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The Market Shift: How Category Market Share Changed From 2007-2008

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Summary

2008 was not your average year. With the beginnings of a severe economic downturn consumer confidence was at an all time low—especially around the holidays, a crucial book buying season. Still, the industry continued on, and in some cases flourished. In an attempt to identify the market trends of 2008, BNC has put together a detailed breakdown of the market shift by category for the year, including the Total Market (all books in all categories of BNC SalesData) and a second tier breakdown of Fiction.

Based on statistics compiled using BNC SalesData, the following market share trends emerge:

- Overall, the largest increase in market share both by volume and by value was seen in Juvenile Fiction.
- The largest decrease by value was Juvenile Nonfiction .
- The largest decrease by volume was Comic Books & Graphic Novels.
- In Fiction, the largest increase in both volume and value market share was in the largest category, General Fiction.
- Mystery saw the largest decrease in volume, while Fantasy saw the largest decrease in value.
- For the most part, the smaller the category (Drama, Pets, Literary Criticism, etc), the less fluctuation in market share from year to year, but due to the small volume of sales, their market percentage change is higher.
- Large increases in market share tend to be driven by the prodigious success of a single title or author, such as the Twilight Saga in Juvenile Fiction or *A New Earth* in Body, Mind & Spirit.
- Market share increases or decreases are not necessarily reflective of growth in each category. A category could have had more sales overall, but the market share could have decreased due to exponential growth in other categories.

Introduction

The book industry is unpredictable, and as we move into the future with eBooks, digital media, and a culture obsessed with the ‘next big thing’, publishers and retailers alike are working hard to predict what will satisfy the ever-changing tastes of the book-buying public.

To help, we wanted to show exactly what sold in that roller-coaster ride of 2008. By comparing category market shares from 2007 and 2008, we can gain a little insight into the overall sales for the year, seeing which areas grew and which didn’t do as well.

In the *BNC Research: The Canadian Book Market 2008*, BookNet Canada looked at the Canadian market by category, comparing everything from publication date distribution, to year-over-year weekly sales analysis. We broke down each category to see its sales—by list price and by volume—and compared them to 2007’s numbers and their share of the top-level category market.

If you’re interested in the whole picture, the *BNC Research: The Canadian Book Market 2008* is available for purchase at <http://canadianbookmarket.booknetcanada.ca>

In this study, we compared 2007 and 2008 sales for the Total Market and the second-level Fiction Market, over 50 categories in total. We’ve included a table with market shares from each year, along with market-shift bar graphs of both sales by value and sales by volume for a visual representation of the trends. For a more thorough understanding of the categories and how they look in the overall scheme of the Total Market, we’ve included tree graphs that visually express the comparative size of the categories.

Caveats

- Based on publisher feedback, BookNet Canada estimates BNC SalesData represents about 75% of retailers across Canada. As the remaining 25% includes many non-traditional retailers, such as grocery stores, pharmacies, and gift shops, some genres may be underrepresented in the market.
 - The process of categorizing bibliographic information results in many leading titles being classified as 'General' rather than being grouped more specifically, making it difficult to adequately judge the performance of sub-categories
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Total Market Shift Table

The tables below list the percentage of the total market that each category represented in 2007 and 2008 and the year to year category increase for each. The first two columns show the percentage of the entire book market each category represented for 2007 and 2008. The “% Change” column is the difference from year to year in each category’s market share. For instance, Art went from 0.56% of the market in 2007 to 0.46% in 2008, a decrease of 17.44%.

