Annual Book Industry Survey

2011

PASA

PUBLISHERS' ASSOCIATION OF SOUTH AFRICA

Contents

Quick reference index

Acknowledging that most users of this report will be interested in one industry sub-sector only, this quick reference index provides a guide to the sections of the report that refer to a specific industry sub-sector.

Foreword

The local publishing industry has been in flux for a number of years, with practitioners leaving the industry, mergers and acquisitions, and some smaller publishers trading entirely on their backlist, having ceased to produce new publications. It is important to map these shifts based on empirical evidence.

Once every three years, the South African Booksellers' Association (SABA), the industry association for the book retail trade, conducts a survey parallel to that of the book supply industry association, the Publishers' Association of South Africa (PASA). The questionnaires and reports are dovetailed so that the results can be cross-referenced. 2011 was one such parallel survey year, and presented the opportunity to map the entire industry, with an extension to the entire local market for print books. The report has also been expanded to provide a detailed snapshot of the industry in 2011 in terms of the numbers of participants in each industry sub-sector, their publishing activities and distribution strategies, ownership and employment profiles. This is thus a particularly rich and valuable survey for the book trade in South Africa.

The book supply industry comprises two main supplier categories: local book publishers and importers of books. Both make important but different contributions to the industry and have different sales and employment profiles. To achieve a sharper image of each category, they are reported on separately in this report.

Previous publishing industry surveys reported on each industry sub-sector under main topics such as source of income, turnover profiles, production levels, distribution patterns, etc. Recognising that most users of the report were mainly interested in only one of the key sub-sectors, the presentation of report has been changed to provide a separate and fully comprehensive section on each of the four industry sub-sectors.

Gathering the data was a daunting task, which took more than three months and the participants collectively ran up hundreds of man-hours to gather and submit such data. We recognise the important input of every participant, and trust that the usefulness of the report will be a just reward for every participant's effort.

Willem Struik

Beth le Roux

Executive summary:

The industry

An analysis of the profiles of all 141 PASA members actively engaged in book publishing or distribution and 27 of the larger local suppliers which are not members of PASA was made and the turnover not captured by the survey estimated. These were compared to the profiles and turnovers of the 59 survey participants. Estimates were then made of the total turnover values of each sub-sector of the industry to determine the degree the survey participants represented the industry as a whole.

The survey recorded a turnover of R 3,336 million, of which R2,540 million was locally produced and R796 million imported. Extrapolation to industry total estimates indicated a total income of local suppliers of R3,652 million, of which R871 million was contributed by imported product. The survey values therefore represented 91.4% of the local market and 91.3% of the locally supplied import market estimates.

Applying information extracted from the parallel book retailer survey indicated a direct import from overseas suppliers by local booksellers at comparable wholesale values of R300 million. These direct imports increased the estimated value of the local market to R3,952 million and reduced the survey's representation to 80.6%.

The home market contributed R 3,311 million (97%) to total survey income, exports R 59 million (1.7%) and the sale of publishing rights R23 million (0.7%).

Of R 3,311 million in home market product sales, print books contributed R 3,264 (98.6%), ebooks R2 million and non-book products R45 million (1.3%).

The general trade sub-sector recorded R 804 million turnover (24% of total survey turnover) of which R338 million (42%) was generated by locally published print books.

Fiction contributed 34% to locally published turnover and non-fiction 66%. Adult books contributed 73% and children's books 27% to total local publication sales.

The religious trade sub-sector recorded R 226 million turnover (7% of total survey turnover) of which R145 million (64%) was locally published print books. Adult books contributed 94% and children's books 6% to total turnover.

The education sub-sector recorded R 1,703 million turnover (51% of total survey turnover) of which R1,569 million (92%) was locally published print books. School books contributed R1,585 million of which R166 million (10%) was contributed by imported books. FET textbooks accounted for R93 million (6%) of total sub-sector turnover.

The academic sub-sector recorded R 560 million turnover (17% of total survey turnover) of which R490 million (87%) was generated by locally published print books. Academic textbooks contributed R294 million of which R32 million (11%) was contributed by imported books. Professional books accounted for R243 million of which 91% was published locally. Scholarly publications contributed R4 million to total industry sub-sector turnover.

Total employment numbers were almost 7% lower in 2011 than the previous year.

General trade sub-sector

The general trade sub-sector recorded R 804 million turnover (24% of total survey turnover) of which R338 million (42%) was generated by locally published print books. Fiction contributed 34% to locally published turnover and non-fiction 66%. Adult books contributed 73% and children's books 27% to total local publication sales.

Imported trade books accounted for R466 million (58%) of total sub-sector turnover.

Fiction contributed 64% and non-fiction 36% to total import turnover. Adult books accounted for 82% of income and children's books 18%.

English texts contributed R183 million to local publication turnover (54%) of which 23% was fiction and 83% adult books.

Afrikaans contributed R151 million (45%) with 48% contributed by fiction and 62% by adult books.

Children's fiction contributed more than 90% to the recorded R2 million turnover in African language books. Zulu contributed 47% to this total and Xhosa 35%.

The production output was 1,107 new titles, of which 494 were in English and 542 in Afrikaans.

Of the English titles 62% were adult non-fiction and 16% adult fiction, with the remaining 22% children's titles. Of the Afrikaans titles 31% were children's books, 33% adult fiction and 36% adult non-fiction. All 71 new African language titles were children's fiction titles.

On average 15.0% of net income was paid as royalties.

Religious trade sub-sector

The religious trade sub-sector recorded R 226 million turnover (7% of total survey turnover) of which R145 million (64%) was generated by locally published print books. Adult books contributed 94% and children's books 6% to total turnover.

Imported books accounted for R81 million (36%) of total sub-sector turnover. Of the adult books 37% was imported compared to 13% of children's books.

English texts contributed R56 million to local publication turnover (38%) of which 96% was adult books. Afrikaans contributed R63 million (44%) with 97% contributed by adult books. Bible translations in the nine official African languages contributed 16% to sub-sector local publication turnover.

The production output was 457 new titles, of which 324 were in English, 112 in Afrikaans and 18 in one of the African languages.

Of the 324 new English titles 294 were adult books and 30 children's titles. Of the 112 new Afrikaans titles 92 were adult books and 20 children's books. All 18 new African language titles were adult Bible translations.

On average 3.8% of net income was paid as royalties.

Education sub-sector

The education sub-sector recorded R 1,703 million turnover (51% of total survey turnover) of which R1,569 million (92%) was contributed by locally published print books. Both locally published books and imported books recorded substantial growth compared to the previous year. Print books contributed R1,669 million (98%) and non-book products books R 34 million (2%) to total home market turnover. eBooks recorded virtually no turnover.

Both school books and FET textbooks recorded substantial growth on 2010. School books contributed R1,585 million of which R166 million (10%) was contributed by imported books. FET textbooks accounted for R93 million (6%) of total sub-sector turnover. ABET turnover was lower than in previous years and contributed R6 million to total industry sub-sector turnover.

English language schoolbooks contributed R963 million to local publication turnover (68%). Afrikaans schoolbooks contributed R125 million (9%) and the nine official African languages contributed R325 million (23%) to sub-sector local publication turnover. Zulu

contributed 31% to African language schoolbook turnover and Xhosa 32%.

The production output was 3,297 new titles, of which 3,216 were schoolbooks and 81 FET textbooks. No new ABET workbooks were published in 2011.

Of the 3,216 new schoolbooks 1,164 were English titles, 445 Afrikaans titles and 1,604 African language titles. Zulu accounted for 370 (23%) of the African language titles and Xhosa 234 (15%). All 81 new FET textbooks were published in English.

More than R191 million was paid out in royalties, 11.8% of net turnover.

Academic sub-sector

The academic sub-sector recorded R 560 million turnover (17% of total survey turnover) of which R490 million (87%) was generated by locally published print books. Print books contributed R555 million (99%) and non-book products books R5 million (1%) to total home market turnover. eBooks recorded virtually no turnover. Because only two publishers compete in the online service market for professional content, the recorded turnovers were not included in the report. The contribution made by these online subscription services is nearly 20% of professional book income and growing at 16% per annum as print and CD/DVD content are increasingly made available in this format.

Academic textbooks contributed R294 million of which R32 million (11%) was contributed by imported books. Professional books accounted for R243 million of which 91% was published locally. Scholarly publication turnover was lower than in previous years and contributed R4 million to total industry sub-sector turnover.

English language textbooks contributed R211 million to local publication turnover (96%) and Afrikaans textbooks R10 million (4%). No academic books were published in any of the African languages.

The production output was 284 new titles, of which 150 were academic textbooks and 78 professional books. 56 new scholarly titles were published, all in English.

All but 9 of the academic textbooks were published in Afrikaans. No professional books were published in Afrikaans.

More than R57 million was paid out in royalties, 12.8% of net turnover.

Booksellers reported R186 million of direct imports of academic textbooks at net wholesale value, increasing the total value of the home market to R509 million and the contribution of imported textbooks to R229 million or 45% of total turnover.

1 The survey

This chapter describes the background, scope and process of the 2011 survey.

Contents

List of Figures

1.1 Background to the survey

The importance of statistical information on the South African book industry has been noted by various role-players. Apart from the vested interest of publishers and the book trade, statistical information on the industry is required by the South African government through representative bodies such as the Publishers' Association of South Africa (PASA) and the South African Book Development Council (SABDC). There is also an increasing demand for this kind of information by international bodies such as UNESCO, the International Publishers' Association (IPA), the Board of the Frankfurt Book Fair (FBF), the organising body of the London Book Fair, and other institutions.

In 2003 PASA, funded by the Department of Arts and Culture (DAC), launched the first data collection exercise in the book industry in the form of a snapshot survey of the industry. Initially two snapshot surveys were conducted (for the calendar years 2002 and 2003); since then the snapshot survey has been expanded into more in-depth annual surveys for the years 2004 to 2010. Since 2009, the survey has been funded by PASA.

A central database on book publishing, based on the data collected for the survey reports, has been developed and is housed at the Department of Information Science (Publishing Studies Division) at the University of Pretoria. This database is an invaluable tool to track and monitor changes along the book value chain over a period of time.

1.2 The survey process

The collection of data that is statistically representative remains a challenge. As far as PASA members are concerned, all the large publishers participated in the current survey and therefore the data is statistically reliable for that cross-section, but the response rate of small publishers remains unsatisfactory. One of the reasons may be that the smaller publishers do not have management information systems to aggregate their data in the detailed manner that is required by the annual book publishing industry survey. In an attempt to address this issue, a number of abbreviated questionnaires were extracted from the comprehensive questionnaire for several categories of book suppliers, and smaller and medium-sized companies each received a customised questionnaire according to their specific core business classification. These supplier-categories included distributors only, local publishers only, local trade publishers, local education publishers, local academic publishers and scholarly book publishers.

This year, in line with the decision to expand the survey taken in previous years, it was decided to once again invite a number of larger and medium-sized publishers and distributors who are not members of PASA to participate, in order to increase the representative nature of the survey sample.

1.2.1 Data collection

The PASA office supplied the researchers with its current list of publishers registered as PASA members. Based on this information a broad survey address list of 171 entities was compiled. This broad list included associate members, entities that are divisions/imprints of holding companies and entities whose core business is the rendering of services such as copy-editing. Based on information about the business activities of members, gleaned from The Guide to Publishing in South Africa, the broad PASA list was trimmed to 141 in order to target the primary business units (as opposed to holding companies or imprints) engaged in local book publishing and book distribution.

The final core list consisted of 77 targeted entities. This list included 50 PASA members whose core business included one or more of the following activities: local publishing of books and non-book products; local distribution of local and imported books (not published by the company); local market agents importing books directly from overseas, as well as the local distribution and direct importation of non-book products (not published by the company); and other publishing-related activities (e.g. warehousing, rights sales, consultancy). In addition, 27 significant publishers which are not members of PASA were invited to participate. [50 + 27 = 77]

The 2011 questionnaire and a covering letter from the PASA Executive Committee, contextualising the Annual Book Publishing Industry Survey, were sent to entities on the core list as well as all other PASA members on 12 June 2012. It was stipulated that the completed questionnaire had to be returned to either of the research analysts via a dedicated email address or by registered post before or on the cut-off date of 13 July 2012.

Various steps were taken to enlist the co-operation of all relevant role-players, yet by 13 July, only four completed questionnaires had been received. From the end of July, specific executive officers were personally targeted at regular intervals by telephone and email in order to speed up the response rate. By 27 July, a total of 43 completed questionnaires had been received. The core listed publishers were once again contacted by phone and email and a new deadline of 10 August set, which was further extended to 24 August. By this date 59 completed questionnaires had been received and all queries regarding previously submitted data resolved. The data collection process was stopped as the survey sample could now be regarded as sufficiently representative of the publishers and distributors that make up the local book supply industry. The research team started aggregating and analysing the data and compiling the report.

The higher level of participation in the 2011 survey can be attributed to a number of factors. First, smaller core list members were sent a preliminary questionnaire on which to indicate their core business activities. On the basis of this feedback, questionnaires were customised and simplified. Secondly, core members whose returns had not been received by 27 July were contacted on a weekly basis and encouraged to complete their questionnaires.

Completed questionnaires were received from 60 entities and all but one of these were included in the analysis. The receipt of each questionnaire was individually acknowledged via email or telephone and kept on record. Included in the received data were the results of four previous survey participants who had since been acquired by other current participants.

For the Snapshot Survey 2002 and Snapshot Survey 2003 the core list invited to participate was made up of all PASA-affiliated entities involved in local book publishing and sales of imported titles. Since the Annual Industry Survey 2004, the net has been cast wider when the core list included PASA-affiliated entities involved in other types of business activities, e.g. the publishing and distribution of non-book products. For the Annual Industry Survey 2007 the core list was expanded to include publishers and distributors not affiliated to PASA, including non-stockholding import agencies of foreign-based suppliers, mainly in the academic textbook sub-sector. For the Annual Industry Survey 2008 the import agencies were omitted from the core list as it was realised that as indent-agencies they did not have the capacity to participate in the surveys.

The decline in the percentage representation by total net turnover since 2008 can be partially attributed to expanding the scope of the survey by the inclusion of the large and medium-sized book suppliers which are not members of PASA.

Fig. 1.1 Summary of previous annual survey participation rates

Survey Year	Number of core list suppliers	Number of survey participants	Representation in terms of estimated total industry turnover
2002	64	32	97%
2003	54	25	98%
2004	80	26	94%
2005	85	25	95%
2006	99	36	93%
2007	115	34	94%
2008	96	51	93%
2009	83	38	86%
2010	83	42	87%
2011	77	59	91%

For the Annual Industry Survey 2011, 59 out of the core list of 77 entities completed questionnaires, representing 76.6% of the targeted sample and 91.4% of the estimated total net turnover.

1.2.2 Data capturing

The data collected from the 59 questionnaires was captured in MS Excel as part of the book publishing industry database. Several security measures ensured the confidentiality of the data, both in paper and electronic format.

The captured data was aggregated by the industry sub-sector in which it operates. Since this report is based on the returns of participants at business unit level (as opposed to holding company level as in the past), and since each business unit tends to focus its core business on only one of the four industry sub-sectors, it was possible to aggregate the returns of the participants by industry sub-sector in much greater detail than in the past.

1.2.3 Data analysis

Data from the 59 completed questionnaires was analysed in order to construct the following generic profiles of the South African book publishing industry: turnover, production, author, royalty, ownership, and employment. Several security and quality control measures ensured the confidentiality and integrity of the information transfer process.

All sales values were collected as accurately as possible, in most cases to the nearest rand. After aggregating these values, they were rounded off to the nearest thousand rand for ease of interpretation.

The analysis, however, is based on the assumed accuracy of the data received from the participants.

1.3 The scope of the survey

It is acknowledged that the South African market for books is served by both local suppliers and other agencies supplying product directly from overseas sources. Past experience has shown that these direct-supply overseas agencies supplying local book retailers or end-users do not have the capacity to report their turnovers in the local market. Hence only South African-based book suppliers, be they local publishers or the distributors of imported books from local warehouses, were included in the survey.

In order to obtain a more focused report in terms of industry sub-sector, data was collected at the separate business unit level rather than the holding company level. The industry continued its recent trend of consolidation and diversification through mergers, acquisitions and the restructuring of subsidiaries within holding companies, often with the loss of some degree of independence.

Some of the major holding companies diversified into industries not directly related to book supply. As investment in socio-economic projects and staff training are mostly done at corporate level, and could not be directly allocated to the book supply industry, it was not always possible to collect this data accurately.

1.4 Core list of book suppliers invited to participate in the survey

A number of leading booksellers in each sub-sector supplied the survey team with a list of their suppliers ranked in descending order of turnover. As the turnover of a number of these suppliers could be established from past survey participation, suppliers in the medium turnover band (R5 m to R 50 m per annum) and larger could be identified. These were added to the core list, as were all participants to previous surveys. Some smaller suppliers with specific focus on smaller niche markets were also included in this list.

All PASA members were invited to participate in the survey.

The final core list consisted of 79 suppliers. Four of these had acquired previous survey participants to yield an effective 83 possible respondents. Of these 55 were PASA members and 28 not members. The core members consisted of 18 large publishers, 25 medium-sized publishers, 22 small publishers and 14 distributors. The education sub-sector had 32 suppliers represented in the core group, the general trade sub-sector 28, academic publishers 11 and the religious trade 8. One participant consolidated the results of its three business units who had previously reported separately, thus reducing the effective number of core list members to 77.

1.5 The focus of the survey

The survey questions focused on the following profiles of each participant:

- Supplier category, marketing and sales functions, distribution arrangements;
- Turnover profile by activities, which was specifically broken down into turnover of local product by sub-sector and language; turnover of imported product by sub-sector;
- Distribution profile by sales outlet category;
- Educational product turnover per province;
- Production profile by number of new editions and reprints by product sub-category and language;
- Author profile by population group and industry sub-sector;
- Royalty profile;
- Ownership profile;
- Employment profile.

1.6 Difficulties encountered during the survey

Most difficulties related to the gathering of data in a comparable and usable format. As the management information systems of most publishers carry data on a title-by-title basis only, it was not possible to distinguish clearly between home market and export sales. The local product sales data by product category and language, etc. is therefore that of all sales, and not only home market sales.

Another difficulty related to confidentiality of data. Only two local publishers operated in the professional market for online reference services based on content also available in print book and/or digital CD or DVD format. These products competed directly with one another in a very competitive market, and the income generated by this product could not be disclosed. For that reason all income generated by online services is omitted from the report.

1.7 Comparison with previous annual surveys

It is not possible to compare the results of this survey directly with that of previous years. The participants in the surveys differ, and some participants experienced significant changes in their business operations, which has an effect on the survey results. Some participants moved into higher turnover categories either through organic growth or mergers and acquisitions. Some participants dropped into lower turnover categories, having sold off parts of their publication lists.

A Broad Trends Report will be compiled, based on a like-for-like comparison of all entities which participated in the 2010 and the 2011 annual book publishing industry surveys, in order to highlight the trends that manifested over these years.

1.8 Representative nature of the survey sample

Two parallel industry surveys were conducted for 2011; one comprising of the book retailers and the other survey the local book suppliers. The results of these two surveys were cross-correlated to estimate the turnovers of those practitioners who did not participate in the two surveys, and when added to the survey results the total values of each sub-sector of the two industries could be estimated to a reasonable degree of accuracy. This process and the interim calculations are set out in Appendix A.

The following results were obtained for the local book supply industry.

Fig. 1.2 Survey turnovers by industry sub-sector and product sub-category

The above turnover values are those recorded in the survey.

Locally based suppliers survey participants	Recorded turnover		
	Local	Imported	All products
General trade	R 337,874,000	R 465,826,000	R 803,700,000
Religious trade	R 144,678,000	R 81,234,000	R 225,912,000
Trade sub-sector	R 482,552,000	R 547,060,000	R 1,029,612,000
School books	R 1,435,766,000	R 182,168,000	R 1,617,934,000
FET textbooks	R 128,755,000	R 1,056,000	R 129,811,000
ABET workbooks	R 7,483,000	R 0	R 7,483,000
Education sub-sector	R 1,572,004,000	R 183,224,000	R 1,755,228,000
Undergraduate textbooks	R 262,046,000	R 32,272,000	R 294,318,000
Professional books	R 219,841,000	R 22,924,000	R 242,765,000
Scholarly books	R 4,113,000	R 10,442,000	R 14,555,000
Academic sub-sector	R 486,000,000	R 65,638,000	R 551,638,000
All sub-sectors	R 2,540,556,000	R 795,922,000	R 3,336,478,000

Fig. 1.3 Local supply industry total turnover estimate

The survey values were grossed up by the degree the survey represented the industry to estimate the industry total turnover values.

Local industry estimate of total turnover	Estimated industry turnover		
	Local	Imported	All products
General trade	R 403,000,000	R 527,000,000	R 930,000,000
Religious trade	R 155,000,000	R 81,000,000	R 236,000,000
Trade sub-sector	R 558,000,000	R 608,000,000	R 1,166,000,000
School books	R 1,577,000,000	R 182,000,000	R 1,759,000,000
FET textbooks	R 134,000,000	R 1,000,000	R 135,000,000
ABET workbooks	R 8,000,000	R 0	R 8,000,000
Education sub-sector	R 1,719,000,000	R 183,000,000	R 1,902,000,000
Undergraduate textbooks	R 280,000,000	R 43,000,000	R 323,000,000
Professional books	R 220,000,000	R 23,000,000	R 243,000,000
Scholarly books	R 4,000,000	R 13,000,000	R 17,000,000
Academic sub-sector	R 504,000,000	R 79,000,000	R 583,000,000
All sub-sectors	R 2,781,000,000	R 871,000,000	R 3,652,000,000

Fig. 1.4 Survey turnover expressed as percentage of estimated industry turnover

Representation in terms of turnover	% of local supply industry recorded by survey		
	Local	Imported	All products
General trade	83.9%	88.4%	86.4%
Religious trade	93.5%	100.0%	95.8%
Trade sub-sector	86.5%	90.0%	88.3%
School books	91.0%	100.0%	92.0%
FET textbooks	96.3%	100.0%	96.3%
ABET Workbooks	88.2%	100.0%	88.2%
Education sub-sector	91.4%	100.0%	92.2%
Undergraduate textbooks	93.6%	73.7%	90.9%
Professional books	100.0%	100.0%	100.0%
Scholarly books	100.0%	77.7%	82.9%
Academic sub-sector	96.4%	81.9%	94.4%
All sub-sectors	91.4%	91.3%	91.3%

Dividing the survey turnover values into the estimated turnover values expresses the degree of representation of the survey.

1.9 Report structure

The sequence of the report follows a top-down approach.

At first, all income is reported on, whether derived from the sale of products, services or reproduction rights.

Thereafter, only the income derived from the sales of products is reported on, whether it comes from print books, electronic books or other non-book but book-related products. The analysis includes the distribution of products through the various outlet categories, and the sale of educational products in the various provinces.

The main section of the report deals with the turnover derived from the sale of print book products. Initially the turnover derived from all print book products is analysed, after which the focus falls on locally published print books, in terms of turnover, production and royalties paid.

The survey results are then enhanced by grossing up the industry sub-sector and product sub-category values to industry estimates. Applying data provided by Nielsen BookScan SA allowed sales values to be converted to sales volumes so that the drivers contributing to the turnover values could be determined.

BookScan data was also used to illustrate the contribution bestseller titles made to trade sales.

The structure of the 2011 report differs from that of previous reports in that the turnover and production data for print books is organized in six separate sub-sections: an introductory sub-section reporting data for the whole industry, with the total contributions of the four sub-sectors to the industry totals. This is followed by a separate section on the independent distributors across all industry sub-sectors. Then there is a separate section for the local publishing enterprises, many of whom also distribute imported products, in each of the four industry sub-sectors (general trade, religious trade, education and academic).

1.10 Definition of terms

Unless indicated otherwise, the terms used should be interpreted as set out below.

1.10.1 Turnover

Turnover implies "total net turnover" unless indicated otherwise. The term "net" implies both:

- The value of products sold minus any returned to the supplier;
- The income received by suppliers after the deduction of all discounts, rebates or other price reductions granted to retailers or end-users.

1.10.2 Home market turnover

All product generated turnover to distributors and/ or end-users within South Africa, including turnover of imported own imprint co-editions. This definition excludes:

- Income derived from product sales to neighbouring countries;
- Income derived from co-publications sold to overseas publishers;
- Income derived from rights sales both locally and overseas

1.10.3 New edition

All first editions and revised editions issued with a new ISBN.

1.10.4 Other book-related income

"Other book-related income" indicates income not related to the sale of book or non-book products but directly related to the sale of a specific product or a service made possible by the information contained in a specific book related digital product. Examples include income derived from online reference services based on professional data (legal, accounting, medical, pharmaceutical etc.) and online dictionary and gazetteer information.

1.10.5 Product category

- School books: learning and teaching material supporting the school curriculum from pre-school to Grade 12, with associated teacher's guides; other material required to support the curriculum such as dictionaries, atlases, supplementary readers and prescribed literature, as well as flash cards, wall charts and maps.
- FET college textbooks: learning material supporting vocational and occupational courses at secondary education level.
- ABET workbooks: workbooks for literacy programmes and other adult basic education and training (ABET) schemes.
- Academic textbooks: publications designed for learning by students (especially under-graduates) at tertiary education institutions.
- Professional books: publications for use as references in specific professions such as law, accountancy, taxation, medicine and medicine.
- Scholarly books: peer-reviewed publications aimed at a primary market of academics, researchers and post-graduate students.

1.10.6 Digital products

There are three categories of digital products:

- CDs and DVDs: often produced as extensions to physical book titles and brands, with digitised or enhanced text or illustrations (in this survey they have been classified as non-book products).
- E-books: digital book content downloaded on an end-user's electronic reading device (classified in this survey as electronic books or e-books).
- Online products: internet reference services available on a subscription basis to professional clients only. The income from these products is acknowledged as book-related income but not recorded in the survey as there are only two major suppliers whose income data needs to be kept confidential.

1.10.7 Supplier category

- Publishers: companies publishing books locally.
- Publishers and distributors: hybrid companies that publish locally but also distribute imported books locally on an agency basis on behalf of international publishers.
- Distributors: local stockholding companies that import and distribute international books on behalf of one or more overseas publishers. Some distributors also market and sell products of smaller local publishers.
- Indent agencies: local sales and marketing agencies representing overseas suppliers. These agencies pass on their orders by indents for fulfillment abroad and do not hold local stock.

1.10.8 Distribution category

- National bookseller chains: full-service stockholding booksellers with multiple outlets.
- Independent booksellers: full-service stockholding booksellers with fewer than four permanent sales outlets.
- Non-book retail outlets: retail outlets with more than 80% of their income derived from products other than books. These include curio shops, gift shops, museums, pharmacies, etc.
- Supermarkets: general consumer goods supermarkets, department stores and discount wholesalers, such as Pick 'n Pay, DisChem, Baby & Co, Silverray Stationers, etc.
- Businesses and corporations: corporate gift purchases, but also businesses and NGOs purchasing in bulk for use by their staff, clients or customers, such as law firms, and accounting and tax consultants. These may also include training companies for ABET courses, and private teaching institutions purchasing student textbooks incorporated in their course fees.
- Public direct sales: website and telesales generated directly by supplier.
- Internet booksellers: independent internet retailers.
- Schools: public and private schools and Further Education and Training (FET) colleges.
- School book distributors: third parties distributing school books from various suppliers to schools in terms of education department agreements.
- Other sales outlets: often discounted sales to staff, authors and remainder outlets.

2 Participant profile

Local publishers tend to concentrate their publishing activities on one of the four industry sub-sectors (general trade, religious trade, education or academic), although there is some degree of cross-publication and cross-selling among different sub-sectors.

Local distributors have agency agreements with a number of foreign publishers with different core activities, so their income profiles are often less focussed on a particular sub-sector than those of publishers.

The survey allocated each participant to its most dominant industry sub-sector, and then aggregated the data for each cluster of publishers in a sub-sector. This chapter profiles each of the sub-sector participant clusters in terms of the numbers of participants active in the various publishing activities and their business structures in terms of legal status, employment, etc.

Contents

List of Figures

2.1 Core list of significant book suppliers

In 2008 extensive research was done to identify suppliers to the local book market and identify those that made significant contributions to an industry sub-sector's turnover or a specific niche in the market. Of these, 96 were judged to be core to the industry. For full details, consult the Annual Book Industry Survey Report 2008 (pp. 6–8 and 87–89).

