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Survey of Book Publishing in New Zealand

Version 1 - 2006

COMMERCIAL IN CONFIDENCE

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All methodologies and techniques outlined in this report are provided solely for use by the client.

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COMMENTARY

On behalf of the Book Publishers Association of New Zealand (BPANZ), I'd like to thank everyone who has contributed to this, our second annual survey of Book Publishing in New Zealand.

In 2006 we've again enjoyed a strong response and once more there are some fascinating and significant results for our industry.

This document and the results it contains provides a resource of great value. For you and I as book publishers, the results provide a reference point to gauge the progress of our businesses.

For BPANZ, it provides the proof of the value of the industry in economic terms. We will use the results to communicate the significance of book publishing to others.

Each year the survey will grow in value as we learn more about our industry and its trends.

Thanks again to those who contributed, your support is appreciated.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Moynahan', with a long, sweeping horizontal stroke at the end.

Michael Moynahan

President – Book Publishers Association of New Zealand

EXECUTIVE SUMMARY

- 97 organisations completed the survey in 2006
- In 2006, participating Publishers turned over \$255,589,238
- In 2006, participating Publishers published 2,266 new New Zealand titles
- In 2006, participating Publishers employed 931 people
- Small Publishers makes up a large part of the industry
 - 46% of publishers employ 1 or less full time equivalent staff member
 - Only 24% employ more than 7 people
- Education is the single biggest publishing category
 - Making up over 40% of new titles
- The industry is growing
 - 35% of publishers say their business is growing
 - While only 4% say its declining

Key Changes 2005 vs 2006

- Fewer organisations completed the survey
 - 97 organisations completed the survey
 - 116 organisations completed the survey in 2005
 - A lower response from Medium Publishers (employ 2-6 staff)
- Turnover is down marginally
 - In 2006, participating Publishers turned over \$255,589,238
 - Down 4% on 2005
 - Explained by a lower contribution from Medium Publishers
- Imported Titles are increasingly important
 - Imported Titles contributed \$125 million (up 8% on 2005)
 - 49% of total turnover
- Total domestic revenue decreased in 2006
 - To \$186 million – down 8% on 2005
 - 73% of total turnover
- Export revenue increased in 2006
 - To \$69 million – up 8% on 2005
 - With significant growth in North America and the United Kingdom
 - 27% of total turnover
- The number of new and revised titles has increased in 2006
 - 2,266 new titles were published – up 1% on 2005
 - 552 revised titles were published – up 23% on 2005
 - Driven by a significant increase in the Education category
- Industry growth appears to be slowing
 - 35% of publishers said their business is growing – down 9 points on 2005
 - While only 4% said its declining – down 4 points on 2005
 - In 2005, the net outcome was 36% growth
 - In 2006, the net outcome was 31% growth

Control Group Trends

- 62 organisations completed both the 2005 and 2006 surveys
- It is important to observe the key trends amongst this group
 - To identify movements amongst common participants
 - As an indication of overall industry trends
- The Control Group contributed 70% of reported turnover in 2005
 - 75% in 2006
- Control Group turnover was up 5%, year on year
- New Zealand titles turnover was down 1%, year on year
 - Imported titles turnover was up 15%
- Domestic revenue was up 27%, year on year
 - Export revenue was up 2%
- The number of new titles published by the Control Group was up 2%, year on year
 - Revised titles was up 52%
- The number of staff employed by the Control Group was up 6%, year on year
- The Control Group reiterate that growth is slowing
 - 34% of publishers said their business is growing – down 14 points on 2005
 - While only 3% said its declining – down 3 points on 2005
 - In 2005, the net outcome was 42% growth
 - In 2006, the net outcome was 31% growth

THREE TYPES OF PUBLISHER

Throughout the survey, there were clear differences driven by the size of the business. Three groups were identified; Small Publishers, Medium Publishers and Large Publishers.

Small Publishers

(Employ 0-1 FTEs)

- 44 organisations (46%)
 - 51 organisations in 2005
 - 35% of the Control Group
- More likely to be;
 - Owner operated organisations

Medium Publishers

(Employ 2-6 FTEs)

- 29 organisations (30%)
 - 43 organisations in 2005
 - 35% of the Control Group
- More likely to be;
 - Privately owned

Large Publishers

(Employ 7+ FTEs)

- 23 organisations (24%)
 - 22 organisations in 2005
 - 29% of the Control Group
- More likely to be;
 - Overseas companies

Throughout this report we provide cross analysis of the results to illustrate the differences amongst these three groups.

