Books and the book trade in figures, 2014

The importance of books

Books rank a strong 14th in the list of Germans' most frequent leisure activities, which covers 50 activities in total. Some 20.7 per cent of German citizens over the age of 14 "often" read books in the evening, and another 28.2 per cent do so "occasionally". Unfortunately, following a change in the data collection method for the study used, which now questions respondents on the frequency rather than popularity of activities, it is not possible to make comparisons with the previous year's figures. In the last few years, when the study focused on popularity, books consistently achieved 11th place. It will take a few years before we are able to draw any long-term conclusions about the frequency of reading.

The state of reading of traditional media is still generally healthy in this digital age. Reading newspapers ranks third on the list of frequency, while magazine reading (10th) is also a common activity. Indeed, 53.2 per cent of those questioned said they "often" read a newspaper, and for magazines the figure is 30.1 per cent.

Unchallenged at the head of the list of frequent leisure activities is watching television – which was also the most popular activity before. With a quota of 76.8 per cent, TV-watching is by far the Germans' most frequent leisure activity. This fits well with the pastime that comes in second place: "relaxing comfortably at home" (56.1 per cent). This cocooning withdrawal into the private sphere is now typical of the way people spend their leisure time, as shown by the activities in the next highest ranking positions: reading newspapers, listening to the radio, doing things with the family, listening to music. Audiobooks also features in the survey, ranked 45th. 1.7 per cent of Germans listen to them often, and 6.2 per cent occasionally.

Book-purchasing behaviour is examined in a separate analysis. Here, apart from a modest upward trend, no significant changes can be seen – despite the fact that this year, for the first time, the survey only asks about printed books. Some 60 per cent of respondents said that they had bought (printed) books during 2013. The year before, it was 59 per cent. Particularly pleasing was the development according to age groups. 59 per cent of young people between the ages of 14 and 19 bought books in 2013 – another percentage point increase on the already good figure from the year before. If book buyers are assessed according to their places of residence, the proportion of city dwellers (65 per cent) who purchase printed books is marginally higher. This represents an interesting difference to e-books, for which there is a higher percentage of customers among residents of smaller towns.

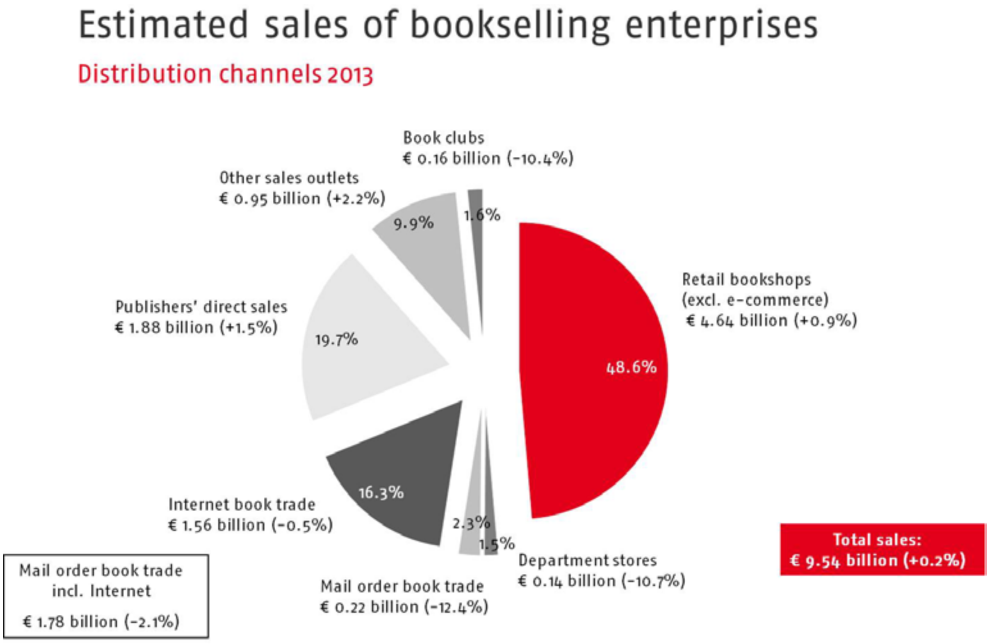
In a gender-based assessment of book buyers, women clearly make up the larger target group for booksellers: 67 per cent of all women, but only 53 per cent of men bought at least one book in the previous year – both figures being one per cent more than for the year before that. When it comes to e-books, there is less of a difference: here, the sexes were in parity the year before, although in 2013 it is now possible to discern a pioneering role for women. Some 4.6 per cent of German women bought e-books in 2013, compared to just 3.6 per cent of men (total: 4.1 per cent). Also exciting is the fact that it is no longer just the younger generation that opts for e-books: an above-average number of e-book buyers can now be found in the 50 to 59-year-old age group (6.3 per cent).