A number of the 2008 core members have since been eliminated as they were local satellite offices of foreign-based companies unable to supply home market turnover data. Others have left the industry or lost their separate status due to mergers or acquisitions. Scrutiny of the main suppliers to local booksellers did not identify any newcomers to the industry since 2008. The 2011 core list of book suppliers was thus made up of 77 possible participants. All PASA members received questionnaires, as well as 26 core suppliers that were not members of PASA.

Fig. 2.1 Core list of targeted publishers and distributors

30 Degrees South	Jacana Media	Peter Hyde & Associates
Actua Press	Jacklin Enterprises	Phambili Agencies
AllCopy Publishers	Jonathan Ball Publishers	Protea Boekhuis
Artifacts	Juta & Company	PSD Promotions
Awareness Publishing SA	Knowledge Resources	Publitech
Bible Society of South Africa	Lannice Snyman	Qualibooks Publishers
Book Promotions	LAPA Publishers	Random House Struik
Briza Publications	Learning Channel	Reading Matters
Cambridge University Press: Africa	Lectio Publishers	RNA Distributors
Carpe Diem	LexisNexis Butterworth SA	Shofar Pulishing
Creative Global Studios	Macmillan South Africa	Shuter & Shooter Publishers
CUM	Marumo Publishing	Sovereign Media
Derek Prince Ministries	Maskew Miller Longman	Stimela Publishers
Don Nelson Publishers	Methodist Publishing House	Struik Christian Media
Everybody's Books	Metz Press	Study Opportunities
Fantasi Books	Naledi Publishers	The African Moon Press
Faradawn	NB Publishers	Trinity Books
Future Managers	New Africa Books	Troupant Publishers
Galago Publications	New Generation Publishers	Unisa Press
Hay House (South Africa)	New Readers Publishers	University of Kwazulu-Natal Press
Heinemann Publishers	Nutrend Publishers	Van Schaik Publishers
Hibbard Publishers	OBE Publishers	Via Afrika
HSE CC	Oxford University Press (SA)	Vivlia Publishers
HSRC Press	Pan Macmillan (SA)	Wild Dog Press
Independent Publishers	Pearson Education (SA)	Wits University Press
Intersoft	Penguin Group (SA)	

Fig. 2.2 Survey participants

Artifacts	Lannice Snyman	PSD Promotions
Awareness Publishing	LAPA Publishers	Publitech
Bible Society of South Africa	Lectio Publishers	Qualibooks Publishers
Book Promotions	LexisNexis Butterworth SA	Random House Struik
Briza Publications	Macmillan South Africa	RNA Distributors
Cambridge University Press: Africa	Macrat Publishing	Shuter and Shooter Publishers
Coastal Book Publishers	Marumo Publishing	Stimela Publications
CUM	Maskew Miller Longman	Struik Christian Books
Derek Prince Ministries	Methodist Publishing House	The African Moon Press
Divine Media	Metz Press	Trinity Books
Everybody's Books	MME Publishing	Troupant
Fantasi Publications	Naledi Publishers	Trumpeter Publishers
Faradawn Distributors	NB Publishers	Unisa Press
Future Managers	New Readers Publishers	University of KwaZulu-Natal Press
Hay House	Oxford University Press SA	Van Schaik Publishers
Heinemann	Pan Macmillan SA	Via Afrika Future
HSRC Press	Pearson Educational SA	Via Afrika Publishers
Jacana Media	Penguin Publishers SA	Vivlia Publishers & Booksellers
Jonathan Ball Publishers	Phambili Agencies	Wits University Press
Juta & Company Limited	Protea Boekhuis	

2.2 Survey participants

Questionnaires were sent out to the core list as well as a wider list including small publishers in South Africa. Of these, 59 completed questionnaires were returned.

It should be noted that most participants completed the questionnaire at business unit level, thus allowing a more focused analysis of results by industry sub-sector.

- Importantly, in terms of mergers and acquisitions, the response did not represent a loss of data for certain role players:
- NB Publishers submitted a combined set of data for its general trade publishing imprints, Lux Verbi as religious trade division, and Best Books as educational division.
- Random House-Struik's data included the results of Fernwood Press, a previous survey participant, after acquiring the company.

2.3 Participant core business profile

Participants were categorised into industry sub-sectors according to their core business profiles. However, some cross-production and cross-selling between industry sub-sectors did occur. The table below records all publishing activity reported by participants irrespective of their primary industry sub-sector.

Of the 14 core listed distributors, eight participated. Most of those not participating focused on the general trade sub-sector.

Fig. 2.3 Core list and participant profile by supplier category

All identified practitioners	General trade	Religious trade	Education	Academic	All practitioners
Publishers	21	12	131	21	185
Distributors	12	6	2	2	22
All practitioners	33	18	133	23	207
Core listed practitioners	**General trade**	**Religious trade**	**Education**	**Academic**	**All core practitioners**
Publishers	17	7	30	9	63
Distributors	11	0	1	2	14
All core listed suppliers	28	7	31	11	77
All survey participants	**General trade**	**Religious trade**	**Education**	**Academic**	**All participants**
Publishers	15	6	21	9	51
Distributors	6	0	1	1	8
All participants	21	6	22	10	59

Fig. 2.4 Core list and participant profile by turnover category: Publishers

All identified publishers	General trade	Religious Trade	Education	Academic	All publishers
Large turnover	5	2	8	3	18
Medium turnover	7	2	15	1	25
Small turnover	9	8	108	17	142
All publishers	21	12	131	21	185
All core listed publishers	**General trade**	**Religious Trade**	**Education**	**Academic**	**All core publishers**
Large turnover	5	2	8	3	18
Medium turnover	7	2	15	1	25
Small turnover	5	4	8	5	22
All publishers	17	8	31	9	65
All survey publishers	**General trade**	**Religious Trade**	**Education**	**Academic**	**All survey publishers**
Large turnover	5	2	8	3	18
Medium turnover	6	1	6	1	14
Small turnover	4	3	7	5	19
All publishers	15	6	21	9	51

1. All 18 identified large publishers (with turnovers exceeding R50 million per annum) participated.
2. Of the 25 medium-sized publishers identified (with turnovers ranging from R5 million to R50 million per annum), 14 participated. Nine of the eleven not participating were educational publishers.
3. Of the 22 core listed small publishers making significant contributions in niche segments of the market, 19 participated.

1. No distributors had a turnover of more than R50 million.
2. All 13 distributors with an estimated turnover of more than R5 million were added to the core list. Of these, seven participated in the survey.
3. Only one of the small distributors with a very specific profile was added to the core list and participated in the survey.

Fig. 2.5 Core list and participant profile by turnover category: Distributors

All identified distributors	General trade	Religious Trade	Education	Academic	All distributors
Large turnover	0	0	0	0	0
Medium turnover	11	0	1	1	13
Small turnover	1	6	1	1	9
All publishers	12	6	2	2	22
All core listed distributors	**General trade**	**Religious Trade**	**Education**	**Academic**	**All core distributors**
Large turnover	0	0	0	0	0
Medium turnover	11	0	1	1	13
Small turnover	0	0	0	1	1
All publishers	11	0	1	2	14
All survey distributors	**General trade**	**Religious Trade**	**Education**	**Academic**	**All survey distributors**
Large turnover	0	0	0	0	0
Medium turnover	6	0	1	0	7
Small turnover	0	0	0	1	1
All publishers	6	0	1	1	8

Fig. 2.6 Participant profile by industry sub-sector

Participant profile by industry sub-sector	All participants	General trade	Religious trade	Education	Academic	Distributor
Membership category	59	15	6	21	9	8
PASA member	47	10	3	21	7	6
Not PASA member	12	5	3	0	2	2
Participation category						
Previous participant	44	12	5	14	7	6
New participant	15	3	1	7	2	2
Primary sub-sector						
General trade	21	15	0	0	0	6
Religious trade	6	0	6	0	0	0
Education	22	0	0	21	0	1
Academic	10	0	0	0	9	1
Annual turnover category						
More than R 50 m	18	5	2	8	3	0
Between R5 m and R50 m	21	6	1	6	1	7
Less than R 5 m	20	4	3	7	5	1
Supplier category						
Local publisher only	28	8	2	14	4	0
Publisher and distributor	23	7	4	7	5	0
Local distributor only	8	0	0	0	0	8

1. Of the 59 participants, 47 were PASA members and 12 were not. All participating education publishers were PASA members, as were seven of the nine academic publishers. Only three of the six religious trade participant publishers were PASA members.
2. Eight of the participants were distributors only, whereas 51 engaged in local publishing.
3. The response rate was higher than previous years, with 15 core listed suppliers participating in the survey for the first time.
4. Of the 51 local publishers 23 also distributed books on an agency basis representing foreign publishers.

Fig. 2.7 Turnover contribution by suppliers not members of PASA

Contribution not PASA members	All participants	General trade	Religious trade	Education	Academic	Distributor
Total net turnover all participants (ZAR)	3,413,661,000	706,579,000	212,810,000	1,757,603,000	608,942,000	127,727,000
Contribution not PASA members (ZAR)	508,261,000	36,693,000	168,079,000	0	269,357,000	34,134,000
Contribution non-PASA members (%)	14.9%	5.2%	79.0%	0.0%	44.2%	26.7%

1. Across all industry sub-sectors PASA members contributed 85.1% to total survey turnover, and non-members 14.9%.
2. Extending the survey beyond PASA membership has enlarged the survey sample by 79% in religious trade publishing, 44% in academic publishing and 27% in import agency distribution.
3. All but one of the identified educational publishers were PASA members, all core listed publishers in this sub-sector were members of PASA and all participants were members of PASA.

Fig. 2.8 Participants' core business profile

Core industry sub-sector	All participants	General trade	Religious trade	Education	Academic	Distributor
Primary sub-sector						
Trade	27	15	6	0	0	6
Education	22	0	0	21	0	1
Academic	10	0	0	0	9	1
Exporters of local product						
Trade	14	6	3	1	2	2
Education	9	0	0	5	2	2
Academic	6	0	0	2	3	1
Importers of product						
Trade	21	7	4	1	3	6
Education	11	0	0	7	2	2
Academic	9	0	0	2	4	3

1. In the general trade book sub-sector 15 participants engaged in local publishing and a further six were import agency distributors. Seven of the local publishers also distributed imported books as agents of foreign publishers.
2. All six religious trade publishers were local publishers, of which four also acted as agents for imported books.
3. Of the 21 educational publishers, only one also represented foreign publishers. One distributor listed education as its primary industry sub-sector.
4. Nine publishers and one distributor focused on the academic book market. Four of the nine publishers also distributed imported books locally.
5. Of the participants, 29 recorded some export sales. Five distributors recorded the re-export of imported books to surrounding countries.

Fig. 2.9 Imported book contribution to home market turnover

Contribution of imported books to total home market sales	All participants	General trade	Religiousn trade	Education	Academic
Imported print book turnover (ZAR)	716,298,000	463,623,000	81,374,000	106,061,000	65,239,000
Total print book turnover (ZAR)	3,304,073,000	797,113,000	226,661,000	1,720,707,000	559,592,000
Relative import contribution (%)	21.7%	58.2%	35.9%	6.2%	11.7%
Contribution of imported books					
Less than 10% of total turnover		3	1	5	2
Between 10% and 25%		0	0	2	1
Between 25% and 50%		11	4	2	2
More than 50%		0	0	0	0

1. Of the total local publisher home market turnover, 21.7% was derived from agency product sales on behalf of foreign publishers. None of the participants reported agency turnover exceeding locally published product sales.
2. Imported books accounted for 58% of turnover of local general trade publishers, with 11 hybrid publisher/distributor entities recording between 25% and 50% of their turnover generated by agency books.
3. All but one of the six religious trade participants recorded turnover from agency products.
4. Only 6.2% of educational books distributed locally were published overseas, and only nine of the 21 participants in this sub-sector were active in this niche industry segment.
5. Two of the nine academic participants recorded sales of imported products contributing more than 25% to total home market sales.

Fig. 2.10 Exported book contribution to total income

Contribution of exported books by industry sub-sector	All sub-sectors	General trade	Religious trade	Education	Academic
Total turnover locally published (ZAR)	2,540,890,000	326,183,000	144,540,000	1,580,649,000	489,518,000
Total income exported (ZAR)	59,253,000	13,108,000	3,610,000	28,255,000	14,280,000
% exported	2.3%	4.0%	2.5%	1.8%	2.9%
Contribution of exports					
Number of participants	51	15	6	21	9
No export product sales	30	11	2	13	4
Less than 5% of turnover	11	2	2	7	0
Between 5% and 10% of turnover	6	2	2	0	2
More than 10% of turnover	4	0	0	1	3

1. Across all sub-sectors 2.3% of total turnover was generated by exports to neighbouring countries.
2. Of the 59 participants, 21 reported export sales. For 11 of these, exports generated less than 5% of total turnover, for another six between 5% and 10% and for four publishers more than 10%.
3. Most participants reporting export contributions exceeding 10% of turnover were local subsidiaries of multinational companies, acting as regional distributors for southern and eastern Africa. In many instances these sales were re-exports of imported books.

1. Of the total net turnover recorded in the survey, 52% was derived from educational books, 24% from general trade books, 7% from religious trade books and 17% from academic books.
2. Participants focused heavily on their primary sub-sector. General trade publishers derived 96% of their income from this sector, 2% from the sale of religious trade books and 2% from educational books.
3. Religious trade publishers focused exclusively on their sub-sector.
4. Educational publishers derived 96% of income from their primary sub-sector, 1% from general trade books and 3% from academic books.
5. Academic publishers were the least focused on their sub-sector, deriving 87% of income from this sub-sector, while 6% was generated from the sale of general trade books, and 7% from educational books.
6. Most sales by distributors were recorded in the general trade sub-sector.

Fig. 2.11 Sales composition by industry sub-sector

Sales composition	All participants	General trade	Religious trade	Education	Academic	Distributor
General trade	24%	96%	0%	1%	6%	74%
Religious trade	7%	2%	100%	0%	0%	0%
Education	52%	2%	0%	96%	7%	15%
Academic	17%	0%	0%	3%	87%	11%

Fig. 2.12 Product profile

Product profile	All participants	General Trade	Religious trade	Education	Academic	Distributor
Local print books only	28	8	2	12	5	1
Imported print books only	4	0	0	0	0	4
Local and imported print books	25	7	4	7	4	3
Electronic books	13	5	2	3	2	1
Non-book products	13	5	2	2	2	2

1. Of the 15 general trade publishers, eight sold locally published books only and a further seven represented overseas publishers as well. Five recorded sales in electronic books, and five sales of book related non-book products.
2. Of the six religious trade publishers, two traded in local publications only whilst four had agency arrangements with foreign publishers. Two publishers sold electronic books and two sold non-book products as well as print books.
3. Twenty of the 21 respondents in the education sub-sector recorded sales. One respondent traded in non-book products only. Of the 19 publishers selling print books, 12 dealt exclusively with local print products and a further seven had import agency agreements. Two recorded e-book sales and one non-book sales.
4. Of the eight distributors, only one represented local publishers as well. One traded in e-books and two in non-book products.

1. Across all sub-sectors, of local 49 print book publishers 16 published in English only. None published in Afrikaans or African languages only, but 33 published in Afrikaans in addition to English, and 24 in one or more of the local African languages.
2. Only eight educational publishers and one religious trade publisher published in all nine official local African languages.

Fig. 2.13 Language profile of local print book publishers

Language profile	All participants	General trade	Religious trade	Education	Academic
English publications only	16	4	4	4	4
Afrikaans publications only	0	0	0	0	0
Afrikaans publications	33	11	2	15	5
African languages publications only	0	0	0	0	0
English / Afrikaans and African languages	24	6	1	14	3

Fig. 2.14 Participants' outsourcing strategies

Outsourcing strategy	All participants	General trade	Religious trade	Education	Academic
Number of participants	51	15	6	21	9
Outsourcing participants	38	13	2	12	9
Editorial	0	0	0	0	0
Design and production	1	0	0	1	0
Marketing and sales	5	1	0	2	2
Warehousing and distribution	24	9	2	7	5
Web hosting	8	3	0	2	2

1. Of 51 participating publishers, 38 recorded outsourcing some key publishing functions.
2. Although nearly all publishers outsourced some editorial functions, no one outsourced this function altogether.
3. One publisher outsourced all functions besides commissioning and editorial to a larger publisher.
4. Five of the smaller publishers contracted local distributors for their marketing and warehousing functions.
5. A further 19 publishers outsourced warehousing and distribution. In many cases the distributor was an affiliated company within the holding group.
6. Of the 13 participants reporting e-book sales, eight outsourced their web hosting.

2.4 Ownership profiles

The survey gathered information on the legal structures, shareholding and ownership of participants.

Fig. 2.15 Legal structure profile

Ownership profile	All participants	General trade	Religious trade	Education	Academic	Distributor
Profit/ non-profit organisation						
For profit organisation	51	15	3	20	5	8
Non-profit organisation	8	0	3	1	4	0
For profit organisation						
Sole proprietor	2	1	0	0	0	1
Closed corporation	15	3	2	5	1	4
Partnership	1	1	0	0	0	0
Private company	28	10	1	12	3	2
Public company	4	0	0	2	1	1
Non-profit organisation						
NGO	0	0	0	0	0	0
Trust	0	0	0	0	0	0
Community based organisation	0	0	0	0	0	0
Section 21(non-profit) organisation	2	0	2	0	0	0
Public benefit organisation	6	0	1	1	4	0

1. Eight of the 59 participants described themselves as non-profit organisations. These were mainly university presses and religious trade publishers.
2. The larger for-profit organisations were mostly structured as private companies and the smaller ones as closed corporations.

1. Of the respondents, 33 participants recorded corporate shareholding and 26 had individual shareholding.
2. The 33 corporations were mostly foreign-owned. 24 had a foreign shareholder majority and nine a local shareholder majority.
3. Of the 24 foreign-owned participants five were fully owned by foreign shareholders, three had a local shareholding of less than 25% and one a 49% local shareholding.
4. Seven participants had mixed corporate and individual shareholding.
5. Of the 33 participants with local individual shareholding, seven had black majority shareholding and 26 had white majority shareholding. Twenty had male majority shareholding and 13 had female majority shareholding.

Fig. 2.16 Ownership profile

Local/ overseas majority ownership	All participants	General trade	Religious trade	Education	Academic	Distributor
Ownership category						
Corporate majority shareholding	33	9	4	10	8	2
Individual majority shareholding	26	6	2	11	1	6
Corporate ownership						
Local majority shareholding	24	7	4	5	6	2
Foreign majority shareholding	9	2	0	5	2	0
Corporate ownership % Local shareholding						
0%	5	2	0	2	1	0
1% - 24.9%	3	0	0	2	1	0
25% - 49.9%	1	0	0	1	0	0
50%	0	0	0	0	0	0
50.1% - 74.9%	3	1	0	0	1	1
75% - 99.9%	0	0	0	0	0	0
100%	21	6	4	5	5	1
Local individual ownership						
Black male majority	4	0	1	3	0	0
Black female majority	3	0	1	2	0	0
White male majority	16	5	1	5	1	4
White female majority	10	3	0	4	1	2

2.5 Employment profiles

The book supply industry is a major employer of highly trained people with very specific and scarce skills.

In this survey, only permanent employee numbers were recorded. Almost all publishers make extensive use of freelance and/or part-time editorial, layout and design, and promotion and merchandising staff, so that the actual employment by the industry is much larger than recorded in the survey.

Most large publishers outsourced their warehousing and distribution functions, which are labour-intensive operations. The employment data of only one such corporate warehouse was collected in the survey.

Employment profiles were determined in terms of employer turnover category and the number of employees per employer.

1. The participants employed 2 362 permanent staff members, of whom 915 (39%) were employed in the education sub-sector.
2. The 18 large companies with annual turnovers exceeding R50 million employed 1 932 staff members, an average of 107 employees per employer.
3. The 20 medium turnover participants (total turnover between R5 million and R50 million per annum) employed 280 employees across all sub-sectors, or on average of 14 employees per employer.
4. The 21 small participants with turnovers of less than R5 million per annum employed on average just more than seven employees each.

Fig. 2.17 Total employment by turnover category

Employment profiles by turnover category	All participants	General trade	Religious Trade	Education	Academic	Publishers	Distributors
Large companies	1 932	300	369	816	447	1 932	0
Medium companies	280	86	30	61	24	201	79
Small companies	150	24	27	38	60	149	1
All participants	2 362	410	426	915	531	2 282	80
% of total employment							
Large companies	81.8%	73.2%	86.6%	89.2%	84.2%	84.7%	0.0%
Medium companies	11.9%	21.0%	7.0%	6.7%	4.5%	8.8%	98.8%
Small companies	6.4%	5.9%	6.3%	4.2%	11.3%	6.5%	1.3%

Fig. 2.18 Number of employees per employer

Number of employees	All participants	General trade	Religious trade	Education	Academic	Distributor
1	3	1	0	1	0	1
2 – 5	11	4	2	3	1	1
6 -10	14	1	0	6	3	4
11 – 20	7	2	1	3	0	1
21 – 30	5	2	1	0	1	1
31 – 40	2	0	0	1	1	0
41 – 50	1	1	0	0	0	0
51 – 60	4	1	0	3	0	0
61 – 70	1	0	0	0	1	0
71 – 80	4	3	0	1	0	0
81 – 90	0	0	0	0	0	0
91 – 100	0	0	0	0	0	0
101 – 120	1	0	0	0	1	0
121 – 140	0	0	0	0	0	0
141 – 160	1	0	0	1	0	0
161 – 180	2	0	1	1	0	0
181 – 200	1	0	1	0	0	0
More than 200	2	0	0	1	1	0

1. Of 59 participants almost half (28) had fewer than ten permanent employees. These included six niche market general trade publishers and ten highly specialised educational publishers.
2. Book distributors performing only marketing and sales functions tend to have fewer staff members. None recording more than 30 staff members, and six recorded fewer than ten staff members.
3. Only seven participants employed more than 100 staff. Three of these were educational publishers, two religious trade publishers and two academic publishers.

1. Marketing and sales departments employed 25.2% of all employees across all sub-sectors. The religious trade sub-sector had the smallest proportion of employees employed in this sub-sector.
2. The academic sub-sector had the highest proportion of permanent editorial and design staff. The relatively low proportions of these functions by general trade publishers can be attributed to the large proportion of imported books and to a greater reliance on freelancers.
3. As most participants outsourced the warehousing and distribution functions – whose employment numbers were not captured by the survey – employment in the "other support function" category does not accurately represent the actual employment profile of the industry.

Fig. 2.19 Employment by publishing function

Employment profile by staff function	All participants	General trade	Religious trade	Education	Academic	Distributor
Number of Employees						
Management	316	86	61	112	34	23
Editorial	349	59	49	134	107	0
Design and production	309	32	64	90	123	0
Marketing and sales	595	109	52	258	161	15
Finance	174	24	49	80	17	4
Human resources	45	13	9	16	6	1
Office administration	188	59	38	59	14	18
Information technology	49	2	9	29	7	2
Other support functions	337	26	95	137	62	17
All employees	2 362	410	426	915	531	80
Contribution to employment						
Management	13.4%	21.0%	14.3%	12.2%	6.4%	28.8%
Editorial	14.8%	14.4%	11.5%	14.6%	20.2%	0.0%
Design and production	13.1%	7.8%	15.0%	9.8%	23.2%	0.0%
Marketing and sales	25.2%	26.6%	12.2%	28.2%	30.3%	18.8%
Finance	7.4%	5.9%	11.5%	8.7%	3.2%	5.0%
Human resources	1.9%	3.2%	2.1%	1.7%	1.1%	1.3%
Office administration	8.0%	14.4%	8.9%	6.4%	2.6%	22.5%
Information technology	2.1%	0.5%	2.1%	3.2%	1.3%	2.5%
Other support functions	14.3%	6.3%	22.3%	15.0%	11.7%	21.3%

Fig. 2.20 Employment profile by population group and gender

Employment profile by population group	All participants	General trade	Religious trade	Education	Academic	Distributor
Black male	499	30	115	223	118	486
Black female	773	112	57	375	211	755
White male	257	49	75	75	50	249
White female	833	219	179	242	152	792
All employees	2 362	410	426	915	531	2 282
% representation						
Black male	21.1%	7.3%	27.0%	24.4%	22.2%	21.3%
Black female	32.7%	27.3%	13.4%	41.0%	39.7%	33.1%
White male	10.9%	12.0%	17.6%	8.2%	9.4%	10.9%
White female	35.3%	53.4%	42.0%	26.4%	28.6%	34.7%
% representation						
Black employees	53.9%	34.6%	40.4%	65.4%	62.0%	54.4%
White employees	46.1%	65.4%	59.6%	34.6%	38.0%	45.6%
Male employees	32.0%	19.3%	44.6%	32.6%	31.6%	32.2%
Female employees	68.0%	80.7%	55.4%	67.4%	68.4%	67.8%

1. Female employees are in the majority in all sub-sectors, although to varying degrees. They make up 80.7% of the general trade sub-sector and 55.4% of the religious trade sub-sector.
2. Black employees make up 53.9% of total employment, ranging from 34.6% in general trade publishing to 65.4% in educational publishing.

An employment profile for all participants is meaningless without some objective grading of positions. The CEO of a company with 200 employees and a sole employee would both be recorded as managerial staff, for instance. The detailed employment profile below is thus that of all 18 large participants with total turnovers in excess of R50 million per annum.

1. If the employment figures of the outsourced warehousing and distribution centres had been included in the survey, the number of black males classified as "other support staff" would have been higher by a few hundred employees.
2. Black males are widely employed in the marketing departments in the education and academic sub-sectors.
3. For the 18 large publishers participating in the survey, 14.4% of the 208 employees in management functions were black males.

Fig. 2.21 Employment profile of large companies: Black males

Employment profile Black males	All participants	General Trade	Religious trade	Education	Academic
Managers	30	2	7	16	5
Editorial staff	23	0	4	11	8
Design and production	45	2	3	21	19
Marketing and sales	123	6	8	79	30
Finance	14	0	5	8	1
Human resources	2	2	0	0	0
Office administration	10	4	0	6	0
Information technology	15	0	3	9	3
Other support staff	157	4	63	55	35
All black males	419	20	93	205	101

Fig. 2.22 Employment profile of large companies: Black females

Employment profile Black females	All participants	General trade	Religious trade	Education	Academic
Managers	26	5	0	20	1
Editorial staff	74	3	4	35	32
Design and production	69	7	2	25	35
Marketing and sales	222	24	1	114	83
Finance	80	10	10	52	8
Human resources	19	6	1	9	3
Office administration	69	32	0	31	6
Information technology	6	1	0	3	2
Other support staff	105	7	28	55	15
All black females	670	95	46	344	185

1. Black female staff members dominate the sales and marketing departments especially in the education and academic sub-sectors.
2. They are also well represented in finance and office administration.

1. Relatively few white males are employed in the publishing industry. They make up 195 out of 1 932 recorded permanent employees in the largest companies.
2. White males are well represented at managerial levels.

Fig. 2.23 Employment profile of large companies: White males

Employment profile White males	All participants	General trade	Religious trade	Education	Academic
Managers	71	12	35	20	4
Editorial staff	36	6	8	10	12
Design and production	37	1	9	8	19
Marketing and sales	24	7	5	8	4
Finance	5	0	3	2	0
Human resources	1	0	0	1	0
Office administration	1	0	0	1	0
Information technology	17	1	4	10	2
Other support staff	3	0	1	2	0
All white males	195	27	65	62	41

Fig. 2.24 Employment profile of large companies: White females

Employment profile White females	All participants	General trade	Religious trade	Education	Academic
Managers	81	42	6	26	7
Editorial staff	154	31	23	65	35
Design and production	124	13	42	29	40
Marketing and sales	154	53	28	44	29
Finance	48	5	28	13	2
Human resources	19	5	7	5	2
Office administration	51	7	31	12	1
Information technology	6	0	0	6	0
Other support staff	11	2	0	5	4
All white females	648	158	165	205	120

1. White females occupy nearly one third of all permanent positions at the largest publishers.
2. They dominate the editorial positions, and are well represented in all other functions except Information technology and other support positions.

