

The Book Market During the Pandemic – an Interim Report

Annual Business Press Conference

Frankfurt am Main, July 8 2021

Corona and the Book Market

The impact of the pandemic on the book industry

THE IMPACT OF CORONA

Strong Demand for Books

Increasing book usage; more online orders from bookstores as well as more ebook and audiobook downloads

Challenging Times for Local Bookstores

Loss of turnover in 2020, significant shortfall in 2021; online/delivery turnover costly due to high handling costs and low return on investment

Stable Market Overall

Consumer reach and total turnover at previous year's level

Mixed Picture for Publishing Houses

Considerable differences between the publishing areas, title production declining above all in fiction



01

Corona and its Impact on Media Behaviour

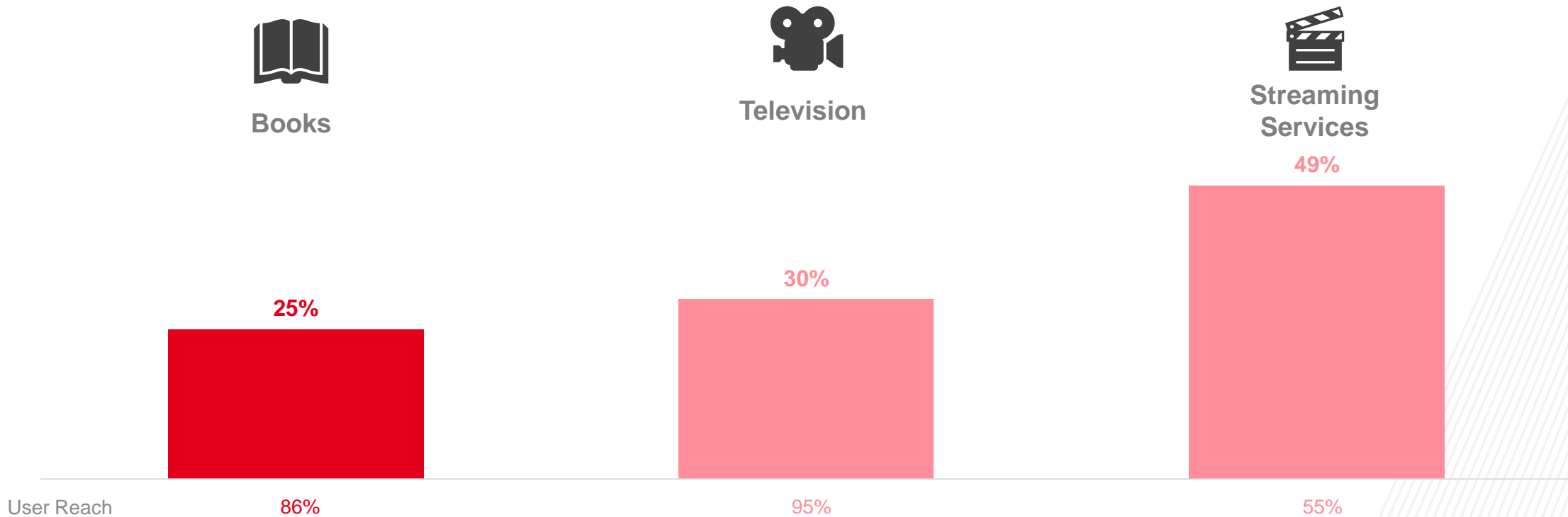
Reader Developments



Development of Media Usage

Increase in media usage (Basis: Users) in comparison to the time before the pandemic

Percentage of responses: used “much more frequently” / “somewhat more frequently”



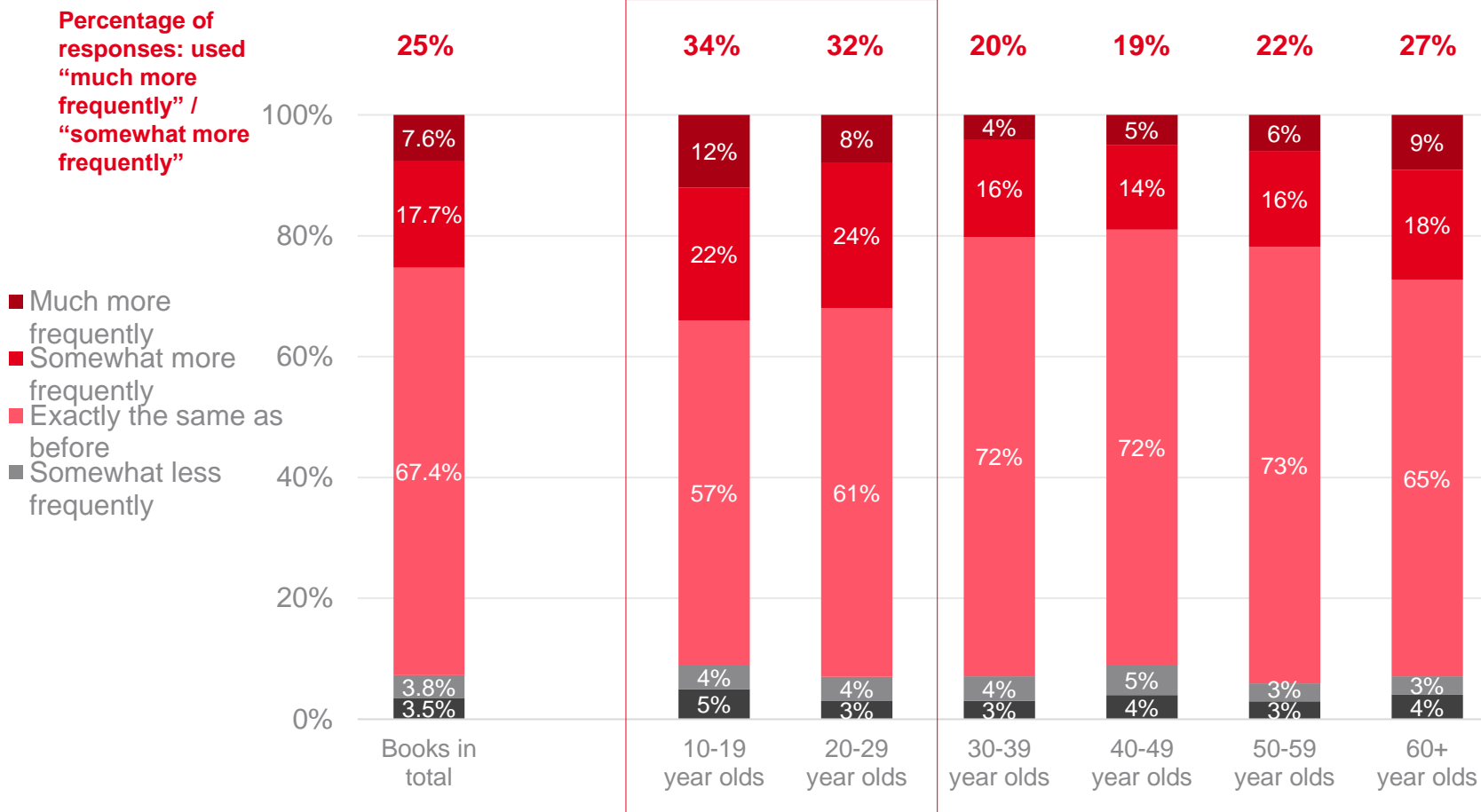
Survey in January 2021 on media use and consumer behaviour in Corona times
Question: How has your behaviour changed with regard to the media mentioned in comparison to the time before the Corona pandemic?
Basis: n=16,670 people surveyed, representative of 66.5 million people (German resident population aged 10 and over)

Source: GfK Consumer Panel Media*Scope Buch



Development of Book Usage According to Age Groups

Development of usage in comparison to the time before the pandemic



The growth in book usage among younger age groups is particularly high.

