

Abstract

In order to understand the current status of the publishing industry in Taiwan and gain an effective grasp of the context of the industry, the Ministry of Culture conducted the 2015 Taiwan Publishing Industry Survey. Unlike previous surveys in which books, magazines, and digital publications were surveyed individually, this year's survey takes into consideration the complex management styles of the publishing industry and avoids overlapping investment of survey resources. As a result, it integrates the questionnaire structure to combine books, comic books (manhua/manga), and digital publications, the three major categories of the industry, into one survey. It is hoped that the survey will provide readers a quick grasp of industry trends. The results can be compared to continuous data from previous years, and used to cut administrative costs and to broaden the benefits of the publishing industry survey.

The 2015 Taiwan Publishing Industry Survey mainly combines quantitative and qualitative survey methods, supported by literature and secondary data-analysis. Quantitative surveys were conducted with books and comic book publishers, digital publishers, marketing channel businesses (including digital channel businesses), and the general public. The qualitative survey includes in-depth interviews with businesses and focus discussions. Quantitative and qualitative survey findings are summarized below:

I Major findings of the quantitative survey

A. Books and comic books publishing industry

Number of new books published and total number of books printed both declined in 2015; test-preparation books make up highest percentage of new books

This survey takes inventory of the ISBN application information provided by the National Central Library ISBN Agency, and surveys a total of 39,717 books published in the year, of which 62.73%, or 24,916 books, were sold in the four largest Internet bookstores.

In 2015, publishers primarily (60.3%) published general books, followed by publishing textbooks and reference books, both at 10.1%; children's reading materials (8.5%); test-preparation books (4.8%) accounted for 4% to 8% of publishers; and 0.5% published mainly ebooks.

Compared with the categories of books published in 2014, there was a significant rise in each category. Taiwan's publishing companies showed an increasing development tendency toward diversity, spanning different types of book publishing.

As for the total copies of books printed in 2015, this is estimated at 55.79 million, approximately 1.01 million less than the estimated 56.80 million in 2014. The average initial print run of new titles corresponded to that of 2014, at approximately 2,239 copies.

Also, the survey shows that the average price of new books slightly decreased, from 385 NTD in 2014 to 378 NTD in 2015.

Market size of publishing end (paper books) of book market in 2015 estimated at 19.93 billion NTD; sales end estimated at 23.85 billion NTD

Making an estimate from the overall 37,708 new titles published in 2015, the overall market size of the publishing end (paper books) of the book market is estimated at 19.92513 billion NTD, while the market size of the sales end (paper books) is estimated to be 23.84978 billion.

Examining annual profits of publishing units, the percentage of publishers reporting profits in 2015 (22.2%) decreased by 9.6% from 31.8% percent in 2014. Among those running deficits (33.3%) or breaking even (38.1%), the rates increased by 5.5% and 6.1% respectively since 2014.

c. 45.97 million new books sold in Taiwan in 2015; "Other books" category the highest percentage of new books

According to survey data, about 45.97 million copies of new books were sold in 2015, making up 68.9% of new books printed that year. Books reissued in 2015, along with books in inventory, sold around 26.58 million copies. Overall book sales for the year are estimated at 72.55 million copies.

From sales data provided by publishers, the book market saw a drastic change in sales in 2015, in terms of the type of books sold. Within the new books category, "Other books" made up the highest percentage (15.8%), followed by children's books (12.9%) in second, then literature (11.7%) and art & design (11.1%) in third and fourth place respectively. Sales of test-preparation books decreased drastically.

45.4% of publishers bought book publishing rights from overseas; 28.9% of publishers sold books publishing rights overseas

The survey shows that conditions surrounding publishers' buying and selling of copyrights from abroad saw little change from 2013 to 2015. In 2015, 45.4% of publishers bought publishing rights from other regions or countries (including translation and printing rights), 28.9% had sold printing rights to other regions or countries, and 9.0% had licensed rights domestically.

There has been little change in the past three years as to the source of overseas copyrights. Publishers in Taiwan currently buy copyrights most frequently from the US (24.7%) and Japan (22.6%), followed by China (19.4%), then 9.7% from Korea, and 5.4% from other countries. Copyrights bought from Canada and Australia took up 1.1% each.

3,387 new comic book titles published in 2015, an increase from 2014; average copies in first print run decreased from 2014

According to the survey, in 2015, the main revenue for publishers was still paper copies of comic books (35.0%), but that percentage decreased by nearly 25% over 2014. Also, compared to general publishers, comic books publishers saw a higher revenue, both in other comic book related sales (19.5%) and "non" comic book related sales (14.3%).