Fig. 2.25 Large company employment profile by population group and gender

% Contribution to employment by function	Black males	Black females	White males	White females	All employees
Managers	14.4%	12.5%	34.1%	38.9%	208
Editorial	8.0%	25.8%	12.5%	53.7%	287
Design and production	16.4%	25.1%	13.5%	45.1%	275
Marketing and sales	23.5%	42.4%	4.6%	29.4%	523
Finance	9.5%	54.4%	3.4%	32.7%	147
Human resources	4.9%	46.3%	2.4%	46.3%	41
Office administration	7.6%	52.7%	0.8%	38.9%	131
Information technology	34.1%	13.6%	38.6%	13.6%	44
Other support positions	56.9%	38.0%	1.1%	4.0%	276
All employees	21.7%	34.7%	10.1%	33.5%	1 932

2.6 Recovery of skills levies

Skills Development Fund (SDF) levies are calculated as a percentage of total salaries and wages and collected monthly by the South African Revenue Services (SARS). This funding is meant to be offset against SETA (Sectional Education and Training Agency) approved staff training costs. For a number of publishing specific functions, there are no appropriate SETA approved training courses, and expenditure on skills training can thus not easily be recovered against levies.

Many respondents did not complete this section of the questionnaire, either because they kept no record of their training expenses or claims, were exempted from the levies, or had not spent any funds on training in the survey period.

1. Of 59 participants, only 23 responded to this section of the questionnaire.
2. Across all sub-sectors, 36.1% of participant levies were recovered by claims against approved staff training costs.
3. The education sub-sector recorded the largest percentage recovery of costs (40.5%) and the religious trade sub-sector the smallest (11.0%).

The ability to recover levies depended largely on the turnover category of the participant.

Fig. 2.26 Recovery of skills development levies: All participants

Recovery of skills levies All respondents	All participants	General trade	Religious trade	Education	Academic	Distributor
Number of participants	59	15	6	21	9	8
Number of respondents	23	6	2	9	5	1
Levies paid	R 5,071,773	R 564,514	R 345,836	R 2,574,218	R 1,539,192	R 48,013
Training costs recovered	R 1,829,587	R 169,239	R 38,190	R 1,043,393	R 569,498	R 9,267
% Levies recovered	36.1%	30.0%	11.0%	40.5%	37.0%	19.3%

Fig. 2.27 Recovery of skills development levies: Large turnover participants

Recovery of skills levies Large publishers	All participants	General trade	Religious trade	Education	Academic	Distributor
Number of participants	18	5	2	8	3	0
Number of respondents	15	3	1	8	3	0
Levies paid	R 4,764,852	R 447,990	R 294,420	R 2,558,418	R 1,464,024	R 0
Training costs recovered	R 1,800,320	R 165,739	R 38,190	R 1,043,393	R 552,998	R 0
% Levies recovered	37.8%	37.0%	13.0%	40.8%	37.8%	0.0%
Recovery intervals						
0%	2	0	0	2	0	0
1% - 10%	0	0	0	0	0	0
10% - 20%	3	1	1	0	1	0
20% - 50%	6	2	0	2	2	0
More than 50%	4	0	0	4	0	0

1. Of the 15 participants with turnovers exceeding R50 million who responded to the question two reported no recovery of levies, three a levy recovery rate of between 10% and 20%, six a recovery rate between 20% and 50%, and four participants reported recovering more than 50% of annual levies paid.
2. Large publishers recovered an average of 37.8% of skills development levies paid.

1. The average recovery rate amongst the six participants out of 21 in this income band who completed this part of the questionnaire was 9.5%.

Fig. 2.28 Recovery of skills development levies: Medium turnover participants

Recovery of skills levies Medium sized publishers	All participants	General trade	Religious trade	Education	Academic	Distributor
Number of participants	21	6	1	6	1	7
Number of respondents	6	2	1	1	1	1
Levies paid	R 270,169	R 106,524	R 51,416	R 15,800	R 48,416	R 48,013
Training costs recovered	R 25,767	R 0	R 0	R 0	R 16,500	R 9,267
% Levies recovered	9.5%	0.0%	0.0%	0.0%	34.1%	19.3%
Recovery intervals						
0%	56	14	6	21	8	7
1% - 10%	0	0	0	0	0	0
10% - 20%	1	0	0	0	0	1
20% - 50%	1	0	0	0	1	0
More than 50%	0	0	0	0	0	0

Fig. 2.29 Recovery of skills development levies: Small participants

Recovery of skills levies Small publishers	All participants	General trade	Religious trade	Education	Academic	Distributor
Number of participants	20	4	3	7	5	1
Number of respondents	2	1	0	0	1	0
Levies paid	R 36,752	R 10,000	R 0	R 0	R 26,752	R 0
Training costs recovered	R 3,500	R 3,500	R 0	R 0	R 0	R 0
% Levies recovered	9.5%	35.0%	0.0%	0.0%	0.0%	0.0%
Recovery intervals						
0%	57	13	6	21	9	8
1% - 10%	0	0	0	0	0	0
10% - 20%	0	0	0	0	0	0
20% - 50%	1	1	0	0	0	0
More than 50%	0	0	0	0	0	0

1. The average recovery rate amongst the two participants out of 20 in this income band who completed this part of the questionnaire was 9.5%.

2.7 Broad-based black economic empowerment (BBBEE) profile

Of 59 survey participants, 25 had been officially rated whilst 20 were exempted from the rating process largely because their total annual turnovers fell below the required minimum.

Fig. 2.30 BBBEE profile

BBBEE profile	All participants	General trade	Religious trade	Education	Academic	Distributor
Rated	25	6	1	10	3	5
Not rated	14	3	1	7	1	2
Exempted	20	6	4	4	5	1
BBBEE rating						
Level 1 >100% **AAA**	1	0	0	1	0	0
Level 2 85 - 100% **AA**	3	1	0	0	1	1
Level 3 75 - 85% **A**	8	2	1	5	0	0
Level 4 65 - 75% **BBB**	12	2	0	4	2	4
Level 5 55 - 65% **BB**	2	1	0	0	0	1
Level 6 45 - 55% **B**	0	0	0	0	0	0

3 Headline values of all participants

This chapter reports on the combined headline results of all survey participants by industry sub-sector in order to make lateral comparisons between the sub-sectors. Each sub-sector's detailed analyses may be found in the chapters dedicated to particular industry sub-sectors.

Contents

List of Figures

3.1 Comparative income profiles

The figure reports on the income contribution made by each industry sub-sector to total industry income.

1. The 59 survey participants recorded a total income of R3,414 million.
2. Of this income, general trade books contributed R820 million (24.0%), religious trade books R232 million (6.8%), education R1,765 million (51.7%) and academic books R597 million (17.5%).
3. Locally published print books were largely produced by educational publishers (contributing 62.0% to industry income generated), followed by the academic (19.2%), general trade (13.1%) and religious trade (5.7%) sub-sectors.
4. The income generated by imported books was largely driven by the general trade sub-sector which contributed 64.7% to total income, followed by education (14.8%), religious trade (11.4%) and academic books (9.1%).

Fig. 3.1 Core business income by industry sub-sector

Core business profile source of income	General trade	Religious trade	Education	Academic	All sub-sectors
Locally published book	R 333,183,000	R 144,540,000	R 1,580,649,000	R 489,518,000	R 2,547,890,000
Imported book	R 463,623,000	R 81,374,000	R 106,060,000	R 65,239,000	R 716,296,000
Electronic book products	R 1,349,000	R 200,000	R 262,000	R 323,000	R 2,134,000
Non-book products	R 5,958,000	R 547,000	R 33,736,000	R 4,511,000	R 44,752,000
Total local product sales	R 804,113,000	R 226,660,000	R 1,720,707,000	R 559,592,000	R 3,311,072,000
Book product export sales	R 13,108,000	R 3,610,000	R 28,255,000	R 14,280,000	R 59,253,000
Local rights sales	R 614,000	R 1,496,000	R 2,374,000	R 284,000	R 4,768,000
Export rights sales	R 849,000	R 90,000	R 0	R 18,021,000	R 18,960,000
Total income	R 819,602,000	R 231,856,000	R 1,765,151,000	R 597,195,000	R 3,413,804,000
Sub-sector contribution to total industry income					
Locally published books	13.1%	5.7%	62.0%	19.2%	100.0%
Imported books	64.7%	11.4%	14.8%	9.1%	100.0%
Electronic book products	63.2%	9.4%	12.3%	15.1%	100.0%
Non-book products	13.3%	1.2%	75.4%	10.1%	100.0%
Total local product sales	24.3%	6.8%	52.0%	16.9%	100.0%
Book product export sales	22.1%	6.1%	47.7%	24.1%	100.0%
Local rights sales	12.9%	31.4%	49.8%	6.0%	100.0%
Export rights sales	4.5%	0.5%	0.0%	95.0%	100.0%
Total income	24.0%	6.8%	51.7%	17.5%	100.0%

Fig. 3.2 Source of income profile by industry sub-sector

Core business profile Comparative income profile	General trade	Religious trade	Education	Academic	All sub-sectors
Locally published print books	R 333,183,000	R 144,540,000	R 1,580,649,000	R 489,518,000	R 2,547,890,000
Imported print books	R 463,623,000	R 81,374,000	R 106,060,000	R 65,239,000	R 716,296,000
Electronic book products	R 1,349,000	R 200,000	R 262,000	R 323,000	R 2,134,000
Non-book products	R 5,958,000	R 547,000	R 33,736,000	R 4,511,000	R 44,752,000
Total local product sales	R 804,113,000	R 226,660,000	R 1,720,707,000	R 559,592,000	R 3,311,072,000
Book product export sales	R 13,108,000	R 3,610,000	R 28,255,000	R 14,280,000	R 59,253,000
Local rights sales	R 614,000	R 1,496,000	R 2,374,000	R 284,000	R 4,768,000
Export rights sales	R 849,000	R 90,000	R 0	R 18,021,000	R 18,960,000
Total income	R 819,602,000	R 231,856,000	R 1,765,151,000	R 597,195,000	R 3,413,804,000
Source contribution to total sub-sector income					
Locally published book	40.7%	62.3%	89.5%	82.0%	74.6%
Imported book	56.6%	35.1%	6.0%	10.9%	21.0%
Electronic book products	0.2%	0.1%	0.0%	0.1%	0.1%
Non-book products	0.7%	0.2%	1.9%	0.8%	1.3%
Total local product sales	98.1%	97.8%	97.5%	93.7%	97.0%
Book product export sales	1.6%	1.6%	1.6%	2.4%	1.7%
Local rights sales	0.1%	0.6%	0.1%	0.0%	0.1%
Export rights sales	0.1%	0.0%	0.0%	3.0%	0.6%
Total income	100.0%	100.0%	100.0%	100.0%	100.0%

1. This table reports on the income profiles of each industry sub-sector, illustrating how each sub-sector's total income was made up by the various products and services components.
2. Across the four sub-sectors the sale of products in the home market generated 97.0% of total income. Locally published print books generated 74.6% of total income, imported print books 21.0%, e-books 0.1% and non-book products 1.3%.
3. The academic book sub-sector was the most successful in exporting products (2.4% of total income) and selling export rights (3.0%).

1. According to the responses received e-books generated R2,146,000 in turnover.
2. However, R369,000 of the academic sales were recorded by imported products, leaving a local product turnover of R324,000 for academic books and R1,776,000 for locally produced e-books.

Fig. 3.3 E-books sales profile

E-books profile comparative activity profile	General trade	Religious trade	Education	Academic	All sub-sectors
Number of survey participants	15	6	20	9	50
Number of e-book participants	5	2	3	1	11
Number of titles available	876	315	287	5	1,483
Total net turnover	R 1,036,000	R 200,000	R 216,000	R 693,000	R 2,146,000

3.2 Comparative distribution profiles

The distribution profiles of the different sub-sectors are important as the industry is experiencing significant changes in its supply chains with the rise of internet sales and continuous changes in the number of booksellers and retail outlets in the industry. These changes are having an effect on the trading margins of suppliers.

The totals recorded in the tables below differ to some extent from those in the individual sub-sector analyses. These values are allocated to a sub-sector according to the distribution network indicated by suppliers, including distributors, and not by the category of product. The values reflect the influence of cross-selling between categories. Totals exclude the category “other outlets” and export sales. Not all suppliers provided distribution data.

Fig. 3.4 Distribution profile at supplier wholesale values

Distribution profile net turnover by category	General trade	Religious trade	Education	Academic	All sub-sectors
National bookseller chain	R 526,530,000	R 152,650,000	R 0	R 229,450,000	R 908,630,000
Independent bookseller	R 67,654,000	R 27,207,000	R 395,392,000	R 60,372,000	R 550,625,000
Non-book retailer	R 37,926,000	R 16,738,000	R 3,803,000	R 248,000	R 58,715,000
Supermarket	R 21,792,000	R 350,000	R 12,648,000	R 355,000	R 35,145,000
Internet bookseller	R 23,200,000	R 776,000	R 579,000	R 6,782,000	R 31,337,000
Book clubs	R 44,970,000	R 6,532,000	R 295,000	R 413,000	R 52,210,000
Corporate direct sales	R 25,527,000	R 0	R 43,864,000	R 233,820,000	R 303,211,000
Public direct sales	R 12,964,000	R 7,797,000	R 2,576,000	R 8,405,000	R 31,742,000
Libraries	R 21,023,000	R 33,000	R 16,107,000	R 9,052,000	R 46,215,000
Government departments	R 143,000	R 0	R 407,407,000	R 0	R 407,550,000
Schools	R 3,262,000	R 0	R 75,849,000	R 6,999,000	R 86,110,000
School book distributors	R 17,934,000	R 0	R 703,169,000	R 211,000	R 721,314,000
Total local market sales	R 803,315,000	R 212,082,000	R 1,664,495,000	R 556,188,000	R 3,236,080,000

1. Of the reported R 3,311,072,000 net product sale turnover shown in figure 3.2 above, R3,236,080,000 (97.7%) is recorded in this table.
2. Across all industry sub-sectors, supplies to schools, either directly or via education departments or third party distributors, account for the largest share of total book distribution at R1,214,980,000 or 37.5% of the total value of home market distribution.

Participants indicated the average trade discounts they granted customers and distributors in each outlet category. These discounts were used to calculate the gross retail values of the supplied turnovers per category. Gross retail values serve as a common denominator across distribution channels, and provide a more accurate indication of the flow of product through the various supply chains.

Fig. 3.5 Distributor profile at gross retail price values

Distribution profile gross turnover by category	General trade	Religious trade	Education	Academic	All sub-sectors
National bookseller chain	R 960,194,000	R 259,866,000	R 0	R 330,038,000	R 1,550,098,000
Independent bookseller	R 112,739,000	R 40,424,000	R 565,929,000	R 88,173,000	R 807,265,000
Non-book retailer	R 63,000,000	R 17,745,000	R 5,454,000	R 323,000	R 86,522,000
Supermarket	R 37,113,000	R 585,000	R 18,153,000	R 480,000	R 56,331,000
Internet bookseller	R 41,643,000	R 1,411,000	R 833,000	R 10,032,000	R 53,919,000
Book clubs	R 133,015,000	R 18,422,000	R 421,000	R 590,000	R 152,448,000
Corporate direct sales	R 35,628,000	R 0	R 58,979,000	R 249,469,000	R 344,076,000
Public direct sales	R 17,951,000	R 1,868,000	R 3,658,000	R 9,705,000	R 33,182,000
Libraries	R 33,016,000	R 50,000	R 22,909,000	R 13,655,000	R 69,630,000
Government departments	R 194,000	R 0	R 578,181,000	R 0	R 578,375,000
Schools	R 4,061,000	R 0	R 105,513,000	R 8,750,000	R 118,324,000
School book distributors	R 25,557,000	R 0	R 969,003,000	R 301,000	R 994,861,000
Total local market sales	R 1,464,111,000	R 340,371,000	R 2,329,033,000	R 711,516,000	R 4,845,031,000

1. Applying the average trade discount granted by each participant to their customers in each sales outlet category converted net wholesale values to gross turnover at recommended retail price (RRP) values excluding VAT. These individual total gross turnover values were then aggregated for each industry sub-sector.
2. In the general trade sub-sector the recorded total turnover at supplier wholesale value of R803,315,000 shown in figure 3.4 represents total turnover of R1,464,111,000 at RRP value.

1. Only two national bookseller chains reported school book turnover. To protect the confidentiality of the data they have been added to those of independent booksellers.
2. The religious trade sub-sector is most dependent on the national chains for the distribution of their product (76.3%). They use two dedicated religious chains, all the general trade chains as well as most of the academic bookseller chains.
3. Almost all direct corporate sales recorded in the academic sub-sector were generated by professional books sold to law and accounting firms and large corporations.

Fig. 3.6 Contribution of supply chain to total distribution at gross retail values

Distribution profile at retail prices contribution by supply chain	General trade	Religious trade	Education	Academic	All sub-sectors
National bookseller chain	65.6%	76.3%	0.0%	46.4%	32.0%
Independent bookseller	7.7%	11.9%	24.3%	12.4%	16.7%
Non-book retailer	4.3%	5.2%	0.2%	0.0%	1.8%
Supermarket	2.5%	0.2%	0.8%	0.1%	1.2%
Internet bookseller	2.8%	0.4%	0.0%	1.4%	1.1%
Book clubs	9.1%	5.4%	0.0%	0.1%	3.1%
Corporate direct sales	2.4%	0.0%	2.5%	35.1%	7.1%
Public direct sales	1.2%	0.5%	0.2%	1.4%	0.7%
Libraries	2.3%	0.0%	1.0%	1.9%	1.4%
Government departments	0.0%	0.0%	24.8%	0.0%	11.9%
Schools	0.3%	0.0%	4.5%	1.2%	2.4%
School book distributors	1.7%	0.0%	41.6%	0.0%	20.5%
Total local market sales	100.0%	100.0%	100.0%	100.0%	100.0%

Fig. 3.7 Average supply chain trade discounts by industry sub-sector

Average discount granted sales outlet category	General trade	Religious trade	Education	Academic
National bookseller chain	45.2%	41.3%		30.5%
Independent bookseller	40.0%	32.7%	30.1%	31.5%
Non-book retailer	39.8%	5.7%	30.3%	23.2%
Supermarket	41.3%	40.2%	30.3%	26.0%
Internet bookseller	44.3%	45.0%	30.5%	32.4%
Book clubs	66.2%	64.5%	29.9%	30.0%
Corporate direct sales	28.4%		25.6%	6.3%
Public direct sales	27.8%	8.2%	29.6%	13.4%
Libraries	36.3%		29.7%	33.7%
Government departments	26.3%		29.5%	
Schools	19.7%		28.1%	20.0%
School book distributors	29.8%		27.4%	29.9%
Total local market sales	45.2%	38.8%	28.7%	23.7%

1. General trade books were distributed at the highest discount, reflecting the relative bargaining power but also the operating cost of full-service booksellers.
2. Religious books are brought to market through a limited number of outlets at relatively high discounts.
3. Educational books are distributed at a fairly standard discount of 30% through all distribution channels.
4. Without the large contribution of professional book end-user sales at very low discounts, academic books were sold mostly via booksellers at an average trade discount between 30% and 32%.

3.3 Author demographic and royalty profile

According to respondents, 50 participants had royalty arrangements with authors. This excludes the distributors and one publisher which produced only non-book products. Of these, 43 could provide the demographic profiles of their authors. Some of the larger educational publishers were unable to provide the demographic profiles.

A total of 17,282 individual authors and 1,252 other legal entities received royalties in 2011.

Of the authors receiving royalties, white females were in the majority in general trade and education publishing, while white males formed the majority in religious trade and academic publishing.

Fig. 3.8 Author demographic profile

Author profile of individual authors	General Trade	Religious Trade	Education	Academic	All sub-sectors
Black male	89	10	1,222	329	1,650
Black female	90	1	1,379	257	1,727
White male	1,255	186	1,782	2,027	5,250
White female	1,635	41	2,929	1,138	5,743
All authors	3,069	238	7,312	3,751	14,370

1. The 2011 royalty rates differed significantly from those recorded in previous surveys.
2. In the general trade sub-sector, previous rates fluctuated between 13.2% in 2010 and 14.7% in 2008. They have now returned to 14.7%.
3. In the religious trade sub-sector, previous rates were 6.2% in 2008 and 3.7% in 2010, and have risen again to 4.3%. Different contributions by certain product sub-categories could account for some of the deviation. For example, most Bible translations carry no royalties. Neither do international co-publications or translations, as royalties are usually accounted for in the cost of the co-publication agreement.
4. In the education sub-sector the deviation is from an average of 14% in 2008 to 12.4% in 2010, and the rate has now dropped further to 11.8%.
5. The marked deviation in the academic sub-sector from 17.6% in 2010 to the current 13.2% was probably caused by changes in the royalties paid in the professional sub-sector.

Fig. 3.9 Royalty rates by industry sub-sector

Royalty profile	Royalty paid	Net turnover	%
General trade	R 48,882,000	R 333,107,000	14.7%
Religious trade	R 6,307,000	R 145,852,000	4.3%
Education	R 196,531,000	R 1,666,721,000	11.8%
Academic	R 64,642,000	R 490,645,000	13.2%
All sub-sectors	R 316,363,000	R 2,636,323,000	

4 Distributor income profile

This chapter deals with the contribution to the industry made by independent book distributors. The term distributor refers to an enterprise marketing and selling only other publishers' products. It excludes the hybrid companies with local publishing divisions as well as import agencies.

Contents

List of Figures

Fig. 4.1 Distributors' contribution to survey income

Core business profile	All participants	Publishers	Distributors	% Contribution
Number of participants	59	51	8	
Locally published book sales	R 2,547,889,000	R 2,532,610,000	R 15,279,000	0.6%
Imported book sales	R 716,297,000	R 613,671,000	R 102,626,000	14.3%
Electronic book products	R 2,134,000	R 2,107,000	R 27,000	1.3%
Non-book products	R 44,752,000	R 43,341,000	R 1,411,000	3.2%
Total local product sales	R 3,311,074,000	R 3,191,730,000	R 119,344,000	3.6%
Book product export sales	R 59,254,000	R 56,382,000	R 2,872,000	4.8%
Local rights sales	R 4,768,000	R 4,768,000	R 0	0.0%
Export rights sales	R 18,960,000	R 18,960,000	R 0	0.0%
Total income	R 3,413,804,000	R 3,286,077,000	R 127,727,000	3.7%

4.1 Distributors' contribution to survey income

Distributors focus mainly on imported books, although some distribution is done for smaller local publishers. To avoid double counting local product turnover, the turnover of the largest local distributor, whose turnover is derived mainly from its distribution of locally published print books, some of whom participated in the survey, was not taken into account, neither was the local published turnover reported by another participating distributor. The R15 million local print book turnover recorded was generated by print books of non-participating local publishers.

1. Distributors contributed 14.3% to home market turnover of imported books.
2. In addition, some imported books are re-exported to neighbouring countries.

1. Two publishers and three distributors were unable to give turnover breakdown by language.
2. Although some distributors sell locally published Afrikaans books, none participated in the survey or their reported local product turnover was discarded to avoid double counting.

Fig. 4.2 Distributor contribution to home market sales by language

Local product sales by language	All participants	Publishers	Distributors
Number of participants	54	49	5
English	R 1,817,776,000	R 1,812,750,000	R 5,026,000
Afrikaans	R 356,748,000	R 356,748,000	R 0
African languages	R 352,053,000	R 352,053,000	R 0
Multilingual	R 9,877,000	R 9,877,000	R 0
Not specified	R 11,435,000	R 1,182,000	R 10,253,000
All languages	R 2,536,454,000	R 2,531,428,000	R 15,279,000

Fig. 4.3 Distributor contribution to income by product category and industry sub-sector

Distributor income by product category	All participants	Distributors	% Contribution
General trade sub-sector			
Locally published book sales	R 333,183,000	R 3,862,000	1.2%
Imported book sales	R 463,623,000	R 83,484,000	18.0%
Electronic book products	R 1,349,000	R 27,000	2.0%
Non-book products	R 5,958,000	R 1,411,000	23.7%
Total local turnover	R 804,113,000	R 88,784,000	11.0%
Religious trade sub-sector			
Locally published book sales	R 144,540,000	R 0	0.0%
Imported book sales	R 81,374,000	R 100,000	0.1%
Electronic book products	R 200,000	R 0	0.0%
Non-book products	R 547,000	R 0	0.0%
Total local turnover	R 226,660,000	R 100,000	0.0%
Education sub-sector			
Locally published book sales	R 1,580,649,000	R 11,417,000	0.7%
Imported book sales	R 106,060,000	R 6,375,000	6.0%
Electronic book products	R 262,000	R 0	0.0%
Non-book products	R 33,736,000	R 0	0.0%
Total local turnover	R 1,720,707,000	R 17,792,000	1.0%
Academic sub-sector			
Locally published book sales	R 489,518,000	R 0	0.0%
Imported book sales	R 65,239,000	R 12,667,000	19.4%
Electronic book products	R 323,000	R 0	0.0%
Non-book products	R 4,511,000	R 0	0.0%
Total local turnover	R 559,592,000	R 12,667,000	2.3%

4.2 Distributor income profiles

1. Distributors contributed 18.0% to the turnover of imported general trade books.
2. Their contribution to educational books was 6.0% of import turnover, and 19.4% to academic books.
3. More than R83 million of the R103 million (81%) of distributor income was generated by the general trade sub-sector.

Fig. 4.4 Distributor contribution to income by product sub-category

Distributor income	All participants	Distributors	Contribution	All participants	Distributors	Contribution
	Locally published book			Imported book		
Adult fiction	R 74,042,000	R 118,000	0.2%	R 234,700,000	R 48,077,000	20.5%
Children's fiction	R 42,076,000	R 444,000	1.1%	R 63,381,000	R 1,349,000	2.1%
Adult non-fiction	R 172,745,000	R 355,000	0.2%	R 145,445,000	R 33,648,000	23.1%
Children's non-fiction	R 49,008,000	R 3,036,000	6.2%	R 22,300,000	R 411,000	1.8%
General trade	R 337,874,000	R 3,953,000	1.2%	R 465,826,000	R 83,485,000	17.9%
Religious trade	R 144,678,000	R 1,000	0.0%	R 81,234,000	R 100,000	0.1%
School books	R 1,435,766,000	R 11,000	0.0%	R 182,168,000	R 15,741,000	8.6%
FET textbooks	R 128,755,000	R 1,027,000	0.8%	R 1,056,000	R 1,021,000	96.7%
ABET workbooks	R 7,483,000	R 0	0.0%	R 0	R 0	0.0%
Education	R 1,572,004,000	R 1,039,000	0.1%	R 183,223,000	R 16,762,000	9.1%
Textbooks	R 262,046,000	R 0	0.0%	R 32,272,000	R 10,011,000	31.0%
Professional books	R 219,841,000	R 0	0.0%	R 22,924,000	R 448,000	2.0%
Scholarly books	R 4,113,000	R 34,000	0.8%	R 10,442,000	R 2,209,000	21.2%
Academic	R 486,000,000	R 34,000	0.0%	R 65,637,000	R 12,667,000	19.3%

1. Distributors accounted for more than 20% of the turnover of imported fiction titles.
2. In the education sector nearly all income was derived from imported school books, and in the academic sub-sector from imported textbooks.

Fig. 4.5 Distributor general trade distribution profile

Distribution profile general trade sub-sector	All participants	% Contribution	Distributors	% Contribution
National bookseller chain	R 526,530,000	65.6%	R 66,308,000	73.3%
Independent bookseller	R 67,654,000	8.4%	R 12,732,000	14.1%
Non-book retailer	R 37,926,000	4.7%	R 810,000	0.9%
Supermarket	R 21,792,000	2.7%	R 5,784,000	6.4%
Internet bookseller	R 23,200,000	2.9%	R 906,000	1.0%
Book clubs and mail order outlets	R 44,970,000	5.6%	R 571,000	0.6%
Corporate direct sales	R 25,527,000	3.2%	R 1,068,000	1.2%
Public direct sales	R 12,964,000	1.6%	R 235,000	0.3%
Libraries	R 21,023,000	2.6%	R 1,676,000	1.9%
Government departments	R 143,000	0.0%	R 16,000	0.0%
Schools	R 3,262,000	0.4%	R 269,000	0.3%
School book distributors	R 17,934,000	2.2%	R 133,000	0.1%
All distribution channels	R 802,925,000		R 90,508,000	

4.3 Distributor supply chain profile

1. Distributors generally represent smaller overseas publishers with more specialist publishing programmes. They rely more on the traditional bookseller infrastructure (87.4%) than the industry as a whole does (74.0%) and less on book clubs (0.6% versus 5.6%), direct end-user sales (1.5% versus 4.8%) and non-book retailers (0,9% versus 4.7%). One distributor specialised in imported mass market fiction sold mainly through supermarkets (6.4% versus 2.7%).

