

The Book in Times of Corona – Prospects for the Market

Annual Business Press Conference

Frankfurt am Main, July 8, 2020



01

The Year 2020 – A Look at the Present Situation

The Impact of Corona



Corona and the Book Market

Effects of the pandemic on the industry

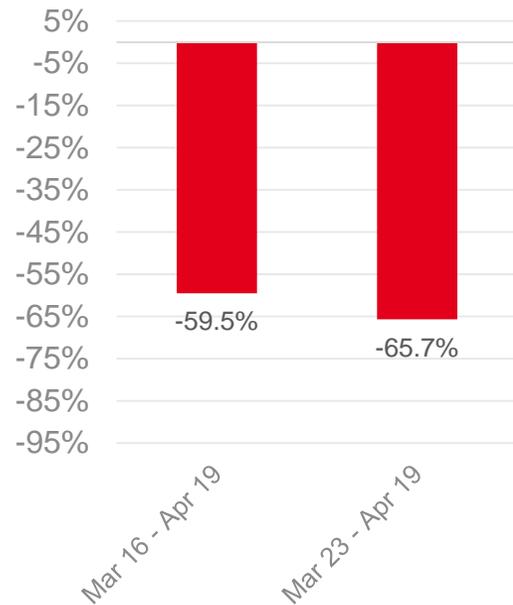
- › Corona measures (store closures, cancellation of events) have hit publishers and bookstores hard economically
- › Existential crisis for many companies: lack of financial reserves due to lower margins
- › At the same time: book trade reacted swiftly due to its well-established digital presence (online shops, delivery services)
- › Publishers quickly set up digital events: readings, discussions, etc.
- › After reopening: getting down to business in the new normality, outlook still unclear
- › Great level of recognition and support from the government: emergency financial aid, early reopening of shops, economic stimulus package



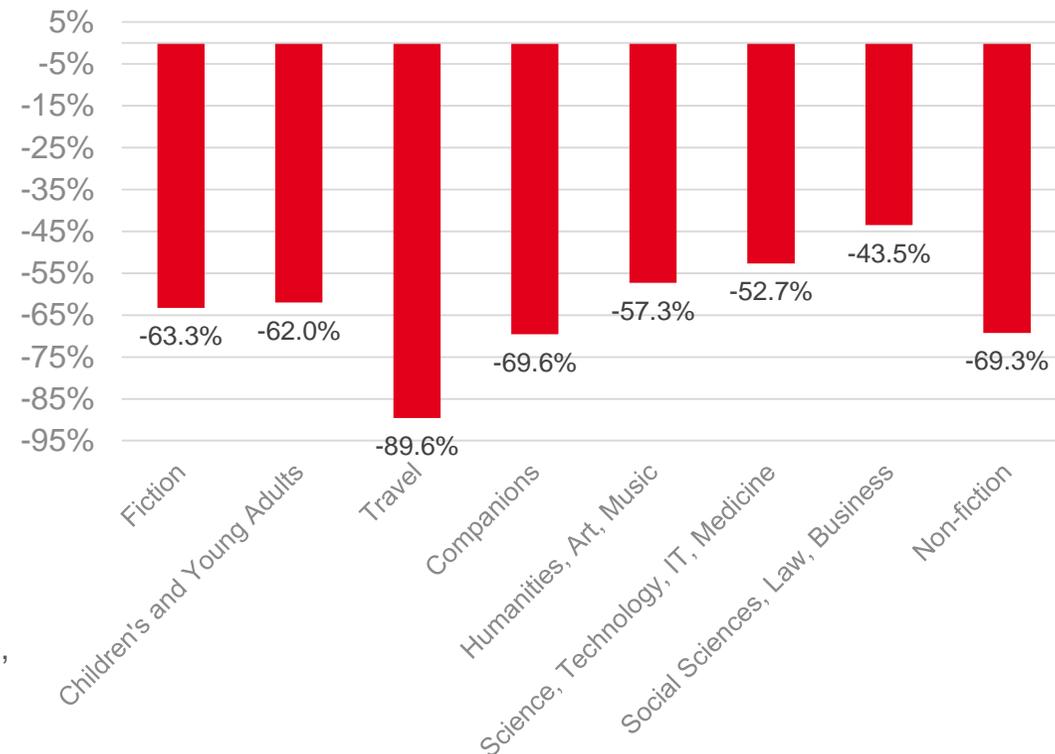
Book Trade: Turnover During the Store Closures

Turnover development of book trade from week beginning March 16 – week ending April 19 compared to the same period in 2019

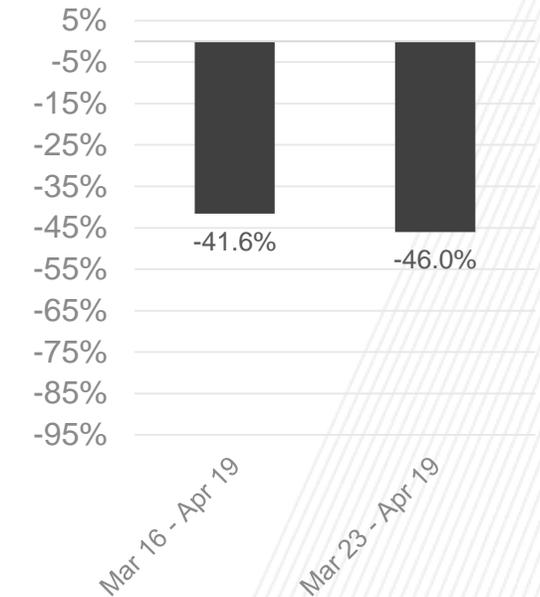
Retail Bookstores



Retail Bookstores: Product Groups March 23 – April 19



All Sales Channels



Beginning of the store closures from 18.03, from the week beginning 23.03 all book stores closed apart from in Berlin and Saxony-Anhalt. From the week beginning 20.04 stores reopened apart from in Thuringia and Bavaria (reopened there from the week beginning 27.04)

Day with highest turnover from March until May:
 March 17 – the day before stores closed (book stockpiling before lockdown)

Sales Channels: Retail bookstores, train station bookstores, department stores, electrical stores and drugstores 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.**

