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Turning Pages, Facing Challenges: Unveiling Business Inactivity and SMEs' Challenges in Romania's Book Publishing Market

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Abstract
Book publishing companies navigate the interplay between localization and globalization seamlessly, yet the cadence at which global dynamics infiltrate local markets unfolds at different rhythms. Using publicly available data about the performance of Romanian book publishers, this paper explores the local market and its dynamics from 2018 to 2021. The results indicate "an inactivity trend" among enterprises: more than 40% of companies could not generate a net profit, and more than 50% had no employees. The prevalence of SMEs (small and medium-sized enterprises) over big companies is an intrinsic characteristic of the Romanian market. Although compared to bigger companies, SMEs manage to translate sales into profitability, over 70% of small and medium-sized companies have a turnover below 60,000 Euros. The paper concludes by highlighting growth opportunities, such as tapping into the Romanian diaspora and exploring the correlation between book sales, university locations, and the role of academic institutions in shaping reading habits.

Keywords
Book industry; book market retail; SMEs; regional disparities

Introduction

The publishing industry, as well as the book itself, has undergone significant transformations in recent years, propelled by advancements in technology and shifts in consumer behavior. The change from paper to ebooks and audiobooks, backed or not by scientific evidence about the learning benefits of the new ways of "reading," also transformed the business of publishing (Banou, 2016; Macarie, 2007). From an economic perspective, it is crucial to acknowledge that publishing is fundamentally a business that creates value-added. However, many of the profits recorded are not necessarily reflected in consumers' knowledge and education. Little attention has been paid to local markets in our globalized world, where markets are interconnected. Most of the studies on book publishing focus on aggregate data or specific cases that uncover limitations, the impact of digitalization, or consumers' attitudes and preferences influencing demand for books (Summerfield, Mandel, & Kantor, 2000; Ismail & Zainab, 2007; Mohmud, 2013; Dincă & Dima, 2022).

This exploratory paper uncovers the local market for book publishing in Romania. It goes beyond the surface-level stability of the industry to reveal a nuanced landscape marked by challenges. First, we analyze the business engagement levels and profitability in Romanian book publishing. The findings show an "inactivity trend" across the market: numerous enterprises display signs of inactivity, with only 53.77% of the 962 book publishing companies reporting a profit greater than zero for 2021. The results indicate

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Vol.3 (2023) no.2, pp. 26-42; DOI 10.2478/csep-2023-0008

a generally low level of business engagement with many companies operating without employees. The market operates under the prevalence of small businesses, and the results show how businesses function as one-person endeavors (Fruntes, 2015; Hrib, 2018). Second, we analyze the regional dynamics and market concentration, emphasizing the implications of disparities across the eight different development regions. We investigate the correlation between the number of employees and profit to explain the heterogeneous productivity gains of the local market.

The results show that small and medium-sized companies face significant profitability challenges. Still, compared to large companies, small companies demonstrate a positive shift in profitability: over 70% of small and medium-sized companies have a turnover below 60,000 euros, but they manage to translate the sales into profitability. Additionally, the Bucharest-Ilfov region emerges as a publishing hub leading in average net turnover, while regional variations in employee numbers and net profit show no statistically significant differences. However, this is not unexpected as most national distributions have headquarters and warehouses in Bucharest (Cărturești network, Humanitas Bookstores, the Librarium network, Diverta, Elefant, and the Bucharest Bookstore Center). Only one major player in the online bookstore market, Libris.ro, has its headquarters in Brașov.

Our knowledge about the local market is limited and rarely based on data, which leads managers and business owners to make decisions based on intuition rather than concrete information. Studies of Romanian consumers' reading frequency or purchases uncover that they lack details about the quantity and types of books preferred by the population (Croitoru & Becuț-Marinescu, 2021; IRES, 2011). Reading frequency in Romania is relatively low, but post-pandemic data show a significant increase in the percentage of people reading at least weekly in 2020 (Croitoru & Becuț-Marinescu, 2021). However, most of the studies should be regarded with skepticism as the available data may be collected based on subjectivism, as other authors describe the Romanian market as being characterized by low reading and book-buying levels (Zbuchea & Hrib, 2019). As highlighted earlier, limited and intuition-based decision-making underscores the importance of delving into specific readership and book consumption aspects. To gain more comprehensive insights, it becomes essential to focus on factors such as the number and types of books sold, as well as their prices in the market. This exploratory paper only describes the structure and the main local market dynamics.

The remainder of the paper is structured as follows. Section 2 presents the related literature addressing the need for data collection. Section 3 presents the methodological mix employed and a brief dataset description. Section 4 discusses the results. Section 5 discusses the results' implications, providing several conclusions linked to the existing literature and further research implications.

Literature review

In the last two decades, the publishing industry has changed the entire publishing process, its structures, and how it sells books. As the nature of the book moved from paper to tablets and mobile devices, the publishing industry has changed, at least by adopting new marketing strategies for social media. For consumers, the criteria for choosing a specific bookstore or publishing house are numerous and diverse (Laing & Royle, 2013; Banou, 2016; Robertson, 2013). There seems to be no conflict between localization and globalization for publishers, but the speed through which global dynamics enter local markets may depend. Research continues to grow on how the "new" dynamics, technologies, and practices are mixed with the tradition of each local

market and how each local company manages to keep its unique characteristics (Banou, 2013; Ramos, 2013; Grigore, 2014; Kovac & Squires, 2014).