It is estimated according to survey data that 3,387 comic book titles were published in 2015, a significant rise from the 1,505 titles published in 2014.

As for the total number of new comic books printed, it is estimated according to interpolation of publishing numbers that around 6.32 million copies of new comic books were printed in Taiwan in 2015, an increase of 2.25 million copies from 2014 (at 4.07 million copies). The average number of copies printed in the first print run decreased from 2,400 copies in 2014 to 1,865 copies in 2015.

50.0% of comic book publishers export comic books overseas, mainly to Hong Kong and Macau

Domestic comic book publishers interviewed for this survey did not import comic books to sell directly, while 50.0% exported comic books overseas. An examination of export countries shows that the comic book publishers interviewed exported mainly to Chinese-speaking communities such as Hong Kong and Macau (100.0%), Singapore (25.0%), China (25.0%), and Malaysia (50.0%).

In terms of genres exported, science fiction and fantasy (21.0%) made up the highest percentage, followed by adult (19.0%) and comforting & self-help (17.5%).

75.0% of comic book publishers have bought copyrights from overseas; 75.0% have sold copyrights to other regions/countries

The survey shows that in 2015, out of comic book publishers interviewed, 75.0% had bought copyrights for comic books from other regions or countries (including translation and printing rights). Licensing of domestic comic books also saw a significant increase, of 50% from 2014.

In 2015, comic book publishers in Taiwan licensed copyrights to mostly Asian countries other than those that follow (50.0%), followed by Japan, China, and Thailand (totaling 25.0%), and then followed by Hong Kong, Macau, and Malaysia (totaling 0%).

Market size of the publishing end of comic book market in 2015 estimated at 550 million NTD; market size of retail end of 2015 comic book market estimated at 710 million NTD

According to survey data, the market size of the publishing end of the paper copy comic book market in 2015 was 546.03 million NTD, while the market size of the retail end of the paper copy comic book market was 714.04 million NTD. Compared to the 690 million NTD revenue in 2014 for the publishing end of the comic book industry, 2015 saw a 20.9% decrease.

B. Digital publishing industry

By end of 2015, publishers had acquired digital rights for 20% of published paper books; most ebooks published in traditional Chinese (91.8%)

As of the end of 2015, almost half of publishers had not acquired any digital copyrights. 3.2% had acquired digital copyrights, for under a fifth of books published; 3.7% had acquired digital copyrights for 21-50% of books published; 24.3% had acquired digital copyrights for over half the books published; and 20.1% did not answer. Leaving out those that did not answer, publishers in Taiwan had acquired digital copyrights to an average of 20% of published paper books.

As for the language in which ebooks were published, out of the publishers that had published ebooks, 91.8% published ebooks in traditional Chinese, 4.1% published ebooks in simplified Chinese, and 4.0% published ebooks in English. Japanese ebooks and ebooks in other languages had not been published.

49.0% of publishers that publish ebooks produce everything on their own; 14.0% self-manage digital copyrights

In terms of the production of ebooks, 49.0% were entirely self-produced, 17.6%

were completely outsourced, and 19.6% were partially outsourced. No publisher used paper scanning to conduct digital publishing, and 2.0% of publishers used alternative methods. In other words, out of all publishers that have published ebooks, only 70% or so had the capacity to produce ebooks.

As for how digital copyrights were managed, only 14.0% of publishers self-managed their copyrights, while over half (57.9%) outsourced this responsibility to ebook distribution platforms.

PDF still the most common format for ebooks, around 75% suited to reading on desktop or laptop computers

In terms of the format in which ebooks were published, publishers in Taiwan still used mainly PDF files, which made up around 60% of the total; the ePub format made up around 20%, while other formats were not widely used.

In terms of compatible devices, most ebooks, or more than 75 percent, were compatible with desktop or laptop computers, while around 70% were compatible with Android tablets (72.3% in 2015) or cell phones (66.0% in 2015), with higher compatibility rates than for iOS devices (68.1% for tablets; 63.8% for cell phones).

Estimated 2,658 ebook titles published in 2015; of which 602 ebook titles original

According to data provided by publishers, an estimated 2,658 ebook titles were published in 2015, of which around 602 were original ebook titles, and 90% were in traditional Chinese.

Test preparation books made up the largest segment of ebook sales in 2015 (19.6%), followed by literature (15.6%), novels (10.9%), and light novels (10.6%), followed by children's books (5.4%). All other ebook types made up less than 5% of sales.