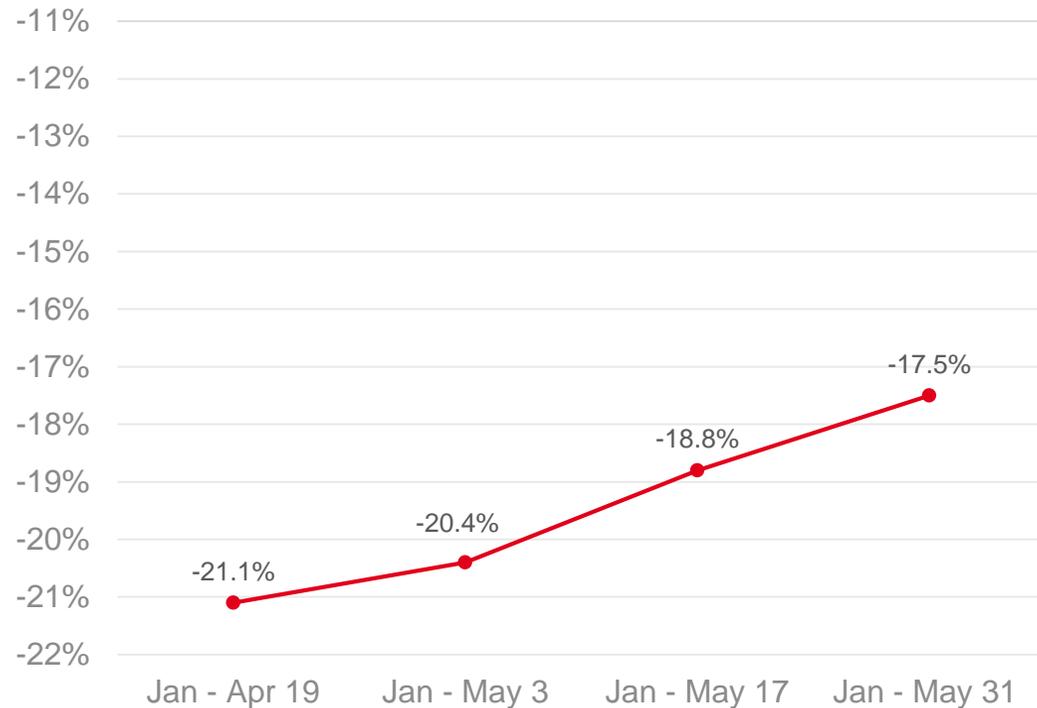
Source: Media Control, 2020



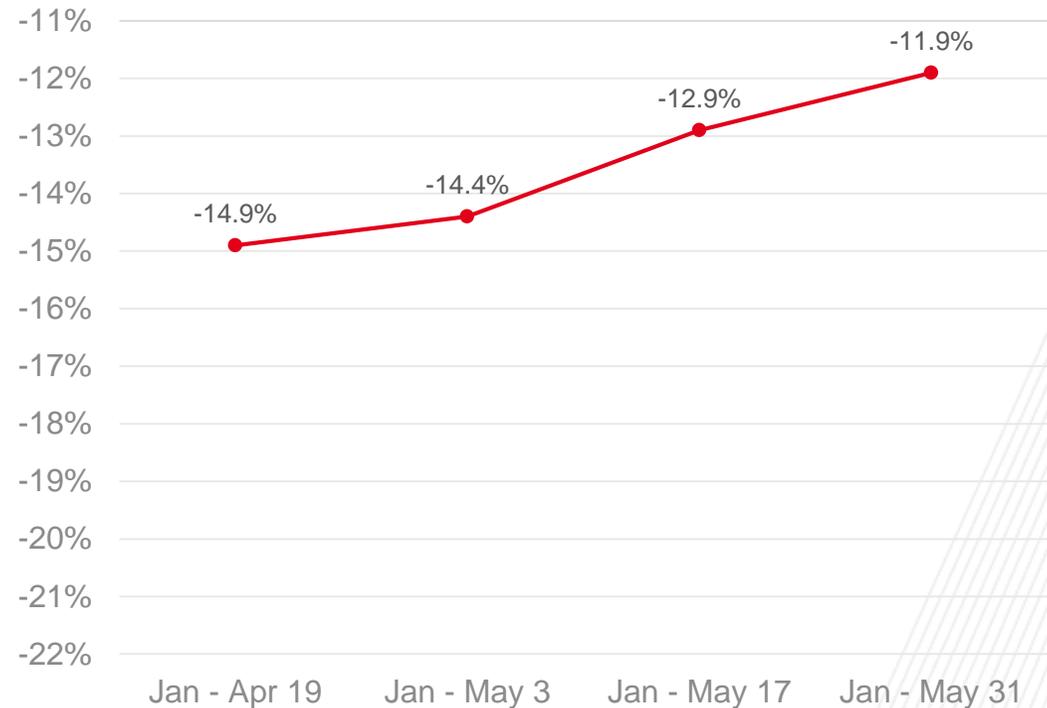
Book Trade: Turnover Development after Reopening

