

**Best and Worst of Times: Best Books vs. Bestsellers in a Changing Business**  
**6-8 p.m. December 4, 2002**

**Moderator:**

**Gayle Feldman, 2001-02 National Arts Journalism Program research fellow, and contributing editor, *Publishers Weekly***

**Panelists:**

**Larry Ashmead, editor, HarperCollins**

**Roxanne Coady, owner, R.J. Julia Booksellers**

**Daisy Maryles, executive editor, *Publishers Weekly***

**Michael Pietsch, publisher, Little, Brown**

**Feldman:** This panel comes out of a report I did here at Columbia. I wanted to find a way to gauge change in the book business, and decided to look at the books themselves, at bestsellers and at books judged critically to “best” during the past 25 years.

Change has been driven primarily by three factors. First, consolidation, across every sector, whether it is publishing, bookselling—think of the chains we now have—distribution, or even library purchasing. Second, technology: 25 years ago, nobody ever thought about something called Amazon.com. The third factor is a societal shift toward a culture of entertainment and celebrity.

Some of the challenges and difficulties we see today were already predicted a half century ago. Let me read two quotes: “Some editors and publishers are worried, in the midst of this greatest boom in books this country has ever known, and feel we are building up to a great let down,” said the editor of *Publishers Weekly*. “They see American literature processed, syndicated, serialized, stylized, Hollywoodized, networked, televisioned, merged and high-pressured,” said the publisher of Simon & Schuster. This could have been said yesterday, but the words were from December 15, 1945. The people were Fred Melcher, the most famous editor of *PW*, and Max Schuster, the cofounder of Simon & Schuster.

Recent years have brought increased pressures and serious distortion to the business—the “worst” side of the equation. Recent years have also brought unimagined sales and opportunity for some books—the “best” side of the equation. Let me mention a few of the things I found out.

The number of new books being published each year increased more than 300 percent, from 39,000 in 1975 to 122,000 in 2000. The huge increase has created a cacophony that has made it much harder for many books to receive any attention. An article in *The Times* of London in October 2001 provided one of the sorry results of this situation. It estimated that as many as 1,000,000 books are pulped in America every week.

The number of copies the top annual fiction title on the bestseller list sold has increased more than 1,000 percent, from 230,000 copies in 1975 for E.L. Doctorow's "Ragtime," to 2,875,000 for John Grisham's "The Brethren" in 1997.

Compare the sales of the 1975 literary novel like Doctorow's "Ragtime" with those of a 2001 literary novel, Jonathan Franzen's "The Corrections." "Ragtime" sold 230,000 copies in its publication year, "The Corrections" sold 720,000—an increase of more than 300 percent. Going back even further, in 1951, a first novel called "The Catcher in the Rye," was a runner-up for *PW*'s annual fiction bestseller list. It achieved that status by selling only a little over 40,000 copies. Prior to 1985, only two novels, and no nonfiction books, had sold over 1,000,000 copies during publication year. In 1985, three novels and two nonfiction titles did so. Today million-copy sellers the first year out are taken as a given.

Book prices have risen during the last 25 years in every format. In some cases, the price rises in hardcovers have been offset by discounting. But the price differential between mass market paperbacks and trade paperbacks has eroded. Mass market fiction prices have quadrupled since 1975, very much to the detriment of sales.

Consolidation in publishing is visible through the bestseller lists. In 2000, 83.5 percent of the bestselling titles on the *PW* lists were from only five companies. In 1975, novels had long stays on the lists. Now many more books make it on the lists, but usually for far shorter stays. Nonfiction, however, stays on the list for far longer than it did back then.

Most nonfiction bestsellers do not stand the test of time. Bestselling fiction remains in print far longer than most bestselling nonfiction. A surprising number of prize-winners and books of literary merit appear on the list. They did so in 1975, and they do so today.

Finally, there is surprisingly little intersection between best-book choices on different lists, and when it does occur, it usually involves fiction. Unanimity is extremely rare among best-book lists, and generally has little correlation with sales.

Let me introduce our panel. Lawrence P. Ashmead began his publishing career at Doubleday in 1960, moved to Simon & Schuster, then to Lippincott just before it was merged with Harper. Larry has worked with Isaac Asimov, Bill Bryson, Quentin Crisp, Philip K. Dick, Tony Hillerman, Simon Winchester and many others.

Roxanne J. Coady is president of R.J. Julia Booksellers, Madison, Conn. Roxanne has become a national leader among independent booksellers and in 1995 was *PW*'s Bookseller of the Year. Prior to opening her store, she was a partner of a large New York accounting firm.

Daisy Maryles is executive editor of *Publishers Weekly*. She came to *PW* during her freshman year at City College in 1965. She is responsible, among other things, for the magazine's bestseller lists, and writes a weekly column called "Behind the Bestsellers."

