

INNOVATIONS IN PUBLISHING

review paper

**NEED FOR INNOVATIONS IN THE
PUBLISHING INDUSTRY OF UKRAINE**

TETIANA ONYSENKO

Faculty of Economics, Taras Shevchenko
Kyiv National University, Ukraine

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Abstract: The successful functioning and development of the publishing enterprises requires an appropriate approach to strategy development and management of innovative potential. So, the purpose of the paper is to analyze some approaches in order to propose ways for implementing innovations in publishing industry in Ukraine.

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Introduction

In Ukraine the main indices of domestic publishing market decreased almost twice since the period of gaining state independence. No stable growth trend exists in the industry development and improving the quality of publishing products and services.

Many factors have been contributing to this situation in publishing market. The continuing economic crisis in the country, low purchasing power of population, lack of state support to domestic producers, saturation of the considerable part of the market with products from Russia, the destruction of book distribution network, the utilization of technically obsolete equipment, the dependence on the imported raw materials, the slow implementation of innovative technologies and methods of control into production, resulted in the situation when the basic indices of domestic publishing market decreased almost twice for the independence years and have not had a stable trend to improvement. One of the ways to correct the available tendency, in our opinion, is to develop and implement innovations in the publishing business.

Innovations provide companies with competitive advantages which can be both operational, i.e. raising the current effectiveness of an

enterprise operations (reducing costs, expanding the market, etc.), and strategic, i.e. forming the unique style to an organisation.

Understanding innovations for publishing industry

The innovative activity is the complex of scientific, technological, organisational, financial, and commercial measures directed to the commercialization of the accumulated knowledge, technologies, and equipment. The result of the innovative activity is the new or additional goods and services, or the goods and services with new qualities. Also, it can be defined as the activity directed to creating, distributing, and applying of innovations.

TABLE 2. INNOVATION IN PUBLISHING BASED ON PRIGOZHIN CLASSIFICATION
 (PRYHOZHYN, 1989)

Principle of classification	Type of innovation	Innovation in publishing
By distribution	1. single 2. diffusional	1. in particular publisher 2. in group of publishers
By proportion within production cycle	1. raw materials 2. providing 3. productive	1. use of new materials in publishing 2. new marketing techniques 3. use of new forms of publications (e-books, etc.)
By consequence	1. replacing 2. cancelling 3. turning 4. opening 5. retro-introducing	1. software updates 2. new management structure 4. new technologies layout
By coverage of the expected niche in the market	1. local 2. systemic 3. strategic	1. entering the new regional market 2. development of a comprehensive innovation program 3. creating a strategy for innovation
By innovation potential and novelty degree	1. radical 2. combined 3. improving	1. new forms of publications 2. improvements chain publishing - printing 3. improving logistics networks

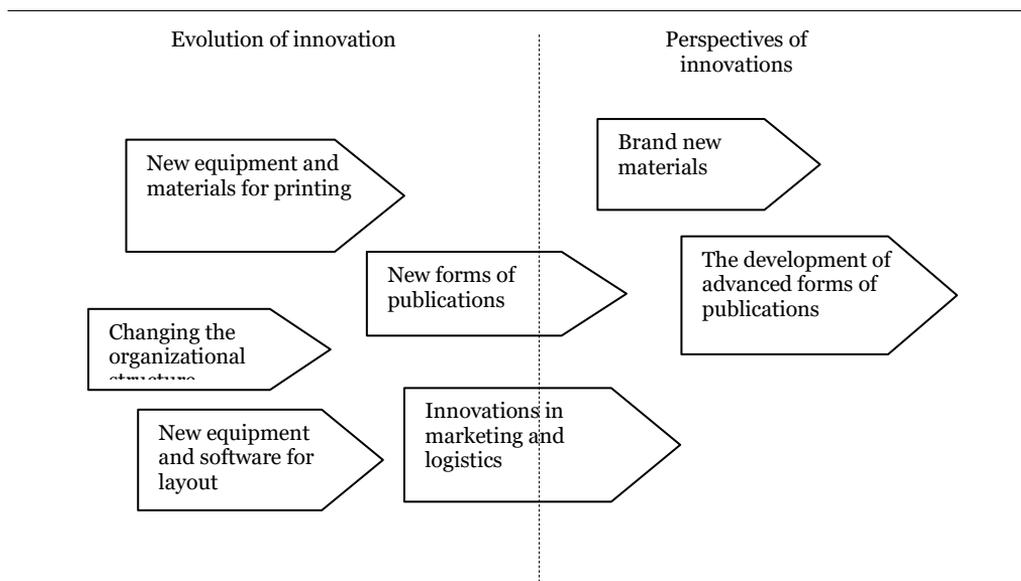
Telling about innovative activities, one cannot miss such its important aspect as the innovations classification, as the specific policy of the publishing house depending upon the selection of the innovation type. Any classification can be considered as the procedure accompanying the cognition aiming to the establishing the order, defining the structure, and systematizing the special novelties. The classification in this case assumes the differentiation of the system elements by different indicators taking into account their similarities, differences, and interactions.

