2022.

Rüdiger
Wischenbart

the digital consumer book barometer.

2022

**Ebooks and audiobooks in
Canada, Germany, Italy, Spain, Brazil, Mexico**

in co-operation with
Bookwire, De Marque, edigita, Libranda and the International Publishing Distribution Association

the digital consumer book barometer

A report on ebook and audiobook sales in Canada, Germany, Italy, Spain, Brazil, Mexico

2022

www.global-ebook.com

Written by Rüdiger Wischenbart and Michaela Anna Fleischhacker

with sales data provided by Bookwire, De Marque, edigita, and Libranda

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L'évolution du livre I Books, evolved

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Artwork by Rosa Egg

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Germany + Austria +Switzerland (DACH)

Italy

Spain + Latin America

French speaking Canada

Brazil

Mexico

Country Comparison

The Digital Consumer Book Barometer 2022 Executive Summary and Introduction

About this report
Summary of findings and learnings about digital book market trends in ebooks and audiobooks from 2018 to 1Q2022. The impact of the Covid19 pandemic, and the increase in subscription and streaming.

About

The Digital Consumer Book Barometer, started in 2018, providing intelligence on sales and consumer developments in the ebook and audiobook segments for download, streaming, subscription and lending in a number of relevant international markets outside of the well documented English-language territories.

The current edition of this report, released in June 2022, builds on several previous iterations which, in 2020 as well as in early summer and in fall 2021, put a strong focus on the impact of the Covid19 pandemic on the consumption of ebooks and audiobooks.

The new update of June 2022 put additional emphasis on structural shifts in how digital books are consumed in a dynamic mix of download sales as well as increasingly 'access' driven distribution models such as subscriptions, streaming and digital loans from public libraries.

The Digital Barometer is based on aggregated sales data on (French-speaking) Canada, Germany+Austria+Switzerland (DACH), Italy, Spain, Brazil, and Mexico, provided by a group of digital distributors and aggregators, including Bookwire, De Marque, edigita, and Libranda.

The Barometer is

- An initiative by Rüdiger Wischenbart Content and Consulting (www.wischenbart.com), and
- Sponsored by Bookwire, De Marque/Libranda, and the International Publishing Distributors Association (IPDA), with additional data provided by edigita.

General observations:

The past two years saw remarkable growth in all segments of digital book markets, led notably by audiobook consumption, and with 'streaming' showing the strongest increase..

The quantitative aspects however highlight only part of the dynamics which point at some much powerful shifts in digital consumption.

The surge in popularity for business models offering 'continuous access' to vast libraries of ebooks and audiobooks, plus multiple changes between which genre categories are specifically embraced by book consumers reflect a digital market environment in full motion.

Notably the share of children and young adult books expanded across all territories, but also other genre categories like nonfiction and educational (which often include self-improvement and spirituality, have gained ground.

In all markets and across all formats, except for Brazil, average prices have been increased, sometimes compensating for a decline in volume downloads sales.

For publishers and for authors, this opens many new perspectives that encompass

- How to build a relevant title catalogue,
- How to think of various target audiences that need to be addressed separately, and
- How to market in ever more granular ways to these multiple curious minds.

Cultural and economic differences between territories seem to be less relevant for the current re-shaping of digital book publishing.

Thus, paying attention to other markets and other formats and segments as those already explored very often is time and attention well spent.

The data driven approach of the Digital Barometer

By its data-driven approach to trends and developments, this report provides a set of rich resources, references and insights.
Included data and analysis not only focus on sales

by revenue (value) and units (volume).
Included indicators furthermore allow to better understand market evolution and shifts over time, by genre categories and by pricing.

This new edition also tracks, and compares the life-cycle of ebook and audiobook consumption or the weight of bestsellers versus midlist titles in main genre categories. The increase in 'pre-orders' for new titles in some markets like Italy hint at publishers clearly learned how to optimize their digital book launches.

All diagrams and explanatory text aims at providing guidance for relevant and hands-on business actions, notably catalogue management, promotion and marketing and fine-tuning how to approach distinct target audiences.

The new bookish 'multi-versum'

When ebooks had gained a mainstream presence for reading audiences, they were often considered as just another format for books, alongside hardcover and paperback editions.

But in recent years, it had become increasingly clear that 'digital books' are much more than just a new format, in addition to print hardback and paperback. They offer various digital formats (notably ebooks and audiobooks), distributed through various digital channels - and commonly without any physical support - through an array of different business models, like download sales for individual titles, as well as subscription and streaming services or digital lending provided by libraries.

In spring 2020, as the Covid-19 forced bookshops and other non-essential retail outlets to close for weeks and months, alongside with schools, and significant parts of the workforce working from home, digital consumption of books in any form saw an instant peak which often was massive.

The label of 'digital consumption' includes both purchases of physical books from e-commerce platforms as well as digital delivery of any bookish content.

By 2022, it has become clear that the impact of the pandemic resulted in numerous changes and transformations which are here to stay, as the learnings from the Digital Barometer series of reports well illustrates.

Outlook and thanks to our sponsors

The Digital Barometer has been made possible by the support of our sponsors,

- Bookwire (www.bookwire.de),
- De Marque (www.De Marque.com), and
- IPDA (www.ipdaweb.org)

Downloads of the Digital Barometer will be available at our sponsors' websites and at www.global-ebook.com

Contact: ruediger@wischenbart.com

Vienna, in June 2022

Digital growth is here to stay

Ebook sales developments as seen in a multi-year perspective, notably when measured by the number of consumed units (or volume) , reveals an underlying growth pattern that already had seen a cautious uptick by 2019, shortly before the Covid19 pandemic started, followed by a strong peak in 2020.

The key question for 2021 was therefore, if that upswing, which was pushed especially by lockdowns and closures of physical book stores in the second and third quarter, would be a short-lived exception - or a more resilient trend.

Sales data from an array of markets as diverse as Italy, German language (with Germany, Austria and parts of Switzerland), Brazil, or Spanish language markets (including Spain and much of the Hispanic Americas - and with Mexico highlighted separately), strongly hint at the latter. The digital growth, that was accelerated by the pandemic, seems to be here to stay.

While 2021 saw a relative decline over 2020, the reported sales are mostly well higher than before the pandemic. And when broken out by quarters, we see a fairly stable level of sales established throughout all of 2021.

The case of Italy, traditionally a market with a relatively low digital penetration, indicates at a possible difference by comparison to territories with a more mature digital book consumption. Volume sales in the first quarter of 2022 show a drop to almost pre-pandemic levels, but it is probably too early for a solid assessment of that development.

Ebooks

Focus of the analysis
Indicators discussed
Take aways

The analysis of ebook markets puts a focus on several perspectives:

- Overall digital growth, during, as well as before the pandemic;
- Comparison of developments by distribution and business model, notably download sales, subscription and streaming as well as digital purchases by libraries.

The analysis looks in particular at the following indicators:

- Annual and quarterly sales developments, both by volume (units) and by value (generated revenue);
- Share of selected genre categories, in percent, and annual changes (mostly between 2018 and 2021 or 1Q2022);
- Volume and value by genre category and price point.

In a few cases,

- The 'life cycle' of titles, broken out by main genre categories, is visualized, as this indicates the significance of pre-title launch promotion versus first year sales, and the share of sales in the rest of a product's life time;
- The share of 'top bestsellers' is highlighted, by looking at the combined share of the "top 25" titles versus the top 100 can be seen.

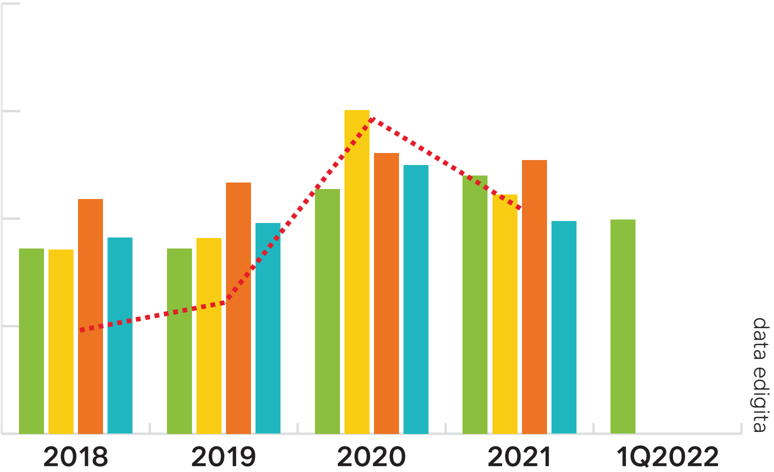
Insights from these data allow to

- Gain an overall panorama of fundamental market developments in digital books;
- Identify volatility or more lasting shifts in consumer preferences;
- Optimize catalogue building;
- Develop an adequate pricing strategy;
- Customize marketing and promotional approaches per product segment and targeted audiences.

DIGITAL GROWTH IN EBOOK VOLUME, BEFORE AND DURING THE PANDEMIC, 2016 TO 1Q2022, BY QUARTER AND FULL YEAR, IN ITALY, GERMANY, BRAZIL AND FRENCH CANADA

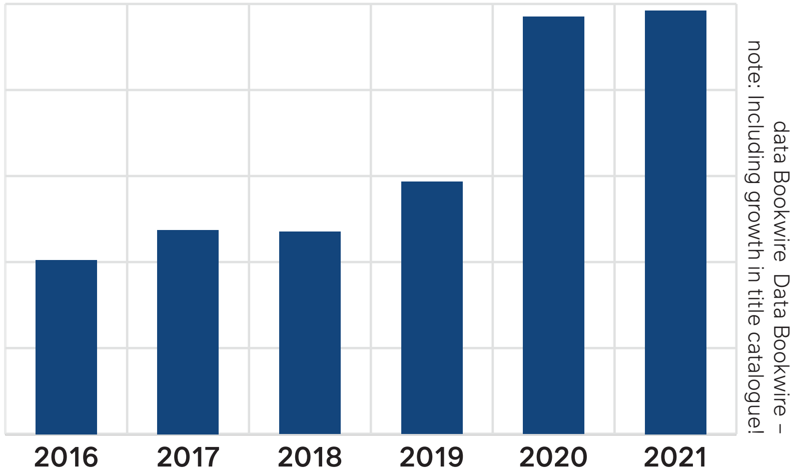
#ITALY

Ebook volume 2018 to 1Q2022



#GERMANY + AUSTRIA + SWITZERLAND (DACH)

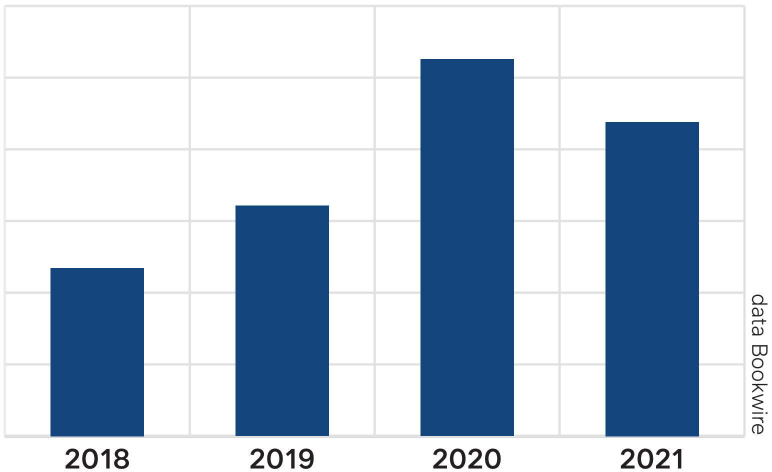
Ebook download unit sales 2016 to 2021



Q1 Q2 Q3 Q4 Full year

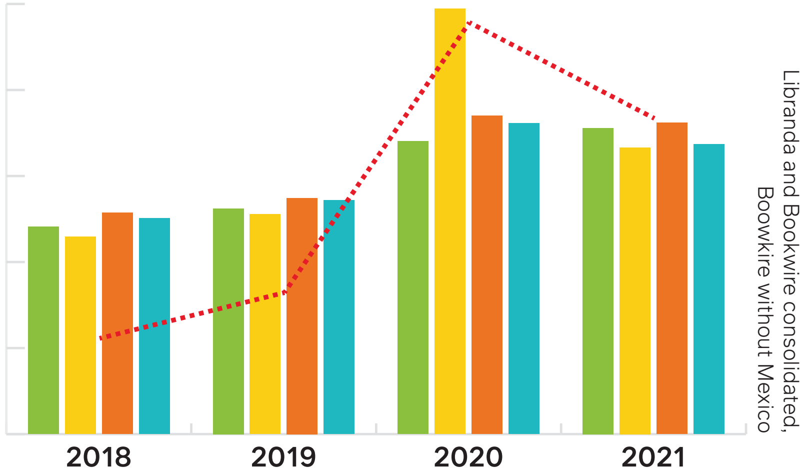
#BRAZIL

Digital Growth Ebooks



#SPAIN + LATIN AMERICA

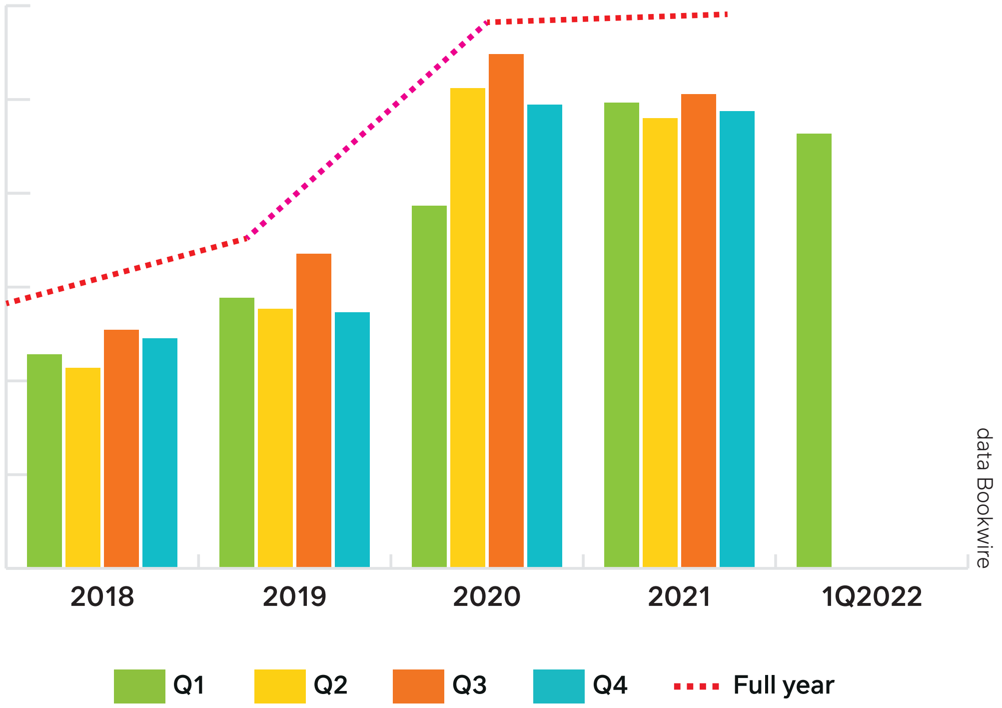
Ebook volume 2018 to 2021



DIGITAL GROWTH IN EBOOKS IN GERMANY + AUSTRIA + SWITZERLAND, PART 01 BY QUARTER AND FULL YEAR, IN VOLUME 2018 > 1Q2022

#GERMANY + AUSTRIA + SWITZERLAND (DACH)

Digital Growth in ebooks in Germany + Austria + Switzerland, by quarter and full year, in volume 2018 > 1Q2022



In the German language markets, the increase in the consumption of ebooks through download purchases in the first season of the Covid19 pandemic has been widely commented.

Closures of physical book stores due to imposed lockdowns limiting consumers movements resulted in a strong upswing of online ordering of books, as well as a sound increase in digital reading.

The resulting stability of digital purchases at a significantly higher level than before 2020 shows that shifted consumer habits seem to be here to stay.

Early indicators from the first quarter of 2022, when most sanitary restrictions have been eased, or even lifted, confirm that expectation.

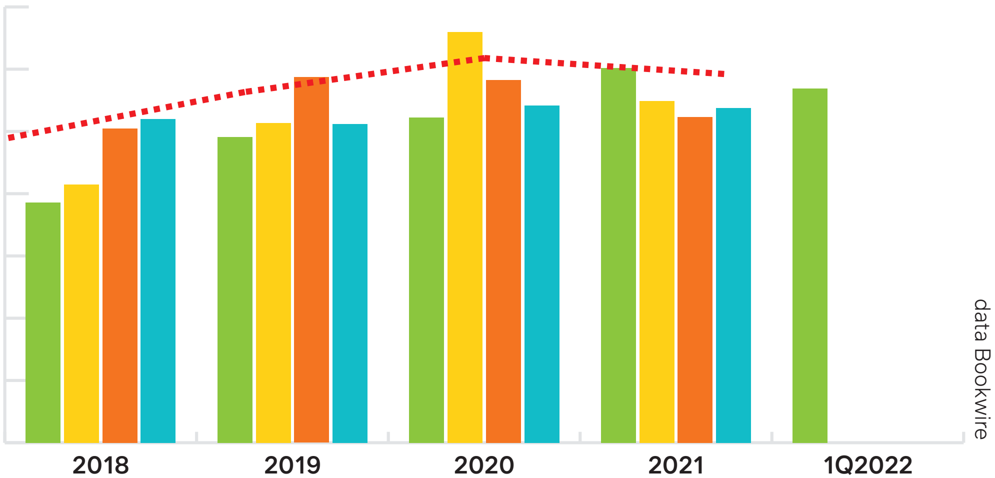
At this point, it can be noted too that already 2019 had seen a slight expansion of digital sales. As a caveat it must be noted that part of the growth from 2019 to 2020 here (and on the previous page) is also reflecting catalog growth at Bookwire in the German language markets.

