Report on publishing in Italy: Highlights

2019

AIE Associazione Italiana Editori
150 ANNI
Una storia che guarda al futuro

Giornale della libreria

Contents

This Summary features a selection of numbers regarding the publishing market in 2018. The figures and a detailed analysis of the facts that characterized last year are published in the *2019 Report on the state of publishing in Italy* available in digital version in the main online stores.

ROTO BOOK

Powered by Rotobook, the new book production platform created by Geca for all publishers, for any print runs.

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Growth carries on

The year 2018 ended on a slight positive note. The balance compared to 2017 remains positive for the fourth consecutive year: +0.7% based on traditional boundaries. We have not recovered the values of 2011, but we are slowly getting near.
In reality, trade channel in 2018 reveals a slowdown compared to the +4.7% of 2017, due to a combination of causes. In the first place, structural factors, such as the ongoing crisis in large-scale retail (in 2011 represented 16.1% of trade channels, by 2018 it was 7.0%), affected by the closure of the largest distributor in this channel, which left book counters of supermarkets and service stations unsupplied for months, and by the lack of important best sellers.

However, this result confirms that, on a like-for-like basis, the publishing sector remains the country's leading cultural industry.
School publishing has grown by +3.5%. And the figure for education overall is around 1.05 billion.
For the first time, the children and YA's segment recorded a negative result: -0.9% in value and -2.9% in copies, therefore quite affecting the sector growth. In the past decade, this segment had made better results than the average for the sector as a whole.
The e-book market is growing (+4.7%) and represents almost 5% of the market. But growth is lower than the messianic expectations and hopes of only five years ago.
A market for audiobooks is being created, only limited by the catalogue size: 8% of Italians aged 15-75 declare in 2019 that they have listened to at least one. Alongside podcasts, it is one of the new ways of reading, and thinking about, new publishing products designed for the Net.

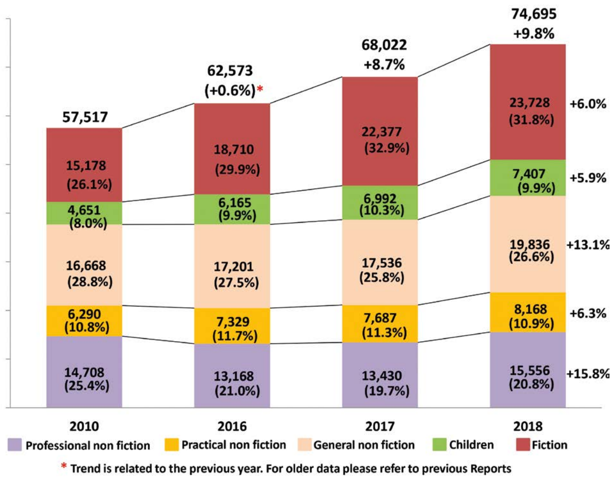
Growth in the sale of rights abroad (+9.0%: slightly slower than the +10.1% of 2017) was confirmed, driven not only by children's books (39.0% of sales, down by -5.1%) but also by fiction (25.4% and up by +17.3%). In 2001, 3.7% of published titles aroused interest from foreign publishers; last year this had become 10.6%. It should be remembered, however, that we estimate the total value of exports (rights, co-editions, sales of Italian books abroad) at 5%: we have become more international, but nevertheless that generates only a small part of the companies turnover.

The fundamental problem of our publishing industry, and our country, remains unchanged: limited numbers of readers and an absence of policies to develop demand and support the business system comparable to those in other EU countries.

Book production

In 2018, Italian publishing houses produced 74,695 new print titles (new titles and new editions of trade adults' and children's books, excluding educational titles and e-books) with a value +9.8% up from 2017. Among trade books almost all genres are growing. Fiction (Italian and foreign, +6.0%), children's books (+5.9%), general non-fiction (+13.1%) and the professional one (+15.8%, mainly thanks to App18 and University admission tests). Looking at a longer time frame (2010-2018), structural changes in the supply emerge: growth of children's books (+59.2%), fiction (+56.3%) and practical non-fiction (manuals, +2.9%). 157.8 million copies were printed and distributed; still down (-7.0%) on the previous year.
New books accounted for 65.2% of titles and 66.8% of copies. Average cover price (at production), which fell steadily between 2010 and 2015 (-15%), has been fluctuating: +2.8% in 2016, -0.8% in 2017 and +3.8% in 2018, when the average price (19.48 euros) is over 2 euros lower than in 2010 (21.60 euros).

