

# The PPI for Publishing of books, periodicals and other publishing activities

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Jiri Sulc  
Price Statistics Department  
[jiri.sulc@czso.cz](mailto:jiri.sulc@czso.cz)

# Classification aspects

## From the point of view of NACE

NACE Rev. 1.1	NACE Rev. 2
<b>22.1 Publishing</b>	<b>58.1 Publishing of books, periodicals and other publishing activities</b>
22.11 Publishing of books	58.11 Book publishing
	58.12 Publishing of directories and mailing lists
22.12 Publishing of newspapers	58.13 Publishing of newspapers
22.13 Publishing of journals and periodicals	58.14 Publishing of journals and periodicals
<b>22.14 Publishing of sound recordings</b>	<b>59.20 Sound recording and music publishing activities</b>
22.15 Other publishing	58.19 Other publishing activities
<b>22.2 Printing and service activities related to printing</b>	<b>18.1 Printing and service activities related to printing</b>
22.21 Printing of newspapers	18.11 Printing of newspapers
22.22 Printing n.e.c.	18.12 Other printing
22.23 Bookbinding	18.14 Binding and related services
22.24 Pre-press activities	18.13 Pre-press and pre-media services
22.25 Ancillary activities related to printing	18.13 Pre-press and pre-media services

# Classification aspects (cont.)

Summary of changes:

Publishing activities in general were moved from „Industry“ to „Market services“

Printing activities stayed in „Industry“

# Classification aspects (cont.)

## From the point of view of CPA

58.1	Publishing of books, periodicals and other publishing services
58.11	Book publishing services
58.11.1	Printed books
58.11.11	Printed educational textbooks
58.11.12	Printed professional, technical and scholarly books
58.11.13	Printed children books
58.11.14	Printed dictionaries and encyclopedias
58.11.15	Printed atlases and other books with maps
58.11.16	Printed maps and hydrographic or similar charts, other than in book form
58.11.19	Other printed books, brochures, leaflets and the like
58.11.2	Books on disk, tape or other physical media
58.11.20	Books on disk, tape or other physical media
58.11.3	On-line books
58.11.30	On-line books
58.11.4	Advertising space in books
58.11.41	Advertising space in books, printed
58.11.42	Advertising space in books, electronic
58.11.5	Publishing of books on a fee or contract basis
58.11.50	Publishing of books on a fee or contract basis
58.11.6	Licensing services for books
58.11.60	Licensing services for books

# Classification aspects (cont.)

## From the point of view of CPA

58.12	Publishing directories and mailing lists
58.12.1	Directories and mailing lists printed or on physical media
58.12.10	Directories and mailing lists printed or on physical media
58.12.2	On-line directories and mailing lists
58.12.20	On-line directories and mailing lists
58.12.3	Licensing services for the right to use directories and mailing lists
58.12.30	Licensing services for the right to use directories and mailing lists

# Classification aspects (cont.)

## From the point of view of CPA

58.13	Publishing services of newspapers
58.13.1	Printed newspapers
58.13.10	Printed newspapers
58.13.2	On-line newspapers
58.13.20	On-line newspapers
58.13.3	Advertising space in newspapers
58.13.31	Advertising space in newspapers, printed
58.13.32	Advertising space in newspapers, electronic

# Classification aspects (cont.)

## From the point of view of CPA

58.14	Publishing services of journals and periodicals
58.14.1	Printed journals and periodicals
58.14.11	Printed general interest journals and periodicals
58.14.12	Printed business, professional and academic journals and periodicals
58.14.19	Other printed journals and periodicals
58.14.2	On-line journals and periodicals
58.14.20	On-line journals and periodicals
58.14.3	Advertising space in journals and periodicals
58.14.31	Advertising space in journals and periodicals, printed
58.14.32	Advertising space in journals and periodicals, electronic
58.14.4	Licensing services for journals and periodicals
58.14.40	Licensing services for journals and periodicals