Ebook sales mostly outsourced; 60.9% signed individual contracts with distribution platforms

Over 70% of publishers in Taiwan outsourced ebook sales, a percentage that climbed to 74.5%, from 69.7% in 2014. 23.2% of publishers sold their own ebooks, while 1.9% used both self-selling and outsourced modes for ebook sales.

When it comes to selling ebooks, up to 60.9% of publishers signed contracts with distribution platforms, with only 8.7% outsourcing all or partial sales to dealers. 19.6% of publishers set up their own ebook platforms, while 6.5% both signed contracts with

distribution platforms and outsourced to dealers at the same time.

The survey shows that ebook in Taiwan were primarily sold to individual consumers (61.4%), and to libraries (47.4%).

50.0% of publishers publishing ebooks produce everything on their own; 50.0% outsource digital copyrights

As for digital comic book editing for digital comic book publishers, 50.0% produced all comic books on their own, without outsourcing. This showed higher digitization capabilities than general publishers, who were developing digital publication businesses (49.0%).

As for how digital copyright for comic books was managed, no publishers self-managed copyrights in 2015, and 50.0% outsourced the management or were assisted by distribution platforms.

Digital comic books have overcome all device restrictions; can be viewed on any device

The survey showed that of devices compatible with digital comic books, nearly all digital comic book publishers had overcome device limits in 2015 (100% compatibility with tablets and cell phones of both Android and iOS systems); only other readers had lower compatibilities (50%).

Digital comic books make up a low percentage of revenue for publishers; most comic book publishers sign individual contracts with distribution platforms

According to data offered by publishers, prices for digital comic books were about 50% to 70% of their print counterparts.

Of the primary comic book publishers in Taiwan, 52.5% completely outsourced digital comic book sales, and 47.5% conducted sales on their own. However, the number of digital copies sold was still clearly low, only making up 0.8% of revenue from print comic book sales.

Of publishers selling digital comic books, 60.0% signed individual contracts with distribution platforms, while 20.0% set up their own digital comic book platforms.

55.8% of digital publishing and digital marketing channels publish ebooks; 36.5% publish digital magazines

The survey shows that 55.8% of them published primarily ebooks, followed by

digital magazines (36.5%); digital book retail (rental) and digital databases, both at 21.2%; around 19.2% offered free excerpts; 17.3% focused primarily on apps; digital magazine retail (rental) and disc products were both at 15.4%; and self-funded publications made up 13.5%.

40.5% of ebooks in digital publishing and marketing channels first published in print; 57.9% of digital copyright management managed by book distribution platforms

The survey shows that most ebooks in Taiwan were still preceded by print books (40.5%), though the percentage decreased compared to previous years (with 73.1% in 2014). Only 23.2% of titles were published digitally first, and 36.4% of titles were published through print and digital means simultaneously.

As for how digital copyrights were managed, only 14.0% of publishers self-managed their copyrights, while over half (57.9%) outsourced this responsibility to ebook distribution platforms.

Novels the primary type of books published in digital marketing channels, primarily in PDF format

Novels were the largest segment of ebooks published in digital marketing channels (21.3%), making up more than 20% of all platforms. They were followed by children's books (including picture books), and computer & science/applied science books, ranging from 15% to 20%; then marketing & business management/humanities & science, each of which made up more than 5%.

Ebooks mostly charged for individually; price averages 60% of print counterpart

As for how ebook prices were charged, digital marketing channels mostly charged for each book individually (80.0%), followed by monthly, quarterly, or annual subscriptions (53.3%), and fees charged per view (53.3%). There were at that time no other fee structures.

Looking at the broader picture, ebooks in digital marketing channels were sold at a lower price than their print counterparts (100.0%). Ebook prices were around 40% to 70% of print book prices, averaging at around 60%.

Digital magazines mainly charged individually or with unlimited plans; prices average 73% of print counterpart

As for how digital magazine prices were charged, the primary method on the

market was charging each issue individually, making up 80.0% in 2015; quarterly or annual subscriptions made up 53.3%; while charging per view was also 53.3%, a percentage that has risen significantly.

Overall, digital magazines in digital marketing channels were sold at lower prices than their print counterparts (100.0%). 11.2% did not answer. Prices for digital magazines ranged from 50% to 90% of their print counterparts, averaging 73%, higher than other types of digital books (60%).

Digital magazines in digital marketing channels: primarily learning & education; other; music & audio; family & parenting

Further analysis shows that, just from the data of 2015 digital magazine types, learning & education (12.5%), other (9.4%), music & audio (9.4%), and family & parenting (9.4%) made up most of the digital magazines on the digital marketing channels.

