

CHICAGO 2017 TYPEFI USER CONFERENCE

#typefi2017



Global book publishing is growing

- With an estimated value of \$123bn, the book industry is doing better than ever.
- For the third year running, the USA and China continued to lead the world, both in terms of revenue and number of new titles.
- The USA recorded a bounce back to growth up 9% year-on-year.
- Global publishing is undergoing some very significant changes.

Sources:

[*International Publishers Association Annual Report 2015-2016*](#)

Table 1 | Top publishing markets 2014–2015 by revenue (mEUR), for which figures were available

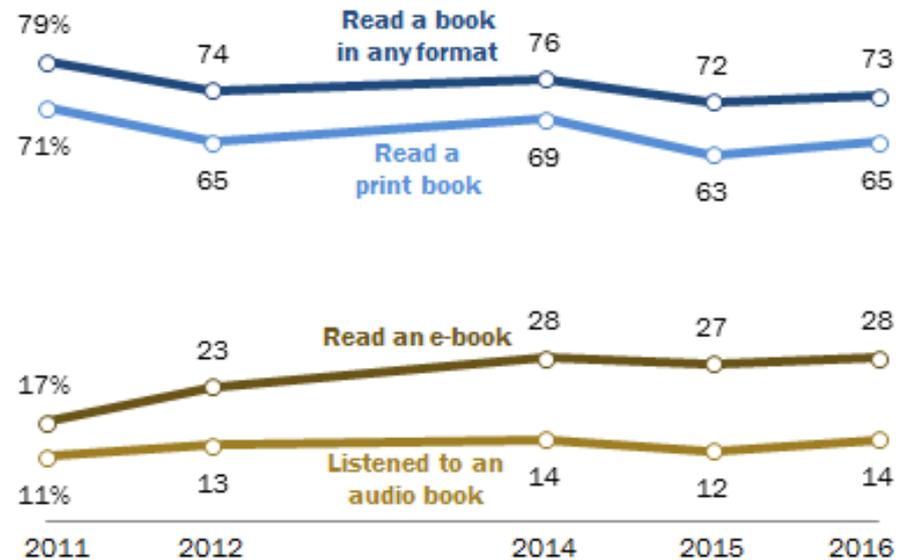
COUNTRY	2014	2015	YOY TREND
United States	22918	24986	9.02%
China	10578	10512	-0.63%
Germany	5541	5430	-2.00%
United Kingdom	4587	4151	-9.51%
France	2652	2667	0.57%
Brazil	1650	1433	-13.15%
Italy	1576	1584	0.51%
Netherlands	1058	1058	0.00%
Thailand	356	390	9.55%
Norway	297	318	7.07%
Finland	245	232	-5.31%
Belgium	244	250	2.46%
Iceland	231	196	-15.15%
Switzerland	214	139	-35.05%
Sweden	184	283	53.80%
Australia	113	110	-2.65%
Saudi Arabia	14	17	21.43%

Print is not dead

- In USA print is 65% of revenue, EPUB is 28% of revenue.
- 40% of US readers only use print.
- 6% exclusively use digital.
- E-book sales at £554m in 2015, printed books at £2.76bn.

