2020.

Rüdiger
Wischenbart

the digital consumer book barometer.

„Covid-19 Special Edition“

A Bookwire Insights Report

The Virus and the Books

Measuring the impact of Covid-19 and lockdown on digital consumer book and audiobook sales and consumption in Germany, Austria and Switzerland (DACH)

When much of public as well as private lives were turned upside down by efforts to contain the SARS-CoV-2 pandemic in early 2020, consumers of all strands directly or indirectly shifted many of their habits and routines.

The aim of this report, which uses the methodology developed for the **Digital Consumer Book Barometer**, is to present and discuss a set of detailed charts on how this affected the consumption of ebooks and audiobooks in Germany, as seen through the lens of data from a major digital distributor and aggregator, Bookwire. (www.bookwire.de)

Unsurprisingly, when bookstores in Germany had to close in mid March, digital sales and ongoing consumption (e.g. consumption in flat subscription models) of ebooks and audiobooks saw a significant upswing, which at least partly cooled off once physical retail resumed largely normal operations six weeks later, in late April.

The learnings from this **Covid-19 Special** not only allow to better understand what happened in a genuinely extraordinary market situation. It also highlights how a mix of external factors – the impact from the anti-pandemic policies – and marketing actions from publishers and retailers could eventually support their businesses to navigate the crisis.

These insights are of significant value for anyone in the book business to better frame, market and distribute their offerings. It helps to gain a robust understanding of how to leverage digital in all its various formats (ebooks, audiobooks), and commercial models (like download sales, as well as ongoing ways of distribution to end-consumers, like subscriptions, consumption in flat subscription models or library loans).

By looking systematically into the data, it quickly became clear that digital consumer books have huge and often untapped potential between the popular digital genres like romance, thrillers or general fiction.

But each format, and genre, have each highly specific sweet spots and preferred consumption models - which can be pushed successfully by respective targeted marketing campaigns.

Whenever publishers and retailers, ideally in tandem, follow those insights, new audiences will be reached to their satisfaction, and sustainable additional income will be generated to the benefit of authors as well as vendors.

Acknowledgements

This Covid-19 Special analyses data provided by the digital distributor and aggregator Bookwire, a dedicated sponsor of the Barometer and the Global eBook series for many years. The data for the current study have been prepared specifically by Svenja Rohr of Bookwire, with visuals developed by Rosa Egg for the Digital Barometer, and editorial support by Michaela Anna Fleischhacker of Content and Consulting.

For more charts and analysis, based on a much wider range of data providers and international publishing markets – including Canada (French speaking), Germany, Italy, Spain and Latin America (Brazil, Mexico), check out the Digital Consumer Book Barometer 2020 at

www.global-ebook.com

Rüdiger Wischenbart
Vienna, in July 2020

6 Key Findings

Learnings from the Covid-19 Special by format, model and marketing strategy:

1. Ebooks have a much higher potential for growth impulses than what has been discussed in recent years.

2. Gains are not at all limited to popular „genre fiction“ (e.g. romance), but driven by targeted efforts, juvenile + young adult literature, or nonfiction ‚can fly‘ just as well.

3. In audiobooks in particular, juvenile & young adult as well as 4al nonfiction still have huge potential for growth.

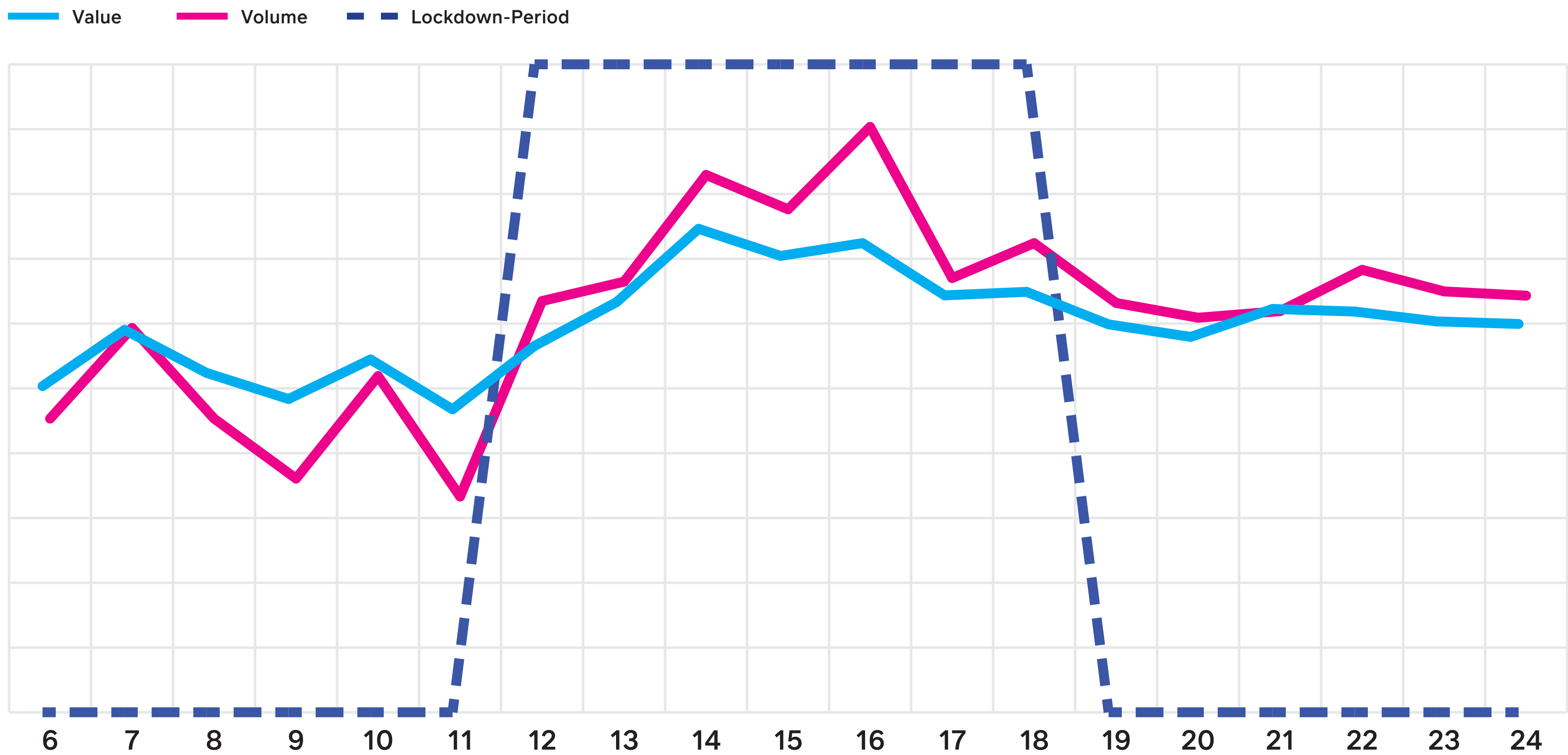
4. Successfully pushing various genre categories requires strong, precisely targeted & coordinated marketing campaigns by publishers and retail in tandem. This applies to both ebooks and audiobooks.

