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Corporate Influence:

How the Media Merger Trend Changed the Book Publishing
Industry and the Distribution of Information

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Professor Denning
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Introduction/A Brief History:

Once a diverse array of independently owned companies, the media industry has undergone a complete transformation over the past thirty years. Since 1980, the number of media companies has dropped from fifty to merely five, following an aggressive series of mergers and acquisitions. Newspapers, magazines, film companies, radio, television stations, and book publishers have all transformed from individually owned companies into large, corporate organizations. Namely, CBS, Disney, News Corp, Bertelsmann, and Time Warner are among the largest corporations that hold the vast majority of the media environment today. The power that these media companies possess—particularly the book publishing companies—over the flow of information is immeasurable. Books have long been a source of influence and documentation of ideas; within the book publishing industry itself, the growth of power from such corporate backing has brought many changes to how and what information is being distributed.

It is imperative to understand the extent to which these large corporations can form, mold, and control the flow of information, thus shaping the views of the general public (Shah). The parent organizations of the book publishing companies are also a strong source of influence on the entire publishing marketplace, impacting a range of areas such as competition, financial structuring, and politics. Because of this new corporate structuring and industry consolidation, it is even more important to look at the publishing industry with a critical eye to determine how the flow of information and presentation of content has been affected.

The Big Five: Ownership Chart

Media Company	CBS/ Viacom	Disney	News Corp	Bertelsmann	Time Warner
CEO	Leslie Moonves	Robert Iger	Rupert Murdoch	Thomas Middelhoff	Jeff Bewkes
Annual Revenue	\$19 Billion	\$24 Billion	\$764 Million	\$16 Billion	\$31 Billion
Film	Paramount Pictures, MTV, Nickelodeon	Walt Disney Pictures, Pixar, Touchstone Films, Miramax Films, Buena Vista	Fox Film, 20 th Century Fox	n/a	Warner Bros. Pictures
TV	CBS, Showtime, Nickelodeon, MTV, BET, VH1, Comedy Central	ABC, ESPN, Disney, A&E, The History Channel, Lifetime	Fox, National Geographic	n/a	HBO, Cinemax, Cartoon Network, Warner Bros., CNN
Publishing	Simon & Schuster	Disney, Hyperion, ESPN Books	Harper Collins	Random House	Hachette, Time Warner Book Group, Little, Brown and Company, Book of the Month Club
Other	Blockbuster Video	MGM Studios, Disney theme parks, Animal Kingdom, Cruise lines & hotels	NY Post, NY Times, LA Dodgers & other sports teams	Bertelsmann Music Group	150+ Magazines, including Sports Illustrated, Time, People

The Big Five

Previously encompassing several hundred companies, the media industry had already dwindled to approximately fifty in the early 1980's. In 1987, that number had shrunk to twenty-three and by the time 1990 approached, it was down to just ten. Then in 1996, the Telecommunications Act changed the media business even more considerably as it unleashed the largest consolidation of numerous newspapers, magazines, movie studios, radio and television stations, and book publishers into gigantic media conglomerates (Litfin). By means of deregulation, the act was meant to increase market competition and decrease prices for consumers. In reality, the number of media subsidiaries (particularly television stations) one company could own was raised significantly, thereby prompting many of the larger media companies to purchase substantial portions of the market. Inadvertently, the act created the exact opposite effect of what was originally anticipated. "Those who advocated the Telecommunications Act of 1996 promised more competition and diversity, but the opposite happened," said Chellie Pingree, President of *Common Cause*, the nonpartisan, nonprofit advocacy organization. In fact, many companies started the process of merging before the law was officially passed, in anticipation of the relaxed regulation (The Fallout from the Telecommunications Act of 1996).