Consumers' readiness to integrate digital reading in their book consumption is illustrated even more strongly when looking into other distribution channels for ebooks, notably through subscription offers, or lendings of ebooks from public libraries

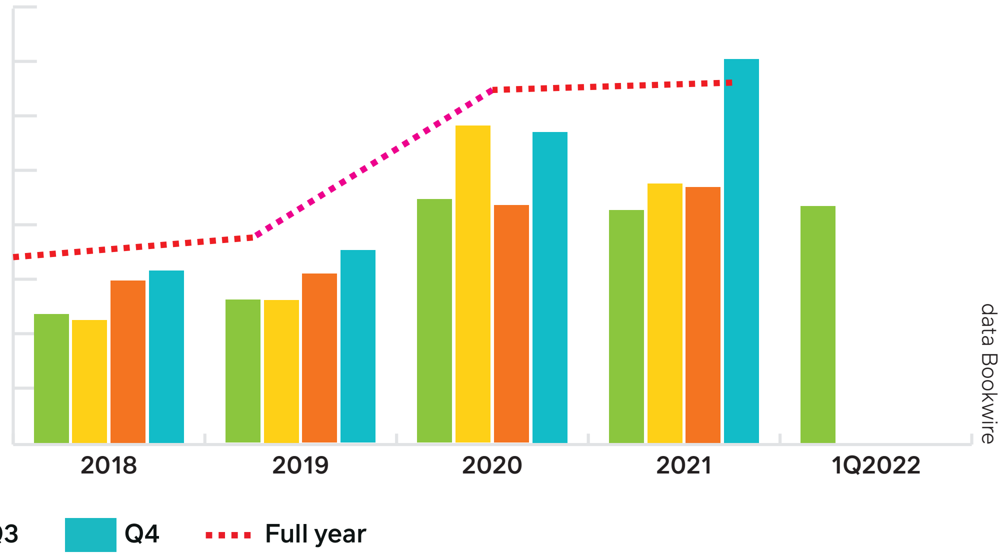
DIGITAL GROWTH IN EBOOKS IN GERMANY + AUSTRIA + SWITZERLAND, PART 02: BY QUARTER AND FULL YEAR, IN VOLUME 2018 > 1Q2022

#GERMANY + AUSTRIA + SWITZERLAND (DACH)

Ebook subscriptions



Purchases by libraries



Digital reading habits saw various dynamics in recent years that point to a deeper shift not only from readers embracing digital formats, but perhaps even more relevant, through different business and access models.

Already before the pandemic, several major vendors several vendors had started to increase promotion for digital media content to consumers, be it ebooks, audiobooks, podcasts, video-on-demand, or games.

Arguably, books were more and more delivered in packages that made little difference between such diverse forms of content. And consumers seemed to be open for the shift to new practices.

In German language markets (Germany, Austria and parts of Switzerland), subscription offers witnessed an increasing popularities continuously since 2018.

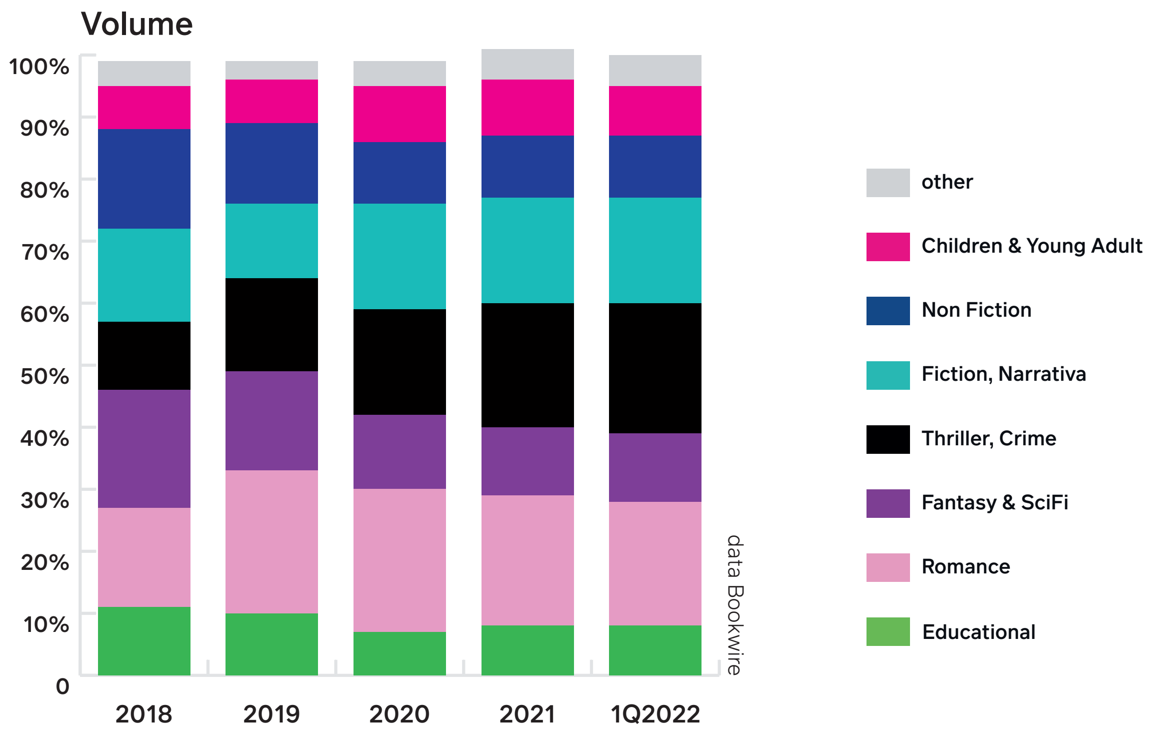
Public libraries, whose 'library card' system bears some similarities to a subscription, seemed to have been more cautious at first. But in 2020, libraries at once significantly expanded their purchases of ebooks, with a particular focus on educational books in 2020 and 2021, which resulted in business gains for respective scientific, professional and educational publishers."

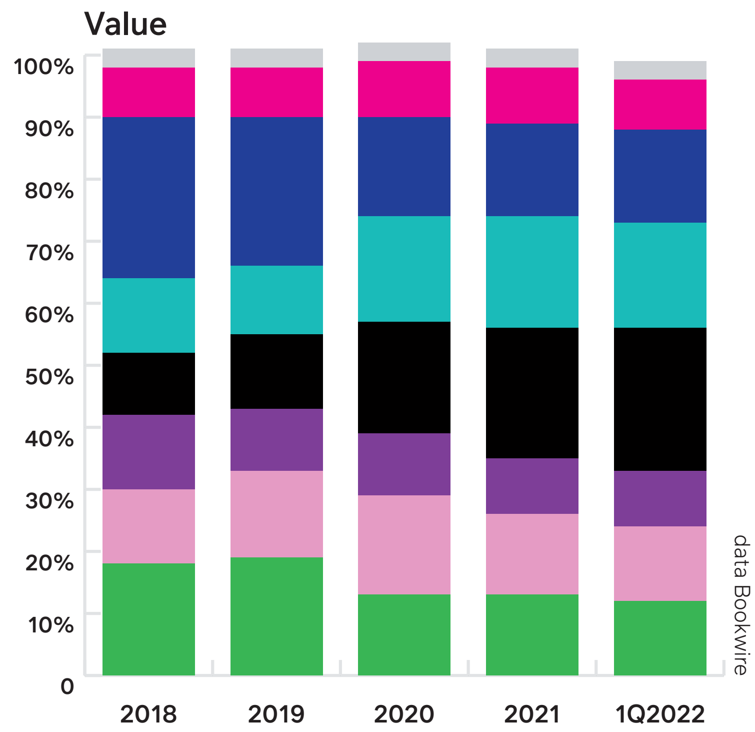
A clarification must be made at this point though:: The sales statistics in this Digital Barometer report do not reflect actual lendings of ebooks, but instead just the purchases of ebooks by libraries.

For 2021, and again the first quarter of 2022, we observe a clear continuation in purchase and consumption patterns and, as a likely consequence, in library purchases, from the initial surge triggered by the impact of the pandemic.

EBOOK DOWNLOAD SALES IN GERMANY, AUSTRIA AND SWITZERLAND BY GENRE CATEGORY IN %, IN VOLUME AND VALUE, 2018 TO 1Q2022

#GERMANY + AUSTRIA + SWITZERLAND (DACH)





Ebooks must be segmented by several relevant indicators.

In the Digital Barometer, two parameters are particularly highlighted, namely genre category and pricing.

Initially, ebooks had gained a reputation of being popular only for just a few genre categories that favoured easy entertainment, such as romance, fantasy or science fiction.

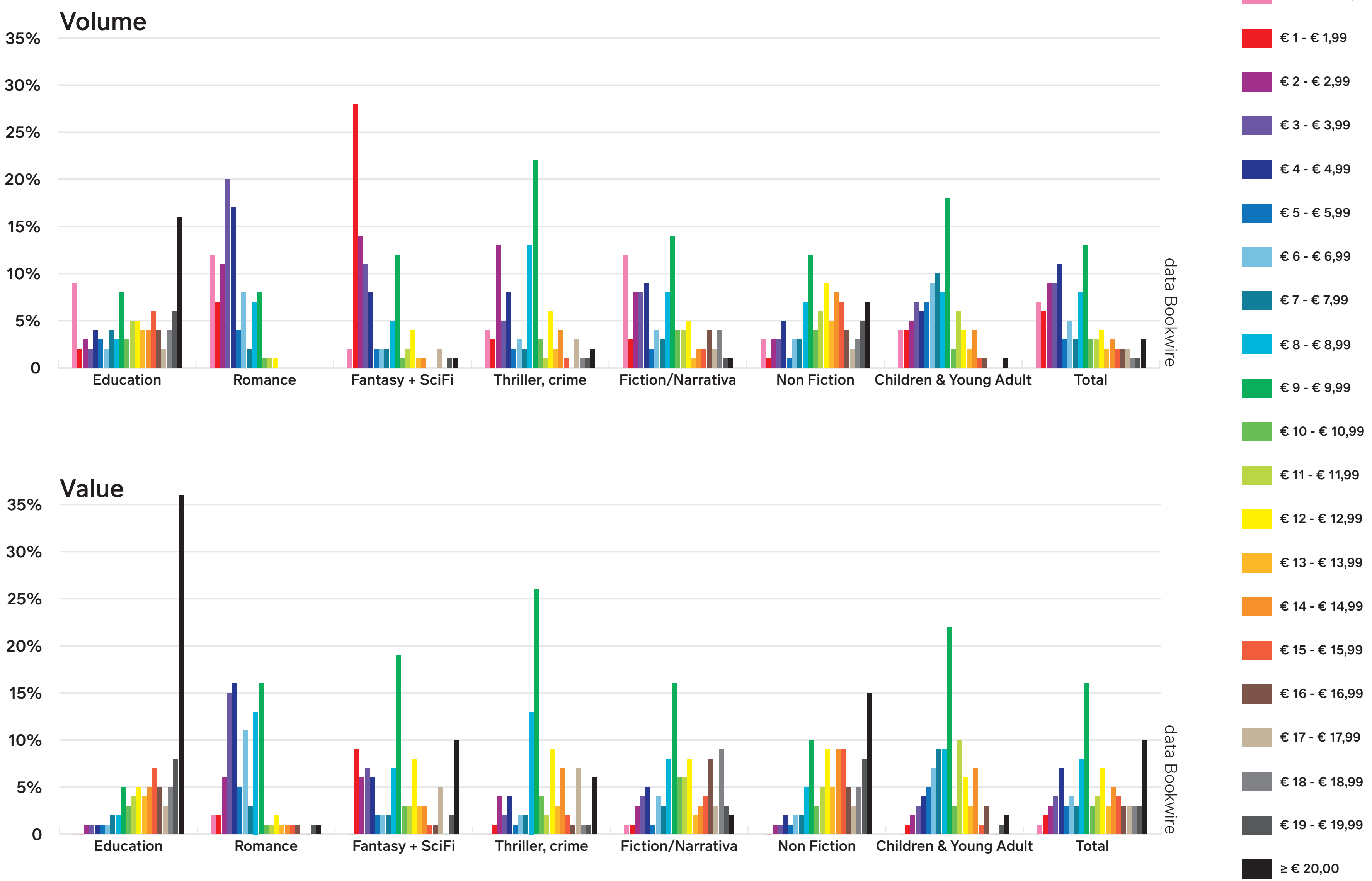
And as a direct consequence, most consumption occurred at very low priced offerings. Average prices have increased.

The consumption patterns in this report provide a much more differentiated map.

The digital growth in recent years saw clearly a broadening of the available title catalogues, which became more representative for the entire book specter, and thus, consumption as seen in these figures has also become more diverse.

EBOOK DOWNLOAD SALES BY PRICE AND GENRE CATEGORY IN VOLUME AND GENERATED VALUE, IN GERMANY, AUSTRIA AND SWITZERLAND, 2021

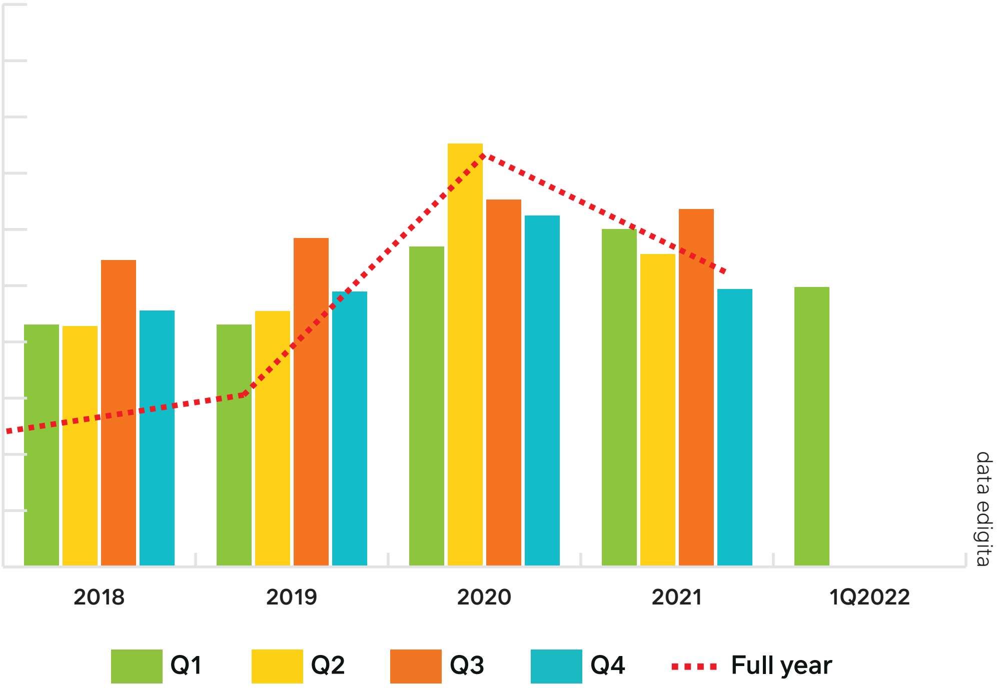
#GERMANY + AUSTRIA + SWITZERLAND (DACH)



DIGITAL GROWTH IN EBOOKS IN ITALY
BY QUARTER AND FULL YEAR, IN VOLUME 2018 > 1Q2022

#ITALY

Digital Growth in ebooks in Italy,
by quarter and full year, in volume 2018 > 1Q2022



Italy has seen a traditionally lower market penetration of digital books.

Unsurprisingly, the increase triggered by the pandemic in 2020 has been more modest, but still, the new level of ebook consumption in a mid-term perspective, has settled above the levels of 2018 and 2019.