Volume

Category	Volume		
	% of Market 2007	% of Market 2008	% Change from 2007-2008
Antiques & Collectibles	0.11%	0.09%	-12.14%
Architecture	0.11%	0.09%	-15.99%
Art	0.56%	0.46%	-17.44%
Bibles	0.07%	0.08%	15.39%
Biography & Autobiography	3.03%	3.06%	0.99%
Body, Mind & Spirit	2.05%	2.41%	17.21%
Business & Economics	2.40%	2.23%	-7.06%
Comics & Graphic Novels	1.87%	1.47%	-21.48%
Computers	0.70%	0.67%	-4.39%
Cooking	2.48%	2.36%	-4.55%
Crafts & Hobbies	0.59%	0.49%	-16.87%
Drama	0.15%	0.12%	-22.45%
Education	0.33%	0.47%	42.65%
Family & Relationships	1.57%	1.34%	-14.87%
Fiction	32.33%	33.51%	3.66%
Foreign Language Study	0.89%	0.87%	-1.98%
Games	0.92%	0.92%	-0.27%
Gardening	0.31%	0.23%	-25.76%
Health & Fitness	2.13%	1.88%	-11.70%
History	1.64%	1.51%	-7.76%
House & Home	0.56%	0.48%	-14.13%
Humour	1.43%	1.44%	0.40%
Juvenile Fiction	22.10%	24.78%	12.14%
Juvenile Non-Fiction	5.52%	5.23%	-5.27%
Language Arts & Disciplines	0.25%	0.21%	-16.02%
Law	0.10%	0.08%	-17.60%
Literary Collections	0.09%	0.06%	-24.24%
Literary Criticism	0.11%	0.09%	-14.93%
Mathematics	0.15%	0.11%	-30.83%
Medical	0.36%	0.31%	-13.42%
Music	0.42%	0.45%	8.06%
Nature	0.48%	0.44%	-7.68%
Performing Arts	0.24%	0.20%	-15.05%
Pets	0.38%	0.37%	-2.61%
Philosophy	0.41%	0.28%	-29.85%
Photography	0.34%	0.37%	7.52%
Poetry	0.18%	0.14%	-22.20%
Political Science	0.54%	0.52%	-4.99%
Psychology	0.41%	0.44%	6.40%
Reference	1.48%	1.28%	-13.67%
Religion	1.24%	1.24%	-0.62%
Science	0.56%	0.65%	16.42%
Self-Help	2.07%	2.16%	4.09%
Social Sciences	1.08%	0.75%	-30.51%
Sports & Recreation	1.00%	0.97%	-2.95%
Study Aids	0.16%	0.15%	-9.20%
Technology	0.13%	0.10%	-22.74%
Transportation	0.16%	0.16%	3.63%
Travel	2.62%	2.32%	-11.57%
True Crime	0.37%	0.35%	-5.90%

By examining the percentage change in market share, we can get a sense of what happened in 2008, and perhaps a few hints at the 2009 market. We can also examine trends in the industry, seeing which books took off, and how much a bestseller contributes to overall sales.

Market share is based on a category’s sales in comparison to all of the other categories. While the year-over-year changes look large, they can be deceptive. A large percentage change for a small category can mean a difference of only a few thousand books, while a small percentage in a category with a significant portion of the market can mean hundreds of thousands of books.

A 42.65% percent change in Education means the category went from 0.33% of the market to 0.47%. That 42.65% percent change increase in the Education category equates a .14 percentage point increase in market share, roughly 100,000 books. Self-Help had around the same increase in market share as Education, from 2.07% in 2007 to 2.16% in 2008, 0.9 percentage points. The increase in volume sold was about the same as well, but since Self-Help is such a bigger market (about triple the size as Education), the year-over-year change was only 4.06%.

Philosophy’s market share percentage by volume dropped by 29.85% in 2008, but only went down in market share from 0.41% of the total market to 0.28%. A category’s performance in any given year may not reflect its stance in the market share, especially in categories that represent smaller portions. Sometimes a bestseller, such as Eckhart Tolle’s *A New Earth* will drive up a category’s sales and consequentially reduce the market share of any categories that would post similar sales in an average year.

A run-away bestseller, or even a few of them, isn't necessarily 'stealing' sales from other categories and titles. It may be increasing the size of the overall book market, so while categories seem to be losing market share they may be flat or even see an increase from the year before.

Value

Category	Value		
	% of Market 2007	% of Market 2008	% Change from 2007-2008
Antiques & Collectibles	0.14%	0.11%	-20.39%
Architecture	0.20%	0.19%	-3.72%
Art	0.91%	0.76%	-16.07%
Bibles	0.07%	0.09%	30.44%
Biography & Autobiography	4.00%	3.97%	-0.59%
Body, Mind & Spirit	2.55%	2.51%	-1.71%
Business & Economics	3.42%	3.29%	-3.72%
Comics & Graphic Novels	1.65%	1.32%	-19.80%
Computers	1.52%	1.44%	-5.27%
Cooking	4.00%	4.01%	0.13%
Crafts & Hobbies	0.72%	0.59%	-18.36%
Drama	0.09%	0.07%	-19.86%
Education	0.35%	0.53%	50.06%
Family & Relationships	1.71%	1.48%	-13.74%
Fiction	29.13%	29.89%	2.59%
Foreign Language Study	1.06%	1.05%	-0.57%
Games	0.77%	0.84%	9.75%
Gardening	0.42%	0.31%	-27.45%
Health & Fitness	2.78%	2.42%	-12.91%
History	2.28%	2.22%	-2.39%
House & Home	0.85%	0.71%	-15.99%
Humour	1.64%	1.39%	-15.31%
Juvenile Fiction	15.93%	17.49%	9.74%
Juvenile Non-Fiction	4.22%	3.77%	-10.57%
Language Arts & Disciplines	0.29%	0.22%	-23.40%
Law	0.12%	0.10%	-14.54%
Literary Collections	0.11%	0.07%	-31.69%
Literary Criticism	0.13%	0.11%	-13.62%
Mathematics	0.21%	0.13%	-34.45%
Medical	0.63%	0.54%	-14.14%
Music	0.61%	0.69%	14.31%
Nature	0.70%	0.62%	-10.84%
Performing Arts	0.34%	0.31%	-8.56%
Pets	0.44%	0.43%	-3.40%
Philosophy	0.39%	0.32%	-18.13%
Photography	0.60%	0.66%	9.77%
Poetry	0.20%	0.16%	-20.50%
Political Science	0.85%	0.76%	-10.51%
Psychology	0.55%	0.59%	7.09%
Reference	1.93%	1.78%	-7.76%
Religion	1.52%	1.42%	-6.63%
Science	0.85%	0.95%	12.07%
Self-Help	2.34%	2.49%	6.07%
Social Sciences	1.30%	0.93%	-28.41%
Sports & Recreation	1.29%	1.43%	10.93%
Study Aids	0.26%	0.24%	-8.81%
Technology	0.25%	0.19%	-22.98%
Transportation	0.25%	0.23%	-8.18%
Travel	3.14%	2.83%	-9.75%
True Crime	0.32%	0.30%	-5.16%