# Classification aspects (cont.)

## From the point of view of CPA

58.19	Other publishing services
58.19.1	Other printed matter publishing services
58.19.11	Printed postcards, cards bearing greetings and the like
58.19.12	Printed pictures, designs and photographs
58.19.13	Printed transfers (decalcomanias), calendars
58.19.14	Printed unused postage, revenue or similar stamps; stamp-impressed paper; cheque forms; banknotes, stock, share or bond certificates and similar documents of title
58.19.15	Printed trade advertising material, commercial catalogues and the like
58.19.19	Other printed matter
58.19.2	Other on-line content
58.19.21	On-line adult content
58.19.29	Other on-line content n.e.c.
58.19.3	Licensing services for other printed matter
58.19.30	Licensing services for other printed matter



# Classification aspects (cont.)

## At present:

CZ\_NACE 2009 (Czech version) corresponded with  
NACE rev. 2

CZ\_CPA (Czech version) corresponded with CPA  
2008

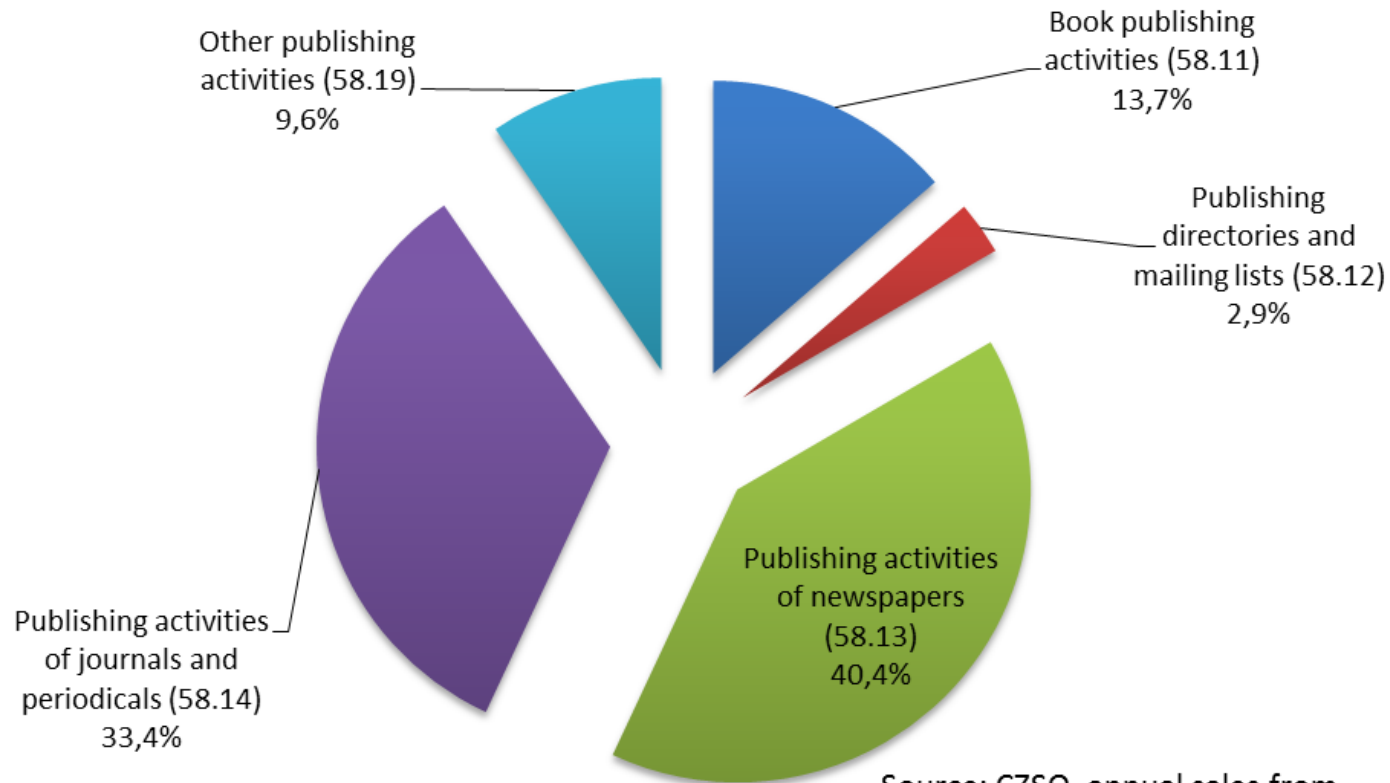
Classifications above mentioned have been used in  
Price statistics of market services since 2009

# Description of the sector

- Total turnover in 2010: ca 27 billion Czech crowns  
= ca 1.1 billion euros
- Number of companies: 7 000

# Description of the sector

## Turnover - distribution of NACE 58.1



Source: CZSO, annual sales from SBS survey, 2010

# Description of the sector

„Publishing activities of newspapers“ (58.13) and „Publishing activities of journals and periodicals“ (58.14) *make up 75%* of total revenues for the whole group 58.1.

