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**Colmar
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New Zealand's 'most respected'
market research company

Survey of Book Publishing in New Zealand 2008

PREPARED FOR	Book Publishers Association of New Zealand
ATTENTION	Tony Fisk & Anne de Lautour
ISSUE DATE	September 2008
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dream a little FlyBuys

Colmar Brunton

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Colmar Brunton undertakes all research projects to the highest possible standards, and in accord with the principles detailed in the MRSNZ Code of Practice which is based on the ESOMAR Code of Conduct for Market Research.

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

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COMMENTARY

First of all, on behalf of the Book Publishers Association of New Zealand, thank you to the publishers who contributed to this study, the fourth annual survey of New Zealand Book Publishing.

We once again had a strong response from publishers, illustrating your interest and dedication to the industry. The strong response rate gives us confidence that the results contained within are representative of the industry as a whole.

These results are interesting and informative. They show the current state of the industry, and when compared to previous years, one can see trends emerge. This wider market view also provides a context for each publisher to compare their results against.

The data here is also useful for BPANZ as it will be used to communicate the economic significance of the industry to key stakeholders.

Once again, thank you to all those who participated. Your support and input is highly valued

Yours sincerely

Tony Fisk

President – Book Publishers Association of New Zealand

EXECUTIVE SUMMARY

- 107 organisations completed the survey
- In 2008, participating Publishers turned over \$209,659,314
- In 2008, participating Publishers published 1,986 new New Zealand titles
- In 2008, participating Publishers employed 1,002 people
- Small Publishers make up a large part of the industry
 - 50% of publishers employ 1 or less full time equivalent staff member
 - Only 26% employ more than 7 people
- Reference and Education are the biggest publishing categories
- Publishers claim the industry is growing
 - 35% of publishers say their business is growing
 - While 12% say its declining

Key Changes 2007 vs 2008

- A similar number of organisations completed the survey
 - 107 organisations completed the survey in 2008
 - 126 organisations completed the survey in 2007, 97 in 2006 and 116 in 2005
 - A weaker response from Smaller Publishers in 2008
- Total Revenue is down year on year
 - In 2008, participating Publishers turned over \$209,659,314
 - Down 14% on 2007
 - Publishers of all sizes experiencing declines
- Total domestic revenue decreased in 2008
 - To \$187 million
 - Down 10% on 2007
 - 89% of total revenue
- Export revenue decreased substantially in 2008
 - To \$23 million
 - Down 38% on 2007
 - Reflecting a lower number of exporters participating in the study
- The number of new and revised titles decreased in 2008
 - 1,986 new titles were published – down 17% on 2007
 - 285 revised titles were published – down 52% on 2007
- Industry growth appears to be steady from 2007
 - 35% of publishers say their business is growing
 - Down 1 point on 2007
 - 12% say it's declining, unchanged on 2007
 - In 2005, the net outcome was 36% growth
 - In 2006, the net outcome was 31% growth
 - In 2007, the net outcome was 24% growth
 - In 2008, the net outcome was 23% growth

Control Group Trends

- 34 organisations completed the 2005, 2006, 2007 and 2008 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
- Control Group revenue was down 8%, year on year
- New Zealand titles revenue was down 37%, year on year
 - Imported titles revenue is up 24%
- Domestic revenue is down 8%, year on year
 - Export revenue is up 6%
- The number of new titles published by the Control Group is up 6%, year on year
 - Revised titles also up 8%
- The number of staff employed by the Control Group is down 3%, year on year
- The Control Group said growth has slowed considerably
 - 29% of publishers said their business is growing
 - down 21 points on 2007
 - While 15% said its declining, up 9 points on 2007
 - In 2005, the net outcome was 41% growth
 - In 2006, the net outcome was 41% growth
 - In 2007, the net outcome was 44% growth
 - In 2008, the net outcome was 14% 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)

- 53 organisations (50%)
 - 72 (57%) organisations in 2007
- More likely to be;
 - Owner operated organisations

Medium Publishers

(Employ 2-6 FTEs)

- 26 organisations (24%)
 - 27 (21%) organisations in 2007
- More likely to be;
 - Privately owned

Large Publishers

(Employ 7+ FTEs)

- 28 organisations (26%)
 - 27(21%) organisations in 2007
- More likely to be;
 - Overseas companies

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

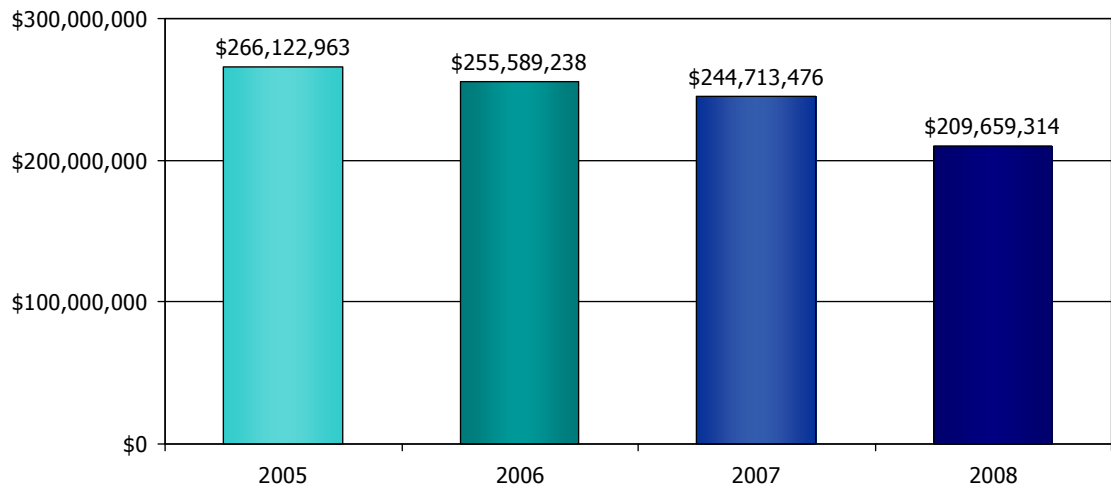
DETAILED RESULTS - Revenue

What was your company's total revenue including imported and locally published titles, rights and third party distribution for the 2008 financial year? Please ensure you exclude sales made on behalf of other New Zealand publishers.

Revenue – All Participating Publishers

Total Revenue

What was your company's total revenue including imported and locally published titles, rights and third party distribution for the 2008 financial year? Please ensure you exclude sales made on behalf of other New Zealand publishers.

