

## THE U.S. BOOK MARKET

### Information about the U.S. economic situation in numbers

Area:	9,826,675 km <sup>2</sup>
Population:	319,087,737 (September 2014 est.)
Literacy rate:	99 %
Gross Domestic Product:	\$16.8 trillion (2013 est.)
Inflation rate:	1.7% (August 2014 est.)
Unemployment rate:	5.9 % (September 2014 est.)
Languages:	English 79%, Spanish 12.9%, other Indo-European 3.7%, Asian and Pacific island languages 3.3%, other languages 0.9% (2011 survey by the Census Bureau)

(Sources: bls.gov census.gov; cia.gov; data.worldbank.org; usinflation.org)

### Information about book production in the U.S.

#### Title production

**Production of print books by traditional publishers** slowed in the United States in 2013, declining from 309,957 titles in 2012 to a projected 304,912 titles in 2013, according to Bowker, the global leader in bibliographic information. The two percent decrease reverses the sector's growth in 2012 over 2011, but points to a relatively stable market for print works despite competition from ebooks.

The **non-traditional publishing sector** had a far more significant decline over 2012. Its print output for 2013 was projected at 1,108,183 titles, a decrease of 46 percent from its production of 2,042,840 titles in 2012 and a dramatic reverse from its 55 percent growth in 2012 over 2011. The non-traditional sector is comprised primarily of reprint houses specializing in public domain works and by presses catering to self-publishers and "micro-niche" publications. Their titles are marketed almost exclusively on the web and printed on-demand.

In **traditional publishing**, Fiction and Juvenile genres continue to dominate the market, accounting for over 27 percent of new titles and editions in 2013, up slightly over 2012 and driven by growth in Fiction. Sociology/Economics, Science and Religion are the third, fourth and fifth most active genres.

Among the **fastest growing genres** is Music, which had the largest increase over prior year – up 24 percent over 2012, with a five-year growth rate of 28 percent. Science titles have experienced the most dramatic five-year growth rate – up 33 percent over 2008. The Technology area was third, with a five-year growth rate of 27 percent

Top five book production categories:

Rank	Subject	2012	2013
1	Fiction	49,853	50,498
2	Juveniles	33,239	32,902
3	Sociology, Economics	28,442	29,399
4	Science	18,852	18,684
5	Religion	19,854	18,653

Overall, **publishing output** is dominated by a handful of large Reprint/POD houses. In fact the top three – Bibliobazaar, General Books and VDM Verlag – accounted for over 72% of the total yearly output in 2011. The largest POD publisher was Bibliobazaar with 773,857 ISBNs.

**Exports of trade books** rose 7.2% in 2012 to \$833.4 million. The increases were fueled by a year of strong new releases, particularly in the romance genre, and even more widespread popularity of e-books than in past years. The figures, drawn from BookStats, shows that exports of e-books rose 63% in the year, while print book exports increased 1.3%. This growth occurred despite the loss of numerous brick-and-mortar stores in 2012 and a lower cost for e-books than print books, which translated to higher quantities of e-books sold.

In the **U.S. Publishing Cycle** hardcover and e-book are released at the same time, e-books being crucially lower in price. Nine months to one year later paperbacks will be released and/ or the mass market will be entered.

While all genres were strong, US publishers' titles for children and youth, particularly **Young Adult Fiction**, showed powerful growth in nearly every international market and especially in Asia.

In a reversal of trends in recent years, **ebook** growth is basically flat in the U.S. while hardcover books are selling much better in 2013 than last.

According to the latest numbers from the Association of American publishers, **adult ebook** sales are up 4.8% through August to \$647.7 million. Meanwhile, sales of **hardcover books** are up 11.5% to \$778.6 million over the same period.

The trend over the past several years has been quite the opposite, with ebooks growing in double and triple digits and hardcover sales falling, giving way to the cheaper format. **Paperback sales**, however, continued to decrease, down 11.6% from a year ago to \$898.9 million.

Sales of **children's ebooks** continue to sag on unfavorable comparisons to a 2012 that saw the *Hunger Games* dominate best-seller lists alongside *Fifty Shades of Grey*. Sales of children's ebooks are down 40.1% to \$109.6 million through August. However, children's ebook sales are up significantly versus two years ago.

Religious ebooks are up slightly to \$42.7 million in sales versus a year ago, an increase of 2.6%.

Publishers Sales by Format, 2011-2013 (by millions):

Lagardere Publishing, 2012-2013

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>% Change</u>
Total	€2,038	€2,077	€2,066	-0.5%
Digital	122	166	215	29.5%
Print	1,916	1,911	1,815	-5.0%

Random House Worldwide (January-June only)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>% Change</u>
Total	-	€947	€9156	-3.4%
Digital	-	208	183	-12.0
Print	-	739	732	-0.9

Penguin Group (January-June only)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>% Change</u>
Total	-	£441	£513	16.3%
Digital	-	84	108	28.6%
Print	-	357	405	13.4%

Simon & Schuster

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>% Change</u>
Total	\$787	\$790	\$809	2.4%
Digital	134	182	218	20.0%
Print	653	608	591	-2.8%

