

PUBLISHING OF BOOKS, PERIODICALS AND OTHER PUBLISHING ACTIVITIES IN ISRAEL

The 28 Voorburg Group Meeting Tokyo Japan

7 - 11 October 2013

Ruth Vizner

Central Bureau of Statistics Israel

Classification

J - information and communication

- 58 Publishing services
- 59 Motion pictures, video and television program production services, sound recording and music publishing
- 60 Programming and broadcasting services
- 61 Telecommunication services
- 62 Computer programming, consultancy and related services
- 63 Information services

Classification

J - information and communication

58 publishing activities

58.1 publishing services of books, periodicals and other publishing activities

- 58.11 book publishing services
- 58.12 publishing of directories and mailing list
- 58.13 publishing of newspapers
- 58.14 publishing of journals and periodicals
- 58.19 other publishing activities

58.2 software publishing

ISIC Rev 4. versus ISIC Rev 3.

ISIC Rev 3.1	ISIC Rev 4
22 Printing and publishing	581 publishing activities 18 printing activities
2200 book publishing	5811 book publishing 5812 publishing of directories and mailing lists
2201 on line book publishing	5811 book publishing
2210 publishing of newspapers and periodicals	5813 publishing of newspapers, journals and magazines
2218 other publishing activities	5819 other publishing activities
222 printing	18 printing and reproduction of recorded media

ISIC Rev 4. Versus CPC Ver. 2

ISIC Rev. 4	CPC Ver. 2	Detail
581	322 - 326	Printed contents: Books, Directories Maps and charts, Newspapers And other publication printed
	476	Recorded contents: Audio, Video, disks, tapes and other physical media
	733	Licensing services for the right to use originals contents of various kind
	8363	Sale of advertising space or time (except on commission) on various printed media
	843	On line contents: Books, directories, newspapers
	891	Publishing on a fee or contact basis

Definition of the services

Publishing is the activity of making information available to the general public.

Publishing includes the stages of the development, acquisition, copy editing, graphic design, production – printing (and its electronic equivalent), and marketing and distribution of newspapers, magazines, books, literary works, music works, software and other works dealing with information, including the electronic media.

Publishing services transactions



Market condition

Size of Industry

581 publishing of books, periodicals and other publishing activities In Israel in 2011

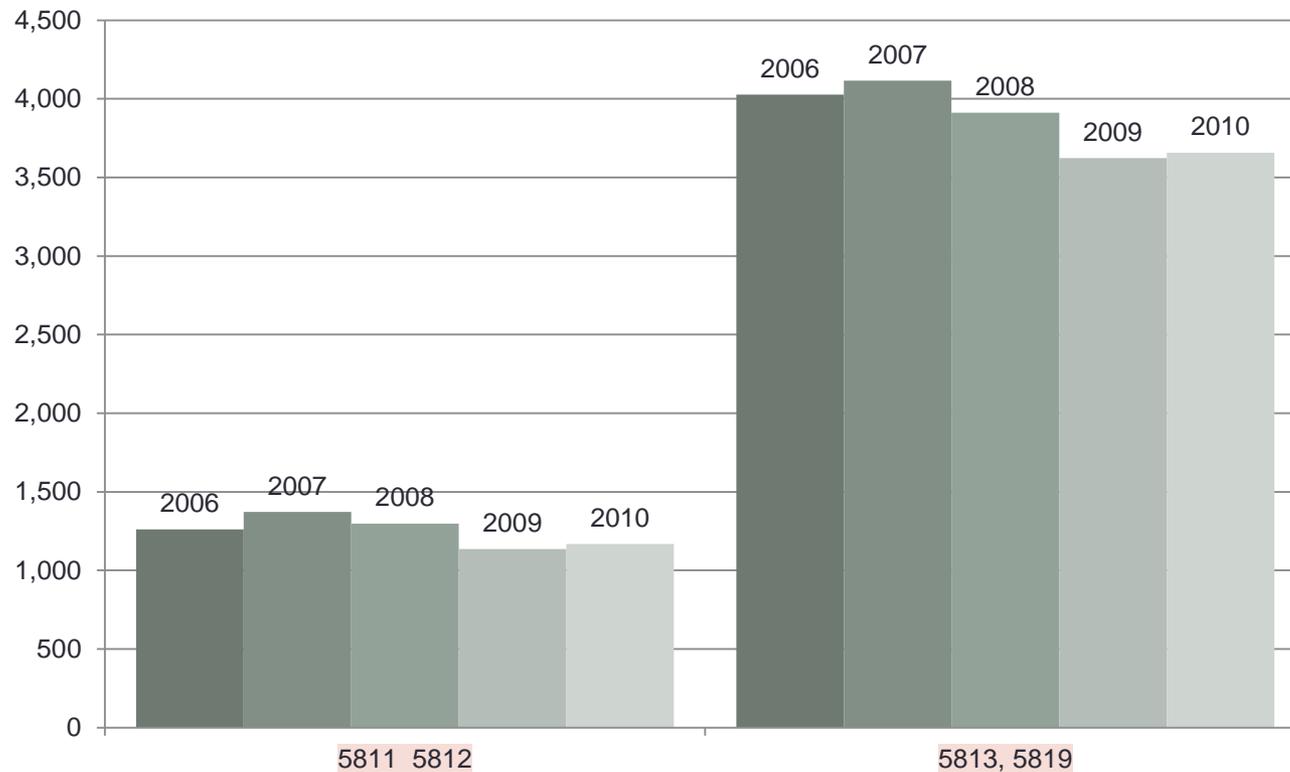
- Turnover 5,566 million NIS (~1,555 million US\$)
- ~0.4 percent of total revenues in trade and services
- ~ 6 percent of revenues of section J publishing
- ~ 985 companies occupying 11,500 employees

