-known titles (such as the paperback edition of the Da Vinci Code in May 2005), tend overall towards concentration on the short head (the strong sales of superstars) in every channel. This strengthening of the star-system appears more striking on the Internet. In this channel, while the ten first literary authors accounted on average for 27% of the monthly sales of the top 100 in 2003, their market share had risen to nearly 32% in 2007.

While the star effect is more evident for physical sales than on the Internet for the top 100 and top 1,000, the superstars are more dominant on the Internet than in large and small bookshops. This result demonstrates the important role of bookshops in promoting certain titles in order to encourage the emergence of new talents or the success of little-known authors. If the Internet also promotes these authors, site strategies which consist of displaying the lists of the ten best authors and titles on the home page would lead to an even narrower concentration of sales on these works. The "home page" effect would offset the "long tail".

Finally, while the market share of the first four publishers is around 5 points weaker on the Internet than in SSS for literature and books for young people, at the end of the period the market share of Hachette and Editis is 7 points lower for literature and 10 points lower for books for young people on the Internet than in cultural superstores. An identical phenomenon can be seen for the graphic novel category, although Hachette and Editis are not dominant in this market. Their market shares on the Internet are weaker than in other channels, although the difference is less marked. It appears that it is easier for publishers who are outside the duopoly to exist in the channel which is least readily controlled by traditional marketing means. It is also easier for them to maintain a presence in the channel where the control of powerful marketing and distribution companies in not an essential competitive advantage, as may be the case in traditional channels.

The particular structure of the distribution of sales across titles on the Internet is consistent with Chris Anderson's long tail theory[34], according to which the Internet presents an opportunity for slow-moving books whose limited readership put off bookshops which need space for new titles. On the Internet, the absence of display constraints should make it possible to sell these books in the long-term, and thus to allow them the time to find their readership. The long tail thus includes all the titles for which the buying public is sufficiently large for the works to be profitable, but too fragmented to allow retailers to offer them over a prolonged period. A larger number of titles is thus accessible, and the demand can potentially be diverted from the "steep tail" (best-sellers) towards the long tail. The decentralised advertising methods made possible by the Internet (forums, blogs, purchasing advice on online sellers' sites, etc.) can play a part in this shift in demand. Thanks to the Internet, not only are titles unavailable in physical bookshops accessible, but consumers can also find out about them and read the opinions of Internet users who have already read them. The rise in the market share of titles with a small print run, to the detriment of titles with higher sales, which has been recorded in the online sales channel seems consistent with this analysis. Nevertheless, super best-sellers are able to resist this phenomenon. This observation is also consistent with previous studies of the long tail which showed that the reduction in the number of superstar works could lead, in part, to a stronger demand for those which remained[35].

34. C. ANDERSON, *The Long Tail, op. cit.*
35. E. BRYNJOLFSSON, Y. J. HU and D. SIMESTER, "Goodbye Pareto Principle, Hello Long Tail: The Effect of Search Costs on the Concentration of Product Sales", *Management Science*, 2011, forthcoming; F. OBERHOLZER-GEE and A. ELBERSE, "Superstars and Underdogs: An Examination of the Long Tail Phenomenon in Video Sales", *Working Paper* no 07.015, Harvard Business School.

The Data

This study is based on sales data for physical books sales in France, as gathered by GfK on a monthly basis, over a period of five years (from January 2003 to December 2007). This analysis is based on works within the three following segments: general literature; books for young people (excluding colouring books and sticker books/albums); graphic novels.

GfK took raw weekly cash register sales data from around 2300 sales outlets in 2007. The number of stores audited increased substantially year-on-year[1], with the cash register sales data used as a basis to extrapolate sales at national level. Weighting was adjusted appropriately each time new sales outlets were added. According to GfK, these data estimations represent almost all of physical book sales in France (excluding book clubs, mail order, purchases from overseas sites and community sales). Data also excludes direct sales by publishers, forward sales (communities and businesses), discount sales, second-hand book sales and books sold in museum stores and service stations. GfK was not able to give any information on the book club channel for reasons of confidentiality, as only France Loisirs, which acquired 50% of Grand Livre du Mois in 2004, with the remaining half in 2008, now operates in these sales channels

Sales figures were gathered for five different distribution networks: large bookshops, including bookshops with an annual turnover above €750,000; small bookshops whose annual turnover is equal to or less than €750,000 (including small Relay stores), which include small generalist bookshops and the majority of specialist bookshops etc. (books for young people, graphic novels, etc[2]); specialist superstores (cultural SSS which include the likes of Fnac, Virgin, Cultura and Espace Culturel Leclerc[3]); grocery superstores (GSS) hypermarkets and supermarkets[4]; the internet, the channel for which, according to GfK, all online distributors are audited[5] for their sales of new books[6]. Sales of digital books, known as e-books, are not available but currently remain negligible. E-books are currently estimated to account for just 0.1% of the French publishing market.

