

The Buying Trends Shaping Your Need for Multiple Formats



Print Sales are Growing Fast

Over the past two years, the print book has proven itself to be beloved by readers everywhere. Books in all formats were dependent upon in times of turmoil for solace, entertainment, and education.

During tumultuous times, print sales soared as consumers looked for an enduring, tangible way to engage with content. Overall market data, shows print sales finished **8.2% higher** in 2020 over 2019. The performance has continued into 2021 with units in the first six months jumping up **18.5% over last year**.



+8.2%
in 2020

+18.5%
in 2021

In conjunction with this growth in print sales, in 2020, the book industry experienced an incredible shift in the physical supply chain.

Publishers and bookstores had to quickly pivot to adjust their distribution methods to better reach their customers directly. Unanticipated category trends in tandem with this increased consumer demand for printed books meant publishers began to rely more heavily on print-on-demand, quick turnaround times, and programs such as the [Guaranteed Availability Program](#) to keep titles in stock.

The current volatile market has forced many publishers to rethink their printing strategy. Print-on-demand gives greater flexibility during these drastic shifts:



Allows updates to titles and newer additions to be released sooner



Provides immediate availability to the consumer with less relying on logistics



Ability to meet consumer demand during the sales surge

In 2020, hardcover editions, when placed in the guaranteed availability program, outpaced paperbacks. Although paperbacks are a more popular format with consumers, readers chose to not wait and order the immediately available option — hardcover.

As a format, print books rely heavily on a streamlined physical supply chain. Print books this year are continuing to face supply chain challenges, particularly for publishers who utilize overseas offset printers for inventory. Global container shortages and lack of freight capacity are dramatically increasing both the costs and the turnaround time on the print run.

All of the data in this report is cited through July 2021 from the following sources: Lightning Source, West Margin Press, and NPD Bookscan.

The Upward Trend of Hardcover Sales

Despite these obstacles, consumer demand for print books is causing this format to see incredible success that is expected to continue.

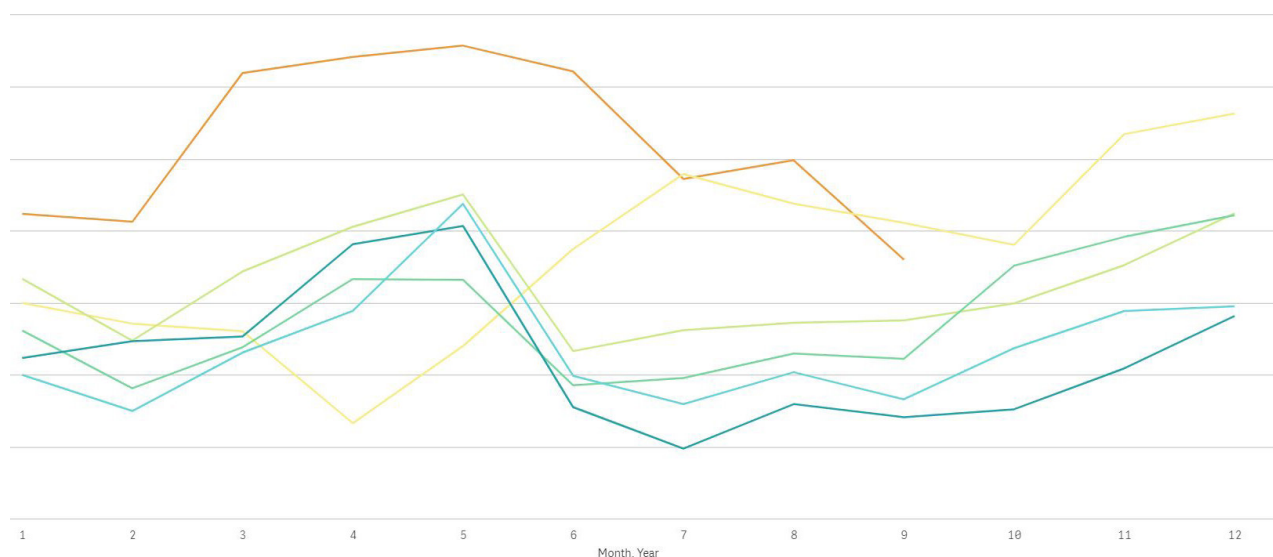
Publishers are addressing these challenges by relying more heavily on print-on-demand virtual inventory. This mitigates supply chain issues and ensures you don't miss the phenomenal consumer demand for print books.