Composition and trend in production of trade books: 2010-2018
Values in numbers of titles and in %



* Excluding production of educational books
Source: Elaboration by Ufficio studi AIE of data from IE-Informazioni Editoriali

Also in the 2019 Report:

- ▷ **production of books by sector (fiction, children, non fiction etc.) and sub-sectors**
- ▷ **trend in average price at production**
- ▷ **paperbacks, massmarket editions, self publishing**

Production of e-books and translations

51,501 e-book titles were published in 2018 (in decrease for the second consecutive year, due to a slowdown in catalogues digitalization and a precautionary behaviour towards the smaller market growth). E-book titles (419,259) are 34.9% as compared to non-digital titles on sale.
The average "cover" price of an e-book is 6.80 euros (+17.6%). The 6.80 euros price of an e-book (excluding promotions, etc.) can be compared to an average cover price of 19.48 euros for a hard-cover edition and 11.57 euros for a paperback.

Production and offer of e-books
Values in numbers of titles and in %

E-book titles published	51,501
E-books published in all manifestations	51,397
E-books in catalogue	419,259
% e-books of titles on sale in 2018	34.9%
% e-books of titles on sale in 2010	2.5%
Average cover price of an e-book	6.80 € (+17.6%)
Average cover price of a book	19.48 € (+3.8%)

Source: Elaboration by Ufficio studi AIE of data from IE-Informazioni Editoriali

Language areas for translations of trade adult and children's books: 2018
Values in %

% translations from other languages	13.5%
Translated from:	
English	61.6%
French	13.5%
German	9.6%
Spanish	3.6%
Slavic languages	1.1%
Other languages	11.0%

Source: Elaboration by Ufficio studi AIE of data from Istat

There has been a significant drop in titles published which are translations from other languages: from 25% in 1995 to 23% in 2000, 17% in 2015, dropping to 13.5% in 2018.
The languages of the historically important publishing industries remain the majority (87.9%), although down from 91% in 2005. Translations from "other languages" were 6% in 2010 and are now 12.1%, a sign of the interest of Italian publishing, and its readers, in contrasting forms of literature and culture.

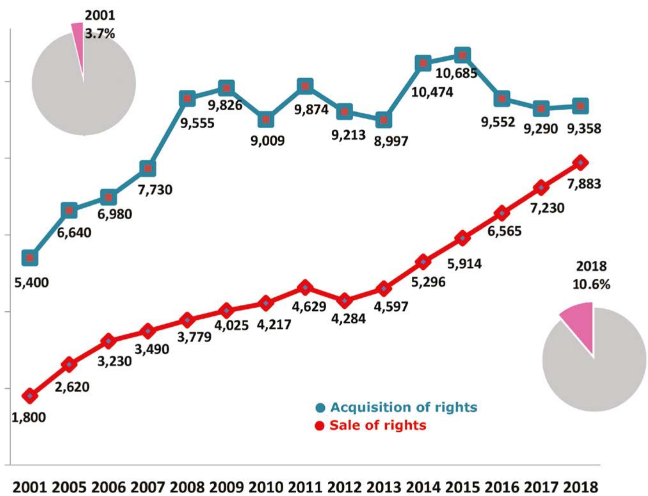
Also in the 2019 Report:

- average prices of e-books by genre and price band
- concentration of production by publishing house
- trends in acquisition of rights by national publishing industries

Increase in sales of rights abroad

Declining dependency on foreign publishing is matched by an increase in sales of rights abroad (especially in fiction and children's books): +337.9% (since 2001) as compared to +73.3% in acquisitions of rights.
In 2001 3.7% of titles published by Italian publishing houses found an export market. By 2018 this figure had risen to 10.6%
In the face of a domestic market limited to its linguistic borders, Italian publishers have sought to exploit the "copy in Italy" reputation, based on exceptional publishing qualities in illustration, narrative, photography, graphics etc. In certain sectors (children's books, fiction, illustrated works, lifestyle etc.) "copy in Italy" is the finest expression of the variety and range of a quality offer.

