

NEW PUBLISHING INDUSTRY SURVEY DETAILS

STRONG THREE-YEAR GROWTH IN NET REVENUE, UNITS

“BookStats” Also Examines Trends in Print and Digital Formats, Sales Distribution Channels

New York, NY and Washington, DC; August 9, 2011 – BookStats, the deepest, most comprehensive statistical survey ever conducted of the modern U.S. publishing industry – capturing its size, scope, revenue and rapid strategic expansion across multiplatform content and sales distribution channels – is being released today.

Spanning 2008-2010, BookStats offers data and analysis of the total industry and the individual Trade, K-12 School, Higher Education, Professional and Scholarly markets. Produced jointly by the Association of American Publishers and the Book Industry Study Group, its highlights include:

Overall U.S. publishing revenues are growing

Publishers’ net sales revenue has grown annually; 2010’s \$27.94 Billion is a 5.6% increase over 2008.

Overall U.S. publishing unit sales are up as well

Publishers’ 2.57 Billion net units sold in 2010 represent a 4.1% increase since 2008.

Americans, young and old, are reading actively in all print and digital formats

2010 total net sales revenue in the consumer-focused [Trade](#) market is \$13.94 Billion, increasing 5.8% since 2008 (and excluding 2011’s e-book sales surge). Both Adult Fiction and Juvenile (non-fiction and fiction) have seen consistent annual gains.

[Education](#) publishing holds steady and, in some segments, shows solid growth

[Higher Education’s](#) \$4.5 Billion net sales revenue for 2010 represents a significant 23.1% increase over 2008. [K-12 School](#), the industry’s second largest category by net sales dollar volume, reached \$5.5 Billion revenue in 2010.

Professional and Scholarly publishing shows gains

The **Professional** market's \$3.7 Billion net sales revenue was +6.3% over 2008. **Scholarly** publishing experienced 4.7% growth since 2008, with \$191 Million net sales revenue for 2010.

"The BookStats study indicates that the publishing industry is healthy and growing during a time of unprecedented change," said Dominique Raccah, Founder and CEO, Sourcebooks and Chair of the BookStats Committee. "Publishers in every sector of our business have made significant investments in content and technology to better serve their audiences' needs and those efforts seem to correlate with the results we're seeing."

BookStats examines the industry from three distinct angles: by publishing categories, publishing formats and sales distribution channels.

More highlights about [overall publishing](#)

More highlights about [publishing categories](#) including breakdowns of fiction and non-fiction

More highlights about [publishing formats](#) including hardcover, paperback, e-books, internet and bundled products and services

More highlights about [distribution channels](#) including physical and online retail, independents, export sales, wholesalers/jobbers and institutional sales

BookStats' methodology includes source data from nearly 2000 publishers, additional databases and resources. [How BookStats was built](#)

The complete BookStats survey is available for purchase along with a supplemental online dashboard enabling customization of the data. [How to purchase BookStats](#)

AAP is the national trade association representing 300 premier U.S. publishers of high-quality entertainment, education, professional and scholarly content, produced using the most current technology, reaching the world. For more information, visit www.publishers.org BISG is the leading U.S. book trade association for standardized best practices, research and education

about publishing; its membership includes publishers, retailers, manufacturers, distributors, wholesalers and librarians. For more information, visit www.bisg.org

Media contact:

Andi Sporkin, AAP – asporkin@publishers.org and 202-220-4554

BookStats purchasing contacts:

Tina Jordan, AAP – tjordan@publishers.org and 212-255-0275

Angela Bole, BISG – abole@bisg.org and 646-336-7141

BookStats Highlights – Overall Highlights

Size of the total U.S. publishing industry in publisher [net sales revenue](#):

\$27.9 Billion for 2010

\$27.1B for 2009

\$26.5B for 2008

What that represents:

Year-to-year growth from 2008-2009 was 2.5%

Year-to-year growth from 2009-2010 was 3.1%

Two-year overall growth (2008-2010) was 5.6%

Size of the total U.S. publishing industry in publisher [net unit sales](#):

2.57 Billion in 2010

2.514B in 2009

2.474B in 2008

What that represents:

Unit sales growth from 2008-2009 increased 1.7% in volume

Unit sales growth from 2009-2010 saw slightly increased performance and grew by 2.4%

Two-year overall growth (2008-2010) was 4.1%

BookStats Highlights – Publishing Categories

The U.S. publishing industry has five general markets, or categories: Trade (fiction, non-fiction and religious content for adult and young consumers), K-12 School, Higher Education, Professional (journals, databases and other digital content for professionals in science, medicine, business, law and the humanities) and Scholarly.

