

Report on publishing in Italy: Highlights

AIE Associazione
Italiana
Editori dal
1869

G Giornale
della
libreria

2020

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This digest features a selection of numbers regarding the publishing market in 2019 and first half of 2020. The figures and a detailed analysis of the facts that characterized the period are published in the *Rapporto sullo stato dell'editoria in Italia 2020* available in digital version in the main online stores.

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Publishing was growing before the Covid-19 pandemic

How can we talk about the 2019 market in this year of 2020? What significance can the data from last year - largely positive - still have in the face of the huge contraction in sales that the Italian publishing industry recorded in 2020 due to the economic effects of the Covid-19 emergency? Let's begin by noting that 2019 closed with a positive balance of almost three percentage points, reaching almost +5% for the general books sector (+4.8%). The balance was therefore in positive territory for the fifth consecutive year. We had not yet recovered the values of 2011 but we were getting closer. And if we include audiobooks (a market that did not exist in its digital form in 2011) we may have already exceeded those values.

Or perhaps we could have overtaken them if sales of books in supermarkets, department stores and motorway service stations had recovered the shine of a few years ago. Large scale retail represented 16% of trade channels in 2011. In 2019 it was 7%. Independent and chain bookshops continue to endure a long season of uncertainty, struggling to keep up with e-commerce, whose benefits are now perceived by customers as going far beyond simply the discounts offered, reduced from 15% to 5% by a new law passed at the beginning of 2020.

E-books are growing (+6%) but still have a small market share of 5% in 2019. Growth has not matched the messianic expectations and hopes of just five years ago. 21% of those who say they have read an e-book admit that they got it "for free". And this does not refer to library loans. Turnover was affected by revenue losses of 528 million euros (23% of the market) caused by illegality in all sectors: general, university and professional publishing.

Even with these results, on a like-for-like basis (without advertising and hardware and net of public contributions), the publishing sector remains the country's leading cultural industry (in actual fact, in second place, with 15 million euros less in revenue than pay-TV, which benefits from the draw of live sports coverage). School publishing grew by +2.8% and educational publishing as a whole is worth around 1 billion euros.

The market for children and adolescents saw a slowdown: +1.0% in terms of value and -1.5% in terms of copies. It was the only segment that had grown throughout the decade, with better results than the average for the entire sector.

2019 confirmed a whole series of phenomena that the crisis due to the Covid-19 epidemic is likely to amplify. The growth of e-commerce to the further disadvantage of physical channels. Different methods of purchasing and accessing information. The recovery of the e-book and the growth of audio formats. All the problems of uncertainty remain, not only epidemiological but also those linked to the availability of household spending in the autumn.

The central problem of our publishing industry, and of our country, remains: the restricted number of readers (we trail behind all the major continental nations) and the absence of policies to encourage demand and support the business system in a similar way to other publishing industries (in France, Germany etc.).

Production of books is falling slightly

In 2019, Italian publishers produced 73,745 printed titles (new titles and new editions of general adults' and children's books, excluding educational titles and e-books), a slight decrease compared to 2018 (-1.3%).

In the general books category not all genres grew. Fiction (Italian and foreign) is down (-2.2%: a result of the narrative offer from TV series?); children's books are growing (+6.1%); general non fiction is up by 1.8%, while practical non fiction remain stable with a modest +0.6%. Professional non fiction fell by -8.3% in 2019 following the previous year's +15.8%. Viewed over a longer time period (2010-2019), the structural changes in the offer emerge: growth in children's books (+69.0%), fiction

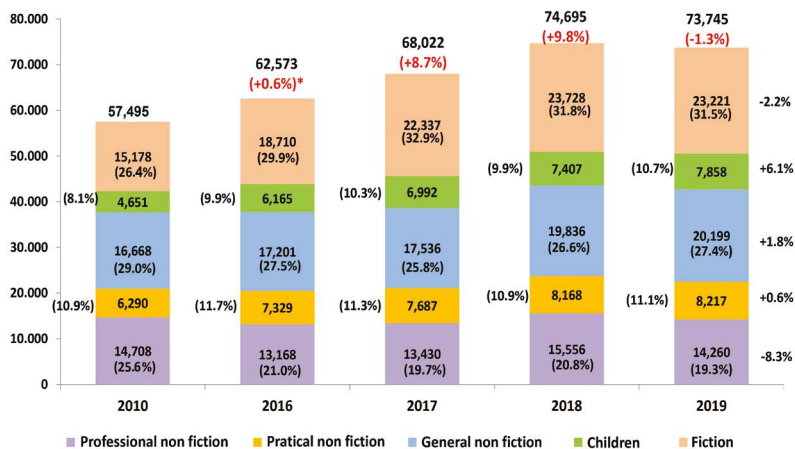
(+52.9%), general non fiction (+21.0%) and practical non fiction, with +30.6%.