Finally, Michael Pietsch is senior vice president and publisher of Little, Brown, a division of the AOL Time Warner Book Group. He has worked with Michael Connolly, Rick Moody, James Patterson, David Foster Wallace and others, and is the publisher of Alice Sebold's "The Lovely Bones." Prior to joining Little, Brown in 1991, Michael worked for Harmony Books, Scribner and Godine.

We are going to begin with a question that takes in both bestsellers and best books. What changes have you observed over the years with best books becoming bestsellers? How do those changes relate to changes in the business as a whole?

**Ashmead:** In the '60s, when I started out at Doubleday, a lot of the better books were bestsellers. But the first bestseller I heard of was "Happiness is a Dry Martini," by Johnny Carson, which sold 100,000 copies and was an enormous success. The editor-in-chief of Doubleday was Ken McCormick, my mentor. We were considered a very successful house, but we weren't getting paid very much. And so I took Ken to lunch, and he said, "It is a funny thing about publishing: It is not here to make money so much as it is to do what we want to do, which is to publish books. The Doubleday family owns this company. They put their money in the bank and maybe make 6 percent interest. But we make 9 and 10 percent profit, and they are very happy, and we are very happy. Nobody comes into publishing if they expect to make a lot of money. We are in it because we love books and we love what we are doing."

But it's true, a lot of books that we were very fond of became bestsellers. Books that would never make the list today, like historical novels, rode high in the '60s and '70s. But we didn't really think about what was a better book or a bestselling book. Cheers went up in the hall when your book got a Book-of-the-Month Club selection or won a prize. We all loved getting on the bestseller list, but it wasn't a main event. ... But it is mostly not the better books that are on the bestseller list now.

One of the biggest changes is that we think of books as bestsellers, and don't necessarily think of them as best books. Some editors do. I know I still do. But it isn't the prevailing feeling in the industry, at least not at the conglomerates.

**Coady:** The beginning of my experience dates to a very different time. I opened in 1990, which was the start of large changes for independent stores. Little did I know that so many were beginning to close, just as I opened. But my experience is that there are very good books on the list. Bestseller lists have always included commercially popular books that were appealing to a wide audience, and the occasional book that was a wonderful book that also appealed to a wide audience.

I ran a report of the books in our stores that sold over 100 copies. As an independent bookseller, our bestsellers don't necessarily follow the bestseller lists. But they are not as dissimilar as a lot

of independents might suggest. They kind of mimic it. One change that we have seen is that a number of bestsellers are driven by the media. So to the extent that an author of a literary book becomes celebrity-like or is appealing to the media, all of a sudden, you get some very good books that develop a very wide audience.

Books become bestsellers for a good and logical reason: They are good books that a lot of people like to read. I don't have that elitism that certain books of a certain style that are read by a lot of people are less useful. I think, "This is good news: They are reading."

We have seen a huge swing towards books that have become bestsellers based on media, whether it is the attraction of the author or some sort of buzz that develops about the book, or it is "of the moment." For us, like other independents, the bestsellers are driven by the books we read and love and make little comments about. We will sell 500 to 600 copies of that book, rather than of the book that is No. 1 on the list. Although sometimes, like with "The Lovely Bones," they converge.

**Maryles:** I would like to add one more statistic. When we talk about million-copy fiction bestsellers in the '80s and '90s, two-thirds were written by four authors: Danielle Steel, Grisham, Clancy and King. There are others, but these people make up the big numbers because they write two and sometimes three books a year.

Where we have seen the most convergence between bestsellers and best books has been on the trade paperback list. From 1975 to 2000, and even more in 2001 and 2002, that list went from a kind of how-to list of cookbooks, jokes etc., to a list that has serious fiction and nonfiction that has won prizes. The nice thing about the trade paperback list is that it is the strongest in terms of how long a book stays there. A book doesn't have to compete with titles that sell a million copies a year—they are on the mass market list.

More and more publishers want to own all the rights to the book, from hardcover to paperback, so they can control the timing to maximize opportunities in trade paperback.

**Pietsch:** Outside my office hangs a bestseller list from 1937, which was Little, Brown's centenary year. We had nine books on the bestseller list, the same kind of mix we have today, very entertaining books and ambitious books. Virginia Woolf's "The Waves" was on there. A.J. Cronin's "Drums Along the Mohawk." It looked a lot like a modern list. I think the range of literary enterprise that sells well has been pretty constant.

But I do feel that in recent years, the biggest change is that the number of copies sold is much larger than 25 years ago. Bestselling authors are reaching a lot more readers. And so I feel this is a golden age for writing and reading. This is the largest college-educated generation in the history of the world. It's of peak income-earning age. And they are buying hardcover books, trade paperback, in great numbers. They are used to talking about books excitedly. The book-club phenomenon is an outgrowth of that.

