Report on publishing in Italy: Highlights

2018

Associazione Italiana Editori

Giornale della libreria

Contents

This Summary features a selection of numbers regarding the publishing market in 2017. The figures and a detailed analysis of the facts that characterized last year are published in the Report on the state of publishing 2017 available in digital version in the main online stores.

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Special thanks to Nielsen, Istat, IE Informazioni editoriali for data and info supplied

Layout: Ediser srl (Milano)

Cover design: zampediverse (www.zampediverse.it)

Printing LogoPress srl, Borgoricco (PD)

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Market is growing again

Not only for the third consecutive year has Italian publishing remained positive, but between 2016 and 2017 growth was much more robust and solid. The trade channels (including e-books and including an estimate of Amazon's physical e-commerce for the second consecutive year) grew by +8.1%. And the total value of the sector as a whole rises to 3,103.6 billion euros (+4.5% from 2016).

Even net of Amazon, growth was significant both in value terms (+2.5%) and in terms of copies (+1.2%). This increase in copies is a particularly important result given that 2017 is the first year since 2010 that this has happened.

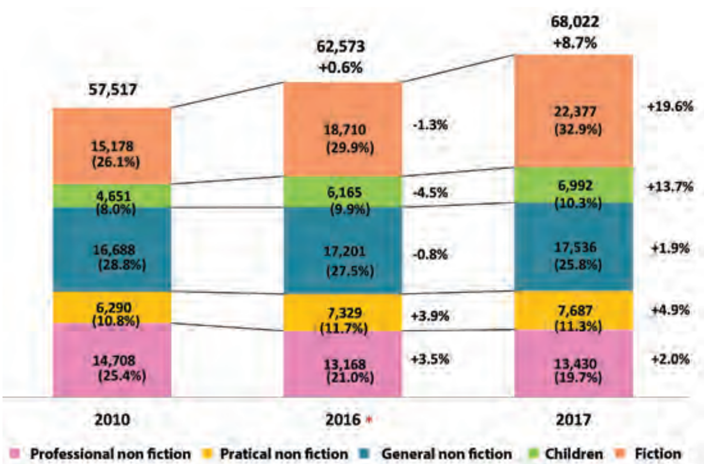
Growth is significant but should still be observed with caution, also because the structural problem of our market remains unresolved whatever definition may be applied to the terms "reading" and "reader". Among the major publishing industries we are the one with the smallest potential market (readers of books), which is not growing significantly. And we do not have important Italian language markets outside the national borders. So the search for outlets for the sale of publishing rights to foreign publishers has been growing over time: +10.1% in 2017.

What is certain is that while we can finally talk about recovery – in line with general economic growth, GDP and manufacturing industry – the competitive background, both domestic and international, is radically different from that of 2010: competition over time resources resulting from new devices, apps, TV series; new literary mixes and genres, with numbers of titles and print runs equally varied; commercial spaces and sales activities profoundly reimagined as places for meeting and services as well as sales; marketing and customer communication aimed at a more fluid audience belonging simultaneously to various areas of subjective experience; a transcendence of traditional forms of exchange going beyond simple economics to encompass increasingly more inter-relational, experiential and symbolic dimensions. On the other hand, the data that the sales network is beginning to offer will increasingly push towards a redefinition of traditional marketing levers from a "mass one-to-one" perspective.

Book production

In 2017, Italian publishing houses produced 68,022 new print titles (new titles and new editions of trade adults' and children's books, excluding educational titles and e-books) with a value +8.7% up from 2016. Among trade books almost all genres are growing. Fiction (Italian and foreign, +19.6%), children's books (+13.7%), general non-fiction (+1.9%) and practical works (+4.9%). Looking at a longer time frame, over the last seven years, structural changes in the supply emerge: the growth of children's books (+50.3%), fiction (+47.4%) and practical non-fiction (manuals +22.2%). 103.6 million copies were printed and distributed; still down (-17.0%) on the previous year.
New books accounted for 64.2% of titles and 64.9% of copies. Average cover prices, which fell steadily between 2010 and 2015 (-15%), had shown slight growth in 2016 from 18.41 euros to 18.93 (+2.8%) and a slight decrease in 2016 to 18.77 euros (-0.8%). The average price remains almost 3 euros lower than six years ago (-13.1%).