5 General trade publishing

- This chapter deals with the publishing activity of local publishers active in the general trade sub-sector, and the income, turnover, distribution and production profiles of these publishers.
- The following classifications were applied:

Product categories

- Print books
- E-books (digital content is downloaded electronically on special reading devices)
- Non-book products (audiovisual books, book title brand extensions and some paper products)

Product sub-categories

- Adult and children's fiction and non-fiction

Product origin

- Co-published international books are assigned South African ISBNs and are therefore regarded as local products, even though the content originated abroad and often the printing as well.

Contents

List of Figures

5.1 Participant profile

1. The survey identified 15 publishers whose main publishing focus was on general trade books. In addition, three education sub-sector participants recorded sales of general trade product, and five academic publishers were also active in this sub-sector.
2. The 15 publishers who focused on general trade books generated 91.2% of total recorded general book turnover.
3. Three educational publishers recorded general trade book sales, adding 1.7% to total general trade sub-sector turnover.
4. Five academic publishers sold trade books valued at R20,147,000, or 6.0% of total general trade sub-sector turnover.

Fig. 5.1 Turnover of general trade book sales by industry sub-sector publisher

General trade books	All participants	General trade	Education	Academic
Turnover	R 337,874,000	R 308,132,000	R 5,642,000	R 20,147,000
Number of participants	23	15	3	5
Contribution to total turnover		91.2%	1.7%	6.0%

Fig. 5.2 Participant profile in terms of product sub-category

General trade participant profile	All participants	General trade	Religious trade	Education	Academic
Number of local publishers	23	15	0	3	5
Adult fiction	12	9	0	1	2
Adult non-fiction	17	12	0	2	3
Children’s fiction	9	7	0	1	1
Children’s non-fiction	10	9	0	0	1
Fiction / non-fiction profile					
Fiction only	2	1	0	0	1
Non-fiction only	6	4	0	0	2
Both fiction and non-fiction	15	10	0	3	2
All local fiction publishers	17	11	0	3	3
All local non-fiction publishers	21	14	0	3	4
Adult / children’s book profile					
Adult only	8	5	0	1	2
Children’s only	1	1	0	0	0
Both adult and children’s books	14	9	0	2	3
All local adult book publishers	22	14	0	3	5
All local children’s book publishers	15	10	0	2	3

1. Of 23 participants active in the general trade sub-sector, 12 published adult fiction, 17 adult non-fiction, nine children’s fiction and ten children’s non-fiction print books.
2. Two publishers published fiction only, and six published non-fiction only.
3. Eight publishers published adult books only, and one published children’s books only.

1. Of 17 local fiction publishers, 14 published in English, eight in Afrikaans and seven in one or more of the nine local African languages.
2. Of 21 local non-fiction publishers, 18 published in English, 13 in Afrikaans and four in one or more of the local African languages.

Fig. 5.3 Participant language profile in terms of product sub-category

Language profile by genre	All participants	General trade	Education	Academic
Fiction				
Number of local publishers	23	15	3	5
Local fiction publishers	17	11	3	3
English	14	10	2	2
Afrikaans	8	7	1	0
African languages	7	5	1	1
Non-fiction				
Local non-fiction publishers	21	14	3	4
English	18	13	2	3
Afrikaans	13	11	0	2
African languages	4	3	0	1

Fig. 5.4 Participant language profile in terms of intended reader category

Language profile by Intended reader category	All participants	General Trade	Education	Academic
Children's books				
Number of local publishers	23	15	3	5
Local children's book publishers	15	10	2	3
English	11	9	1	1
Afrikaans	10	8	1	1
African languages	8	5	1	2
Adult books				
Local adult book publishers	22	14	3	5
English	19	13	2	4
Afrikaans	11	9	0	2
African languages	2	2	0	0

1. Of 15 publishers active in publishing children's books, 11 published in English, eight in Afrikaans and eight in one or more of the local African languages.
2. Of 22 publishers active in publishing adult books, 19 published in English, 11 in Afrikaans and two in one or more of the local African languages.

5.2 Total income derived from all publishing activities

Distinction was made between income derived from the sale of goods and services in the home market and in the export market.

1. Home market product sales accounted for 98.1% of all income generated.
2. The sale of publishing rights accounted for a further 0.1% of home market income.
3. Export of products accounted for 1.6% of total income, with rights sales contributing a further 0.1% to export market income.
4. Of the R804,113,000 turnover generated in the home market, locally published print books accounted for 41.4%, imported print books 57.7%, e-book sales 0.2% and audiobooks and other brand extensions 0.7%.

Fig. 5.5 Total income derived from all publication activities

Core business profile	Total Turnover	Total contribution	Sub-total contribution
Locally published book sales	R 333,183,000	40.7%	41.4%
Imported book sales	R 463,623,000	56.6%	57.7%
Electronic book products	R 1,349,000	0.2%	0.2%
Non-book products	R 5,958,000	0.7%	0.7%
Home market product sales	R 804,113,000	98.1%	100.0%
Book product export sales	R 13,108,000	1.6%	
Local rights sales	R 614,000	0.1%	
Export rights sales	R 849,000	0.1%	
Total income	R 819,602,000	100.0%	

5.3 Turnover by sales outlet category

Data was collected on net turnover per sales outlet category. Respondents provided average discounts granted in each sales outlet category. These discounts were used to gross up each participant's recorded net turnover values to retail price values to obtain a common value denominator.

The turnovers recorded in this section do not correspond exactly to the preceding product category turnovers for a number of reasons:

1. One medium-sized participant was unable to provide the breakdown in terms of sales outlet categories.
2. The data are extracted from two different sources: turnover by product category from title sales records; and turnover by sales outlet category from debtor account records.
3. Cross-selling occurs between sub-sectors. Debtor account analysis cannot distinguish between product categories.
4. Publishers cross-sell some products through outlets focussing on other market segments. The considerable turnovers recorded by general trade publishers through outlets focussing on education and academic markets can largely be attributed to general trade books used as class readers or setworks in those markets.
5. Despite the above factors the correlation between the turnovers recorded in terms of book categories and designated outlet categories is high.

1. The general trade sub-sector is served by a network of dedicated bookshops in the three main metropolitan areas and many of the larger cities and towns. More than 400 retail outlets account for R428 million (65%) of net turnover or R787 million (64%) of gross retail sales.
2. The Book Retail Industry Survey identified 43 smaller, independent, mainly single-outlet booksellers as primarily general trade booksellers. In addition, most academic and a few educational booksellers also recorded significant general book sales. These independent booksellers contributed R49 million at net and R84 million at retail price to total turnover.
3. Retailers with a sales focus on product categories other than books, such as curio shops, museums, toy shops, pharmacies, or nurseries, recorded sales of R35 million net and R58 million gross.
4. Supermarkets and discount wholesalers accounted for R13 million in net sales. In the global context, this is a low contribution by this segment of the supply chain.
5. Publishers recorded R22 million sales to internet booksellers.
6. Because of their high trade discounts, book clubs accounted for R43 million (6.5%) in net turnover, but a much higher R128 million at recommended retail price values. Book clubs remain a significant distribution outlet for trade books in South Africa.
7. Using website and telesales facilities, publishers sold print books valued at R12 million net directly to the general public.
8. Three distribution channels used mainly by the education sub-sector accounted for R17 million net turnover. These products would mainly be setworks and class readers.

Fig. 5.6 Total net and gross turnover by distribution chain category

Distribution strategy sales outlet category	Net Turnover	Gross turnover	Average discount
National bookseller chain	R 427,692,000	R 787,441,000	45.7%
Independent bookseller	R 49,267,000	R 83,969,000	41.3%
Non-book retailer	R 34,731,000	R 57,773,000	39.9%
Wholesaler, supermarket	R 13,029,000	R 24,117,000	46.0%
Internet bookseller	R 21,521,000	R 38,788,000	44.5%
Book clubs and mail order outlets	R 43,098,000	R 127,618,000	66.2%
Corporate direct sales	R 24,228,000	R 33,963,000	28.7%
Public direct sales	R 11,576,000	R 16,103,000	28.1%
Libraries	R 18,351,000	R 28,668,000	36.0%
Government departments	R 55,000	R 81,000	32.1%
Schools	R 2,617,000	R 3,180,000	17.7%
School book distributors	R 14,344,000	R 20,684,000	30.7%
Other categories of outlets	R 376,000	R 627,000	40.0%
Home market turnover	R 660,884,000	R 1,223,009,000	46.0%

Fig. 5.7 Distribution strategy by turnover category

% Distribution through sales outlet category	Large publishers	Medium publishers	Small publishers
National bookseller chains	68.4%	29.9%	39.6%
Independent booksellers	7.1%	6.7%	21.6%
Libraries	1.5%	11.9%	4.2%
Non-book retailers	7.7%	2.2%	6.8%
Other outlets	15.2%	49.3%	27.8%

5.3.1 Distribution profile by turnover category

The choice of distribution outlet varies with publisher turnover. Generally speaking, the larger the publisher, the more it relies on national bookseller chains. In turn, national bookseller chains are more likely to trade with larger publishers.

1. The distribution profile of the medium-turnover publishers is not representative of the industry because of a disproportionate contribution by educational books in the survey sample.
2. The table illustrates the general trend of less reliance on national bookseller chains and more on independent booksellers and direct sales to libraries by smaller publishers.

5.3.2 Supplier discount policies

Supplier discount policies influence distribution profiles. On average, the wholesalers who service the various supermarket groups were granted a higher than average trade discount on the recommended retail price (46,0%), often on the basis of large volumes of a limited range of bestselling titles. The national bookselling chains were granted a very similar average discount of 45.7% across a much wider range of titles.

Internet booksellers received a bigger average discount (44.5%) than independent booksellers (41.3%) did. Of the 15 general trade publishers, eight granted internet booksellers a higher discount than independent booksellers, two an equal discount and five on average a lesser discount. Similarly, five publishers sold directly to public libraries at higher discounts than they offered independent booksellers and four at equal discounts. Six publishers did not record direct library sales.

Fig. 5.8 Turnover by origin and product category

All product categories	Locally produced	Imported	All products	% Local contribution
Print books	R 337,874,000	R 465,826,000	R 803,700,000	42.0%
E-books	R 1,036,000	R 52,000	R 1,088,000	95.2%
Non-book products	R 1,399,000	R 3,881,000	R 5,280,000	26.5%
All products	R 340,309,000	R 469,759,000	R 810,068,000	42.0%
% contribution to total turnover	42.0%	58.0%		

5.4 Turnover profile: All product categories

1. Print books account for R 803,700,000 (99.2%) of total recorded product sales. Of this 42.0% was published locally and 58.0% imported.
2. The survey recorded only a very small proportion of the trade in e-books as most are believed to have been imported directly by end-users.
3. Most brand extension non-book products were imported (73.5%). This product class accounted for R 5,280,000 (0.6%) of total turnover.

5.5 Electronic books

1. Other surveys such as the PriceWaterhouseCooper survey on the local entertainment and media industry estimate the turnover generated by ebooks to be about R100 million. This estimate is based on information received from industries other than the local publishing industry.
2. The recorded turnover is low, although higher than in previous surveys.
3. The increased availability of titles indicates many new print editions are now being made available in electronic format, and that a growing number of backlist titles have been converted to electronic format.

Fig. 5.9 Availability of electronic books

Genre	Number of titles	Turnover
Fiction	659	
Non-fiction	201	
Total net turnover		R 1,349,000

Fig. 5.10 Print book turnover by product sub-category and origin

All print books by product sub-category	Locally published	Imported print books	All print books	% local contribution
Adult fiction	R 74,042,000	R 234,700,000	R 308,742,000	24.0%
Children's fiction	R 42,076,000	R 63,381,000	R 105,457,000	39.9%
Fiction	R 116,118,000	R 298,081,000	R 414,199,000	28.0%
Adult non-fiction	R 172,745,000	R 145,445,000	R 318,190,000	54.3%
Children's non-fiction	R 49,008,000	R 22,300,000	R 71,308,000	68.7%
Non-fiction	R 221,754,000	R 167,744,000	R 389,498,000	56.9%
All print books	R 337,874,000	R 465,826,000	R 803,700,000	42.0%

5.6 Print book turnover profile

The survey distinguished between four product sub-categories: adult fiction, children's fiction, adult non-fiction and children's non-fiction.

1. Of the total turnover reported, 42.0% of print books were published locally.
2. With regard to fiction, 28.0% of turnover was generated by locally published print books. A larger percentage of children's fiction (39.9%) was published locally than adult fiction (24.0%).
3. More non-fiction print books were locally published (56.9%) than imported.
4. More than two-thirds (68.7%) of children's non-fiction books were produced locally.

5.7 Turnover profile: Imported print books

By value, 58% of all general trade books sold in the home market were imported.

1. Fiction accounted for 64.0% by value of general trade book imports. Most of these sales (78.7%) were generated by adult fiction titles.
2. Adult non-fiction accounted for 86.7% of non-fiction imports by value.
3. Children's books accounted for 33.6% [21.3% + 13.3%] of imports by value.

Fig. 5.11 Turnover of imported print books by product sub-category

All imported print books by product sub-category	Imported print books	% total contribution	% sub-total contribution
Adult fiction	R 234,700,000	50.4%	78.7%
Children's fiction	R 63,381,000	13.6%	21.3%
Fiction	R 298,081,000	64.0%	100.0%
Adult non-fiction	R 145,445,000	31.2%	86.7%
Children's non-fiction	R 22,300,000	4.8%	13.3%
Non-fiction	R 167,744,000	36.0%	100.0%
All imported print books	R 465,826,000	100.0%	

Fig. 5.12 Turnover of locally published books by product sub-category

All locally published print books by genre	Locally published	% total contribution	% sub-total contribution
Adult fiction	R 74,042,000	21.9%	63.8%
Children's fiction	R 42,076,000	12.5%	36.2%
Fiction	R 116,118,000	34.4%	100.0%
Adult non-fiction	R 172,745,000	51.1%	77.9%
Children's non-fiction	R 49,008,000	14.5%	22.1%
Non-fiction	R 221,754,000	65.6%	100.0%
Local print books	R 337,874,000		

5.8 Turnover profile: Locally published print books

Locally published print books contributed 42.0% to total print book turnover.

1. Fiction contributed 34.4% to total locally produced turnover. Adult fiction accounted for 63.8% of this contribution by value.
2. Non-fiction titles contributed R221,754,000 turnover, or 65.6% of total local production.
3. Adult non-fiction titles contributed R172,745,000 or 51.1% of total local production turnover.

5.9 Locally published books by language grouping

The nine official African languages were grouped together as one sub-category in this analysis. The values recorded in this section of the report do not correspond with those previously reported as not all participants were able to break down turnovers by language.

Fig. 5.13 Turnover of local books by language and product sub-category

Local product sales by language	English	Afrikaans	African languages	Multilingual	All languages
Adult fiction	R 35,661,000	R 38,622,000	R 2,000	R 0	R 74,285,000
Children's fiction	R 6,415,000	R 33,817,000	R 1,851,000	R 0	R 42,083,000
Fiction	R 42,076,000	R 72,439,000	R 1,853,000	R 0	R 116,368,000
Adult non-fiction	R 116,392,000	R 54,977,000	R 29,000	R 2,331,000	R 173,729,000
Children's non-fiction	R 24,276,000	R 23,575,000	R 118,000	R 1,047,000	R 49,016,000
Non-fiction	R 140,668,000	R 78,552,000	R 147,000	R 3,378,000	R 222,745,000
All print books	R 182,744,000	R 150,991,000	R 2,000,000	R 3,378,000	R 339,113,000
% Contribution to total turnover					
Fiction	23.0%	48.0%	92.7%	0.0%	34.3%
Non-fiction	77.0%	52.0%	7.4%	100.0%	65.7%
% Contribution to total turnover					
Adult books	83.2%	62.0%	1.6%	69.0%	73.1%
Children's books	16.8%	38.0%	98.5%	31.0%	26.9%

1. Fiction contributed 23.0% to total English title turnover and adult titles 83.2%.
2. Fiction contributed 48.0% to total Afrikaans title sales values and adult titles 62.0%.
3. Nearly all turnover by African language books was generated by children's books.
4. Most of the turnover of multilingual publications was generated by dictionaries, excluding school dictionaries which are recorded under educational books.

5.10 Total turnover by African language

1. IsiZulu and isiXhosa titles accounted for 81.7% of turnover in an African language.
2. Childrens' fiction accounted for 77.1% of recorded turnover.

Fig. 5.14 Turnover by African language

General trade sub-sector sales per African language	Adult fiction	Children's fiction	Adult non-fiction	Children's non-fiction	All genres	% Contribution
IsiZulu	R 0	R 1,062,000	R 25,000	R 41,000	R 1,128,000	47.0%
IsiXhosa	R 0	R 402,000	R 405,000	R 27,000	R 834,000	34.7%
Sepedi	R 0	R 70,000	R 0	R 2,000	R 72,000	3.0%
Sesotho	R 0	R 148,000	R 0	R 19,000	R 167,000	7.0%
Setswana	R 2,000	R 69,000	R 0	R 12,000	R 83,000	3.5%
IsiNdebele	R 0	R 20,000	R 0	R 2,000	R 22,000	0.9%
Xitsonga	R 0	R 20,000	R 0	R 2,000	R 22,000	0.9%
Tshivenda	R 0	R 6,000	R 0	R 10,000	R 16,000	0.7%
SiSwati	R 0	R 55,000	R 0	R 3,000	R 58,000	2.4%
All African languages	R 2,000	R 1,852,000	R 430,000	R 118,000	R 2,402,000	
% Contribution	0.1%	77.1%	17.9%	4.9%		

Fig. 5.15 Number of new editions by language and genre

Production profile per language first and revised editions	English	Afrikaans	African languages	All languages	% English
Adult fiction	79	177	0	256	30.9%
Children's fiction	68	126	71	265	25.7%
Adult non-fiction	306	196	0	502	61.0%
Children's non-fiction	41	43	0	84	48.8%
All genres	494	542	71	1,107	44.6%
% contribution to total production					
Adult fiction	16.0%	32.7%	0.0%	23.1%	
Children's fiction	13.8%	23.2%	100.0%	23.9%	
Adult non-fiction	61.9%	36.2%	0.0%	45.3%	
Children's non-fiction	8.3%	7.9%	0.0%	7.6%	

5.11 Production profile of locally published books

The term new edition includes both first editions and revised editions re-issued with new ISBNs.

1. More new titles were published in Afrikaans than in English.
2. The only product sub-category where English title production exceeded Afrikaans title production was in adult non-fiction.
3. During the survey period only children's fiction titles were published in any of the African languages.

5.12 Author and royalty profile

The survey recorded 3,685 individual authors and 346 other publishing entities such as estates, trusts, etc. Not all publishers were able to provide the demographic profile of their authors.

White females dominated the author profile, followed by white males.

Fig. 5.16 Author demographic profile

Individual authors per population group	Black male	Black female	White male	White female	All authors
Number of authors	72	77	1,144	1,509	2,802
% of total number	2.6%	2.7%	40.8%	53.9%	

Fig. 5.17 Royalty rate

Royalty paid	Net turnover	% Royalty
R 46,125,000	R 307,072,000	15.0%

Royalties were paid at a rate of 15.0% of net turnover.

6 Religious trade publishing

This chapter deals with the publishing activities of local publishers whose main focus is on religious trade books, and the total income, turnover, distribution and production profiles of these publishers.

The following classifications were applied:

Product categories

- Print books
- E-books (digital text and images are downloaded electronically on special reading devices)
- Non-book products (audiovisual book title brand extensions and some paper products)

Product sub-categories

- Adult and children's books

Product origin

- Co-published international books are assigned South African ISBNs and are therefore regarded as local products, even though the content originated abroad and often the printing as well.

Distribution categories

- National bookseller chains: There are three dedicated Christian bookseller chains – CUM Books, Christian Connection and Gospel Direct – as well as four national general trade bookselling chains – Exclusive Books, CNA, PNA and Wordsworths – and four national academic bookselling chains – Van Schaik Booksellers, Protea Boekhuis, Juta and Adams.
- Independent booksellers: 43 independent general trade booksellers and about 250 Christian bookshops attached to large congregations or ministries.

Contents

List of Figures

6.1 Participant profile

The survey identified six publishers whose main focus was religious trade books. In addition, three general trade participants recorded sales of religious trade books and one academic publisher recorded sales of imported religious trade books.

1. Six publishers with religious trade books as their main focus generated 92.2% of total recorded religious trade book turnover.
2. Three educational publishers recorded religious trade book sales, adding 7.5% to total sub-sector turnover.
3. One academic publisher sold imported religious trade books, contributing 0.3% to total sub-sector turnover.

Fig. 6.1 Turnover of general trade book sales by industry sub-sector

Religious trade books Contribution by sub-sector	All participants	Religious trade	General trade	Academic
Turnover	R 226,660,000	R 208,950,000	R 17,040,000	R 570,000
Number of participants	10	6	3	1
Contribution to total turnover		92.2%	7.5%	0.3%

Fig. 6.2 Participant profile in terms of intended reader and language

Local religious trade publishers Intended readership profile	All participants	General trade	Religious trade	Academic
Number of local publishers	23	15	6	5
Active in religious trade sub-sector	10	3	6	1
Adult books	10	3	6	1
Children's books	3	1	1	1
Language profile				
English only	6	1	4	0
Afrikaans only	2	1	0	1
English and Afrikaans	2	1	1	0
African languages	1	0	1	0

1. All ten participants active in the religious trade sub-sector published adult books, while three published children's books as well.
2. Only one religious trade publisher published in the local African languages.
3. Eight publishers published in English, of which six published in English only.
4. Four publishers published in Afrikaans of which two published in Afrikaans only.

6.2 Total income derived from all publishing activities

A distinction was made between income derived from the sale of goods and services in the home market and in the export market.

1. Home market product sales accounted for 97.8% of all income generated.
2. The sale of publishing rights accounted for a further 0.6% of home market income.
3. The export of products accounted for 1.6% of total income, with rights sales contributing a further R90,000 (less than 1%) to export market income.
4. Of the R226,660,000 turnover generated in the home market, locally published print books accounted for 63.8%, imported print books 35.9%, e-book sales 0.1% and audiobooks and other brand extensions 0.2%.

Fig. 6.3 Total income derived from all publishing activities

Core business profile	Total turnover	Total contribution	Sub-total contribution
Locally published book sales	R 144,540,000	62.3%	63.8%
Imported book sales	R 81,374,000	35.1%	35.9%
Electronic book products	R 200,000	0.1%	0.1%
Non-book products	R 547,000	0.2%	0.2%
Total local product sales	R 226,660,000	97.8%	100.0%
Book product export sales	R 3,610,000	1.6%	
Local rights sales	R 1,496,000	0.6%	
Export rights sales	R 90,000	0.0%	
Total income	R 231,856,000	100.0%	

Fig. 6.4 Total net and gross turnover by sales outlet category

Sales outlet category	Net wholesale turnover	% of total	Gross retail turnover	% of total	Average discount
National bookseller chain	R 152,650,000	72.0%	R 259,866,000	75.0%	41.3%
Independent bookseller	R 27,207,000	12.8%	R 40,424,000	11.7%	32.7%
Non-book retailer	R 16,738,000	7.9%	R 17,745,000	5.1%	5.7%
Supermarket	R 350,000	0.2%	R 585,000	0.2%	40.2%
Internet bookseller	R 776,000	0.4%	R 1,411,000	0.4%	45.0%
Mail order outlets	R 6,532,000	3.1%	R 18,422,000	5.3%	64.5%
Corporate direct sales	R 0	0.0%	R 0	0.0%	
Public direct sales	R 7,785,000	3.7%	R 7,850,000	2.3%	0.8%
Libraries	R 33,000	0.0%	R 50,000	0.0%	34.0%
Local market sales	R 212,082,000	100.0%	R 346,373,000	100.0%	38.8%

6.3 Turnover by sales outlet category

Data was collected on net turnover by sales outlet category. Respondents provided the average discounts granted in each sales outlet category. These discounts were used to gross up each participant's recorded net turnover values to retail price values to obtain a common value denominator.

The turnovers recorded in this section correspond almost exactly with the preceding product category turnovers. Minor deviations occur for a number of reasons. The turnover data are extracted from two independent sources: turnover by product category from title sales records; and turnover by sales outlet category from debtor account records. The debtor account analysis cannot distinguish between product categories, and the title sales records cannot distinguish between home market and export sales.

1. The religious trade sub-sector is served by a network of dedicated religious bookshops in the main metropolitan areas and some of the larger cities and towns. Most general trade national bookseller chains also sell religious books, which on average contributed 5% to their total book turnover. The more than 75 Christian retail outlets and 400 general trade outlets account for R260 million (75%) of gross retail sales.
2. The Book Retail Industry Survey identified 43 smaller, independent, mainly single-outlet booksellers as primarily general trade booksellers. Most of these also sold religious books. In addition, more than 250 religious bookshops or bookrooms are attached to larger congregations or ministries. These independent booksellers contributed R40 million (11.7%) at retail price value to total turnover.
3. Some of the smaller congregational outlets were classified as non-book retailers as books made up only a limited proportion of their total income, they had limited trading hours and public access was restricted. These recorded nearly R18 million (5.1%) in sales at retail price values.
4. Religious books sold well by mail order and recorded R18 million (5.3%) turnover at gross retail price value.
5. By means of website and telesales facilities, publishers sold print books valued at almost R8 million (2.3%) directly to the general public.
6. Neither the Book Retail Industry Survey nor the Book Publisher Industry Survey recorded significant sales of religious trade books to public libraries.

6.3.1 Distribution profile by turnover category

The choice of distribution outlet varies with publisher turnover. Generally speaking the larger the publisher the more it relies on national bookseller chains. In turn, national bookseller chains are more likely to trade with larger publishers.

The table illustrates the general trend of less reliance on national bookseller chains and more on independent booksellers by smaller publishers.

Fig. 6.5 Distribution strategy by turnover category

Distribution profile by turnover category	Large publishers	Medium-sized Publishers	Small publishers
National bookseller chains	R 120,117,000	R 32,383,000	R 150,000
Independent booksellers	R 16,023,000	R 7,114,000	R 4,070,000
Libraries	R 0	R 33,000	R 0
Non-book retailers	R 16,320,000	R 21,000	R 747,000
Other outlets	R 10,664,000	R 4,245,000	R 196,000
All local outlets	R 163,123,000	R 43,795,000	R 5,163,000
% contribution to total turnover			
National bookseller chains	73.6%	73.9%	2.9%
Independent booksellers	9.8%	16.2%	78.8%
Libraries	0.0%	0.1%	0.0%
Non-book retailers	10.0%	0.0%	14.5%
Other outlets	6.5%	9.7%	3.8%

6.3.2 Supplier discount policies

Supplier discount policies influence distribution profiles. The national chains were granted an average discount of 41.37% across a wide range of titles. This was lower than the 45.7% discounts general trade publishers granted similar booksellers.

Internet booksellers received a bigger average discount (45%) than any other part of the supply chain, similar to that offered by general trade publishers. A smaller proportion of religious trade books sold via the internet (0.4%) than was the case for general trade books (3%).

6.4 All product turnover profile

1. Adult print books accounted for R212 million (94.0%) of total recorded product sales. Of this 37.3% was imported.
2. Children's books contributed 5.7% to total turnover and were largely locally published (87.3%).
3. The survey recorded only a very small proportion of the trade in e-books, as most are believed to have been imported (or downloaded) directly by end-users.
4. Most brand extension non-book products were imported (69.8%).
5. In contrast to general trade books, most religious books were locally published (64.1%). Religious trade publishing is the only sub-sector where locally published translated foreign books often do well in Afrikaans.

Fig. 6.6 Turnover by origin and product category

Religious trade sub-sector product profile	Adult print books	Children's print books	Electronic books	Non-book products	All products
Locally produced products	R 133,326,000	R 11,215,000	R 200,000	R 165,000	R 144,906,000
Imported products	R 79,166,000	R 1,638,000		R 382,000	R 81,186,000
All products	R 212,492,000	R 12,853,000	R 200,000	R 547,000	R 226,092,000
% contribution to total turnover	94.0%	5.7%	0.1%	0.2%	100.0%
% imported product	37.3%	12.7%	0.0%	69.8%	35.9%

6.5 Electronic books

1. Only two publishers were able to provide figures for the sales of e-books. The recorded turnover is thus low, although higher than in previous surveys.
2. The increased availability of titles indicates that some new print editions are also being made available in electronic format, and that some backlist titles have been converted to electronic format.