Highlights for each category below reflect all print and digital formats.

Highlights:

The **Trade** market has shown resiliency in the midst of a challenging economy and significant changes in what it produces and where its works are sold. (Note: this edition of BookStats does not include results from 2011, which has seen a surge in e-book sales.)

From 2008-2010, net sales revenue for Trade-category publishers has grown 5.8%; revenue for 2010 is \$13.944 Billion.

Overall net unit sales for Trade publishers increased over the three years by 4.5% with 2.26B units sold in 2010.

Adult Fiction sales remained strong and showed growth over all three years: overall net sales revenue increased by 9.7% and net unit sales by 3.5%. Adult Non-Fiction grew as well over the same period by 3.5%.

Trade Juvenile (children, teens, young adults) sales fared well, gaining 7.1% over the three years in net sales revenue and 12.1% increases in net unit sales.

Religion (religious books and Bibles) saw movement from 2008-2010: 0.5% in net sales revenue and 1.1% in net unit sales. Overall net sales value for the Religion market in 2010 is \$1.35 Billion with 204 Million net unit sales.

K-12 School covers a vast range of learning tools for students and teachers at America's public and private schools and is the second largest U.S. publishing category based on net sales volume. Unlike other categories, K-12 School is affected by changes in federal and state

funding and the legacy state adoption market systems.

2010 net sales revenue for this category is \$5.51 Billion. The category showed a -12.4% decline from 2008-2009 but rebounded in 2009-2010 with a +7.1% increase. This translates to a change in net sales value over the three-year period of -6.2%.

Impressive growth in [Higher Education](#) over the past three years is one of the biggest stories in the U.S. publishing industry. Higher Education publishers have been actively developing, producing and marketing the next generation of premium multiplatform learning solutions offering students improved performance, more effective comprehension and assessment tools and more cost-effective options. Additionally, there has been expansion in the U.S. college and university system, particularly in the community colleges segment.

Higher Education posted a significant 23.1% increase in net sales revenue for publishers over the three years, with steady annual growth of 15.5% and 6.6% respectively. Net revenue for the category in 2010 is \$4.55 Billion.

[Professional](#) publishing provides print and digital content for practitioners, clinicians and other working in medicine, law, business, science, technology, the humanities and social sciences. One reason for this market's resiliency through the 2008-2010 period has been its digitization of content; this has created more discoverability and opened up new markets.

Three-year Professional publishing net sales revenue grew by 6.3%; this includes 1.9% growth from 2008-2009 followed by 4.3% growth from 2009-2010. Revenue for 2010 is \$3.75 Billion.

Net unit sales virtually match the revenue track: total net units increased by 6.3% for the three-year window; 2008-2009 grew by 1.6% and 2009-2010 by 4.6%. Total net units sold were 171 Million.

[Scholarly](#) publishing covers print and digital content published by scholarly societies, commercial publishers and university presses for those involved in primary research in academic, corporate or government settings. This market saw net sales revenue grow while net unit sales declined very slightly.

Scholarly market net revenue for 2010 is \$191 Million, a 4.7% increase from 2008.

Net unit sales for 2010 is 5.64 Million, a -3.4% decline over the three-year period. This includes a -5.1% change for 2008-2009 paired with a +1.8% gain for 2009-2010.

[Full definitions of all publishing categories](#)

BookStats Highlights – Publishing Formats

The range of print and digital formats currently produced by U.S. publishers is impressive. These include:

Physical - hardcover, paperback, mass market, physical audiobooks

Non-physical – e-books, enhanced e-books, downloaded audiobooks, paid mobile apps and internet products

Bundled products – Individual products and services combining content in print, electronic and custom-created formats. This is particularly prevalent in Higher Education.

[Full definitions of all formats](#)

While BookStats' survey period of 2008-2010 does not include 2011's significant surge in e-book sales, it does shed unprecedented light on the transformational changes underway in publishing formats and how publishers are serving audiences' disparate interests.

All statistics below are for the Trade category except where noted.

Trade Hardcover

Total net sales revenue for Hardcover in 2010 is \$5.26 Billion. This represents a 0.9% increase over the three years.

Hardcovers' share of the total Trade market shifted from 39.6% in 2008 to 37.7% in 2010.

Total net unit sales for 2010 are 603 Million. This represents a 5.8% increase from 2008.

Trade Softcover

Total net sales revenue for Softcover in 2010 is \$5.27 Billion, representing a 1.2% increase over 2008.

Net units sold increased 2.0% over the three years reported, with 1.1 Billion units in 2010.