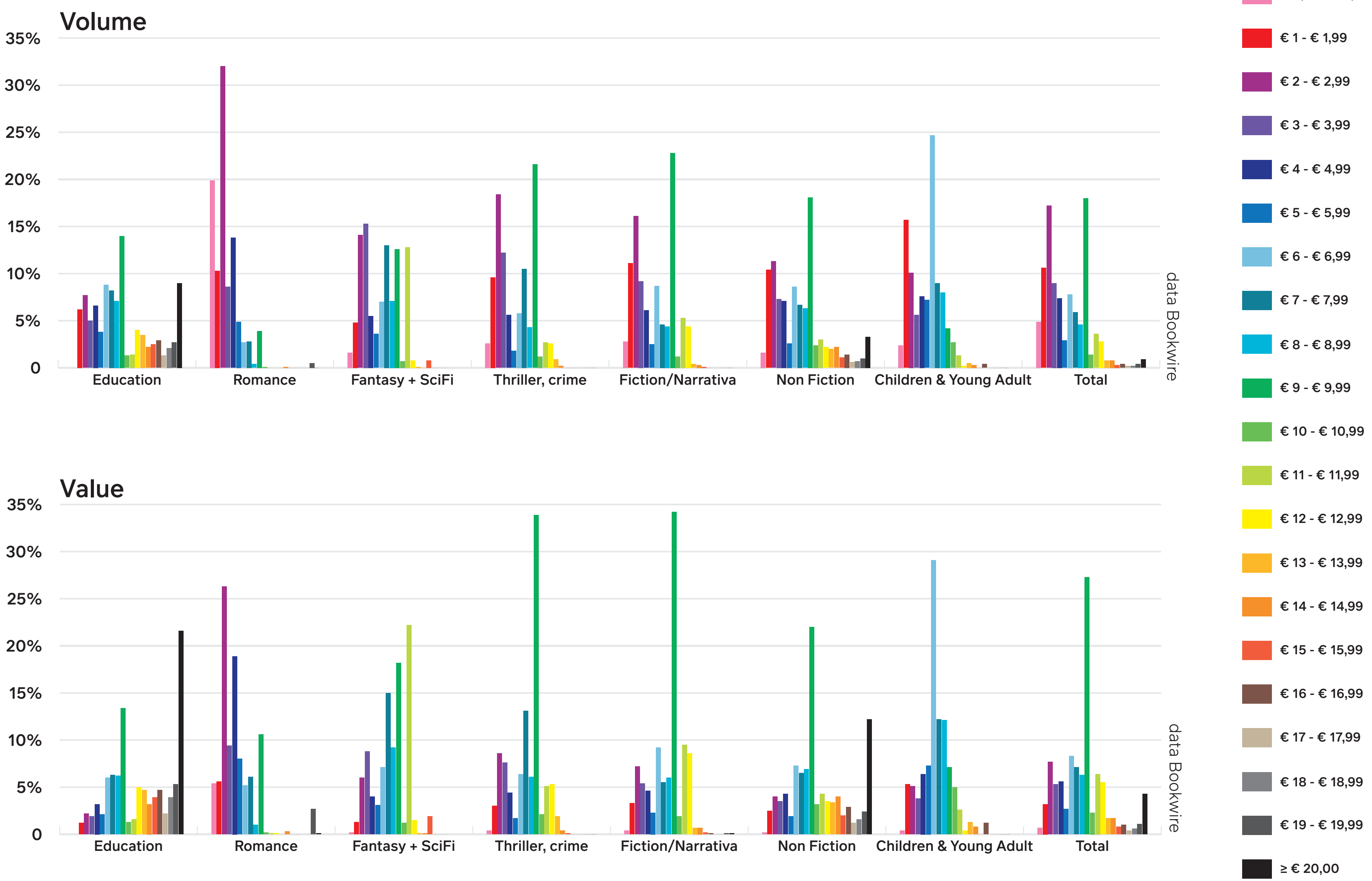
Also, price sensitivity has been higher than in more mature European markets, with only very few ebooks consumed at prices above 12 euros.

General fiction, coming mostly from traditional publishers, has a sweat spot between 8 and 10 euros, similar to other European markets.

Interestingly, children's books have recently found a new presence and appreciation at around 6 euros.

EBOOK DOWNLOAD SALES BY PRICE AND GENRE CATEGORY IN VOLUME AND GENERATED VALUE, IN ITALY, 2021

#ITALY



ITALY 2021: EBOOK LIFE CYCLE, IN VOLUME DOWNLOAD SALES

#ITALY

Ebook sales are less influenced by new releases than is often expected.

With ebook consumption showing a steady and well established main stream performance, a more detailed observation of consumer habits gains in relevance for both catalog management as well as for marketing purposes.

Here and on the following page, two exemplary deep dives are presented, by the case of Italy.

When initially, ebook consumption was mainly driven by short lived titles of genre fiction, new releases were seen as drivers of the market.

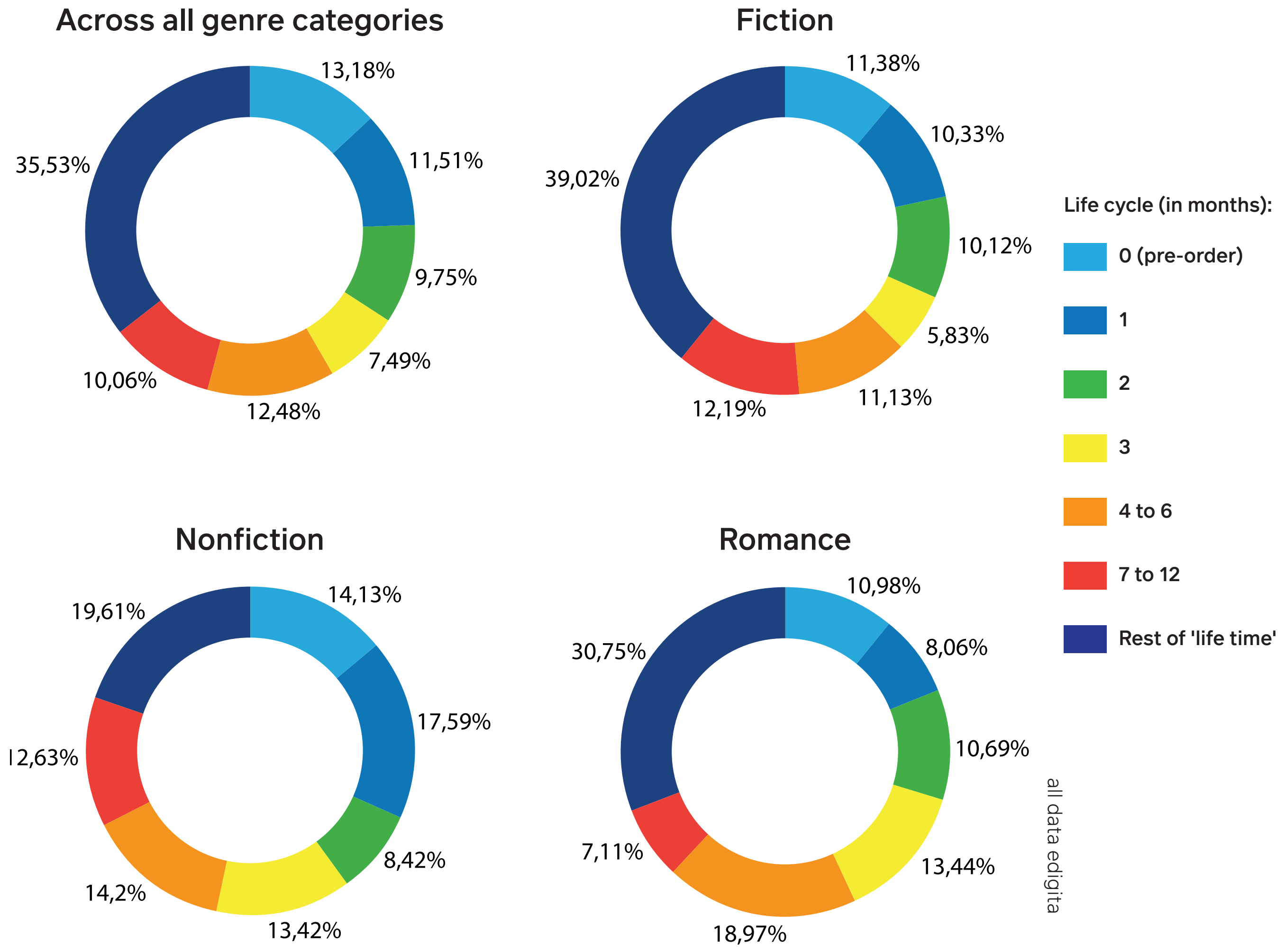
A more detailed look at the life cycle of ebooks tells a more differentiated tale.

The combined download sales of most ebooks are less novelty driven than expected.

In all but one genre category, pre-orders and purchases in the first three months after a title's release, less than half of download sales occur.

Only nonfiction has over half the sales in that initial period, and also sees significantly fewer sales after the first year than other categories.

Overall, more than one third of sales happen after the first 12 months of a title's digital life cycle.



ITALY WEIGHT OF EBOOK BESTSELLERS: SHARE OF TOP 25 IN TOP 100, IN SELECTED GENRE CATEGORIES, BY VOLUME DOWNLOAD SALES + COMPLETE UNITS CONSUMED IN STREAMING

#ITALY

Top bestsellers do not primarily shape the ebook consumption by and large.

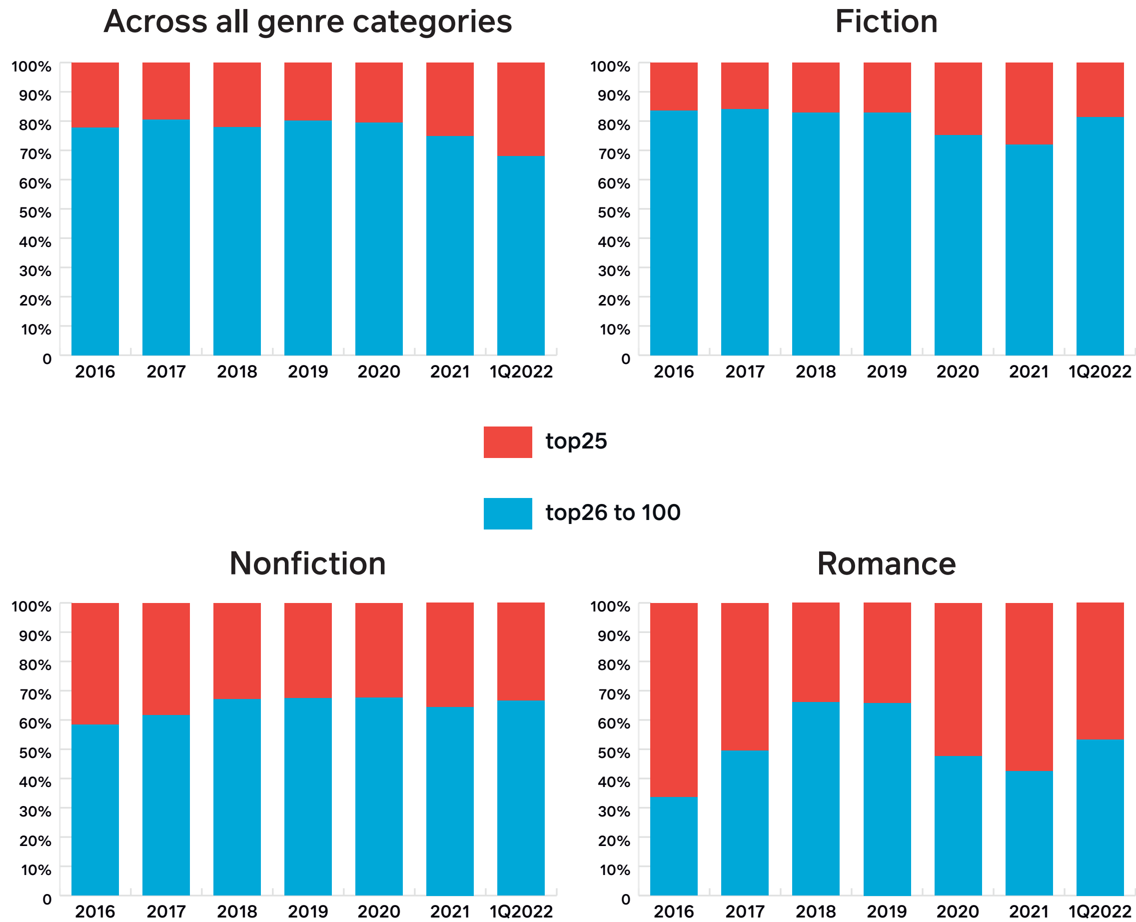
The case of Italy well illustrates a balanced ratio between the market share of top bestselling titles and the full range of diversity in the title offerings.

However, significant differences can be observed between genre categories.

Overall, and across all genre categories, the top 25 performing ebook titles account for under 30% of sales of the top 100. That share has been increasing though since 2019 from about 20 percent.

Nonfiction titles as well as romance genre fiction see a significant large share of the top segment.

General literary fiction meanwhile has a lower than average level of top 25 consumption, with a relative increase on the top in pandemic 2020 and 2021 - which might hint at shortcomings in digital discoverability tools given to readers.



all data edigita

Spanish language (Spain and Hispanic Americas) ebook market developments

Digital growth overall
Trends by genre category and price
Ebook life cycle

The Spanish language digital book markets are portrayed in this Digital Barometer along several dimensions.

Data have been provided for this report by two distinct vendors, Libranda and Bookwire.

For some figures, data from both sources could be aggregated, to base the analysis on an even broader sample. Certain deep dives reflect patterns from just one reporting vendor.

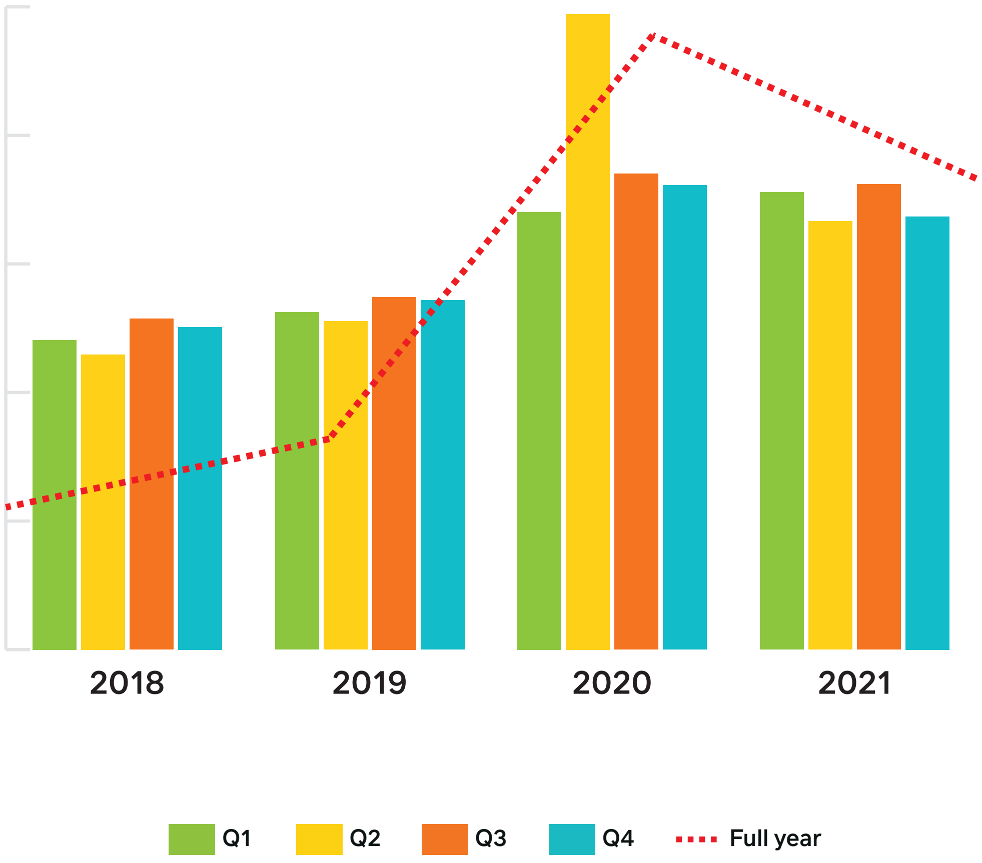
For Mexico and for Brazil, separate figures are available and allow respective exemplary representations of these two largest digital book markets in Latin America.

It is remarkable to note from all available data that the fundamental trends in Spanish language digital book consumption, by and large, fit patterns observed in German language, Canadian French language or Italian sales, despite otherwise significant underlying differences in both economic and cultural terms between all those territories.