Within one year of the Telecommunications Act, Westinghouse had bought Infinity Broadcasting, which in 1999 sold CBS and Infinity to Viacom in a \$36 billion merger (The Fallout from the Telecommunications Act of 1996). Time Warner merged with Turner Broadcasting, creating the world's largest media company (ultimately merging with AOL in 2001 to continue its reign). News Corp expanded its ownership to

include New World Communication's Group. Since then, these companies and others have continued to undergo a dramatic series of mergers and acquisitions to morph into what is now known as the "big five," the five largest media conglomerates: Time Warner, News Corporation, CBS/Viacom, Walt Disney, and Bertelsmann (see chart).

The largest media company, AOL/Time Warner owns over 250 subsidiaries and brings in slightly over 31 billion dollars in sales. Aside from owning various cable television stations and film companies (HBO, Cinemax, TBS, Boomerang, Cartoon Network, Warner Home Video, Warner Bros., etc.), Time Warner also houses multiple publishing groups including its very popular Little, Brown and Book of the Month Club, Inc.

Following behind Time Warner is The Walt Disney Corporation, bringing in approximately 24 billion dollars annually and controlling the Disney empire as it is known: theme parks (Disneyland, Disneyworld, Animal Kingdom) and movie/theater productions (Beauty and the Beast, The Lion King) . Disney owns the ABC network station (which includes 10 tv stations and 29 radio stations), 6 music labels, several sports teams, 8 film companies (including Walt Disney Films, Miramax, and Touchstone), and numerous book publishers including Hyperion Books, ESPN books, ABC Daytime Press, and Disney Press.

CBS, and with it Viacom, own the next largest portion of the market at \$19 billion (Litfin). The two companies together own Blockbuster Video, Comedy Central, Paramount Pictures, Dreamworks, MTV, Nickelodeon, Showtime, as well as the sizable publishing house Simon & Schuster.

Bertelsmann, the German-owned media giant, earns roughly \$16 billion a year and owns the largest publishing house in the world, Random House, which moves over a million books a day. The merging of the two publishing houses meant a market share increase of the U.S. book market from 6% to 10%.

News Corporation, owned by Rupert Murdoch, operates “nine different media on six continents” (Litfin). News Corp owns Fox, Fox News, The New York Post, The Times, The Sun, the LA Dodgers, and seven publishing companies including the well-known Harper Collins, which stands for nearly \$800 million of News Corp’s revenue (Schiffrin 3).

In a short thirty years, ownership of television, radio, newspapers, publishers, and other media outlets had changed dramatically. Although few in numbers, these “big five” companies—Time Warner, Disney, CBS/Viacom, Bertelsmann, and News Corp—took ownership over the vast majority of the U.S. media industry. While each company separately holds numerous media subsidiaries, it is important to understand how each company (and their respective subsidiary companies) are intertwined, each making the other stronger and more profitable.

The Connection

With the relentless trend of merging and acquiring companies, the “big five” were able to gain control of a large percentage of the media industry and more specifically, they took hold over the book publishing industry. With larger parent companies and operating expenses, it has become increasingly crucial that financial expectations be met within the book publishing branches of the corporations. Therefore, methods of marketing, promoting, and selling books and other products to consumers needed to

transform and improve. Companies needed to utilize their new (and diverse) facets in order to achieve utmost profitability. Therefore, the mergers created a new method of achieving such financial profitability—cross-promotion.

Repackaging the same material in multiple formats is a key component of profitability as there are great financial benefits of transforming one story into several media products (Hoynes). “The essence of such a system is to make the promotion of one medium feed the promotion in another to achieve a maximum marketing effect in both,” according to Thomas Whiteside in his book, The Blockbuster Complex. The main idea of cross-promotion is that a media company uses one of its branches to endorse another, increasing publicity and sales considerably, while keeping its consumers under one umbrella (DuBach). For example, publishing companies can promote their books on a television show owned by a sister company, they can publish a movie tie-in book for a movie being produced by a sister company, and so on.