Business category deals with a large volume of sales, even smaller changes in year-over-year market share reflect a large amount of sales value. The value of that 3.72% change for Business is the value of the entire Architecture category. A lot of the large negatives in these charts aren't so bad, in fact, some of the categories that had negative year-over-year changes actually had an overall increase in sales in 2008.

As with volume, we've included the market shares by value for 2007 and 2008, as well as the year-over-year % change for each category.

Market share by value did not fluctuate on par with volume. When volume rose, so did value; but not at the same rate. This could partially be because of the list price adjustments that began last summer. Publishers began to price their books in closer accordance to the rising value of the Canadian dollar. As a result, the price of Canadian books became closer to par with the U.S., cutting three or four dollars off of list prices (sometimes upwards of ten). This may account for the discrepancy between market share for value and volume in the larger categories: Fiction and Juvenile Fiction.

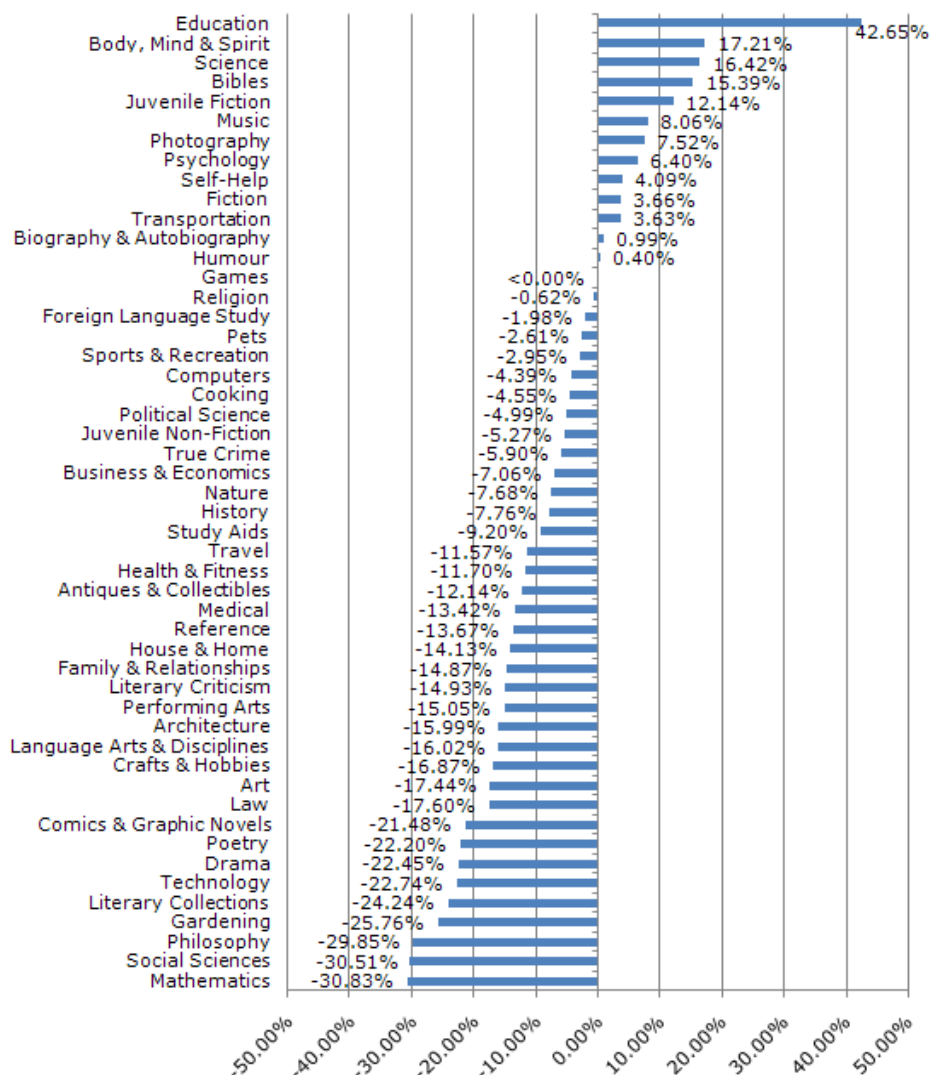
Looking at the categories that experienced relatively large shifts in market share, such as Fiction and Juvenile Fiction, we can see that this may have made a difference. A greater portion of market share for volume with a lesser increase in value could mean cheaper books. It could also mean that people are generally buying less expensive books—more mass markets and inexpensive trade titles—but it could also be a direct effect of the equalized pricing, books closer to the American price to match the rising Canadian dollar.