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

Retail Bookstores



All Sales Channels



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.**

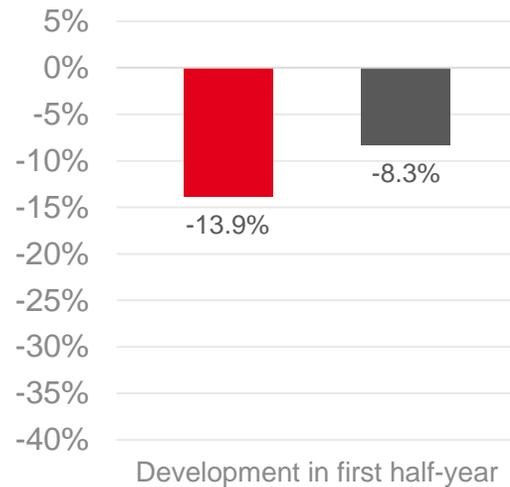
Source: Media Control, 2020



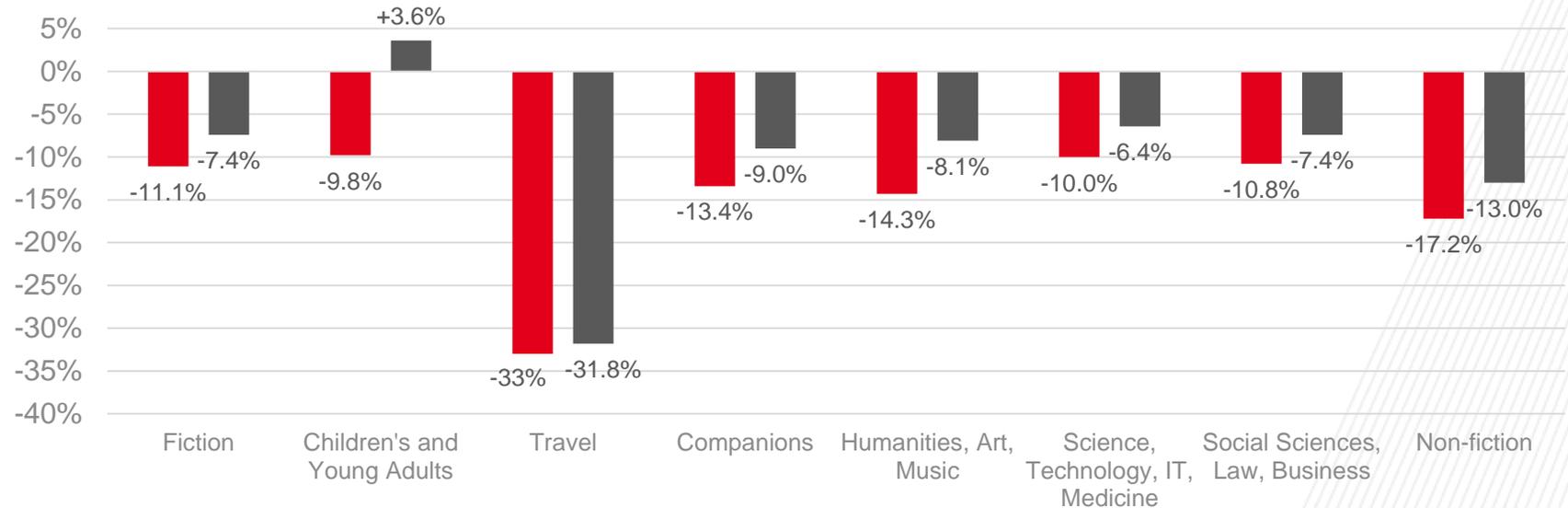
Book Trade: Half-Year Turnover Results

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

Development in Total



Development of Product Groups



■ Retail Bookstores
■ All Sales Channels

Turnover Development in June 2020 (compared to June 2019)	
Retail Bookstores	+6.8%
All Sales Channels	+12.3%

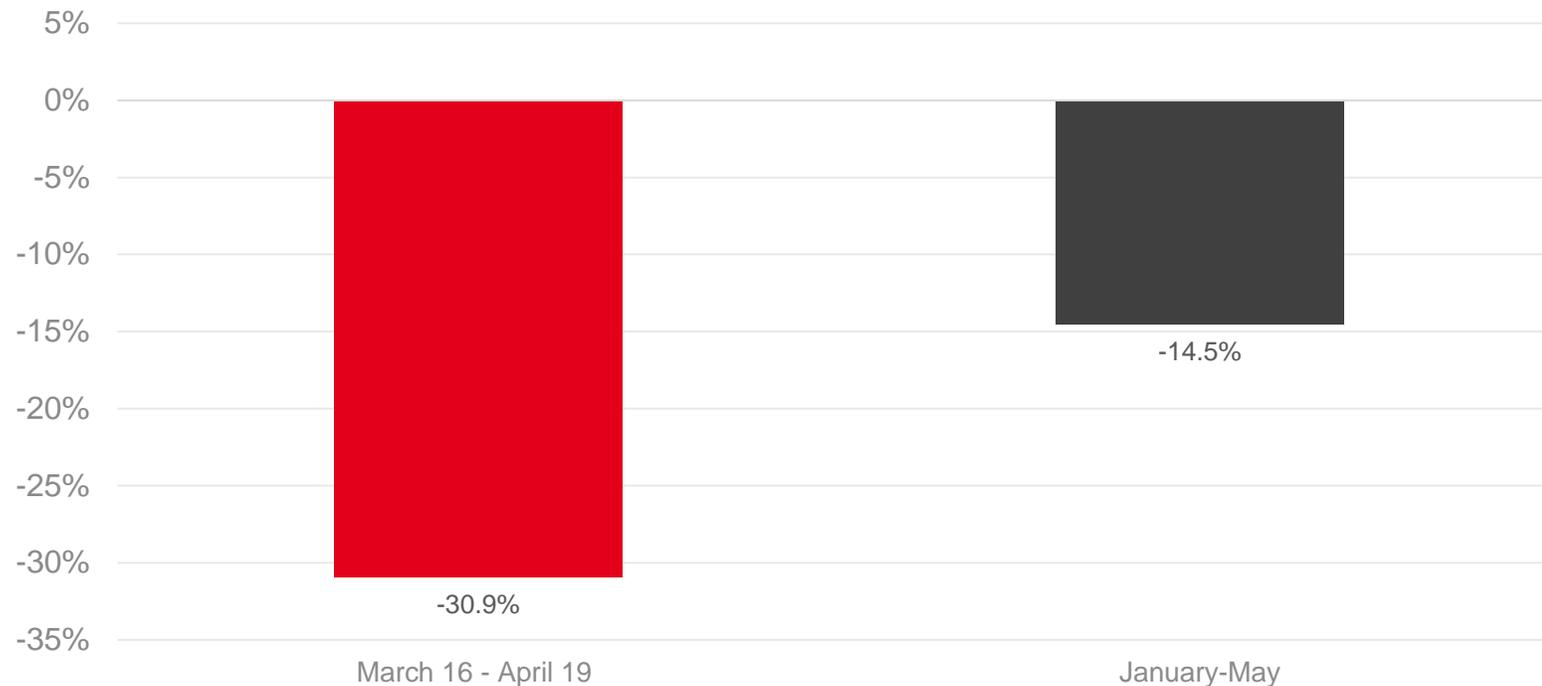
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Source: Media Control, 2020



Publishing Houses: Declining Revenues due to Corona

Development of turnover compared to same period in 2019, Projection for all publishing houses PUBLISHING HOUSES



The turnover of the publishing houses fell by almost a third during the store closures.

By the end of May, publishing houses had suffered a cumulative decline in turnover of around 15 percent.