Market size of publishing end of digital publishing market estimated at 320 million NTD; market size of sales end estimated at 610 million NTD

According to survey data, the market size of the publishing end of the digital publishing market in 2015 was 318.21 million NTD, while the market size of the sales end of the digital publishing market was 611.32 million NTD. Compared to the 900 million NTD revenue made by the digital publishing industry in 2014, 2015 saw a 32.2% decrease.

C. Publishing marketing channel industry

More than half of publishing marketing channels see online bookstores as biggest competitors

The survey shows that a majority of marketing channels believed that online bookstores were their biggest threats (57.2%), followed by chain bookstores (34.3%), then independent bookstores (29.9%), specialty bookstores (27.0%), bookstores in wholesale markets (20.4%), and combination bookstores (16.0%). Additionally, 3.1% believed that other industries were also competitors.

Percentage of publishing marketing channels in Taiwan depending completely on book sales decreased since 2014

In terms of publishing marketing channels and the percentage of book sales that made up their revenue, in 2015, 30.1% had book sales as less than 30% of their revenue, 5.7% as between 30% and 50%, and 64.1% had books sales made up more than 50%

of their revenue. Of those marketing channels, 16.3% sold books exclusively (meaning book sales made up 100.0% of their revenue), a slight decrease from 2014 (17.1%).

Books in the national language (traditional Chinese) make up largest percentage of all books sold in publishing marketing channels

As for overall sales of books, magazines, and comic books in different languages, books in the national language (traditional Chinese) made up the highest percentage in 2015, at up to 84.7%; English books made up 9.3%; books from mainland China (simplified Chinese) made up 2.5%; Japanese books made up 2.6%; and books in other foreign languages made up 0.8%.

As for magazines, 2015 also saw the largest percentage of magazines in the national language (traditional Chinese) (88.5%), with English magazines making up 9.0%, Japanese magazines making up 2.0%, magazines in other foreign languages at 0.3%, and magazines from China (simplified Chinese) at 0.3%.

As for comic books, domestic (traditional Chinese) comic books also made up the highest percentage (96.9%). English comic books made up 0.6%; Japanese comic books made up 3.7%; comic books from China (simplified Chinese) made up 0.1%; and there were next to no comic books in other languages.

Purchase prices for all types of books in publishing marketing channels ranged from 60% to 80% of sales prices

In book sales, the average purchase discount for publishing marketing channels in 2015 was 32% off; the average sales discount was 18% off. The average best discount was 26% off.

In magazine sales, the average purchase discount for publishing marketing channels was 26% off; the average sales discount was 18% off. The average best discount was 22% off. In comic book sales, the average purchase discount for publishing marketing channels was 35% off; the average sales discount was 25% off. The average best discount was 30% off.

Overall, Taiwan's publishing marketing channels returned slightly more books of every type than they did in 2014

In returns, publishing marketing channels returned an average of 37.9% of books given to publishers and retailers in 2015 (vs. 33.4% in 2014). The average return rate for magazines was 45.3% (vs. 41.9% in 2014), and the average rate for comic books was 44.1%.

Novels and comic books most popular among general readers; learning and education genre most popular among magazine readers

2015 book sales showed novels (11.3%) and comic books (10.8%) making up the largest segments of sales, followed by light novels (8.7%), and inspirational & self-help books (8.5%). Magazine sales, on the other hand, showed the highest percentages in learning and education (12.3%), followed by economics & business management (9.3%), other (9.0%), and sociology & humanities (7.0%).

Faced with a shrinking market, businesses increase promotional events, transition to diverse management styles

The survey shows that 40.9% of publishing marketing channels held promotional events or kept in contact with readers in 2015, a significant rise from 2014 (23.8%). In 2015, the percentage of businesses that stated that they had not held any promotional events in the past two years (55.4%) also decreased from that in 2014 (74.0%).

Of the businesses that did host events, events that were "themed sales events (such as annual sales & holiday sales)" made up the highest percentage of events (27.6%), followed by "seminars/forums/lectures" (19.4%), then followed by "new book releases" (15.7%), and "exhibitions" (10.1%).

Market value of publishing marketing channels in 2015 estimated at 27.57 billion NTD

According to estimations based on revenue information from tax data, the 2015 market value of the overall retail end (including both old and new books) of the print book market (not including second-hand bookstores) was 27.46424 billion NTD, while the market value of the second-hand print book market was around 103.17 million, creating an overall market value of 27.56741 billion NTD.