The economic development of the German book market

The overall sales volume for the industry rose by 0.2 per cent in 2013, to 9.536 billion euros. As such, the industry was once again able to register stable revenue – with a moderate upward trend – following two years of decline. The preceding year might have marked a turning point, above all for the traditional high street booksellers, which exhibited a positive growth rate for the first time in some years. Whereas in 2012 traditional retailers still had to cope with a decline of 3.7 per cent, in 2013 their combined turnover of 4.639 billion euros represented a year-on-year increase of 0.9 per cent. Thus, the share of overall sales taken by the most important distribution channel rose to 48.6 per cent (from 48.3 per cent the year before).

The notable thing about the 2013 figures is that the high street booksellers emerged as the victors in the annual competition with the online book trade. With 16.3 per cent of overall sales, the online booksellers had to accept a decline of 0.5 per cent on the year before, following a period of strong, often double-digit, growth. Two possible reasons for this are a new attitude among consumers, who are now consciously turning to regional sources for their shopping, and the sustained bad press for the major player Amazon with regard to its employment policy. The purely mail-order book trade without e-commerce, whose significance has been dwindling for a number of years, last year again had to cope with a fall of 12.4 per cent.

Publishers, on the other hand, can once again reflect on the year with satisfaction, having seen their revenues from direct business climb by 1.5 per cent. They have experienced rising turnover in this area for a number of years, and 19.7 per cent of their total sales now comprise sales to institutions, universities, enterprises and other end customers. "Other sales outlets" for books (e.g. kiosks, filling stations, supermarkets) also experienced a further modest increase of 2.2 per cent last year.



By contrast, two other distribution channels with smaller market shares had to cope with declining sales. These were department stores, which, having already experienced sharply falling sales in recent years, shrank by a further 10.7 per cent in 2013, and book clubs, which have dwindled similarly in recent years, and now suffered a further 10.4 per cent fall on the previous year.

Market structures

Throughout Germany there are about 22,500 enterprises which are, in the broadest sense, involved in the production or sale of books. They are listed in the "Address Book of the German Book Trade", which is available online at www.adb-online.de. Almost 16,000 of these companies – about two thirds – are publishing houses or institutions involved in publishing. The term "bookselling enterprise" is defined very broadly. The publishers include, for instance, university faculties and societies that only sporadically issue publications, while the retailers include outlets for which books only make up a small part of their assortment, alongside stationery and other articles.

The number of publishers and retailers that primarily produce and sell books and magazines on a professional basis is much smaller than the full list in the "Address Book". As a rule they are members of the German Publishers & Booksellers Association (Börsenverein des Deutschen Buchhandels). The membership of the association stood at 5,166 in April 2014. Of these 1,775 were publishers and 3,240 were bookselling enterprises. The latter figure also differs significantly from the Address Book, which lists 6,471 retailers. Unlike the membership statistics of the German Publishers & Booksellers Association, the Address Book includes separate entries for subsidiary branches of booksellers in different locations from their main offices. Added to this are the so-called book sales outlets, such as stationery shops, which focus on other segments, and where books make up just a small part if their complete range.