Harlequin

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>% Change</u>
Total	C\$549	C\$426	C\$397	-6.7%
Digital	71	88	96	9.1%
Print	388	338	301	-10.9%

Houghton Mifflin Harcourt Trade

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>% Change</u>
Total	\$126	\$157	170	8.7%
Digital	11	25	22	-12.0%
Print	115	132	148	12.1%

HarperCollins (July-December only)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>% Change</u>
Total	-	\$729	\$719	-1.3%
Digital	-	106	137	29.2%
Print	-	623	582	-6.6%

(Sources: Bowker, Publishers Weekly, BISIG, AAP)

## Self-Publishing

Self-Publishing Continues to Grow in U.S., Says Bowker

*17 percent more ISBNs in 2013 than 2012 show that growth is hearty, but settling*

New Providence, NJ – October, 2014– A new analysis of U.S. ISBN data by ProQuest affiliate Bowker reveals that the number of self-published titles in 2013 increased to more than 458,564, up 17 percent over 2012 and 437 percent over 2008. Print titles were up a very strong 29 percent over 2012, indicating the format's continuing relevance to self-publishers. While self-publishing continues to grow, the pace appears to be normalizing after several explosive years.

*Read Bowker's report on self-publishing*

"Our general conclusion is that self-publishing is beginning to mature. While it continues to be a force to reckon with, it is evolving from a frantic, wild-west style space to a more serious business," said Beat Barblan, Bowker Director of Identifier Services. "The market is stabilizing as the trend of self-publisher as business-owner, rather than writer only, continues."

The analysis also shows:

- Print books have strong value to self-published authors, enabling them to reach a broad audience, often via independent bookstores.
- A handful of companies continue to dominate the publishing services sector for independent authors. More than 75 percent of self-published titles with ISBNs came to market with support from just three companies: Smashwords, CreateSpace and Lulu.

Bowker's analysis is based on ISBN registrations in the U.S. The vast majority of books in all formats have an ISBN. In addition to the obvious benefit of ensuring unequivocal and clear identification, ISBN registrations – and accompanying metadata from publishers – reveal market trends and enable insights into emerging areas.

(Source: Bowker)

## Average book price

### Adult

Trade Hardcover Fiction	\$ 26.63
Trade Hardcover Non-Fiction	\$ 27.59
Trade Paperback Fiction	\$ 15.49
Trade Paperback Non-Fiction	\$ 20.25
Mass-Market Paperback	\$ 7.67

### Childrens' YA

Hardcover (all titles)	\$ 18.01
Trade Paper (all titles)	\$ 7.15
Mass Market Paper (all titles)	\$ 6.49

### YA

Hardcover (all titles)	\$ 19.38
Trade Paper (all titles)	\$ 12.51
Mass Market Paper (all titles)	\$ 7.36

(Source: School Library Journal)

## Digital Publishing

**Trade publishing revenues from ebooks** increased 5.1% to \$404.8 million in the first quarter of 2014, according to the latest figures from the Association of American Publishers.

Multi-function tablets have become consumers' preferred e-reading devices, overtaking dedicated e-readers for the first time, according to the Book Industry Study Group (BISG)'s closely watched Consumer Attitudes Toward E-Book Reading survey, an ongoing study powered by Bowker Market Research. Results from the first installment in Volume Four of the survey show 44 percent of e-book readers prefer a tablet, up from 37 percent in the August 2012 survey. During the same period, respondents' choice of a dedicated e-reader fell from 49 percent to 42 percent. The study suggests the trend will continue as respondents' intent to purchase a dedicated e-reader has dropped, while intent to purchase has remained consistent for tablets, at about 37 percent.

### Digital reading devices

The latest edition of BISG's Consumer Attitudes Toward E-Book Reading survey shows that for the first time multi-function tablets have surpassed dedicated e-readers as the device of choice among consumers who read e-books. Results from the first installment in Volume Four of the survey show 44% of e-book readers prefer a tablet, up from 37% in the August 2012 survey, while those preferring a dedicated e-reader fell from 49% to 42%. The study suggests the trend will continue as respondents' intent to purchase a dedicated e-reader has dropped, while the intention to purchase has remained consistent for tablets, at about 37%. The most recent BISG survey was conducted February 6-21, 2013.

- / iPad, iPad Mini
- / Google Nexus 7, Nexus 10
- / Nook HD, Nook HD+
- / Galaxy Tab 2 7.0, 10.1

- / Kindle Fire HD
- / Kobo Arc, Kobo Mini
- / Microsoft Surface RT, Surface Pro

(Sources: BISG, Publishers Weekly, AAP)

## Licensing Statistics

### Translations from English into German

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).

(Source: Buch und Buchhandel in Zahlen 2014)

## Export / Import

**Exports of trade books** rose 7.2% in 2012 to \$833.4 million, according to figures by the AAP. The figures, drawn from BookStats, show that exports of e-books rose 63% in the year, while print book exports increased 1.3%. The largest markets for print titles last year were the U.K., Germany, Australia, South Korea, the Philippines and Singapore with the biggest gains posted in the Philippines, the U.K., France, Colombia, and the UAE. E-books found the most buyers in the U.K., Australia, Germany, France, Norway, and Switzerland with the largest gains in Germany, New Zealand, Spain, and Italy.