D. Reading and spending habits of the general public

For 2015, 71.8% of Taiwanese people over the age of 12 had read newspapers; 56.4% had read general books; 26.1% had read comic books; 55.2% had read magazines; 17.0% stated that they had not read anything

The survey shows that of Taiwanese people over the age of 12, 71.8% had read newspapers, 56.4% had read general books, 26.1% had read comic books, 55.2% had read magazines, and 17.0% stated that they had not read anything.

Counting reading all or part of the book as having read it, the average number of books read by people who read books in 2015 decreased from 18.6 books in 2014 to

18.1. Counting all people above the age of 12, the average number of books read by Taiwanese people in 2015 decreased by 1.7 books, from 10.2 in 2014 to 8.5.

As for magazines, the average number of magazines read by people who read magazines in 2015 was 17.3, slightly lower than the 18.1 books read. Counting all people above the age of 12, then on average, Taiwanese people above the age of 12 read 7.4 magazines in 2015.

As for ebooks and digital magazines, the survey shows that factoring in all or partial reading, people that had read ebooks or digital magazines in 2015 read an average of 14.6 ebooks and 15.8 digital magazines. Counting all people above the age of 12, on average, Taiwanese people above the age of 12 read an average of 3.1 ebooks and 2.2 digital magazines in 2015.

Leisure, travel, food, and lifestyles books most often read in general books category; lighthearted humor and action adventure most popular among comic books; travel & food, and news most read among magazines

From general public reading habits over the past year, the survey shows that in 2015, the category of books read most by the general public was leisure/travel/food & lifestyle, making up 64.2%, followed by literature/novels (53.8%) and health & medicine (51.6%).

From reading preference of comic books, the results were consistent with 2014, with lighthearted humor comic books read at the highest rate, or 70.8%; these were followed by action adventure (54.7%) and science fiction & fantasy (47.0%).

As for magazine reading preferences of the general public, the travel & food category was most widely read, at 60.8%; it was followed by news (55.9%) and economics & business management (49.6%).

Literature and novels most popular with ebook readers; economics & business management most popular with digital magazine readers

Viewed from the perspective of ebooks read by the general public in 2015, the biggest difference from print books was that literature and novels (69.0%) were the most commonly-read category for digital reading, followed by leisure, travel, food, and lifestyle ebooks (65.9%), and then health & medicine (51.8%).

As for the types of digital magazines read in 2015, economics & business management had a slight lead, at 38.7%; this was followed by travel & food (31.4%) and news & current events (30.8%).

In 2015, 37.0% of people bought general books; 6.6% bought comic books; average of 9.6 books per year purchase rate decreased by nearly 5% since 2014, while number of books purchased increased by 0.6 books

As for book and comic book purchasing, those who did not purchase anything made up the highest percentage of people, at 61.8%; they were followed by people who only bought books (31.6%); people who bought both books and comic books (5.4%); and people who only bought comic books (1.2%).

As for the number books purchased, factoring in all people above the age of 12 (not counting extreme values), the average number of general books bought in 2015 by people above the age of 12 was 3.3 books, a decrease of 1.3 books since 2014. The number of comic books purchased, on the other hand, stayed the same as 2014, at 0.6. In total, people above the age of 12 bought an average of 3.9 books, a decrease of 0.5 books from 2014.

In 2015, 31.2% of public bought, rented, or subscribed to magazines; average 2.0 issues bought, 0.4 issues rented, 0.2 subscriptions

In 2015, a total of 31.2% of the public bought, rented, or subscribed to magazines. Factoring in all people above the age of 12, people above the age of 12 purchased 2.0 magazines, rented 0.4 magazines, and subscribed to 0.2 magazines in 2015.

2015 average amount spent on books c. 947.6 NTD, generating a total of 21.8 billion NTD on the consumer side; decrease of nearly 15% vs. 2014

As for the amount of money spent on books and comic books, in 2015, people spent an average of 2,556.9 NTD on general books, and 1,358.2 NTD on comic books. Factoring in all people above the age of 12, in 2015, the average amount of money people above the age of 12 spent on general books was 947.6 NTD, while the average amount of money spent on comic books was 89.3 NTD, for a total of 1,036.9 NTD in 2015.

Estimation from the consumer end shows that the consumption value for books (including general books and comic books) was around 21.8 billion NTD, a 14.84% decrease of 3.8 billion from 2014.