Architecture and Business are good examples for differentiating between category change and market share change. Both categories had a year-over-year percentage change of -3.72% in market share. For Architecture, a smaller category, this meant a drop of 0.01% market share. For Business, a -3.72% change meant a 0.13% percentage point drop in market share. Because the

Changes in Total Market Share

The charts below represent the percent change in each category's market share between 2007 and 2008. The increase or decrease represents how much a category gained or lost of the total market compared with its market share from the year before. With the overall market increase, it is possible that some of the categories that have a negative market share actually sold more books than the year before. For instance, Cooking, while experiencing a -4.55% decrease in market share volume, sold more in 2008 than in 2007 and remains one of the most popular categories in the total market.

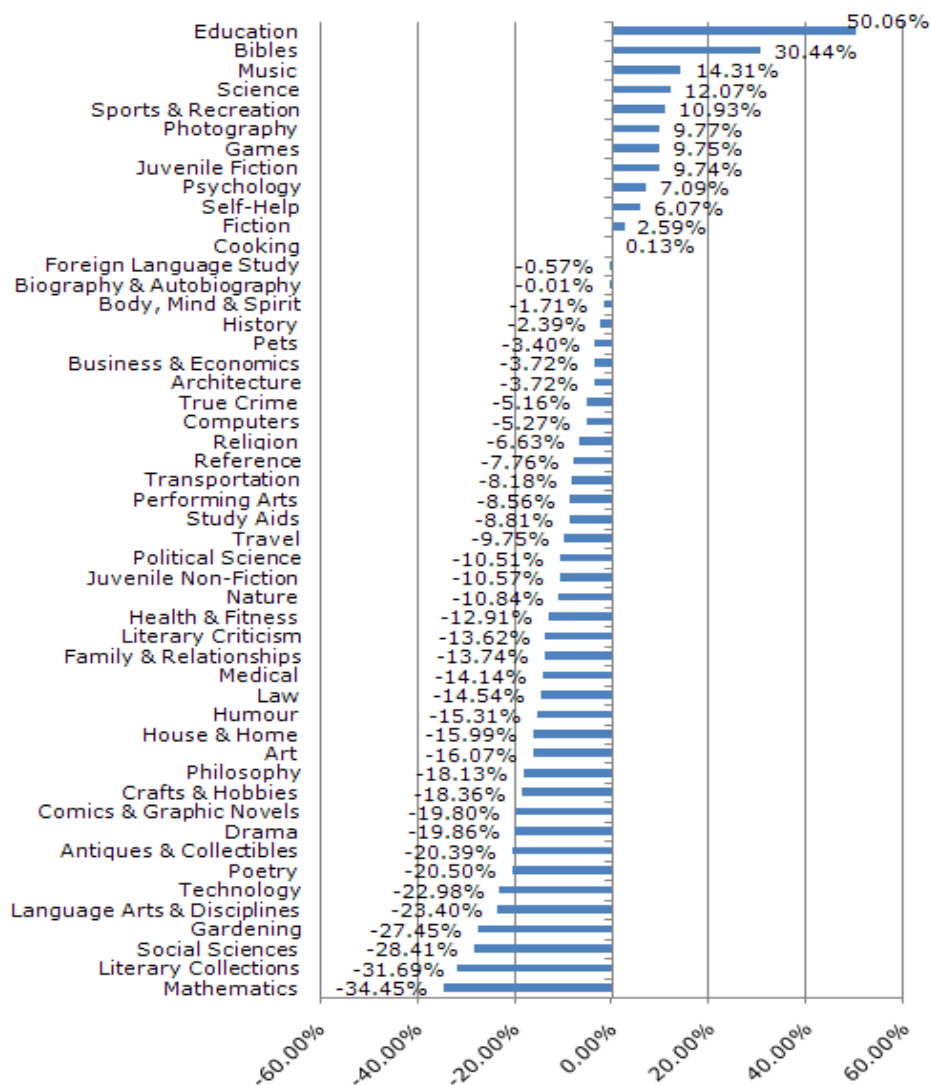
Sales by Volume – Total Market



Stephenie Meyer was the big story in book sales this year, and any talk about a shift in market share has to take into account the massive sales of her books. According to a recent study by BookNet Canada, in 2008 Meyer books alone made up over 2.35% of the total market for units sold and 2.33% of the list price value. Since Juvenile Fiction accounts for 17.49% of the total market value and 24.78% of volume in 2008, the *Twilight* Saga must be attributed some of the growth in this category.