The classification of innovations has great importance not only for the further development of innovation theory, but also for successful

implementation of innovation practice in the publishing sphere. While constructing different classification models of innovations, it is necessary to take into consideration their specific features.

The most complete classification of innovations was proposed by O.I. Prygozhyn from the positions of systemic-operational approach. He stated that ‘the grouping of innovations by different backgrounds is done not only to specify the object researched by innovates structure, but also to identify its inherent problematic links in interrelations among different types of novelties, and to determine the new subject of the research. The problematic character of such interrelations is the fundamental result of the systematisation proposed (Pryhozyn, 1989; pp.32-33).

FIGURE 3. THE EVOLUTION OF INNOVATION IN PUBLISHING IN UKRAINE



This paper suggests the classification of innovation in publishing, based on the classification of O.I. Prigogine (Table 2). If to consider the publishing as a system, one can distinguish the following:

- Innovations as company inputs (changes in selection and utilization of raw materials, components, machinery and equipment, information, etc.);
- Innovations as company outputs (products, services, technologies, information, etc.);
- Innovations within the company’s hierarchy system: managerial; production; technological.

The evolution of innovation in the publishing field in Ukraine is shown in Figure 3.

As shown in Figure 3, the evolution of innovation in the publishing sector of Ukraine took place as follows. First, there were changes in the organizational structure associated with the change of ownership and the economic situation in the country. Then, almost at the same time there was a spread of new hardware and software, new equipment and materials for printing, there were introduced new tools of marketing and logistics. New forms of publications started recently and continue to develop. Use of innovative materials and forms of publications represent new promising areas of innovation will focus on the.

Proceeding from the innovative activity classification and taking into account the current situation in the Ukrainian publishing sector, we can recommend to concentrate efforts on the implementation of product and technological innovations, directed, on one hand, to meeting the up-to-date users' requirements in publications of new forms, and, on the other hand, to reducing production costs and, as a result, to improving the effectiveness of publishing houses operation.

Situation and trends in Ukrainian publishing market

The Ukrainian publishing market was in the state of stagnation for a long time; the total output of books for the past five years has been fluctuating around the number of 50 million copies, or a little more than one copy per one resident. This figure is two-three times lower than one for the beginning of the 1990s (Table 1, Figures 1, 2).

The total sales return from the Ukrainian publishing products both in domestic and foreign markets accounted approximately UAH 950 million - 1 billion per year.

There are about one hundred publishing houses that receive public order and budget financing on a tender basis for:

- issuing of socially important publications the list of which is formed by the State Committee in Television and Radio-broadcasting of Ukraine. This list comprises 170-180 positions which make UAH 20 million per year;
- issuing of textbooks for general educational schools, which are distributed to school children for the period of their studying via school libraries, these include 150-160 positions for the amount of UAH 150 million per year (Publishing and bookselling in Ukraine, 2012; p. 18-19).

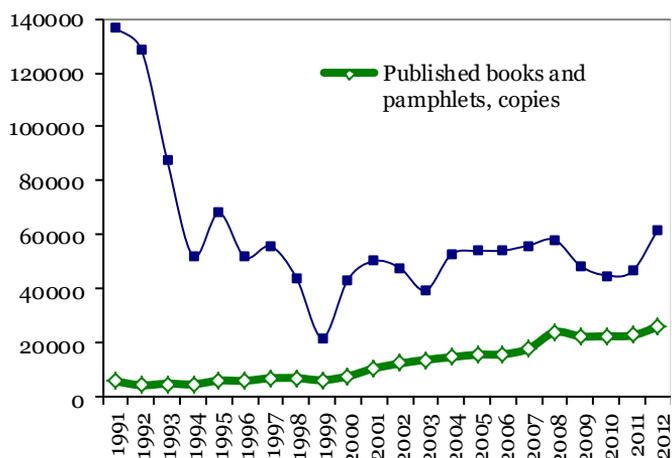
More than four thousand individuals and legal entities are listed with the State Register of Publishers, Producers, and Distributors in Ukraine. However, most of them do not carry out book publishing activities, there are about 500 publishing houses which actually operate and publish more than ten titles of publications per year.