While most of the studies focus on the global markets for book publishing with a focus on the emergence of new information and communication technologies driving new strategies and technologies, the studies focus on the local markets, especially for countries in Central and Eastern Europe, which had a particular transition towards market economies, are somewhat limited. The issue of digitalization is highly discussed in the literature. Seen as a disruptive technology, Hviid, Izquierdo-Sanchez, and Jacques (2019) describe how digitalization enabled the possibility of self-publishing, promoted the market entry for new intermediaries between the authors and the publishing company, and created challenges for consumers that find it difficult to navigate through available options. Hill (2012) uncovers how businesses started to adopt cloud-based platforms accessible on the web compared to closed IT systems for managerial tasks such as production or contracts. The paper explains that the demand for eBooks and digital production drives the shift towards cloud technology. Rosnan, Zakaria, and Masod (2015) also emphasize the need for publishers to adapt to market changes and adopt new technologies that deliver what the reader needs. More recently, on a global scale, the book industry requires a taxonomy for tracking author identity. The article also highlights attempts, including the use of artificial intelligence, to link author identity with aspects of diversity and inclusion, but also challenges about misidentification and privacy issues (Wright, 2023).

The limited existing studies focused on business operativity in Romania discuss how technology innovation can increase consumers' engagement and help businesses achieve the competitive advantages needed for internationalization (Orzaru et al., 2022; Stănciulescu & Scarat, 2021). For instance, Saniuta, Zbuchea, and Hrib (2022) uncovered consumers' preferences for in-store innovation by analyzing five types of business models (Pop-up bookstore, Rental bookstore, Concept bookstore, Showroom, and Vending machine). However, the authors assert that consumers' preferences for books are not notably prioritized; only the Showroom and Concept bookstore models are considered relatively more favorable than others, yet they still lack particularly high levels of appeal. This suggests a certain level of consumer indifference towards books. Consequently, the conclusion drawn is that there is not significant interest or enthusiasm for these new business models among consumers or the target audience. This lack of enthusiasm may be caused by various economic factors, such as a diminishing customer base due to migration trends, a lack of emphasis on education and educational policies, and other contributing causes.

Without heightened interest, bookstores are constrained in their ability to take effective action. Stănciulescu and Scarlat (2020) study whether the Romanian book publishing industry absorbs technological advancements in production, distribution, marketing, and contracting. They conclude that it is difficult to find data about editorial activities but acknowledge that the book publishing industry is owned entirely by Romanians. Grigore (2014) employs Porter's method to analyze the publishing business in Romania and highlights a period of stagnation due to economic, social, and cultural reasons. However, globally, the volumes of printed books continue to grow. Zbuchea and Hrib (2019) also conclude that data on the book market and consumption in Romania is limited and contradictory, with a generally low level of interest in reading but increasing dynamics in the market. They describe that researchers and journalists express skepticism, while publishers' representatives are optimistic about market trends. However, existing data from the publishing industry and national surveys are insufficient for a comprehensive evaluation, highlighting the need for more systematic and extended studies, including qualitative research, to understand readers' behavior better.

Osadci-Baciu and Zbuchea (2023) explain that publishing houses in Romania recognize the necessity of maintaining a solid online presence in the contemporary dynamic and turbulent economic environment. Social media platforms are identified as critical

Vol.3 (2023) no.2, pp. 26-42; DOI 10.2478/csep-2023-0008

channels for communication and information dissemination. Hrib (2020) and Pelau, Ghinea, and Hrib (2020) also highlight the role of social media communication and the possible changes the pandemic brings.

In conclusion, the literature review underscores the transformative impact of digitalization on the global publishing industry, particularly with the shift from traditional paper books to digital formats. However, the focus on local markets, especially in Central and Eastern Europe (CEE), remains limited, and studies exploring the unique dynamics of these regions are relatively scarce. Certainly, one of the likely reasons for the absence of thorough or at least detailed studies is the relatively small scale of the book industry, both in Romania and other CEE countries, as compared to other industrial sectors.

Although the Romanian legislation establishes several rules about the turnover proportion calculated according to the primary and secondary NCEA (National Classification of Economic Activities) code, many companies operate with the main activity objective of book publishing. Yet, they generate income from other types of activities. In consequence, turnovers do not exclusively capture the size of the book publishing market but also include the sale of books from others. In fact, a direct and concrete measurement of the book market size cannot be realized without micro-data on each type of activity. For instance, the brand Bookzone.ro is owned by Bestseller Publishing SRL. Through Bookzone.ro, the company distributes books published by Bestseller Publishing SRL and books from other publishers. According to company officials, 80% of the turnover of Bestseller Publishing SRL is attributed to the sales of books printed in Romania under the Bookzone brand (Forbes, 2023). However, no real and concrete number can be analyzed. Additionally, the Romanian legislation and national classification of economic activities do not clearly distinguish between the three dimensions: editing, printing, and distribution (sales). Some companies may engage in 2 or even all 3 of the listed activities, and thus, the turnover may not solely reflect the actual book editing but also sales activities as services for third parties. A concrete market measurement may not be possible at this point, and only some digitalization efforts by the National Agency for Fiscal Administration could further shed light on the intrinsic dynamics of several markets, including the book market.

Data

The data used in this paper consists of all Romanian companies registered at the Romanian Register of Commerce with the specific book publishing activity. The data is available for free or paid on multiple websites based on the code that classifies the activities in the national economy (CAEN code). We use the CAEN code 5811, which includes activities of editing books in printed form, in electronic or audio format, or on the Internet (editing books, brochures, pamphlets, and similar materials, including the editing of dictionaries and encyclopedias; editing atlases and maps; editing books in audio format). The dataset consists of 966 companies. The dataset covers 2018-2021, allowing for a detailed analysis of trends and dynamics in the industry.

However, having the CAEN code for book publishing does not mean the company can publish books directly. It is necessary to register (free) with the ISBN-ISSN Office of the National Library for the publishing house brand and the editorial advisor and to receive ISSN codes (for periodicals) and ISBN codes (for books). Sometimes, the publisher's brand differs from the company's name, slightly confusing the analyses. These are the so-called Imprints – brands with a specific audience within larger companies. In some situations, imprints have legal personality, so they are separate companies. In Romania, an example would be the TREI publishing group, which also includes PUBLICA, an independent company. Therefore, based on CAEN codes, the analysis might differ from a parallel analysis considering the Publisher Brands in Romania.