Survey in January 2021 on media use and consumer behaviour in Corona times
Question: How has your behaviour changed with regard to the media mentioned in comparison to the time before the Corona pandemic?
Basis: n=16,670 people surveyed, representative of 66.5 million people (German resident population aged 10 and over),
 In this case: Users of books n=14,412

Source: GfK Consumer Panel Media*Scope Buch



02

Corona and its Impact on the Book Market in 2020

Consumers, Total Market, Sales Channels, Digital Purchases



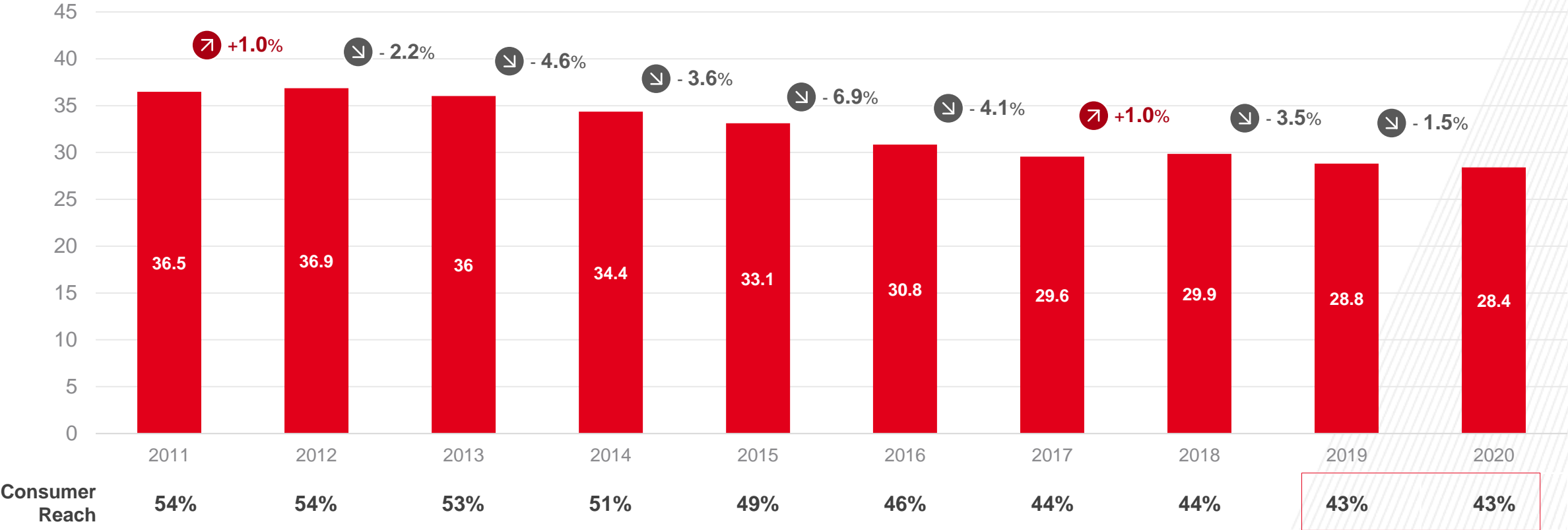
Consumer Development 2011–2020

KEY MARKET FIGURES 2020

BOOK CONSUMERS

Book consumers in the general public book market:
Amount, Changes compared to the previous year, Reach

Number of people in millions



Basis: Representative of 66.5 million people (German resident population aged 10 and over),
Excluding textbooks and reference books, including downloads (Audiobooks and ebooks),
Source: GfK Consumer Panel Media*Scope Buch