5. The scope of achievable gains from such campaigns is outstanding.

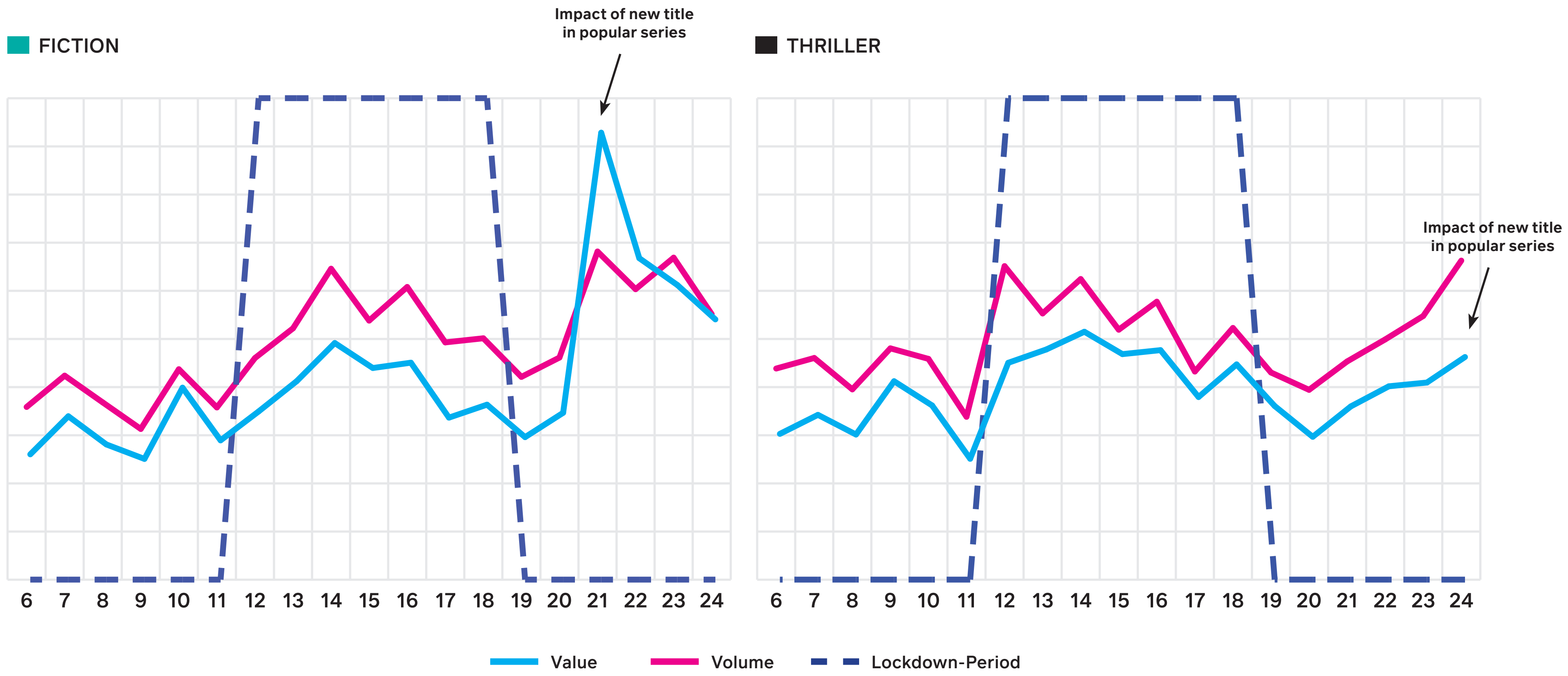
6. In case of audiobooks, consumption in flat-subscription models appears to be a much more sustainable growth bringer than download sales.

