SURVEY OF TAIWAN'S PUBLISHING INDUSTRY FOR 2017

Volume 1- SUMMARY

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 2017 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, the questionnaire was structured to combine books, comic books (manga), magazines, digital publications, and book marketing channels, the five major categories of the industry, into one survey (only inventory surveys were conducted for magazines). 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 outcomes.

The 2017 Taiwan Publishing Industry Survey mainly combines quantitative and qualitative survey methods, supported by literature and secondary data analysis. Quantitative survey methods included general inventories of publications, industry survey questionnaires, business revenue surveys and phone surveys to consumers. Among these, the subjects of the survey questionnaires were book publishers (sample number: 542; returned questionnaires: 166; response rate: 30.6%), comic book publishers (sample number: 12; returned questionnaires: 4; response rate: 33.3%), digital publishers (separated into digital publishing groups and digital platforms), and marketing channels (separated into chain stores and online bookstores, as well as single/independent bookstores. Total sample number: 579; returned questionnaires: 174; response rate: 30.1%), and the reading and purchasing behavior of the general public. The qualitative survey includes in-depth interviews with businesses and focus discussions. Quantitative and qualitative survey findings are summarized below:

A. Overview of Publishing Market Development

In 2017, Taiwan's overall publishing industry, including books and comic books, saw an increase in revenue compared to 2016. This shows that the overall publishing market has demonstrated an improvement in sales momentum.

In terms of market performance for print publishing, the publishing end saw a total sales revenue of NTD 19.39894 billion for printed publications (books and comic books) in 2017; a 0.6% growth from 2016. On the retail end, the 2017 sales revenue for printed publications (covering books and comic books) totaled NTD 23.85116 billion, an increase of 2.8% from 2016. [P.273]

In terms of market performance for digital publishing, the publishing end saw a total sales revenue of NTD 756.04 million for digital publications (covering books and comic books). This was a 187.3% growth compared with 2016. On the retail end, sales revenue for digital publications (covering books and comic books) totaled NTD 1.26006 billion; also a 187.3% growth from 2016. [P.273]

As for combined sales of both printed and digital publications, on the publishing end, the total revenue for printed and digital books (including printed and digital comics) was of NTD 20.15498 billion. On the other hand, the retail end for printed and digital books (including printed and digital comic books) had a combined total revenue of NTD 25.11122 billion. [P.273]

According to the survey conducted by the Ministry of Labor, there were 31,729 people working in the publishing industry in 2017, a 2.8% decrease from 2016. It's a continuation of the decline in the overall number of people employed in Taiwan's publishing industry over the past few years.

B. Major findings of the quantitative survey

I. Book and comic book publishing industry

Overview of book imports and exports for the past three years

Overall, the gross import of books in Taiwan has been declining year after year, dropping from NTD 3.04 billion in 2015 to NTD 2.95 billion in 2016. Then in 2017, the number fell again to NTD 2.74 billion; a 9.9% decline. On the other hand, there is a consistent growth in gross exports, which rose from NTD 2.58 billion in 2015 to NTD 3.56 billion in 2016, and further surged to NTD 3.98 billion in 2017. [P.99]

In terms of book imports[1], the miscellaneous books, booklets, pamphlets and similar printed products category accumulated the highest import value, followed by

[1]Please note that the four categories of books and the classifications of publishers are not the same employed in the import and export statistics provided by the Ministry of Finance.

the books, booklets, pamphlets and similar printed products, children's books, and dictionaries and encyclopedias categories. When compared to the miscellaneous books, booklets, pamphlets and similar printed products category, the other three categories had lower import values. However, while the import value of children's books dropped by 19.9% in 2017, the other two categories saw increases in the past two years. Especially in 2017, the import value of dictionaries and encyclopedias saw an increase of 116.1%. [P.99]

As for book exports, the miscellaneous books, booklets, pamphlets and similar printed products category also reported the highest export value. Children's books ranked second in export value. Their value grew significantly from NTD 60 million in 2015 to NTD 1.39 billion in 2017. Furthermore, books, booklets, pamphlets and similar printed products and dictionaries and encyclopedias also reflected an upward trend in 2017. [P.100]

The number of new books published and the total number of books printed also increased in 2017. Books for children and teenagers accounted for the highest percentage of newly published books.

This study makes an inventory of the ISBN application information provided by the National Central Library’s ISBN Center. It surveys a total of 40,401 books published in the year, of which 60.5%, or 24,423 books, were sold in the four largest online bookstores. [P.118]

In 2017, children and teenager books accounted for the highest percentage of new books published (12.1%), followed by humanities, history and geography books (10.1%). Other book categories, including social sciences, mental well-being, literary novels, language learning, medicine and health, and professional, educational, and government-issued publications made up about 5% to 9% of all publications. All other categories constituted less than 5%. [P.156]

As for the total number of book copies printed in 2017, it is estimated that 54.85 million copies were printed, around 1.44 million more copies than the estimated 53.41 million printed in 2016. Additionally, the average initial print run of new titles printed in 2017 was about 1,558 according to this survey. [P.156]

The survey also indicates that the average price of new books has increased slightly from NTD 401 in 2016 to NTD 425 in 2017. [P.157]

The total revenue of the publishing-end book market (printed books) in 2017 was estimated at NTD 19.39 billion, while the sales-end estimated at NTD 23.85 billion.

Making an estimate from the 35,205 new titles published in 2017, the overall revenue for the publishing end (printed books) of the book market is approximately of NTD19.39894 billion, while the market share of the retail end (printed books) is estimated to be around the sum of NTD 23.85116 billion. [P.175]

As for publishers' profitability in 2017, the result of the industry survey questionnaire shows: Publishers that made profits constituted a 20.8%; publishers that suffered losses constituted a 42.2%; publishers at the break-even point constituted a 36.8%. Compared with 2016, the number of publishers that made profits decreased by 3.0%, publishers that suffered losses increased by 6.0%, and publishers that broke even declined by 0.3%. [P.175]

39.57 million new books were sold in Taiwan in 2017. Children and teenager books constituted the highest percentage of new books sold.