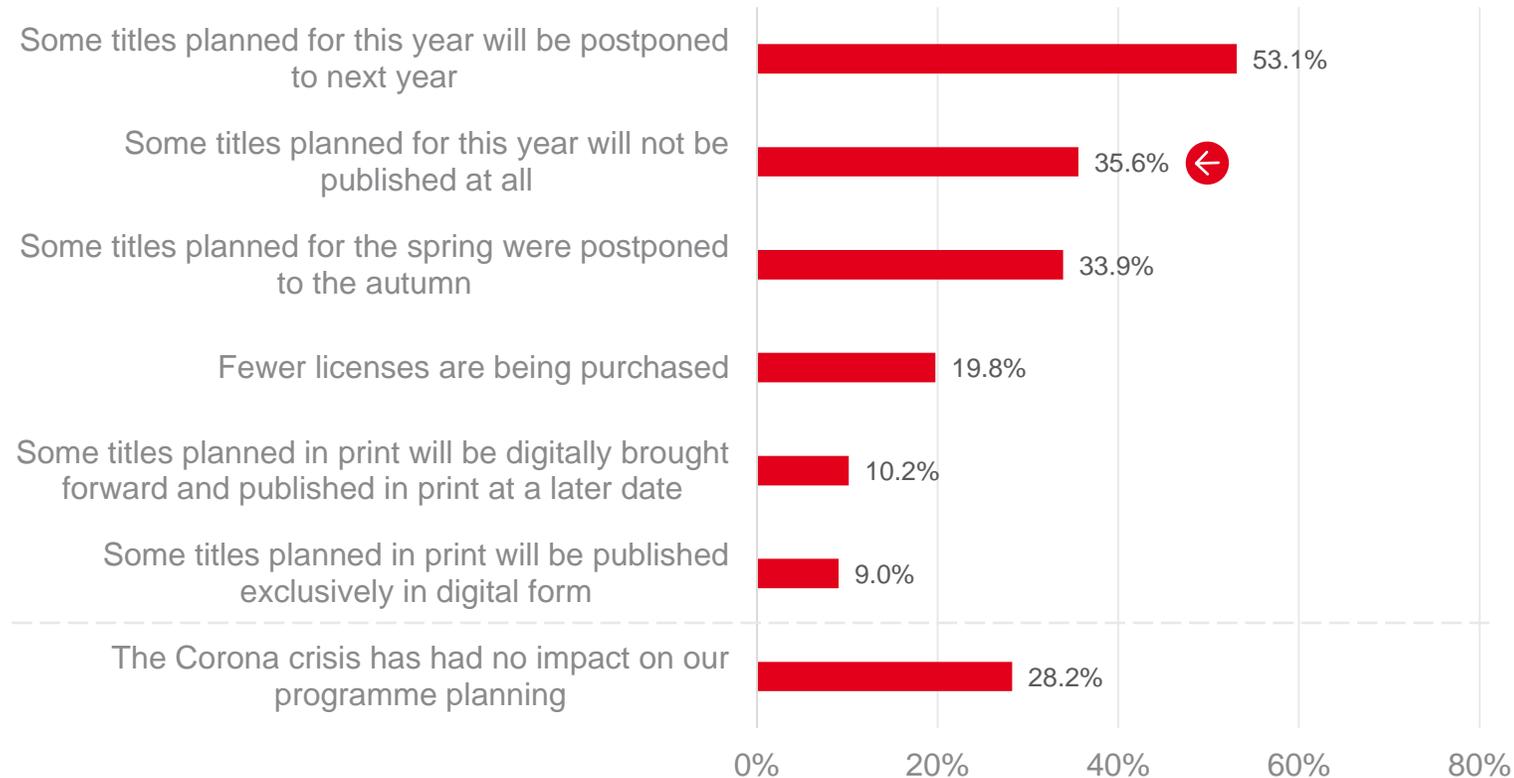
Basis: Projection for the German publishing landscape based on a survey on the effects of the Corona crisis conducted in early June among the member publishers of the Börsenverein (223 participants).

Source: Börsenverein, 2020



Publishing Houses: Effects of the Corona Crisis

Impact on programme planning



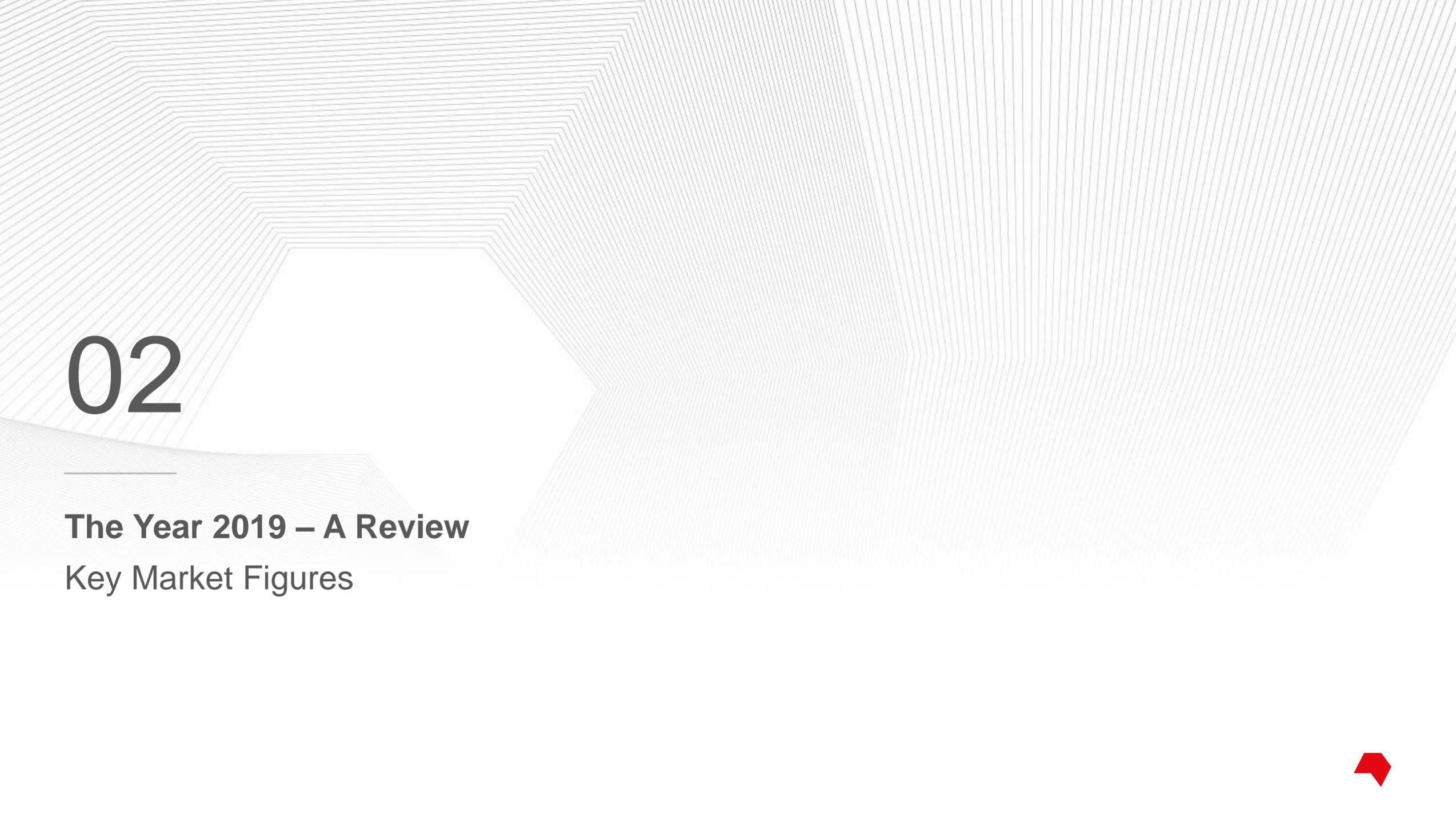
The Corona crisis has had an impact on the planning for almost three quarters of publishing houses. The most common reaction is a postponement of titles until next year. More than half of the publishers are planning to do this.