„Book publishing activities“ (58.11) *make up 13%* of total revenues for the whole group 58.1.

„Publishing directories and mailing lists“ (58.12) and „Other publishing activities (58.19) are still insignificant classes in the group 58.1.

# Description of the sector

Each class of CZ-CPA [58.1] includes publishing in printed and on-line format, advertising space and licensing services.

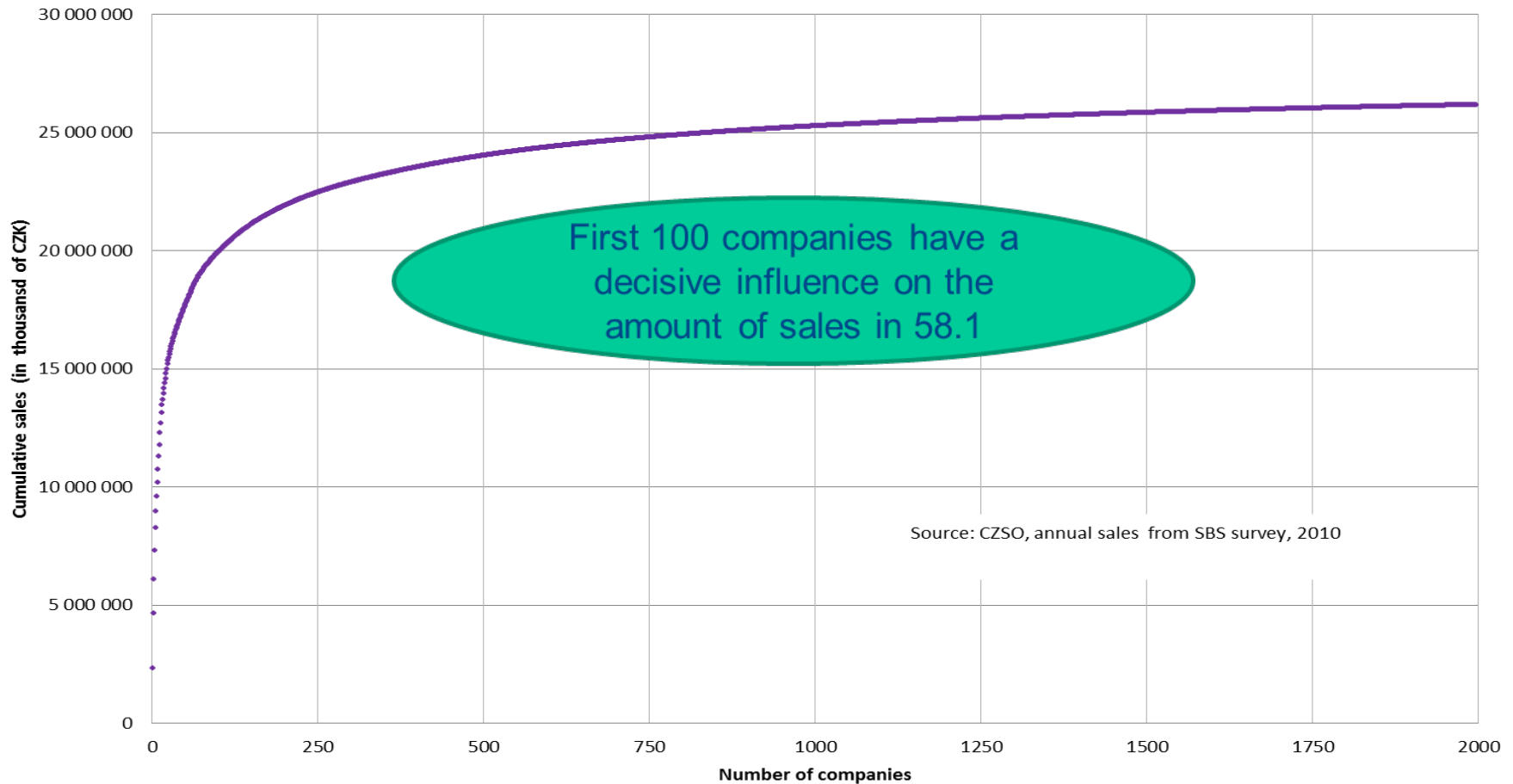
For the time being printed formats prevail over the on-line formats, but there will be a hot question in a close future.

