



Ipsos-Insight

# 2002 Consumer Research Study on Book Purchasing

Prepared by Ipsos BookTrends<sup>SM</sup> for  
the Book Industry Study Group,  
the American Booksellers Association,  
Bowker, and VISTA International  
*April 2003*



**Look harder. Dig deeper. Think smarter.**

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# Agenda

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- Ipsos & BISG
- About the Study
- Key Highlights
- Summary





# Ipsos & BISG

## Background:

- For nearly ten years, BISG and Ipsos BookTrends<sup>SM</sup> have produced a series of reports that provide detailed information on the behavior of book buyers in the United States.
- Study Purpose
  - Provide BISG members an objective view at how and why consumers buy books
    - Allows for informed financial, editorial, marketing, and distribution decisions.

## About Ipsos BookTrends<sup>SM</sup>

- Service mark of Ipsos-Insight, Inc.
- Second largest survey-based research company in the world
- Fastest growing market research firm in the U.S.



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Ipsos BookTrends<sup>SM</sup>





# Study Background

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- **Methodology**
  - **Monthly Reporting: Diary**
  - **Sample Size: 16,000 households (U.S. Rep)**
    - 70-75% response rate
    - Eligible for gift incentive after 12 months
  - **Longitudinal Tracking: Same households over time**
    - Measures behavioral trends/changes among U.S. population



# 2002 Consumer Research Study on Book Purchasing

## Key Highlights



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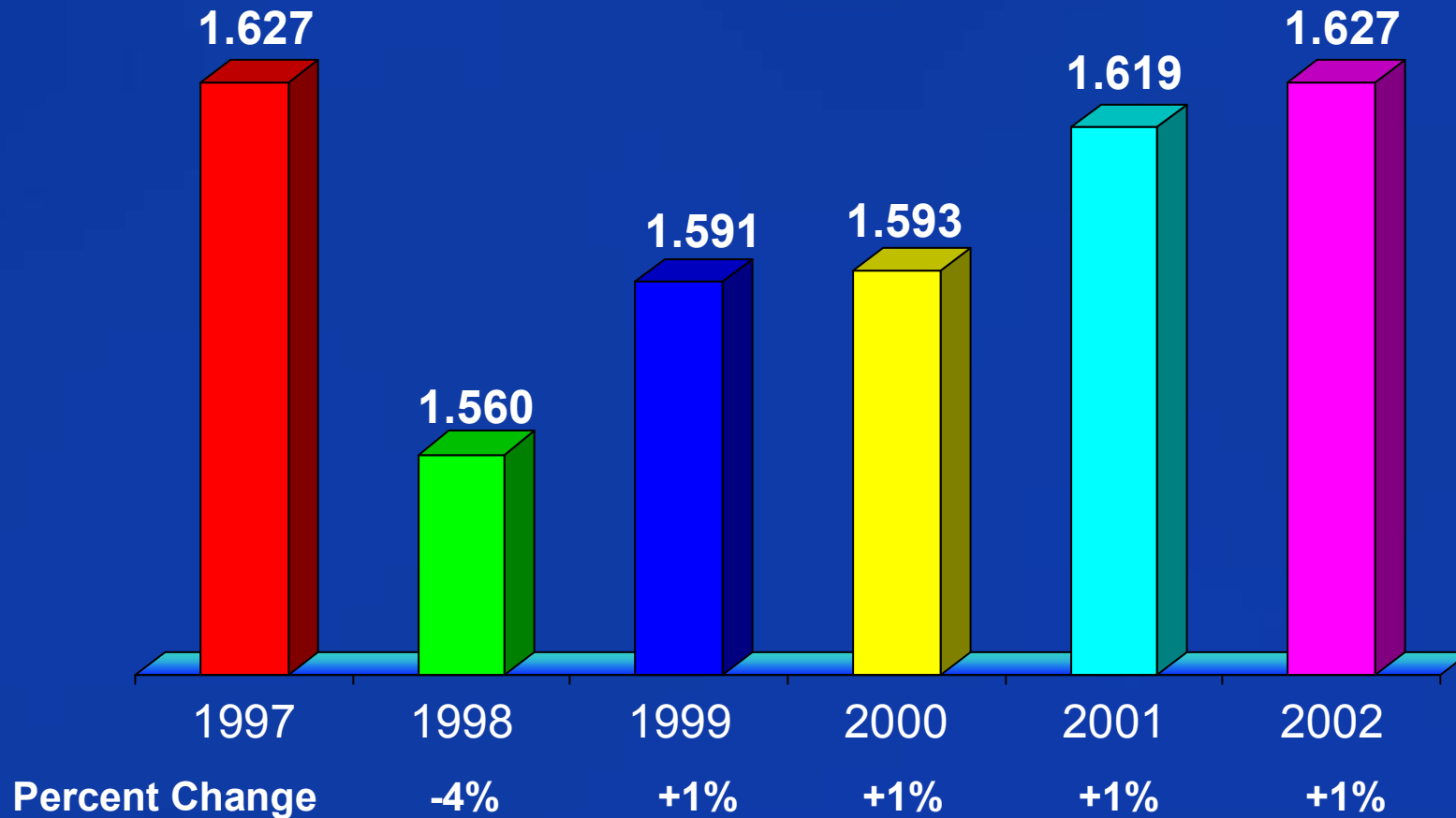
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Consumers purchased 1.63 billion print books in 2002 – up slightly (1%) from 2001.

