

# Designing A New Media Economy

Mark Bernstein  
Diane Greco

Eastgate Systems, Inc.  
134 Main St., Watertown MA 02472 USA  
Bernstein@eastgate.com +1 617 924 9044

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Though the literary world is perpetually in decline and the business of publishing is, notoriously, always in crisis, recent portents seem unusually alarming. Newspapers, burdened by debt and pressured by competition from broadcast and internet media, face imminent collapse. Magazines confront the same pressures; worse, magazine distributors, finding it impossible to operate profitably, are ceasing to operate at all, leaving the magazine without access to newsstands. Book publishers have experienced a generation of consolidation and decay. Our literary economy is tattered; how might we design a new one?

Electronic books and internet distribution offer new ways of writing and new places to write. With our colleagues at Eastgate during the last twenty years, we have published original hypertext fiction and nonfiction and designed new tools for the craft of hypertext writing. We have not discovered an elixir for literature, or even substantial wealth: Eastgate remains a small press in cramped quarters where too many tasks always wait for too few hands. In the early years, the hypertext research community strove to conceive the technology for a vast, growing, interlinked electronic library; when that library suddenly sprang into existence in the early 1990's it came from an unexpected quarter and was based on technologies that combined a confusing mix of profound insight, sound engineering, and outright blunder<sup>1</sup>.

Much of what has been written about new media economics veers erratically between nostalgia for an imagined past and naïve technological determinism. The customs of contemporary business journalism, moreover, have frequently dictated that those individuals and organizations who have made conspicuous fortunes are hailed for their wisdom and insight, while those who have not are derided as fools and scoundrels<sup>2</sup>. At

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<sup>1</sup> The Web, famously, developed from a lightweight and *ad hoc* tool to help European physicists share unpublished manuscripts. The early technical history is found in the *Proceedings of the ACM Hypertext Conference, 1987-present*. It is interesting to recall that the first paper at the initial hypertext conference was delivered by a classicist who was developing a hypertextual history and lexicon of ancient Greek literature, while the second was delivered by a team of a classicist and a novelist who were writing the first successful hypertext novel. The literary importance of the Web has always been central to its development.

<sup>2</sup> That this year's genius is often next year's fool has seldom been made more clear than in business press accounts regarding Steve Jobs of Apple, Bill Gates of Microsoft, or Sumner Redstone of Viacom.

the same time, self-consciously literary pundits have often shied away from confronting the reality of literary economics, treating commerce as a regrettable intrusion into a pristine literary Arcadia, deploring any acknowledgement that the book trade is in fact a business, resenting the influence of sales departments and “bean counters” and longing for a world in which writers could be free of their degrading influence.

The codex book is a technological artifact. It was made by man, not decreed by divinity, and it has changed throughout its history. Most readers, for example, can readily distinguish a 19<sup>th</sup> century book from a contemporary volume. The book’s technological affordances are vitally important: our civilization rests upon them. Other media possess their inherent virtues, but cannot replace books: we cannot learn synthetic organic chemistry from film, nor can we readily explore the consequences of carbon tax policy in music.

Yet it is clear that the contemporary codex is far from perfect. That books are heavy is known by every boy and girl with a backpack. That books are expensive is known by every book buyer<sup>3</sup>. Because books are artifacts, access to their contents depends on our location; if we are in Biloxi and the book we require is in the Bodleian, we face a long journey.

On other questions, opinions necessarily vary. One reader finds a book too detailed where another would find more detail oppressive. One reader longs for larger type where another would much prefer a smaller and cheaper edition. One reader can be convinced only by reviewing the mathematical derivations, but other readers cannot bear any hint of mathematical complexity. That the codex book must strive to satisfy all these readers in a single, mass-produced artifact is its signal shortcoming, the failure of the book most easily remedied by new literary media.

## Designing A Literary World

Just as the codex book is an invented artifact, the literary economy we inhabit was developed over time in order to meet technical, economic, and artistic constraints. It may be useful at this point to roughly survey some landmarks of this enterprise as it existed in the late twentieth century, the era Jay David Bolter calls “the late age of print” (Bolter). Trade books – books intended to be sold through bookstores – were financed and published by a few dozen large firms and thousands of small presses, amounting in all to perhaps 33% of overall book sales. Many tens of thousands of books were published each year in English, with roughly-proportionate activity in other languages. Small bookstores stocked hundreds of titles while large stores might stock a hundred thousand. Booksellers purchased volumes from publishers and distributors with a customary discount of 40%; in the US, retail book dealers operated on a consignment basis. Authors were paid an advance against royalties of 5-15% of the retail price. Where 18<sup>th</sup> century bookselling had often been tied to printers, and 19<sup>th</sup> century bookselling had shown some tendency to drift into the hands of publishers, US bookstores in the early 20<sup>th</sup> century were independent while in the latter half of the century bookselling was dominated by large chain stores.

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<sup>3</sup> The cost of printed books has been notorious since Erasmus; before Gutenberg, of course, the cost was much greater. For centuries, the price of a new, original volume has remained roughly the same as the price of a meal at a good restaurant or lodging-house.

Though booksellers remained the largest and most prestigious marketplace for 20<sup>th</sup> century print, three older channels remained close to the center of literature in the US and Europe. First, high school and university curricula led students to purchase numerous titles *en bloc*, creating a substantial and specialized market for textbooks and assigned reading that was marketed and purchased outside traditional stores. Second, magazine distributors and rack jobbers used their existing presence in newsstands, pharmacies, and groceries to build a secondary distribution channel for mass market books. Finally, magazines themselves, sold through a combination of subscription and retail purchase, are themselves codices or codex-like publications.

