RESEARCH & EDUCATION

The State of Publishing in Canada 2019

BOOKNET CANADA

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About the study

This is the sixth edition of BookNet Canada's publishing industry study. Prior annual editions focused only on digital publishing but our newly expanded survey, fielded every other year, is a more comprehensive overview of the Canadian English-language publishing landscape.

The State of Publishing in Canada 2019 survey was sent directly to 100 companies in Canada via an online survey development software. Results from the survey were aggregated from the responses of 51 publishing companies. These companies represent approximately 65% of the English-language print market, according to BookNet's SalesData service.

Some questions have smaller sample sizes based on responses. Percentages are rounded to the nearest whole number. Percentages add up to more than 100% where respondents can select more than one answer.

We share year-over-year comparisons to prior surveys where possible. Where relevant, we've included survey results from other original BNC research:

- *The State of Independent Bookselling in Canada 2018*
- The Impact of COVID-19 on Reading
- *Canadian Leisure and Reading Study 2020*
- *Press Play: Audiobook Use in Canada 2020*

While the survey focuses on the industry in 2019, this study also touches on the impact of COVID-19 on the publishing industry in 2020.

The State of Publishing in Canada Study 2019 was prepared by BookNet Canada staff.

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Highlights

Profile of publishers

- The majority of publishers were members of an association. Only 10% were not.
- Almost nine in ten of those were members of provincial associations.
- Approximately half of publishers grossed less than $500,000.
- Most of the survey respondents were small publishers, with a 2019 gross revenue of under $1 million CDN (63%).
- The average number of employees in 2019 was 20, with a median of 5 employees.

Markets, types of books, and ROI

- Most companies sold mainly trade/commercial books (81%). Of those, almost half focused mainly on adult commercial titles.
- Eight publishers published five or fewer books and six publishers published over 100 books in 2019.
- Most publishers' catalogue of books by Canadian contributors and/or about Canada stayed the same from 2018 to 2019 (43%).
- Most books with a positive ROI were books by and about Black, Indigenous, or people of colour (89%), women (79%), and LGBTQIA+ people (78%).

Print books

- Most small publishers thought that their print sales would decrease in 2020 (60%).
- About two thirds of publishers used virtual meetings instead of traveling domestically (74%), 62% used paper sourced from a certified forest management system, and 53% used print-on-demand technologies.
- The overall average return rate for trade publishers in 2019 was 17%.
- Adult trade books had the highest return rate.
- The majority of publishers put returned books back into active stock (87%).
- Most small publishers sold returned print books as remaindered books (80%).

Digital publishing

- Almost half of publishers did not have designated staff for digital books. For the other half who did, 80% had 1-5 employees working specifically on digital books.

Born accessible

- Half of publishers included navigational aids (50%) while 28% included accessibility metadata for their titles.
- About a quarter of publishers did not have accessibility testers as part of their workflow (24%).

Ebook production

- Almost all of the publishers surveyed were either currently producing or starting to produce ebooks (91%).
- Most publishers mainly published ebooks to expand their market (83%) or increase sales (78%).

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Ebook releases, distribution, and sales

- Slightly more than half of publishers surveyed had converted 76-100% of their backlist titles to ebook format (55%).
- Almost three quarters of publishers released the ebook for new titles simultaneously with the print book (71%).
- Publishers selling ebooks to libraries rose from 75% in 2014 to 90% in 2019.
- About two thirds of respondents thought that their company's ebook sales would increase in 2020 (62%).

Audiobook production

- Almost two thirds of publishers were currently producing audiobooks (both physical and digital) either directly or through a partner (63%).
- About a quarter of publishers were not currently producing audiobooks and had no plans to start (28%).

Audiobook releases, distribution, and sales

- About six in ten publishers surveyed had converted 1-5% of their backlist titles to audiobook format (59%).
- Most publishers released the audiobook after the print version (76%).
- 21% of publishers derived 71-100% of their audiobook revenue from retailers.
- Only 3% of publishers did not sell audiobooks to libraries.
- Almost three quarters of respondents thought that their company's audiobook sales would increase in 2020 (72%).

Industry perceptions

- About three quarters of publishers considered their company to be healthy at the end of 2019 (72%).

Tackling industry challenges

- Publishers indicated they were most interested in hiring and promoting more diverse staff (63%), closely followed by using metadata consistently (58%).
- 59% of publishers considered financial limitations to be the main challenge to innovations within their company. A quarter of small publishers considered their internal structures as not conducive as their main challenge (25%).
- Publishers have commented on the need for certification around accessibility and metadata, as well as easily referenced standards for digital publishing.

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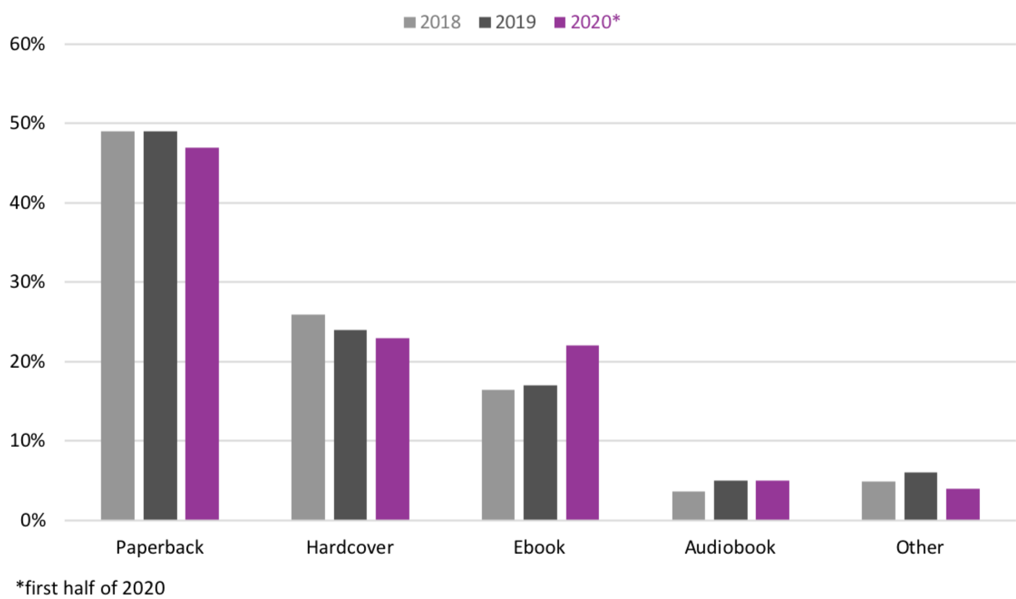
Consumers and readers

Let's start with some buying information from BNC's Canadian Book Consumer survey:

- 81% of buyers bought a print book in 2019 (down 3% from 2018);
- 20% bought an ebook (up 11% from 2018); and
- 8% bought an audiobook (up 41% from 2018).

Comparing 2019 to the first half of 2020, print purchases fell and ebook purchases grew 6%. Hardcover purchases have been declining since 2018. Audiobook purchases were the same in the first half of 2020 as they were in 2109. (Find out more about the 2020 Canadian book market half-year review on the BNC Blog.)

Books bought, by format January 2018 – August 2020



What about readers? The *Canadian Leisure and Reading Study 2020* told us that 79% of Canadians read a book in 2019. Of those readers:

- 64% read multiple formats;
- 45% only read digital books;
- 96% read at least one print book;
- 61% read an ebook; and
- 49% listened to an audiobook.

In *Press Play: Audiobook Use in Canada 2020*, almost all respondents (92%) said they listened to digital audiobooks while 41% listened to a physical format, and 34% of respondents consumed both physical and digital audiobooks in 2019.

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COVID-19 impact on reading and buying

Fielding of the State of Publishing in Canada 2019 survey was put on pause while the publishing industry reacted to COVID-19 closures and readjustments. From March 30 through April 9, 2020, we fielded The Impact of COVID-19 on Reading survey. We asked 450 Canadian readers about the impact of COVID-19 on their reading, borrowing, and buying habits. (This was before bookstores and libraries began re-opening.)

In terms of format, we found that the majority of Canadian readers were not reading significantly more digital books. Only 33% of readers were reading more ebooks and 23% listening to more audiobooks than they previously did.

They were not necessarily reading more print books either — only 36% were reading more print books than before. The majority of readers were reading formats in the same amount as before for print books (55%), ebooks (62%), and audiobooks (70%). Slightly more than half of readers were likely to continue buying books (53%).

Where were readers getting their books? Most of them were using online retailers or apps (43%). Other popular ways include free internet sites (32%), from other people (28%), and the digital catalogue of their public library (28%). Two in ten Canadian readers were getting books from a physical bookstore through in-store/curbside pickup or delivery (20%). (Find out more about what Canadians borrowed in March on the BNC Blog.)

The majority of people were buying or borrowing from the same places they used before. Readers also told us they were reading the books they already owned for the first time. (More on readers' demographics, and discovery methods leading to buying and borrowing can be found here.)

Find out more about how COVID-19 has impacted readers and buyers in the first half of 2020.