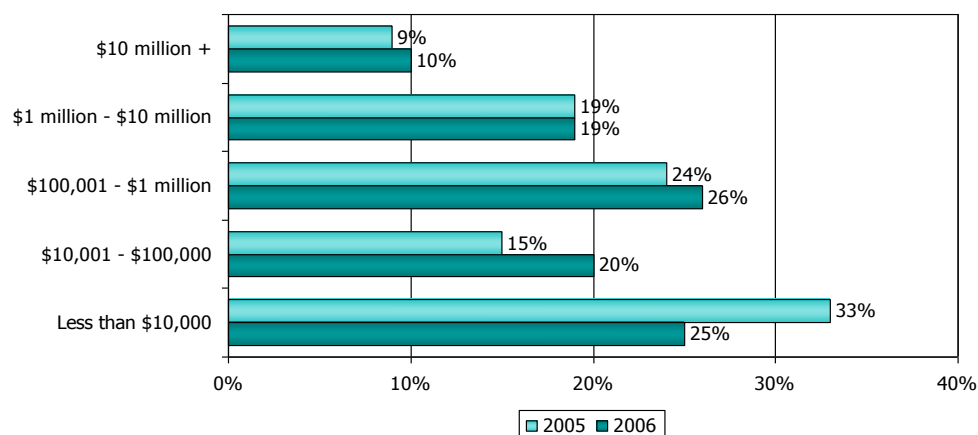
DETAILED RESULTS

REVENUE

What was your company's total turnover including imported and locally published titles, rights and third party distribution for the 2006 financial year? Please ensure you exclude sales made on behalf of other New Zealand publishers.

Revenue

What was your company's total turnover including imported and locally published titles, rights and third party distribution for the 2006 financial year? Please ensure you exclude sales made on behalf of other New Zealand publishers.



Base: N=97, All Book Publishers in 2006, N=116, All Book Publishers in 2005

The chart above illustrates the distribution of participating publishers' total turnover in 2006. In total, Book Publishers earned \$255,589,238 during 2006

- down 4% on 2005
- The mean (average) turnover figure for contributing publishers was \$2,634,941
 - up 4% on 2005
- The median (middle) turnover figure contributing publishers was \$161,000
 - no change on 2005

There are differences by the three types of Publishers;

- Small Publishers generated \$3,891,624 (2%) in turnover in 2006
 - up 14% on 2005
- Medium Publishers generated \$18,115,468 (7%) in turnover in 2006
 - down 52% on 2005
- Large Publishers generated \$233,582,147 (91%) in turnover in 2006
 - up 4% on 2005

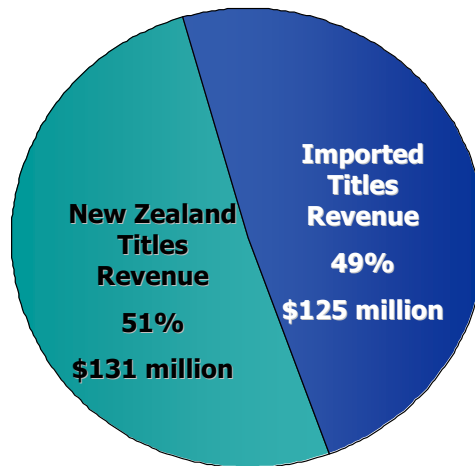
DETAILED RESULTS

REVENUE – NEW ZEALAND VS. IMPORTED TITLES

How was your turnover split between New Zealand published titles and imported titles?

New Zealand vs. Imported Titles

How was your turnover split between New Zealand published titles and imported titles?



Base: N=97, All Book Publishers in 2006

The chart above illustrates how contributing publisher's turnover was split between New Zealand published titles and imported titles in 2006.

Amongst contributing publishers, \$130,738,62 in turnover was derived from sales of New Zealand published titles.

- down 13% on 2005
- this equated to 51% of total industry turnover

Amongst contributing publishers, \$124,850,976 in turnover was derived from sales of imported published titles.

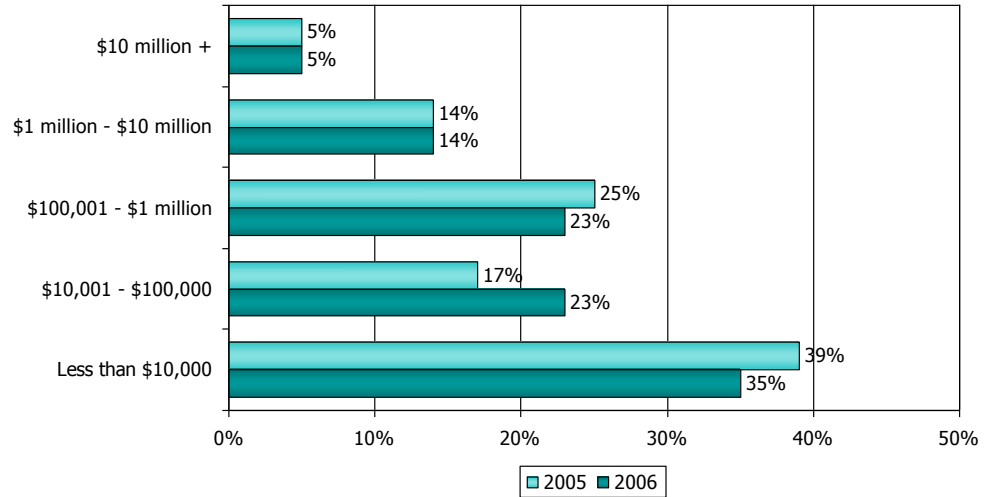
- up 8% on 2005
- this equated to 49% of total industry turnover

Amongst the three types of Book Publishers;

- Small Publishers turnover was split 49%/51% in favour of Imported published titles
- Medium Publishers turnover was split 59%/41% in favour of New Zealand titles
- Large Publishers turnover was split 51%/49% in favour of New Zealand published titles

New Zealand Titles Revenue

How was your turnover split between New Zealand published titles and imported titles?



