2021 Report

Evolution of digital market (ebooks, audiobooks and podcasts) in Spain and Latin America

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Executive summary

For the seventh consecutive year, the "Evolution of the digital market (ebooks, audiobooks and podcasts) Report drawn up by Bookwire, in close collaboration with Dosdoce.com, covers an extensive range of sales figures, trends and perspectives, with a view to gaining a better understanding of the evolution of the digital content market (ebooks, audiobooks and podcasts) in Spain and Latin America.

The restrictions and lockdowns we have been subjected to as a result of the pandemic has changed our habits for discovering and consuming cultural, entertainment and informative content, turning millions of people into new users of all kinds of digital content. The aim of this report is to help professionals in the book world to understand the digital transformation undergone by Spanish markets (Spain and Latin America) in 2020, and the business opportunities offered by this digital boom.

In order to achieve our goal, we have divided the ample content of this year's report into two large sections to facilitate our readers' task.

On the other hand, readers will have access to an extensive analysis of the evolution of ebook and audiobook sales in 2020 by over 840 Spanish and Latin American publishers involved in the distribution via the 'Bookwire OS' platform. This detailed analysis will provide extremely valuable information, making it easier to understand the digital contents and current trends in Spanish-speaking markets along with other studies and reports.

Executive summary

For the seventh consecutive year, publishers represented by the Bookwire platform, including over 840 publishers in Spain and Latin America, have experienced an increase in ebook and audiobook sales. 2020, the year of the pandemic, has set a milestone in consumer habits. Just as sales reached an interannual increase of 57% in 2018 and 35% in 2019, 2020 witnessed an exceptional increase of 113%. Depending on the format, ebooks and audiobooks have experienced a 112% and 137% increase, respectively. A detailed analysis is provided below:

For the first time ever, this report alao features the collaboration of five prominent specialists who have each submitted an interesting opinion article analysing the main trends in the book world over the last year. Manuel Gil, director of the Madrid Book Fair, provides an in-depth look at the impact of COVID-19 in the book world (both print and digital) with a particular emphasis on the impact of exports to Latin America. On the other side of the Atlantic, Rubén Padilla, Coordinator of the International Book Fair of Guadalajara (Mexico) programme, shares his reflection on the future of professional gatherings of this kind in a post COVID context. All the way from the US, Ed Nawotka, International Editor of Publisher's Weekly, provides his vision of the evolution of the Hispanic market in the United States. Likewise, Elena Neira, an expert in streaming platforms, invites us to reflect on the main trends to be observed by publishers in the subscription world. And last but not least, Olalla Novoa, Head of Voice and Innovation at Prodigioso Volcán, invites us to contemplate the opportunities offered by the new world of podcasting.

„The overall revenue from ebook and audiobook sales has witnessed a 113% increase in 2020 compared with the previous year."

The overall revenue for publishers via ebook subscription platforms has witnessed a 112% increase in value compared with the previous year.

In 2020, ebook sales in Spain accounted for 50% of total sales. In contrast to previous years and for the first time ever, ebook sales by Spanish publishers in Latin America have accounted for 20% of sales shared among countries in the region (such as Argentina, Colombia, Chile, etc.), followed by Mexico, which accounts for 16% of the total sales revenue.

„Digital exports have accounted for 50% of digital revenue for Spanish publishers.“

„Mexico generates 16% of ebook sales by Spanish publishers across the Atlantic.“

Turning to business models, unit ebook sales on platforms such as Amazon, Apple, Google and Kobo, among others, continue to be the principal sales channels for Spanish and Latin American publishers, representing 75% of total sales figures. Sales via subscription platforms, such as Scribd, Nubico and Storytel, are becoming increasingly relevant for publishers each year. Subscription platforms have been generating almost 19% of digital revenue for publishers, whereas in 2017 the percentage of digital sales represented a mere 7% and did not exceed 5% in 2016.

„Sales to libraries represent 6% of digital sales.“

The sale of ebook licences represents 6% of total digital sales in 2020, i.e. doubling the figure reached in the previous year. During the first three months of lockdown, digital consumption quadrupled, although the most interesting statistic is that figures doubled in the months following lockdown, by comparison with pre-lockdown figures.

„During the most severe lockdown months, digital consumption multiplied four times.“

One of the keys to the successful increase in digital lending stems from the agreement reached between publishers and the government in facilitating concurrent licences, for the purpose of providing broader access to the eBiblio and eLiburutegia library platforms.

The psychological barrier of ebooks costing under €9.99 continues to be a trend in the digital book world. 85% of ebooks on sale in Spain cost less than €9.99 (including VAT).

Average price of Spanish ebooks: €6.06 (-21% YoY)

Following the trend of other international markets, audiobooks have become the focus of attention in the publishing sector in Spain and Latin America, reaching spectacular growth figures in 2021. According to a study published by Dosdoce, a record figure of 10,000 Spanish audiobooks was reached by the end of 2019, whereas in 2017 the figure had scarcely reached 6,000. Over 12,000 Spanish audiobooks were available in 2020 and a record figure of 14,300 Spanish audiobooks is forecast for 2021.

„85% of ebooks on sale in Spain cost less than €9.99 euros (including VAT).“

Average price of Spanish ebooks:

6.06 €

(-21% YoY)

Average price of Spanish audiobooks:

13.49€

(-6% YoY)

A record number of 14,300 Spanish audiobook titles will be available in 2021.

„Spanish-language audiobook sales are due to generate over €13,000,000 for publishers.“

Although the last report by Dosdoce in 2019 indicated that a turnover of €7,000,000 was expected for the Spanish-language audiobook market, most publishers estimate audiobook sales to have generated from €9,000,000 to €10,000,000 in 2020. Judging by the trends in international markets, everything points to a 25% to 30% increase in audiobook sales in 2021, thus reaching €13,000,000 in Spanish-language markets.

According to existing audiobook publishers, subscription platforms such as Storytel, Audible, Scribd, Kobo and Podimo, among others, have become the principal sales channels for Spanish audiobooks. These are followed by unit sale channels such as Google Play or Apple Books, and subsequently by streaming platforms such as Spotify, Deezer and the like. Although audiobook sales to libraries are still relatively low (3%), it is a channel with great potential in Spanish-language markets.

„Subscription platforms have become the main audiobook sales channels, acounting for 86% of sales.“

Audiobook publishers envisage Spain as being the principal audiobook market in 2021, followed by Mexico, the US and lastly, by the rest of Latin American countries.

Streaming platforms are the main channels responsible for the boom in audiobook consumption. In 2020, 1.7 billion tracks distributed by Bookwire were downloaded, i.e. more than double the number in 2019. This figure reflects the increasing impact of music streaming platforms such as Spotify, Apple Music, Deezer or Napster on the growth of the audiobook business model.

„The most significant Spanish-language audiobook sales market is expected to be Spain, followed by Mexico and the U.S.“

„Streaming platforms are the main channels boosting audiobook sales.“

The strong focus by streaming platforms such as Spotify, Amazon Music, Audible, iVoox and Podimo, among others, on podcast marketing has prompted a rapid boom in that business model in Spain and Latin America. In fact, Spanish is the second, most popular language in podcast productions in the world, having experienced an increase of almost 7% in 2020.

According to a recent study published by Podimo, 17,000 new podcasts are published worldwide on a daily basis and the industry has experienced a 30% increase in interannual sales. However, 30% of those podcasts fail in the first year and only one episode is actually published.

„Spanish-language podcasts experienced a 7% increase in 2020.“

„The podcasting industry has witnessed relentless growth.“

2.

Evolution of ebook sales and comparison between 2019 and 2020

Publishers represented by the Bookwire platform, over 840 between Spain and Latin America, experienced a 113% increase in ebook and audiobook sales in 2020 with respect to the previous year.

If we focus on ebooks, single unit sales channels represented 75% of total sales. Although these continue to be the leading sales model in the digital book world, they have been losing out against other emerging models, such as subscription platforms, which are currently experiencing a boom.

Evolution of ebook sales and comparison between 2019 and 2020

„The overall turnover for publishers via ebook subscription platforms witnessed a 145% increase in comparison with 2019."

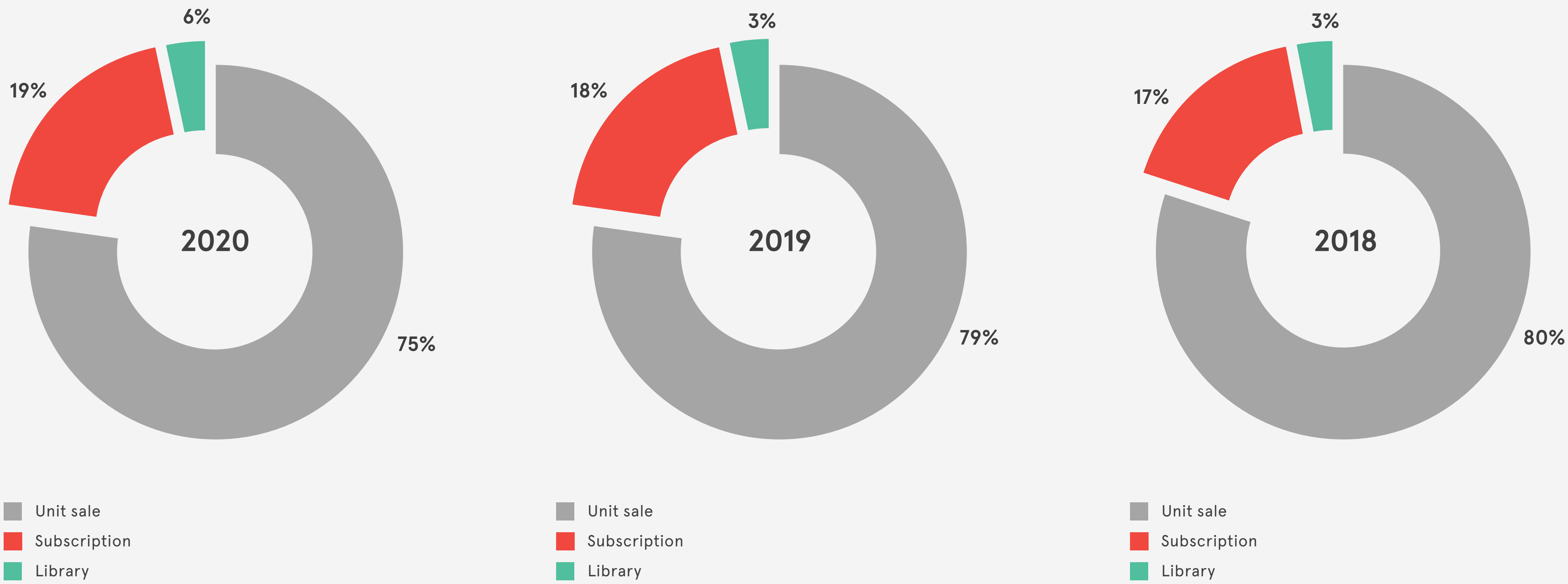
Finally, publishers saw a 359% increase in turnover in 2020 with respect to 2019 in ebook and audiobook licences to libraries. Sales to libraries represented a total of 6% of publishers' total digital sales in 2020, i.e. double the amount of the previous two years.

We invite the readers of this report to read the articles drawn up by Manuel Gil and Rubén Padilla (available in sections 4.1 to 4.4 below) to put into context this impressive boom in digital formats, compared to that of the paper book format during 2020, alongside the impact of the pandemic on book fairs in the book world. We believe this cross-sectional analysis will help publishers gain a better understanding of the potential of digital formats in times of change in the book world.

Single ebook sales (better known as downloads) generated a 97% increase in turnover for publishers in 2020 compared to 2019.

Figure 1.

Increase in sales via subscription platforms



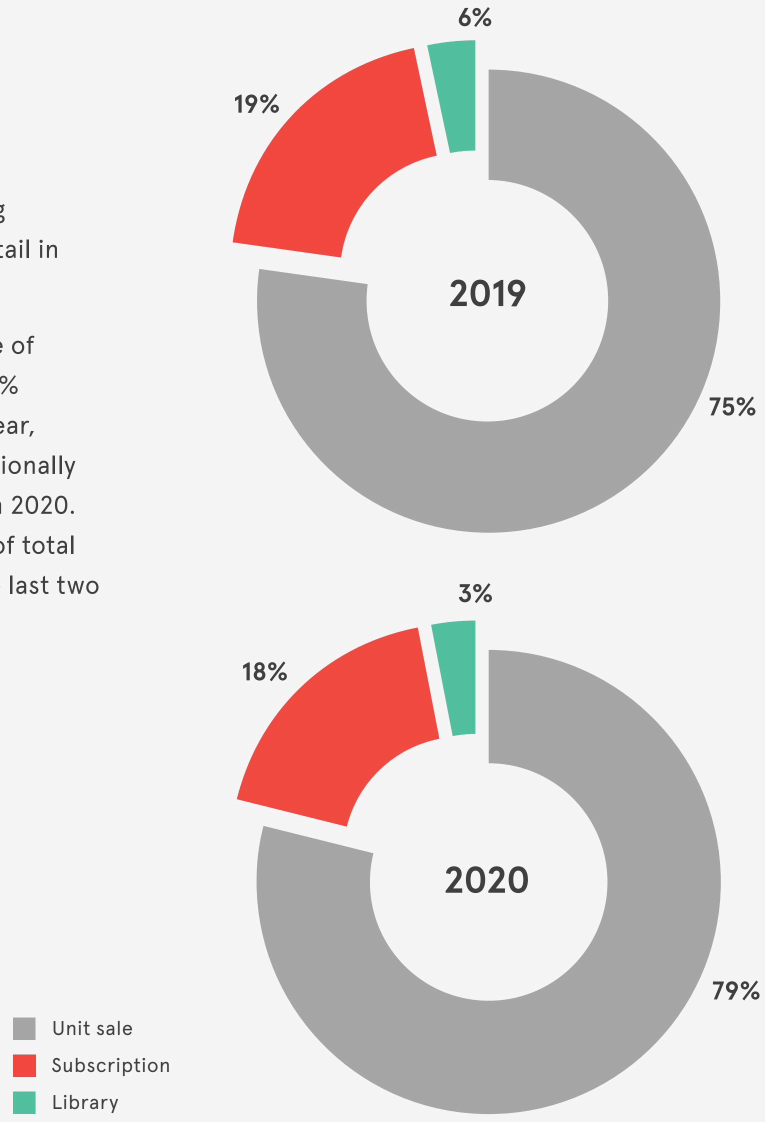
2.1. Detailed analysis of ebook sales in Spanish-language markets

Having solely analysed ebook unit sales in the Spanish-language markets (Spain, Latin America and the US) we observed a 97% increase in 2020 compared to the previous year. We recommend reading the article prepared by Manuel Gil (available in section 4.1 of this report) to understand the context of this impressive boom compared to the growth of the paper book world during 2020.

In contrast, there was a 145% increase in ebook sales on subscription platforms compared to 2019. As we mentioned, these sales account for 19% of total digital ebook sales in 2020, representing a 1% annual growth. The reasons for the increase in total sales may be explained by the change in habits caused by the effect of the pandemic, as well as important movements by some platforms in Spanish-speaking territories, which we will analyse in detail in section 2.4 of this report.

Finally, publishers' revenue via the sale of ebook licenses to libraries rose by 359% in 2020 with respect to the previous year, being the business model that proportionally experienced the highest growth rate in 2020. Ebook sales to libraries represent 6% of total sales in 2020, i.e. twice as much as the last two years.

Figure 2.
Detailed analysis of ebook sales in Spanish language markets



2.2. Detailed analysis of audiobook sales in Spanish-language markets

„Audibook unit sales represented 12% of total sales in 2020, i.E. 1.5% Less than 2019. "

A detailed analysis of audiobook unit sales in Spanish-language markets (Spain, Latin America and the US) revealed a 111% increase in 2020 in comparison with the previous year.

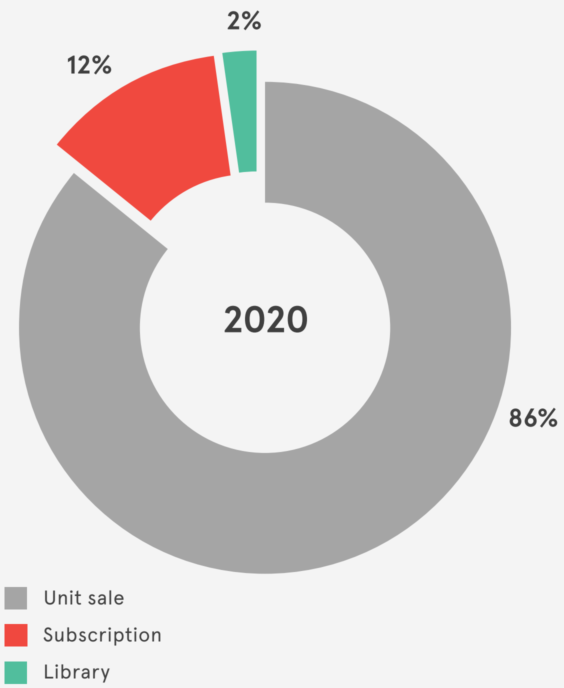
There are several reasons for the slump in revenue from unit sales. On the one hand, there has been a shift in consumption habits towards subscription models in any of their forms, prompted by the lockdown, and, on the other hand, the launch in autumn of two new subscription platforms (Audible and Podimo) in Spain, which have energized the market by attracting many readers to this consumption model. Furthermore, the high retail price of audiobooks does not help to encourage unit sales in Spain.