Average spending on magazines in 2015 was 603 NTD; estimated consumption value of 12.6 billion NTD

The survey shows that, in 2015, the average amount of money spent on single magazines was 1,477.4 NTD; the average amount spent on rentals was 1,030.7 NTD; and the average amount spent on subscriptions was 3,278.5 NTD, for an average total

of 1,861.3 NTD per person. Factoring in all people above the age of 12, the average amount of money people above the age of 12 spent on magazines in 2015 was 603 NTD, generating an estimated production value of 12.6 billion NTD, an increase of 300 million NTD over the 12.3 billion NTD (that is, a 2.44% increase) in 2014. This was due to the percentage of people who never bought print magazines decreasing from 73.9% in 2014 to 71.3% in 2015.

2015 public spending on ebooks 1,347.9 NTD; average spent on digital magazines 1,769.7 NTD

As for the amount of money spent on ebooks, on average, people spent 1,347.9 NTD on ebooks in 2015, and an average of 1,769.7 NTD on digital magazines. Factoring in all people above the age of 12, each person spent an average of 53.6 NTD on ebooks, and 41.7 NTD on digital magazines. The estimated production value of ebooks was around 1.1 billion NTD, a decrease of 160 million (or 12.7%) from 2014. The estimated production value of digital magazines was around 800 million NTD, 200 million NTD less than 2014, and a decrease of 20%.

Most popular purchased book category in 2015 was literature/novels; for magazines, higher purchase rate in economics & business management

Literature/novels made up the highest percentage of books purchased in 2015, at 33.8%, followed by leisure/travel/food & lifestyle (21.9%) and inspirational/self-help/religion (18.3%). As for comic books, the survey shows that action adventure had the highest purchase rate in 2015 at 26.2%, followed by lighthearted humor (25.0%) and detective mysteries (24.3%).

In terms of magazines, economics & business management had the highest purchase rate at 36.0%, followed by travel & food (29.3%) and health & medicine (21.9%).

Of the type of ebooks sold in 2015, literature/novels (35.0%) had the highest sales rate, followed by leisure/travel/food & lifestyle (25.7%), and economics & investments (21.2%). As for the sales of digital magazines, travel & food magazines had the highest consumption rate at 42.2%, followed by general magazines (35.8%) and economics & business management magazines (29.1%).

Consumers more accepting of paying for ebooks or digital magazines

In terms of willingness to pay, for ebooks, the percentage of people willing to pay for ebooks went up from 16.7% in 2014 to 23.5% in 2015. The percentage of people unwilling to pay for ebooks declined from 79.2% in 2014 to 74.2% in 2015. As for

digital magazines, the percentage of people willing to pay for digital magazines also went up, from 14.1% in 2014 to 15.6% in 2015. The percentage of people unwilling to pay for digital magazines declined from 82.8% in 2014 to 78.7% in 2015.

II Main findings of qualitative survey

A. Book publishing industry

With print book market on decline, publishers strive to cross over to other fields and transform the industry

Due to decreasing sales of print books and magazines, publishers actively adjusted management strategies in order to expand other revenue sources. Overall, "print book sales revenue" made up a lower percentage of total revenue compared to previous years, while "non-publishing related operation revenue" and "other non-operating revenue" rose significantly.

Multi-brand publishers see more significant decrease in revenue

The results show that because digital publishing made up only a small percentage of publishers' overall revenue, there was little difference between the revenue of publishers doing digital publishing and those not. Under the shrinking print book market, publishers/enterprises that managed multiple brands showed a more significant decrease in revenue than publishers managing just one brand.

Self-published market has seen growth in recent years

Through people in Taiwan's increased concern with local issues, and creators' abilities to stay in touch with readers through social media, reader following and consumption rates increased. Book sales of translated works with foreign copyrights declined, causing instances when sales revenue was not enough to cover pre-paid royalties for copyrights. These factors have led to the rise of the self-published market in Taiwan in recent years.

With social media, new changes in relationship between creators and publishers

In recent years social media has become an indicator of market potential for new publications, and creators have also managed fan pages or used live streaming to increase their self-marketing abilities. On the other hand, publishers have tended to be more conservative when it comes to publishing strategies and selection of material. Some creators have chosen to skip the publishing chain and put out their work through self-publishing platforms.

Rise of creator-support platforms

Industries focused on creators are no longer limited to traditional publishers, and have extended to new services such as publishing fund-raising platforms and crowd-funded subscription platforms (with readers contributing a small amount each month to support the creator). The management strategies of these new industries are also constantly evolving.

Publishers more conservative in licensing copyrights from overseas; portion of copyrights of simplified Chinese books licensed from mainland China rises

Due to decreasing consumption rates for translated books licensed from abroad, so much so that sales revenue do not necessarily cover pre-paid royalties, publishers have increased publications of self-published books, as well as copyrights licensed from China. This is due to cheaper royalties, lower translation fees, and a rise in the quality of local work.