Base: N=97, All Book Publishers in 2006, N=116, All Book Publishers in 2005

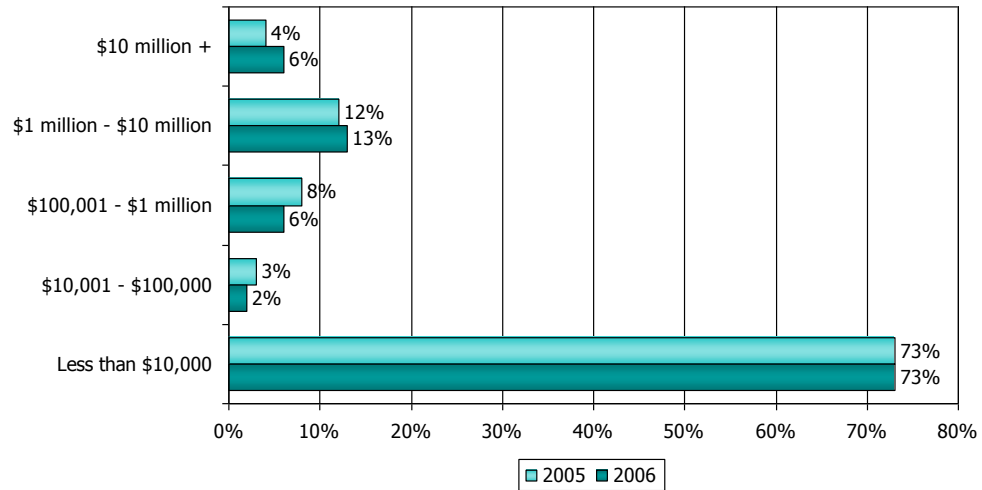
The chart above illustrates the distribution of contributing publisher's turnover from New Zealand published titles in 2006.

Turnover from New Zealand published titles totalled \$130,738,262 in 2006.

- down 13% on 2005
- The mean turnover figure from New Zealand published titles per Book Publisher was \$1,361,857.

Imported Titles Revenue

How was your turnover split between New Zealand published titles and imported titles?



Base: N=97, All Book Publishers in 2006, N=116, All Book Publishers in 2005

The chart above illustrates the distribution of contributing publisher's turnover from imported titles in 2006.

Turnover from imported titles totalled \$124,850,976 in 2006.

- up 8% on 2005
- The mean turnover figure from imported titles per Book Publisher was \$1,315,499.

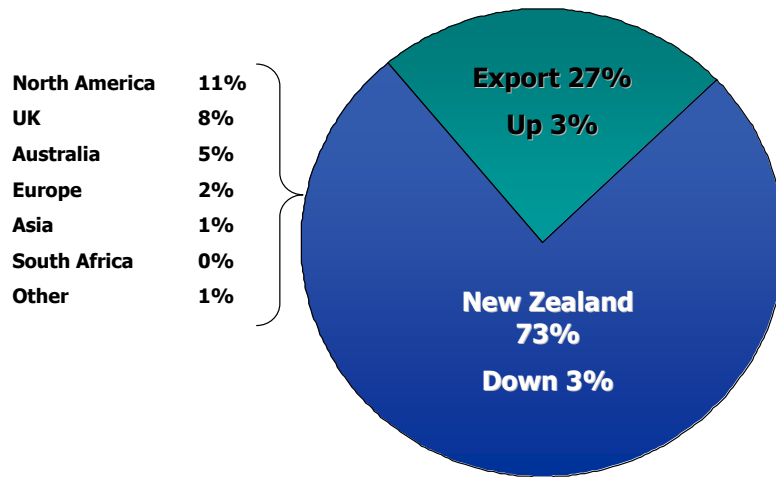
DETAILED RESULTS

REVENUE – BY REGION

How was your turnover, including rights and third party distribution, income split by region?

