



**A World of Books
Recorded for 2022 US Book Show**

with

- **Andrew Albanese, *Publishers Weekly***
 - **Javier Celaya, *dosdoce.com***
 - **Fabrice Piault, *Livres Hebdo***
 - **Olivia Snaije**
- **Rudiger Wischenbart, *Global 50***

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KENNEALLY: Welcome to the US Book Show. I'm Christopher Kenneally, host of Velocity of Content from CCC. Over the coming hour, my guests and I will tour the world of books, leaping from continent to continent as fast as you could turn a page in your favorite novel. To learn more about publishing and literary developments in Europe, South America, the Middle East, and Africa, I'm very happy to welcome a distinguished panel of journalists and analysts who report on the news from those regions for leading publications and cover publishing trends for the publishing and bookselling industries.

From Madrid, Spain, Javier Celaya is CEO and founder of Dosdoce.com, which analyzes the use of technology in the cultural sector and publishes annual studies on trends in the creative industries. Welcome to the program, Javier.

CELAYA: Hello from Spain. Thank you for having me.

KENNEALLY: From Paris, Fabrice Piault is editor in chief of *Livres Hebdo*, a weekly magazine covering publishing and bookselling in France. Welcome, Fabrice.

PIAULT: Hi, Chris.

KENNEALLY: Also from Paris, Olivia Snaije is an editor and journalist whose reporting has appeared in *The Guardian*, *Publishing Perspectives*, and *The New York Times*. Welcome, Olivia.



SNAIJE: Thank you, Chris.

KENNEALLY: And from Vienna, Rüdiger Wischenbart is the founder of Content and Consulting and editor of the Global 50, an annual ranking of the world's largest publishers. Welcome, Rüdiger.

WISCHENBART: Hello, Chris.

KENNEALLY: And finally, joining me today with his editorial analysis and commentary is Andrew Albanese, senior writer, *Publishers Weekly*, and my regular guest every Friday on Velocity of Content. Good to see you, Andrew.

ALBANESE: Hey there, Chris.

KENNEALLY: Book markets everywhere have much in common, from the challenges of online commerce to bestseller lists dominated by authors with internationally recognized brands. Of course, important national differences remain despite globalization. Let's open our tour by landing in Madrid, Spain, and joining Javier Celaya in his office. *Hola, Javier*. Nice to see you.

CELAYA: *Hola. Buenos días.*

KENNEALLY: *Buenos días*. So tell us about the situation in Spain. Let's go back to when COVID-19 first broke in the early spring of 2020. Spain was hit especially hard, we all remember, and was one of the first nations to impose a hard lockdown. For booksellers and for publishers, those were dark days.

CELAYA: Yeah. Almost two years ago, we had, as you had mentioned, a very strict lockdown in Spain when the COVID pandemic started, and basically for three months, all libraries and bookstores were closed. And it had a huge impact in the publishing sector. Sales came down almost 30%, and basically everyone thought that it was the end of the sector, because we had had previously 10 years of very small growth, of negative growth, derived from a financial crisis and then the pandemic. But fortunately, as you now know, after those three months, things came back, and little by little, we went back to normal, basically, now in this year.

KENNEALLY: So helping with the situation, of course, were some government subsidies for those publishers. But what really mattered – and I know this is important to you – is that Spaniards maintained their reading habits by taking advantage of existing digital platforms.



CELAYA: It was very, very interesting, because the government had invested in e-lending platforms like eBiblio and (inaudible), two e-lending platforms that have been in Spain for the last five years. But a lot of people either didn't have the time for them, or they were not aware of their existence. And because all bookstores and libraries were closed, they basically discovered them, and the government reported a 200% increase in the usage of these platforms. Then when we went back to normal back in June, July of 2020, people went back to bookstores, of course, and libraries and started buying again print books, but half of the people who visited those sites and started using e-lending programs of e-books and audiobooks remained using them for the years after.

So basically, the pandemic has had a very positive effect of making the digital services more visible, because it was not only e-lending, but also subscription services. There were several platforms in the market, like Audible, Storytel, and others in the market, and they had huge growth during 2020, which has been maintained in 2021. There has been basically now, as in many markets, a restructuring of the growth, meaning that if we compare 2021 to 2022, the growth has only been 15%. But if we compare 2021 to 2019, two normal years, the growth has been over 40%. The compound growth has been tremendous. Both formats, print and digital, are growing quite strong in Spain after the pandemic. So it's very good news.

KENNEALLY: And your work at Dosdoce, Javier Celaya – you are concerned not only with Spain, but with the Spanish-language markets across South America as well as Mexico. So contrast the situation there in those nations. They're very close to the US market. Of course, there are some significant differences. Tell us about the way that Latin American readers have also embraced digital.