There were 163 million copies printed and distributed in 2019, a slight increase over 2018 (157.8 million).

New books accounted for 70% of published titles, making this an unusual year because until 2018 they had stabilised at around 65%. Average cover prices (at production) fell steadily between 2010 and 2015 (-15%) but following 2016 showed a more fluctuating trend: +2.8%, -0.8% in 2017, +3.8% in 2018. The average cover price in 2019 (19.93 euros) is more than one and a half euros lower than in 2010 (21.60 euros).

Composition and trend in production of general books: 2010-2019

Values in numbers of titles and in %



* Excluding production of educational books

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

Production of e-books and translations

In 2019, 48,763 e-book titles were published. For the third year in a row we are witnessing a decline due to a slowdown in catalogue digitisation. The e-book market is also affected by and the notable impact of illegal activities: 528 million euros in lost revenues in 2019. Titles in the e-book market (458,321) represent 37.9% of commercially available (paper) titles.

Self-published titles came to 17,579 (but this figure is probably an underestimate). The average “cover” price of an e-book is 8.20 euros (+20.6%). This 8.20 euro e-book price (excluding promotions etc.) compares to the average cover price of 19.91 euros for a hardback edition and 11.95 euros for a paperback book.

Production and offer of e-books

Values in numbers of titles and in %

E-book titles published	48,763
E-books titles with paper edition	27,287
E-books in catalogue	458,321
% e-books of titles on sale in 2019	37.9%
% e-books of titles on sale in 2010	2.5%
Average cover price of an e-book	8.20 euros (+2.6%)
Average cover price of a book	19.93 euros (+2.3%)

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

Language areas for translations of trade adult and children's books: 2019

Values in %

% translations from other languages	12.5%
Translated from:	
English	58.5%
French	16.0%
German	8.6%
Spanish	4.2%
Slavic languages	1.5%
Other languages	11.2%

Source: Elaboration by Ufficio studi AIE of data from Istat

The proportion of published titles that are translations from other languages has declined significantly: 25% in 1995, 23% in 2000, 12.5% in 2015 and 13.5% in 2018. In 2019 the figure was 12.5%.

Languages of the traditional international publishing industries remain the majority (87.3%), although this was 91% in 2005. Translations from “other languages” were 6% in 2010 whereas today they are 11.2%, a sign of the interest of Italian publishers and their readers in the variety of literatures and cultures which they encounter.



Also in the 2020 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

Growth in sales of rights abroad

The lower dependence on foreign publishers is matched by growing sales of rights abroad (especially in fiction and children's books): since 2001 +376%, compared to +79% in rights purchases.

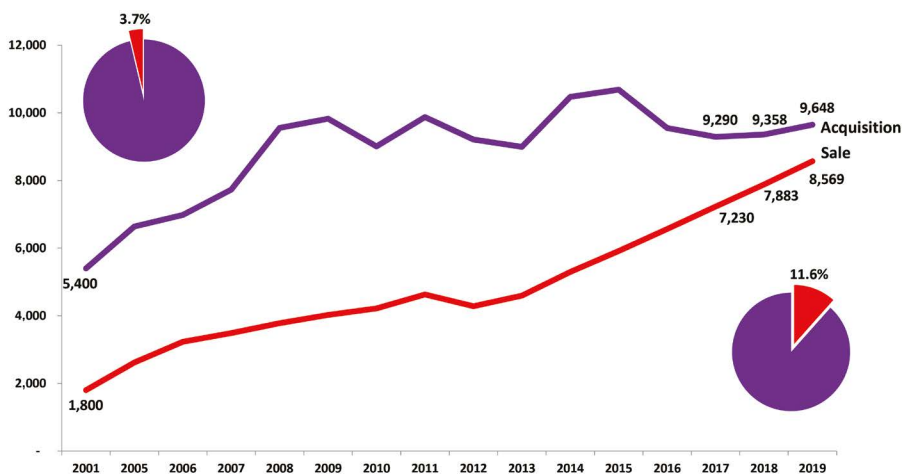
In 2001, 3.1% of titles published by Italian publishers were exported. In 2019, this figure was 11.6%.