Print books continue to be more popular than e-books or audio books

% of U.S. adults who say they have ____ in the previous 12 months



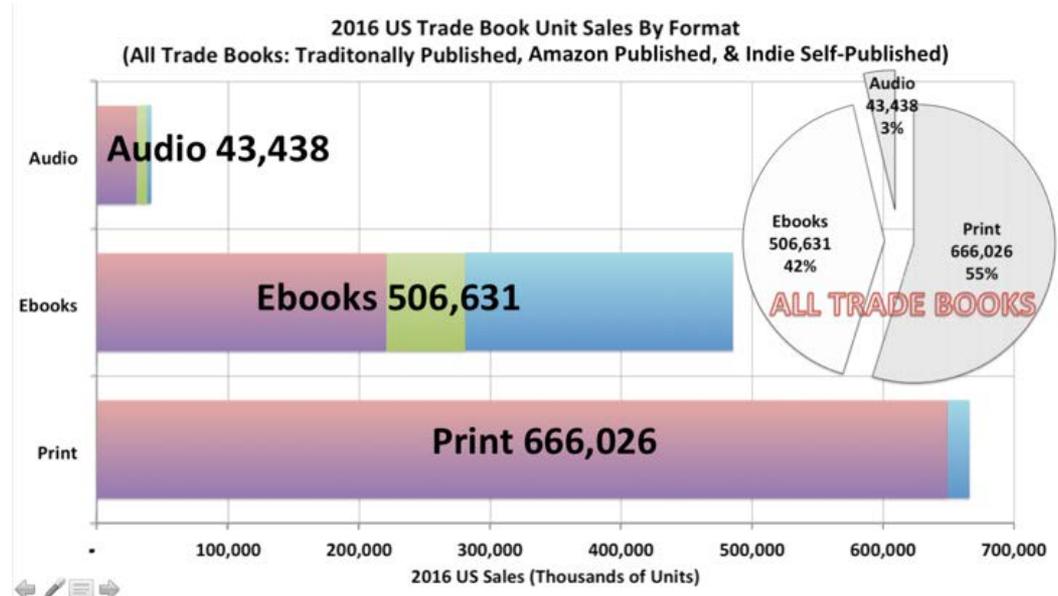
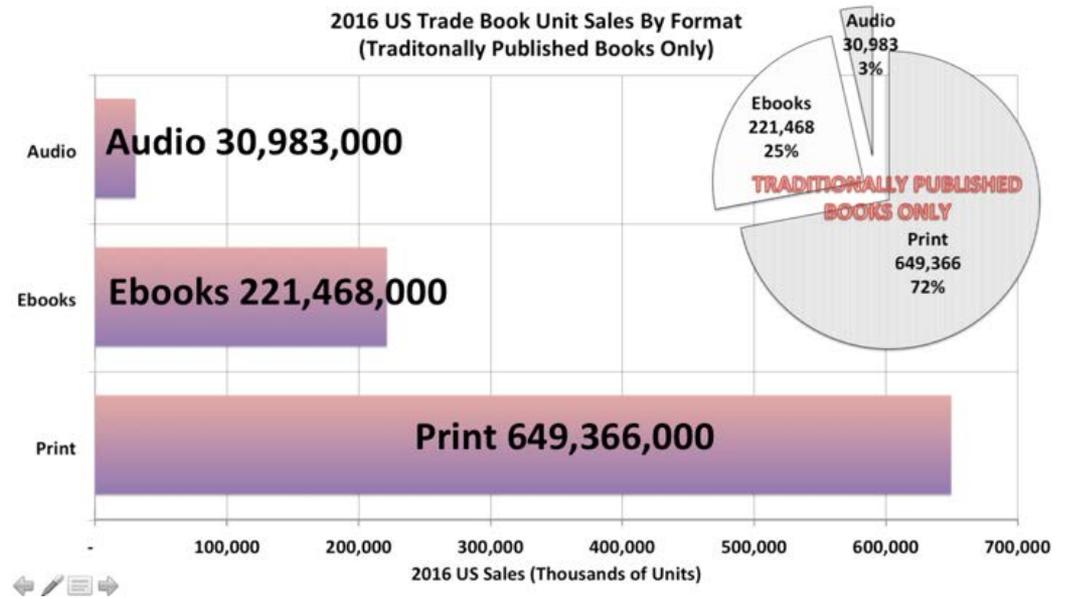
Source: Survey conducted March 7-April 4, 2016.
"Book Reading 2016"

PEW RESEARCH CENTER

Source: Economist <https://youtu.be/KhbMp2CCq6s>

According to Porter Anderson, the Data Guy:

- Print is 72% of traditionally published book sales.
- Print is 55% of all trade sales (Amazon imprints in green and Indie books in blue).