Softcovers' share of the total Trade market was 39.5% in 2008 and is 37.8% in 2010.

Trade Mass Market Paperback

Total net sales revenue for 2010 is \$1.28 Billion, showing -13.8% change since 2008.

Its 9.2% share of the total Trade market in 2010 represents a -2.1% decline since 2008.

Net unit sales for 2010 are 319 Million, a decline of 16.8% from 2008

e-books and other non-physical formats

The consistent, growing popularity of e-books and apps are a major success story in content formats, even in advance of data for 2011, which is currently tracking high e-format sales. Highlights:

e-books have grown from 0.6% of the total Trade market share in 2008 to 6.4% in 2010. While that represents a small amount in the total market for formats, it translates to 1274.1% in publisher net sales revenue year-over-year with total net revenue for 2010 at \$878 Million.

Net unit sales growth for e-books was equally impressive, increasing 1039.6% for the same three-year period. In 2010, e-book net units were 114M.

Beyond the top-level format figures, the explosive growth of e-books is even more visible when considering certain categories. In Adult Fiction, e-books are now 13.6% of the net revenue market share.

BookStats Highlights – Sales Distribution Channels

As publishers have produced a wider range of content formats, consumers have shifted their buying habits – with publishers responding in a variety of ways.

The data in BookStats addresses how publishers sell their products and to whom; it lacks the capacity to examine how and where consumers ultimately make purchases. This means that publishers are not always certain of their products' final destination – a publisher's sale to a wholesaler could wind up anywhere from a big box store to an online retail site.

This, in turn, affects how to interpret what might appear in BookStats as market growth or decline in some channels. It might simply represent a routine shift in distribution channels.

Working within this cautionary framework, some highlights:

Trade Retail sales

For 2010, overall bricks and mortar Trade retail remains the largest distribution channel - 40.8% of total – in the U.S.

Chain Stores make up the vast majority of publishers' sales directly to retailers (53.54%), followed by Independent Booksellers and Specialty Stores (10.6% each) and Mass Merchants (3.84%).

Publishers' sales to Wholesalers and Jobbers (30.1% in 2010) have an impact on the numbers above, particularly for Independents, Specialty Stores and Mass Merchants, outlets that rely on Wholesalers/Jobbers as merchandise sources.

Retail Chains:

Publishers' net sales revenue to brick-and-mortar Retail Chains saw significant swings over the three years with an overall -2.7% decline. Net revenue to Retail Chains for 2010 is \$3.06 Billion.

Net units reflect the same pattern with a 2008-2010 growth rate of +3.0%. In 2010, total units are 436 Million.

Independent Retail

While seeing some loss over the three-year arc, Independents did not experience the changes seen by Retail Chains. Publishers' books sold directly to Independents declined 1.8% from 2008-2009 and had a -3.7% decline from 2009-2010. Net sales revenue for publishers directly into the Independent market for 2010 is \$642 Million. Net unit sales directly to Independents for 2010 is 52.9 Million.

Online Retail

From 2008-2010, Online Retail clearly gained market share that other channels lost. There are two distinct factors contributing to this: the strong overall growth of the online channel as consumers are switching their purchase preferences and the explosion of the e-book as a reading format.

Net sales revenue reported by publishers for content sold directly to online channels is \$2.82 Billion in 2010. This year-over-year growth represents an 18.8% increase from 2008-2009 and 30.7% from 2009-2010, for a three-year overall growth of 55.2%.

Net unit sales growth has been even stronger, from 19.6% in 2008-2009 to 40.9% in 2009-2010, a total growth of 68.6%. Total net unit sales by publishers to online channels in 2010 is 276 Million.

Mass Merchants, Jobbers and Wholesalers

Since these three channels are so reliant on each other, it is difficult to provide an accurate analysis of them. It does appear, however, that publishers are increasingly making sales directly into Mass Merchants, with both net sales revenue (553.4%) and net unit sales (294.7%) up over the past three years. As Mass Merchants have experienced this increase, there has been a noticeable drop in publishers' sales to Jobbers and Wholesalers where revenue has declined -6.7% and net units fell -9.6%.

Institutional sales

This channel includes sales to such destinations as libraries, government agencies and professional businesses. Publishers' sales reflect the downturned economy in 2008-2009, with a 11.7% decline, and a rebound in 2009-2010 with a +6.8% increase. Publisher net sales revenue and unit sales for 2010 are \$5.97 Billion and 143 Million units.

Other channels

Publishers reported a healthy growth in net revenue in direct-to-consumer, export sales, book clubs and fairs; volume among these channels ranged from 7% to 10% over the past three years. Such growth reflects publishers' and end consumers' interests in continually expanding where they can sell and buy books.