Market Size: Billions of Print Books Purchased\*



\*Excludes audio books purchased for someone 14 years+ and all e-books. Children's books that come with an audio tape are included.





**Consumer expenditures for books has increased slowly but steadily since 1999, reaching nearly \$13 billion in 2002.**

**Market Size: Billions of Dollars Spent on Print Books\***

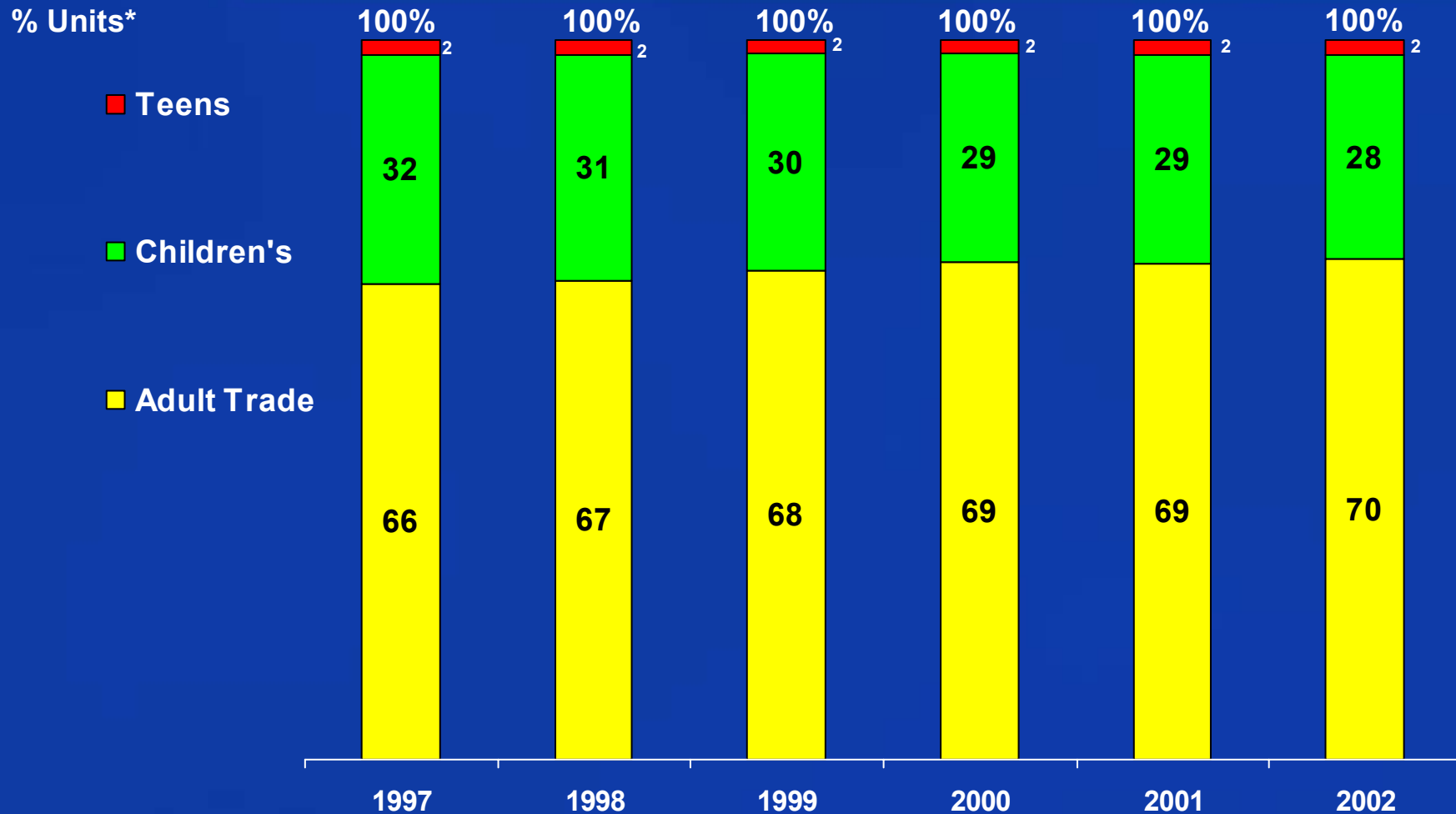


\*Excludes audio books purchased for someone 14 years+ and all e-books. Children's books that come with an audio tape are included.





Driven by population size, general trade books intended for someone 18+ years old continues to account for the largest proportion of industry volume. This trend has become more pronounced in the past five years as the percentage of adult books increased as the importance of children's books decreased.



\*Excludes audio books purchased for someone 14 years+ and all e-books. Children's books that come with an audio tape are included.





In the trade book market, reviews, advertising, price, endorsement, and display prompt a larger proportion of purchases than in the teen market. On the other hand, recommendations are key with books purchased for a teenager.

% Units\*  
2002

### Primary Reason for Purchase



\*Includes all records.