Fig. 6.7 Availability of electronic books

Number of participant publishers	2
Locally published e-books	315
Total net turnover	R 200,000

6.6 Print book turnover profile

1. The results show that 64.1% of print books were published locally. Of these, 62.7% of adult books were published locally as were 87.3% of children's books.
2. Adult books contributed 92.2% to locally published book turnover and 98.0% to imported book turnover.

Fig. 6.8 Turnover of print books by product sub-category and origin

Religious trade print book turnover profile	Adult print books	Children's print books	All products	% adult book
Locally produced products	R 133,326,000	R 11,215,000	R 144,541,000	92.2%
Imported products	R 79,166,000	R 1,638,000	R 80,804,000	98.0%
All products	R 212,492,000	R 12,853,000	R 225,345,000	
% locally published	62.7%	87.3%	64.1%	

Fig. 6.9 Turnover of locally published print books by language

Local print book turnover by language	English	Afrikaans	African languages	Multilingual	All languages
Adult print books	R 54,738,000	R 61,566,000	R 23,885,000	R 1,241,000	R 141,430,000
Children's print books	R 1,463,000	R 1,647,000	R 0	R 0	R 3,110,000
All religious print books	R 56,201,000	R 63,213,000	R 23,885,000	R 1,241,000	R 144,540,000
% of total turnover	38.9%	43.7%	16.5%	0.9%	100.0%

6.7 Turnover profile: Locally published print books

Locally published print books contributed 64.1% to total print book turnover.The nine official African languages were grouped together as one sub-category. The values recorded in this section of the report do not correspond with those previously reported as not all participants were able to break down turnovers by language.

1. English titles contributed 38.9% to total local publication turnover, and Afrikaans adult book sales contributed 43.7% to total turnover.
2. No turnover of children's book turnover in any of the African languages was recorded.
3. All turnover in the African languages was generated by Bible translations in the various local African languages.

IsiZulu and isiXhosa titles accounted for 57.8% of all turnover in an African language.

Fig. 6.10 Turnover by African language

Turnover per African language	Adult print books	% of total
IsiZulu	R 8,349,000	35.0%
IsiXhosa	R 5,436,000	22.8%
Sepedi	R 2,411,000	10.1%
Sesotho	R 2,302,000	9.6%
Setswana	R 2,006,000	8.4%
IsiNdebele	R 15,000	0.1%
Xitsonga	R 1,360,000	5.7%
Tshivenda	R 1,023,000	4.3%
SiSwati	R 983,000	4.1%
All African languages	R 23,885,000	

Fig. 6.11 Number of new editions and reprints

Production profiles	New editions	Reprints
Adult print books	407	224
Children's print books	50	53
All print books	457	277

Fig. 6.12 Number of new editions by product category and language

Production profile per language	English	Afrikaans	African languages	All languages
Adult print books	294	92	18	404
Children's print books	30	20	0	50
All print books	324	112	18	454

6.8 Production profile of locally published books

The term new edition includes both first editions and revised editions re-issued with new ISBNs. A high proportion of titles were reprinted during the reporting period.

1. Fewer new titles were published in Afrikaans than in English. This is opposite to the trend in general trade publishing.
2. Relatively few new children's titles were published locally.
3. 18 new Bible translations were published in an African language.

6.9 Author and royalty profile

The survey recorded 151 individual authors and 31 other publishing entities such as estates, trusts, etc.

1. White males dominated the profile followed by white females.
2. Authors received R 5,001,000 in royalties based on a net turnover of R131,104,000. On average 3.8% of net income was paid as royalties.
3. This royalty percentage is low for a number of reasons. For one thing, Bibles and liturgy books are free of royalties. Moreover, international co-publications and local translations of foreign texts often include royalties in the purchase price of the local publication rights.

Fig. 6.13 Author demographic profile

Individual authors per population group	Black male	Black female	White male	White female	All authors
Number of authors	5	1	114	31	151
% of total number	3.3%	0.7%	75.5%	20.5%	

7 Education sub-sector

This chapter deals with the publishing activities of local publishers whose main focus was on educational books, and the income, turnover, distribution and production profiles of these publishers.

The following classifications were applied:

Product categories

- Print books
- E-books (digital content is downloaded electronically on special reading devices)
- Non-book products (audiovisual and paper-based teaching and learning support materials such as wall charts, flash cards, CD and video brand extensions)

Product sub-categories

- School books: This includes learning and teaching material supporting the school curriculum from pre-school to Grade 12, with associated teacher's guides; other material required to support the curriculum such as dictionaries, atlases, supplementary readers and prescribed literature, as well as flash cards, wall charts and maps.
- FET college textbooks: learning material supporting vocational and occupational courses at secondary education level.
- ABET workbooks: workbooks for literacy programmes and other adult basic education training schemes.

Contents

List of Figures

Fig. 7.1 Educational book turnover by industry sub-sector participant

Core business profile education product sub-sector	All participants	Education	General trade	Academic
Locally published book sales	R 1,580,649,000	R 1,521,044,000	R 11,704,000	R 36,484,000
Imported book sales	R 106,060,000	R 98,940,000	R 0	R 745,000
Electronic book products	R 262,000	R 256,000	R 0	R 6,000
Non-book products	R 33,736,000	R 33,736,000	R 0	R 0
Total local product sales	R 1,720,707,000	R 1,653,976,000	R 11,704,000	R 37,235,000
Book product export sales	R 28,255,000	R 26,909,000	R 0	R 19,000
Local rights sales	R 2,374,000	R 305,000	R 0	R 2,069,000
Export rights sales	R 0	R 0	R 0	R 0
Total income	R 1,765,151,000	R 1,681,243,000	R 11,704,000	R 51,247,000
% contribution to total		95.2%	0.7%	2.9%

7.1 Participant profile

The survey identified 21 publishers who focused on educational products. Of these one produced wall maps and charts only, and another had outsourced all publishing functions except commissioning and editorial to another participant. A third participant represented an overseas educational publisher but did not publish locally. Hence locally published book turnover data was recorded by 18 participants. These 18 publishers focused on this sub-sector exclusively, deriving no income from any activity in another sub-sector. In addition, two general trade sub-sector participants recorded sales of educational books and three academic publishers were also active in this sub-sector.

1. The total turnover includes the turnover data of the participating agency distributor.
2. The 18 educational publishers generated 95.2% of total recorded sub-sector income.
3. Two out of 15 general trade publishers recorded educational product sales, adding 0.7% to total sub-sector income.
4. Three out of nine academic publishers sold educational books valued at R51,247,000 or 2.9% of total sub-sector income.

1. All 23 participants were active in school book publishing.
2. In addition, six participants, of whom two focused on the academic sub-sector, recorded significant local FET textbook publishing.
3. Six participants recorded publishing for the ABET market. Two of these were university presses.

Fig. 7.2 Local educational publisher activity profile

Education sub-sector activity per sub-category	All participants	General trade	Education	Academic
Local educational print book publisher	23	2	18	3
School books	23	2	18	3
FET textbooks	6	0	4	2
ABET workbooks	6	0	4	2

Fig. 7.3 School book publishers language profile

Language profile School textbook publishers	All participants	General trade	Education	Academic
Local print book publishers	23	2	18	3
English only	5	1	2	2
Afrikaans only	0	0	0	0
English and Afrikaans only	3	0	3	0
African languages only	0	0	0	0
English, Afrikaans and African languages	15	1	13	1

1. Five of the 23 local school book publishers published in English only. Three participants published in English and Afrikaans only, and 15 also published in an African language.
2. None of the educational publishers published in Afrikaans only, but 18 [3 +15] of the 23 participants published in Afrikaans.
3. None of the participants published in an African language only.

1. Of twelve large publishers who dominated the education sub-sector eight published in all nine official African languages.
2. One published in five of the nine local African languages, and one in four of these languages.
3. Smaller publishers tend to publish only in the African language local to their region.

Fig. 7.4 School book publishers African language profile

African language profile school textbook publishers	All participants	General trade	Education	Academic
Any African language	15	1	13	1
IsiZulu	14	1	12	1
IsiXhosa	12	1	10	1
Sepedi	10	1	9	0
Sesotho	12	1	11	0
Setswana	13	1	11	1
IsiNdebele	10	1	9	0
Xitsonga	11	0	10	1
Tshivenda	9	0	9	0
SiSwati	10	1	9	0

Fig. 7.5 African language school books: Number of languages per publisher

Number of African languages school textbook publishers	All participants	General trade	Education	Academic
Any African language	15	1	13	1
All 9 languages	8	0	8	0
5 African languages or more	1	0	1	0
4 African languages	1	0	0	1
3 African languages	2	1	1	0
2 African languages	2	0	2	0
1 African language	1	0	1	0

Fig. 7.6 Language profile: FET textbook publishers

Language profile FET textbook publishers	All participants
All FET textbook publishers	6
English only	4
Afrikaans only	0
English and Afrikaans only	2
African languages only	0
English and African languages	4

All FET textbook publishers published in English. Two also published in Afrikaans and four in one or more of the African languages.

Of six publishers active in this niche market, all published in English and four also in either isiZulu (one publisher) or Setswana (three publishers).

Fig. 7.7 Language profile: ABET workbook publishers

Language profile ABET workbook publishers	All participants
Any language	6
English only	2
Afrikaans only	0
English and Afrikaans only	0
African languages only	0
English and African languages	4

7.2 Income profile

A distinction was made between income derived from the sale of goods and services in the home market and in the export market.

1. The education sub-sector derived 99.9% of its income from the sale of products.
2. Home market income accounted for 97.5% of total product-generated income, whilst the export market contributed 1.6% to the total income derived from all core activities.
3. Locally published print books generated 91.9% of total income in the home market, imported educational books 6.2% and non-book products 2.0%.
4. E-book sales contributed R262,000 to home market sales.

Fig. 7.8 Total publisher income from all publishing activities

Core business profile Education sub-sector	Net income	% of total income	% of product income	% of local product income
Locally published book sales	R 1,569,232,000	89.5%	90.4%	91.9%
Imported book sales	R 99,685,000	6.0%	6.1%	6.2%
Electronic book products	R 262,000	0.0%	0.0%	0.0%
Non-book products	R 33,736,000	1.9%	1.9%	2.0%
Total local product sales	R 1,702,915,000	97.5%	98.4%	100.0%
Book product export sales	R 26,928,000	1.6%	1.6%	
All product sales	R 1,729,843,000	99.9%	100.0%	
Local rights sales	R 2,374,000	0.1%		
Export rights sales	R 0	0.0%		
Total income	R 1,732,217,000	100.0%		

7.3 Turnover by sales outlet category

Data was collected on net turnover per sales outlet category. Respondents provided the average discounts granted on the recommended retail price in each of the sales outlet categories. These discounts were used to gross up each participant's recorded net turnover values to retail price values to obtain a common value denominator.

The turnovers recorded in this section do not correspond exactly to the preceding product category turnovers for a number of reasons.

1. The data are extracted from two different sources: turnover by product category from title sales records; turnover by sales outlet category from debtor account records.
2. A measure of cross-selling between sub-sector occurred. Debtor account analysis cannot distinguish between product categories.
3. Publishers cross-sell some products through outlets focussing on other market segments. The considerable turnovers recorded by general trade publishers through outlets focussing on education and academic markets can largely be attributed to general trade books used as class readers or setworks in those markets.
4. Despite the above factors, the correlation between the turnovers recorded in terms of book categories and designated outlet categories is 96.9%.

1. In the education sub-sector, only two bookseller groups qualify as national booksellers by having outlets in at least three provinces. To protect the confidentiality of the data supplied, all educational supplier sales to stockholding booksellers are reported under the category of booksellers.
2. The average discount granted on the recommended retail price across all distribution outlets is 28.8%. This varies from 31.8% in "other category sales" to 25.4% for corporate direct sales (usually to ABET training institutions and NGOs or FET colleges). The education sector is characterised by an almost standard 30% trade discount irrespective of the supply chain, product category or value of the order.

Fig. 7.9 Total net and gross turnover by sales outlet category

Distribution chain category Educational products	Net turnover	Gross turnover	Average trade discount
Booksellers	R 436,516,000	R 629,508,000	30.7%
Non-book retailer	R 3,786,000	R 5,430,000	30.3%
Supermarket	R 12,858,000	R 18,452,000	30.3%
Internet bookseller	R 1,620,000	R 2,340,000	30.8%
Book clubs	R 295,000	R 421,000	29.9%
Corporate direct sales	R 41,202,000	R 55,215,000	25.4%
Public direct sales	R 3,300,000	R 4,633,000	28.8%
Libraries	R 6,713,000	R 9,612,000	30.2%
Departments of education	R 401,857,000	R 570,742,000	29.6%
Section 21 and private schools	R 50,145,000	R 68,626,000	26.9%
School book distributors	R 694,826,000	R 956,835,000	27.4%
Other categories of outlets	R 2,888,000	R 4,232,000	31.8%
Home market turnover by outlet	R 1,656,007,000	R 2,326,047,000	28.8%
Home market product sales	R 1,709,584,000		
% allocated to distribution category	96.9%		

Fig. 7.10 Market shares of educational product supply chains

Distribution chain category	Gross turnover	% of total turnover	% of sub-category
Booksellers	R 629,508,000	27.1%	96.3%
Non-book retailer	R 5,430,000	0.2%	0.8%
Supermarket	R 18,452,000	0.8%	2.8%
Retail trade sub-total	R 653,390,000	28.1%	100.0%
Internet bookseller	R 2,340,000	0.1%	33.5%
Book clubs	R 421,000	0.0%	6.0%
Other categories of outlets	R 4,232,000	0.2%	60.5%
Other supply chains	R 6,993,000	0.3%	100.0%
Corporate direct sales	R 55,215,000	2.4%	40.0%
Public direct sales	R 4,633,000	0.2%	3.4%
Libraries	R 9,612,000	0.4%	7.0%
Schools	R 68,626,000	3.0%	49.7%
End-user direct sales	R 138,086,000	5.9%	100.0%
Government departments	R 570,742,000	24.5%	37.4%
School book distributors	R 956,835,000	41.1%	62.6%
Government supply chain	R 1,527,577,000	65.7%	100.0%
Home market turnover by outlet	R 2,326,047,000	100.0%	

In an effort to reduce the cost of distributing books to schools, most provincial departments of education have been changing their title selection, procurement and distribution strategies and policies. The year surveyed was the first in which some of the changes were implemented.

Within education department supplies to schools there were two main distribution strategies: publishers supply to education departments for the latter's distribution to schools, either by departmental staff or external contractors, or publishers supply to third-party distributors with a contractual agreement with the education department to deliver the books to schools.

The government-determined supply chain accounted for 65.7% of gross turnover values, with direct supplies to education departments accounting for R571 million (37.4%) of such distribution. Third-party distributors, either large contractors or local bookshops and other traders, recorded R957 million or 41.1% of the total value of school book distribution by value.

Booksellers and other traders with permanent retail outlets account for 28.1% of distribution by value. These include two national chains with outlets in the three larger metropolitan areas, 43 independent full-service booksellers in smaller cities and larger towns serving other market sub-sectors besides education, and a few hundred smaller non-stockholding local booksellers and general traders distributing books to schools on an order-to-order basis.

Direct sales to end-users account for 5.9% of turnover. These were mostly private or partially autonomous schools and corporations buying on behalf of end-users.

7.4 Educational product turnover of by province

The turnovers recorded below consist of the income derived from the sale of both print books and non-book products.

1. In this sub-sector, 28 participants reported sales of educational products by province. Thus, turnover representing 98.7% of total educational product turnover was allocated to the provinces.
2. Approximately R30 million of the sales recorded by general trade publishers relates to trade books used as class readers or setwork books.
3. Most of the turnover contributed by academic publishers probably relates to FET textbooks.
4. Imported books accounted for all distributor turnover.

Fig. 7.11 Turnover from all educational product sales by province

Educational product turnover by province	All participants	General trade	Education	Academic	Distributors
Number of participants	28	3	21	2	2
Eastern Cape	R 256,485,000	R 633,000	R 252,180,000	R 3,386,000	R 286,000
Free State	R 84,527,000	R 1,478,000	R 82,382,000	R 576,000	R 91,000
Gauteng	R 443,457,000	R 20,877,000	R 403,904,000	R 8,029,000	R 10,647,000
KwaZulu - Natal	R 363,680,000	R 1,360,000	R 353,543,000	R 6,993,000	R 1,784,000
Limpopo	R 86,998,000	R 488,000	R 79,987,000	R 6,521,000	R 2,000
Mpumalanga	R 103,812,000	R 2,928,000	R 98,224,000	R 2,404,000	R 256,000
North West	R 145,469,000	R 574,000	R 139,538,000	R 4,326,000	R 1,031,000
Northern Cape	R 36,291,000	R 784,000	R 34,897,000	R 335,000	R 275,000
Western Cape	R 219,480,000	R 15,432,000	R 197,270,000	R 4,258,000	R 2,520,000
All provincial departments	R 1,737,975,000	R 44,553,000	R 1,639,704,000	R 36,827,000	R 16,891,000
National department of education	R 5,015,000	R 0	R 3,096,000	R 0	R 1,919,000
Total education turnover	R 1,742,990,000	R 11,576,000	R 1,642,800,000	R 0	R 6,375,000
Home market product turnover	R 1,765,151,000				
% representation	98.7%				

Fig. 7.12 Educational turnover profile by province

Educational product turnover by province	Turnover	% contribution to total
Eastern Cape	R 256,485,000	14.7%
Free State	R 84,527,000	4.8%
Gauteng	R 443,457,000	25.4%
KwaZulu - Natal	R 363,680,000	20.9%
Limpopo	R 86,998,000	5.0%
Mpumalanga	R 103,812,000	6.0%
North West	R 145,469,000	8.3%
Northern Cape	R 36,291,000	2.1%
Western Cape	R 219,480,000	12.6%
All provincial departments	R 1,737,975,000	99.7%
National department of education	R 5,015,000	0.3%
Total education turnover	R 1,742,990,000	100.0%

Although KwaZulu-Natal has the largest number of enrolled learners, Gauteng recorded the highest turnover in educational products.

Fig. 7.13 Turnover by origin and product category

Education sub-sector product profile	Print books	Electronic books	Non-book products	All products
Locally produced products	R 1,519,313,000	R 246,000	R 33,862,000	R 1,553,421,000
Imported products	R 165,716,000	R 0	R 1,740,000	R 167,456,000
All products	R 1,685,029,000	R 246,000	R 35,602,000	R 1,720,877,000
% contribution to total turnover	97.9%	0.0%	2.1%	100.0%
% locally published product	90.2%	100.0%	95.1%	90.3%

7.5 All product turnover profile

1. Print books contributed 97.9% of total product turnover, of which 90.2% was locally published.
2. Non-book products contributed 2.1% to total sales by value.
3. The recorded turnover of e-books was only R246,000, or less than 0.1%.

Fig. 7.14 Print book turnover by origin and product category

Education sub-sector product profile	School print books	FET print books	ABET print books	Print books
Locally produced products	R 1,420,134,000	R 93,355,000	R 5,824,000	R 1,519,313,000
Imported products	R 165,716,000	R 0	R 0	R 165,716,000
All products	R 1,585,850,000	R 93,355,000	R 5,824,000	R 1,685,029,000
% contribution to total turnover	94.1%	5.5%	0.3%	100.0%
% locally published product	89.6%	100.0%	100.0%	90.2%

1. School books contributed 94.1% of total print book turnover, of which 89.6% was locally published.
2. FET textbooks contributed 5.5% of total print book turnover, all of which was locally published.
3. ABET workbook contributed 0.3% to print book sales.

7.6 Electronic books

Only three participants recorded e-book sales, all within the school book category. Just 287 titles had been converted to e-book format. The total turnover recorded was R216,000.

Fig. 7.15 Availability of electronic books

Number of participants	3
Number of titles available	287
Total net turnover	R 216,000

7.7 Locally published print book turnover profile

The nine official African languages were grouped together as one sub-category. The values recorded in this section of the report do not correspond with those previously reported as not all participants were able to break down turnovers by language.

Fig. 7.16 Local publication turnover by language and product category

Turnover of local books by language	English	Afrikaans	African languages	Multilingual	All languages
School books	R 963,397,000	R 125,430,000	R 324,572,000	R 1,393,000	R 1,414,792,000
FET textbooks	R 93,153,000	R 202,000	R 0	R 0	R 93,355,000
ABET workbooks	R 5,365,000	R 0	R 459,000	R 0	R 5,824,000
Educational print books	R 1,061,915,000	R 125,632,000	R 325,031,000	R 1,393,000	R 1,513,971,000
Language contribution to total turnover					
School books	68.1%	8.9%	22.9%	0.1%	100%
FET textbooks	99.8%	0.2%	0.0%	0.0%	100%
ABET workbooks	92.1%	0.0%	7.9%	0.0%	100%

1. English language textbooks accounted for 68.1% of all school book turnover, followed by African languages contributing 22.9% and Afrikaans schoolbooks 8.9%.
2. Nearly all FET textbooks were published in English. Afrikaans textbooks accounted for R202,000 or just 0.2% of turnover.
3. Three publishers recorded sales in African language ABET workbooks, one in isiZulu and two in Setswana. Combined, these African language turnovers accounted for 7.9% of total recorded turnover.

Fig. 7.17 School book turnover by African language

Turnover per African language school books	Turnover	% of total turnover
IsiZulu	R 99,312,000	30.6%
IsiXhosa	R 104,268,000	32.1%
Sepedi	R 18,223,000	5.6%
Sesotho	R 29,123,000	9.0%
Setswana	R 59,011,000	18.2%
IsiNdebele	R 1,166,000	0.4%
Xitsonga	R 4,940,000	1.5%
Tshivenda	R 1,833,000	0.6%
SiSwati	R 6,696,000	2.1%
All African languages	R 324,572,000	

In spite of isiZulu being the most widely spoken home language in South Africa, it was IsiXhosa that accounted for the highest turnover of African language school books, at 32.1%. This was followed by isiZulu, contributing 30.6%, and Setswana at 18.2%. The other languages have a much smaller market.

7.8 Production profile of locally published books

The term new edition includes both first editions and revised editions re-issued with new ISBNs.

1. The school books category was active in both new edition publication and reprinting previous editions.
2. Three school years in the foundation phase and grade 10 were subject to changing curricula with the shift to the Curriculum Assessment Policy Statements (CAPS) in 2012. As home language is the medium of instruction in the foundation phase, many new titles in an African language were published in 2011.
3. For four of the twelve school years the focus shifted to front list publication. For eight of the school years no new titles were required and the back list dominated, as indicated by the relatively high number of reprints.
4. The FET textbook market appears to be relatively mature as reflected by the high proportion of reprints.
5. No new products were developed for the ABET market, perhaps due to a lack of funding for this area rather than maturity of the market.

Fig. 7.18 Number of new editions and reprints by product category

Production profiles	New editions	Reprints
School books	3,216	3,845
FET textbooks	81	377
ABET workbooks	0	14

Fig. 7.19 New edition production profile by language

Production profile per language	School books	FET textbooks
English	1,164	81
Afrikaans	445	0
IsiZulu	370	0
IsiXhosa	234	0
Sepedi	189	0
Sesotho	211	0
Setswana	261	0
IsiNdebele	47	0
Xitsonga	96	0
Tshivenda	82	0
SiSwati	117	0
All languages	3,216	81

1. English texts dominated the school book and FET textbook publishing programs, but a significant number of new titles were published in Afrikaans (445) and isiZulu (370).
2. Combined, the African language schoolbooks contributed 1,607 (50%) new editions across the nine languages.

7.9 Author and royalty profile

Participants reported 9,632 individual authors and 441 other legal entities such as trusts, estates etc. A number of participants could not provide the demographic profiles of their authors.

3. Females made up 59% of author panels and males 41%.
4. Black authors made up 36.6% of author panels.

Fig. 7.20 Author demographic profile

Individual authors per population group	Number of authors	% of Total
Black male	1,199	17.2%
Black female	1,359	19.4%
White male	1,666	23.8%
White female	2,767	39.6%
All authors	6,991	

Fig. 7.21 Royalties earned

Royalty paid	R 191,313,000
Net turnover	R 1,616,631,000
% Royalty on turnover	11.8%

More than R191 million was paid out as royalties, averaging 11.8% of net turnover.

8 Academic sub-sector

This chapter deals with the publishing activities of local publishers focussing on academic books, and the income, turnover, distribution and production profiles of these publishers.

The following classifications were applied:

Supplier categories

- Local publishers: companies which derive their total income from the sale of their own publishing programmes.
- Publishers and distributors: hybrid companies with publishing programmes as well as agency arrangements with overseas publishers.
- Distributors: locally based and stockholding distributors mainly of imported products published by third parties.
- Foreign satellite publishing offices: locally based sales and marketing staff initiating and processing orders on an indent basis to be fulfilled abroad.
- Bookseller direct imports: local booksellers importing products directly from overseas suppliers. There is a high degree of overlap with the previous supply category.
- End-user direct imports: local end-users purchasing imported products from overseas internet traders, library supply specialist booksellers or publishers.

Product categories

- Print books
- E-books: Some textbooks and scholarly books are available in e-book format. Lately, some professional texts have been released in tablet reader format.
- Non-book products: mainly digitised professional content available in CD or DVD format.
- Other book-related income. online reference products available on a subscription basis make a very significant contribution to the income derived from professional books. However, as there are only two enterprises operating in this very competitive market niche, the data has been omitted from the report.

Contents

List of Figures

8.1 Reporting on the academic sub-sector

Due to the nature of the industry, its product and the market it serves, reporting on the academic sub-sector survey results faced certain challenges.

8.1.1 Academic textbooks

The academic textbook sub-category is not much different to other industry sub-categories, except that a significant proportion of local print book sales bypass the local supply industry due to bookseller purchases from overseas suppliers. The Book Retailer Industry Survey captured turnover data on these direct supplies, and these are taken into account in certain assessments of total industry and market value in the enhanced survey data reported in Chapter 13.

8.1.2 Professional books

The professional book sub-category poses a number of challenges. The professional book trade is mainly a business-to-business trade and unique in the book industry. It is dominated by locally produced products on, for instance, law, accountancy and taxation for legal and business users. The content is subject to ongoing legislation and needs to be updated constantly.

Some professional books are used at tertiary level for educational purposes, and sold in print format to students via booksellers or the internet. Most professional print books are sold directly to end-users on some contractual arrangement.

There has been a significant conversion from print books, first to CD and DVD products, and then to electronic products, mainly in the form of online reference services sold on a subscription basis. As the use of tablet devices becomes more widespread, a further stimulus is being provided for the conversion of text to e-book format. Whereas both the print book and the online format turnovers are showing high growth rates, most of the growth is taking place in the electronic format.

The industry is dominated by two large and diversified companies producing directly competing products intended for a limited and well defined user base in commerce, industry and government. The companies are in direct competition with each other providing extensive consulting, training and reference services besides their publishing activities. To protect the confidentiality of the turnover data supplied, all electronic product turnover figures have been omitted from the survey. It is acknowledged that these turnovers are substantial and account for more than 50% of their total income. This income has been growing rapidly, partly at the expense of the print book.

The survey report records only the print book and non-book turnover, as a number of smaller publishers also contribute to this sector and thus dilute the survey data.

8.1.3 Scholarly publications

Scholarly publications are peer-reviewed books based on research results. University presses specialise in these books, with some academic textbook publishers also engaging in this kind of publishing to a limited degree. Sales data of these titles are not easily distinguished from adult non-fiction titles published by the general trade and therefore often not identified as such.

The Book Retail Industry Survey recorded significant turnover by local library supply specialists of mainly scholarly publications. These were not necessarily destined for general reference library use, but were rather purchased by teaching staff for their personal and departmental library use. Based on very limited academic library purchase budget figures the research team had access to, it was estimated that the total annual value of such purchases could exceed a hundred million rand. Very little information on academic library purchases is available, except that a significant proportion is done by internet or directly from overseas specialist suppliers. The sales data for scholarly books recorded in the survey is therefore likely to be very understated.

