



**Maverick**  
Publishing Specialists

# COVID-19 Pulse Check Report

The Impact of the COVID-19 Pandemic on  
the UK Publishing Industry

July 2020

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## Abstract

The global Covid-19 pandemic has led to unprecedented change to businesses around the world at a pace that has been unimaginable. Businesses have had to adapt quickly to address the immediacy of the challenge and now need to assess longer term impacts and plan for the future, without certainty as to what the future holds.

For the publishing industry, the uncertainty caused by Covid-19 occurs in the midst of digital disruption and changing trends in consumerism. Business is anything but “as usual”.

## Executive Summary

By collating a broader view of the UK publishing industry’s initial reactions to the impact of the Covid-19 pandemic, this report is intended to assist individual publishers and other organisations in developing and/or refining their individual short-to-medium term response strategies. Maverick Publishing Specialists conducted its research with the support of The Association of Learned and Professional Society Publishers (ALPSP) and the Publishers Association (PA) during May and June 2020.

The report focuses on the findings from a combination of 18 in-depth interviews with publishing leadership and quantitative survey data and concludes by making high level recommendations. Where we could extrapolate direct data from simple ‘yes’/‘no’ questions, we have done so (page 9). Where we could not, based on open questions, we have extrapolated findings and collective feedback that enable us to state that a ‘majority of’ or ‘minority of’ publishers speak to a certain point or issue. We can take confidence in the quality of the data and the common themes which have been reported. The research was entirely independent and anonymous, and no costs were incurred in conducting the work or creating this report.

What is clear from the research is that publishers of all sizes are facing unprecedented disruption and change. Unable to plan for the long term, publishers do not know how the pandemic will unfold, how long the current state of lockdown will truly last or what the financial fallout will be. Publishers’ customers too are uncertain and do not know if reactionary changes will prompt more lasting alternations or whether there will be a bounce back to a form of normality.

It is also clear that the disruption caused by Covid-19 has been severe, with publishers quickly having to adjust operations. This has involved personnel working from home, or making the difficult decision to furlough staff, offering print-based content in a digital form, coping with supply chain disruptions and an immediate drop in revenue requiring budget adjustments, pricing and access models reviews in response to customer needs. The pace and scale of change is vast, resulting in reactive decision making. As the pandemic has progressed and as workforces have adapted to a degree of normality (albeit working remotely) publishers can now consider whether there will be longer term effects and what changes they may need to make, if any.

The picture is not all negative. There are also positive signs of what the future may look like and the level of cultural change this will force. For example, digital strategies will evolve more quickly and ways of working will become more agile and flexible. By taking advantage of these opportunities, connecting

with customers and understanding their needs, the pandemic could lead to new revenue models, more creativity and an evolved work environment.

The game is changing for many businesses within the publishing community, and undoubtedly there is a need to adapt and prepare. For the ALPSP and PA, this research project also presented an opportunity to collate feedback, to help them consider how best to support and address their publishers' concerns.

These findings represent a snapshot in time, and it is intended that follow-up research will be conducted in Q4 2020 or early 2021.

## General Observations

There are two key themes which have emerged from the research as immediate focus points when considering what the longer-term impact of Covid-19 will be on the UK publishing industry:

1. The short-term impact on educational and academic publishers is more severe than on trade publishers. For trade publishers, planned book launches may be put back but there is also an increased demand for content when people are looking for anything to occupy them.

*“Our biggest challenge is the impact (of the pandemic) on universities. If international and postgraduate students defer placements, as is strongly anticipated, then revenue will disappear and this will have a massive impact on educational publishers as universities will either stop buying or try to negotiate discounts that are not sustainable by publishers.”*

For educational and academic publishers the situation is different. Many universities are reporting that student enrolment is expected to be significantly lower in the next academic year due to so many students deciding to defer until they can be guaranteed the ‘full university experience,’ while international students defer due to travel restrictions. This is causing unprecedented economic fallout for universities, which will have a direct effect on procurement and expenditure; case in point, some universities are looking at declines in revenue greater than 75%.