Faced with a domestic market that coincides

with the "language market", Italian publishers are aiming at the enhancement of the "copy in Italy" image based on editorial "excellence" (illustrated works, fiction, photography, graphics etc.). A "copy in Italy" that in some sectors (children, fiction, illustration, lifestyle etc.) best expresses the variety and range of a high-quality offer.

Sale and acquisition of rights : 2001-2019

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 (estimates)

Book reading

In 2017 AIE started the “Osservatorio sulla lettura” to measure reading in a more articulated way by asking whether they have read (even partially) a novel, a manual, a guide or a book of a particular genre. In 2019 62% of the population (15-74 years old) answered in the affirmative. This value (excluding e-book and audiobook readers) does not significantly change Italy’s international ranking: ahead of us come Norway,

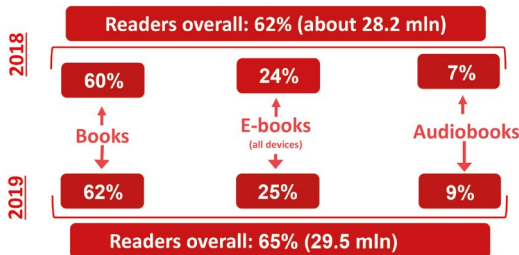
the UK, Canada, Belgium, France, Sweden, the USA, Austria, Finland, Germany and Spain (with values ranging from 90% to 62.2%). Incidentally, declaring that one is a reader does not necessarily mean spending a lot of time reading. The percentage of those who declare themselves to be readers in the younger age bands is among the highest (87%), but those who spend more than one hour per day to this activity are only the 5%.

Readers of books, e-books, audiobooks and reading time by age band: 2017-2019
 Values in % of those who declare they have read at least 1 hour on the previous day or on an average day of the week; population 15-74 years old

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

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

Reading books, e-books and audiobooks: 2018-2019
 Values in %; population 15-74 years old



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

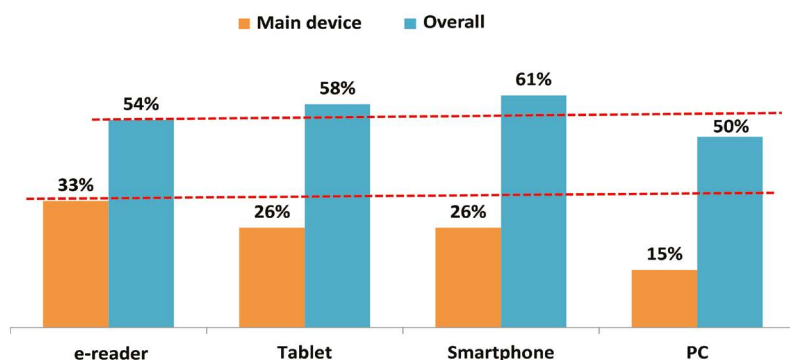
Reading: a mix of print and digital

Reading only e-books (or listening only to audiobooks) involves a small (5%) but growing proportion of readers. There has been a reduction in those who declare

themselves readers of both books and e-books (from 40% in 2017 to 36% in 2019). Those who claim to read only books have increased by two percentage points.