I feel we live in a world where books matter. They are available through many different types of media—television, magazines, online. You can buy them in many different ways, in many different kinds of stores, electronically. You can have a book in your hands the next day if you read a review. An ambitious writer or an entertaining writer can touch readers who can talk to each other much more quickly now and sell a lot of books. To sell a million copies of "The Corrections," that very ambitious, accomplished novel, was astonishing. The list remains full of really ambitious, thoughtful and really entertaining books.

**Feldman:** When you look back to 1975, Doctorow's "Ragtime" and Saul Bellow's "Humboldt's Gift" were both on the annual fiction list of the biggest selling novels of the year. Since then, you don't have two literary heavyweights making the annual hardcover fiction list in one year.

**Maryles:** That might change. I think Michael Pietsch is being a bit modest with "The Lovely Bones." If you want to compare its sales to that 1975 list, it may reach about two million.

**Pietsch:** It is at 1.9 million now.

**Maryles:** That is a 900 percent increase over 1975. And if you want to consider “The Emperor of Ocean Park,” a literary book, the sales are over 500,000. So this may be actually not too bad a year for popular literary fiction.

**Feldman:** On to the roles and relationships of the people involved in making a book a bestseller: How have the roles of publisher, editor, author, bookseller, the media and the reader changed? To put it the other way: What have you seen change, in terms of how a bestseller is treated in-house? In the stores? By the media? For instance, people often talk about the decline in power of the editor and the rise in power of the marketer.

**Ashmead:** I certainly do think the role of the editor is perhaps less important in the publishing house and in the publishing process. It is certainly as important to the author as it always has been. But we are so much driven now by media, publicity, TV, book clubs—a high-velocity route to the bestseller list that never existed years ago. Nor did marketing. I don’t know when I first heard the words, “marketing” for books, maybe in the late ’60s or early ’70s. We all thought it was a silly idea. Now, whether a book will be a bestseller or not is a driving force within a house—whether the marketing people like it. They are the leaders now. We have 34 people in our marketing department; that is a big, big change.

I also think the chains have made a big difference. Some 76 percent of our sales are with the big chains. They can be an enormous influence on whether a book is a bestseller or not. And one other little thing: In the old days, when you ran out of stock on a book, it took quite a while to get it back in print. Now you can do it practically overnight. So you don’t play catch-up as much as you used to in publishing. A lot of bestsellers are fueled by this instant renewal of sales. There is always the odd exception, but the list sure is governed by different gods than it was in the ’60s or early ’70s.

**Coady:** When we opened the store in 1990, we put out *The New York Times*’ bestseller list at the front of store. We no longer have it up, for several reasons. One is that the chains, and even more so, the warehouse stores, have the bestsellers up front at close to cost. In some cases, I can buy a book cheaper at the Price Clubs than I can from the publisher. That’s because books are the last

item with a printed price on them, so they are both direct and subliminal advertising. You think, “The book is 40 percent off,” so you also think, “The tires are also 40 percent off.”

They decided to make books the loss leaders. What they pick are naturally the bestsellers, because that is what will have the broad range of recognition. Those sales used to be with the independents and no longer are. So we took down the bestseller list. We wondered whether there would be some hue and cry from our customers. No one even mentioned it, because to many readers, it doesn’t really matter.

What the proliferation of distribution possibilities—the chains and the Price Clubs—means for these books is they are going to appeal to a mass market. But these stores carry fewer titles.

The notion that the chains have democratized bookselling is, in fact, not borne out in the increase in sales. If you looked at the amount of square feet devoted to bookselling, you would think that the amount of books sold over this 20-year period would have increased in thousands of percent, which is not the case. What it has done is converge the number of titles that are selling lots of copies. The number of titles that are not selling at all, or on the average are selling a lot fewer copies, has grown. That is our job: to sell those books and make them bestsellers in our store, but not bestsellers in the published-list way.

**Maryles:** Regarding the media and its influence on bestseller lists, we certainly saw that with Oprah. She could take a first novel that nobody heard of, talk about it, and it went on to sell in those early years a million copies or more. A lot of broadcast media can really have an effect on the list. Imus can get a Michael Beschloss book, “The Conquerors” onto a list. I’m not saying it might not have gotten there anyway, but Imus talking about it gave that book more mass appeal.

The other big change is technology and the Internet, and the fact that many authors have ways of reaching their readers that they never had before. When Diana Gabaldon’s book hit No. 1, everyone was wondering, “Who is she? What happened?” What we didn’t realize was that she had an enormous fan base on the Internet. They all knew about that book. And they all showed up on that one-day laydown and got that book to No. 1.



The other thing that has tremendously changed: There was a time when authors were always traveling. Then they stopped traveling. And now you see many more author tours again. No matter what technology and the broadcast media do, hand-selling is still very, very effective. What may be true now was true 50 years ago: When there is in-house enthusiasm from the editor down, and people are talking up the book, and you can excite retailers to hand-sell—helped now by some mass media type handsellers—and those books do exceedingly well. It is important for authors to do these tours; this, too, gets them on lists.