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Profile of publishers

Among the staff who answered the survey, 17 were publishers, 10 were managers, 8 were directors, and 7 were presidents. Almost two thirds of companies were traditional publishers (63%) and 29% were publishers and distributors. Of headquarters located in Canada, the majority were located in Central Canada (52%), 22% were located on the West Coast, 18% in the Prairies, and 8% in the Atlantic Provinces. Responses mainly came from companies headquartered in Ontario (49%) and British Columbia (22%).

The majority of publishers were members of an association. Only 10% said they were not a member of an association (down from 17% of the 53 companies surveyed in the 2017 survey). About nine in ten companies with membership were members of provincial associations (86%). Seven in ten companies were members of the ACP and about half were members of eBOUND Canada (49%).

Let's talk about money. About half of surveyed publishers grossed more than $500,000 in 2019 (49%), slightly more than in 2017 (42%). The other half grossed less than $500,000 in 2019 (51%), fewer than in 2017 (58%).

Most of the companies' 2019 Canadian gross revenue was under $1 million (63%). About a quarter were mid-sized publishers, grossing between $1 million and $10 million (27%) and 10% were large publishers, with a gross revenue of over $10 million.

Classification of companies by revenue

	2017	2019
Small publisher (under $1M)	66%	63%
Mid-size publisher ($1M-$10M)	19%	27%
Large publisher (more than $10M)	15%	10%

How much of publishers' Canadian gross sales were derived by each book format in 2019? An average of 83% was derived from print books and the median percentage for print book sales was 90%. The Canadian gross sales by value derived from ebooks averaged 13% (with a 9% median). This is excluding the 9% of publishers who do not currently produce ebooks. For 63% of publishers, 1% of their Canadian gross sales came from audiobooks. About a quarter of publishers do not produce audiobooks (28%). (More details about audiobook production can be found in that section.)

Average sales derived by book formats by publisher revenue

	Print books	Ebooks	Audiobooks	Other
Small publisher (under $1M)	85%	11%	4%	0%
Mid-size publisher ($1M-$10M)	88%	9%	1%	2%
Large publisher (more than $10M)	81%	15%	1%	1%

Let's look at staff, education, and professional development.

The average number of employees across all surveyed publishers in 2019 was 20, with a median of five. Small publishers, those with a 2019 Canadian gross revenue of under $1M, employ an average of three people; mid-sized publishers ($1-$10M) average 22 employees; and large publishers ($10+M), 110 employees.

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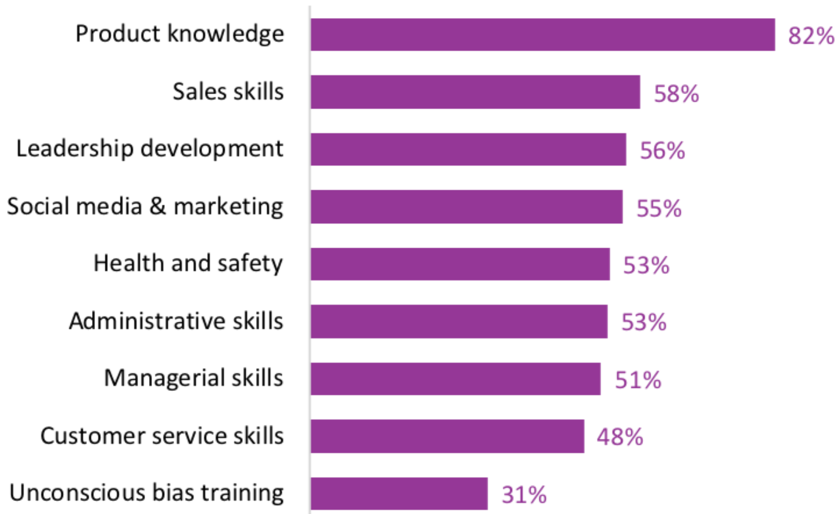
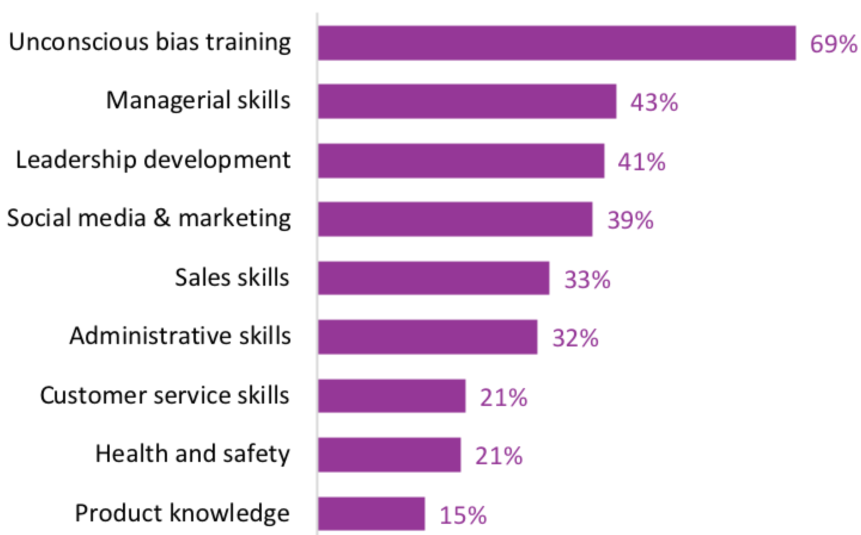
About eight in ten employers offered training in product knowledge (82%). About six in ten offered training in sales skills (58%), leadership development (56%), and social media and marketing (55%). About half offered training in health and safety (53%), administrative skills (53%), managerial skills (51%), and customer service skills (48%). Only 31% of publishers offered unconscious bias training.

Training publishers offered in 2019



Though 31% of publishers offered unconscious bias training in 2019, the remainder of publishers surveyed indicated that they would like to offer it to their employees (69%). About four in ten publishers wanted to offer training on managerial skills (43%), leadership development (41%), and social media and marketing skills (39%).

Training publishers want to offer



> *"Tech skills training and transfer is a constant challenge for us, and, on a larger level, so is staff retention in the tech area. Perhaps more emphasis on tech skills in the various publishing programs would be helpful for firms like ours as we recruit in the future."*
>
> *"[The publishing industry can be more flexible with a]ccess to more sophisticated skills in marketing, and in company management."*

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Markets, types of books, and ROI

Most publishers that we surveyed sold mainly trade/commercial books (81%), 10% focused on scholarly/professional titles, and 8% on higher education.

Of the segment who mainly sold trade books, almost half focused on adult commercial titles (46%). The others focused primarily on literary titles (23%), children's/middle grade commercial titles (15%), or all trade segments evenly (15%).

Surveyed companies published an average of 244 books in 2019, and a median of 16 books. Eight publishers published five or fewer books while six publishers published over 100 books in 2019.

Most publishers' catalogue of books by Canadian contributors and/or about Canada stayed the same from 2018 to 2019 (43%). Another 30% of publishers increased their catalogue of Canadian books by 1 to 10%.

Change in Canadian books published from 2018 to 2019

	Change
Increased 31% or more	0%
Increased 21-30%	9%
Increased 11-20%	9%
Increased 1-10%	30%
Stayed the same	43%
Decreased 1-10%	7%
Decreased 11-20%	0%
Decreased 21-30%	0%
Decreased 31% or more	2%

In *What's in Store: The State of Independent Bookselling in Canada 2018*, half of independent booksellers increased their store's inventory of Canadian books by 1-10% from 2017. For

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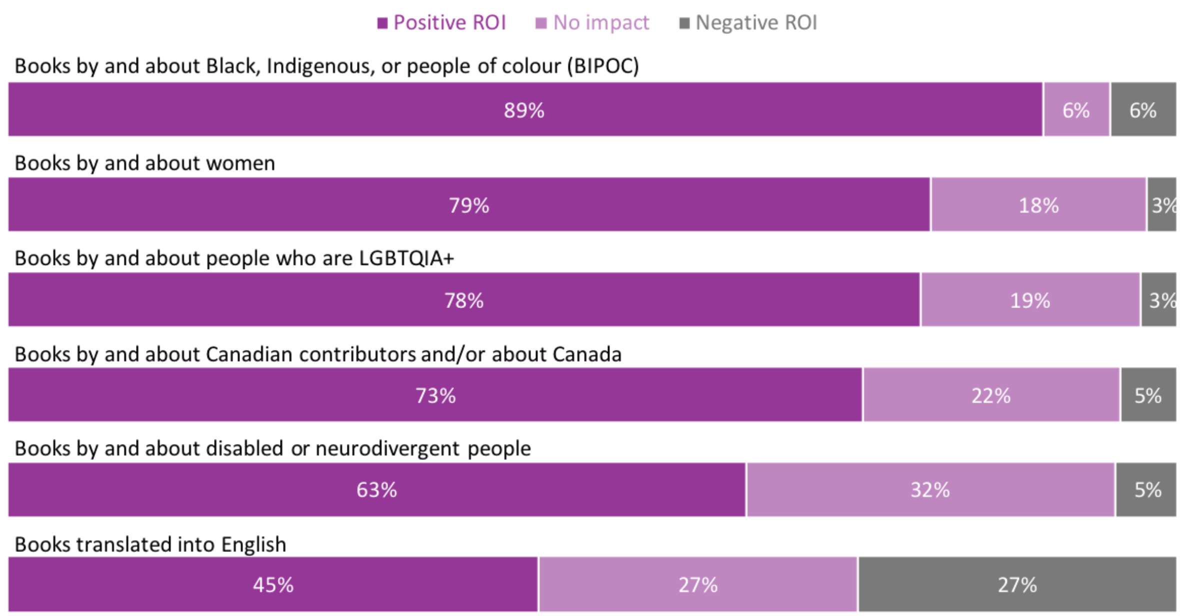
32% booksellers, their Canadian inventory stayed flat. A bookseller commented that "with all the heavyweight American authors, it is continually difficult to promote and sell Canadian authors, especially in French."