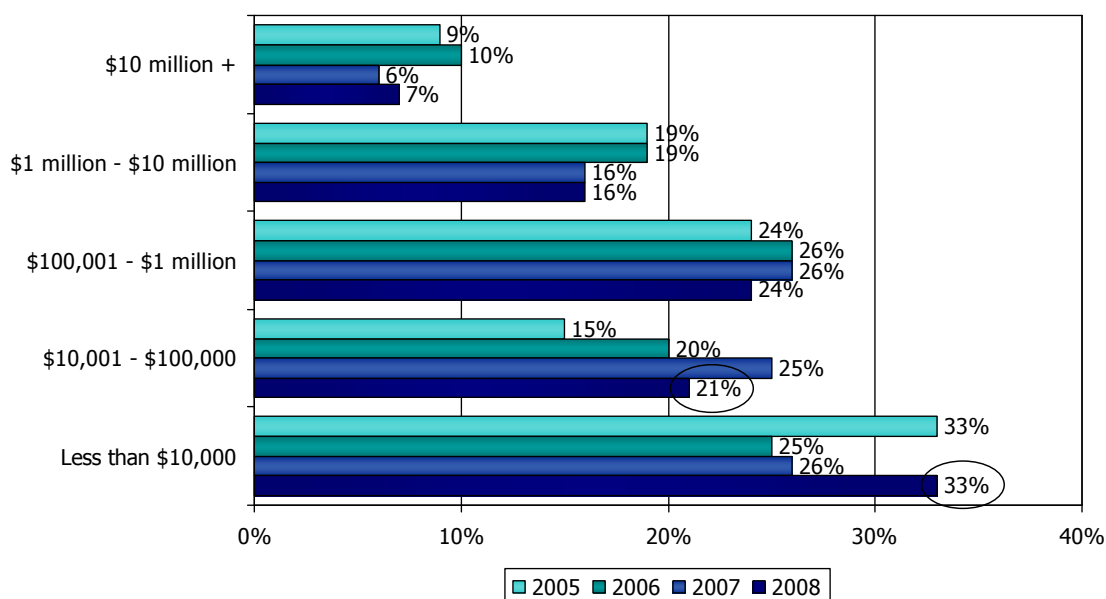


Base: All Participating Publishers, 2005 (n=116), 2006 (n=97), 2007 (n=126), 2008 (n=107)

The chart above illustrates that revenue amongst participating publishers has decreased for three consecutive years. In total, Book Publishers earned \$209,659,314 in 2008, down 14% on 2007.

Revenue Distribution

What was your company's total revenue including imported and locally published titles, rights and third party distribution for the 2008 financial year? Please ensure you exclude sales made on behalf of other New Zealand publishers.



Base: All Participating Publishers, 2005 (n=116), 2006 (n=97), 2007 (n=126), 2008 (n=107)

The chart above illustrates the distribution of participating publishers' total turnover in 2008.

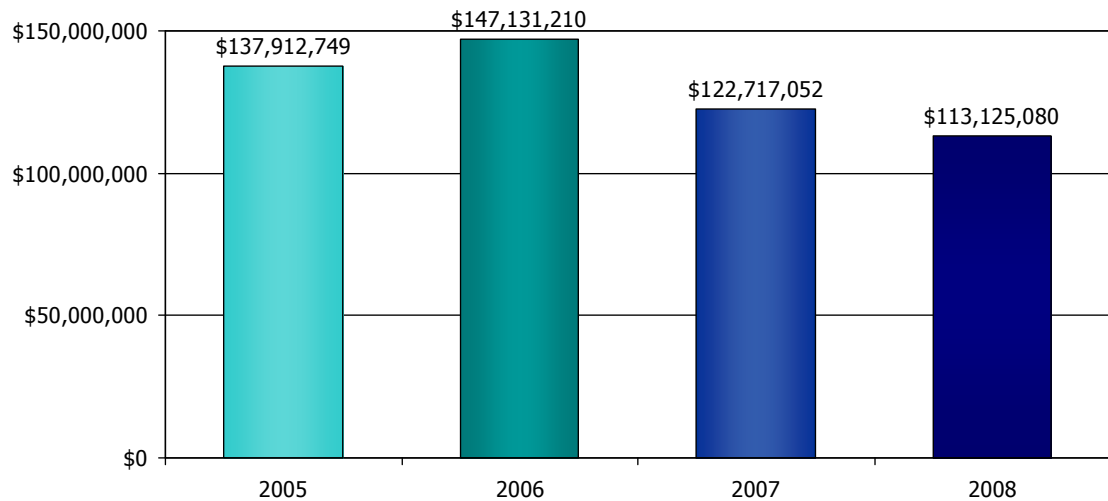
- The mean (average) turnover figure for contributing publishers was \$1,959,433
 - Up 1% on 2007
- The median (middle) turnover figure contributing publishers was \$50,000
 - Down 43% on 2007

There are differences by the three types of Publishers;

- Small Publishers generated \$3,592,537 (2%) in turnover in 2008
 - Down 54% on 2007
- Medium Publishers generated \$13,473,727 (6%) in turnover in 2008
 - Down 23% on 2007
- Large Publishers generated \$192,593,050 (92%) in turnover in 2008
 - Down 12% on 2007

Revenue – Control Group

What was your company's total revenue including imported and locally published titles, rights and third party distribution for the 2008 financial year? Please ensure you exclude sales made on behalf of other New Zealand publishers.



Base: All Book Publishers who have completed all 4 surveys (n=34)

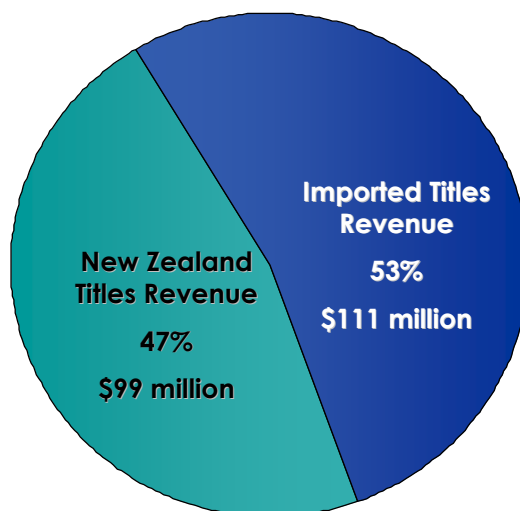
The chart above shows an 8% decrease in Control Group revenue from \$122,717,052 in 2007 to \$113,125,080 in 2008.

DETAILED RESULTS – Revenue – New Zealand vs. Imported Titles

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

New Zealand vs. Imported Titles – All Participating Publishers

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



Base: All Book Publishers in 2008 (n=107)

The chart above illustrates how contributing publisher's turnover was split between New Zealand published titles and imported titles in 2008.

Amongst contributing publishers, \$99,098,492 in turnover was derived from sales of New Zealand published titles.