Ebook sales have seen continuous growth (in vol. + value) before, during and after lockdown > Proof of potential for expanding digital sales and taking advantage of contextual opportunities

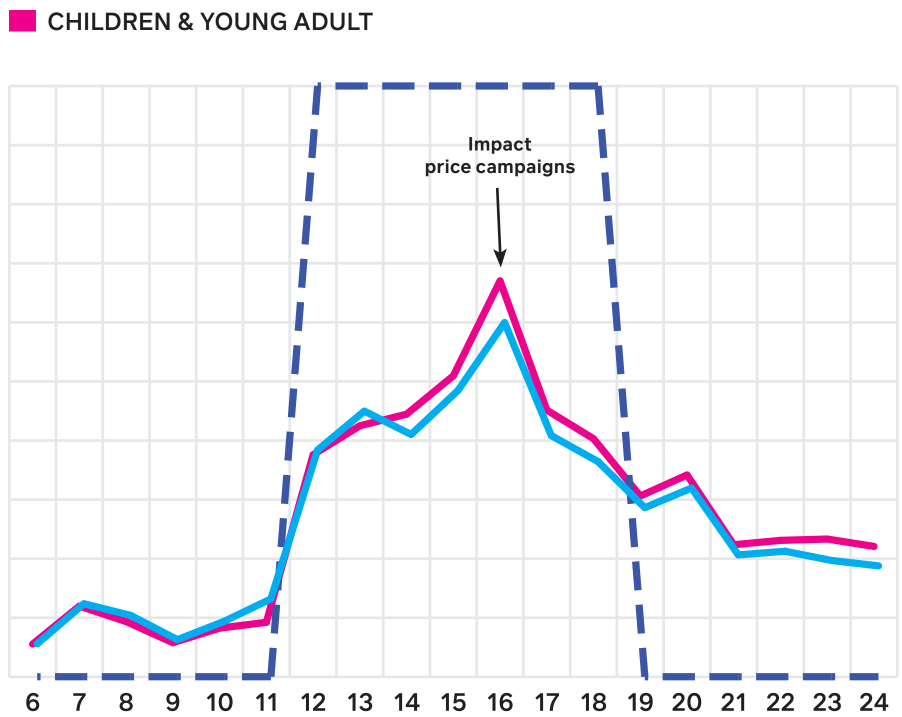
Germany + Austria + Switzerland (DACH)| E-Book | Development of sales by volume and value, in weeks before, during and after lockdown

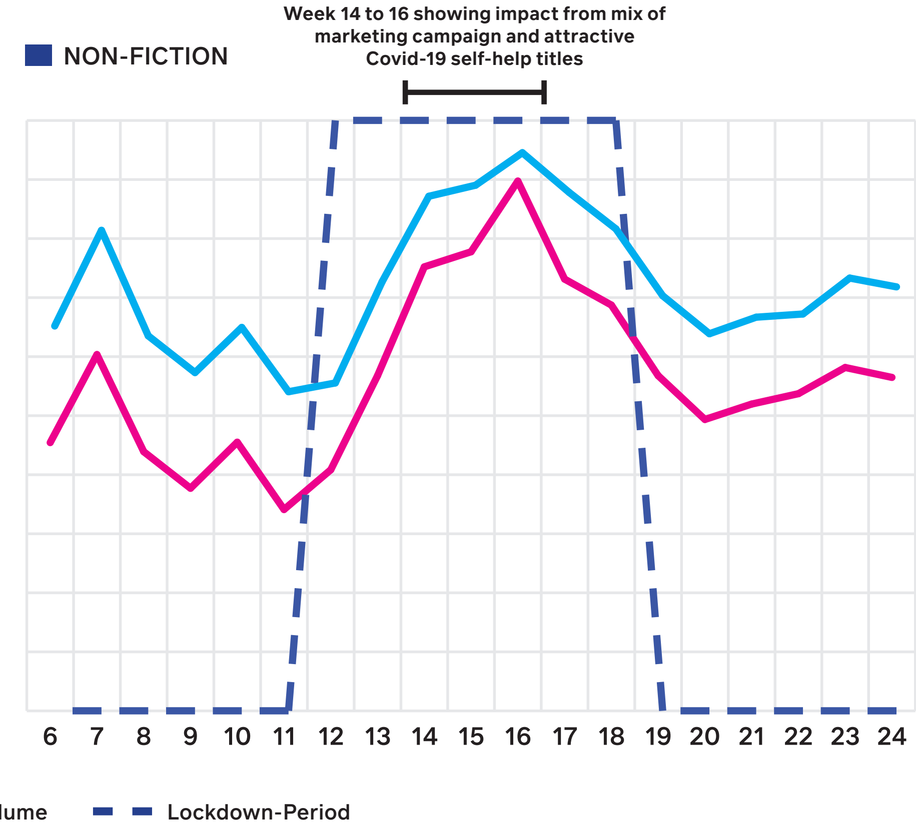


Contrary to conventional wisdom, ebook sales are not predominent about „genre fiction“ – general fiction + thriller performed strongly, while romance as the usually best highlighted genre performed relatively poorly.