According to survey estimations, about 39.57 million copies of new books were sold in 2017, accounting for a 53.9% of the new books printed that year. Books reissued in 2017, along with books in inventory, sold approximately 35.61 million copies. Overall book sales for the year are estimated at 75.18 million copies. [P.160]

According to the sales data provided by businesses in the industry, in 2017, children and teenager books accounted for the highest percentage (15.0%) of new books sold, followed by mental well-being (13.0%). Compared with the survey result of 2016, the above-mentioned categories saw an increase in their total book sales percentage. [P.161]

44.4% of publishers bought publishing rights abroad; 28.4% of publishers sold publishing rights abroad

The survey shows that domestic publishers' buying and selling of publishing rights from abroad saw little change from 2015 to 2017. In 2017, 44.4% of publishers bought publishing rights from other regions or countries (including translation and printing rights), 28.4% had sold publishing rights to other regions or countries, and 10.5% had licensed rights domestically. [P.166]

There has been little change in the past three years as to the source of publishing rights from overseas. Publishers in Taiwan currently acquire these rights mainly from the US (29.8%) and China (22.8%), but also from Japan (19.3%), other countries (18.7%), Korea (8.1%), Canada (1.1%), Hong Kong and Macao (0.1%) and Singapore (0.1%). [P.168]

China is the main buyer of Taiwanese books publishing rights, but the purchase percentage the country accounted for dropped slightly from 92.8% in 2016 to 82.7% in 2017. The second biggest market was Korea, which saw a slight increase from 5.2% in 2016 to 6.5% in 2017 and was followed by Malaysia (4.1%), Thailand (2.5%), Japan (2.1%) and other countries. [P.171]

3,327 new comic book titles were published in 2017, an increase from 2016. The average number of copies in the first print run increased from 2016.

In 2017, according to the survey, the source of sales revenue of Taiwan's comic book publishers came primarily from miscellaneous comic books and related publications (30.2%), followed by paper comic books (28.6%). The total printed comic books and related publications made up an impressive proportion of 88%, close to the figure from 2016 (86.7%). The revenue from digital publishing constituted 0.6% in both 2016 and 2017. [P.190]

It is estimated, based on survey data, that 3,327 comic book titles were published in 2017, slightly higher than the 3,292 titles published in 2016. [P.180]

As for the total number of new comic books printed, it is estimated according to interpolation of publishing data to be of around 6.65 million copies in 2017, an increase of 530,000 copies from 2016 (at 6.12 million copies). The average number of copies printed in the first print run increased from 1,860 copies in 2016 to 2,000 copies in 2017. [P.181]

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 distribution shows that the comic book publishers interviewed exported mainly to areas with high concentrations of Chinese-speaking readers, such as Hong Kong and Macau (100.0%), China (50.0%), Malaysia (50.0%), and Singapore (50.0%). [P.186]

In terms of the genre of the comic books exported, teenager comic books made up the highest percentage (33.3%), followed by BL/GL (30.0%). In third place, Shounen and Shojo manga each constituted 1.7% of total exports. [P.186]

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

The survey shows that in 2017, out of the comic book publishers interviewed, 75.0% had bought publishing rights for comic books from other regions or countries (including translation and printing rights). On the other hand, the percentage of publishers selling publishing rights to other countries bounced back up from 50.0% in 2016 to 75.0%. Licensing of domestic comic books stayed steady at 50%. [P.187]

As for commercial partners, in 2017 Taiwanese comics publishers primarily sold comics' publishing rights to Hong Kong/Macau, Malaysia, and South Korea, each accounting for 33.3%. This observation is notably different from the results of the surveys from the past two years. It shows that there is a wider range of overseas commercial partners doing business with Taiwanese comics publishers, but they are still predominantly Asian countries. [P.189]

Total publishing-end comics revenues in 2017 estimated at NTD 480 million; retail-end comics revenues estimated at NTD 640 million

The printed comics revenue of Taiwan's publishing end as a whole (covering both old and new books) in 2017 was NTD 476.69 million, an 8.6% drop from the NTD 521.69 million reported in 2016. The retail end as a whole (including both new and old books) reported a revenue of NTD 638.16 million from printed comics, a 6.5% decline from the NTD 682.2 million reported in 2016. [P.191]

II. Magazine publishing industry[2]

In 2017, Taiwan's regularly issued magazines consisted primarily of monthly publications followed by bi-monthly publications

Compared to 2016, the regular issuing of magazines did not change in 2017. However, excluding special issues, unscheduled issues, and magazine re-publishing, the number of issued magazines continued to decline. In addition, the 333 titles of special issues published in 2017 denoted an impressive increase of 1652.6% compared to the 19 titles issued in 2016. [P.133]

Online digital magazine publications in 2017 were still issued in PDF format

[2] The Publishing Industry Survey of this year only examined magazine inventories in 2017, and no complete industry survey was conducted on the overall magazine publishing industry.

mainly

Online PDF format was still the primary way of publishing digital magazines, accounting for an 87.3% of total digital publications. The EPUB format that publishers have been promoting for the past few years only accounted for a 12.0%, a 7.4% growth from 2016. [P.139]

III. Digital publishing industry (publishers and digital platforms)

By the end of 2017, 29% of publishers had acquired digital copyrights for printed books and had started publishing; most ebooks were published in traditional Chinese (93.1%).