The pandemic is also forcing changes to how universities want to receive and pay for content. Publishers will need to find a response to this, as the current climate is likely to accelerate a shift away from print. The nub of this dilemma is that universities will need to cut costs significantly and will pass this on to their supply chains.

2. What is especially interesting (although possibly predictable) is that many of the challenges publishers reported are those they were already facing, but are exacerbated and accelerated by the Covid-19 pandemic. In some cases this is a good thing, especially where bureaucracy and slow decision making have been barriers to progression – rather than being a case of progress or miss out. Transitions to digital offerings need to happen more quickly, and barriers in supply chains need to be removed.

*“The pandemic has accelerated our switch to digital and this is a good thing as it takes away the reliance on the physical supply chain and issues and barriers associated with it.”*

There is a greater need now for publishers to speak directly to their customers and use their input to determine product roadmaps so that supply is in sync with demand. While the majority of publishers asserted they possess the skills to make the transition to an improved digital offering, they also reported that their digital roadmaps will have to evolve in ways they do not yet know beyond offering print fidelity eBooks. Better placed are the larger academic and education publishers vested in digital content creation and further on in this transition.

These themes need to be investigated further. They present an opportunity for UK publishing Trade Associations to lead this movement by brokering a governed response to how publishers manage the fallout of the pandemic and work together to resolve common challenges. Larger publishers possess the balance sheets and supply chains to navigate their way through the pandemic, but many smaller publishers will welcome support and guidance that can be provided through cross-industry working groups, coordinated by the Trade Associations. The opportunity and the will are there for the industry to collaborate and come through this pandemic.

The rest of this report sets out the research findings in detail and the recommendations. While it is clear there is still more that is unknown than is known about the impact of Covid-19 on the UK publishing industry, a coordinated response to progress on the recommendations made here will be widely welcomed.

## High-Level Findings from Interviews & Online Survey

Both sources of data highlight common themes as summarised:

Publishers reported an initial large drop-off in sales when the lockdown first started, especially in the delivery of print products due to challenges with supply chains and/or institutions having the access to print (digital alternatives quickly needed for students, for example, who could not get onto campus).

- As the period of lockdown progressed this situation improved, with publishers experiencing an increase in digital sales and a number of publishers interviewed (especially in the trade sector) reporting spikes in sales and a year-on-year increase in revenue. Stronger sales were reported across children's fiction and non-fiction, mindfulness (MBS), hobby, self-improvement, and language learning categories.
- Publishers with a largely digital product range have seen an increase in sales. Almost without exception, digital sales have not compensated for the shortfall from print revenues.
- The main challenge for educational and academic publishers (as referenced in the Executive Summary) will be the effect on pricing, whereas the challenge in the trade sector will be how to time the launch of new titles in what will be an even more crowded market due to the number of delayed launches.
- 40% of academic and educational publishers interviewed either offered customers digital content free of charge or at a reduced rate for a specified period of time.

Publishers, overnight, had to change how they work to enable staff to work from home. In some cases, this was relatively easy as staff already had the ability to work from home or at least had the minimum

equipment required to do so. For others though, this was more challenging with investment in equipment required, and/or staff time being impacted by having to balance working from home with childcare and home-schooling requirements and/or without a dedicated space to work.

- On the whole people have adjusted well to working at home and large-scale disruption has been avoided. Some publishers, however, stated that while this was the case initially, the longer staff spent time at home, the more disconnected they felt from the workplace.
- Concerns over staff anxiety were expressed - the longer remote working is in place, the more anxiety builds, either from an 'always on' culture, through to a fear of missing out or that job security may be at risk.
- The majority of publishers we spoke to believed that there will either be a need to rethink office space in the future (with more staff working at home less space will be needed and instead people will hot desk or only attend key meetings) or that as the pandemic eases and we become used to living with restrictions as a society staff will want to return to a model that is as near 'normal' as possible. Some of the larger publishers occupy sizeable, costly buildings in central London. These offices are currently empty. As operations continue relatively effectively with staff working remotely, publishers will be keen to examine what cost savings can be achieved by reimagining and repurposing this unused office space.