Sale and acquisition of rights : 2001-2018*
Values in numbers of titles and in %



Source: Elaboration by Ufficio Studi AIE

Also in the 2019 Report:
- imports-exports of rights for Italian authors
- trends in publishing geopolitics and genres
- co-editions
- valorisation of exports (estimate)

Book reading

In 2017, AIE launched an Observatory (Osservatorio sulla lettura e i consumi culturali) that aims to measure reading in a more articulated way, asking interviewees a question that explicitly enquires if they have read (even partially) a novel, a manual, a guide or a book of a particular genre. 60% in 2018 of the population (15-75 years) replied in the affirmative. This figure doesn't change significantly Italy's international ranking: in front of us come France, Norway, UK, Canada, Belgium, USA, Sweden, Germany and Spain (values ranging from 92% to 67.2%). Stating that you are a reader doesn't necessarily imply spending much time reading. The percentage of those who declare themselves to be readers in younger age bands is among the highest (87%), but only 5% of young readers spend more than one hour a day in this activity.

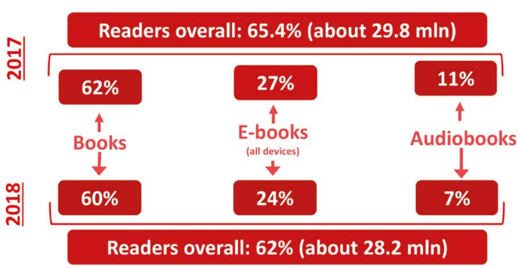
Books, e-books and audiobooks readers and time spent reading by age bands: 2017-2019
Values in %; people claiming to have read for at least one hour the day before or on the average day of the week

	% readers*		% of people reading at least 1h a day	
	2017	2019	2017	2019
Total population	65%	64%	12%	9%
15-17	87%	88%	5%	1%
18-24	86%	79%	23%	13%
25-54	74%	74%	16%	13%
>54	40%	38%	3%	3%

* Readers of books, e-books, audiobooks; reading overall

Source: Elaboration by Ufficio studi AIE of data from Osservatorio sulla lettura e i consumi culturali by Pepe Research

Reading of books, e-books and audiobooks: 2017-2018
Values in %

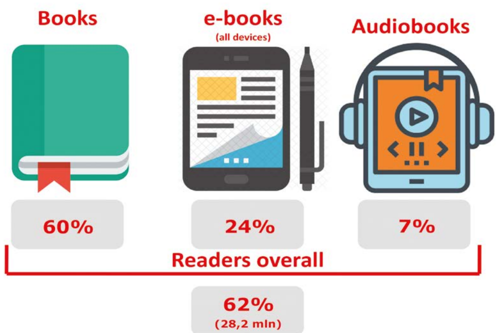


Source: Elaboration by Ufficio studi AIE of data from Osservatorio sulla lettura e i consumi culturali by Pepe Research

Reading: a mix of print and digital

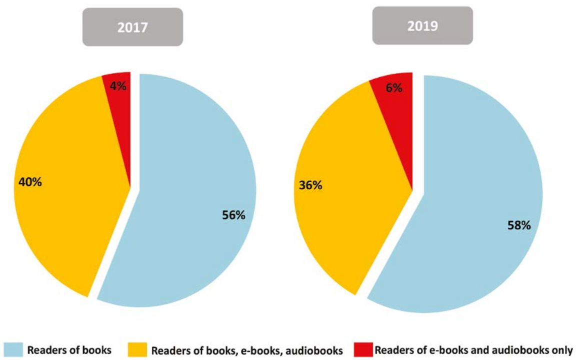
The Observatory provides overall (and also partial) reading data: books (fiction, manuals, travel guides, graphic novels and comic strips, genre fiction etc.), e-books, and audiobooks. Readers make up 62% of Italians (15-75 years old), about 28 million people. Still a small proportion of readers (6%) read e-books exclusively, even though it's growing. Readers of both books and e-books are decreasing (from 40% in 2017 to 36% in 2018), whereas the percentage of people reading only books goes up by two points.