The exploratory paper has, at its core, descriptive statistical analysis. To assess the business engagement level in the Romanian book publishing sector, we focused on key financial indicators, including net profit, net turnover, and the number of employees. We examined regional variations in both the number of employees and net profit per book publishing company. Descriptive statistics, including means and standard deviations, were calculated for each development region. ANOVA tests were conducted to assess whether these regional differences were statistically significant. Additionally, we investigated the correlation between the number of employees and net profit for 2021. The Pearson correlation coefficient was calculated to determine the strength and direction of this relationship.

It is essential to acknowledge certain limitations in our study. The data utilized are based on official registrations and may not fully capture the operational status of all companies. Additionally, the impact of external factors such as the COVID-19 pandemic on the industry is considered, but other potential influences may not be fully accounted for.

Results and discussion

Business inactivity as a trend

The book publishing industry in Romania faces challenges despite its overall stability. In 2021, only 515 out of 962 book publishing companies (53.77%) reported a profit different from zero. This indicates that there is room for significant improvement, and the industry is not reaching its full potential. The industry remains concentrated in a few regions, with the Bucharest-Ilfov region leading the pack. Figure 1 presents the book publishing market in Romania (2021) based on development regions (NUS3 classification of regions).

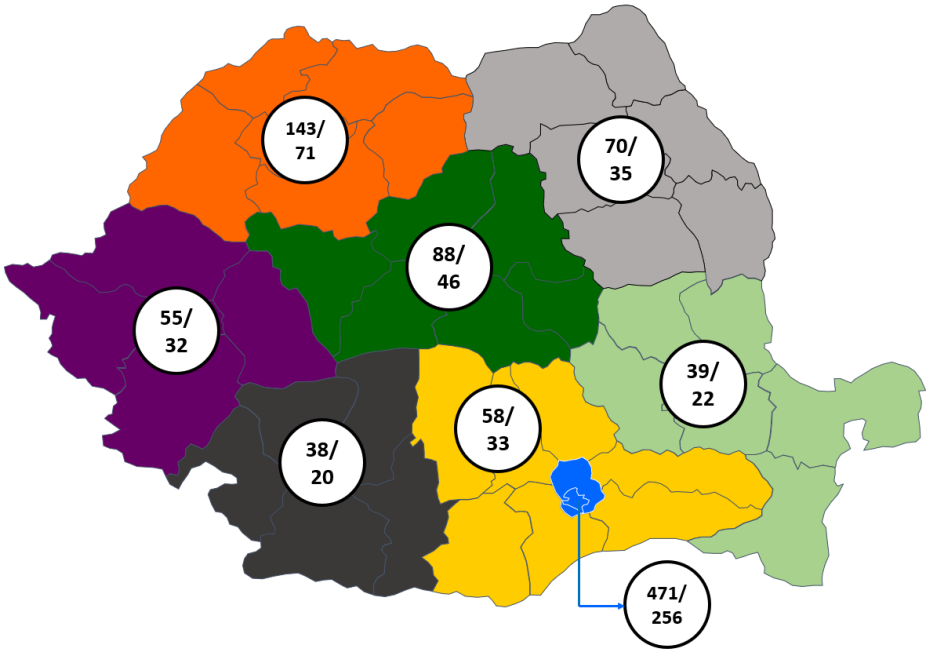


Figure 1. Book publishing market in Romania (2021)
based on the number of companies with and without a net profit
(The authors' calculation is based on the data available. The first number within the circle is the total number of companies within the region, while the second number only selects companies with a net profit different than 0 for the year 2021.)

Vol.3 (2023) no.2, pp. 26-42; DOI 10.2478/csep-2023-0008

The rapport between the companies registering a net profit is different from 0 and the total number of companies within the region and results in a measurement of the level of business engagement. Table 1 presents the business engagement level for the book publishing market in Romania (2021). The table reveals a concerning level of business engagement in the book publishing industry in Romania in 2021, with a mere majority of companies reporting a net profit greater than zero. The situation is particularly alarming in the North-West region, where less than half of the companies are active. While the West region fares slightly better, the overall picture remains disheartening. Overall, the book publishing industry in Romania is experiencing significant difficulties, with over 40% of companies unable to generate a net profit in 2021. This suggests that the overall level of business engagement across the industry is far from satisfactory and signals the existence of companies with no activity for an entire fiscal year. Most probably, the recent fiscal policy measures will contribute to the reverse of this "business inactivity" trend. However, more must be done to address the industry's underlying issues. Several factors may be contributing to this "inactivity" trend, including intense competition from digital options such as ebooks and online publishing platforms, decreased reading habits, particularly among younger generations, and a lack of government support and inadequate funding for the industry.

Table 1. Business engagement level for the book publishing market in Romania (2021)

Region	Total number of companies	Companies with net profit >0	Business engagement level
Bucharest-Ilfov	471	256	54.35%
Central	88	46	52.27%
North-East	70	35	50.00%
North-West	143	71	49.65%
South-Muntenia	58	33	56.90%
West	55	32	58.18%
South-West Oltenia	38	20	52.63%
South-East	39	22	56.41%

Business engagement level is computed as the rapport between the companies registering a net profit differs from 0 and the total number of companies within the region.

Moreover, several counties have the highest number of companies among the book publishing companies registered at the Romanian Register of Commerce. Figure 2 shows the number of book publishing companies in each county of Romania. Bucharest has the highest number of book publishing companies, with 436. The counties with the highest numbers are Cluj (95), Iași (38), Bihor (33), and Brașov (28). The rest of the counties have fewer than 25 book publishing companies. This suggests that the book publishing industry in Romania is concentrated in a few major cities. Bucharest is a hub for book publishing, with over 40% of all book publishing companies in the country.

