Report on the state of publishing in Italy 2020
Results for the book and digital market in 2019
by the AIE Research Dept
Summary

With a turnover of 3.037 billion euros, the book market closed in positive territory in 2019, up by 2.8% on the previous year, consolidating the 2018 result (+3.0%). The figure includes Amazon (estimated by AIE), the educational, digital and professional sectors (books, e-books, databases and Internet services) and book exports. This result confirms that, on a like-for-like market basis and net of advertising revenues, contributions from the public purse and expenditure on hardware and devices to access content, the publishing industry remains one of the top cultural industries in the country. In 2019 it was only just overtaken (by 15 million euros) by Pay TV, which has the advantage of subscriptions to major sporting events.

The sector is increasingly focused abroad: rights sales continued to grow in 2019, with an increase of 8.7% compared to 2018.
Positive results were also recorded in terms of the number of active firms (+0.1%), but with a slight decline in the number of titles published (-0.8%), while the total number of titles on sale reached 1.2 million (+0.5%). This figure is rising continuously (it stood at 360,000 in 2000) and shows the great potential of having an extensive catalogue - the essential feature of the publisher's work - which can be best exploited online. The percentage of those who declare themselves to be readers among the population aged 15-74 ("overall consumers" of books, e-books and audiobooks), is growing (65% compared to 62% in 2018), but the average amount of time dedicated to this activity is decreasing, especially among younger sections of the population.

These are some of the findings highlighted in the **Report on the state of publishing in Italy 2020**, edited by the Research Dept of the Italian Publishers Association (AIE), which paints a picture, revealing both light and shadow, of the evolution of an industry gradually returning to levels recorded before the crisis that began in 2010-2011.
The following are the headline indicators for 2019.

The number of active publishers is growing - 4,977 publishing houses recorded at least one title in the IE-Informazioni Editoriali catalogue of books on sale in 2019 (+0.1% compared to 2018). Compared to 2010, 830 new publishing houses are active on the market and trying to place their brand name and publications in bookshops, the distribution network and among more or less specialised segments of readers.

The number of titles published remains stable - In 2019 Italian publishing houses published 78,279 titles (new titles and new editions of trade books as well as educational titles, which number 4,534; excluding e-books). This figure, showing -0.8% compared to 2018, should be viewed in the context of a market which is fundamentally stable and publishes almost 80,000 titles per year. It is the result of lower barriers to entry in the editorial part of the process: from scouting and translation to layout and printing. The development of *print on demand*, which is increasingly integrated into the distribution chain, makes it possible to produce small stocks, that are also useful for titles with low turnover rates, or to reprint *just in time* titles requested by bookshops.

Production is growing in all macro-genres - There are varying trends within the trade book sector (73,745 new titles). Italian and foreign fiction are down (-2.2% including Young Adult fiction, which saw a +6.0% rise in 2018) as is specialist non-fiction (-8.3% following an increase of 15.8% in 2018). There was a growth in general non-fiction (+1.8%) and manuals (+0.6%) while, after a setback in 2016, children's books continued to show a positive trend (+6.1% compared to +13.7% in 2017, and +5.9% in 2018). Today, readers may choose from a wider range of titles (from both small and large publishers),prices and formats compared to years ago. Both e-commerce stores and new digital printing technologies play an important role in maintaining a catalogue of titles in commerce.

The decline in the production of e-book titles continues - 48,763 e-books were published in 2019. For the third consecutive year, there was a reduction in the number of titles, from a peak of 81,000 in 2016. In 2019 the decrease was -5.4%, after -17.2% the previous year and -15.9% in 2017. Self-publishing is a significant component of e-book production, given that the top twenty self-publishing platforms published 20,394 titles, equal to 41.8% of the total production (in 2018: 11,698 titles, equalling 22.8%).

The book market is growing - In 2019 the book market (new trade and educational books, e-books and digital, second-hand, exports and rights sales) recorded a positive result with an increase of 2.8% (+0.2% in 2018), which means four consecutive years of growth. The total value of the market, including Amazon (as estimated by AIE), is 3.037 billion euros. In particular, trade channels (+4.9%), comprising e-books (+6.0%), delivered excellent performances. Good results were also achieved in the educational sector (+2.9%), databases and Internet services (+4.9%), and exports of Italian books abroad (+3.0%).

Growth in rights sales continues - In 2019 Italian publishers sold publishing rights for 8,569 works to foreign colleagues and bought rights for 9,648 titles. Compared to 2018, there was an 8.7% increase in sales abroad and a more modest +3.1% in purchases. However, it is over the medium to long term period that we can best appreciate how the phenomenon of internationalisation is evolving. Over the last sixteen years the average annual growth rate of rights sales has been much higher (+23.5%) than that of purchases (+4.9%). Children’s and young adult publishing has been a driver for growth, as has fiction in more recent years: together they account for over 64% of exports of publishing rights.

Book prices are still lower than in 2010 - The average cover price (unweighted and at production) in 2019 was 19.93 euros, an increase of +2.3% compared to 2018. This price is still more than 1.5 euros lower than in 2010 (21.60 euros).

