



# Book Industry TRENDS 2008

Book Expo America 2008

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*Working to create a more informed, efficient and empowered book industry*

# Agenda

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- Introduction
- Methodology and Sources of Data
- Key Highlights and Findings
- Questions and Answers

# Introduction

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Michael Healy

Executive Director, *Book Industry Study Group, Inc.*

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# About BISG

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- The book industry's leading trade association for policy, standards and research
- Develops and maintains standards and best practices that support effective communications between all parts of the supply chain
- Conducts research and gathers data on issues affecting the whole book industry



# BISG's mission

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*Working to create a more  
informed, empowered, and efficient  
book industry.*

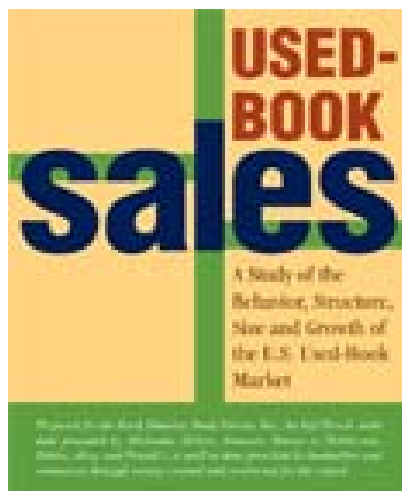
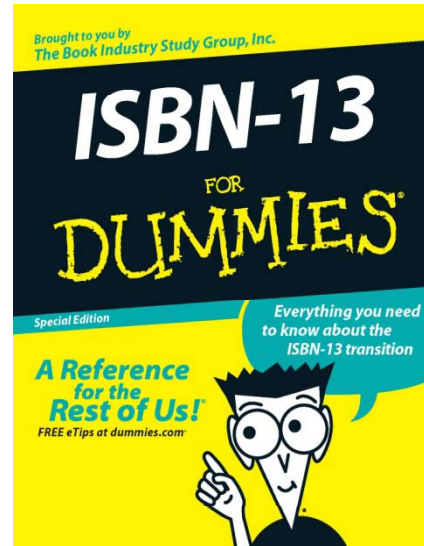
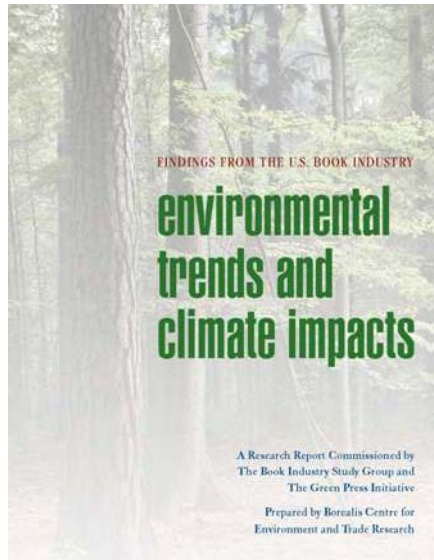


# How we accomplish our mission

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- Providing a meeting point for the book industry
  - Policy development
  - Best working practices
  - Consensus on industry issues
- Developing and maintaining standards
- Research on key issues affecting the industry

# Research and publications



# Book Industry TRENDS 2008

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- **The only complete view of today's book-publishing industry**
- More than 250 pages of tables, charts, and analysis
- An up-to-date report that covers the growing segment of small to mid-size publishers

# Methodology and sources of data

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Albert Greco: *Institute for Publishing Research*

Michael Healy: *Book Industry Study Group*

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# Tracking small publishers

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- Most book publishing data is on large publishers
- Significant publishing activity by smaller entities