While the *Twilight* Saga did exceptionally well, Juvenile Fiction is an extremely popular market, and saw other beloved titles launched this year, such as *Brsinger* and the Harry Potter series addendum *Tales of Beedle the Bard*. Several film versions of popular Juvenile Fiction titles, such as *The Spiderwick Chronicles* and *The City of Ember*, spawned movie tie-in editions and box-sets that increased sales for the category.

Sales by Value – Total Market



It is possible, even normal, for a single title to boost an entire category's market share. For the past two years, *Body, Mind & Spirit* has had two runaway bestsellers that have managed to give it a disproportionate share of the market.

In 2007 we saw Rhonda Byrne's *The Secret* dominate bestseller lists across the board. In 2008, New Age guru Eckhart Tolle's *The Power of Now* topped Byrne's sales by volume, despite originally being released in 1997. Oprah's ten-day class in March created a huge sales spike for the book, and continued the *Body, Mind & Spirit* rampage in 2008.

However, these numbers are far from ordinary for the category. *The Power of Now* and *The Secret* each sold over 10 times the amount of an average *Body, Mind & Spirit* bestseller. In *BNC Research: The Canadian Book Market 2007*, *The Secret* sales alone doubled the total list value for the category. If the category doesn't produce another Byrne or Tolle, there will most likely be a significant drop in market share in 2009.

Fiction Market Shift Table

The Fiction market was one of the few to experience growth last year. Unlike the massive growth tied to a single series in Juvenile Fiction, Fiction has seen increased spending across various titles. The following data represents market share of the Fiction market only and does not represent any of the second-tier Fiction categories positions in the total market place.

For the second-level breakdown of Fiction, all data used for 2008 is sourced directly from *The Canadian Book Market 2008*, however the data used in these charts has been updated from the 2007 data and will be slightly varied from *The Canadian Book Market 2007* due to updates in bibliographic data.

Volume

Category	Volume		
	% of Market 2007	% of Market 2008	% Change from 2007-2008
Action & Adventure	1.04%	1.22%	16.60%
Anthologies (multiple authors)	0.40%	0.29%	-27.09%
Biographical	0.02%	0.02%	-24.32%
Christian	0.21%	0.25%	21.20%
Erotica	0.40%	0.37%	-5.39%
Espionage	0.18%	0.15%	-16.66%
Fairy Tales	0.08%	0.08%	-6.33%
Fantasy	7.23%	6.68%	-7.60%
Gay	0.03%	0.02%	-28.21%
General	39.69%	42.70%	7.59%
Historical	3.02%	3.12%	3.29%
Horror	0.52%	0.50%	-5.06%
Humorous	0.46%	0.26%	-42.42%
Jewish	0.00%	0.00%	4.28%
Legal	0.43%	0.22%	-50.18%
Literary	5.36%	6.02%	12.37%
Media Tie-In	0.66%	0.37%	-43.33%
Medical	0.03%	0.02%	-26.68%
Men's Adventure	0.31%	0.42%	38.34%
Mystery & Detective	7.10%	6.10%	-14.00%
Political	0.07%	0.08%	10.00%
Psychological	0.61%	0.17%	-72.58%
Religious	0.46%	0.36%	-22.43%
Romance	12.94%	12.51%	-3.33%
Sagas	1.20%	0.43%	-64.57%
Science Fiction	2.81%	3.33%	18.56%
Short Stories (single author)	1.00%	0.40%	-60.18%
Suspense	7.09%	7.47%	5.47%
Thrillers	5.92%	5.72%	-3.48%
War & Military	0.20%	0.25%	24.45%
Westerns	0.53%	0.47%	-11.23%

As with the total market share, Fiction market share is relative. A percentage change in market share does not necessarily mean the category performed poorly or exceedingly well; a category could have had the same amount or even more sales in 2008 compared to 2007, but due to exceptional market share changes in other categories, its market share also shifted.

For instance, the Gay Fiction category has had a 28.21% drop in market share, but considering its market share dropped from 0.03% to 0.02%, this isn't a huge loss in sales when compared to the whole market. Gay Fiction sold about 3,300 books in 2008 compared to about 4,000 in 2007.