Since May of 2020, Lightning Source has seen a significant demand increase for hardcover books.

Here's a look into hardcover titles sold into global distribution channels.

Lightning Source Hardcover Sales



The yellow line shows 2020 sales that spiked in the last six months of the year. That volume continued into 2021 with the orange line.

Hardcover titles have seen a steady YoY growth for some time, the growth theme in 2020 into 2021 is unparalleled.

Lightning Source is printing twice as many hardcovers in 2021 as it did in 2020.

The hardcover format makes you more money per sale since they have a higher list price and per unit margin and result in a sizable portion of your profits.

The growth in digital printing is a direct result of publishers, like you, who are finding creative ways to earn more revenue and better manage inventory, all at once.

While hardcover growth is novel and exciting, it doesn't dampen the success of your paperback books.

One of the benefits of hardcover conversions is the ability to track sales of existing paperbacks and see if they negatively impact the release of a hardcover edition.

For most titles, print and hardcover formats experience an increase in sales when a new hardcover edition is released.

Digital Trends

By the Numbers: 2021 Ebook Sales and Trends

Ebook sales have been explosive with the move to online and this has led to an increase in library services and the use of subscription models. Here are a few trends to keep in mind:



US Revenue

+20%

YoY



UK Revenue

+24%

YoY



Subscription models

Rising

among consumers



Overdrive Downloads

+40%

YoY with a shift to
online learning

Libraries Coming to the Forefront

In 2020, there was a lot of discussion between libraries and trade publishers on whether ebooks should be treated as hardback or not when it came to pricing models.

The number of digital downloads in 2020 jumped 33% to 430 million in 2021 and ebook downloads were up 40%.

In the library market, one area to keep an eye on is how many of your potential customers or users are on the hold waitlist. At one stage, Overdrive had 187 million requested titles on a waitlist. This number was amplified because of COVID, but it goes to show libraries are a consumer market for many publishers.

The Shift to Online Learning

The shift to online learning or blended learning across the education sphere has pushed library purchases. Especially with learning materials and making them available to students and professors.

Here are a few items to keep in mind, while planning your ebook strategy:

- **Look across your marketplace**—make sure that your titles are available and priced correctly.
- **Look at sales models**—broader access means more demand. You should be asking yourself, “what do I need to do to make sure our readers can very easily access our content”?
- **Look at pricing**—use pricing as a lever to encourage discoverability of your titles.

Digital Audiobooks

In many ways, the audio market feels like the ebook market did 10 years ago. For a long time, publishers have found audiobooks too complex and have not wanted to invest upfront. However, publishers are now seeing revenues up **40% in the US** and **16% in the UK**.

That's led by the Audible subscription model. The way audio is sold is much more akin to the way movies and other content is consumed.

For many parents, audio was the route to go to relieve their children from screens, to protect them from unwanted interruptions and to get into the stories and the learning.

In 2020, 71,000 audiobooks were published, according to AARP. What's even more interesting is that children listening to audiobooks is up from 35% to 49%.

What you're seeing is a focus in the quality of children's audio. Across the board, good quality audio matters. It's not someone simply reading the book in your child's bedroom. Look at Yoto, where the child is in control of how they listen to the audio.

Are Your Titles Right for Audio?

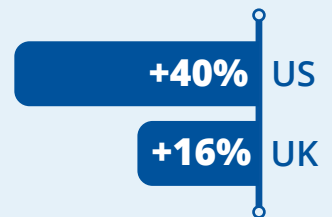
One way to decide if your content would work well in the audio market is to figure out if your content has features that will make it an audio bust. For starters, if your book has a lot of photos, maps, or other graphics that are critical to understanding the text, then audio may not be for you. Also, if your title does not function in a linear way.

For example, guidebooks, cookbooks, and other informational text where it is not essential to read from beginning to end, then making an audiobook may not be worth the investment.

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Audiobook Revenue



The Investment in Audio

Earlier this year, Storytel announced they were partnering with Spotify. Spotify is a large music platform that has been building its content mix over recent years. This partnership is only going to drive the proliferation of new models and competition in the audio market.