Devices used for e-book reading: 2019

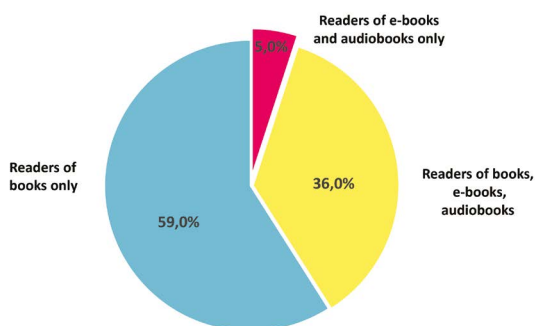
Values in % of the population 15-74 years



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 15-74 years



Also in 2020 Report:

- ▷ 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.)
- ▷ listening to audiobooks

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

The book market

The 2019 figure for the entire book market (new books for adults and children, paper and digital, general and educational) shows a turnover of 3.036 billion euros with +2.8% growth compared to 2018 (audio books are excluded from the value).

In particular, there was significant growth (+4.8%) in the trade channels for general books. For the first time since 2011, copies sold also grew: by +3.4%.

A total of 528 million euros (a conservative estimate) is lost from the sector each year as a result of illegal downloads, photocopies etc..

The educational sector - books for primary and secondary schools and universities - is worth just over 1 billion euros.

Digital content (e-books, services and publishing content via Internet) represents 12.5% of the total market.

Market trend in new and second-hand books : 2011-2019

Values in millions of euros and in %



Source: Elaboration by Ufficio Studi AIE



Also in the 2020 Report:

- ▷ trade channels by numbers of copies and value
- ▷ the market for children, education, Italian fiction, books on religion, poetry, food and wine, travel and other genres
- ▷ the sale of publishing rights
- ▷ the market shares of the main publishing groups in trade channels

The e-book market

The e-book market (excluding digital self-publishing sales) reached 71 million euros in 2019, an increase of +6.0%. The market share in trade channels was 5.0%. Values not far from those of other major European publishing industries (excluding the UK), which indicate a process of much less rapid growth than e-commerce for physical books.

In 2019 the digital market (e-books + web services for companies and professionals) reached 379 million euros, or 12% of the book market (excluding second-hand books). In 2010 it represented 6.5%.

The e-book market: 2011-2019

Values in millions of euros and in %

	2011	2017	2018	2019
E-book (cover price)	12.6	64.0	67.0	71.0
Δ%	+740%	+3.2	+4.7%	+6.0%
Trade channels (bookshops, online stores inc. Amazon, large retail and motorway services)	1,317	1,383	1,356	1,422
% e-book/market	1.0%	4.6%	4.9%	5.0%

Source: Elaboration by Ufficio studi AIE



Also in the 2020 Report:

- ▷ trend in production of e-books and titles on sale
- ▷ genres published and average prices
- ▷ reading and purchasing of e-books
- ▷ e-book readers and book readers
- ▷ future of new reading devices (smartphones, tablets)

Sales channels: e-commerce is growing

The comparative weighting of sales channels is changing significantly. The market share of bookshops has fallen from 79% in 2007 to 66% today. While remaining the main channel for the purchase of books, its position has been eroded by different forms of e-commerce. Online bookstores rose from 3.5% in 2007 to 26.7% today, easily overtaking large-scale retail (falling from

17.5% to 7.1%), the channel that has suffered most from changes in purchasing. In the 1980s and 1990s, large-scale retail intercepted a clientele of weak and occasional readers and led them towards the discovery of bookshops. Today it still continues to cover areas of the country without bookshops or the Internet and logistics infrastructure necessary for e-commerce to function properly.