Information on the number of bookselling enterprises in Germany can also be obtained from the VAT statistics supplied by the Federal Statistical Office (Destatis), although this currently only covers the years up to 2012. This source records all companies with an annual turnover greater than 17,500 euros, but it also make other distinctions between the enterprises in question. According to the statistics on turnover, in 2012 there were 2,209 publishers in Germany, and 4,038 taxable entities involved in the retailing of books.

With a 48.6 per cent share of all book sales, the traditional retail book trade is by far the most important distribution channel for books. For many years, however, the market share of the high street bookshops experienced decline, sinking below the 50 per cent level in 2011 for the first time. In 1997, it had still made up 59.3 per cent of the market, and in 1985 even 64.0 per cent. In 2013, the retail book trade registered its first year of growth following that decline, which perhaps marks the anticipated turning point.

Sales breakdown by category and form of publication

Once again, the fiction segment achieved the largest share of overall book sales (33.8 per cent). While this is a drop of 1.2 percentage points compared to the year before, it still remains a strong position. Children's and young adult books occupy second place, with a slightly increased share of

15.8 per cent, while self-help books come in third with 14.5 per cent, an increase of 0.7 per cent. All other categories remained in single figures: non-fiction, 9.3 per cent; school and education, 9.0 per cent; travel, 6.3 per cent. Taken together, the three categories of scientific books count for a share of 11.3 per cent.

Fiction is dominated by narrative literature, which makes up 51,9 per cent of the whole category. Its share of hardcover editions was 48.1 per cent, of paperbacks, 55.7 per cent, and of audio books, 47.2 per cent. (Detailed evaluation of this kind is not currently possible for e-books.) The share of narrative literature in the fiction category has once again increased on the previous year (2012: 51.7 per cent; 2011: 49.2 per cent). The segments comics/cartoons/humour/satire and suspense likewise increased their share of the fiction category compared to the previous year, whereas science fiction titles lost one per cent of their share.

In the children's and young adult books category, the largest growth areas were books for children up to 11 years (market share within the children's and young adult books segment, 2013: 27.8 per cent, 2012: 27.0 per cent), and picture books (2013: 18.7 per cent, 2012: 18.0 per cent). With 24.7 per cent of this category's market share, young adult books once more occupied second place in 2013, behind the leading sellers, which were once again books for children up to 11 years.

As in the year before, food and drink was the segment with the largest share of the self-help books, with 28.1 per cent, which is even an increase of almost three percentage points. This is followed by health (17.4 per cent) and advice & life-counselling titles (14.6 per cent), although the latter represents a drop of two percentage points on the year before. And significant increases were achieved in the category hobby/home – knitting and crochet are enjoying a boom.

Books on politics, society and economics achieved the largest share of the non-fiction category, with 31.3 per cent of sales (2012: 35.8 per cent). History titles with 16.7 per cent (2012: 14.1 per cent), and dictionaries and reference works with 14.4 per cent (2012: 15.0 per cent), continued to occupy second and third place.

The first sales indices for e-books in Germany

Due to the continued small market share of e-books in Germany and the relatively immature market here, there aren't yet any adequate numbers to make statistically valid statements regarding the breakdown of e-book sales into categories. However, this will change as e-books continue to establish themselves, and e-books are becoming increasingly popular in the German book market.

In 2013, e-books accounted for 3.9 per cent of book sales for private use (excluding school textbooks and specialist books) (2012: 2.4 per cent, 2011: 0.8 per cent). As such, the e-book business is still growing in Germany, although it has lost some of its impetus. From 2011 to 2012 it experienced a threefold increase, while in 2013 it managed to grow by about 60 per cent. The same is true of the number of titles. In 2011, 4.3 million e-books were sold to end consumers throughout Germany; in 2012 the number was 13.2 million; and in 2013, 21.5 million. 4.1 per cent of all Germans over the age of 14 downloaded digital books in the course of 2013 (2012: 2.3 per cent, 2011: 1.2 per cent). The likelihood that the trend is likely to continue rising is also demonstrated by people's growing familiarity with e-books. At the start of 2014, 88 per cent of

Germans over the age of 10 had already heard of e-books. This compares to 72 per cent in 2012, and only 49 per cent in 2010.