CELAYA: Yeah, it is very interesting, because when we talk about the Spanish market, we tend to talk about Spain, because Spain is basically the main country in terms of producing content in Spanish. But the consumption countries, meaning the people who consume that content, is Latin America. We have over 500 million Spanish-speaking inhabitants, from Mexico all the way down to Argentina, and especially more than 60 million people in the US who are Americans, meaning they were born in the US, they work in English, they study in English, but they maintain their Latino roots in their culture, and they listen to music and they watch their news in Spanish, and now they also read in digital as well as listen to audiobooks in Spanish.

During the pandemic, the same thing that happened in Spain, when most of the bookstores in Latin America were closed – digital boomed in those countries. For example, e-books had a 200% increase in 2020 compared to 2019. But the same thing happened in 2021 and now in 2022 as well. We've seen continuous growth of digital consumption in all the different formats – unit sales, subscription services, as well as e-lending services. And I



think it's because of the proximity to the US, as you mentioned. There is a lot of people from Latin America that have family in the US, and they work in the US, or they study in the US, or they visit the US, and they're going back to their countries – their e-commerce behaviors, and they understand the streaming service quite naturally, and we've seen that behavior being extended in the whole region very rapidly.

KENNEALLY: It's fascinating, I think. And I want to explore a little bit further the success of streaming services in Spain and in the Latin American countries. It does contrast with the situation so far in the US as well as in the UK, where many publishers have resisted the move towards subscription. But in the markets that you follow, Javier Celaya, you've seen some real uptake. And it's not just that this is helping the bottom line, but it's bringing new readers into their audiences.

CELAYA: Yeah, I think the main difference compared especially to the Anglo-Saxon markets, where there are, as you mentioned, some five publishers who are reluctant to go into subscription services – in the Spanish market – Spain, Latin America – all the publishers have embraced subscription except Penguin Random House. As you know, they decided globally at the end of 2019 to exclude all their catalog from the e-book and audiobook services. But the rest of the players are fully embracing subscription, because they understand that it's the only way to reach especially millennials and Z generations, meaning people from 20 to 35, that they understand streaming as a service, meaning that they consume their content on their mobile and on the go. They do not understand that unit purchase as their way of acquiring content. And they have seen extremely good results, and most of the publishers, from big publishers like Planeta to independent publishers like Anagrama, they basically today release their new releases in print together with e-book and audiobook simultaneously, and also they're embracing streaming as a way to not only get new audiences from these generations that I mentioned, but also as a way to reach other markets.

Spain has always been an export market in the publishing sector, and streaming, being that the internet has no frontiers, allows publishers to reach markets – for example, in Europe, 10% of the sales incurred by Spanish publishers in Spain are derived from streaming services in Europe – Germany, UK, the Nordics – people who visited Spain, they have maybe their second residence in Spain, and when they go back to their countries, they want to continue reading in Spanish, and they use the streaming service to access that content.

KENNEALLY: And it's not just the streaming services that are global. Of course, Spanish is a global language, as you mentioned – half a billion speakers in Latin America alone. That global nature of this audience is changing the relationship that Spanish publishers have traditionally had with their South American audiences and their South American



counterparts. It's a real opportunity and a challenge as well. Tell us about that. Who's in the driver's seat at this point?

CELAYA: Well, this is very interesting, and we've seen especially in the last two years that more content has come up in digital format, especially in audio. We speak the same language, as you mentioned. Spanish is spoken by more than half a billion people – 500 million people worldwide. But we have different accents. We have Spanish from Spain, Castilian Spanish, and then have Latin American accents. And what we've seen is that Latin American accents sell better in the Hispanic US market. Out of those 60 million people that I mentioned, first- and second-generation Americans that have Latino roots, 40 million of them are Mexican. Therefore, they're interested in Mexican topics and in content that is being produced with Mexican accents. So many publishers, like Penguin Random House and Planeta, are producing their audio content with Latin American accents in order to have a better commercial performance in Latin America together with the US market. So before, we used to be a country that we produced content in Spain, and it was exported directly in print to Latin America and the US. Now, the same publishers are producing content with Latin American accents to be sold in Latin America and the US.

KENNEALLY: Well, it's an interesting influence of the audience on the publishers' activity. And another way we're seeing that in the US, of course, is with BookTok. I understand you're seeing the same in Spain as well as in other Spanish-language markets – that readers are telling publishers what they want.

CELAYA: Yeah, it was a bit later than other markets. At Dosdoce, we follow up this trend, and we published several articles about how this new movement, as you said, driven by the readers was already producing very good results in the US and in the UK and in Germany. It took a couple of months to get here. We usually are a bit slow at the beginning with new technologies. But now, users in Spain are embracing this tool, and publishers are doing today some activities around BookTok more for promotional. I think we'll see during the next few months a more sales-driven effort, meaning that they're really creating a sales channel through this new way of going to market. But I think it's really, really interesting, and we'll see it growing – as well as TikTok. We've seen it in TikTok itself with the BookTok activities becoming this bridge of promotion and sales derived from that promotion.