More than 50% of the publishers interviewed spoke about how they had furloughed staff. While UK government financial support is generous and worked well, there are concerns that once the scheme ends, publishers will not be able to take on the full costs, leading to staff redundancies.

This is not a certainty by any means and the hope of most is that business picks up and redundancies are avoided. Publishers commented that the UK Trade Associations especially have a role to play here in supporting publishers by deciphering what government support is available to them (and to give credit, it was widely acknowledged that the Trade Associations have been excellent in doing this).

Other challenges that have had an impact on commercial models include:

- Inability of sales reps to visit customers, especially in the educational and academic sectors where this will have an impact on the 'Back to University' period.
- Loss of business opportunities due to the cancellation of events and conferences.

As has already been mentioned in this report, most people interviewed or surveyed expressed concern with the effect of the pandemic on staff wellbeing. It has been acknowledged that where staff are home-schooling in addition to working from home, it has been a struggle to prioritise activities and people are also feeling disconnected. Most people have found the prolonged lockdown difficult, having to balance many emotions and differentiating circumstances while worrying about what the future holds, all of which leads to increased mental health issues.

While the research did not focus on the effect of the pandemic on direct and indirect supply chains, from anecdotal conversations, it is understood that vendors (such as offshore typesetters) and suppliers

(e.g. image agencies) are also witnessing a major impact on business. Requests for their services have been put on hold while publishers adjust their spending. This could result in being nothing more than a blip, but it could also have a longer-term effect if a need for such services goes away.

## Recommendations

Forward response strategy to Covid-19.

Trade associations to form focus/working groups to share experiences and challenges that publishers are facing and present action plans.

- Initial working groups to include a review and response on the impact of changes in university models.
- What are the constraints in supply chains and what cost squeezes distributors have imposed on publishers and why (perhaps with a sub-group that examines Amazon in response to how it deprioritised book sales)?
- Industry response to how staff can be supported through the development of soft skills and what the return to work looks like.

Raise awareness amongst publishers of what expertise is available to them, such as:

- Support/services to accelerate digital transformations by reviewing content creation processes and product models.
- Reviews of digital platforms and channels to support publishers in their choices about how best to migrate and how to best maximise revenue models.
- Reviews and guidance on pricing models - especially in the educational/academic sector where the requirements and demands of universities have shifted significantly.
- Support with building business continuity and disaster recovery planning so that staff can move to working from home easily, especially in the content creation space where access to authoring systems and content management systems will be critical to maintaining production capability.
- Developing Learning & Development plans to ensure staff have the right skills and capabilities to be part of a digital transition.
- Review of supply chains and logistics with the aim of simplifying and reducing costs.
- Systems architecture reviews to ensure publishers move away from ageing systems and possess the right tools to do their jobs well.

## Research Summary

The research demonstrates that over a three-month period, publishers have reacted and responded in numerous ways to keep operations running as smoothly as possible during this unprecedented time of uncertainty.

Swift changes have included moving staff to home working, offering print-centric content freely as eBooks, cancelling in-person events, cancelling launches, conducting direct dialogue with customers to understand their needs and the impact of Covid-19 on their businesses, followed by gradually turning to thinking about the longer term effects and how they may manifest.

For many publishers Covid-19 has been a substantive reality check. Existing challenges have been accelerated and new unanticipated challenges have materialised. Compared to others in the creative sector, the publishing industry has been slow to evolve in the past. What the pandemic highlights is that existing barriers to progression need to be broken down and quickly; streaming services have boomed during the pandemic and consumers are forever looking for discoverable and accessible content.

50% of publishers have found their models and product plans to be standing up well, while others have found that a move to digital is a strategy they need to define better and quickly move towards. Customers have more choices available to them than ever before. Much of it from Open Access resources and other free sources. As the market becomes more saturated, competition for publishers increases. In addition, the purchasing power of customers is stronger than before the pandemic and this really does become a pivot point where publishers need to define and execute their strategies far more effectively in order to meet the changing demands of their customers.