GfK data is collected on the basis of EAN-referenced products. For each EAN number, GfK supplied the following 23 variables for the period: month extracted from database; week of first sale; author; title; publisher; publishing group; format: paperback, non-standard paperback and large-format[7]; French or foreign work (for 'literature' category only); sales data (quantity and turnover figures) per sales channel: large bookshop, small bookshop, cultural SSS, GSS, internet, total (all channels combined); three segmentation levels: 3 level-1 segments (general literature, books for young people, graphic novels); 15 level-2 segments and 69 level-3 segments[8].

For the period covered, this analysis covered 253,449 different EANs, comprising 150,760 books in the general literature category (59.5% of all EANs) 68,625 books for young people (27.1%) and 33,672 graphic novels (13.3%). More than two thirds of items listed were books which were not published in standard paperback format (172,607 items 68.1% to be precise), less than one third were standard paperbacks (78,966 items, i.e. 31.2%) and less than 1% are listed as large-format books (1,493 items, i.e. 0.6%[9]).

As a single item can appear under various different EAN references, especially where for example it is released as a standard and non-standard paperback, it is possible that the number of different titles may be overestimated. However, a product's launch in a standard paperback format generally signals it was reaching the end of its life as a large format version. In fact, "numerous bookshops are now in the habit of returning the large-format title when the paperback comes out, which tends to shorten its life cycle and increase title turnover[10]" On any given date, it is usually an author's new work which is available as a large format version, and their previous titles which are being sold As standard paperback editions. The same book can be sold under various EAN references in other situations which remain marginal, e.g. when a book is available in its original and translated version or for public domain works which can be released under various different editions. It is in fact relatively rare within publishing for the same book to exist under several EANs at the same time and consequently no special data processing was done to this end.

On the other hand, data from GfK was supplied in a raw format and therefore could not be processed directly. The main problem with this unexpurgated data concerns the "author" field. In fact, diversity measurements based on the author are done so based on the assumption that one EAN refers to one single author. However, the "author" field in the "raw" GfK database is not always populated in a consistent fashion. When an author is unique, his or her surname and first name are not always written in an identical fashion. Some re-processing of the data was therefore necessary[11]. Moreover, in the "books for young people" and "graphic novel" categories, works with multiple authors (e.g. scriptwriter and artist) are the rule rather than the exception. The "author" field sometimes contains just one of the authors, and sometimes both. This problem is not insignificant in the graphic novel category, where co-authors can change from one series, or indeed one episode to the next. We therefore decided against calculating diversity based on author for both the 'books for young people' and the 'graphic novel' categories.

It should also be noted that the method used by GfK to compensate for the non-exhaustive nature of the "cash register" dales data in certain channels (e.g. small and large bookshops) allows total sales quantities to be extrapolated, but not the number of different titles sold. Therefore, the small and large bookshops which were added during the course of the data collection probably were subject to regional if not local variations which influenced the titles offered there. An increase in the number of different titles sold through the channels where data collection was not initially exhaustive may partly therefore simply be the result of statistical bias. This limitation, which may reduce the extent of the phenomena described without calling into question their entire existence, should be borne in mind where relevant.