By the end of 2017, almost half (54.4%) of publishers had not acquired digital copyrights from any author. 9.6% had acquired digital copyrights for under a fifth of books published; 4.8% had acquired digital copyrights for 21%-50% of books published, and 27.2% had acquired digital copyrights for over half the books published. Aside from those that did not answer, an average of 29.0% of publishers in Taiwan had acquired digital copyrights for published paper books and had already started publishing. [P.204]

As for the language in which ebooks were published, out of the publishers that had issued ebooks in 2017, 93.1% issued ebooks in traditional Chinese, 2.3% in simplified Chinese, and 1.5% in English. 3.1% of the publishers issued ebooks in other languages. Japanese ebooks had not been published in 2017. [P.204]

60.0% of publishers issuing ebooks conduct the whole process on their own

In terms of ebooks edition, 60.0% were entirely self-edited, 28.0% were completely outsourced, and 8.0% were partially outsourced. 4.0% used paper scanning or other methods to conduct digital publishing. Compared with the 2016 survey results, a notable growth in the percentage of self-editing publishers was witnessed in 2017, while the number of those that outsourced edition declined. [P.205]

PDF is still the most common publishing format for ebooks; around 95% are suitable for desktop or laptop reading

In terms of the format in which ebooks were published, PDF still dominates among Taiwanese publishers, accounting for a 46.4% of the total; publishers using the EPUB format (including EPUB 2 and EPUB 3) made up around 40%, while other formats were not widely used. [P.206]

As for compatible devices, most ebook files are suitable for desktop or laptop reading, accounting for about 95% of all publications, followed by iOS tablet compatibility (75%). The percentage of files suitable for Android tablets or phones constituted 70.8% each, a 4.1% higher than those suitable for iOS phones (66.7%). Publications suitable for other reading devices made up only a 12.5%. [P.206]

An examination of online inventories shows that 6,913 new ebook titles were published in 2017, from which 1,381 were original ebooks

An examination of online inventories shows that 6,913 ebook titles were published for sale in 2017, a significant growth of 30.9% compared to 2016. Among these publications, 3,933 titles were simultaneously published for sale in paper and digital format in 2017, accounting for 56.9% of all ebooks published in the year. 1,599 (23.1%) ebook titles belonged to books published between 1989 and 2016 in paper format; There were 1,381 (20.0%) original ebooks/ebooks of physically unpublished books, similar to the number reported in 2016 (20.7%). [P.126]

Original ebooks/ebooks of physically unpublished books were mostly literary novels.

Of all original ebooks/ebooks of physically unpublished books, literary novels made up the highest percentage (23.4%) with 323 titles, followed by spiritual well-being with 245 titles (17.7%), photography, 151 titles (10.9%), leisure and lifestyle, 139 titles (10.1%), language and computers, 116 titles (8.4%), finance and business management, 86 titles (6.2%), and humanities and popular science, 81 titles (5.9%). [P.126]

Over 70% of ebook sales were completely outsourced; 48.0% signed individual contracts with distribution platforms

In 2017, over 70% of publishers in Taiwan outsourced ebook sales; a decline of 19.0% from the 92.3% reported in 2016. 13.3% of publishers sold their own ebooks (a 5.6% increase compared to 2016), while the rest of the publishers (13.3%) employed both self-selling and outsourcing methods for ebook sales. [P.207]

When it comes to selling ebooks, up to 48.0% of publishers signed contracts with distribution platforms,12.0% outsourced all sales to distributors, 16.0% set up their own ebook platforms or signed distribution contracts or outsourced to distributors at the same time and the remaining 8.0% adopted other collaboration approaches. [P.208]

The survey shows that ebooks in Taiwan were primarily sold to individual consumers (76.9%), and libraries (53.8%). [P.208]

25.0% of publishers issuing digital comic books produced everything on their own, while 25.0% outsourced digital copyrights

As for the edition of digital comic books, 25% of publishers arranged everything on their own, while 25% entirely outsourced production. [P.183]

As for the management of digital comic book copyrights, in 2017, comic publishers that did not use DRM systems and those that developed their own DRM system accounted each for 25.0% of the total. [P.183]

Digital comic books have overcome all format restrictions and can be read on any device

The survey showed that, regarding devices compatible with digital comic books, nearly all digital comic book publishers overcame format limitations in 2017, with only a small number of devices presenting format issues. [P.184]

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 provided by publishers, prices of digital comic books only accounted for 55% of the price of their printed counterparts. [P.184]

Of the primary comic book publishers in Taiwan, 75.0% completely outsourced digital comic book sales, and 25.0% conducted sales on their own. However, the number of digital copies sold was still clearly low, only making up an average of 0.5% of printed comic book sales. [P.184]

Of publishers selling digital comic books, 50.0% signed individual contracts with distribution platforms; the other 50.0% did not make a statement about this matter. [P.184]

Among the relatively large variety of core business types within the digital publishing industry, book-publishing businesses occupy the highest ratio

There was a relatively large variety of core business types in the digital publishing industry, but book-publishing businesses still made up the largest percentage (91.2%), followed by digital platform operators (26.5%), and online bookstores that sell printed copies (20.6%). Magazine publishers and book distributors both accounted for a 11.8%, while other businesses made up a 5.9%. [P.200]

Taiwan's ebook publishers are paying more attention to book digitalization

methods; 83.3% outsource digital copyrights management to ebook distribution platforms

The survey found that Taiwan's ebooks are gradually being published simultaneous in digital and paper format. In 2017, for the first time, the percentage of simultaneous digital and paper publishing (48.8%) exceeded that of the paper-publication-first approach (28.8%). The ebook-publication-first approach made up a 22.4%; an increase of 15.4% from 2016. [P.205]

As for how digital copyrights are managed, only 16.7% of publishers developed their own DRM system, while about 83.3% used DRM systems developed by ebook distribution platforms. [P.205]

Novels were the primary type of books published in digital marketing channels

Although the findings regarding types of ebooks sold through digital marketing channels are limited by the responses given by businesses that returned the questionnaire, novels made up the highest percentage in both 2016 and 2017 (41.8% in 2017). Other book types and light novels made up the second and third highest percentages in 2017 at 30.8% and 24.6%, respectively. Genres that followed were children's books, language learning, natural and popular science and comic books. Other ebook genres not mentioned were not sold through the major digital marketing channels during the year. [P.217]

Ebooks were mostly single-charge purchases, or monthly, quarterly, or annual subscriptions