What is the return on investment (ROI) for the resources (money, time, effort) publishers spent on certain types of books? Most books with a positive ROI were books by and about Black, Indigenous, or people of colour (89%), women (79%), and LGBTQIA+ people (78%).

Return on investment of types of books in 2019



More than half of publishers said they did not publish or sell books by and about disabled or neurodivergent people (58%) or books translated into English (53%).

In [Canadian Leisure and Reading Study 2020](), the most popular type of books read in 2019 were books made into movies or TV (44%). In second place were books by or about Canadians (30%). Readers also chose books by or about BIPOC people (10%), by or about people with disabilities (8%), and by or about LGBTQIA+ people (7%).

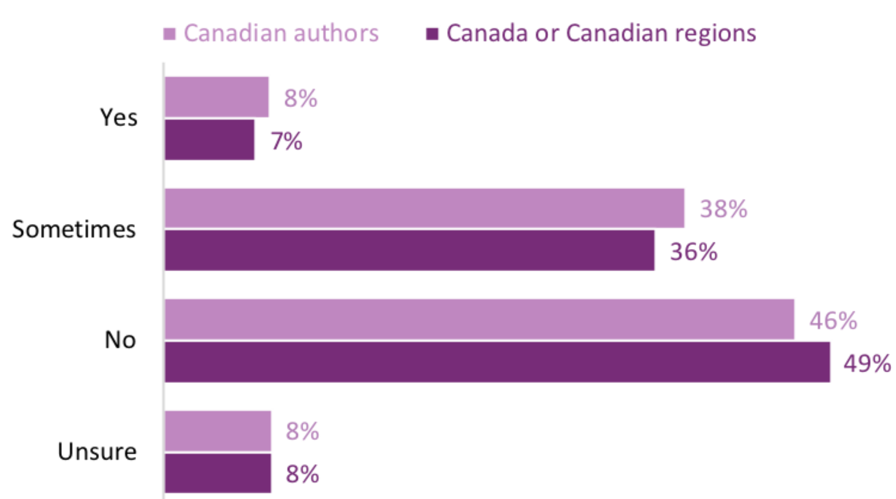
Types of books read in 2019

	Readers
Books that have been made into movies or TV shows	44%
Books by or about Canadians/locals	30%
Comics or graphic novels	19%
Books in a language other than English	14%
Books by or about people with immigrant status	10%
Books by or about BIPOC people (Black, Indigenous, people of colour)	10%
Poetry, books in verse, or plays	10%
Books by or about people who belong to religious minorities (non-Christian)	8%
Books by or about disabled people	8%
Books by or about LGBTQIA+ people (lesbian, gay, bisexual, trans, queer, intersex, asexual, etc.)	7%
Unsure	29%

The distribution of types of books read changes when we compare light readers with avid readers and when readers self-identified as a member of an underrepresented group. (We also know this from *Demand for Diversity: A Survey of Canadian Readers*.) Participants in NNEL's How do YOU Read survey noted "a shortage of [accessible] books by women, Canadian books, international literary works and books in languages other than French or English." (We discuss accessible books more in the Born Accessible section.)

Let's take a closer look at Canadian books. In *Press Play: Audiobook Use in Canada 2020*, we found that almost half of audiobook listeners sometimes or always searched for books about Canada or by Canadian authors (46%).

Searches by audiobook listeners for Canadian content and authors



In *What's in Store: The State of Independent Bookselling in Canada 2018*, 86% of booksellers reported a positive ROI for books by Canadian contributors or about Canada. About eight in ten booksellers reported a positive ROI for books by and about women (81%).

ROI from booksellers in 2018

	Positive ROI	Low ROI	N/A
Books by Canadian contributors and/or about Canada	86%	7%	7%
Books by local contributors and/or about local regions	79%	12%	9%
Books by and about women	81%	7%	12%
Books by and about people who are Black, Indigenous, or a person of colour	65%	23%	12%
Books by and about LGBTQ+ people	51%	23%	26%
Books by and about disabled people	28%	37%	35%

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Print books

Almost all readers surveyed in *Canadian Leisure and Reading Study 2020* read at least one print book in 2019 (96%). And 81% of buyers in 2019 bought at least one print book, according to BNC's Canadian Book Consumer survey.

What percentage of 2019 gross Canadian print revenue is derived from selling to specific channels? Retailers, including subscription services, represented 61-70% of revenue for 17% of publishers. Four in ten publishers derived 1-10% of revenue from selling print books to wholesalers (38%) and directly to the public (online and in-person) (38%). More than half of publishers noted that 1-10% of their print revenue derived from library wholesale (57%).

Print revenue by channel

	Direct to public	Retailers	Wholesale	Library wholesale	Other
0%	11%	0%	2%	6%	32%
1-10%	38%	9%	19%	57%	21%
11-20%	17%	13%	36%	19%	4%
21-30%	11%	9%	11%	0%	0%
31-40%	4%	11%	9%	4%	0%
41-50%	4%	11%	0%	0%	0%
51-60%	2%	13%	6%	0%	2%
61-70%	2%	17%	4%	0%	0%
71-100%	6%	13%	6%	2%	0%

Totals for each channel will not equal 100% (excludes "unsure" and "N/A").

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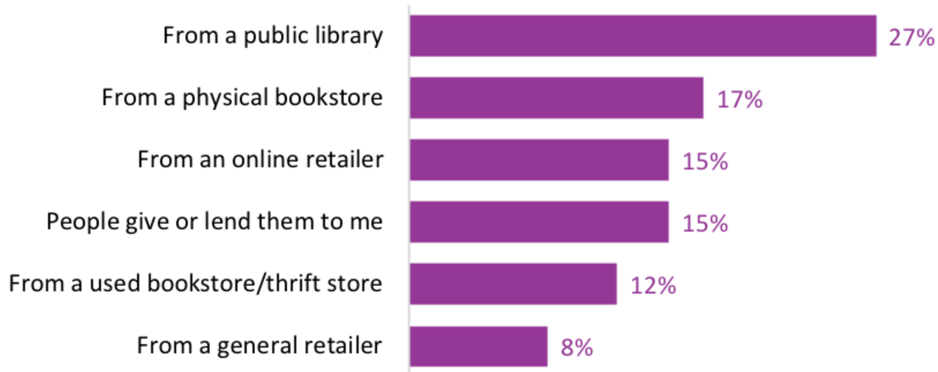
According to *Canadian Leisure and Reading Study 2020*, print readers mostly got their print books from a public library (27%).

Where print readers got most of their print book



It is almost an even split around predictions of print sales for 2020. Publishers thought their company's print sales would decrease (36%), stay the same (34%), or increase (30%) in 2020. However, most small publishers thought that their print sales would decrease (60%). In comparison, 23% of mid-sized publishers (2019 Canadian gross revenue of $1M-$10M) and 38% of large publishers thought that. By contrast, 38% of mid-sized publishers and 31% of large publishers thought that their print sales would increase in 2020. That was not true for any small publisher.

Sustainable publishing

We asked publishers which eco-friendly practices they were implementing when editing, producing, and/or distributing print books. About two thirds of publishers were using virtual meetings instead of traveling domestically (74%) and 62% were using paper sourced from a certified forest management system for sales, ARCs, and/or catalogues.

Eco-friendly practices

	Publishers
Video conferencing/calls instead of domestic/national business travel	74%
Paper for sales, ARCs, and/or catalogues are sourced from a certified forest management system	62%
Print-on-demand (POD) technologies	53%
Paper for manuscripts, books, and/or royalty statements are sourced from a certified forest management system	53%
Book packaging with paper stuffing	51%
Paper materials for the office are sourced from a certified forest management system	40%
Book packaging in bins/crates to collect for re-use	26%
Paper/packaging/pallets for shipping/distribution/warehouse and/or displays are sourced from a certified forest management system	21%

> *"All of our employees commute to and from the office sustainably: bike, walk, and public transit."*
>
> *"We have had an environment focus from day one — with recycling well before accredited forest management products were available, only print today via FSC."*
>
> *"We try and maintain eco friendly practices in everything we do."*

Find out more about publisher perceptions of print-on-demand services in the Tackling industry challenges section.

Related to this, BIC, the book industry supply chain organisation in the UK (Book Industry Communication), has created the BIC Green Hub to share information on how the book industry can become more efficient.