Space for advertising is a very relevant factor influencing the revenues of publishers [nearly 50% of total revenues from publishing of printed formats]

Licensing services are the least important in terms of sales.

# Description of the sector

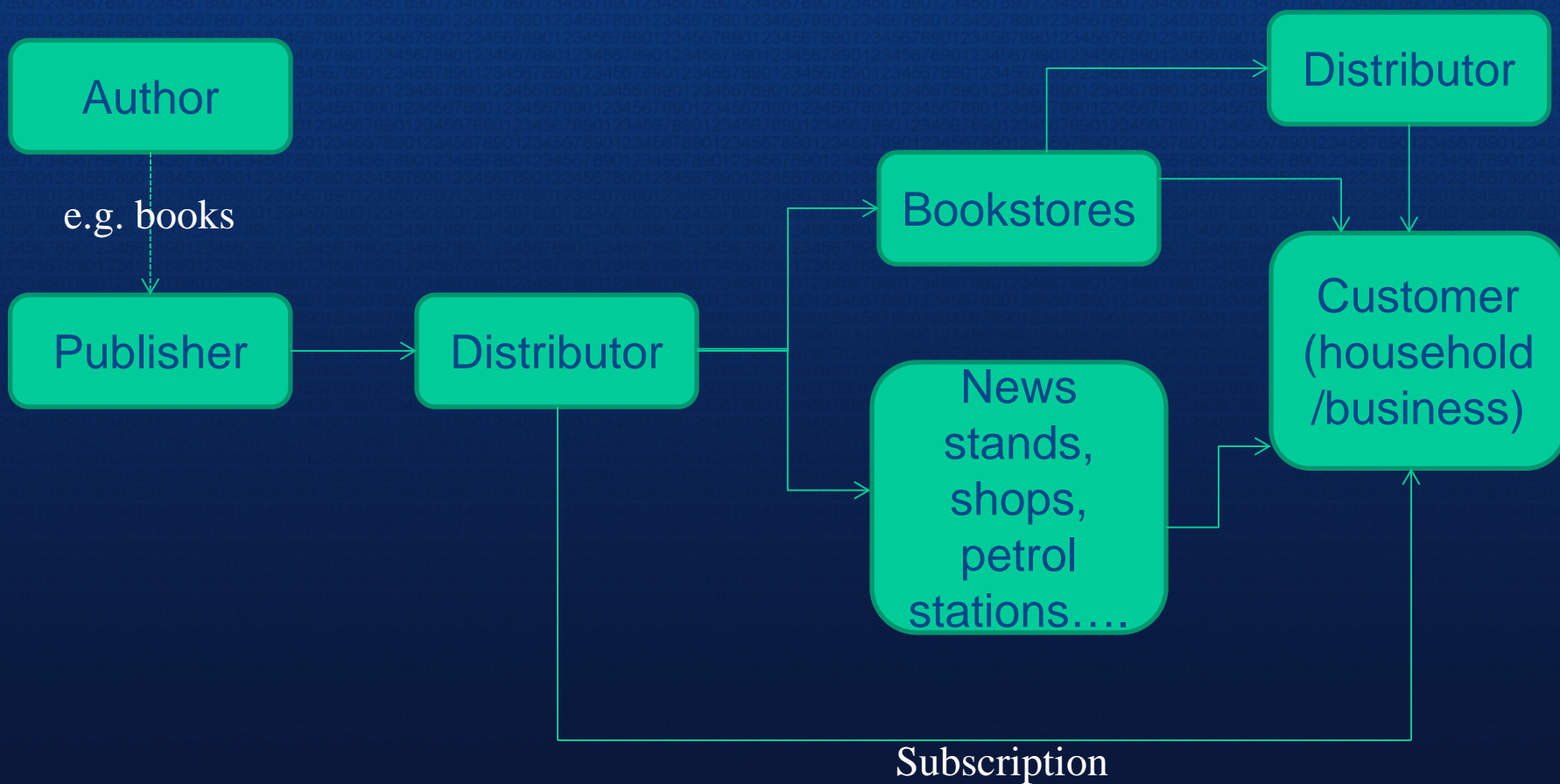
Cumulation of sales of companies included in 58.1 CZ-CPA