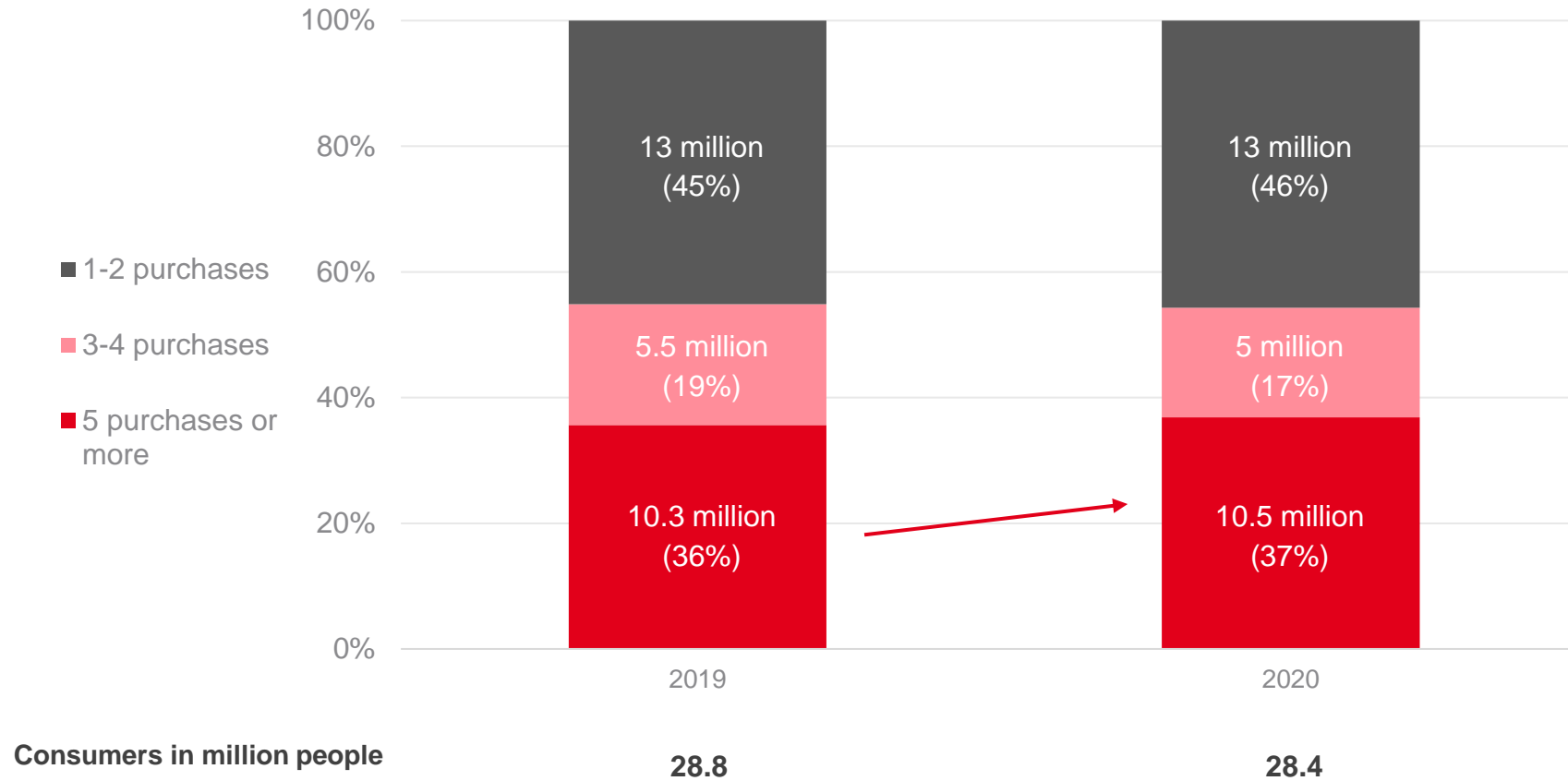


Development of Purchasing Intensity 2019 / 2020

KEY MARKET FIGURES 2020

Book consumers in the general public book market in millions and percentages

PURCHASING INTENSITY



Basis: Consumers (in the German residential population aged 10 and over),
Excluding textbooks and reference books, including downloads (Audiobooks and ebooks),
Source: GfK Consumer Panel Media*Scope Buch