Revenue by Region – New Zealand

*How was your turnover, including rights and third party distribution income split by region?
Please ensure you exclude sales made on behalf of other New Zealand publishers.*

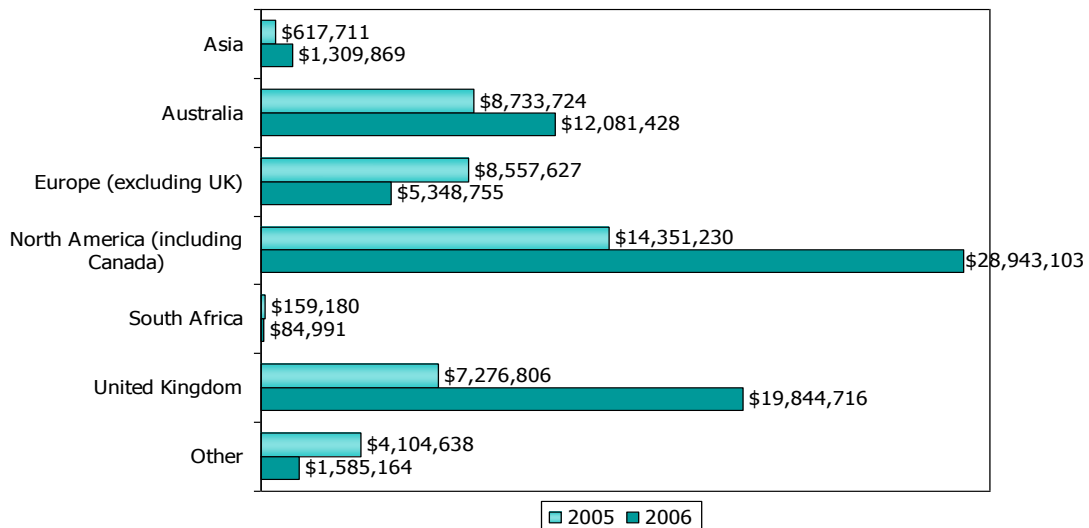


Base: N=97, All Book Publishers in 2006

The chart above illustrates the split between domestic and export earnings for contributing publishers in 2006.

- Turnover derived from domestic sales total \$186,391,214
 - down 8% on 2005
- Turnover derived from export sales total \$69,198,025
 - up 8% on 2005

*How was your turnover, including rights and third party distribution income split by region?
Please ensure you exclude sales made on behalf of other New Zealand publishers.*



Base: N=97, All Book Publishers in 2006, N=116, All Book Publishers in 2005

The chart above illustrates the split of export earnings by region from contributing publishers.

DETAILED RESULTS

TITLES

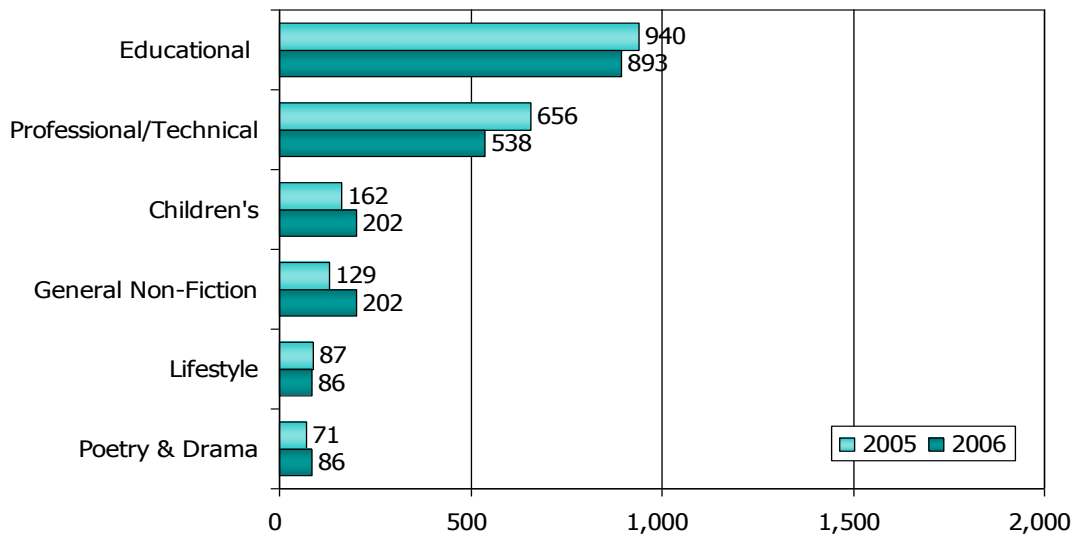
Please enter into the boxes below the number of new New Zealand titles your company published in the 2006 financial year for each category.

Please enter into the boxes below the number of revised New Zealand titles your company published in the 2006 financial year for each category.