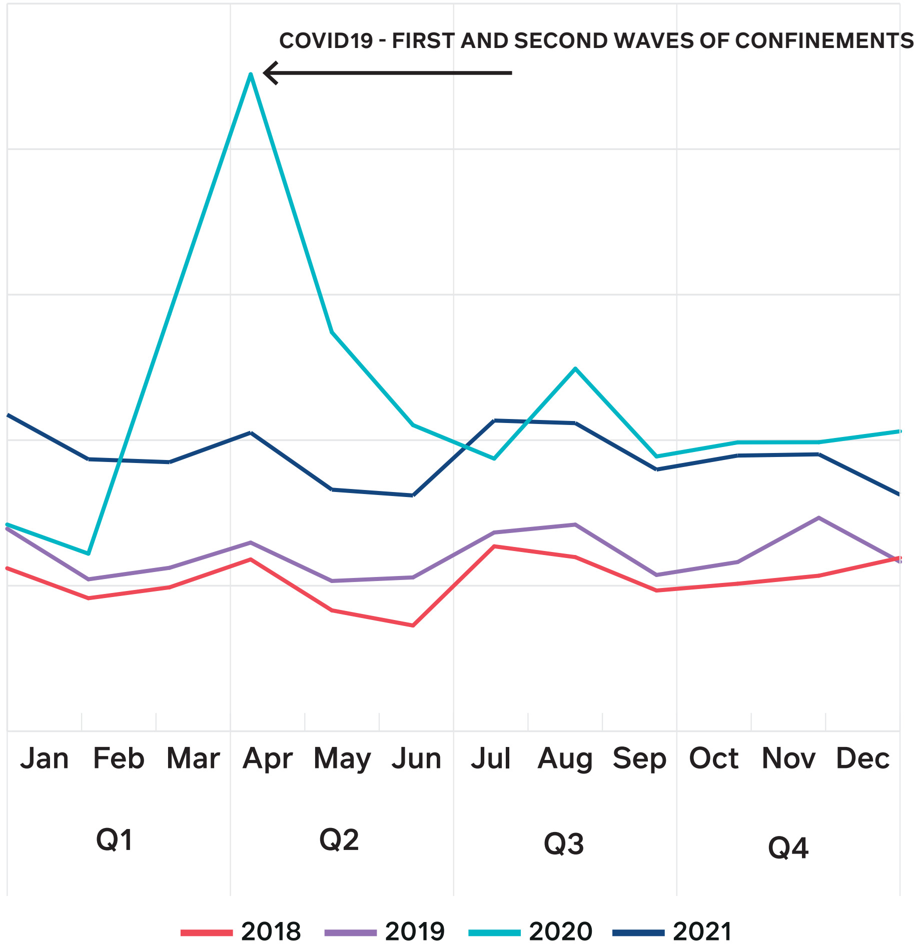
SPANISH EBOOK DOWNLOAD SALES 2018 TO 2021, BY QUARTER AND BY MONTH

#SPAIN + LATIN AMERICA

Ebook volume by quarter, and overall growth



Annual calendar, by month

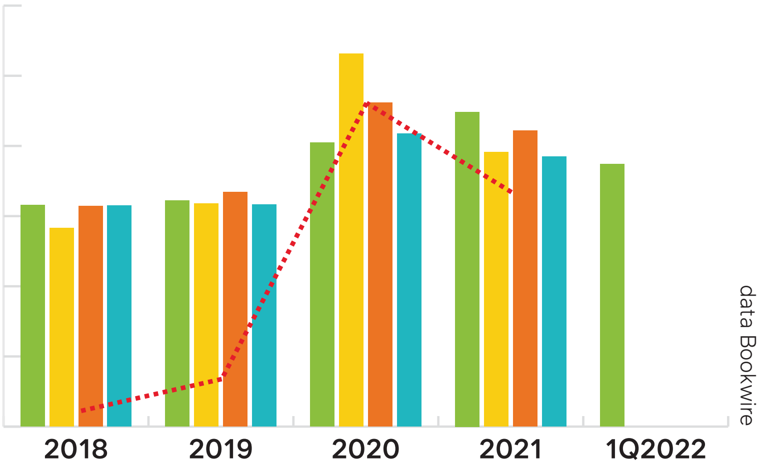


data consilidated between Libranda + Bookwire (yet Bookwire without Mexico)

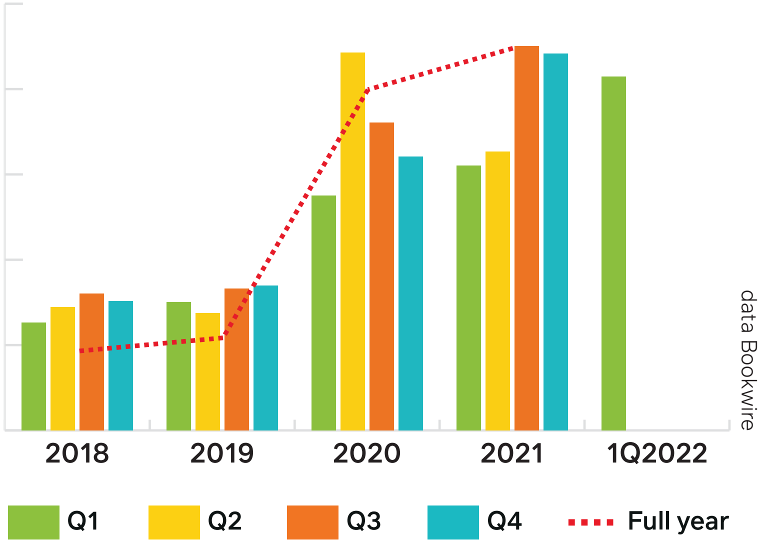
DIGITAL GROWTH IN EBOOKS IN SPANISH LANGUAGE (SPAIN AND HISPANIC AMERICAS), BY QUARTER AND FULL YEAR, IN VOLUME AND DIFFERENT BUSINESS MODELS, 2018 > 1Q2022

#SPAIN + LATIN AMERICA

Download sales, volume



Monthly subscriptions



In Spanish language ebook consumption in both Spain and Hispanic Americas, 'access driven' forms of ebook consumption gained significantly in popularity over the past two years.

Download ebook sales in the Spanish language markets produced a by now already familiar pattern of growth triggered by the Covid19 pandemic, stabilizing by 2021 and 1Q2022 at clearly higher levels than before 2020.

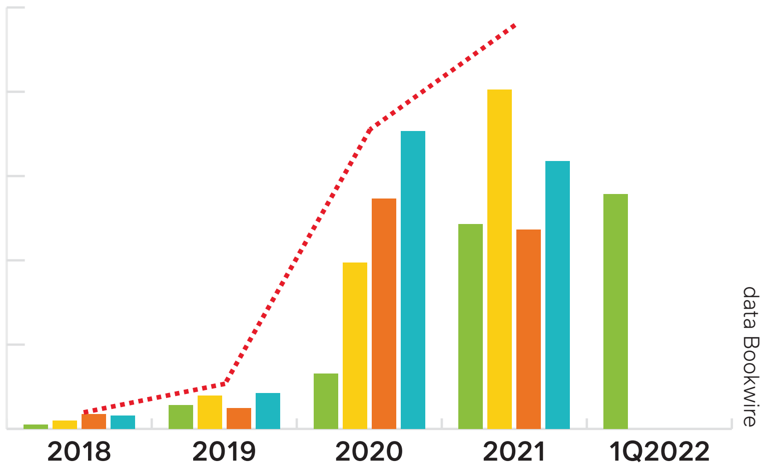
From 2020 to 2021, a slight decline in download sales can be observed, as consumers' movements were less limited by sanitary measures.

But overall, the experienced higher consumption has become a new normal.

More spectacular and probably less anticipated is the still seamlessly continuing rise in alternative forms of delivery, through subscription offers, or through libraries, as reflected by remarkably stronger purchases of ebook titles by public libraries.

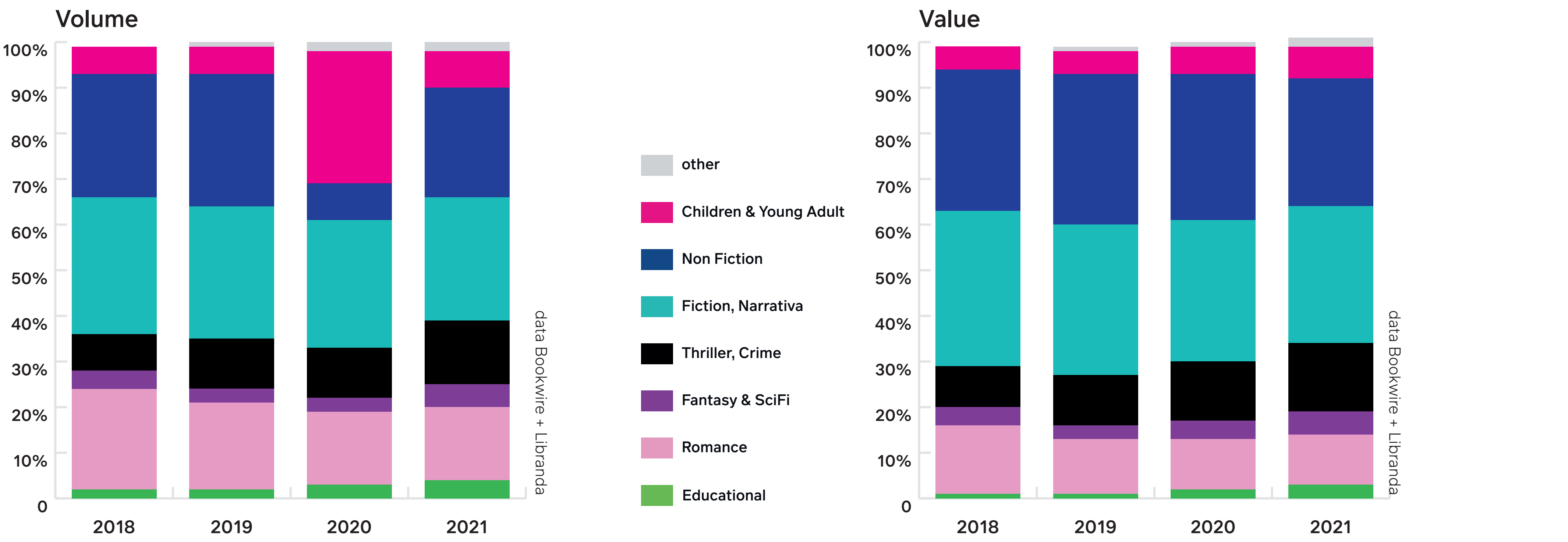
This upswing may form a new sphere for digital book consumption in ways so far largely typical for music or video-on-demand, previously typical just for respective streaming services.

Purchases by libraries



BOOK DOWNLOAD SALES BY VOLUME AND VALUE IN SPAIN AND HISPANIC AMERICAS (EXCL. MEXICO), BY GENRE CATEGORY IN % 2018 TO 1Q2022

#SPAIN + LATIN AMERICA



General as well as crime fiction are the winning genre categories in ebook consumption in the Spanish language over the past few years.

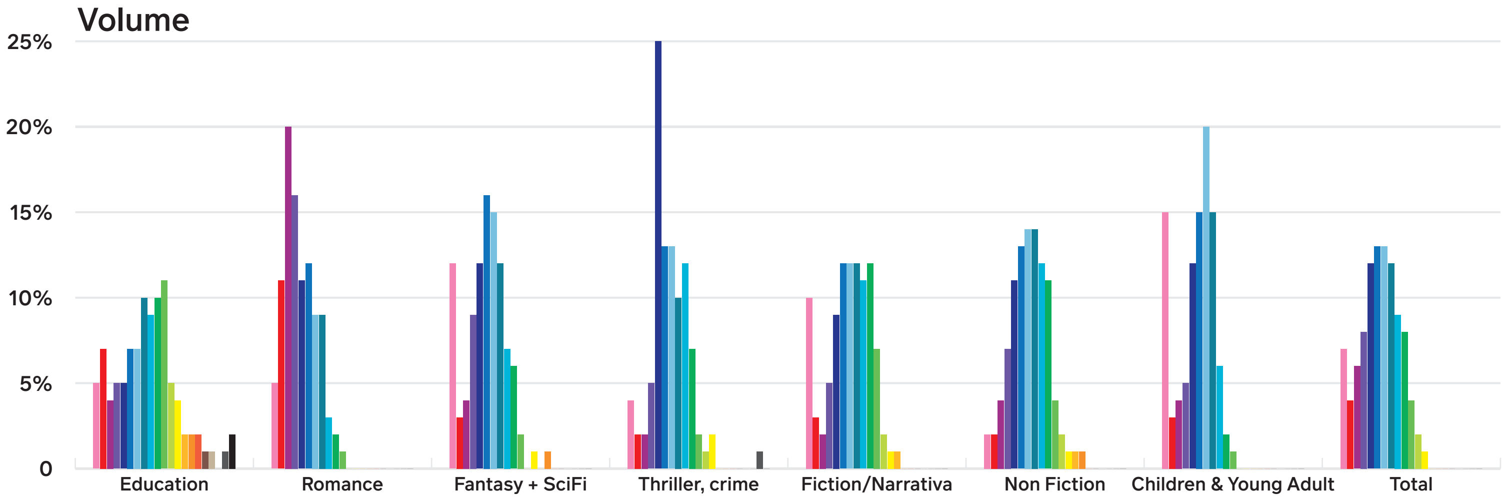
Nonfiction titles have a stronger representation as compared to German language markets.

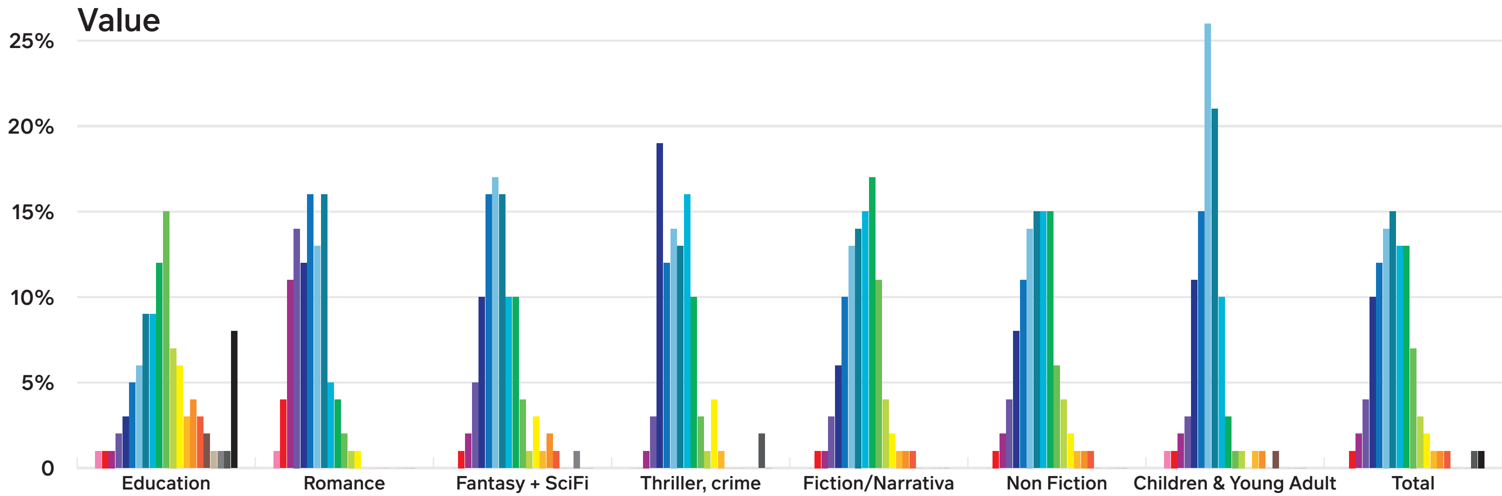
Interesting and perhaps relevant for future developments is the slight increase in the children and young adult category, as this might open a new audience segment for digital reading.

Educational materials have so far not caught on with users' purchases, but are in high demand in libraries.

SPAIN AND HISPANIC AMERICAS.
VOLUME (UNITS) AND VALUE (REVENUE) DOWNLOAD SALES IN 2021, BY PRICE POINT

#SPAIN + LATIN AMERICA



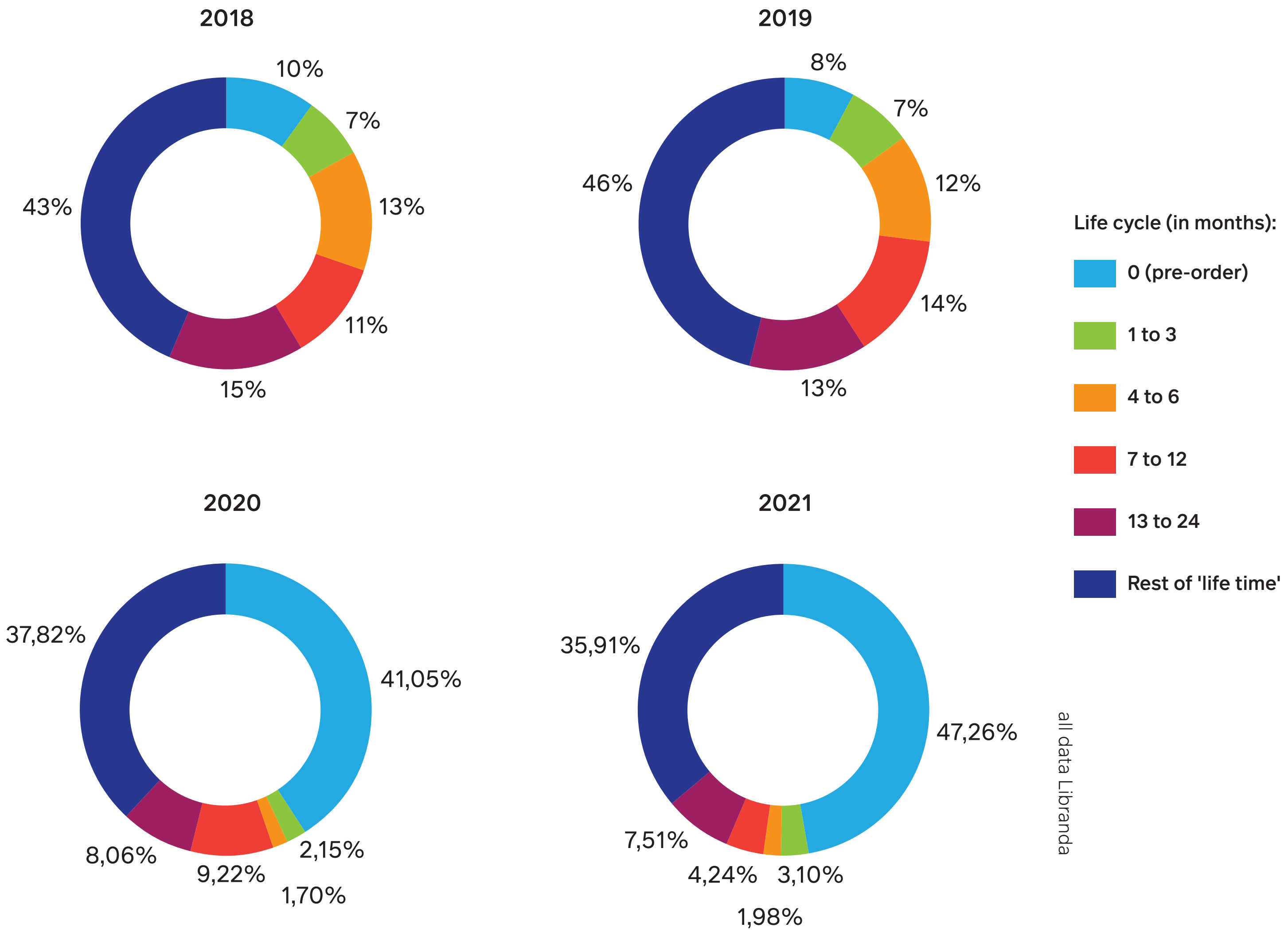


data consolidated from Libranda and Bookwire (Bookwire without Mexico)

