Report on the state of publishing in Italy 2019

2018 consolidated and a look forward to 2019

by the AIE Research Dept

Summary

The book market in 2018, with sales of 3.17 billion euros, closed in positive territory, up 2.1% on the previous year, consolidating the 2017 result (+4.5%). Figures include the share of Amazon (estimated by AIE) and second-hand books (the so-called "second market"). This result confirms that publishing remains the country's leading cultural industry, based on like-for-like comparison and net of revenues from advertising, expenditure on hardware and devices to access content and public subsidies.
The sector is increasingly projected abroad: in 2018 there was further growth in the sale of rights, with an increase of 9% over 2017.
Positive results were also recorded for the number of active companies (+1.4%), the number of titles published (+9.8%) and the number of titles available for sale (+10.1%), which stands at over 1.2 million. The latter number is progressively increasing (it stood at 360,000 in 2000) and shows the potential of having an extensive catalogue - the very essence of the publisher's work - able to be exploited through online stores. Reading levels are basically stable, but on average the time devoted to it is going down, especially among younger sections of the population.
These are some of the findings highlighted in the **Report on the state of publishing in Italy 2019**, edited by the Research Dept of the Italian Publishers Association (AIE), which paints a picture, revealing light and shadow, of the evolution of a sector gradually returning to the values recorded pre-crisis.
Below are the main indicators for 2018 and a look at the first few months of 2019.
The number of active publishers is growing - 4,972 publishing houses have published at least one title during the year (+1.4% over 2017). Compared to 2010, 825 new publishing houses are active on the market and trying to position their brand and their publishing project in bookshops, in distribution and among more or less specialised segments of readers.
The number of titles published is increasing - In 2018 Italian publishing houses published 78,875 titles (new titles and new editions of miscellaneous adult and children's books in addition to educational titles, which number 4,180; excluding e-books), an increase with respect to 2017. The growth in the number of titles published is the result of lower barriers to access in the editorial part of the process: from scouting and translation to layout and printing. The development of *print on demand*, which is increasingly integrated into the distribution chain, makes it possible to produce small stocks, also useful for titles with low turnover or for *just in time* reprinting of a title requested by a bookshop.
Production in all macro-genres increased - Among miscellaneous books (74,695 new titles), all genres grew: Italian and foreign fiction (+6.0% including Young Adult fiction), general non-fiction (+13.1%), specialist works (+15.8%) and practical works (manuals: +6.3%) while children's books recorded +5.9%, following the downturn of 2016 and +13.7% in 2017. Today, readers have available more titles (from small as well as large publishers) and more varied prices and formats than they had years ago. Important roles in maintaining a catalogue of "in print" titles are played both by e-commerce stores and new digital printing technologies.
Decline in the production of e-book titles is confirmed - 51,397 e-books were published in 2018. For the second consecutive year, there has been a reduction in the number of titles, from about 81,000 in 2016. In 2018, the fall was -17.2%, following -15.9% in 2017. Self-publishing is a significant element in the production of e-books, given that the twenty leading platforms proposed 11,698 titles, equal to 22.8% of total production.
The book market is growing slightly - In 2018 the book market (miscellaneous new and educational books, e-books and digital, second-hand, exports and rights etc.) recorded a positive result, showing a

slowdown compared to 2017 but with gradually increasing growth rates after three consecutive positive years. The total value of the market, including the AIE estimate for Amazon and second-hand books, is 3.17 billion euros, up 2.1% compared to 2017.

Growth in the sale of rights continues - In 2018 Italian publishing houses sold a total of 7,883 publishing rights abroad to foreign colleagues and bought rights for 9,358 titles. Compared to 2017, there was a 9% increase in sales abroad and a more modest 0.7% increase in purchases. However, it is over the medium to long term that we can best appreciate the transformation taking place with relation to internationalisation and authorship. In the last fifteen years, the average annual growth rate of sales of rights has been much higher (+19.9%) than that of purchases (+4.3%). Publishing for children and young people has been a driver of growth, as has fiction in more recent years: together they account for over 60% of exports.

Book prices are still lower than in 2010 - The average cover price (unweighted and at production) was 19.48 euros between 2017 and 2018, an increase of 3.8% compared to 2017. This value is still over 2 euros less than in 2010 (21.60 euros).

62% of the population, 15-75 years, are readers - Reading rates continue to show negative signs, although more attenuated than the decline suffered between 2011 and 2014. According to the *AIE Observatory on Reading and Cultural Consumption*, in 2018 62% of the population in the 15-75 age group read at least one book, e-book or audiobook in the previous twelve months, equal to about 28.2 million people. This percentage is 60% if only book reading is considered.