Returns

> *"Broadly, [a main challenge is] understanding and mitigating the impact of supply chain on the Earth's climate. [An impactful change would be] chains and wholesalers reducing returns."*

The overall average return rate for trade publishers in 2019 was 17%, but there was a wide range in return rates depending on the sales channel, type of book, and type of publisher.

Online channels had the lowest return rate at 5%, while chain bookstores and mass-merchant retailers had the highest at 33%. Independent bookstores had a return rate of 22% and library wholesale were at 6% for 2019.

There was a much smaller number of publishers focused on scholarly/professional higher education titles who provided returns information. The overall return rate from these publishers was much lower at 11%, but the return rate from the academic channel (where a majority of the respondents are active) was 21%.

Adult trade books had the highest average return rate (87%), followed by children's and juvenile trade titles (78%).

The majority of publishers put returned books back into active stock (87%). Some publishers commented that they did not get returns (9%) and a few used returned books for giveaways or donations (6%).

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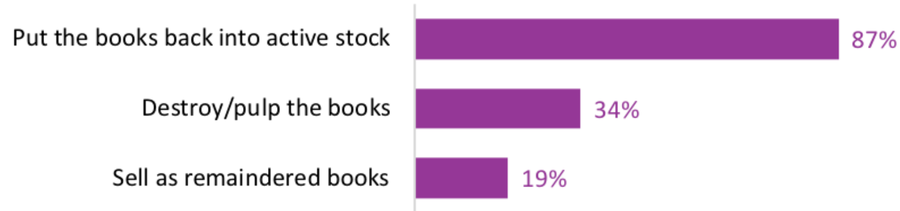
What publishers do with returns



Most small publishers sold returned print books as remaindered books (80%) while 17% of mid-sized publishers and 12% of large publishers did.

> *"Some of the main challenges are dealing with the financial burden and unpredictable nature of returns, as well as COGS charges imposed by Indigo and Amazon on top of what are already deep discounts."*
>
> *"It's time to do away with returns as standard. The margins on paper books are too thin anyway."*

(Find out more about publisher perceptions of the returns system in the Tackling industry challenges section.)

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Digital publishing

Almost half of publishers reported not having designated staff for digital books (47%). For those who did, 80% had one to five employees working specifically on ebooks and/or audiobooks. (This is true across small, mid-sized, and large publishers.) In *The State of Digital Publishing in 2017*, 84% of publishers had one to five employees working on digital books. Since 2014, about 60% of publishers had no employees working only on digital books.

When we surveyed them in 2017, 73% of publishers thought their digital sales revenue in the Canadian marketplace would increase in 2018 for their audiobooks and 57% thought it would increase for their ebooks.

Comparing from 2018 to 2019, about half of publishers said that their company's revenue stayed the same (46%). Digital sales revenue only increased 1-10% for 20% of publishers and increased 11-20% for another 20% of publishers.

Changes in digital sales revenue in the Canadian marketplace from 2018 to 2019

	All publishers
Increased 21% or more	7%
Increased 11-20%	20%
Increased 1-10%	20%
Stayed the same	46%
Decreased 1-10%	4%
Decreased 11-20%	4%
Decreased 21% or more	0%

Find out more about publisher perceptions of strengthening the Canadian market in the Tackling industry challenges section.

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Born accessible

"It is early days yet but the federal investment in accessible publishing looks like it is really going to help us develop awareness, skills, and capacity in this area."

"I need help finding vendors who can create fully accessible ebooks. (Don't have capacity to do it in house!)"

"[An impactful change across the supply chain would be] implementing accessibility workflows."

Born accessible refers to making books accessible from the very beginning of production. Disability Arts International provides a comprehensive overview of accessible books within UK and Canadian publishing. (Learn all about making accessible books discoverable on the BookNet Canada blog.)

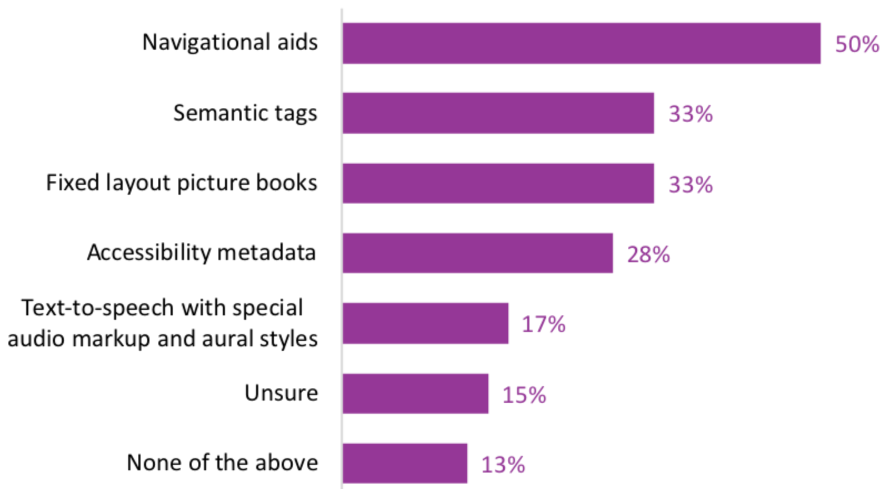
> "*Many publishers felt that, by supplying files to these organizations, they were meeting the needs of those with print disabilities... [But if] books are not sufficiently accessible for the actual users, they are not available to those users. If they are accessible only to the technologically savvy or those with a lot of time to learn technology, they are not really accessible....*" - Association of Canadian Publishers and eBOUND's *Accessible Publishing Research Project*

We asked about best practices for accessible ebooks in terms of features like:

- semantic tags to describe content to assistive technology (including media descriptions);
- navigational aids (hierarchical table of contents, index with active links, page numbers that match the physical book); and
- enabled text-to-speech with special audio markup and aural styles.

Of publishers surveyed, half included navigational aids (50%) while 28% included accessibility metadata.

Accessible best practices features included in ebooks



Only 13% of publishers did not include any of the above features. However, a handful commented that they were currently working with third-parties or had plans to do so. Find out more about features readers use when reading digitally within the *Canadian Leisure and Reading Study 2020*.

> *"Some books are with NNELS to achieve as much as possible re accessibility; we just do not have staff or resources."*
>
> *"We have some [features] in place and we are working on improving this in 2020."*

Speaking of accessibility best practices, which testers are part of publishers' workflows?

The most popular testers are EPUBCheck (43%) and Ace by DAISY (22%). (Publishing@W3C's EPUB Survey results on testing EPUBs show similar tester popularity.) Another 22% outsource this to third-parties and 20% use an accessibility checklist or accessibility expert. (When vetting accessibility experts, consider asking these questions.) A further 17% are unsure of which accessibility tester(s) they use.

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Few publishers were using Desktop Ace App for individual testing, human checks via people with disabilities, or SMART for manual testing. Other options publishers added as comments:

- Bookshare (for legal conversion to multiple accessible formats/adaptive technologies including Braille, TTS and DAISY)
- National Library Service for the Blind and Physically Handicapped (NLS) at the Library of Congress (US)
- Born Accessible Content Checker (built on top of ACE)

About a quarter of publishers did not have any accessibility testers as part of their workflow (24%).
Read more about best practices for accessible workflows on the BookNet Canada blog.

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Ebook production

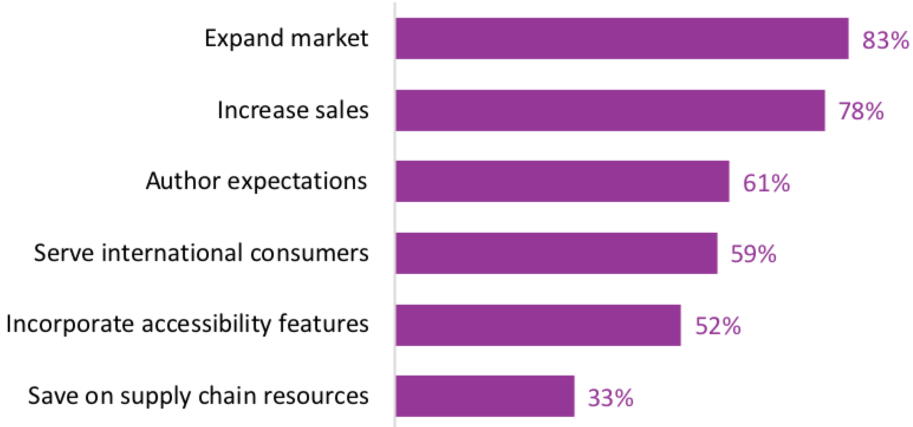
In BookNet's *Canadian Leisure and Reading Study 2020*, 61% of readers read at least one ebook in 2019. For buyers in BNC's Canadian Book Consumer survey, 20% bought an ebook (an 11% increase from 2018).

In 2019, almost all of the publishers surveyed were either currently producing or starting to produce ebooks (91%). Only 9% of publishers had no plans to produce ebooks.

We asked publishers about their plans for enhanced ebooks (ebooks with extra content such as audio or video). About four in ten publishers were not currently producing nor were they planning to produce enhanced ebooks (43%), which was a similar response as in past years. Slightly fewer publishers were currently, starting to, or planning to produce enhanced ebooks (39%). While that's also similar to prior years, more publishers were unsure about their plans in this year's survey.

