

HOW DO BOOK SALES STACK UP GENRE BY GENRE?



— *A Look at* —
**Physical-Store vs.
Online Book Sales,
Print vs.
Digital Formats,
and the
Uncounted, Non-Traditional
Digital Sales in Each Genre**

How Do Book Sales Stack Up Genre by Genre?

A Look at Physical-Store vs. Online Book Sales, Print vs. Digital Formats, and the Uncounted, Non-Traditional Digital Sales in Each Genre

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January 17-19, N.Y.C.

DBW 2017, Jan. 17 to Jan. 18, 2017 in N.Y.C., is an event where publishing professionals and their technology partners will come together to learn about the latest tools and techniques for smarter book publishing in a digital world. DBW 2017 attendees will get up-to-date on key issues and opportunities that will help them get ahead for the coming year; learn strategies from both familiar faces and new voices; and connect with the industry's leading executives, experts and innovators. DBW 2017, which features educational sessions, workshops and thought-provoking main stage presentations on Jan 17 and 18, also includes DBW Indie Author: The First Conference for the New Professional Author on Jan. 19. Registration and program details can be found at digitalbookworldconference.com.

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INTRODUCTION

Picturing the Market:

Data Guy, the Numbers, and the Interpretation

By Porter Anderson *Editor-in-Chief, Publishing Perspectives, Co-Owner, The Hot Sheet*

As we wrote in March at *Publishing Perspectives*, one of the most interesting elements of Digital Book World 2016 was a first public appearance by the man publishing calls Data Guy.

"In the closing minutes of #DBW16 at the Midtown Hilton in New York City," our article has it, "we saw potential cooperative movement, a path identified, something that looks like a possible way forward, and thanks to what began with sharp, heated disagreement. This could be a good moment not only in industry analysis but also in smart conference staging."

More smart conference staging brings Data Guy back in January to #DBW17 and this time with a demonstration of the kind of cooperative spirit we'd spotted between him and *Publishers Lunch*'s Michael Cader. What he's going to do is roll out a first-time combo of the data most of us know best, that of Nielsen BookScan, and the data we know less well, that of his own Author Earnings project.

In the white paper that follows, you'll find him setting up what he's doing. Last year, his mission was one of talking the DBW audience through the Author Earnings methodology, which involves scraping Amazon sales pages for bestsellers' track record and then estimating the earnings they might represent for writers. This year, he's out to deploy his Author Earnings sales data with Nielsen's print sales data to get what he describes as our first holistic look at things.

He writes, "For the first time, we've combined public data on print sales in each of Nielsen's 46 genre categories and subject areas with Author Earnings' data on digital sales and indie sales of 1.5 million bestselling digital titles in the same categories and genres.

"We can finally take a 360-degree look at US trade sales. At last we can chart which categories and genres of books have gone mostly digital, and which still remain mostly print; which have remained primarily traditionally published, and which have gone mostly 'indie.'

And early tidings of what this approach shows Data Guy?

"Adult fiction sales in the US are nearly 71 percent digital now, and that is also the category where indie sales have made the deepest inroads: today, 30 percent of all US adult fiction book purchases are of titles self-published by indie authors." Sound plausible to you?

Affable, urbane, and always gracious when criticism comes his way, Data Guy is half of the original Author Earnings team, the other half being the author Hugh Howey. Their intention in developing the scrape-'n'-estimate approach of Author Earnings more than two

years ago was to demonstrate the viability of a self-publishing option for writers in terms of income.

Many who saw Data Guy's presentation last year will tell you that they still don't fully grasp how the analysis is done.

Some struggle with the idea (routine in the tech world) of using a "spider" to "crawl" the Amazonian pages and "scrape" the data. Others are more concerned about the extrapolations made for each quarterly report from a single sales day's pages.

Still others worry about the part we cannot see: the creation of the earnings curve—what so many sales of this-or-that book means in dollar terms to its author. To create that curve, Data Guy is dependent on authors sharing their royalty statements with him, something that privacy prevents him showing us, of course.

Then again, Nielsen's familiar magicians don't invite us in to explain how they perform their work, either. BookScan, after all, doesn't claim to be able to "see" all sales in its own purview.

Continued on the next page >

From our coverage at Publishing Perspectives: Three fast points tell the tale:

1

Indie ebook market share drops all the way back to early 2015 levels.

2

Traditional publishers regain a little lost ebook ground.

3

Amazon Publishing imprints grow a lot. [Amazon Publishing is the suite of traditionally published imprints (not self-publishing) that includes the powerful translation-focused AmazonCrossing and the literary imprint Little A.]