These details of business practice entail concrete artistic and critical consequences. The high cost of 19<sup>th</sup> century transport – especially at a distance from oceans, navigable rivers, and railroads and coupled with the federally-subsidized post – made magazine short fiction a valuable commodity. In time, lower freight costs made books more economically attractive. In 1825 Elizabeth Peabody, a fairly-successful and prominent Boston teacher, was profligate for investing in a set of Wordsworth’s collected poems. In 1950, when schoolteachers earned \$4,000/yr or more, the Modern Library edition sold for \$1. Thomas Jefferson’s library of 6487 volumes sold for \$23,950 in 1814, roughly a year’s salary for the President of the United States, or more than \$3.50 a volume at a time when a skilled and experienced seaman might earn \$12 per month. Serial publication proved a potent marketing force for Dickens and his contemporaries, not only because it provided opportunity for word-of-mouth or “viral” marketing but also because it allowed less affluent readers to finance the purchase of a book over the course of several months. By the late 20<sup>th</sup> century, only exceptional art books and specialized business reports demanded prices that might invite such financial exertion. Though changes in literary fashion and aspiration always play a role, the mundane conditions of producing and purchasing literature weigh heavily on the way the world of letters works.

We cannot expect to foresee all the consequences that new media may hold for writing, just as we cannot reasonably chide our 19<sup>th</sup> century forebears for not immediately perceiving how steamships would create the conditions for the post-colonial novel or that rail freight would marginalize the short story and diminish the cultural influence of periodicals. Aspects of new media that are still obscure may ultimately exert profound influence. Yet some characteristics of new media seem bound to prove crucial to the literary economy:

- **Reduced marginal cost.** The real cost of printing an additional copy of a codex book is modest, but the cost of transmitting the book’s electronic equivalent is orders of magnitude smaller.
- **Reduced mass.** Codex books are heavy and therefore costly to manufacture and deliver, while electronic books may be duplicated, delivered, and stored at scant cost. As all librarians and many avid readers know, the cost of storing books can easily exceed the cost of acquiring them. A personal library of several thousand volumes is hardly exceptional today, but paying their rent may tax the resources of a booklover. Library budgets are frequently dominated by the cost of sheltering, preserving, and ensuring access to the collection. In addition, because new media literature is less expensive to move from place to place, reduced transport costs can transform literary distribution and access.
- **Secondary access paths.** Electronic texts are searchable, and can be associated readily with arbitrary metadata. Search seems unlikely to replace thoughtful

cataloging and criticism as a way to match books to readers, but it does provide a new and powerful mechanism where more conventional systems fail.

- **Adaptation.** Links and other simple textual transformations make it easy for an increasingly diverse population of readers to adapt a text to their individual needs and preferences. Adaptation can range from simple conversions (e.g. moving from Fahrenheit to Centigrade, or converting Julian to Gregorian dates) to providing more elaborate support services such as glossaries, mathematical derivations, raw experimental data, etc.
- **Hypertextuality.** Any codex book, being necessarily mass-produced, is designed for an idealized reader who does not, in fact, exist. By allowing the reader to follow some links and not others, we may devise a book that reorganizes itself to meet the needs of disparate audiences. The development of the scholarly text, in which an exposition of general interest is set against a secondary text of footnotes and appendices, is readily viewed as an anticipation of hypertextuality (Grafton), but links allow much greater flexibility while avoiding many complexities of page and book design.

Two further characteristics of new media that are sometimes hailed as essential may prove less important. Multimedia – facile inclusion of illustration, photography, sound, and video – has often been cited as the key to the Web’s popularity and the cheered as the central promise of new media in the book’s supposed competition with television<sup>4</sup>. While the literary power of visual design has been clear since the Bauhaus, however, the relationship between word and image remains a complex and subtle terrain (McCloud 1993). Web sites and services have proven popular despite impoverished visual design (Facebook, eBay, and Salon) or by adopting a posture of anti-design minimalism (Google, Twitter). Immersivity – the promise of participating in an unfolding narrative – is sometimes viewed as the natural end of electronic media (Murray), but whether that goal is either technologically feasible or artistically desirable is far from clear (Bernstein and Greco) (Bernstein).

A few writers have asserted that, as the marginal cost of making additional copies of new media works approaches zero, writing should leave the commercial realm entirely, that “information wants to be free” and that writers should write for their own enjoyment or as part of a gift economy, far from the corrupting influence of Grub Street (Golumbia). Capitalism may perhaps be deplorable, but while other economic worlds might be imagined, some of which might be better than the world we know, we do not believe it necessary or desirable to reform the global economy as a first step to improving the economics of new media. Nor should we expect writers to stand outside the economy because art is its own reward: if we have learned anything from Marx, we should by now understand that there is nothing outside the economy. Nonetheless, change itself represents an important factor in the new media economy: whatever else they are, new media are new, and their newness can present challenges to existing institutions and opportunities for alternatives and insurgencies.

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<sup>4</sup> This competition, always illusory, characteristically sets the sophisticated taste of the old against the depraved indulgence of the young. Octavian’s attempt to limit the immersive sensuality of Latin poetry is directly comparable; see also Hornby’s observation of the competition between Literature and Arsenal F. C. (Hornby 2008).

## The Shape of a Solution

That today's literary economy will change is inevitable. First, the literary economy is always changing. More urgently, it is not clear that the current arrangement is satisfactory to *any* of its participants; writers, publishers, and booksellers are desperately unhappy while readers complain that they cannot find anything to read. The shapes of our future literary world cannot be known in detail, but from natural constraints and boundaries we may make a rough sketch that separates what might be possible and desirable from what is not.

### *The Writing*

For convenience, we refer to the product of the new media economy as a “book”, even though it may not resemble the codex book and might not, in fact, have a fixed material form. It will, however, be predominantly *written*. Though illustration in various media can play a very useful role, many indispensable topics seem intractable to address in visual or aural media. Our interest here is chiefly in work that is *read*, as opposed to visual art or animation that uses letter forms (Landow).