**Coady:** The other piece of it—and is particularly true of the Oprah books—is that the choices are bewildering to the average reader. They have no idea how to start choosing a book. So now we have a couple of driving forces. One is Oprah, whom people trust. Sometimes they come into the store and don't really know what the book is about and don't really care. Since Oprah said it was a good book they pick it up. And she was pretty unerring in choosing books that her audience would like. It would have fallen apart pretty quickly if she wasn't so skilled at picking those books.

We had a nanny. She had not gone to college, didn't really read. When Oprah started these suggestions, she would go and look for them on our shelves. I remember her saying, "Roxanne, you have one of Oprah's books. And it is signed by the author!" And I said, "Casey, I had spoken to you about it. You might really like it." She read the book and loved it. This young woman is a reader now.

**Feldman:** What played that role in the past?

**Coady:** I was a customer then, and a big reader. I would go to Burlington Books and ask them what they thought would be an interesting read.

**Ashmead:** I used to go by quotes by famous people. Now, you get people giving quotes for anything; it doesn't mean so much anymore. Going by the Book of the Month or the Literary

Guild was important: Even if you didn't belong, you saw the advertising. You felt, "That must be pretty good if the Book of the Month Club is taking it."

**Pietsch:** Since time began, someone comes to you with a stack of words. Why are you interested in this stack of words? What is this about? And someone says, "Well, this entertained me. This told me something I didn't know." And that basic recommendation and how much you trust the source is what Larry is talking about, about the blurb.

In the past, there were a limited number of places where you could go for that: *Newsweek*, *Time* or *The New York Times* Book Review. But now those recommendations are coming from many places. That is one of the things that has made publishing so exciting right now. You can hear about a book on a Web site, or "Oprah," or "The Today Show" book club. Or your favorite book reviewer in *Entertainment Weekly* or *People*. There is more conversation about books than ever before.

As far as how that fits into the changing relationships: A long time ago, the editor used to be the guy who called up the book reviewer to say, "Read this book." As the book business has gotten bigger, that role has gotten splintered among many different people. Because a book that sells well now can bring in \$12 to \$15 million in earnings to the publisher, and a lot of people are going to get involved in a product that is making that much money. Marketing has gotten much more important.

With the increasing wiredness of the world, you can let people know a particular book is coming out right at a particular moment, and it takes a lot of specialists to make sure they are in the stores at the right time, that the right book reviewers are getting them at the right time, that the radio commentators are talking about it on that day. Gayle, you commented in your report that bestsellers used to rise up the list slowly. It took longer for the word to get out than it does now.

**Maryles:** A year or two ago, 18 books hit No. 1 on our fiction bestseller list in the first week. Fourteen of those books had a one-day laydown. That, too, drives all stores across the country—be they chains or independents—to begin selling the book on the same day, to get the maximum

velocity of sales, to hit all the national charts in the No. 1 spot. A lot of planning goes into it, with the thought that if you hit it, you get a lot of sales, and you build it. Most of those 14 books didn't last on the bestseller list at No. 1 for more than one or two or three weeks.

**Feldman:** How have you seen the kind of books that win prizes change? And how have the effects of winning a prize changed? Why do some prizes gain readers, and some not make a change? What makes the difference?

**Ashmead:** I don't think prizes mean that much to the average person in America, unless you can turn that prize into a news story of some sort. ... Like "Confederacy of Dunces," which won the Pulitzer, and then people heard the story about that batty mother going around with that manuscript for so long—that became a story everyone liked to read, because it was a human interest story.

**Feldman:** A dead author and a batty mother!

**Ashmead:** The Pulitzer Prize means something. Especially if the book is aimed at a certain audience, like a scientific book or something. We love to get prizes—everybody does—but I don't think it makes a difference in terms of sales.

**Coady:** Well, we find that prizes *do* make a difference. Again, it is not across the board. I am always amazed when a book cannot get anybody's attention. I mean, we hand-sell it and it is just the wrong topic, the wrong spirit about the book. But again, it is about the fact that there is a difficulty in choices. We had R.J. Julia slipcases made, so we can fit three or four trade paperbacks together, and we are putting some books together that are just award-winners. And that is appealing to people. It might not be a book they like, but most of our customers think, "This won the Nobel or the Pulitzer, or the Booker. I am curious what the book is about." And because it is a trade paperback, they feel it is something they can experiment with.

And in this blitz of information we have, winning a prize is more likely to get media attention. When Anna Quindlen spoke about "The Lovely Bones" on "The Today Show," she didn't really

say that much about the book, except that it was the best book she had read that year, or ever, or something. There was one little frustration: The book wasn't published yet. But we had literally over 100 calls on the day that Anna said that.