KENNEALLY: Well, Javier Celaya in Madrid, Spain, thank you very much for a look at the Spanish market and the Spanish-language market around the world.

Our next stop in the program today is to Paris, where we'll first visit with Fabrice Piault at the headquarters of *Livres Hebdo*, not far from the Latin Quarter. *Salut*, Fabrice.



PIAULT: Nice to meet you, Chris.

KENNEALLY: It's good to have you join us today. And I would like you to sort of pick up the point that Javier started with, which takes us back to the days of 2020, because it's important. We're in the sort of near-normal period, but for a long time, things were quite not normal. And in Paris and France, certainly that was the case. The first lockdown, the *confinement* – the confinement, as it's called in French, really led to some tremendous fear for the future of publishing and bookselling.

PIAULT: Yes, because the market stopped completely. The booksellers were closed. The publishers had to interrupt their publication program. During the whole 2020 year, there has been only a little more than 60,000 new titles. Usually, it's 68,000. So it's a huge difference.

But rapidly, actually, the bookstores were recognized as essential shops, so they were among the first shops to reopen. Not completely, of course, and with special rules. But finally during the whole year, the market went down only 4.5%. So it's not so terrible.

And the most important is that during this period, there has been emerging a new dynamic in the book market. 2021 was the very best year for decades, with an increase of sales of more than 17% – a more than 17% increase of book sales. So finally, there has been a very important shock during the first half of 2020, then the market went up again – but of course, with a lot of uncertainty, because sometimes shops were closed, sometimes open, and people didn't know what will happen next.

KENNEALLY: And the booksellers really pushed to have themselves declared essential. As I remember, they weren't immediately so, and they really made the case that in France – and it's true around the world – books and reading are essential activities. They're part of our culture, part of our lives. But they had to make sure the government heard that and allowed them to be open along with the supermarkets and pharmacies and so forth.

PIAULT: Yeah, there has been a very important campaign in France to promote independent bookstores. First, many bookstores, even during the lockdown, they opened some nearly secret services of pick and collect. So they just opened a little their door for some customers who had made some reservation online or things like this. And then progressively, all these type of initiatives expanded and – yes, well, they had to be recognized as essential. So for a long time, they were nearly the only type of shops open with, of course, pharmacies and things like that.



KENNEALLY: Even though things turned out better than people had feared – the sales were able to recover – it’s still a challenge when you can’t go into a bookstore and browse, which is the habit in Paris, I know. Your ability to find new works and to discover books is limited. And in France, the result was that prize-winning books, the books that got attention in the media, have really done very well indeed. The Prix Goncourt in 2020 as well as in 2021 – the sales there have been very strong.

PIAULT: Actually, except for travel books, the market has been good for all categories of books. But in each category, it was always the bestseller books who were sold the best, actually, because as it was not possible to have so many people in each bookseller, all the discovery systems didn’t work as it used to work. So the Prix Goncourt, *L’Anomalie* from Hervé Le Tellier, sold now more than a million copies, and it’s the most important Goncourt in France since – even a little more, probably, then *L’Amant* of Marguerite Duras. So it’s really a huge success.

KENNEALLY: As well as the book which just recently won the award for 2021 by Senegalese writer Mohamed Mbougar Sarr – that has done very well, too, has it not?

PIAULT: Yes, absolutely. This is also interesting, because it shows also the growing interest for French literature, but from other countries – from French-speaking countries, but outside France. Mohamed Mbougar Sarr is from Senegal, but there are others. Djaïli Amadou Amal also – she’s from Cameroon. Or Leïla Slimani, who is Franco-Moroccan – they have a growing success, and it has been growing also during this period.

I think it’s not only a French phenomenon. We can see it also in the English-speaking world. And we’ve been surprised, for example, to see David Diop, who is now a well known author from Senegal, writing in French, having the Booker Prize last year. So that’s also, I think, an important sign.

KENNEALLY: Well, it’s an interesting facet of globalization. We think of globalization leading to homogenization, but what you’re talking about there is really increasing the diversity of works available. And finally, to bring us to 2022 and the market today, where do we stand? We’ve just come off of the recent French presidential election. In our own country, in the US, in 2020, that led to a real boom in political books, books about Donald Trump particularly. Where are sales today, and do writers like Éric Zemmour, who ran for president, or the ex-president Sarkozy – what are their sales like?

PIAULT: Actually, books from politicians are not often successful in France. There is an exception for Zemmour, but Zemmour was a journalist, and he has been writing for years. He’s always a successful author. Sarkozy – it’s a different phenomenon. Sarkozy is one of the only politicians to write his books alone. There isn’t any ghostwriter behind him.