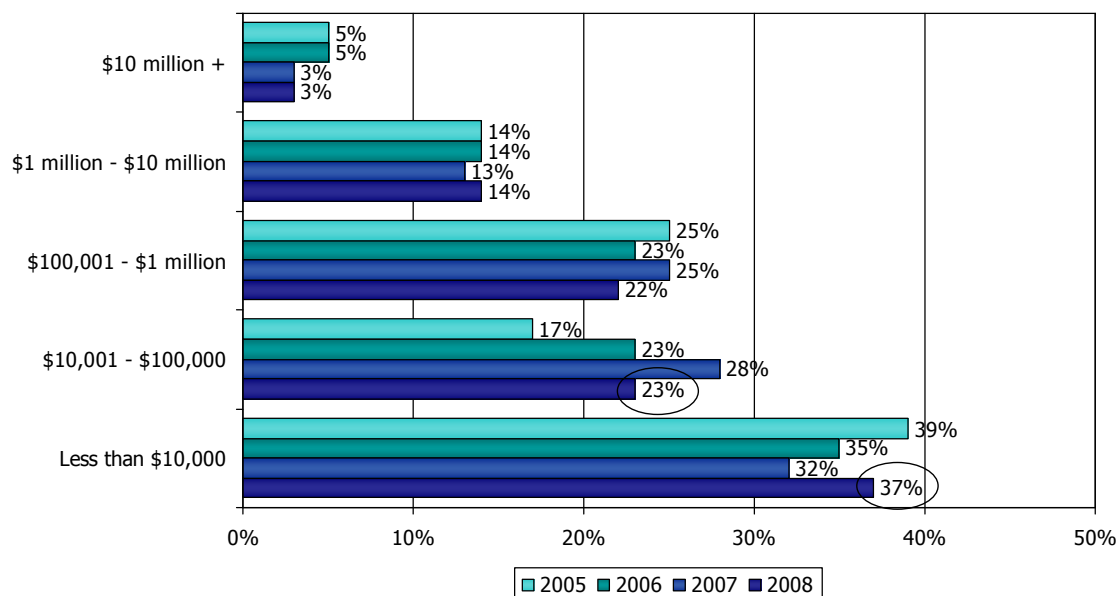
- Down 22% on 2007
- This equated to 47% of total industry turnover

Amongst contributing publishers, \$11,560,822 in turnover was derived from sales of imported published titles.

- Down 6% on 2007
- This equated to 53% of total industry turnover

New Zealand Titles Revenue – All Participating Publishers

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



Base: All Participating Publishers, 2005 (n=116), 2006 (n=97), 2007 (n=126), 2008 (n=107)

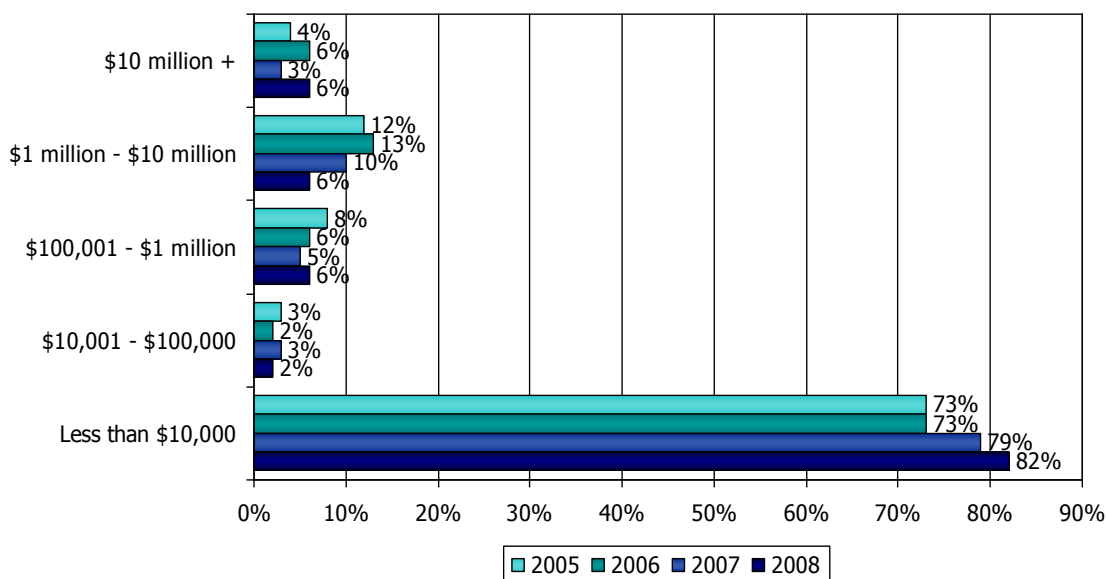
The chart above illustrates the distribution of contributing publisher's turnover from New Zealand published titles in 2005, 2006, 2007 and 2008.

Turnover from New Zealand published titles totalled \$99,098,492 in 2008.

- Down 22% on 2007
- The mean turnover figure from New Zealand published titles per contributing Book Publisher was \$926,154
- The median turnover figure from New Zealand published titles per contributing Book Publisher was \$30,024

Imported Titles Revenue – All Participating Publishers

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



Base: All Participating Publishers, 2005 (n=116), 2006 (n=97), 2007 (n=126), 2008 (n=107)

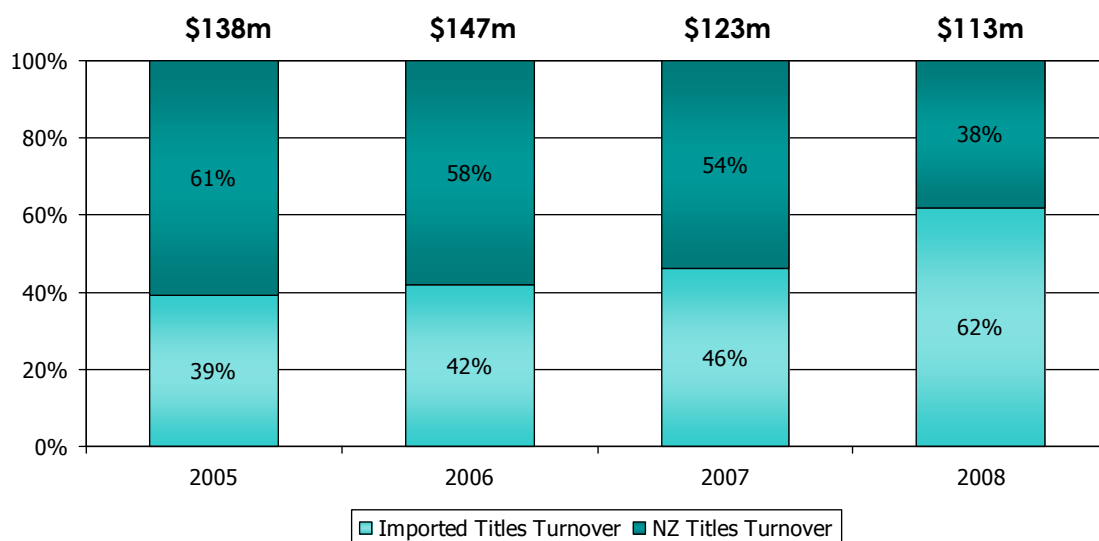
The chart above illustrates the distribution of contributing publisher's turnover from imported titles in 2005, 2006, 2007 and 2008.