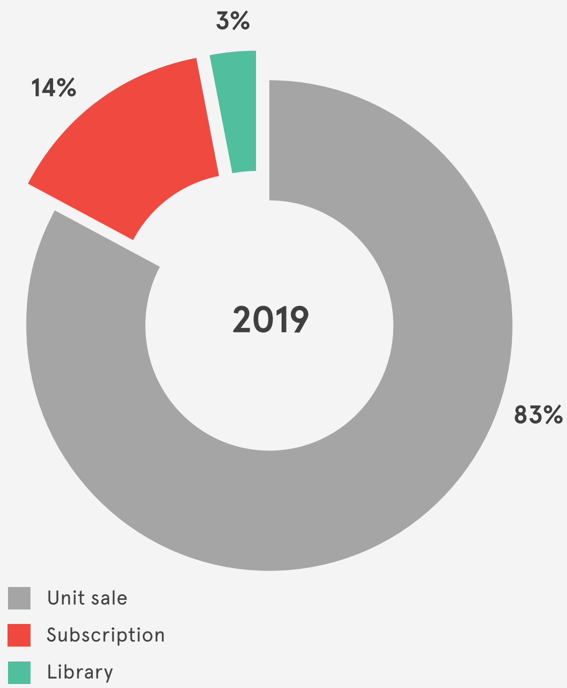
In that regard, sales of audiobooks on flat-rate subscription platforms witnessed a 132% increase in 2020 compared to the previous year. These sales represent 81% of total digital audiobook sales in 2020, a slightly lower ratio than the year before. Similarly, subscription platforms that only allow the consumption of one audiobook per month (better known as credit-subscription) have gained market share in 2020, specifically enjoying an increase of 3.5% compared to 2019, mainly due to the overall growth of the audiobook market.

Figure 3.

Detailed analysis of audiobook sales in Spanish-language markets

Lastly, publishers have seen the financial reward prompted by the strong support libraries are showing in allowing more scope for the audiobook format in their digital lending platforms. Publishers' revenues as a result of audiobook licensing sale models increased by 103% in 2020 with regard to the previous year. Audiobook sales to libraries represented 2.6% of total digital sales in 2020, i.e. 0.5% less than 2019.





2.3. Digital exports continue unabated: 50% of digital sales are generated outside Spain

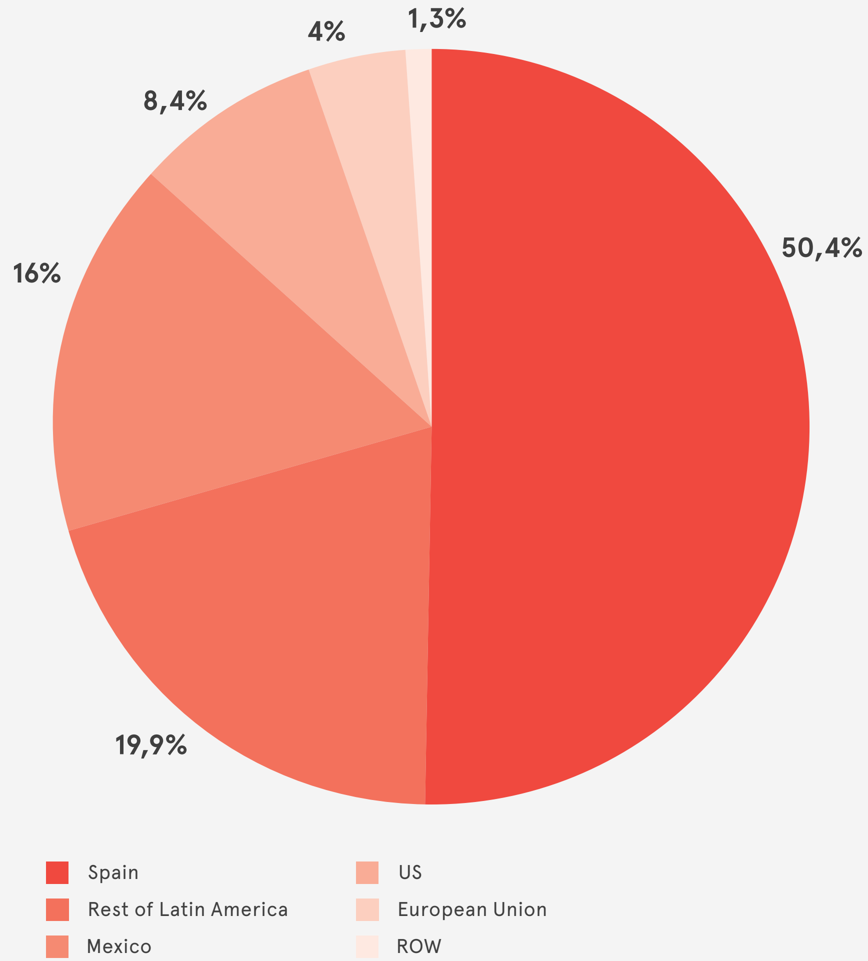
During the pandemic, Spanish and Latin American publishers have discovered that online distribution is an extraordinary way of getting their works to territories where paper has not arrived, or has arrived very late. Revenue from ebook sales abroad represent 50% of the total, i.e. 2.4% more than the previous year. We recommend reading the article written by Manuel Gil (available in section 4.1 of this report) to learn more about the potential of digital exports of ebooks outside Spain, especially in Latin America.

In line with previous years, Mexico topped sales of digital content published by Spanish publishers in 2020, generating 16.1% of total revenue, 4% more than 2019, whereas the rest of ebook sales by Spanish publishers in Latin America, another 19.9%, was shared among other countries in the region (Argentina, Colombia, Chile, etc.).

The US now represents 8.4% of total sales of Spanish content worldwide, 1% less than the year before. The rest of the world, mainly Europe, represents the remaining 4% of digital sales.

Figure 4.

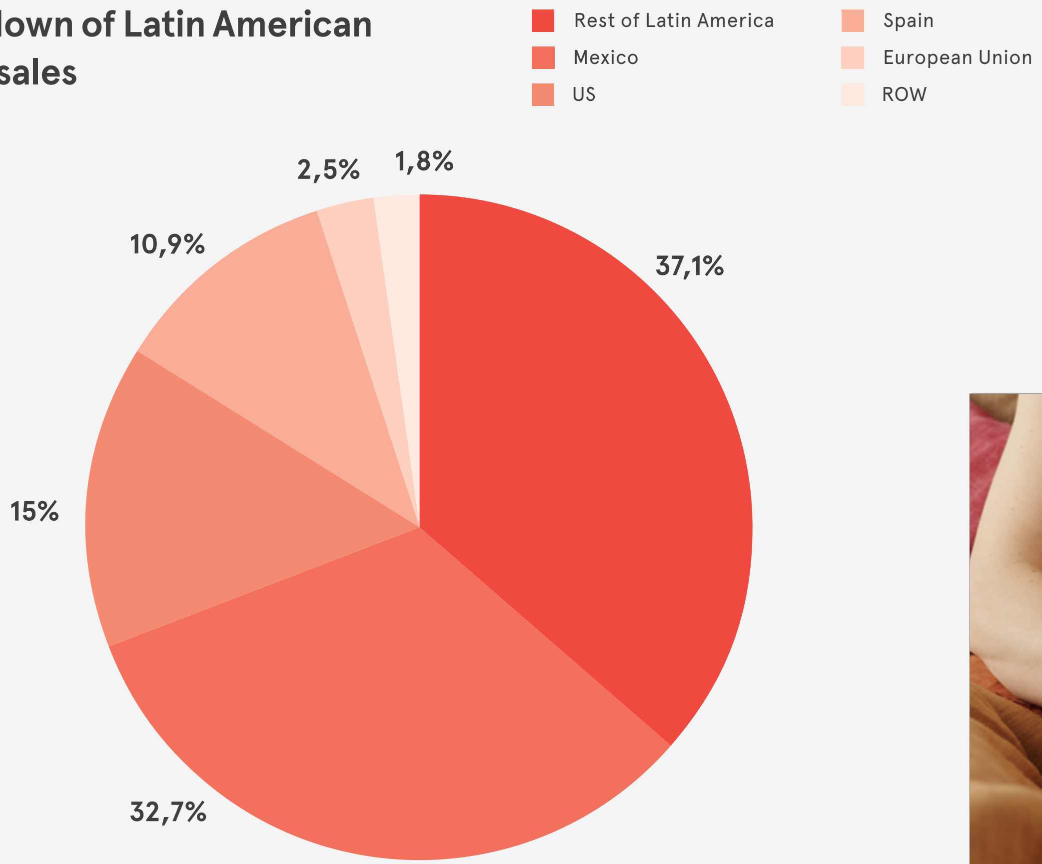
Breakdown of digital sales by Spanish publishers



2.4. Growth of Latin American digital book market and boom in US Hispanic Market

Figure 5.

Breakdown of Latin American digital sales



The number of Latin American independent publishers that are firmly committed to distributing their books in digital format to reach readers all over the world is steadily on the increase, causing a sharp rise in the globalization of sales compared to previous years. In fact, independent publishers such as VR Editoras (Argentina and Mexico), Almadía Ediciones, Editorial Océano, Libros Grano de Sal in Mexico, Editorial Galerna and La Bestia Equilátera in Argentina, Rey Naranjo Editores and Panamericana Editorial in Colombia, Eterna Cadencia and Lom Ediciones in Chile, among many others, have seen how their digital books are not only being sold in their countries of origin, but are also reaching markets which are inaccessible in paper format.

The figures in this year's report clearly demonstrate the growing impact of Latin American publishers' sales throughout the region, whereas in the previous year Mexico was the country that boasted the highest figure. Although 68% of sales in 2019 occurred in Latin American countries, we see that in 2020, 70% of digital sales of Latin American publishers happened in Latin America, whereas 30% were made in markets outside the region: 15% in the US, 11% in Spain, 2.5% in Europe, and 1.8% in the rest of the world 1.8%. We recommend reading the article written by Ed Nawotka (available in section 4.5 of this report) for a detailed account of the evolution of the Hispanic market in the United States.

The data in this year's report still show the significant impact of Mexico (33%) in Latin American publishers' sales. However, unlike last year, most sales (37%) originated from the rest of the region's markets (Chile, Colombia and Argentina, in that order). Year-on-year growth there represented 278%.

2.5. Consolidation of subscription culture in Spanish-language markets

Lockdown has transformed the habits of discovering and consuming cultural, entertainment and informative content, turning millions of people into new users of all types of subscription platforms.

Netflix has broken its 2020 growth records by achieving 16 million new subscribers, almost doubling expectations. The Filmin platform users have been watching more than 100,000 movies a day in 2021, twice as many viewings as in 2020. Revenue from the Amazon Prime subscription platform has increased by 28%, surpassing 150 million users worldwide. The newspaper El País has exceeded all expectations by attracting the interest of 100,000 paying subscribers in less than a year. We recommend reading the article written by Elena Neira (available in section 4.2 of this report) for a detailed account of the keys to this impressive growth in culture through subscription platforms and their impact on the book world. The publishing sector is no stranger to this transformation of the consumer habits of society. Although the unit sale of ebooks and on platforms such as Amazon, Apple, Google, Kobo, among others, continue to be the main sales channel for Spanish and Latin American publishers, representing 75% of total sales, one of the main conclusions of this year's report is that sales derived from subscription platforms such as Scribd, Nubico, Storytel, Audible and Podimo, are becoming more relevant to publishers every year.

If we take a close look at the revenue derived from ebook subscription platforms, we observe a 145% growth in 2020 compared to the previous year. These sales represent 19% of publishers' total digital revenue, 1% more than the previous year. This phenomenon is mainly due to the increase in digital consumption during and after lockdown, which prompted a change of habits in consumption and an acceptance of the model visibly established in other formats (series, music, etc.).

While ebook subscription platforms have experienced enormous growth in Mexico, i.e. almost 180%, and 65% in the rest of Latin America, the Spanish market has experienced a 173% increase in revenue from ebook subscription platforms.

Fortunately, the increase in revenue from ebook subscription platforms in Spain is due to the migration of regular readers to this model during the pandemic, and new readers who have decided to subscribe directly and are already accustomed to subscription-based consumption of all types of content. Finally, there has been strong increase of 83% in the U.S. Hispanic market, compared to the previous year.

„Subscription platforms account for 19% of publisher's digital revenue, whereas in 2017 they generated a meagre 7% and less than 5% in 2016."

2.6. The unrelenting boom in library eLending

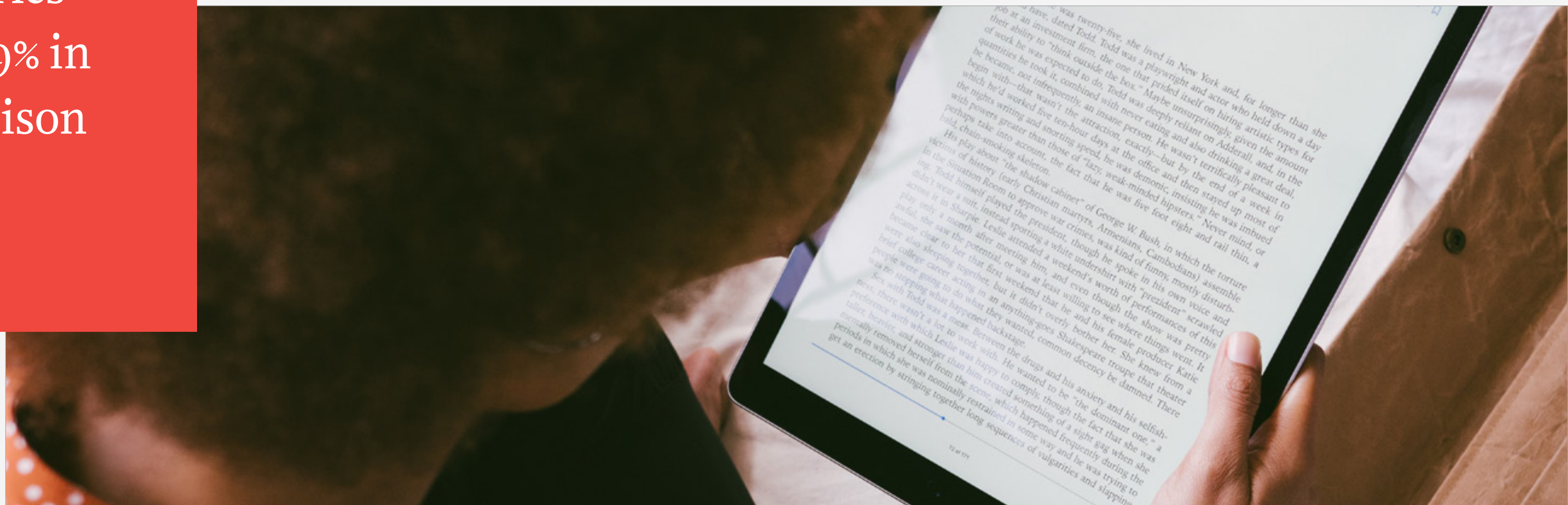
„Revenue generated by the sale of ebook licences to libraries increased by 359% in 2020 by comparison to 2019."

These figures represent 6% of total sales, doubling the previous year's figure. The lending library service of the Ministry of Culture of the Government of Spain, eBiblio, has experienced, during the months of March and April 2020, a notable increase in use due to the exceptional situation generated by the lockdowns. In these two months, eBiblio managed 794,797 loans, which represents 69.1% of the total loans made in 2020. Regarding the new users registered in 2020 (121,701 new registrations), 80.5% signed up during the months of March and April. According to the latest data provided by the Ministry of Culture and Sports of the Government of Spain, as of December 31, 2020, the eBiblio digital loan platform offered its users 33,265 different titles, with the following distribution by document type:

- **31,326 books**
- **1,628 audiobooks**
- **83 magazines**
- **52 newspapers**
- **176 other documents (databases, etc.)**

These data represent the aggregate of all the autonomous communities that participate in eBiblio, however the titles may vary from one community to another depending on the acquisitions made by each of them.

It should be noted that in April 2020, in anticipation of the increase in demand due to mobility restrictions due to the health alert, the Ministry of Culture reinforced the service with 58,560 new licenses, which has represented an approximate increase of 1,522. 000 additional loans to those planned for the year 2020.



Use of the service

Loans and visits to the platform

The sustained growth of eBiblio use figures has been greatly accelerated during 2020. Home confinement due to the health alert due to COVID 19, the non-availability or limitation of face-to-face library services, as well as restrictions on mobility of the citizen. They have greatly promoted the use of this virtual library, available in practically the entire national territory.