Market condition

ISIC	Description	Revenue 2011 (Million NIS)	PERCENT
5811	Book publishing	1,978	35
5812	Publishing of directories and mailing lists	213	4
5813	Publishing of newspapers, journals and periodicals	3,327	60
5819	Other publishing activities	48	1
581	Publishing of books, periodicals and other publishing services	5,566	100

Market condition

Publishing activities turnover 2006-2010 Million NIS



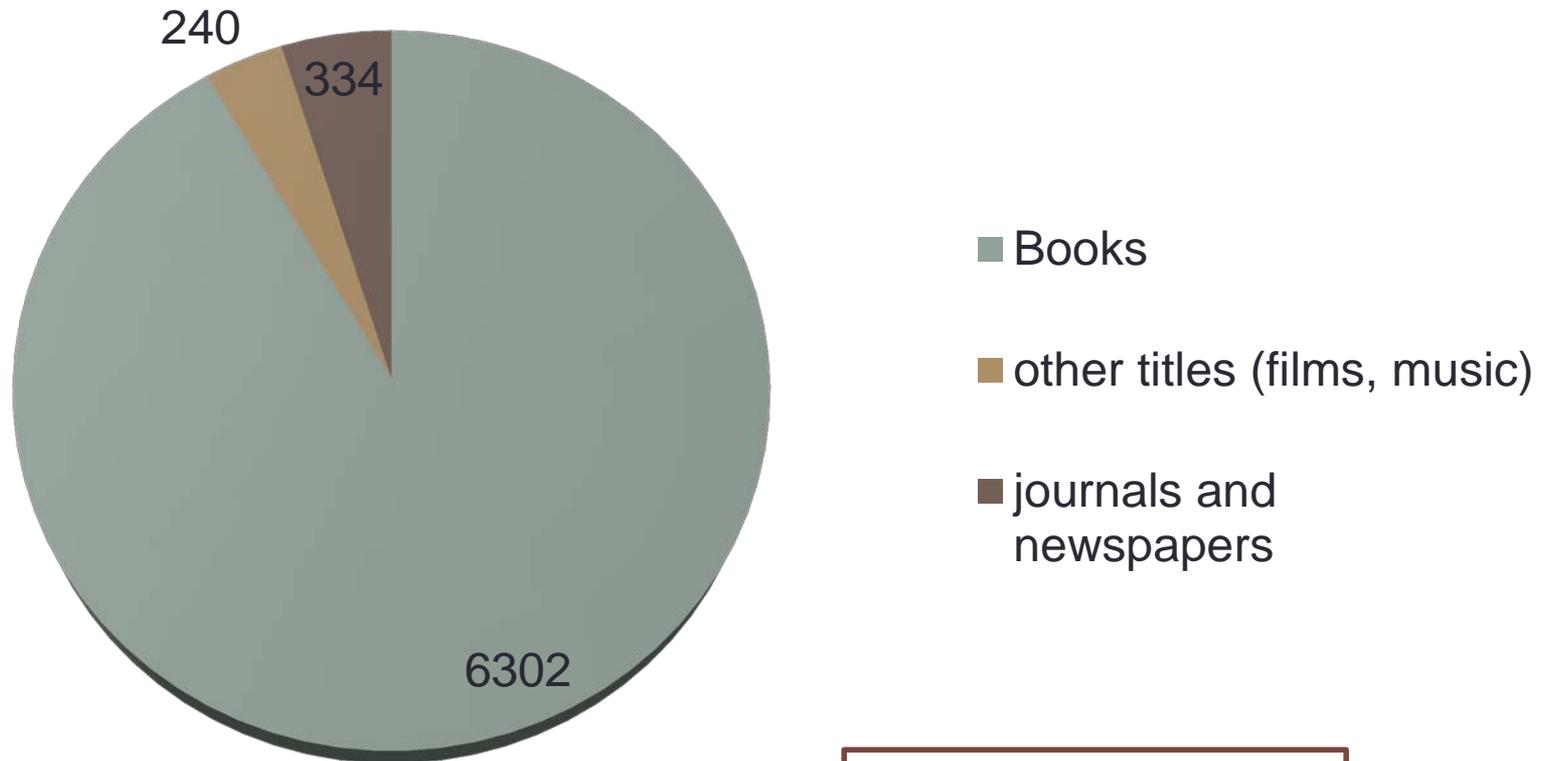
Special condition and Constrains

Book publishing in Israel

- books are sold mainly through book stores
- Selling books at the internet it is very small
- Concentration in the market – 2 chain stores control the market
- Vertical integration: publishing - distributing - selling books
- Competition - many publishing companies
- The structure of the market leads to price reductions and various kind of discounts (e.g. 2 books in a price of one book)
- A new law to fix the price of a new book during 18 month in order to protect authors and new original works.