- Turnover from imported titles totalled \$110,560,822 in 2008.
- Down 6% on 2007

The mean turnover figure from imported titles per Book Publisher was \$1,033,279.

Revenue – New Zealand vs Imported Titles – Control Group

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



Base: All Book Publishers who have completed all 4 surveys (n=34)

The chart above illustrates that since 2005 the proportion of imported titles has steadily grown.

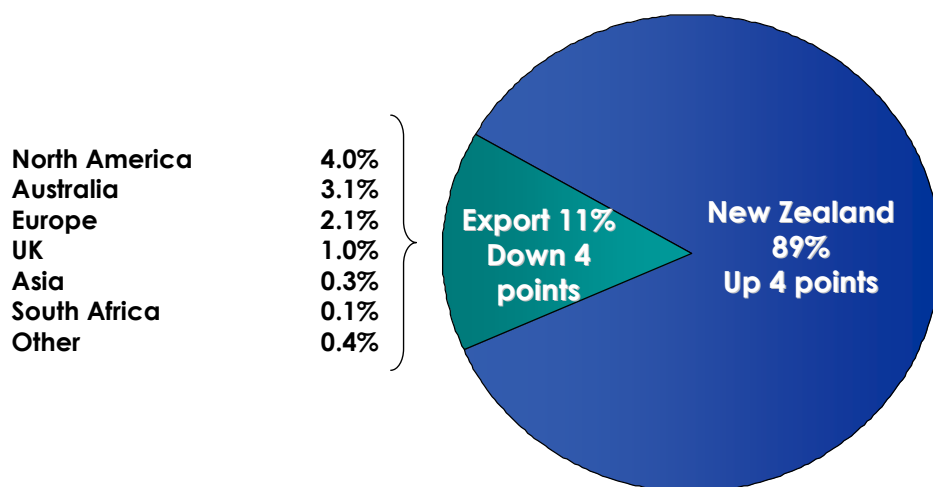
- Imported titles make up 62% of total turnover in 2008
 - Up 16 points from 2007

DETAILED RESULTS – Revenue by Region

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

Total New Zealand Revenue – All Participating Publishers

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



Base: All Book Publishers in 2008 (n=107)

The chart above illustrates the split between domestic and export earnings for contributing publishers in 2008.

- Turnover derived from domestic sales total \$186,863,788
 - Down 10% on 2007
- Turnover derived from export sales total \$22,795,526
 - Down 38% on 2007

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

	2007	2008	Movement
Asia	\$2,353,196	\$599,795	75%
Australia	\$7,622,965	\$6,443,382	15%
Europe (excluding UK)	\$4,231,022	\$4,427,257	5%
North America (including Canada)	\$16,274,267	\$8,314,310	49%
South Africa	\$170,754	\$166,467	3%
United Kingdom	\$4,079,805	\$2,099,504	49%
Other	\$1,829,989	\$744,811	59%
Total Export Revenue	\$36,561,998	\$22,795,526	38%

Base: All Participating Publishers, 2007 (n=126), 2008 (n=107)

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

Only export earnings from Europe (excluding UK) grew in 2008 (by 5%).

Revenue from all other markets declined

- Asia decreased by the most in percentage terms (75%)
- North America (including Canada) decreased the most in absolute terms (\$7,959,957)

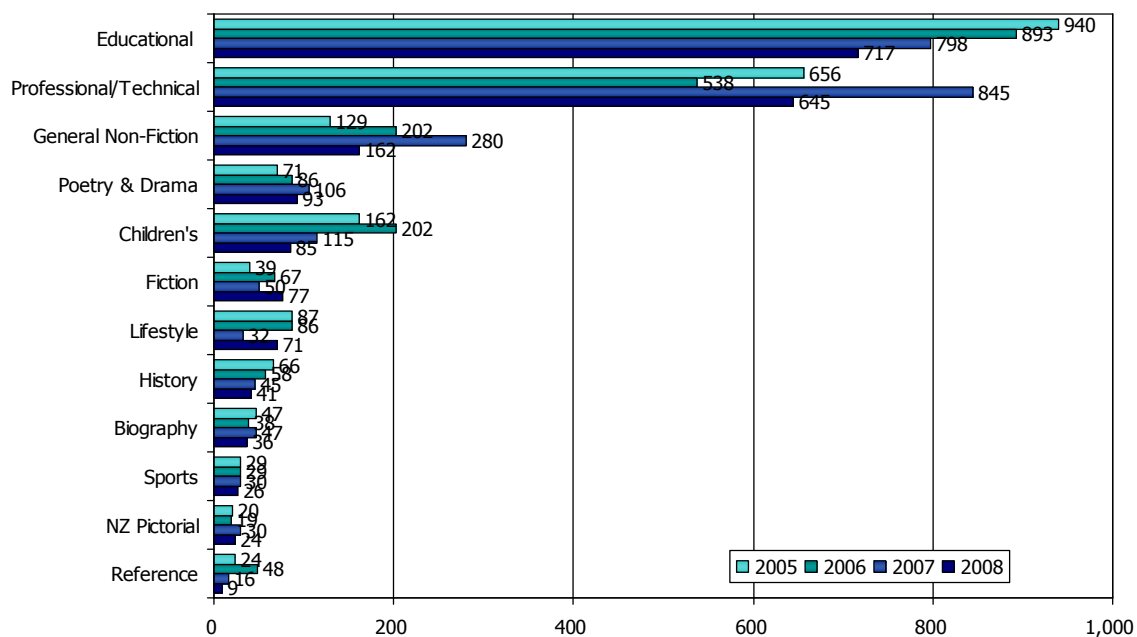
DETAILED RESULTS - Titles

Please enter into the boxes below the number of new New Zealand titles your company published in the 2008 financial year for each category.

Please enter into the boxes below the number of revised New Zealand titles your company published in the 2008 financial year for each category.

New New Zealand Titles in 2008 – All Participating Publishers

Please enter into the boxes below the number of new New Zealand titles your company published in the 2008 financial year for each category.