Publishers and booksellers continue to prepare for this. 79 per cent of booksellers now offer e-books and/or e-readers. That means only 21 per cent of booksellers declined to sell digital books in 2013 (2012: 27 per cent, 2011: 35 per cent). 65 per cent of all publishers now offer readers digital options (2012: 53 per cent, 2011: 49 per cent), and in 2013, 100 per cent of the larger publishers now do so. On average, 48 per cent of all new releases are now available as e-books, and in 2013 also 36 per cent of the backlist.

Book production in Germany

The total number of titles produced by German book publishers (first editions and reissued titles) rose in 2013 by 2.7 per cent, to 93,600, which is an increase of more than 2,000 titles entering the market compared to the year before. Even the number of "genuine new releases" – i.e. the first editions – rose by 2.6 per cent to 81,919 publications. This means that 87.5 per cent of the titles are in fact new works. Over the years, a steady trend has gradually shifted the balance between first editions and reissued titles towards the former. In the mid-90s, the ratio of first editions to reissues was still around 7 to 3.

Once again, in 2013, the largest number of new releases were in the fiction category, with 15,610 (19.1 per cent share of first editions). In second place as usual came German literature (11,894 new releases, 14.5 per cent). This category is listed separately (even though this might cause some overlapping) and it includes works of literary criticism, unlike the pure fiction category. Third place was once again taken by children's and young adult books (8,268 new releases, 10.1 per cent share). This segment plays a more important role in title production than it did five years ago, which means the growing sales are also mirrored by growth in the number of titles produced.

This time, the categories showing the strongest growth include school books. In 2012, publishers produced as many as 1,300 fewer new school books than in the previous year; now, in turn, they have expanded their production, with the release of 4,522 new titles for the classroom in 2013 – an increase of 51.7 per cent. The share of schoolbooks in the overall title production climbed to 5.5 per cent. This category is often subject to large swings because of the way education policy influences book production.

Besides fiction, children's and young adult books, and school books, 2013 also saw an increase in the number of published titles in nearly all the other categories. For instance, publishers have added strongly to their supply of books in the fields of medicine and health (4,197 titles – a 14.7 per cent increase). A newcomer in the list of the most important categories is the topic of home economics, which includes books on food and drink as well as handicrafts. This segment is now responsible for 2.7 per cent of all new releases and complements the growing market for cookery books as well as the DIY trend. Whether or not the quotas of individual categories are able to expand rather mirrors the expectations that publishers place in the respective segments.

The publication of paperbacks is evaluated in a separate statistical assessment. According to this, publishers have more or less maintained the production levels of the previous year. The share of paperback in overall production remained more or less unchanged at 13.4 per cent. In 2013, publishers issued 10,978 new paperback titles, compared to 11,023 in 2012. In 2012 the planners had increased their paperback production by 6.5 per cent. The predominant category for paperback titles remains fiction. This accounts for roughly half of all paperback new releases (49.6 per cent). Another important category is children's and young adult literature, which makes up around 10 per cent.

Business with other countries

Translations

Stable, and with a proven portfolio of languages: this description has epitomised the German market for translations for several years. The number of translations (first editions and reprints) has evened out at a healthy level; with 11,567 translated titles in 2013 there were almost exactly the same number as in the previous year. Similarly, the 12.4 per cent share of translations among all new releases almost matched the 12.7 per cent of 2012. In terms of first editions, the share is somewhat larger: 10,731 new books were introduced to the German market from other language areas in 2013 (13.1 per cent share of all new releases).