- Every year there is a book fair “the week of Hebrew book” and books are sold at low prices in all kind of selling points.

Book publishing in Israel

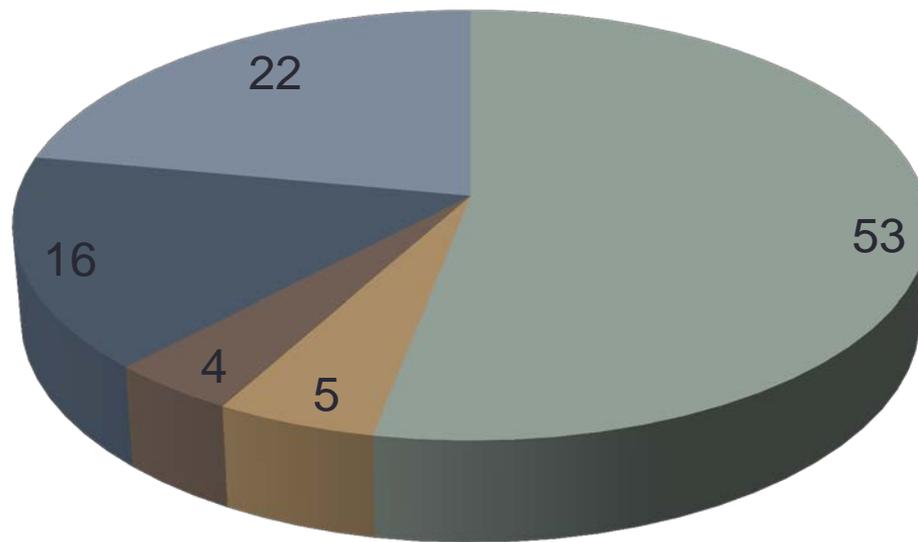
New Titles 2011



The national library of Israel

Book publishing in Israel

distribution of titles by publisher 2011



- comercial publication companies
- government publication
- educational institution
- organisation (museums, non profit)
- self publishing

The national library of Israel

Special condition and Constrains

Newspapers in Israel

- High newspaper reader rate (Avg. weekday~ 21 papers per 100 people)
- 4 main daily newspapers, 2 dominate the market (circulation ~80%)
- Free newspaper, The most popular newspaper is a free newspaper
- On line newspapers, All big daily newspapers has a free web version.
- Revenues from newspapers decreases over last years
- Increasing share of selling advertising space in total revenues