Composition and trend in production of trade books: 2010-2017
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 2018 Report:
- production of books by sector (fiction, children, specialist non fiction etc.) and sub-sectors
- trend in average price at production
- paperbacks, massmarket editions, self publishing

Production of e-books and translations

62,220 e-book titles were published in 2017 (74,020 in 2016, 56,145 in 2015, 44,733 in 2014, 30,382 in 2013). E-books (in various “manifestations”) now account for 8% of the titles on sale, whereas in 2010 they were less than 2%.
The average “cover” price of an e-book is 5.78 euros (+4.9%). The 5.78 euros price of an e-book (excluding promotions, etc.) can be compared to an average cover price of 18.77 euros for a hard-cover edition and 10.86 euros for a paperback.

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

E-book titles published	62,220
E-books published in all manifestations	66,459
E-books in catalogue	370,128
% e-books of titles on sale in 2016 (the percentage includes self published titles)	33.9%
% e-books of titles on sale in 2010	1.7%
Average cover price of an e-book	5.78 € (+4.9%)
Average cover price of a book	18.77 € (-0.8%)

Language areas for translations of trade adult and children’s books: 2017
Values in %

% translations from other languages	16.5%
Translated from:	
English	61.1%
French	14.4%
German	8.6%
Spanish	3.4%
Slav languages	1.0%
Other languages	9.9%

Source: Elaboration by Ufficio studi Aie of data from Istat

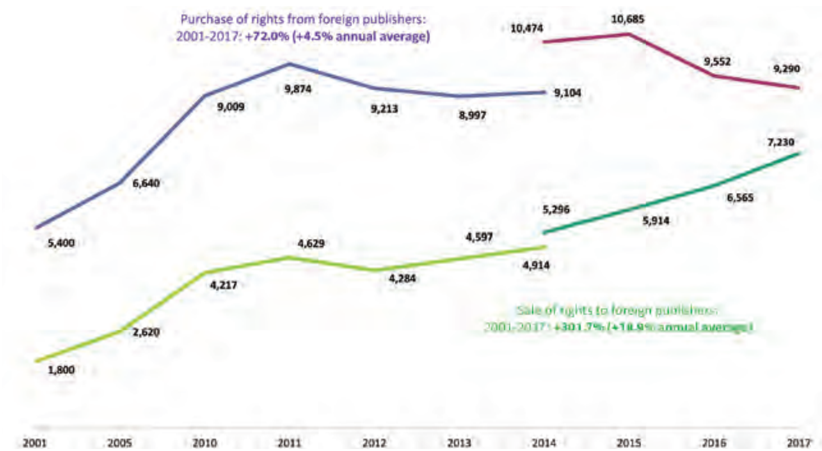
There has been a significant drop in titles published which are translations from other languages: from 25% in 1995 to 23% in 2000, 17% in 2015 and in 2016 a further drop to 12%, rising again to 16.5% in 2017.
The languages of the historically important publishing industries remain the majority (89%), although down from 91% in 2005. Translations from “other languages” were 6% in 2010 and are now 10%, a sign of the interest of Italian publishing, and its readers, in contrasting forms of literature and culture.

Also in 2018 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
- sales of rights abroad by Italian authors

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): +301.7% (since 2001) as compared to +72% in acquisitions of rights.
In 2001 3.7% of titles published by Italian publishing houses found an export market. By 2016 this figure had risen to 10.1%
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 : 2001-2017*
Values in numbers of titles and in %