Just under 36 percent of those surveyed also say that some planned titles will now not appear at all. A large proportion of these are niche titles or come from unknown authors.

Basis: Survey on the effects of the Corona crisis conducted in early June among the member publishers of the Börsenverein (223 participants).

Source: Börsenverein, 2020





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The Year 2019 – A Review

Key Market Figures



Book Industry Revenues 2004–2019

Estimated Revenues



Source: Börsenverein des Deutschen Buchhandels, 2020

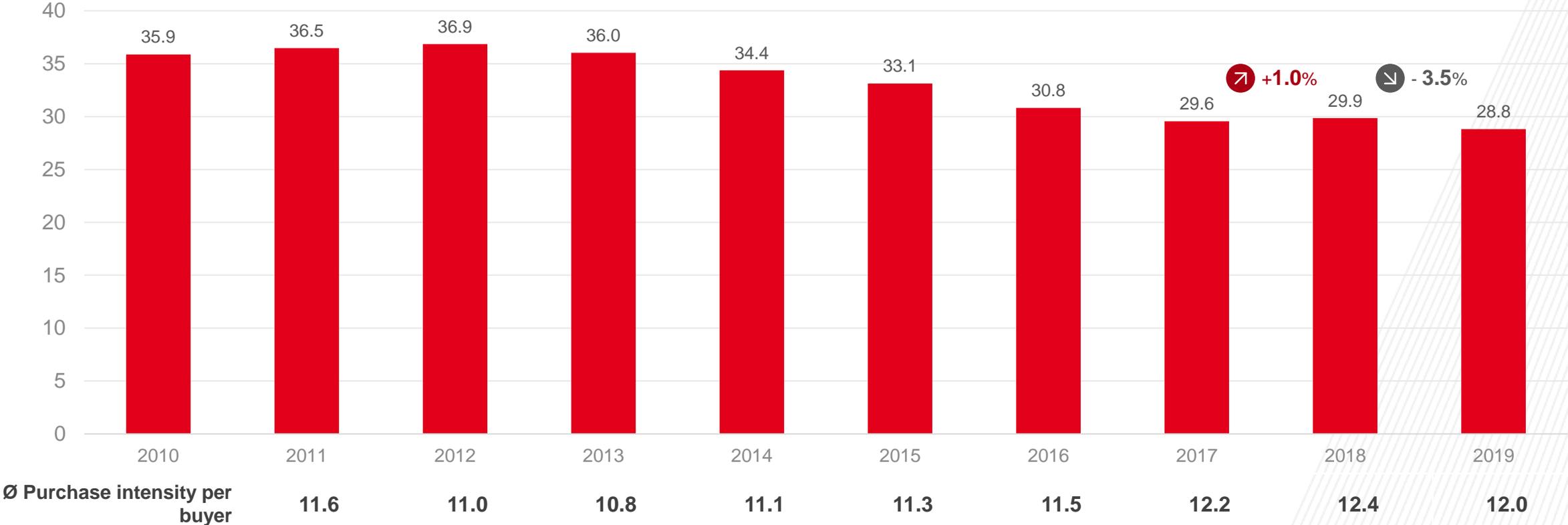


Book Buyers – Development 2010–2019

Number of book buyers on the consumer book market

BOOK BUYERS

Number of people in millions

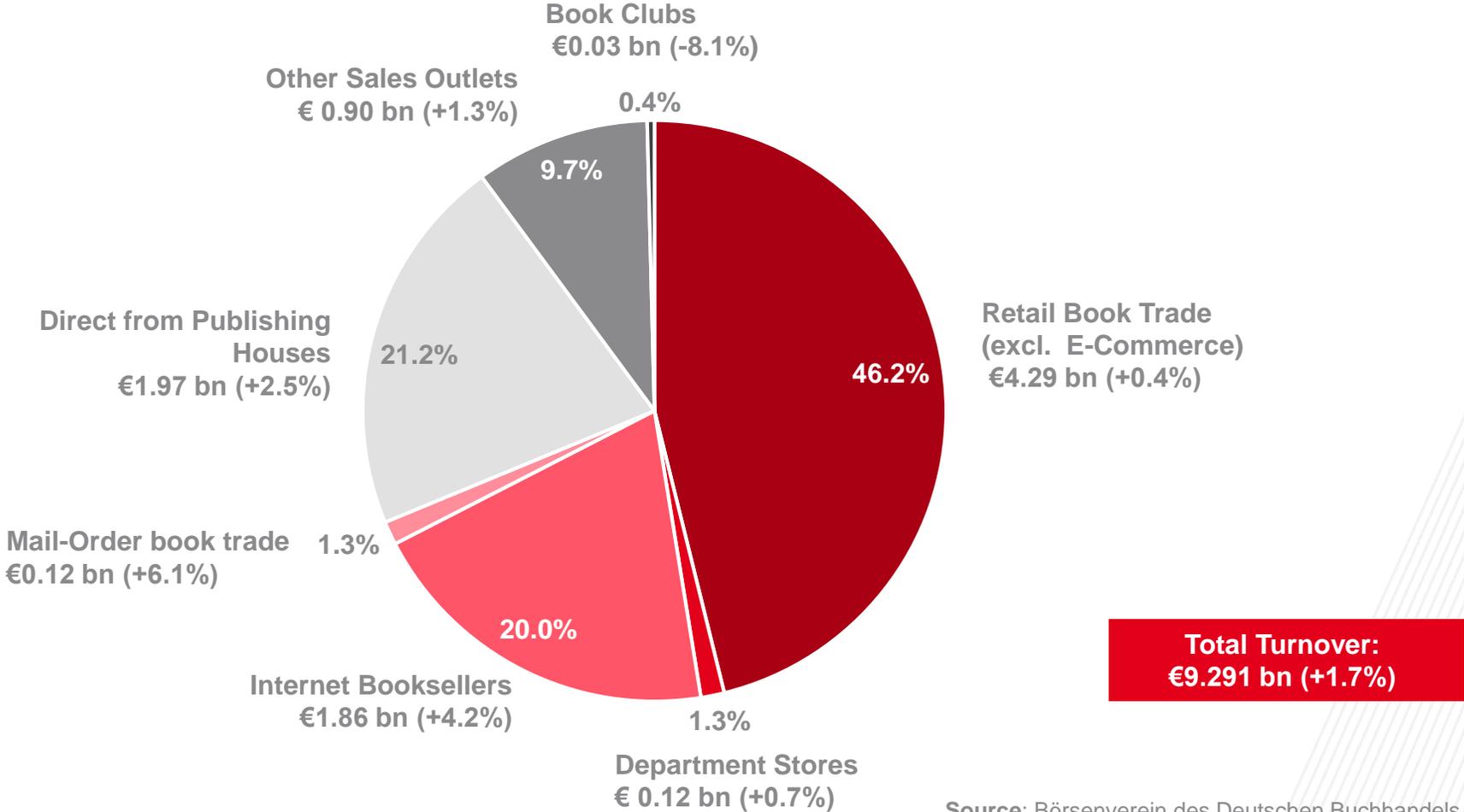


Basis: January to December each year, German resident population from the age of 10 upwards. Excluding Education and Study Guides, including downloads (audio books and ebooks). Source: GfK Consumer Panel Media*Scope Buch



