

BROADCASTING AND TELECOMMUNICATIONS LEGISLATIVE REVIEW
SUBMISSION TO LEGISLATIVE REVIEW PANEL
PREPARED BY THE ASSOCIATION OF CANADIAN PUBLISHERS
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Introduction

The Association of Canadian Publishers (ACP) represents 115 independent English-language book publishing firms. Our members are Canadian-owned and operate in communities across Canada. Along with our francophone counterparts, we publish 80% of the new books published by Canadian writers each year, contribute to local economies, and are a vital part of Canada’s cultural industries.

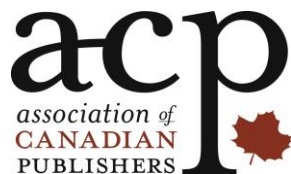
With the proliferation of digital technology that supports the discovery and distribution of books in both print and digital formats, opportunities to reach readers at home and abroad are greater than ever before. Canadian book publishers have seized the opportunity digital technology presents, building on a strong tradition of independent book publishing that has developed over the past fifty years. As we look to the next fifty, independent publishers remain committed to fostering Canadian talent, serving Canadian readers, and bringing our written culture, heritage, and perspectives to an international audience.

ACP was an active participant in the consultations that led to the development of the *Creative Canada Policy Framework*, released by the Department of Canadian Heritage in September 2017. While that policy framework addresses the full scope of the Canadian content ecosystem—from creation to dissemination and consumption—the focus of this submission is on the discovery and dissemination of Canadian books online.¹

Canadian books, discoverability, and online platforms

The Canadian book market is among the most competitive in the world, and the production, marketing, and discovery of Canadian books is a persistent challenge given our relatively small population and proximity to the United States. Multinational publishing firms dominate our marketplace, benefitting from the infrastructure and economies of scale of their parent companies, and enabling them to aggressively import and distribute foreign-authored books in Canada. This has always been true, though the challenge is amplified in the digital environment, where proprietary algorithms and digital systems,

¹ ACP’s submission is not an exhaustive review of this subject, and we refer panelists to *Book Discovery and Book Marketing in Canada’s English-Language Market*, a 2013 study prepared by the consulting firm Turner-Riggs for the Department of Canadian Heritage. More than five years since its publication, this study remains relevant to discussions around the discoverability of Canadian books online, and will be a useful resource for those seeking additional information on this subject.



shaped by distributors who can afford to pay for preferred positioning, increasingly determine which content is broadcast to readers. These tools are largely developed by international players, and understandably do not have Canadians in mind as a primary audience. The discoverability of Canadian titles is disadvantaged as a result, and the dominant position of Canadian publishers' multinational competitors is reinforced throughout the supply chain.

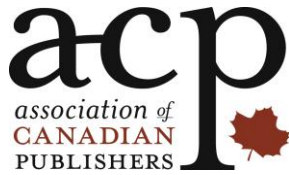
Online retail platforms have assumed important roles in the Canadian book retail landscape, not only as vendors of digital products, but also as suppliers of print books.² Chapters.Indigo.ca was launched in 2001 (following the establishment of Chapters.ca and Indigo.ca in 1999 and 2000, respectively), and Amazon.ca followed in 2002.³ These platforms offer Canadian customers access to millions of titles, both from Canada and around the world, and are increasingly where Canadians turn when purchasing books. BookNet Canada regularly surveys Canadian book buyers on how they discover new books and where they buy them; in 2017 52% of all book purchases were made online.⁴ Whether readers choose to consume books in print or digital formats, digital technology and platforms are fundamental to the discovery, and delivery of Canadian books today.

As the challenge of discoverability for Canadian publishers grows more acute, readers now have access to more books than ever before. Online retail provides a convenient experience for those interested in purchasing a specific title they have previously identified, or a work by an author familiar to them. For those seeking to discover books of which they are unaware, the experience is very different. In both physical and online stores, discoverability results directly from the curation of the inventory on offer. In online environments, curation is largely a function of system algorithms, and these, while increasingly sophisticated, still fall far short of human curation in matching specific books with individual reader interest. These algorithms often suggest a narrow selection of titles, frequently reinforcing works by high profile authors or blockbuster titles, of which book buyers are more likely to already be aware. In ACP's experience, these algorithms rarely prioritize a broad range of Canadian-authored works, and even Canadian retail sites typically showcase international titles in greater numbers.

² Despite the widespread availability of ebooks across a range of channels, print book sales remain central to Canadian publishers' business model. According to BookNet Canada, 18.6% of books purchased in Canada in 2017 were ebooks.