**Maryles:** When we have advance word of an Oprah pick or some book that is going to get massive attention, we sometimes have a chance to quickly check Amazon to write down where it is at. And it is usually 15,000 or 32,000. And then the announcement is made, and we quickly go on. And it is 1 or 2 or 3.

In terms of best books, prize-winners, Americans are not very well known for reading best books that were originally written in another country. So many of these books may appeal to a very small group. Usually, they are printed by university presses who barely have enough in stock. It is a very big problem—books, too, have their 15 minutes of fame, and if you don't have full stock and signs and stuff in the window, you are going to lose those sales opportunities, because there are so many books being published and so many vying for major attention. That is another reason these best books don't have major sales.

**Coady:** Imre Kertesz, the Nobel winner from this year, is a perfect example. It was a university press book, you couldn't get the books for weeks. By then, there was not the kind of interest there would have been if the book was in stock within a couple of days.

**Feldman:** But when Gao Xingjian won the Nobel, I think that Harper managed to sell quite a few copies of that book.

**Ashmead:** Well, that was an international event, and it made front-page news because he was Chinese. We had that book because our Australian branch bought it, not because we bought it.

**Pietsch:** The prize can be one of the things that cuts through the cacophony. A Barnes & Noble or Borders has 130,000 or 140,000 different titles in stock at the store. People are overwhelmed. I'm not sure why the prizes don't have as much weight here as they do in England. I hope one day they will have more weight.

**Coady:** The Booker Prize sells more books for us than the Pulitzer or the Nobel, so it is ironic: It is a British award.

**Feldman:** Do you think if the Booker is opened up to Americans, it will have an even greater effect?

**Coady:** I don't know if it would diminish it. I think it is the snob appeal, the fact that it is not American.

**Feldman:** Let's talk about how bestsellers affect the rest of a publisher's list. Do they take up too much of the oxygen? A lot of agents and authors often say that the publisher does nothing to promote a book, that it is really hard to get any money for a book because all the money is going to promote the big books or the anointed books on the list.

**Ashmead:** I think you are right. If it is my book, and it sucks all the oxygen out of the air, I don't care. But if it is somebody else's, I do mind. But two-tenths of books make money. So if you have a book that is destined to be a bestseller, in the minds of the publisher and the house it gets marketing and sales. It is very difficult to get money for a book that isn't destined. There is a predetermination now in most large publishing houses that no editor likes. But we have to live with it, because it is how business is done these days.

When I bought "The Professor and the Madman" and the advance sale came in at 11,000 copies, I was dismayed that nobody wanted to do anything with it, although everybody loved it. Word of mouth—no advertising, no promotion—made that book a bestseller. We printed 15,000 and we had 27 printings and ended up selling 300,000 copies of the book in hardcover. If it is a good book and it gets a buzz going—and *The New York Times* helped tremendously, and so did a review from *PW*—it can still happen. But you just can't go and cry out loud in the wilderness for all of your books, because the wilderness just won't listen. I hate to say this, but somebody there is marking A, B, C on our books.

**Feldman:** Do they suck all the oxygen out of the bookstore, or do they bring people in?

**Coady:** The only time of year that the big bestsellers bring customers into our store is during the holidays, when non-book buyers decide a book by a particular person would make a terrific gift.

The part that is worrisome is the extent to which it starts reflecting waste and inefficiency. I look at the number of books published, all the effort and all the waste. ... I used to literally buy and return the books. I would be sad when I took a book off the shelf. I would have a vision of the author toiling, then schlepping the book around, trying to find an agent and an editor, selling it to the reps, and the reps selling it to us. And we bring it in, we put it on the shelf, and then the poor little thing goes back.

I am a bookseller. I buy the book: This thing might not have been written yet. There are not many businesses where you buy an unknown product. From my standpoint, a lot of energy is taken up by too many books being published poorly—I mean the resources can't be given to the book to have the opportunity to gain the attention of a reader. It is impacting publisher's costs, and therefore my cost, and the price to the customer and the opportunity to make bookselling and publishing a viable, profitable business.

**Maryles:** Well, when you mention about 122,000 books being published a year, keep in mind that there are two activities: the need to write and the need to publish. Technology has made the need to write a little too simple. It's easy to write, to distribute. I think many people should write books and fewer people should have them published.

**Pietsch:** Publishers need bestsellers. Throughout history, the books that have sold well give the publisher the revenue for all those other books that aren't selling well. A publisher is doing research and development constantly. A first novel sells, on average, 4,000 copies. Pretty good average, wouldn't you say Larry? And you have to judge, based on those first novels that sold 4,000 copies, whether you should publish that author's second or third novel. Obviously you wait for the novel and judge it by that, but you look at the other signs: the quality of the reviews, who got excited about it. And that next book might sell 10,000 copies, and the next book might

sell 30,000 copies, and eventually, that author is able to make a living and stop working at the bookstore at night to support himself.