In terms of the market, there is a real trend towards publishers:

- Holding the rights to their work
- Expanding their distribution
- Taking a multi-format strategy
- Thinking about availability and discoverability

But one of the challenges has always been how to create good quality audio. We are seeing the rise of partners offering sophisticated text to speech now. If you look at smart speakers, Alexa can now read a book to your children. Pay attention to this exciting new space in the market.

A Look at the Audio Numbers

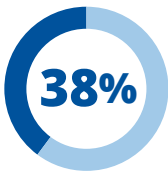
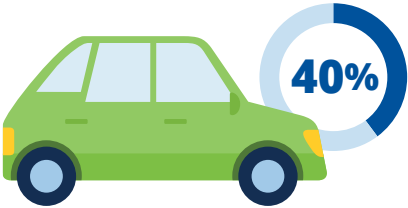
Publisher receipts in 2020 totaled
1.3 BILLION
up 12% from 2019



The Average number of audiobooks listened to was
8 PER YEAR
in 2020 and 2021; 6.8 in 2019

71,502
Audiobooks published in 2020
up 39% from 2019

40% OF LISTENERS
cited the car as their primary listening location in 2020, compared with 30% in 2019



Membership in audiobook services increased in 2020
38% OF LISTENERS
subscribe to at least one service

MOST POPULAR GENRES



Mystery/Thriller/
Suspense



History/Biography/
Memoirs



Science Fiction/
Fantasy

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Market Trends

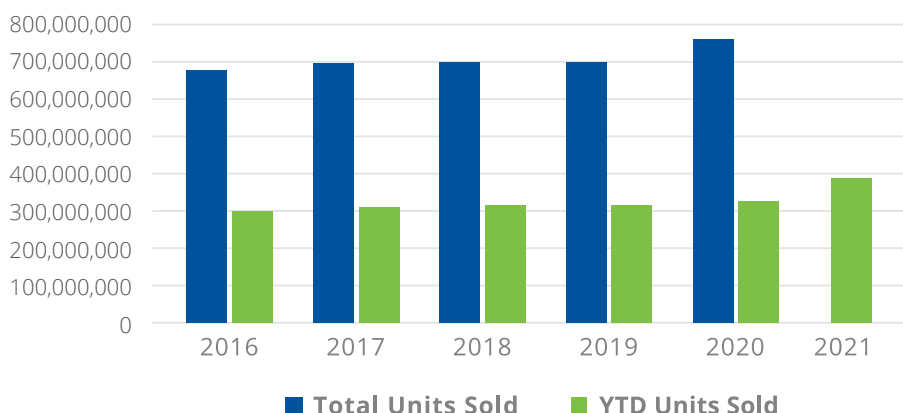
During the depths of COVID lockdowns, consumer behavior changed. It forced sales online and not just for books. During lockdown, you may have seen that publishers gained new readers. This growth demonstrated that we all needed books, whether for distraction or education.

Now the world has finally opened for a few months, and we've seen trade retailers and public libraries, academic accounts and special interest sales increase as doors open.

Between 2020 and 2021, regular trade book sales were up 18% over this time last year.

Pretty Impressive Trends....

Physical Books



Year to date, the publishing industry has sold almost 380 million books.

Industry Format Stats YTD

Format	YTD Jan 2021-Jul 2021	YTD Jan 2020-Jul 2020	Percent Change
Grand Total Physical	378,932,296	319,986,678	18.4%
Trade Paperback	219,615,915	187,047,411	17.4%
Hardcover	135,237,336	110,077,126	22.9%
Mass Market Paperback	19,605,826	18,651,614	5.1%

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All physical formats are up year over year except for physical audiobooks.



Hardcover Books

+24%



Trade Paperbacks

+17%



Mass Market Paperbacks

+5%



GB Board Books

+20%

Frontlist & Backlist Challenges

Over 300,000 new titles are published a year in the US. **75% of industry sales come from backlist titles, and 25% come from frontlist.**

Most publishing companies work with clients on boosting both the frontlist and the backlist. However, they spend most of their time and money working on frontlist:



Shaping the book



Launching the book



Printing the book



Book marketing

If backlists drive your sales, how can you keep a keen eye peeled on it, given its power and inherent lack of risk? Every publisher should have a healthy backlist, propping up their riskier frontlist endeavors.