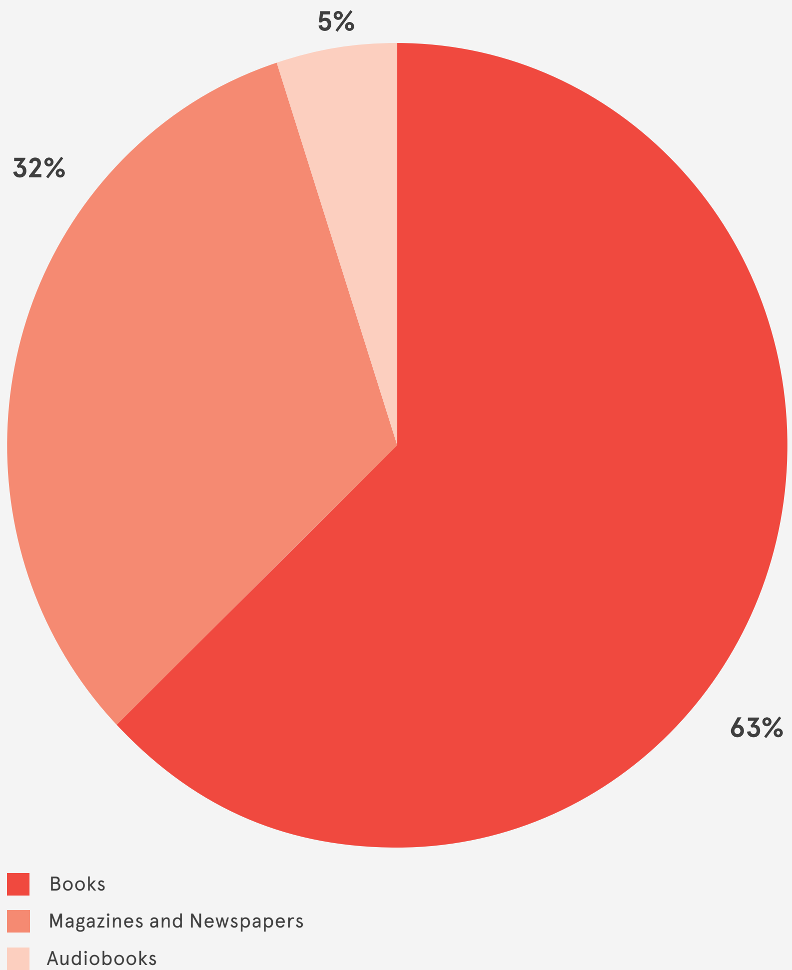
- **Loans: 3,746,853**
- **Loan per 1,000 inhab .: 82.83**
- **Different users: 257,315**

Making a brief comparison between the years 2019 and 2020, an increase of around 120% is observed with respect to the activity of the previous year. Thus, the number of loans has gone from 1,710,730 in 2019 to 3,746,853 and active users from 116,560 in 2019 to 257,315 in 2020.

A detailed analysis of the yearly figures provided by eLiburutegia, the Basque Government's digital lending platform that currently includes a total of 21,930 books, shows that monthly loans reached their highest peak in April, i.e. 27,704, whereas in 2019 they barely exceeded 5,000, and the highest peak was reached in December with 7,328 loans. eLiburutegia registered 20,149 new users last year, reaching 60,181 and a total of 167,00 loans, closing the year 2020 with record figures, as reported by the Basque Government. During the worst months of lockdown, digital consumption quadrupled, but the most interesting thing is that consumption remained at very high levels (twice as high as before confinement) in the following months and throughout the whole year. In fact, March saw the highest number of new network users, with a total of 6,773, and April was the second best month of 2020 with 3,864 new additions, according to Basque Government sources.

Figure 6.

Loans and visits to the platform



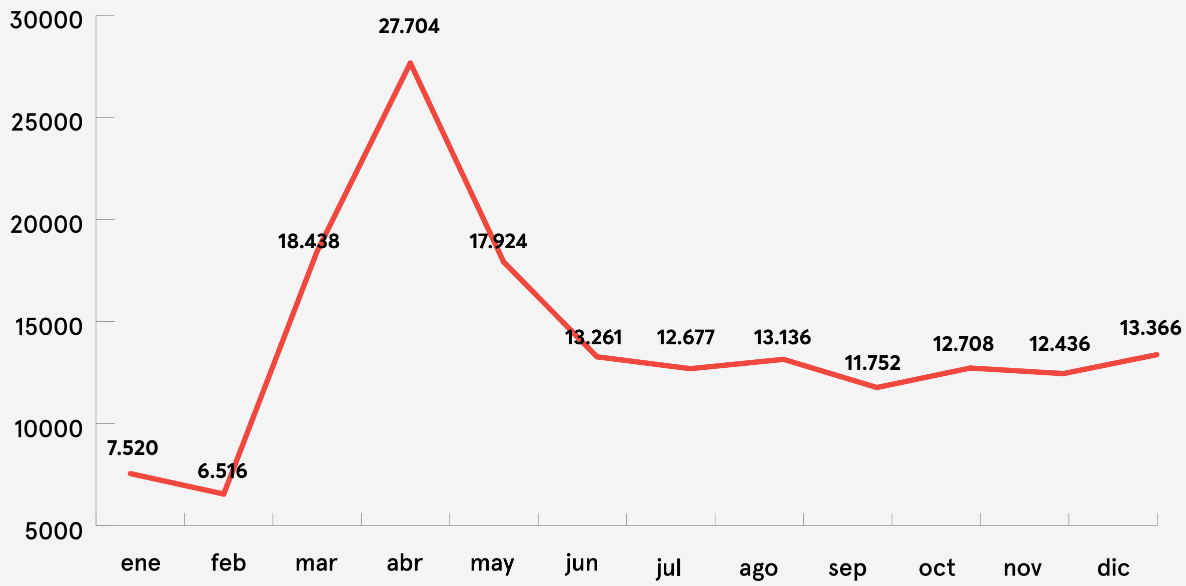
Although digital lending platforms have been active for more than 5 years in our country, lockdown caused thousands of readers in Spain to discover them while confined in their homes. In fact, loans increased from an average of 6,000 per month to more than 13,000 per month. In other words, people who discovered the benefits of reading on screen during lockdown didn't stop doing so after returning to "normality":

As in the case of subscription platforms, the evolution of library lending platforms in the different markets (Spain, Latin America and the U.S. Hispanic market) was very different in 2020. In fact, another consequence of the closing of bookstores during the pandemic and the lockdown in homes caused both Mexico and the rest of Latin America to experience an increased demand for digital lending, and consequently the purchase of licenses by the governments of the region. To be precise, Mexico experienced a 440% increase and the rest of the Latin American market witnessed a 476% growth with respect to 2019.

Spain experienced a 464% growth in demand for digital lending licenses, and the US Hispanic market witnessed a 184% increase in 2020.

Figure 7.

No. of library loans. eLiburutegia 2020



2.7. Spanish-language digital reader profile

Several reports published to date, such as the study on the profile of the Spanish-language digital reader, drawn up by Dosdoce at the end of 2019, as well as the recent study 'Barometer of reading habits and book purchases' by the FGEE (Spanish Association of Publisher's guilds), with figures from 2020, conclude that users who read on screens read more books (12.8 books per year on average) than readers who only read on paper (9.7 books per year). And as for the current profile of digital readers, the effect of the pandemic has changed the consumption habits of all digital formats (ebooks, audiobooks and podcasts), as we'll explain below:

Genre of the current digital reader

While in previous years there had been a higher percentage of female digital readers (55% versus 45%), these percentages by gender have now evened out. This has to do with the change of family habits caused by lockdown and online work schedules.

Age

30.3% of over 14s read books in digital format at least once a trimester, 1.2% more than in the same period of the previous year. 29.7% of the population reads books for leisure in digital format and 27.9% of all books read in the last year were read in digital format.

Virtually all digital readers (80.1%) are avid readers. The use of digital media for reading is more extended among under 55s with a high educational level. According to the FGEE, a significant part of the increase in reading generated by lockdown continued after the lifting of restrictions. It should be emphasized that the highest increase in frequent readers was among those aged under 35, particularly the 25-34 age group.

In terms of audio "listeners", the target audience is specifically aged from 25 to 45 years of age.

Days of the week dedicated to reading

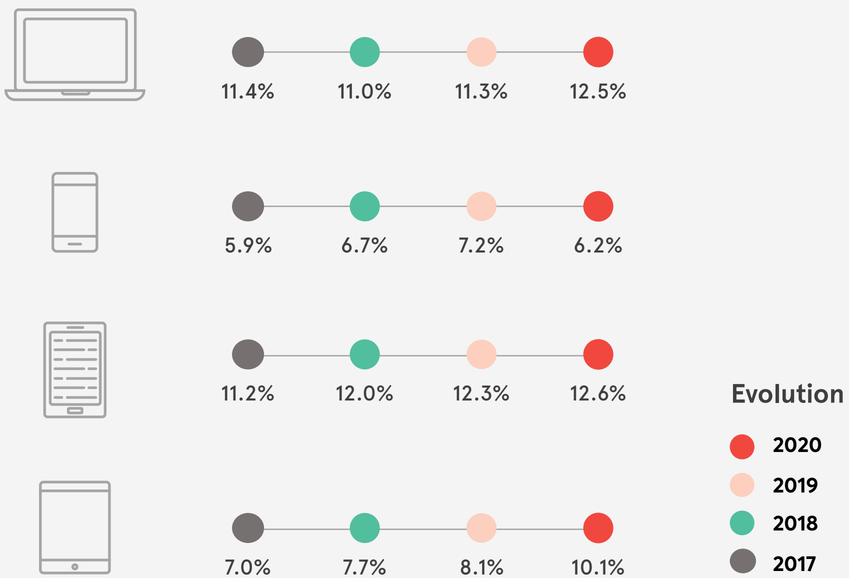
Until 2019, digital consumption tended to be quite seasonal, with readers' favourite months for digital reading/listening being the summer months (June, July and August), and December, another holiday period par excellence. However, habits have changed, due to confinement, and consumption is becoming more consistent.

Consumption also became stable in terms of days, especially during the "tough "lockdown period which meant the entire seven days in the week. Since last May, once restrictions were lifted but remote working was resumed, weekdays (from Monday to Thursday) are the days during which ebooks and audiobooks are most consumed.

Devices

Here we need to differentiate between both formats; in the case of ebooks, readers who read books in digital format use eReaders (12.6%) and computers (12.5%) in a greater number of cases. Also significant is the reading of books via tablets (10.1%) and the mobile phone (6.2%), as reflected in the following figures included in the report "Reading barometer", by the FGEE. When it comes to audiobooks and podcasts, the most popular device is the cell phone (92%), followed by the PC (8%). 62% of listeners use mobiles with Android systems and 38% are Apple (iOs) users.

Which devices are used to read ebooks?



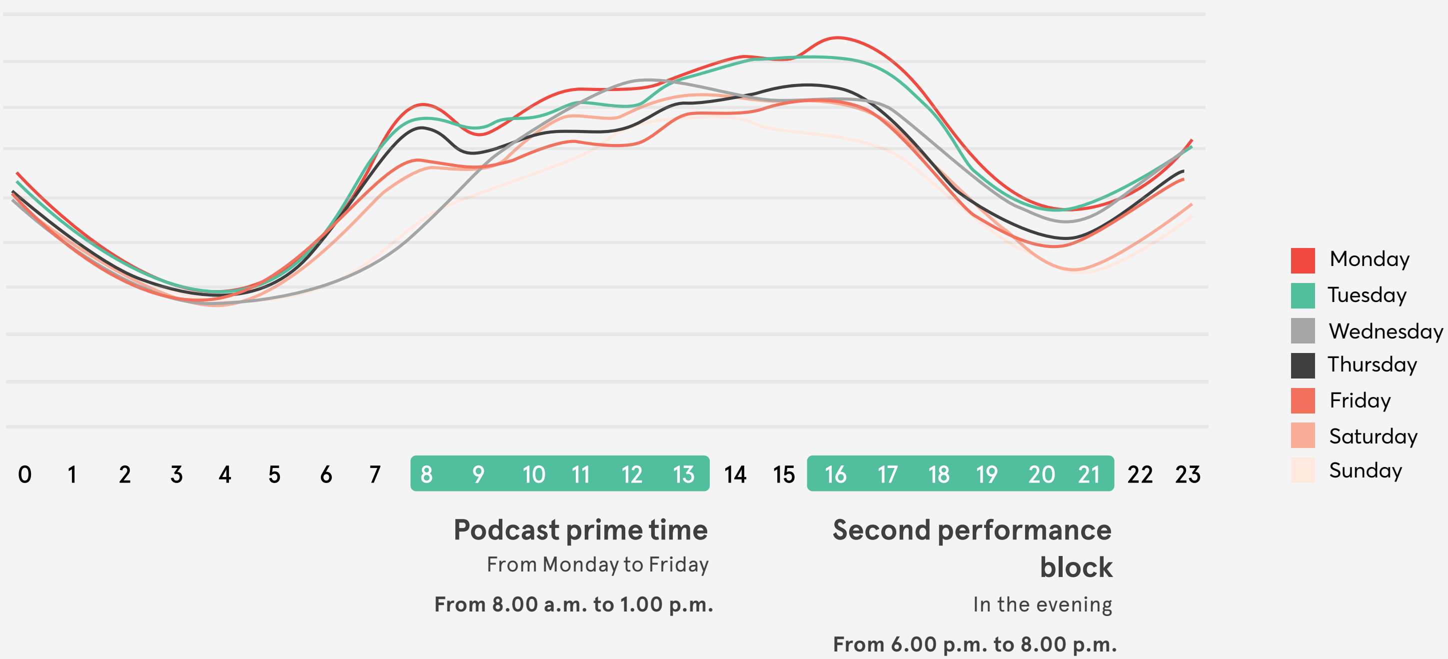
Peak times for reading and listening

It is here where lockdown has caused consumption habits to vary the most, especially in listening, an activity that can be done while working or simply doing household chores. Consumption in the late hours of the evening has increased in both formats. In the case of the audio format, it has extended throughout the entire day and listening has been delayed to 8.00 a.m. (whereas it had previously started at 7.00 a.m.) due to the fact that the online working day allows people to "save" time which would otherwise be spent on commuting. This has also led to longer evening hours of digital consumption, even surpassing the time spent on audiovisual formats (series, movies, etc.).

According to a recent study published by the Podimo platform, users of audio content (podcasts and audiobooks) consume them two or three times a week, generating about two listening sessions of 20-30 minutes each time they access, which represents an average of 15 hours per month of listening to podcasts and audiobooks.

Figure 8.

The Pandemic has mitigated the whipsaw effect on listening



Number of times ebooks are read and audiobooks are listened to on an annual basis

Digital readers are big consumers, with an average of 12.8 reads per year, more than double the reading rates of paper books, which stands at 9.7 books per year, according to the latest study by the Spanish Association of Publishers Guilds. However, during the months of total lockdown, digital consumption quadrupled, changing habits and attracting new readers who otherwise would not have discovered the benefits of both formats.

Countries / Autonomous Communities with most readers

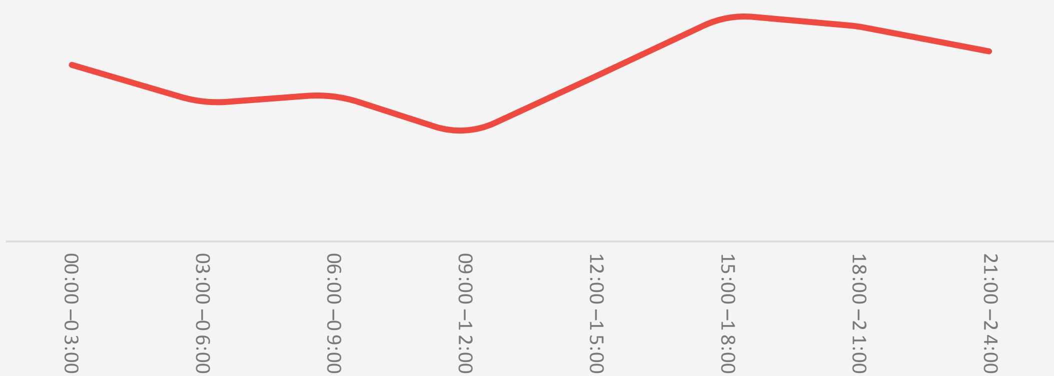
Although there are digital readers everywhere, the urban centers with the highest concentration of digital readers are Madrid, Barcelona and Andalusia.

On the other side of the Atlantic, the largest volume of readers is found in Mexico, Chile, Colombia, Argentina and the United States. However, if we refer to audiobooks, Mexico is the leading country (68%), followed by Colombia and Argentina. This is mainly due to the recent arrival of the format in those territories, but above all to the wide difference in local catalogues between countries. One is a consequence of the other.

Figure 9.

Audiobook listenings streams per hour/day

The following graph helps to visualize the behavior audiobook consumption (day/hours/volume) in Spanish, based on data provided by Bookwire.