Bestsellers that you can publish profitably subsidize the research and development you are doing, bring all these other authors along, and help them to build their careers. You have to have them.

**Feldman:** When you gaze into the crystal ball, what are the best-case and worst-case scenarios you see for the book business?

**Ashmead:** Within the house, you are a sort of rabbi for the book. It is your job to see that that book is the best possible book when it goes to press, and to see it published in the best possible way. And I look into that crystal ball, and I see that a lot of my time is taken getting attention for that book within the house. I won't let that detract from the attention I give the author. That is where my joy comes from: making it a good book.

If this were a pessimistic business, none of us would be in it, because we are not in it for any other reason than we love books and the process of publishing. We like to see the manuscript come in and the final book go out to the store. And you like to see it work out of the bookstore.

**Coady:** The worst-case scenario is that the consolidation at all ends of the business, from publishing to distribution to bookselling, becomes so severe that the best book can't get found. Daisy is right: They are all getting written and published in some way, but published in such an inferior way. I think consolidation is problematic. I see the small publishers like Walker, or what was Penguin and will now be Atlas Books, or Norton, niche publishers, making an important difference in the landscape. So my worst-case scenario would be further consolidation.

My best-case scenario is: There are a lot of great books out there. And our fastest-growing section in the store is young adult, exclusive of Harry Potter. Some of it tails Harry Potter. It introduced children to the magic of reading. In our store, which is up in general, young adult books are up more than any other section. So this fear we had—that it would be us baby boomers, getting thicker and thicker lenses, trying to read these books, and everybody else

wouldn't be reading—I'm not finding to be the case. The quality of what is out there to sell is as exciting as I could imagine it to be.

**Maryles:** The fact that so many of the technologies that are growing or proliferating—broadcast media, the Internet—use so many writers to talk about things and have so many books as part of their coverage of national and entertainment events is very encouraging. This proliferation of niche marketing and selling gives many more opportunities to books. With consolidation, we have had the rise in independent presses, and are finding that there are many good books being published by the university presses. So an encouraging sign is that there is an increase in diversity, in good books, in very entertaining books, in books with a lot of information. And all of them get their play. There are many books that don't make the national bestseller lists but that make independent lists or regional lists.

**Pietsch:** I am optimistic that it is getting easier to get people to try first-time, early-career novelists in large numbers. What I have seen in recent years is a well-reviewed hardcover that sells 15,000 copies, which is pretty good for a first novel. I have noticed over the past 10 years that the number of copies you can sell in the trade paperback edition you bring out a year later has been growing. We have seen books that sell 12,000 to 15,000 in hardcover go on to sell 60, 80, 100,000 and more in trade paperback—excellent books, adventurous books. I feel that writers in this age can find larger audiences faster than was possible a decade ago.

I am also one of those barbarians who believes that the electronic book is going to enter our lives substantially in the next decade. It is clear that getting your entertainment off of a computer screen, whether it's moving images or words, will be second nature to the generation that is coming of age soon. As soon as the technology for the reflective quality of the electronic screen comes to rival that of black ink on white paper, it is going to totally transform the industry. Paper cost is a really big part of manufacturing, of shipping to bookstores. AOL Time Warner alone spends a billion dollars a year on paper: It is a huge cost. There is a great drive to cut that out. And we have the music industry going through that growing pain ahead of us. We are watching to see how that will work.



Worst-case scenario: Conglomeration is a very natural thing for publishers to do. If you look at spines of books throughout the century, it is always Houghton & Mifflin, Little, Brown, Coward, McCann, Geoghegan. People tend to cluster. It is a business of collective enthusiasm, and I think people tend to work together in groups. Some degree of conglomeration is natural, but what is challenging for publishers is that as more and more editorial imprints are clustered around a single sales force, it gets harder to have the editorial impulse of acquisition carried through to the publishing process.

“The Lovely Bones” was an extraordinary example of collective enthusiasm. This first novel that has sold almost 2 million copies was a revelation, to me, of the muscle of this business. You have a book that touches a broad range of people, and you see not just the editor who acquired it, but also the subsidiary rights director, the sales force, then librarians and people in book clubs all getting excited about a book that in its first printing only had 60,000 copies. We really loved it, but to see how far and how fast the ideas in a book can really spread to a massive audience is really extraordinary. Without Oprah Winfrey, without a single imprimatur, all these different factors of this business coming together is a sign of a really healthy industry.

**Feldman:** It was anointed.

**Pietsch:** It was beloved. It was not a book where we started out in the industry saying, “We are printing a million copies, and we are going to advance all those now.” The book is the best example of developmental publishing really working.

**Feldman:** Now to audience questions. In the evolution of publishing, who will be extinct first—publishers or booksellers?

**Coady:** Well, I forgot to tell you my really worst-case scenario. I remember reading the prospectus for Barnes & Noble when they went public, and it has always been their objective to publish their own books. As the stock market is more punishing of companies that don’t produce the profits, the pressures on B & N to publish books and cut out the middleman—the publisher—

will get even greater. So it's not that the publisher or the bookseller will disappear, but that the publisher and the bookseller will be one.