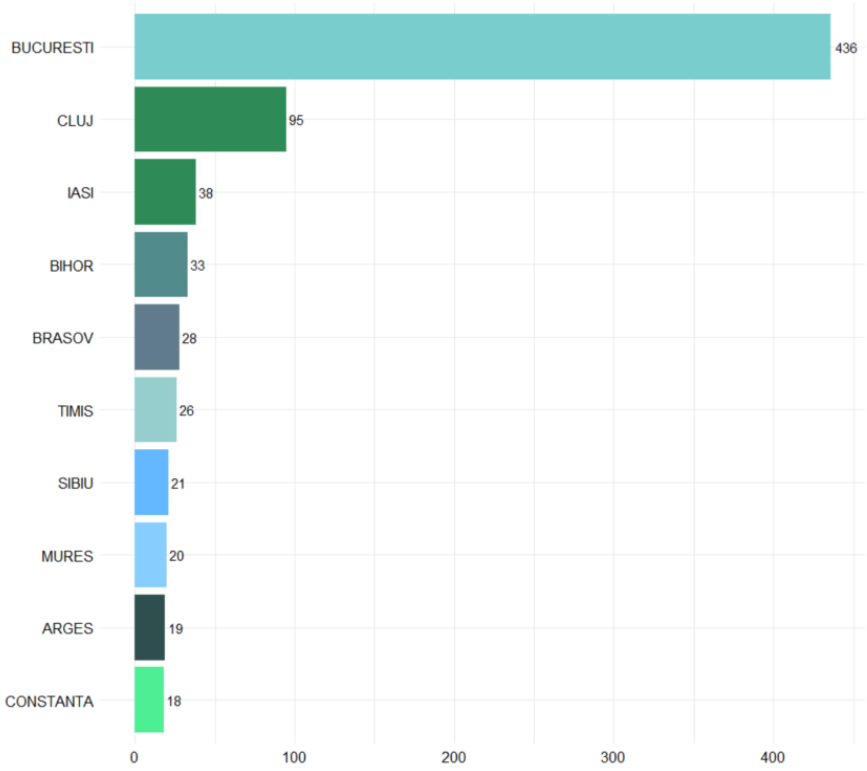


Figure 2. Counties' top with the highest number of book publishing companies (2021)
(Authors' calculation)

Moreover, a large number of companies do not have any employees. Figure 3 shows that there are significantly more companies without employees than with employees. In 2021, were 550 companies without employees and 412 companies with employees. This suggests that small businesses dominate the book publishing industry in Romania. Many of these businesses will likely be one-person operations, with the owners doing all the work themselves.

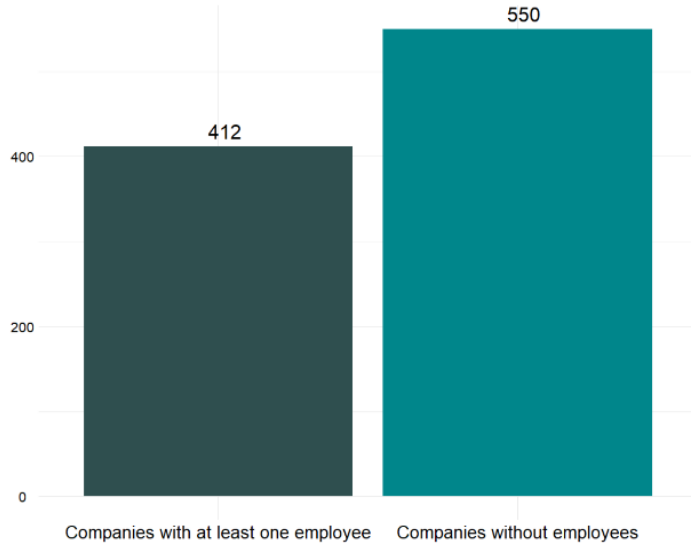


Figure 3. Number of companies with or without employees

Vol.3 (2023) no.2, pp. 26-42; DOI 10.2478/csep-2023-0008

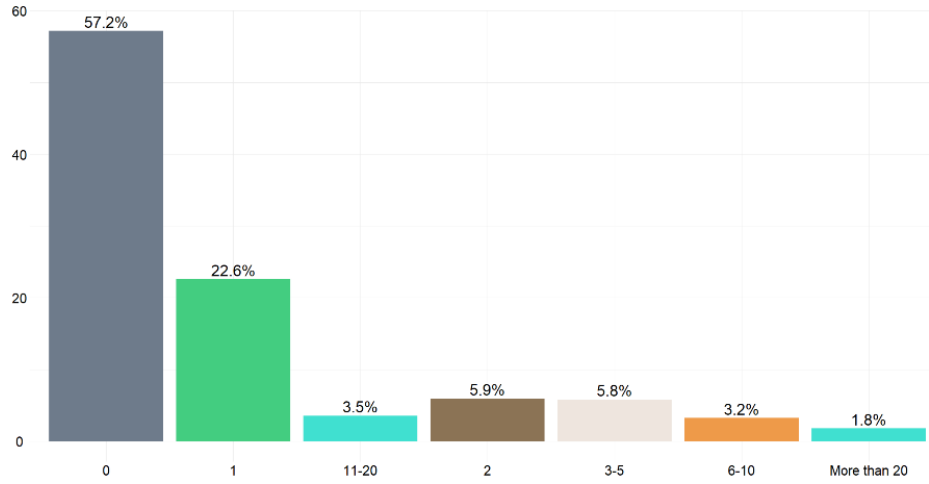


Figure 4. The distribution of Romanian publishing companies based on the number of employees

Figure 4 depicts the distribution of Romanian publishing companies according to their employee count. It comprises seven bars, each representing a distinct employee range: 0, 1, 2, 3-5, 6-10, 11-20, and more than 20. More than a majority of the companies (57.2%) have no employees, suggesting a low level of business engagement. Additionally, Romanian publishing companies have a relatively even distribution with 3-5, 6-10, and 11-20 employees. This suggests that there is a diversity of small publishing companies in Romania. Lastly, the percentage of Romanian publishing companies with over 20 employees is very small. This suggests that there is a lack of large publishing companies in Romania.