And he's really a bestseller author. In 2020, he sold more than 160,000 copies of *Le Temps des Tempêtes – Time of Storms* or something like this. This was the third bestseller in the nonfiction category and the 30th bestseller, all categories included. And last year also, he published – it's a different book. It's more a sort of art book. It's called *Promenades*. It's about what he likes in terms of literature. This is much less copies. It's only 12,000. But it's an expensive book, and it's the 25th best sales among the art books in France.

KENNEALLY: Well, thank you for that picture of the French market, Fabrice Piault with *Livres Hebdo*.

Also in Paris joining us today is journalist Olivia Snaije, who reports on authors and publishers from France as well as the Middle East and Africa. *Salut, Olivia*.

SNAIJE: *Salut*. Hello.

KENNEALLY: Hello. So adding to our picture of the French marketplace, there are some interesting contrasts with the North American experience. One of them is the rise of agents, which I suppose implies the fact that there isn't a tradition of literary agents working in France. Fill us in on that and why you think it's important.

SNAIJE: Well, the subject of literary agents is something I've been following in France since about 2009, since I started covering the book industry. The fact that literary agents have taken so long to become a thing in France – I think it's a cultural phenomenon unique to France, because in neighboring European countries – Germany, Italy, Spain – it's really a non-issue. But traditionally in France, authors and publishers have a privileged, very close relationship, and the bigger publishing houses have well respected rights teams that take care of selling the authors' rights. Also, agents were viewed sort of suspiciously as an Anglo-Saxon import that was there to be mercantile and come between the relationship of the author and the publisher.

But the number of agents has been growing over the years, and there's even a professional association of agents now that I think was founded in 2016. And there are apparently about 32 literary agents now. But they still have no official status, I believe.

So to explain the increase, one agent who used to be an editor at several of the big houses here said that there's a trend in France which already happened in the Anglo-Saxon world, which is the consolidation of publishing houses. So payroll for editors was reduced, and editors had less time for their authors, which gives agents a role to play. That said, most of the agents that I speak to, although they say things are improving, they're still not fully integrated into the industry.



And an example would be that last month, during the Festival du Livre de Paris, which is not a professional fair, there was a professional rights market that was organized by the BIEF, which is a body that helps French publishers to develop international export, rights sales, and acquisitions. It also should be underlined that members of the BIEF are exclusively publishers. But anyway, literary agents weren't invited to this rights market, even if there were some agents present, but that's because they were affiliated with publishers. So the association of literary agents wrote an op/ed complaining about this and calling for more openness, which would probably actually benefit everyone. I guess that's an example of how they're not fully integrated into the system. Fairs, for example – I guess the BIEF could open membership to literary agents as well.

KENNEALLY: Well, it's interesting that there's some resistance there. We'll have to watch that story. I'm sure literary agents in the US are looking on with interest.

Another area that has been interesting regarding rights – and certainly, agents play an important role in the acquisition of rights for publishers – involves the Francophone authors who may be in France, but who are taking some steps to control the rights to their works to be published in other countries. This really comes down to an economics for readers across Africa.

SNAIJE: Yeah. Lots of well known Francophone authors from former French colonies – many of them are published by the well known publishing companies in France. In a way, it's almost tied to rights also, because they're realizing that in order for their books to become available in their respective countries and on the African continent, they have to be, first of all, distributed and be made affordable. So a lot of authors, mainly from the African continent, are starting to keep their rights for local publishers in Africa. And given that traditionally, French publishers were used to having world rights – they're not used to sort of breaking up territories – so they're getting used to this with the advent of agents.

But just as an example, a book that's published in France – let's say by a Senegalese author – when it's exported and distributed in an African country, it costs anywhere from 12 to 27 times more proportionally in terms of purchasing power. So your book might cost \$150 or \$300. Who could buy a book at that price?

This has been going on for a while, though. Kemal Daoud, the very well known Algerian author who writes in French, he keeps his rights for Algeria with his publisher, Barzakh, and I think he's published by Actes Sud in France. But the Goncourt winner that you mentioned, the Senegalese Mbougar Sarr, he kept his rights for a Senegalese publisher while he's published by a French publisher in Paris.



KENNEALLY: It's an interesting way that authors are being mindful of their rights, of the ownership of their work. And I think it also is important to think about the way it's helping to expand and grow the audience of readers where it's been limited before. It's a really interesting story, Olivia.

We've been talking with the other reporters here today about the impact of the pandemic. And in the Middle East, which you cover very closely, they are celebrating the return of book fairs, because that has been not on the table, not on the calendar, for the last two years, and that has really meant that it has been a loss of opportunity, a loss of sales in that market. Tell us why.