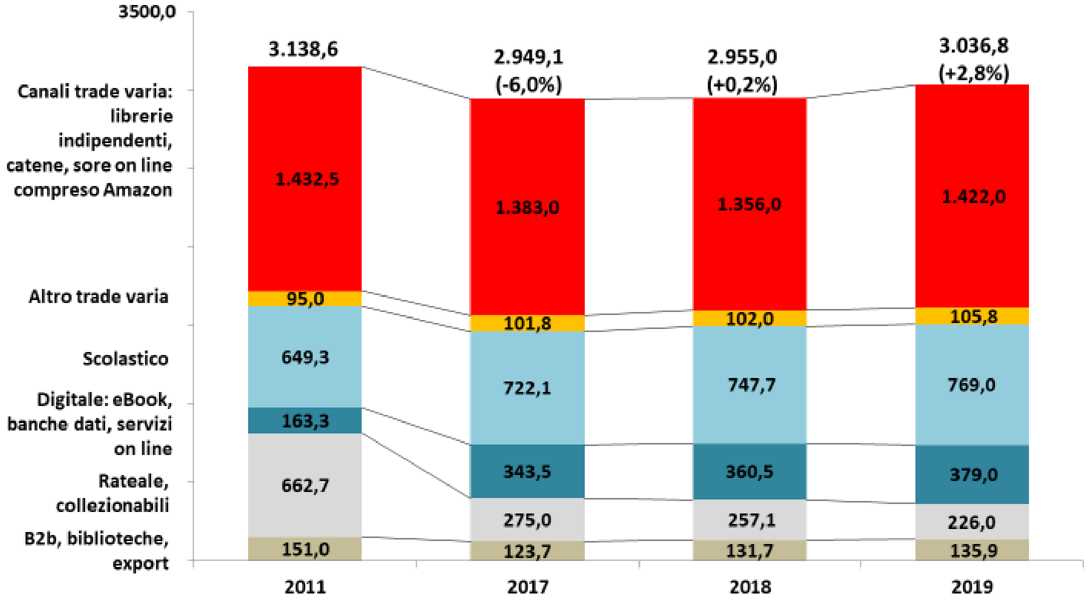
65% of the population aged 15-75 are readers - Reading rates turned upwards in 2019. According to the *AIE Observatory on Reading and Cultural Consumption*, in 2019 65% of the population in the 15-74 age group read at least one book, e-book or audiobook in the previous twelve months, i.e. about 29.5 million people. If only books are considered, this figure is 62%.

Reading levels are the main challenge for the publishing industry - Of the five largest European publishing markets, Italy is the one with the lowest book reading rate among the adult population. This is the central problem for the development of Italian publishing. Italy is also the country in which those who do read have some of the lowest reading indices, compared to other leading European nations. Almost half (44%) of those who say they are readers read fewer than three books a year and only 16% read at least one book a month. The average time spent on reading is also low: in 2019 only 9% read continuously for more than one hour a day. An even more worrying aspect is what is happening among the younger sections of the population, that were always thought to be more inclined towards reading, and rank first in terms of numbers of readers (80%). However, only 5% of them dedicated at least one continuous hour a day to reading in 2017: a proportion that drops to 1% in 2019. Reading among young people is therefore becoming increasingly fragmented and disjointed. They prefer short stories or stories typified by strong and easily recognizable plots and characters, rapid narrative rhythms and images over the written word. The extent of the market is limited by a further indicator: Italy ranks last for levels of text comprehension. Only 24.8% of the population have adequate skills. This is reflected in the low reading indices and helps to explain the difficulties that a segment of the population has in understanding how society is changing, accessing the labour market and correlating information from different sources and channels.

Smartphones are the favourite device for digital reading - For some years books have not been the only medium through which reading content can be accessed, whether it is fiction, non-fiction, educational or aimed at addressing the practical problems of everyday life. In 2019, while 60% of the population claimed to read books, 25% also read e-books and 9% "read" by listening toaudiobooks. Among digital reading devices, smartphones are the favourite ones to access publishing content, both in the case of texts (up from 65% in 2018 to 68%), and audiobooks (from 75% in 2018 to 78% in 2019). The e-reader declined from 47% in 2018 to 45% in 2019.

Purchasing channels: trend towards e-commerce and chain bookshops - The bookshop remains the principal place where Italians go to buy books, although it has lost thirteen percentage points in just over a decade (66% of sales in 2019 compared to 79% in 2007). Within physical bookstores there has also been a shift from family-run shops to chain bookstores or to shops that, through franchising, are controlled by brand names involved in distribution or publishing. Chain bookshops accounted for 44% of sales in trade channels in 2019, up from 36.5%, while independent bookshops accounted for 22% of sales, down from 42.5%. Until 2009, e-commerce of physical trade books (adults and children) was below, or only slightly exceeded, 3% of the market. Today, however, its share has reached 26.7% of the total. At the same time, books sold through large-scale retail distribution fell from 18% in 2007 to 7% in 2019.

The book market in Italy
Values in millions of euros and in %



Source: AIE research dept

(dal grafico)
Trade books: independent bookshops, chains, online stores including Amazon
Other trade books
Schoolbooks
Digital: e-books, databases, online services
Instalment sales, collectables
B2B, libraries, exports