Action & Adventure saw an increase of 16.60% over 2007's market share while Espionage saw a decline of 16.66%. While these two both saw around the same percent of change year-over-year, their actual increase or decrease in market share is different. Espionage saw a .03 percentage point decrease, from 0.18% in 2007 to 0.15% in 2008. Action and Adventure, the larger of the two, saw a 0.18% increase, from 1.04% in 2007 to 1.22% in 2008. The larger the category, the larger the numbers involved in market share change.

Despite the somewhat steep percentage increases and decreases of various categories' market share, not many of the categories had exponential growth.

Sagas had a market share by volume loss of 70.32%, but again, it's a low selling category to begin with, selling just over 75,000 books in 2008. Its market share by volume only decreased by only 0.84 percentage points. If Romance or General

posted those kinds of losses, it would potentially mean millions of dollars gone from the market. It could also mean another category has taken off and increased the market so much that the other categories' market shares have been drastically cut.

Note that while the Jewish category appears to represent 0% of the market, it still has sales; however these are too small to register a market share to two decimal places.

Value

Category	Value		
	% of Market 2007	% of Market 2008	% Change from 2007-2008
Action & Adventure	0.89%	1.12%	25.40%
Anthologies (multiple authors)	0.45%	0.33%	-26.86%
Biographical	0.01%	0.01%	4.71%
Christian	0.22%	0.27%	24.43%
Erotica	0.37%	0.37%	-0.25%
Espionage	0.14%	0.13%	-4.93%
Fairy Tales	0.09%	0.09%	-1.83%
Fantasy	6.75%	5.70%	-15.52%
Gay	0.04%	0.02%	-39.37%
General	43.76%	47.56%	8.70%
Historical	3.44%	3.27%	-5.06%
Horror	0.40%	0.40%	-0.03%
Humorous	0.46%	0.28%	-37.96%
Jewish	0.00%	0.00%	0.35%
Legal	0.42%	0.20%	-52.96%
Literary	6.56%	7.62%	16.15%
Media Tie-In	0.54%	0.36%	-33.60%
Medical	0.03%	0.02%	-7.42%
Men's Adventure	0.42%	0.40%	-6.91%
Mystery & Detective	6.79%	5.80%	-14.59%
Political	0.10%	0.09%	-16.23%
Psychological	0.43%	0.13%	-68.59%
Religious	0.42%	0.27%	-37.14%
Romance	9.16%	8.37%	-8.53%
Sagas	1.17%	0.35%	-70.32%
Science Fiction	2.24%	3.20%	43.22%
Short Stories (single author)	1.12%	0.51%	-54.36%
Suspense	7.56%	7.21%	-4.63%
Thrillers	5.45%	5.34%	-1.86%
War & Military	0.23%	0.27%	17.87%
Westerns	0.34%	0.28%	-16.54%

Because the Fiction market is more specific than the total market, many of the second-tier categories are smaller and less likely to post much of a change in market share. It would take a large number of books to make a significant difference in their portion of the market. The Biographical, Gay, Medical and Jewish categories all post sales value under the hundred thousand dollar mark. When compared to categories such as Science Fiction and Thriller, posting sales from around the ten million to 15 million dollar mark, their market share is obviously a lot smaller and less likely to increase or decrease. It would take a very large sales increase from a breakout bestseller to significantly change the market share of any of the larger categories.

One other way that these categories could gain more of the market is subject reclassification by the publisher.