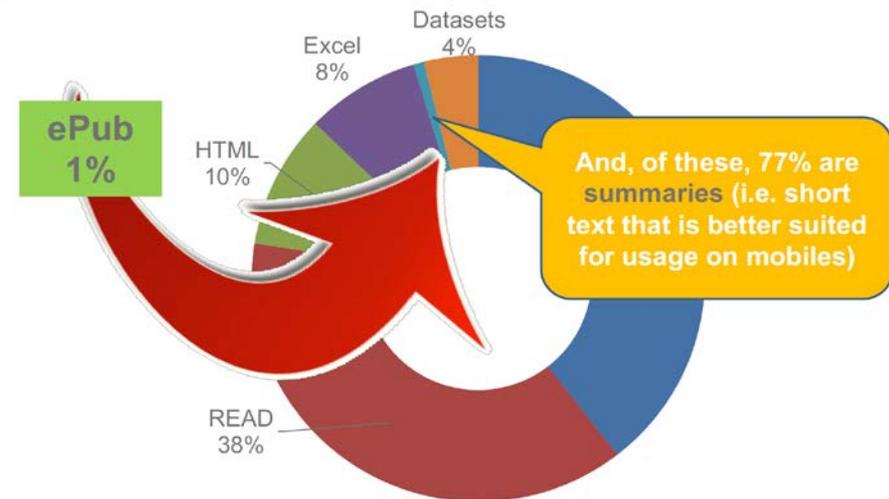
- E-book sales fell by 1.6% to £554m in 2015. Meanwhile, sales of printed books grew by 0.4% to £2.76bn.
- EPUB is not for everyone. Some content is best consumed in PDF, other content in HTML, and other content in print.
- 150 e-book distribution platforms.
- There is no one platform or format to rule them all.

For OECD publications, EPUB (1%), HTML (10%), online PDF (38%), from:

- 11,120 e-books
- 54,360 chapters
- 149,150 tables and graphs
- 5,980 articles
- 5,190 multilingual summaries
- 5,270 working papers
- 5 billion data points across 42 databases.



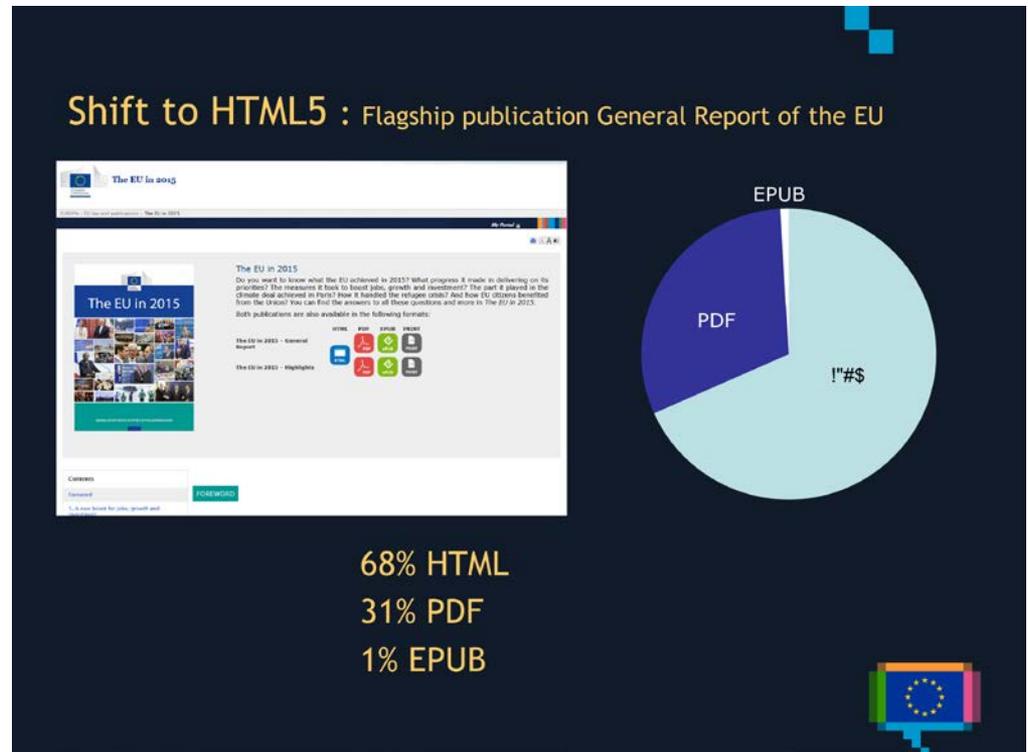
What choices are users making?