As for how ebook prices were charged, most digital marketing channels adopt single-charge purchases, which, along with monthly, quarterly, and annual subscriptions, account for a 66.7% of all transactions. During the past three years, there has been a year-by-year increase of marketing channels charging through subscriptions. Out of all digital platform operators that returned valid survey questionnaires in 2017, none charged prices by view count. [P.219]

Looking at the broader picture, ebooks in digital marketing channels were sold at a lower price than their print counterparts (100.0%). Prices usually fell between 60% and 70% of their printed counterparts price, averaging around a 68% overall. [P.220]

Digital magazines mainly adopted a single-charge approach or charged through unlimited plans; prices averaged 70% of their printed counterpart

As for how digital magazine prices were charged, the primary methods on the market were single charge or subscription. In 2017, the percentage of digital magazines charged by issue reached a 66.7%, and quarterly or annual subscriptions both made up a 66.7%, a drop of 8.3% from 2016. Other charging methods accounted for 33.3%. In addition, there were no digital marketing channels in 2017 charging by view count. [P.222]

Overall, digital magazines in digital marketing channels were sold at lower prices than their printed counterparts (100.0%). Pricing usually fell between 60% and 80% of paper magazines, averaging around a 70% overall. [P.222]

Total publishing-end digital publishing revenues in 2017 estimated at NTD 760 million; ebooks at NTD 750 million; digital comics at NTD 10 million. market size of sales-end digital publishing estimated at NTD 1.26 billion; ebooks at NTD 1.24 billion; digital comics at NTD 20 million.

According to estimations from survey data, revenue from Taiwan's digital publications (for the publishing end) in 2017 was reported at NTD 756.04 million (NTD 746.04 million from ebooks; NTD 10 million from digital comics). As for the sales end (digital marketing channels), the revenue from digital publications was reported at NTD 1.26006 billion (NTD 1.24340 billion from ebooks; NTD 16.66 million from digital comics). Compared to the NTD 251.02 million in revenues from digital publications in 2016 (on the publishing end), this was a growth of 197.2%, Compared to the NTD 438.52 million in revenues from digital publications in 2016 on the sales end (covering ebooks and digital comics), 2017 saw a growth of 187.3%. [P.227]

IV. Publishing and marketing industry channels (chain and online bookstores, as well as single/independent bookstores)

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

The survey shows that as many as 76.4% of publishing and marketing business channels believed that online bookstores were their biggest threats, followed by chain bookstores (43.7%), independent bookstores (34.5%), bookstores specialized in the selling of the same book genres (29.9%), wholesaling bookstores (21.3%), hybrid bookstores (21.3%), convenience stores (15.5%) and others (6.3%). Additionally, 1.7% believed that other industries were also competitors. [P.240]

The percentage of publishing and marketing channels in Taiwan depending completely on book sales increased slightly since 2016

In terms of book sales as a proportion of publishing and marketing channels revenue, in 2017, 36.5% of marketing channels had book sales make up less than 30% of their revenue, 10.8% had book sales make up between 30% and 50% of their revenue, and 52.7% had book sales make up more than 50% of their revenue. Overall, the percentage book sales contribute to overall revenues for marketing channels decreased slightly. 17.2% of publishing and marketing channels relied entirely on book sales; a slight increase from 2016 (15.5%). [P.241]

Analysis of single/independent bookstores show that 34.2% of them had book sales make up less than 30% of their revenue, 11.4% had book sales make up between 30% and 50% of their revenue, and 54.4% had book sales make up more than 50% of their revenue. The overall revenue from book sales is slightly better than that of the overall marketing channels.19.5% of single/independent bookstores relied entirely on book sales as their revenue source; a slightly higher percentage than that for marketing channels as a whole (17.2%). [P.242]

Sale prices for all types of books in publishing and marketing channels reported discounts ranging from 10% to 40%

Regarding book sales, the average purchase discount for publishing and marketing channels in 2017 was 33% off; the average sales discount was 15% off. the average best discount was 18% off. Regarding magazine sales, the average purchase discount for publishing and marketing channels was 29% off; the average sales discount was 9% off. the average best discount was 12% off. Regarding comic book sales, the average purchase discount for publishing and marketing channels was 32% off; the average sales discount was 14% off. the average best discount was 17% off. All sales discount values increased from 2016. [P.243~244]

The book return rate among Taiwan’s publishing and marketing channels increased slightly from 2016, while the return rate for magazines and comics dropped slightly

In 2017, the return rate of books, regardless of genres, in Taiwan saw an increase from 2016 (increasing from 40.4% to 42.8%), while return rates for magazines and comics dropped from 2016 (magazines dropped from 47.9% to 47.4% and comics dropped from 44.0% to 43.5%). In addition, in 2017, the average number of days a new book remained on shelf was 95.1 days, a decline from 2016 (97.2 days on average). [P.245]

For chain bookstores, comic books and children's books (including photography

books) were the most popular among book readers; language learning titles were most popular among magazine readers

In terms of chain bookstores' sales in 2017, comic books made up the highest percentage (19.8%), followed by children and teenagers (16.6%) and test-preparation (8.4%). As for magazine sales, language learning titles constituted the highest percentage (29.6%), followed by comics and video games (10.1%) and finance and business management (8.2%). [P.248、249]

For single/independent bookstores, test-preparation books were most popular with general book readers

In terms of book sales in single/independent bookstores, the top three best-selling genres were test-preparation books (14.0%), children and teenagers (10.9%), and literary novels (7.4%). [P.247]

Weekday and holidays are factors that affect the book sales of publishing and marketing channels

A segment of the general public has started to regard bookstore visiting as a leisure activity, resulting in a high concentration of book purchases made on holidays. Survey results show that 32.2% of channel operators expressed that sales performance on weekdays and holidays differ. Making a further observation on the impact of holidays on book sales, 21.4% of businesses stated that sales made on holidays accounted for less than 30% of weekly sales; 41.1% said it made up about 30% to 50%; and 30.4% expressed it constituted more than half of the weekly sales. [P.245]