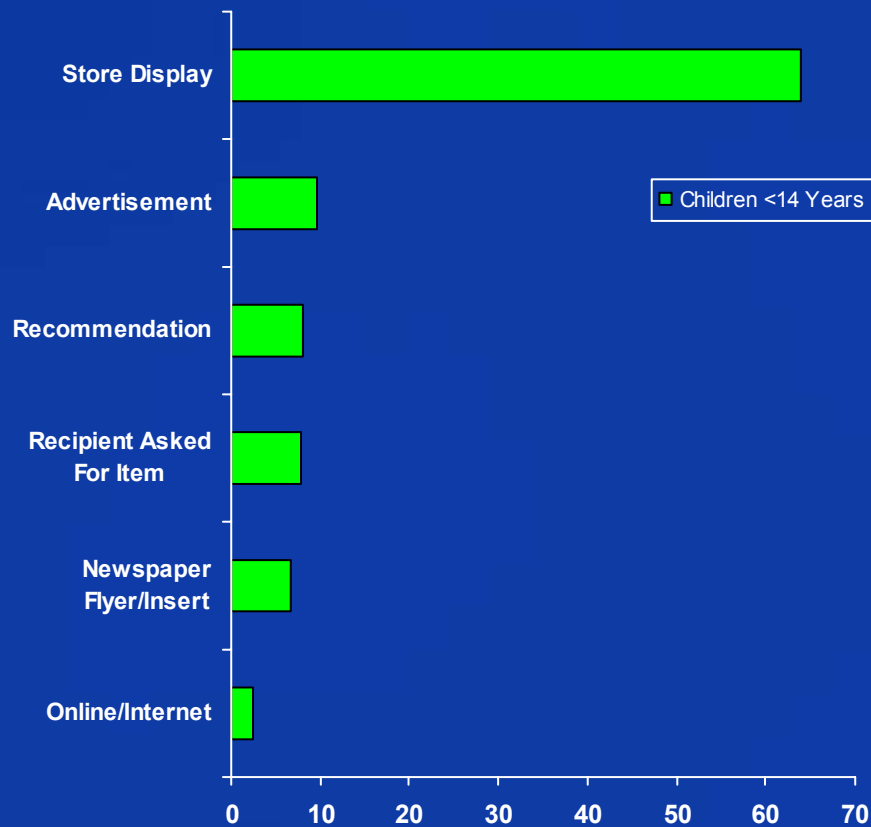




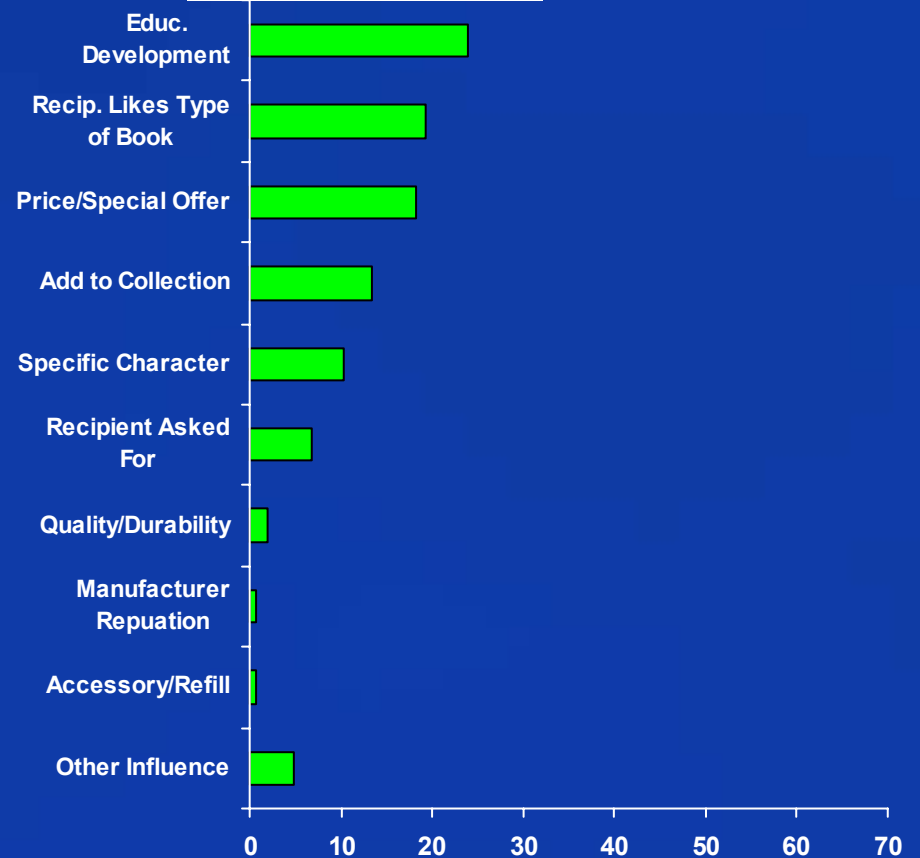
Store displays are the key driver of children's. At the same time, a book's educational value, the recipient's liking the "type" of book, and a book's price influence children's book buying.