*Self-publishers*

*Trade Associations*

*Small businesses*

*Corporations*

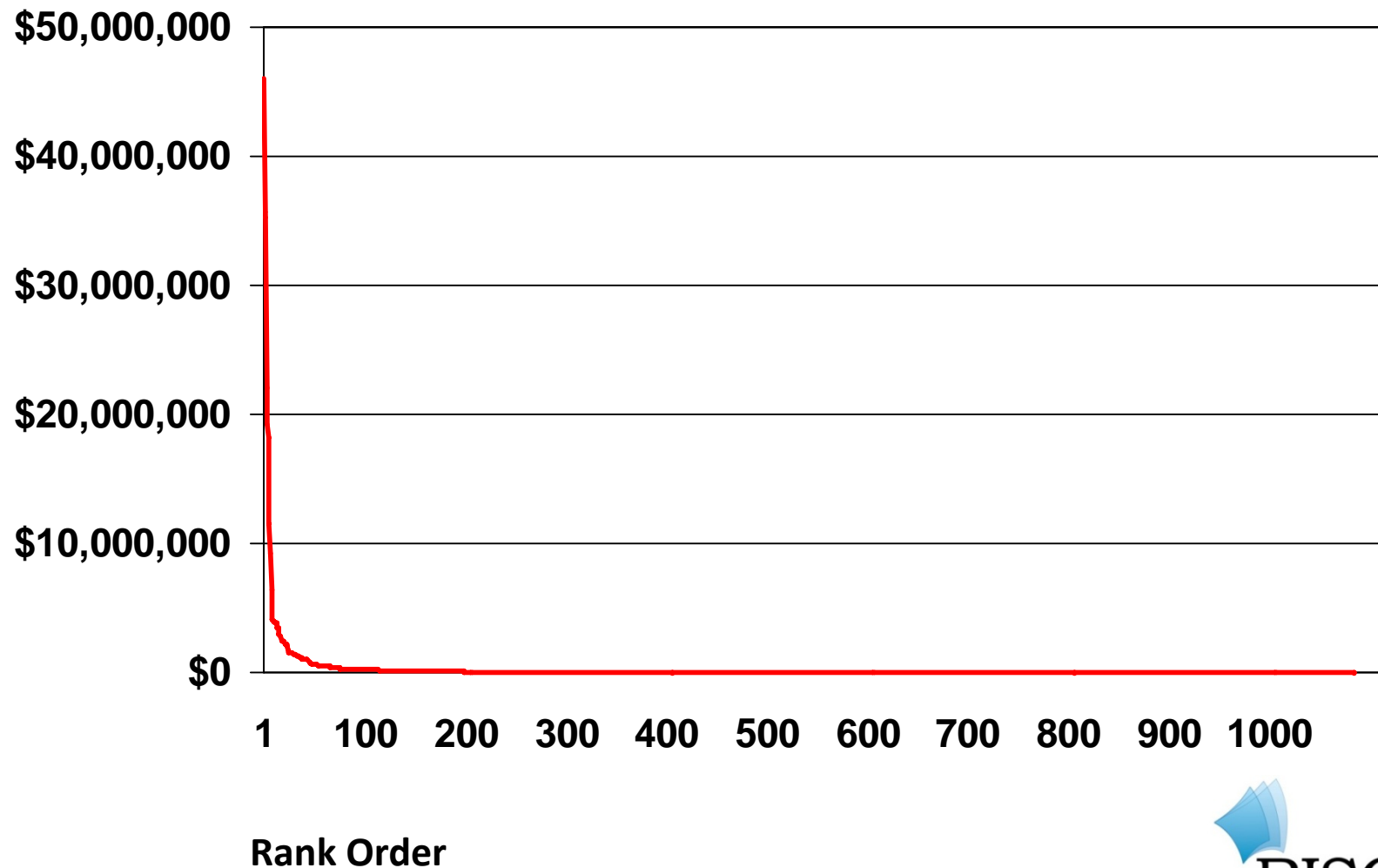
*Specialty publishers*

*Non-profit organizations*

- Need new primary research to quantify
- Concerns about generating reliable data