Share of Turnover by Sales Channel 2019

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

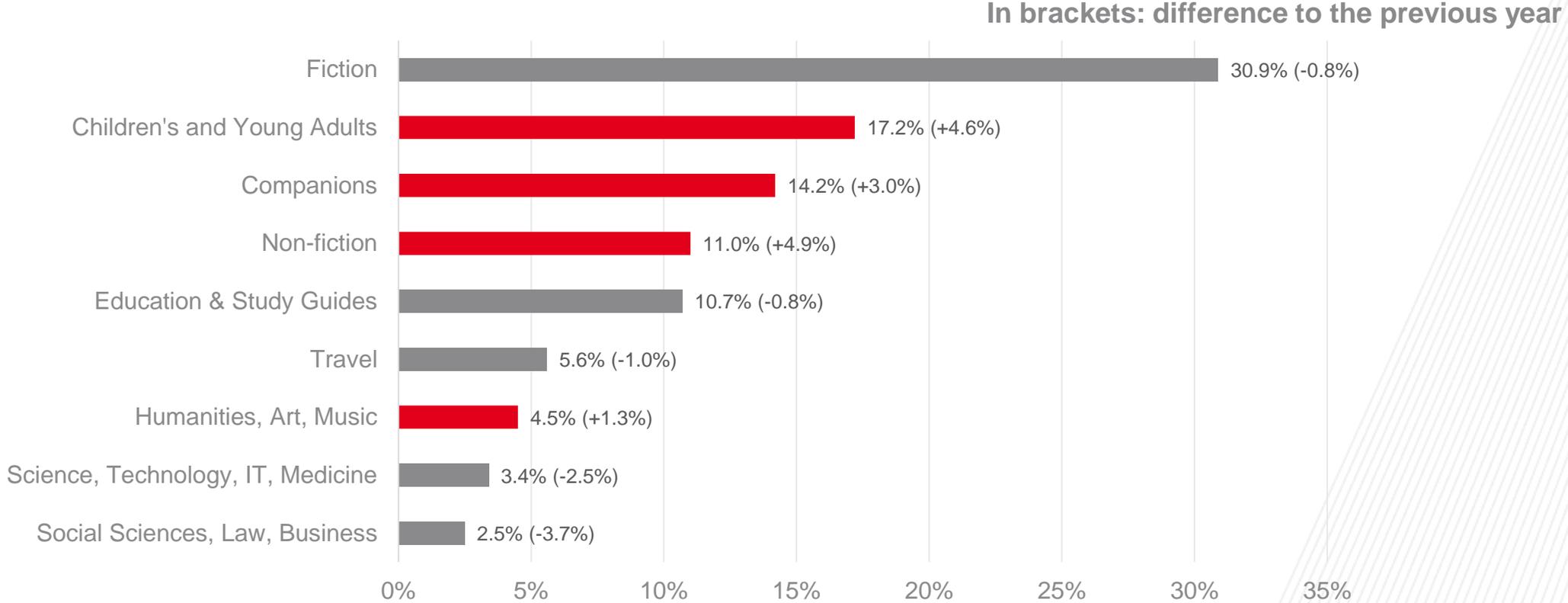


Source: Börsenverein des Deutschen Buchhandels, 2020



Share of Turnover by Product Groups 2019

Incl. development compared to previous year



Source: Media Control, 2020

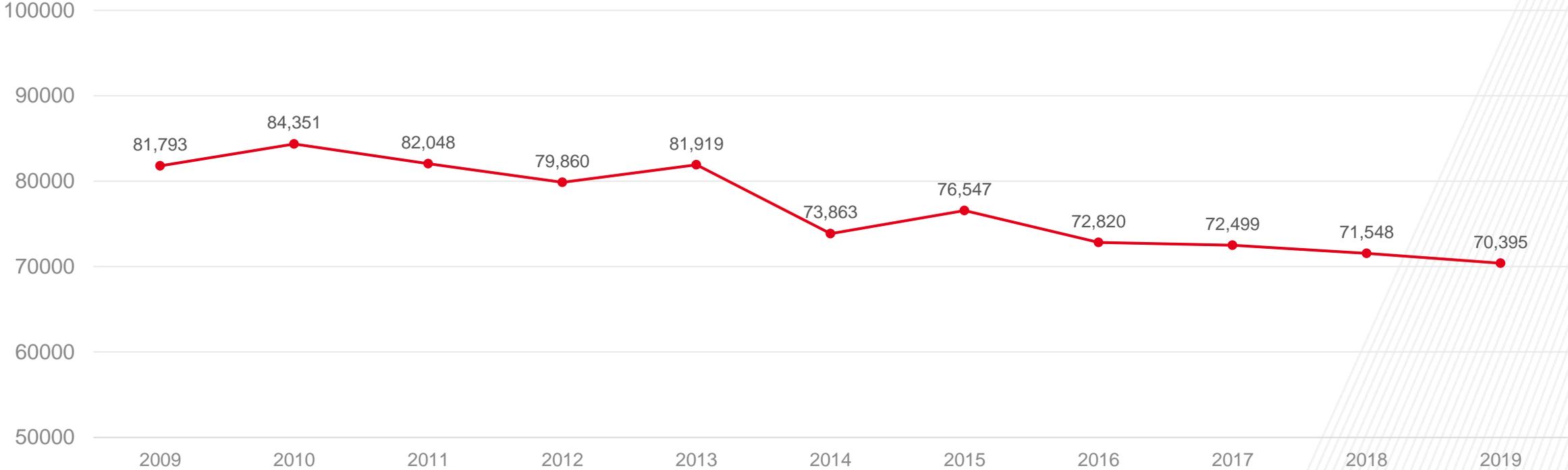


Production of First-Edition Titles 2009–2019

Development at Publishing Houses

KEY MARKET FIGURES 2019

TITLE PRODUCTION



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

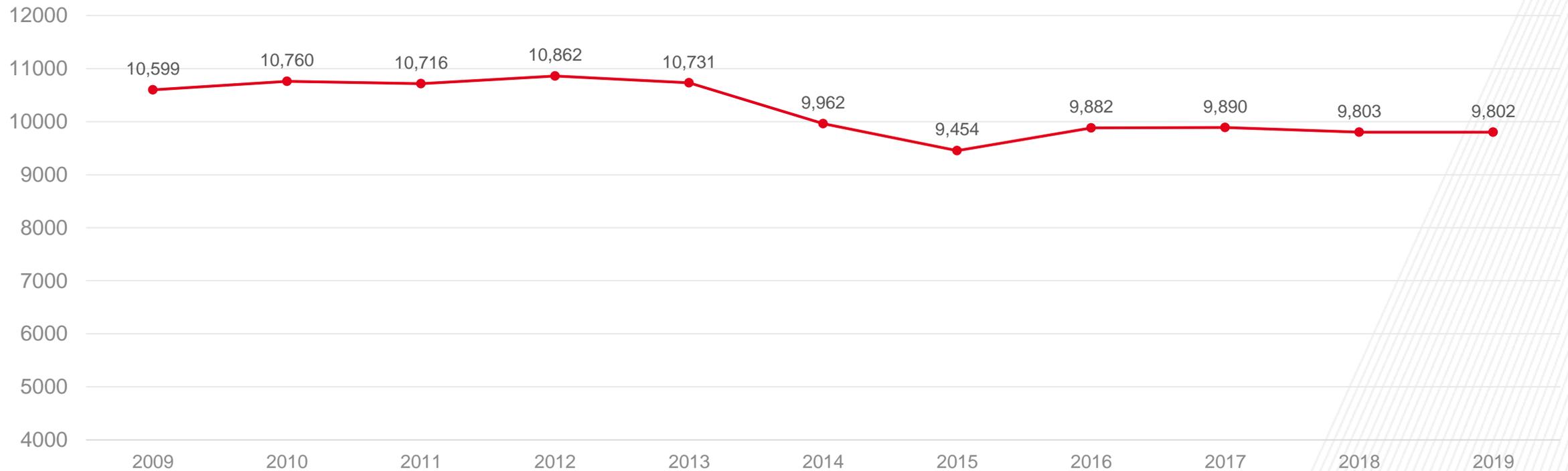


Translations into German: First Editions 2009–2019

KEY MARKET FIGURES 2019

Development at Publishing Houses

TRANSLATIONS



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

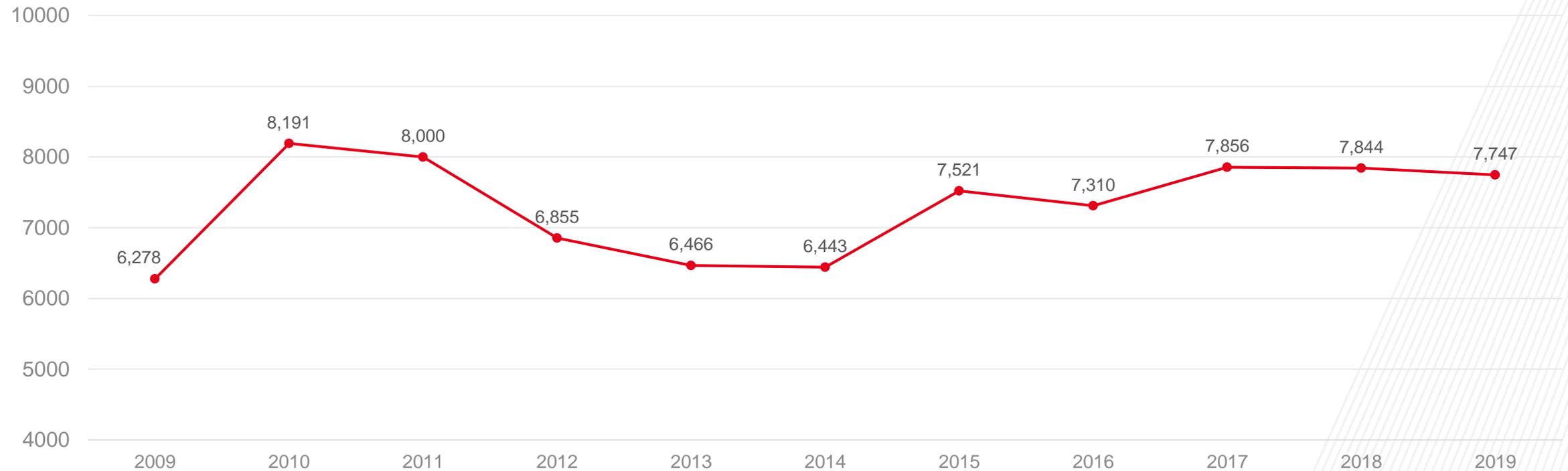