Reading of books, e-books and audiobooks: 2018
Values in % of the population (15-75 years); multiple answers



Source: Elaboration by Ufficio studi AIE of data from Osservatorio sulla lettura e i consumi culturali by Pepe Research

Mix of forms of reading books and e-books: 2019
Values in % of the population 15-75 years



Source: Elaboration by Ufficio studi AIE of data from Osservatorio sulla lettura e i consumi culturali by Pepe Research

Also in 2019 Report:

- ▹ e-book reading by age, gender and geographical area
- ▹ genres and average prices (at production and at sale)
- ▹ relationship between reading books and e-books
- ▹ - book reading and use of technologies (web, devices etc.)

The impact of technology

Italians and technologies: 2018	
Digital audience per month (from any device; 2+)	33.1 mln
Digital audience (from any device on the whole population)	62%
Digital audience on average day: men (18-74)	72.4% (15.9 mln)
Digital audience on average day: women (18-74)	69.4% (15.3 mln)
Average time dedicated (18-74; hr:min)	2h 59’
Men (hr:min)	2h 53’
Women (hr:min)	3h 04’
Internet access by device (time spent per person, on average month)	
- computer (2+)	13h 27’
- tablet (18-74)	28h 30’
- smartphone	74h 08’
Internet access via smartphone (time spent per person, on average day)	2h 59’
- 18-24 years	3h 30’
- 25-34 years	3h 09’
- 35-44 years	3h 06’
- 45-54 years	2h 54’
- 55-64 years	2h 36’
- Over 60 years	2h 24’

Source: Elaboration by Ufficio studi AIE of data from Audiweb (December 2018)

Over the last decade, and with particular acceleration in recent years, the spread of digital technologies has become the means by which the publishing industry seeks opportunities to consolidate its market, to affirm its own brand, to entertain its customers and get to know them better, following an earlier phase in which this development was experienced as a confrontation.
Within the technological framework we can see a structural change in deep-seated behavioural patterns which have been the basis for publishing and distribution so far. New tools (notebooks, tablets, e-readers, smartphones) place the “customer at the centre” of the process. Customers can decide what to read, when to do it (thanks to the growth of mobile tools giving access to publishing content), how much to pay (print or e-book) and where to buy.
By December 2018 Internet access from any place and by any means had reached 62% of the Italian population (population 2+; Source: Audiweb, Nielsen). This involves about 33.1 million people.
Data related to time spent online show how the main competition is about time allocation: Italians (2+) spent in the average month 54h 53’ (December 2017), twelve months later is 74h 08’. Time spent online via smartphone has increased from 49h 41’ to 69h 39’.

Mobile technologies for reading

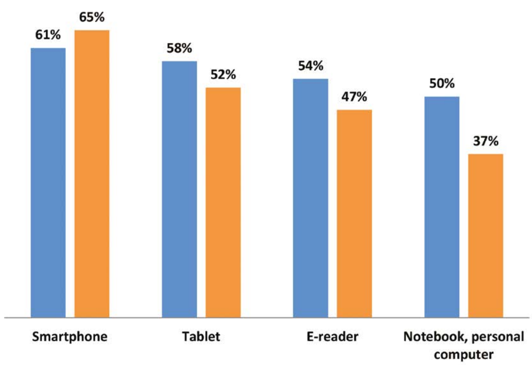
It is estimated that in 2018 Italians bought 827,000 e-readers (down -10.6% from 2017), and 132,000 tablets (-15.2%), spending for both about 60 million euros. Reading is now moving toward smartphones of new generation, with better screens and performances, and therefore with a sufficiently improved range of functions and portability to become the device of choice for seeking information, news and services as well as, increasingly, for reading e-books and complex texts. Expenditure by Italians on e-readers in 2018 amounted to 22.7 million euros, a fall in value of -8.2%, due to a shift by consumers towards multifunctional devices. From 2017 to 2018, 7% of readers left e-readers and 4% left tablets for smartphone as reading device.

