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Report on the state of publishing in Italy 2009

edited by AIE research dept

Summary

In terms of turnover and titles published it occupies seventh position in the world and fifth in Europe. Notwithstanding this, the statistics relating to the Italian publishing industry in 2008 are marked by the minus sign: turnover of 3.5 billion euros (-3%), about 59 thousand titles published (2 thousand fewer than last year) and 235 million copies (-12%). However, to provide an accurate picture of the sector, it is necessary to take into account two positive elements: in 2008 reading in Italy began to grow again (today 44% of Italians read at least one book per year) and, of fundamental importance, the effects of the slowdown in the global market proved to have less impact on the books sector compared to other forms of cultural consumption. The merit for this is attributable to those 14% of Italians who are strong purchasers of books, the hard core of the book market in Italy, who alone generate 41% of sales and who have in a certain sense "protected" the sector in a time of crisis.

3.5 billion euros turnover (-3%): children's sector doing well, slowdown in schoolbooks - For the first time in years there was a drop in turnover for books, down to about 3.56 billion euros, a fall of 3% with respect to 2007. However, there were good results for the sales of children's books (0-14 years) in trade channels, corresponding to 149.7 million euros (+9.1% on 2007) as against +1.1% for the general sector of miscellaneous adult books.

The schoolbook market registered a slowdown of 5.5% in sales. This contraction was probably due to growth in the second-hand market and alternative forms of purchase and it is destined to worsen in 2009 with the coming into effect of the reform from the Ministry of Education (a block on the adoption of textbooks for five years in primary schools and six years in secondary schools and an obligation from 2012 to adopt only books for which the text is available and downloadable from the Internet). The trade channels are holding up (bookshops, large scale retail distribution, online bookstores, newsagents) in the face of a generalised drop in cultural consumption, although there is contraction in purchases through other channels (instalment sales, postal sales, bookclubs).

Bookstore chains on the increase, the bookshop as sales channel is "holding up" - There are profound changes in the bookshop channel and perhaps this explains its basic "solidity" (-0.6%) in terms of sales. 2008 was characterised by experimentation in new formats for bookshops, to meet the demands of an increasingly "multi-channel" public, and by policies of networking and franchising from the large groups. The result has been a considerable increase in sales outlets for bookstore chains which, from 314 in 2007, have now tripled in number (at the expense of family-run shops) out of a total of 1,880 bookshops across the entire country.

Other sales channels: growth online (+26.8%) and at newsstands (+2.7%) - Online bookstores continue to grow, with +26.8% in sales (a higher percentage than any other trade channel), due in part to the entry on the market of new operators. The newsstand channel (referring here only to sales of books) shows a slight improvement (+2.7%) thanks to its redevelopment by certain large groups through the formula of franchising and thanks also to its assortment of books, not only consisting of paperbacks and supercheap editions (collateral sales are excluded from this percentage: in 2008 they experienced a further setback). On the other hand, large scale retailers (book sections of supermarkets and department stores), with a drop of -2.9%, felt the more general effects of the contraction of household expenditure in large scale retail outlets.

Reading starts growing again: readers of at least one book in 2008 were 24 million (+0.9% over 2007). But readers of one book per month are only 3.2 million - In 2008 readers of at least



A s s o c i a z i o n e I t a l i a n a E d i t o r i

one non-school book during the preceding twelve months rose to 44% (+0.9% over 2007) of the population of over 6 years of age. However the characteristics of readers have remained the same for years:

- About half (47.7%) read no more than three books per years;
- Only 13.2% read one book per month (about 3.2 million people)
- The child and adolescent age bands of the population contain stronger than average readers, evidence of how the large increase in rates of use of new technologies has not taken place at the expense of reading. 51.9% of children between 6-10 years, 63.6% of those between 11-14 years and 55.8% of 15-17 year olds claim to read at least one non-school book.

Production: over 59 thousand titles (62% of which new books), 235 million copies - In 2007 - the last year for which we have definitive data on production - 59,129 titles were published, including those destined for adoption in schools (4,930) and books for children and adolescents (4,146). 62% of these were new books (compared to 61.8% in 2006). For the first time since 2004 there was a fall in production between one year and the next, with over 2 thousand fewer titles; over half of this decrease can be attributed to a plunge in the production of new schoolbook titles (-1,272) and a corresponding drop in copies printed of -12%.

The production of reference works diminished (from 874 titles and 4.7 million copies in 2000 down to 629 titles and 2.1 million copies in 2007), probably as a direct effect of the growing availability of information and documents from the Internet. There was growth in books linked to current affairs (shadowy events, scandals, caste systems in Italy), recording +28.1% in titles and +3.8% in copies over seven years.

Average overall print run dropped from 4,910 copies per title in 2000 to 3,980 copies per title in 2007, a reduction of almost 20% in seven years.