The “October Surprise”

With curious irony, a recent and potentially significant event may help steady the nerves of some who have been concerned about Author Earnings’ efficacy in the past.

In October, Data Guy conceded that he was baffled to find that for the first time, the spidery metric had found a significant setback for indie earnings in its web of observations.

While it doesn’t sound entirely gracious to say that spotting a downturn for indies makes Author Earnings look better, the reason for that is simple: This still unexplained setback in the indie context was the first time in its 27 months of operation that Author Earnings had not reported an uptick.

As we wrote:

“Having been created with an agenda to help prove that self-publishing is a viable alternative to traditional publishing for authors in terms of potential revenue, the program has been prone to unrelievedly upbeat pronouncements of rising independent-author share. While such steady progress did not mean that the protocol was flawed, it nevertheless created a pocket of doubt for some observers, even as other indicators have suggested an ongoing rise at least in indie production, if not of sales.” (See our report on Bowker’s 2015 indie stats for the States: 625,327 indie titles with ISBNs.)

No more can cordial skeptics like myself say that everything is always coming up indie roses at Author Earnings. The news of a downturn isn’t what the project’s chief admirers, the indie author corps, would prefer, obviously. But it helps lend a kind of real-world credibility to the effort: what goes up does not always keep going up in life as we know it.

So Data Guy rolls into DBW 2017 looking a bit less like a cheerleader for the indie squad, and while there’s not a thing wrong with cheering on the independents, it may help traditionalists welcome him a bit more readily, knowing at last that every time he unleashes his spider upon Amazon’s site, the result is not “Go west to Seattle, young writer.”

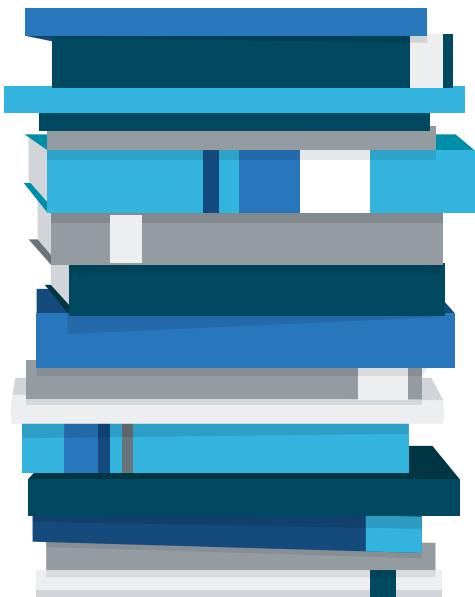
Granted, Data Guy worries aloud that his system has offered up so abrupt and deep a turnaround: “In May 2016, verified self-published indie authors were taking home nearly 50 percent of all US Kindle author earnings. Now, as of early October 2016, the indie share has fallen below 40 percent.”

Jane Friedman and I produce *The Hot Sheet*, our private industry newsletter for traditional and indie authors. And we’re delighted that Data Guy will join us on Thursday, January 19 at DBW Indie Author, the first-time Digital Book World conference for authors which *The Hot Sheet* is producing in association with DBW. He will have presented on both Tuesday and Wednesday to DBW’s industry audience.

And as Jane and I always do in *The Hot Sheet*, let’s close with a Bottom Line: Yes, Author Earnings may look to some like voodoo and to others oracular, but in an industry that lacks so much data that it sees itself only “by candlelight,” as The Bookseller’s Philip Jones puts it, the snapshots of it that Data Guy works to create are helpful and welcome. We look forward to seeing more of what he tells us about in this white paper. And we look forward to seeing you, too, at DBW 2017 in January.

Porter Anderson (@Porter_Anderson) BA, MA, MFA, is a journalist, speaker, and consultant specializing in book publishing. Formerly with CNN, the *Village Voice*, the *Dallas Times Herald*, and other media, he is Editor-in-Chief of *Publishing Perspectives*, founded by the *Frankfurt Book Fair New York*, the magazine for the international publishing industry.

With Jane Friedman, he produces *The Hot Sheet* publishing-industry newsletter, providing business news expressly for authors in a biweekly subscription email newsletter. Anderson also writes the #MusicForWriters series on contemporary composers for Thought Catalog, and is the former Associate Editor of *The Future-Book* for London’s *The Bookseller*.



What can we learn about US consumer bookbuying behavior by combining public print-sales data from Nielsen Bookscan with corresponding ebook-sales data from AuthorEarnings?

The answer is, quite a lot.