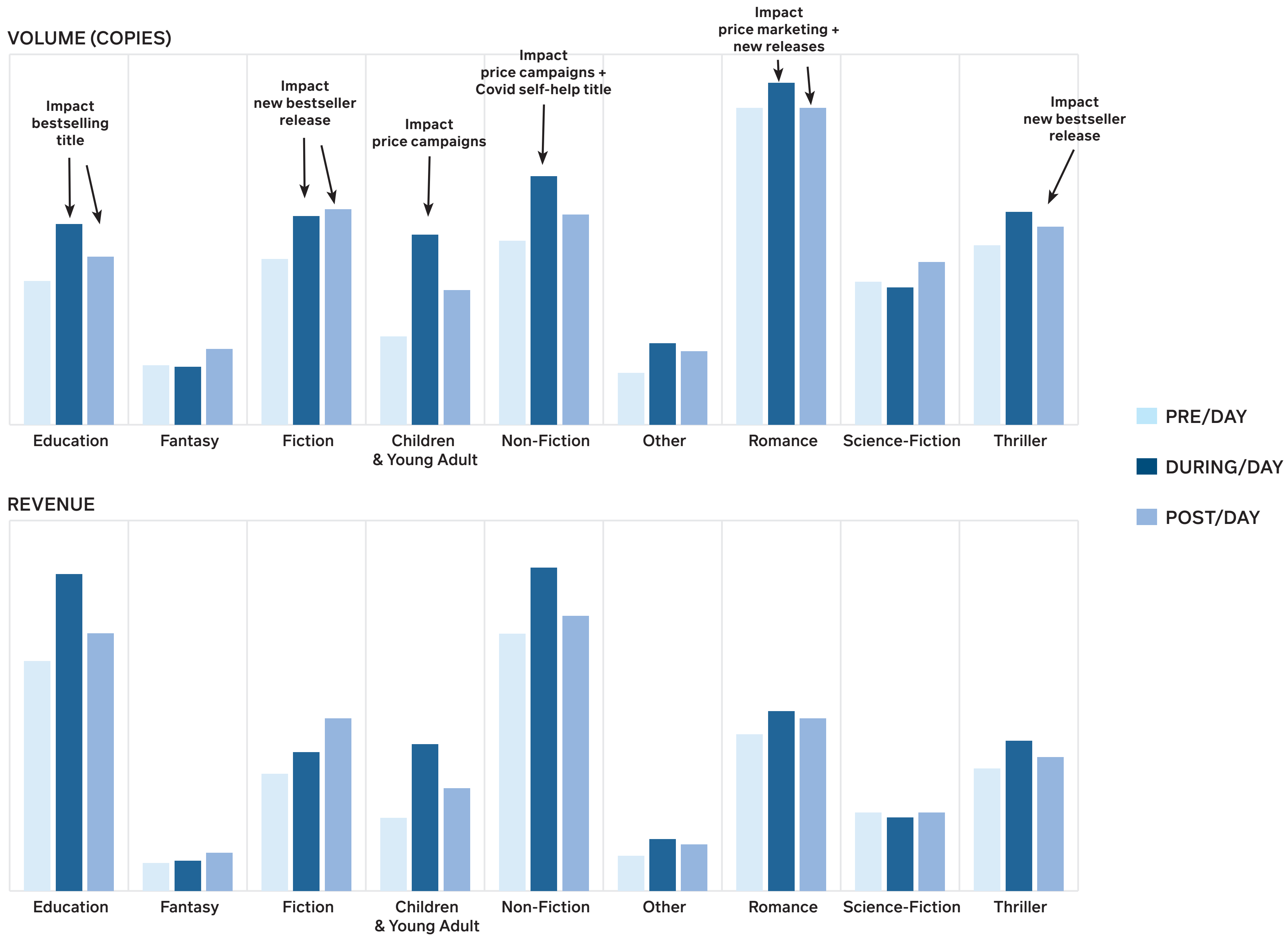


Juvenile & Young adult and nonfiction showed outstanding performance > these are clear indicators for previously not fully explored opportunities in digital. Direct impact of dedicated marketing campaigns!





A comparison, by volume and by value, of ebook sales pre-, during and post lockdown underline the significant differences between genre categories, hinting at opportunities from more specific, dedicated marketing efforts.



Managing the mix

Creating sustainable gain in both ebooks and audiobooks, by reinforcing beneficial opportunities

Most attention went to the initial sales impulses during the initial days in the Covid-19 lockdown period. Indeed, the surge in ebooks was spectacular, and more then welcome to compensate for losses from closed physical stores.

The more relevant moment in a strategic perspective though is probably what happened once the lockdown had ended. In fact, launches of new titles plus specific marketing efforts succeeded in keeping a level of higher download sales in ebooks, in both volume (copies) and value (revenue).

The scope varies however greatly by genre category. Here in particular, children and young adult fiction hint at a largely undervalued category in digital consumer books before the crisis. This can be seen as a promise for even further gains, provided growth drivers continue to get steam.