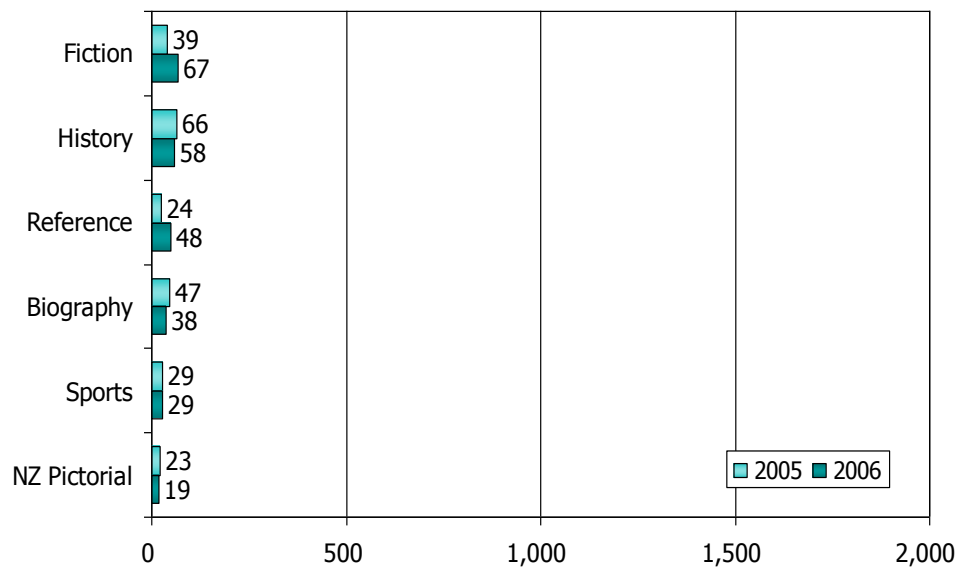
Titles

New New Zealand Titles in 2006

Please enter into the boxes below the number of new New Zealand titles your company published in the 2006 financial year for each category.



Base: N=97, All Book Publishers in 2006, N=116, All Book Publishers in 2005



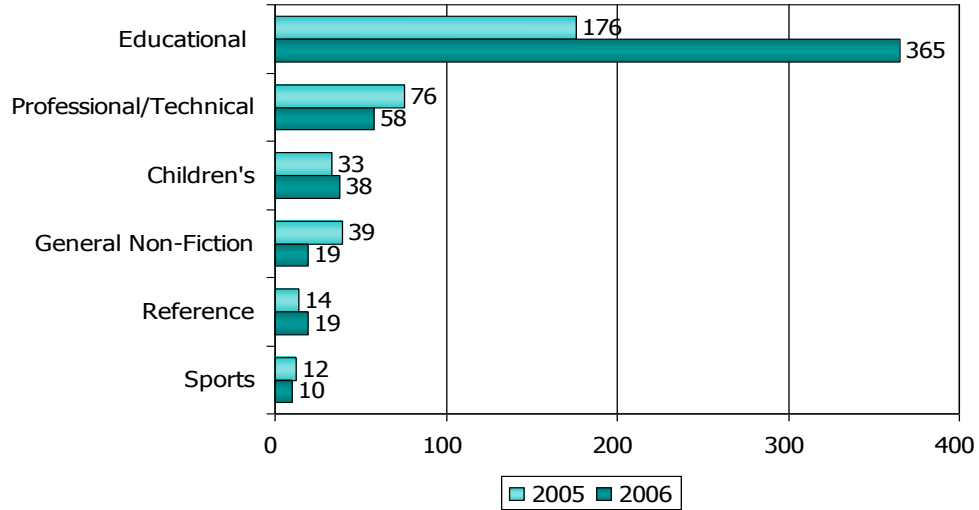
Base: N=97, All Book Publishers in 2006, N=116, All Book Publishers in 2005

The chart on the previous page illustrates the distribution of new New Zealand titles published by contributing Publishers in 2006.

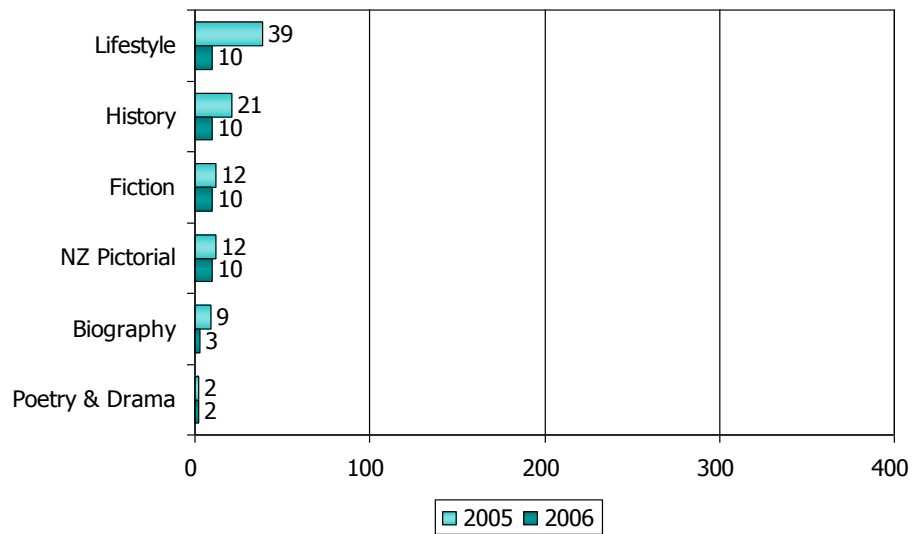
- In total, 2,266 new New Zealand titles were published in 2006.
 - up 1% on 2005
- Education was the single biggest category with 893 new titles published
- Professional/Technical was the second most significant category with 538 new titles published

Revised New Zealand Titles in 2006

Please enter into the boxes below the number of revised New Zealand titles your company published in the 2006 financial year for each category.