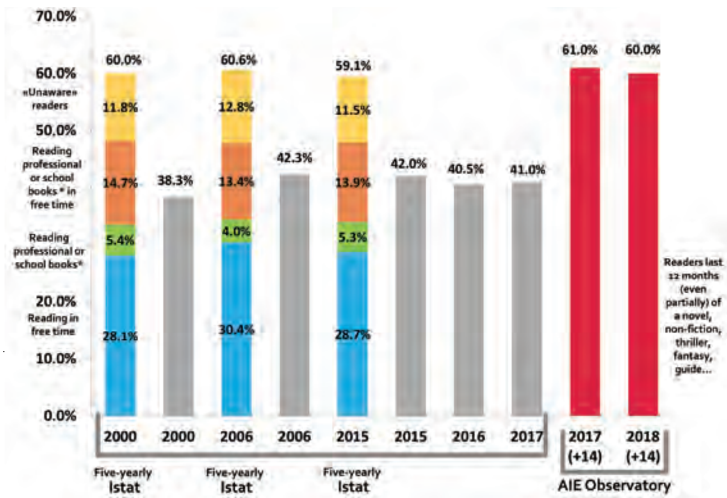
*From 2001 to 2007 surveys carried out by Doxa for ICE and Aie; 2007-2014 Aie surveys only of numbers of titles; 2014-2017 Aie-Ediser survey for ICE -Italian Trade Agency. For 2014 values of the two surveys have been maintained. Source: Elaboration by Ufficio studi Aie

Also in the 2018 Report:
- imports-exports of rights for Italian authors
- trends in publishing geopolitics and genres
- co-editions
- valorisation of exports (estimate)

Book reading

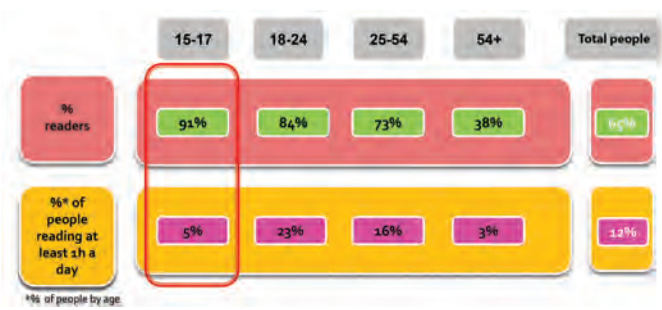
In 2017, Aie launched an Observatory that aims to measure reading in a more articulated way, asking interviewees a question that explicitly enquires if they have read (even partially) a novel, a manual, a guide or a book of a particular genre. 61% in 2017 and 60% in 2018 of the population (14-74 years) replied in the affirmative. This figure does not change significantly Italy's international ranking: in front of us come Norway, France, UK, Canada, Belgium, France, Sweden, USA, Austria, Finland, Germany and Spain (values ranging from 91% to 66%). Stating that you are a reader does not necessarily imply spending much time reading. The percentage of those who declare themselves to be readers in younger age bands is among the highest (91%), spending more than one hour a day.

Reading of books, e-books and audiobooks: 2000-2018
Values in %



Source: elaboration of data from Istat and Osservatorio dei consumi editoriali e culturali (Aie, Pepe Research)

Mix of forms of reading books and e-books
Values in % of the population 14+



Source: Osservatorio dei consumi editoriali e culturali (Aie, Pepe Research)

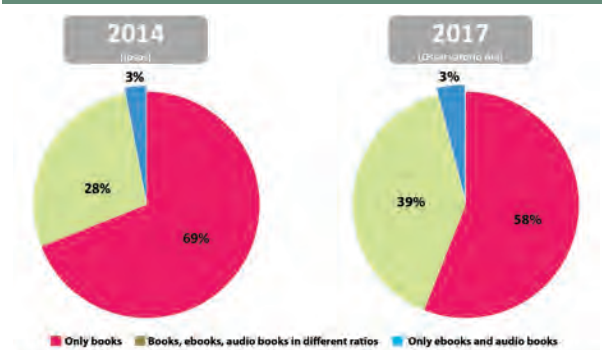
Reading: a mix of print and digital

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 65.4% of Italians (14-75 years old), about 29.8 million people. Only a small proportion of readers (3%) read e-books exclusively, whereas the number of people who state that they read both books and e-books is growing.