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

The survey shows that 66.1% of publishing and marketing channels held promotional events or kept in contact with readers in 2017, a significant increase from 2016 (53.7%). 33.9% of businesses held no relevant events within the past year, a decrease in the percentage of businesses that held no marketing events in 2016 (45.2%). Promotional event planning includes themed discount events (including annual sales and special holiday sales), seminars, forums, and lectures as well as book launches. [P.251]

Paper book revenues for Taiwanese publishing and marketing channels estimated at NTD 22.6 billion

According to estimations based on revenue information extracted from tax data, the overall revenue of the printed book market (including both old and new books) for the retail end was NTD 22.5984 billion; a slight decline of 4.7% compare to the 2016 revenue estimates (NTD 23.71758 billion). The above-mentioned NTD 22.5984 billion amount was estimated from retail-end channels revenues, and the previously mentioned NTD 23.85116 billion amount was estimated from publishing-end channel revenues. The difference between these two estimations are due to direct sales made by publishers through other sales channels such as group purchases, library purchases (B2L) and others. [P.291]

C. Main findings of qualitative survey

I. Book publishing industry

(I) Overall development of the book publishing industry in 2017

Prices of new books increased in 2017, but on average, new titles sales still dropped slightly

The analysis of production and sales indexes showed a 65% increase in the prices of new books in 2017. However, the average sales amount derived from each new title still dropped slightly, which may have affected publishers' willingness to invest in the publishing of new books. This echoes the observations reported by book sales channels: the proportion of revised editions among the newly published books has increased. [P.277]

(II) Analysis of important changes in the 2017 book publishing market

For professional publishers that do not offer digital book versions, a sales decrease in the overall book market had a greater impact

Looking at the overall average revenue of publishing companies, all single brand professional publishers that published more than 100 new titles in 2017 reported an average of NTD 116.89 million in revenue (covering both books and non-book related revenues); a 32.7% increase from 2016 (NTD 88.11 million). As for professional publishers not engaging in digital publications, an average of NTD 11.71 million in revenue was reported in 2017; a 3.8% drop from 2016 (NTD 12.17 million). This shows that in the overall book publishing market, professional publishers that rely solely on revenues made from publishing printed books have suffered a greater impact than professional publishers engaging in digital publishing. [P.278]

In 2017, the price of many book categories increased, while competitive discounts offered by sales channels rose

This research examined books sold at four major online bookstores. The average price of most book genres (65%) increased from 2016. Genres that had lower average prices in 2017 than in 2016 only included humanities, history and geography, art design, professional, educational and government publications, religion and astrology, tourism, natural sciences, computer and information, and children and teenagers literature. All other book genres reflected an increase in average prices. On the other hand, discounts in 2017 were roughly the same as those offered in 2016. However, the level of discount differences offered by sales channels for most book genres (75%) had grown. This indicates that, compared with 2016, in 2017 the overall book market experienced a more intense price reduction competition. [P.279]

The number of Chinese publishing rights for various book categories obtained by the main sales channel (the four major online bookstores) has significantly increased

In 2017, according to inventory information provided by this research, the main book selling channel (the four major online bookstores) had acquired publishing rights for 8,695 titles, a 1.3% increase from the 8,581 titles in 2016. The top three countries of publishing right sources were Japan (45.7%), the US (18.6%), and China (14.3%). Among these, the numbers of publishing rights and book types sourced from China have both increased. According to the opinions of individuals within the publishing industry, there are three main possible factors explaining this trend: mainland China's proactive efforts in promoting exportation of publishing rights; Taiwanese publishers' cost considerations; and the gradual maturity of Chinese creative writing, which has slowly gained support from readers. [P.280]

Accelerating growth in overseas book exports

Developing overseas markets has been seen as an important strategy to create new sources of profit by the publishing industry. The government has also put a number of policy measures in place to provide assistance. According to customs' statistics compiled by the Ministry of Finance, there has been a consistent growth in Taiwan's gross book export for the past three years. Numbers have shown a steady trend by presenting a double-figure growth from NTD 2.58 billion in 2015 to NTD 3.56 billion in 2016, to a further increase to NTD 3.98 billion in 2017. What's worth noting is that the export value of children's books has continued to show rapid growth in recent years. This has become an important driving of book exports. [P.282]

The audiobook market has potential for development

Taiwan's audiobook market isn't as active when compared to the development of its overseas counterpart. Nevertheless, looking at development trends in other countries, it is expected that Taiwan's audiobook market will further develop in the future. In contrast with the publishing end's cautious attitude towards the audiobook market, retail-end digital platforms have started to actively invest in developing this market. In 2017, a number of digital platform operators have already become involved with the audiobook market. [P.282]

II. Comic book publishing industry

(I) Overall development of the comic book publishing industry in 2017

The number of new titles published and the sales index have both declined, but exports have grown

Looking at the publishing production index or the sales-related indicators, the performance of the comic book publishing industry in 2017 has shown that the industry continues to face development bottlenecks. The decline in comic book publishers' revenues in recent years has been mainly due to a decrease in domestic revenues. However, export performance has been improving year by year. Comic book companies that mainly profit form exports saw an increase in revenue. In 2017, revenue from exports accounted for 8.6%; an increase from the 7.7% in 2016. [P.284]

(II) Analysis of important changes in the comic book publishing market in 2017

The number of digital comic book titles released has increased, but the domestic market remains immature

In 2017, the number of digital comic book titles released on digital platforms increased by 188.2% compared to 2016. As for retail prices, whether in the average or modal value, there was also an increase in 2017 compared to 2016. However, looking at consumption according to the results of this and last year's surveys regarding the public's reading and buying behaviors, the overall purchase rate for digital comic books has not grown. The vast amount of pirated comic books on the Internet also affects consumers' willingness to pay. Under this influence, the overall retail end of digital comic books saw a decline in revenue of 17.3% from 2016 to 2017, indicating that the current development state of the digital comic book market is not yet mature. [P.285]

If comic book productions are to succeed in the market, professional editing assistance is required