License Sales Abroad 2009–2019

KEY MARKET FIGURES 2019

Development at Publishing Houses

LICENSES

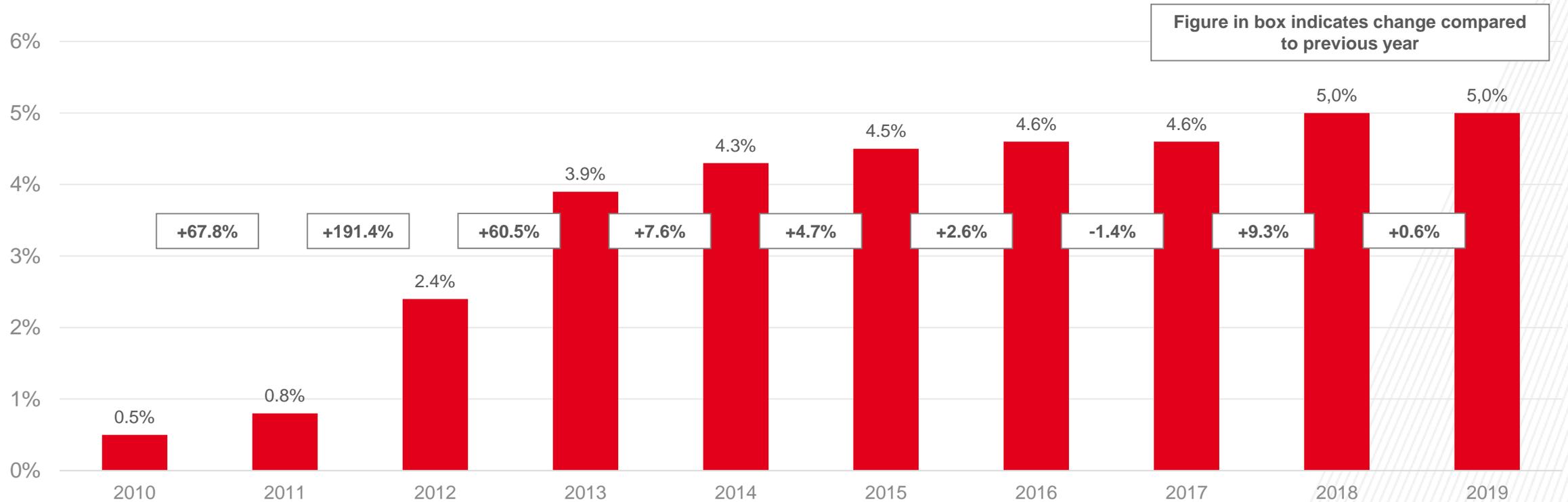


Source: License Survey, Börsenverein des Deutschen Buchhandels



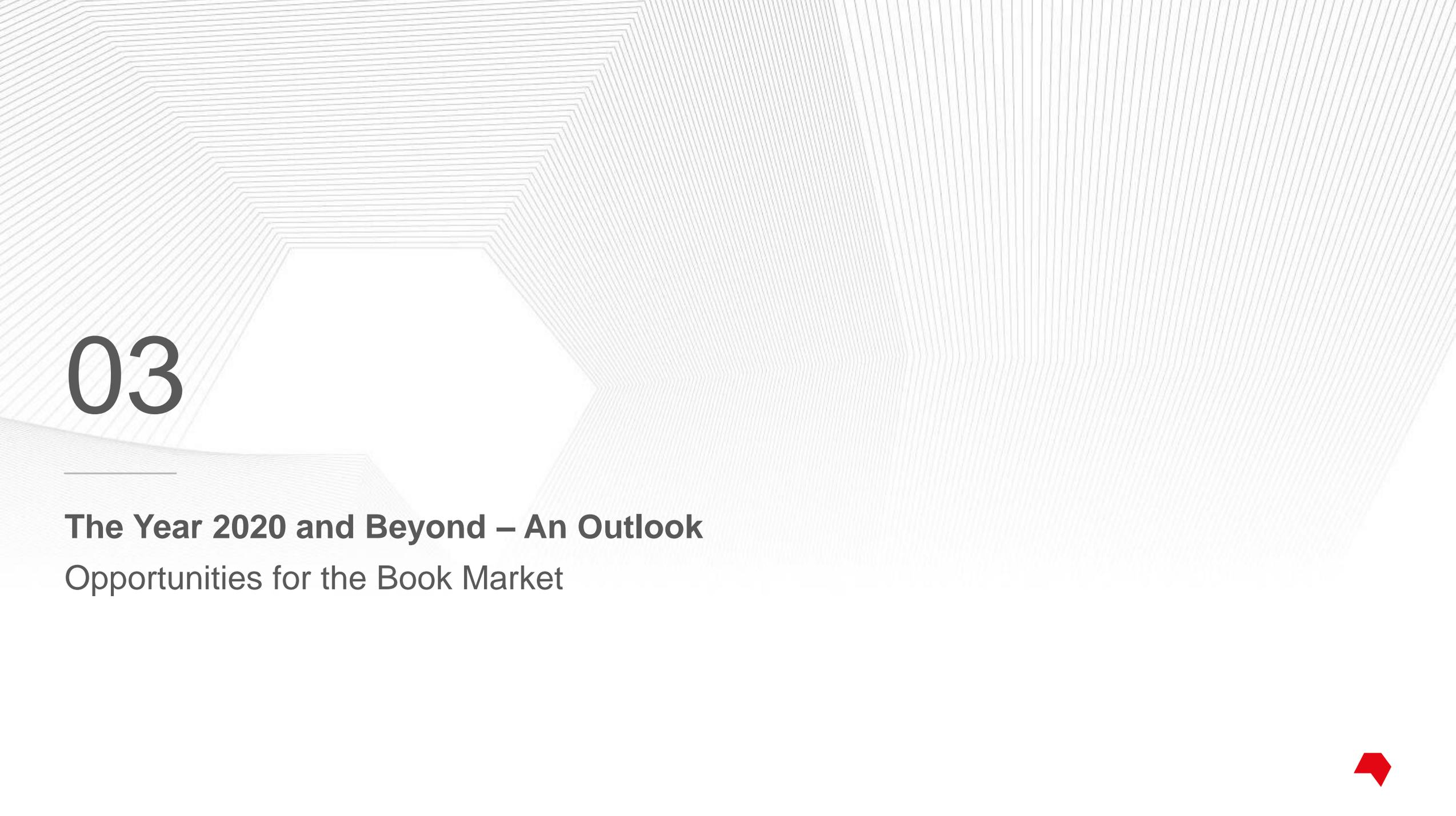
Ebook Development 2010–2019

Percentage of turnover and turnover development



Basis: January to December each year, German resident population from the age of 10 upwards. **Excluding Education and Study Guides. Including all purchases of single ebooks with a retail price of €0.49 or above.**
Source: GfK Consumer Panel Media*Scope Buch for the Börsenverein





03

The Year 2020 and Beyond – An Outlook

Opportunities for the Book Market



Outlook

Challenges, Opportunities, Stronger Framework of Conditions

› Challenges:

- Close the sales gap from 2020
- Continue and intensify work on new ways to reach readers, e.g. new guidance system based on subconscious reading motives as a supplement to existing classifications (product groups, "Thema")

› Opportunities:

- High level of visibility for online skills and offers in the industry
- Strengthening customer loyalty: bookstores have proven to be a reliable supplier of books
- Frankfurt Book Fair as an important anchor for books in the public eye

› Stronger Framework of Conditions:

- Important role of books and the industry for society during and after the pandemic
- Restoring the participation of publishers in the distributions of copyright collecting societies
- Economic support for the restart
- More visibility for books (especially TV/radio, events)

