

TOWARDS READMAGINE 2021

# Post-pandemic policy agenda for the European publishing industry



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Con la ayuda de



# Introduction

This document reflects a descriptive and analytical summary of the conclusions from one of the working groups gathering remotely in Readmagine 2020. These debates, crafted by an international group, focused on the impact on reading and consumption behaviours and their consequences for the book industry.

This executive summary is one of three drafts created by specialists on last year's Readmagine. This document is summary of the results from the working group focused on policymaking in the EU for the promotion of the creative sector and in particular the publishing industry.

We will be parting off of these brief conclusions when working on Readmagine '21, directing around the issue:

From our present perspective of the positive figures in markets and reading figures during the 2020 crisis, how

can we ensure this pattern continues throughout the next few years? Moreover, how can we overcome some threatening trends that underlie beneath those good results?

That's why we use the shape of god Janus as the image for Readmagine 2021 edition; precisely the roman divinity of beginnings, endings, doorways and also duality.

The FGSR has been working during the last months founded on a hypothesis that argues that this crisis should foster innovation in the design of public policies and is an opportunity to tailor an European strategy.

A group of professionals, leaders and experts were invited to build together a fast first response to the challenges by gathering during June. The list of contributors was: Anne Bergman-Tahon, Basile Mignonneau, Enrico Turrin, Erik Wikberg, Jörg Engelstädter, Johana Brinton, José Manuel Anta,

Laurent Le Meur, Lorenzo Armando, Patricia Castillo, Pedro Sobral, Peter Kraus vom Cleff, Phaedon Kidoniatis and Ugo Bacchella. The sessions were coordinated by Piero Attanasio and Simone Lippold.

Readmagine is the professional meeting around the innovation of readership, libraries and books organized by the Fundación Germán Sánchez Ruipérez since 2005. In 2020, Readmagine had to adapt to the pandemic by taking up a completely online format.

The work scheme took three main steps:

- **Policy prioritization and evaluation of its feasibility.**
- **Scrutiny of changes in behaviours and business models.**
- **Design of a strategy blueprint for policymaking in the next years.**

# Policy prioritization and evaluation of its feasibility

**The remote work means that management of meetings should be attentive to stimulate creativity and participation. That is why the first task was to produce a huge number of ideas or measures that the European policy for the promotion of Cultural and Creative Industries (CCI) should include. After a brainstorming with a high number of ideas, the group assessed the degree of feasibility and impact of each of them by using an evaluation tool of the remote work app. If we eliminate all the proposals with less interest or support there are four groups of initiatives**

# STRENGTHS

## A. Creativity Very high importance and feasibility:



1. Create laboratories of innovation to test new prototypes – as a kind of “safe places” or “sandboxes” in which companies, R&D centres or users could collaborate towards common objectives.

2. A new conceptual framework for a communication strategy where publishing is not just printing books and reading but a vessel for innovation (via content, information, storytelling, education etc.).

# WEAKNESSES

B.

High importance and feasibility:

“

3. *Design a new narrative for policy makers: Shifting the core of advocacy from the intrinsic value of CCI to their value for contributing to wellbeing and responsiveness to challenges in society.*

Standards & Formats  
Fragilities

Wishful thinking re: formats and access. Publishers expect paid users things to be like they want, not like the consumer wants.

In LatAm markets, lack of usage of infrastructure, usage of standards and knowledge of digital tools

Inefficiencies within the workflow

Lack of understanding of the supply chain

Rigid contracts and practices that prevent new models.

Lack of digitalization

Less digital channels, different set of tools by each actor

Invest in digitalization of books and online infrastructure

Lack of regulation that forces actors to change strategy to be digital

Lower performance than big platforms new tools

low level of integration with social and interactive tools (compared with new players)

time to market and capacity of discount of e-tailer (vs. big platforms)

Resistance to the innovation

"inside the box"-thinking

Lack of R&D

New Business Models (e.g. Multichannel) Means more complexity and uncertainty

Resistance to try new models, formats and products.  
Traditionalism.

Small size and Funding scarcity

# OPPORTUNITIES

## C. Interesting importance and feasibility:

“  
New generation of digital / business models after the lockdown

4. Change the priorities of cultural policies by considering the strategic role of reading for the European society more relevant than the artistic/ leisure side of books.

