



Swiss Entertainment & Media Outlook 2020-2024

Consumer books

Pulling the future forward: The entertainment and media industry reconfigures amid recovery

Consumer books

Segment definition

This segment comprises revenue generated from the sale of consumer books (i.e. purchased by consumers for personal use), including both print and electronic editions. Revenues are assigned to the format of the book sold rather than the means of distribution, i.e. print editions bought from online retailers contribute to print revenues. Audio books are included in the print category. This revenue is both digital and non-digital, and is from consumer spending.

Global market drivers

Celebrity authors and endorsements continued to drive sales in 2019, as they did in 2018, and non-fiction is popular in both the adult and children's/young adult markets. More than 10mn copies of Michelle Obama's 2018 bestseller, *Becoming*, were sold across all formats in early 2019, making it one of the most successful memoirs of all time.

The influence of celebrity book clubs, especially in Western markets, also helped drive sales. Delia Owens' *Where the Crawdads Sing* is a notable example; an endorsement from film star Reese Witherspoon helped propel the debut novel onto bestseller lists.

Although ebook sales continue to grow, the pace is slowing. Some territories are seeing a resurgence in demand for printed books, although there will be an uptick in digital growth in 2020 as a result of the COVID-19 pandemic. The growth in print may be driven primarily by pricing strategies, with ebooks sometimes costing the same as – or more than – printed books. Taxation plays a role, too; in many territories, ebooks are subject to a higher sales tax rate than printed books. Amazon dominates the ebook market, with Kobo, Google and Apple taking much smaller shares of total revenue. In 2019, Microsoft closed its ebook store, as the store's reliance on the tech giant's Edge browser stifled growth.

Audiobooks have become increasingly popular throughout the world and have grown faster than ebooks in many territories. According to the Audio Publishers Association's 2019 annual sales survey, US audiobook sales in 2018 were up 24.5% from 2017, continuing a remarkable seven-year trend of double-digit revenue growth. Nearly 45,000 audiobook titles were produced in 2018, a 5.8% increase over the previous year.

The ever-wider use of smartphones is contributing to the rise of audiobooks, as are subscription services, such as Storytel, that offer unlimited access to content. The appeal of being able to consume books while multitasking is another growth driver. The podcast boom may also be contributing to the format's popularity, with podcast listeners drawn to audiobooks as another source of passive edification.

The impact of COVID-19

The consumer books sector will be affected in 2020 by the outbreak of COVID-19. As countries across the globe enforce lockdowns to contain the spread of the virus, non-essential retailers, including booksellers, are being forced to close.

The temporary closure of bricks-and-mortar stores will affect print sales in many global markets, as many small, independent shops have a limited online presence. Although consumers have more time to engage in entertainment and media when confined to their homes during lockdowns, books are competing for consumer's attention with other forms of entertainment, including TV, video games and music.

Audiobooks however, which are already a high-growth sector, will see even more engagement during 2020, helped by initiatives like the one from Audible, which makes hundreds of its titles free to listen during lockdowns.

While print sales can be expected to slow at the global level, ebooks will receive a boost due to their ease of delivery. Sesame Street made 100 ebooks freely available in March for young audiences, while the Indian online publishing platform NotNul saw sales increase by 50% in April 2020.

Switzerland

Consumer books in Switzerland

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2019 - 2024 CAGR
Consumer books in Switzerland (CHFmn)	639	622	611	610	612	621	623	624	629	635	0.74%
Consumer books electronic (CHFmn)	81	100	117	132	147	165	178	190	203	215	7.97%
Consumer books print/audio (CHFmn)	557	522	494	479	465	456	445	434	426	420	-2.04%

Notes: Numbers shown are rounded. Totals may not equal the sum of their parts due to rounding.

Sources: PwC, Omdia, Italian Editors Association, German Publishers and Booksellers Association, Norwegian Publisher Association

The Swiss consumer book market generated revenues of USD 671mn in 2019, a total that should increase at a CAGR of 0.7% to USD 696mn in 2024. Print/audio revenues are expected to show a decrease of -2.0% CAGR during the forecast period, cushioned only by the anticipated 8.0% CAGR growth in ebooks.

As well as experiencing revenue growth, the consumer ebook sector will also garner an increased share of the segment's total revenue by 2024: in 2019, ebooks accounted for 24% of the total for consumer books; in 2024, that proportion should increase to 34%. In 2019, the Swedish audiobook and ebook subscription service Nextory launched in Switzerland, where customers now have full access to Nextory's entire German- and English-language catalogue.

Switzerland is culturally diverse, with four official languages and hence four distinct cultural regions. Children's publishing is thriving, and according to the Federal Department of Foreign Affairs, one in four children's books sold in Switzerland is from a Swiss publisher.that has included a streamlining of MCH's show portfolio as it focuses on its core events-related service offering.