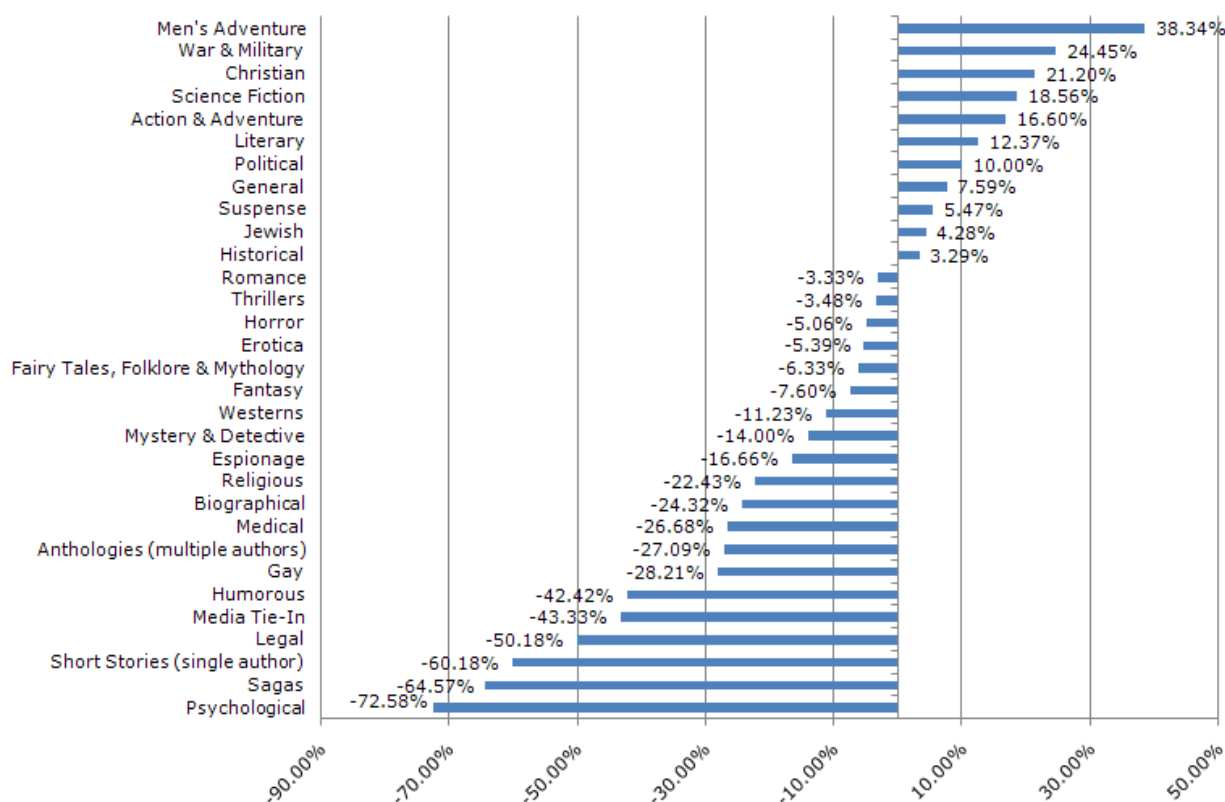
Science Fiction's market share percent increased by 43.22% for a Fiction market share of 3.20% in 2008. It's categories like these that will affect the overall market: large selling categories with runaway bestsellers that grab a larger than usual piece of the market. It won't necessarily 'steal' sales from other categories, but it does take up market space from a category that may have had a lesser growth.

Changes in Fiction Market Share

Fiction is a diverse market and is sometimes difficult to categorize. Is a Raymond Chandler novel Mystery & Detective or Literature? What about Danielle Steele or Stephen King? Categorization is based on the publisher's classification and can change depending on their understanding of their reader's expectations of books and literature. Even different versions of the same book may have different categories, crossover being especially prevalent with the General Fiction. BookNet uses the primary subject category as supplied by the publisher or distributor.

As in the total market graphs above, the Sales by Volume and Sales by Value graphs below represent the increase or decrease in each category's market share.

Sales by Volume – Fiction Market



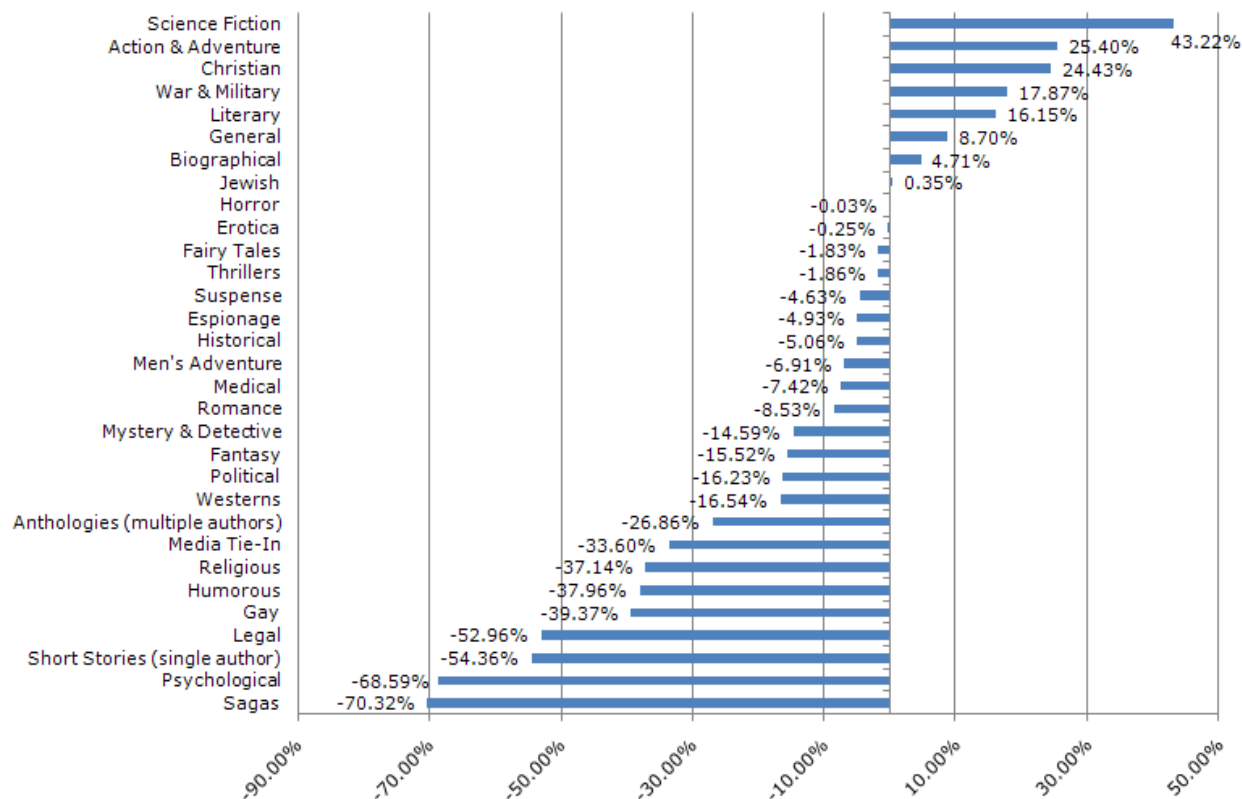
Not surprisingly, General was the dominant Fiction category this year, increasing its Fiction market share by only 7.59%, but when translated to overall market share gains, it climbed 3.01 percentage points, from 39.96% to 42.70%. The other traditional large markets, (the ones we separate in *The Canadian Book Market 2008* are: Fantasy, Historical, Mystery & Detective, Romance, Science Fiction, and Suspense & Thriller) have seen a decrease or only a slight increase.