€ 0,01 - € 0,99
€ 1 - € 1,99
€ 2 - € 2,99
€ 3 - € 3,99
€ 4 - € 4,99
€ 5 - € 5,99
€ 6 - € 6,99
€ 7 - € 7,99
€ 8 - € 8,99
€ 9 - € 9,99
€ 10 - € 10,99
€ 11 - € 11,99
€ 12 - € 12,99
€ 13 - € 13,99
€ 14 - € 14,99
€ 15 - € 15,99
€ 16 - € 16,99
€ 17 - € 17,99
€ 18 - € 18,99
€ 19 - € 19,99
≥ € 20,00

PRODUCT LIFE CYCLE FOR SPANISH LANGUAGE EBOOKS (RETAIL DOWNLOAD SALES, IN SPAIN + LATIN AMERICA, 2021

#SPAIN + LATIN AMERICA

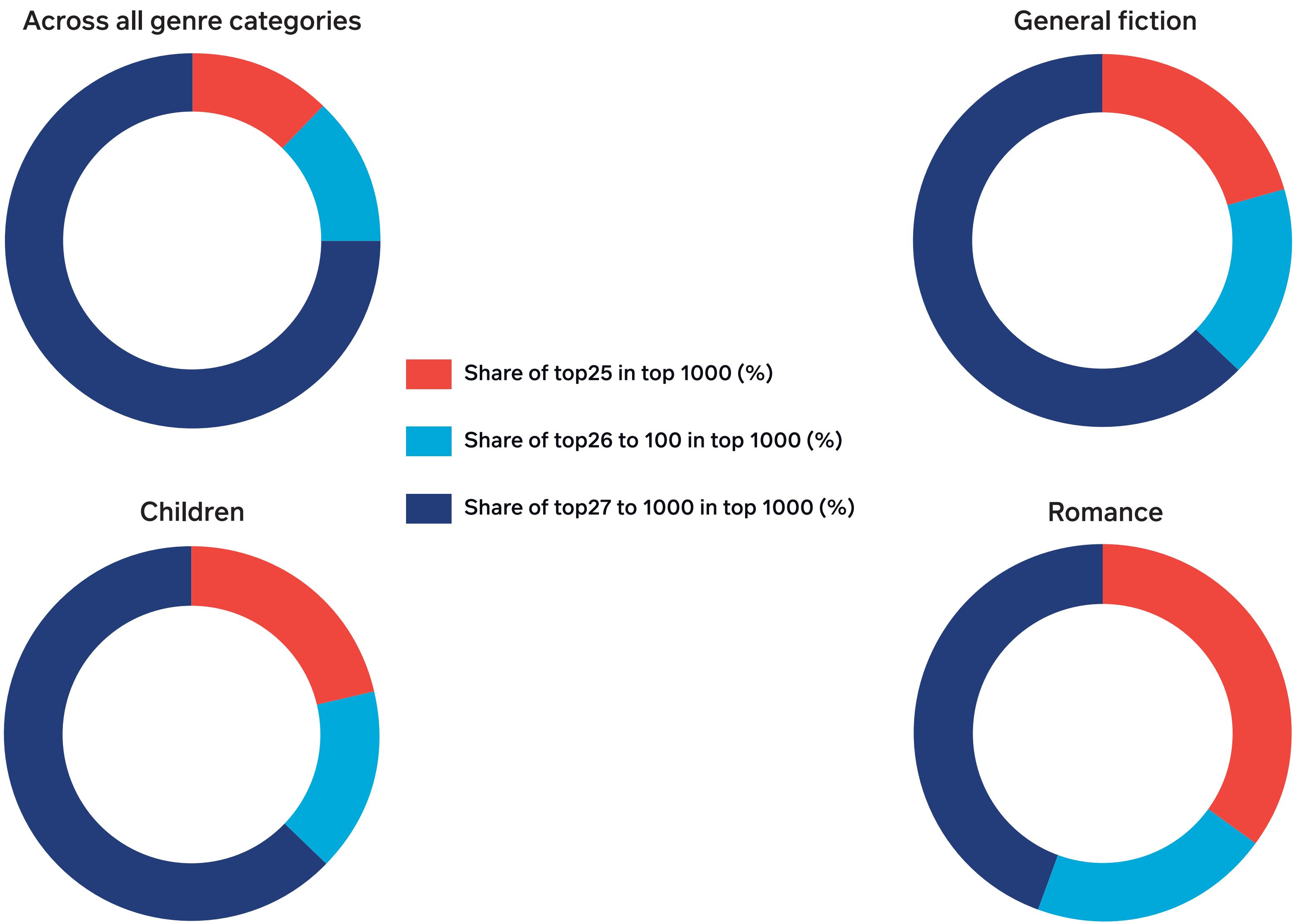


"Life cycle" visualizes if on average, titles sold only shortly after release, or could gain a lasting popularity with audiences.

Publishers can positively influence a prolonged lifecycle by encouraging pre-orders of a title - which many publishers in Spanish language (and similar in Italy) have learned during the pandemic.

EBOOKS IN SPANISH: SHARE OF BESTSELLING TITLES AMONG TOP 1000 (TOP 25 / TOP 26 TO 100 / 101 TO 1000), IN VOLUME (COPIES SOLD IN DOWNLOAD RETAIL)

#SPAIN + LATIN AMERICA



data for 2021 by Libranda

Mexico Ebooks

Ebook download sales (by volume) in Mexico echo a by now familiar pattern of significant increase in pandemic 2020, followed by only a slight drop in 2021, and with first quarter findings for 2022 indicating a stabilization of sales on a high 'new normal'.

The significant gains are even stronger in volume sales via subscription offers, strongly suggesting that this 'access' driven model of dissemination of digital books has been widely met with consumer preferences over the past few years.

Download sales by genre category also highlight some interesting shifts. (See next page)

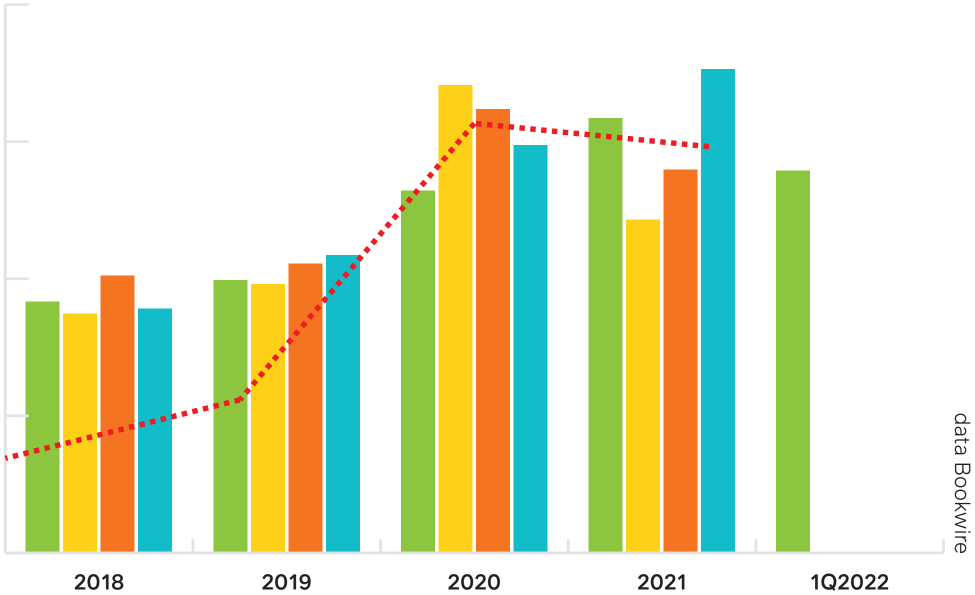
The initially very popular romance fiction has lost ground in favour of general fiction and, even more so, nonfiction and educational books.

It must be noted though that genre categories "nonfiction" and "educational" tend to include in the Hispanic Americas a fair amount of 'self-improvement' and also religious literature.

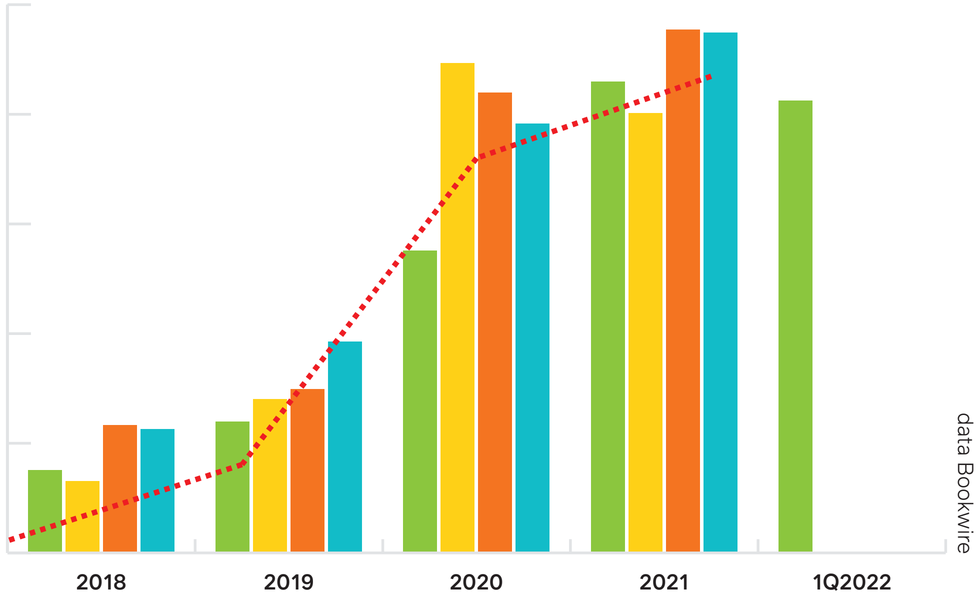
MEXICO: DIGITAL GROWTH BY QUARTER AND FULL YEAR, IN VOLUME 2018 > 2021

#MEXICO

Volume download sales



In subscription services (volume)



To the extend of what can be seen in the data available for this analysis, Mexico is a market where digital books have arrived relatively late and at low overall levels, notably by comparison to its Northern neighbour, the United States.

But the pandemic has strongly accelerated a growth dynamic which had already begun to pick up digital consumption in volume from 2018 to 2019.

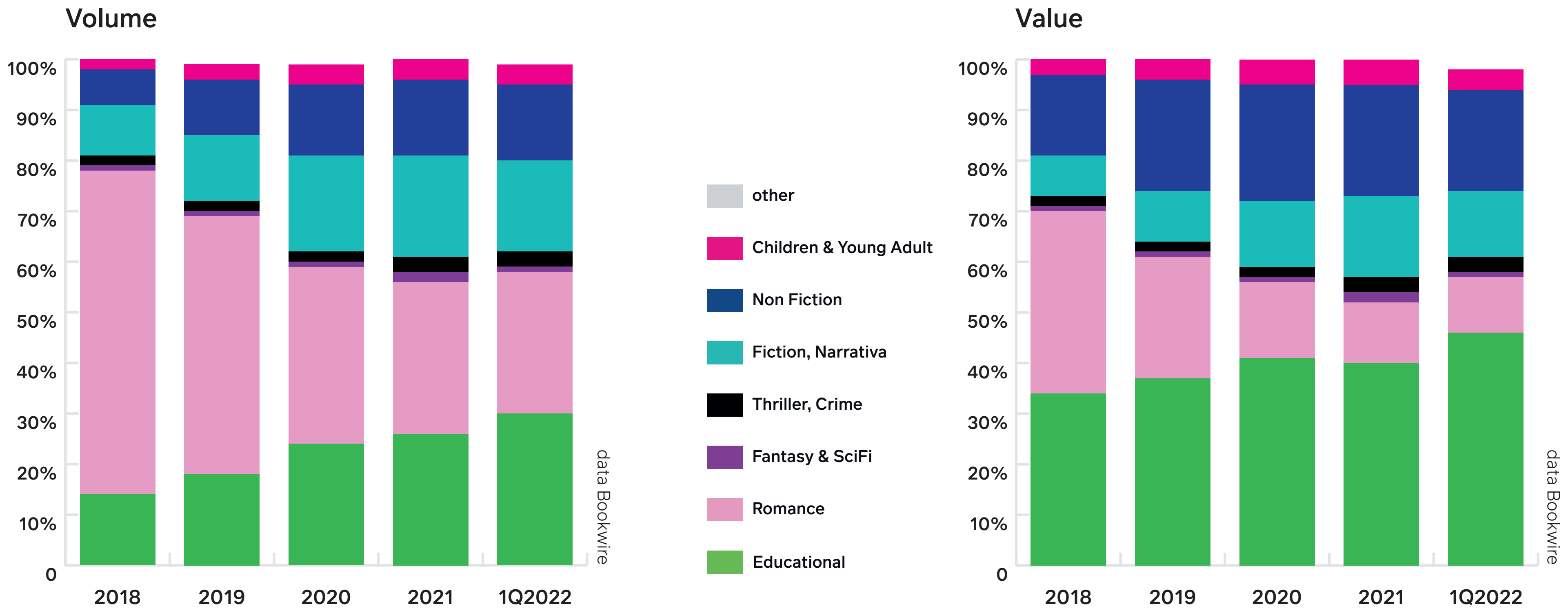
Catalogue growth my have added to the push. And 2021 saw some volatility between different seasons.

But overall, 2021 as well as first quarter results in 2022 clearly hint at a new - sensibly higher - 'normal' in ebook consumption.

The digital growth was even more dramatic with enormous gains in subscription, which again, had started already to get traction in 2019, before the pandemic, while stabilizing once that consumers had learned to appreciate the new 'access' driven offer.

MEXICO: EBOOKS BY GENRE CATEGORY AND VOLUME IN MEXICO, 2018 TO 2021

#MEXICO



By 2018, digital reading in Mexico was an almost exclusive niche for the quick, leisurely consumption of romance stories.

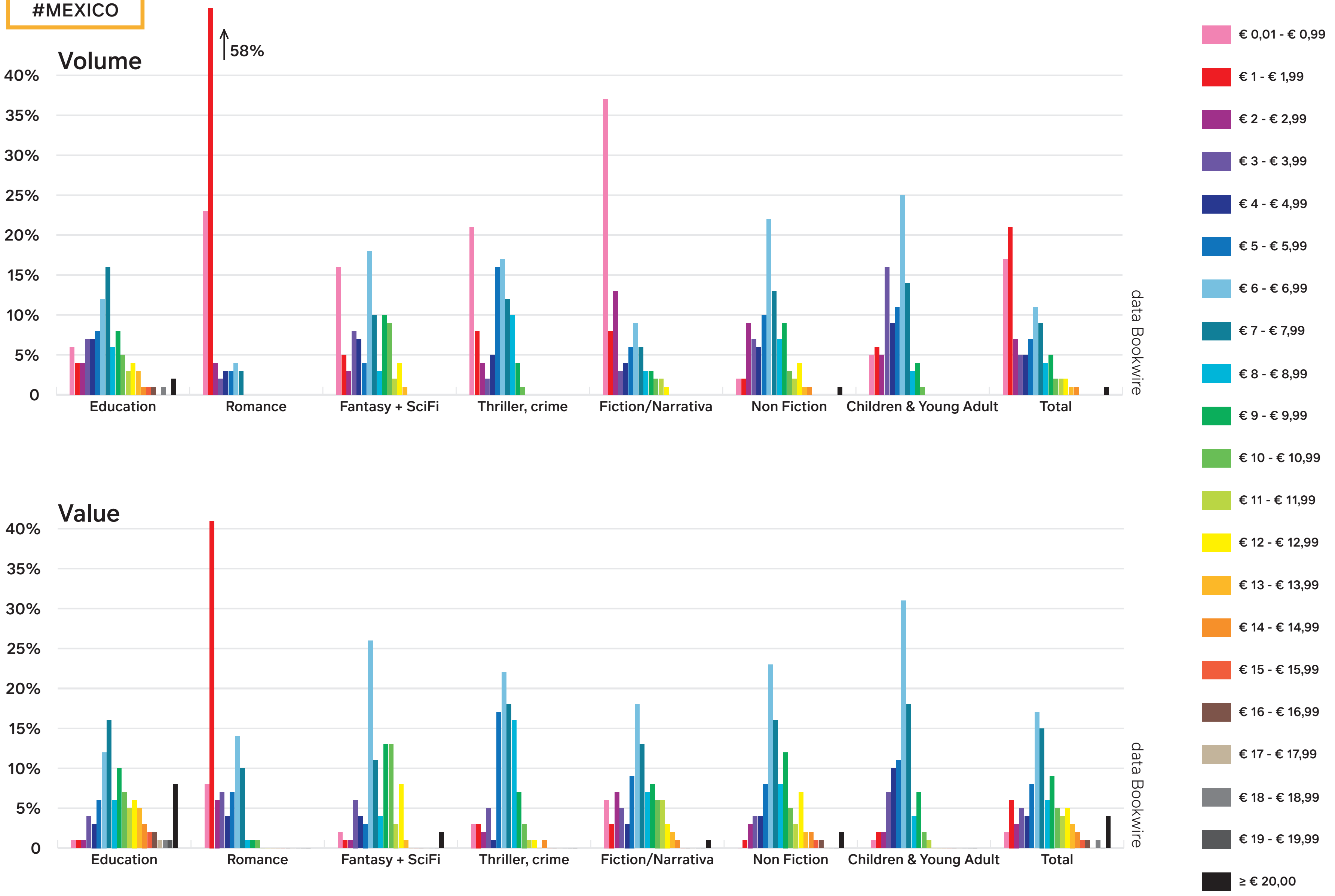
As the digital market segment evolved, other genre categories expanded their share, so that by early 2022, romance accounts only for about one quarter of ebook consumption by volume sales.