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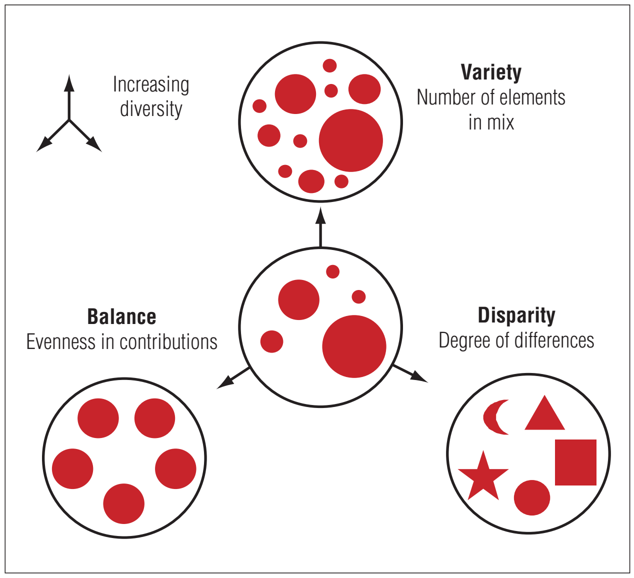
1. There were 1,800 sales outlets included in 2004 and 2005, 2,100 at the start of 2006, and more recently 2,800 in 2008 and 3,500 in 2009.
2. On the economics of specialist bookshops see *Situation économique de la librairie indépendante, rapport des enquêtes quantitatives*, OEL/IPSOS, 2007, p. 63¬64.
3. For reasons of confidentiality, we were unable to get hold of sales data specifically for department stores (essentially Bon Marché and Galeries Lafayette) and the large station kiosks (Relay stores). These were added in with the cultural SSS figures.
4. Sales from non-bookstore specialist superstores such as Darty and Leroy Merlin, and toy and games specialists such as Toys'R'Us, La Grande Récrée, etc. could not for confidentiality reasons be added into the "other" category. Due to the relatively low percentage of book sales in the turnover of such stores, this store category was included under the GSS figures.
5. For the larger companies: Amazon since July 2003, Alapage since March 2004, fnac.com since September 2004, chapitre.com since December 2007.
6. Sales related to the acquisition of works by third parties through an internet site (often termed the "marketplace") are not considered.
7. Books in trade-format paperback editions, given their relatively low numbers, are classified as non-standard paperback.
8. However, the amount of detail in our analysis has had to be cut back. The differences between standard and non-standard paperback and the different categories of work within the 'literature' segment are not sufficiently significant to justify maintaining the distinctions.
9. NB: the category and format for some 383 EANs is not specified (i.e. 0.2%)
10. E. MARTI, *Les Enjeux du livre au format de poche*, Paris, Ministère de la Culture et de la Communication, DEPS, "Culture etudes" coll., 2008-4.
11. As the database contains 60 monthly files each containing over 80,000 EANs meant that correcting the "author" field was going to be tricky. Correcting the database required a semi-automated process. The method was set up as follows: (i) compile 60 monthly files to identify potentially different authors (i.e.65,816 lines); (ii) set up a program to identify authors listed without a first name (e.g. "auster") (3199 instances) and those where the first name is simply denoted with an initial (e.g. "AUSTER P.") which have a name matching another line in the database (2074 instances); (iii) for each of these 5273 instances thus singled out, a manual correction was made, author by author. The same problem arose for the "publisher" category and was dealt with in the same way.

Aspects of Methodology*

The three aspects of diversity can be interpreted as follows: variety corresponds to the total number of different items listed, balance is calculated by dividing the total number of copies over these different items, and disparity studies the nature and the degree of differentiation between these items. Diversity increases with these three aspects. The higher the variety, balance and disparity, the higher the diversity; however, each aspect is a necessary but individually insufficient condition for evaluating the level of diversity (see Figure 1).

For the first aspect, variety, diversity increases with the number of product lines produced and consumed. For the second aspect, balance, diversity increases with as the distribution of sales figures for different products becomes more uniform. For the third aspect, disparity, diversity increases the more the product lines show unique qualities differentiating them from each other. The concept of disparity seems the hardest to demonstrate and evidence of a pragmatic approach is clearly needed. To evaluate the disparity between works, an analysis of their content can appear highly subjective, and equally, or especially, extremely difficult to apply to a significant sample group. However it is possible to approach the issue of disparity between works by suggesting that the number of different artists (i.e. authors, etc.) is an indicator of this aspect of diversity. The more often individuals buy works by different authors, the greater the disparity between them, and vice versa. Similarly, distinguishing between works by prominent and lesser-known publishers can also help reveal a certain disparity within the genres studied (the latter being more likely to position themselves in niche markets), as well as within the thematic content.

Figure 1 – Stirling's Three Aspects of Diversity (1999, 2007)



Source: DEPS, Ministry of Culture and Communication, 2011.

Table 1 – Diversity Indicators Used

Aspect	Indicator
Variety	– number of different titles sold – number of different titles produced (released for sale for the first time during the period in question)
Balance	– Herfindhal-Hirschman Index* (HHI) on the distribution of titles – proportion of titles representing x% of total sales (Pareto distribution) – number and proportion of titles reaching x sales over a given period – market share which the different centiles represent – proportion of top-selling titles in total sales
Disparity	Of titles : – chart turnover rate – chart match rate between sales channels – number of direct entries in the charts Of authors/artists : – number of different artists/authors achieving at least one sale – HHI on artist/author distribution – proportion of authors/artists representing x% of total sales (Pareto distribution) – proportion of top-selling artists/authors in total sales – chart turnover rate – chart match rate between sales channels Of publishers/distributors : – number of active publishers – HHI, CR_4 and CR_{10}** of sales by publisher/producer

* The Herfindhal-Hirschman Index (HHI) is calculated by squaring market shares, and then adding together the resulting numbers It is given a value between 0 (situation in which no title has a significant market share) and 10,000 (situation in which a single title monopolises the entire market).
** CR_4 and CR_{10} are calculated as the combined market share of the top four and the top ten publishers/producers respectively. The higher these values, the more concentrated the market is considered to be.

Source: DEPS, Ministry of Culture and Communication, 2011.