# The long tail of book publishers

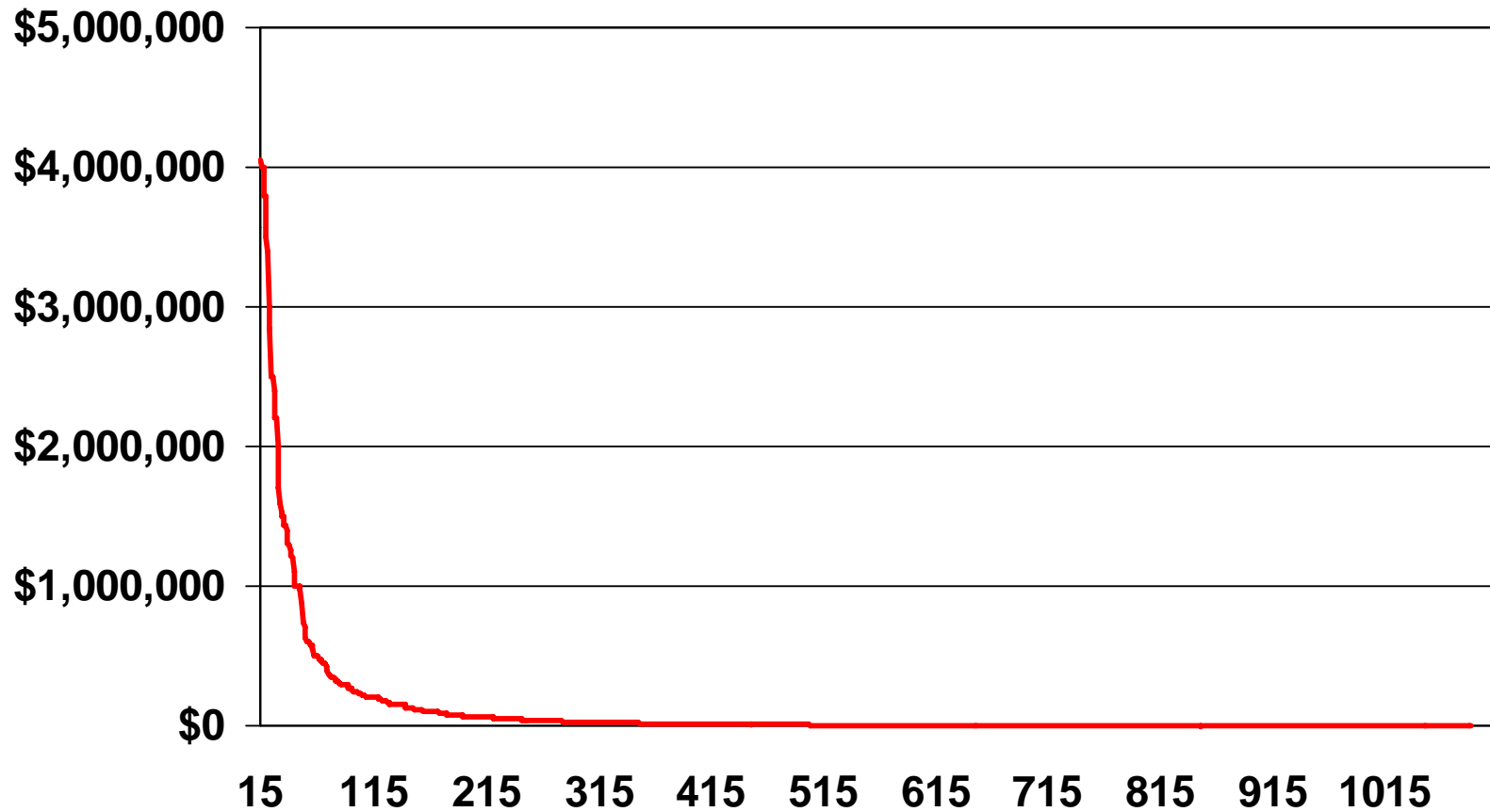
Annual book publishing revenue



# The long tail of book publishers

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Annual book publishing revenue