The natural size of the new media book might be larger or smaller than the codex. The natural size of the “book” of antiquity was determined by the length of the scroll, which in turn was limited by considerations of wrist strength. Codices could be longer, incorporating numerous scrolls, but they, too, reached a length that became mechanically intractable. Short forms – pamphlets, broadsides, and short stories – are also difficult to produce in codex form because they cannot easily advertise their identity on the spine and so are inefficient to display in retail stores. Electronic distribution relaxes both constraints and could well support both longer and shorter work<sup>5</sup>.

A seldom-discussed but central quality of the book is that books are numerous: a book can reasonably address any topic for which an audience of a few hundred readers are to be found (Zaid). Though some books appeal to millions, we also treasure books that cannot aspire to please everyone – books about avian anatomy, about the Diels-Alder reaction, about Victorian railroad architecture. This profusion requires that it be feasible for an individual to craft a book within a span of time commensurable with biological constraints, and that the capital investment required to publish and market a book be of a scale which individuals might, in principle, command.

### *The Writer*

Books, as we have known them, are written by people. Often, they are the work of a single author, though occasionally a collaborator or two may lend assistance. Editors, book designers, cover artists, advertising managers, printers, and publicists may all play a role in creating the book and delivering it to people, but we recognize the writer's role as central, essential, and indispensable.

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<sup>5</sup> It has sometimes been argued that fragmented electronic media promote (or benefit from) declining attention spans among contemporary young people (Bradshaw) (Birkerts). It may be doubted, however, that these young people actually prefer shorter or more fragmented forms. Recent works of extraordinary length that have proven to be extremely popular include the seven volumes of *Harry Potter*, the 100-hour science fiction film *Babylon 5*, and the television series *Buffy, The Vampire Slayer*, a coming-of-age story that is intended to be viewed over the course of seven years. Compared to these, Warhol's 485-minute *Empire* seems small.

Though speculations about new media have sometimes anticipated that their involvement with graphic design, animation, and computer programming will require production teams drawing on disparate vocational talents (Coover), this outcome seems neither necessary or desirable. Film production, of course, involves vast scales of collaboration and a complex network of producers, directors, writers, actors, crew, and distributors. The magnitude of this collaboration is dictated not by the creative needs of filmmaking but by the quantity of capital involved in making and – more significantly – presenting a film. Films requires movie theaters, large and specialized facilities. Nothing in the book world requires real estate. The scale of collaboration required in film is famously detested (Mamet), and filmmakers eagerly await “desktop filmmaking” technology as a way to recover the advantages of the book world. In those provinces of the book world where much more modest collaboration has been common – in comic books, in children’s book series, in newspaper newsrooms – the results have often been regarded as personally and artistically uncongenial (McCloud 2000).

*No man but a blockhead ever wrote, except for money. – Boswell’s Life of Johnson*

The critical question for writers in the economy of new media is whether and how they might earn a living from their writing. In those times and places whose literary economy we envy, in fifth century Greece, say, or late Elizabethan England, or in mid-19<sup>th</sup> century Paris and London, talented writers were able to support themselves through income their writing generated. At other times, including our own, fine writers have found it necessary to supplement their income by teaching, by unrelated employment, or by grants from wealthier patrons. At present, though perhaps 175,000 books are published in the U.S. each year, only a few thousand writers are believed to earn their income primarily from article sales and publishing royalties (Bureau of Labor Statistics).

This discouraging situation did not always hold. As late as the 1930’s, the advance on a travel book could easily defray the writer’s travel expenses and pay the rent while the work was completed (Fussell). Trollope’s work at the post office was considered exceptional (Dirda), and Hawthorne’s customs-house sinecure was thought a colonial oddity.

In practice, this aspiration requires that it be reasonable, given some combination of luck, labor, and skill, for a writer to expect to earn perhaps \$50,000 per year from their writing<sup>6</sup>. To achieve this in today’s literary economy is challenging. The foremost goal of a successfully-designed economy for new media should be the attainment of this goal. Success is, as yet, far from our grasp; to the best of our knowledge, no new media artist has achieved this<sup>7</sup>.

This vision, though as yet unrealized, might yet prove possible. Though much attention has been focused on the potential of “viral” Web media for recruiting vast audiences at

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<sup>6</sup> This number depends, clearly, on time and place, and is intended only to establish an order of magnitude. \$5000/year is probably too little, and \$500,000 is perhaps more than is necessary. The development of modern transportation and communication economy in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries had already encouraged penurious British and American writers to find financial refuges in Paris, in Rome, or in rural Europe.

<sup>7</sup> Some possible exceptions include writers who receive exceptional fees for endorsing a new media platform or company, writers whose electronic works are merely tie-ins or repurposings of conventional publications whose sales greatly exceed this figure, and perhaps some writers whose personal celebrity, achieved outside of new media, makes them unrepresentative.

low cost, massive audiences might not prove indispensable. If a writer's appeal to, say, 10,000 aficionados proved strong enough to justify their purchasing a \$20 work each year, the resulting \$200,000/yr revenue stream might quite possibly support a satisfactory income for the writer while making adequate allowance for editorial and marketing costs<sup>8</sup>.

### *The Price: production cost*

What will books cost?

It is, of course, likely that different works will have different prices, and those prices might fluctuate from day to day or from one place to another. We may nonetheless identify some broad constraints on the price of individual copies from their cost of production and from their value.

If we are not to rely on subsidies or indirect economies, the selling price of our new media book must exceed its cost of production. This cost, in turn, may be divided into two components: fixed costs, notably the cost of the creator's labor, and the incremental costs of delivering each additional copy. Electronic distribution can eliminate the cost of manufacturing and shipping, but does not eliminate incremental costs entirely; locating potential readers and convincing them to consider the work is also an incremental cost<sup>9</sup>. The cost of selling each copy – transferring funds, transferring bits – must also be covered in the selling price. Further costs may be incurred in order to secure the title, or to compensate for an accepted rate of unauthorized use.