In other words, you max out those already dominant and proven backlist gems—by digging deep in the backlist metadata. Backlist metadata is as important, if not more so than, your frontlist title's metadata.

Tools like [Marketing Insights](#) are used to assess how well your titles are positioned for discovery and sale online. It measures signals like metadata health, availability, and consumer demand across your frontlist and backlist.

Publisher Perspective

West Margin Press

West Margin Press is a trade publisher based in Berkeley, California. They're distributed by Ingram Publisher Services. West Margin publishes around 25 to 30 books per year—ranging from children's picture books to chapter books.

They also have several adult genres they publish into, biography and memoir, fiction, food and drink, crafts and hobbies, history, photography, travel and outdoors, stationery, and journals.

Industry Point of Sale Units

If 2019 can be seen as a "normal year" then by 2020, we are in full pandemic, and 2021 is working towards recovery. The statistics below are all year to date, meaning they're roughly January 1 to July 18, so they can be compared accurately.

With trade paperback, you can see a steady increase year over year in demand and sales. From 2020 to 2021, there was a 16.7% increase over the year before.

For ebooks, there's been a lot of up and down over those years. But this time versus last year, West Margin Press has seen a 35.8% increase.

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Audio was not as much a priority for West Margin. It was a part of their strategic goal to develop an audio strategy in 2020, but then the pandemic hit, causing them to shift focus.

West Margin Press found their biggest growth in hardcover. In 2020, the demand was up 36.25%. **Then in 2021, it was an incredible 682.47%.**

Format	2019 YTD	2020 YTD	2021 YTD	Percent Change
Hardcover	93.6 million	94.6 million	115.8 million	+22.4% over 2020
Trade Paperback	181.7 million	195.1 million	227.6 million	+16.7% over 2020
Ebook	39.5k	34.9k	47.3k	+35.8% over 2020
Audiobook	882.4k	484.9k	424.6k	-12.5% over 2020

What does the data show?



Hardcover

Books people want are in hardcover formats or readers are less cost conscious



Ebooks

Increasingly in demand; not cannibalizing the growth in print sales



Paperback

Readers hunger for print books is growing



Audiobooks

Decrease in commute time affected audio sales; could rebound in 2022

Be Format Agnostic

While you may have your personal preferences in how you like to read, many consumers may disagree with that format and want to read or consume their content a different way.

Create a blended P&L for every book to project sales for different formats. Split prepress and development costs accordingly. An example would be allotting 75% of your budget to paperback, 15% to ebook, and 5% to hardcover.

Case Study: Golden Gate Park Books

West Margin decided to create two formats—a picture book and a board book. They then invested in the art and worked with the author and the editor to tweak the original text for a younger audience.

This created two customer bases, which created better sales projections and an overall better P&L. On the left, is the picture book with longer text for older readers. Then on the right is the board book, there's a slightly different title, and new ISBN.

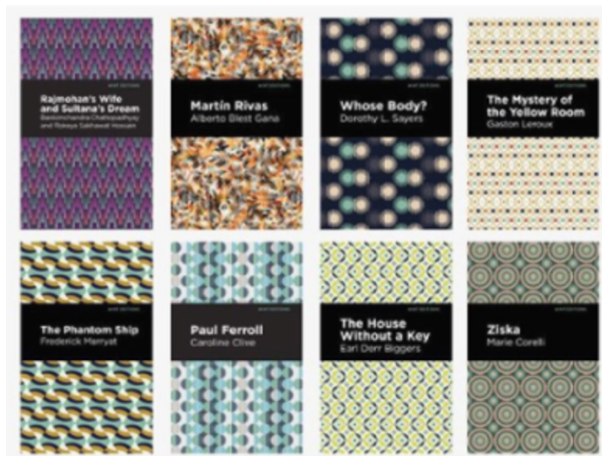
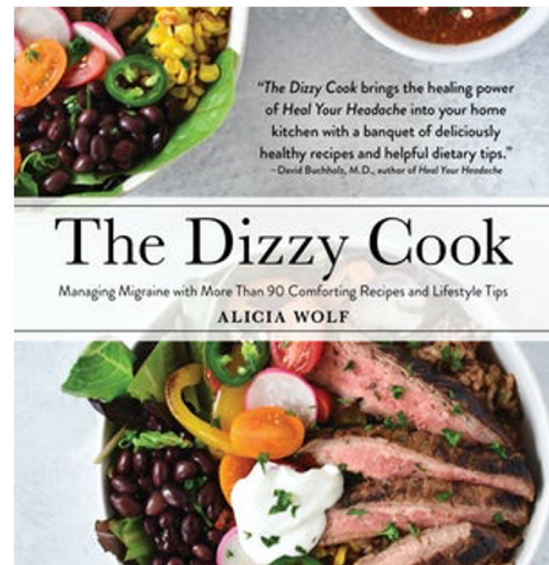