Influenced by government policies encouraging comics creation, the number of Taiwan's original comics has gradually increased. According to the results of the survey questionnaire for comics publishers, in 2017, new productions created by Taiwanese authors accounted for a 25.6% of the total number of new comic books published, an increase of 19.6% from 2016. The key for the development of the domestic comics industry is the acceptance of Taiwanese productions by Taiwanese readers who are used to reading Japanese comic books. The role of an editor is important in the comic book market. A good editor has an insight of the industry's trends and can direct the creativity of comics creators, which could improve sales performance and future development prospects. However, due to the sales decline of Taiwan-printed comic books, publishers are unable to recruit suitable professional editors with salaries that are more appropriate. [P.285]

Comic book publishers proactively adjust the content of their business strategy

Looking at the average revenue made by each company in the comics industry, the average overall revenue made by each company grew about 2.8% in 2017 from 2016. Comparing this fact with the decline in sales of printed comic books, it shows that sources of revenue from other business activities have grown. Currently, comic book publishers are proactively attempting to adjust the content of their business strategies. Modified strategies include three goals: 1. Expand the original comics market. Some comic book publishers are developing original contents by adapting novels. 2. Digital transformation, including displaying the contents of printed comic books in the form of scroll-down comics 3. Utilizing intellectual property rights from the contents of original comics and applying them across other ACG (anime, comics, games) fields for development purposes. [P.286]

III. Digital publishing industry

(I) Overall development of the digital publishing industry in 2017

The number of digitally published titles is lower than that of paper publications, but digitally published titles of all types increased from 2016

In terms of the number of titles published, according to the result of inventory-taking in this study, there were 7,102 ebook titles, 1,435 comic book titles, and 583 magazine titles published digitally in 2017. Although the number of digitally published titles was still lower than that of paper books, magazines, and comics (about 36,229 titles in total), the number of published digital ebooks (+34.5%), digital comics (+188.2%), and digital magazines (+31.6%) all grew in 2017 compared to 2016. This shows that publishers have become more active in investing in the ebook market. [P.288]

(II) Analysis of important changes in the 2017 book publishing market

Growing polarization in the revenues of digital platforms

In the past, the B2C market for ebooks performed better on digital platforms operated by telecom companies. However, in 2017, the addition of channels ran by iconic businesses stirred up more competition in the ebook market. Although some telecom operators did not develop successfully in the ebook market, according to the opinions of some digital platforms representatives interviewed for this research, revenues from ebooks in 2017 reflected a substantial increase. This shows a growing polarization in the revenues of digital platforms in 2017. [P.288]

IV. Publishing and marketing industry channels

(I) Overall development of the publishing and marketing industry channels in 2017

Apart from online bookstores, which saw an increase in book sales, all other channels have gone downhill

While the publishing end saw a slight increase in revenue from books in 2017, sales channels for books on the retail end, including physical channels like chain bookstores and single/independent bookstores, all experienced a decline, with the exception of online bookstores, which had an increase in sales. At the same time, the overall revenue of companies (including revenues from books and other business activities) declined too. [P.290]

(II) Analysis of important changes in publishing and marketing channels in 2017

Retail channel performance differed between different types of books

In the past, distributors served the purpose of assisting book shop owners. Today, due to the shrinking of physical sales channels for the book industry, the interaction between the two parties is not the same anymore. Furthermore, due to the increase of operational costs for distributors, the numbers of distribution services, locations and networks have decreased. On the other hand, the convenient logistics system is one of the advantages of large-scale online bookstore operation, exerting more competitive pressure on physical book sale channels. However, according to the observations derived from interviewing book distributors, not all physical channels are facing this problem. At present, physical channels are seeing signs of polarization in business performance, and only the bigger players continue to grow. [P.292]

The background of independent bookstore operators is gradually becoming more diverse

According to the Formosa Bookstore Guide Map published by the Taiwan Association for Independent Bookshop Culture, and the list of members of the Taiwan Friendly Book Industry Supply Cooperative, the backgrounds of independent bookstore operators that recently joined the Cooperative are quite diverse, including businesses in the food and beverage, hospitality and information and communication industries, among others. In addition, it was also found that businesses currently operating as bookstores are gradually shifting from book selling to operating as touristic spots with a hint of book culture. This not only may drive up book sales, but also promote reading culture within society [P.264]

V. Policy suggestions

(I) Continue to promote policy recommendations actively advocated by the publishing industry

(II) Continue to encourage the publication of quality content to maintain the momentum of the domestic publishing industry

(III) It is recommended that the government promotes reading habits to radically improve the operating environment of the publishing industry

(IV) It is recommended that assistance continues to be provided to the industry to improve the basic conditions for digital publishing

(V) It is recommended that additional relevant policy measures be put in place to continue to facilitate book exports

SURVEY OF TAIWAN'S PUBLISHING INDUSTRY FOR 2017

Volume 2- SUMMARY

This study aims to gain insights into the reading and spending habits of the general public. Surveys were conducted via phone calls. The 2017 Reading and Spending Habits of the General Public Survey was conducted from March 1 to March 31, 2018. The 2018 Reading and Spending Habits of the General Public Survey (First Half of the Year) was conducted from July 2 to July 6, 2018, and the 2018 Reading and Spending Habits of the General Public Survey (January - October) was conducted from November 5 to November 10, 2018. Interviews for all three surveys were carried out during 18:30 - 22:00 on weeknights and during 14:00 - 17:30 and 18:30 - 22:00 on weekends.

The 2017 Reading and Spending Habits of the General Public Survey successfully obtained 1,689 valid responses (through 1,432 landline and 257 mobile phone calls); the 2018 Reading and Spending Habits of the General Public Survey (First Half of the Year) successfully obtained 1,507 valid responses (through 1,354 landline and 153 mobile phone calls); the 2018 Reading and Spending Habits of the General Public Survey (January - October) successfully obtained 1,505 valid response (through 1,350 landline and 155 mobile phone calls). All three surveys reported a 95% confidence level with a sampling error within ±2.5%.

A. 2017 Reading and Spending Habits of the General Public Survey

I. General Reading Experience

In 2017, the reading frequency of the general public aged 12 or older declined from 2016. This indicates that people read less regardless of the type of publication compared to 2016. Nevertheless, reading time and number of books read were about the same as the figures reported in 2016.