In addition to the cost of writing the work, fixed costs must also consider the cost of preparing the manuscript. The costs of editing, fact-checking, and visual design, it should be remembered, were suppressed during much of the 19<sup>th</sup> and 20<sup>th</sup> centuries because publishing was able to draw upon a labor pool of educated women who had few professional alternatives. That standards of proof-reading, typography, and detail have declined is not necessarily an index of moral decline or of the influence of accountants in publishing houses; young women with trust funds need no longer limit their aspirations to an editorial assistantship. Faced with a more equitable distribution of costs, readers may choose to accept a few more errors and inferior computerized typesetting.

The cost of producing very popular titles will be dominated by variable costs. At present, transaction costs alone make \$0.30 the approximate lower bound.

Note also that the cost of producing a reproduction of a book without the manufacturer's knowledge or cooperation is a major component of the *upper* bound of the price of a book (about which we'll have more to say in the next section). Legal and ethical strictures, to be sure, impose additional costs on those who make unauthorized copies,

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<sup>8</sup> Popular accounts of new media economy almost always focus on how electronic books reduce manufacturing costs, but this is in fact a small component in the equation. Marketing and distribution expenses greatly outweigh the the cost of printing and binding. The Web does not obviate the difficulty and expense of finding an audience, but the existing sales and marketing channel is generally believed to be far from efficient.

<sup>9</sup> Occasionally, new media enthusiasts assume that readers will discover the books they desire without the expense, inconvenience, or risk of marketing. This state of affairs is probably infeasible and, if achieved, the apparent savings would be an accounting illusion, a shift of expenditure from one account – publisher's marketing expense – to another – the reader's labor in finding the book. In such an economy, busy readers might well be eager to pay booksellers for their reading advice.

but these restrictions may not operate with equal efficiency on all persons or in all places. The 19<sup>th</sup> century US, for example, did not honor British copyrights. Samizdat literary publishing in Eastern Europe in the late 20<sup>th</sup> century demonstrates the limitations of purely legal restriction when the cost of reproduction is sufficiently low.

### *The Price: Value*

If the lower bound of a work's price is the cost of delivering an additional copy to a new reader, the upper bound is the value of the work to that reader. Value-based pricing for mass-produced trade books is limited to the work's value to those readers who pass a bookseller's window, but direct marketing could permit value-based pricing to reach a smaller audience to whom the work would be most valuable, potentially permitting publishers to capture greater returns from very specialized titles.

It is important to observe that a number of books can offer considerable value to a fairly numerous audience. All the chemistry that a practicing physician needs to know can be found in two volumes, and computer programmer can acquire a new computer language from a single book. Since the 19<sup>th</sup> century, single volumes have taught the concepts and skills required for skilled technical vocations. If you mastered Bowditch (1802) you could command a sailing ship; if you command Escoffier (1903), you are a chef. Today, we value this material, in the form of university courses, at perhaps 2-4 year's salary for an experienced graduate, but the book itself costs \$50 or \$100. The disparity between what students pay for the book and what they (along with their parents, philanthropists, and the government) pay for a series of lectures, is arguably incongruent to their respective inherent value<sup>10</sup>.

The cost of a single university course (perhaps including costs borne by endowment, philanthropy, or the state) – currently on the order of \$5,000-\$10,000 – might serve as a rough estimate of the upper bound on book value. Some current books, such as industry-sector analysis reports – command prices in this neighborhood.

Although individual purchase of individual titles is the most widespread business model for codex books, different arrangements might be considered for new media. Indeed, many different arrangements already make up important elements of the literary economy. Book clubs exerted enormous influence on literary fiction throughout the 20<sup>th</sup> century, providing large sales volumes in exchange for discounted pricing. Essays were sold in the 18<sup>th</sup> century as individual pamphlets, in the 19<sup>th</sup> as collections, and in the 20<sup>th</sup> were bundled in magazines. Renting books was once common practice, even amongst elites, and might become popular again. Public libraries, in essence, provide their community with a tax-subsidized book rental service. Other models can readily be envisioned; for example, imprints such as *The Modern Library* or the *Loeb Classics* offer discounted prices of complete runs, primarily to institutions; electronic delivery would make such offers attractive to individuals who might not wish to store hundreds of volumes.

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<sup>10</sup> The role of value pricing is also reflected in contemporary controversy over the cost of textbooks. Typically, textbook expenses represent a very small fraction of the cost of a student's college or university tuition, and that tuition in turn represents only a fraction of the institution's amortized per capita cost. But students customarily purchase textbooks for cash which they see, while other costs are often defrayed outside the student's immediate sight.

## *The Channel*

### Editing

Books would be much less satisfying if we did not have editors to care about the details of their production. With every infelicity he or she smoothes away, an editor makes the labor of writing disappear. This quiet work lends an aura of inevitability to the finished product, leaving the reader with the powerful impression that this particular book could not exist in any other way. If editors only worked with manuscripts, they'd still have plenty to do: they must be expert at distinguishing what is best and most appropriate for their audience from what is merely very good; they must be skilled linguistic craftspeople who can transform an awkward sentence without losing the author's meaning; and they must know how to spot factual errors and quickly find reliable information. In addition, editors at the larger houses are responsible for acquiring manuscripts from agents with whom they need to have good relationships, and for promoting acquired manuscripts to their in-house sales force, a crucial but under-recognized process that begins months before the book hits the stores. Finally, editors must know something about contracts and money.