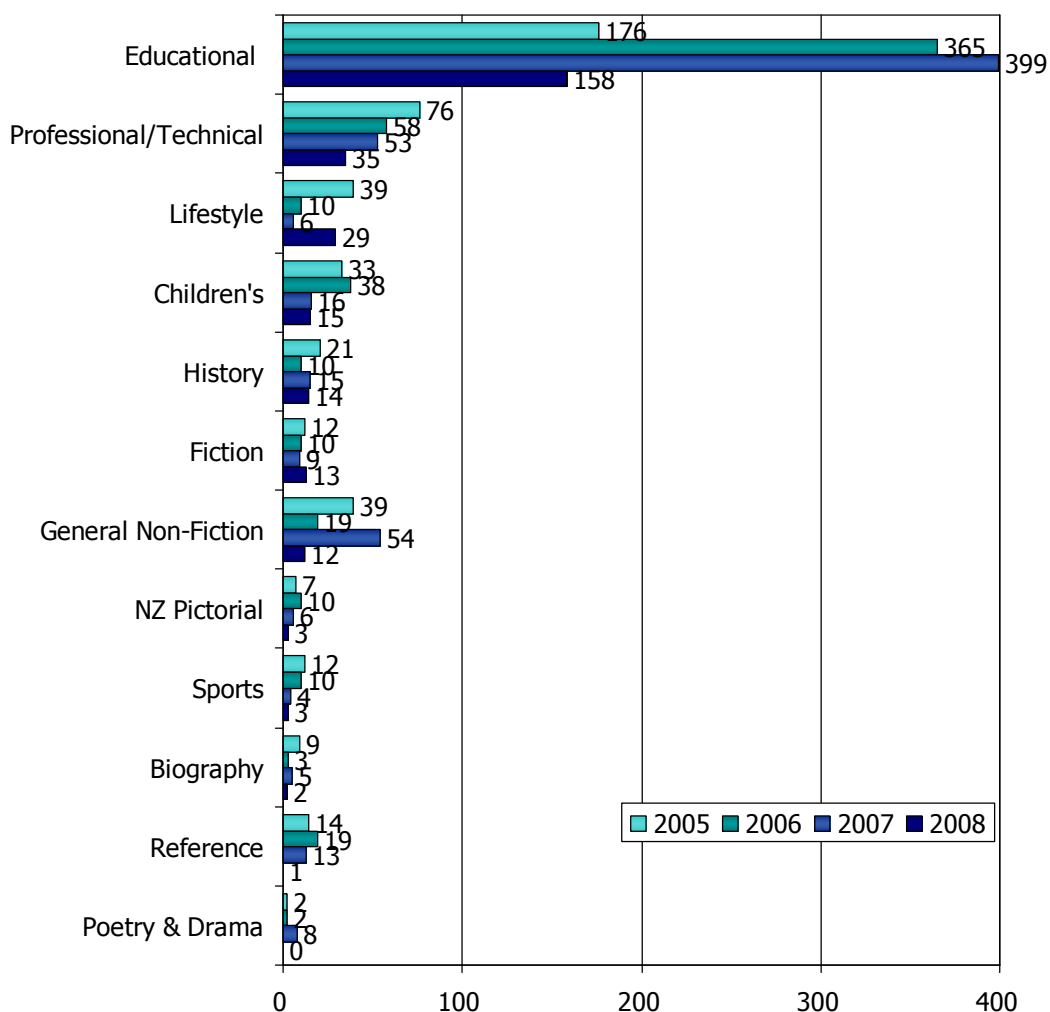
Base: All Participating Publishers 2005 (n=116), 2006 (n=97), 2007 (n=126), 2008 (n=107)

The chart above illustrates the distribution of new New Zealand titles published by contributing Publishers in 2008.

- In total, 1,986 new New Zealand titles were published in 2008.
 - Down 17% on 2007
- Educational is once again the single biggest category with 717 new titles published in 2008.
- Professional/Technical is now the second most significant category with 645 new titles published in 2008 (was the biggest category in 2007).

Revised New Zealand Titles in 2008 – All Participating Publishers

Please enter into the boxes below the number of revised New Zealand titles your company published in the 2008 financial year for each category.



Base: All Participating Publishers 2005 (n=116), 2006 (n=97), 2007 (n=126), 2008 (n=107)

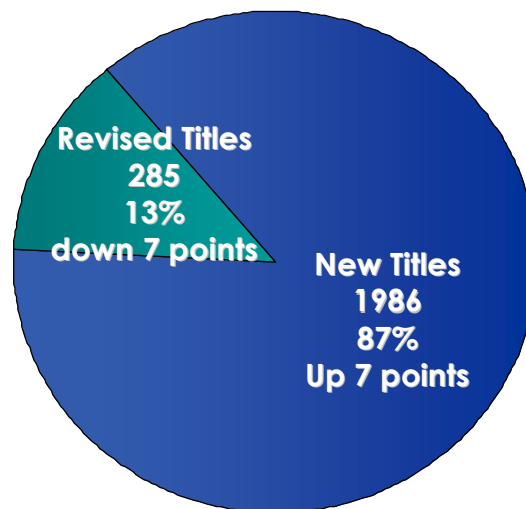
The chart above illustrates the distribution of revised titles published by contributing Publishers in 2008.

- In total, 285 revised titles were published in 2008.
 - Down 52% on 2007
- Education was the single biggest category with 158 revised titles published

Titles – New and Revised – All Participating Publishers

Please enter into the boxes below the number of new New Zealand titles your company published in the 2008 financial year for each category.

Please enter into the boxes below the number of revised New Zealand titles your company published in the 2008 financial year for each category.



Base: All Book Publishers in 2008 (n=107)

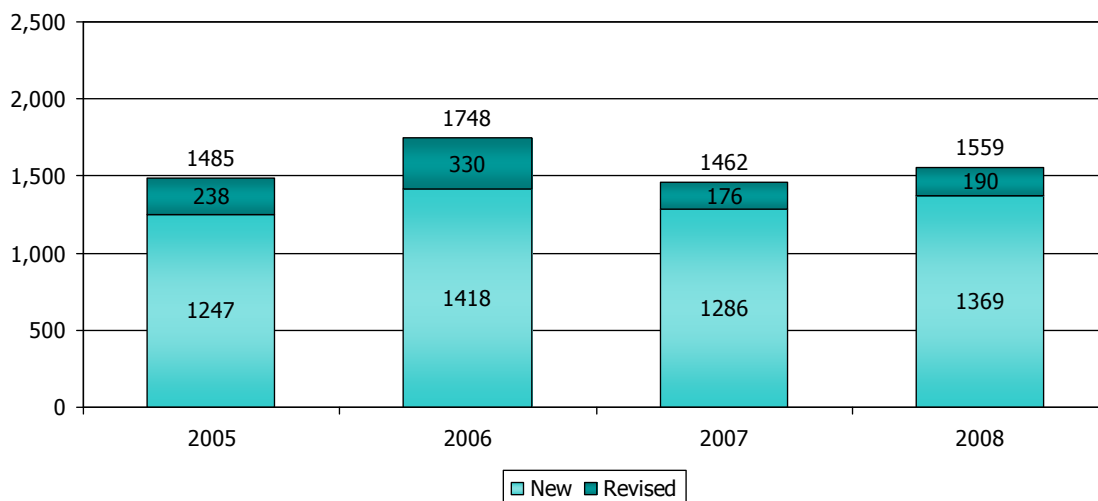
The chart above illustrates the split between new New Zealand titles and revised titles published in 2008, by contributing publishers

- In total, 2,271 New and Revised titles were published by contributing publishers in 2008
 - 1,986 (87%) of these were New titles
 - 285 (13%) of these were Revised titles

Titles – New and Revised – Control Group

Please enter into the boxes below the number of new New Zealand titles your company published in the 2008 financial year for each category.