SNAIJE: Publishers are breathing a huge sigh of relief, because this is their main avenue for selling books, because distribution across the Arab territories is so difficult. As I'm sure you know, publishers compare themselves to traveling salesmen or salespeople. They go to all the book fairs around the Arab world, and it's such a vast territory. If you think about it, you're traveling in the west in Morocco to the east in Saudi Arabia.

So with the Abu Dhabi Book Fair coming up at the end of the month, I've been speaking to publishers in a variety of countries, and I can talk a little bit about what Lebanese and Egyptian publishers have said, because they have lots of well known publishers.

In Lebanon, they're dealing with an economic and political crisis that's never been seen before. The Lebanese pound has been devalued over 90%. They have paper shortages. And on top of it, there was a ban on export to Saudi Arabia because of a political kerfuffle which seems to be over. But this was actually really serious, because some publishers export anywhere between 30% and 70% of their books to Saudi Arabia. Anyway, so they're soldiering on.

And the publisher Dar al-Adab, which has the reputation of being the Gallimard of Arab publishers, has a new translation of Edward Said's classic, *Orientalism*, which he wrote in English, of course. And they're going to Abu Dhabi. They're going to launch a prison novel written by (inaudible), who's a Palestinian serving a life sentence in an Israeli prison. He was arrested when he was 19, in 1993, and he's since then gotten a master's in political science and has written poetry. I believe his brother snuck the manuscript out.

Oh, Dar al-Adab also has a book on the shortlist for the International Prize for Arabic Fiction by an Emirati author, Reem al-Kamali. Dar Al Saqi, another well known Lebanese publisher, also has an author, the Kuwaiti Khaled Nasrallah, on the shortlist of the International Prize for Arabic Fiction.



And I spoke to an Egyptian publisher, Al Arabi. It's been rough in Egypt as well, but not as rough as in Lebanon. The Egyptian pound lost about 20% of its value recently following the war in Ukraine. But this publisher, Al Arabi, has been using their time really well when there weren't any book fairs to travel to, and they've upgraded internal software. They've been making all their books available as e-books. And they're experimenting with print on demand. They began a YouTube channel with interviews with their foreign authors, because they're known for publishing translated fiction from around the world. And they're doing super well, with international crime series and a recent translation of a Swedish author, Anders Roslund, whose book *Knock Knock* is already in its second printing in Arabic.

KENNEALLY: Well, an interesting use of technology in that case to get around the limitations of not having sales venues like book fairs. Olivia Snaije from Paris, thank you for that report.

Joining us now from Vienna is Rüdiger Wischenbart. He follows the German-language markets of Europe, including Germany, Austria, and Switzerland. *Willkommen*, Rüdiger.

WISCHENBART: Hello, Chris.

KENNEALLY: I would ask you the same question I've asked the others, Rüdiger, which is about the COVID impact in the marketplace that you follow. As Javier Celaya was telling us, in Spain, we've seen a real strengthening of subscription services, looking at publishing as a subscription play rather than a single print unit play. Tell us about the German markets. Where do you stand, or where do they stand, around that environment of digital and subscriptions? Was the COVID lockdown really a critical factor in any change?

WISCHENBART: Absolutely. I can very much echo what Javier Celaya has said about the Spanish-language markets. What we have seen – and I got the latest numbers this morning – is a continuous upswing in anything that is digital. At the beginning, in 2020, when the lockdowns hit, some people said, well, that will be just for the time of bookshops being closed. Now, two years on, we see that is here to stay. And when I say that, that's an entire range of different digital things.

Number one – e-commerce, as everywhere, has even increased. You have now roughly a third of book sales in the German language going through online purchases, up from a few percent less. And we have seen an increasing gap in the recovery between the overall market, which was very stable, similar to France. Losses have been recovered. But that was only the case for the overall market. If you look at local brick-and-mortar stores, they have still double-digit losses by comparison to 2019. So there is an opening gap between the physical distribution and online e-commerce.



Number two – we have seen, as expected, a rise in e-book sales, which was even more noticeable as e-books had become kind of boring. They never went beyond 8-10% of the market share in the German language. But suddenly, they increased their share, and that came in tandem with an even more relevant increase of the audiobook market. We have seen also that by category, it's much more diverse now. Children's books in digital and in audiobooks have received very significant sales pushes. New formats have come around.

And then as you mentioned, Chris, everything that is streaming, subscription, etc., has become a fixture that is not going away now. What we've seen in this really up-to-date data for the full year of 2021 and even for first quarter of 2022 – we see that there is a little bit of a decline as compared to the big peak in 2021, but the basis, the threshold of everything that comes in digital formats and through various digital distribution models – that is not going away anymore. We have, not surprisingly with the huge presence of Penguin Random House, that debate about if subscription is a viable business model for publishers. And we have an even harsher debate about lending of e-books. Many, many publishers are strictly against lending – the standard models of giving new titles to libraries in digital formats by fear of cannibalization. But we see that all that has found their audiences, and these audiences will not return to the practices and preferences of two and a half, three years ago.

