



Interview with Kristen McLean

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KENNEALLY: The report card on last year's US trade book sales is now available, and it makes very happy reading for booksellers and publishers. The grade given the industry for 2021 is A++.

Welcome to Velocity of Content. I'm Christopher Kenneally for CCC.

2021 was the highest sales year on record for print. Since the coronavirus pandemic began nearly two years ago, print, audio, and ebook sales have all climbed to new heights. The figures come from NPD BookScan, based on direct reporting from all major retailers, including Amazon, Barnes & Noble, Walmart, Target, and independent bookstores.

For everyone who cares about books and reading, record sales are cause for celebration, of course. Yet a sobering data point stands out amidst all the black ink. In an industry built around finding new authors and publishing and promoting new books, readers are increasingly devoted to the past.

Kristen McLean is the executive director of business development and primary industry analyst at the NPD Books Group, the team behind NPD BookScan. She joins me now with all the details as well as a look ahead for 2022. Welcome to the program, Kristen.

McLEAN: Thanks, Chris. Great to be here.

KENNEALLY: Well, I have to start by asking you – so you have given us a grade of A++ – you called it a plus-plus year in your review of 2021. How did you come to that grade?

McLEAN: So the plus-plus is really the fact that we had a growth year in 2020 and then another growth year in 2021. So we basically have had two growth years during the pandemic, and we're about 19% above where we were in 2019 in terms of the amount of books that are going out the door. That's really exceptional in an industry that typically might have 2% or 3% growth in a given year. It's unprecedented for what we've seen in the time that we've been tracking the sales, which is starting in 2004.

KENNEALLY: And there were some interesting pieces that you could tease out of the report. For example, there was a very strong early start to the year. The first half of the year was very strong indeed. And early holiday sales also helped to combine to create this exceptional year. But we have to look back and think, so what changed in midyear? I



think we can speculate on that. But I'd like to ask you – so what was going on that first half of the year, and then what shifted?

McLEAN: Yeah, so we were expecting the sales to be very strong against the prior year starting in March last year, when we had a pretty big crash caused by the onset of the pandemic. But we weren't really prepared for the amount of volume that we sold in January and February this past year. And of course, it's hard to remember right now, but going back then, that was the lockdown period. Many children were home from school. People were working from home. And we didn't have vaccines. So that was a time when people were spending a lot of time at home, and their book buying went up. Their reading went up during that time period.

And then as you mentioned, sales came back to earth a bit in the midpoint of the year. Of course, at that time, we were starting to be vaccinated. People were starting to travel more. People were feeling pretty optimistic at that point about what the fall and winter was going to bring. It was before we knew about Omicron. So we had a strong year, but not like a meteoric year like we did in the first half of 2021.

KENNEALLY: It was a very strong year for adult fiction. But half of that was due to manga, and you've identified, you think, some of the source for that growth on the manga side. Tell us about that.

McLEAN: So for those of you guys who aren't familiar with it, manga is the Japanese comic book equivalent of like the DC comics, and manga has a counterpoint on screens, which is anime. Anime is the Japanese animation form, and manga is the comic book form, and those are tied together. So if you have a manga series, you often also have an anime series.

One of the things that has really been driving manga in the United States is that the major streaming platforms, like Hulu and Netflix, have made major commitments to bringing anime in from Japan, and what we've seen is that there a lot of new fans who are discovering this content for the first time stuck at home during the pandemic. Streaming and TV watching in general went way up during the pandemic. So what we had is a whole bunch of new fans coming over in to buy manga for anime series that they got very excited about that they watched on their streaming platforms. That was strong enough to drive manga sales last year up by 126%, and manga accounted for 25% of the growth overall that we saw in 2021. So it was a very, very strong driver of the year that we had last year.

KENNEALLY: That relationship with digital is a fascinating one. I want to ask you about the various formats that you follow on NPD BookScan. They include print, ebooks, and audio. Tell us about how that shifting share of the marketplace is really revealing of trends for the whole industry.



McLEAN: Yeah, so if we go back to 2020 and look at what happened that year – so audiobooks in general have had a very, very strong growth curve in the United States prior to the pandemic. We were seeing double-digit growth in audio for a number of years going into the pandemic, and that was being driven by people who were listening to audiobooks who maybe are coming over from podcasts or who have become accustomed to streaming audio through platforms like Spotify. These are people who are listening to other types of audio who have come into the audiobook market. And then, of course, traditional audiobook listeners who now have mobile phones where audio is streamable – that was also part of the factor that drove that growth prior to the pandemic.

But then the pandemic came along, and something really interesting happened, which is that audiobook kind of tapered off. It didn't go down, but it sort of tapered off. And during the pandemic the first year, we saw ebooks actually go up after a number of years of decline. Of course, when you think about that, that totally makes sense, right? So the pandemic hit. Many bookstores had to close their doors. People were concerned about – in the early days of the pandemic, we didn't really understand exactly how people were catching this, so people were concerned about things coming into their home. And also in many cases, books were not easily available. So all of those things drove a rise in ebook purchasing in 2020, especially in the summertime.