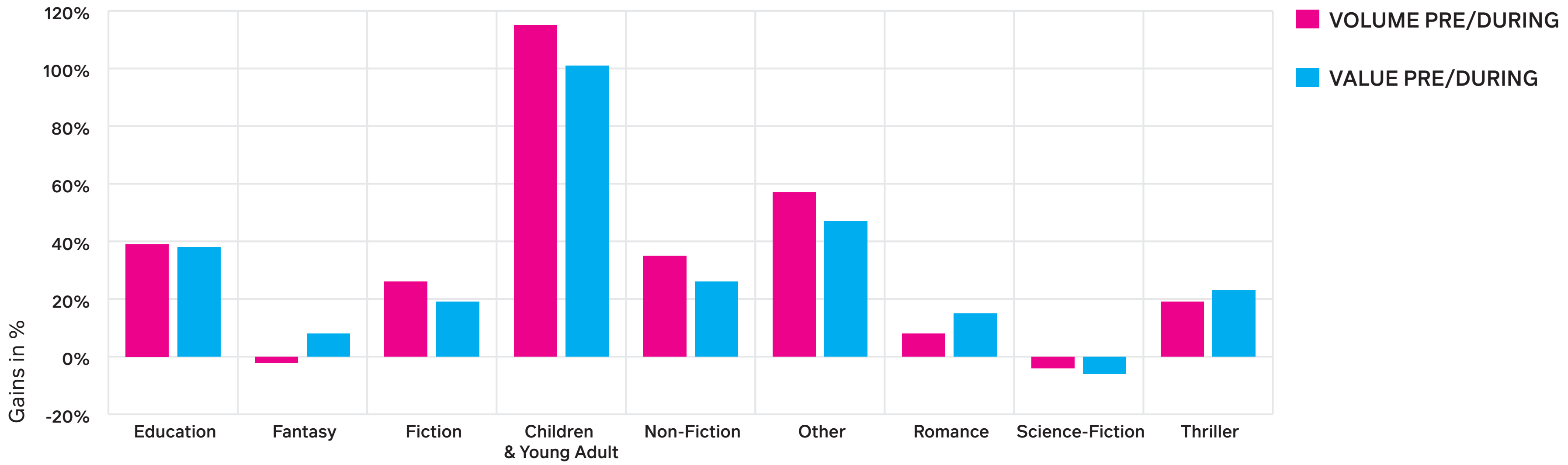
While the biggest ebook retailers saw the most massive increases, even the broad average was a third higher post lockdown than before the crisis had hit.

In audiobooks, a remarkable gap opens between on the one hand short lived gains in opportunistic download sales right after the start of the lockdown and on the other hand the much more sustainable longer term increase in consumed audio consumption in flat subscription models in flat-subscription models. We assume that similar patterns will emerge once that data will become available for other models of ongoing consumption, like subscription and library loans.

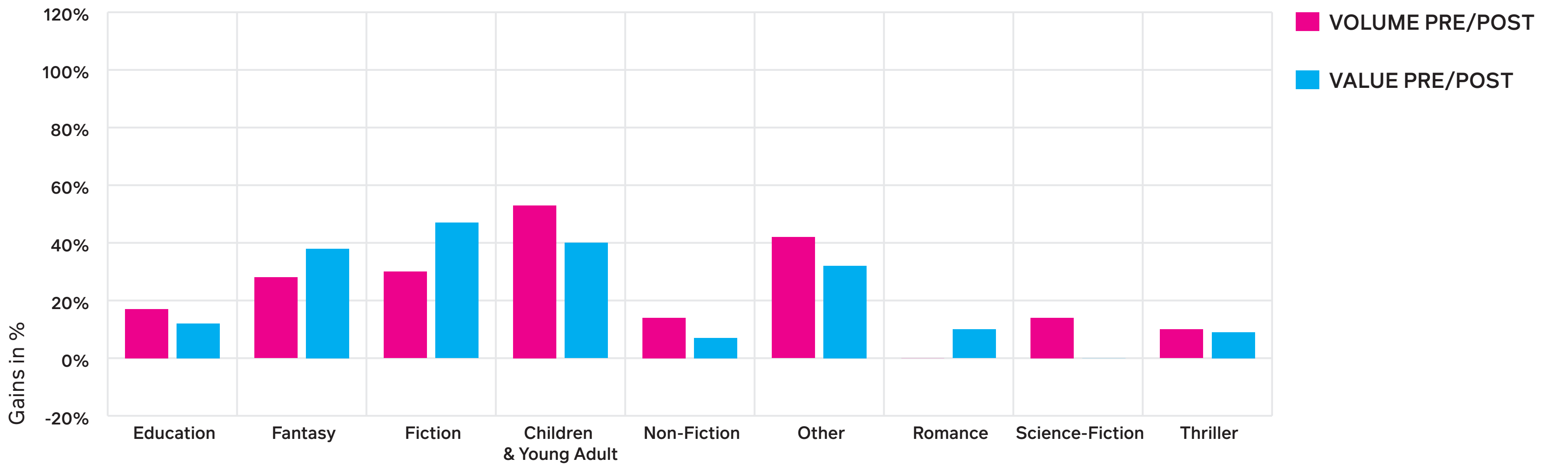
This can be explored by publishers and retailers in new, closely monitored strategies of incremental marketing, kicking-off titles with an initial wave of download sales, which thereafter is prolonged, in a subsequent second phase, by promoting subscription, flat-subscription, and library loans.