Data Guy

How Do Book Sales Stack Up Genre by Genre?

By Data Guy

- Not all categories of books have “gone digital” to the same extent; the sales for some genres and subjects remain overwhelmingly in print. Similarly, not all categories and genres have seen their sales “go indie” to a significant degree; the readership of some genres remains solidly within the purview of traditional publishers.

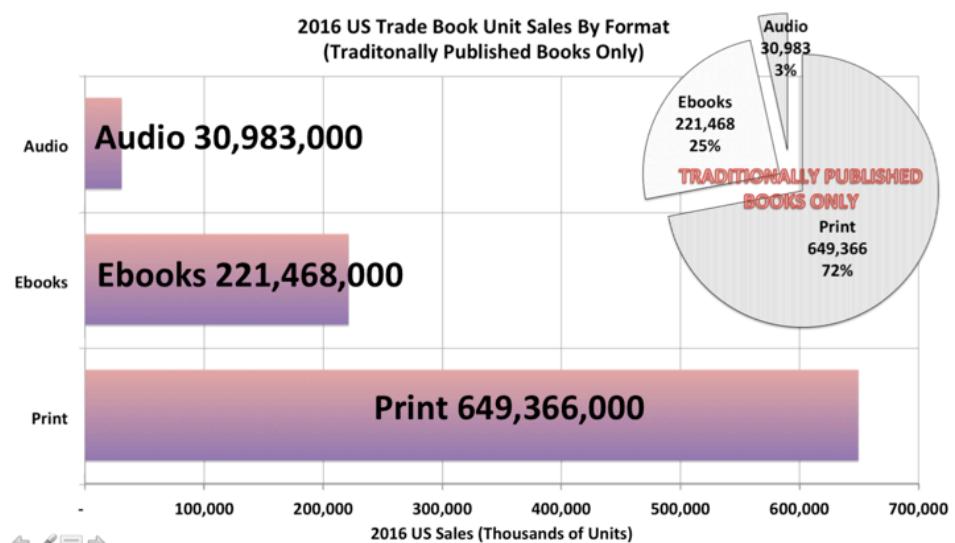
At the same time, the sales of other book genres are now overwhelmingly digital—a fact that might be surprising many in the industry. Why a surprise? Because until now, most digital sales in those particular genres have remained completely invisible in traditional industry statistics... being brand new digital sales that are predominantly indie.

But now we can see all of those sales, too. And we can count them.

For the first time, we've combined public data on print sales in Nielsen's 4 top-level genre categories with AuthorEarnings' data on digital sales and indie sales of 1.5 million best-selling digital titles in the same genres. We can finally take a 360-degree look at US trade sales. At last we can chart which genre categories of books have gone mostly digital, and which still remain mostly print; which have remained primarily traditionally published, and which have gone mostly “indie.”

But first, let's start with what the “traditional view” of our industry can tell us.

We'll project forward the current November 2016 year-to-date totals to take into account the typical end-of-year bump. Then we'll take a look at the sales of only traditional published books (shown in magenta), and see how just those sales break down overall by format:



The breakdown of traditionally published book sales looks much as we expect from traditional statistics and industry news: 28% of traditionally-published book purchases are now digital, while 72% of traditionally-published book purchases (and a higher % of consumer dollar spending) remains print.

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Continued...How Do Book Sales Stack Up Genre by Genre?

But now, let's also include the sales of nontraditional books from Amazon-owned publishing imprints and companies (green) and indie self-published books (blue):

When the sales of the nontraditional publishing sectors are included, the digital share of overall US consumer book purchases changes significantly. And while we can see a surprising number of untracked indie print sales, too (about 17 million annually), the vast majority of all nontraditional book sales are digital.

When we look at US consumer bookbuying behavior as a whole, close to 45% of all books purchased in the US in 2016 were digital.

But the percentage of US book purchases that have gone digital—and the percentage of purchases that are now going to indie and non-traditional suppliers instead of traditional publishers—does vary widely by category:

Some categories, like adult fiction, are already primarily selling in digital form, and nearly a third of all purchases are books from non-traditional suppliers already. Sales in other categories, like adult nonfiction and juvenile books, remain mostly in print and largely traditionally published.