**Ashmead:** I do think there is a great future in electronic books. We are heavily invested in that. But it is not going to eliminate books. You will always want that book in your hand, and you will always want something you can wrap up and send for Christmas. Don't forget that the holidays account for so much of our business, and I can't see that you will give an electronic book as a gift.

**Maryles:** I'm not sure that either of those two groups is going to be extinct. I think there are departments of a publishing division that seem to be smaller. The sales rep community has certainly shrunk. Another role that may not be as important is the distributor, another area of consolidation. I think technology will take them out before it will take out the publisher and the bookseller.

**Pietsch:** I think that in every area that has to do with selling books, there will be some shifts. But I feel the basic pieces will remain in place for some time to come.

**Feldman:** Can you speak on the ability of independent publishing houses to survive amid today's ever-increasing consolidation?

**Coady:** I would be very delinquent if I didn't mention the bestseller list that we have up, BookSense, which is now selling enormous amounts of books for us. It is the list from the independents, a natural kind of alliance between independent booksellers and independent publishers. So the relationship where they make sure books are getting in our hands and are being read—and they are publishing in a more careful way, because they don't have quite the same resources—ensures that those who are smart and are doing a good job will, in fact, survive.

**Maryles:** What we have seen in bookselling is survival of the fittest. Take a person like Roxanne, who was a businessperson first. A lot of people set up a bookstore because they love to read. Maybe that worked in simpler times, but it didn't work when you had to be a very strong

businessperson. That BookSense list is very effective. Independent booksellers found that if they could consolidate their voice, they can have a serious impact.

And when you look at their lists, there are certain books that are just the same books in slightly different positions. But you will find books like “The Life of Pi,” which for several weeks has been on the BookSense list. And now you are noticing it on the chain list. That book may yet crack the top 15 bestsellers. So the independents are not only selling books, they are making the chains aware of some of the books they can be selling. Maybe the chains are going back and restocking them, or putting them in better positions in the store. Independent bookstores are playing an important role in the business.

**Pietsch:** The consolidation of the industry has left openings for enterprising smaller presses like Macadam-Cage, McSweeney’s, Milkweed. There are always people out there looking for voices that are being ignored by these increasingly centralized entities.

**Feldman:** Does a soft economy, and rising hardcover prices, and the dramatic growth in trade paperback sales the last decade, and the growing number of trade paperback originals, possibly mean we are heading towards the European model of most new books being published in paperback from the beginning?

**Maryles:** For that to happen, the whole nature of book reviewing would have to change. Paperbacks just don’t get the same level of attention as hardcovers.

Also, I don’t think publishers want to give up on their million or 500,000-copy sales. The two types of books that get the most attention are obviously veteran bestsellers and that big, exciting first novelist—there might be movie attention, and people just find it interesting when it’s a first book. That kind of excitement doesn’t always happen if that first book is paperback.

**Pietsch:** We have had pretty good success at getting reviews for trade paperback originals, so long as our publicity is careful to single it out with key reviewers. It is a good question, though. The difference in price between a hardcover and a trade paperback is \$10: \$24.95 versus \$14.

The difference in manufacturing costs between the two is no more than 50 cents. What you are really selling when you sell the hardcover is the novelty of it, and the quality. It is a more lasting object. The economic structure of the industry has evolved over time so the author earns much, much more on the sales of a hardcover. It usually earns the author 15 percent of the list price. So on a \$25 book, he is making \$3.75 a copy. On a paperback, the royalty is 7.5 percent, so on a \$14 list price, he is making roughly \$1, \$1.10 a copy. So the author and the agent are very strongly motivated to have the publisher first publish the books in hardcover.

**Ashmead:** The economics is the thing. We can't pay large advances with the publishing of a trade paperback. You just won't earn out. We are doing more and more of it, but selectively on certain books. I don't think it is a trend.

**Pietsch:** So the question is: Why don't we pay 15 percent royalties on trade paperbacks? It's because the hardcover is the R & D, and the trade paperback is selling with smaller printings with higher relative cost per time and the publisher's cost is higher.

**Maryles:** I think the publisher's decision is not should it be hardcover or paperback, but once you have done something with the hardcover, should it be trade paperback or mass market? Trying to figure out where you could get the most of your sales, after the hardcover.

**Pietsch:** Traditionally, most bestselling authors published first in hardcover, then in mass market. That was the largest kind of distribution available—the rack-size edition available in drugstores and everywhere. In recent years, the trade paperback format has become much more popular, and has really become available almost everywhere a mass market paperback was in the past. Recently, we have been finding more success going with hardcover first, then to the trade paperback edition, and then doing a rack-size edition for a limited period for certain outlets, but keeping the trade paperback edition for long-term backlist sales.