Downloads by file type
Titles published November 2015

Publications Office of the European Union, HTML (68%), PDF (31%), EPUB (1%).

- 2013: 217 titles
- 2014: 908 titles
- 2015: 982 titles
- 2016: 1165 titles
- 2017: 118 titles



Divergence and Convergence

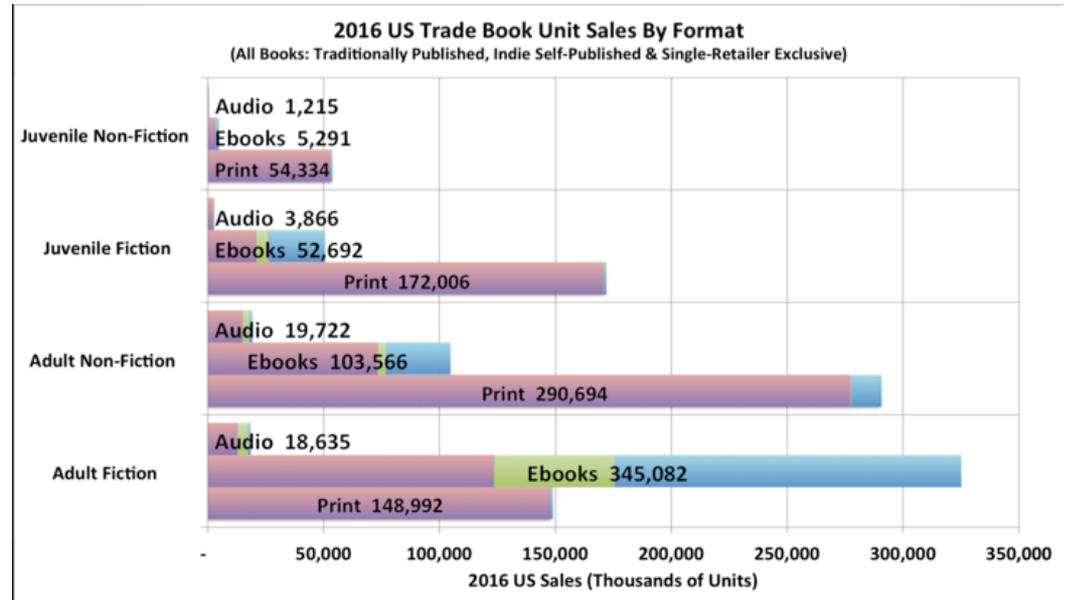
Anecdotally, e-books are more reliable in Asia than HTML, especially China.

70% of the adult fiction sales are digital.

70% of adult non-fiction sales are print.

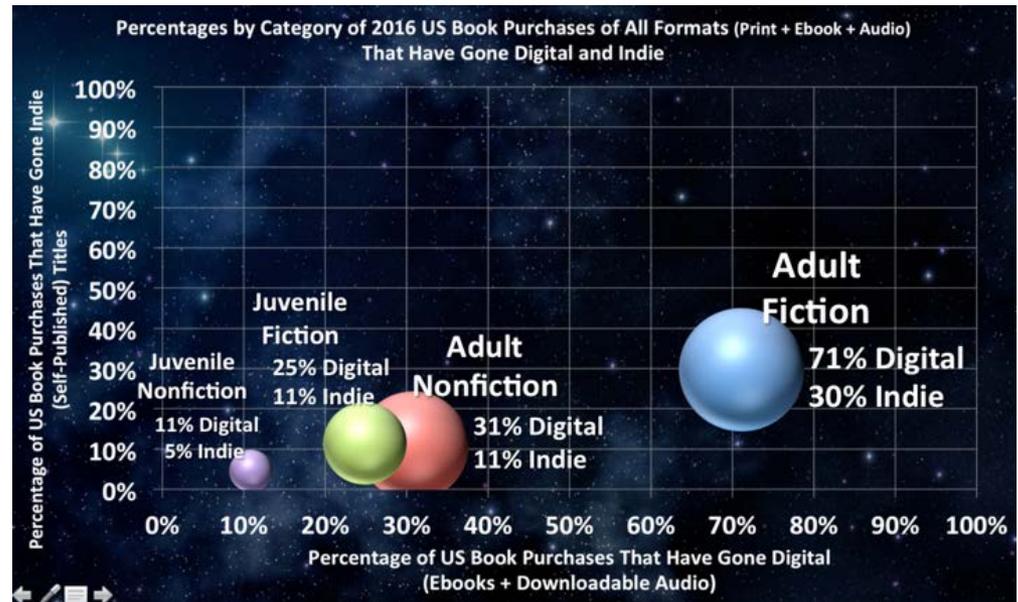
There is no single defining trend across all categories, segments and geographies.