Comparing short term vs. long term gains by ebook category > Compare with previous charts for change driver

Pre vs. during lockdown
Short-term gains in volume (copies) and revenue (daily average) by genre category

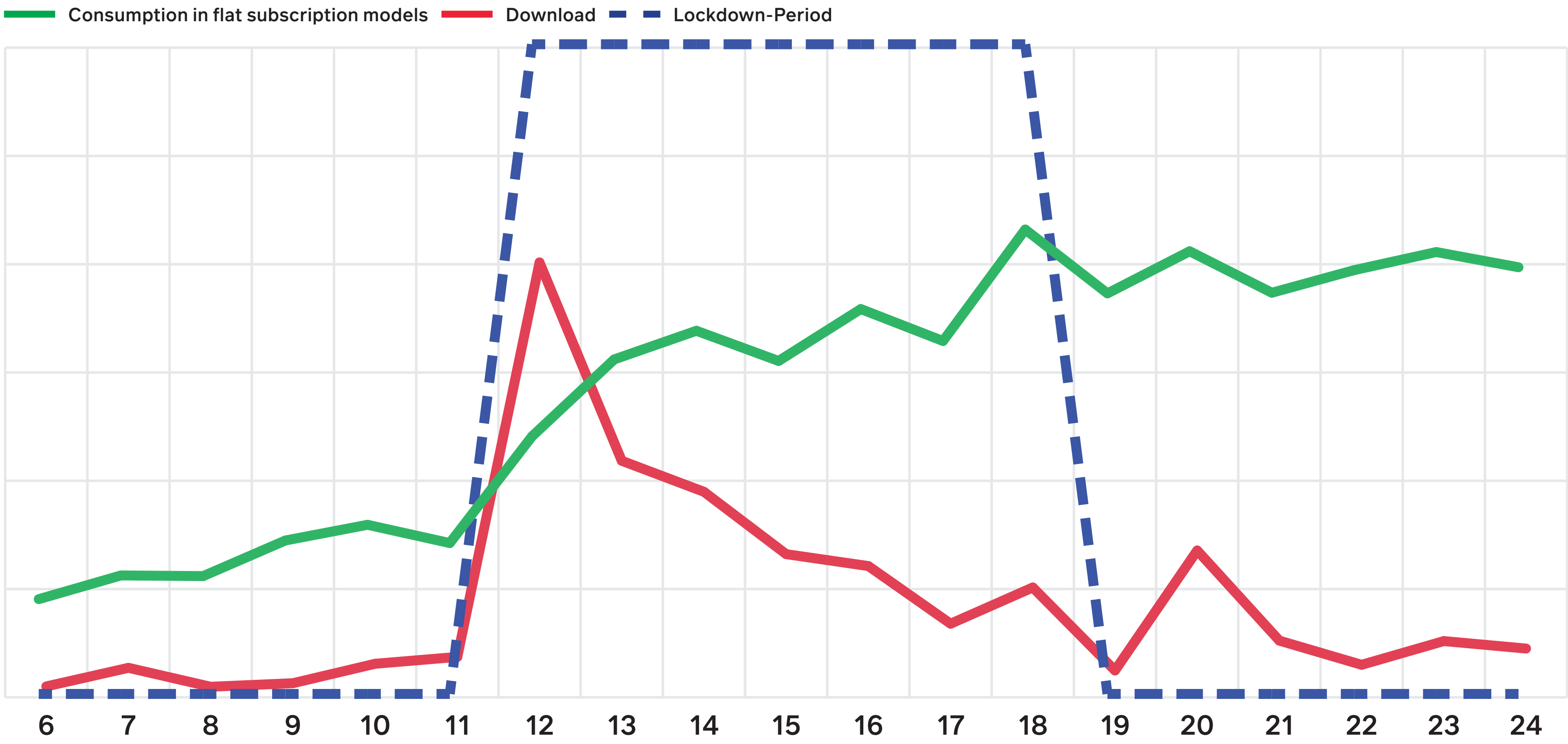


Pre vs. Post lockdown
Long-term gains in volume (copies) and revenue (daily average) by genre category