Physical distribution channels emphasize shelf efficiency, affecting product life cycle of new releases

The emphasis on shelf efficiency as physical distribution channels face pressure from rising rental expenses, plus a decrease in books sales and an increase in new titles, means that most chain bookstores shortened observation periods for new releases. This has affected the product life cycle of a new release, and causes publishers to become more cautious when it comes to publishing decisions, such as selection of material to publish and editing.

Decrease in physical distribution channels will affect upstream publishers

Because print volume shows economies of scale, when downstream distribution channels shrink, this may affect the print volume of new publications. This in turn further raises the price of new books, and lowers consumers' willingness to purchase. Also, because a decrease in physical bookstores means fewer distribution opportunities for new releases, this then increases book return rates and storage expenses.

Due to issues regarding focus markets and cross-industry adaptation, difficulties in extending use of copyrighted works in Taiwan

In recent years, focus marketing has divided the market so that bestselling works selling tens of thousands of copies have become rare, making it hard for copyrighted works to be adapted into different mediums. Also, past experience has established no standard operating procedure (SOP) for cross-boundary application of copyrighted books. There is no market standard for adaptation details or profit sharing, making it

hard for both ends of a possible collaboration to reach an agreement for long-term cooperation.

B. Comic book publishing industry

Shift in consumers' reading habits causes print comic book sales to decrease

Influenced by the Internet, younger readers have turned towards digital reading, and alternative content and channels have become increasingly diverse. This has further decreased their demand to read and purchase print comic books, making it hard for print comic books to sell well. Even formerly best-selling Japanese comic books have seen decreases in sales.

In terms of investment returns, main focus of comic book publishing is still translated works from Japan

Comic book publishers currently focus on translated works from countries such as Japan, with fewer works by domestic creators being published. This is not only due to readers' preference for Japanese comic books in Taiwan. Another main reason is that publishers need to consider the rate and period of investment returns, choosing to publish works that fit the demands of the mass market.

Paid digital comic books have yet to develop a successful business model

Though sales of print comic books have dropped, the digital comic book market has not seen larger opportunities for development, even though younger readers were turning to digital reading. Free digital comic books were easy to access, with diverse titles. Although paid digital comic books had higher quality, there was not enough diversity in terms of different titles, making it harder to attract readers.

Rise of diverse comic book creation and marketing channels

Many comic book artists and illustrators displayed their work through social media and reading platforms. There were even trending illustrations or stickers that were marketed through non-publisher marketing companies rather than traditional comic book publishers. Traditional companies have little to do with this sphere.

Rise of self-published fan books

Thanks to the rise of digital publication technologies and related platforms, many fans of different works have created fan-fiction or fan-comics (doujinshi), which they self-publish and sell at designated events (such as fan book conventions), creating a fan book market in comic fan circles.

Issues with creators transitioning from fan book market to professional publishing markets

Observations from within the industry show that in recent years, experienced creators from the fan book market have sought to collaborate with traditional publishers to transition into the professional realm. But because comic book creation for the professional publishing market emphasizes originality, personal style, and mass market preferences, only a few creators successfully become professional comic artists.

Abundant creative energy in Taiwan for creating comic books, but lacking industry support for domestic works

Consumers in Taiwan have a preference for Japanese styled-works, and are less familiar with original Taiwanese comic books, resulting in little growth in market sales. This in turn affects the development of comic book creation Taiwan, as well as the industry's willingness to invest in local artists. The industry chain that develops around the core of Taiwanese-created content is therefore incomplete.

C. Digital publishing industry

Ebook market continues searching for a successful business model

Compared to the digital magazine market, which already has a model that generates steady revenue, the book market was still in search of a successful business model. For publishers of ebooks in Taiwan, library purchases were still the primary source of income; there was yet to be a business model that could generate steady revenue in the general retail market.

Upstream suppliers of the ebook market becoming active

In recent years, a few key publishers in the industry have begun changing their internal editorial process to actively develop digital publishing. Also, the way foreign copyrights were licensed for books has changed, making it easier for translated ebooks from abroad to hit the shelves. This will diversify ebooks found in the market and improve consumers' willingness to buy ebooks.

Downstream platforms in the ebook market actively searching for new developmental strategies

Overall, ebook platforms in Taiwan were working on development strategies such as advanced digital reading materials that combine words and audio-visual content; replacing individual sales with payment plans; and promoting print plus digital purchasing. The goal was to effectively raise the consumers' willingness to purchase

ebooks and expand the overall ebook market.