Prior to the merger/acquisition era, publishing companies did not rely as heavily on other mediums as a means of promotion. After the mergers, however, “the effect of TV appearances by authors on the sales of books has made such an impression on book publishers that the art of putting authors on TV has become a sort of mini-industry in itself” (Whiteside, 29). The connection between similarly owned media companies—TV networks, film production companies, book publishers—is so strong that it is becoming increasingly hard for each division to function separately (Whiteside 70). HarperCollins even created a HarperEntertainment division which, when it was established, announced that it would publish 136 books in its first years—all tie-ins to films and television (Schiffrin 119). The Walt Disney Company also created a publishing division, Hyperion,

to promote Disney releases through books. Paramount Pictures' 2009 Star Trek movie undoubtedly boosted Simon & Schuster's respective sales of its Star Trek books. Similarly, HarperCollins sales of its Bill O'Reilly books were improved greatly by the author's television appearances (not to mention his own show) on Harper's sister television network, Fox. Disney also displays the impeccable effects of cross-promotion. For example, the 1994 animated feature film *The Lion King* brought in over \$1 billion in revenue and marked the beginning of a large, and very lucrative, series of spin-offs: a Broadway show, TV series, books, and hundreds of merchandising items (to be sold in various Disney stores) (Shah).

Prior to the merger/acquisitions era, when publishing companies were individually owned, books were marketed on a much smaller scale. Once the media companies began coalescing and corporations owned several media outlets, publishers took advantage of the variety of new marketing channels for their products and authors. Today, the idea of vertical integration is vital to the success of a media conglomerate.

Financial Implications

Cross-promotion was a marked change in the publishing environment but the mergers prompted other changes as well, quite notably in their fiscal operations: "The book publishing business was indeed riddled with inefficiency: often sluggish management, agonizingly slow editorial and printing processes, creaky and ill-coordinated systems of book distribution and sales, skimpy advertising budgets, and...an inadequate system of financing" (Whiteside 14). Before the mergers, projects that would sustain profitability were not pursued or fulfilled due to lack of promotional funds—a financial change was needed and it came in the form of consolidation. The media

transformations in the late 1990's allowed for this inadequate financial system to not only be improved but completely overturned.

Immediately after the mergers occurred, there were noticeable changes in the publishing companies' financial operations. Tax breaks were a large part of the benefits to joining a large corporation. According to the Economist, "News Corp uses its global reaches to localize its tax calculations, getting its accounts done in countries with low tax rates—as a result it paid only 6.1 percent tax worldwide in the four years to June 1998" (Litfin). In addition to corporate tax breaks, many functions of the companies were able to be combined—sales forces, warehousing capacity, inventory systems, and accounting programs (Whiteside 14). Subsequently, while overhead costs were consolidated and decreased, market share was increased substantially. More importantly was the publisher's ability to draw from larger funds to invest in more notable editorial projects (Whiteside 15). Big book deals became more commonplace and author advances subsequently grew substantially. Carl Bernstein and Bob Woodward, authors of All the President's Men, received an advance of \$60,000 each from Simon and Schuster, which was an unprecedented amount prior to consolidation (Whiteside 3).

The Bernstein/Woodward editorial project also displays another astronomical financial benefit of the corporate mergers—selling subsidiary rights to another corporation. Subsidiary rights, the sale of a book to other outlets such as book clubs, foreign publishers, magazines, and/or movie studios can bring in substantial revenue for a book publisher. Simon and Schuster sold the paperback rights of All the President's Men to Warner Books for a million dollars and the book was eventually turned into a movie produced by Time Warner subsidiary, Warner Bros films. While cross-promotion within

the same company is imperative to the success of a media conglomerate, it is equally as important to sell subsidiary rights to other companies as well to maximize profits. Both methods brought significant changes in the way book publishers market and sell their products.