Reading of books, e-books and audiobooks: 2018
Values in % of the population (14-75 years); multiple answers

Source: Osservatorio dei consumi editoriali e culturali (Aie, Pepe Research)

Mix of forms of reading books and e-books
Values in % of the population 14+



Source: Osservatorio dei consumi editoriali e culturali (Aie, Pepe Research)

Also in 2018 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: 2017	
Digital audience per month (from any device; 2+)	33.3 Ml
Digital audience (from any device)	23.7 Ml
Digital audience on average day: men	43.2% (11.9 Ml)
Digital audience on average day: women	43.1% (11.8 Ml)
Average time dedicated (hr:min)	2h 09'
Men (hr:min)	1h 58'
Women (hr:min)	2h 20'
Reasons for Internet access (,000 of people over 3 / 14 years):[1]	
- read newspaper / magazine / news websites	73.9% (17,485)
- read, buy, download e-books (+14)	19.8% (4,687)
- watch TV programmes on the web	31.7% (7,483)
- watch films through streaming	35.3% (8,349)
- watch videos through streaming	46.1% (10,905)
Type of home connection (numbers of households): [2]	
- ADSL	70.5% (11.4 Ml)
- Mobile broadband, 3G, UB stick	43.7% (7.1 Ml)
- Traditional "dial up"	3.1% (0.6 Ml)

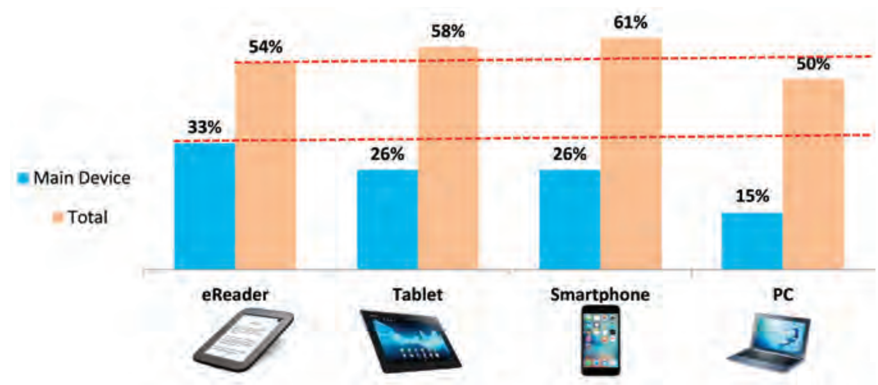
[1] Istat, Households and technologies, 2015 (last three months among those who have used Internet)
[2] Istat, Households and technologies, 2015; multiple answers
Value calculated only for those in employment
Source: Elaboration by Ufficio studi Aie of data from Istat, Audiweb, NetCom

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 November 2017 Internet access from any place and by any means had reached 61% of the Italian population (2+; Source: Audiweb, Nielsen). This involves about 33.3 million people, of whom 23.7 million on an average day (for 2 hours and 9 mins).

Mobile technologies for reading

In 2016 (figures for 2017 are not yet available) Italians bought 900,000 e-readers (down -9.4% from 2015), 2.4 million tablets (-7.6%) and, in particular, they spent 3.6 billion euros on smartphones, more and more often with screen sizes from 5” to 7” 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 2016 amounted to 91 million euros, a fall in value of -5%, due to a slight drop in prices and also a shift by consumers towards multifunctional devices including facilities for reading.

Devices used for e-book reading: 2017
Values in % of population 14+



Source: Aie Osservatorio dei consumi editoriali e culturali (Pepe Research)