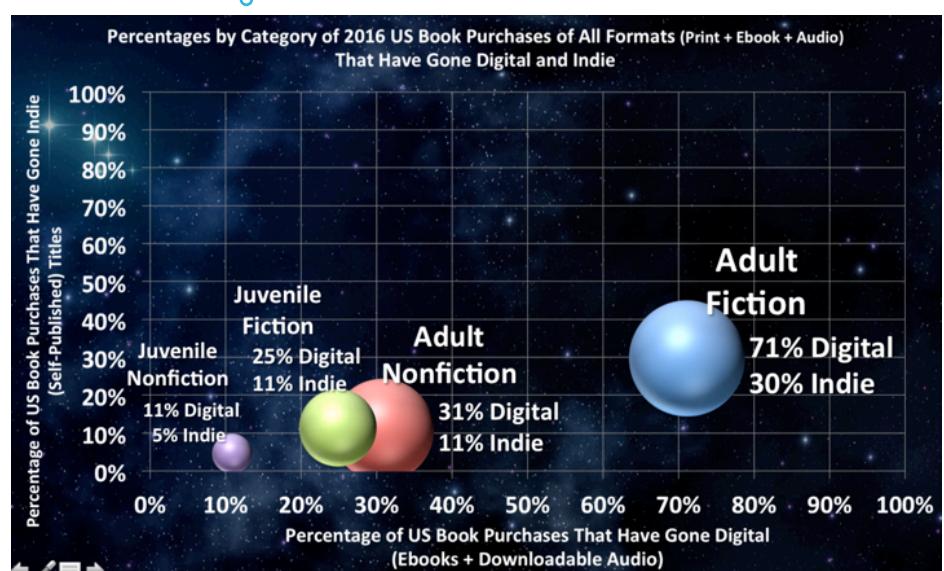
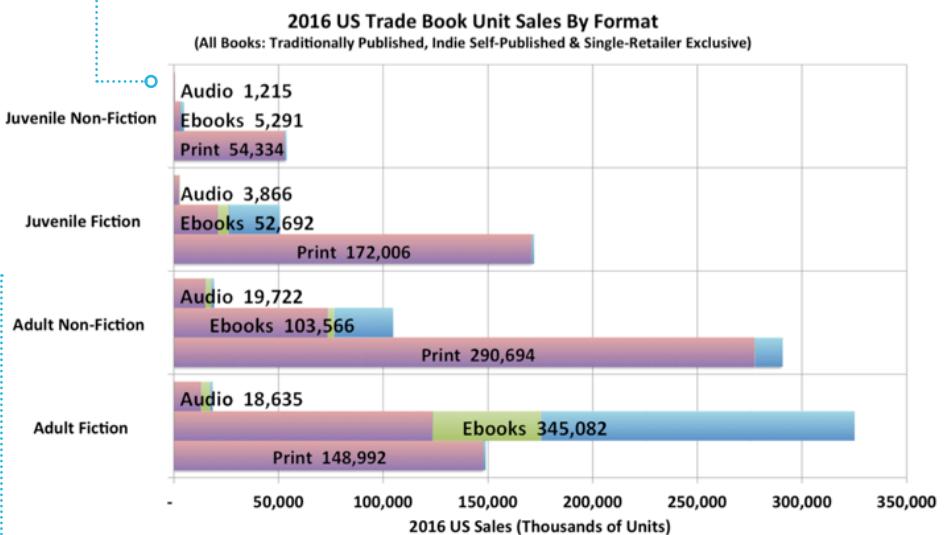
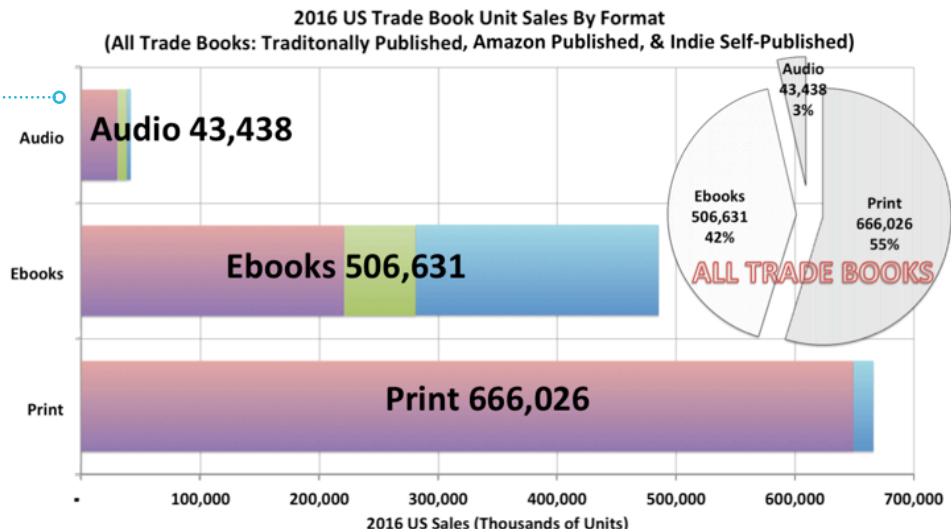
A better, and more intuitive, way to look at the above breakdown of book sales by category is a bubble chart:

In the above graph, the relative size of each bubble represents the overall number of sales in that category. The further to the right a category bubble lies, the greater the percentage of those book sales that are digital. The higher that bubble lies on the graph's vertical scale, the greater the percentage of sales in that category that are now "indie" and going to self-published titles and authors, rather than traditional publishers.