So we had audiobooks flat. We had ebooks going up. We had certain categories of print going down, things like books about leadership, self-help, memoir, biography – books that are really typically very important categories just dropped like a stone, and they were replaced by, at least in the early days, a lot of children's purchasing – so children's nonfiction to help educate kids at home, activity books. And then a little bit later on, we started to see things like cookbooks come in.

So the pandemic really kind of turned everything on its head. And then as we were hitting the summertime of that first year of the pandemic, we did then start to see adult nonfiction come back – things like political books, books that support topics around Black Lives Matter, a lot of children's books continuing, because children were still at home. It's just been a very dynamic couple of years, really more dynamic than anything that I have seen. And I think, honestly, 2022 is shaping up to be just as dynamic.

KENNEALLY: Last year, 2021, was a historic year according to BookScan for unit sales for young adult books. And we're going to talk about where all of that may be coming from, but give us the numbers first. What happened last year for young adults?

McLEAN: So young adult books did have their best year ever in our tracking. They grew about one and a half times faster than they ever have before. And they reached about 35 million



units, whereas the previous year, they had been about 29 million units. So very, very strong growth.

And as I said, I went back and looked, and it was definitely the strongest year ever for print book sales for teen books. But what was really unusual about it is that the teen book market is typically driven by big blockbusters, thinking about books like Stephenie Meyer's *Twilight* series or Suzanne Collins's *Hunger Games* – those books would typically be driving growth in the teen books. But last year, we had this incredible year for these books without any big blockbuster bestsellers like that at all – no movies for teens that had books attached or anything. What was really driving it was a very active community of teens on TikTok that started the hashtag #booktok – this actually started late in 2020 – and by the time we hit the beginning of 2021, the #booktok hashtag had reached a billion views. What we saw was a very active group of teens that started advocating for authors that they loved, stories that made them cry, great mysteries, and that took off. Not just for teens – it eventually spilled over into adult fiction also. That is one of the factors that drove this incredible growth in fiction in 2021 – 25% up in 2021 for adult fiction.

KENNEALLY: So, Kristen McLean, what's really important about this is not just the social phenomenon where kids get to share the news about their favorite books, but just how this became a real bandwagon for the book industry. The kids get excited about a book. The retailers catch on. They merchandise it. So what we're seeing here is a phenomenon with some real legs. It's going to continue, because everyone's on board.

McLEAN: Yeah, I think so. It's the first time that I can remember an organic social media phenomenon driving books onto the bestseller list in this way. We have plenty of examples of influencers being paid by publishers to talk about new books – brand-new authors, brand-new books that have a lot of marketing budget behind them. But what was really different about especially the early days of TikTok is we were starting to see books come onto the bestseller list that were several years old – in some cases, four or five years old. That was really unusual. In fact, that's what made us dig in to try to understand what was going on, because I was seeing some books from quite a few years ago suddenly on the top of the teen bestseller lists. And when we traced it back, we discovered that the author was thanking a TikTok-er for posting a great video, and that video went viral, and then there were other people who were responding to that video. That's really how it started.

And then once the retailers and the booksellers, particularly at Barnes & Noble and the indies, caught onto it, they started tracking these books and then merchandising these books. Then once those books started to really take off in sales, the other retailers got in on it. So that kind of created this amplified pattern that really is all about the readers and



not necessarily about the marketing dollars or the frontlist, which I think is really interesting and pretty fresh.

KENNEALLY: It's all about the readers. That's a great way to sum it up. Because as you say, a novel like *It Ends with Us* by Colleen Hoover – that came out in 2016, yet last year, it sold more than 770,000 copies all because of #booktok-ers. It's going to get everyone's attention in publishing.

McLEAN: Yeah, if you think about it, there were a number of bestselling authors that put out books last year. John Grisham had a book. James Patterson had several books. Stephen King had a book. Colleen Hoover's book outsold all of them. In fact, it was the number-one traditional fiction book on the overall BookScan list last year. That's like winning the lottery for that author. And not only is that book – that book is sort of the point of the wedge, because now all of her catalog is selling really well. So for her, it was really the longest overnight success ever. It's really amazing. It's a really amazing story, yeah.

KENNEALLY: What's behind that story, though, that's interesting to me is the share of frontlist and backlist – frontlist being the latest published books, backlist being books that have been around for some time, like her book. So you have shown that the share of frontlist and backlist has shifted over time. It went from roughly 50/50 in 2005 to more than two to one backlist to frontlist in 2021. What does that say to you about the way that the business has changed in those last 15 years?

McLEAN: I think that backlist is great for a publisher, in the sense that every backlist book that's sold is more profitable than the one that came before it, because it means that every book is paying down the cost of making that book. So backlist is a really important part of the publisher's catalog.