Please enter into the boxes below the number of revised New Zealand titles your company published in the 2008 financial year for each category.



Base: All Book Publishers who have completed all 4 surveys (n=34)

The chart above illustrates that among the Control Group, the number of New and Revised titles have increased in 2008

- 1,369 New titles were published in 2008
 - Up 6% on 2007
- 190 Revised titles were published in 2008
 - Up 8% on 2007
- New titles in 2008 make up a similar proportion (88%) of total titles
 - Up 2 points on 2007

New New Zealand Titles – Control Group

Please enter into the boxes below the number of new New Zealand titles your company published in the 2008 financial year for each category.

	2007	2008
Professional/Technical	498	603
Educational	467	453
Poetry & Drama	92	77
General Non Fiction	96	76
Lifestyle	21	38
Fiction	21	36
Children's	22	19
Sports	18	19
NZ Pictorial	12	17
History	14	15
Biography	20	12
Reference	5	4
Total	1,286	1,369

Base: All Book Publishers who have completed all 4 surveys (n=34)

The chart above illustrates that Professional/Technical is the biggest category of New titles published amongst the Control Group with 603 titles published in 2008

- Educational is the next largest category of Revised titles published with 453 titles published in 2008

Trade Publishing vs Education Publishing – 2008

	Trade Publishing	Education Publishing
New Zealand	\$171,539,273	\$15,324,515
Asia	\$111,661	\$488,134
Australia	\$1,800,789	\$4,642,593
Europe (excluding UK)	\$4,154,835	\$272,422
North America (including Canada)	\$3,998,613	\$4,315,697
South Africa	\$93,372	\$73,095
United Kingdom	\$1,397,411	\$702,093
Other	\$693,383	\$51,428
Total revenue	\$183,789,337	\$25,869,977

Base: All Participating Publishers, 2008 (n=107)

The chart above shows that Trade publishing (\$183,789,337) generates significantly more revenue than Education publishing (\$25,869,977)

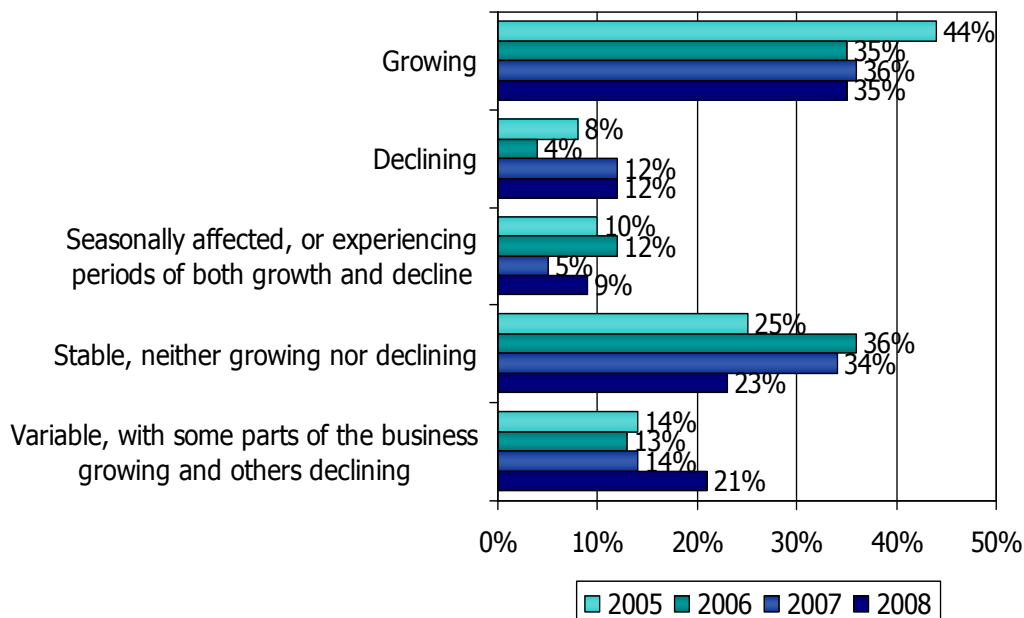
- 93% of Trade Publishing Revenue comes from New Zealand
- On the other hand, only 59% of Education Publishing Revenue comes from New Zealand

DETAILED RESULTS – Business Performance

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

Business Performance – All Participating Publishers

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



Base: All Participating Publishers 2005 (n=116), 2006 (n=97), 2007 (n=126), 2008 (n=107)

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

- 35% consider their business to be growing
 - Down 1 point on 2007
- 12% consider their business to be declining
 - Unchanged on 2007
- 9% consider their business to be seasonally affected
 - Up 4 points on 2007
- 23% consider their business to be stable
 - Down 11 points on 2007
- 21% consider their business to be variable
 - Up 7 points on 2007

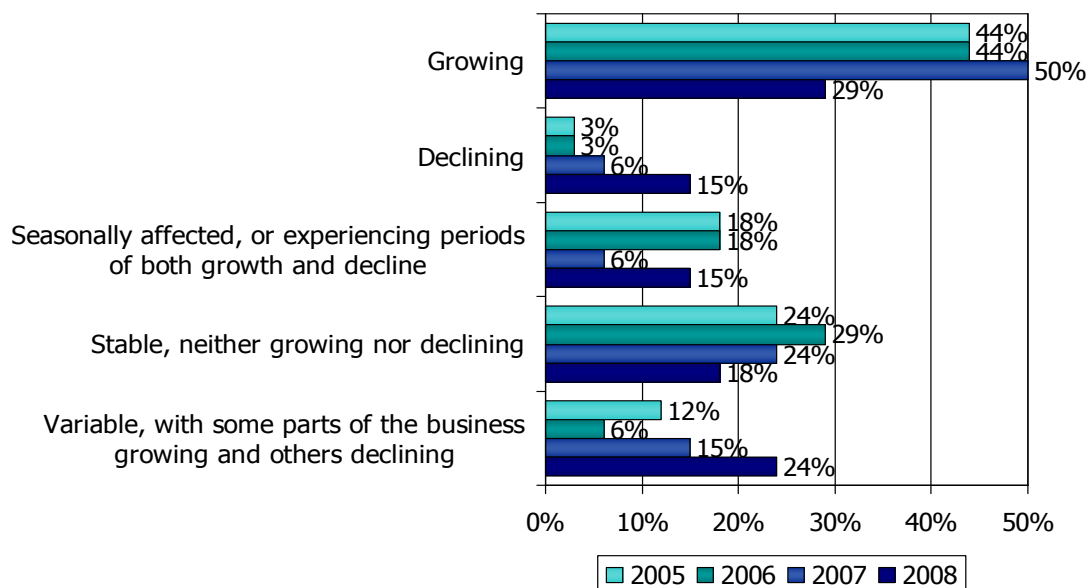
Comparing those who consider their business to be growing (35%) and those who consider their business to be declining (12%) it can be seen that there is industry growth in 2008 (net 23%).