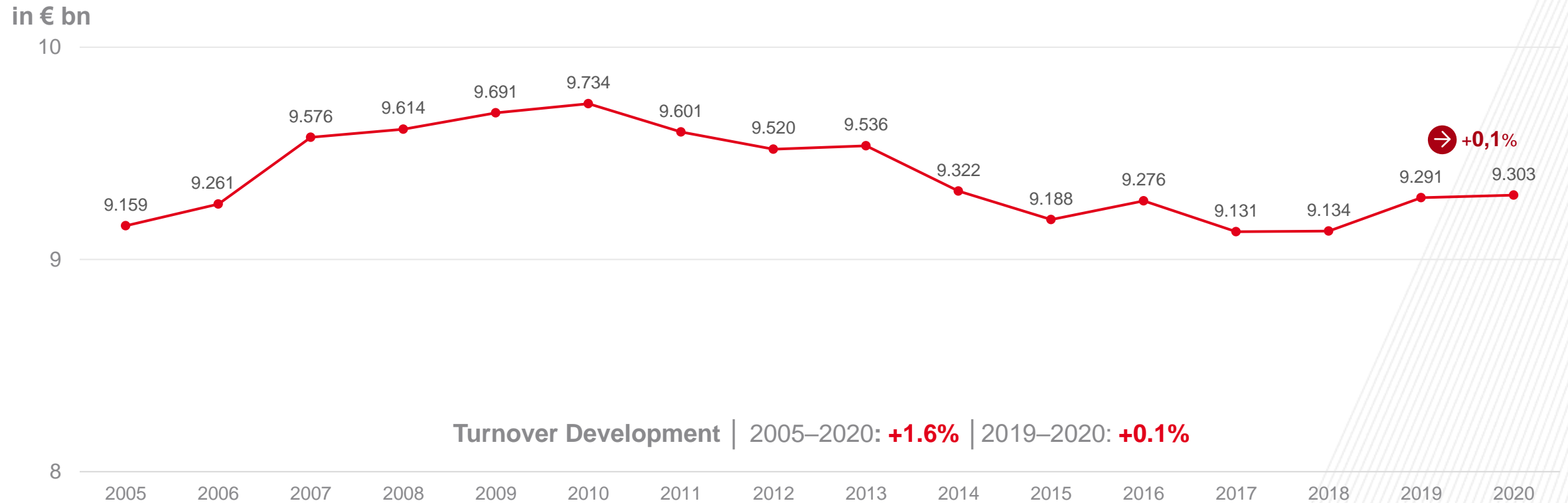


Turnover in the Book Industry 2005–2020

KEY MARKET FIGURES 2020

Estimated Turnover

TURNOVER

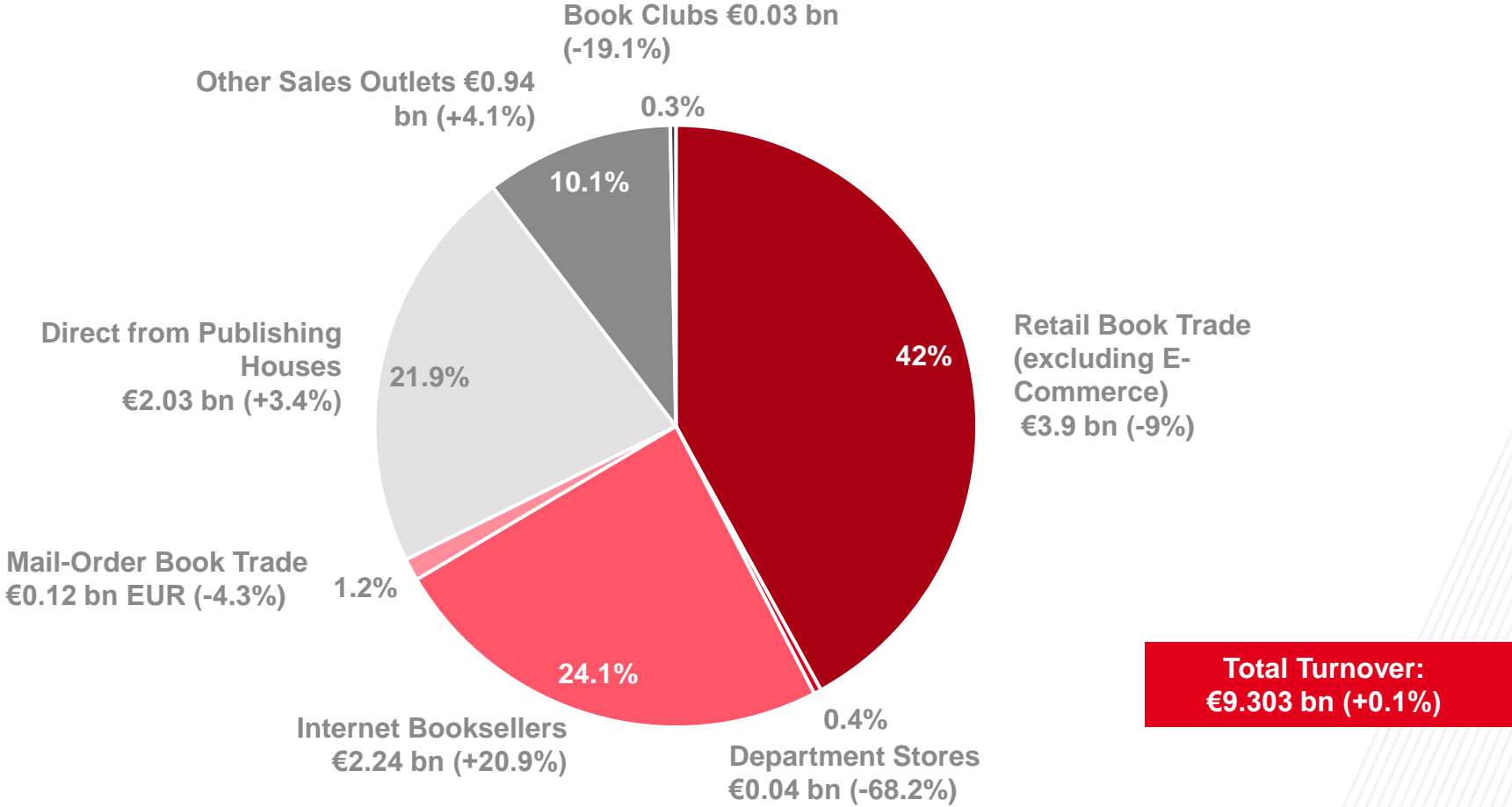


Source: Börsenverein des Deutschen Buchhandels, 2021



Share of Turnover by Sales Channel 2020

Estimated turnover with development compared to previous year (in brackets)



Source: Börsenverein des Deutschen Buchhandels, 2021

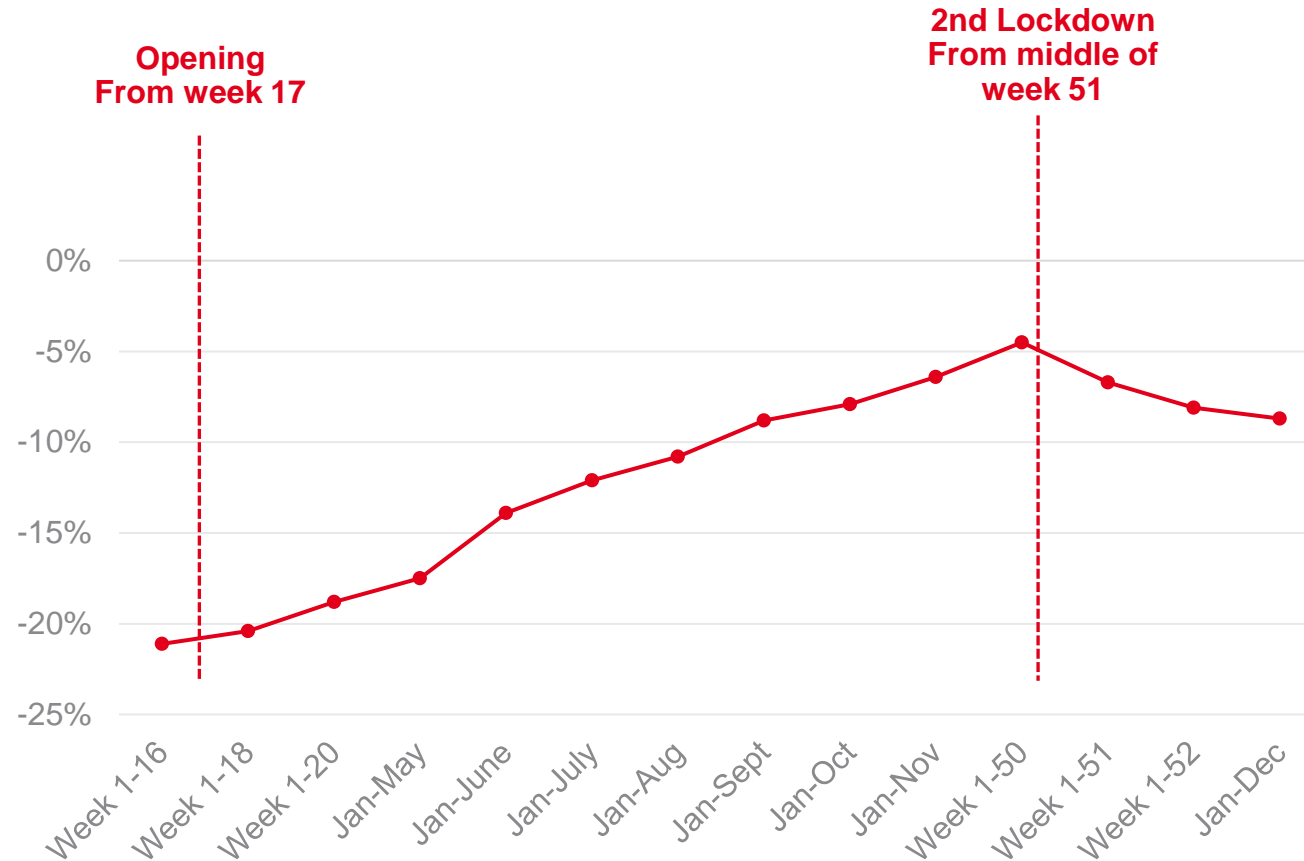


Book Trade: Turnover since Reopening in 2020

Cumulative turnover of retail book trade compared to same period of previous year

KEY MARKET FIGURES 2020

TURNOVER DEVELOPMENT



Lockdown 1: Began in week 12 (18.3.), from week 13 (23.3.) all bookstores were closed apart from those in Berlin and Saxony Anhalt. From week 17 (20.4.) stores reopened apart from in Thuringia and Bavaria (only from week 18 = 27.4.)

Lockdown 2: Began in week 51 (Monday 14.12.) first in Saxony, from 16.12. all bookstores were closed apart from those in Berlin, Brandenburg and Saxony Anhalt.

Sales Channel: Retail book trade (cash turnover, excluding E-Commerce). In order to show the change in purchasing and order/delivery behaviour of consumers during the store closures, the turnover for books ordered by the public from physical bookstores for delivery during lockdown, is also included here.