In terms of cultural demand, both sides of the market, supply and demand, have their own unique features. It is therefore useful to distinguish between diversity supplied and diversity consumed, and to analyse the extent to which diversity supplied corresponds to that consumed by economic agents. This distinction raises the crucial question of whether an increase in the diversity of supply has a positive impact on the diversity of consumption. In other words, to what extent do diversity of supply and diversity of consumption affect each other? However, as outlined above, as the GfK data is sales data, analysis will necessarily put the focus more closely on diversity of consumption. Diversity of supply can only be dealt with in a piecemeal fashion, through diversity produced (the number of new releases on the market each week).

Finally, the main criteria used, with each criterion being (where possible and relevant) analysed per segment (genre) and per distribution channel, are listed in the table below. The results for every single indicator are not necessarily reproduced here. Interested readers can consult the full report for the exhaustive study of all diversity analysis criteria.

* This section on methodology is identical to that which appears in the document on cultural diversity in the French recorded music industry, as the two sectors were studied as part of the same study (see Marc BOURREAU, François MOREAU, Pierre SENELLART, *Diversité culturelle dans l'industrie de la musique enregistrée en France (2003-2008)*, Paris, Ministère de la Culture et de la Communication, DEPS, "Culture etudes" collection, 2011-5 and M. BOURREAU, M. GENSOLLEN, F. MOREAU, S. PELTIER and P. SENELLART, *l'Appréciation et les processus de modification de la diversité dans les filières des industries culturelles*, Report for the Ministry of Culture and Communication, DEPS, 2009, 242 p.).

culture méthodes

An Evaluation of the Diversity of the Film Market for Cinema and Video Recordings in France and in Europe

Dr Florence Lévy-Hartmann

Une mesure de la diversité des marchés du film en salles et en vidéogrammes en France et en Europe

CM-2011-1

An Evaluation of the Diversity of the Film Market for Cinema and Video Recordings in France and in Europe.

October 2011, 16 p.

The issue of cultural diversity is examined from the point of view of the diversity of the market for films shown in cinemas and films released as video recordings in the 2000s, based on a new sample of 5,600 films shown in cinemas, and 6,500 video film recordings. For both markets, the method used consisted of measuring diversity based on the criteria of variety, balance and disparity. The issues of increased supply (films), distribution (copies) and demand (number of tickets or video recordings sold) are covered for 6 European countries, namely: France, Denmark, Spain, Poland, the UK and Sweden. The video film market is covered for France only. The method used tends to indicate that France has the most diverse cinema film market, whilst its video film market is considerably less diverse. It confirms differences in diversity according to marketing channels whilst new research shows a higher level of diversity within the internet video film market.

culture études

Cultural Diversity in the French Recorded Music Industry (2003-2008)

Marc Bourreau, François Moreau et Pierre Senellart

La diversité culturelle dans l'industrie de la musique enregistrée en France (2003-2008)

CE-2011-5

Cultural Diversity in the French Recorded Music Industry (2003-2008)

October 2011, 16 p.

The French music industry has been in crisis since the mid 2000s. As content digitisation increased, sales dropped. How are we to assess the impact of the production and consumption of an industry in crisis on cultural diversity? Following Andrew Stirling's approach, cultural diversity is measured according to three criteria: the variety produced and consumed, the balance of sales across different titles, and the disparity between albums and artists listened to. Analysis shows that the majors have lost out to both small and large independents. It also provides some insights into to the leveraging effect of online sales (the long tail theory) and into the increasing diversity of those sales made by specialist large-scale retailers.

Abstract

Although there has been a marked increase in French publishing output throughout the 2000s, in terms both of annual print runs and titles released, how are we to assess whether this growth is also accompanied by increasingly diverse consumption? Based on Andrew Stirling's three-pronged approach, cultural diversity within three different publishing areas (the youth market, comic books and literature) is analysed on three levels: variety produced and consumed, the balance of sales between different titles and the disparity of works and authors read. This analysis provides some responses to the question of how effective fixed book pricing legislation has been in terms of cultural diversity and the leveraging effect of online sales (the long tail theory).

Résumé

Si la production éditoriale française a beaucoup progressé au cours des années 2000 en termes de titres et d'exemplaires produits annuellement, comment apprécier si ce bond quantitatif s'accompagne ou non d'une plus grande diversité de la consommation ? Fondée sur l'approche tridimensionnelle d'Andrew Stirling, la mesure de la diversité culturelle est analysée sur trois segments éditoriaux (jeunesse, bandes dessinées, littérature) selon trois dimensions : la variété produite et consommée, l'équilibre des ventes entre les différents titres et la disparité des œuvres et des auteurs lus. L'analyse apporte des éléments de réponse à la question de l'efficacité de la loi sur le prix unique en termes de diversité culturelle et sur l'effet de levier des ventes en ligne (hypothèse de la longue traîne).

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