Editors have seldom been very well paid. First, it can be difficult to know precisely how much economic value is added by such laborious tasks as fact-checking and line-editing, and it is easier to determine how much it costs the publisher to catch a spelling error than to know how much an uncaught error might cost. Second, editorial labor has always been diffuse and often covert. Writers edit themselves, they seek advice from friends and correspondents, they participate in workshops; from the pithy depths of the Algonquin round table to the doubtful heights of vanity presses and fake poetry contests, an immense indirect economy works to polish manuscripts. Third, as we have already noted, editing in the 19<sup>th</sup> and 20<sup>th</sup> century benefited from the ill-paid efforts of young people who were willing to work for little pay, and of women who had few career options and who were, in any case, compelled to participate in the indirect economy because they could not legally transact business<sup>11</sup>. Today, writers' workshops and creative writing programs support the indirect economy by feeding publishers a continuous stream of MFAs in need of day jobs.

This tends to constrain mainstream publishing in specific ways. Junior editors, who are the first to read submissions, naturally tend to pass only manuscripts that appeal to them on to senior staff, skewing the annual pool of new literary books toward the interests of young, literary, and unattached readers like themselves. Volumes of formulaic “workshop” fiction are also a result of this structure. For these reasons alone, the large publisher has become a less reliable channel for the expression of sophisticated editorial sensibility. Economic pressure, in turn, makes senior editors increasingly averse to risk and innovation while tempting publishers and retailers alike to rely ever more heavily on simplistic genre marketing. Consolidation of publishing in integrated multinationals, in turn, has led to ever greater emphasis on extremely popular titles which might, in principle, give rise to movies, television series, comic books, and plush toys.

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<sup>11</sup> Through the much of the 19<sup>th</sup> century, married women remained deeply constrained in their ability to transact business either in the U.S. or the U.K. By forming religious and charitable associations, on the other hand, small groups of women could hold, acquire, and disburse money and property. Publishing was a natural activity of these associations.

There is always one more change to make, one more imperfection to polish away. But an interminable edit (or even a merely very long one) makes a book too expensive to publish in the first place. Some balance, however uneasy, must be struck between the risk of publishing an imperfect book and the risks of throwing more resources after the pursuit of perfection, or not publishing in a timely way, or not publishing at all. Moreover, even a perfectly produced book must confront the imperfections of the context of its reception, which an editor can only control to a minimal degree, through influence on cover design and copy, on initial promotional efforts, and on marketing, up to bookstore shelf placement. Beyond that, anything may happen: Reviewers have bad days when nothing satisfies them and fragmented days when they are only able to skim or read piecemeal. Readers, naturally, have these days too. While it is true, in hypertext, that one cannot rely on being able to read every version of the text before publication, and while it is also true that web site readers arrive at web sites via obscure routes that can also unpredictably affect the meaning of the final text encountered, this problem rehearses anxieties familiar to editors of print publications. For editors, keeping costs down while effectively managing risk is still the name of the game.

Nevertheless, the Web has already changed editing in important ways, both online and off. Online, bloggers who do not at least self-edit risk compromising their authority, a hard-won commodity made even more precious when competing bloggers, more disciplined about spell-checking their entries and keeping them on point, are just a click or two away. At larger online publishing operations, a whole new species of editor – the web site editor – has sprung up. The job requires a range of novel skills including familiarity with Web publishing software, image management, and advertising. In print, the widespread use of Web-based submission procedures – now used by magazines from *The Land-Grant College Review* to *The New Yorker* – has relieved editors of the tasks imposed by less efficient, paper-based ways of managing submissions. Now that an editor's slush pile is accessible through a navigable interface that may be updated continuously by writer and editor alike, writers always know the status of their submissions and editors are less likely to lose track of them. While the cost savings here are not huge, and knock-on effects are hard to predict, less time spent managing piles of paper can mean more time for editorial work that does justice to books as well as balance sheets. Finally, by flattening book distribution, the Web has made it easier for editors at smaller presses to reach readers with whom to cultivate long-term relationships, creating what amounts to brand loyalty in the book world.

## Marketing and Advertising

Books are many, and many are the readers who might want, need, or enjoy a given book. No book, however popular, is likely to appeal to everyone, and many brilliant and important books speak to a small and specialized audience. Matching readers to writers is a task of striking difficulty. An American publisher must sort through perhaps 250 million American readers, or 1.1 billion English readers worldwide, to locate those few who are interested in a fresh study of 19<sup>th</sup> century medicine or identification of North American raptors in flight. Those readers, in turn, need to sort through the myriad new books that appear each year, and the many more books to be found in bookstores and libraries, to find those few they can possibly read.

The task of bringing readers and writers together falls under the heading of marketing and advertising<sup>12</sup>. For our purposes, the associated costs include not only the direct cost of media advertising and direct mail incurred by publishers, but also the expense of bookstore advertising, display space, and rent that retailers incur in order to display the title to prospective purchasers. Thus considered, marketing and advertising account for the largest share of the price of a retail book.

The formidable cost and difficulty of marketing books – whether printed or new media – leads to many of the oddities and idiosyncrasies that distinguish the contemporary book trade. Print and broadcast ads are usually ineffective for promoting books to readers; those advertisements that do appear in general-interest publications are usually intended to persuade booksellers, not to entice individual readers. Writers who command a reliable following are naturally prized, though the importance of retaining their followers may substantially restrict what they write; the result has been the prominence of novel series in genre and mainstream fiction. Celebrity and notoriety are powerful attractors; famous names sell books, whether or not the books are actually written by the celebrity or, for that matter, are any good (Korda). By offering an opportunity to meet famous people, albeit briefly, signings by music and film stars get people into stores and have helped prolong the book tour as an icon of the literary imagination.

These expenses and distortions apply with equal force to old and new media. Much weight is sometimes attached to the internet's ability to foster "viral" marketing campaigns that generate vast amount of attention at negligible cost to the beneficiary. Such successes cannot be repeated or relied upon, nor can they be predicted.