Most publishers mainly published ebooks to expand their market (83%) or increase sales (78%). About a third of publishers answered that they mainly publish ebooks to save on supply chain resources (environment, production, and distribution) (33%). A number of publishers commented that they mainly publish ebooks because of customer and industry demand.

Main reasons publishers produced ebooks



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Ebook releases, distribution, and sales

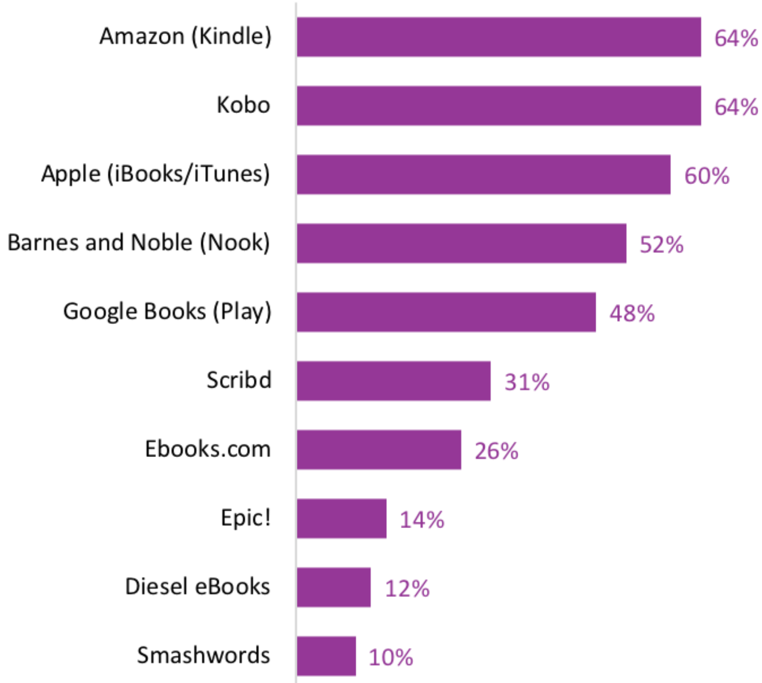
Slightly more than half of publishers surveyed had converted more than three quarters of their backlist titles to ebook format (55%). (Backlist here refers to titles more than six months past publication date.) 26% of publishers had converted between a quarter and three quarters of their backlist and about two in ten publishers had converted up to a quarter of their backlist. These percentages are very similar to answers in 2017.

Most publishers had more than three quarters of their active adult print titles available as ebooks (55%). Looking at publishers' active juvenile and young adult print titles, 40% were not able to be converted into ebooks. 29% of publishers had more than three quarters of active juvenile and young adult print titles available as ebooks, 19% had fewer than three quarters available as ebooks while 12% had none available.

Almost three quarters of publishers said they release the ebook for new titles simultaneously with the print book (71%). Only 5% of publishers said they release the ebook before the print book. Almost one quarter of publishers released the ebook after the print format (21%).

Publishers sold their books with multiple retailers, the most popular being Amazon/Kindle (64%) and Kobo (64%), followed by Apple/iBooks (60%). This ranking is similar to 2017's data.

Retailers publishers used to sell ebooks



In 2019, 10% of publishers did not sell ebooks to libraries (similar to the 8% who did not in 2017). The percentage of publishers who sold ebooks to libraries rose from 75% in 2014, through 80% in 2017, to 90% in 2019.

For these who sold ebooks to libraries, OverDrive was the most popular library service/wholesaler (76%). Other popular library wholesalers were Baker & Taylor/Blio (61%), Bibliotheca/cloudLibrary (55%), Follett (55%), Ingram (53%), and EBSCO (50%). Some publishers sold directly to libraries or through an ACUP partnership to serve the university library market.

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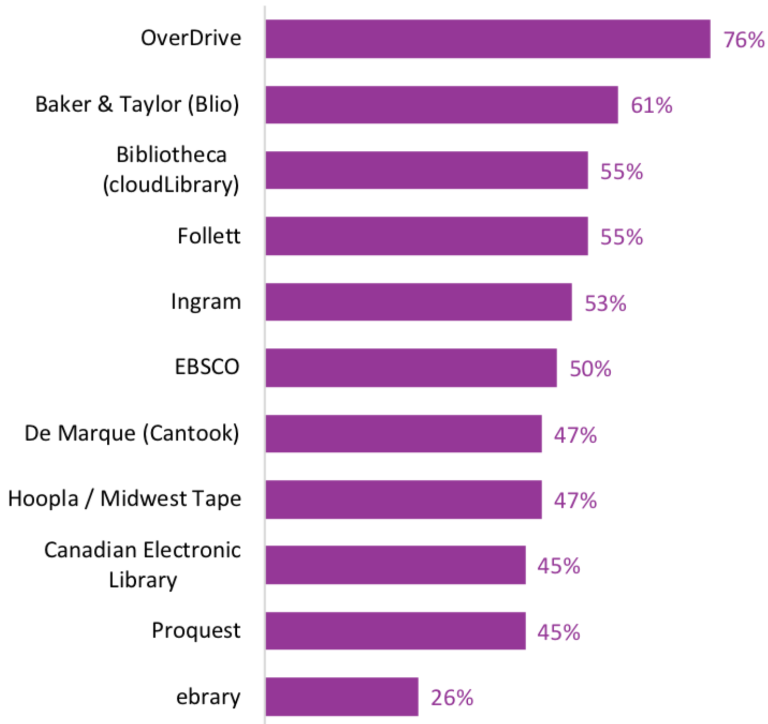
Library services/wholesalers used to sell ebooks to libraries



The following table shows the publishers' gross Canadian ebook revenue in 2019 derived from six channels. In 2019, 36% of publishers derived 71-100% of ebook revenue from retailers. It is worth noting that the 'Digital asset manager/distributor' channel often contains sales that can be attributed to the other channels in the table.

Ebook revenue by channel

	Direct to public	Retailers	Wholesale	Library wholesale	Digital asset manager/distributor	Other
0%	40%	19%	38%	24%	29%	52%
1-10%	26%	0%	17%	33%	14%	10%
11-20%	5%	2%	10%	17%	2%	0%
21-30%	2%	7%	0%	7%	5%	0%
31-40%	2%	5%	0%	0%	7%	0%
41-50%	0%	5%	0%	0%	0%	0%
51-60%	2%	5%	0%	0%	2%	0%
61-70%	2%	5%	2%	2%	0%	0%
71-100%	5%	36%	2%	0%	21%	0%

Totals for each channel will not equal 100% (excludes "unsure" and "N/A").

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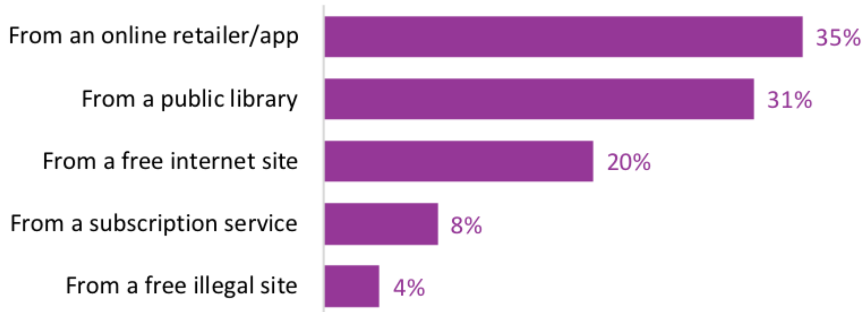
According to *Canadian Leisure and Reading Study 2020*, ebook readers mostly got their ebooks from an online retailer or app (21%). The most popular e-reading apps were Amazon Kindle (33%), Kobo (23%), internet browsers (19%), Apple Books (16%), and Google Books (15%). OverDrive/Libby, the sixth most popular choice, was used by 14% of ebook readers. Hoopla was only selected by 4% of ebook readers.

Where ebook readers got most of their ebooks



About two thirds of respondents thought that their company's ebook sales would increase in 2020 (62%). One third thought ebook sales would be the same as 2019 sales (33%). This was lower for large publishers (28% vs. 41% for smaller publishers). Only two respondents thought that their ebook sales would decrease in 2020 (5%).

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Audiobook production

Before we get into audiobook production, let us share a quick snapshot of the audiobook market. In *Canadian Leisure and Reading Study 2020*, we learned that almost half of readers listened to an audiobook at least once in 2019 (49%). According to BNC's Canadian Book Consumer survey, the percentage of buyers who bought an audiobook in 2019 has experienced a 41% change from 2018, making up 8% of all buyers in 2019.

Since 2015, more publishers were producing digital audiobooks either directly or through a partner — from 16% in 2015, through 37% in 2016, to 61% in 2017. In 2019, that percentage remained steady at 61%.