Kind of newspapers

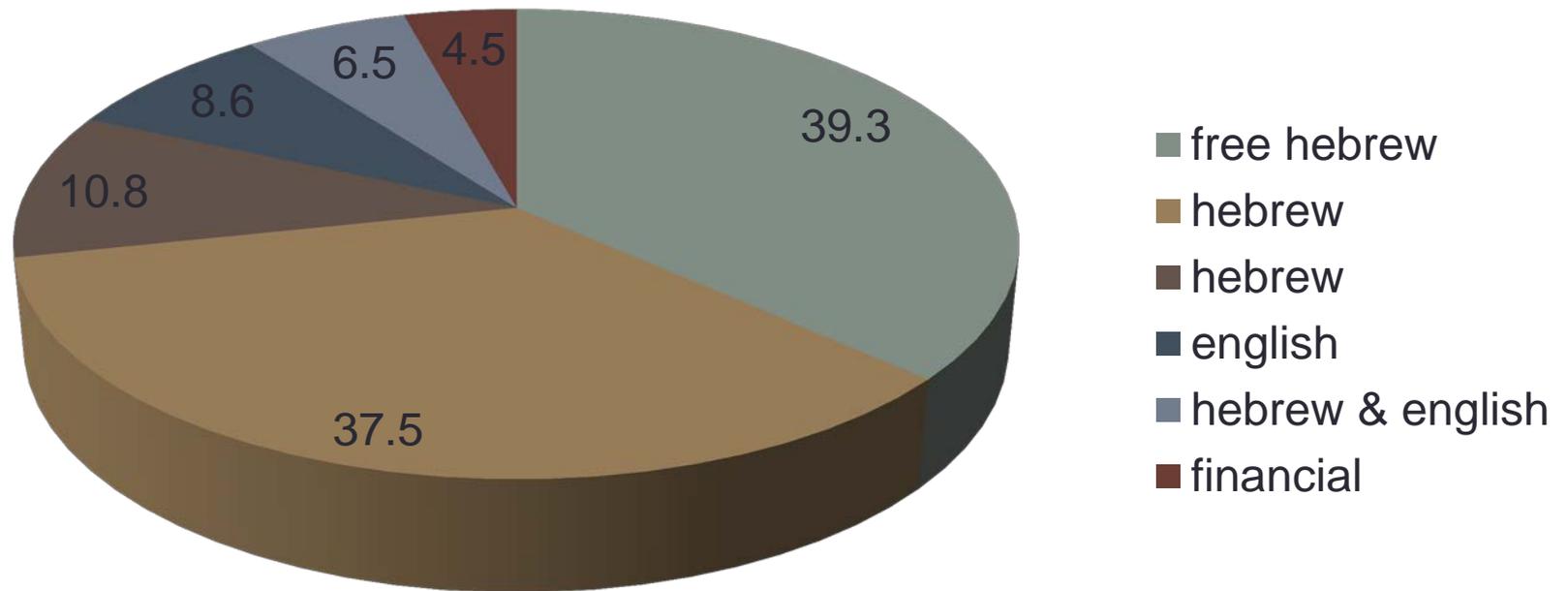
- Daily newspapers
- Financial newspapers
- Local newspapers
- Sectorial newspapers (Religious, party affiliated)

Distribution channels

- Retail shops
- Home delivery
- Mailed subscription

Newspapers in Israel

circulation of newspapers in Israel 2012



SPPI structure and weights

class	title	weights	Sub class
581	publishing services	100	
5811	Book publishing	21	
	educational books	5	Educational books prices controlled Educational books prices not controlled
	books	16	Literature dictionaries and encyclopedias children and youth books other books (cooking, religious)
5813	Publishing of newspapers, journals and periodicals	79	
	Daily newspapers	27	Daily newspapers through subscribers Daily newspapers distribution
	Journal and periodical	8	Journal and periodical through subscribers Journal and periodical distribution
	Advertising space	44	Advertising space In daily newspapers Advertising space In journals and magazines Advertising space in Internet

SPPI definition of prices

class	title	Definition of price	Price for the buyer
	books	<p>“Book of cakes” hard binder author name</p> <p>Youth book, title, author, soft binder</p> <p>190 pages, format 13*20</p>	<p>price and average discount for distributor</p> <p>price and average discount for distributor</p>
	Daily newspapers distribution	<p>Daily newspaper, title, middle week,</p> <p>Daily newspaper, title, weekend</p>	Price and average discount for retailer
	daily newspaper subscribers	Monthly subscriber for an old client	Subscriber price for month (high price)
	Journal and periodical	<p>Weekly woman magazine</p> <p>annual daily newspaper subscriber</p>	Price and average discount for distributor
	Advertising space	One page add at daily newspaper< weekend< title< after middle page	Price for the advertising companies less commission for media company