8.2 Participant profile

The survey identified 21 publishers who focused on academic products as well as two distributors which derived most of their income from the sale of imported academic print books. Nine publishers focusing their activities on the academic book market participated in the survey. In addition, two educational product publishers contributed to turnover in the academic sub-sector and two distributors recorded significant turnover of scholarly book sales to academic libraries.

Fig. 8.1 Turnover by industry sub-sector participant

Core business profile: Academic sub-sector	All participants	Academic publishers	Education publishers	Distributors
Locally published book sales	R 489,518,000	R 448,183,000	R 41,335,000	R 0
Imported book sales	R 65,239,000	R 38,300,000	R 14,272,000	R 12,667,000
Electronic book products	R 323,000	R 323,000	R 0	R 0
Non-book products	R 4,511,000	R 4,511,000	R 0	R 0
Total local product sales	R 559,592,000	R 491,317,000	R 55,608,000	R 12,667,000
Book product export sales	R 14,280,000	R 8,472,000	R 4,977,000	R 831,000
Local rights sales	R 284,000	R 284,000	R 0	R 0
Export rights sales	R 18,021,000	R 18,021,000	R 0	R 0
Total income	R 597,195,000	R 520,356,000	R 60,585,000	R 13,498,000
Contribution to turnover		87.1%	10.1%	2.3%

1. The nine publishers with an academic focus contributed R520,356,000 or 87.1% of total academic product sales recorded.
2. Two educational publishers contributed R60,585,000 turnover, or 10.1% of sub-sector turnover.
3. Three distributors specialising in imported print books contributed R13,498,000 to academic sub-sector turnover.

1. All nine local publishers engaged in textbook publishing, four of which exclusively.
2. No publisher focused exclusively on professional book publishing. The industry was dominated by two major players and one textbook publisher with import agency product sales.
3. Eight participants engaged in scholarly book publishing. Two local publishers published only scholarly books and one distributor sold only scholarly books.

Fig. 8.2 Participant activity profile

Activity per sub-category: Academic sub-sector	All participants	Local publishers	Distributors
Local academic publisher	12	9	3
Textbooks	9	9	0
Textbooks only	4	4	0
Professional books	3	3	0
Professional books only	0	0	0
Scholarly books	8	5	3
Scholarly books only	3	2	1

Fig. 8.3 Publisher language profile

Language profile: Academic publishers	Textbooks	Professional books	Scholarly books
All local textbook publishers	9	3	6
English only	4	2	6
Afrikaans only	0	0	0
English and Afrikaans	5	1	0
African languages	0	0	0

1. All academic publishers published in English, which is the main language for tertiary education in South Africa. Four textbook publishers published only in English, as did two professional book publishers and all six scholarly publishers.
2. Five academic textbook publishers also published in Afrikaans, as did one professional publisher. The number of students choosing to study in Afrikaans appears, however, to be declining.

8.3 Income profile

A distinction was made between income derived from the sale of goods and services in the home market and in the export market.

1. In this sub-sector, 93.7% of the total income recorded by the academic participants was derived from the home market.
2. Product exports contributed 2.4% to total income, and rights sales in the export market a further 3.0%.
3. Locally published book sales contributed 87.5% to home market sales, and locally supplied imported print books a further 11.7%.
4. E-books contributed 0.1% to turnover, and non-book products, mainly CD and DVD brand extensions, a further 0.8%.

Fig. 8.4 Total income from all publishing activities

Source of income: Academic sub-sector	All participants	% contribution total income	% contribution local income
Locally published book sales	R 489,518,000	82.0%	87.5%
Imported book sales	R 65,239,000	10.9%	11.7%
Electronic book products	R 323,000	0.1%	0.1%
Non-book products	R 4,511,000	0.8%	0.8%
Total home market sales	R 559,592,000	93.7%	100.0%
Book product export sales	R 14,280,000	2.4%	
Local rights sales	R 284,000	0.0%	
Export rights sales	R 18,021,000	3.0%	
Total income	R 597,195,000	100.0%	

8.4 Turnover by sales outlet category

Data was collected on net turnover per sales outlet category. Respondents provided the average discounts granted in each sales outlet category. These discounts were used to gross up each participant's recorded net turnover values to retail price values to obtain a common value denominator.

The turnovers recorded in this section do not correspond exactly to the preceding product category turnovers for a number of reasons:

1. The data are extracted from two different sources: turnover by product category from title sales records; turnover by sales outlet category from debtor account records.
2. Some degree of cross-selling between sub-sectors occurred. Debtor account analysis cannot distinguish between product categories.
3. Despite the above factors the correlation between the turnovers recorded in terms of book categories and designated outlet categories is 98.3%.

1. To protect the confidentiality of the professional book sales data, all corporate sales, whether to the private or public sector, were reported under corporate sales.
2. These corporate sales refer mainly to the business-to-business trade in professional print books (total net income R240,000,000). Some professional books were used as academic textbooks and sold to students via booksellers, internet booksellers or directly via websites.
3. Booksellers received a trade discount of 30% to 33% off the recommended retail price.
4. However, the average trade discount of 20.8% is misleading as the above table contains turnover values for the very different markets of consumer books (mainly academic textbooks), business-to-business sales (mainly professional books) and non-core business trade with schools (mostly FET college textbooks).

Fig. 8.5 Total net and gross turnover by sales outlet category

Number of participants: Academic sub-sector	Net turnover	Gross turnover	Average discount
National bookseller chain	R 178,496,000	R 260,578,000	31.5%
Independent bookseller	R 48,896,000	R 70,556,000	30.7%
Non-book retailer	R 241,000	R 314,000	23.2%
Supermarket	R 145,000	R 181,000	19.9%
Internet bookseller	R 5,163,000	R 7,538,000	31.5%
Book clubs and mail order outlets	R 413,000	R 590,000	30.0%
Corporate sales	R 233,351,000	R 248,872,000	6.2%
Public direct sales	R 6,914,000	R 7,695,000	10.1%
Libraries	R 5,914,000	R 8,721,000	32.2%
Schools	R 3,567,000	R 5,095,000	30.0%
School book distributors	R 97,000	R 138,000	29.7%
Allocated local market sales	R 483,197,000	R 610,278,000	20.8%
Total home market product sales	R 491,317,000		
% allocated to outlet category	98.3%		

Fig 8.6 Distribution profile by sales outlet category

Number of participants: Academic sub-sector	Gross turnover	Contribution to total sales	Contribution to consumer sales
National bookseller chain	R 260,578,000		
Independent bookseller	R 70,556,000		
Contact bookseller outlets	R 331,134,000	54.3%	93.0%
Non-book retailer	R 314,000		
Supermarket	R 181,000		
Mail order outlets	R 590,000		
Internet bookseller	R 7,538,000		
Alternative supply chain outlets	R 8,623,000	1.4%	2.4%
Libraries	R 8,721,000		
Public direct sales	R 7,695,000		
Direct end-user supply	R 16,416,000	2.7%	4.6%
Consumer sales	R 356,173,000	58.4%	100.0%
Corporate sales	R 248,872,000	40.8%	
Schools	R 5,095,000		
School book distributors	R 138,000		
Non-core business	R 5,233,000	0.9%	
Allocated local market sales	R 610,278,000	100.0%	

1. Consumer sales are channelled mainly through traditional sales outlets: booksellers, alternative supply retailers and directly to end-users. Together these supply chains account for 58.4% of recorded turnover, and almost equal to the value of academic textbooks. The recorded gross RRP value of R356 million translates to R249 million at net wholesale value, compared to the textbook turnover of R295 million recorded in Figure 8.9.
2. Booksellers contribute 93.0% to consumer book sales at an average trade discount of 31.3%.
3. Internet e-tailers make up most of the sales through alternative retail supply chains, trading at almost the same discount as booksellers.
4. Libraries are supplied directly (mostly by distributors) at full retail discount.
5. Direct supplies to end-users are done at about 90% of the recommended retail price.
6. Most corporate transactions are done at almost gross retail prices.
7. Schools and education departments are supplied at the standard 30% discount.

8.5 All product turnover profile

A distinction was made between three product categories: print books, electronic books and book related non-book products. The table below does not record the income derived from online reference services.

1. In this sub-sector, 99.0% of income is derived from the sale of print books, and 88.1% of print book sales was generated by local publications.
2. Electronic books generated only R324,000 in turnover.
3. CD and DVD products accounted for R4,511,000 (0.9%) of turnover.

Fig. 8.7 Turnover by origin and product category

All product turnover: Home market sales	Print books	Electronic books	Non-book products	All product turnover	% print books
Locally produced	R 486,000,000	R 248,000	R 4,511,000	R 490,759,000	99.0%
Imported	R 65,628,000	R 76,000		R 65,704,000	99.9%
All products	R 551,628,000	R 324,000	R 4,511,000	R 556,463,000	99.1%
% locally produced	88.1%	76.5%	100.0%	88.2%	

Fig. 8.8 Turnover derived from ebook sales

Number of participants	1
Number of titles available	
Academic textbooks	1
Academic professional books	4
Academic scholarly books	0
Total net turnover	R 324,000

8.6 Electronic books

The term electronic book in this context refers only to digital text and images downloaded electronically onto special reading devices.

Only one participant was able to report e-book sales, generated by five titles and amounting to R324,000. This is an under-reporting of actual e-book availability and sales, due to a lack of data maintained by publishers.

8.7 Print books

1. Academic textbooks account for 53.4% of all academic print book turnover, and 89.0% of this turnover is generated by locally published books.
2. Professional print books account for 44.0% of academic print book turnover, with 90.6% of this being generated by locally published books.
3. Scholarly books account for just 2.6% of turnover, and a much lower 28.3% of this was generated by local publications.

Fig. 8.9 Print book turnover by origin and product category

All product turnover: Home market sales	Academic textbooks	Professional books	Scholarly books	All print books
Locally produced	R 262,046,000	R 219,841,000	R 4,113,000	R 486,000,000
Imported	R 32,272,000	R 22,914,000	R 10,442,000	R 65,628,000
All products	R 294,318,000	R 242,755,000	R 14,555,000	R 551,628,000
% locally produced	89.0%	90.6%	28.3%	88.1%
% contribution to print book turnover				
Locally produced	53.9%	45.2%	0.8%	
Imported	49.2%	34.9%	15.9%	
All products	53.4%	44.0%	2.6%	

Fig. 8.10 Turnover of local books by language and product category

Local product sales by language	Academic Textbooks	Professional books	Scholarly books	All print books
English	R 210,942,000	R 218,782,000	R 3,831,000	R 433,555,000
Afrikaans	R 10,018,000	R 1,059,000	R 0	R 11,077,000
African languages	R 0	R 0	R 0	R 0
All languages	R 220,960,000	R 219,841,000	R 3,831,000	R 444,632,000
% English	95.5%	99.5%	100.0%	97.5%

1. English language textbooks account for 95.5% of turnover in textbooks, 99.5% in professional books and 100% in scholarly publications.
2. The turnover generated by Afrikaans was just more than R11 million.
3. No academic books were published in any of the local African languages.

8.8 Production profile of locally published books

The term new edition includes both first editions and revised editions re-issued with new ISBNs.

Considerable investment was made in new titles across all three product categories.

Fig. 8.11 Number of new editions and reprints by product category

Production profiles	New editions	Reprints
Academic textbooks	150	802
Professional books	78	62
Scholarly books	56	26
Total number of titles	284	890

Fig. 8.12 New title production by language

Production profile per language	English	Afrikaans
Academic textbooks	141	9
Professional books	78	0
Scholarly books	56	0
Total number of titles	275	9

Very few new books are published in any language apart from English, due to the demands of the market.

8.9 Author and royalty profile

Participants reported 3,814 individual authors and 434 other legal entities such as trusts, estates, etc. A number of participants could not provide the demographic profiles of their authors.

White males dominate the author profile.

Authors earned R57,081,000 in royalties on a local product turnover of R447,545,000, which is 12.8% of net turnover.

Fig. 8.13 Author demographic profile

Number of individual authors: Demographic group	Number of authors	% of total
Black male	298	9.2%
Black female	166	5.1%
White male	1,805	55.7%
White female	974	30.0%
All authors	3,243	

Fig. 8.14 Royalties paid

Royalty paid	R 57,081,000
Net turnover	R 447,545,000
% Royalty on turnover	12.8%

9 Survey extensions

Up to this point, only information obtained from the annual book publisher survey has been presented and analysed. Although the survey sample included most significant participants and represented the industry to a significant degree, the total industry is larger than the survey sample.

Not all books sold locally are supplied by the local book supply industry, as some booksellers bypass the local supply industry and import books directly from overseas sources. To estimate the contribution of these direct imports, information gathered by the parallel Book Retailer Industry Survey was applied to the local supply industry survey results.

This section outlines how the survey results were extended to estimate total industry turnover values using information obtained from two additional sources; the book retailer industry survey and the Nielsen BookScan SA 52-week Standard Executive Report 2011. This data was then applied to the survey data of each of the four industry sub-sectors in the following four chapters, to provide more detail and depth.

Contents

List of Figures

Fig. 9.1 Book retailer industry turnover estimates at retail prices excluding VAT

Book Retail Industry Survey 2011	General trade	Religious trade	Education	Academic
Participants	19	4	19	11
Practitioners	45	11	63	21
Survey turnover	R 1,117,000,000	R 243,000,000	R 229,000,000	R 648,000,000
Industry turnover	R1,393,000,000	R 331,000,000	R 648,000,000	R 753,000,000
% Survey participation	80.2%	73.4%	34.1%	86.1%

9.1 Book retailer industry survey

It is not possible to map the entire local book industry without conducting a parallel survey of the local bookseller industry. The 2011 Book Retail Industry Survey was the first conducted since 2008. From a total of 140 identified booksellers, 53 participated in the survey and contributed their sales and purchase data. Not all these practitioners were full service stockholding booksellers; some of them were order-to-order distributors to schools and colleges.

By comparing the data supplied in the book retailer and book publisher surveys total industry turnover values and profiles could be estimated. The survey made a distinction between contact booksellers, where the sales transaction occurs with an individual consumer on the premises of the retailer, and library suppliers who are mainly business-to-business booksellers.

1. Across all industry sub-sectors, the bookseller survey turnovers represented 71.0% of total industry estimates.
2. Out of a total of 140 identified booksellers, 53 participated. All but one of the national bookseller chains participated in the survey.

R1,911 million of the recorded R2,128 million turnover (89.9%) was generated by sales to individual consumers.

1. Across all sub-sectors, individuals contributed 89.9% to total bookseller sales.
2. Academic booksellers recorded a 9.9% contribution by institutional sales, mainly to teaching institutions that purchased textbooks on behalf of their students.
3. Public and institutional libraries contribute only a small proportion to contact booksellers' sales.

Fig. 9.2 Contact booksellers' turnover by customer category

Bookseller turnovers	General trade	Religious trade	Education	Academic
Individual consumers	R 1,101,000,000	R 204,000,000	R 3,000,000	R 603,000,000
Libraries	R 2,000,000		R 1,000,000	R 11,000,000
Teaching institutions	R 5,000,000		R 0	R 46,000,000
Schools	R 12,000,000		R 126,000,000	R 0
Government and NGOs			R 5,000,000	R 9,000,000
All	R 1,120,000,000	R 204,000,000	R 135,000,000	R 669,000,000

Fig. 9.3 Contact booksellers' customer profiles

Bookseller customer profiles	General trade	Religious trade	Education	Academic
Individual consumers	98.3%	100.0%	2.2%	90.1%
Libraries	0.2%	0.0%	0.7%	1.6%
Teaching institutions	0.4%	0.0%	0.0%	6.9%
Schools	1.1%	0.0%	93.3%	0.0%
Government and NGOs	0.0%	0.0%	3.7%	1.3%

Fig. 9.4 Percentage of local bookseller sales directly imported

Industry sub-sector	Percentage directly imported
General trade books	10.8%
Religious trade books	5.1%
Educational books	0.3%
Academic books	39.1%

Fig. 9.5 Percentage of bookseller imports by product sub-sectors

Industry sub-sector	Percentage directly imported
School books	0.1%
FET college textbooks	5.1%
ABET workbooks	0.0%
Undergraduate textbooks	36.8%
Professional books	0.0%
Scholarly books	67.3%

Booksellers recorded the percentages of their total annual purchases paid for in a foreign currency, indicating direct imports from abroad.

By distinguishing between the sub-sector reporting the direct imports these contributions to total purchases could be further refined:

By applying these contributions to the estimated industry turnovers in each sub-sector the turnovers of directly imported books were estimated.

The bookseller survey recorded total turnover values for each industry sub-sector, and the contributions direct imports made to each sub-sector turnover. These were used to calculate the values of direct imports.

Fig. 9.6 Bookseller survey turnover values and direct import contributions

Bookseller survey turnovers	Bookseller gross turnover	Bookseller direct import contribution	Gross value direct imports
General trade books	R 1,117,000,000	10.8%	R 121,000,000
Religious trade books	R 243,000,000	5.1%	R 12,000,000
Educational books	R 229,000,000	8.3%	R 19,000,000
Academic books	R 648,000,000	39.1%	R 253,000,000
Total book sales	R 2,237,000,000		R 405,000,000

Fig. 9.7 Bookseller industry estimates of direct imports at retail price values

Industry estimates of direct imports	Direct imports at survey volumes	Survey % representation	Direct imports at industry estimates
General trade books	R 121,000,000	80.2%	R 151,000,000
Religious trade books	R 12,000,000	73.4%	R 16,000,000
Educational books	R 19,000,000	100%	R 19,000,000
Academic books	R 253,000,000	86.1%	R 294,000,000
Total book sales	R 405,000,000		R 480,000,000

The recorded direct importation of educational books originated from one participant, rendering a specialised service. This value was deemed to represent the entire sub-sector.

The bookseller survey calculated the percentage by which it represented the industry turnover values for each sub-sector. These were used to estimate the bookseller retail industry value of direct bookseller imports.

The R480 million in bookseller direct imports at retail price values translated to R300 million at wholesaler net values.

Fig. 9.8 Bookseller industry estimates of imports at wholesaler prices

Industry estimates of direct imports	At retail price values	Average discount	At wholesale price values
General trade books	R 151,000,000	44.6%	R 84,000,000
Religious trade books	R 16,000,000	40.1%	R 10,000,000
Educational books	R 19,000,000	30.1%	R 13,000,000
Academic undergraduate books	R 294,000,000	34.4%	R 193,000,000
Total book sales	R 480,000,000		R 300,000,000

Fig. 9.9 Total local turnover by industry sub-sector

Industry turnover estimate at net wholesale values	Locally supplied		Bookseller direct imports	Total turnover estimate
	Local publication	Imported		
General trade	R 403,000,000	R 527,000,000	R 84,000,000	R 1,014,000,000
Religious trade	R 155,000,000	R 81,000,000	R 10,000,000	R 246,000,000
Trade sub-sector	R 558,000,000	R 608,000,000	R 94,000,000	R 1,260,000,000
School books	R 1,577,000,000	R 182,000,000	R 9,000,000	R 1,768,000,000
FET textbooks	R 134,000,000	R 1,000,000	R 4,000,000	R 139,000,000
ABET workbooks	R 8,000,000	R 0	R 0	R 8,000,000
Education sub-sector	R 1,719,000,000	R 183,000,000	R 13,000,000	R 1,915,000,000
Undergraduate textbooks	R 280,000,000	R 43,000,000	R 186,000,000	R 509,000,000
Professional books	R 220,000,000	R 23,000,000	R 0	R 243,000,000
Scholarly books	R 4,000,000	R 13,000,000	R 7,000,000	R 24,000,000
Academic sub-sector	R 504,000,000	R 79,000,000	R 193,000,000	R 776,000,000
All sub-sectors	R 2,781,000,000	R 871,000,000	R 300,000,000	R 3,952,000,000

9.2 Estimating total industry turnover values

Having estimated the total industry print book turnover value of the local distribution industry and the total value of direct imports by booksellers from overseas suppliers, these figures were added together to determine the value of the local book industry.

The survey turnover values represent 91.4% of the total estimated local supply industry turnover and 80.6% if the value of direct bookseller imports is taken into consideration.

Fig. 9.10 Survey representation of total local book industry turnover

Survey representation in terms of turnover	% of market recorded by survey	
	Locally distributed	All local sales
General trade	86.4%	74.3%
Religious trade	95.7%	89.6%
Trade sub-sector	88.3%	77.2%
School books	92.0%	91.0%
FET textbooks	96.2%	90.8%
ABET workbooks	93.5%	93.5%
Education sub-sector	92.3%	91.0%
Undergraduate textbooks	91.1%	48.6%
Professional books	99.9%	99.9%
Scholarly books	85.6%	50.2%
Academic sub-sector	94.6%	62.9%
All sub-sectors	91.4%	80.6%

Fig. 9.11 Contribution of imported books to total industry turnover

Industry estimate of total turnover	Total turnover estimate	Distributor imports	Bookseller direct imports	All imports	% imported
General trade	R 1,014,000,000	R 527,000,000	R 84,000,000	R 611,000,000	60.3%
Religious trade	R 246,000,000	R 81,000,000	R 10,000,000	R 91,000,000	37.0%
Trade sub-sector	R 1,260,000,000	R 608,000,000	R 94,000,000	R 702,000,000	55.7%
School books	R 1,768,000,000	R 182,000,000	R 9,000,000	R 191,000,000	10.8%
FET textbooks	R 139,000,000	R 1,000,000	R 4,000,000	R 5,000,000	3.6%
ABET workbooks	R 8,000,000	R 0	R 0	R 0	0.0%
Education	R 1,915,000,000	R 183,000,000	R 13,000,000	R 196,000,000	10.2%
Academic textbooks	R 509,000,000	R 43,000,000	R 186,000,000	R 229,000,000	45.0%
Professional books	R 243,000,000	R 23,000,000	R 0	R 23,000,000	9.5%
Scholarly books	R 24,000,000	R 13,000,000	R 7,000,000	R 20,000,000	83.3%
Academic	R 776,000,000	R 79,000,000	R 193,000,000	R 272,000,000	35.1%
All sub-sectors	R 3,952,000,000	R 871,000,000	R 300,000,000	R 1,171,000,000	29.6%

Adding the R871 million in locally distributed imports to the R300 million bookseller direct imports revealed that 29.6% of all local sales were generated by imported books. In academic textbooks this contribution rose to 45.0%.

9.3 Nielsen BookScan SA

Nielsen BookScan SA is one of the services rendered to the local book industry by SAPnet. It records sales volumes and values via validated epos terminals at retailers who have joined as panel members and reports on these on a weekly basis.

Nielsen BookScan SA had 22 panel members in 2011: five of six trade books chains; all three national chains with a mixed general/educational/academic profile; a further two independent booksellers; three of four major bookclubs and mail order booksellers; the four largest internet booksellers; and five major hypermarket/supermarket general retail groups all contributed their data to be analysed.

It recorded sales at retail value excluding VAT of R1,399 million, of which R1,055 million was generated by the trade sub-sector, R98 million by the education sub-sector and R175 million by the academic sub-sector. The Book Retail Industry Survey recorded turnovers through comparative distribution chains of R1,205 million and R603 million for trade and academic respectively. Taking into account the different participants in the two survey panels, the Nielsen panel represents between 70% and 75% of the total trade sub-sector turnover and 30% of the academic sub-sector. Eliminating the direct end-user sales by general trade publishers with libraries, individuals, corporations, school and government departments, Nielsen BookScan SA represents 85% of general trade turnover via retailers and internet outlets. Whilst absolute turnover and volume values have limited application for the interpretation of the survey results, the trends indicated by the annual BookScan reports provide important additional information.

Nielsen BookScan carries data on a title-by-title basis, including a sophisticated system of product classification. This system guarantees accurate like-for-like comparisons between reporting periods. Another valuable contribution is the contribution to total turnover made by individual titles, such as best-selling general and religious trade titles, as these are important sales drivers.

The table below sets out the contribution to trade turnover by the top ten titles over the last few years, and reveal that the 2011 bestseller contribution was average, and therefore not really a sales driver.

Fig. 9.12 Bestseller contribution to total general trade book sales

Year	2011	2010	2009	2008
General trade turnover	R 1,202,610,000	R 1,295,886,000	R 1,237,240,000	R 1,170,890,000
Top 10 sales value	R 49,690,000	R 52,140,000	R 73,081,000	R 45,702,000
% contribution	4.1%	4.0%	5.9%	3.9%
Average volume per title	33,000	38,000	48,000	30,000
Local publications	6	4	3	5
UK publications	4	6	6	4
US publications	0	0	1	1

The Lost Symbol by Dan Brown and four *Twilight* titles by Stephenie Meyer were the 2009 sales drivers, contributing between them R20 million of additional turnover for the year.

1. The top 10 titles make a greater contribution to total sub-sector sales than in the case of general trade books.
2. Unlike the general trade sub-sector, local titles make it onto the top 10 list, as do Afrikaans titles.

Fig. 9.13 Bestseller contribution to total religious trade book sales

Religious trade Top 10 contribution	2011	2010
Total turnover	R 110,349,000	R 99,627,000
Top 10 turnover	R 9,010,000	R 10,407,000
% contribution	8.2%	10.4%
SA titles	4	4
UK titles	2	1
US titles	4	5
Afrikaans original titles	4	2
Afrikaans translated titles	0	2

Fig. 9.14 Average selling prices per product category

Product sub-category Average selling prices	2010		2011		Year on year change
	incl VAT	excl VAT	incl VAT	excl VAT	
General trade					
All print books	R 124.64	R 109.33	R 119.45	R 104.78	-4.2%
Adult fiction	R 129.83	R 113.89	R 116.60	R 102.28	-10.2%
Adult non-fiction	R 137.60	R 120.70	R 135.77	R 119.10	-1.3%
Children's books	R 82.51	R 72.38	R 84.37	R 74.01	2.3%
Locally published	R 112.31	R 98.52	R 116.64	R 102.32	3.9%
Adult fiction	R 118.05	R 103.55	R 117.81	R 103.34	-0.2%
Adult non-fiction	R 121.11	R 106.24	R 125.11	R 109.75	3.3%
Children's books	R 69.44	R 60.91	R 78.79	R 69.11	13.5%
Imported	R 135.13	R 118.54	R 136.96	R 120.14	1.4%
Adult fiction	R 137.74	R 120.82	R 137.23	R 120.38	-0.4%
Adult non-fiction	R 152.52	R 133.79	R 152.84	R 134.07	0.2%
Children's books	R 89.80	R 78.77	R 86.14	R 75.56	-4.1%
Religious trade					
All print books	R 67.87	R 59.54	R 78.51	R 68.87	15.7%
Local	R 68.69	R 60.25	R 77.06	R 67.60	12.2%
Imported	R 83.43	R 73.18	R 98.10	R 86.05	17.6%
School books					
Local	R 90.74	R 79.6	R 97.22	R 85.28	7.1%
Imported	R 81.62	R 71.59	R 83.36	R73012	2.1%
Academic textbooks	R 273.20	R 239.65	R 283.50	R 248.68	3.8%
Local	R 241.28	R 211.65	R 258.74	R 226.96	7.2%
Imported	R 254.26	R 223.04	R 256.36	R 224.88	0.8%

Nielsen BookScan captures both sales value and sales volumes, from which accurate average selling prices (ASP) can be calculated per product category for both locally published and imported books. Even in the case of academic textbooks and school books these average prices are deemed to apply to the industry as a whole, as the mix of products sold by the panel members closely resembles that of the entire industry. The book publisher survey records values only, which can now be used to estimate volumes by dividing by the ASPs.

10 Enhanced general trade survey data

- The survey results were enhanced as described in the previous chapter to:
- estimate industry total values as if all practitioners had participated in the survey;
- estimate sales volumes by applying ASP values to both survey and industry values, without and including the value of bookseller direct imports;
- summarise the enhanced survey values by language.
- The contribution the largest local publishers made to total industry turnovers are reported.

Contents

List of Figures

Fig. 10.1 Print book turnover grossed up to industry values

Estimated industry turnovers	Local print books	Imported print books	All print books
Adult fiction	R 88,000,000	R 265,000,000	R 353,000,000
Children's fiction	R 50,000,000	R 72,000,000	R 122,000,000
Fiction	R 138,000,000	R 337,000,000	R 475,000,000
Adult non-fiction	R 206,000,000	R 165,000,000	R 371,000,000
Children's non-fiction	R 58,000,000	R 25,000,000	R 83,000,000
Non-fiction	R 264,000,000	R 190,000,000	R 454,000,000
General trade	R 402,000,000	R 527,000,000	R 929,000,000

10.1 Survey data grossed up to industry total estimates

Using a number of different sources all local publishers and import agencies focussing on the general trade sub-sector were identified. Fifteen publishers and six distributors participated in the survey, recording R804 million in print book turnover. The probable print book turnover of companies who did not participate in the survey was estimated to be R125 million. The survey turnover values therefore represent 86.4% of the estimated industry turnover values. The percentage representation was 83.9% for local publication and 88.4% for imported product. Assuming the 13.7% turnover not recorded in the survey was distributed amongst the product sub-categories as the recorded sales were, the following total industry turnover values can be estimated.