## Distribution

One change that has already transformed the codex book is the development of extremely large bookstores – stores stocking more than 100,000 titles – and the emergence of efficient warehouse operations, most notably Amazon, offering prompt delivery of perhaps a million new titles and many more used editions<sup>13</sup>. The intellectual impact of this change has been insufficiently heralded. In 1980, if you wanted to read a minor Trollope or needed a biography of Carl Friedrich Gauss that you did not own, you depended on access to a good university or municipal library. Today, a vast inventory of new and used books is offered on the internet, ready for delivery to any place with reliable postal service. Newly efficient distribution is already transforming the roles of literary institutions. Local booksellers no longer determine what we may read, but instead provide expert advice to help us choose intelligently. To be cut off from a good college library need no longer exclude us from access to books beyond the best seller list. Efficient distribution of used books restores their value.

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<sup>12</sup> In most industries, we would also speak of a Sales department, but the sales function in the book trade is vestigial. Even in large cities, few stores have well-informed and literate clerks, and few customers are sufficiently well known to those clerks that, when they stop by the store, the clerk might eagerly suggest a new book of special interest.

<sup>13</sup> Shazkin (Shatzkin) predicted the importance of extremely large bookstores several years before they became common, and retains a firm grasp of the reader's needs uncompromised by nostalgia. Epstein (Epstein) misjudged Amazon's prospects because he underestimated the progress it could make in fulfillment, but in other respects remains a useful guide to the book business. For the account of a bookseller, see (Brent).

Because new media works are often weightless, electronic distribution is not constrained by warehouse space or by freight costs. This change, too, has far-reaching consequences both for truly new media and for remediated codexes performed on computers, cellular phones, or through digital devices such as the Amazon Kindle. To readers and retailers, a book's publisher is seldom of more pressing interest than the identity of its printer or the forest from which its paper was manufactured<sup>14</sup>. As a result, book distributors emerged to help resellers consolidate their book orders, while separate magazine distributors and rack jobbers let retailers order a shelf of magazines or a rack of popular fiction without establishing a new trade relationship with hundreds of book and magazine publishers. The development of superstores makes distribution less compelling, since a very large bookstore necessarily faces the same warehousing tasks that the distributor undertakes. The development of electronic delivery lets readers establish direct relationships with publishers, superstores, or distributors as they wish. Since mass-market magazine prices are generally set to cover only the cost of printing and shipping the magazine (leaving advertising to defray editorial and fixed costs), electronic delivery through the Web has driven the natural "newsstand" price of magazine articles to zero and left magazine distribution aground.

Because new media are *new*, moreover, they offer an opportunity disrupt conventional channels and practices. U.S. bookselling, for example, has operated since the 1930's on a consignment basis. In order to assist retailers who were unable to obtain inventory financing during the Depression, publishers allowed retailers to return any unsold stock. This practice persisted long after its initial motivation was removed, and has consequences that extend far beyond business relationships among wholesalers and retailers. For instance, return privileges encourage booksellers to order large stocks of titles expected to be best sellers; placing a larger order does not materially increase the retailer's risk, while ordering too many copies ensures that potential sales will not be lost because a popular book is out of stock. The resulting distortions increase the publisher's risk and expense for major titles, since excess copies must be printed to meet the distorted demand while a flood of returns may arrive at any moment, straining the publisher's finances. The same effect exacerbates the disparity between large presses, which have resources to withstand unexpected returns, and small presses who, unable to afford the risk of best-seller, may be overwhelmed should one of their titles prove unexpectedly popular.

The size of printed books imposes important and consequential constraints on book retailers that need not apply to new media. To know that a store holds a book in inventory, the prospective reader must see it; shelf space is a bookstore's vital resource, and space on end caps, on sales tables, and in the window is still more precious. In practice, this constraint meant that new books have enjoyed a brief publicity window, a short time in which they might be placed, literally, in the shop window. After they had been displaced by newer titles, to be sure, they might remain on the shelves for a while, but because American booksellers are free to return unsold merchandise, their presence on the shelf must always be balanced not only against the cost of carrying inventory but also against the prospect of selling some newer title (Epstein). As bookselling and new media alike have moved off the avenue and into the internet, the importance of being in

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<sup>14</sup> In the childhood of one of this paper's authors (Bernstein), Chicago's Marshall Field & Co. still shelved its book by publisher rather than by title; if you wanted Allen Drury's *Advise and Consent*, you had to know that you wanted the Doubleday section.

the window decreases; Eastgate's older titles often sell as well as newer releases. And, because they need not be whisked off the shelves to make room for the next season's sensation, new media publications enjoy more time to build an audience.

## Beyond The Best-Seller

The focus of publishers and booksellers in the late age of print has remained fixed on best sellers, books that generated immense and intense demand. These titles are much more profitable than those that sell more modestly, not merely because the publisher can amortize fixed costs over a larger sales volume, but also because the inefficiencies and infelicities of the sales channel are less harmful to exceptionally popular titles. Popularity entails celebrity; a phenomenal bookselling success generates its own kind of celebrity. Second, the book of the moment, almost by definition, is available everywhere; the publisher need not work very hard to get a hugely popular title into stores, and need to pay heavily to have it displayed. In consequence, great emphasis and vast resources have been deployed in the quest for titles that may prove vastly, if briefly, popular.

Because new media works do not suffer the same channel constraints, we do not believe that the chance of immense popularity will prove more valuable than the assurance of a reliable audience's enthusiasm.

## *The Reader*

The audience for writing is vast, and its interests various. Though many fear a decline (Bradshaw) or deterioration (Hayles) in reading and a general shift toward filmic media, there remain a multitude of subjects that we cannot address effectively in any medium save writing.