Almost two thirds of publishers were currently producing audiobooks (both physical and digital) either directly or through a partner (63%). Looking at audiobook production by format:

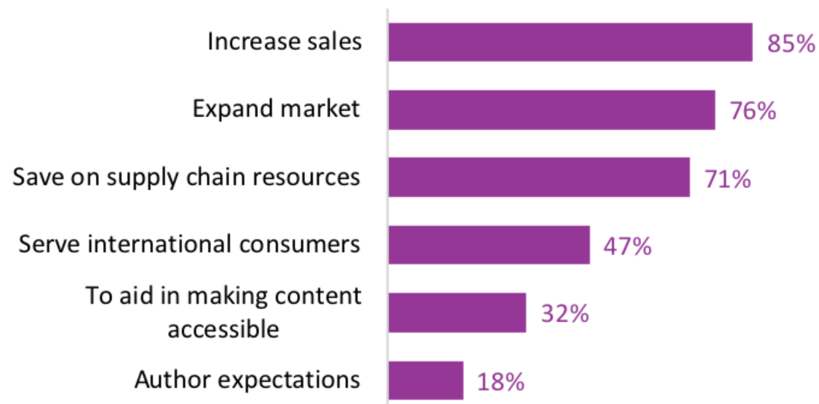
- 48% of publishers produced only digital audiobooks;
- 13% produced both physical and digital audiobooks; and
- 2% of publishers produced only physical audiobooks.

About a quarter of publishers did not currently produce audiobooks and had no plans to start (28%). Another 9% had plans to start producing digital audiobooks.

According to *Press Play: Audiobook Use in Canada 2020*, 92% of audiobook listeners listened to digital audiobooks while 41% listened to a physical format and 34% of respondents consumed both physical and digital audiobooks. (More data on audiobook acquisition by format and age can be found in the study.)

Publishers mainly published audiobooks to increase sales (85%), expand markets (76%), and save on supply chain resources (like the environment, production, and distribution) (71%).

Reasons publishers produced audiobooks



Eight in ten publishers were producing digital audiobooks through a third-party producer. And, about one third produce them in-house.

> *"Funding is available to try, and test the market for our type of books."*
>
> *"[We are] experimenting to see if the demand is there for the types of books we publish."*

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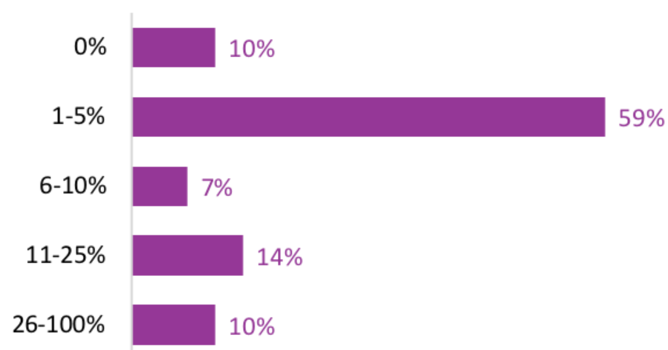
Audiobook releases, distribution, and sales

About six in ten publishers surveyed had converted 1-5% of their backlist titles (those titles more than six months past publication date) to audiobook format (59%). To compare that to ebook conversion, more than half of publishers have converted 75-100% of their backlist to ebook format (55%).

Backlist converted to audiobook format



Most publishers had 5% or fewer of their active adult print titles available as audiobooks (59%) while 28% of publishers had more than 5% available as audiobooks. Only 7% of publishers did not have any active adult print titles available as audiobooks.

Looking at publishers' active juvenile and young adult print titles, 38% of publishers had active juvenile and young adult print titles available as audiobooks, 21% of publishers did not have any available as audiobooks, and 41% responded that the audiobook format was not applicable to their titles.

Most publishers released the ebook for new titles simultaneously with the print book (71%). For audiobooks, most publishers released the audiobook after the print version (76%). Only 17% of publishers released the audiobook for new titles simultaneously with the print book. No publishers released the audiobook before the print book.

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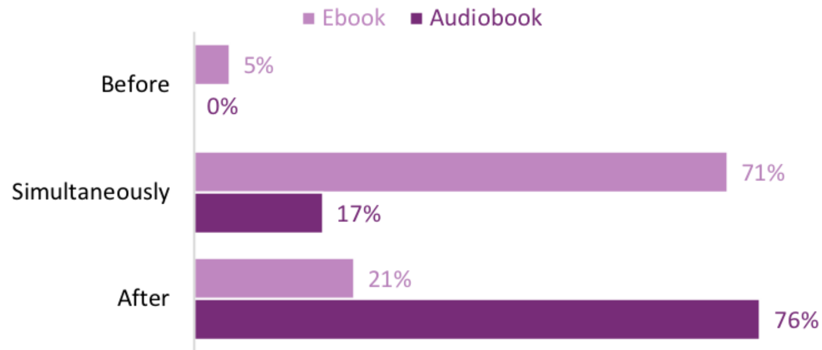
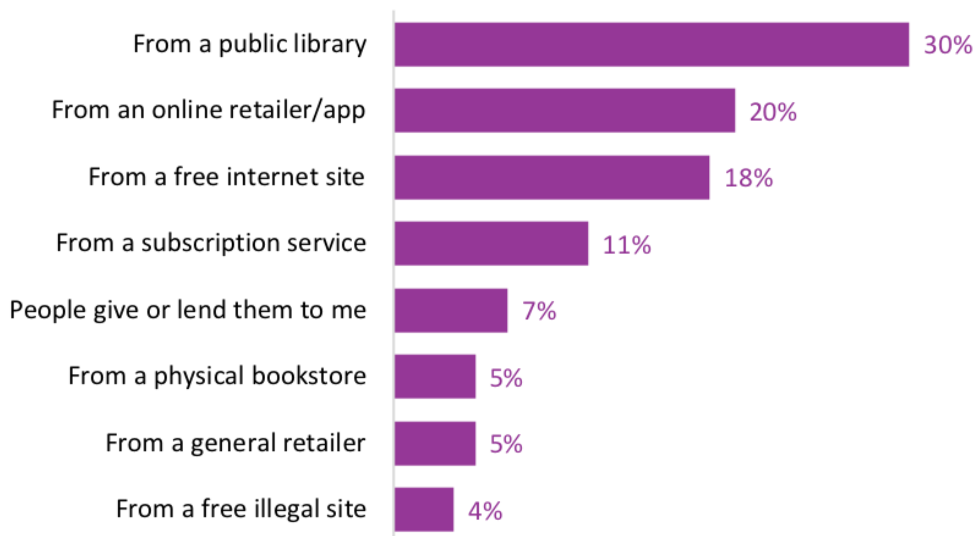
When digital books are released as compared to print books



In the *Canadian Leisure and Reading Study 2020*, we found that audiobook listeners mostly got their audiobooks from a public library (30%). (Also, 40% of audiobook listeners usually or sometimes will not read the book if they cannot find an audiobook version.)

Where audiobook listeners got most of their audiobooks



Also according to *Canadian Leisure and Reading Study 2020*, audiobook listeners mostly listened to audiobooks on YouTube (21%), followed by Kindle (19%), internet browsers (17%), Audible (17%), and Google Play (16%).

From *Press Play: Audiobook Use in Canada 2020*, we learned that audiobook listeners primarily acquired audiobooks from YouTube (37%), Audible Audiobooks/Kindle Unlimited (33%), digitally from the public library (28%), and Google Play (24%). And 20% got physical copies from the public library.

So, where are publishers selling audiobooks? Apple/iBooks and Audible are most popular (72% each), followed by Amazon/Kindle and Kobo (66% each).

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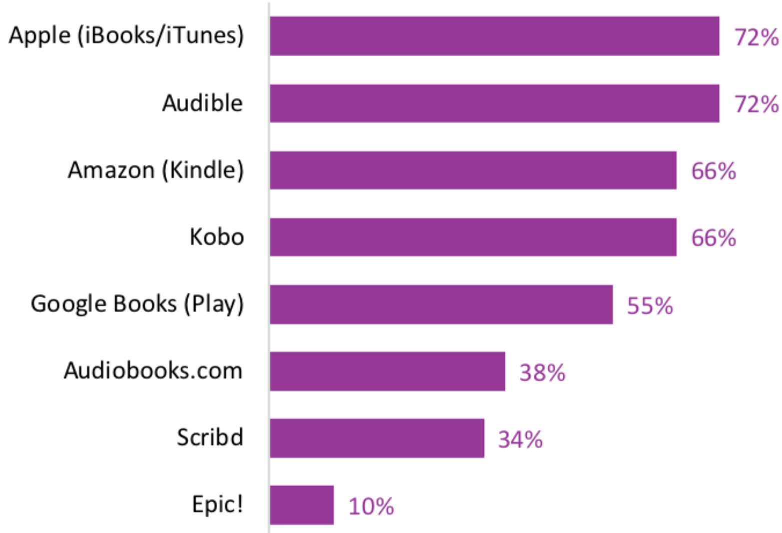
Where publishers sell audiobooks



The following table shows publishers' gross Canadian audiobook revenue in 2019 from six channels. Over two in ten of publishers derived 71-100% of their audiobook revenue from retailers (21%); 17% of publishers derived 41-50% of audiobook revenue from library wholesalers; and 21% of publishers derived 1-10% of audiobook revenue from wholesale.