KENNEALLY: Rüdiger, as you were speaking, I was just thinking – when talking for a while now about books and publishing around the world, we haven't brought up the word Amazon. So I want to bring it up with you, Rüdiger. Tell us about the place of Amazon in the German-language market and the very interesting competition that's going on there with a local e-commerce provider.

WISCHENBART: Expectedly, Amazon is the largest bookseller. We don't know exact numbers, but estimates are that Amazon makes a turnover from books of €1.3 billion. But we have a contender with the largest chain bookstore, Thalia, which is a genuine German brand. They have been very, very poorly – almost at risk of disappearance a little bit more than 10 years ago – and did a fabulous turnaround and are also around – even over €1 billion in turnover from books. They had also a very strong performance in the lockdown period, because they bet very early on on what they called omni-channel approaches. They even encouraged other independent booksellers to use their platform for selling printed books. So suddenly you see a much more balanced, less consolidated, less monopolistic situation in the German-language markets by comparison to, let's say, the Anglo-Saxon markets. And that is even true for e-books, where you have Tolino-Allianz, which has some involvement of Kobo Rakuten. You have an alternative to the Kindle.



KENNEALLY: BookTok is also helping to drive digitally-first sales in the German-language markets. And as you see it, this is an interesting disruption of tradition and the whole role of the high priest of publishing. That is changing, and it's of benefit to readers, you see.

WISCHENBART: For me, the most fascinating observation – not just because of COVID, but accelerated very clearly by COVID and lockdowns, etc. – is the increasing fragmentation and segmentation of the book industry and the book consumption. We haven't mentioned another key word which is increasingly important so far in the program, and that is self-publishing.

The other day, I was just getting curious, and I compared e-book bestselling lists with e-books from publishers with what Amazon has and also what Tolino-Allianz has as fiction bestsellers. There's hardly any overlap. So suddenly, you find audiences, consumers, who go their own ways and who form their own communities. This is where BookTok then very successfully comes in, because BookTok is very much about creating communities. We are still at the very early stages, in my understanding, to grasp what that segmentation, that specialization of different communities and audiences and the respective forms of promotional conversation will have as an impact long-term on the book business, from authoring to producing to distribution to reading overall.

KENNEALLY: Well, we have been talking, Rüdiger, about inclusion and diversification, but there's a movement to exclusion at the moment going on, which involves the Russian market. I know you watch that closely. What can we say at this point, in May 2022, three months into the invasion of Ukraine, about the Russian publishing market?

WISCHENBART: Very hard question. We had at first, to my surprise, a few very strong statements by high-ranking management of the leading Russian book group, Eksmo-AST, where they wouldn't condemn the war, because the war as a term was not even allowed to say, but they had quite outspoken reactions on saying we don't need that special operation in Ukraine, etc. And at the same time, from the Ukrainian side, there was very harsh criticism in professional social media circles about the Russian market, which had a very predominant role in Ukraine before the war. There were already really quite some important controversies going on. I haven't heard anything much about that lately – well, from the Ukrainian side, not very surprisingly, because they have other concerns right now, which is just survival. We learned today that perhaps some 8 million people are displaced one way or another out of a population of 40 million. And in Russia, the censorship, the pressure on any opinions, any expressions of whatever which is different from the official propaganda, has become more and more strict. So we don't know very much.



There is one very important thing, however, that we must say – what concerns the international communication between Western international book people and Russia. Right at the beginning, a number of the leading book fairs internationally had come to a mutual understanding to say we make a big difference between the official, government-controlled organizations which are in charge of Russian collective stands, Russian collective PR for the Russian books. On the one hand, they are excluded from all the international book fairs – no collective stands. But at the same time, in Bologna, there was a very, very warm embrace of books from Ukraine, some conversations with – there were not really Russian publishers anywhere in these fairs, not even in London, but on the professional side, there is some communication continuing to occur.

KENNEALLY: Well, thank you indeed, Rüdiger Wischenbart, for joining us today. And I want to turn now to someone I speak to every week about the US market mostly. Andrew Albanese, *Publishers Weekly* senior writer, welcome to our program today.

ALBANESE: Hey there, Chris. I just want to warn you. A construction crew is set up outside my window. I've enjoyed this little tour of the world, but we're clearly back in New York now. So I apologize for the jackhammering.

KENNEALLY: We are indeed back in New York. But I want to ask you to speak above the sound of the jackhammers and tell us about your reactions listening to this. There's some interesting common elements in the story of books and book publishing around the world, but there are some interesting contrasts with the US experience.