Science Fiction is one of the other main genres that has seen a measurable increase in market share. This can likely be attributed to one book, Stephenie Meyer's *The Host*. This book sold more units than the top five hardcover and top five paperback Science Fiction titles combined, making up over 10% of the category by itself.

General has not only grown the most, but is simply the largest Fiction category by many times over. It's worth almost five times more than its closest rival, Romance. A lot of this has to do with classification. Many authors that would fit nicely in specific genres – authors like James Patterson and Nora Roberts – are categorized as General Fiction. A bestselling title will often complete its initial hardcover run in a selected genre, then for its paperback and/or mass market incarnation, the publisher will re-label it General Fiction. For instance, Lawrence Hill's *Book of Negroes* had its original hardcover run as Historical

Fiction then was reclassified as General Fiction in its trade paperback run. It's a case of knowing your audience and knowing where they are going to look for your books.

Sales by Value – Fiction Market



But why the increase in General Fiction in 2008? Aside from the obvious resurgence of John Grisham and take-off bestsellers such as *The Shack*, there's not one particular trend that points to an answer. It may just be more people reading and starting in the General Fiction section, it could be that publishers are more and more favouring the General Fiction category for their books.

Romance, one of the most popular genres—especially in mass-market paperbacks—lost a little ground this year in its market share. This said, it still brings in many more sales than other genres (excluding General), and has stayed relatively stable overall. It also shares quite a few authors with the General category, including the aforementioned Roberts, Picoult, and Steele, so it is possible that its share losses have more to do with categorization by the publishers and less with sales. Still, the genre remains strong with an almost \$25 million list value, and selling well over 2 million units a year and a 12.51% share of the Fiction market. It's worth noting that out of all categories, Romance is probably the most affected by BookNet's underrepresentation of sales data from pharmacies and super markets as these books tend to sell well in non-bookstore outlets.

Mystery & Detective and Fantasy seem to have the biggest decreases of market share, but sold around the same amount as previous years. Both genres showed stability in value, hovering around the \$16 million mark and both selling well over 1.1 million units. Fantasy even had a higher volume of sales in 2008 than in 2007. Its stagnant value may be attributed to some of its bestselling titles from 2007 being released in 2008 in different formats of lesser value, \$30 hardcovers being released and staying high on the bestseller list as \$10 mass market paperbacks.

Conclusion

The book market is unpredictable, but there are significant trends that can be used to better understand the market as a whole. Looking at the overall market share of a category helps us understand the distribution of purchasing in the market and determine some patterns that may apply to any categories down the line.

- Some categories do and always will—barring epic changes in the preferences of the majority of the population—hold the largest shares of the market. However, these categories are susceptible to the ebb and flow of consumer whim and will see changes in their market share from year to year.
- As in the case of Science Fiction, a single book can increase an entire category's market share and influence sales for that specific category dramatically.
- Market share is not always a marker of a category's performance. As in the case of Cooking, a category may experience an increase in sales, but a larger increase in a different category, or several different categories, may drive down market share.

For a more in-depth look at all the category's performances in 2008, be sure to get your copy of the *BNC Research: The Canadian Book Market 2008* at <http://research.booknetcanada.ca>