How BookStats was built

Why produce BookStats?

For years, the Association of American Publishers and Book Industry Study Group each produced an annual survey to track publisher new revenue and unit sales, focusing on their separate areas of expertise. In 2010, recognizing that the entire industry was making strategic decisions in the midst of transformational changes around content creation, production and distribution, they partnered to design a new survey with a new analytic model to more effectively examine the total U.S. publishing industry from a 360° perspective.

Why cover 2008-2010?

To give BookStats subscribers comparable historical trend line views and permit the statistics team to validate year-over-year performance with numerous aspects of the cube data.

What are net revenue and net unit sales?

Figures used throughout are publishers' reported sales figures and quantities inclusive of all discounts and credit for returns. Figures do not reflect consumers' purchases or prices.

What's the basis of BookStats' methodology?

The cornerstone of BookStats' methodology is its unprecedented breadth of publisher source data.

The 1963 organizations that chose to participate represent the full spectrum of the U.S. publishing industry: large, medium and small; major content companies to non-profits; and the entire scope of consumer, educational, professional and scholarly [markets](#).

Ancillary data sources from across the industry – coming from aggregate sales providers, booksellers, public documents and other outlets – were also incorporated in the methodology.

How were the publishers organized?

Source data was first segmented into separate sales tiers. This provides subscriber with perspective on publishers of similar size. It also enabled the statisticians, working with additional databases and resources, to extrapolate an accurate accounting of the full size of the industry.

Publishers were broken into seven tiers according to annual net revenue, from those earning less than \$100,000 to more than \$500 million.

Why create an analytical cube and how can it be used?

BookStats' model cube has three sides: format, category and distribution channel. The cube enables rich analysis through the online data dashboard, which has customizable filtering and cross tabs across the three dimensions.

The cube permits examination of BookStats data in a variety of ways. For instance, a user can determine the digital revenues in Higher Education content sold online or the number of Hardcover Non-Fiction books sold to Independent Retail.

[Full explanation of BookStats' development and methodology \(link to BookStats.org site\)](#)

BookStats and Publishing Industry Glossary

Publishing Markets and categories

Trade – publishing for the general public: Adult and Juvenile (children, teens and young adults). Trade includes Fiction, Non-Fiction and Religion.

Religion covers Bibles and religious texts, biblical studies, spiritual titles, hymnals, prayer books, religious fiction and non-fiction.

K-12 School – Teaching and learning materials for K-12 education in public and private schools.

Higher Education – Multiplatform course learning systems and materials for college and university students and faculty.

Professional – Print and digital content for practitioners, clinicians and others working in fields such as medicine, law, business, science, technology, the humanities and social sciences, including handbooks, reference books, manuals and monographs.

Scholarly – Print and digital content published by scholarly societies, commercial publishers and university presses for those involved in primary research either in academic, corporate or government settings.

Publishing formats

Physical: All products more than 50% print-on-paper or sold in another physical medium such as disc or preloaded audio. These include:

Hardcover – Printed books bound in hard covers.

Softcover – Printed books with flexible bindings traditionally of better production quality, larger size and higher price than rack-sized, mass-market paperbacks. Also includes digest

format and spiral, comb and other specialty-bound books.

Mass-market paperback – Rack-sized printed books with flexible bindings measuring roughly 4½” by 7.”

Physical Audio – Audiobooks sold on physical media such as CD, mp3 CD, preloaded single use devices, CD ROM and tape.

Non-physical – All content, products and services delivered solely in e-formats.

e-books – Works that are direct or very similar facsimiles of printed originals developed initially or exclusively for electronic format. These could contain some hyperlinks.

Enhanced e-books – e-books with significant additional content and enhancements such as additional text, extensive hyperlinks and/or multimedia features beyond what was present in an original printed version.

Non-physical audiobooks – Audiobooks downloaded for mp3 devices, smartphones and e-readers.

Paid mobile apps – Publishers’ content categorized as mobile apps go significantly beyond the book concept and provide interactivity, database-driven apps, non-linear usage, testing and/or administration features.

Note that this does not include titles simply sold as apps. For example, an e-textbook that is a book facsimile sold as a standalone app is considered an e-book.

Internet-based products and services – Content delivered online including all products and services requiring web access for use. These include subscription models, homework managers and portions of books sold separately.

Bundled products – Multiplatform products and services that may include any combination of print, electronic and/or custom-created content elements included in a single sales item. These are a significant element in Higher Education publishing where bundled products are often sold with both electronic and print components.