ALBANESE: Yeah, absolutely. I think we'll start with what the common thread is, and that's COVID. COVID really sort of changed the game for every publisher. Now, in the US, as in the rest of the world, the publishing industry has performed magnificently through COVID in terms of its sales. I don't have the exact numbers for the last two years, but it's fair to say we've stuffed about 10 years of growth for the industry into the last two years, which is really quite remarkable. Publishing is a mature industry. If you're able to get 1% to 2%, maybe 3% growth a year, you're doing very, very well. The gaudy double-digit growth we've seen for the last couple of years has really been remarkable.

I think a lot of that has been driven by a lot of the trends that our European counterparts have seen. That's BookTok, for example. In fact, Jonathan Karp, the CEO of Simon & Schuster, in their earnings call for the end of the first quarter, called out BookTok as something that was really driving sales for the company.

What's interesting in the US, too, is that the sales bump has really been driven by backlist sales. We can't highlight enough how much backlist sales – in fact, it's as much as 70% of some publishers' sales here in the US, which is pretty remarkable. Now, backlist sales are



always an important part of publishers' sales, but 70% is a large number. And I think looking forward, we'll have to see how that continues to go. I think at some point, the conversation is going to be what's wrong with the frontlist if the backlist continues to do this?

But I want to point this back to BookTok, because I think BookTok is a big driver of backlist sales, and it's a big driver of print sales, too. Because you look at these videos, and there's people with physical books. And you can flip through the pages and things you can't really do with an e-book. That's one of the differences here, is that in the US, the digital market has actually started to come back down to earth. In the early days of the pandemic shutdowns, we saw digital – we saw e-books really take off and fill the gap. I think the jury is maybe not quite out on e-books here, but I think we know about where e-books are going to land. It's about an 80/20 print-to-digital ratio here in the US. While digital sales spiked during the pandemic, they're now settling back in to about where they were.

KENNEALLY: The other point that came up, but we only lightly touched on in the European experience and the global experience, was around consolidation. That's an issue in the US, of course. We've got the Department of Justice trying to block the acquisition of Simon & Schuster by Penguin Random House, taking us potentially from the big five down to the big four. Talk about the role of consolidation and how you view its place in globalization.

ALBANESE: I think there's going to be a courtroom drama unfolding this summer with the Department of Justice suing to block the acquisition of Simon & Schuster by Penguin Random House, by Bertelsmann. And I'm not quite sure how that's going to play out, to be quite honest. The government has based its case around a fairly narrow argument so far from what I've seen from the filings, and that's that this subset of bestselling authors stand to not get as high advances if there's a merging of Simon & Schuster and Penguin Random House. I don't think that that's wrong. I think that that may indeed be true. Penguin Random House and Simon & Schuster refute that. The Authors Guild say that's absolutely the case.

But what's unclear from the government's case so far, and I think it's important, is just where we're drawing the line now, right? Are we drawing the line at five? The big five – is that going to be it? Or if this merger is not allowed to go through, is News Corp and the second-largest publisher going to be able to buy Simon & Schuster, and we'll still wind up with four publishers, but instead of having one big one at the top, we'll have two big ones at the top? I don't think there's going to be an appreciable difference on author advances if we have two big ones at the top versus one. I think the die has been cast on that.



So I think in the US, we're going to have a real showdown, a real discussion, about bigness. I should also point out while we're talking about bigness that the real bigness, the real player here, which we touched on briefly with the Europeans, is Amazon. Lawmakers have now turned their attention to Amazon, but it's still unclear what's going to actually come of that. We've seen hearings. We've seen a report issued on Amazon. There's been concerns. There's been potential legal action. It's really unclear as to how the government is going to approach the size of Amazon. But we do know that they are going to take a swing at blocking Penguin Random House from acquiring Simon & Schuster.

KENNEALLY: Andrew Albanese with *Publishers Weekly*, thanks for the perspective. And I want to bring back our global panel. We are talking today about how books get covered around the world, and maybe a way to bring us all back together is to turn to our panelists and ask about how they view the US market and the role that the US market and US publishers play in their particular countries. Javier Celaya, what about that? You watch closely from Madrid. You studied in New York. You know the American market probably almost as well, if not as well, as you know the Spanish-language market. How do you see the points that Andrew just made – the consolidation concerns and the concerns around the market dominance of Amazon?

CELAYA: Well, I think we are entering a digital age where these global trends become common in every market, and the pace of that transformation is even more rapid. That concentration that Andrew just mentioned in the US is happening also here in Spain with international players and local players – maybe will be the difference, that it's not a concentration of only local players, but also concentration of big players, like Penguin Random House, and local players, like Planeta.