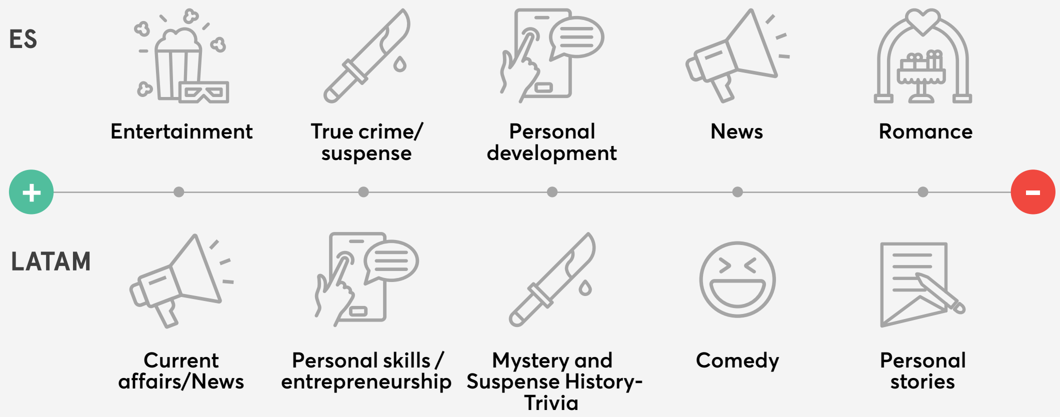
Most widely read/heard categories

There have been changes in the ranking of top genres with respect to the previous year. Non-fiction is in the lead, followed by fiction and children's and young adult's literature, with a wide variety of themes to cater to an increasingly broad and diverse market, especially if it serves different latitudes.

Non-fiction works include essays, personal development/growth, business and entrepreneurship, as well as current affairs via newspapers, magazines and podcasts; and fiction works include romance and erotic novels, followed by crime novels and thrillers.

It is important to note that podcasts are gaining ground and represent a major segment of the digital content consumption scenario, with yearly growth forecasts of 20%. A recent study by the Danish company Podimo,

Ranking of categories in Spain and Latin America



revealed that podcast listeners double those of audiobooks, with a much greater offer in Spanish, and a catalog of more than 100,000 podcasts in Spanish. As for the most popular topics in Spain, entertainment is predominant, followed by True Crime / Suspense, the category related to personal development, topics related to news and current affairs and romance, in that order. While in Latin America, the most popular podcasts are related to current affairs and news, the category related to personal development and entrepreneurship, topics related to mystery, suspense and curiosities, comedy and humor, and in fifth place personal stories, in that order.

We invite the readers of this report to read the article written by Olalla Novoa (available in section 4.3 of this report) for a detailed account of the evolution and key aspects of podcasting to help publishers determine how to integrate this new format into their digital content offers (ebooks and audiobooks).

2.8. Analysis of best-selling ebooks worldwide

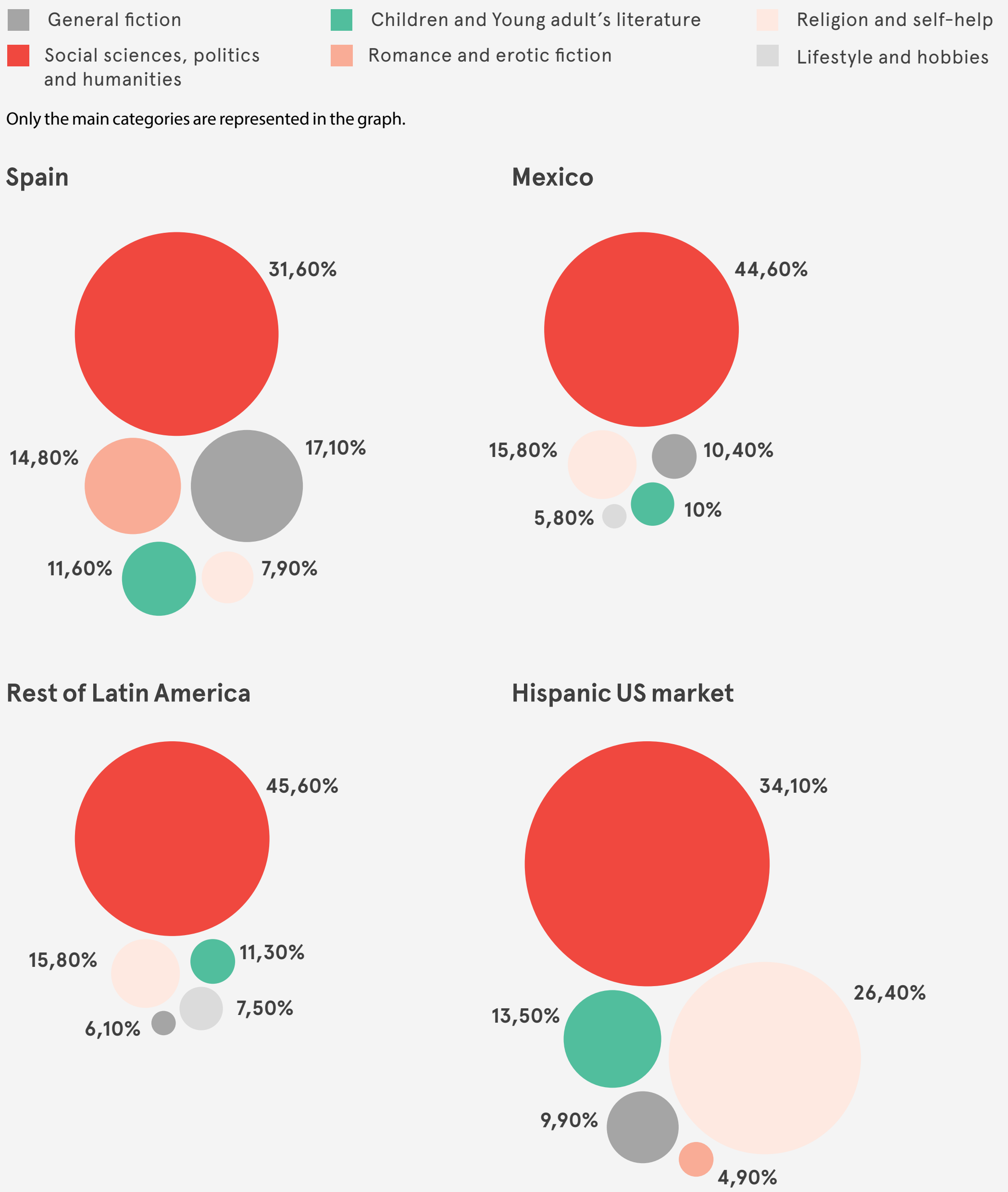
With the aim of helping publishers to improve their understanding of the demand and behavior of the different categories, as well as the existing differences in reader preferences in the different markets, we continue to offer the ranking of the best-selling categories by country.

The following figures show how social sciences, essays on politics and humanities are the most globally consumed genres, although fiction (novels, literature, etc.) is in high demand in Spain, while in Latin America non-fiction categories such as self-help, philosophy, religion and business are in greater demand than novels.

Similarly, according to data from the audiobook subscription platform Scribd, Mexicans have been busy reading non-fiction, personal growth, professional development, psychology, history and even arts and languages during the pandemic.

Figure 10.

List of best-selling categories



2.9. Comparison of Spanish publishers' prices between 2019 and 2020

The psychological barrier of the cost of ebooks being less than €9.99 (including VAT) is still applicable in the digital book world and corresponds to 85% of ebooks on sale in Spain (including VAT).

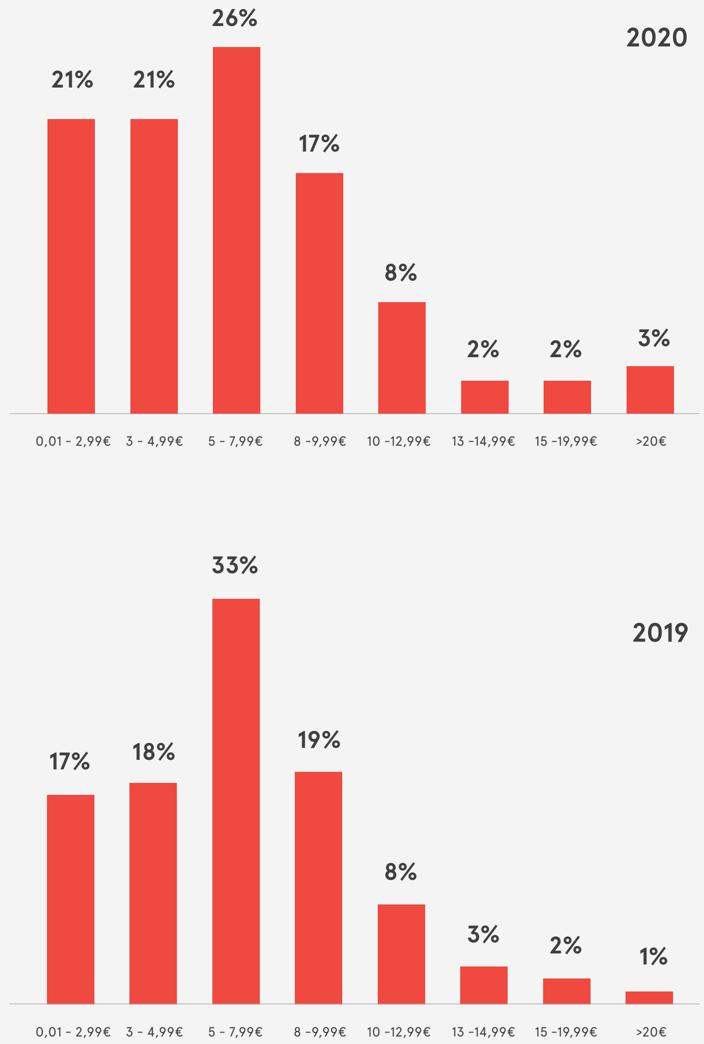
However, the reduction of digital VAT from 21% to 4% in April 2020 by the government led publishers to rethink their pricing policy, and they adjusted their retail prices downwards, especially in the middle range. Comparing figures in 2019, as we can see in the following two charts, the titles with prices from €5.00 to €9.99 have moved to the previous band of €0.01 to €4.99, which increased by 20% in number of titles, compared to the previous year.

The price band most used by Spanish publishers is still between €5.00 and €7.99 (26% of the ebook offer). The range of the so-called "premium" novelties with prices between €10.00 to €12.99 remains unchanged, whereas the price range of €13.00 to €14.99 was reduced by 1%.

Finally, although in terms of percentage, there has been an increase in the catalogue regarding prices over €20.00, largely due to the publication of bundles or packs of trilogies or more titles, a phenomenon that is on the rise, especially in the area of crime novels and young adult novels.

Figure 11.

Breakdown of Spanish publishers' sales prices (including VAT)



2.10. Comparison of Latin American publishers' sales prices between 2019 and 2020

While 85% of ebooks cost less than €9.99 (including VAT) in 2019, the percentage increased to 87% in 2020.

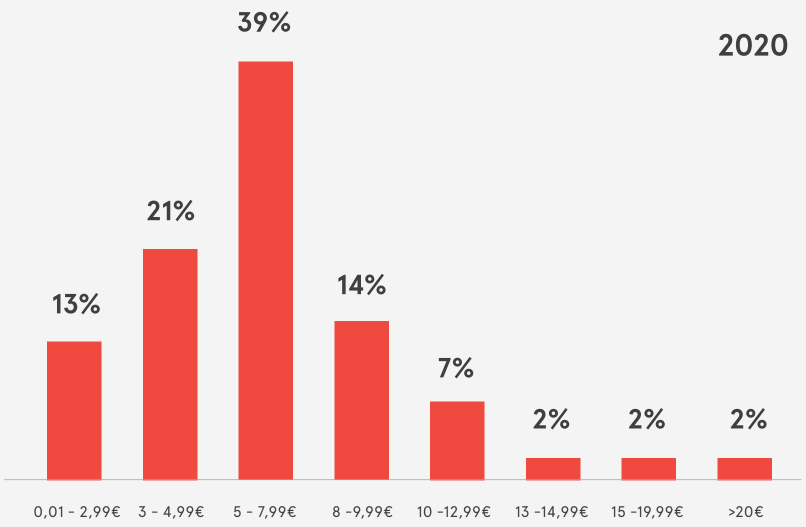
The catalogue with retail prices above €8.00 was reduced. However, the price range that experienced the greatest increase was the one between €5.00 and €7.99, which represents more than 39% of the offer, i.e. 3% more than last year.

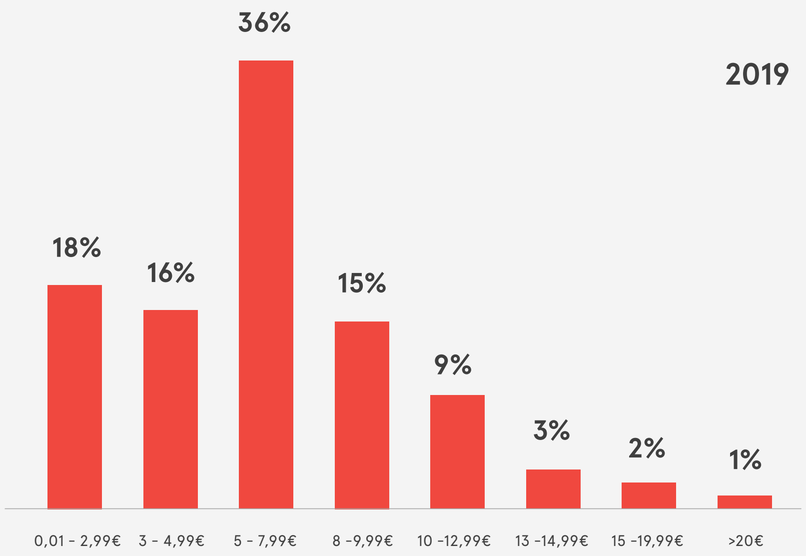
„Ebook prices in latin america increased in 2020, compared to the previous year, in an attempt towards a more realistic approach vis a vis the social and economic needs of various countries in the region."

The drop in prices occurred in the €10.00 to €12.99 range, which previously accounted for 9% of the offer and today represents only 7% of the offer. This price adjustment by Latin American publishers also has to do with the effect of Spanish VAT, which was also reduced in the exchange of Spanish titles into foreign currency in the different countries, thus reducing the prices of local editions. In this way, the end customer didn't perceive as big a difference in the final prices, whether the product came from Spanish or Latin American catalogues.

Figure 12.

Breakdown of Latin American publishers' Price range (including VAT)





3.

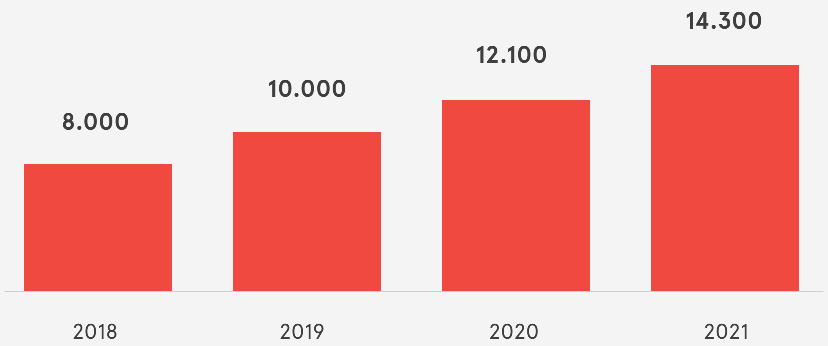
Evolution of the Spanish Audiobook Market

The growing commitment of authors, agents and publishers to audiobooks, and the boom in Spain and Latin America experienced by platforms specialising in the marketing of audiobooks such as Audible, Storytel, Kobo, Google, Scribd and Podimo, among others, matches the trend in other markets where this format has registered a 20% annual increase in sales over the last six years, making it the fastest growing digital reading model in the book world.

According to the most recent study conducted by Dosdoce.com on the evolution of audiobooks, over 12,000 Spanish-language audiobooks were available in 2020. By the end of 2019, readers had access to around 10,000 audiobooks, whereas no more than 8,000 titles had been available in Spanish in 2018. It is to be expected that another 2,300 new audiobooks will be produced and marketed in 2021 and that a peak number of 14,300 Spanish-language audiobooks will be reached. These growth figures also include Spanish-language titles produced and distributed by the main audiobook platforms in our country.

Figure 13.