Source: Media Control, 2020

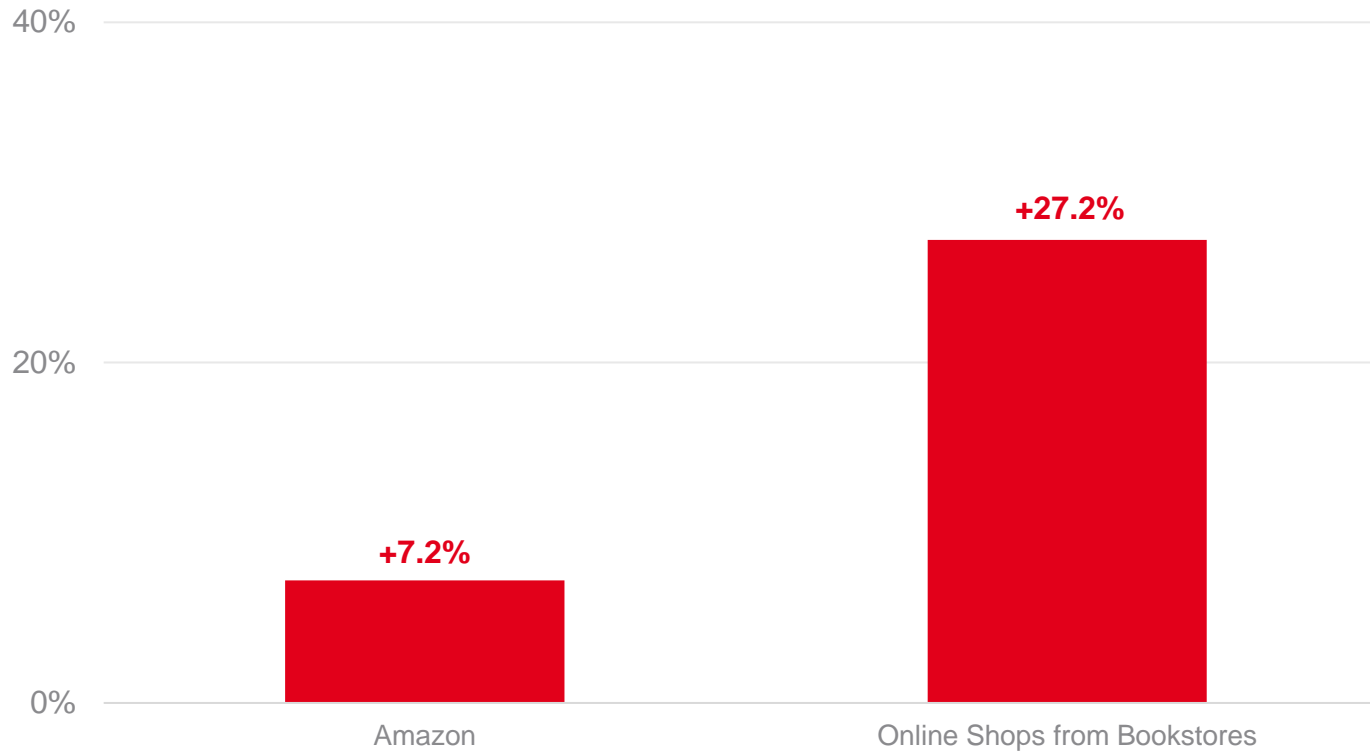


General Public Book Market: Online Shops 2020

KEY MARKET FIGURES 2020

INTERNET BOOK TRADE

Turnover growth in the internet book trade by channel compared to the previous year



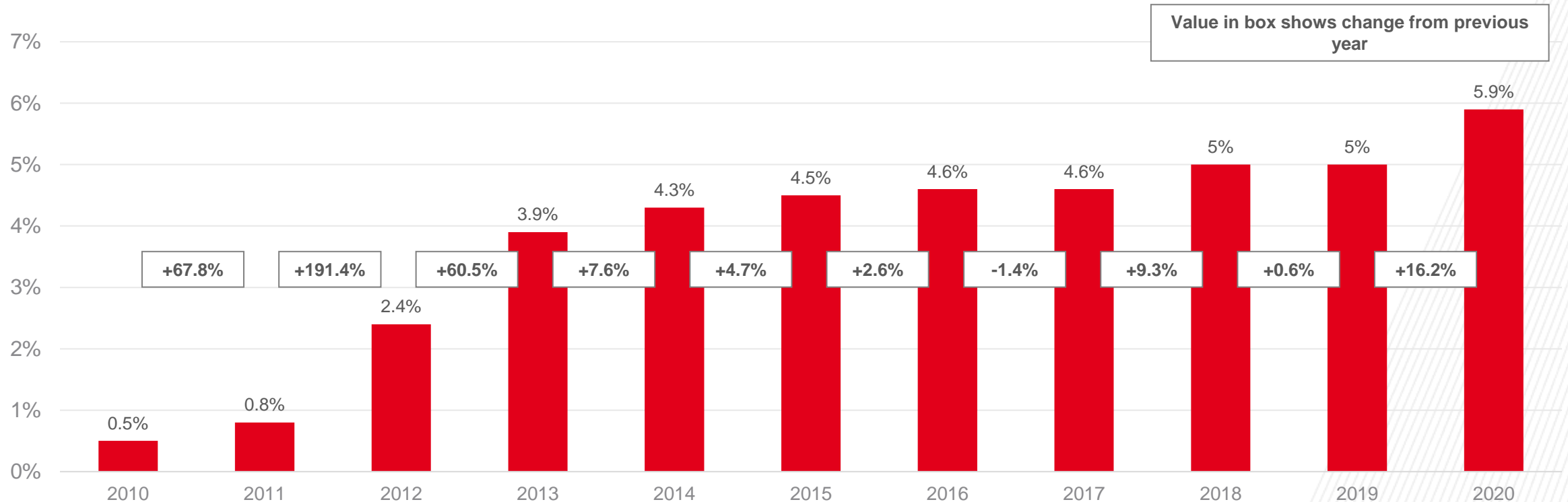
The turnover of online shops from bookstores grew almost four times as much as that of Amazon in the general public book market (excluding textbooks and reference books) in 2020.

Excluding textbooks and reference books, including downloads (Audiobooks and ebooks),
Source: GfK Consumer Panel Media*Scope Buch



Ebook Development 2010–2020

Percentage of Turnover and Turnover Development



Basis: Representative of 66.5 million people (German residential population aged 10 and over),
Excluding textbooks and reference books,
Includes all single purchases of ebooks from a retail price of 0,49 Euro.
Source: GfK Consumer Panel Media*Scope Buch



Development of Digital Book Formats 2019 / 2020

Turnover in Millions and Change in Turnover

KEY MARKET FIGURES 2020

DIGITAL FORMATS



Ebook Downloads

↑ +16.2%



2019

2020

Ebook single purchase, e.g. via hugendubel.de, weltbild.de, thalia.de



Audiobook Downloads

↑ +24.5%



2019

2020

Digital audiobooks single purchase, e.g. via iTunes, Google Play, audible*

* Counted under downloads, as subscription model is based on single downloads



Book Downloads in Total

↑ +19.3%



2019

2020



Subscriptions

↑ +28.4%



2019

2020

→ Ebook Subscription

+24.7%

Flatrate Providers, e.g. kindle unlimited, Nextory, storytel

→ Audiobook

Subscriptions

+78.3%

Flatrate Providers, e.g. BookBeat, Nextory, storytel

Basis: Representative of 66.5 million people (German residential population aged 10 and over), Digital book market incl. audiobooks, ebooks and subscriptions, excl. music streaming flatrates.