From the above, we can see that adult fiction sales in the US are nearly 71% digital now, and that is also the category where indie sales have made the deepest inroads: today, 30% of all US adult fiction book purchases are of titles self-published by indie authors. At the other extreme, we have juvenile nonfiction, where only 11% of book sales are digital, and only 5% of all US book purchases are indie self-published.

But each of these four categories is too broad to be really informative for publishers seeking to understand how their own title catalogs intersect with the bookbuying behavior and format preferences of US consumers.

Each of the categories above encompasses a wide panoply of genres: from Thrillers/Suspense to Mystery/Detective to Horror to General Adult Fiction; from Biography/Memoir to Business/Economics to Arts/Hobbies/Crafts to Religion/Bibles to Reference; from Juvenile Sci-Fi/Fantasy to History/People/Places/Sports to Juvenile Classics.



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Continued...How Do Book Sales Stack Up Genre by Genre?

What we really want to know, genre by genre, is:

- Which of those 44 specific genres have seen their online sales go the furthest digital?
- Which remain bastions of traditional publishing strength online?
- Which have lost the most online market share to indie self-publishers and other non-traditional players?
- Are there particular genres where consumer demand has exploded in the digital realm, but which traditional publishers remain blind to, as a result of not having visibility into overall ebook sales?

When it comes to online sales, AuthorEarnings can see all of that, too. And at Digital Book World 2017, we look forward to sharing what we see with the industry.

We'll break down the online market for you genre by genre—from Romance to Classics, Science Fiction to Westerns, Cookbooks to Coloring Books, Action Adventure to Self-Help.

We'll learn:

- which genres have seen what percent age of their online US consumer purchasing go digital.

- which genres have seen what percent age of their online US consumer purchasing go non-traditional.
- which genres have seen what percent age of their online US consumer purchasing go indie self-published.
- which genres exhibit the most traditionally-unmet demand for brand new books and brand new voices—genres that represent a significant growth opportunity for publishers willing and able to compete for those sales against the burgeoning nontraditional publishing sector.

See you there.

DIGITAL
BOOK
WORLD
JANUARY 17-19, 2017

The 8th Annual Digital Book World

(DBW 2017) will present fresh content on key topics, real-world solutions and opportunities for publishers and their partners, as well as the latest tools and techniques for smarter book publishing in a digital world. The event, which takes place at the New York Hilton Midtown, includes two full days of programming that will run in four concurrent tracks (on Jan. 17 and 18), in addition to the launch of DBW Indie Author: The First Conference for the New Professional Author, on Jan. 19.

DBW 2017 educational tracks (on Jan. 17 and 18), include: Editorial Acquisitions +

Digital Book World 2017 Focuses on Key Solutions and Opportunities for Publishers and Their Partners January 17-19, 2017 in N.Y.C.

Development; Production + Distribution; Marketing + Sales; and Data Analysis + Reporting. In addition to the DBW 2017 conference tracks on Jan. 17 and Jan. 18, DBW will present DBW Indie Author: The First Conference for the New Professional Author, on Jan. 19. The program will cover the landscape for independent and hybrid authors.

Speakers at Digital Book World 2017 include: CEOs and C-level executives responsible for developing their organizations' digital strategies, innovators who are bringing new ideas and new technologies to market, and path-making authors, agents, marketers and editors. These leaders will share best practices and wisdom from their personal experiences – what has worked and what

hasn't – so attendees can avoid pitfalls and make wise strategic decisions.

Attendees of DBW include large and small book and ebook publishing businesses, book marketers, directors of international book sales and rights, editors of publishing houses and literary agents, digital strategists and content professionals, and managers of operations, finance, sales/marketing and technology within industry and allied organizations.

Register today to get up-to-date on issues and opportunities that will help you get ahead for the coming year; learn strategies from both familiar faces and new voices; and connect with the industry's leading executives, experts and innovators.

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