D. Publishing marketing channel industry

Publishers gradually decreasing dealer distribution in favor of more diverse distribution strategy

To decrease the impact return rates have on the industry, publishers have been gradually adopting a more diverse distribution strategy. Though distribution systems still made up the biggest portion of distribution channels, the percentage of publishers leaving distribution "completely to distributors" decreased, while the percentage of publishers using "other channels" increased.

Rise of marketing channels for new titles in new social media

Publishers not only promoted direct sales through channels such as traditional mailing lists, online group purchasing, and book release events, but also actively used social media to conduct direct sales. Some publishers have already offered special discounts on new books and conducted direct sales by using social media livestreams to let authors interact directly with readers through fan pages.

Print book retailers actively adjusting management transition strategies

Due to decreasing book sales and rising rental expenses, physical bookstores have adjusted their transitional management strategies, adding special product displays or food items to the store layout. However, this may compress display space for books, lower opportunities for consumers to buy books, and result in a vicious cycle for the development of the print book market.

Physical retail channels turn towards developing digital channels

In the current Internet era, some physical distributors have considered rising rental expenses and shelf efficiency, and adjusted their management strategy to include online stores, or even closing their physical stores to sell print books as an online bookstore.

Marketing channels yet to precisely grasp what readers read, or the diversity of book purchasing channels

At present, the market has failed to offer readers fair new book information platforms or media, resulting in less exposure for new books, and indirectly affecting sales of new books. Even highly advantaged online bookstores with a good understanding of online purchasing patterns in their own Internet bookstores have found it increasingly difficult to grasp the overall reading habits of, and channels used by, readers as a whole.

Distributors withdraw; those remaining focusing on niche markets

With declining book sales, some distributors have left the business. At present, only a few businesses are in charge of distribution. The distributors have developed niche markets of their own, focusing on certain publishers or specific genres of books and magazines.

Distributors extend distribution channel management; gradually become involved in regional book delivery services

Some distributors have actively adjusted their business strategies, transitioning from bookstore channel management to library purchasing, school book fairs, and overseas market management. Also, with such poor market conditions, some distributors have retracted parts of their book distribution businesses, downsizing staff and cutting down on business resources.

With survival pressures in the current climate, distributors may face mergers to raise market bargaining power

Space for survival in the current distribution end of the market is shrinking. According to industry observations, in the future, distributors may work closely together in strategic alliances, even merging into 2-3 distributors, to raise bargaining power in the industry chain.

Overseas channels have gone from relying on distributors to publishers and distribution channels working on their own

In the past, export customs procedures were long and cumbersome, with risk factors such as being unfamiliar with transaction partners and uncertain account returns, so most publishers relied on distributors. Due to well-developed customs export services in recent years, large publishers and domestic distributors have all stepped into the overseas market, setting up sales and cooperative offices.

Diverse retail channels for Taiwanese books in China, with retail markets on the rise

Retail channels for Taiwanese books in China include physical bookstores, online bookstores, e-commerce platforms, and library purchases. Other than comic books, which have special attributes that make them more suited to individual retail channels, early sales of Taiwanese books focus mainly on library purchases. Recently, however, the retail market has showed signs of surpassing the library purchase market.

E. Policy suggestions

- (a) The government ought to act as an accelerator in assisting amateur creators to join the publishing industry
- (b) Employ government marketing resources to help increase exposure of original comics in the market
- (c) Develop single-source, multi-use placements centered on core characters, through short-term, medium-term, and long-term planning
 - 1. Short-term plan: Focus on comic book creators
 - (1) Train professional editors with producer capabilities
 - (2) Encourage comic book content built with a focus on the "world view" of the global market
 - 2. Medium-term plan: Focus on the supporting industry

With reference to Japan's experience, set up an animation production committee. Its purview would be to assess the aforementioned core characters and world view focus, in terms of whether or not they are performing the single-source, multi-use function; and to assess the development potential and feasibility of overseas marketing. If the work is deemed to have development potential and be feasible, the committee can further organize different products centered around the characters.
 - 3. Long-term plan: Focus on opening up overseas markets

After strengthening creation and editorial capabilities, and establishing a cross-industry cooperation model in the domestic market and successful projects, a plan to develop overseas marketing ought to be drafted, so that domestic characters and related IP-based products and services can be exported to the international market.
- (d) Promote ebook formats with higher-quality reading interfaces
- (e) Promote public lending rights
- (f) We suggest that the government actively assist the publishing industry in overseas marketing
- (g) Set up real-time industry dynamic indicator survey results as reference for the industry
- (h) Continue campaign to promote reading habits
- (i) Set up a real-time reader consumer trends survey as reference for the industry