Other categories, notably education and nonfiction (which together include significant amounts of self-improvement and self-help titles), as well as general fiction could expand.

The deep-dive, on the following page, into pricing differences specific to various genres highlight an increasingly diverse digital market environment, with distinctive economic profiles for each genre category.

MEXICO: EBOOK DOWNLOAD SALES BY PRICE AND GENRE CATEGORY IN VOLUME AND GENERATED VALUE, 2021

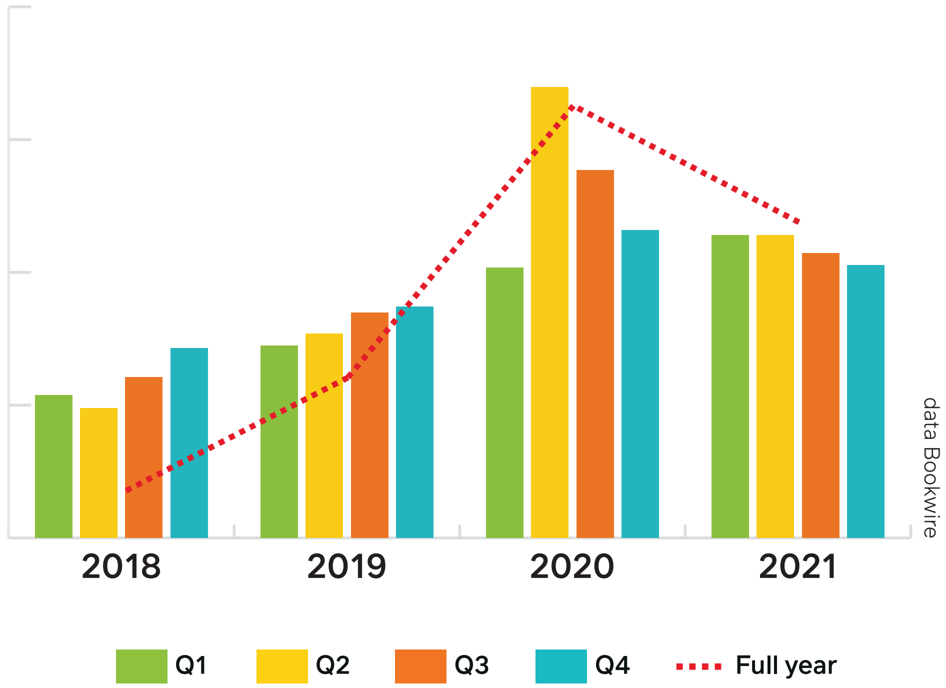
#MEXICO



BRAZIL: DIGITAL GROWTH IN EBOOKS: DOWNLOAD SALES, BY QUARTER AND FULL YEAR, IN VOLUME 2018 > 2021

#BRAZIL

Download sales



Brazil has seen the strong and continuous emergence of a digital book sector in recent years, with the pandemic as a powerful accelerator.

The most striking element however are the dynamics behind a rapid expansion of forms of delivery and consumption other than ' download sales' of one title at a time.

In ebooks, and even more in audiobooks, growth is shaped by a mix of subscription and streaming.

A comparison between genre categories reveals consumption patterns that are already clearly segmented. (See the following page)

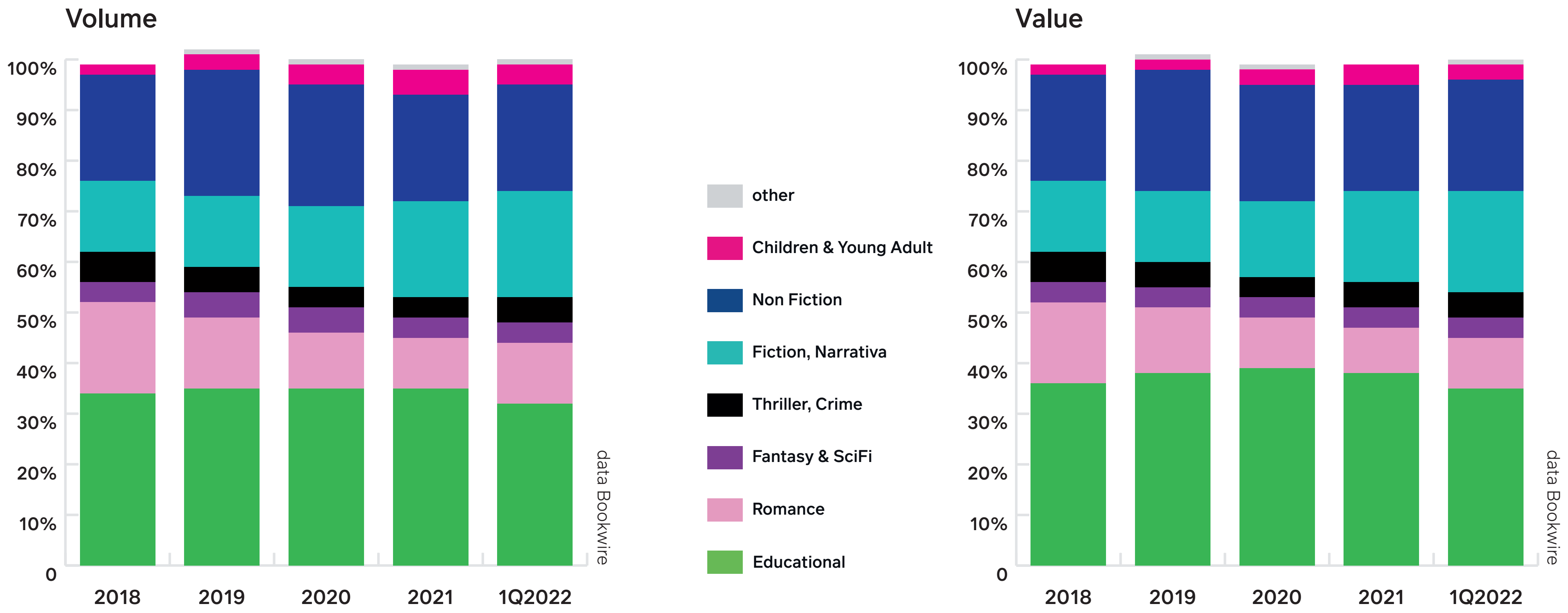
While general fiction saw some gains recently, the combined categories of nonfiction and education are predominant - which must seen with a certain distinction: Together, these two categories form a receptacle for very uniquely popular segments of religious books, plus self-improvement and self-help.

When analyzed by volume sales, low cost offers enjoy the highest popularity - which certainly reflects the specific economic situation in a big country shaken time and again by economic hardships.

Generated revenue however is also seen from higher priced books.

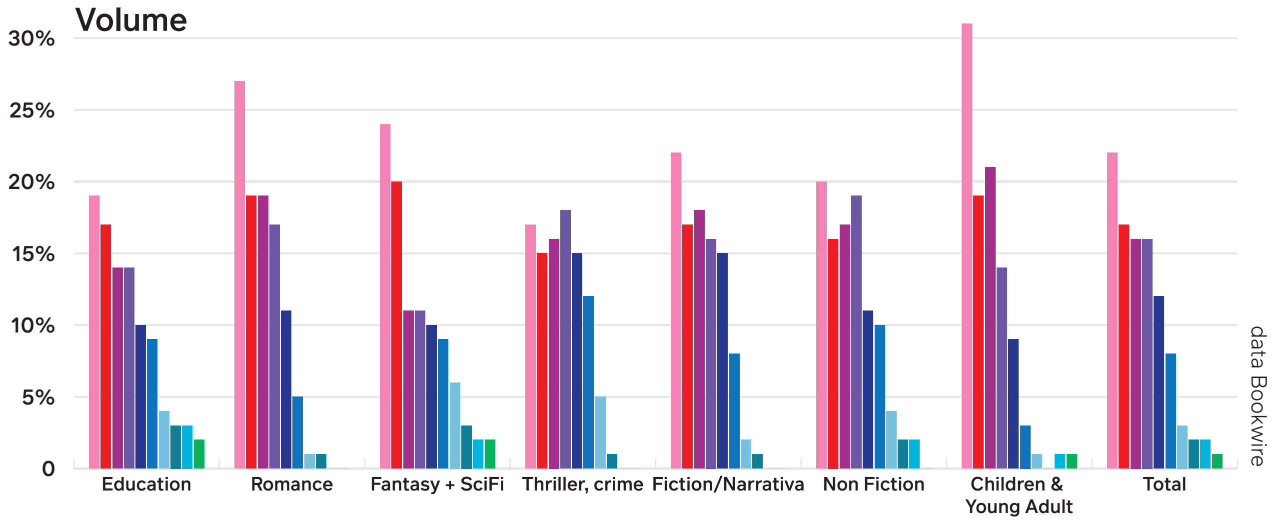
BRAZIL: EBOOK DOWNLOAD SALES, BY GENRE CATEGORY IN %, IN VOLUME AND VALUE, 2018 TO 1Q2022

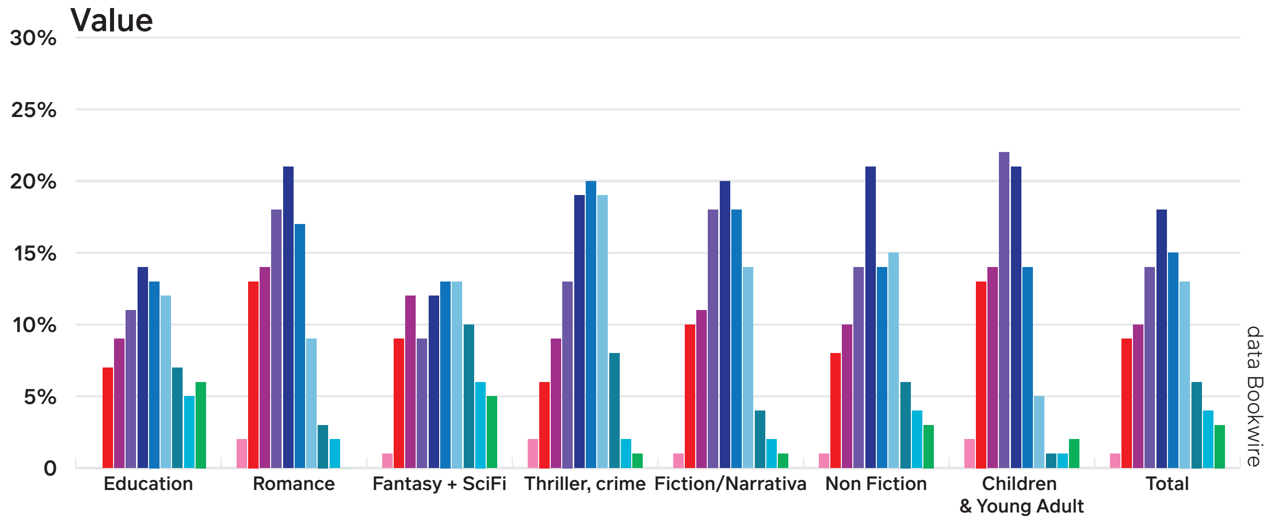
#BRAZIL



BRAZIL: EBOOK DOWNLOAD SALES BY PRICE AND GENRE CATEGORY IN VOLUME AND GENERATED VALUE IN EURO, 2021

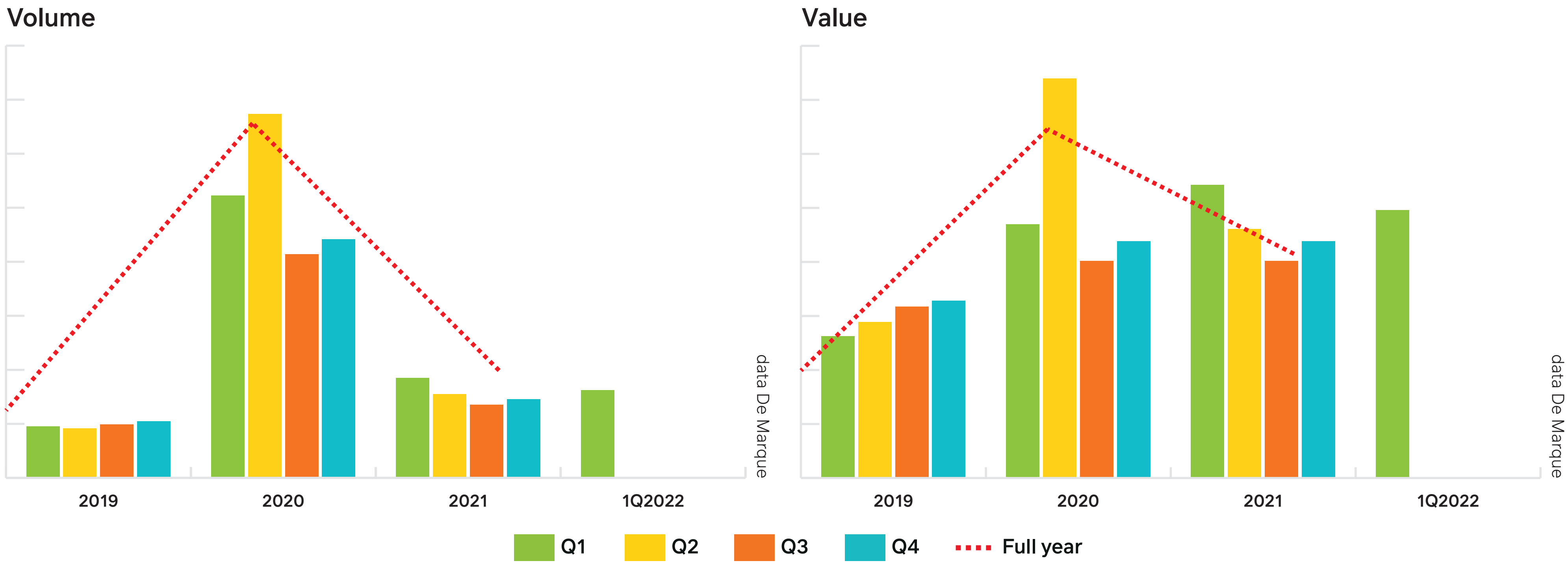
#BRAZIL





DIGITAL GROWTH IN EBOOK REVENUE (VALUE) 2019 TO 1Q2022 IN FRENCH SPEAKING CANADA

#CANADA (fr)



French speaking Canada, echoing the English language digital book consumption in North America, is an already mature environment.

Therefore, as could be expected, the push from the Covid19 pandemic has been by far not so dramatic than in territories with less digital penetration.

The short-lived gains in volume, especially in 2Q2020, had been further propulsed by discounted offers.

In 2020, pushed by confinements and the closure of physical shops, saw a clear peak. However, in 2021 came a return to levels that were only slightly above pre-pandemic standards.

By generated revenue however, the gains seem to be more consistent.

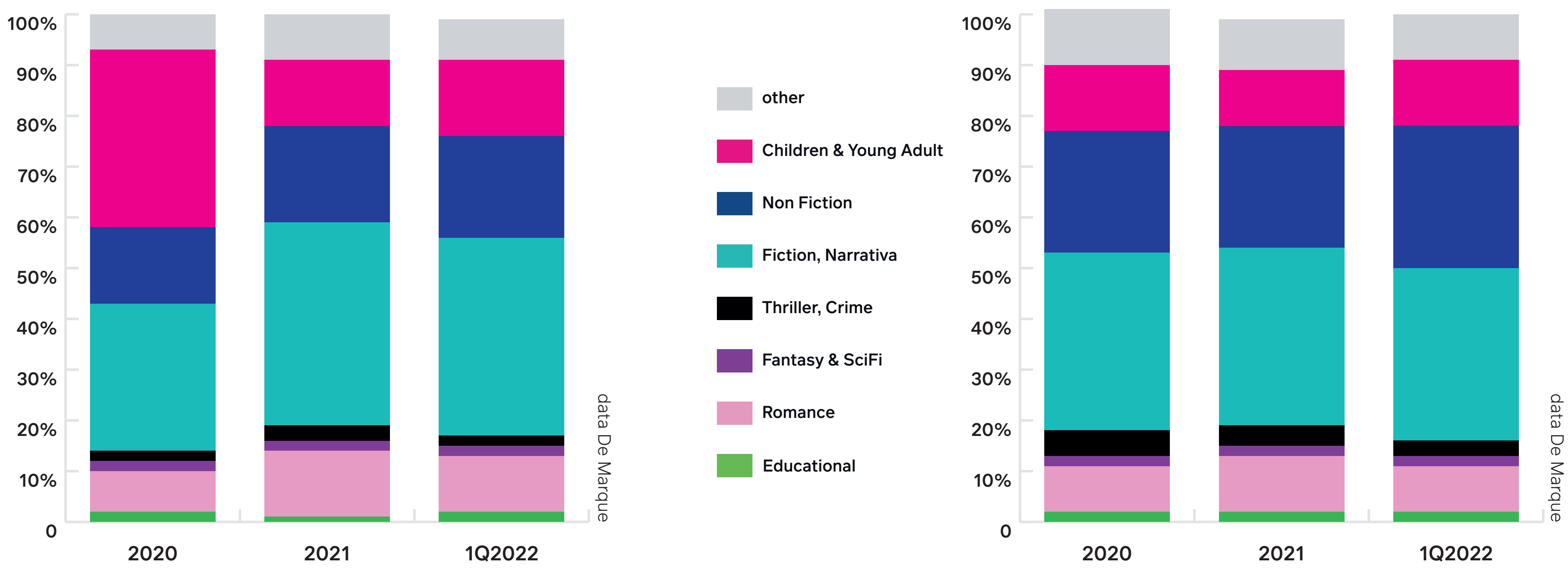
Similar patterns have shaped the distribution between genre categories, as seen in the following page.