Estimate of e-readers and tablets bought, expenditure and stock in use: 2018

E-readers bought	827,000 (-10.6%)
Expenditure on e-readers (millions of €)	22.7 (-8.2%)
Tablets bought	132,000 (-15.2%)
Expenditure on tablets (millions of €)	38.5 (-10.7%)
Total stock in use (estimate):	
E-readers	4,303,000
Tablets	12,415,000

Source: Elaboration by Ufficio studi AIE of data from Osservatorio sulla lettura e i consumi culturali by Pepe Research

Devices used for e-book reading: 2018
Values in % of population 14+

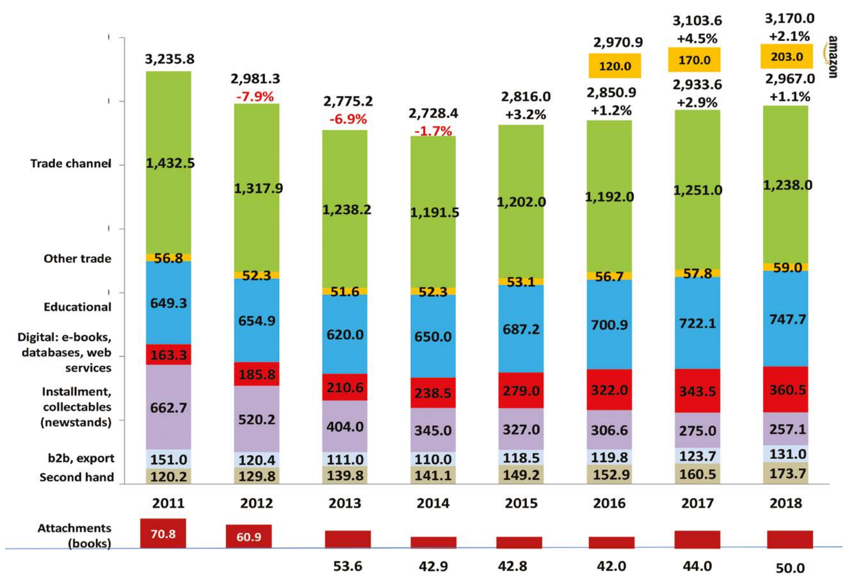


Source: Elaboration by Ufficio Studi AIE

The market: the turnover growth

Data relative to the whole publishing industry in 2018(new, second hand, paper and digital, trade and educational) show a turnover of 3.170 billion euros, with +2.1% from 2017. In particular, the educational sector grew by 3.5%, whereas trade channel decreased by 0.6% in value. The digital sector (e-books, web services, web contents) account for 11.4% of total market value.

Market trend for new and second-hand books: 2011-2018
Values in million euros and in %



Source: Elaboration by Ufficio Studi AIE

Also in the 2019 Report:

- trade channels by copies and value
- the market for children's books, educational books, Italian fiction, religious books, poetry, food & wine, travel and other genres
- sales of publishing rights
- international markets

The e-book market and the digital publishing

The e-book market (excluding digital self-publishing sales) reached 67 million euros in 2018, with a growth of +4.7%. The market share (trade) is 5.4%. This figure is not far from that of the major European publishing industries (excluding the UK) and indicates a process of much less rapid growth than that achieved by e-commerce for physical books.

It should be noted that in 2018 the digital market (e-books + web services to companies and professionals) is worth 434.5 million euros (+26.4%), 14% of the market (without second hand). In 2010 it represented 6.5%.