Translations and sales of rights abroad: increase in sales of Italian titles, decrease in translations. Exports grow by 0.9% - Until 2002 one title in four published in Italy was a translation from a foreign language (among children's books the proportion was 48%). In recent years this percentage has been declining, standing at 19% in 2007. This is a positive sign which shows greater autonomy in Italian publishing and the basis of an increase in the sale of rights for Italian books abroad. The number of titles for which Italian publishers sell publication rights increased by 94% between 2001 and today, with 3,490 titles sold (of which 29% consist of children's books, 28% non-fiction and 17% illustrated publications). On the other hand, imports of titles between 2001 and today increased by 43%, with a total of 7,730 titles purchased (of which 30% consist of fiction). Exports are mainly to Europe (77% of the total) but the percentage has almost doubled in Asia since 2001, making up 11.5% of the total in 2007. Sales of rights to eastern Europe, the Balkans and Russia have also increased; in 2001 sales of rights in those areas made up 19% of the total whereas six years later this percentage reached 30.2%.

Exports of Italian books overall grew by 0.9% in 2007 to a value of 41 million euros.

Active publishers in Italy number 2,600; those employed 38 thousand - In 2008 the number of publishing houses recorded in Italy was 10,335 - including both active and non-active. However, publishers with an organized presence on the market and selling at least one title through trade channels amount to 2,600. Personnel employed are about 38 thousand: signs of crisis emerging in 2008 throw a shadow over the employment situation (especially regarding external collaborators, graphic designers and illustrators), given the competitive background in which investment in new technologies is increasingly necessary and processes of internationalisation towards foreign markets could become more difficult.

And the beginning of 2009? In the first six months -2.2% in value, -4.2% in volume - In the



A s s o c i a z i o n e I t a l i a n a E d i t o r i

first half of 2009 the book market too has begun to show the first signs of difficulty, not only in the sectors "at risk" in 2008 (schoolbooks, instalment sales, major reference works, collaterals) but also in the trade channels. What contributed towards a positive ending to the year 2008 was the fact that books still make excellent Christmas presents, as in other periods of crisis, as well as unexpected bestsellers produced by small and medium-size publishers and the prolonged life of some bestsellers from 2007.

In the first six months of 2009 we are seeing the first signs of contraction: looking only at the bookshop channel, the Italian book market between January and June achieved sales of 439.8 million euros, with about 31 million copies sold, showing a fall in the trade channels of 2.2% in value and 4.2% in volume compared to the same period of the previous year. The hardback market shows a greater decline both in value (-2.8%) and in volume (-2.4%) while paperbacks remain stable in value and show a slight decline in volume (-2.4%). It is not by chance that the larger groups have lost market share to small and medium-size publishers, which focus to a greater extent on a more sophisticated and "elite" demand.

Trend in publishing market at cover prices

Values in euros

	2005	2006	2007	2008	
Bookshop ¹	1,034,000,000	1,043,300,000	1,048,000,000	1,042,000,000	-0.6%
Large scale retail ²	226,800,000	246,100,000	258,400,000	251,000,000	-2.9%
Newsstand ³	20,500,000	16,500,000	18,500,000	19,000,000	2.7%
Other forms of retail sale	18,380,000	19,350,000	19,756,000	20,800,000	5.2%
Online bookstores and Internet sales ⁴	40,110,000	52,062,000	71,300,000	90,400,000	26.8%
A Total	1,339,790,000	1,377,312,000	1,415,956,000	1,423,200,000	1.1%
B Schoolbooks for adoption ⁵	696,000,000	705,510,000	716,280,000	676,820,000	-5.5%
C Books sold in museum bookshops and exhibitions	21,900,000	25,360,000	28,438,000	26,200,000	-7.7%
D (A+B+C) Total	2,057,690,000	2,108,182,000	2,165,601,000	2,126,220,000	-1.8%
Instalment sales	315,000,000	308,385,000	311,777,000	268,128,000	-14.0%
Postal sales	145,000,000	140,650,000	143,182,000	128,863,000	-10.0%
Bookclub sales	81,500,000	82,478,000	83,303,000	78,885,000	-5.3%
Sales to libraries (b2b)	65,500,000	54,300,000	50,230,000	48,000,000	-4.4%
Exports of Italian books abroad**	39,491,000	39,925,000	40,730,000	41,100,000	0.9%
E Total	646,491,000	625,738,000	629,222,000	564,976,000	-10.2%
Collectables, issues sold at newsstands	342,300,000	307,043,000	293,226,000	235,168,000	-19.8%
Electronic publishing (cd-rom, Dvd rom)	326,500,000		330,458,000	348,000,000	5.3%
Electronic publishing: databanks, Internet services	51,000,000	60,537,000	69,618,000	75,239,000	8.1%
Second hand books, at half price	76,500,000	78,150,000	79,790,000	84,577,000	6.0%
Non book	33,000,000	35,376,000	38,206,000	40,700,000	6.5%
Income and sales from special initiatives (b2b)	114,950,000	118,000,000	101,000,000	85,800,000	-15.0%
F Total	944,250,000	936,054,000	912,298,000	869,484,000	-2.8%
D+E+F Total	3,648,431,000	3,669,974,000	3,707,121,000	3,560,690,000	-3.0%
	0.4%	0.6%			
Collaterals: books attached to newspapers	537,500,000	489,000,000	453,300,000	260,600,000	
	11.9%	-9.0%	-7.3%	-42.5%	

¹ Excluding school books and textbooks for adoption

² Book sections in supermarkets and department stores

³ Excluding collectable publications and collaterals sold as attachments to newspapers and magazines

⁴ Sales by Italian online bookstores. Not including expenditure on books by Italian customers in foreign online bookstores

⁵ In bookshops and stationery-bookshops

Source: AIE research dept