Source: GfK Consumer Panel Media*Scope Buch



03

Corona and its Impact on the Book Market in 2021

First Half-Year Turnover Results

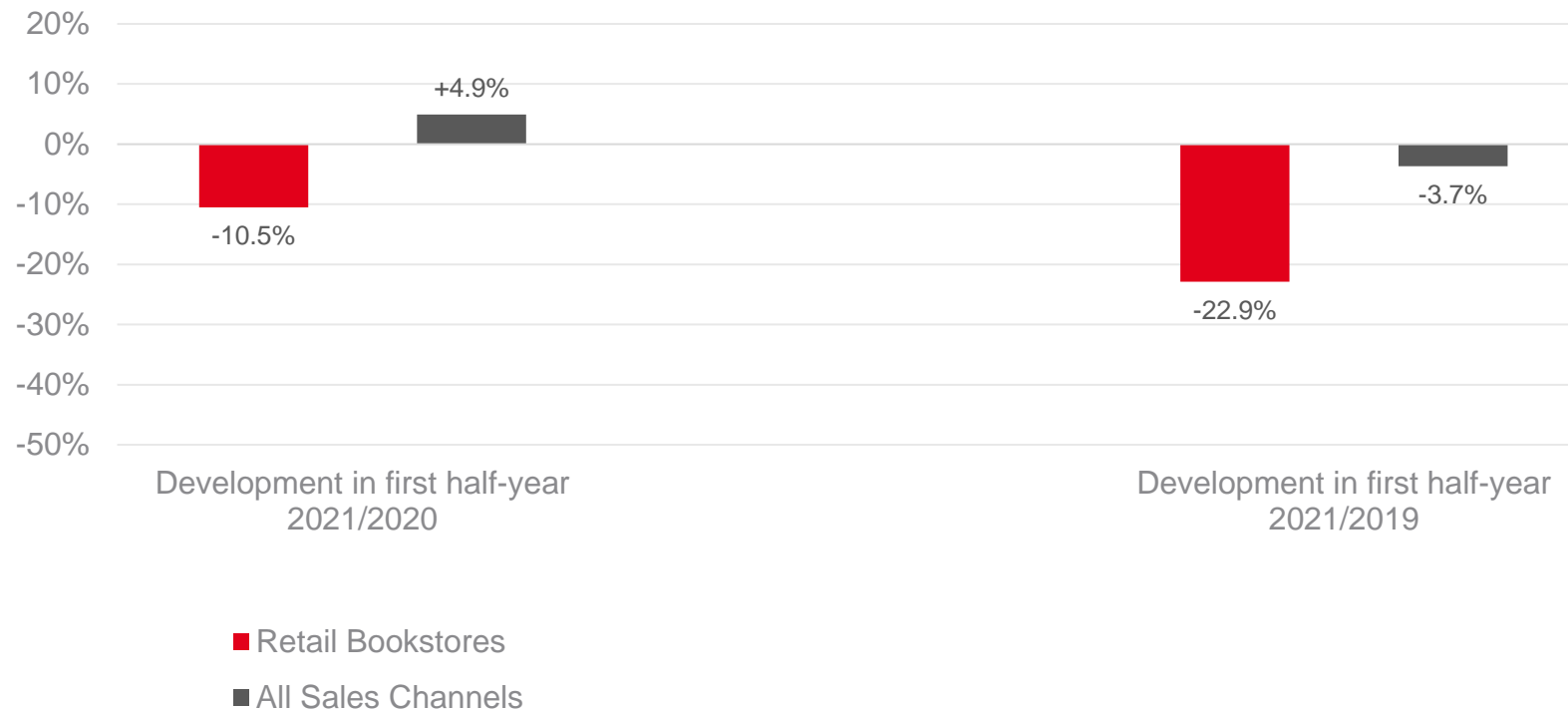


Book Trade: Half-Year Turnover Results

HALF-YEAR TURNOVER RESULTS 2021

BOOK TRADE TURNOVER

Cumulative turnover development of book trade: First half-year 2021 versus first half-year 2020 and first half-year 2019



The turnover of the book market in the first half of 2021 is behind the first six months of a normal year (2019) (minus 3.7%). The shortfall is particularly evident in the retail book trade (minus 22.9%).

Compared to the first half of 2020, which was also marked by the effects of the pandemic, the results look stronger.

Sales Channels: Retail bookstores, train station bookstores, department stores, electrical stores and drugstores (in each case cash turnover), as well as e-commerce. In order to show the change in purchasing and order/delivery behaviour of consumers during the store closures, the turnover for books ordered by the public from physical bookstores for delivery during lockdown, is also included here

Source: Media Control, 2021



04

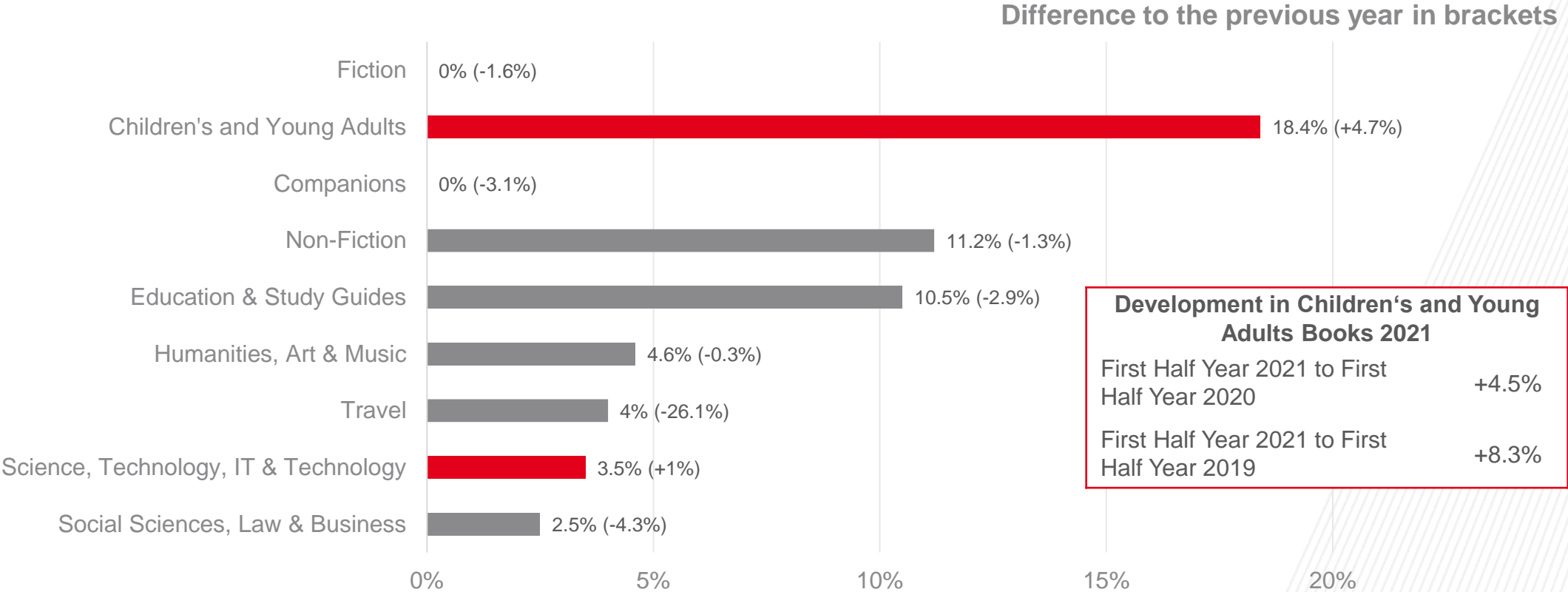
Corona and its Impact on the Book Market in 2020