Evolution of Spanish catalogue



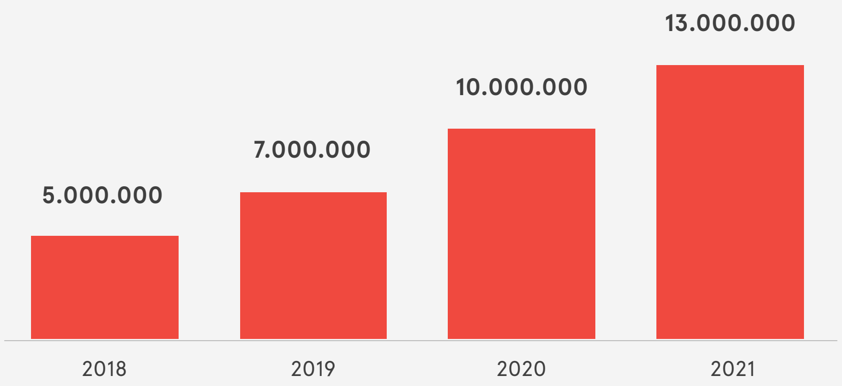
Surpassing 14,300 Spanish-language audiobook titles in 2021

3.1.Spanish-language audiobook sales have already generated almost €10,000,000

While in 2019 various sources estimated the turnover of the Spanish-language audiobook market to range from €5,000,000 to €7,000,000, most audiobook publishers expect that sales generated around €10,000,000 in 2020. As has been the case in international markets, all evidence suggests that by 2021 there will at least be a 30% increase in audiobook sales, reaching €13,000,000 in the Spanish-language markets. These growth forecast figures also include turnover figures for Spanish-language titles produced and distributed by the main audiobook platforms in our country.

Figure 14.

Evolution of revenue in the Spanish speaking market



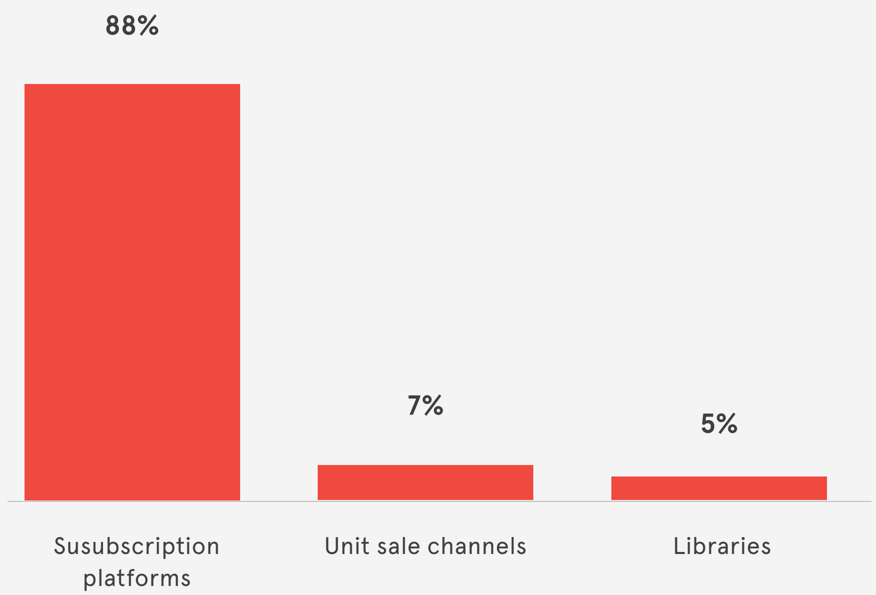
3.2. Ranking of top audiobook business models

Subscription platforms like Storytel, Audible, Scribd and Podimo, among others, became the main audiobook sales channels in 2020, representing 85% of total sales. They were followed by unit sale channels such as Google Play or Apple, which represent 12% of sales. Lastly, the sale of audiobooks to libraries continues to be a very small channel in Spanish markets, representing 3% of total sales, as in the case of ebook sales.

Subscription platforms will, in all likelihood, continue to be the main audiobook marketing channels in 2021, followed by unit sale channels. It is expected that library channels will experience a fair increase in 2021 due to the strong interest in this format shown by lending platforms.

Figure 15.

Estimation of sales channels ranking, 2021



3.3. Principal Spanish-language audiobook sales markets

The main market in 2020 was Spain, generally due to the consolidation of the new format resulting from increased consumption during lockdown. It is also characterised by the consolidation of the leading platform Storytel and the arrival of new players such as Audible with the launch of local shops.

Figure 16.

Ranking of main countries selling Spanish and Latin American publisher's audiobooks

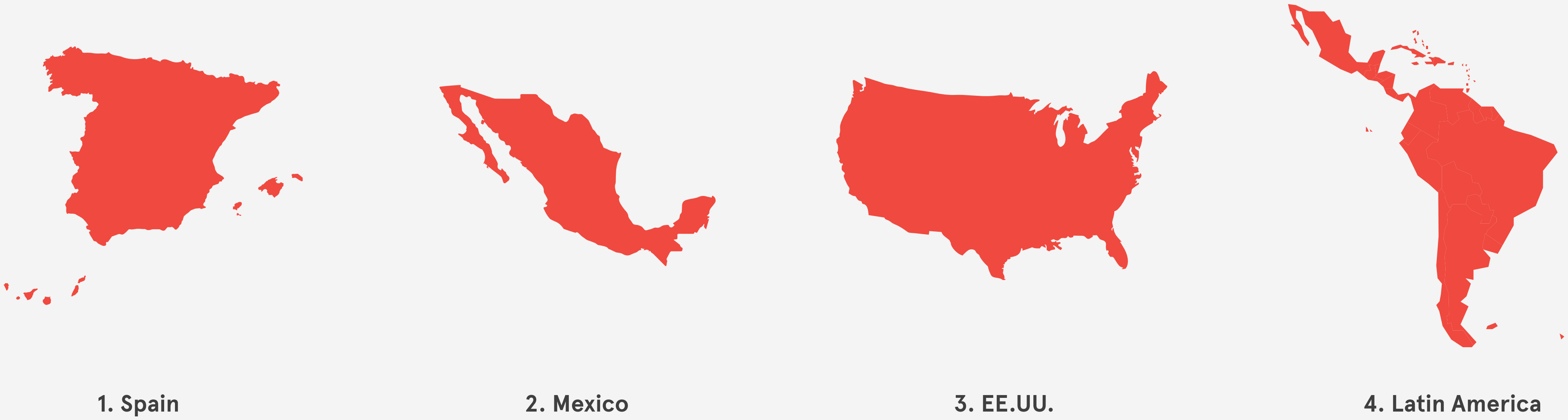


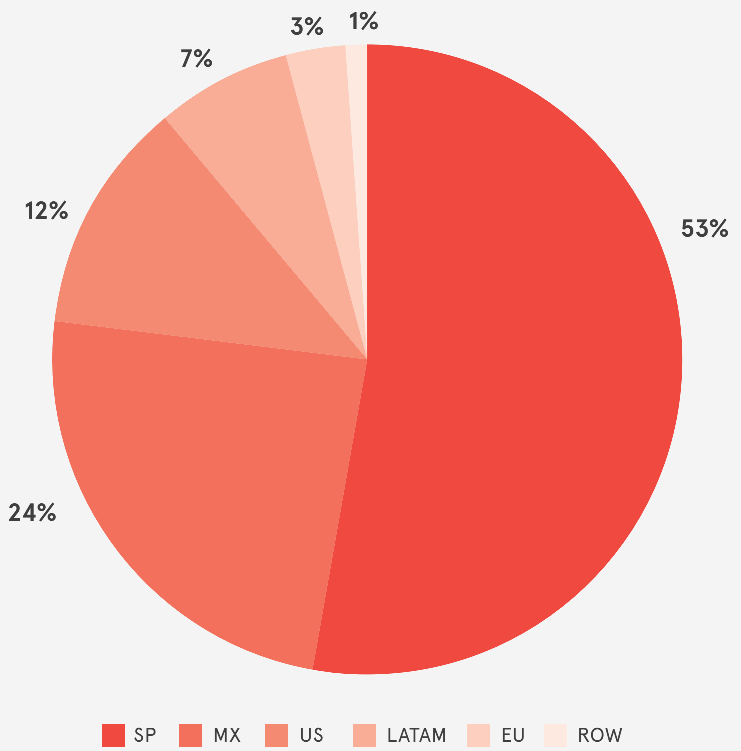
Figure 17.

Ranking of countries where Spanish and Latin American publisher's audiobooks are sold

Spanish audiobook sales figures for 2020 revealed that the main market for audiobooks in "Castilian" Spanish was Spain, followed by Mexico, the remaining Latin American countries and finally, the US Hispanic market.

Spanish-language audiobooks in the Latin American accent, mainly produced by US and Latin American publishers, are a different story. Sales of audiobooks in Latin American accents were mainly sold in Mexico, followed by the US, then Spain, and lastly, the rest of Latin American countries.

Spanish publishers



Latin American publishers

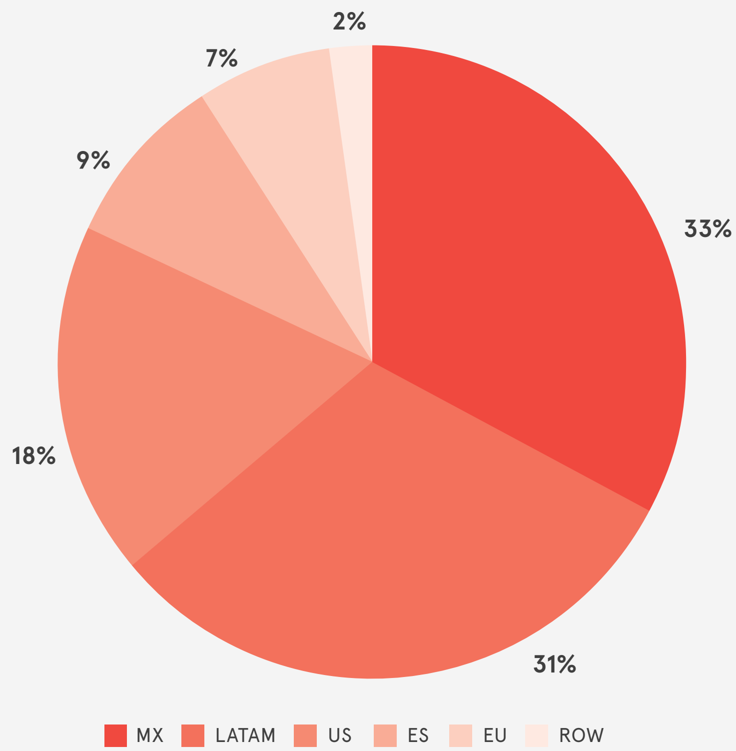
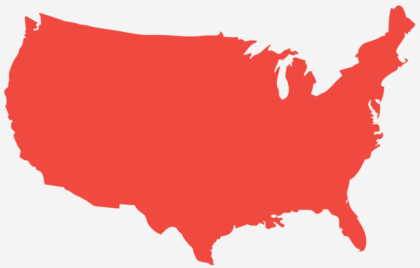


Figure 18.

Ranking of main countries selling US publisher’s audiobooks



1. USA

2. Mexico

3. Latin America

4. Spain

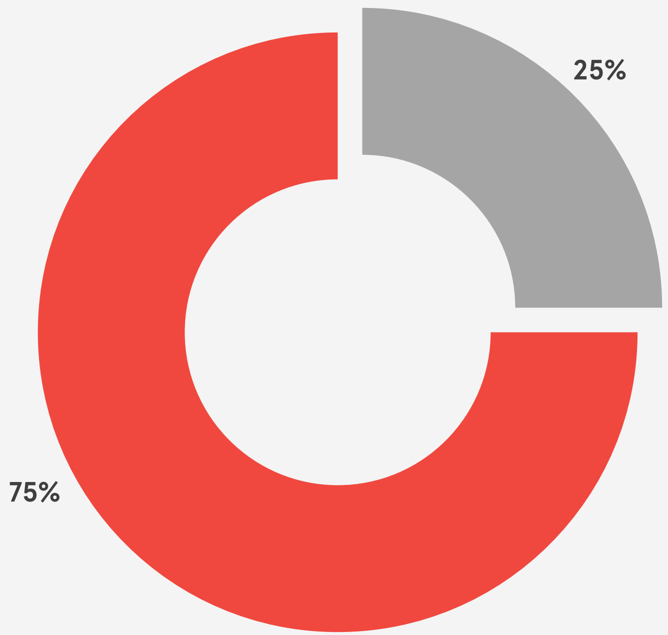
3.4. Production of audiobooks in Latin American versus Castilian (Peninsular Spanish) accent

Both accents (Castilian Spanish and Latin American Spanish) were used in equal measure for audiobooks in 2020. This is due to the substantial increase in the publishers' catalogue, and most importantly, to the increase of in-house production by platforms such as Storytel and Audible, with their own original catalogue for Spain. It is expected that these platforms will continue to increase their own audio catalogue, including podcasts as part of it, so that the increase in the total offer will further boost consumption.

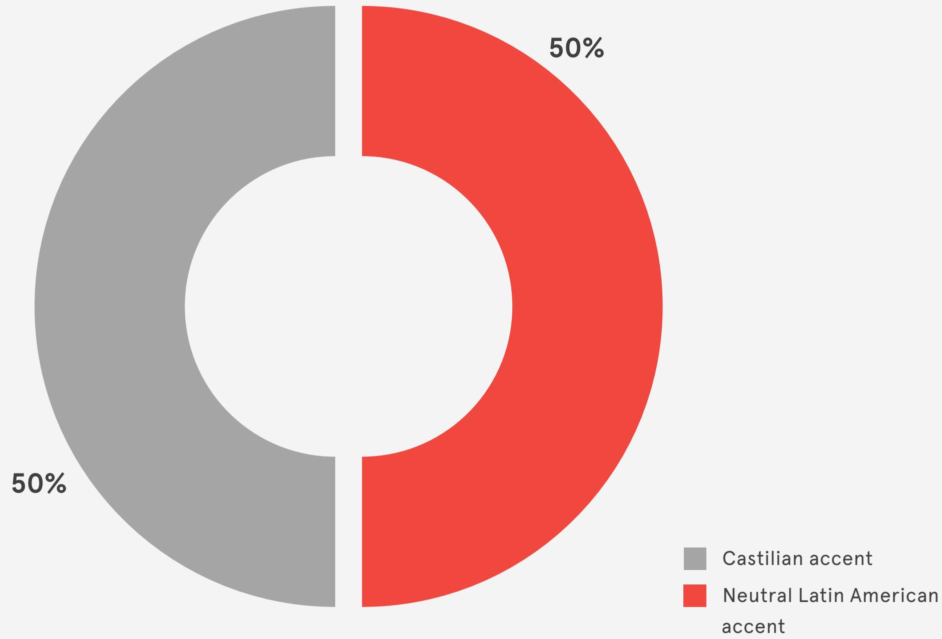
Figure 19.

Accents used in the production of audiobooks

US production accent



Spain and Latin American production accent



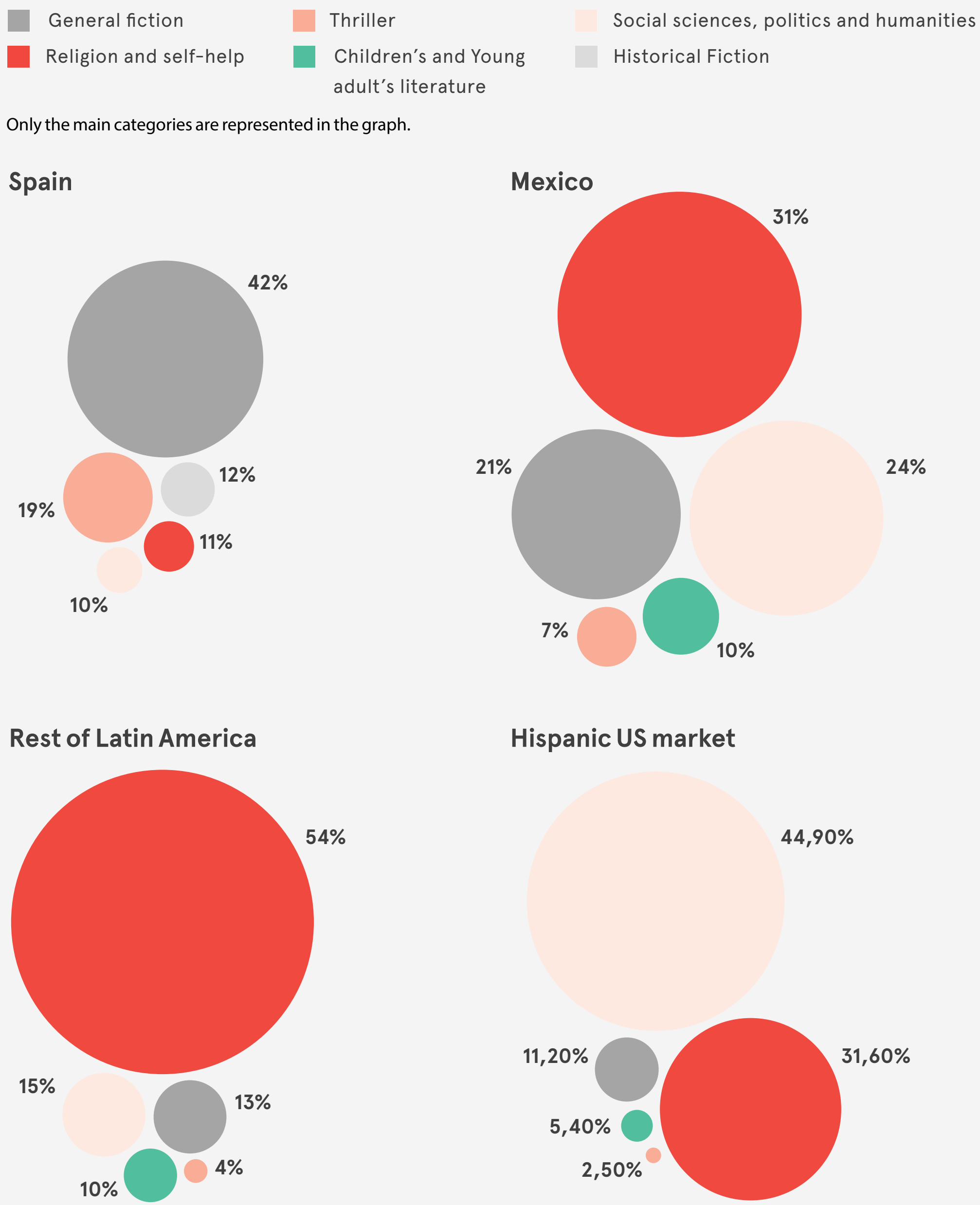
3.5. Analysis of bestselling audiobook categories worldwide

In contrast to what occurs in the case of ebooks, it is fiction (narrative, literature, crime fiction) which leads the audiobook market in Spain, followed by self-help and essays. However, the most popular categories in the other genres are non-fiction, along with Religion and self-help, and Social sciences, politics and humanities. In this respect, the pandemic has permitted easy access to a new consumer audience for content such as self-help, which would not have demanded it under normal circumstances. The increase in the number of non-fiction titles that have been published has also played a part.