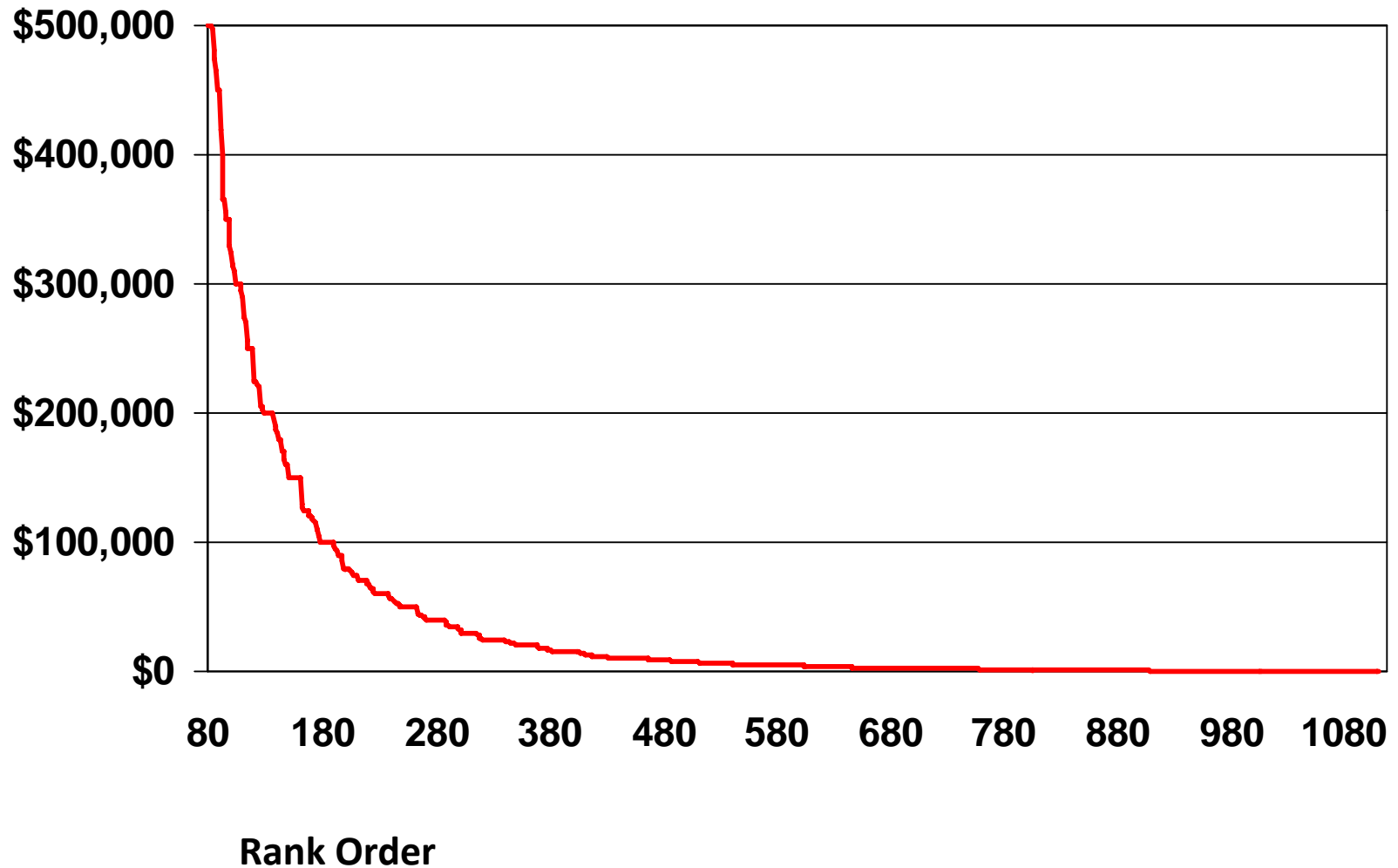


Rank Order

# The long tail of book publishers