# Description of the sector

Publisher is a company, which obtains from the author, or creates on its own, information products (periodicals, books, audio recording, etc.) and then sells them via various instruments (direct marketing, sales agents, distributors, etc.) to the customer.

# Description of the sector





# Description of the sector

## *Consumer vs. producer approach*

**Consumer price** of periodicals and books – final consumer price [the price includes the costs of publishing and distribution services, storage, VAT]

**Producer price** of **publishing** of periodicals and books - a separation of the distribution service from the publishing service [the price doesn't include a distributor rebate and VAT]

# Description of the sector

Publishers are influenced during pricing their services by following costs:

- The cost of printing, graphic design, distribution services

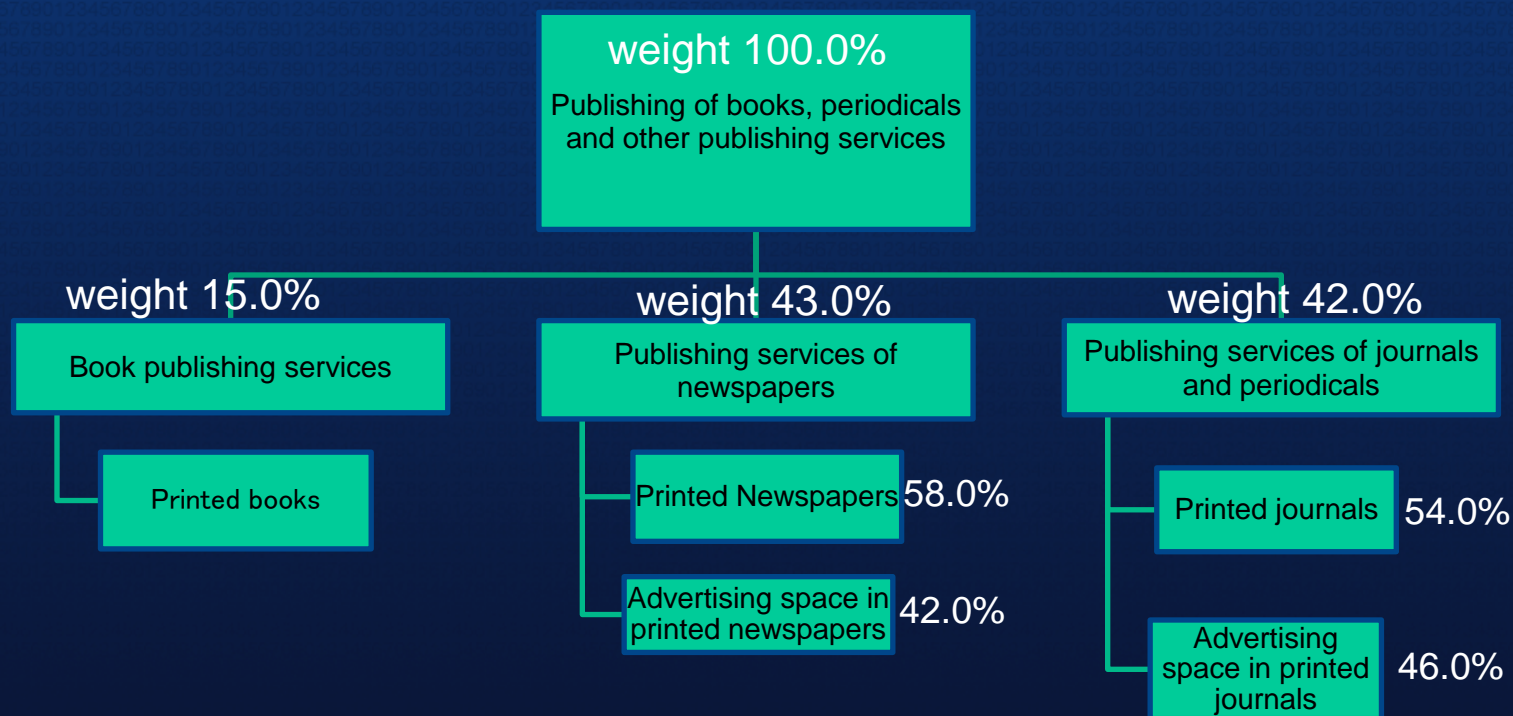
Publishers also earn revenue from, besides publishing services, advertising.