It is worth noting that romantic-erotica does not have as much an impact as it does in the ebook format and is therefore confined to a niche category.

Figure 20.

List of best-selling categories



3.6. The audio content industry will generate more than $28 billion per year by 2030.

Audiobooks already represent a $5 billion yearly industry worldwide. Thanks to a 15% annual growth rate, several reports expect the audiobook world to become a $20 billion industry by 2030.

However, the increase in audio content consumption is not limited to audiobooks.

By the end of this decade, audio contents (podcasts and audiobooks) will become a US$ 28,000,000,000 industry.

Podcasts
1.300M USD

2021 → **2030**

Podcasts
8.000M USD

Audiobooks
5.000M USD

Audiobooks
20.000M USD

Estimated billing figures for the audio industry

By the end of this decade, audio contents (podcasts and audiobooks) will become a

US$ 28,000,000,000
industry

The revenue generated by podcasts witnessed a 15% increase in 2020 with respect to 2019, reaching US$ 1.3 billion. This figure is expected to increase to $3.6 billion by 2024 on a worldwide basis

By the end of this decade, audio content (podcasts and audiobooks) will represent a $28 billion annual industry worldwide.

We invite readers of this report to read the article written by Olalla Novoa (available in section 4.3 of this report) for a detailed account of the evolution and key aspects of Spanish-language podcasts to enable publishers and booksellers to determine how to integrate this new format into their digital content portfolios (ebooks and audiobooks).

3.7. "We audiobook you": Audiobook production and financing service

Having distributed over 100,000 audiobooks worldwide over the last two years, Bookwire recently launched its "WAY, We audiobook you!" project to help publishers transform their catalogues into audiobook hits.

Bookwire's audiobook production and financing services offer publishers the means to create an effective multi-channel (audiobook, podcasts, ebook, printed book on demand) and distribute digital content efficiently via a single system.

By using the WAY programme, publishers individually select the best reader for their title from a pool of professional narrators, controlling production and artistic standards.

By working on an exclusive basis with recording studios and professional audiobook narrators both in Spain and Latin America, Bookwire's programme guarantees the highest quality standards and ensures that each audiobook will bring the finest audio experience to its final user.

Thanks to efficient procedures and a close collaboration with recording studios, the programme offers competitive market rates depending on the final length of each audiobook and the additional sound requirements, such as sound effects, music, etc.

The WAY programme also offers the possibility of financing the production of the audiobook. The distinct advantage for the publisher is that Bookwire does not acquire the intellectual property rights, thus ensuring that the publisher's audiobook will be distributed as extensively as possible on all audio platforms on a worldwide basis.

Audiobooks are immediately available in all relevant sales channels upon completion – via the Bookwire OS safe and comfortable distribution software – to ensure that publishers benefit from the Bookwire experience in the market, together with the automated features offered by its platform.

4.

Trends and analysis

For the first time ever, this report features the collaboration of five prominent specialists who have each submitted an interesting opinion article analysing the most important trends in the book world over the last year. The main purpose of these articles is to help professionals in the book world to gain a better understanding of the trends directly or indirectly affecting the entire value chain in our industry.

Manuel Gil, director of the Madrid Book Fair, provides an in-depth reflection of the impact of COVID-19 in the book world (both paper and digital) with a particular emphasis on the impact of exports to Latin America.

Elena Neira, an expert in streaming platforms, invites us to reflect on the main trends to be observed by publishers in the subscription world.

Olalla Novoa, Head of Voice and Innovaton at Prodigioso Volcán, invites us to contemplate the opportunities offered by the new world of podcasting.

From the other side of the Atlantic, Rubén Padilla, Coordinator of the International Book Fair of Guadalajara (Mexico) programme, shares his reflection on future of gatherings of this nature in a post COVID context.

Last but not least, Ed Nawotka, International Editor of Publisher's Weekly, provides his vision of the evolution of the Hispanic market in the United States.

The opinions expressed in the articles are those held by each of the authors and do not, necessarily, reflect Bookwire or Dosdoce's viewpoints.

We hope you enjoy reading them!

Trends and analysis

4.1. Books have weathered the crisis, by Manuel Gil

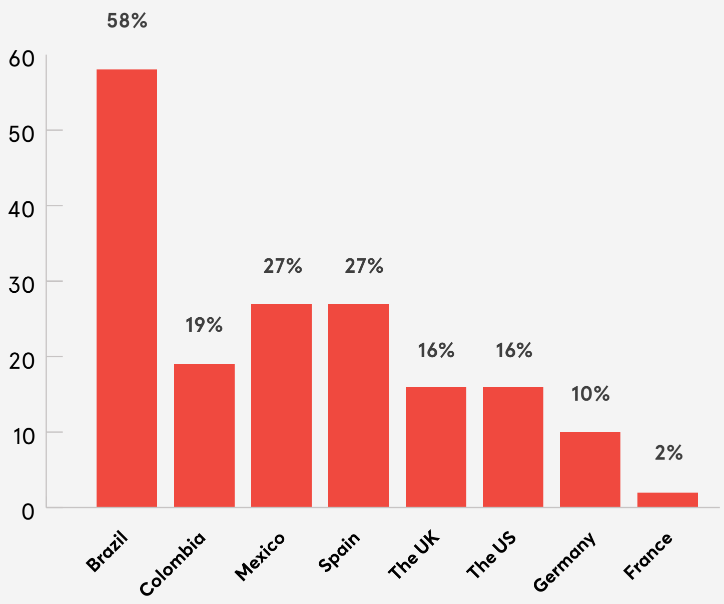
The pre-Covid book world, by Manuel Gil

Every book market has suffered losses in the last ten years. This has been corroborrated by the study Behaviour of the publishing market in the last decade, by Mariana Bueno, published by Cerlalc. The Brazilian economist shows how the book market volume has dwindled in eight world markets (Germany, Brasil, Colombia, Spain, the US, France, Mexico and the UK). Were this trend to continue, it would raise various questions regarding the evolution of the book as a vastly consumed cultural product.

An analysis of the Spanish market revealed that the book industry experienced a 35% decline after the 2008 crisis, which lasted until almost 2013, prompting a billing loss of €1,000,000,000 in internal trade. However, the beginning of 2014 witnessed a slow recovery process until 2019, with average annual increases of 2%, although figures were still experiencing a 20% drop and had consequently not fully recovered. Nevertheless, foreign exports experienced a positive surge, resulting in slight increases in Spanish book exports. It was said that the US had a significant incluence in preventing a disaster in the Spanish-language publishing

Figure 21.

World market in the last decade. Cerlalc Report – Drop



sector. It should be borne in mind that in those years, publication was extremely scarce and the weakest pillars of the book ecosystem, i.e. small publishers and bookstores, suffered a great deal and experienced great losses.

Arrival of the Pandemic

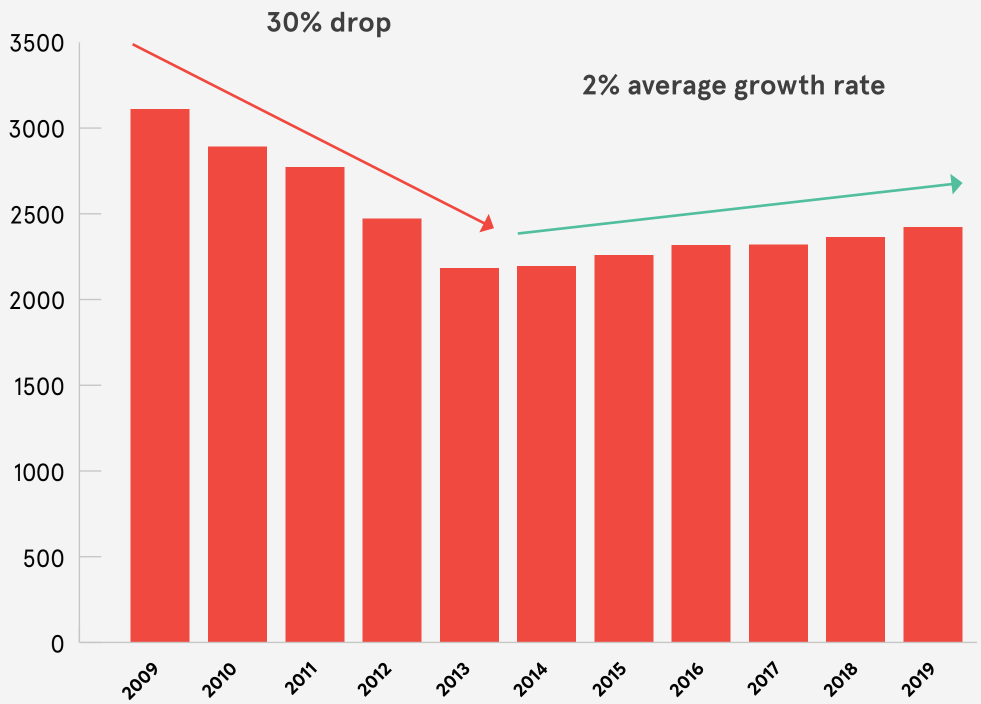
When the pandemic broke out in March 2020, it shook the world. Every market and industry was affected and none was spared from its impact although its effects were diverse.

The book world was no exception.

The breakout of the Pandemic caught the industry unawares and in many cases, unprepared for inefficiencies and digital transformation. The first predictions regarding the effects of the pandemic on the book industry predicted losses of almost €1,200,000,000. The initial paralysis and hold-up of publishing plans, the lack of distribution and the closed up bookstores painted a gloomy picture. But when bookstores reopened at the end of May, there was an increase in sales and in a few months, figures had even surpassed those of 2019. By the end of 2020, there was even a minor increase of 0,8% in sales and according to other sources a slight 3% decrease. In both cases, the hugely resilient nature of the book industry was plain to see.

Figure 22.

Internal trade Spain 2009/2019



Source: Internal Trade figures.

Figure 23.

Internal trade shutdown 2020/2019

A monthly breakdown of figures revealed rather high increases and a highly positive Christmas campaign.

Shutdown % 2020

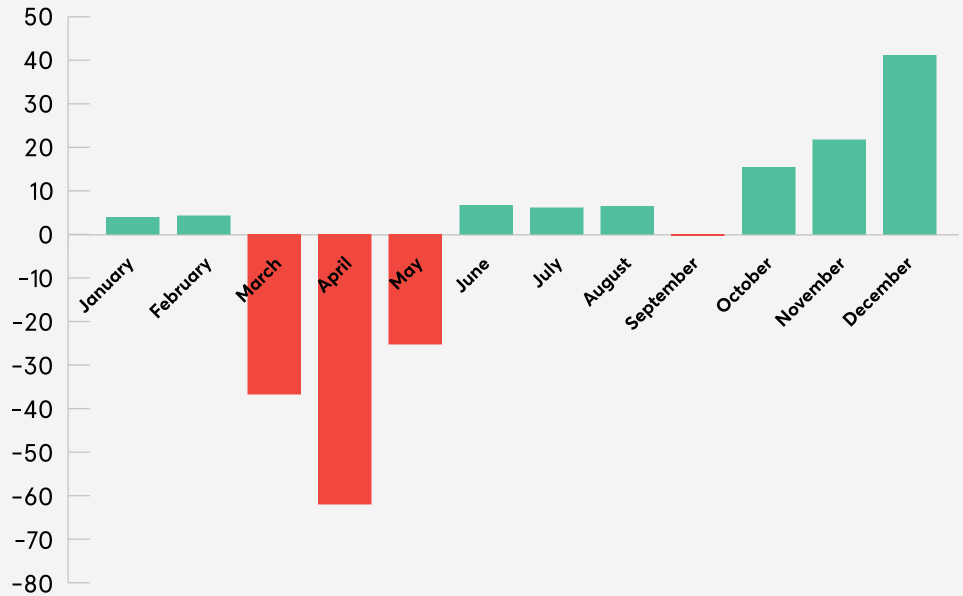
Source: 2020 internal figures in the sector

Figure 24.

Sales per month 2020/2019

Both the Spanish and main European markets experienced this solid behaviour. We are therefore faced with a phenomenon worthy of reflection. The large book markets have shown great resilience, although they have done so with significant public funds. It would therefore seem that the book world has managed to overcome the 2020 pandemic to an extent where it has actually experienced growth in many countries (or at least very slight losses).

Sales %



Source: 2020 internal figures in the sector

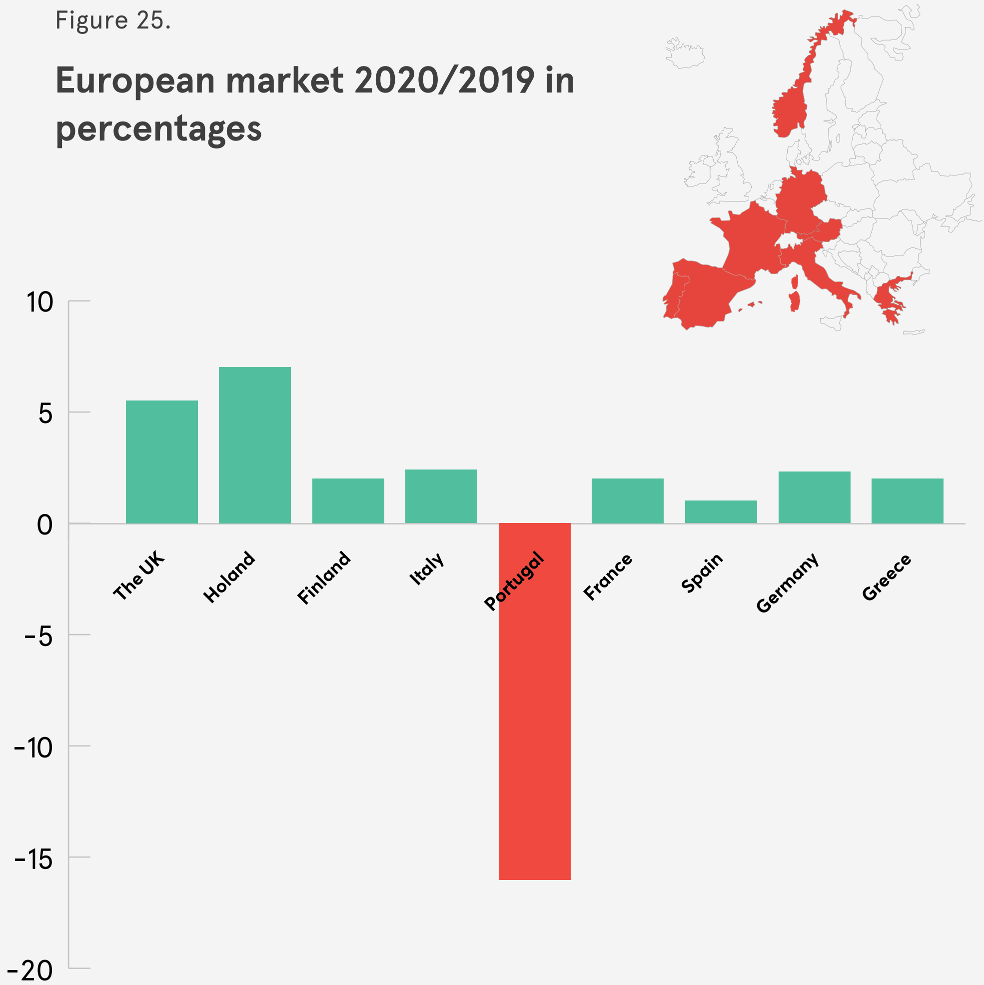
As far as Spain is concerned, there are two main reasons for the positive outcome. On the one hand, the amount of public aid (soft loans, production grants, massive purchases for libraries, etc.); and on the other hand, society's reaction on rescuing bookshops in support of local businesses.