Publishing Houses



Share of Turnover by Product Group 2020

Incl. development compared to previous year



Sales Channels: Retail bookstores, train station bookstores, department stores, electrical stores and drugstores (in each case cash turnover), as well as e-commerce. In order to show the change in purchasing and order/delivery behaviour of consumers during the store closures, the turnover for books ordered by the public from physical bookstores for delivery during lockdown, is also included here.

Source: Media Control, 2021

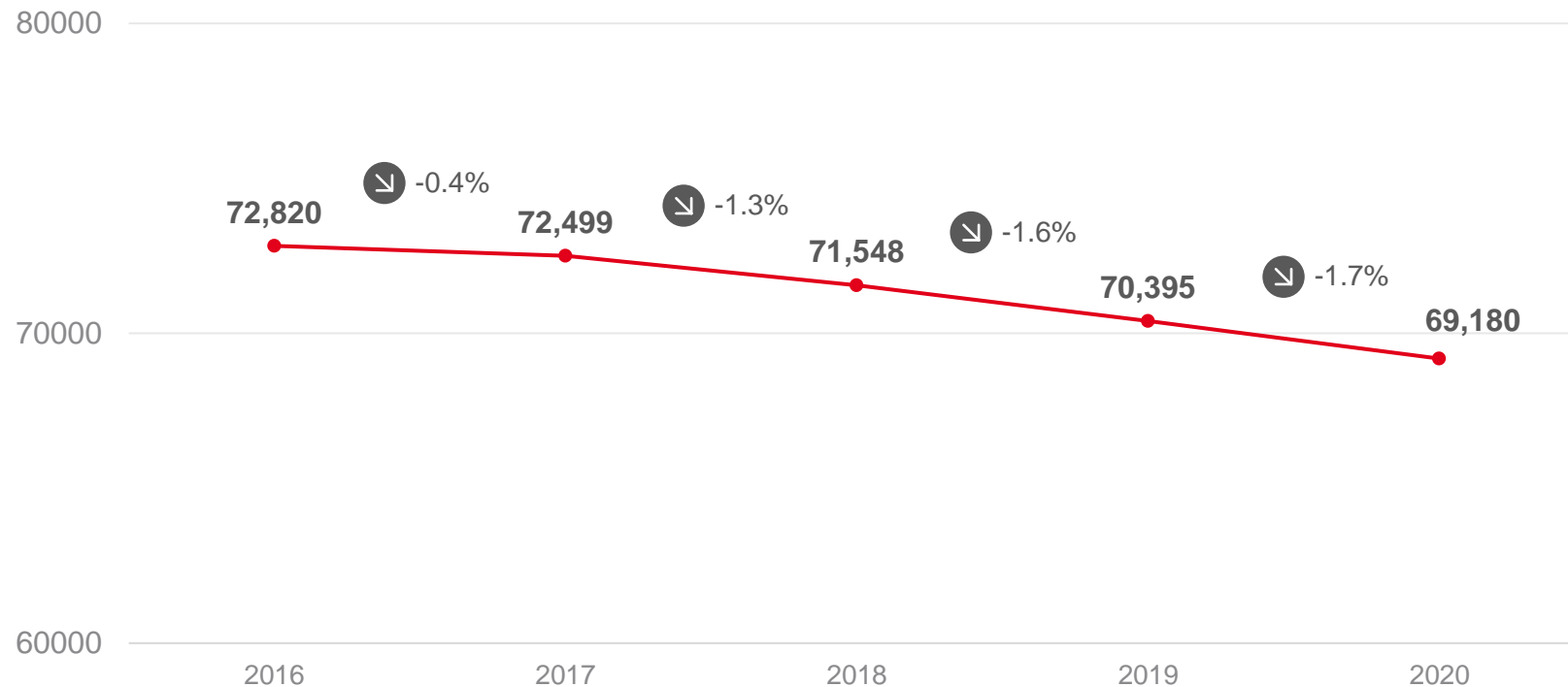


Production of First-Edition Titles 2016–2020

Development at Publishing Houses

KEY MARKET FIGURES 2020

TITLE PRODUCTION



Title production has declined marginally more than in previous years.

In fiction (the most important category with a share of 20.1 per cent of all new publications), 4 per cent fewer new titles were published in 2020 than in the previous year.

Source: Deutsche Nationalbibliografie, VLB
Calculations: Börsenverein des Deutschen Buchhandels