E-readers and tablets bought, expenditure and stock in use: 2016

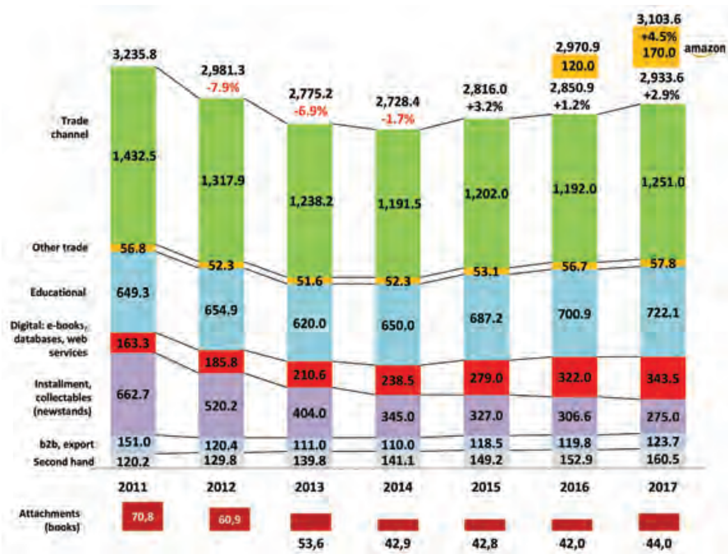
E-readers bought	925,000 (-9.4%)
Expenditure on e-readers (millions of €)	91.0 (-5.2%)
Tablets bought	2,449,000 (-7.6%)
Expenditure on tablets (millions of €)	783.9 (+0.5%)
Total stock in use (estimate):	
E-readers	4,405,000
Tablets	13,283,000

Source: Elaboration by Ufficio Studi Aie

The market: the turnover growth

In 2017 the publishing industry achieved a turnover of 2.773 billion euros (excluding second-hand and non-book products), confirming and consolidating, with +2.8%, the growth of 2016 (+1.2%, as compared to +0.2% in 2015, -1.9% in 2014, -6.9% in 2013 and -7.9% of the preceding year).
Including second-hand, non book products and Amazon sales (estimated in 170 million euros), the total value of the sector rises to 3,103.6 billion euros (+4.5% from 2016).

Market trend for new and second-hand books (without Amazon): 2011-2017
Values in millions of € and in %



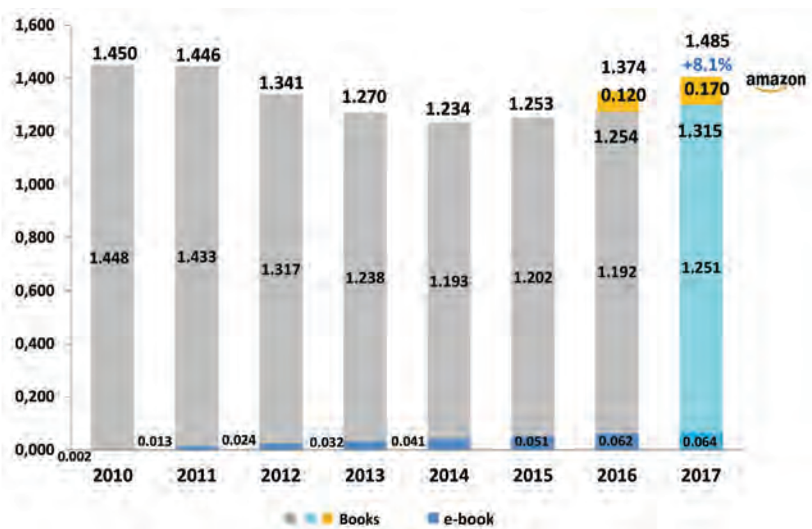
Source: Elaboration by Ufficio Studi Aie

Also in the 2018 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

Trade channels and e-commerce sales

The 2017 figure for trade channels alone amounts to 1.351 billion euros at cover price. Including an estimate of e-commerce sales through Amazon (excluding e-books) the figure rises to 1.458 billion euros, an increase of +8.1% over 2016 (it is not possible to reconstruct the overall trend for the period without taking into account Amazon data).
Even net of Amazon, growth was significant both in terms of value (+2.5%) and copies (+1.2%).

Trend in new trade market (with Amazon): 2010-2017
Values in billions of euros and in %



Source: Elaboration by Ufficio Studi Aie

The market for e-books and digital publishing

The e-book market (excluding digital self-publishing sales) came to a relative standstill in 2017 with only modest growth of +3.2%. The market share (trade) is 5.1%. 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 2017 the digital market (e-books + web services to companies and professionals) was worth 343.5 million euros (+6.7%), 11% of the market. In 2010 it represented 6.5%.