Case Study: The Dizzy Cook

Dizzy Cook is a diet cookbook that launched in February 2020. Due to the pandemic, there weren't many events or publicity. However, this title still did very well. West Margin set it up simultaneously as three formats—paperback, ebook, and hardcover.

- **Main edition was Trade paperback** - more than 6K sold
- **Ebooks** - Sold about 700 copies
- **Hardcover PTO edition** - sold 2500 copies

To offset the price of hardcover printing, West Margin effectively raised the list price from \$25.99 to \$43.99



Case Study: Mint Editions

In 2020, West Margin Press released Mint Editions (their vintage imprints). They initially set up each book in paperback and ebook formats only. Earlier this year, they added hardcover print-to-order editions as a test.

They are currently seeing up to 16% of unit sales with hardcover editions. That translated into \$17,000 in incremental and projected revenues since February of this year. This is revenue they wouldn't have otherwise seen had they not offered more than one format.

Key Points to Keep in Mind

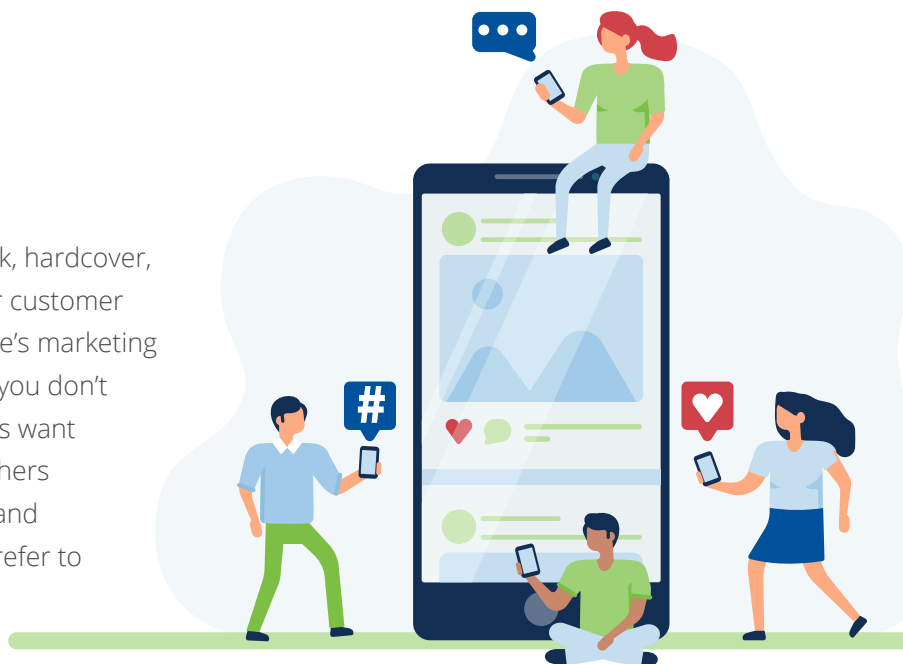
- 1 Reading resurged during the pandemic and is projected to continue
- 2 More than ever, readers want to choose their favorite format(s)
- 3 Adding multiple formats can bolster your P&L and help recoup your investment in content
- 4 Hardcover print-to-order pays off if you price books to cover your margins
- 5 Dual formats don't cannibalize each other
- 6 There's good growth in the audio sector to justify jumping into that format



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Ask Your Fans

When deciding on whether to produce an audiobook, hardcover, or ebook — there is a great way to engage with your customer base. In fact, asking your fans may help with your title's marketing and help you sell more of your existing titles even if you don't end up producing another version. If your customers want it, they'll tell you. And if they want it, the odds are, others will too, so ask them via social media, your website, and email marketing, etc. Let them tell you how they'd prefer to consume your content.



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