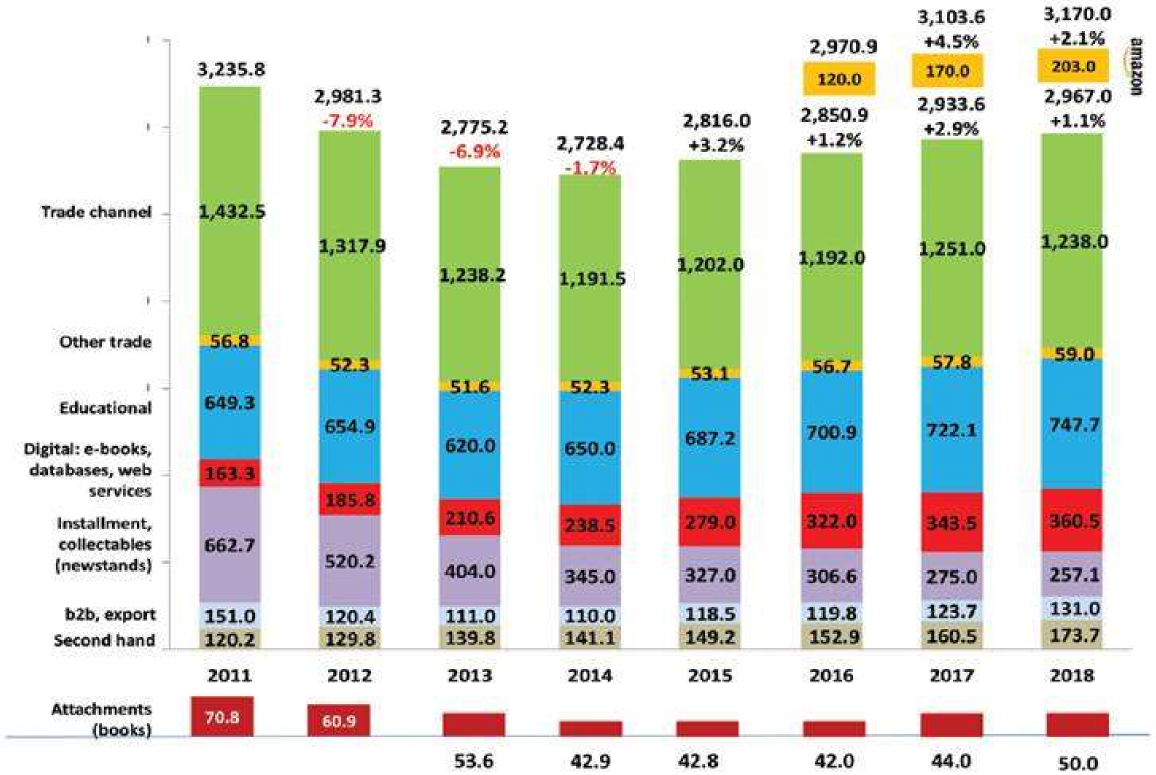
Reading levels are the main challenge for the publishing industry - Of the five largest European publishing markets, Italy is the one with the lowest book reading rate among the adult population. This is the main problem for the growth of national publishing. Italy is also the country in which those who do read have some of the lowest reading indices, compared to other leading European nations. Almost half (41%) of those who say they are readers read fewer than three books a year and only 17% read at least one book a month. The average time spent on reading is also low: in 2019 only 9% read more than one continuous hour a day. A more worrying aspect is what is happening among the younger sections of the population, always considered the most inclined towards reading, and who, at 87%, are at the top of the ranking for percentage of readers. However, only 5% of them dedicated at least one continuous hour a day to reading in 2017: a proportion that drops to 1% in 2019. Reading among the younger age bands is therefore becoming increasingly fragmented and disjointed. They prefer short stories or stories characterized by strong and easily recognizable plots and characters, rapid narrative rhythms and images over the written word. The extent of the market is limited by a further indicator: our country ranks last for levels of text comprehension. Only 24.8% of the population have adequate skills for understanding and analysing texts. This is reflected in the low reading indices and helps to explain the difficulties that a segment of the population has in interpreting processes of social transformation, in accessing the labour market and in correlating information from different sources and channels.

The preferred device for digital reading is the smartphone - For some years books have not been the only medium through which reading content can be accessed, whether fiction or fact, for study purposes or to address the practical problems of everyday life. In 2018, whereas 60% of the population claim to read through books, 24% read e-books and 7% "read" by listening to an audiobook. Among the devices dedicated to digital reading, the smartphone is the one most widely preferred to access publishing content, both in the case of texts (up from 61% of indications in 2017 to 65% in 2018), and for listening to audio books (from 67% in 2017 to 75% in 2018). The e-reader declined from 54% in 2017 to 47% in 2018).

Purchasing channels: more and more e-commerce and chain bookshops - The bookstore confirmed its position as the main channel through which Italians buy books, although it has lost ten percentage points in a decade (69% of sales in 2018 compared to 79% in 2007). Within physical bookstores we also see a shift from family-run shops to those belonging to a chain or which, through franchising formulas, can be traced back to brands involved in distribution or publishing. Chain bookshops accounted for 45% of sales in the trade channels in 2018, up from 36.5%, while independent bookshops accounted for 24% of sales, down from 42.5%. Until 2009, e-commerce of miscellaneous physical books (adults and children) was less than, or only slightly exceeded, 3% of the market. Today, however, its share has reached 24% of the total. At the same time, books sold through large-scale retail distribution fell from 18% in 2009 to 7% in 2018.

A look forward to 2019 - In the first eight months of the year, data on the performance of trade channels (bookstores, online bookstores including estimates for Amazon, large-scale retail distribution) for miscellaneous new adult and children's publications showed an increase of 5% in value compared to the same period of the previous year. With an important new development: after almost 8 years, there was growth in copies, an increase of 4%. Both growth figures suggest a more pronounced consolidation in 2019 compared to 2018.

The book market in Italy



The estimate for Amazon by AIE research dept was carried out for the first time in 2016. It was not possible to construct a longer historical series.

Source: AIE research dept.