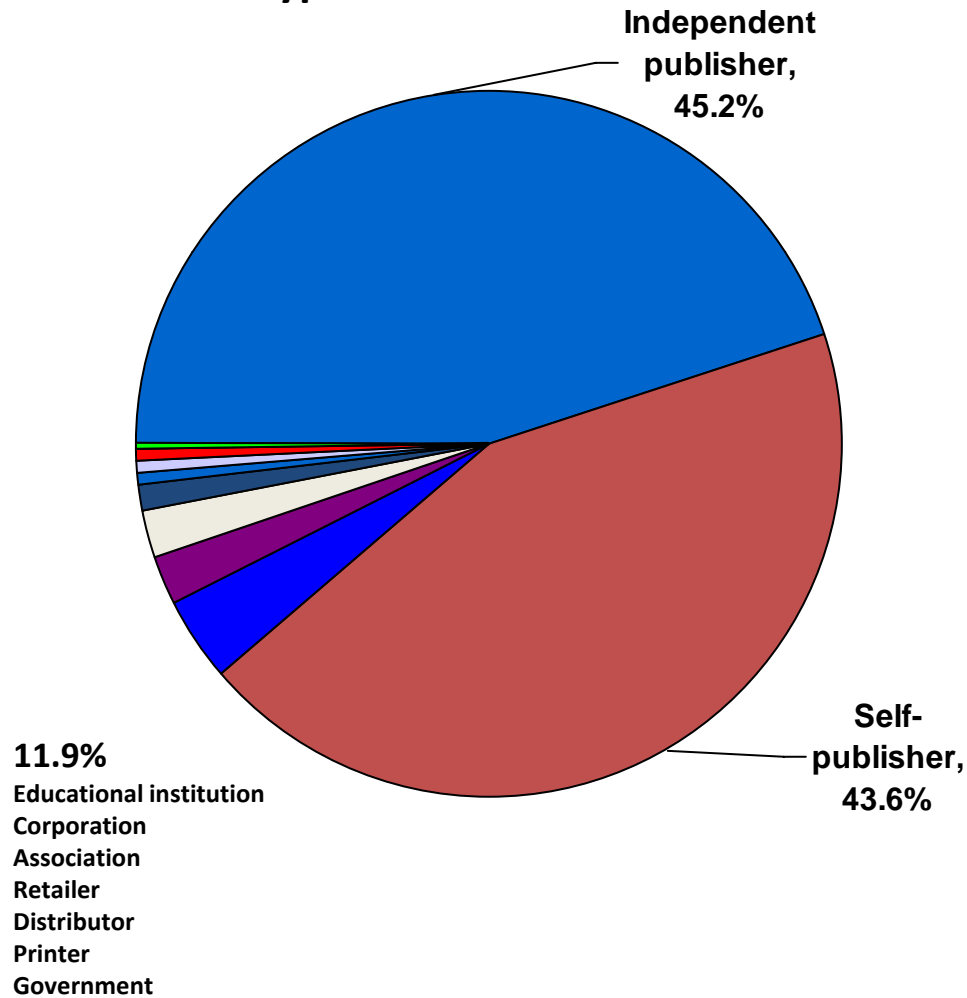
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Annual book publishing revenue