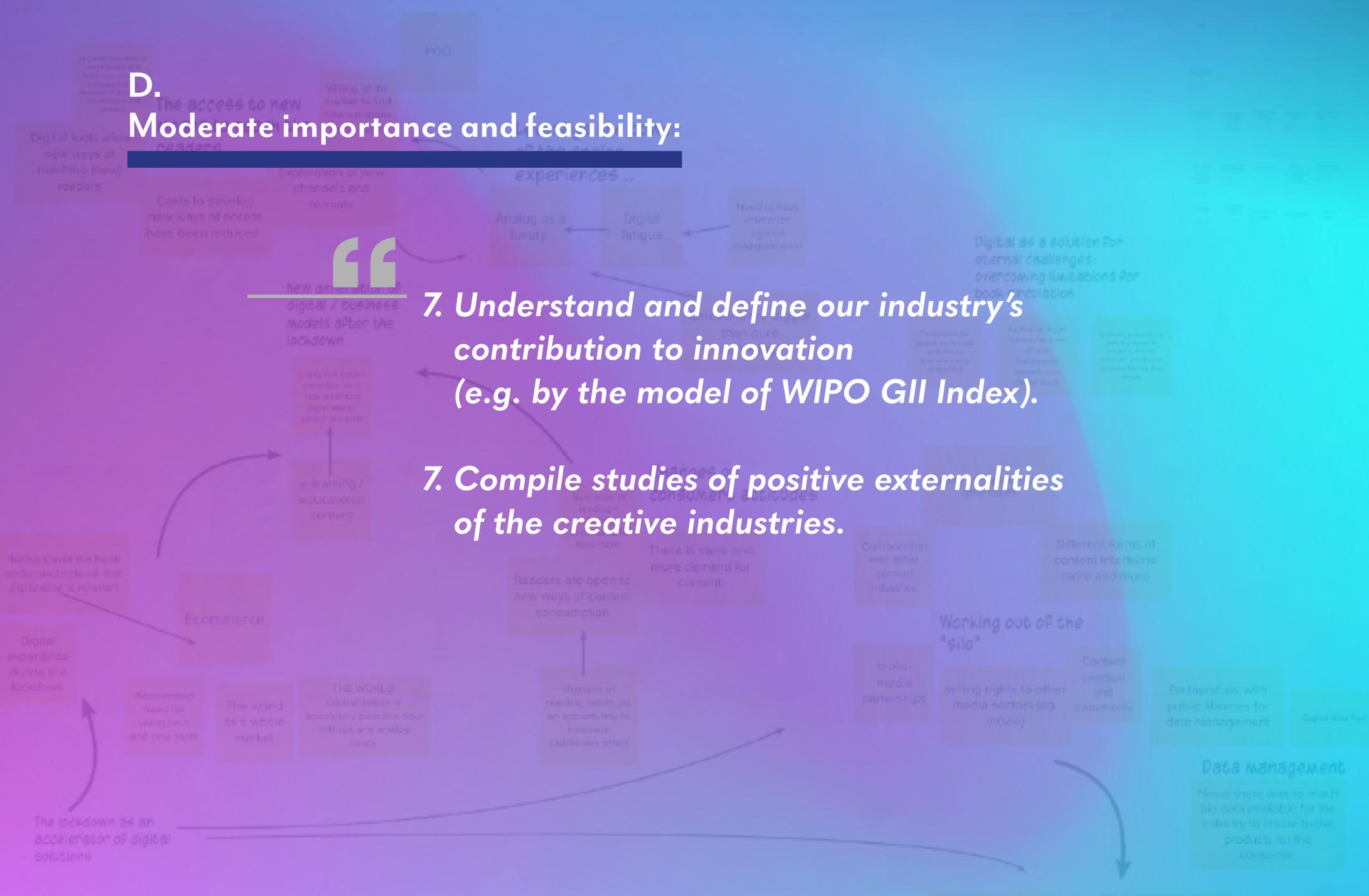
5. European funds should be used for innovation, new business models and not for feeding the status quo (otherwise we will have “zombie companies” sooner or later).

### Data management

Never there was so much big data available for the industry to create better products for the consumer.

# OPPORTUNITIES

D. Moderate importance and feasibility:



7. Understand and define our industry's contribution to innovation (e.g. by the model of WIPO GII Index).

7. Compile studies of positive externalities of the creative industries.

*We can group these priority actions into three categories from the type of measures that include:*

- *Proposals around the narrative.*
- *Policies of public impulse to innovation.*
- *Experimental studies and research.*

*It is quite obvious that all ideas related to the design and dissemination of a “new narrative” are in a prominent place in terms of their relevance and feasibility.*

# The impact of the transformation in behaviours

The pandemic crisis has forced organizations to re-evaluate how touch points or interaction with customers are leveraged, how professionals deliver relevant customer experiences and how digital channels can be used to support the book industry continuity through this crisis and beyond.