English continues to dominate as the language of origin for translations into German, by a large margin. Its share of translated new releases amounted to 63.9 per cent in 2013 (2012: 67.6 per cent). In actual numbers, 6,861 books were translated from English to German (2012: 7,343). So while the world's most widely spoken language gained a lot of ground in 2012, last year it fell back again a bit.

Of all the books translated from English which appeared in 2013, 2,829 were fiction titles. This figure lets us draw conclusions regarding the role English-speaking authors play in the publishers' portfolios. If the literary translations from English originals are compared to the total of 4,048 fiction translations in 2013, the language can be seen to hold a 69.9 per cent share. Thus, more than two thirds of all fiction translations come from English; in 2012, the figure was 74.4 per cent.

The fact that licence purchases from the English-speaking world increased so strongly in 2012 might also have had something to do with the special role of New Zealand's literature. This country was Guest of Honour at the Frankfurt Book Fair in 2012. The "Frankfurt effect" is still more pronounced for the Guest of Honour 2013, Brazil. Portuguese has assumed a new position in the list of 10 most important translation languages, with a share of 0.8 per cent. Some 90 first editions of translated Portuguese works were published in 2013, of which 70 were fiction (2012: 20 fiction titles).

After English, French is the main language that carries some weight in the ranking of languages translated into German. In 2013, 1,121 titles were translated from French, making up 10.4 per cent of all translations. For years, Japanese has maintained a firm third place in the ranking, and in 2013 some 719 titles were translated from this language into German. As such, 6.7 per cent of all translations came from Japanese, although Japanese books still only contributed an unchanged 0.5 per cent of translated fiction titles. The majority of translations could be found among the comics genre. In fourth place on the list came Italian, with 328 translated first editions.

Licensing

Last year, 6,466 works “made in Germany” made it outside this country’s borders and across the globe. German publishers sold 6,855 titles around the world in 2012. Compared to the year before, this contraction of 5.7 per cent, or around 400 contracts, is not so severe, but in the light of the 2011 figures it acquires added significance. In 2011, publishers sold precisely 8,000 titles worldwide, which means the volume of contracts sank by 20 per cent between 2011 and 2013, coming even closer to matching the low point of the last 10 years, in 2009, when the industry recorded only 6,300 licence sales. A look back, however, shows that the development of the licensing business has always been rather cyclical. Compared to the turn of the millennium, when an average of just 4,000 to 5,000 contracts were completed per year, German publishers have considerably increased the professionalism and reach of their international rights trade.

In 2013, the licensing business was dominated by three countries: China, Spain and Italy. With almost 1,000 licences purchased, China easily sustained its place at the top of the ranking in 2013. While the total number of licences sold has fallen, China's share of the rights trade has marginally increased, rising to 15.4 per cent from 15.3 per cent in 2012. If licences are ranked according to language, Chinese also stands at the very top of the list, with a share of 16.7 per cent. In particularly high demand are children's and young adult books, for which 548 contracts were completed – more than half the total number. All told, German publishers last year finalised 26.5 per cent of all their licensing deals with partners in Asia.

Nevertheless, the most important licensors for German publishers are still those based in Europe, where 4,200 (2012: approx. 4,500) contracts were finalised, making up 64.7 per cent of all deals (2012: 66.0 per cent). Among the traditional partners are Italy (363 contracts, 2012: 392), France (283 contracts, 2012: 303), the Netherlands (267 contracts, 2012: 255) and above all Spain, which, with 457 licences purchased (2012: 477), now ranks second overall after China.

With licences ranked according to languages, English, influenced by the large size of the Anglo-American area, occupies third place after Chinese and Spanish. Although the total number of contracts finalised for English translations fell from 529 to 444, the licensing business with the specific core markets of the UK and the USA was distinctly healthier than in the previous year. In 2013, 158 contracts were signed with British publishers (2012: 124). This time, the demand among English-language partners was primarily for fiction – here there appears to be a reciprocal boom in transatlantic literary exchanges. The year before, the English-language partners had rather been interested in non-fiction.