The sudden increase in the share of digital children and young adult books was owed to respective marketing campaigns, driving up volume sales, yet hardly impacting on revenue.

EBOOK VOLUME AND VALUE IN FRENCH SPEAKING CANADA BY GENRE CATEGORY IN % 2020 TO 1Q2022

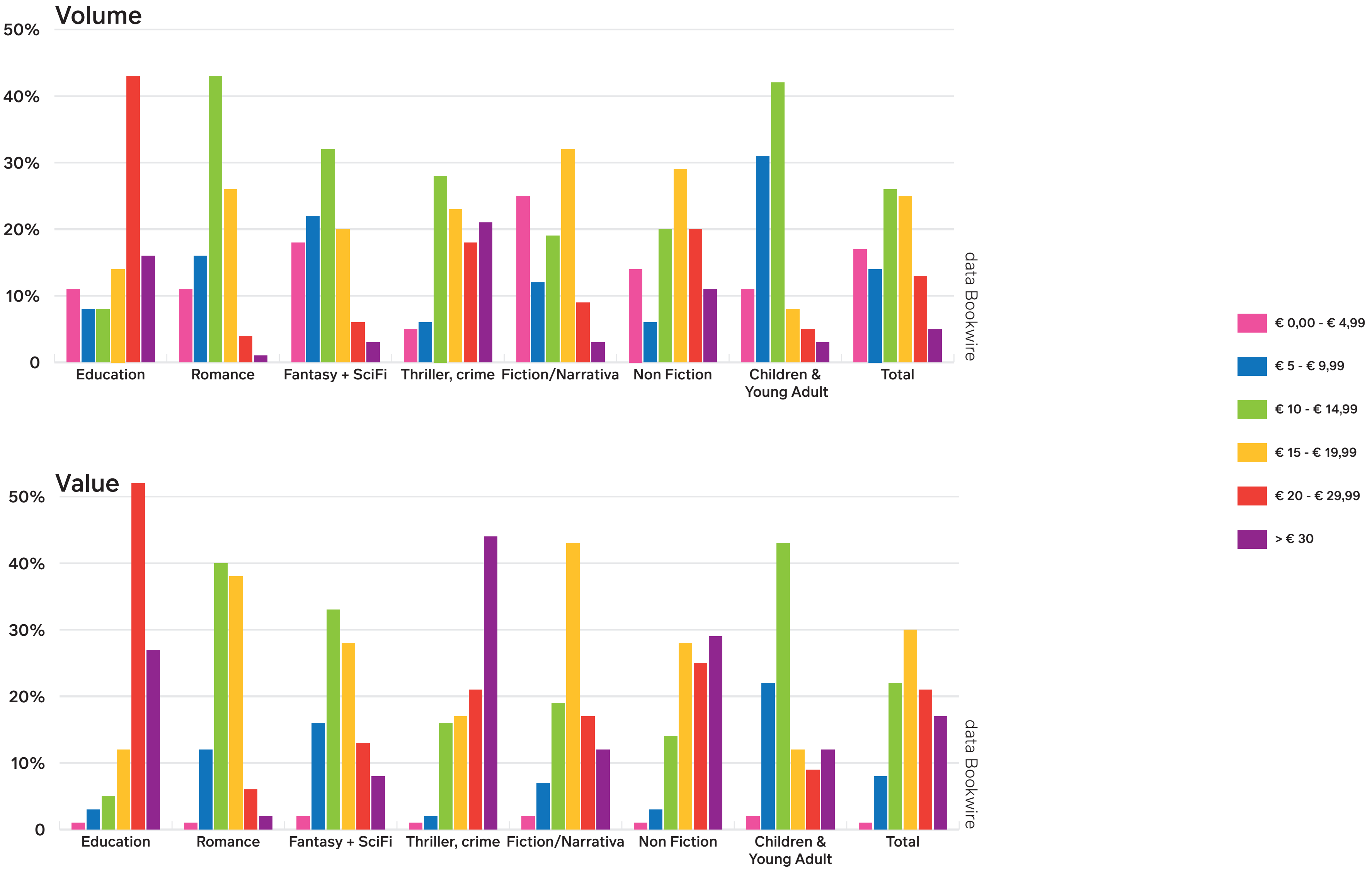
#CANADA (fr)

Volume — Value



FRENCH SPEAKING CANADA: EBOOK DOWNLOAD SALES BY PRICE AND GENRE CATEGORY IN VOLUME AND GENERATED VALUE, 2021

#CANADA (fr)



FRENCH SPEAKING CANADA: PRODUCT LIFE CYCLE FOR EBOOKS (RETAIL DOWNLOAD SALES, 2021

#CANADA (fr)

Product life cycle is a simple measure to support product planning and marketing strategies specific to different genre categories.

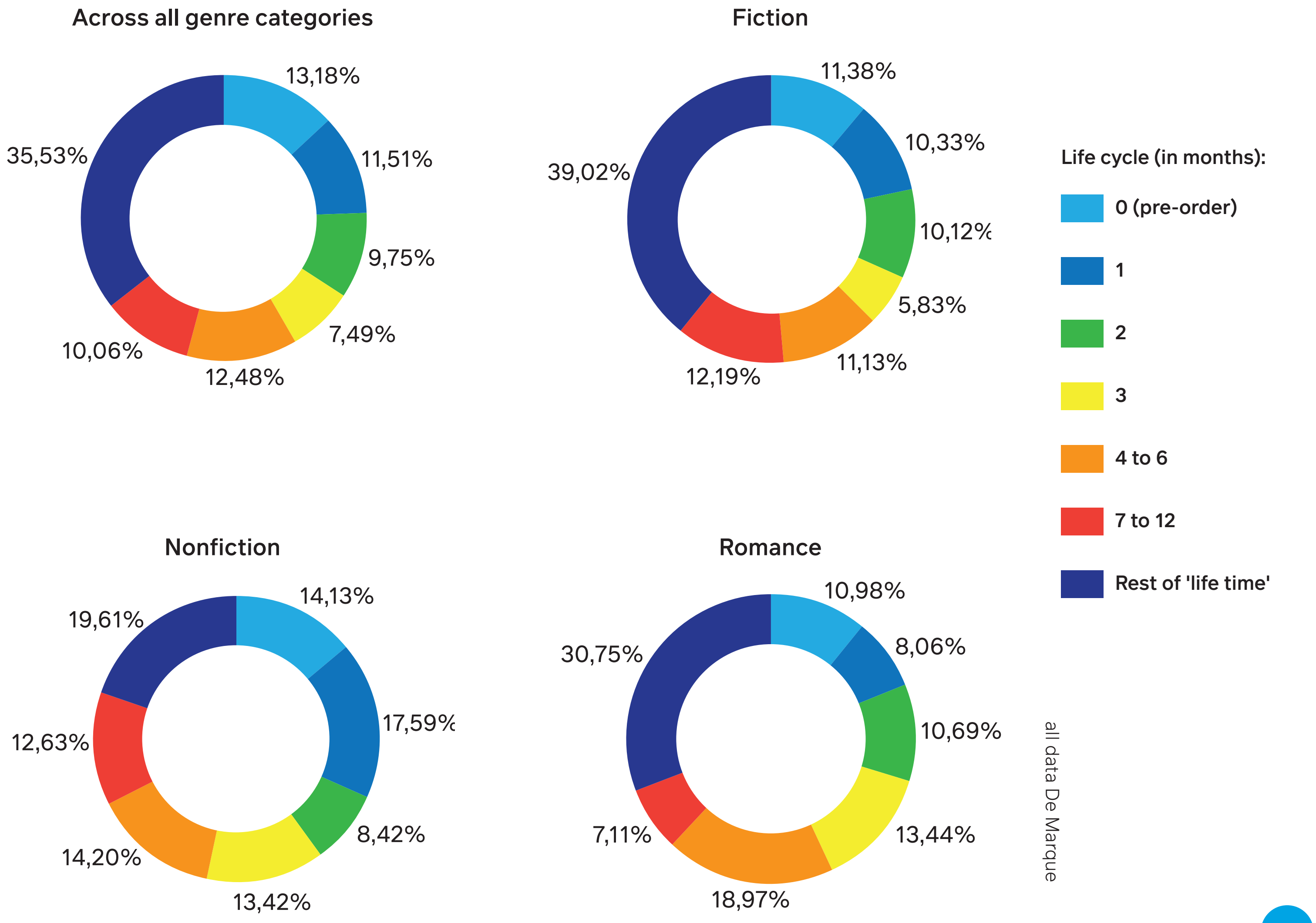
In the example of French speaking Canada, 'fiction' titles are fairly in line with the overall catalogue across all genre categories, in that the first 12 months account for around two thirds of an average title's volume sales. The 'rest of life time' adds another third.

By contrast, nonfiction titles, a category which bundles various sub-categories, from essay to self-help for instance, see sales diminish more significantly after a title's first year.

In most markets, romance literature tends to be also strongly novelty driven, yet not so in French speaking Canada, where the share of "rest of lifetime" is closer to the average life cycle across all genre categories.

Pre-orders in Canada are less prominent by comparison to Italy, in the samples used for this report.

These specifics allow to adjust and optimize a title's exploitation.



Audiobooks

Focus of the analysis
Indicators discussed
Take aways

The analysis of audiobook markets helps to better understand the remarkable growth dynamics in the audiobook segment.

In those mature digital markets - notably in Germany, Austria, Switzerland, and in Brazil, "listening to a book" has one expanding audiences, and complements nicely the overall book business.

However, in other markets, audiobooks have not yet found their craddle, or are in their early stages, making the analysis less consistent.

Therefore, it was decided for this Digital Barometer to focus primarily on audiobook trends in the German language territories, in Brazil and in French speaking Canada.

The approach repeats the analysis of ebook developments, by focusing on

- Overall digital growth;
- Comparison of developments by distribution and business model, notably download sales, subscription and streaming as well as digital purchases by libraries.

The comparison of download sales versus 'access' driven models is of particular significance.

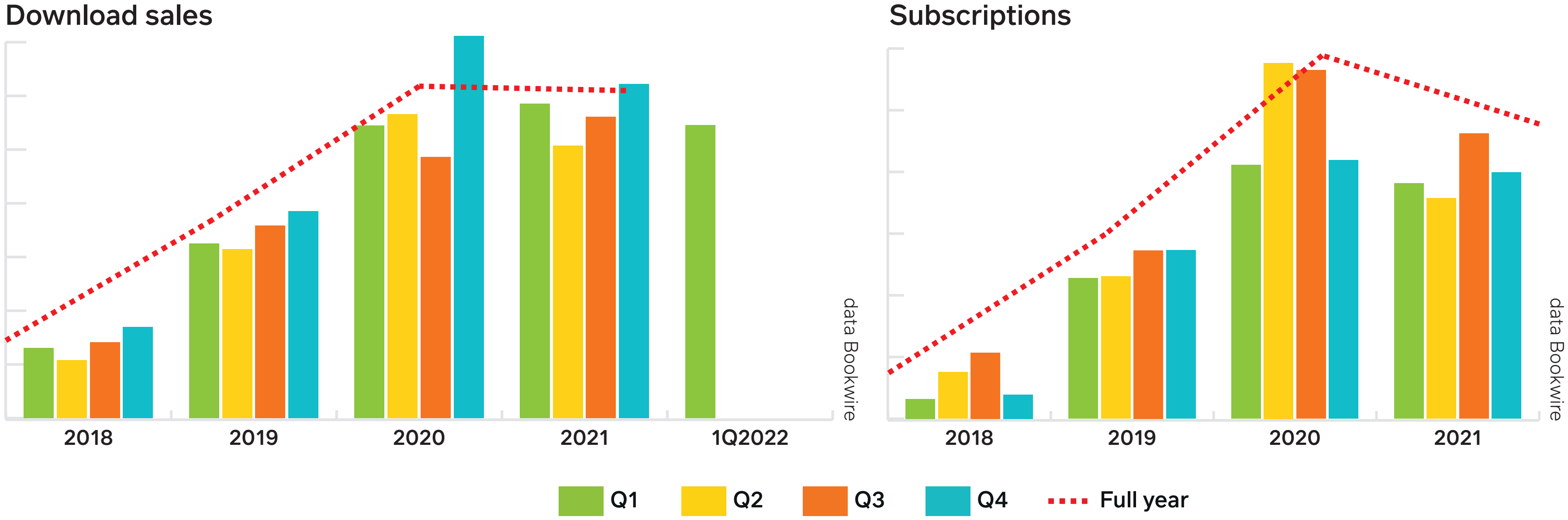
The example of Brazil illustrates how consumers seem to leapfrog directly to 'subscription' and 'streaming' offers, skipping by and large any title by title downloads.

Insights from these data allow to

- Gain an overall panorama of fundamental market developments in today's cutting edge segment of digital books;
- Identify the most promising sectors in consumer preferences;
- Optimize catalogue building;
- Customize marketing and promotional approaches per product segment and targeted audiences.

GERMANY + AUSTRIA + SWITZERLAND, DIGITAL GROWTH IN AUDIOBOOKS IN VOLUME (UNITS), BY QUARTER AND FULL YEAR, 2018 TO 1Q2022

#GERMANY + AUSTRIA + SWITZERLAND (DACH)



Audiobooks have been identified as a segment of solid and continuous growth across many book markets

German language markets in Germany, Austria and parts of Switzerland not only confirm the trend.

The steady upswing can be followed in the Digital Barometer already since 2018. Unsurprisingly, the pandemic added a forceful push in 2020, with the new level maintained in 2021. First preliminary findings for 1Q2022 further confirm the underlying dynamics.

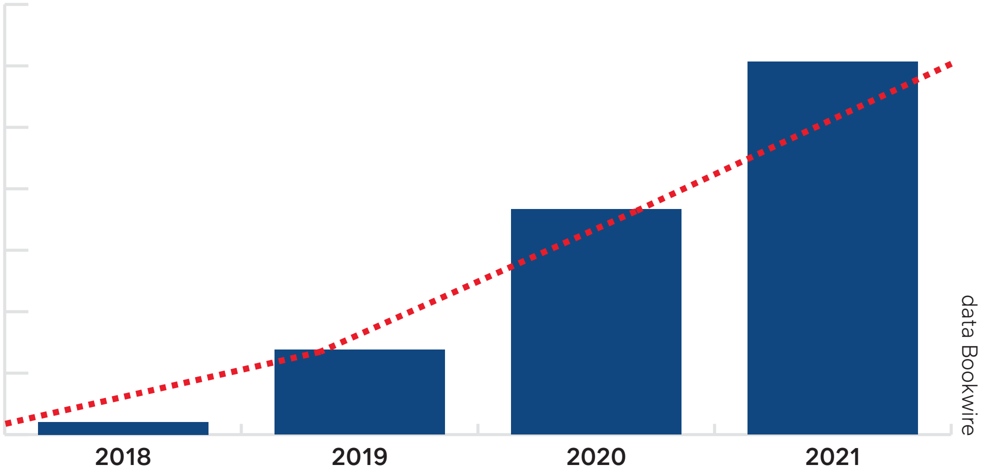
A more in depth analysis, as given in this report, underlines that with the increase in sales comes a deep and by now also well established shift in the modes of consumption for audiobooks.

This is well reflected in the positive evolution of subscription offerings for audiobooks, and - as can be seen on the following page - in other forms of continuous feeds to audiobook audiences

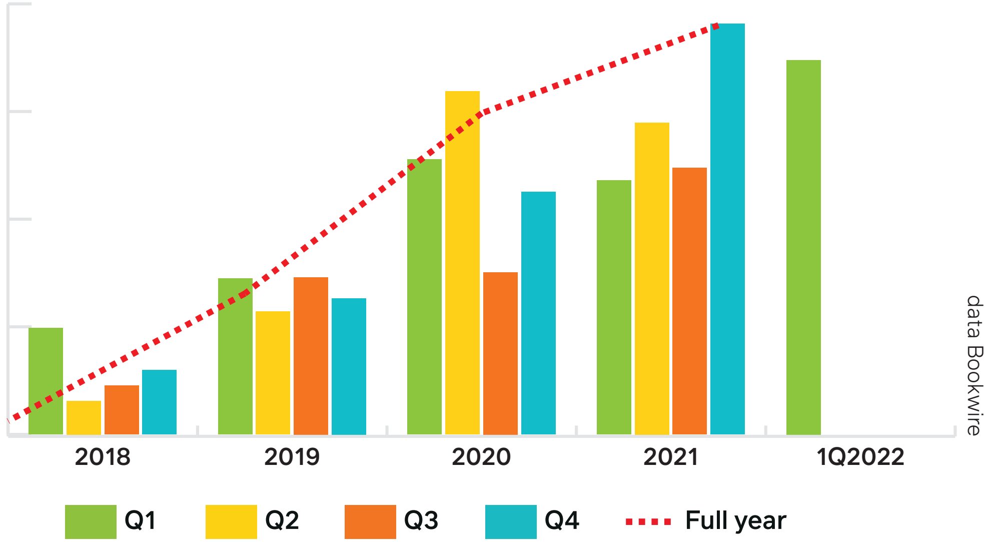
GERMANY + AUSTRIA + SWITZERLAND, DIGITAL GROWTH OF AUDIOBOOK STREAMING AND PURCHASES BY LIBRARIES, 2018 TO 2021

#GERMANY + AUSTRIA + SWITZERLAND (DACH)

Audiobook streaming, by full year, in volume (units) 2018 > 2021



Audiobook purchases by libraries, by quarter and full year, in volume (units) 2018 > 1Q2022



With subscription, streaming and library lendings of digital materials, continuous feeds of digital books directly to consumers have gained substantial popularity with audiences in otherwise very diverse markets.