## Bibliolatry and Book Collecting

While the traditional codex offers many attractions, we have already observed that these are at least partially balanced by disamenities that new media might improve. If we can make books lighter in weight, easier to find, less expensive, or more expressive to diverse audiences, clearly we will have gained something of value.

In discussing new media, we must avoid nostalgia for an imaginary past and refrain from valorizing the form of the book merely because it evokes pleasant memories. In *The Gutenberg Elegies*, for example, Sven Birkerts deplores the prospect of hypertext books and recalls how working in a bookstore helped him retain his sanity when he was a young scholar, adrift (Birkerts). His appeal to the redemptive power of the codex is moving, but he is so deeply engaged with the argument that he cannot not bring himself to read a single hypertext. Appeals to the smell of ink on rag paper, to the special warmth of old leather bindings, speak to imaginary experiences of ideal ancestors. The book collector is not always a reader, and if literacy statistics were once higher than today, they were artificially inflated because so many poor people did not count<sup>15</sup>.

We have already mentioned the inefficiency of the today's distribution channels, but a further inefficiency must be laid to the charge of readers: few of us know what we want to read, and we often find that we cannot read what we want. Over the course of three

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<sup>15</sup> Access to books, rather than elegant binding or tasteful printing, has always been what mattered to readers, especially to readers constrained by location or poverty. On the importance of inexpensive editions of extremely popular titles on the intellectual life of the British working classes, see (Rose).

years, Nick Hornby opened his column for *The Believer* with lists of Books Bought and Books Read; the lists seldom tallied (Hornby). Even within a narrow technical specialty, months or years may pass between publication of an important book and learning that one needs to read it. Our networks of recommendation are decaying; newspapers and magazines devote less space to reviews each year, and the reviews themselves seem seldom to be either helpful or influential<sup>16</sup>. Here, too, hypertextual linkage might help readers discover good work, even (or especially) if that work is specialized or the reader's taste unusual. At the same time, the masslessness of new media work can promote practices that let readers sample a wider range of titles and review a broader range of critical opinion.

## Intellectual Property

When buying a book, precisely what does the reader purchase? The development of print led to broad conventions controlling the rights of authors and of book owners. The owner of a book, for example, may cite it and quote from it, but may not plagiarize or republish the book. The owner may lend the book to someone else, and may charge whatever rental fee the customer is willing to pay. The owner may read the book aloud to her family, but (curiously) may not read it to a paying audience or, indeed, in a public place.

These understandings are challenged by changes in media, just as the development of printing challenged customs established in an age of manuscripts. If the work is an electronic book, for example, a mechanism is required to translate the digital signal into visible type. Is the same machine permitted to translate the same signals into spoken words? Into Braille?

Current laws of copyright were not divinely decreed, nor were our current customs of attribution and plagiarism (Johns). These economic regulations and conventions do not, by virtue of regulating literature, acquire more moral force than does the *Reinheitsgebot* regulating beer or the Smoot-Hawley tariff. Like them, our current understandings might persist for a time and then be swept aside by economic change. We long assumed, for example, that copyrights should end after they could no longer benefit the writer; today, writers enjoy longer lives, and hope to see their children benefit from their royalties. Corporate authors, in turn, live indefinitely, and when their business is built around a copyright they are loath to see their copyright end. Disney's lobbying on behalf of Mickey Mouse is well known, but the phenomenon is not entirely new: The Great Ormond Street Hospital, for example, was bequeathed the copyright to J. B. Barrie's play *Peter Pan*, and has been reluctant to see that copyright expire.

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<sup>16</sup> That wild enthusiasm and witty contempt sell newspapers is proverbial, but because neither can make much difference to the beleaguered newspaper or magazine, their utility in the circulation wars has been eclipsed. Criticism in professional journals has become inaccessible to educated readers – and indeed at times to the journals' own editors (Sokal). The remedy Kael and her followers applied to film criticism – “that although people sometimes have a hard time deciding whether or not something is art, they are rarely fooled into thinking they are having a good time when they are not” (Menand) – seems never to have taken hold in literature, whose advocates still believe that “reading” is at risk; surely, if they themselves were confident that this was terrific fun, their concern would be that kids today might overindulge in such pleasures (Bradshaw).

## Other Models

### *Indirect compensation*

*Everyone needs money. That's why they call it "money".* – David Mamet

Some have argued that revenue does not and should not matter: writing is its own reward, and that writers should distribute their work without charge or for a purely nominal fee, reaping indirect rewards of reputation, grant funding, employment, or tenure through an indirect gift economy (Amerika) (S. Rettberg). Freeing literature from commerce might indeed be an attractive prospect if that liberation did not entail its return to dependence on princes and priests.

That indirect literary economies can support active and vital work when creators are excluded from normal economic activity was amply demonstrated by samizdat publishing throughout Eastern Europe from 1946-1989. On balance, however, it is always preferable to work within the main economy, earning money (which can be exchanged for all manner of things) rather than trading in reputation. The reason for this is obvious but often, strangely, overlooked: it takes skill, time and effort to create a reputation that can be reliably transformed into food and shelter. The resources directed toward grant writing, networking, job seeking, and product promotion (to name just a few forms of unpaid labor that successful participation in indirect economies requires) must come from somewhere, and after talent, time is the writer's most precious possession. Nor can we be confident that the exchange rates will be fair, or that the writer will receive an honest accounting. Working in an indirect economy, the writer can never know what anything is worth, and in this respect is worse off than she would be selling her own broadsides in St. Paul's churchyard. Under such conditions, we should not be surprised if literature suffers.

It might prove possible to accept an indirect economy if we must, but it is a last resort, a desperate response. To embrace the seeming gentility of indirect payment, of appearing to rise above mere commerce, is to accept a host of economic ills, hazards, and injustices. This is not the literary economy we should seek to build, though it may be reassuring to know that, if all else fails, literature might be able to fall back on indirection.