While economic advantages were plenty, there were a number of negative financial implications of a corporate merger as well, particularly in the book publishing sector. There were extensive legal fees associated with the mergers and/or acquisitions, among other takeover expenses. Author advances increased extensively—presently, the standard for author advances (according to Publisher's Marketplace) is that "nice deal" is between \$1 and \$49,000, a "very nice deal" is \$50,000 to \$99,000, a "good deal" is \$100,000 to \$250,000, a "significant deal" is \$251,000 to \$499,000, and a "major deal" is \$500,000 and up. However, as larger author advances became more common, the amount of unearned advances (when a book does not sell enough copies to cover the advance money) increased proportionately. Despite the impressive numbers outlined by Publisher's Marketplace, it is estimated that less than 70% of authors earn out their advance and make money for the publishers (Boss). HarperCollins had already reported a loss of \$270 million in unearned advances in the mid-1990's (Schiffrin 114).

Larger (and more expensive) print runs became more common as well during the merger era, despite that fact that the ancient precedent of book returns remained. The standard return policy is that bookstores can sell back their unsold books to the publisher for a 100% refund. This has become an enormous expense for publishing companies, particularly when a book with a large print run has not sold as well as originally expected. As print runs increased with the changes of the corporate structure and

financial backing, the loss from returns increased along with it. Still, despite these drawbacks, the effects merging and acquiring publishing houses proved to be much more lucrative and beneficial to the parent corporation.

Politics

With the additional revenue being brought in after the consolidations, media corporations accrued more power accordingly—not only within the media market but also through the cultivation of advantageous relationships with government entities. Corporations fund groups that devise policies that are favorable to businesses (Draffan). As the media corporations expanded, their wealth (and with it, power) increased as well. The Telecommunications Act was one of most significant documentations of this and Congress has passed other legislations that are beneficial to the industry relating to tax breaks and deregulation of ownership (Draffan).

Due to the increased influence over lobbying groups and government entities, media companies and their publishing counterparts had better capabilities to promote political messages. For example, HarperCollins (owned by NewsCorp, a notoriously conservative company) published a variety of books that support its traditionally right-based political cause, including republican Sarah Palin's new book, Going Rogue: An American Life. While the media has long been regarded as being politically biased, the mergers only strengthened each company's ability to influence the public—and their subsidiary publishing companies could produce books conveying those views.

Regardless of political affiliation, virtually all of the large media companies take part in one of Washington's most powerful lobbies, the National Association of Broadcaster's (Myers). This lobbying group has incredible influence on laws and

regulations that affect their companies and their consumers (Myers). The media industry is ranked along with “energy industries, military contractors, airlines, and investment firms as one of the leading lobbyists of the U.S. Congress” (Draffan). Since the mergers yielded larger budgets and profits for the media corporations, the big five are subsequently able to spend an astronomical amount of money on lobbying causes every year. This money funds causes that directly relate to their functioning as organizations and their corporate message, whether political or otherwise (see chart). If the media industry is a part of the NAB, then the media companies themselves hold great power over the flow of information, market competition and the creation, change, and deregulation of policies and procedures.

Federal Lobbying Expenditures from 2000 – 2004
(taken from Commoncause.org)

	2000	2001	2002	2003	2004
<u>Disney</u>	\$3,860,000	\$4,600,000	\$3,820,000	\$3,960,000	\$2,020,000
<u>News Corp</u>	\$1,740,000	\$2,300,000	\$2,560,000	\$2,840,000	\$1,320,000
<u>CBS/Viacom</u>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,250,000	\$700,000
<u>Time Warner</u>	\$4,820,000	\$3,500,000	\$3,100,000	\$4,100,000	\$2,080,000

The abundance of money that the media companies contribute to federal lobbying harvests an even larger amount of political power. With new and more widespread influence that the media companies possess (due to the mergers), censorship issues have arisen as a result. Publishing companies can produce books that reflect their corporate politics, rather than pushing for new and/or opposing ideas. For example, during WWII, HarperCollins decided not to publish Leon Trotsky's book (although they had published his earlier works) based on the fact that America would need Stalin's support in the war and Trotsky had been known to criticize Stalin in his previous writing (Schiffrin 131). Murdoch, of News Corp (which owns Random House), has used "publishing to achieve other ends...to obtain political favors from different governments" (Schiffrin 132). While not always necessarily a decision based on profit, there are decisions made based strictly on the content of material that the publisher chooses to spread to the public.