Base: N=97, All Book Publishers in 2006, N=116, All Book Publishers in 2005

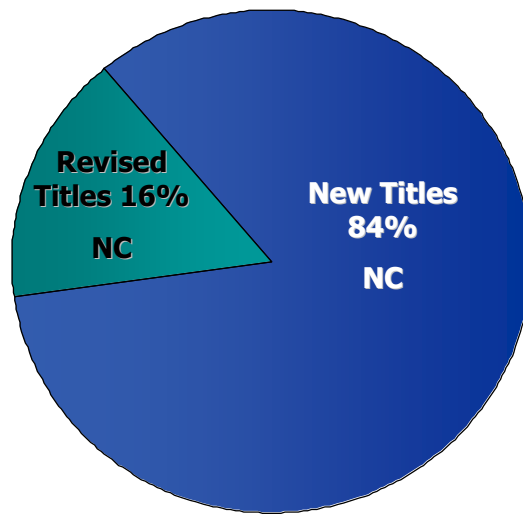


Base: N=97, All Book Publishers in 2006, N=116, All Book Publishers in 2005

The chart on the previous page illustrates the distribution of revised titles published by contributing Publishers in 2006.

- In total, 552 revised titles were published in 2006.
 - up 23% on 2005
- Education was the single biggest category with 365 revised titles published

Titles – New and Revised



Base: N=97, All Book Publishers in 2006

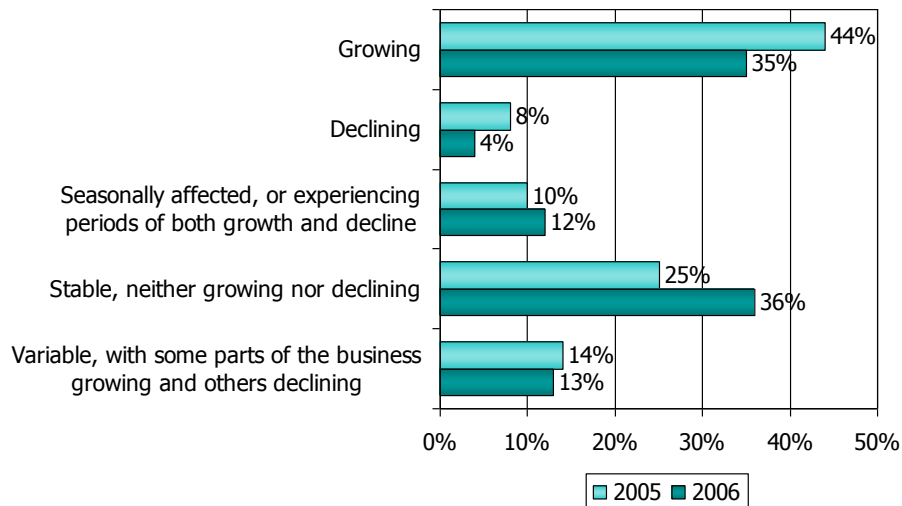
The chart above illustrates the split between new New Zealand titles and revised titles published in 2006, by contributing publishers

- In total, 2,266 new New Zealand titles were published in 2006
 - up 1% on 2005
 - this equates to 84% of total titles
- In total, 552 revised titles were published in 2006
 - up 23% on 2005
 - this equates to 16% of total titles

Business Details

Business Performance

Which one of the following statements best describes your overall business performance over the last year?



Base: N=97, All Book Publishers in 2006, N=116, All Book Publishers in 2005

The chart above illustrates the distribution of Book Publishers perceptions of the state of their business.