### *Amateur Writing*

Most current discussion of new media nonfiction focuses on the distinction between amateur bloggers and professional journalists (J. Rettberg). Amateur bloggers are seen to bear the advantages of authenticity, spontaneity, and immediacy, while professionals possess training, credentials, and enjoy powerful institutional resources.

This analysis is clearly inadequate, for journalists are not in fact professionals. Control over entrance into and membership in a community of practice is the defining mark of a profession. No individual can make you a physician or a lawyer, but any newspaper owner creates a journalist whenever they hire a reporter, and that person remains a journalist until they lose their job. Journalists have labor unions. No specific training or accreditation is traditionally required of journalists, and the legendary knights of the

keyboard – Ring Lardner, Don Marquis, Damon Runyon, and Ernest Hemingway – all lacked college degrees<sup>17</sup>.

Nor are weblog writers amateur in any meaningful sense. From the beginning, bloggers have sought audience and attention with an avidity equal to any circulation manager. If for a time Matt Drudge and his weblog ruled the world of American political gossip, each reporter's page view gave him revenue. Weblogs have served as a launching pad for books, an engine for politics, and a source of celebrity. Amateurs race for pleasure or sing for sport, but bloggers have always striven for attention and sought out reward.

Underlying the false contrast between professional journalist and amateur blogger has been a misunderstanding of contemporary journalism that confutes a cloud of Modernist aspirations – objectivity, impartiality, facticity – with a much simpler reality. What distinguished the modern American newspaper from its 19<sup>th</sup> century ancestor was not that it was objective but rather that it was not partisan: in disputed matters, its writers would not take sides<sup>18</sup>. The negotiation between establishing a point of view and engaging in partisan bickering has always been central to rhetoric, and naturally is as central to weblog writing as to any form of exposition.

## *Advertising*

The great wall between editorial and advertising was not the creation of modern enlightenment but a necessary compromise that permitted advertisers to support mass-circulation publishing in a Progressive era dominated by distrust of Capital. National circulation required resources on a national scale, but editorial independence was an indispensable assertion in an era whose great political question was the power of cartels and trusts. That advertisers were not entitled to shape editorial policy became an accepted truism, though the natural tendency of newspapers and magazines to please their advertisers was universally admitted.

Though web writers are often thought to adhere to lower standards of propriety, no publisher can be less subject to advertiser influence than the weblog writer. Almost all weblog revenues are channeled through advertising sales organizations, most notably Google, which generate advertisements each time a reader requests a Web page. The blogger cannot cravenly placate advertisers, because nobody knows who the advertiser on the next page view will be. In blogging, the advertising department is not merely constrained by custom and policy from asking what it should not: the advertising department is a computer, owned by a separate organization, and it has access neither to advertiser or reporter.

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<sup>17</sup> In much of the 20<sup>th</sup> century, newspaper folk were high school graduates and drank in bars. Many of their magazine peers had gone to college – Ida Tarbell, James Thurber, Jane Addams, S. J. Perelman – and drank in hotels. Hearst went to Harvard, but Pulitzer had no degree; Ross at *The New Yorker* was self-consciously a high school graduate, but Frank Crowninshield (*Vanity Fair*), Ellery Sedgwick (*Atlantic Monthly*), and S. J. McClure (*McClure's*) were college men.

<sup>18</sup> The rule that there should be no cheering in the press box simply reflects the sports writer's claim to membership in the reportorial enterprise. 20<sup>th</sup> century papers were expected to take sides but to observe standards of completeness and reliability that would ensure civility in the newsroom and facilitate broad circulation. Even after WWII, the feminist daughter of a former Communist (mother to one of the authors) saw no contradiction in working for Hearst's *American*, nor did Hearst. The newsman in Frost's "A Hundred Collars" is a double-dyed Democrat who works for a Republican paper (Frost). The New Journalism successfully indicted this compromise as outworn and hypocritical; see also (Sokal).

More important still, it is far from clear that new media requires advertising, or indeed that it can deliver value to advertisers. Newspapers and mass-circulation magazines required advertising to defray the cost of mass-produced ephemera. Daily or weekly production and shipping required a massive workforce. Since shipping and postal costs posed a huge burden, and since so many members of the mass audience were poor, publishers were willing to increase fixed costs for writers, foreign correspondents, and editorial staff in order to gain circulation. At the same time, retailers lacked a good news channel that reached beyond their sidewalk; advertising-supported newspapers and magazines delivered value to each.

Neither proposition holds for new media. Local retailers now have many ways to address their customers. New media publishing, moreover, need not recruit legions of newsboys to deliver the product to readers, nor must it depend on horse and sail to move the work from press to reader. Relieved of the burden of these vast manufacturing and distribution costs, the new media publisher is free to pursue a desirable audience, not merely a large one. At the same time, fixed costs that were once dwarfed by haulage now assume prominence in the income statement.

From the 16<sup>th</sup> through much of the 20<sup>th</sup> century, the natural size of publishing operations was modest. We still speak of a *publishing house* and, in living memory, publishing companies operated out of residential buildings. Random House occupied part of New York's Villard mansion (Epstein), Houghton-Mifflin fit inside a townhouse at 4 Park Street on Boston Common. The late 20<sup>th</sup> century literary economy swept this world aside and folded book publishing into large media cartels. The expected synergies between industries have proved elusive.

The economy of new media, we believe, will not merely mimic the book world we know, shaped (and distorted) by the properties of the channel that serves it. New media lacks access to that channel, and so must build its own. As we have argued here, we expect the economy of new media to be built on a renewed emphasis on forming a direct and durable connection between writer and reader. If our expectations are borne out, new media publishing houses may return again to the human scales at which publishing flourished so long, providing satisfactory income to talented writers and editors while delighting and informing an ever broader and more diverse universe of readers.

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