There are very clear trends within geographies, categories and segments.



Rise of the Indie publisher

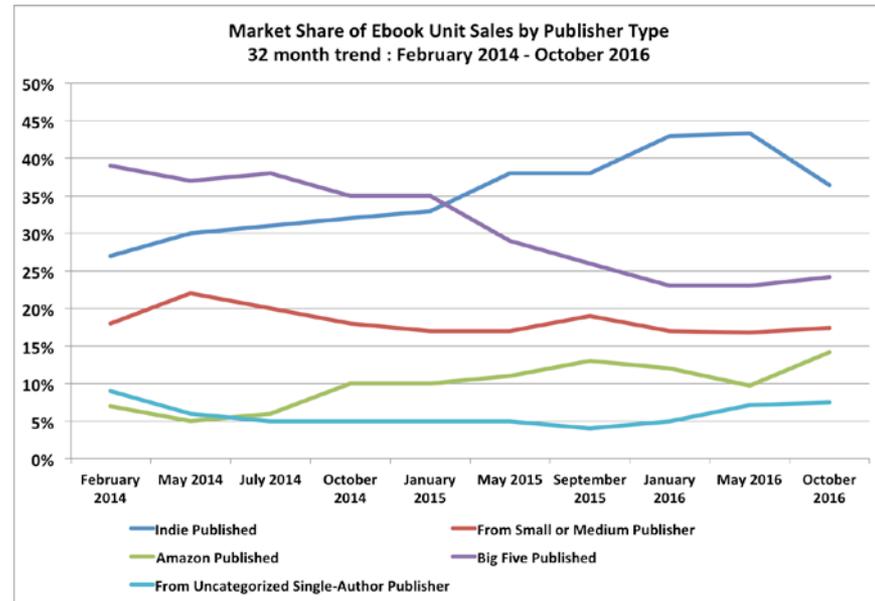
- Predicted in The New Yorker in 2009.
- There are more channels to market.
- Self-publishing volumes are remaining relatively static.
- There are up to 150 digital distribution platforms.
- Production costs are impacting on Indie publishers and we are likely to see a reduction in numbers over the next few years.



Indie e-book market share drops all the way back to early 2015 levels.

Traditional publishers regain a little lost e-book ground.

Amazon publishing imprints grow a lot.