**Ashmead:** I think it is amazing that we have been talking for an hour and a half, and this is the first time anyone has mentioned mass market. It is such an insignificant profit figure these days except for certain big, big books.

**Feldman:** Twenty-five years ago, it was the profit figure.

Another question: Is it possible that Jonathan Franzen's fears about being an Oprah pick were correct? Might big money be antithetical to serious literary enterprise, even as it lends an air of rude health to the thing?

**Coady:** I totally disagree. I found it offensive for Jonathan Franzen to create that fuss. If he was so appalled, he should have given the money back from the sales resulting from the whole controversy. It felt wrong, disrespectful, greedy in a perverse way. I don't think the fact that something is commercially successful or receives the imprint of Oprah or "The Today Show" in any way denigrates the book. The book stands for itself. Either it is good, or it isn't. It is about giving it attention.

**Pietsch:** I think the demands on writers—as books have become more successful, they have entered this large media world—can be extraordinary. Writers are often people who really, really like to spend time alone. Jonathan, I read, sits alone in a room with earmuffs and blinders on. To have that person be expected to go out and be a public figure, be photographed, talk with people on radio shows who haven't perhaps even read the book—it is exhausting, demanding and can keep people from writing. We found that we have to be really careful with the writers we are publishing so that we prepare them for what a book tour can be. How exhausting. How difficult. We really have them understand that it can take a long time to recover the peace and the sense of calm they need to do their work.

**Coady:** That wasn't the part that was bothersome. I think every writer has the right to say, "My job is to write the book, not to go out there and be a little banjo player on the road." If Franzen had said, "I am honored to be doing this, but it is not something I am comfortable with," I would have great respect for that. That is a choice a writer has the right to make. That is not what he said.

**Pietsch:** Until you are in the middle of that experience, I think it is hard to know what you have gotten into.

**Ashmead:** We once published a novel by Prince Michael of Greece. We sent him on tour. He was very elegant. The novel was called “Sultana.” And he went on a television show in Cleveland, with a dragon lady out there. And she said, “Well, Mr. Sultana, tell us about your novel, ‘Prince Michael of Greece.’” And he said, “Well ...” and he corrected her. And she said, “Well, you ought to know.” And he got up and went over and kissed her hand and she giggled. It was one of the nicest gestures I have ever seen. I couldn’t help but think of that when Franzen made an ass of himself.

**Feldman:** If the term “bestseller” refers to selling a lot of copies in a short space of time, why are they so important to publishers? From a publisher’s perspective, wouldn’t it be better to have a book be a classic, that sold well over time with little marketing? Over a 10-year time period, how do books by Dickens or Eliot sell compared to bestsellers?

**Coady:** I can’t speak to the cost structure for publishers. For us, the biggest cost is the books we buy, bring in, shelve and don’t sell. So the way to make the best money is to bring in the books that you have a certain confidence will sell because you’ve sold them over and over again. That’s what happens with trade paperbacks in general, and books that book clubs are reading. Classics are more profitable for us, because we bring in what we know will sell, and they sell continuously and steadily.

**Maryles:** You noted earlier that in fiction, bestsellers sell for a very long time. So maybe they are not “classics,” but those writers have been writing for decades, and any new book sells all their books. The same will happen in certain nonfiction titles—not how-to, but Stephen Ambrose. When a publisher loses their author to another house who is willing to pay for them, they say, “Good, we have all their backlist sales, and they continue to sell, and we don’t have to do that much except repackage them.”

**Ashmead:** “To Kill a Mockingbird” is one of the best books, and also one of the bestselling books. It is probably one of our bestselling titles. It came into Lippincott, and was read by a reader—in those days, you had readers. Her name was Ann Hemingway. The editor was Tay Hohoff. Hemingway said, “You should look at this. This is a wonderful story. It needs a lot of work and editorial attention.”

Hohoff read it, and went to Lippincott and said, “I want to take six months off and work on this book. I truly believe it could be one of the great novels of our age.” So she got six months off—the author Harper Lee gave her \$5,000 for Christmas so she could do it. And they worked every day for six months. I happened to know Hohoff—she died not too many years ago. I think that is why Lee never wrote another book. It was a perfect collaboration of a wonderful writer and a wonderful editor, and she made the book so much better. It shows you publishing at its very best. Imagine if I asked for six days off.

**Pietsch:** I have learned over time that the books that we think of as the classic backlist books were bestsellers when they were new in hardcover. Those are the books that tend to stick. Hemingway and Fitzgerald—their novels were bestsellers. We think this is a new phenomenon, that everything is being hyped. I saw a copy of Hemingway’s first book—the jacket art is divided into twelve boxes. The title is one box, and all the other boxes contain blurbs. Scribner exists today because of Hemingway, Fitzgerald and Wharton. Little, Brown has a few books that sell year after year that make other books possible.