However, since roughly World War II, we have seen the publishing industry pivot towards more of a bestseller/frontlist strategy. By that, I mean that the publishing market generally puts a lot of resources into finding new authors, editing their books, making those books and putting them out, and then paying quite a lot of money to market them so they become bestsellers. We've seen more and more publisher emphasis on this over the last 50 years, and that has really changed the model.

So the pressure that's now on the frontlist is pretty significant, and I think that publishers – it's an existential question for them, right? They're still publishing a lot of frontlist, but we're seeing backlist gain share and frontlist lose share. That means that every frontlist book that goes out is getting a smaller and smaller return, or fewer books are getting big returns and a lot of books are getting very small returns.



And I think it begs the question for the publishing market – a few questions. The first is, is this just pandemic-related? Will it reverse? I think probably it won't. I think we're more or less going to stay in this pattern, because it's not just the pandemic that drove this. I think we saw an escalation in backlist sales as we moved to online shopping, so around 2010, when the internet really took off and digital ebooks really took off. Shopping online doesn't favor new books, because algorithms online tend to recommend books that are already selling. So that's a factor.

I also think there's a lot of really amazing books in the world, and classics or books that people are familiar with are easy to purchase for somebody else. So that also drives it, especially in the children's market. You want to buy familiar books for the children you're buying for.

And then, of course, during the pandemic, this became really accentuated, because a lot of traditional bookstores had to close their doors, and the places that remained open, like the mass-market retailers, have much more limited shelf space. They don't have a lot of room to stock all the frontlist and the books that you would discover in a traditional bookstore.

All of that combined to really accelerate this trend, and I do think, ironically, we're going back to a much earlier time in publishing history, where typically publishers would cultivate a stable of authors, and their backlist was the asset that they were building their business on. It's complicated, and it's wrapped up in shifts in retail. Part of why we had a frontlist-driven model is that bookstores in malls and bookstores in the suburbs had very big footprints, and they needed to sell a lot of new books. So I think we're in the middle of a major change in the publishing market right now, and it remains to be seen how the publishers choose to navigate this. But I do think it's a change that's going to be with us for a while, and I think each publisher is going to have to figure out exactly what they're going to do about it in terms of their business model.

KENNEALLY: A highly regarded music critic and historian, Ted Gioia, has recently asked when the organizers postponed the Grammy Awards, did anyone care? His answer was probably not as much as they would have in the past. In fact, the evidence indicates that few are paying attention to new music. And if fewer readers are paying attention to new books, that's going to impact that work that gets done for editors, for literary agents, for so many others.

McLEAN: Yeah, I think that publishers are going to have to think carefully about how they're going to deploy their process for finding new books. I don't think that there's less interest from readers. In fact, I think people are reading more and spending more. The fact that we had this incredible year last year, and we only had two books in BookScan that crossed the million-unit mark last year – just two – and still we sold millions and millions and millions



more copies of books than we did the previous year tells me that there's a lot of reading and there's a lot of engagement going on. It's just not necessarily with the books that publishers would prefer that readers buy.

And I think that there's a silver lining there, which is that people are advocating for books that they're really excited about and helping other readers discover those books, and that is fantastic. But it does make me think that the future of publishing probably is going to look something like this. There's going to be a few publishers who have the deep pockets to go after the really big books that are out there, and we've seen three different publishing mergers this year that make the bigger publishers even bigger – big publishers bigger. So those are the publishers that are going to really be able to compete for the huge advances that are required for some of these big, big authors.

But there are other publishers that are going to have very successful business models going after quieter, but very specific types of niche books. Maybe they're going after cookbooks of a particular type. Or maybe they're going after children's books about feelings or emotions. Or maybe they're just doing board books for very young children or whatever. They're looking for strategic opportunities. And for those publishers, they're not necessarily trying to get a bestseller in the first release period of a book. They don't necessarily care about it. What they're really interested in is building a book that will be on the shelf for a really long time.

I'm thinking of a publisher – one of my favorite examples of this is Bard Press. Todd Sattersten is the publisher there. This is a publisher that only puts out one book a year, maybe two books a year – or maybe a book every other year sometimes. They really focus on picking business books, primarily, with very unique voices and a very strong following. And then their goal is just to build that book up so that it will become a backlist juggernaut over time. They don't care if it makes the bestseller list in its first 32 weeks of release. They really care that it makes a certain number of sales over the course of its first year or two years and that they have the right author to help them really build a following. That's just a totally different way of approaching the publishing model, I think.

KENNEALLY: And in that world of evolving business models for publishers, the big winners are readers.

McLEAN: Definitely. Yeah, it's just an amazing time to be a reader. The amount of books and quality content out there has just never been better. It's really a great time to love books.

KENNEALLY: Kristen McLean with NPD BookScan, thanks for joining me.

McLEAN: It's been my pleasure.



KENNEALLY: That's all for now. Our producer is Jeremy Brieske of Burst Marketing. I'm Christopher Kenneally. Thanks for joining me on Velocity of Content from CCC.

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