This section presented an overview of Romania's publishing industry, which faces several challenges despite its overall stability. In the year 2021, merely 53.77% of the 962 book publishing companies disclosed a non-zero profit. This implies that although slightly more than half of the sector maintains stability, considerable space exists for enhancement, underscoring that the industry has not yet realized its maximum capacity. The results show that the overall level of business engagement is low, with many businesses showing signs of inactivity. Additionally, a significant number of companies in the industry do not have any employees, suggesting that small firms dominate the sector. Many of these businesses are likely one-person operations, with the owner performing all tasks.

Market mavens: Romania's small publishing triumphs

The Romanian book publishing market began to take shape in the 1990s primarily due to the significant political and economic changes shifting from a centralized economy towards a market-oriented economy. Figure 5 shows the number of new market entries in the Romanian publishing industry from 1990 to 2021. The number of new market entries in the Romanian publishing industry increased significantly in the early 1990s due to the fall of the communist regime and the subsequent opening of the country's economy. Many key players in the Romanian market are companies established (as brands) in the 1990s (Humanitas, Rao, Polirom, Niculescu, Trei, Nemira, etc.). Moreover, most SMEs established immediately after the fall of communism in Romania managed to survive and maintain their business levels. The growth continued in the early 2000s but at a slower pace, possibly due to the global economic crisis of 2008-2009 (Hrib, 2020).

In recent years, the number of new market entries has remained relatively stable, likely due to the continued growth of the Romanian economy and the increasing

popularity of ebooks. However, this historical development may lead us to inadequate conclusions on the market size as many companies have not registered a net positive turnover of net profit for several years. The historical overview of the Romanian publishing industry may overestimate the actual size of the market. Although companies are officially counted as part of the market, they may not be active or contributing to the industry.

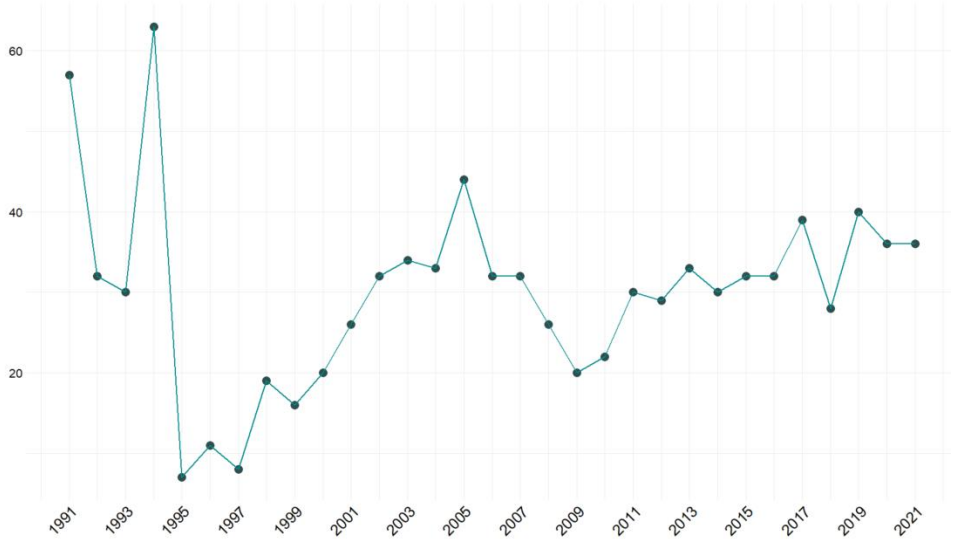


Figure 5. Historical overview of the market entries in the Romanian publishing market (1991-2021)

Moreover, we check how many Romanian companies have resumed, suspended, or transferred their activity in 2021. Most companies (83.8%) are registered, and no changes occurred for 2021. However, there is a small proportion of companies that resumed activity (4.2%), companies that suspended their activity (2.7%), and companies that transferred their activity (9.4%). The results suggest that the Romanian book publishing industry is in a state of flux, but minimal, with small percentages of companies suspending or resuming activities. However, approximately 10% transferred their activity, suggesting that the Romanian book publishing industry faces some challenges. Transfer of activity refers to a company changing its primary business activity. This could involve the company starting a new business line, discontinuing an existing business line, or acquiring or merging with another company.

Next, we eliminate companies with 0 net turnover in 2021 from the dataset. The subsample holds 702 observations representing more than half of active companies with positive turnover. The net turnover is calculated in Euros (at the exchange rate of approximately 4.91[1]). It represents the net sales or net revenue, the total income generated from the sale of goods or services after deducting discounts, returns, allowances, and taxes. Figure 7 presents the net turnover for the year 2021, and it shows the percentage of Romanian book publishing companies that have a net turnover within a specific range. The largest percentage of companies (20.1%) have a net turnover of less than 3,000 Euros. Moreover, 70% of the companies have a net turnover lower than 60,000 Euros, while only 9.4% can have a net turnover above 500,000 Euros. The fact that more than 70% of companies have net turnovers of less than 60,000 Euros points towards the prevalence of small to medium-sized enterprises in the Romanian book publishing sector, possibly reflecting challenges in achieving larger scales of operation. The concentration of companies with lower net

[1] The value of the exchange rate does not significantly influence the main macro dynamics of the book market. The exchange rate regime of the RON currently in place is that of a managed float, which offers a certain business stability.

turnovers might indicate challenges such as limited market demand, intense competition, or difficulties accessing resources for business expansion. It could also imply that many niche or specialized publishers characterize the industry.

