

Book Business Magazine

The Changing of Standards

By Steven W. Frye

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The change has been subtle. It's an unpopular trend with most book publishers, even those who've elected to do it. So far consumers/readers haven't really noticed, and that's the idea. But the educated guess is that someday they will. The trend I'm referring to is the encroachment of uncoated groundwood stocks into the pure realm of hardcover, case-bound books.

Unlike magazines, catalogs and newspapers, books are meant to have a long shelf life. Historically, they have been printed on uncoated freesheets, but lately the industry appears to be graduating to newer, brighter groundwood stocks that look and feel very similar to freesheets, but offer substantial savings in cost, usage and shipping. Some mills can offer groundwood alternatives at lighter basis weights that bulk more, don't sacrifice opacity and can save 10 percent to 20 percent in usage.

Some book publishers, such as HarperCollins Publishers and Random House, are not using groundwood in their hardcover books. "The publishers at Random House are aware that other companies are using groundwood, and about the cost savings, etc., and have chosen not to go in that direction," says Vincent Liguori, vice president of paper purchasing for Random House. An exception, notes Liguori, "is, on occasion, groundwood is used by our Value Publishing division, where lower price points may be the objective."

But three of the largest book publishers are using significant amounts of it. Warner Books began putting some of its hardcover books on groundwood paper a number of years ago, and now a good number of its titles are on groundwoods. Simon & Schuster reportedly followed suit two years ago, switching to groundwoods for their hardcover fiction lines.

According to Tom Lysenko, vice president of business at Penguin Group (USA), a significant portion of Penguin's hardcover books are now on groundwood alternatives. He is not fond of the trend. So why are they using so much groundwood now when just a few years ago they used very little? "Cost. Pure and simple," he says. "I am being constantly challenged to look at our manufacturing process and find ways to reduce our cost base. We are constantly reviewing our internal processes to look for efficiencies, and we also work closely with our suppliers, pushing them to be innovative and cost efficient," he explains.

"Penguin is an operating division of a public company, Pearson Plc. At the end of the day, the owners of the company, the stockholders, expect a return on their investment. In order to meet those expectations, especially in the current paper market we are in, with rising prices, paper grade changes have been and always will be considered. I have an obligation to our company stockholders, and I cannot change our corporate paper budget," continues Lysenko. "Due to

competition, we cannot raise the price of our books, so I have to look for ways to offset any paper increases.” He notes that all costs within the company are analyzed—for example, typography, editorial, sales, warehousing and distribution, printing and particularly paper.

Lysenko believes he saves 15 percent to 18 percent in paper costs by using a 45# groundwood rather than a 50# freesheet. The groundwood costs less per hundredweight, and he yields 10-percent less consumption and saves on shipping.

Using a More Magazine-like Approach

Book publishers have started to look at cost-saving measures much the way magazine publishers have for years. Paper, postage and shipping can make up 35 percent to 85 percent of a magazine’s manufacturing and distribution costs. When paper, postage or fuel costs increase, which they often do, magazines are significantly impacted.

Historically, magazines have shrunk in size and weight when these costs rise. A standard-sized magazine used to be about 8³/₈ inches by 10⁷/₈ inches, whereas the new standard is 8 inches by 10¹/₂ inches. Magazine publishers continue to use lighter and lighter paper, and have pushed the mills to develop brighter, whiter groundwood grades that bulk more so the magazines don’t appear so thin (and appear unsuccessful). Ultimately, they save on paper usage and distribution costs.

Also, some magazine publishers use different paper for different versions. For example, newsstand copies may be printed on a heavier, premium grade paper (to promote sales), whereas subscribers may receive copies on lighter paper. The logic is twofold: You already have the subscriber’s money and don’t need to “sell” them, and a lighter publication costs less to mail.

Some book publishers are realizing that they can apply similar tactics. Some books use a freesheet for library copies, designated for preservation, and the balance of the run is on a lower-quality groundwood. Although not one publisher would go on record with specifics, many said some publishers target certain mass merchandisers for groundwood versions. Discount retailers such as Wal-Mart and Costco may be getting groundwood versions instead of a higher-quality freesheet version.

It only makes good business sense to explore ways to reduce costs for products that retailers or resellers demand to be low-priced. But quality is still held in high regard with many publishers, and they are finding ways to maintain the integrity of quality.

Because the new, brighter, uncoated groundwoods feel so similar to common uncoated freesheets, it appears that no one, neither readers nor merchandisers, is noticing their use. So far, those who have noticed are the paper mills and printing companies, and even though they perform as they are hired to do by their customers, some are questioning the long-term quality of these groundwood papers.

They suggest that paper represents only a small portion of the cost of a book and an even smaller amount of its retail selling price. In very general terms, the text paper for a hardcover book that retails for \$25 to \$30 may only cost the publisher one dollar. Several have suggested that a better target for reductions may be the author’s fee or publisher’s profits, rather than the quality of the paper.

Specs of Today's Groundwoods

Today's uncoated groundwoods look and feel very similar to freesheets to the untrained eye. They have the same cream white as their freesheet counterparts, as well as some blue-white hybrids. But their specifications are quite different.

What makes these papers so popular, besides the cost savings, is their physical characteristics. Groundwoods contain fibers that help opacity. But one of their greatest attributes is their pages per inch (PPI) ratings, which can be 10-percent to 20-percent more than freesheets with the same basis weight. This allows publishers to print on a lighter basis weight, use 10-percent to 20-percent less paper and maintain the book's bulk.

