Report on the state of publishing in Italy 2016
Solid growth in 2015 and a look at the first half of 2016

edited by AIE research department

Summary

The Italian book market makes an official return to growth after four years of crisis. This is what the numbers say, and not only turnover data. The sector turns its back on the longest period of decline – of sales and readers – that the industry has experienced in the postwar period. The trend today is definitely positive, reaffirmed by the figures both for 2015 and the first half of 2016.

In the meanwhile, the entire scenario has changed. For 2016 too, Transformation remains the key word distinguishing the sector. This is what emerges from the **Report on the state of publishing in Italy 2016**, edited by the research department of the Italian Publishers Association (AIE), showing a return, however limited, to plus signs (+0,5% for the overall market in 2015, including non-book products, second-hand and remainders; +0,7% for trade channels, i.e. those aimed at readers: bookshops, online bookstores and large scale retailers). Against this background of slow growth, good performances were recorded by segments involved in children's publishing (both titles produced, +16.9%, and market share, +7.9%), the digital market and e-books in particular (+21% for e-book titles produced) and exports of rights (+11,7%). In addition there was expansion in readers (+1,2%, 283,000 more people) and titles published (+1.5%).

The following are the main indicators for 2015, with a glance at the first six months of 2016.

The number of active publishers remains stable – 4,608 publishing companies produced at least one title in the course of the year (+0,1% compared to 2014). There was a slight growth in those which published between 10 and 60 titles in the year (1,005).

65,000 new titles on paper in 2015, in addition to 63,000 e-books: increase in print runs, including "digital" – The production of miscellaneous books returned to growth by a substantial percentage (+6,5%). In particular, there was a rise in production of titles for children and young people (+16,9%) and handbooks (+15%). On the other hand, following the strong growth of the previous year, titles in the educational sector (which represented in 2015 about 6% of production and 22% of the market) fell by -42,9% for reasons beyond those purely relating to the market.

Today the reader can choose from a wider range of titles (from both smaller and larger publishers), catalogues, prices and formats. The "live" catalogue of paper books on sale (*titles commercially available*) is 906,481 (+5,2% over 2014) and the catalogue of digital books is growing even more, with 227,000 titles (+43,4% over 2014).

The production of e-book titles grew in 2015 by +21% (from 51,692 in 2014 to 62,544 in 2015). At the end of 2015 the e-book market had a share of 4.2% in trade channels and reached a figure of 51 million euros (+25,9% over 2013).

The reader, therefore, has a much more comprehensive set of products available: on paper there are versions of titles as first editions (96,3%), although paperbacks are a weak point (-3,7%). The reader is free to choose not only from different publishing projects but also in different formats and modes. Nor should we forget that 18.3% of fiction e-books are accessible in formats for the visually impaired.

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Digital does not mean only e-books. Digital as a whole now represents 11% of the market – Digital (e-books + databases and web services for businesses and professionals) was worth about 279 million euros in 2015 (+16,9% compared to 2014) and represented 11% of the market. In 2011 the equivalent figure was 5.2%.

The book market is starting to grow again – Total turnover in the market for new books in 2015 rose to 2,53 billion euros, a growth of +0.2% over the previous year. This is a positive figure but not yet enough to allow us breathing-space, especially if we look back at the data for 2011, when turnover stood at 3.1 billion. The new estimate does not include sales of books as attachments to newspapers and magazines (valued at 91.7 million euros, a rise of 7.3% compared to 2014). The overall total rises to 2,68 billion, +0.5% over 2014, if we also include various "market peripherals": second-hand books, remainders and non-book products (i.e. other goods sold in bookshops, not books, strictly speaking, but associated product lines which publishers are increasingly trying out and which represent an important and growing factor in the general economic balance). If we look only at trade channels and only new books, growth in value is +0,7%.

Prices are settled again - Cover prices of paper books grew slightly (+6% over 2014, but still 1.31 euros lower than in 2011) while those of e-books fell (-1,6%). The average price of goods sold also rose (+2,9%, but this is just 0.3 eurocents! It is a sign that the reader/customer, recognising the added value of the book, is prepared to spend a little more. On the digital front, on the other hand, efforts continue to use the price lever to create an efficient modern market for e-books.