## Conclusion

*“Lockdown has been a game changer for how we work and the return to a new normal will need to be flexible and built on trust.”*

As publishers examine the longer-term recovery it will be important this is viewed not just from the perspective of the global pandemic but also from what existing challenges they have already been struggling with and why.

While this may seem a controversial point to raise, a shift to digital may also require a culture change, where publishers stop seeing themselves as publishers but rather as ‘creators of content’ (as some academic and educational publishers particularly have already been doing) that can offer a diverse range of services to meet changing customer needs and market trends.

Maintaining the status quo and sitting still is not an option, although this may seem the easiest short-term solution. Publishers should use this time to engage closely with customers, to obtain data that will help define the evolution of product roadmaps and to review their organisation in order to remove obstacles.

With a combination of existing challenges and the impact of Covid-19, now is the time to innovate and diversify. Those publishers who do and adapt could well use this period of time as an opportunity to grow and strengthen their business.

What is clear (during the course of the research) is that the UK publishing industry uniting and working together can only be a good thing. If the one thing to result from this research is that Trade Associations in the UK join forces to manage working groups, bringing publishers together to collectively solve

industry problems, then it will have been worth the time and effort. Any other recommendations and actions that are progressed will be a bonus.

*“The trade associations can play a great role in bringing publishers together and organising working groups to tackle common problems.”*

## Analytical Findings from Online Survey

89% of publishers have had to make changes to how they operate due to the impact of Covid-19.

- Changes largely centred around pivoting to staff having to work from home - far easier for some but a major investment for others who have had to purchase equipment.
- Many events have been cancelled or switched to virtual.
- More backlist content has been offered digitally.
- Vendors have been changed in some instances from offshore locations to UK-based operations to ensure less disruption.
- Publishers have had to be very flexible in how staff work - especially where balancing childcare and home-schooling.
- Regular budget reviews have been common to review the impact on sales.
- No sales visits have occurred and, in the education sector, this has been damaging due to the likely impact on ‘business as usual’.

Key challenges that the pandemic has created/required greater focus:

- Predicted revenue shortfalls in 2020 due to missing key selling period and due to expected cuts in university/library budgets. There is concern among academic digital-first publishers with a strong UK focus that digital sales will be impacted. The real economic fallout will only be known after universities reopen in September.
- Rethink of long-term need for office space - if staff prove they can work from home less office space may be required.
- Productivity is down as teams cannot work naturally together; staff are distracted by everything else going on at home (especially where they have younger children). The job is getting done but not as effectively as it could be.
- Quality of work also being impacted - caused by staff stress/focus.
- Staff are really missing connectivity with work and this is impacting morale.
- Concern about finances; whether staff on furlough will return to work or whether there will be redundancies - in some cases furlough has been referred to ‘redundancy in waiting’.
- Big concern over long-term effects on budgets of universities and what this will mean in terms of affordability of products - likely to have longer term impact on revenue, product, and pricing models.

55% of publishers felt prepared for logistical changes made as a result of the pandemic - important to note that 45% did not and to understand this can be attributed to systems and supply chain issues and due to a lack of a digital offering.

Longer term changes that publishers consider important are:

- More robust IT infrastructures are needed, including systems and tools, that can be used more effectively from home - for example, in the content space, content management systems have not been as effective as they should be.
- Need better ability to work virtually - whether that be using Zoom, MS Teams etc., and how to use those tools for virtual workshops and conferences.
- Improved and documented contingency plans are required that staff need to be aware of.
- Internal barriers need breaking down so that changes can be made more quickly (cultural change).
- Move to digital more quickly - stop saying we are digital but actually define it and deliver on a strategy.