In terms of reading frequency, the overall combined reading frequency for all publications (including paper and digital) was 69.9%, a 7.8% decline from 2016. Individuals who did not read at all accounted for 30.0% (an 8.0% increase from 2016). Reading frequency of newspapers was 57.9% (a 5.6% decline from 2016); reading frequency of magazines was reported at 44.3% (an 8.3% decline from 2016); reading frequency of books was reported at 48% (a 6.1% decline from 2016); and reading frequency of comics was at 23.0% (a 2.5% decline from 2016). [P.10]

In terms of reading volume, the average number of paper books read was 6.5 (a 0.8 increase from 2016) [P.18]; the average number of ebooks read was 2.2 (the same as 2016) [P.20]; the average number of paper comic books read was 2.1 (a 0.5 decline from 2016) [P.59]; the average number of digital comic books read was 3.3 (a 0.8 decline 2016) [P.61]; the average number of paper magazines read was 4.4 (a 1.0 decline from 2016) [P.89]; and the average number of digital magazines read was 2.1 (a 0.7 decline from 2015) [P.91].

In terms of reading time, the average time the general public aged 12 or older spent reading in 2017 was about the same as in 2016. On average, 2 hours were spent reading paper books every week (the same as 2016) [P.22]; 1 hour was spent reading ebooks every week (the same as 2016) [P.24]; 0.3 hours were spent reading paper comic books every week (a drop of 0.2 hours from 2016) [P.63]; 0.5 hours were spent reading digital comics every week (a drop of 0.1 hours from 2016) [P.65]; 1 hour was spent reading paper magazines every week (a drop of 0.2 hours from 2016) [P.93]; and 0.5 hours were spent reading digital magazines every week (the same as in 2016) [P.95].

Although reading frequency and time spent reading books, comics, magazines, and the like declined, in 2017, 72.5% of the population read digital contents every day (referring to actual time spent reading online articles, social media posts, digital creation platforms, computer documents, etc.; time spent surfing the web excluded), a 3.3% decline from 2016. The average reading time per day was 1.6 hours (an increase of 0.1 hours from 2016), which could be converted to an average reading time of 11.2 hours per week. Comparing this number to the time people spent reading ebooks every week (1.0 hours on average), digital comics (0.5 hours on average), and digital magazines (0.5 hours on average), more time was spent on reading digital contents. [P.120]

II. General Book Purchasing Experience

Regarding book purchasing behavior, the purchase frequency of people aged 12 or older declined for all types of publications in 2017 compared to 2016, while the amount of money spent did not. In 2017, money spent purchasing paper books and ebooks increased compared to 2016, but amounts spent purchasing paper and digital comics decreased. Compared to 2016, the amount of money spent on the purchase of paper magazines significantly decreased, while digital magazine purchase spending slightly increased.

Regarding purchase frequency in the year of 2017, 32.8% of people purchased paper books (a 4.1% decline from 2016); those who bought paper magazines or paid to read them made up a 19.9% (an 8.2% decline from 2016); those who bought paper comic books or paid to read them made up a 7.3% (a 2.7% decline from 2016); those who bought ebooks or paid to read them made up a 4.3% (a 0.4% decline from 2016); those who bought digital comics or paid to read them made up a 1.9% (a 1.2% decline from 2016); those who bought digital magazines or paid to read them made up a 2.2% (a 0.7% decline from 2016); and those who purchased digital newspapers made up a 2.5% (a 1.2% decline from 2016). [P.15]

As for money spent, an average of NTD 1,113.1 was spent on paper books (an increase of NTD 171.4 from 2016) [P.29]; the average spending on the purchase of or paying for reading paper comics was NTD 75.2 (a drop of NTD 43.8 from 2016) [P.67]; the average spending on the purchase of or paying for reading paper magazines was NTD 326.8 (a drop of NTD 137.1 from 2016) [P.97].

Average spending on ebooks was reported at a NTD 59.2 (an increase of NTD 7.5 from 2016) [P.32]; average spending on the purchase of or paying for reading digital comics was NTD 8.5 (a drop of NTD 13.8 from 2016) [P.69]; and average spending on the purchase of or paying for reading digital magazines was NTD 38.6 (an increase of NTD 2.8 from 2016) [P.99].

Based on these estimations, the overall value of paper book consumption in 2017 was around NTD 23.52 billion (an increase of NTD 3.66 billion or 18.4% from 2016); the overall value of paper comic books consumption was around NTD 1.59 billion (a decline of NTD 920 million or 36.7% from 2016). If the figures for books and comics were to be combined, the overall value of general book consumption (including paper books and comics) would be around NTD 25.11 billion (an increase of NTD 2.74 billion or 12.3% from 2016). The estimated overall value of paper magazine consumption was NTD 6.91 billion (a decline of NTD 2.87 billion or 29.4% from 2016). [P.369]

For the digital publishing market, the estimated overall value of ebook consumption was NTD 1.25 billion (an increase of NTD 160 million or 14.8% from 2016); the estimated overall value of digital comic consumption was NTD 180 million (a decline of NTD 290 million or 61.8% from 2016); and the estimated overall value of digital magazine consumption was NTD 820 million (an increase of NTD 60 million or 7.3% from 2016). [P.369]

Regarding book purchasing channels, purchases of or payment for reading paper books were mainly conducted online (accounting for an average of 38.3%) [P.37], while purchases or payments made through physical channels made up an average of 61.7% [P.39]. Regarding paper magazines, subscriptions accounted for an average of 31.9% [P.101]; online rental or individual purchases made up an average of 15.0% [P.103]; and renting or individual purchases through physical channels constituted an average of 53.1% [P105].