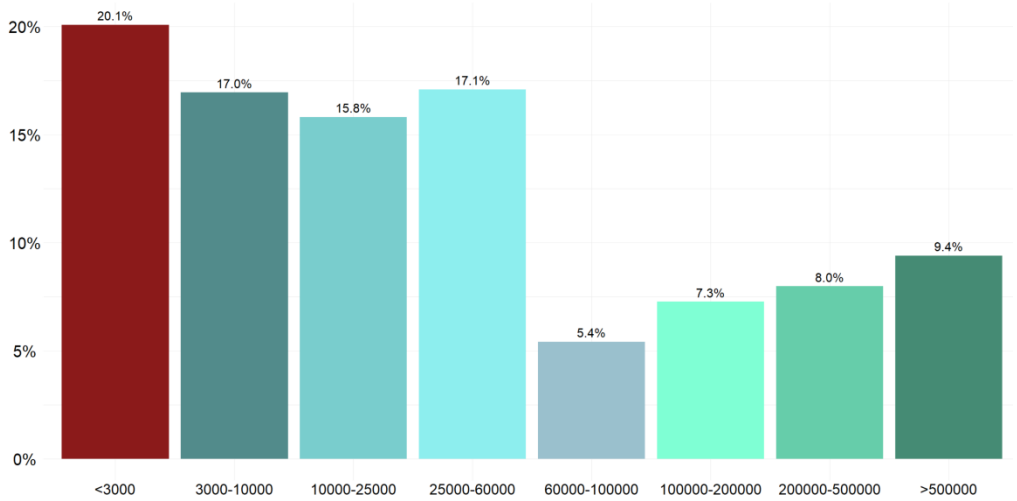


Figure 6. Net turnover (2021) for the Romanian book publishing comp

Moreover, as the net turnover represents the total income derived from a company's core business activities, offering a glimpse into its sales generation and market operational capabilities, to understand the profitability of these companies, we subset the companies that have a net profit different from 0. In total, the subsample counts as half of all the companies registered in the Romanian Register of Commerce and counts for 515 observations. In contrast, in the previous subsample, we had 702 observations.

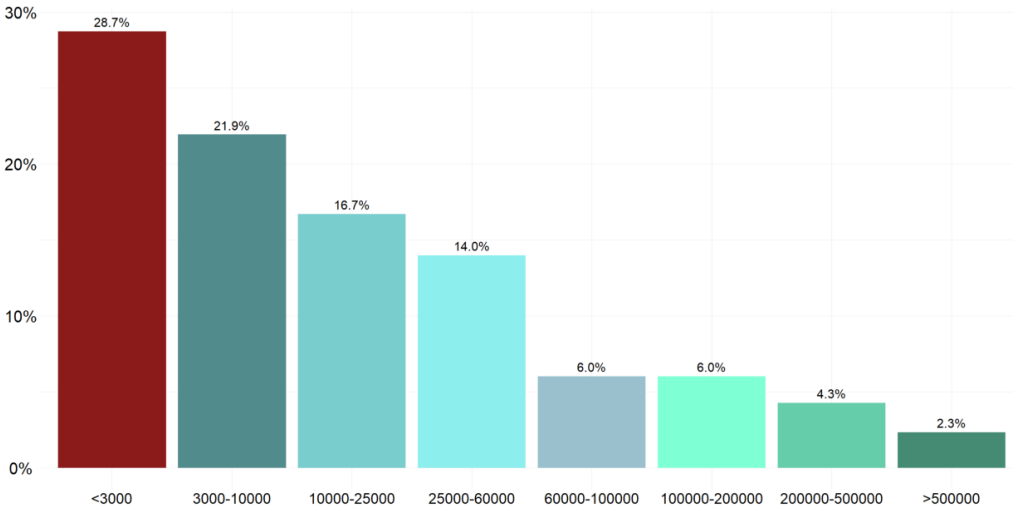


Figure 7. Net profit (2021) for Romanian book publishing companies

The difference from 702 to 515 observations suggests that a considerable portion of the initial sample had a net profit of 0, emphasizing that many companies may not be currently operating at a profit. This refined subset of 515 observations allows for a more targeted analysis of companies with actual profitability, shedding light on the financial health and success of those companies. Figure 8 presents the net profit for the year 2021. The first and most striking issue is that the percentage of the companies with a net turnover over 500,000 Euros (9.4%) significantly drops to 2.3% when considering net profits. This discrepancy indicates that a considerable proportion of companies with high turnovers are not translating their sales success

into substantial profits. The only companies that registered a net profit above the limit of 500,000 are presented in Table 2. The second finding reflects the profitability of small companies with a turnover of less than 3,000 Euros. The percentage of companies with the lowest turnover and profit rate increases from 20.1% to 28.7%: the percentage of the companies with a net turnover over 3,000 Euros (20.1%) significantly increases to 28.7% when considering net profits. In other words, a higher proportion of these small companies manage to generate positive net profits, highlighting a potentially positive financial trend among this subgroup. This shift could indicate effective cost management, successful business strategies, or improved market positioning.