# Price index - historical overview

- Preparatory work: 2011 – 2012
- First published: January 2013
- Price and weight base: average y. 2011  
(Technical index)
- Index base: average y. 2005
- Frequency of data collection: monthly

# Sample structure for price collection

Coverage of the price index of Publishing of books, periodicals and other publishing services



# Sample frame

## In general

- Source: SBS survey, Czech publishers association
- Method: purpose selection
- Geographical area covered: the whole Czech Republic
- No strata by size
- No limitations during the selection of companies

# Publishing services

## Price-determining factors

- Type of books or periodicals
- Number of pages
- Frequency of issues [daily, once a month ...]
- Number of readers [readerships]
- Number of sold copies
- Amount of advertising in periodicals



# Price methods and compilation of indices

## Book publishing services

- Respondents: 5 publishers (cca 40%-45% coverage)
- Number of representatives (titles): 16
- Price methods: **Direct use of prices of repeated services**
- (contract price)

## Calculation of the price index

Individual price index is calculated for each book title 

 Company's price index is calculated for each publisher  
[weighted average of individual price indices of titles] 




Price index for book publishing services [weighted average  
of company's price indices]

# Price methods and compilation of indices

## Publishing services of newspapers

- Respondents: 5 publishers (cca 40%-45% coverage)
- Number of representatives (titles): 9
- Price methods: **Direct use of prices of repeated services**
- (contract price, remittances are not reflected in price)

### Calculation of the price index

Individual price index is calculated for each title  Company's price index is calculated for each publisher [weighted average of individual price indices of titles]  Price index for Printed newspapers [weighted average of company's price indices] 

**Price index for Publishing services of newspapers** is calculated as an aggregation of price index for printed newspapers and price index for Advertising space in printed newspapers [taken from a price survey on advertising services]






# Price methods and compilation of indices

## Publishing services of journals and periodicals

- Respondents: 7 publishers (cca 40%-45% coverage)
- Number of representatives (titles): 15
- Price methods: **Direct use of prices of repeated services**
- (contract price, remittances are not reflected in price)

### Calculation of the price index

Individual price index is calculated for each title  Company's price index is calculated for each publisher [weighted average of individual price indices of titles]  Price index for Printed journals [weighted average of company's price indices] 

**Price index for Publishing services of journals and periodicals** is calculated as an aggregation of price index for Printed journals and price index for Advertising space in printed journals [taken from a price survey on advertising services]

# Price methods and compilation of indices

## Changes, which can influence reported prices

- Change in the contract with the distributor
- Change in the final price of the title
- Change in VAT

Substitution of titles

Concerning newspapers and journals,

# Price methods and compilation of indices

## Possibilities of selection of titles

### Books

- Titles, which are published repeatedly [e.g. books on Taxes]
- Series of successive books [e.g. encyclopedia of regions]
- Titles, which are qualitatively, roughly, the same from a well-known author [A. Christie]

### Newspapers and journals

- Titles published in a certain day without a supplement [an invariable number of pages]

# Price methods and compilation of indices

## Substitution of titles/ Quality adjustment

### ***Books***

- It is possible to rely on the number of pages or
- on the number of pictures or
- on the type or literary genre of book or
- on the price range of an old and a new book

### ***Newspapers and journals***

- Titles on the market are very stable for the time being

# Future issues

- To propose and define publishing services of on-line books and periodicals
- To reflect on an erudite procedure for the quality adjustment
- To cooperate always with the Czech publishers association

Thank you  
for attention