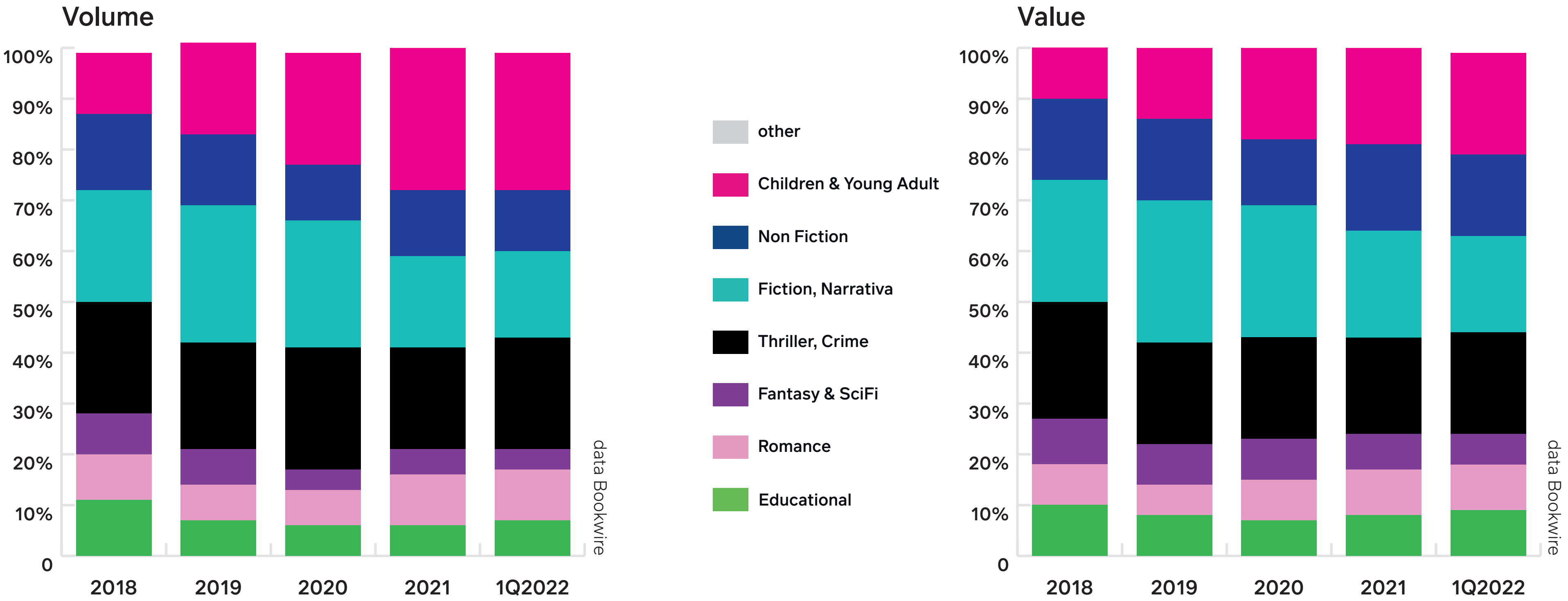
On the one hand, libraries have expanded on their purchases of audiobooks lately.

With subscription and streaming, two other channels have proved to be relevant services appreciated by audiobook audiences.

One caveat for a realistic understanding of these figures has to be added: Occasional campaigns around some products or also experimentation by new vendors, might result in seasonal ups and downs in the consumption of continuous feeds. But the steady overall trend underlines the relevance of the increasingly well established channels.

AUDIOBOOK REVENUE (VALUE) IN GERMANY, AUSTRIA AND SWITZERLAND, BY GENRE CATEGORY IN %2018 TO 1Q2022

#GERMANY + AUSTRIA + SWITZERLAND (DACH)



When children and young adults had to stay at home, instead of going to school, many parents discovered audiobooks as pleasant - and well embraced - additions to the new normal in family lives.

Children and young adult audiobooks have been quickly recognized as big winners of lockdowns. This applies to both download sales and also to library and streaming channels.

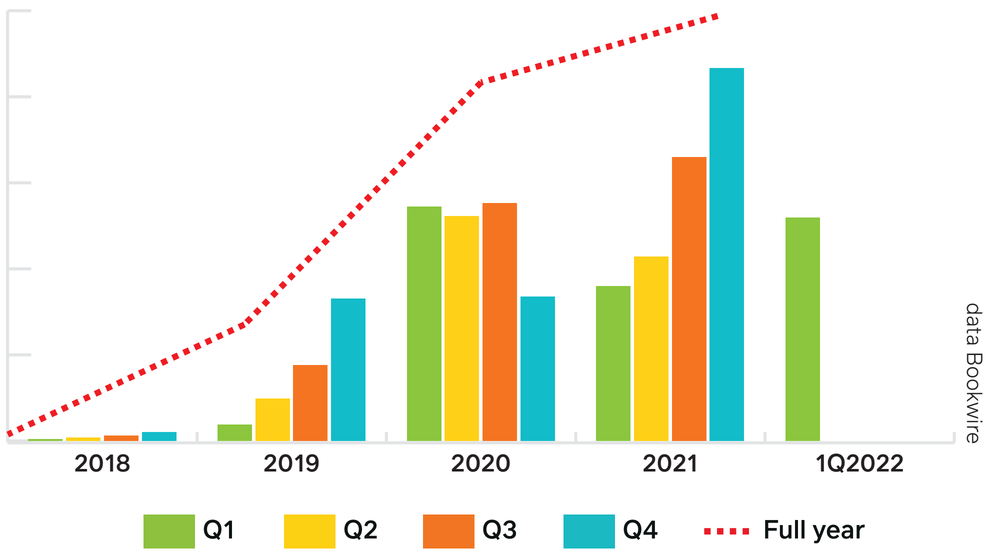
The data and analysis from this report however hint at a growth potential that started to be recognizable already in pre-pandemic 2019. A key learning for publishers and authors from these observations is to consider very distinct marketing and sales efforts to different target audiences.

Eventually, educational is yet another genre category which might offer opportunities that have been underserved in the audiobook environment.

DIGITAL AUDIOBOOK GROWTH IN BRAZIL: BY QUARTER AND FULL YEAR, 2019 TO 1Q2022

#BRAZIL

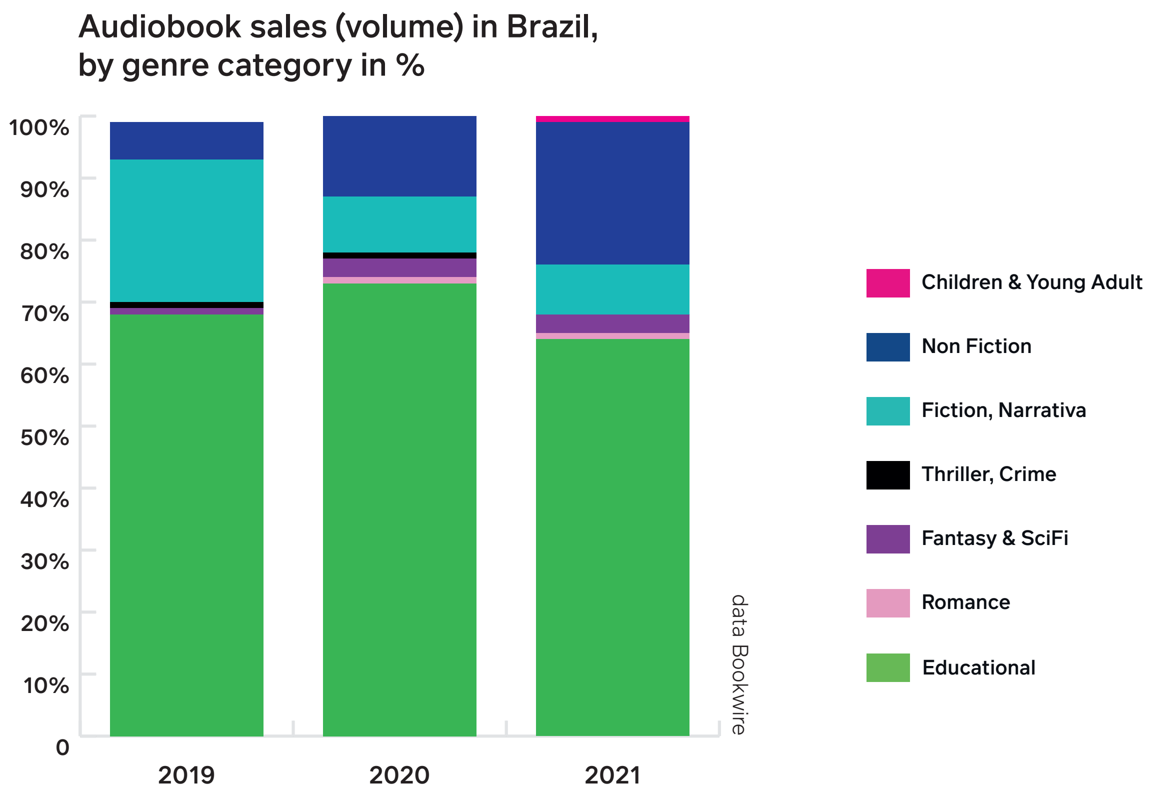
Digital audiobook growth in streaming (consumed units – „tracks“)

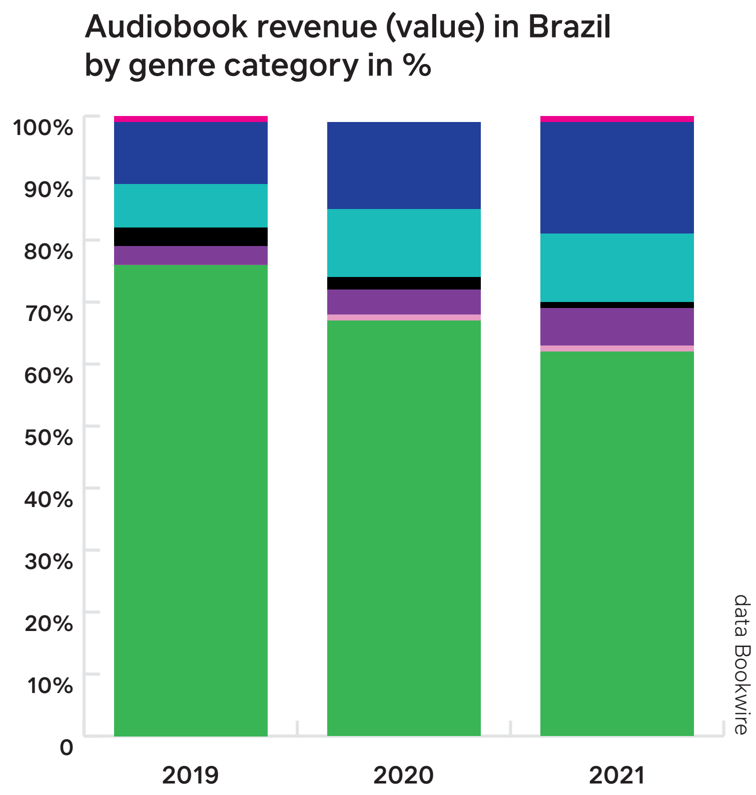


In Brazil, as in most other markets reviewed in this report, audiobook consumption through subscription and streaming offers saw a significant uptake since the start of the pandemic in 2020, which is expected to stabilize.

BRAZIL: AUDIOBOOK DOWNLOAD SALES, BY VOLUME AND VALUE (GENERATED REVENUE), AND GENRE CATEGORY 2019 TO 2021

#BRAZIL





The audiobook market in Brazil echoes nicely the familiar patterns from European territories.

In 2019, audiobooks have been limited to a narrow niche. The pandemic year of 2020 triggered a sudden boom, which seemed to have stabilized in 2021. Initial numbers on 1Q2022 seem to confirm such interpretation.

Like so often in less mature environments, the sudden boom in audiobooks coincided with new forms of consumption, as is shown in the steep increase of audiobook streaming.

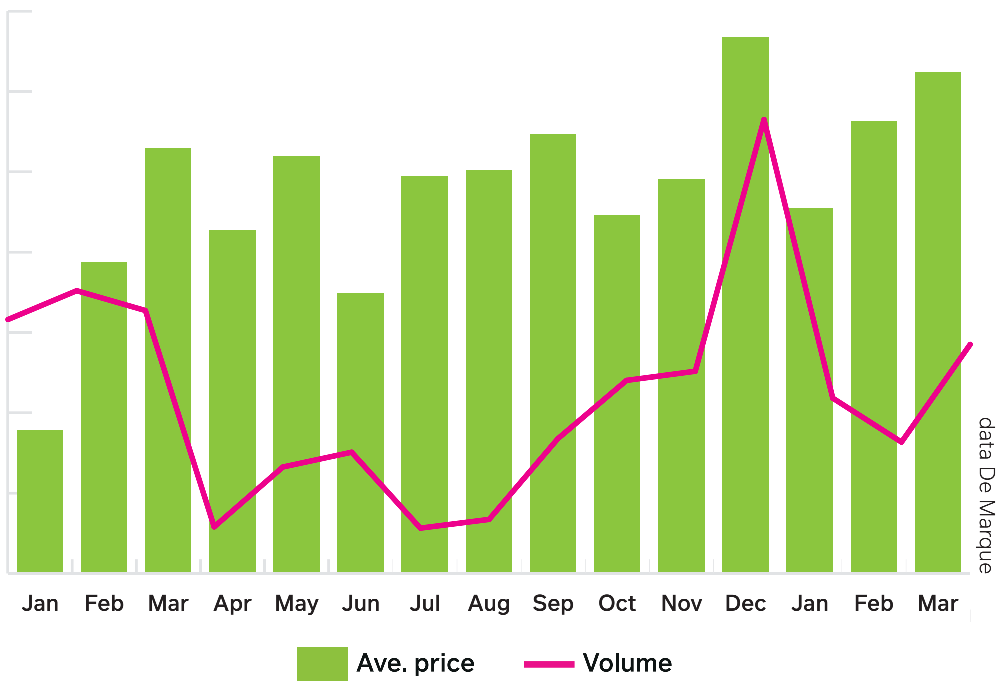
But also genre preferences show an unusual pattern, as can be seen in the subsequent page.

In Europe, the audiobook boom is firmly driven by leisurely reading of novels and similar narration. This is not so clearly the case in Brazil.

Much of the appreciation for audio content puts a focus on educational, as well as on "religion" and on "self-improvement", two topics categorized as "nonfiction" in other markets. One caveat must be added that the catalogue available for this analysis is not entirely representative for the total book consumption in Brazil.

FRENCH SPEAKING CANADA: AUDIOBOOK DOWNLOAD SALES, FY2021 + 1Q2022, VOLUME AND AVE. RETAIL PRICE (DATA IN CAN$ BY DE MARQUE)

#CANADA (fr)



French speaking Canada saw in 2021 an emerging audiobook market, with still a significant volatility in both seasonal consumption and in pricing.

The year end celebrations seem to have introduced many consumers of digital books to tiptoe into audiobooks. This coincided with an appetite for higher priced offerings.

It will be exciting to watch this dynamic evolution throughout 2022. But odds are good to see a continuing uptake as in so many other markets.

Conclusions and outlook

The Digital Consumer Book Barometer 2022 provides tools and guidance for taking advantage of recent digital growth across multiple formats (ebooks, audiobooks) as well as models of delivery and consumtion (download sales, subscriptions, streaming, library loans).

This edition of the Digital Consumer Book Barometer observes trends in digital publishing in non-English territories, of about 4 years, from 2018 to early 2022.

This report maps in granular detail the impact of the Covid19 pandemic, but in its broader perspectives reaches out far beyond, by identifying trends and change patterns which will continue to re-shape digital consumption in territories as diverse as Western Europe, Latin America (including Brazil) or North America (by the example of French speaking Canada).

At the onset of the pandemic triggered by Covid19, when sanitary confinement and closures of brick and mortar retail impacted on all aspects of everyday life, a surge in digital consumption came hardly as a big surprise.

Two years on, as this 2022 edition of the Digital Barometer illustrates in much detail, digital consumption of ebooks and audiobooks has not only gained a 'new normal' at much higher levels than expected by many.

The data displayed in this report once again support the observation that consumption of audiobooks has sensibly expanded across all markets, across all markets, with the exception of Italy.

The more relevant shift, in the long term is to observe that continuous, 'access driven' models of delivery have gained traction, and at the same time, new genre categories are embraced by consumers, overcoming the early pre-conception that ebooks were only good for easy reading, as a distraction.

Thus we predict that 2022 will see ever more experimentation and explorations, in a number of ways.
4 specific developments can be listed here:

1. The consumption of digital books follows ever more routines that previously have been typical for music or video-on-demand.
2. A continuous, 'access driven' model of consumption also requires from the businesses different business models, which focus on the consumers and their behaviour, and not so much on a calculation of one specific product.
3. Much more variety and diversity along the entire value chain in the book business will be required to pursue, which will require a solid and data based observation of how markets continuously evolve.
4. Prices have increased significantly across all territories (with the sole exception of Brazil), and all genre categories.

The Digital Consumer Book Barometer has had the ambition, since its beginnings, to offer relevant insights for these demanding and complex requirements.

In this perspective, we very much encourage our readers and professional users to return critical comments and suggestions for making our work more relevant.

Rüdiger Wischenbart and
Michaela Anna Fleischhacker,
Content and Consulting

Vienna, in June 2022.
The Digital Consumer Book Barometer 2022

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