Table 2. Top 10 book publishing companies based on the net profit (2021)

Name	County	No. employees	Net profit
Booklet SRL	Bucharest	41	1358649.0
Active Business Development SRL	Bucharest	1	1311069.8
Editura Trei SRL	Bucharest	38	1186177.0
Art Klett SRL	Bucharest	0	979745.0
Curtea Veche Publishing SRL	Bucharest	53	823726.6
Sinapsis Publishing Projects SRL	Cluj	13	721914.8
Editura Paralela 45 SRL	Argeş	94	654189.0
Brilliant Life Productions SRL	Timiş	1	647867.8
Aramis Print SRL	Bucharest	11	621559.8
Didactica Publishing House	Bucharest	19	575886.2
Editura Polirom S.A.	Iaşi	74	555566.2
Lifestyle Publishing House SRL	Bucharest	2	528423.0

Up to now, we have focused on 2021, which has complete data for all the companies. When considering the full data for all the years between 2018 and 2021, the subsample consists of 640 companies. To see that there are no significant changes from one year to another in the dynamics observed, we plot the average net turnover (2018-2021) based on each development region in Figure 9.

The Bucharest-Ilfov Region had the highest average net turnover over the analyzed period, followed by the Central and North-East regions. The South-West Oltenia Region had the lowest average net turnover in all years. Interestingly, the pandemic led to a decline in book sales as people were less likely to visit bookstores or libraries. However, overall, the year was marked by a significant increase in sales across all regions, most probably due to the rise in demand for online book sales. According to the last available but incomplete data, in 2022, the Romanian publishing market witnessed an 8% increase in turnover compared to the previous year. It was the first year without pandemic restrictions, leading to the physical organization of book fairs such as Gaudeamus and Bookfest. The market structure does not change substantially with the increase (Forbes, 2023).

Vol.3 (2023) no.2, pp. 26-42; DOI 10.2478/csep-2023-0008



Figure 8. Average net turnover (2018-2021) per development region

Figure 9 presents the net profits over time. Overall, the net profit of book publishing companies in Romania increased in all development regions between 2020 and 2021, while before the pandemic, there were several fluctuations in profit values, especially for the South-East region and South-Muntenia region. Most Romanian book publishing companies except the South Vest Oltenia region registered increased profits after the pandemic, with the Bucharest-Ilfov region leading the way.

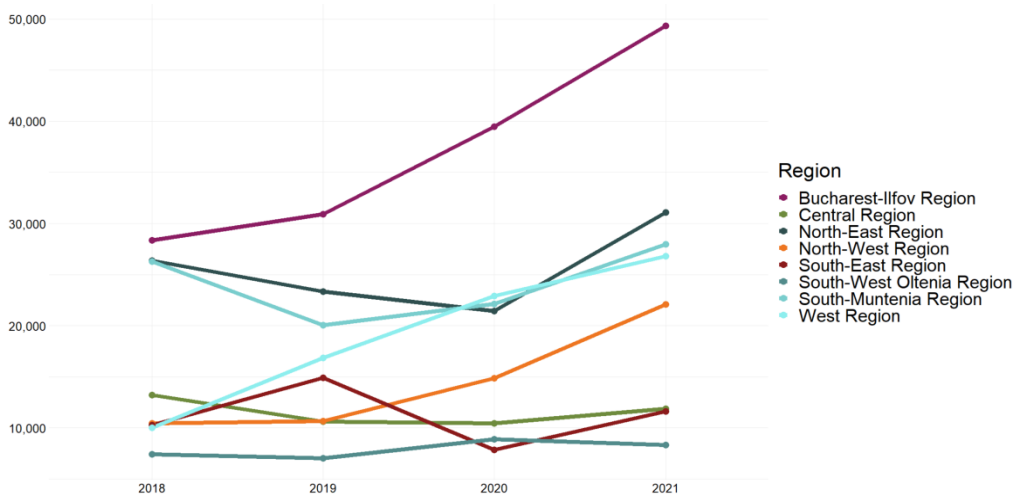


Figure 9. Average net profit (2018-2021) per development region

We also investigate whether there is a correlation between the number of employees and the net profit. The Pearson correlation coefficient between the number of employees and the net profit for 2021 is 0.528 (p-value <0.05). The correlation is statistically significant, indicating a positive relationship between the two variables. In other words, as the number of employees increases, the net profit also increases. To check how the two variables vary across development regions, Table 3 presents compares the means and the standard deviations per region. From these descriptive statistics, we notice several differences across the regions in the number of employees: the North-East Region has the highest average number of employees (5.71), followed by the South-Muntenia Region (5.36) and the Bucharest-Ilfov Region (4.52), while the Central Region (1.68), South-East Region (0.91), and South-West Oltenia Region (1.53) have the lowest average number of employees. The table also shows that the average net profit per book publishing company in Romania varies

significantly across regions, with the Bucharest-Ilfov Region having the highest average net profit, followed by the West Region and the North-East Region.
Table 3 provides a valuable overview of the Romanian book publishing industry. The data shows significant regional differences in the number of employees and net profit per company. Larger companies and companies in the more developed regions of Romania are more likely to have a higher number of employees and higher net profits.

Table 3. Mean comparisons between regions across the number of employees and net profit

Region		No. employees	Net profit
Bucharest-Ilfov Region	Mean	4.52	80304.905
	N	256	256
	Std. Deviation	10.517	183898.7381
Central Region	Mean	1.68	18577.041
	N	34	34
	Std. Deviation	3.355	54162.7231
North-East Region	Mean	5.71	43213.829
	N	35	35
	Std. Deviation	15.277	115580.8796
North-West Region	Mean	2.07	34764.159
	N	83	83
	Std. Deviation	4.661	91030.5429
South-East Region	Mean	.91	17994.035
	N	23	23
	Std. Deviation	2.065	16816.0259
South-Muntenia Region	Mean	5.36	38621.958
	N	33	33
	Std. Deviation	16.667	115471.4881
South-West Oltenia Region	Mean	1.53	14208.558
	N	19	19
	Std. Deviation	3.549	21179.5091
West Region	Mean	2.13	45472.725
	N	32	32
	Std. Deviation	3.982	126109.8692
Total	**Mean**	**3.65**	**56312.741**
	N	**515**	**515**
	Std. Deviation	**9.774**	**147020.6117**

Moreover, to validate if the differences among regions are significant, we perform ANOVA tests as the descriptive statistics showcased several disparities in the number of employees and the net profit across regions (Table 4). Interestingly, the results of both ANOVA tests show no significant differences across regions: the first ANOVA test ($F(6, 252) = 1.546$, $p = .164$) indicated no statistically significant differences in the number of employees among these groups, while the second ANOVA test (($F(6, 252) = 0.560$, $p = .762$), results revealed no statistically significant variations.