Market share in trade channels: 2007-2019

Values in %



Source: Elaboration by Ufficio Studi AIE

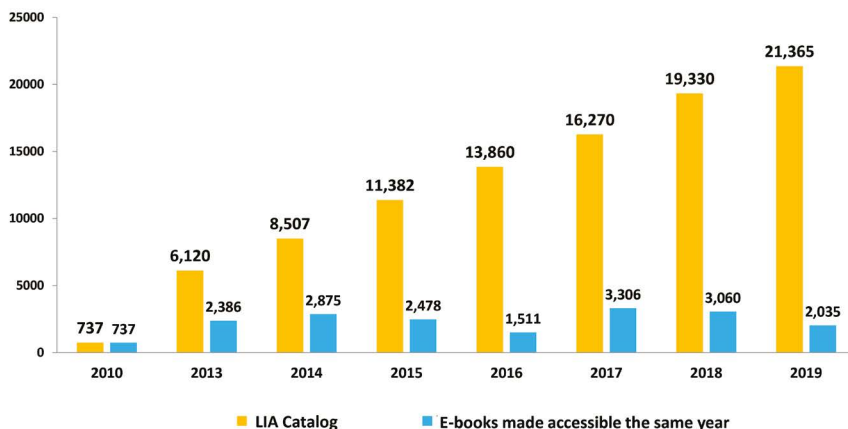
Accessibility as a new publishing model

In Italy, the production of natively accessible e-books produced by publishers is growing and there is also a rise in the number of companies in the publishing sector which are beginning to include accessibility as one of the strategic elements of their digital offering. The largest Italian publishing groups and an increasing number of independent publishers are participating members of

Fondazione LIA - Libri Italiani Accessibili, adhering to the protocols for verification, control and certification of accessibility of new digital products. Today, the catalogue of accessible digital books made available by the LIA Foundation contains over 20,000 e-books, fiction and non-fiction, constantly updated with new releases.

Development of the production of e-books in accessible format: 2010-2019

Values in numbers of titles



Source: Elaboration by Ufficio Studi AIE of data from IE-Informazioni Editoriali and Fondazione LIA

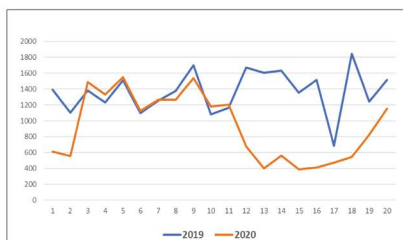
2020: "Phase 1"

Until the fifth week of 2020 the market was following the trends of the first months of 2019. The lockdown (imposed to counter the spread of Covid-19) led to a halt of new releases, which plummeted to minimum values between the second half of March and

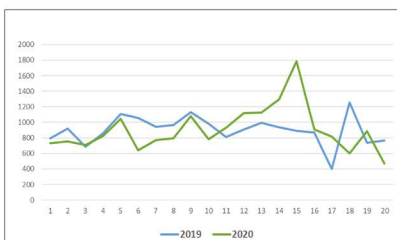
April. Overall we see a -66% drop compared to 2019. At the same time, we can observe a shift towards releases of e-books: +22.3%. By the 18th week, the loss of value in trade channels was -19.9% compared to the same period in 2019, and -19.2% in terms of copies sold.

Comparison of releases of new books and e-books in the first phase of the Covid-19 emergency: weeks 1-20 2020 (January-May)
Performance in real values

All physical books



All e-books



Production flow compared to the same period 2019 only in the closing weeks (12-18)

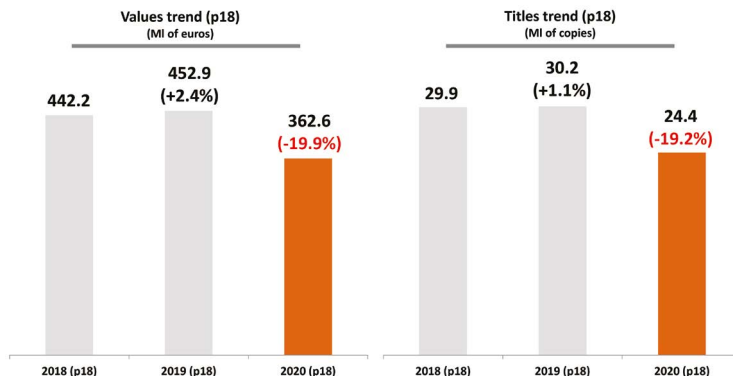
-66.3%

Production flow compared to the same period 2019 only in the closing weeks (12-18)

+22.3%

For paper titles, the data refer to new releases from Messaggerie Libri
Source: IE-Informazioni Editoriali

Sales trend by copies and value in the first phase of the Covid-19 emergency in bookshops, online stores and large-scale retail: weeks 1-20 2020 (January-May)