The **young adult category** was particularly popular abroad, AAP said, posting large gains in a number of markets, especially in Asia. The Asian market for books in general has been growing rapidly due to a number of reasons that include the spread of English-language literacy, the emphasis on education and English Language Teaching (ELT), as well as interest in such subjects as business, management, technology and finance.

Online retailers have also helped to fuel growth particularly in Italy, Spain, Japan, France, China, Germany and Brazil. Gains were driven by established retailers opening new markets as well as new online retail partners emerging in some countries.

(Source: Publishers Weekly)

## Number of publishers

5 large publishers (PenguinRandom House, HarperCollins, Simon & Schuster, Macmillan and Hachette)  
300-400 medium-sized publishers  
86,000 small/self-publishers

(Source: Publishers Weekly)

## Top 10 houses for translation (2012):

- / Dalkey Archieve (32 titles)
- / AmazonCrossing (29 titles)
- / Seagull Books (16 titles)
- / Europa Editions (15 titles)
- / American University at Caro (12 titles)
- / Farrar, Strauss & Giroux (10 titles)
- / Open Letter (10 titles)
- / Other Press (10 titles)
- / New Directions (9 titles)
- / Yale University Press (8 titles)

(Source: Publishing Perspectives)

## Sales / distribution channels

The **overall US book and journal publishing industry** generated \$27.01 billion in net revenue for 2013, representing 2.59 billion in units (volume), according to *BookStat*. As reported, the Trade sector – covering general consumer fiction and non-fiction – generated \$14.63 billion in net revenue and 2.32 billion in volume

For 2013, Adult Non-Fiction was the fastest-growing Trade category, surpassing Juvenile (Children's/Young Adult) which had been the growth leader for the past two years. In formats, eBooks hit record volume numbers while revenue was flat; downloaded audiobooks hit all-time highs in both revenue and units. In sales channels, publishers' net revenue from sales of digital and print content via online retail is now ahead of revenue from brick-and-mortar retail

**Total overall 2012 net revenue from non-US markets** reported by publishers is \$833.389 million, increasing 7.2% vs 2011. This represents 135,526 million units, a gain of 2.4% vs last year. Publishers' net revenue from the export of e-books increased by 63% and print books by 1.3% over the same period.

For 2012, the **top territories generating revenue from print** were Asia, Europe, the United Kingdom and Ireland. The top countries contributing to print sales (in ranking order) were the UK, Germany, Australia, South Korea, the Philippines and Singapore. The countries with the greatest year-to-year increases in print revenue were the Philippines, the UK, France, Colombia and the United Arab Emirates.

For **e-book revenue**, the revenue-generating territories were led by Europe, followed by the UK and then closely by the territories including Australia, New Zealand, South Africa and India. The top countries contributing to e-book sales were the UK, Australia, Germany, France, Norway and Switzerland. Germany showed the greatest year-on-year revenue gains while New Zealand, Spain, Italy, South Africa and Brazil also contributed significant e-book revenue gains.

US **publishers' worldwide sales, distribution and marketing strategies** had a significant local focus. Over the past year, US Trade publishers expanded their global presence through focused online marketing attention in major overseas markets; additionally, they increased international sales and marketing efforts through partnerships with strong, well-established local channels – brick-and-mortar and online – bringing effective social media brands.

(Source: Bookstats, buchreport, Publishers Weekly, AAP)

## Online retailers

The rise in **e-book reading** in the U.S. over the last three years has been a key driver in the market share gains of e-retailers, according to research released this month by Bowker Market Research. In the U.S., e-retailers accounted for 44 percent of book purchases by volume in 2012, up from 25 percent in 2010.

E-retailers market share increases come at the expense of chain booksellers in the U.S., where their market share has dropped from 32 percent to 19 percent of volume. "It is clear that the e-book format has really come of age in the US," said Jo Henry, Director of Bowker Market Research, a service of ProQuest affiliate Bowker. "E-books' market share has seen steady growth since January 2009, with steep rises after each Christmas."

In November 2012, 28 percent of all book purchases in the U.S. were in e-book format – a dramatic rise from six percent in November 2010. E-book revenues now account 30% of total revenues in the large publishing houses with an average price of \$12.99 per e-book.

(Source: AAP)

## Copyright Law

Copyright law in the U.S. is governed by federal statute, namely the Copyright Act of 1976. The Copyright Act prevents the unauthorized copying of a work of authorship. However, only the copying of the work is prohibited—anyone may copy the ideas contained within a work. For example, a copyright could cover a written description of a machine, but the actual machine itself is not covered. Thus, no one could copy the written description, while anyone could use the description to build the described machine.

Copyrights can be registered in the Copyright Office in the Library of Congress, but newly created works do not need to be registered. In fact, it is no longer necessary to even place a copyright notice on a work for it to be protected by copyright law. However, the Copyright Act does provide additional benefits to those who register with the Copyright Office. Consequently, copyright registration and the use of a copyright notice is recommended.

(Source: bitlaw.com)