And then Amazon – there are different studies that clearly indicate that today, they already have close to 25-30% of the market, including print and digital. In digital, of course, it's almost more than 50%, and if we go to audiobooks, it could go up to 70% of the market. There are some local players in the different fields, like bookstores or subscription services, that compete against these global players. But the reality is that the economics of scale of digital makes that competition more and more difficult.

From a content point of view, the US used to be the place where international content became bestselling worldwide. I'm noticing that's not the case anymore, meaning that it will continue – content from the US, especially in certain categories, like true crime, will come out of that country, but we're seeing other places across the world where stories become worldwide bestsellers. We've seen this in streaming. We have TV series from Korea or content coming from Spain becoming worldwide. I think in publishing, we're also going to see that trend very soon.



KENNEALLY: Well, in the few minutes that we have left, I want to turn to the other panelists and ask about what you're watching as this year, 2022, marches on. We're already almost at the halfway point. And if you are seeing any particular trends or any concerns in the marketplace – Fabrice Piault, in France, there is a so-called fixed-price law. That helps to keep the price of books equal across all sellers. So Amazon can't take an advantage by driving a lot of discounts. But is Amazon trying to make a move? Is there a chance that the situation may change there in there in France? How do you see it?

PIAULT: Amazon in France is no more than 15% of the market. It's quite important, but it's not growing so much, because probably of the fixed-price laws and because of the importance of independent booksellers, which are really defended by all the political parties. There is a unity on this. In the French culture, independent bookstores are in the core of the business, and there are many initiatives taken by all political parties to protect them, especially regarding the Amazon competition.

KENNEALLY: Rüdiger Wischenbart from Vienna, you follow the world. You publish the Global 50, a look at the top publishers around the world. Are you seeing anything changing that's important to watch for in the next few months?

WISCHENBART: Yes, absolutely. Let me highlight two things. First, consolidation. In the German-language market, at first count, we have much less consolidation as, for instance, in France or in Spain. Half a year ago, when I talked to friends and said, well, let's discuss consolidation in Germany, they said, what consolidation? It hasn't changed. And then I said, well, in retail, there is a lot of consolidation going on with a few chains getting much bigger. Oh, yes, here we have a lot of consolidation. In wholesale, same thing – big changes.

So what I anticipate is a tremendous transformation in the less-visible parts of the book industry – supply chain issues, consolidation in wholesale, in distribution. And also, all the positive developments of the last years have put the largest players at a big advantage. At the same time, we know that the diversity in books, the many, many topics that we can read about in books, depend extremely strongly on a variety of small and medium-sized publishers. And we have no idea how economically these small and midsize publishers are faring. So my concern is if the entirety of the ecosystem, the diversity of the ecosystem of books and reading, can be maintained or if that is taking a big hit in the mid-term from pandemic interruption.

KENNEALLY: All right. Olivia Snaije in Paris, but you again cover many of those very – well, we've seen very fragile markets across Africa and in the Middle East. Tell us about your final thoughts here.



SNAIJE: Well, they're so different, the markets in the Middle East and elsewhere. But I'd say that they're contrasting. You have this big problem of consolidation, particularly in France, as Rüdiger mentioned. But you also have smaller, very dynamic independent publishers being created all the time, with younger people. And I think the same thing is happening in other markets, where small publishers are struggling, but because they're passionate about what they do, they just keep on going, and they're somehow managing and perhaps getting more visibility because of social media, because of book fairs coming back, and so on.

KENNEALLY: So a fragile marketplace, but one that's resilient as well, I think is a good way to summarize it.

I really appreciate this fantastic conversation, a book tour of the world with our panelists. From Madrid, Spain, Javier Celaya, CEO and founder of Dosdoce.com, thank you so much, Javier.

CELAYA: Thank you to all of you.

KENNEALLY: From Paris, Fabrice Piault, editor in chief at *Livres Hebdo*, thank you as well.

PIAULT: Thank you, Chris. Very welcome.

KENNEALLY: Also from Paris, Olivia Snaije, editor and journalist there. Thank you, Olivia.

SNAIJE: Thanks, everyone. Thank you.

KENNEALLY: And from Vienna, Rüdiger Wischenbart, founder of Content and Consulting and editor of the Global 50, thank you, too.

WISCHENBART: *Danke schön.*

KENNEALLY: And it's been a pleasure to have with me Andrew Albanese, *Publishers Weekly* senior writer, who joins me every Friday on CCC's Velocity of Content podcast. Andrew, thanks for being with us today.

ALBANESE: My pleasure, and I'll speak with you on Friday.

KENNEALLY: Stay informed on the latest developments in books and publishing by subscribing to CCC's podcast series Velocity of Content.



I hope you enjoyed How Books Get Covered Around the Globe, part of the 2022 US Book Show. I'm Christopher Kenneally. Thanks for being with us. Goodbye for now.

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