In 2013, as in earlier years, the keenest interest among foreign-language licensors was in German children's and young adult literature. This accounted for 36.5 per cent of the licenses purchased (2012: 31.6 per cent). In 1994, the share of this segment was only 12 per cent. Due to the transition from an analysis based on the decimal classification used by libraries, to the categories typically used by booksellers, it is only to a limited extent possible to compare values. Nevertheless, it seems evident that the German publishers have built themselves a good reputation internationally in this area. Within Category 2 (children's and Young adult books) picture books are the bestsellers, making up a good third of the overall segment with 839 contracts.

Ranked as the second most frequently licensed category is fiction. In 2013 this accounted for 17.7 per cent of all contracts (2012: 13.8 per cent). In total, 1,146 deals were completed for fiction.

Within the category, the most important takers for the subsidiary segment of narrative literature (811 contracts in total) were English (82 contracts), Spanish (78) and French (72). Third place in the ranking belonged to self-help books. With 987 licenses, these secured themselves a 15.3 per cent share of the rights trade. Here, the hobby/home segment did particularly well (380 contracts), as did counselling/daily life (261 licences).

Foreign trade

Foreign trade figures issued by the Federal Statistical Office of Germany are currently only available up to 2012. As in earlier years, the figures show that exports of book industry products are economically much more significant than imports – at over two billion euros, the exports are approximately twice the value of imports. As such, the industry boasts an exceptionally good foreign trade balance.

Compared to the year before, the industry's export sales declined slightly by 1.5 per cent in 2012, to 2.046 billion euros (2011: 2.077 billion euros). After a high lasting for two years, they are returning to the level of 2009. 2012 also saw a downward trend in imports, though this contraction was significantly smaller (minus 0.4 per cent, to 1.052 billion euros).

For exports and imports alike, books account for at least half of all "book industry product" sales. Total import revenues in 2012 amounted to 1.052 billion euros, of which 59.2 per cent was derived from books and picture books (622 million euros). The corresponding share in 2011 was 56.3 per cent. Much of this increased significance is down to the United Kingdom, from where book imports climbed by 23.6 per cent in 2012. One explanation for this is the growing demand in the German market for English-language books. All told, a quarter of book imports originate in the UK.

Although the European countries are the most important export partners for printed goods, with 91.1 per cent of the total, they only account for 75.8 per cent of imports. Over the years, Asia has developed into a second, large-scale trading partner in this respect. In 2012, 19.5 per cent of all imports were delivered from Asian countries. The year before that, the figure was 17.9 per cent, and in 2008 just 14.8 per cent. This rapid growth can be explained by the expanding market position of the Asian printing industry. Many companies, especially publishers of picture books and children's books, outsource the production of their books to Asia. The inclusion of the Czech Republic and Hong Kong among the top-10 providers of Germany's imported printed goods is probably also related to the low cost of printing in those countries.

In 2012, exports of book industry products amounted to 2.046 billion euros, some 1.209 billion euros (59.1 per cent) of which are attributable to books and picture books. Above all, picture books represent a small success story for foreign trade. From a value of just under 13 million euros in 2008, their export value has since risen to a good 30 million euros.

The largest buyers of German printed products are Austria and Switzerland, which is understandable due to the shared language. However, in 2012 both these neighbours imported fewer books from Germany than in the year before. By contrast, there was a minor boom in exports to the Anglo-American areas. This might be due to the fact that German publishers are producing ever more books directly in English, for instance in the non-fiction segment. The UK, which has been a growth market for several years and has now regained third place among the important export partners, imported books to the value of almost 112 million euros in 2012. That is a proud 25.4 per cent increase. In the USA, too, there was significantly greater demand for books made in Germany. Exports to here grew by 19.3 per cent, reaching almost 62 million euros.

Source: German Publishers & Booksellers Association 2014
From: Buch und Buchhandel in Zahlen 2014