However, the effects on the internal market were in no way related to the external market situation, which was highly affected by the deterioration of the Latin American markets. By the end of 2020, there was a 50% to 70% drop in exports. During the 2008 crisis, the US was a lifesaver for a vast number of small publishers but this crisis was different: the decline in markets in the most important Latin American countries, i.e. from 20% to 30%, confirmed predictions of a negative impact on exports, which seems to have been the case on consulting sources in the sector.

The problem in analysing Latin America lies in getting reliable figures in real time. Obtaining figures on an immediate basis is an endemic problem

Figure 25.

European market 2020/2019 in percentages



in the publishing ecosystems in that region. The figures reflected in the following graph have been secured either from newspaper articles or via informal consultations with the main Latin American importers (therefore, lacking statistic feasibility). Only the Mexican figures were obtained from a reliable source, i.e. The National Chamber for the Mexican Book Industry (CANIEM).

Figure 26.

Expected decline in foreign trade

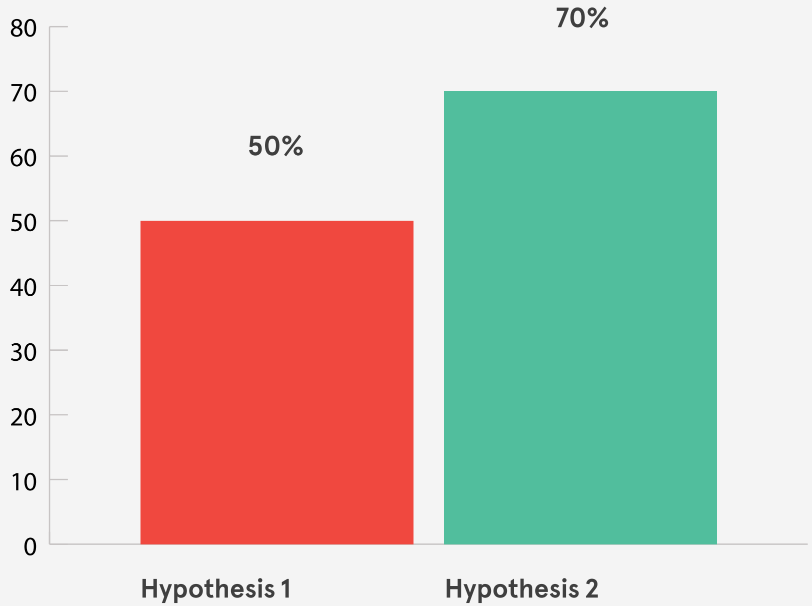
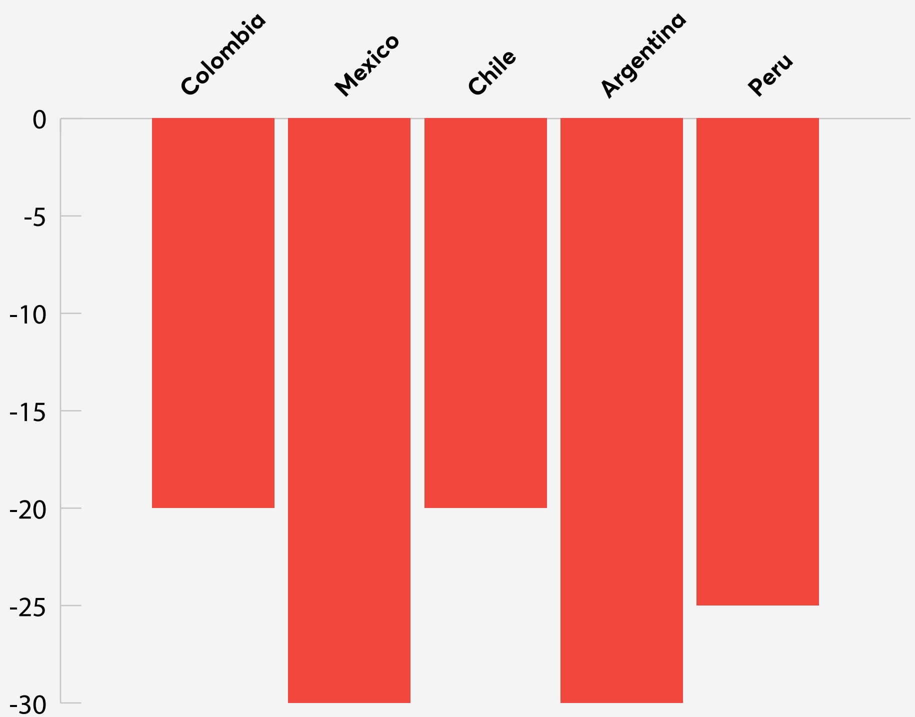


Figure 27.

Market outlook Latin America 2020/2019 in percentages



The digital boom

It goes without saying that the 2020 pandemic has had a direct impact on social habits on purchasing and consuming content. Some changes may have had a "rebound effect" or a return to Pre-Covid behaviour, whereas others will become new, embedded habits. These months have witnessed a boom in the digital world in more, let's say, established areas, such as electronic commerce for the purchase of paper, digital and audiobooks. Bearing in mind that digital reading and the purchase of books on the Internet was already highly popular, the pandemic has prompted a greater increase of those habits, thus having a significant effect on other marketing channels. Online purchasing or ecommerce has taken over from buying in shops. This year has fast-forwarded a decade in the evolution of digital conduct.

In a time characterised by the massive boom in technology and algorithms, the pandemic has introduced a factor we had almost overlooked: unpredictability[1]. The era of technical predictability was paradoxically characterised by an epidemic of uncertainty. If no industry was prepared for a crisis such as this one, the book sector might have even been a lot less. It was absorbed in structural and circumstantial predictability, with a minority of highly anonymous and fragmented businesses. The pandemic has therefore exacerbated the inefficiencies in the sector that had been observed for some time.

1. Marta García Aller, Lo imprevisible, (The unexpected) Barcelona, Planeta, 2020, p. 20.

Content consumption

Faced with restriction of movement and border controls due to the pandemic, entertainment was focused on reading and watching series. Readers purchased many books and read a considerable amount[2]. Weekly hours spent reading increased from 6 hours and 55 minutes, before lockdown in 2020, to peaks of 8 hours and 25 minutes during lockdown. Children's books and stories were the most widely read contents. This set of circumstances explains the change of scene[3]. The most significant data characterising this digital growth are as follows:

- The online purchasing of books by people aged over 25 increased by 38.4%.
- Digital book sales increased by 50%.
- Average reading time per day was 45 minutes.
- Reading via digital platforms increased by 30%.
- Audiobooks witnessed a 40% increase.
- Around 1,000,000 people a day listen to podcasts.
- Digital book lending via eBiblio experienced a 134% increase in 2020.

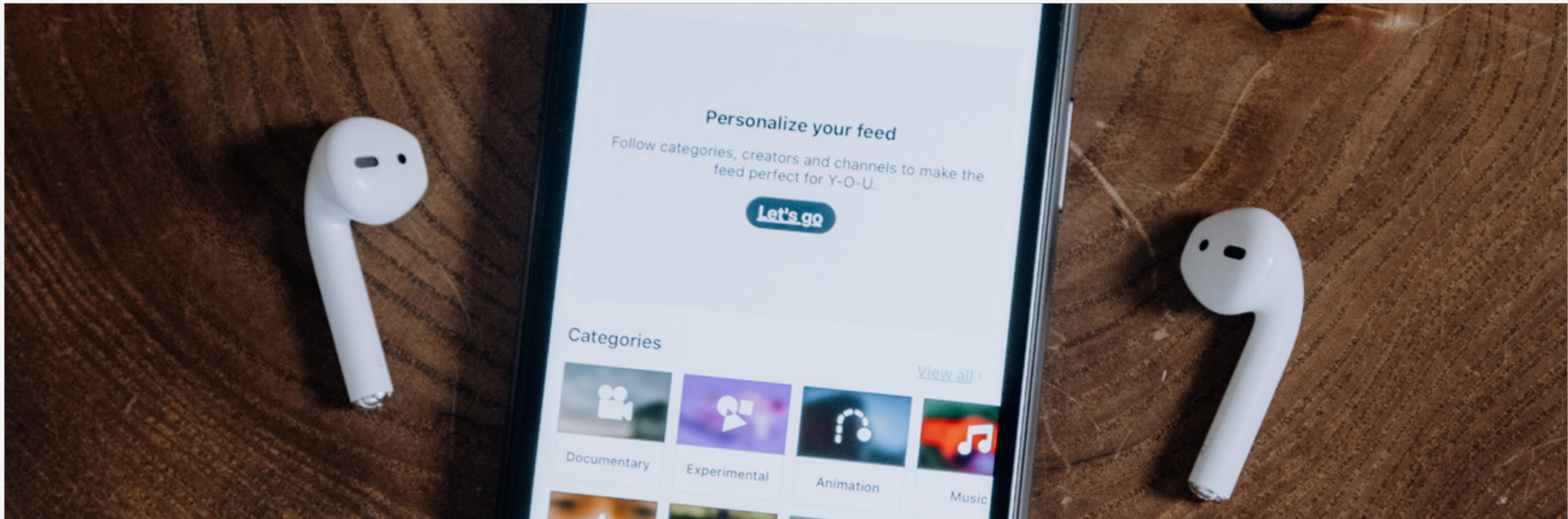
What we need to learn

These past events indicate that publishers will have to adapt to a challenge towards 4.0 publishing and that a transition to a largely digital ecosystem is inevitable. Under the circumstances, it would appear to be necessary to focus on the following issues:

2. https://www.elperiodico.com/es/ocio-y-cultura/20200420/confinamiento-dispara-ventas-libros-electronicos-7934450
3. https://www.editoresmadrid.org/wp-content/uploads/2021/02/Barometro-de-Habitos-de-Lectura-2020-FGEE.pdf

- Provide multi-format, multi-media and multi-device catalogues, with a precise emphasis on ebooks and audiobooks.
- Develop a multi-channel strategy with a solid, previously tested efficient and speedy e-commerce basis.
- Boost book visibility via communication models based on social networks and the Internet, focusing on videos and podcasts.
- Diversify printing model distribution on demand. The idea would be to sell before publishing.
- Think about dropshipping models as a way of speeding up services to readers.
- Generate marketing models for subscription platforms.
- Diversify business models for digital lending models to libraries.
- Renew human resource training in order to boost technological skills.
- Begin integrating immersive[4] 3D technologies in the production of content: virtual and augmented reality. The future of the book will probably be cross-media.
- Integrate sustainability and eco-publishing know-how to book companies to reduce the carbon footprint. It would seem reasonable to think about an eco-friendly solution to the crisis. An environmentally friendly economy that would be supportive of people would be financially feasible and highly desirable socially.

4. https://www.dosdoce.com/2020/11/19/tecnologias-inmersivas-para-las-ventas-online/



Redesigning from digitisation

The current situation, which is hugely uncertain, would be especially appropriate for a diagnosis of the sector under transformation[5]. We are faced with the evolution of a demand driven economy, rather than a supply driven one, making a digital context essential rather than selling paper. An economy focusing on access and a long tail strategy for content marketing are two elements that need to be considered.

Digitisation is leading us to a hybrid, analogical and digital marketing model, where the Internet is the basis on which to develop that strategy, along with technology and tools as fundamental marketing allies for marketing and access to readers.

Conclusion

2020 has been an inauspicious year which has confirmed certain things we could see on the horizon but hadn't quite become the DNA of industry. There is empiric confirmation of the fact that anything that can be digital will be digital and that any item that may be purchased in two clicks will be secured online. The idea that our future lies in bits instead of atoms, in an economy of attention which will inevitably reposition the book world and where we are aware that the new forms of entertainment are much more in the media and occupy space in the public's imagination. We must not fail to take advantage of this crisis as we will be faced with others and the industry must be prepared.

5. Maica Rivera, «El mundo del libro después de la pandemia», Texturas, n.º 43, p. 77, Madrid, Trama, 2020. (The Book World after the Pandemic)

4.2. Access and consumption digitisation, by Elena Neira

COVID-19 has triggered a substantial change in our consumption of cultural goods and services and the industry is still trying to assess its impact. As each month goes by in this new normality, the main trend consumers experienced during the pandemic, i.e. the digitisation of access and consumption, is becoming more and more consolidated.

The boom in digital consumption became a general trend during the first few weeks of the pandemic. The inability to do activities in the company of others, the increase in idle time which had previously been taken up with such mundane activities as getting to work or having a cup of coffee, and most of all, the need to find something to occupy hours of solitude and isolation, turned the Internet into the main escape route. This need not only have affected people with highly digitised habits, it actually set the trend for the latecomers, the digitally lazy individual, a significant segment of individuals who were very much into consuming culture in a physical format, whom the pandemic forced into connecting online. Studies to that effect are unanimous. Conclusions of global reports such as the **https://www.kantar.com/campaigns/covid-19-barometer** or the **Statista** data platform clearly reflect how the month following the declaration of the state of emergency caused a significant increase in all goods and services which could be consumed in the home, with particular emphasis on cultural goods such as movies, television and music in streaming platforms as well as ebooks audiobooks and podcasts.

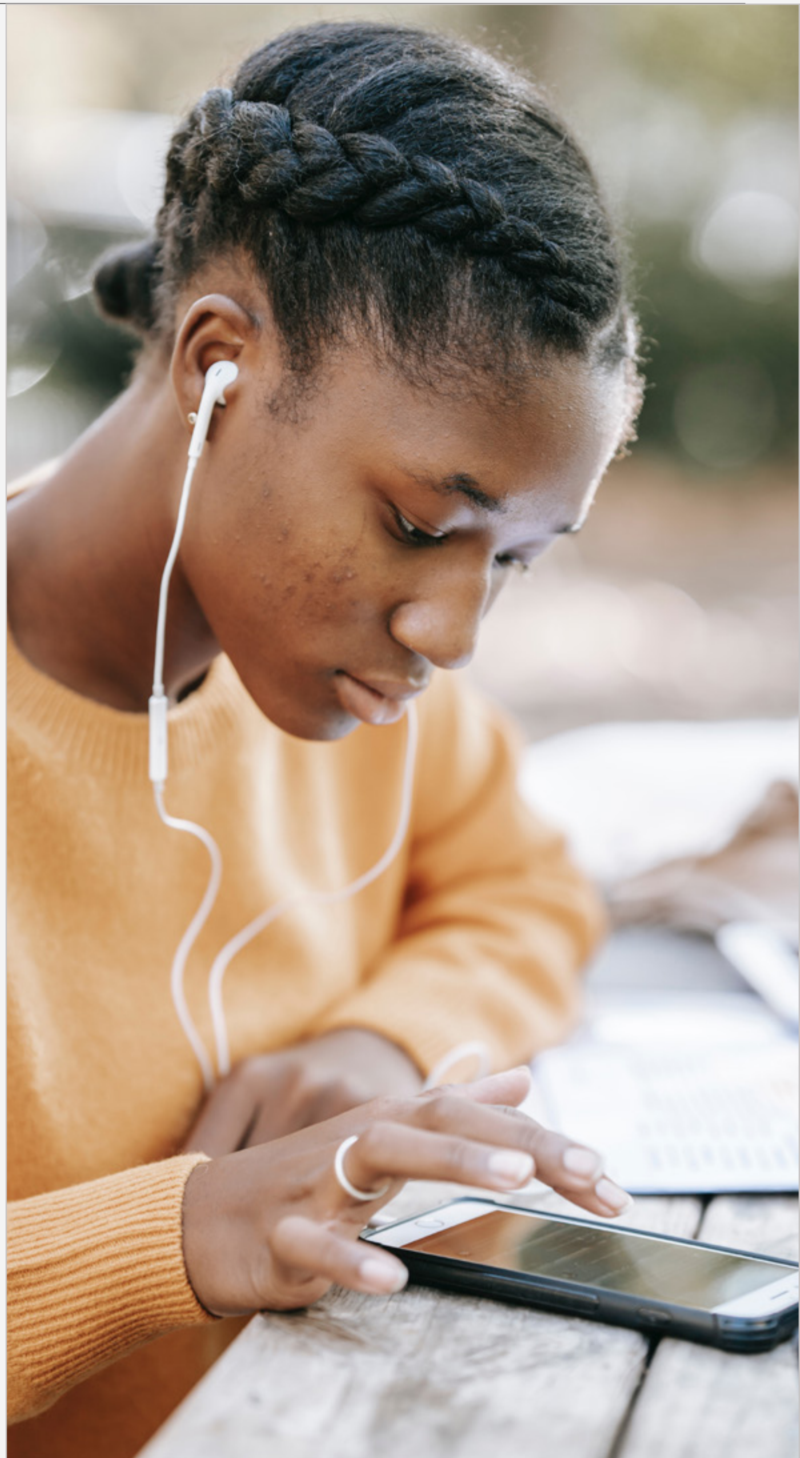
With a year of the pandemic behind us, it is becoming easier to accept claims that in time, the market would take care of reversing figures to pre-covid levels. However, nothing is further from the truth. Studies published during the lifting of restrictions show that these newly acquired habits have become more and more established. The report entitled **The Media, Entertainment and Culture Industry's Response and Role in a Society in crisis** unequivocally refers to the consolidation of digital first in many current consumption choices. This is also claimed in the report, **How a pandemic created a digital first customer**, which refers not only to the speed at which this change has occurred, but also to the incorporation of more demographic segments to digital consumption sectors which had traditionally been face-to-face. The increase in the volume of operations, due to these newly acquired digital routines (many of which had previously taken place outside the home and in a "social" context), along with the distancing measures adopted in the progressive lifting of restrictions of different centres, has discouraged a return to the previous situation. In other words, the provisional measure that retail and public spaces have been forced to take (wearing of masks and restrictions in numbers) and the consequences these entail (waiting, unending queues, access control and limited mobility) have encouraged precaution rather than consumption.