The global COVID-19 pandemic has forever changed our experiences —as customers, employees, citizens, humans— and our attitudes and behaviours are changing as a result. This crisis is fundamentally changing how and what consumers buy and accelerating immense structural changes in the content industry. Once the immediate peak in the outbreak of the virus has passed (first wave), organizations within the publishing industry will need to consider the impact of these changes on the way we design, communicate, build and run the institutions and companies.

During Readmagine 2020 another group of experts produced the following set of conclusions about the new behaviour trends:

- **There are certain predicted trends connected to the content such as the innovative storytelling; the rapid evolution of education towards a mix of physical & digital resources; the narrative universes tied to virtual reality products; the text - audio - film cross-sector experiences or more short stories consumed in a segmented agenda.**
- **The working group also identified trends linked to the consumer's experience as: more individual in-home consumption, more affinity-driven online communities; increasing use of ebooks and audiobooks across different devices; the increase on the demand of very personalised services; instant satisfaction of customer needs; changing lifestyles mean fragmenting time even more; shifting between media, dual screening or the rise of the high street challenge: How to engage the future consumer with experience in brick and mortar shops.**
- **Finally, there are also trends that refer to the impact of preferences of customers on the transformation of business models: growing share of subscription vs 1-by-1, increasing concentration of cultural supply, shift towards web-based publishing, a new strategy that involve all supply chain or the increase the involvement of non-readers.**

# The impact of the new business models

The second area of debate was the future playfield for business models in the European publishing industry.

The general conclusion reached by this other working group was that the most relevant business models for the industry in the coming years will be based on three actions:

- **The transformation of companies so as to reach a more advanced exploitation of information.**
- **The integration of the digital throughout all phases of the process.**
- **The improvement of economic efficiency of workflows.**

These three types of actions of transformation should aim to take advantage of the broad specialization on creativity within this sector. According to the experts present at Readmagine 2020, business models in the next five years should prioritise four main strategies:

1. **Cost reduction thanks to the incorporation of innovation within processes using digital standards and tools.**
2. **Improvement of user experience by promoting widespread cooperation to eliminate any frictions.**
3. **Compensate lack of size of companies by establishing alliances with other companies**
4. **Integration of readership information marketing and the strategies in communities around content.**

# Strategy blueprint for policymaking in the EU during the next years

The following ideas take into consideration all the previous conclusions about behaviours, business models, as well as the prioritization of actions based on the feasibility and the importance that it implies in the future decisions for the agenda:

- **The focus and the area of impact of the policies should be expanded**

The goals of the policy for the reading promotion and the support for the publishing industry might exceed the traditional boundaries of culture and leisure. This means that the area of interest should refer to the positive impact that the activity of the book industry and reading institutions mean on health, social equity, capacity for innovation and wealth generation.

- **Guarantee of pluralism in market players**

The European perspective on what the cultural offer should be implies that policies affect both regulation and support. From the perspective of the regulation measures the agenda ought to address the challenge of keeping the level playfield for every company. The new policies should include prevention measures against “quasi-monopolistic position” and correction scheme.

- **The support policies should be integrated with a strategy of incentives for innovation**

It is about the publishing industry not being helped with instruments that suppose a mere protection. The support must imply a strategy to encourage the transformation of the industry to make it competitive.

- **The implementation should remove bureaucracies and eliminate excessive regulation**

The publishing face the proliferation of a large number of regulations that seem to be useless. Moreover, this normative framework hinders the chances to compete with the platforms with a more loose rules.

- **The design of programs to promote reading must be modernized and adapted to the changes in society**

Many of the policies to promote reading

among citizens have become obsolete and the implementation them do not show clear impacts throughout the last years. The impact of 2020 crisis make it necessary to update the global concept of what we call reading promotion and research on reading behaviour needs should be a priority (investing in new instruments to understand the way in which younger audiences engage with books).

- **The fragmentation of the administrative structure needs to be redesigned to provide greater coherence to the policies implementation**

The dispersion of administrative departments and their functions are a big challenge for small and medium size companies of the CCI. An ambitious strategy of collaboration ought to be fostered in Europe to build a consistent policy agenda for this industry.

- **The policy agenda for the publishing industry should be linked to a general agenda for supporting innovation in the cultural and creative content industries**

The “departmental” approach of most of the policies are designed from the perspective of the different CCI “silos”. This situation hinder the chances of an effective European agenda for the CCI in a global scale and the capacity of the policies to promote innovation.



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