³ As a foreign-owned book retailer, in order to establish its Canadian operation Amazon required an exception to the *Revised Foreign Investment Policy in Book Publishing and Distribution*, which was granted by the Minister of Canadian Heritage. A second exception was granted to Amazon to establish its first Canadian warehouse in 2009. Due to the nature of this process, ACP is not aware of the commitments Amazon made to secure these exceptions. Whatever policy measures the Government of Canada had at its disposal to encourage meaningful discovery of Canadian-authored books through its online platform are no longer available under this particular policy, given that Amazon's most recent five-year period of review is now expired.

⁴ BookNet Canada, *The Canadian Book Market 2017*, 2017, p. 5.



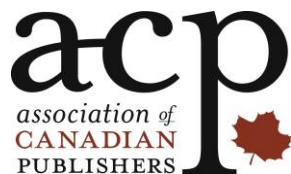
With this reality in mind, enhancing the discoverability of Canadian books online has been a focus of Canadian publishers for more than a decade. Canadian firms have adopted digital workflows, invested in training and professional development, and now employ a full range of digital marketing tools to bring books to readers. Metadata is well-established as the foundation of effective book marketing, and Canadian publishers have widely adopted ONIX as the industry standard for supplying the data required to bring books in all formats to market, while also enhancing their discoverability through a range of marketing and promotional channels. Standards are ever-changing, and Canadian publishers must keep up with industry best practices to ensure their books remain discoverable to retail and institutional buyers, and also to consumers seeking new title recommendations through e-retailers or other platforms.

While publishers must ensure that their metadata feeds meet or exceed industry standards, at the same time other actors in the supply chain have not taken full advantage of the enhanced metadata provided by the industry to improve the discoverability of books online. ACP's focus is on the discoverability of Canadian books, and for example, neither Chapters.Indigo.ca nor Amazon.ca identify Canadian-authored books through their title record pages, though this information is widely supplied by Canadian publishers through their ONIX feeds. US-based OverDrive, the dominant supplier of ebooks to Canadian public libraries, does not include the nationality of creators in its online catalogue. This makes it challenging for collection development staff to select Canadian books when purchasing, but also for library patrons to identify Canadian books when browsing their local library's online catalogue. While physical books may be stickered with a maple leaf for patrons to easily identify Canadian content on library shelves, a comparable experience has yet to be replicated online. In short, the data supplied by publishers grows richer every year, but its potential to improve the discoverability of Canadian content has not yet been fully realized.

Foreign investment in the digital age

As internationally-owned broadcasters seek increased access to the Canadian marketplace, the *Investment Canada Act* must be considered as part of any review of the *Broadcasting Act*. With the potential to influence Canadian tastes and cultural consumption habits, international players must be held accountable for their impact on Canadian content production, discoverability, and dissemination, and existing policies around foreign investment in cultural industries must be enforced.

As digital media platforms diversify their product offerings, foreign investments made in one sector have the potential to impact other cultural industries as global companies explore and exploit the



Canadian market.⁵ As noted above Amazon.ca was granted permission to establish its Canadian business in 2002, ostensibly as a book retailer. It now also offers film and television programming through its Prime service, and audiobooks through its subsidiary Audible. In 2011, Canadian ebook start-up Kobo was purchased by Japanese-based Rakuten, which offers a video streaming service, Rakuten TV, throughout Europe, and also counts digital library lending platform OverDrive among its holdings. In this context, the goals of Canadian Heritage’s *Creative Canada Policy Framework* become ever more relevant, and the Government of Canada must use all legal and regulatory tools at its disposal to ensure Canada’s cultural industries continue to thrive in the digital age.

The role of the CBC

We note that the legislative review panel has been tasked with examining the role of the Canadian Broadcasting Corporation in showcasing Canadian cultural content at home and around the world. The CBC plays an important role in promoting Canadian writing through its programming, with programs like Canada Reads and the Next Chapter bringing Canadian writing to the forefront. Partnerships with the Scotiabank Giller Prize, Governor General’s Literary Awards, and TD Children’s Book Awards also serve to connect Canadian books with CBC audiences. Local radio and television programming remain important channels for publishers promoting books by authors in all parts of the country, and Canadian authors are often interviewed by a variety of programs. As the future of the CBC is reimagined, space for books—on television, radio, and online—will be an important way to encourage the consumption of Canadian content and democratic engagement.

Conclusion

While books are not the first medium that comes to mind when considering Canada’s broadcasting and telecommunications landscape, it is important to recognize that the central role the internet and online platforms now play in Canadian life has implications for the discovery and dissemination of Canadian content in all forms, including print and digital books. Online platforms now serve as central channels for the discovery and delivery of Canadian cultural content, and should be considered by the legislative review panel over the course of its study.

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⁵ For a history of foreign investment in the Canadian book industry, see Roy MacSkimming’s 2017 report *Net Benefit: Canada’s Policy on Foreign Investment in the Book Industry*. MacSkimming concludes that the *Revised Foreign Investment Policy in Book Publishing and Distribution*, which is intended to strengthen the Canadian book sector, “has been effective in achieving its objectives only rarely.”