Table 4. ANOVA tests

No. of employees					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between regions	728.305	6	121.384	1.546	.164
Within regions	19789.850	252	78.531		
Total	20518.154	258			

Vol.3 (2023) no.2, pp. 26-42; DOI 10.2478/csep-2023-0008

Net profit					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between regions	28850160560.4	6	4808360093.4	.560	.762
Within regions	2164498027700.7	252	8589277887.7		
Total	2193348188261.1	258			

To sum up, this section uncovers the profitability challenges faced by Romanian book publishing companies and the regional dynamics correlated to the workforce dynamics. First, analyzing the financial landscape of Romanian book publishing companies in 2021 reveals a prevalence of small to medium-sized enterprises, as over 70% of companies have a net turnover below 60,000 Euros. The distribution of net profits further highlights challenges, with a considerable drop in the percentage of companies with turnovers over 500,000 Euros when considering net profits. Notably, smaller companies with turnovers below 3,000 Euros exhibit a positive shift in profitability, suggesting effective cost management or improved market positioning. However, generally, the analysis underscores a dynamic industry with significant challenges in translating high turnovers into substantial profits, potentially influenced by factors such as market demand, competition intensity, and limitations in resource access for business expansion. Second, examining regional dynamics, the Bucharest-Ilfov region consistently leads in average net turnover, reflecting its status as a publishing hub.

Despite regional variations in both employee numbers and net profit, ANOVA tests surprisingly indicate no statistically significant differences. The positive correlation between the number of employees and net profit signals a potential relationship, suggesting that as the number of employees increases, so does the net profit. However, the concentration of companies with lower net turnovers in various regions raises questions about challenges such as limited market demand, intense competition, or difficulties in expanding business operations.

Conclusions

The development of the book market in Romanian incorporates most of the components of the Western book industry: along with the emergence of the market economy after the fall of communism, the national book market developed itself into a partially efficient scene with big companies (major publishers and bookstores) which have a small market share and small and medium enterprises, divided into independents (smaller publishers or bookstores that operate independently), self-publishing (authors publishing their work), and the indie market (the market for independently produced books, often associated with smaller publishers or self-published authors) which cover more than 70% of all sales, as described by our results. Thirty years after the fall of communism, the Romanian book market did not have enough time to consolidate its presence, but progress was achieved, and there is still room for improvement (Hrib, 2018).

With more than 8 million Romanians living aboard in 2022, the Romanian diaspora forms tight-knit communities and establishes families across the globe. This unique global network presents a potential export opportunity for the book industry to successfully identify those numerous communities where consumers aspire to preserve the Romanian language as a tool for maintaining their identity. By recognizing and catering to the needs of these communities, the book market could unlock new avenues for growth and engagement. Preserving the Romanian language becomes not just a matter of cultural significance but also a strategic move in harnessing the untapped potential of a widespread and loyal consumer base. Online and physical libraries have already started to emerge in various parts of Europe, and negotiations are underway to establish shelves featuring Romanian books in EU libraries (Hrib, 2018). Additionally, UK, Netherlands, Italy, and France libraries

already have sections dedicated to Romanian literature. There are also private initiatives to establish libraries with Romanian books, such as the one in Eindhoven, affiliated with the Romanian language school.

The paper uncovered how Romanian SMEs in the book publishing market managed to survive and maintain their business levels over time. In the current landscape, SMEs grapple with the primary obstacle of recruiting skilled talent in the face of considerable migration, including brain drain. Coupled with the lack of consumer interest, the market only seems to survive, not prosper. It seems that the Romanian book market has reached a phase too soon where marketing matters more than economics, which may result in unsustainable dynamics. In this context, the government could support the generational transition from current business owners to successors by providing training, scholarships, and financial incentives to understand that the scale-up process requires new ownership and operations models. The generational transition from business owners to successors will undoubtedly add another layer of complexity to the business activity but will bring new resilience strategies already demonstrated by these enterprises.

This paper also uncovers how, after the COVID-19 pandemic, turnover and profits substantially increased. The results correlate with recent findings showing that reading frequency has increased after 2020: the last survey indicates that a substantial rise in the proportion of individuals reading every week occurred, with increases from 19% in 2018 to 34% in 2020 (Croitoru & Becuţ-Marinescu, 2021). To further understand the evolving dynamics of the book market in the digital age, future research could explore the factors contributing to the increased readership, the role of digital platforms in facilitating this trend, and readers' preferences in choosing between digital and traditional formats.

Lastly, we observe an inactivity trend across the entire book publishing landscape with striking numbers: more than 40% of companies could not generate a net profit in 2021, and more than 50% had no employees. As the best-performing companies are located in the main cities of Romania, it would be valuable to explore the potential correlation between book sales and the geographic location of universities. Investigating whether there is a discernible connection between higher book sales and the presence of universities in certain cities could shed light on the influence of academic institutions on reading habits. Moreover, understanding the motivations behind professors' strategies to engage students in reading activities and book purchases is a crucial avenue for exploration. Exploring the incentives and methods that educators employ to encourage students to read and purchase books could provide valuable insights: what types of motivation do professors use to engage students in reading activities and buying books? As Stănciulescu & Scarlat (2020) and Ioncica et al. (2010) indicate, there is a strong correlation between Romanian students' educational levels and the number of books they read.

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