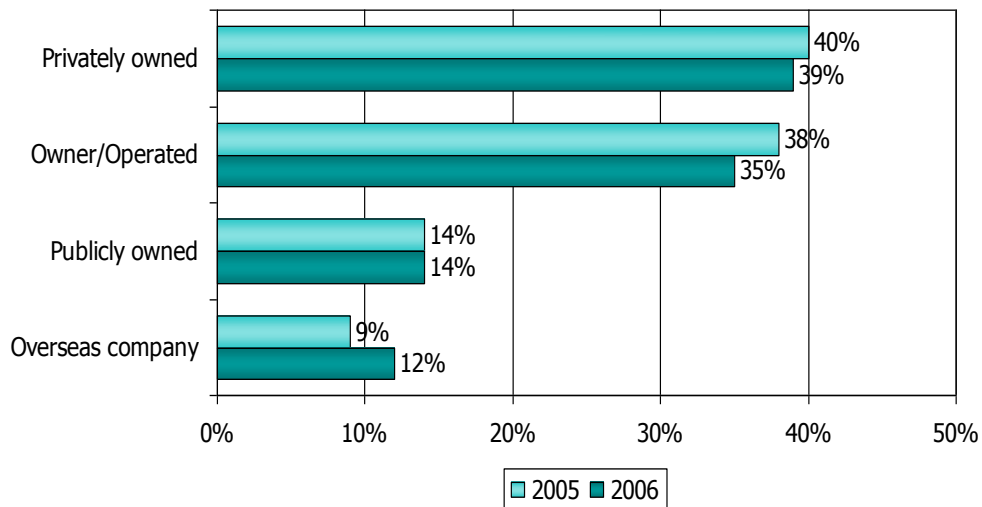
- 35% consider their business to be growing
 - down 9 points on 2005
- 4% consider their business to be declining
 - down 4 points on 2005
- 12% consider their business to be seasonally affected
 - up 2 points on 2005
- 36% consider their business to be stable
 - up 11 points on 2005
- 13% consider their business to be variable
 - down 1 point on 2005

Comparing those who consider their business to be growing (35%) and those who consider their business to be declining (4%) it can be seen that there is industry growth (net 31%).

APPENDIX A – BUSINESS DETAILS

Business Ownership

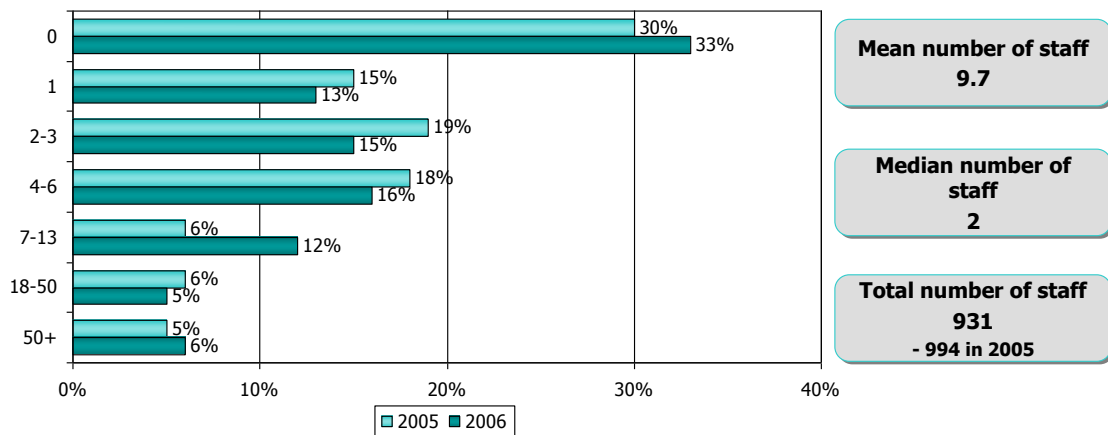
Which of the following best describes how your business is owned?



Base: N=97, All Book Publishers in 2006, N=116, All Book Publishers in 2005

Number of Employees

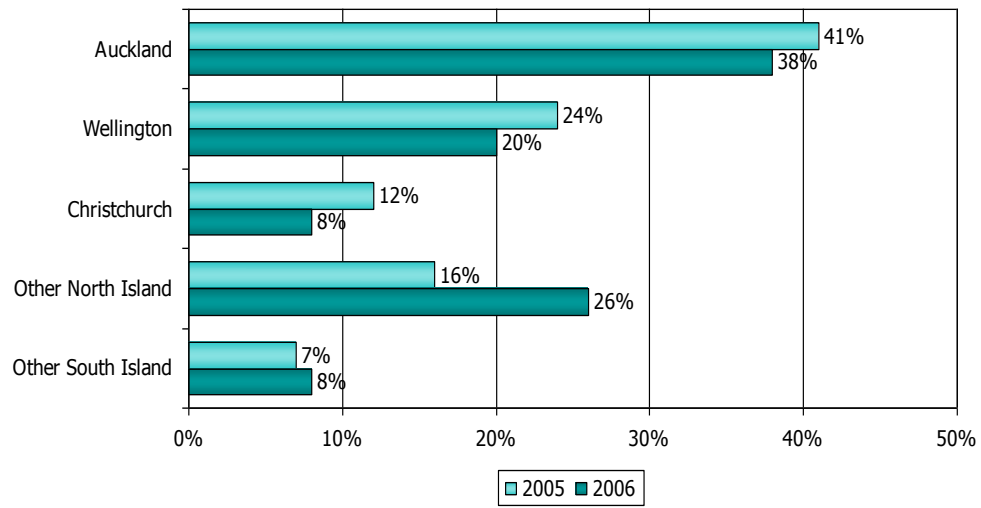
How many full time equivalent staff do you employ?



Base: N=97, All Book Publishers in 2006, N=116, All Book Publishers in 2005

Location

Where is your business located?