Short- to long-term impacts on business:

- Likely to be revenue gaps this year (up to 35%) and mid-term, budgets to be tightened, longer term impacts harder to predict.
- A potential shortfall in revenue will impact staff on furlough leading to redundancy.
- Should staff have to be made redundant, anxiety will result in mental health issues that will impact staff and business.
- The way out of this is to be innovative and accelerate to digital – but there is a need to remove internal barriers to accelerate progress.
- Impact on university and library budgets is a genuine concern and one that is very hard to predict beyond the short term.
- Covid-19 has given an impetus to those studying STEM subjects (i.e. pharma, nursing, engineering, data sciences, chemistry). These subjects are seen as more relevant in a time of medical emergency.
- Open Access publishing may increase but was not a major concern expressed within the survey.
- Significant reduction in print.

Customer feedback:

- The majority of publishers have increased their engagement with customers, as directly as possible, using social media particularly while being as transparent as possible about where and why there may be delays.
- Inviting feedback from customers to assist product planning and roadmap strategies.
- Ensuring authors receive customer feedback to enable forward planning.
- Offering more content digitally where requested.

Has the pandemic highlighted a need to accelerate to digital?

- 55% answered yes.
- 45% answered no - where no was the answer, these publishers believe they have already adapted to a digital offering.

95% of publishers believe they have the skills to make a digital transition - BUT - if this is the case, why have only 45% managed such a transition so far? Challenges remain around discoverability of content.

89% would find working groups chaired by Trade Associations useful and would welcome support focussed in the following areas:

- Development of a digital strategy
- Making changes to supply chains and operations
- Sales and Marketing
- L&D

45% of publishers are concerned by an increase in OA but the majority of publishers are not concerned/do not see the threat.

## A Selection of Quotes

*“Creativity and innovation are the best way out of this pandemic, and this has given us the impetus to accelerate on the roadmaps we had in place pre Covid-19.”*

*“Soft skills will be key and as important in the future as hard skills as we need people to be more agile and adaptable in how they work and also to show self-leadership.”*

*“Our biggest impact? Initially our sales dropped by 30% and we’re going to struggle to see it back.”*

*“Open Access is actually an opportunity and could be a chance to diversify offerings.”*

*“The challenges we face are not new; the publishing industry has been facing commercial and operational challenges for a number of years - the pandemic accelerates the impact of them.”*

*“We need to be quicker to get digital products to market. Our production and marketing processes require a lot of change in order for us to be nimbler and respond more quickly to customer demands. Publishing cycles are long and difficult to pivot - that has to change.”*

*“We have to think differently about how we can diversify our products to address changing needs of customers who want more than eBooks.”*

## Appendix 1 – Research Data

- 18 in-depth interviews with senior publishing professionals at executive and director level.
- Interviews were conducted anonymously by video in May and June 2020.
- Publishing sectors; trade fiction and non-fiction, education, academic and professional, scholarly.
- Formats published; books, journals, digital, audio. No magazine publishers were interviewed.
- Completed online survey response rate was 6.8%

## Appendix 2 - About the Authors

### Jeremy Brinton

Jeremy's 25-year experience in publishing and book retail is informed by his senior and leadership roles in UK and overseas. Most recently he spent three years as Head of Publisher Relations principally responsible for managing publisher relationships, gaining an intimate understanding of publishers' changing business needs to ensure the development of appropriate rights management services for its primary stakeholders. He is a Senior Associate for Maverick Publishing Specialists.

### Chris Wilkins

Chris is a business change and transformation specialist who brings 20 years' experience in the publishing industry, the last 16 of which were at Pearson where he delivered significant business change across the globe (covering a range of projects including building of offshore services, delivery and adoption of new systems and major organisational change management).

## About Maverick Publishing Specialists

Maverick is the leading specialist consultancy and outsource services company designed specifically for the publishing industry. We focus on providing high-level publishing transition and e-publishing strategy development; M+A assistance; strategic and operational marketing and direct sales; market research; product, content and technical development and consultancy; and distributor / partner relations support for publishers in all market sectors. We also undertake both permanent and interim Executive Search and Recruitment.

The Maverick team are publishing specialists with specific expertise across all areas of print and electronic information. We supply customized project based or interim management services that can be tailored to our individual customers' needs. Maverick resources cover UK and Europe, USA and Canada, Latin / South America as well as Asia Pacific. Visit [www.maverick-os.com](http://www.maverick-os.com) for more information.