Audiobook revenue by channel

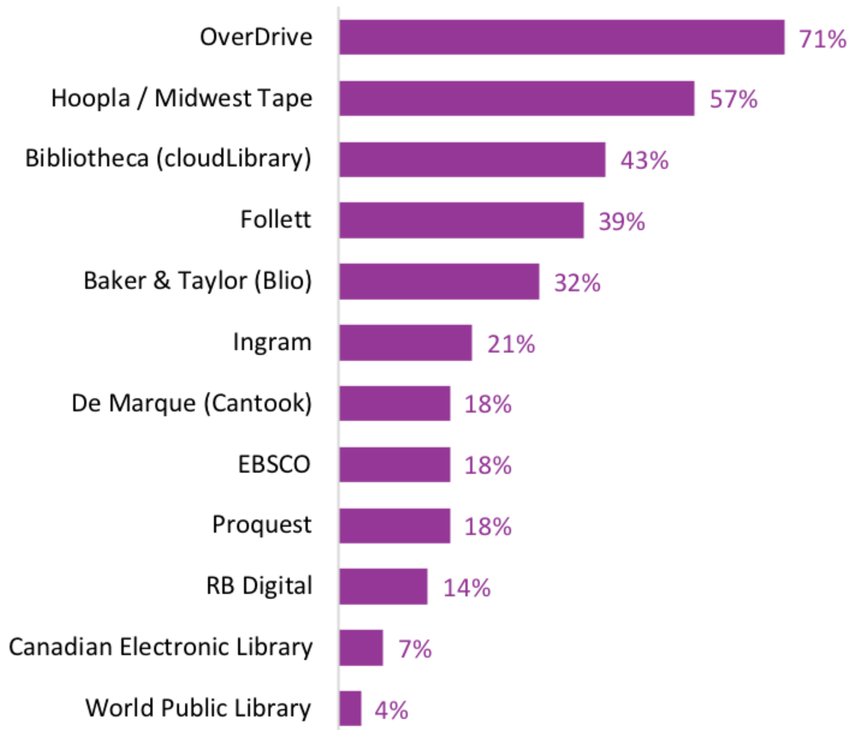
	Direct to public	Retailers	Wholesale	Library wholesale	Other
0%	48%	3%	31%	14%	41%
1-10%	21%	14%	21%	10%	7%
11-20%	3%	7%	7%	7%	0%
21-30%	0%	7%	3%	7%	0%
31-40%	0%	7%	0%	7%	0%
41-50%	0%	7%	0%	17%	0%
51-60%	0%	10%	0%	0%	0%
61-70%	3%	3%	0%	0%	0%
71-100%	0%	21%	0%	10%	0%

Totals for each channel will not equal 100% (excludes "unsure" and "N/A").

"Audible['s] exclusive agreement means publishers need to choose between commercial sustainability and making audiobooks available in public libraries. I can't imagine not having our books in libraries — this would be contrary to our mandate, and just plain wrong. However, it would increase our income and awareness of offerings if our products were [in Audible]."

For those who sold audiobooks to libraries, OverDrive was the most popular library service/wholesaler (71%). Other popular library wholesalers were Hoopla/Midwest Tape (57%), Bibliotheca/cloudLibrary (43%), Follett (39%), Baker & Taylor/Blio (32%), and Ingram (21%). Some publishers sold through distributors and third-party producers like Findaway Voices, ListenUp, and IPG.

Library services/wholesalers used to sell audiobooks to libraries



Almost three quarters of respondents thought that their company's audiobook sales would increase in 2020 (72%). (Comparatively, an increase in ebook sales was predicted by 62% of respondents.) Slightly more than one quarter of publishers thought that audiobook sales would stay the same (28%).

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Industry perceptions

We asked publishers to rate the health of various industry segments. About three quarters of publishers considered their company to be healthy at the end of 2019 (72%). They rated the health of publishers highly as well (62%). About half of publishers considered bookstores to be unhealthy (47%) and 30% considered the Canadian publishing industry to be unhealthy.

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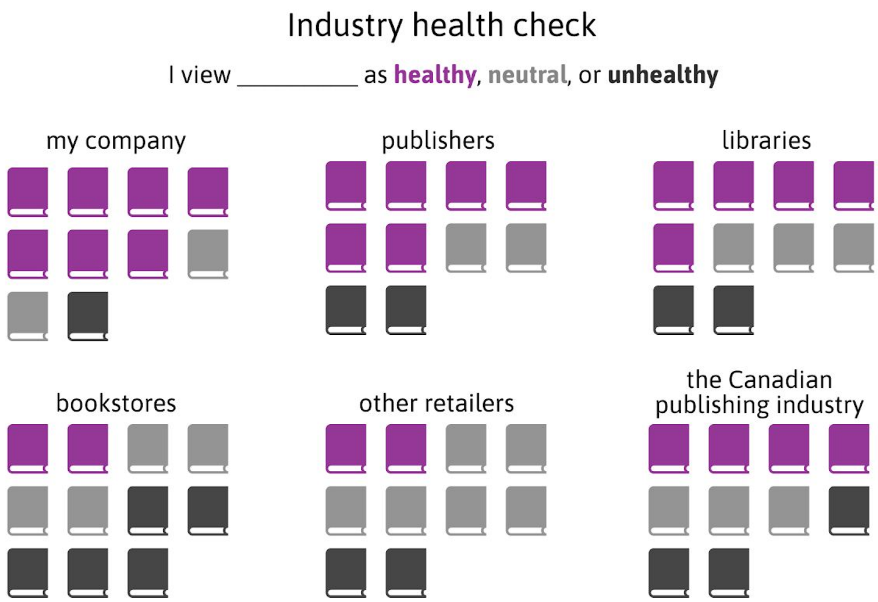
Industry health perceived by publishers in 2019



> *"I've selected moderately unhealthy, as the path forward from COVID is uncertain. We may have lost a complete sales season with books we still must pay the print bills for. We will have to be very careful moving forward."*
>
> *"It is nearly impossible for a small press to survive publishing books. We subsidize our novels with our literary magazine."*

Almost half of publishing employees who responded to the February 2020 [*Quill & Quire* workplace survey](), considered their workplace unhealthy (46%). Of the other staff, 28% of respondents were neutral and 26% considered their company healthy.

We asked booksellers to rate the health of publishing industry segments in [*What's in Store: The State of Independent Bookselling in Canada 2018*](). Most booksellers had a very positive outlook on their stores and the industry in general at the end of 2018. About three out of four booksellers viewed their bookstore as healthy (74%). About six in ten viewed the Canadian publishing industry as healthy (63%). The same amount, 63%, viewed bookstores in general as healthy while 66% viewed publishing in general as healthy. Very few booksellers viewed bookstores or publishing as unhealthy (6% for each of the four industry segments).

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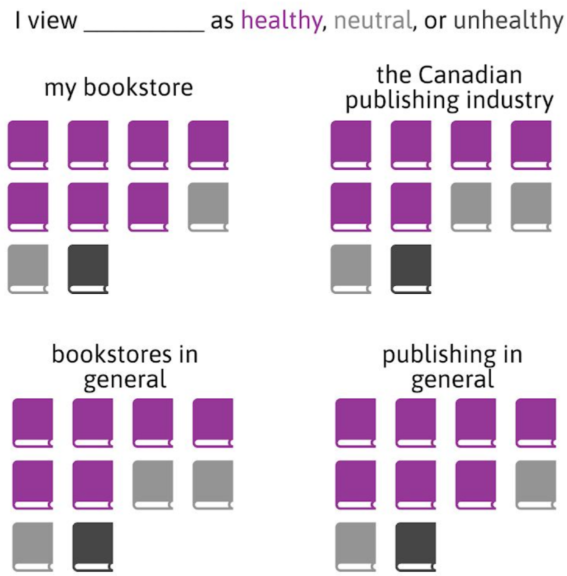
Industry health perceived by independent booksellers in 2018



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Tackling industry challenges

We asked a series of questions to determine which were the most impactful changes, ideas, or initiatives that would help with industry challenges.

In 2017 responses included multimedia/multi-formats, collaboration and crowdsourcing, ebook accessibility and enhancements, automation and technology, standards, and media, like Instagram poetry or campaigns like #OwnVoices.

In 2019, we asked publishers about increasing flexibility and adaptability in the publishing industry. What should be implemented from other industries? Most publishers want to hire and promote more diverse staff (63%), closely followed by consistently using metadata (58%). Almost half of publishers want to have standardized processes and workflows across departments, companies, and the industry (42%). Other publishers want to end a reliance on outdated technology and tools (no more manual entry!) (42%) and implement on-demand printing (40%).