Base: N=97, All Book Publishers in 2006, N=116, All Book Publishers in 2005

APPENDIX B - QUESTIONNAIRE

2006 SURVEY OF BOOK PUBLISHING IN NEW ZEALAND



Introduction

You will have recently received a letter from the Book Publishers Association of New Zealand (BPANZ) explaining the importance of understanding our industry. For you, our members, being familiar with the size and scope of our industry will provide you with an important point of reference. Measuring the industry also allows us, the BPANZ, to illustrate its importance to the economy in such terms as employment and foreign exchange earnings.

Colmar Brunton is conducting this survey for the BPANZ. Once the data has been analysed, top line results will be available at www.bpanz.org.nz

Confidentiality Guaranteed

Colmar Brunton is a market research company specialising in this type of survey. All results are reported in aggregated form so that no individual company can be identified. The BPANZ will receive summarised statistical information only. No one other than Colmar Brunton will have access to individual responses.

Contact

If you have any questions about the survey please do not hesitate to contact;

Kate Joyce
Project Manager
Colmar Brunton
(09) 919 9271
kate.joyce@cbrak.co.nz

OR

Tony Fisk
BPANZ
(09) 443 9406
tony.fisk@harpercollins.co.nz

Instructions

This survey will measure the book publishing industry on an annual basis. Please input your results from the financial year just completed. The survey is interested in the 2006 tax year –

1 April 2005 – 31 March 2006. If your financial and publishing records are for a different period, please answer questions 1 and 2 appropriately.

Please ensure you exclude sales made on behalf of other New Zealand publishers

Please note:

All dollar amounts should be entered as numbers without symbols or cents.

Time Period

1. This survey is focused on the 2006 tax year – 1 April 2005 – 31 March 2006. Is the information you intend to provide for this period?

Yes	GO TO Q3
No	CONTINUE

2. What period is the information you have for?

START DATE

END DATE

CHECK = 12 MONTHS

Revenue

Reminder: All individual results are confidential and held only by Colmar Brunton. The BPANZ only receives aggregated results.

3. What was your company's total turnover including imported and locally published titles, rights and third party distribution for the 2006 financial year?

Please ensure you exclude sales made on behalf of other New Zealand publishers

\$

4. How was your turnover split between New Zealand Published Titles and Imported Titles?

Please ensure you exclude sales made on behalf of other New Zealand publishers

New Zealand Published Titles	\$ <input type="text"/>
Imported Titles	\$ <input type="text"/>
Total	\$ Total to Question 3

5. How was your turnover, including rights, and third party distribution income split by region?

Please ensure you exclude sales made on behalf of other New Zealand publishers

New Zealand	\$ <input type="text"/>
Asia	\$ <input type="text"/>
Australia	\$ <input type="text"/>
Europe (excluding UK)	\$ <input type="text"/>
North America (Including Canada)	\$ <input type="text"/>
South Africa	\$ <input type="text"/>
United Kingdom	\$ <input type="text"/>
Other	\$ <input type="text"/>
	\$ Total to Question 3

New Zealand Published Titles

6. **New Titles**

Please enter into the boxes below the number of new New Zealand titles your company published in the 2006 financial year for each category.

Biography	
Children's	
Educational (Including Text Books)	
Fiction	
General Non-Fiction	
History	
Lifestyle (Cookery/Gardening etc)	
NZ Pictorial	
Poetry and Drama	
Professional / Technical	
Reference	
Sports	

7. **Revised Titles**

Please enter into the boxes below the number of revised New Zealand titles your company published in the 2006 financial year for each category.

Biography	
Children's	
Educational (Including Text Books)	
Fiction	
General Non-Fiction	
History	
Lifestyle (Cookery/Gardening etc)	
NZ Pictorial	
Poetry and Drama	
Professional / Technical	
Reference	
Sports	

Your Business

8. Which of the following best describes how your business is owned?

Listed company	
Overseas company	
Owner operated	
Privately owned	
Publicly owned/institutional	

9. How many full time equivalent staff do you employ?

--

10. How are those staff allocated across the following functions?

Administration/Finance/IT	
Publishing/Editorial/Production/Design	
Sales/Marketing	
Distribution	
	Q10

11. Which **one** of the following statements best describes your overall business performance over the last year?

Growing	
Declining	
Seasonally affected, or experiencing periods of both growth and decline	
Stable, neither growing nor declining	
Variable, with some parts of the business growing and others declining	

12. Where is your business located?

Auckland	
Wellington	
Christchurch	
Dunedin	
Hamilton	
Hawkes Bay	
Tauranga	
Palmerston North	
Nelson	
Invercargill	
Whangarei	
New Plymouth	
Gisbourne	
Rotorua	
Wanganui	
Other	

13. **Any other comments?**

If there are any particular comments you'd like to make about this survey or the BPANZ or the industry, please make them here.

Thank you for taking part in this survey. [Click here to close.](#)

APPENDIX C - METHODOLOGY

