

San Pablo Strives

IN VOLATILE MARKET

Gustavo Frojan, marketing and sales director of Argentina's Editorial San Pablo, discusses the challenges of publishing in a volatile economic environment.

Editorial San Pablo, a publishing house in Buenos Aires, Argentina, that has 40 percent of the Catholic market in that country, celebrated 70 years of ministry last year.

Its success is due, in part, to its authors. These include Father Victor Manuel Fernández and Father Juan Carlos Pisano, writing about Catholic spirituality. Another author is Father Ariel Alvarez Valdez, a young Argentinean priest with a doctorate in Sacred Scripture, who speaks throughout Argentina and also in Italy, Israel, the United States, Mexico, and Spain. Outside the religion category, San Pablo has



Ten thousand copies of La liturgia cotidiana are published each quarter.

the *Gnosis* series, which includes all the psychotherapy works of Viktor Frankel, the German scientist and psychiatrist. San Pablo publishes books, music, cassettes, videos, CD-ROMs, and Bible curriculum for classroom use and for distance learning. It produces mini-media, which includes greeting cards, small booklets, calendars, cardboard games for children, and laminated cards.

San Pablo also publishes several periodicals. The main one is *El Domingo* (Sunday), a weekly paper with a message that parallels that of the Sunday mass and a circulation of 280,000 copies per issue. There is a similar page for children, with a lot of catechism, games, and activities. A new publication, *Haciendo Eco* (Making an Echo), is a very popular, very economical, page for Biblical formation. Each page is sold for 20 cents, and 20,000 are published each week. San Pablo publishes 10,000 issues of *La liturgia cotidiana* (Daily Liturgy) each quarter, and 2,500 issues of *Vida Pastoral* (Pastoral Life). Half the issues are sold to subscribers, and the rest through bookstores.

San Pablo has around 70 employees. Of these, half are engaged in administrative and editorial work. San Pablo operates two bookstores, a virtual bookstore, and also functions as a wholesale distributor. San Pablo exports books to the whole Spanish-speaking world, the United States, and Canada. It also imports books, principally from the San Pablo publishing houses in Spain, Colombia, Chile, and Venezuela.

Working in a volatile economy

One way San Pablo responded to the economic problems of the



Vida Pastoral is a bimonthly magazine for evangelism.

country was by reducing the number of new releases per year. There were 82 new releases in 1999, 55 in 2000, and 50 in 2001. San Pablo publishes reprints of its strong backlist as necessary.

Print runs are carefully

calculated. For the most popular books, the average print run is 3,000 to 4,000 copies for each new release. For books with more pages, or a higher price and a smaller market, San Pablo prints 2,000 at a time. The print run size is always dependent on the type of market available for the book. For example, books on psychology do not have a large market, so the print run will be 2,000 books. Simpler popular books, offering spiritual help, at a low retail price, will have a print run of up to 4,000 copies, because the market can bear these without problems.

Reaching for new markets

San Pablo also wants to enter new markets in Central America

and the northern part of South America. However, piracy hinders San Pablo's ability to gain market share abroad. San Pablo does not engage in piracy. It pays for the rights and the related expenses of hiring a designer, a translator, and a graphic designer. It pays for all the legal processes involved in the manufacturing of a book. But, why should a consumer want a book for \$10 pesos, when he can buy a pirated copy for \$5? Piracy prevents San Pablo from entering markets such as Colombia or Mexico.

San Pablo publishes approximately 50 new releases per year. If five of them are pirated by other publishers, who sell 5,000 copies apiece at four pesos each, they generate \$100,000 pesos worth of revenue. Even if the expected profit was only ten centavos (cents) per book, that is a loss of at least \$10,000 pesos that San Pablo in Argentina could potentially have received from sales of its books in the same market. Moreover, San Pablo is not the only publisher facing piracy, it is a problem multiplied across the board.

Nonetheless, these challenges will not discourage San Pablo from its commitment to proclaim the message of Christ through books, magazines, and other tools of communication. ♦



San Pablo carries a broad range of goods to serve Argentina's Catholics.

Certeza Certain in Uncertain Times

Beatriz Buono, director for Certeza Argentina, shares the strategies she is employing to face the economic challenges in her country.

Christians in Argentina are crying out to God as never before, reports Beatriz Buono, director of Certeza, a ministry based in Buenos Aires. "Everyone is affected by the crisis," she says. "It is painful to see the rising unemployment rate, the marginalization of street kids, the fear of elderly pensioners, the uncertainty of single mothers trying to make ends meet, the helplessness..."

The economic crisis is wreaking havoc in the publishing industry as well. In January, more than 30 secular publishing houses, members of the Argentine Chamber of Books, signed a temporary agreement to freeze prices. Despite this attempt to assist booksellers, and to keep books accessible to readers, problems continue. *Lea*, a secular monthly published in Buenos Aires, reports that over 700 bookstores have closed in the past year.

Certeza performs both publishing (Certeza Argentina) and distribution (through three retail outlets). It is doing its best to weather the challenges facing Argentina's book industry today.

1. To counteract the effect of falling sales on income, Certeza has sought alternative sources of income. Net sales for the three Certeza bookshops were approximately half, in January 2002, of what they were last year for the same month. Despite the shortfall, Certeza continues to function.

One way Certeza has managed is through excellent recovery of



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debts. "We have really seen the faithfulness of God," says Buono. "In January we received many payments. We were able to pay salaries, holiday pay, and taxes." Certeza not only covered its expenses but made some cash purchases and obtained some U.S. dollars as a hedge against inflation.

Another way Certeza has dealt with the shortfall is through donations from organizations such as the Australian Christian Literature Society and the Society for the Promotion of Christian Knowledge, Australia. Certeza has also partnered with parachurch organizations, such as John Stott Ministries and Feed the Minds, in book distribution programs.

2. To cope with rising prices, Certeza is negotiating new arrangements. Inflation is increasing. Certeza Argentina has increased book prices by 25 percent. This is quite low in (continued on page 12)