The digital market can no longer be conceived as a secondary or merely additional service: it needs to become the strategic epicentre, particularly considering the looming horizon fraught with uncertainty. The situation COVID-19 has imposed on household economies has forced services to react accordingly,

with kinder formulae for citizens strapped for cash: different price levels, combined subscription/pay per use models, packs according to family structure, etc... Consumers' infidelity is something that will have to be accepted as part of the new normal, particularly in the case of services based on subscription models. It seems clear that the freemium model will become the main gateway to customer loyalty, specially in times of financial uncertainty.

The changes society will have to face after the pandemic will, in many cases, require a complete dismantling of the offer as it stands today. Cultural content will have to react to a much more complex market, as a result of the hyper-fragmentation of audiences and anarchy in consumption trends.

The key, now and always, is to forever be in tune with consumers.



4.3. The boom in Spanish-language podcasts, by Olalla Novoa

Amidst the silence the COVID-19 pandemic has left us with during the last year, listening has been vindicated. Almost without realising it, the sound format has been filling the gaps created by the new normal in all its versions: from voice assistants and applications, to audiobooks, and particularly podcasts. This intensive and extensive use – on recurring to audio content more often and during more moments throughout the day – has been incorporated to our routines and will undoubtedly continue to grow within the next few months.

In Spain, the podcast has become a huge discovery. The market is currently in full swing. Solidly established local players, such as Podium Podcast, have been joined by the firm commitment of other big names in the audio sector, in the original productions of tools for creators and monetisation set up by Spotify and the new audio streaming platforms created by Amazon, Audible, and the Danish company Podimo, a recently created company with a brilliant career in Europe and Latin America.

These strategic movements have planted the seeds which should bear fruit throughout 2021. At the moment, the result has been a huge volume of production in Spanish and, above all, a strong boost to content quality. This translates into an essential model in forging a solid and professional industry which is already bearing fruit with recognised protagonists. We are already witnessing podcasters with a huge attraction and a significant critical mass of followers both in Spain and other Spanish-speaking countries.

But none of this would have been possible without a change of attitude by Spanish consumers, a change which seemed very distant a few years ago in a willingness to pay for content. This change in attitude began with audiovisual platforms, followed by online means of communication, now consolidated in the audio sector via users who seem to be ready for a subscription market.

A flexible and varied format

Users have discovered that the podcast format is tremendously versatile, perfect for uncertainty in the new normal. According to the second study on voice and audio in Spain, drawn up by Prodigioso Volcán and SEIM (II Estudio de voz y audio en España elaborado por Prodigioso Volcán y SEIM) 'Con P de pandemia pódcast', (P for pandemic podcast) 47.1% of Internet users listen to podcasts, 6% more than the previous year. Not only are podcasts more popular, the frequency with which they are used has also increased and almost 17% listen to them at least once a week. Most listeners – a majority of 80%, do so via their mobile phones.

Unlike audiobooks, which are subject to the requirements of the original literary work, podcasts can include almost anything that is a digital audio file, on a periodic basis and asynchronous, on-demand consumption. Whether the format is fictional or non fictional, conversational or narrative, a micro cast

or three hours in length, it is a malleable format which allows for very different products which adapt like a glove to diverse audiences and a multitude of listening conditions.

Figures show how the podcast, which has often been seen as a resource for moments of transition, is mainly listened to at home while doing other activities, either housework or work-related tasks. In other words, it is present practically throughout the whole day along with other types of situations.

This accessibility makes it an excellent channel for reaching new audiences, especially younger generations, who have made on-demand digital content their main source of entertainment and information. With a well-designed strategy, it is easy to broadcast via audio platforms with the most appropriate segments of interest and once there, publicise a brand and create a link which can later be nourished with new products. However, it is a long-term commitment which will have to be maintained over time, until the desired results are seen, in conjunction with an appropriate communication plan.

The podcast is a natural gateway to other audio content, such as the audiobook, paving the way for the presentation of a valued proposal where the audience is. With affordable costs and, in some cases, practically real-time production, the podcast offers endless possibilities: from a space for the testing of interests or topics, to a loudspeaker for our authors, a tool for the creation of community or an open window for the discovery and mainstreaming of audio content.

In the new streaming platforms, podcasts and audiobooks coexist in the same space, making it easy to transfer from one format to the other at the drop of a hat. It even opens the door to hybrids where the audiobook, conveniently segmented into episodes, is offered as if it were a podcast, published at a certain frequency, along with texts including other related content that enriches the listener's experience. The options are limitless: from recovering back catalogue thanks to controversial news hooks, to creating `spin offs' of podcasts based on successful audiobooks or showing the "making of" and recording of bestsellers that will whet the listener's appetite for later listening.

So now you know - it's time to seize the day. All you need is drive, creativity and to patiently reap your rewards after sowing the seeds

4.4. The future of book fairs, by Rubén Padilla

Days after having worked at FIL Guadalajara for ten years, I was invited to write about the future of book fairs, one of my major concerns in these unusual times. I am very grateful for the invitation, as I believe it is necessary to analyse where and how these gatherings will take place to adapt to inevitable changes, and I share my opinion after reading what others have said about the subject at various events around the world.

Book fairs are, on the one hand, commercial platforms that serve as mechanisms for the publishing industry; on the other hand, they are great cultural events to promote books and reading. In any of their forms (for professionals, the general public and both) they are the ideal means of connecting publishing products and services to readers. My point of view refers to the industry, whose main objective is to guarantee dynamic spaces where book professionals from as many countries as possible can come together to provide multiple commercial opportunities and offer training activities (forums, congresses, workshops, conferences, etc.) aimed at the development of the publishing sector.

The onset of the virus last year prompted these events, unfamiliar with virtual formats, to find themselves in a "bad way". The experience of a book fair was practically intended to be face-to-face, without much consideration for those unable (for whatever reasons) to travel. The situation forced them into the virtual format, some of which had very little time and/or resources to create a satisfactory virtual experience and others with more, although all sharing a common denominator: offering free content and registration in the hope of getting back to "normal" in future fairs.

Under the circumstances, it is essential to assess the results of these experiences and I fear they are not very encouraging. While there were numerous visits to remote activities and the range of digital format was enormous, in terms of business the general feeling was not optimistic because trading capacity was rather low. Registration and participation rates were well below average, whereas it had been hoped that there would be contact with people, fully scheduled meetings, walks around aisles to find out what was new, which was not the case in 2020.

However, the main challenge for book fairs is to generate resources that will guarantee that they are workable. The main profits were obtained from the rental of fair premises as well as the entrance fees, sponsorships and government support. The whole arrangement will have to be reconsidered in order to diversify fee income in its hybrid form. It will be necessary to use strategies that contemplate digital services at lower charges although with the possibility of reaching more people. This also implies the optimisation of more limited resources, a possible reduction of support and incentives, and prioritising actions through constant communication with the members of the book production chain. It is essential to establish greater and better communication links to ascertain what is needed, what works and what doesn't, and to make the necessary adjustments for an optimal balance.

Another characteristic that will be forever different in relation to fairs is the time factor. They will no longer be limited to certain dates, but will have a continuous presence throughout the year. This advantage of the virtual format allows for different activities that strengthen relationships with professionals, such as roundtables between different sectors of the industry, podcasts or presentations of products and/or services, to name but a few.

In conclusion, there is a serious risk for book fairs if failure to ensure the face-to-face element of the fair is prolonged for too long. In the medium term, it will mean a reduction in size and numbers, with a stronger focus on regional markets and less international presence, until financial issues gradually recover (fingers crossed) to pre-Covid levels. Creativity and innovation will have to be drawn upon to offer events that can compete with the large supply of existing content. From now on, fairs will always be hybrid, with options for those who cannot be physically present but want to take part. However, the greatest benefits will be experienced by those who attend in person – fortunately, there is as yet no digital way of replacing human contact.

Since the publishing industry is fragile and rather reluctant to change, in my view, it is not experiencing its best moments (like many other sectors) due to the crisis generated by the pandemic. However, in the words of the dear editor Valeria Bergalli in the last virtual edition of FIL Guadalajara, "The industry yes, is fragile, very weak, but (...) the book is very strong...", so this will undoubtedly be yet another battle to be waged.

4.5 The Demand for Spanish-language books continues to grow in the US, by Ed Nawotka

The potential of the Spanish-language book market in the United States is relentlessly on the increase. The US Census Bureau estimates that there are as many as 60 million Spanish speakers in the country. But unlike other large Spanish-speaking markets, such as Spain, Mexico and Argentina, Spanish speakers in the United States are not a homogeneous group, but rather a melting pot of people from all over Latin America and the Caribbean, as well as Spain. They speak with their individual dialect and have different cultural references and preferences from their country of origin. Many are second-generation immigrants who do not use Spanish as their primary means of communication.

These peculiarities of the US Hispanic market make it difficult to predict book sales for Spanish-language titles, whether in print, digital or audio format. "Yes, there may be 60,000,000 Hispanics, but they all have different levels of cultural integration in the United States, and that's something no one has been able to measure," says Sylvia Matute, president of Penguin Random House Español, the North American division of Penguin Random House in Spanish, based in Miami, with another office in New York. "There is a difference, for example, between those who speak Spanish at home and those who read Spanish. People born here tend to read mainly in English, unless they read Spanish at school."

Even so, PRH believes in the potential of the US Hispanic market and expects double-digit sales growth. The company is increasing the number of original titles to be published per year to 100. These will include fiction, non-fiction, religion, as well as titles by Spanish-language social media influencers whose books in recent years have topped bestseller lists in Mexico and South America. One of the company's most important titles was the book "Santo Remedio" by TV star and cardiologist Dr. Juan Rivera, a healthcare book that has sold over 200,000 copies.

In fact, to meet growing demand in the US, PRH's Miami office, which was set up in 2014 after PRH's acquisition of Santillana, has been selecting around 700 titles each year from the more than 3,000 books published in Spanish by PRH's various branches across Spanish-speaking countries, from Argentina, Chile, Colombia and Mexico to Spain. These books are imported or printed in the U.S. In total, the Miami branch offers a catalogue of 4,000 titles in the U.S. market.

"We try to publish or distribute both our original publications and imported titles simultaneously in English and Spanish as often as possible, as a way of aligning our marketing and promotional efforts in the US with the rest of the world," says Matute. Likewise, the digital version (e-books) of almost the entire list of PRH books in Spanish from around the world are available in the US through distributors, providing we have worldwide rights to the book," Matute says. But audiobooks are a different matter. While sales of this format are among the fastest growing in the publishing sector, the different accents and colloquialisms, which vary greatly from country to country, make distribution of imported titles a challenge. "With the audio version, we often collaborate with our team in Mexico on production," says Matute. "The largest group of Hispanics in the United States is Mexican, and the Mexican accent works

best for us, as it's sometimes considered the most neutral."

Several book distributors also compete for the Spanish-language book market in the United States. Lectorum, established 60 years ago and based in New Jersey, is the oldest and largest distributor in the country. The company imports between 25,000 and 30,000 Spanish-language titles from around the world and is a major supplier of Spanish-language books to schools. This distribution platform is also a publisher with a backlist of 200 titles, many of which are Spanish translations of classic children's books, such as Gracias a Winn-Dixie (Thanks to Winn-Dixie), by Kate DiCamillo, which sold 16,000 copies last year.

Alex Correa, CEO of Lectorum, estimates that his company is working with about 80 to 100 Spanish publishers. "Our competitive advantage is that we are still the largest and best supplier of Spanish-language books in the United States," he says. "We always travel to book fairs looking for titles from new and upcoming publishers that no one else has. Guadalajara is the most important fair, and then there's Liber in Spain, Filbo in Bogotá and the Buenos Aires Book Fair. We can add five to six new publishers every year."

Schools account for 60% of Lectorum's business, and children's books account for 70% to 75% of total sales, making it the fastest growing segment for the company over the past 10 years. But with so many schools and libraries closed due to the Covid-19 pandemic and various supply chain disruptions, Correa admits that the company had to make some changes to its approach in 2020 to focus on e-books.

Correa had begun discussions in January 2020 to offer e-book packages of Spanish-language children's books from publishers such as MakeMake of Colombia. In the midst of the pandemic, he was able to launch the service in just a few months. Since then, Lectorum has reached agreements with library networks in Austin, Boston, and Los Angeles, as well as five school districts to offer Spanish-language e-books.

Another important book distributor for Spanish-language books in the United States is the Chicago-based IPG platform, which has a Spanish-language division that distributes approximately 8,000 Spanish-language titles published by 40 publishers, mostly from Spain and Mexico. IPG has also seen the pandemic increase demand for digital publishing solutions through print-on-demand in the U.S., as many publishers were having difficulty shipping paper books there. Kelsey Wayne Mrjoian, director of IPG's Spanish distribution programme, says publishers in Spain are only now realising that they need to increase their presence in the digital book market in the event of problems with the print supply chain and difficulties with physical purchasing. "It has been a challenge for some publishers to be quickly granted digital rights to create and distribute e-books," she claims.

The growth of IPG's Spanish division has been driven by an interest in children's and young adult's publications, which have been the highest in demand in recent years. Mrjoian points out that more and more schools are offering language learning courses and there is greater demand for children's books and graphic novels from adults learning foreign languages.

Echoing PRHE's Matute, Mrjoian also points out that the country's Spanish-speaking population is diverse and widespread. While there is a steady demand for Spanish-language books in parts of the country with large Spanish-speaking populations, such as Arizona, California, Colorado and Texas, as well as Chicago and New York City, orders for Spanish-language books are coming from all corners of the United States. "Spanish is being incorporated into schools at an earlier age and in more areas of the United States," she says. This growing trend is encouraging IPG to develop a broader and more diverse catalogue of Spanish-language titles for children.

It is not only children's books that enjoy strong demand in this market, several smaller publishers, many of which are literary and international, have also noticed a growing interest in the market and have begun publishing books simultaneously in Spanish and English in the U.S. Publishers such as Literal Publishing, based in Houston, Texas, Editorial Argonáutica, in Monterrey, Mexico and Charco Press, in Edinburgh, Scotland, among others.

In turn, major ebook and audiobook retailers such as Amazon, Barnes & Noble, Apple and Google are finding more initiatives to focus on Spanish-language ebooks. On the other hand, the platform Scribd, which offers ebooks, audiobooks and magazines through a subscription model, expanded its Spanish-language catalogue by 40% last year, offering more than 85,000 premium titles in Spanish.

Other recent developments include the launch of BookaVivo, a new Spanish-language audio unit by Recorded Books' audiobook publisher RBmedia. This initiative will accommodate Booka's Spanish-language audiobook publishing business, which was recently acquired by Rbmedia, as well as all new Spanish-language titles produced by RBmedia.

Ed Nawotka is an international and bookselling editor. He is editor of the international section of the leading US publishing trade magazine Publishers Weekly.

5.

Report credits

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Bookwire & "Bookwire OS – One Solution"

Digital service provider Bookwire GMbH was founded in Frankfurt, Germany, in 2010 as a service provider for publisher distribution of ebooks and digital content. Since then it has become of the leading international companies in digital publication technology.

It currently employs 100 members of staff in Germany, the UK, Spain, Brazil, the US and Mexico managing over 2,000 publishers in the ebook, audiobook and low-demand printing sectors. Around 500,000 ebooks and 100,000 audiobooks are analysed, marketed and distributed in all the relevant delivery channels via the innovative "Bookwire OS – One Solution" software, launched in 2019.

Bookwire GmbH's customers rely on the latest technology in customer analysis, pricing, etc., as well as on the individual support of account and marketing managers who provide continuous customer care.

In 2019, the company received the first "Digital Publishing Award" in the B2B solutions sector for its audiobook production solution "We Audiobook You" (WAY).

Bookwire GmbH is run by founders Jens Klingelhöfer and John Ruhrmann. In addition to the company's headquarters in Frankfurt am Main, it also has branches in Barcelona (Spain), London (Great Britain), Mexico City (Mexico), New York (USA) and São Paulo (Brazil).

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