TABLE 1. MAIN INDICES OF PUBLISHING MARKET IN UKRAINE

Year of issue	Number of books and pamphlets, published copies	Annual circulation, thou. copies	Number of books and pamphlets per one resident of Ukraine, copies
1991	5855	136415.9	2.6
1992	4410	128470.7	2.5
1993	5002	87567.0	1.7
1994	4752	52161.0	1.0
1995	6109	68156.0	1.3
1996	6074	51777.1	1.0
1997	7004	55841.3	1.1
1998	7065	44150.0	0.9
1999	6282	21985.6	0.4
2000	7749	43562.9	0.9
2001	10614	50324.5	1.0
2002	12444	47862.9	1.0
2003	13805	39462.9	0.8
2004	14790	52804.7	1.1
2005	15720	54059.8	1.15
2006	15867	54209.6	1.16
2007	17987	56111.7	1.21
2008	24040	58158.1	1.26
2009	22491	48514.4	1.05
2010	22557	45058.3	0.98
2011	22826	46565.7	1.02
2012	26036	62120.5	1.31

Source: Designed from referenced data (Muller, 2012; Muraxovsky and Buryak, 2012; 2013).

FIGURE 1. DYNAMICS OF BOOK PUBLISHING IN UKRAINE, 1991-2012



Source: Derived from the referenced data (Muller, 2012; Muraxovsky and Buryak, 2012; 2013).

FIGURE 2. NUMBER OF BOOKS AND PAMPHLETS PER ONE RESIDENT
UKRAINE, 1991-2012, COPIES



Source: Derived from the referenced data (Muller, 2012; Muraxovsky and Buryak, 2012; 2013).

There appear certain features of innovative activities in the Ukrainian publishing sector. The electronic books publishing and distributing in Ukraine began in 2007-2008 with the establishing of the company Publishing house 'Most-Publishing' Ltd., able to organise the delivery and sale of PocketBook e-readers. The official recording of electronic publications, i.e. those having no analogues to the paper carrier, at the overall national level started only in 2009.

On the legal Ukrainian web sites, the access to the titles of books existing in the paper variant in the following languages is guaranteed: Ukrainian - approx. 50 thou. titles; Russian - approx. 50 thou. titles; English - approx. 300 thou. titles; German - approx. 200 thou. Titles. In general, there is an access to over 650 thou. titles of books in 17 languages (Publishing and bookselling in Ukraine, 2012; pp. 30-32).

Thus, one may note that the first attempts of innovations implementing into the publishing business in Ukraine have been made. However, the volumes of publications have been rather insignificant.

Taking this into account, it is useful to concentrate more attention on those aspects of the publishing houses where innovations can encourage a further development.

Conclusion

The publishing business in Ukraine remains in poor state. The supply of publishing industry is insufficient and does not meet the consumers' demand. The book market is saturated with imported products, the volumes of which are increasing every year. This current state is

characterized with the distortions in the book distribution system, obsolete technical base within the industry, dependence upon the imported raw materials, and low level of innovative activities. The out-of-date technical and technological equipment of most polygraphic enterprises create the threat to the industry's further development. In addition, there are the tendencies to lose the competitive advantages by Ukrainian publishers.

The current world's trends in the publishing sphere are characterized by the increasing application of the innovative development paradigm. In our opinion, the Ukrainian companies nowadays should concentrate their efforts to implement the product and technological innovations. No doubt, the key novelty in the product sphere is the publishing of electronic books. Their issuing will enable publishing houses to explore the new market segment, which has not been filled completely. The intensification of electronic books publishing development, to our mind, will alter essentially the relevant companies' publishing strategies; also will help to increase significantly the effectiveness of their operations.

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