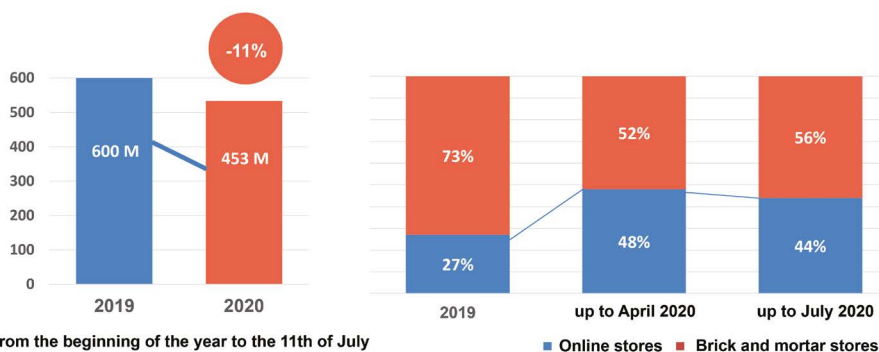
Source: Elaboration by Ufficio Studi AIE on Nielsen data

2020: "Phase 2"

With the reopening of bookshops and the restart of new releases, the market recovered part of its losses. By the 28th week (12 July) losses were halved and stood at -11% compared to 2019. Online sales have come down to 44% following the Jan-Apr period that averaged at 48%, with peaks of 70%

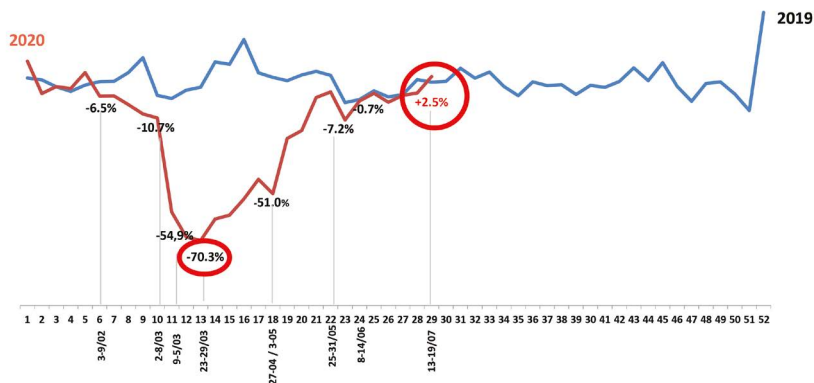
in some weeks. This is a gain of 17% in just under six months. What happened in the "Phase 2" of the pandemic is shown in the final chart. Losses from the 6th to the 24th week are clear. If we could consider Amazon's sales, the market would have returned positive from the 24th week.

Loss of turnover is halved from April to July 2020. Comparison of market trends in trade channels by value as of 11 July compared to the previous year
Performance in real values



From the beginning of the year to the 11th of July
For paper titles, the data refer to new releases from Messaggerie Libri
Source: IE-Informazioni Editoriali

Weekly sales trends in physical and online bookshops participating in Arianna+: comparison between 2019-2020
Values in real sales data and in %



Data gathered by Arianna+, an integrated system of communication and tele-ordering services aimed at all operators in the book world. Data refer to real sales (without Amazon and the Giunti chain), not expanded, equal to about 50% of the market. Source: iBuk - IE-Informazioni Editoriali



MAGAZINE



WEBSITE



E-BOOK



Giornale della libreria



«FUORI CATALOGO»



SPECIAL NEWSLETTER



TUESDAY NEWSLETTER

MAGAZINE

Paper and digital, published on the occasion of the most important events

5,000 copies circulated every year (4 numbers in 2019)

WEBSITE

- To find out the news of the publishing sector every day

315 articles published in 2019
10,800 users reached per month

E-BOOK

- Thematic insights on publishing hot spots

TUESDAY NEWSLETTER

- The most important news of the week

45 newsletters created in 2019
97,370 e-mails sent

SPECIAL NEWSLETTER

- Specifically designed for book fairs and events

9 thematic issues realized on the occasion of Più libri più liberi 2019
67,889 e-mails sent

«FUORI CATALOGO»

- The most important service for bookshops

1,460 registered bookshops

THE ITALIAN PUBLISHING NETWORK

This digest features a selection of numbers regarding the publishing market in 2019 and first half of 2020. The figures and a detailed analysis of the facts that characterized the period are published in the *Rapporto sullo stato dell'editoria in Italia 2020* available in digital version in the main online stores.

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