The e-book market: 2012-2018
Values in million euros and in %

	2012	2014	2015	2016	2017	2018
E-book (cover price)	23.8	40.5	51.0	62.0	64.0	67.0
Δ%	+88.9%	+26.1%	+25.9%	+21.6%	+3.2%	+4.7%
Trade channels (without Amazon)	1,317.0	1,193.0	1,202.0	1,221.0	1,251.0	1,238.0
% e-book/trade	1.8%	3.4%	4.2%	5.1%	5.1%	5.4%

Source: Elaboration by Ufficio studi AIE

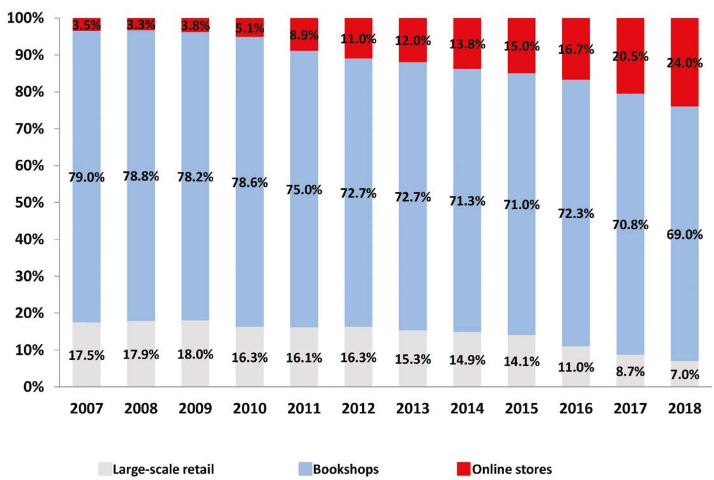
Also in the 2019 Report:

- ▹ **trends in production of e-books and titles on sale**
- ▹ **production per genre and cover prices**
- ▹ **reading and e-book purchases**
- ▹ **e-book readers and book readers**
- ▹ **future of the new reading devices (smartphone, tablet)**

Sales channels: e-commerce grows, large retail declines

The relative weight of individual sales channels has undergone a major transformation. The bookshop has lost market share, down from 79% in 2007 to 69% today. The bookstore remains the main channel for the purchase of books, but e-commerce has eroded an important part of its market share. Online bookshops have risen from 3.5% in 2007 to 24.0% today, far exceeding large-scale retail (from 17.5% to 7.0%), the channel which has suffered most from changes in buying patterns. In the 1980s and 1990s large-scale retail had intercepted a public of weak and occasional readers and led them towards the bookstore. Now, despite its drop in market share, it still covers areas of the country not served by bookshops or broadband access sufficient for e-commerce activities.

Market shares of trade channels (excluding e-books): 2007-2018
Values in %



Source: Elaboration by Ufficio Studi AIE

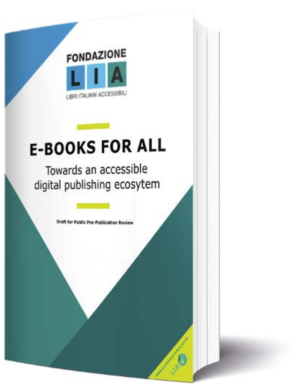
Also in the 2019 Report:

- ▹ transformations in channel drivers of choice
- ▹ benefits ascribed to different channels
- ▹ how readers get information about books
- ▹ changes in number of shops and franchising growth

An accessible publishing ecosystem

The new legislative framework, the implementation of the Marrakesh Treaty and the recently approved European Directive on the accessibility requirements for products and services (European Accessibility Act), invites the entire digital publishing industry to become accessible to people with disabilities.

The standards used to create, distribute and describe accessible content to end users are available, but, so far, they are not fully adopted by the industry. It seems the right time to start discussing on how to implement an Accessible Digital Publishing Ecosystem.
E-Books for all: towards an accessible publishing ecosystem , a white paper written by Fondazione LIA, aims to be an agile manual, providing an overview of the different aspects involved, for all the players in the book value chain: content producers, aggregators and digital distributors, Books in Print catalogue producers and other providers of bibliographic data to the digital book supply chain, online bookstores and platforms, developers of reading solutions.
It identifies the role each actor may play in the accessible digital publishing ecosystem, describes the critical elements to be considered and provides the relevant references to the international standard accessibility specifications or guidelines to be followed.



The paper consists of 3 chapters, including:

▹ The new legislative framework
▹ An accessible digital publishing ecosystem
▹ Metadata standards for accessibility
▹ And more!

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α Amazon, Apple, B&N, Kobo. Il periodo dei regni combattenti
E. Molinari, Ediser, 2012

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