Political agendas became a large part of the corporate mission throughout the evolution of the media companies, even when it did not necessarily mean more profit. In fact, it could even mean taking a loss. In 1994, HarperCollins paid Newt Gingrich a \$4.5 million dollar advance at the height of Gingrich's legislative power, and the book (along with the company) earned back only a third of that amount (Schiffrin 133). Publishers Weekly reported in a 1996 article that in that year there were approximately forty new political books which all supported both Gingrich and the right wing (Schiffrin 136). While profitability and finances became a bottom-line for publishers after the consolidation period, politics became an important factor as well. With more money and more power, publishers (and their parent companies) were willing to even take a financial loss in attempts to promote certain views. As a result, the mergers created concerns

about content limitations as publishers began choosing to promote their own company's views rather than promoting new ideas.

Limiting of Content

While political messages can sometimes trump the aggressive demand for revenue, it is still important to remember that profitability is the foremost goal of the parent company. Since acquiring and/or merging with another company is an extremely costly endeavor, the parent company expects to make that expenditure back and gain a substantial profit on top of that amount. It is money (and secondly, politics), that is the root of the decision making process, not necessarily the cultivation of new ideas. Each media company can use their subsidiaries to cross promote their *own* products through various outlets, spend large sums of money on the next big blockbuster, and endorse their own corporate interests and ideas through their various media channels—which all can lead to a limiting of content. The mergers initiated an increased demand for profitability which in turn led to an increased demand to sell more books; therefore, the obligation for promoting new ideas and information was greatly diminished.

There is a vast confliction between maximizing profits and producing new ideas/content. Michael Eisner, former CEO of Disney has said, “We have no obligation to make history. We have no obligation to make art. We have no obligation to make a statement. To make money is our only objective” (Shah). The unfortunate side of putting monetary goals first is that editorial diversity suffers and that loyalty is primarily dedicated to shareholders rather than the public (Litfin). Publishing houses are expected to bring in substantial revenue which, through cross-promotion and signing big authors, they are able to do. Despite the loss of new ideas and the growing difficulty for smaller

publishers to compete, the big publishing companies have increasingly gravitated toward blockbusters and best-sellers to guarantee a profit (Atkins). “The investment, the energy, all the thinking...are geared to the book that [the publisher] can make a killing on. Everything else is secondary” (Schiffrin 117). Publishers became increasingly concerned with return on investment after the merger era due to higher overhead costs, increased profit goals, and intense pressure to compete with the other large companies.

One of the first actions publishers took to bring in revenue was to sign popular authors. Successful authors are merchandisable in all facets of the media and publishing their books guarantee a large return on investment. With larger budgets, publishers could lure big authors with big advances. While excellent for business, this method of blockbuster publishing can alter the diversity of ideas being distributed: “The new approach—deciding to publish only those books that can be counted on for an immediate profit—automatically eliminates a vast number of important works from the catalog” (Schiffrin 107). Authors such as JK Rowling, Stephen King, Norah Roberts, Nicolas Sparks, Candace Bushnell, among many others have translated their books in successful films and/or television series’. Therefore, it is more likely for a publishing company to invest in a profit guaranteed author rather than explore a new author whose ideas promise less certain returns.

Another concern about the new structure of the media corporations (and the publishing industry in particular) is that the companies have the ability to control not only the authors that are being signed but they also have great control over the *ideas* that are being distributed. “If media moguls control media content and distribution, then they have a lock on the extent and range of diverse views and information,” said Chuck Lewis,

executive director of the Centre for Public Integrity (Shah). If each corporation wants to promote a certain message, they are able to do so through numerous media outlets, including their publishing arms. Thus, there is great potential to sway the beliefs of the general public: “having a few huge corporations control our outlets of expression could lead to...a more muted marketplace of ideas” (Shah).