Industry growth had been slowing since 2005, except for in the last year, in which the level of industry growth is unchanged.

- Net growth in 2005 was 36%
- Net growth in 2006 was 31%
- Net growth in 2007 was 24%

Business Performance – Control Group

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



Base: All Book Publishers who have completed all 4 surveys (n=34)

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

- 29% consider their business to be growing
 - Down 21 points on 2007
- 15% consider their business to be declining
 - Up 9 points on 2007
- 15% consider their business to be seasonally affected
 - Up 9 points on 2007
- 18% consider their business to be stable
 - Down 6 points on 2007
- 24% consider their business to be variable
 - Up 9 points on 2007

Comparing those who consider their business to be growing (29%) and those who consider their business to be declining (15%), it can be seen that there is industry growth (net 14%).

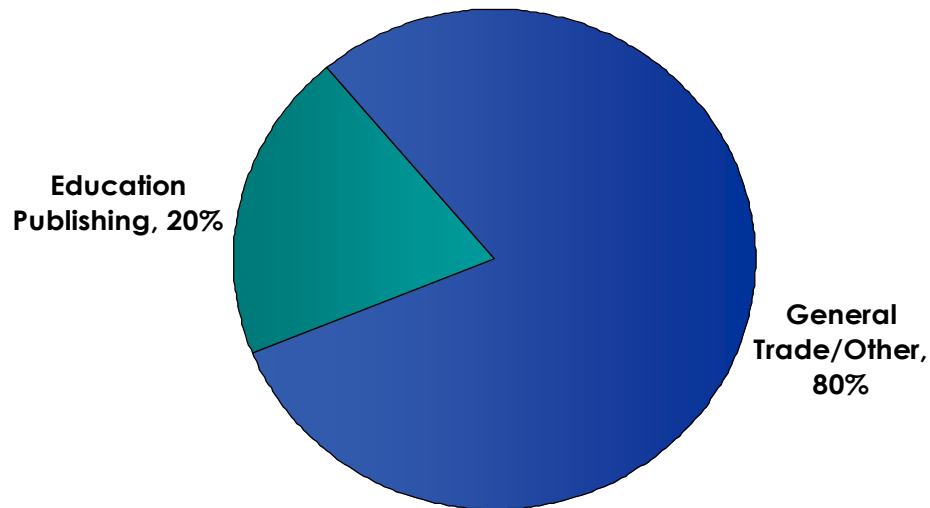
Industry growth had been slowing since 2005, except for in the last year, in which the level of industry growth is unchanged.

- Net growth in 2005 was 38%
- Net growth in 2006 was 34%
- Net growth in 2007 was 14%

APPENDIX A – BUSINESS DETAILS

Primary Business Function

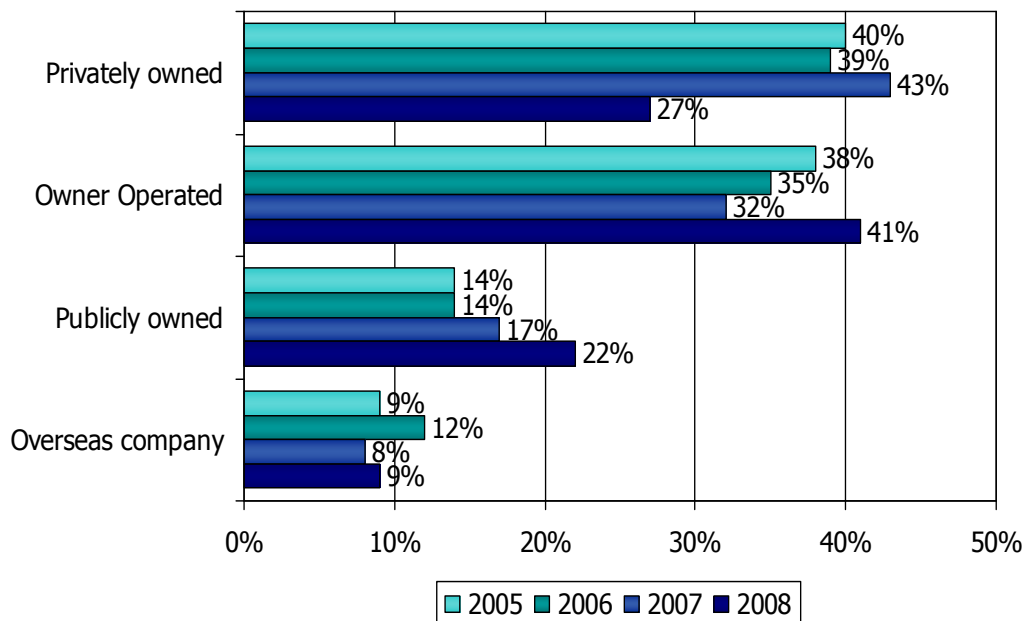
Which one of the following best describes the primary function of your business?



Base: All Book Publishers in 2008 (n=107)

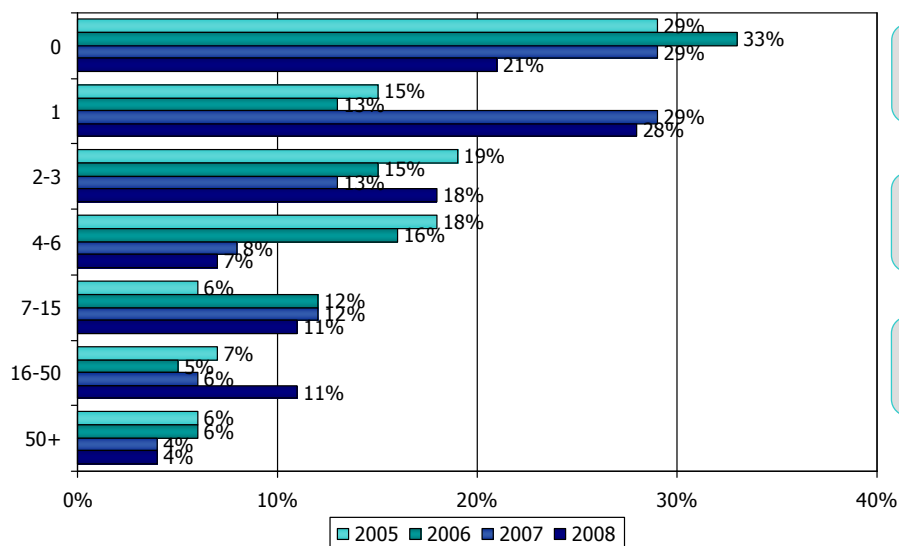
Business Ownership - All Participating Publishers