10.2 Estimated sales volumes

Nielsen BookScan recorded the average selling prices (ASP) at retail point of sales for each product sub-category for both locally published and imported books. VAT was excluded for the recorded prices, which were then divided into the gross retail values recorded in the survey and estimated for the whole industry to calculate the number of books sold during the survey period.

1. Locally published books were lower priced than imported books in each product sub-category. The price differentials were 14.2% (R103.34 compared to R120.38) for adult fiction titles, 18.1% for adult non-fiction titles and 8.5% for children's books.
2. Because of these price differentials, local publication sales volumes were 51.7% of total sales volumes [5,488,000 compared to 10,607,000], although by value local print books contributed 42.0%.
3. Local adult non-fiction generated 2,392,000 of a total of 2,913,000 (82.1%) sales by volume.

By applying the grossing-up factors between survey and estimated industry values for imported and locally published books, the estimated industry sales volumes per product sub-category were determined.

Fig. 10.2 Estimated sales volumes at survey turnover values

Estimated sales volumes at survey values	% Contribution	Survey gross turnover	ASP ex VAT	Estimated sales volume
Total survey turnover at gross retail values		R 1,223,009,000		
Local publications	42.0%			
Genre contributions		R 513,664,000		
Adult fiction	21.9%	R 112,492,000	R 103.34	1,089,000
Adult non-fiction	51.1%	R 262,482,000	R 109.75	2,392,000
Children's books	27.0%	R 138,689,000	R 69.11	2,007,000
Total volume local publications				5,488,000
Imported publications	58.0%			
Genre contributions		R 709,345,000		
Adult fiction	50.4%	R 258,887,000	R 120.38	2,151,000
Adult non-fiction	13.6%	R 69,858,000	R 134.07	521,000
Children's books	36.0%	R 184,919,000	R 75.56	2,447,000
Total volume imported publications				5,119,000
Total volume general trade books				10,607,000

Fig. 10.3 Estimated sales volumes at industry turnover values

Estimated sales volumes at industry gross turnover values	% Contribution	Survey gross turnover	ASP ex VAT	Estimated sales volume
Survey turnover at gross retail values		R 1,223,009,000		
Local publications	42.0%	R 513,664,000		
Survey representation of industry	83.9%			
Industry total estimate		R 612,234,000		
Adult fiction	21.9%	R 134,079,000	R 103.34	1,297,000
Adult non-fiction	51.1%	R 312,852,000	R 109.75	2,851,000
Children's books	27.0%	R 165,303,000	R 69.11	2,392,000
Total volume local publications				6,540,000
Imported publications	58.0%	R 709,345,000		
Survey representation of industry	88.4%			
Industry total estimate		R 802,426,000		
Adult fiction	50.4%	R 404,423,000	R 120.38	3,360,000
Adult non-fiction	13.6%	R 109,130,000	R 134.07	814,000
Children's books	36.0%	R 288,873,000	R 75.56	3,823,000
Total volume imported publications				7,997,000
Total volume general trade books				14,537,000

The imported values recorded in the survey were more representative of the industry than the locally produced books were (88.4% versus 83.9%). Consequently, the contribution by volume to total industry sales for locally produced books declined to 45.0% (down from 51.7% in the table above).

Adding the value of bookseller direct imports to the above calculation estimates the total volume supplied to the local market by the local book industry.

Adding the R151 million directly imported general trade books to the industry estimates increased the number of imported books to 8,574,000.

Fig. 10.4 Estimated sales volumes including direct imports

Sales volumes including imports at industry turnover values	% Contribution	Local sales at retail prices	ASP ex VAT	Estimated sales volume
Local publications		R 612,234,000		
Adult fiction	21.9%	R 134,079,000	R 103.34	1,297,000
Adult non-fiction	51.1%	R 312,852,000	R 109.75	2,851,000
Children's books	27.0%	R 165,303,000	R 69.11	2,392,000
Total volume local publications				6,540,000
Imported publications				
Locally supplied imports		R 709,345,000		
Directly imported books		R 151,000,000		
Industry total estimate		R 860,345,000		
Adult fiction	50.4%	R 433,614,000	R 120.38	3,602,000
Adult non-fiction	13.6%	R 117,007,000	R 134.07	873,000
Children's books	36.0%	R 309,724,000	R 75.56	4,099,000
Total volume imported publications				8,574,000
Total volume general trade books				15,114,000

10.3 Summary of local print book industry

The sales values, sales volumes, average selling prices (ASP) and production statistics recorded by the survey are summarised below. There are too many unknown variables to accurately extrapolate these values to total industry estimates.

The survey did not capture sales data for new editions. Therefore the sales volume and value data cannot be related directly to the new title production. Only very general observations can be made about publishers' willingness to reinvest capital in the different product sub-categories.

1. Nineteen publishers published 256 new adult fiction titles.
2. Eighteen publishers published 502 new adult non-fiction titles.
3. Fifteen publishers published 349 new children's titles.

Fig. 10.5 Summary of local publishing output by product category

Product sub-category	Number of publishers	Total net survey turnover	ASP ex VAT	Estimated volume	Number of new editions
Adult fiction	19	R 74,042,000	R 130.34	1,297,000	256
Adult non-fiction	18	R 172,745,000	R 109.75	2,851,000	502
Children's books	15	R 91,087,000	R 69.11	2,392,000	349
All local print books	23	R 337,874,000		6,540,000	1,107

Fig. 10.6 Summary of local publishing output: English

Product Sub-category	Number of publishers	Total net survey turnover	ASP ex VAT	Estimated volume	Number of new editions
Adult fiction	19	R 35,661,000	R 130.34	274,000	79
Adult non-fiction	18	R 116,392,000	R 109.75	1,061,000	306
Children's books	11	R 30,691,000	R 69.11	444,000	109
All local print books	23	R 182,744,000		1,779,000	494

1. Nineteen publishers produced 79 new adult fiction titles.
2. Eighteen publishers published 306 new adult non-fiction titles.
3. Eleven publishers published 109 new children's titles.
4. As most of the larger general trade publishers also represented overseas publishers of English language books on an agency basis, they relied less on locally published books to generate sales.

It is acknowledged that many of the recorded new adult non-fiction titles and most of the children's titles would be parallel English and Afrikaans editions of the same content.

1. Eight publishers produced 177 new adult fiction titles.
2. Thirteen publishers published 196 new adult non-fiction titles.
3. Ten publishers published 169 new children's titles.
4. Without competing imported books, but the necessity to build sales volume and value to cover overhead costs, publishers invested heavily in Afrikaans publications.

Fig. 10.7 Summary of local publishing output: Afrikaans

Product sub-category	Number of publishers	Total net survey turnover	ASP ex VAT	Estimated volume	Number of new editions
Adult fiction	8	R 38,622,000	R 130.34	296,000	177
Adult non-fiction	13	R 54,977,000	R 109.75	501,000	196
Children's books	10	R 57,392,000	R 69.11	830,000	169
All local print books	14	R 150,991,000		1,627,000	542

Fig. 10.8 Summary of local publishing output: African languages

Product sub-category	Number of publishers	Total net survey turnover	ASP ex VAT	Estimated volume	Number of New editions
Adult fiction	2	R 2,000	R 130.34	0	0
Adult non-fiction	2	R 29,000	R 109.75	0	0
Children's books	8	R 1,969,000	R 69.11	28,000	71
All local print books	8	R 2,000,000		28,000	71

1. Very few sales of backlist adult titles were recorded, with no investment in new titles.
2. The 71 new children's titles were spread amongst nine local African languages, with most titles likely having parallel editions across a number of these languages.
3. Eight publishers recorded production activity producing on average nine titles and most likely two or three unique titles per publisher.
4. The recorded average sales values and volumes per title were low.

10.4 Dominance of the larger local publishers

As in most industries a few large publishers dominate the sub-sector in terms of turnover and production.

1. The five largest local general trade publishers contribute 84.1% to total sub-sector income and 84.0% to total home market turnover across all product categories.
2. As far as local publishing is concerned these five participants contribute 69.0% to turnover, whilst for imported book sales the contribution is 97.9%.

Fig. 10.9 Contribution to sub-sector income by five largest participants

Total survey income All sub-sectors	Top 5 participants General trade sub-sector	All 15 participants General trade sub-sector	Contribution to total
Locally published book sales	R 227,642,000	R 329,795,000	69.0%
Imported book sales	R 349,142,000	R 356,617,000	97.9%
Electronic book products	R 921,000	R 1,322,000	69.7%
Non-book products	R 3,538,000	R 4,547,000	77.8%
Total local product sales	R 581,243,000	R 692,282,000	84.0%
Book product export sales	R 11,151,000	R 11,969,000	93.2%
Local rights sales	R 1,401,000	R 1,622,000	86.4%
Export rights sales	R 28,000	R 849,000	3.3%
Other book-related income	R 6,348,000	R 6,857,000	92.6%
Total income	R 600,172,000	R 713,579,000	84.1%

Fig. 10.10 Contribution to new edition production by five largest participants

New title production First and revised editions	Top 5 participants General trade sub-sector	All 15 participants General trade sub-sector	Contribution to total
Adult fiction	137	264	51.9%
Children's fiction	96	301	31.9%
Adult non-fiction	309	463	66.7%
Children's non-fiction	37	80	46.3%
Adult religious books	24	28	85.7%
Children's religious books	21	21	100.0%
All categories	624	1,158	53.9%

1. The top five participants contribute 53.9% of total new title output.
2. They dominate the product sub-categories except for children's general trade books.

1. The top five publishers contribute 73.2% to total industry sub-sector employment.

Grossing the values up to industry total estimates and taking into account the contribution by directly imported books, the turnover contributions of the top five participants change as set out below.

Fig. 10.11 Contribution to sub-sector employment by five largest participants

Employment profile All employees	Top 5 participants General trade sub-sector	All 15 participants General trade sub-sector	Contribution to total
Managers	61	86	70.9%
Editorial staff	40	59	67.8%
Design and production	23	32	71.9%
Marketing and sales	90	109	82.6%
Finance	15	24	62.5%
Human resources	13	13	100.0%
Office administration	43	59	72.9%
Information technology	2	2	100.0%
Other	13	26	50.0%
All employees	300	410	73.2%

Fig. 10.12 Top five publishers' contribution to total industry turnovers

Top 5 market share Local publishing contribution	Net turnover	Top 5 contribution to total
Top 5 local publishing	R 227,642,000	
Survey total local publishing turnover	R 329,795,000	69.0%
Local publishing industry total estimate	R 402,000,000	56.6%
Supply industry including imports	R 930,000,000	24.5%
Supply industry plus direct imports	R 1,014,000,000	22.4%

1. In terms of local publishing the top five publishers contribute 69.0% to the survey total.
2. Grossing this value up to total industry estimated turnover reduces the contribution to 56.6%.
3. Adding the industry estimate of locally distributed imported books further dilutes the contribution to 24.5%.
4. Adding the value of direct imports indicates the contribution of the top five local publisher output to 22.4% of total market value.

11 Enhanced religious trade survey data

- The survey results are enhanced as described in Chapter 9 to:
- estimate industry total values as if all practitioners had participated in the survey;
- estimate sales volumes by applying ASP values to both survey and industry values, without and including the value of bookseller direct imports;
- summarise the enhanced survey values by language.

Contents

List of Figures

11.1 Survey data grossed up to total industry estimates

Using a number of different sources all local publishers and import agencies focussing on the religious trade sub-sector were identified. Six religious trade publishers participated in the survey, recording R226 million print book turnover, just over R0,5 million in non-book turnover and very little e-book turnover. The probable print book turnover of six religious trade publishers who did not participate in the survey was estimated to be R10 million. The survey turnover values therefore represented 95.7% of the estimated industry turnover values. The percentage representation was 93.5% for local publications and 100% for imported products. Assuming the 6.5% turnover not recorded in the survey was distributed amongst the product categories as the recorded 93.5% was, the following total industry turnover values were estimated.

Fig. 11.1 Print book turnover grossed up to total industry estimates

Estimated industry turnover	Local print books	Imported print books	All print books
Adult books	R 143,000,000	R 79,000,000	R 222,000,000
Children’s books	R 12,000,000	R 2,000,000	R 14,000,000
Religious trade print books	R 155,000,000	R 81,000,000	R 236,000,000

11.2 Estimated sales volumes

Nielsen BookScan recorded average selling prices (ASP) at retail point of sales for religious trade books sold through a representative sample of booksellers. VAT was excluded from the recorded prices, which were then divided into the gross retail values recorded in the survey and estimated for the whole industry to calculate the number of books sold during the survey period.

By applying the grossing-up factors between survey and estimated industry values the estimated industry sales volumes per product sub-category were determined.

1. The net survey values were grossed up to retail values by adding back the 38.8% average trade discount granted by publishers.
2. Dividing by the average selling prices yielded the volumes as recorded in the table.

Fig. 11.2 Estimated sales volumes of all product categories at survey values

Estimated sales volumes at survey values	Survey net turnover	Survey gross turnover	ASP ex VAT	Estimated sales volume
Local adult print books	R 133,326,000	R 217,853,000	R 67.60	3,223,000
Imported adult print books	R 79,166,000	R 129,356,000	R 86.05	1,503,000
Local children's print books	R 11,215,000	R 18,325,000	R 67.60	271,000
Imported children's print books	R 1,638,000	R 2,676,000	R 86.05	31,000
All product categories	R 225,345,000	R 368,210,000		5,028,000

Fig. 11.3 Estimated survey sales volumes of local publications by language

Estimated sales volumes at survey values	Survey net turnover	Survey gross turnover	ASP ex VAT	Estimated sales volume
Local English adult books	R 54,738,000	R 93,250,000	R 67.60	1,379,000
Local English children's books	R 1,463,000	R 2,492,000	R 67.60	37,000
Local Afrikaans adult books	R 61,566,000	R 104,882,000	R 67.60	1,552,000
Local Afrikaans children's books	R 1,647,000	R 2,806,000	R 67.60	42,000
Local African language books	R 25,126,000	R 25,126,000	R 67.60	372,000

1. As all African language publications are Bibles, distributed by the Bible Society at net (zero discount) prices, the average trade discounts for the other product categories were increased to the 41.3% average recorded for booksellers in the survey.

Fig. 11.4 Estimated sales volumes of all product categories at total industry values

Estimated sales volumes at total industry values	Industry net turnover	Industry gross turnover	ASP ex VAT	Estimated sales volume
Local adult print books	R 143,000,000	R 234,000,000	R 67.60	3,462,000
Imported adult print books	R 79,000,000	R 129,000,000	R 86.05	1,499,000
Local children's print books	R 12,000,000	R 20,000,000	R 67.60	296,000
Imported children's print books	R 2,000,000	R 3,000,000	R 86.05	35,000
All product categories	R 236,000,000	R 386,000,000		5,292,000

Fig. 11.5 Summary of local religious trade book publishing output

	Number of publishers	Total net survey turnover	ASP ex VAT	Estimated volume	Number new editions
All languages					
Adult books	10	R 133,326,000	R 67.60	3,223,000	407
Children's books	3	R 11,215,000	R 67.60	271,000	50
All local print books	10	R 144,541,000		3,494,000	457
English					
Adult books	8	R 54,738,000	R 67.60	1,379,000	294
Children's books	3	R 1,463,000	R 67.60	37,000	30
All local print books	8	R 56,201,000		1,416,000	324
Afrikaans					
Adult books	4	R 61,566,000	R 67.60	1,552,000	92
Children's books	3	R 1,647,000	R 67.60	42,000	20
All local print books	4	R 63,213,000		1,594,000	112
African languages					
Adult books	1	R 25,126,000	R 67.60	372,000	18
Children's books	0	R 0	R 67.60	0	0
All local print books	1	R 25,126,000		372,000	18

11.3 Summary of local print book industry

The sales values, volumes, ASP and production statistics determined by the tables above are summarised below.

The survey did not capture sales data for new editions. Therefore sales volume and value data could not be related directly to new title production per language. Only very general observations can be made about publishers' investment in new titles.

The overall relationship between sales volume or value and new title output cannot be determined. It is therefore not possible to estimate the total new title output of publishers that did not participate in the survey. The above table serves merely as an indication of estimated religious trade industry values and volumes.

12 Enhanced education survey data

- The survey results are enhanced as described in Chapter 9 to:
- estimate industry total values as if all practitioners had participated in the survey;
- estimate sales volumes by applying ASP values to both survey and industry values, without and including the value of bookseller direct imports;
- summarise the enhanced survey values by language.

Contents

List of Figures

Fig. 12.1 Print book turnover grossed up to total industry estimates

Product categories	Local print books	Imported print books	All print books
School books	R 1,578,000,000	R 182,000,000	R 1,760,000,000
FET textbooks	R 134,000,000	R 1,000,000	R 135,000,000
ABET workbooks	R 8,000,000	R 0	R 8,000,000
Education sub-sector	R 1,720,000,000	R 183,000,000	R 1,903,000,000

12.1 Survey data grossed up to total industry estimates

Using a number of different sources, all local publishers and import agencies focussing on the educational product trade sub-sector were identified. Twenty-one publishers and one distributor participated in the survey, recording R1,755 million in print books turnover. The probable print book turnover of companies who did not participate in the survey was estimated to be R147 million. The survey turnover values therefore represent 92.2% of the estimated industry turnover values. The percentage representation was 91.4% for local publication and 100% for imported products. Assuming the 7.8% sales not recorded in the survey were distributed amongst the product categories as the recorded sales were, the following total industry turnover values were estimated.

Not all books are distributed via the local book supply industry. Booksellers imported some books directly from overseas suppliers. The Book Retail Industry Survey recorded the value of such direct imports.

Very few educational books were imported directly from abroad. Those that were imported were mainly destined for public and educational libraries.

Fig. 12.2 Grossed up industry turnover values, including direct imports

Product categories Locally sold products	Locally supplied Products	Directly imported	All locally sold products
School books	R 1,797,000,000	R 9,000,000	R 1,806,000,000
FET textbooks	R 135,000,000	R 4,000,000	R 139,000,000
ABET workbooks	R 8,000,000	R 0	R 8,000,000
Education sub-sector	R 1,940,000,000	R 13,000,000	R 1,953,000,000

12.2 Estimated sales volumes

Nielsen BookScan recorded average selling prices (ASP) at retail point of sales for school books sold through a representative sample of booksellers. VAT was excluded from the recorded prices, which were then divided into the gross retail values recorded in the survey and estimated for the whole industry to calculate the number of books sold during the survey period.

By applying the grossing-up factors between survey and estimated industry values the industry sales volumes per product sub-category were determined.

1. Based on survey turnover values the volume of sales across all languages was calculated to be just less than 29 million units. Grossing up the values to represent industry total estimates indicates just over 32 million copies of school books sold.
2. These unit volumes are allocated to the language categories according to each language's contribution to total value in the survey sample.

Fig. 12.3 Estimated sales volumes at survey and total industry values

Estimated sales volumes School books	Survey values	Industry estimates
Total survey turnover at net turnover values	R 1,585,850,000	R 1,760,000,000
Average trade discount	28.8%	28.8%
Total survey turnover at gross retail values	R 2,227,000,000	R 2,472,000,000
Average selling price (ex VAT)	R 76.83	R 76.83
Estimated sales volume: All languages	28,986,000	32,175,000
English language at 68% contribution	19,710,000	21,879,000
Afrikaans at 9% contribution	2,609,000	2,896,000
African languages at 23% contribution	6,667,000	7,400,000

12.3 Summary of local print book industry

The sales values, volumes, ASP and production statistics determined by the tables above are summarised below.

The survey did not capture sales data for new editions. Therefore sales volume and value data could not be related directly to the new title production per language. Only very general observations can be made about publishers' investment in new titles.

1. Across all languages, eighteen publishers produced 3,216 new school book titles.
2. Eighteen publishers published 1,164 new school book titles in English.
3. Sixteen publishers published 445 new Afrikaans titles.
4. Thirteen publishers published 1,607 new titles in one of the nine African languages, averaging 124 titles per publisher or 178 titles per language.

Fig. 12.4 Summary of survey local school book publishing output

School books per language	Number of publishers	Gross survey turnover	ASP ex VAT	Estimated volume	Number of new editions
All languages	18	R 2,227,000,000	R 76.83	28,986,000	3,216
English	18	R 1,514,360,000	R 76.83	19,710,000	1,164
Afrikaans	16	R 2,609,000	R 76.83	2,609,000	445
African languages	13	R 512,210,000	R 76.83	6,667,000	1,607

Fig. 12.5 Summary of local industry school book output by language

School books per language	Total industry value estimates	Total industry volume estimates
All languages	R 2,472,000,000	32,175,000
English	R 1,680,960,000	21,879,000
Afrikaans	R 222,480,000	2,896,000
African languages	R 568,560,000	7,400,000

The overall relationship between sales volume or value and new title output cannot be determined. It is therefore not possible to estimate the total new title output of publishers which did not participate in the survey. The above table serves merely as an indication of estimated school book industry values and volumes.

12.4 Dominance of the larger local publishers

As in most industries a few large publishers dominate the sub-sector in terms of turnover and production.

1. The five largest local educational publishers contribute 75.4% to total sub-sector income and 76.3% to total home market turnover across all product categories.
2. As far as local publishing is concerned these five participants contribute 76.6% to turnover, whilst for imported book sales the contribution is 83.6%.

The top five participants contribute 62.8% of total new title output, but they made no contribution to ABET workbooks, professional books or scholarly books.

Fig. 12.6 Contribution to sub-sector income by five largest participants

Total survey income all sub-sectors	Top 5 participants Education sub-sector	All 21 participants Education sub-sector	Contribution to total
Locally published book sales	R 1,201,857,000	R 1,568,020,000	76.6%
Imported book sales	R 102,707,000	R 122,790,000	83.6%
Electronic book products	R 246,000	R 256,000	96.1%
Non-book products	R 11,687,000	R 33,736,000	34.6%
Total local product sales	R 1,316,497,000	R 1,724,803,000	76.3%
Book product export sales	R 9,129,000	R 32,442,000	28.1%
Local rights sales	R 305,000	R 305,000	100.0%
Export rights sales	R 0	R 0	
Total income	R 1,325,984,000	R 1,757,603,000	75.4%

Fig. 12.7 Contribution to new edition production by five largest participants

New title production first and revised editions	Top 5 participants Education sub-sector	All 21 participants Education sub-sector	Contribution to total
Education: school books	1,627	2,594	62.7%
Education: FET textbooks	46	81	56.8%
Education: ABET workbooks	0	0	
Academic: textbooks	16	16	100.0%
Academic: professional books	0	0	
Academic: scholarly books	0	0	
All categories	1,689	2,691	62.8%

The top five publishers contribute 73.7% to total industry sub-sector employment.

Grossing the values up to industry total estimates and taking into account the contribution by directly imported books, the turnover contributions of the top five participants change as set out below.

Fig. 12.8 Contribution to sub-sector employment by five largest participants

Employment profile All employees	Top 5 participants Education sub-sector	All 21 participants Education sub-sector	Contribution to total
Managers	57	112	50.9%
Editorial staff	106	134	79.1%
Design and production	72	90	80.0%
Marketing and sales	206	258	79.8%
Finance	64	80	80.0%
Human resources	13	16	81.3%
Office administration	37	59	62.7%
Information technology	28	29	96.6%
Other	91	137	66.4%
All employees	674	915	73.7%

Fig. 12.9 Top five publishers' contribution to total industry turnovers

Top 5 publishers' market shares Locally published print books	Net turnover	Top 5 contribution to total
Top 5 local publishing	R 1,201,857,000	
Survey total local publishing turnover	R 1,568,020,000	76.6%
Local publishing industry total estimate	R 1,719,000,000	69.9%
Supply industry including imports	R 1,902,000,000	63.2%
Supply industry plus direct imports	R 1,915,000,000	62.8%

1. In terms of local publishing the top five publishers contribute 76.6% to the survey total.
2. Grossing this value up to total industry estimated turnover reduced the contribution to 69.9%.
3. Adding the industry estimate of locally distributed imported books further diluted the contribution to 63.2%.
4. Adding the value of direct imports indicated the contribution of the top five local publishers' output to 62.8% of total market value.

13 Enhanced academic sub-sector survey data

The survey results are enhanced as described in Chapter 9 to:

- estimate industry total values as if all practitioners had participated in the survey;
- estimate sales volumes by applying ASP values to both survey and industry values, without and including the value of bookseller direct imports;
- summarise the enhanced survey values by language.

Contents

List of Figures

Fig. 13.1 Print book survey turnovers grossed up industry estimates

Locally supplied products turnover at wholesale values	Local print books	Imported print books	All print books
Textbooks	R 280,000,000	R 44,000,000	R 324,000,000
Professional books	R 220,000,000	R 23,000,000	R 243,000,000
Scholarly books	R 4,000,000	R 13,000,000	R 17,000,000
Academic sub-sector	R 504,000,000	R 80,000,000	R 584,000,000

13.1 Survey results grossed up to total industry estimates

Using a number of different sources, all local publishers and import agencies focussing on the academic sub-sector were identified. Nine publishers and one distributor participated in the survey, recording R552 million in print book turnover. The probable print book turnover of twelve smaller publishers who did not participate in the survey was estimated to be R32 million. The survey turnover values therefore represent 94.4% of the estimated industry turnover values. The percentage representation was 96.4% for local publication and 81.9% for imported products. Assuming the 5.6% sales not recorded in the survey were distributed amongst the product categories as the recorded sales were, the following total industry turnover values were estimated.

Not all books are distributed via the local book supply industry. Booksellers imported some books directly from overseas suppliers. The Book Retail Industry Survey recorded the value of such direct imports.

1. Academic booksellers reported that more than 36% of their purchases of academic textbooks were made from locally based agents but supplied directly from overseas on an indent basis. Many of the larger international textbook publishers have such marketing and sales offices representing them in southern Africa. Other textbook orders were placed with overseas wholesalers or order consolidators, or directly with some smaller textbook publishers. At net invoice value these direct textbook orders bypassing the local supply industry amounted to R186 million.
2. Professional books are by nature locally published as they deal with local accounting, taxation and commercial laws.
3. Scholarly books are difficult to distinguish from adult non-fiction books. Booksellers cannot make a distinction, except by referring to the publisher. University presses and research institute publications are all deemed to be scholarly publishers, but many academic textbook publishers also publish some scholarly books.

Since directly imported textbooks made a significant contribution to local sales, the table below has taken these sales into account in recalculating the value of the local market.

Fig. 13.2 Industry turnover estimates, including direct imports

Locally sold products turnover	Locally supplied products	Directly Imported	All locally sold products
Textbooks	R 324,000,000	R 186,000,000	R 510,000,000
Professional books	R 243,000,000	R 0	R 243,000,000
Scholarly books	R 17,000,000	R 7,000,000	R 24,000,000
Non-book products	R 5,000,000	R 0	R 5,000,000
Academic sub-sector	R 589,000,000	R 193,000,000	R 782,000,000

Fig. 13.3 Contribution of imported books to total industry turnover estimates

Academic print book market estimated value	Academic textbooks	Professional books	Scholarly books
Locally supplied imported books	R 43,000,000	R 23,000,000	R 13,000,000
Bookseller imported books	R 186,000,000	R 0	R 7,000,000
Total imported books	R 229,000,000	R 23,000,000	R 20,000,000
Locally published books	R 280,000,000	R 220,000,000	R 4,000,000
All print books	R 509,000,000	R 243,000,000	R 24,000,000
% Contribution by imported books	45.0%	9.5%	83.3%

1. Only 19% [R43 million compared to R229 million] of imported textbooks are locally distributed.
2. Imported textbooks accounted for 45% of textbook turnover.
3. Directly imported textbooks increased the market value estimate to R 509 million.
4. Direct imports accounted for an additional R7 million in scholarly books turnover.
5. The overall market for academic books is larger than the estimated value above. The academic sub-sector is characterised by direct import by end-users. Academic library purchases are often done either by internet or from overseas academic library supply specialists. The value of end-user direct imports cannot be estimated as no reliable data is available.