Publishers are a very important sector of the media companies; therefore, they are not exempt from the control of the parent company. While “publishing houses are indispensable intermediary points in the diffusion of ideas,” they are not always free to produce books based on new ideas and authors (Cosser). They have a corporate mission to fulfill and a profit margin to meet. The repercussions are great though—decreased flow of new ideas, repetition of content and authors, and increased difficulty for smaller publishers to compete.

Competition

Since the large corporations have the financial backing and the exposure (through their subsidiaries), how can smaller presses contend? The merger/acquisition era changed the market landscape by lessening the number of media corporations (and publishing subsidiaries) to compete against. Competition is a large concern in the midst of the corporate control over the media, particularly within the publishing sector—and this concern increased exponentially during the consolidation period. One of the main concerns was that the survival of independently owned publishers (Cole 36). Small presses were not capable of producing the same revenue as their larger counterparts: “In the last two decades there has not been a single new trade publisher of the size or financial capability needed to replace Random House, Simon & Schuster...which are

now owned by conglomerates” (Cole 39). Accordingly, they do not have the same financial capability to sign big authors and market their products as extensively as the larger firms.

Another trouble that smaller presses faced after the mergers was that their new or lesser known authors have trouble getting sub rights in clubs, since most book clubs are owned by the large companies (ie. Book of the Month Club is owned by Time, Inc. which owns Little, Brown). As previously discussed, a large source of a media company’s revenue is through the use of cross promotion and subsidiary rights, so the fact that smaller publishers have difficulty purchasing sub rights puts them at a disadvantage. Small publishers fall short in “seeking to acquire...rights to potentially valuable books, since an integrated trade book firm and mass market firm can outdo it by making a joint bid for the ‘hardcover’ and ‘softcover’ rights” (Cole 36). Cross promotion is also more challenging as the smaller publishers do not have the luxury of scheduling author appearances on a sister TV network show, which is a proven successful method of marketing. Without the support of other subsidiaries, smaller publishers could lose out on the profit-making potential of sub rights and cross promotion. Before the mergers occurred, smaller publishers were commonplace and the market as a whole was much more evenhanded among companies.

Though the larger publishing houses have more financial freedom and marketing capacity, there is indeed still a place for smaller companies. In fact, the mergers helped to create a new role for smaller publishers. With the large companies always looking for the next blockbuster (and sticking to the same ideas/content and promoting within their own company) it *is* possible that small press can compete by taking advantage of niche

markets. Smaller presses have the opportunity to publish new authors and produce smaller print runs (without the financial problems associated with large print runs and returns, etc.). Jeff Hayes, director of research at InfoTrends, a marketing research firm, said that “small publishing has a different economic base. The barrier to entry is much lower. They don’t have to print to reach the masses with broad consumer books, and with on-demand printing they can do short prints. They don’t have to feed the beast with a blockbuster selling 50,000 to 100,000 copies or sell through the large channels like Barnes & Noble; they can sell off Web sites” (Perman). Without the financial pressure and corporate message to convey, smaller publishers can sign new authors and promote new ideas.

Independent companies have taken advantage of the market changes by becoming more creative in their marketing schemes. They have employed unique and innovative methods to promote their books. In order to successfully expose their authors to the market, a small publisher can create alliances with like-minded independent book stores. They can save money by posting their book catalog on the internet as well as publicize author schedules, book tours, and new releases. Archipelago Books, a non-profit, Brooklyn based publisher, produces 8-10 titles annually and relies largely on donations from foundations and loyal supporters. Archipelago has also teamed up with universities that host and sponsor book tours. Despite the fact that they can’t rely on sales solely for its financial success, the company still finds unique methods to gain revenue (Perman).

While the merger/acquisition mania yielded a difficult market for competition in the publishing field, there is undoubtedly still a place for independently owned publishers. According to the Book Industry Study, there are roughly 63,000 small

publishing companies generating \$14.2 billion in sales collectively. Niche markets, more freedom, low barriers to entry for new authors, and innovative marketing strategies have allowed the smaller companies to flourish despite the new and more challenging structure of the media industry.