% Units\*  
2002

### Purchaser Awareness



### Purchaser Influence

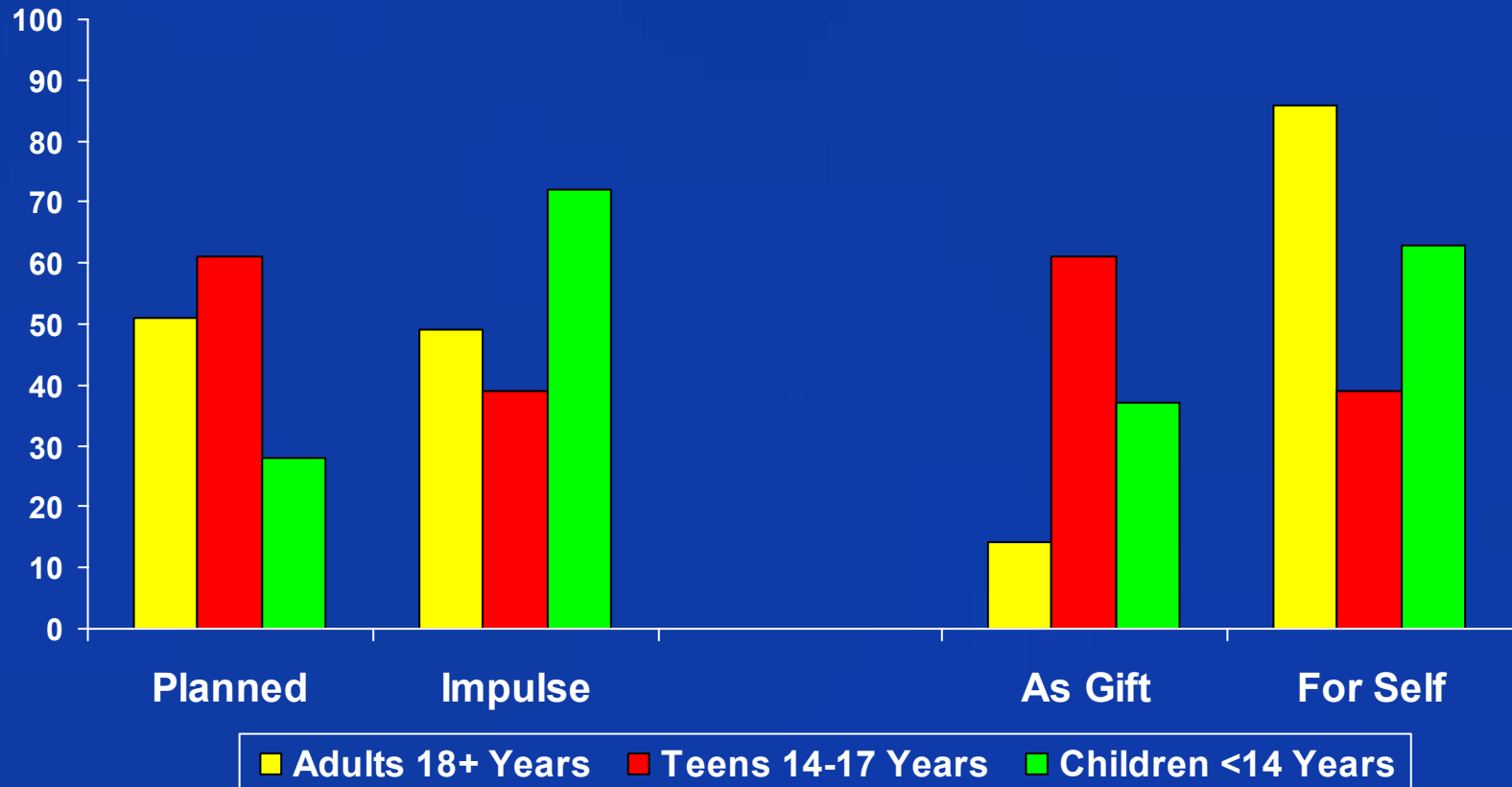




Book purchases intended for adults are as likely to be planned in advance as they are to be bought on the spur of the moment. However, the majority of teen books are planned purchases while children's books are largely bought on impulse. Separately, consumers are more likely to buy a teen or child a gift book than they are for someone 18+ years old.