The e-book market: 2012-2017
Values in millions of € and in %

	2012	2013	2014	2015	2016	2017
E-book	23.8	32.1	40.5	51.0	63.0	64.0
Δ%	+88.9%	+34.9%	+26.1%	+25.9%	+23.5%	+3.2%
Trade channels[1]	1,318.0	1,238.2	1,191.5	1,202.0	1,206.0	1,251.0
Δ%	-11.5%	-6.1%	-3.8%	+0.8%	+0.3%	3.7%
% e-book/trade	1.7%	2.6%	3.4%	4.2%	5.2%	5.1%

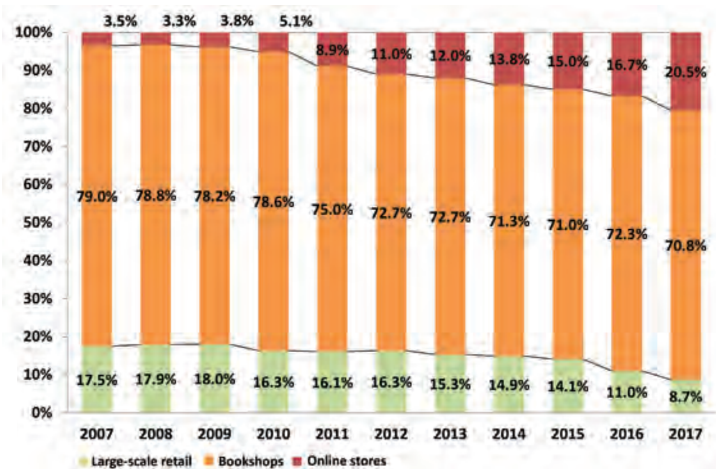
[1] Nielsen includes in this definition bookstores, mass distribution and online stores (excluding Amazon)
Source: Elaboration by Ufficio studi Aie

Also in the 2018 Report, data from previous years 2010-2017:
- active publishers, per number of titles in catalogue, publications per year etc.
- production per genre, geographical area, cover price, e-book, paperback
- titles on sale: books and e-books
- reading per age band, geographical area, number of books read, e-books, presence of books in the home
- the market and its main segments

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 70% 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 5.1% in 2010 to 21% today, far exceeding large-scale retail, 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, in addition to having a not insignificant market value of over 110 million euros, 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): 2007-2017
Values in %



Source: Elaboration by Ufficio studi Aie

Our instant e-books

ο Audio revolution. L'ascolto è la nuova frontiera della lettura?
A. Rotondo, AA. VV., Ediser, 2018

ξ Lettori magici e come formarli. Iniziative di promozione della lettura in giro per il mondo
AA. VV., Ediser, 2017

ν Lo specchio capovolto. Rapporto sull'editoria per ragazzi 2016
P. Baccalario - G. Peresson, Ediser, 2016

μ Il <DATO> è tratto. Guida all'uso dei metadati per l'editoria
A. Lionetti, Ediser, 2015

λ I social salveranno la libreria? 21 buone idee per i librai di oggi (e di domani)
E. Molinari, Ediser, 2015

κ Le isole dei pirati. Mappa ragionata della pirateria e dei suoi modelli di business
R. Esposito, Ediser, 2014

ι Le voci dell'arte. Rapporto sull'editoria d'arte 2014
AA. VV., Ediser, 2014

θ Stili di studio degli universitari italiani tra carta e digitale
M. Micheli, Ediser, 2014

η Le librerie dalle sette vite
G. Peresson, Ediser, 2014

ζ Romanzi disegnati. Rapporto sul graphic novel 2013
G. Peresson - E. Vergine, Ediser, 2013

ε Il ritratto dell'arte. Rapporto sull'editoria d'arte 2013
G. Peresson, Ediser, 2013

δ Prospettiva self publishing. Autori, piattaforme e lettori dell'editoria 2.0
G. Peresson - L. Biava - E. Molinari, Ediser, 2013

γ La costellazione dei buchi neri. Rapporto sulle biblioteche scolastiche in Italia
G. Peresson - D. Ferrando - E. Molinari, Ediser, 2013

β Leggere in futuro. Rapporto sull'editoria per ragazzi 2013
G. Peresson - L. Biava - E. Vergine, Ediser, 2013

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

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Prezzo: 5,99 €

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