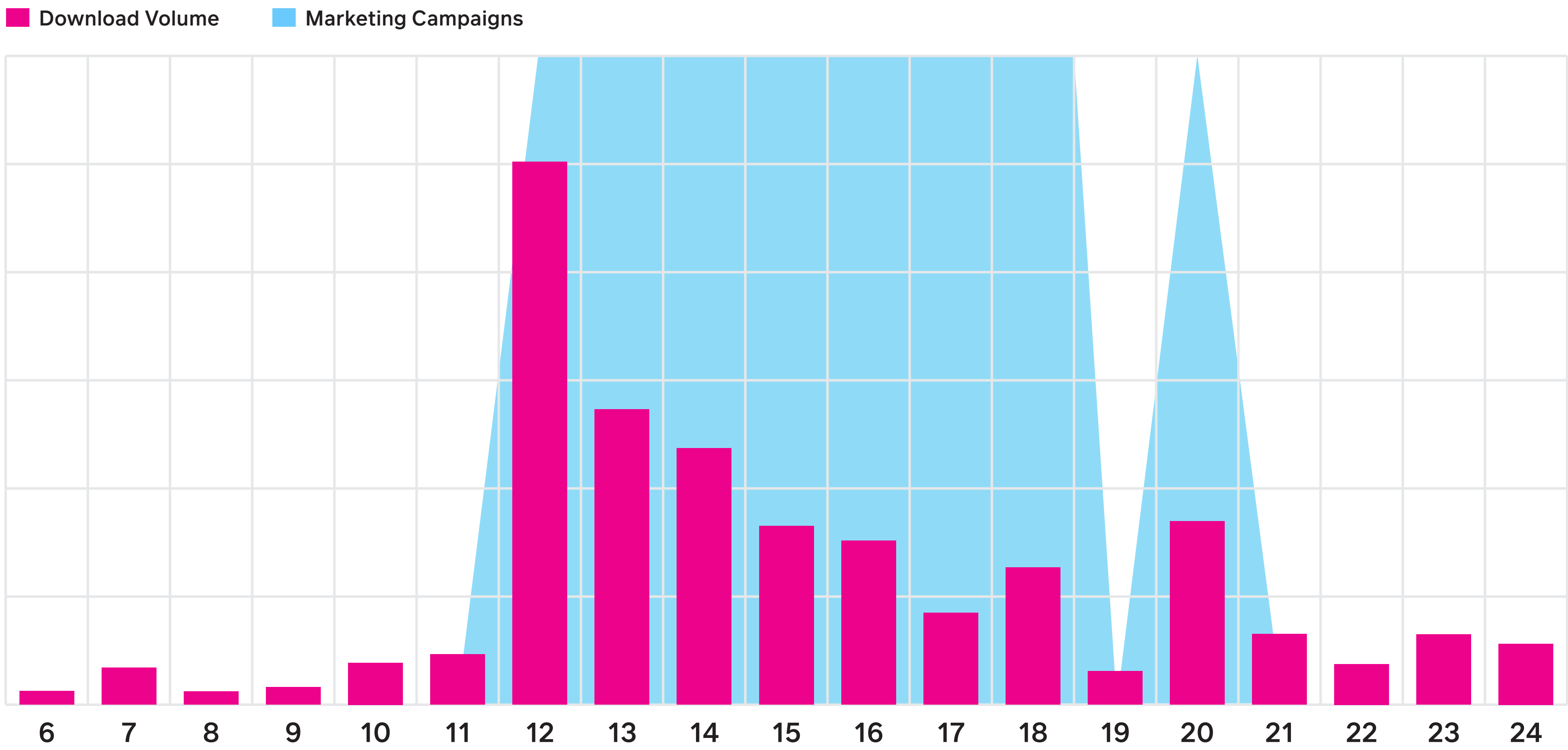
In audiobooks, consumption in flat subscription models turned out to be exemplary in producing steady and lasting growth, while downloads – while overall increasing – lost much of its instantanuous strength after the early days of lockdown.

Audiobook download sales vs. consumption in flat subscription models pre, during and post lockdown



Even in audio download sales, a combination of contextual opportunities (e.g. lockdown – or otherwise season, events, cross-media launches) with strong marketing campaigns by retailers, backed up by publishers (e.g. w/ pricing) can create strong sales impulses!

Impact of marketing campaigns on audio download sales (volume, or copies)



Identifying under-explored potentials

Building an incremental digital marketing strategy

The “temperature curves” by genre category and by distribution model – juxtaposing ongoing (e.g. consumption in flat subscription models) versus single purchase (or download sales) summarizes the previous observations nicely.

Gains in content for younger audiences is clearly the most spectacular trend accelerated by the pandemic and the lockdown.

The expansion of educational content seems to be modest at first, at least in a direct comparison with juvenile literature. But with gains between 16% and 65% pre- versus post lockdown, can certainly be seen as a huge promise for the time ahead.

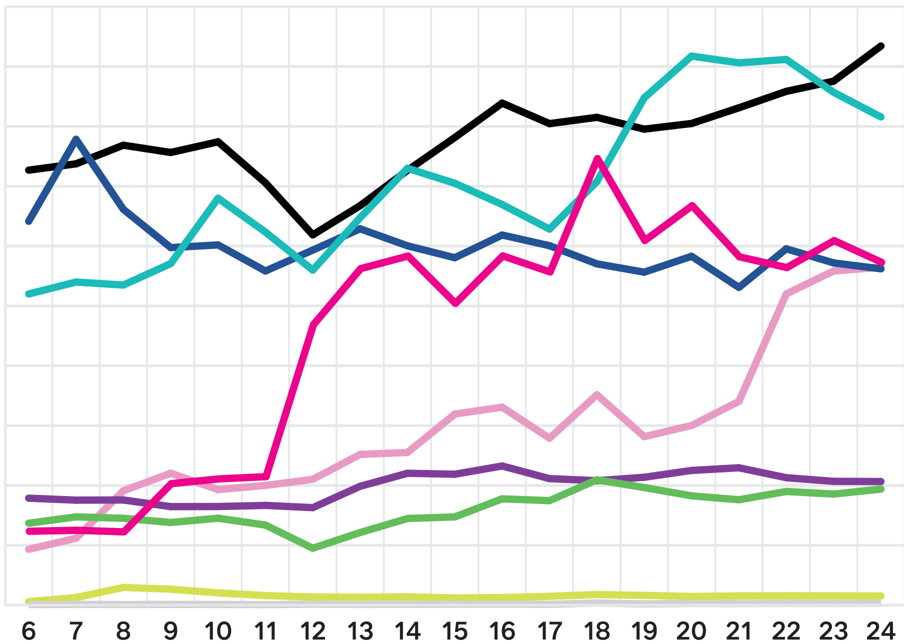
Fiction – and especially the popularity of crime as entertainment – are resilient as a well-established pastime, and campaigns leveraging price and exposure to consumers reinforce contextual opportunities such as the kick-off, and also the easing of the lockdown.