% Units\*  
2002

### Importance of Consumer Motivation



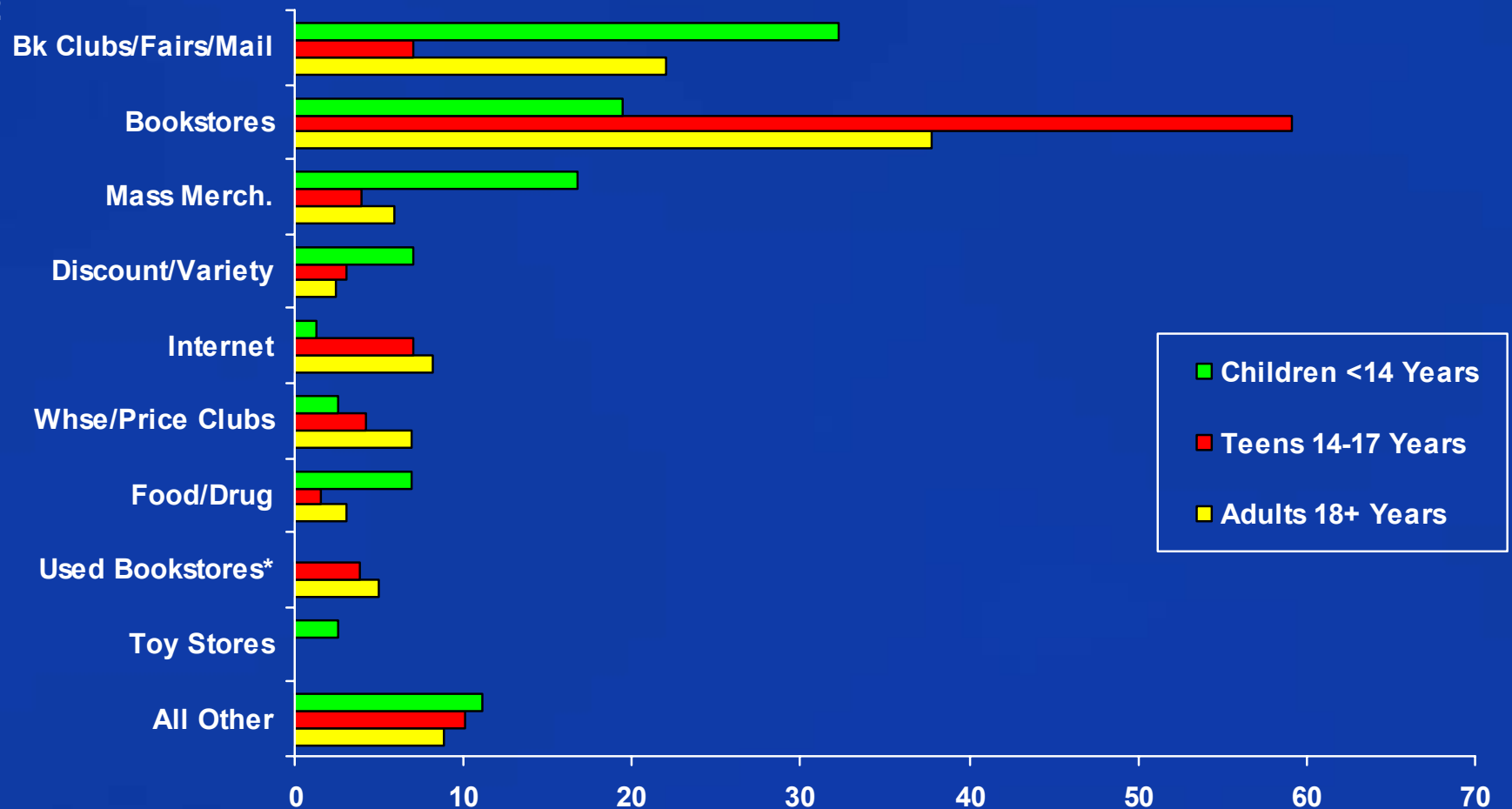
\*Includes all records.



Consumer store preferences vary by age segment. Books intended for both adults and teens we most likely to be purchased at a bookstore. Meanwhile, bookstores play a lesser role within the children's market as book clubs and fairs, and mass merchandisers capture a sizeable portion of kid's book volume.

% Units\*  
2002

### Where Purchased



\*Includes all records. \*\*Used book purchases are not tracked within the children's segment.





# Summary

- **Difficult business climate takes its toll**
  - Struggling economy
  - Fear of more terrorism
  - Threat of a 2003 war during the latter half of 2002
- **Slow growth pattern continues:**
  - Flat market for general trade books (adult market)
  - Demand down for teens though spending increased as customers were willing to spend more on each purchase
  - The number of books bought for children under 14 years reached the lowest level of the past six years. Consumer expenditures held at 2001 level due to a lift in per-book spending.



# Summary

- **Online is no longer front-page news.**
  - In 2002, between 7-8% all books purchased online (2% children's; 7% teens; 8% adult)
- **Current mantra: Saving \$\$\$**
  - **Used bookstores are in – gaining share position** (does not include used books bought elsewhere)
  - **Used bookstores fared well within teen market as well. Children's book buyers have flocked to dollar stores and mass merchandisers.**
- **Retail consolidation?**
  - **Market share for large chain corporations held or slipped in 2002 – flagship stores fared well, it was the subsidiaries that lagged the market trend.**
  - **ABA stores appear to be on the road to recovery as share position held for second year.**



# Summary

## Outlook 2003:

- Both publishers and retailers are affected by industry's struggles. Recent industry reports indicate that 2003 has not gotten off to a good start as well.
  - Will the economy stabilize so that consumer confidence will once again rise?
  - Will publishers and retailers provide products and services that their customers want and need – at prices that they are willing pay?

*Remember, the industry's slow down began well before the current economic downturn.*

For the rest of the story, be sure to get the:

***2002 Consumer Research Study on Book Purchasing***



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*For additional information:*

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