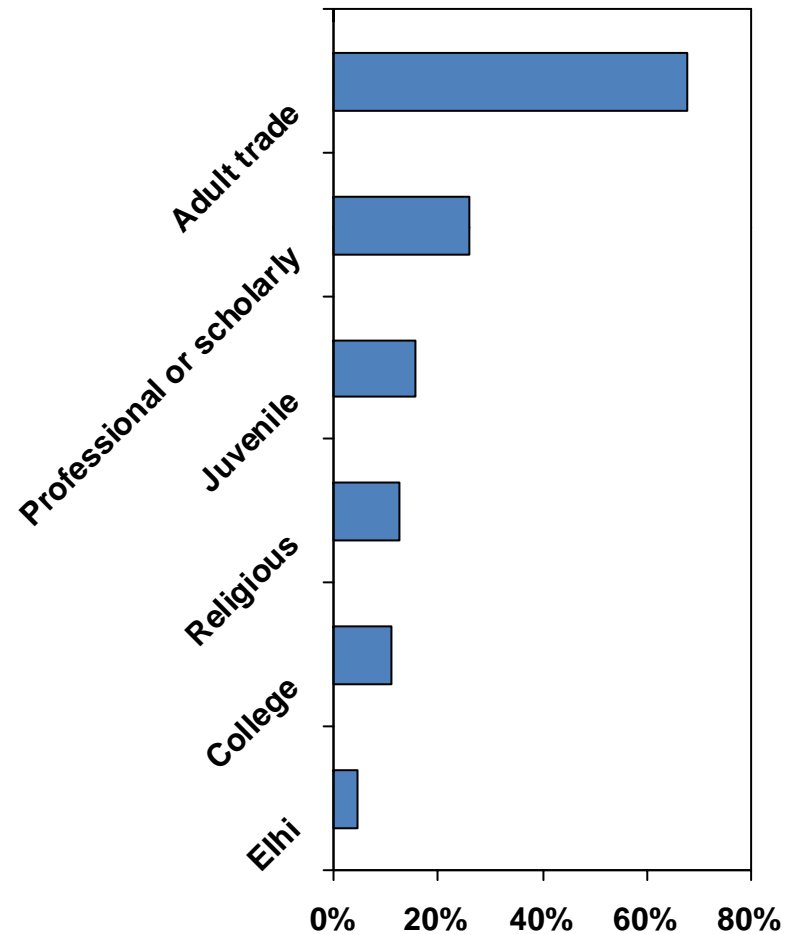


# Profile of small publishers (<\$50m)

## Type of Publisher



## Category of Books Published



# Key findings – small publishers

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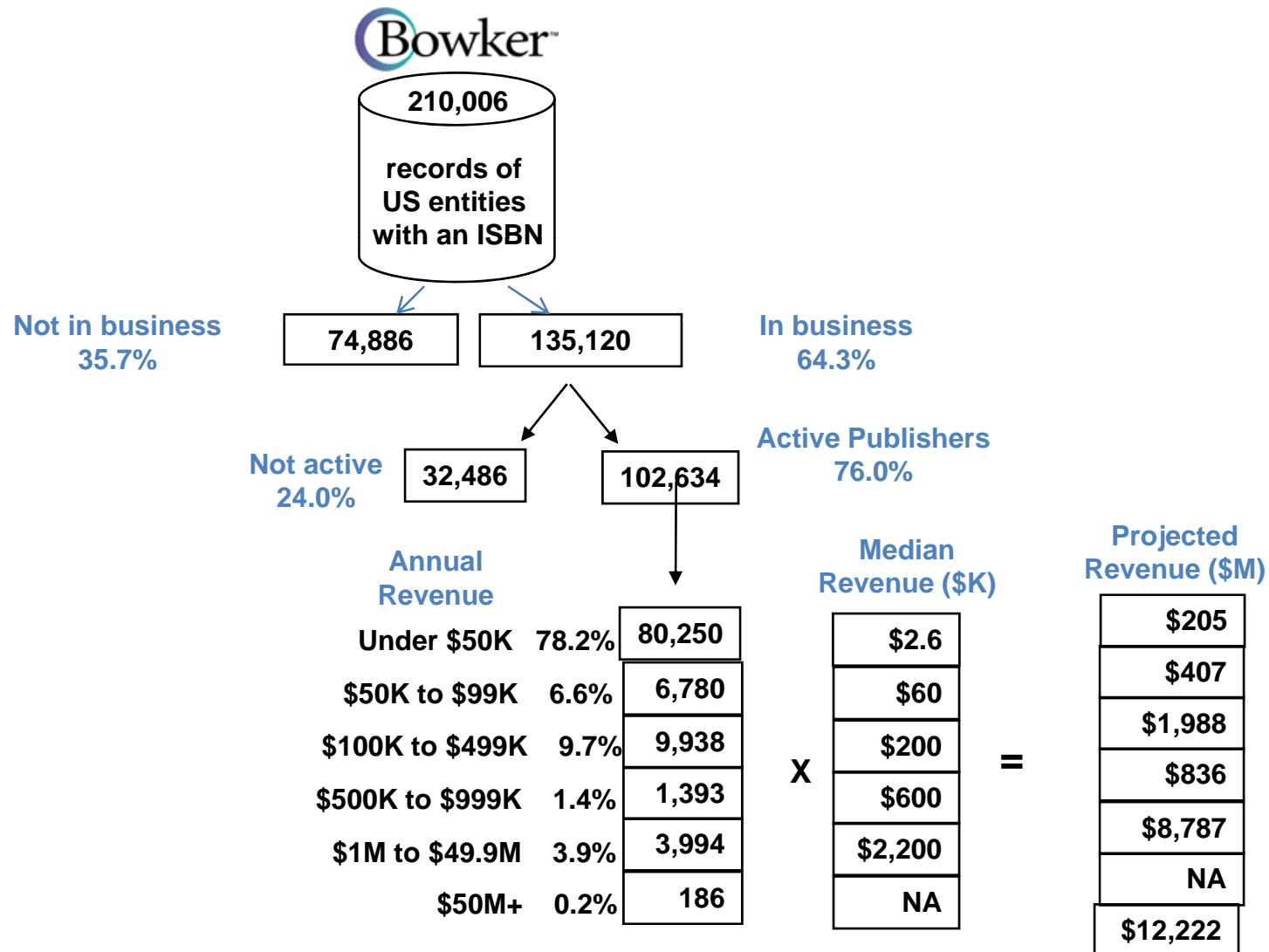
- Self-publishing is a key driver of publishers with less than \$50K in annual book sales
- Growing number of active small publishers (+16% in 2007 versus 2006) is offset by lower median revenue per publisher
- Trend toward earning revenue from non-book activities continues to grow (56% in 2007 vs. 53% in 2006)