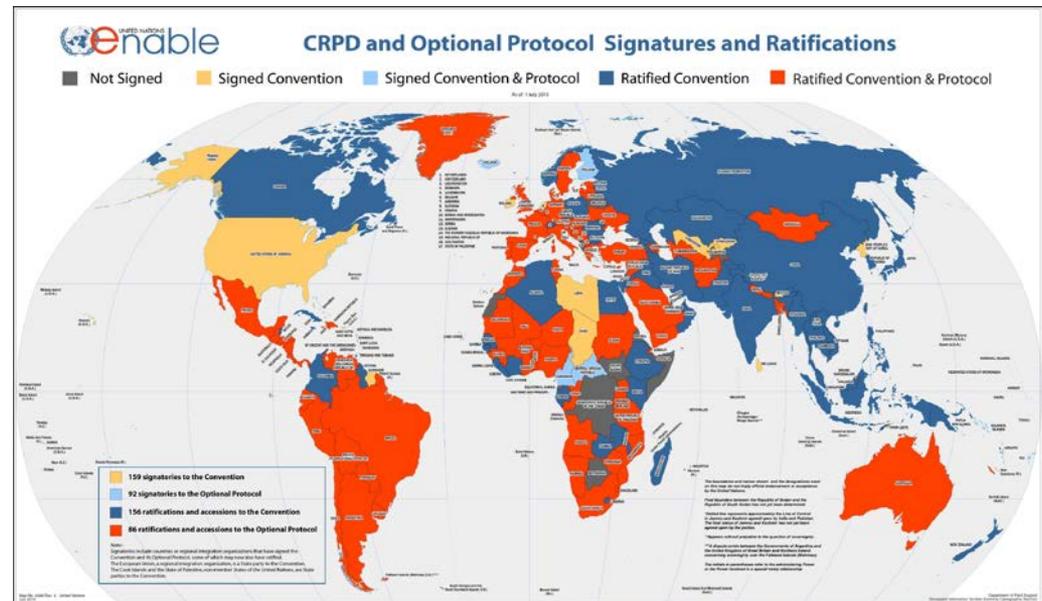


10% of the world's population, or 650 million people, live with some form of disability.

Over 50 age group comprises about 20% of the world's population.

Almost everyone will be temporarily or permanently impaired at some point in life, and those who survive to old age will experience increasing difficulties in functioning.

Typefi is seeing significant interest from publishers in publishing accessible content.



- **Convention on the Rights of Persons with Disabilities**
 - Ratifications/Accessions to the Convention: 173
 - Signatories to the Convention: 160
 - Ratifications/Accessions to Optional Protocol: 92
 - Signatories to Optional Protocol: 92
- National Legislation
 - **Europe** - European Accessibility Act
 - **UK** – Disability Discrimination Act (DDA)
 - **US** – Section 508 of Rehabilitation Act, Americans with Disabilities Act, Individuals with Disabilities Education Act and Section 225 of the Telecommunications Act.
 - **Australia** – Disability Discrimination Act

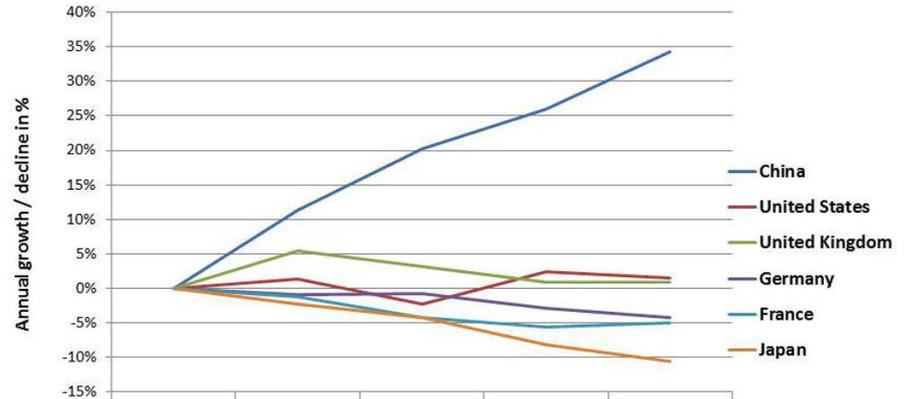
- Marrakesh Treaty to Facilitate Access to Published Works by Visually Impaired Persons and Persons with Print Disabilities.
- A treaty on copyright allowing for copyright exceptions to facilitate the creation of accessible versions of books and other copyrighted works for visually impaired persons.
- Fifty-one countries signed the treaty and 20 countries have ratified it by 30 June 2016. Treaty came in to effect on 30 September 2016. ([source](#))

The Rise of Emerging Markets

“China has overtaken America to become the world’s biggest e-commerce market, in terms of sales.” ([The Economist 21 September 2013](#)).