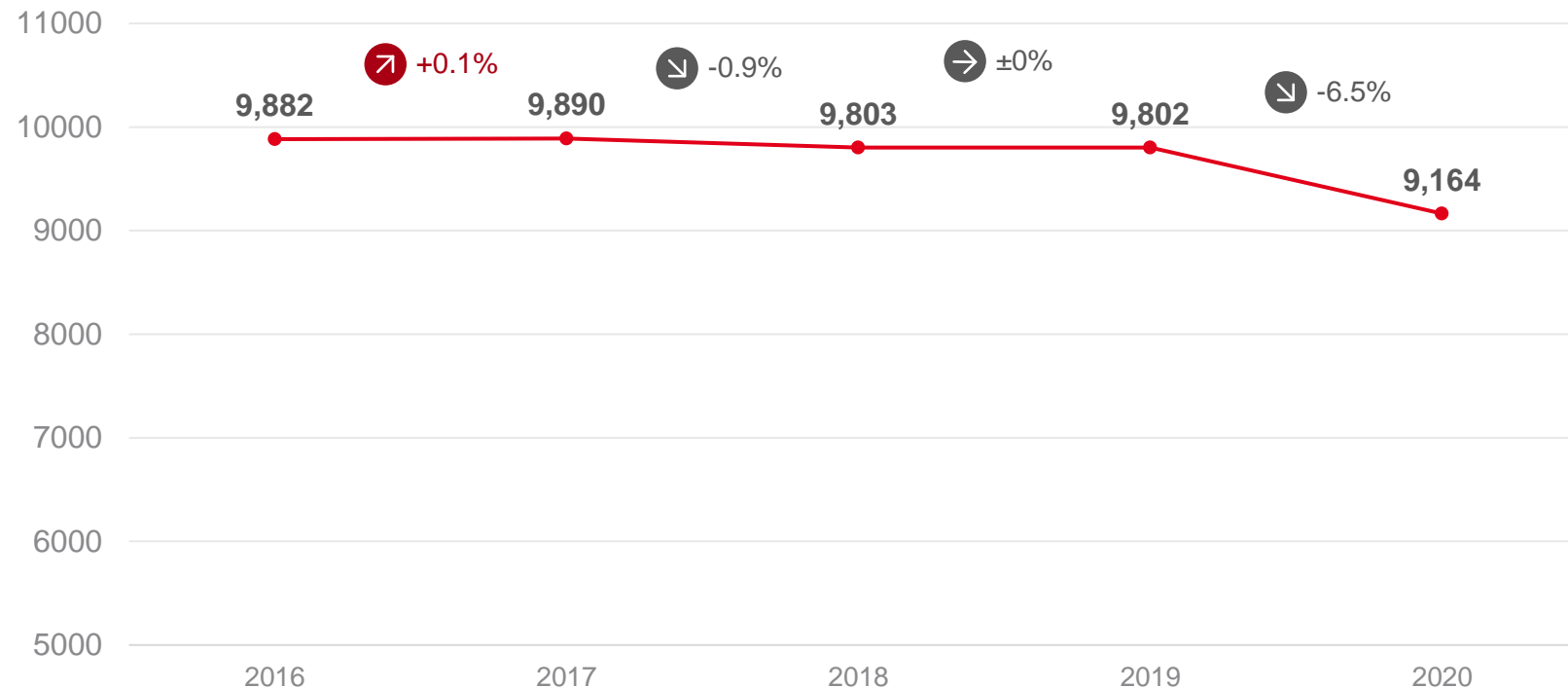


Translations into German: First Editions 2016–2020

KEY MARKET FIGURES 2020

TRANSLATIONS

Development at Publishing Houses



Translations accounted for 13.2 per cent of all first editions in 2020. Their share is thus slightly lower than in previous years (around 14 per cent each).

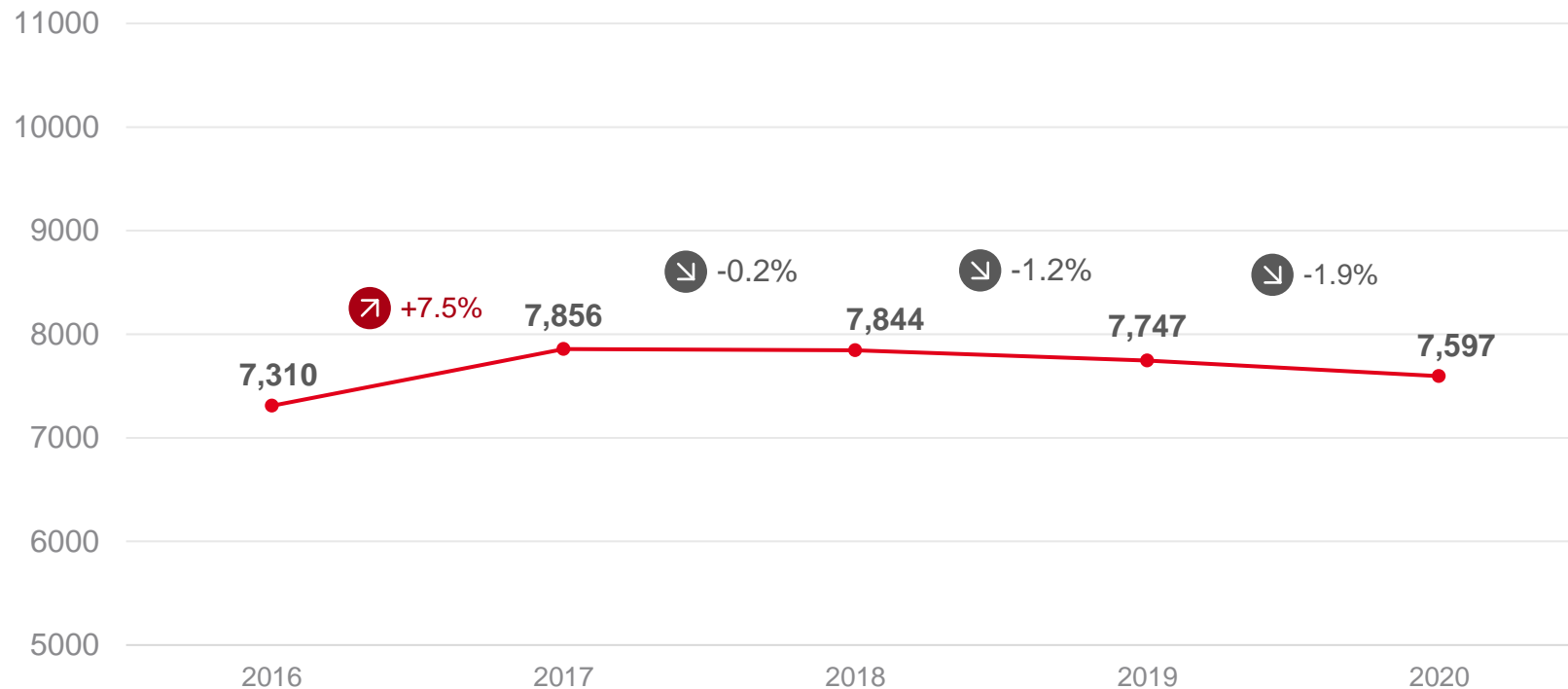
The most important origin languages for translations into German are English (63.1%), followed by French (10.6%) and Japanese (10.1%).

Source: Deutsche Nationalbibliografie, VLB
Calculations: Börsenverein des Deutschen Buchhandels



Licence Sales Abroad 2016–2020

Development at Publishing Houses



The most important product group in the German licensing business is books for children and young adults (37.7 per cent of licences), followed by fiction (17.7 per cent).

Both categories sold fewer licences in 2020 than in the previous year (books for children and young adults book: -5.6 per cent, fiction - 5.1 per cent).

Source: Licence Survey, Börsenverein des Deutschen Buchhandels



Outlook

Challenges, Framework of Conditions and Opportunities

› Challenges:

- Close the turnover gap from 2021
- Alleviate the economic consequences of the pandemic, also through further support, especially for bookstores

› Political Framework of Conditions:

- Anchoring the importance of bookstores for regions, cities and society more intensively > linked with concepts for the future of city centres
- Success: Participation of publishers in the distributions of copyright collecting societies from 2022
- Improve framework of conditions for publishers in digitalisation; trend in recent years: ever more far-reaching restrictions on copyright

› Opportunities:

- Increased online offers and competences are making the book trade even more competitive digitally
- Many bookstores are moving into the future strengthened by closer ties to their customers
- Live Frankfurt Book Fair supplemented with a digital programme will play an important role for the industry and the dialogue about books