Conclusion

It is important to be aware of how big business is run, especially those businesses that provide the public with information. Having considered many consequences, both positive and negative, of the corporate evolution within the media industry, it is clear that the mergers and acquisitions have undoubtedly changed the book publishing industry and the content that the public receives. The book publishing industry, now primarily owned and controlled by large media corporations, has adapted to a new structure of ownership. Publishing operations, market structure/competition, and the distribution of information has been directly affected by that new structure.

Cross promotion between company subsidiaries has become an extremely important, if not necessary, part of a book publisher's decision to sign certain books and how to market those books. Movie tie-ins, signing blockbuster authors, and scheduling TV appearances are a sure way to bring in revenue to the publishing sector but also to the sister companies as well. The connection between the parent organization and its subsidiaries is strong and utilizing several outlets to market one brand often guarantees to bring in the revenue needed to run such a large corporation.

With that said, the consolidations have changed the bottom line of the publishing companies' purpose to finances and profitability rather than the fostering and promotion of new ideas. The mergers have yielded large companies with large operating expenses

and it is imperative that each subsidiary bring in a substantial amount of revenue to the corporation. Since financial motives have become first and foremost on a publisher's agenda, there is often a limiting of content that the public receives. Authors that are guaranteed to bring in revenue are the ones being signed—not necessary the authors with the newest and most innovative ideas.

If profitability is the most important factor to determining which books to publish, politics is a close second. Publishers can produce books that express the corporation's mission and political affiliation. Political motivation is a great force within the corporation and in certain cases, a political agenda trumps profitability. Often a book is published (or not published) based on its political message—with larger profits and strong market presence, the merger era helped to increase political sway.

Looking at the publishing landscape today, it is impossible (if not irresponsible) not to consider how the mergers and acquisitions have altered the daily operations of the individual companies and also the content and flow of information to the public. The consolidations have affected everything from competition to marketing strategies, corporate structuring to standard workflow; it has affected the bottom line and the very mission of the publishing company. As the nation now faces an economic recession, money-saving techniques have begun to overshadow profit-making strategies within the media industry. In order to keep afloat amidst faulty accounting and failing companies, cost-cutting is becoming the forefront of a corporation's agenda. While the large majority of the mergers took place in the last few decades, its effects are still resonating throughout the industry today and with the changing marketplace and economy it can

only be assumed that there are still only more transformations in the media industry's future.

Author's Note:

Due to an unprecedented amount of mergers and acquisitions of companies within the media industry, the publishing business has changed dramatically throughout the last thirty years. Media companies of all types and sizes were merged into a limited amount of extremely large, diverse corporations, which held ownership over numerous media outlets (including television, film, newspapers, magazines, and book publishers). The merger mania has yielded an oligopoly in the media market— only a few, extremely large corporate conglomerates that have power to influence the content and flow of information to the masses.

As an intern and now full-time employee at Simon & Schuster, I found it interesting to be a part of a changing industry and a company that has withstood the merger & acquisition era. While I have been immersed in the publishing industry for only a few years (with the majority of consolidations already taken place) I have still been able to feel the effects of the transitions. I have experienced the transfer of Simon & Schuster's ownership from Viacom to CBS. Some of the effects of that change on day-to-day operations included the migration of our computer systems, changes in workflow policies, as well as the often dreaded fusion (and sometimes termination) of positions and departments. While these changes have affected me directly (co-worker layoffs, new procedures, different software programs), there are other changes that have affected consumers. Being that CBS owns other media outlets, including television and film

companies, the content of what we are publishing (and supplying to the public) has changed.

While my own experience with Simon & Schuster has been affected by the merger era, I found myself wondering where I stood within the new publishing landscape and how it will continue to change while I am a part of that landscape. My position in the company is but a small perspective on the industry in general and the changes that have taken place. This paper documents the research I have gathered in a pursuit to view the publishing industry as a whole, its role in the merger era, its responsibilities to the public, and how the structure of ownership affects the daily operations of a publishing company and the content of what is being published.

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