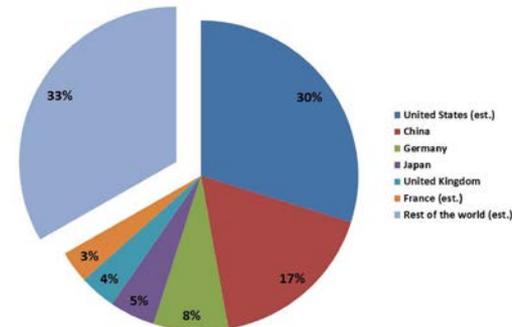
Chinese publishing is following suit and distribution platforms are different.

Evolution of top 6 publishing markets (in % per year)



	2011	2012	2013	2014	2015
China	0%	11%	20%	26%	34%
United States	0%	1%	-2%	2%	2%
United Kingdom	0%	5%	3%	1%	1%
Germany	0%	-1%	-1%	-3%	-4%
France	0%	-1%	-4%	-6%	-5%
Japan	0%	-2%	-4%	-8%	-10%

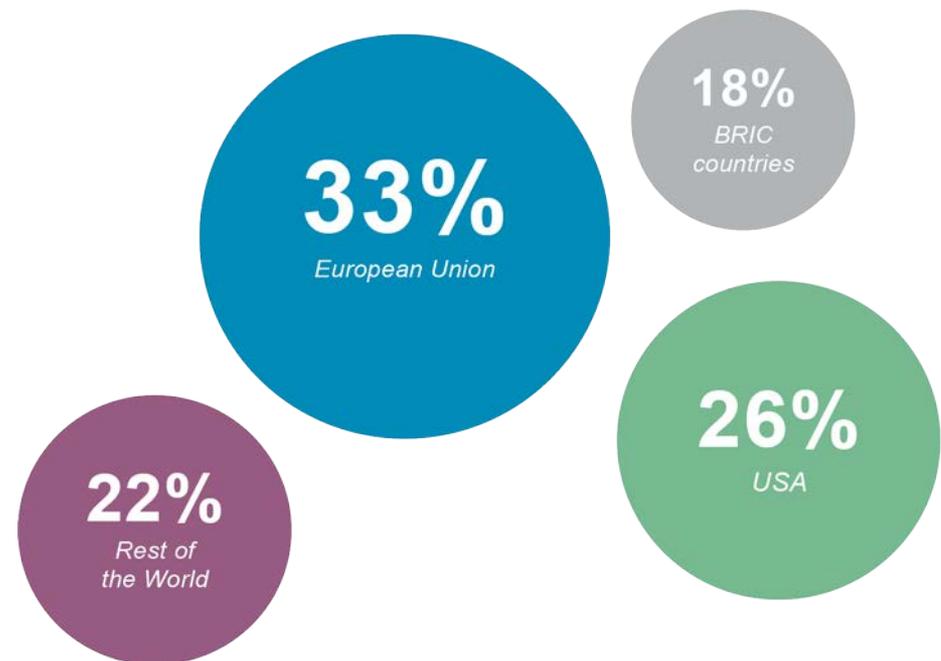
Top 6 markets in % of World (2015)



Source: Rüdiger Wischenbart Content and Consulting

China (12% of global value) is the second largest publishing market worldwide, and accounts for 66% of the BRIC countries' global market share.

Are you content-ready for platforms outside US & Europe?



Market share in global publishing industry of selected regions, at consumer value. (Source: IPA research)

- G Suite now has over \$3M paying enterprise businesses. ([source](#))
- 59% of organisations worldwide now use G suite or Office 365, up from 48% in 2015 with a substantial bias towards Office 365 (43% to 22%). ([source](#))
- Substantial adoption of G Suite Office 365 in education. ([source](#))
- Large communities of authors using tablets.
- Are publishers ready for a new generation of authors and production staff who are cloud natives?

Life cycle of a book has changed

- Books are no longer out of print. Digital books can stay on the shelf forever.
- Increased overcrowding will commoditise publishing. Romance saw early growth with e-books but, with more books on the shelf, it's now seeing lower revenues per publisher/author.
- Creates unique production challenges to publishers in keeping the back list discoverable and readable.

- Substantial adoption of standards in production.
- Off the shelf tools that work with common standards can significantly reduce the cost and effort of production.
- Some standards are JATS, DITA, BITS, STS, HTML5, EPUB.

How standards save money