Regarding ebooks, buying or paying to read ebooks through domestic digital platforms accounted for an average of 51.2% [P.50]; while buying or paying to read ebooks through overseas digital platforms accounted for an average of 48.8% [P.52]. With regards to digital comics, buying or paying to read digital comics through domestic digital platforms accounted for an average of 43.7% [P.82]; while buying or paying to read digital comics through overseas digital platforms constituted an average of 56.3% [P.84]. For digital magazines, buying or paying to read digital magazines through domestic digital platforms accounted for an average of 44.7% [P.113], while buying or paying to read digital magazines through overseas digital platforms made up an average of 55.3% [P.115].

B. 2018 Reading and Spending Habits of the General Public (First Half of the Year)

I. General Reading Experience

In the first half of 2018, the reading frequency of people aged 12 or older, regardless of the publication type, decreased compared to the first half of 2017. This indicates that people continue to read less regardless of publication type.

Among people's reading channels for the first half of 2018, a 56.2% reported reading newspapers (a decline from the 62.2% reported in the first half of 2017); a 44.4% reported reading books (a decline from the 49.4% reported in the first half of 2017); a 37.2% reported reading magazines (a decline from the 43.9% reported in the first half of 2017); and a 19.8% reported reading comics (a decline from the 22.8% reported in the first half of 2017). All publication types experienced a decrease in reading frequency compared to the same period in 2017. In the first half of 2018, the percentage of individuals who did not read at all was reported at a 30.9%; an increase from the 25.5% who reported so in 2017. [P.123]

In terms of reading volume for the first half of 2018, the average number of paper books read by the general public aged 12 or older was 3.5 (a drop from the 4.2 reported in the first half of 2017) [P.129]; the average number of ebooks read was 1.6 (an increase from the 1.4 reported in the first half of 2017) [P.131]; the average number of paper comic books read was 1.6 (a drop from the 2.0 reported in the first half of 2017) [P.164]; the average number of digital comic books read was 3.1 (an increase from the 2.0 reported in the first half of 2017) [P.166]; the average number of paper magazines read was 2.4 (a drop from the 3.1 reported in the first half of 2017) [P.191]; the average number of digital magazines read was 1.1 (a drop from the 1.3 reported in the first half of 2017) [P.193]. All types of publications, except for digital comics, saw a decrease in reading volume compared with the first half of 2017.

II. General Book Purchasing Experience

In the first half of 2018, the percentage of people aged 12 or older who bought or paid to read any type of publication, as well as their spending average, were all lower than the corresponding figures from the same period in 2017. This shows that, compared to the first half of the preceding year, the performance of publications in the consumer market fared worse in 2018.

Regarding book purchasing behaviors, the first half of 2018 saw a decline in the rate of purchase or payments to read for any type of publication compared to the same period a year ago. Printed newspapers had a purchase rate of 28.0% (a decline from the 31.7% reported in the first half of 2017); for paper books it was 26.1% (a decline from the 32.0% reported in the first half of 2017); for paper magazines 14.5% (a decline from the 21.7% reported in the first half of 2017); for paper comic books 5.5% (a decline from the 6.9% reported in the first half of 2017); for digital newspapers 2.0% (a decline from the 2.6% reported in the first half of 2017); for ebooks 1.8% (a decline from the 3.4% reported in the first half of 2017); for digital magazines 1.5% (a decline from the 2.2% reported in the first half of 2017); and for digital comics 1.5% (a decline from the 2.3% reported in the first half of 2017). Individuals who did not purchase any of these publications constituted a 52.2%, an increase from the 47.5% reported in the first half of 2017. [P.127]

In terms of money spent on books, the average amount people aged 12 or over spent on buying or paying to read any type of publication was lower in the first half of 2018 compared to the same period in 2017. The average spending on paper books was 633.7 NTD (a drop from the NTD 693.8 reported in the first half of 2017) [P.139]; for ebooks it was NTD 29.0 (a drop from the NTD 36.1 reported in the first half of 2017) [P.141]; for paper comic books it was NTD 45.9 (a drop from the NTD 59.2 reported in the first half of 2017) [P.172]; for digital comics it was NTD 8.4 (a drop from the NTD 19.3 reported in the first half of 2017) [P.174]; for paper magazines it was NTD 153.3 (a drop from the NTD 235.3 reported in the first half of 2017) [P.199]; for digital magazines it was NTD 13.9 (a drop from the NTD 16.1 reported in the first half of 2017) [P.201].

C. 2018 Reading and Spending Habits of the General Public (January - October)

I. General Reading Experience

As for reading channels of people aged 12 or older from January to October of 2018, 55.7% of respondents stated they read newspapers; 43.7% stated they read books; 37.7% read magazines; and 21.5% read comics. In addition, 32.6% of respondents stated that they did not read any of these publications, while 0.2% did not express a clear opinion. [P.223-224]

In terms of reading volume, between January and October 2018, the average number of paper books read by people aged 12 or older was 4.4 [P.230]; the average number of ebooks read was 1.8 [P.232]; the average number of paper comic books read was 1.8 [P.268]; the average number of digital comic books read was 1.8 [P.270]; the average number of paper magazine read was 3.4 [P.295]; the average number of digital magazine read was 1.0 [P.297].

II. General Book Purchasing Experience

Regarding book purchasing behaviors, the percentages of people who bought or paid to read any type of publications between January and October 2018 are as follow: 28.5% spent on printed newspaper; 25.7% spent on paper books; 13.5% spent on paper magazines; 6.9% spent on paper comics; 1.4% spent on digital newspapers; 2.7% spent on ebooks; 1.0% spent on digital magazines; and 1.3% spent on digital comics. 53.8% of the respondents did not purchase any of these publications, while 0.2% expressed no clear opinions. [P.228]

In terms of money spent on books, the average amount spent by people aged 12 or over for the purchase of or paying to read any type of publications between January and October 2018, was lower than the amount reported in the corresponding period of 2017. The average amount spent on paper books was NTD 686.3 [P.240]; NTD 36.6 on ebooks [P.242]; NTD 62.6 on paper comic books [P.276]; NTD 4.8 on digital comics

[P.278]; NTD 177.5 on paper magazines [P.303]; and NTD 11.2 on digital magazines [P.305].