Caliper and PPI ratings can get confused as they both are a measure of thickness, but the PPI is the mills' target for production. Caliper refers to the thickness of a sheet of paper, expressed in a thousandth of an inch. This measurement is taken with a micrometer. Normally, paper caliper should not have more than a plus or minus 5-percent variance within a sheet. Normal paper manufacturing tolerance within a paper production run is plus or minus 5-percent to 7-percent caliper. The PPI is calculated by dividing the number two by the caliper. (Don't confuse pages per inch with sheets per inch; there are two pages, front and back, per sheet.)

By incorporating groundwood fibers, the paper bulks to a higher PPI at a lighter basis weight. This is a natural phenomenon of groundwood additives, as is the increased opacity. Both characteristics allow a user to buy a paper that weighs 10-percent to 20-percent less, but has the same PPI and opacity as heavier stocks.

The basis weight is the designated fixed weight of 500 sheets, measured in pounds, in that paper's basic sheet size. It is important to note that the "basic sheet size" is not the same for all types of paper. Generally, the relation between caliper and basis weight is: the greater the caliper (the thicker the paper), the greater the paper weight.

Books are expected to last a long time, and freesheet paper grades meet the American National Standards Institute (ANSI) for permanency; uncoated groundwoods do not.

The ANSI "Standard Guide for Selection of Permanent and Durable Offset and Book Papers" outlines offset and book-paper-permanency specifications for coated and uncoated stocks. These standards are used for books and other permanent records that are expected to last several hundred years in a library with little change in readability or handling properties.

Uncoated freesheet paper is produced with controlled acidity or manufactured under neutral or alkaline conditions, which contribute significantly to the life expectancy of books. Some with calcium carbonate fillers absorb acidic gases from the atmosphere or neutralize acidic materials formed during aging.

Uncoated groundwood paper does not meet ANSI standards primarily because it contains more than 1 percent lignin (the compound that bonds the cellulose fibers together in trees). Lignin adds opacity, reduces brightness and whiteness, accelerates aging and will eventually darken the paper. Paper with lignin content will yellow in direct sunlight.

It is the noncompliance of this ANSI permanency standard that has some concerned about whether quality expectations of books have taken a step backward and are now subject to

accelerated deterioration.

The Current Paper Market

Most paper prices are increasing again despite apparent short-term corrections. Uncoated-freesheet pricing has generally followed the gross domestic product. However, the difference between demand (down 2.7 percent, according to Horizon Paper's June market update) and the current economic expansion (up

3.5 percent year to date) is a result of these new, hybrid, brighter, uncoated groundwood grades.

Horizon Paper states the mills' ability to stabilize pricing has been difficult (with operating rates below 90 percent year to date) and, in the short term, prices may move down slightly. It states that while demand should be seasonally stronger heading into the late summer/early fall months, it may stabilize pricing, but the underlying long-term demand will probably remain weak.

The company also says one cultural advantage of these groundwood grades, not really noticed until now, is that the producers are willing to hold prices for multiple quarters, adding an element of stability that is more predictable than the peaks and valleys of uncoated freesheets.

This should be welcome news to Lysenko. He says his company's conversion to groundwood alternatives was due to many economic factors, but one was the mills' reluctance in recent years to lock rates for longer periods.

Much of the newer groundwood capacity is coming from older, upgraded newsprint machines. A cooperative effort between Weyerhaeuser and Nippon Paper Industries has converted some capacity of the North Pacific Paper Corp. (NORPAC) mill in Longview, Wash., from producing newsprint to making Hi-Brite grades and an uncoated groundwood called Sonora Book.

Glatfelter and Weyerhaeuser are two of the largest manufacturers of uncoated freesheet book stocks. As uncoated groundwood grades continue to make solid inroads into the freesheet arena, some mills are just shifting customers from one grade to another. "Weyerhaeuser is having a record year in the freesheet market," says Mike Spath, director of sales, publishing papers, Weyerhaeuser. "The growth of groundwoods in the book market has not hurt our freesheet sales. Our groundwood book accounts represent incremental business for us, and if an existing freesheet customer must switch to groundwood, we can offer Sonora Book."

But both Abitibi and Bowater—newsprint and uncoated groundwood manufacturers—have reported new growth from the book industry.

Bob Obernier, chairman of Horizon Paper, has also seen some changes. "Publishers are looking at paper in ways they never did before," he says. Although he sells freesheet and groundwood papers, he says he can't help but be concerned over the use of groundwoods in hardcover books, because, he notes, "the paper will age."

The Bottom Line

It is no doubt that book publishers are using paper in different ways to help maintain their profitability. As a publishing professional, I can emphasize with and appreciate the creativity of paper usage and cost-cutting measures. As a consumer, collector and avid reader of books, I worry about the long-term quality of books produced today.

Books may be nothing more than a quarterly figure to their stockholders, but to me, they are documenting our world, preserving history, and need to last for many, many generations.

As one manufacturing executive points out, however, considering the average price of a book (generally less than \$30, according to The Bowker Annual Library and Book Trade Almanac 2003), how long can it be expected to last? Cars cost many thousands of dollars more than that, and most of those don't last for generations.

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