Taking the direct imports by booksellers into account, the survey representation of the market is estimated to be that set out in the following table.

1. Including the R187 million of directly imported academic books (at wholesale value) reduces the degree to which the survey represents the local industry.
2. The survey turnovers represent 57.8% of the academic print book industry and 93.6% of the local publication industry, but only 14% of the total import industry,
3. As there were no direct imports of professional books, the representation values remain the same.
4. The estimated R7 million in direct scholarly book imports reduced the overall degree of representation to 58.3%. These values are not entirely reliable as it is difficult to identify scholarly books amongst adult non-fiction general trade titles.

Fig. 13.4 Survey representation of industry including bookseller import values

Revised survey representation academic print book market	Academic textbooks	Professional books	Scholarly books
Locally produced books			
Survey turnover	R 262,000,000	R 220,000,000	R 4,000,000
Market estimate	R 280,000,000	R 220,000,000	R 4,000,000
Percent representation	93.6%	100.0%	100.0%
Imported books			
Survey turnover	R 32,000,000	R 23,000,000	R 10,000,000
Market estimate	R 229,000,000	R 23,000,000	R 20,000,000
Percent representation	14.0%	100.0%	50.0%
All print books			
Survey turnover	R 294,000,000	R 243,000,000	R 14,000,000
Market estimate	R 509,000,000	R 243,000,000	R 24,000,000
Percent representation	57.8%	100.0%	58.3%

13.2 Estimated sales volumes

Nielsen BookScan recorded average selling prices (ASP) at retail point of sales for academic books sold through a representative sample of booksellers. VAT was excluded from the recorded prices, which were then divided into the gross retail values recorded in the survey and estimated for the whole industry to calculate the number of books sold during the survey period.

By applying the grossing-up factors between survey and estimated industry values the estimated industry sales volumes per product sub-category were determined.

1. This analysis can only be done with some degree of accuracy for academic textbooks. Unlike professional books most textbooks are sold via booksellers at a fairly standard trade discount. Nielsen BookScan focuses on booksellers and the average selling price it records is most likely that of academic textbooks. The average trade discount of 31.1% also applies specifically to academic textbooks sold via academic booksellers.
2. Including the directly imported textbooks the total sales volume is just less than three million copies, of which only 62,000 would be in Afrikaans.

Fig. 13.5 Estimated academic textbook sales volumes by language

Estimated sales volumes academic textbooks	Survey values	Local industry supplied estimates	Including bookseller direct imports
Turnover at net wholesale value	R 294,318,000	R 324,000,000	R 506,000,000
English language	R 284,300,000	R 313,410,000	R 495,410,000
Afrikaans language	R 10,018,000	R 10,590,000	R 10,590,000
Average trade discount	31.1%	31.1%	31.1%
Turnover at gross retail value	R 427,167,000	R 470,247,000	R 734,398,000
English language at gross values	R 412,627,000	R 454,877,000	R 719,028,000
Afrikaans language at gross values	R 14,540,000	R 15,370,000	R 15,370,000
Average selling price (ex VAT)	R 248.68	R 248.68	R 248.68
Estimated sales volumes	1,718,000	1,891,000	2,953,000
English language volume	1,660,000	1,829,000	2,891,000
Afrikaans language volume	58,000	62,000	62,000

13.3 Summary of local print book industry

The sales values, volumes, ASP and production statistics determined above are summarised below.

The survey did not capture sales data for new editions. Therefore sales volume and value data could not be related directly to the new title production per language. Only very general observations can be made about publishers' investment in new titles.

1. Across all languages, eight academic publishers produced 150 new textbook titles.
2. Eight publishers published 141 new textbook titles in English.
3. Five publishers published nine new Afrikaans titles.

The overall relationship between sales volume or value and new title output cannot be determined. It is therefore not possible to estimate the total new title output of publishers which did not participate in the survey. The above table serves merely as an indication of estimated school book industry values and volumes.

Fig. 13.6 Summary of local academic textbook publishing output

Academic textbooks per language	Number of publishers	Gross survey turnover	ASP ex VAT	Estimated volume	Number of new editions
All languages	8	R 427,167,000	R 248.68	1,718,000	150
English	8	R 412,627,000	R 248.68	1,660,000	141
Afrikaans	5	R 15,000,000	R 248.68	58,000	9

Fig. 13.7 Contribution to sub-sector income by four largest participants

Total survey income all sub-sectors	Top 4 participants academic sub-sector	All 9 participants academic sub-sector	Contribution to total
Locally published book sales	R 495,913,000	R 504,864,000	98.2%
Imported book sales	R 55,844,000	R 55,991,000	99.7%
Electronic book products	R 329,000	R 329,000	100.0%
Non-book products	R 4,511,000	R 4,511,000	100.0%
Total local product sales	R 556,597,000	R 565,695,000	98.4%
Book product export sales	R 8,280,000	R 8,689,000	95.3%
Local rights sales	R 0	R 2,353,000	0.0%
Export rights sales	R 17,871,000	R 18,021,000	99.2%
Total income	R 596,932,000	R 608,942,000	98.0%

13.4 Dominance of the larger local publishers

As in most industries a few large publishers dominate the sub-sector in terms of turnover and production.

1. The four largest academic publishers contributed 98.0% to total sub-sector income and 98.4% to total home market turnover across all product categories.
2. As far as local publishing is concerned these four participants contributed 98.2% to turnover, whilst for imported book sales the contribution was 99.7%.

1. The top four participants contributed 81.5% of total new title output.
2. Most scholarly titles are produced by smaller publishers.

Fig. 13.8 Contribution to new edition production by four largest participants

New title production first and revised editions	Top 4 participants academic sub-sector	All 9 participants academic sub-sector	Contribution to total
Education: school books	0	0	
Education: FET textbooks	23	23	100.0%
Education: ABET workbooks	3	3	100.0%
Academic: textbooks	142	150	94.7%
Academic: professional books	77	78	98.7%
Academic: scholarly books	10	56	17.9%
All categories	265	325	81.5%

Fig. 13.9 Contribution to sub-sector employment by four largest participants

Employment profile all employees	Top 4 participants academic sub-sector	All 9 participants academic sub-sector	Contribution to total
Managers	23	34	67.6%
Editorial staff	95	107	88.8%
Design and production	114	123	92.7%
Marketing and sales	150	161	93.2%
Finance	12	17	70.6%
Human resources	5	6	83.3%
Office administration	11	14	78.6%
Information technology	7	7	100.0%
Other	54	62	87.1%
All employees	471	531	88.7%

The top four publishers contributed 88.7% to total industry sub-sector employment.

Grossing the values up to industry total estimates and taking into account the contribution by directly imported books, the turnover contributions of the top four participants change as set out below.

1. In terms of local publishing the top four publishers contributed 98.2% to the survey total.
2. Grossing this value up to total industry estimated turnover reduces the contribution to 97.4%.
3. Adding the industry estimate of locally distributed imported books further dilutes the contribution to 89.8%.
4. Adding the value of direct imports indicates the contribution of the top five local publisher output to 67.2% of total market value.

Fig. 13.10 Top four publishers' contribution to total industry turnovers

Top 4 publishers' market shares locally published print books	Net turnover	Top 4 contribution to total
Top 4 local publishing	R 495,913,000	
Survey total local publishing turnover	R 504,864,000	98.2%
Local publishing industry total estimate	R 509,000,000	97.4%
Supply industry including imports	R 552,000,000	89.8%
Supply industry plus direct imports	R 738,000,000	67.2%

14 Quantifying the local library market

The high levels of participation in both the book publisher and the book retailer industry surveys offers an opportunity to estimate the turnover value of local suppliers to the library market in each of the industry sub-sectors.

Contents

List of Figures

14.1 Estimating the value of the local library industry

Both booksellers and publishers supply the library market. By correlating the turnover values obtained from each survey the total value of the local book industry survey participants was estimated.

The values of both surveys needed to be converted to a common denominator, the recommended retail price. This was done by adding back the discounts granted by booksellers to library customers, to convert the recorded net sales values to retail values, and adding back the discounts grant by publishers to libraries to convert publisher wholesale turnovers to retail values. Booksellers did not reveal their average discounts to libraries. After consulting participants in this market an average library discount of 30% on the recommended retail price was assumed and applied to the general trade sub-sector and 20% to the other sub-sectors.

Neither booksellers nor publishers reported any library sales of religious trade books. This sub-sector is therefore omitted from the analyses below.

1. The Book Retail Industry Survey's recorded library turnovers per sub-sector were converted at an average 30% customer discount on the retail recommended price value in the general trade sub-sector and 20% in the other sub-sectors.
2. These values were then grossed up by the percentage the survey represented of total industry turnovers to estimate the total industry estimates of the local retail trade's turnover with libraries.
3. No grossing up of the education survey values was done as none of the non-participant educational booksellers was likely to have significant library sales.

Fig. 14.1 Bookseller library sales at retail values (excluding VAT)

Library turnover at bookseller net values	General trade	Education	Academic	All sub-sectors
Library suppliers	R 32,000,000	R 21,000,000	R 53,000,000	R 106,000,000
Contact booksellers	R 2,000,000	R 1,000,000	R 11,000,000	R 14,000,000
Booksellers net turnover	R 34,000,000	R 22,000,000	R 64,00,000	R 120,000,000
Average library discount	30.0%	20.0%	20.0%	
At retail price values	R 49,000,000	R 28,000,000	R 80,000,000	R 157,000,000
Survey representation	80.2%	100.0%	86.1%	
Industry estimate	R 61,000,000	R 28,000,000	R 93,000,000	R 182,000,000

Fig. 14.2 Publisher library sales turnovers at retail values

Publishers' library sales	General trade	Education	Academic	All sub-sectors
At net wholesale values	R 21,000,000	R 16,000,000	R 9,000,000	R 46,000,000
Average discount	36.0%	33.0%	32.0%	
At retail price values	R 33,000,000	R 24,000,000	R 13,000,000	R 70,000,000
Survey representation	88.3%	92.3%	94.5%	
Industry total estimate	R 37,000,000	R 26,000,000	R 14,000,000	R 77,000,000

1. Publishers recorded their average discounts granted to libraries. These were used to gross up their recorded net invoice values to recommended retail price values.
2. These recommended survey values were grossed up to total industry estimates by applying the percentage representation of the industry by the survey sample.

Adding together the survey values determined in the two tables immediately above reports the survey values of local book industry library turnover at recommended retail price values.

Fig. 14.3 Local industry library sales at retail values (survey totals)

Estimated survey total library sales	General Trade	Education	Academic	All sub-sectors
Library suppliers	R 46,000,000	R 26,000,000	R 66,000,000	R 138,000,000
Contact booksellers	R 3,000,000	R 1,000,000	R 14,000,000	R 18,000,000
Publishers	R 33,000,000	R 24,000,000	R 13,000,000	R 70,000,000
All library sales	R 82,000,000	R 51,000,000	R 93,000,000	R 226,000,000

Fig. 14.4 Local industry library sales at retail values (industry estimates)

Estimated local industry library sales at retail price	General Trade	Education	Academic	All sub-sectors
Library suppliers	R 57,000,000	R 26,000,000	R 76,000,000	R 159,000,000
Contact booksellers	R 4,000,000	R 1,000,000	R 16,000,000	R 21,000,000
Publishers	R 37,000,000	R 26,000,000	R 14,000,000	R 77,000,000
All library sales	R 98,000,000	R 53,000,000	R 106,000,000	R 257,000,000

1. Estimating the library sales of booksellers and publishers that did not participate in the two industry surveys and adding these to the survey results reveals a total estimate of R257 million at recommended retail prices.
2. At these price levels publishers contributed R77 million of the R257 million turnover across all sub-sectors.

1. Library suppliers dominate all three industry sub-sectors that recorded library sales. Most of these sales were directly imported books.
2. Publishers and local distributors of imported books accounted for much of the remaining turnover. There is a direct correlation between the contribution of locally published books per sub-sector and the contribution to library sales per sub-sector. Most of these sales would be of locally published books.

14.2 Total local library market

The local market for library books is considerably larger than estimated above as many library purchases are made directly from overseas suppliers. Not included in the estimates above are:

- Library supplies by local and overseas internet booksellers;
- Direct supplies by overseas library supply specialists.

As there was no information available on these direct purchases, no attempt was made to estimate their values.

Fig. 14.5 Contribution to total local library sales at retail values

Contribution to total library sales at retail price value	General trade	Education	Academic	All sub-sectors
Library suppliers	58.2%	49.1%	71.7%	61.9%
Contact booksellers	4.1%	1.8%	15.1%	8.2%
Publishers	37.8%	49.1%	13.2%	29.9%

Final Remarks

Notwithstanding the fact that the report contains data from 59 of 77 entities on the core list of the survey, feedback from the 21 medium-turnover and 18 large entities included in the report ensured that it constituted a representative perspective on the activities and size of the book publishing industry. Based on the reported total net turnover of the survey participants and the estimated maximum total net turnover of the publishers and distributors that did not participate in the survey, the reported turnover profile represented 91.3% of the local book supply industry.

The dynamics of the industry as established from a database based on the feedback of only the entities that participated in both the 2010 and 2011 surveys will be tabled in a separate Broad Trends Report 2010–2011.

We trust that publishers will find the report useful and a valuable management tool.

Willem Struik

Beth le Roux

November 2012

Appendix 1 Estimating industry total turnovers

Two parallel industry surveys were conducted for 2011; one comprising the book retailers and the other the local book suppliers. The results of these two surveys were cross-correlated to estimate the turnovers of the practitioners that did not participate in the surveys. When these were added to the survey results the total values of each sub-sector of the two industries could be estimated to a reasonable degree of accuracy.

To estimate the total annual turnover values for each industry sub-sector, two barriers needed to be overcome:

1. Not all booksellers participated in the book retailer survey and not all suppliers participated in the book publishing survey. Hence neither survey total represented the total industry.
2. Booksellers purchased some of their books directly from overseas suppliers (not covered by the publishing survey), while publishers distributed their products to sales outlets other than booksellers (not covered by the retailer survey).

Individual booksellers reported on their total turnovers distinguishing between two possible sources of product (locally distributed or directly imported), while publishers distinguished between two possible target audiences for the product (home market or export market).

Three independent sources of data were used to estimate the total turnover values of each sub-sector of the industry:

1. data collected by the two industry surveys;
2. ranked lists of debtor and creditor account annual values supplied by leading booksellers and publishers in each sub-sector;
3. detailed rankings of suppliers to the book retail industry contained in the Nielsen BookScan *SA 52 Week Standard Executive Report 2011*.

Leading booksellers in each sub-sector supplied the research team with their 2011 creditor accounts in descending order of local purchase values. From these lists significant suppliers of product in each sub-sector could be identified and ranked in order of annual net turnover. Of these suppliers, 59 participated in the publishing industry survey, thus providing fixed points on these rankings and indicating approximate annual turnovers with the book trade.

Leading publishers in each sub-sector supplied the research team with their 2011 debtor accounts again ranked in descending order of annual sales values. These lists were used to identify leading booksellers. As 53 booksellers participated in the book retail industry survey absolute values could be attached to a number of these ranked positions.

Estimating the total industry turnover value of the local bookseller industry was done in two phases; total industry turnover values of the local book supply industry (local publishers and local distributors of imported books) were estimated per industry sub-sector. Local booksellers' share of publishers' distribution to the home market was then applied to these estimates.

The book publishing industry survey was used as the primary source for the estimation of total industry value, as it was the more comprehensive survey with a higher degree of industry participation in the survey across all industry sub-sectors.

The Publishers' Association of South Africa (PASA) membership list was augmented with a number of suppliers in each industry sub-sector who were not PASA members. This combined list was then compared with the list of survey participants to identify those who did not participate in the survey, and possible turnover values assigned to each.

Research based on the publishing activity profiles supplied in the 2011 edition of Guide to Publishing in South Africa and some basic internet research was used to allocate a primary publishing locus area to each of the non-participant suppliers.

Note that the total number of practitioners indicated in the tables below is greater than the actual number of practitioners as some were active in more than one industry sub-sector or market niche.

Altogether 207 practitioners were identified: the 59 participants in the survey and 148 other local book suppliers identified from the bookseller creditor accounts. Of these six general trade suppliers focused exclusively on the import market, as did two academic suppliers.

Figure 15.1 Estimated turnover of non-participant book suppliers

Non-participating local suppliers	Number		Estimated annual net turnover		
	Local	Import	Local	Imported	All products
General trade	10	6	R 65,000,000	R 61,000,000	R 126,000,000
Religious trade	6	0	R 10,000,000		R 10,000,000
Trade sub-sector	16	6	R 75,000,000	R 61,000,000	R 136,000,000
School books	110	0	R 141,000,000		R 141,000,000
FET textbooks	18	0	R 5,000,000		R 5,000,000
ABET workbooks	11	0	R 1,000,000		R 1,000,000
Education sub-sector	139	0	R 147,000,000		R 147,000,000
Academic textbooks	12	2	R 18,000,000	R 11,000,000	R 29,000,000
Professional books	0	0			R 0
Scholarly books	4	0		R 3,000,000	R 3,000,000
Academic sub-sector	16	2	R 18,000,000	R 14,000,000	R 32,000,000
All sub-sectors	171	8	R 240,000,000	R 75,000,000	R 316,000,000

1. From the PASA membership list, the creditor data supplied by booksellers and the Nielsen BookScan SA 52 Week Standard Executive Report 2011, 171 local publishers and eight distributors of imported books were identified who did not participate in the book publishing industry survey.
2. By applying the rankings supplied by the booksellers and extrapolating the Nielsen BookScan turnover data these non-participating locally based book suppliers were estimated to have a combined annual turnover at publisher net invoice value of R316,000,000 of which R240,000,000 was generated by locally published books and R75,000,000 imported books.

1. The book publishing survey recorded turnover values at net publisher invoice value of R3,336,478,000 of which R2,540,556,000 was generated by locally published books and R796,922,000 by imported books supplied by locally based distributors.
2. Although only 59 companies participated in the survey, some of them participated both as local publishers and as local distributors of imported books, and were counted in each category.

Figure 15.2 Total turnover of participant book suppliers

Survey Participants	Number		Annual net turnover		
	Local	Import	Local	Imported	All products
General trade	11	6	R 337,874,000	R 465,826,000	R 803,700,000
Religious trade	6	6	R 144,678,000	R 81,234,000	R 225,912,000
Trade sub-sector	17	12	R 482,552,000	R 547,060,000	R 1,029,612,000
School books	21	1	R 1,435,766,000	R 182,168,000	R 1,617,934,000
FET textbooks	6	1	R 128,755,000	R 1,056,000	R 129,811,000
ABET workbooks	6	0	R 7,483,000	R 0	R 7,483,000
Education sub-sector	33	2	R 1,572,004,000	R 183,224,000	R 1,755,228,000
Academic textbooks	6	3	R 262,046,000	R 32,272,000	R 294,318,000
Professional books	2	5	R 219,841,000	R 22,924,000	R 242,765,000
Scholarly books	4	3	R 4,113,000	R 10,442,000	R 14,555,000
Academic sub-sector	12	11	R 486,000,000	R 65,638,000	R 551,638,000
All sub-sectors	62	25	R 2,540,556,000	R 795,922,000	R 3,336,478,000

Figure 15.3 Estimated turnover of all local book suppliers

Industry estimate of total turnover	Number		Estimated annual net turnover		
	Local	Import	Local	Imported	All products
General trade	21	12	R 403,000,000	R 527,000,000	R 930,000,000
Religious trade	12	6	R 155,000,000	R 81,000,000	R 236,000,000
Trade sub-sector	33	18	R 558,000,000	R 608,000,000	R 1,166,000,000
School books	131	1	R 1,577,000,000	R 182,000,000	R 1,759,000,000
FET textbooks	24	1	R 134,000,000	R 1,000,000	R 135,000,000
ABET workbooks	17	0	R 8,000,000	R 0	R 8,000,000
Education sub-sector	172	2	R 1,719,000,000	R 183,000,000	R 1,902,000,000
Undergraduate textbooks	18	5	R 280,000,000	R 43,000,000	R 323,000,000
Professional books	2	5	R 220,000,000	R 23,000,000	R 243,000,000
Scholarly books	8	3	R 4,000,000	R 13,000,000	R 17,000,000
Academic sub-sector	28	13	R 504,000,000	R 80,000,000	R 584,000,000
All sub-sectors	233	33	R 2,781,000,000	R 871,000,000	R 3,652,000,000

1. Adding together the data collected from the participants and the estimated turnovers from those who did not participate in the survey, estimates were made of the total industry turnover values in each of the industry sub-sectors.
2. The estimated turnover values of all locally supplied books amounted to R3,652,000,000 of which R2,781,000,000 was generated by the sale of locally published books.

Appendix 2 Industry estimate turnover values

The estimation of industry values in Appendix 1 is extended to ebooks and non-book products and the estimated industry value of print books directly imported by local booksellers and sold in the home market added to estimate the total values of each industry sub-sector.

General trade	Locally supplied	% of total	Locally sold	% of total
Locally published print books	R 402,000,000	43.0%	R 402,000,000	39.5%
Imported print books	R 527,000,000	56.4%	R 527,000,000	51.7%
Directly imported print books			R 84,000,000	10.7%
E-books	R 1,000,000	0.1%	R 1,000,000	0.1%
Non-book products	R 5,000,000	0.5%	R 5,000,000	0.5%
All product categories	R 935,000,000		R 1,019,000,000	
Religious trade	**Locally supplied**	**% of total**	**Locally sold**	**% of total**
Locally published print books	R 155,000,000	65.7%	R 155,000,000	63.0%
Imported print books	R 81,000,000	34.3%	R 81,000,000	32.9%
Directly imported print books			R 10,000,000	1.3%
E-books	R 0	0.0%	R 0	0.0%
Non-book products	R 0	0.0%	R 0	0.0%
All product categories	R 236,000,000		R 246,000,000	
Education	**Locally supplied**	**% of total**	**Locally sold**	**% of total**
Locally published print books	R 1,720,000,000	88.7%	R 1,720,000,000	88.1%
Imported print books	R 183,000,000	9.4%	R 183,000,000	9.4%
Directly imported print books			R 13,000,000	1.7%
E-books	R 0	0.0%	R 0	0.0%
Non-book products	R 37,000,000	1.9%	R 37,000,000	1.9%
All product categories	R 1,940,000,000		R 1,953,000,000	
Academic	**Locally supplied**	**% of total**	**Locally sold**	**% of total**
Locally published print books	R 504,000,000	85.6%	R 504,000,000	64.5%
Imported print books	R 80,000,000	13.6%	R 80,000,000	10.2%
Directly imported print books			R 193,000,000	24.7%
E-books	R 0	0.0%	R 0	0.0%
Non-book products	R 5,000,000	0.8%	R 5,000,000	0.6%
All product categories	R 589,000,000		R 782,000,000	

Appendix 3 Industry estimates by sub-category

The booksellers which reported the value of direct imports could not distinguish between the four product sub-categories in the general trade sub-sector or the two categories in the religious trade book sub-sector.

It is unlikely that the profile of the directly imported general trade books would resemble that of the locally distributed imported trade books. For example, most adult fiction mass market titles were locally represented, making it unlikely that the direct bookseller imports would be made up of 50.4% adult fiction titles as was recorded for locally distributed imports.

No attempt was therefore made to allocate the value to direct bookseller imports amongst the product sub-categories in the general and religious trade sub-sectors.

General trade	Locally supplied	% of total	Locally sold	% of total
Adult fiction	R 353,000,000	38.0%		
Children's fiction	R 122,000,000	13.1%		
Adult non-fiction	R 371,000,000	39.9%		
Children's non-fiction	R 83,000,000	8.9%		
General trade print books	R 929,000,000		R 1,013,000,000	
Religious trade	**Locally supplied**	**% of total**	**Locally sold**	**% of total**
Adult books	R 222,000,000	94.1%		
Children's books	R 14,000,000	5.9%		
Religious trade print books	R 236,000,000		R 246,000,000	
Education	**Locally supplied**	**% of total**	**Locally sold**	**% of total**
School books	R 1,760,000,000	92.5%	R 1,769,000,000	92.3%
FET College books	R 135,000,000	7.1%	R 139,000,000	7.3%
ABET workbooks	R 8,000,000	0.4%	R 8,000,000	0.4%
Education print books	R 1,903,000,000		R 1,916,000,000	
Academic	**Locally supplied**	**% of total**	**Locally sold**	**% of total**
Academic textbooks	R 324,000,000	55.5%	R 510,000,000	65.6%
Professional books	R 243,000,000	41.6%	R 243,000,000	31.3%
Scholarly books	R 17,000,000	2.9%	R 24,000,000	3.1%
Academic print books	R 584,000,000		R 777,000,000	

Appendix 4 Local publication sales profile by language

Local publication Industry estimates	English	Afrikaans	African Languages	Multilingual	All languages
Adult fiction	R 42,000,000	R 46,000,000	R 0	R 0	R 88,000,000
Children's fiction	R 8,000,000	R 40,000,000	R 2,000,000	R 0	R 50,000,000
Adult non-fiction	R 138,000,000	R 65,000,000	R 0	R 3,000,000	R 206,000,000
Children's non-fiction	R 29,000,000	R 28,000,000	R 0	R 1,000,000	R 58,000,000
General trade	R 217,000,000	R 179,000,000	R 2,000,000	R 4,000,000	R 402,000,000
Adult books	R 55,000,000	R 62,000,000	R 24,000,000	R 1,000,000	R 142,000,000
Children's books	R 5,000,000	R 7,000,000	R 0	R 0	R 12,000,000
Religious trade books	R 60,000,000	R 69,000,000	R 24,000,000	R 1,000,000	R 154,000,000
School books	R 1,069,000,000	R 144,000,000	R 359,000,000	R 6,000,000	R 1,578,000,000
FET textbooks	R 134,000,000	R 0	R 0	R 0	R 134,000,000
ABET workbooks	R 7,000,000	R 0	R 1,000,000	R 0	R 8,000,000
Education	R 1,210,000,000	R 144,000,000	R 360,000,000	R 6,000,000	R 1,720,000,000
Textbooks	R 269,000,000	R 11,000,000	R 0	R 0	R 280,000,000
Professional books	R 219,000,000	R 1,000,000	R 0	R 0	R 220,000,000
Scholarly books	R 4,000,000	R 0	R 0	R 0	R 4,000,000
Academic	R 492,000,000	R 12,000,000	R 0	R 0	R 504,000,000

Contribution to total sub-sector turnover	English	Afrikaans	African Languages	Multilingual	
Adult fiction	47.7%	52.3%	0.0%	0.0%	
Children's fiction	16.0%	80.0%	4.0%	0.0%	
Adult non-fiction	67.0%	31.6%	0.0%	1.5%	
Children's non-fiction	50.0%	48.3%	0.0%	1.7%	
General trade	54.0%	44.5%	0.5%	1.0%	
Adult books	38.7%	43.7%	16.9%	0.7%	
Children's books	41.7%	58.3%	0.0%	0.0%	
Religious trade books	39.0%	44.8%	15.6%	0.6%	
School books	67.7%	9.1%	22.8%	0.4%	
FET textbooks	100.0%	0.0%	0.0%	0.0%	
ABET workbooks	87.5%	0.0%	12.5%	0.0%	
Education	70.3%	8.4%	20.9%	0.3%	
Textbooks	96.1%	3.9%	0.0%	0.0%	
Professional books	99.5%	0.5%	0.0%	0.0%	
Scholarly books	100.0%	0.0%	0.0%	0.0%	
Academic	97.6%	2.4%	0.0%	0.0%	

Appendix 5 School book turnover by language

School books	Contribution	Turnover	% of total
English		R 1,069,000,000	67.7%
Afrikaans		R 144,400,000	9.1%
Multilingual		R 6,000,000	0.4%
African language	% of sub-total	R 359,000,000	22.7%
IsiZulu	30.9%	R 111,000,000	7.0%
IsiXhosa	32.3%	R 116,000,000	7.3%
Sepedi	5.6%	R 20,000,000	1.3%
Sesotho	8.9%	R 32,000,000	2.0%
Setswana	18.1%	R 65,000,000	4.1%
IsiNdebele	0.3%	R 1,000,000	0.1%
Xitsonga	1.4%	R 5,000,000	0.3%
Tsivenda	0.6%	R 2,000,000	0.1%
SiSwati	1.9%	R 7,000,000	0.4%
All school books		R 1,578,400,000	