Pricing methods

The Pricing Method for 5811 – *Book Publishing*

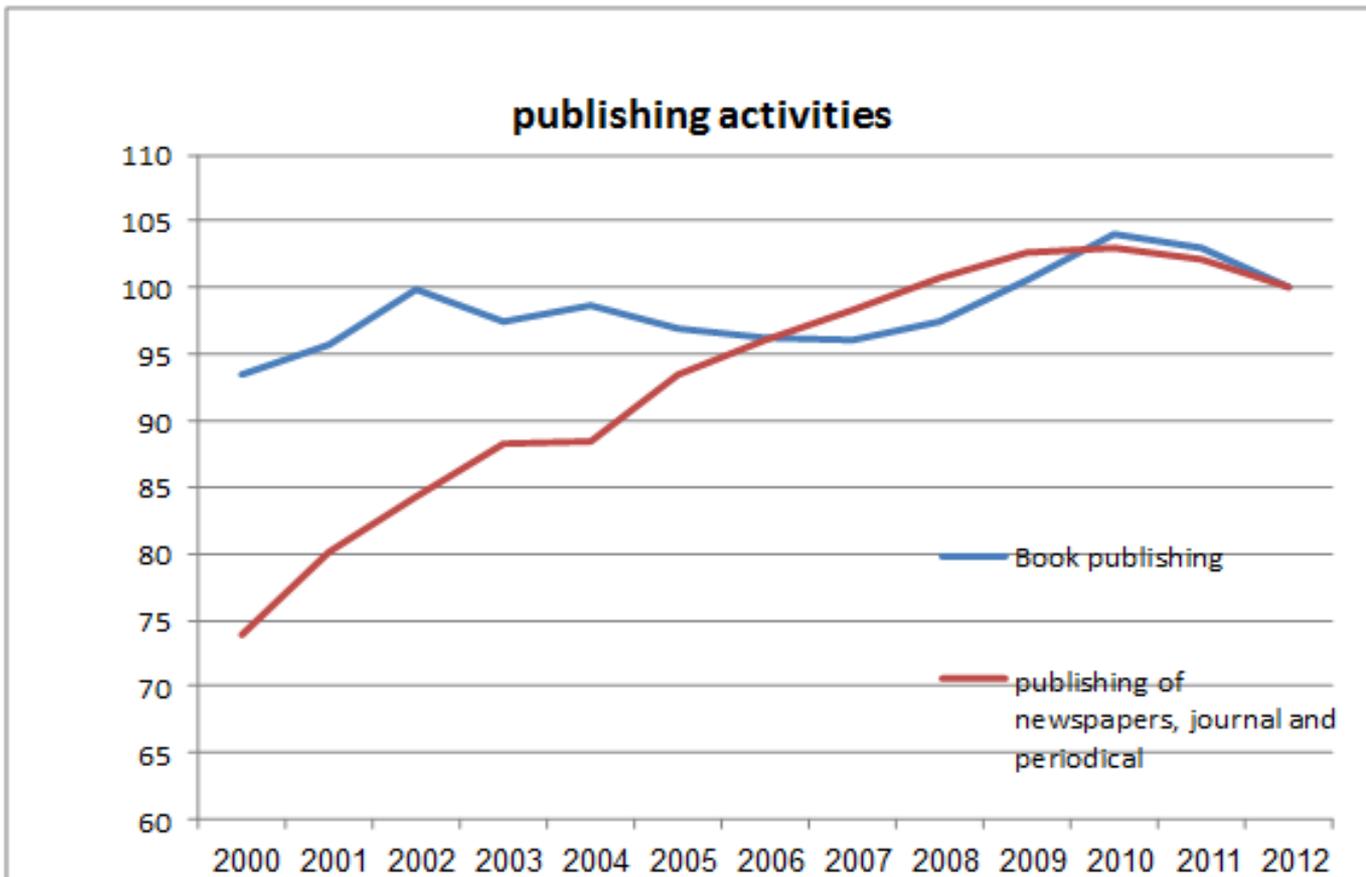
- basic prices for publisher without delivery and marketing costs.
- The type of buyer is the distributor or the retailer.
- distributors/ retailers gets 40%-70% discount from the list price to the final consumer.
- The pricing methods are direct prices for repeated services and contract prices.
- The definition includes the target reader(children, adults), book category (science, literary) ,title, author, number of pages, size and format
- The prices for educational books are mostly controlled prices.

Pricing methods

The Pricing for 5813 – *Publishing of Newspapers, Journals and Periodicals*

- The most popular newspaper in Israel is free, revenue comes from selling advertising.
- The price of newspapers depends on the distribution channel: retailer shops, subscriptions by mail, or home delivery.
- The price of a subscription depends on the period of the subscription, new subscriber pay less than old one.
- The pricing for selling advertising space in newspapers is a price for repeated services (e.g. an ad half page black and white) or an average unit value (e.g. an average price per inch). The main criterions of price are the newspaper were the ad is placed, middle or weekend day, the placement of the ad in the paper (front page, middle, left page before middle) and other characteristics of printing as colored or black and white.

SPPI Results





Ruth Vizner
vizner@cbs.gov.il