Romance meanwhile is closely linked to commuting to the work place, so that its consumption resumes only once that consumers resume their travels.

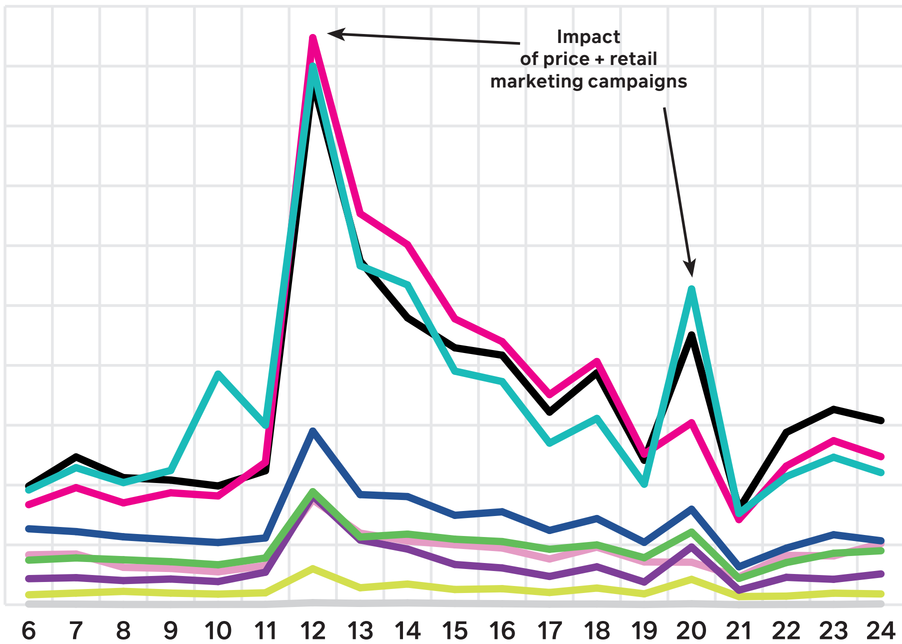
Impulses from marketing actions succeed to take advantage – or even expand – the push from opportunities like the start, and the post-period of lockdown, across the board of all genres. But it seems to be a safe bet that in the longer run, keeping the initial dynamics alive in a new, and higher-level normal will require significant efforts – and marketing ingenuity.

Again, also in audiobooks, fiction, thrillers and juvenile+ young adult (w/ YA fiction!) stood out among the genres! This indicates significant digital potential across format (ebook / audio) and model (download, consumption in flat subscription models, subscription)

Relative development of consumption in flat subscription models by genre category



Development of downloads by genre category



Education | Fantasy | Fiction | Children & Young Adult | Nonfiction | Other | Romance | Science-Fiction | Thriller, Crime

Measuring the Covid-19 impact on digital books in Germany, Austria and Switzerland

Selected close-ups, compiled by Svenja Rohr of Bookwire

Ebooks

The biggest short term increase was seen in the juvenile and young adult from pre-lockdown to the immediate lockdown peak genre category with a rise of +100% in value (revenue from download sales) and +115% in volume (downloaded copies), probably triggered by the closure of schools and kindergartens.

Marketing campaigns driven by temporarily reduced prices became hugely popular, with +213% more of such events in March against February, and yet another increase of +61% in the number of campaigns in April against March. In terms of subject category, the primary focus was put on nonfiction in March and April, while juvenile and young adult were at the center of such campaigns in April and May.

Particularly outstanding temporary peaks usually coincided with launches of new titles.
Long term gains could be seen across all genre categories, pushed by low pricing campaigns and new title releases.

The largest retailers were the primary beneficiaries from these gains, with post-lockdown sales still one third higher than before the closures.

Audiobooks

Download peaks were particularly high in week 12, at the beginning of the lockdown, and then again from week 20 on, after the lockdown, as a result of particularly successful campaigns in week 20. Marketing campaigns from both publishers and retails played a significant role in generating these peaks. These campaigns included initiatives by retailers to increase the visibility of their digital offer.

The push driven by the combined forces of lockdown and marketing campaigns resulted in around one fourth of more downloads even after the end of lockdown – which was also favoured by the start of another impactful marketing campaign in week 20 though.

The developments are clearly different for the consumption of audiobooks in flat subscription models.

The number of consumption in flat subscription models of audiobooks showed average growth of +28% from pre-lockdown to the lockdown period, which continued during lockdown (weeks 12 to 18) at +23%. After the lockdown period, the highest number of audiobooks consumed in flat subscription models at any given time has been recorded. The increase flattened, yet stayed at high levels.

Overall, it turned out that growth in recurring consumption, especially in consumption in flat subscription models of audiobooks, is more lasting and sustainable as the more short-term rises in download sales.

It will be interesting to track these dynamics over a longer time period, in order to understand if these movements must be seen as lasting shifts in the overall behaviour of consumers.

The Covid-19 Special of the **Digital Consumer Book Barometer** represents and analyzes data provided by Bookwire (www.bookwire.de) on ebook and audiobook consumption in Germany, Austria and Switzerland between March and June 2020, in the aim of tracking the impact of both the direct fall-out from the lockdown implemented in reaction to the Covid-19 crisis as well as from dedicated marketing campaigns coinciding with these developments.

The analysis has been conducted in July 2020
between the teams of Bookwire and of Content and Consulting.

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