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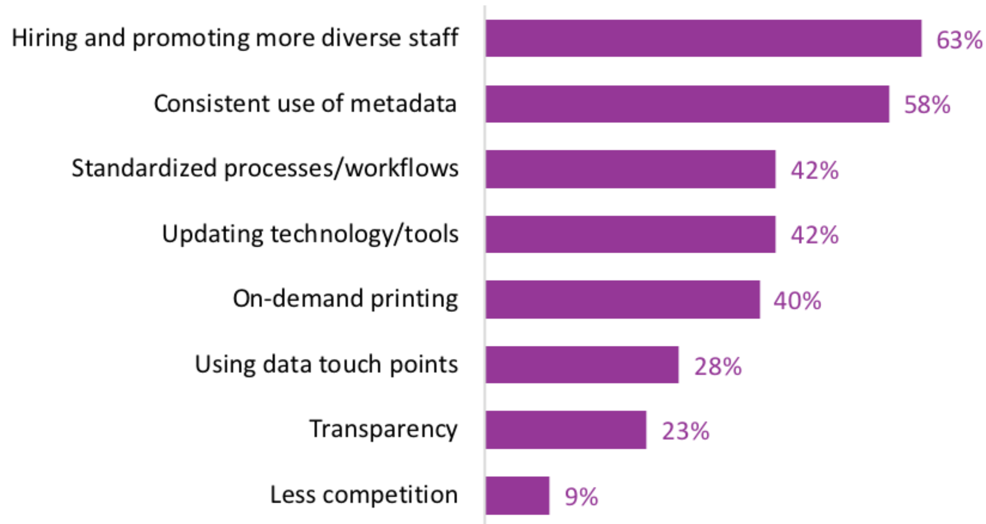
What publishers want implemented from other industries



Publishers also wrote in about these initiatives:

- Indigenous Editors Association's Indigenous Editors Circle
- The Read Local ebook initiative with public libraries in Nova Scotia
- Bookshop.org in the US

"Not sure if bookshop.org will work, but [it's] an interesting way to respond to Amazon's dominance (especially in 'buying guides' that are getting a referral commission)."

A key ability for implementing suggestions is based on resources and will: 59% of publishers considered financial limitations to be the main challenge to innovations within their company. This was especially true for mid-sized publishers who all considered this their main challenge, while 67% of large publishers and half of small publishers did. Other constraints include time (20%), resistance to change among colleagues (11%), and a lack of relevant skills (9%).

"We are enmeshed in several major innovative projects right now; the scale of these initiatives is limited by the funding and financing available, and hence their potential to make a major impact on market share or Canadian reading is very limited."

"Time. You might call it commitment but Canadian publishers are spending great amounts of time to keep up with the level of detail that's needed. Adding in more innovation is tough!"

Let's turn to the areas in which publishers suggest changes. We'll be expanding on each of these following areas:

- Standards and certifications
- Production processes
- Shipping and warehousing
- Online marketing and selling
- Strengthening the Canadian market

Standards and certifications

Publishers commented on the need for certification around accessibility and metadata, as well as easily referenced standards for digital publishing. One publisher asked for the creation of such standards while another asked for more widespread use of metadata (keywords, etc.).

Production processes

Publishers commented on the need for different production methods:

- easy and inexpensive way to produce audiobooks, enhanced ebooks, and accessible ebooks
- more types of recycled paper for print books (We talk more about the use of recycled paper and other eco-friendly practices here.)
- dismantling the unlimited returns system

"It would be great if paper mills produced recycled paper in a greater variety of weights."

"Clear standards for digital/audio publishing that are easy to reference. Retailers making better use of the metadata we supply, like using keywords, etc."

"Some of the main challenges are dealing with the financial burden and unpredictable nature of returns."

Shipping and distribution

Publishers commented on the need for improving the distribution of print books. Some talked about having a national print trade wholesaler and/or a distribution center(s) located in Western Canada. Publishers commented on lowering shipping costs, which booksellers also want, and having better reporting and metadata tracking in distribution systems.

The impact of COVID-19 on supply chains may have shifted the conversation in publishing. Many publishers suggested expanding print-on-demand services for demand-driven publishing.

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> *"It would be great to have a Canadian POD service that tied in directly with our warehouse/distributor to help manage inventory levels."*
>
> *"Convince brick-and-mortar chain stores like Indigo to carry POD books."*
>
> *"Everything about technology as it relates to distributors: our Canadian one has inadequate reporting and our US one has a system so convoluted we can't even tell how many books they have. Metadata is therefore a problem with both."*

Online marketing and selling

According to *Canadian Leisure and Reading Study 2020*, about one quarter of readers attended at least one author or book-related event in 2019 (24%).

As many book tours and events were cancelled because of COVID-19, there has been a shift into the online space. Many publishers have praised virtual book events, and are interested in continuing them post COVID-19 as well.

The Impact of COVID-19 on Reading survey found that about two in ten readers attended fewer book-related events during COVID-19 than in February and prior (17%). Two thirds of readers said their attendance did not change (74%).

Publishers suggested implementing Instagrammable initiatives like book club picks, subscription services, and book "blind" dates (buying books wrapped in paper so the book is a surprise).

> *"Social media campaigns via Instagram, Crowdcast, Twitter, and other social media platforms that encourage direct engagement between publishers and readers and are accessible to all (both physically and financially)."*
>
> *"Live social media events seem to translate into sales, as do pop-up stores hosted by the author."*

Strengthening the Canadian market

Strengthening Canadian content in the Canadian book market has been an industry concern for quite some time. A comprehensive overview with recommendations are in the December 2018 *More Canada* report. More Canada also released a discussion paper dealing with the impact of COVID-19 on Canada's cultural landscape in June 2020.

Publishers asked for stronger government rules to redistribute power into more hands (from a few strong retailers or publishers). They also asked for government regulations around buying Canadian books for libraries and bookstores. Government support for accessible publishing was praised by many.

> *"Government regulations forcing libraries and bookstores to stock Canadian published books."*
>
> *"[An impactful change would be p]olicy options that protect independent bookstores as cultural spaces."*
>
> *"A return to effective industry collaboration among the Canadian-owned publishers to develop a sophisticated analysis of our place in the book trade, arrive at consensus around the policies and programs needed to reverse the decline of Canadian-authored book reading and the shrinkage of the Canadian-owned publishing sector, and effective action to get those policies and programs implemented nationally, provincially and locally."*

Increased support for small publishers and local bookstores and authors was suggested.

> *"Continued advocacy for public funding is critical so that independent publishers can continue to exist."*
>
> *"We need more local bookstores. In large urban centers the current hyper-inflated real estate market is a real threat to publishers directly for their own physical space needs and bookstores with theirs."*

(In *What's in Store: The State of Independent Bookselling in Canada 2018*, a bookseller commented that "There should be more grants (business or art) and financial support given to indie bookstores by the industry and the government.")

Schools and libraries in Québec are mandated to buy books from local bookstores; publishers would like to see this implemented in English-Canada. (We found similar comments in *What's in Store: The State of Independent Bookselling in Canada 2018*.)

> *"I love how Québec schools need to buy books from local retailers. This cultivates a stronger culture of reading, as small, indie bookstores can afford to open with these bulk sales."*
>
> *"[An impactful change would be a]cross-the-board purchase by public libraries across Canada of books published by houses receiving support from the Canada Council for organizations."*

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Thank you for reading!

If you have any questions or comments about this study, please contact the research team at research@booknetcanada.ca. The survey questions can be found here.

More BNC research

Has this study piqued your interest in the publishing industry in Canada? BookNet Canada has extensive research available on our website, both free and for purchase. We also talk about our research on the BookNet Canada Podcast.

Keep reading and listening:

- Blog post on the Canadian book market in the first half of 2020
- Blog series of how booksellers are selling during COVID-19
- Blog posts on the impact of COVID-19 on reading: Part 1 and Part 2
- *Press Play: Audiobook Use in Canada 2020*
    - Podcast episode
- *Canadian Leisure and Reading Study 2020*
    - Podcast episode
- *What's in Store: The State of Independent Bookselling in Canada 2018*
- *Demand for Diversity: A Survey of Canadian Readers*
    - Blog post
    - Podcast episode

To stay updated on current and future research, subscribe to our monthly research newsletter.

About BookNet Canada

BookNet Canada is a non-profit organization that develops technology, standards, and education to serve the Canadian book industry. Founded in 2002 to address systemic challenges in the industry, BookNet Canada supports publishing companies, booksellers, wholesalers, distributors, sales agents, and libraries across the country.

BookNet Canada acknowledges that its staff, board, and partners work upon the traditional territories of the Mississaugas of the Credit First Nation, Anishnawbe, Haudenosaunee, Wendat, and Huron Indigenous Peoples, the original nations of this land. We endorse the

Calls to Action from the Truth and Reconciliation Commission of Canada and support an ongoing shift from gatekeeping to spacemaking in the book industry.

The book industry has long been an industry of gatekeeping. Anyone who works at any stage of the book supply chain carries a responsibility to serve readers by publishing, promoting, and supplying works that represent the wide extent of human experiences and identities, in all its complicated intersectionality. We, at BookNet Canada, are committed to working with our partners in the industry as we move towards a framework that supports spacemaking, which ensures that marginalized creators and professionals all have the opportunity to contribute, work, and lead.

BookNet Canada's services and research help companies promote and sell books, streamline workflows, and analyze and adapt to a rapidly changing market. BookNet Canada sets technology standards and educates organizations about how to apply them, performs market research, and tracks 85% of all Canadian English-language print trade book sales through BNC SalesData.

Industry-led and partially funded by the Department of Canadian Heritage, BookNet Canada has become, as *The Globe and Mail* puts it, "the book industry's supply-chain nerve centre."

Learn more at booknetcanada.ca.

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