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



Base: All Participating Publishers 2005 (n=116), 2006 (n=97), 2007 (n=126), 2008 (n=107)

Number of Employees – All Participating Publishers



Mean number of staff
9.4

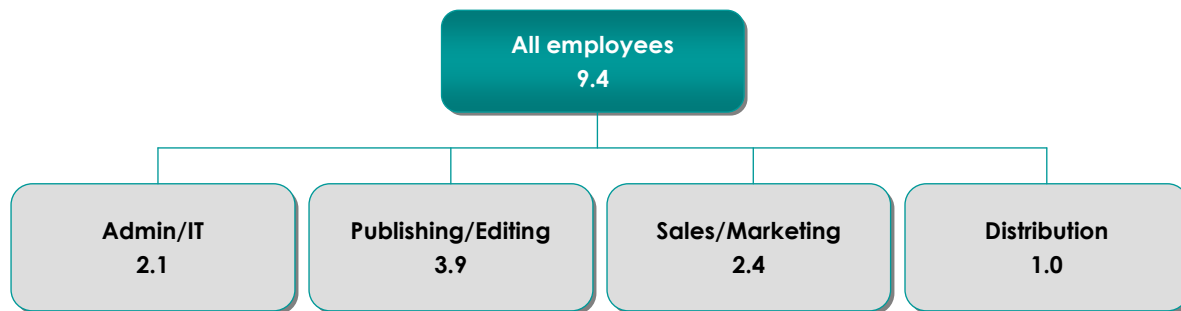
Median number of staff
2

Total number of staff
1,002
● 885 in 2007

Base: All Participating Publishers 2005 (n=116), 2006 (n=97), 2007 (n=126), 2008 (n=107)

Allocation of Employees – All Participating Publishers

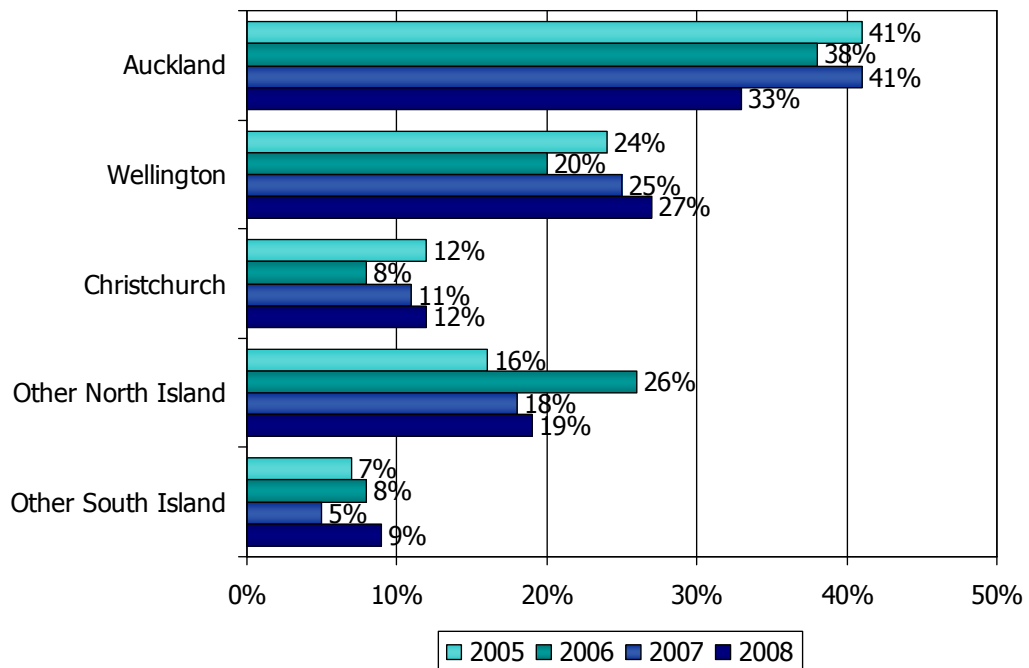
How are those staff allocated across the following functions?



Base: All Book Publishers in 2008 (n=107)

Location – All Participating Publishers

Where is your business located?



Base: All Participating Publishers 2005 (n=116), 2006 (n=97), 2007 (n=126), 2008 (n=107)

APPENDIX B – QUESTIONNAIRE

2008 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, BPANZ, to illustrate its importance to the economy in such terms as employment and foreign exchange earnings.

Colmar Brunton is conducting this survey for 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. 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;

Julian Liew	OR	Anne De Lautour
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Colmar Brunton		BPANZ
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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 2008 tax year

–
1 April 2007 – 31 March 2008. 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 2008 tax year – 1 April 2007 – 31 March 2008. Is the information you intend to provide for this period?

Yes	GO TO Q3
No	CONTINUE TO Q2a

- 2a. What period is the information you have for?

START DATE

END DATE

PLEASE MAKE SURE THIS IS A 12 MONTH PERIOD

- 2b. Which one of the following best describes the primary function of your business?
SELECT ONE ONLY.

General trade publishing	
Education publishing	
None of these	

Revenue

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

3. What was your company's total revenue including imported and locally published titles, rights and third party distribution for the 2008 financial year?

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

\$

4. How was your revenue 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	\$
Imported Titles	\$
Total	\$ (PLEASE MAKE SURE THE TOTAL IS THE SAME AS THE AMOUNT ENTERED IN Q3)

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

Please ensure you exclude sales made on behalf of other New Zealand publishers. Please split revenue between trade publishing and education publishing.

	Trade Publishing	Education Publishing
New Zealand	\$	
Asia	\$	
Australia	\$	
Europe (excluding UK)	\$	
North America (Including Canada)	\$	
South Africa	\$	
United Kingdom	\$	
Other	\$	
	\$ (PLEASE MAKE SURE THE TOTAL IS THE SAME AS THE AMOUNT ENTERED IN Q3)	

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 2007 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 2007 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?

SELECT ONE ONLY

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	
Total	(PLEASE MAKE SURE THE TOTAL IS THE SAME AS THE AMOUNT ENTERED IN Q9)

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

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? **SELECT ONE ONLY**

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, BPANZ or the industry, please make them here.

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

APPENDIX C – RESEARCH PROCESS