Reading of paper books is on the increase – The proportion of Italians who are book readers began to grow again in 2015 (42%), although not yet back to the level of 2010 (46,8%). This remains the central problem that the publishing sector has to face. Numbers of weak readers grew (+2,4% in 2015) as did strong readers (those who read a book a month), although by less (+1,4%). Females continue to read more than males (48,8% v 35%) and this percentage is growing again after a slight fall in 2014. The younger age bands of the population, the school-goers, also read more. From 2014 to 2015 there were +0.8% more readers among those between 6 and 19 years of age.

Among advanced publishing industries, however, Italy has the lowest proportion of readers, compared with 62,2% in Spain, 69% in France, 68,7% in Germany, 73% in the United States, 84% in Canada, 86% in Belgium, right up to 90% in Norway (data is not perfectly comparable due to sampling criteria and methods of formulating questions).

The governing class still doesn't read – In 2015, 38,6% of "managers, entrepreneurs and self-employed professionals" stated that they had read no books (Source: Istat; in 2014 it was 39,1%), a figure that rises to 44,6% among males and falls to 25% among their female colleagues. Only 11,6% read more than 12 books. Among university graduates, 25% had not read any books in the course of the year (the same percentage as in 2014) while 15,3% read one book per month.

There were about 5 million readers of e-books in 2015, a decline: They represent 8,2% of book readers. Last year saw a drop of -5,6%, for the first time, including among young age bands (15-44 years), although among these groups a much higher percentage than the national average use this format for reading.

We can see that, in recent years, those who read have learned to build up a highly personalised mix of formats, partly because of the increase in the range of titles on offer and also a more expert use of digital marketing tools on the part of publishers. Whereas 61% of Italians say that they read only paper books and 2% only e-books, 37% of people reserve the right to choose how to buy (in bookshops or online) and in what format to read (paper or screen).

Reading is done on devices too - The market, however, is no longer limited to books and platforms for downloading e-book files. To read you need an additional tool (an e-reader or, alternatively, a tablet or smartphone) and so this also makes up part of the "reading expenses" of Italians. In 2015 the reading public spent 998,000 euros on buying e-readers (-11,9%). Since 2011 expenditure on reading devices has amounted to 4.566 billion euros. The reduction in expenditure on book buying came to 556,2 million: from 3.236 billion in 2011 down to 2.68 billion in 2015. Expenditure by Italians on reading is growing, not declining.

Where are books bought? Still predominantly in bookshops (whether independent or chains) which represent 72,2% of sales of new books. Family-run bookshops, in particular, are back to the same proportion as in 2013 (31%), even though many of them, given the context of crisis, moved towards franchising. E-commerce of physical books achieved a market share of 13,9% (compared to 5.1% in 2010), the same as that of large-scale retail outlets, whose share continues to decline because of a lack of big bestsellers and because of closer attention by consumers to price differences in household expenditure – using e-commerce websites has become a widespread skill among parts of the population.

Exports of rights continue to rise and there is ever less dependence on translations from abroad – The sale of rights abroad grew for the third consecutive year: +11,7% in the number of titles sold. Faced with a domestic market in difficulty, firms are internationalising production and offering the high quality features of Italian publishing to foreign colleagues: illustrated works on art and architecture, design and automotive, novels, cuisine and especially children's books. In 2001 the rights for 1,800 titles were sold abroad, in 2010 (pre-crisis year) 4,217, in 2015 the figure reached almost six thousand (5,914; over 8% of the national production).

With regard to translations, data from IE- Informazioni editoriali shows that 17.6% of titles (new books and new editions) published in 2015 were translations from a foreign language (about 11,549 titles, including classics and authors for whom publishers had already acquired rights). There is a slow but continual rise in the proportion of Italian authors among all publications: compared to the current 17-18% of translated titles, the figure was 23-24% in 2002-2003 (according to Istat data).

A glance at 2016: In the first six months of the year the market confirmed the positive signs of timid recovery, with trade channels growing in value by +0,2%. The trend in numbers of copies sold remains negative (-2,9%), although an improvement on the same period in 2015 (-5%).

There was an increase in titles published between January and June from 30,961 in 2015 to 32,903 this year (+6.3%). The most obvious change in production numbers, however, as can well be imagined, is once again the growth of titles in e-book format: from 26,908 in the first half of 2015 to 41,538 this year (+54,4%). This figure, which is higher than that for the number of paper books (for the first time), can be explained for two reasons: the phenomenon of digital self-publishing (bearing in mind that the three leading producers of e-books in 2015, which were not traditional publishing houses, were alone responsible for 21,902 titles during the year, 35% of the production) and the fact that publishers are beginning work on the recovery of catalogues.