# Key findings – small publishers

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- Use of Internet for marketing and/or sales is pervasive (89%) but stable
- The growth trend in portion of revenue derived from paperback sales continues (76.9% in 2007 vs. 73.7% in 2006)
- Getting retailers to carry books, and production costs remain the top concerns
- Used books, competition from other publishers, and returns continue to be of low concern

# Small publisher market projections



# Year-over-year comparisons

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	2006	2007	Change	% Change
<b>Bowker DB Publishers</b>	193,802	210,006	16,204	8.4%
<b>% in business</b>	68.4%	64.3%	-4.0%	-5.9%
<b>Publishers in business</b>	132,526	135,120	2,594	2.0%
<b>Generated revenue last year</b>	66.8%	76.0%	9.2%	13.7%
<b>Active publishers</b>	88,528	102,634	14,107	15.9%
<b>Small publishers (&lt;\$50M)</b>	88,295	102,355	14,060	15.9%
<b>Revenue from small publishers (\$M)</b>	\$12,474	\$12,222	-\$251	-2.0%

- Statistical variance is an issue
- Total number of publishers continues to increase
- Virtually all of this increase occurs in the under-\$50M/year small-publisher category

# Integrating small publisher projections

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- Analyzed survey data by key segments
  - Format
  - Category
  - Channel
  - Foreign vs. domestic
- Additional analysis to incorporate into *TRENDS 2008*
  - Eliminate double counting
  - Apportion to *TRENDS* segments

# Book Industry Trends

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Albert N. Greco

The Institute for Publishing Research, Inc.

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# Research Methodology

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U.S. Department of Commerce  
U.S. Department of Education  
The Congressional Budget Office  
International Trade Administration  
The Federal Reserve Bank

Quarterly Reports  
Conference Calls  
Wall Street Analysts' Reports  
*Subtext*  
*The Financial Times*  
*The Washington Post*  
*The New York Times*

Detailed Data Since 1982

ARIMA

Bureau of the Census  
U.S. Department of Labor  
Nat. Endow. For the Arts  
B.E.A.  
S.E.C. Reports

Annual Reports  
Interviews/Visits  
*Publishers Weekly*  
*The Wall Street Journal*  
*The L.A. Times*  
CNBC  
Bloomberg



# All Books (Excl. Standardized Tests)

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	2006	2007	2008	2009	2010	2011
Publishers Net Dollar Sales						
Millions USD \$	35,685.9	37,264.1	38,298.6	39,371.0	40,653.7	42,009.9
% Change		4.4	2.8	2.8	3.3	3.3
Publishers Net Units						
Millions	3,100.2	3,126.8	3,106.3	3,107.0	3,116.4	3,132.2
% Change		0.9	-0.7	0.0	0.3	0.5
Domestic Consumer Expenditures						
Millions USD \$	54,244.0	56,625.1	58,128.8	59,739.3	61,574.7	63,525.0
% Change		4.4	2.7	2.8	3.1	3.2

# Adult Trade Books (Total)

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For additional statistics from

*Book Industry TRENDS 2008*, please visit

<http://www.bisg.org/publications/trends2008.html>

to purchase a copy of the publication.



# Juvenile Trade Books (Total)

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# Mass Market Paperback Books

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to purchase a copy of the publication.



# Religious Books (Total)

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to purchase a copy of the publication.



# Professional Books (Total)

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# Elhi [Elementary & High School] (Total)

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# Standardized Tests (Total)

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# College Books (Total)

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<http://www.bisg.org/publications/trends2008.html>

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# University Press Books (Total)

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For additional statistics from

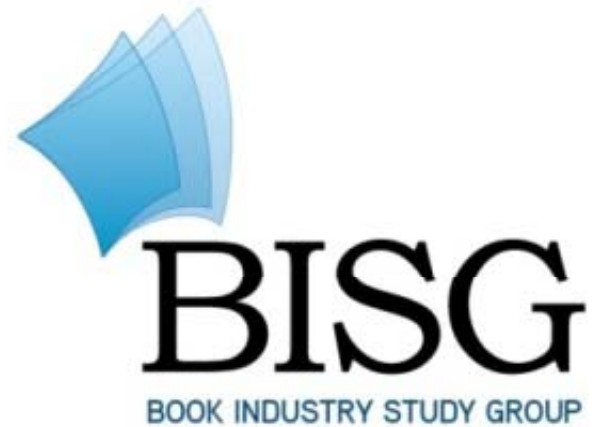
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# Questions?

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