2022 REPORT

Evolution of the digital market (ebooks and audiobooks) in Spain and Latin America

Contents

1.

Executive summary

Executive summary

We're delighted to announce a new development in this, our 8th Bookwire report - for the first time ever, we're including figures in our analysis from the beginning of the current year. To be precise, figures from the first quarter of 2022, with a view to providing the most updated vision of the market as possible.

2020 proved to be an exceptional year for the consumption of digital content, due to the various lockdowns and periods of confinement prompted by the pandemic. We will therefore consider 2019 as a basis for comparing the evolution of the market in 2021, on considering it the last "normal" year in relation to consumer figures.

After the vast number of reports focused on 2020, the publishing sector is interested in ascertaining consumers' post Covid digital behaviour, under more normal circumstances, which is why it's important to include figures for 2022 as well as 2021, in order to detect potential new behaviour in the publishing industry. It may therefore be assumed that the first quarter of 2022 is the first complete period of time since 2019 not affected by lockdowns which might distort market image.

Notwithstanding, the start of 2022 was affected by a series of circumstances – the publishing industry has had to encounter certain challenges worldwide involving its supply chain, limited access to paper, price increases in raw materials and transport, both locally and internationally. Since these are concerns which are shared by our publishers, Bookwire has examined how this scenario has affected ebooks and audiobooks.

Hence, this report exceptionally includes 2021 and the first quarter of 2022. In fact, we were unwilling to let slip the opportunity of offering information on new technology which has had a high impact on art and culture and is increasingly being spoken of in those sectors: NFT and blockchain technology. Many publishers have conveyed their concern about the disruptive nature of these technologies and we will be providing an analysis in our last section of this report, entirely focused on the publishing industry.

We look forward to revisiting new issues and enriching perspectives which may prove useful to the industry. Welcome to the most recent Bookwire report!

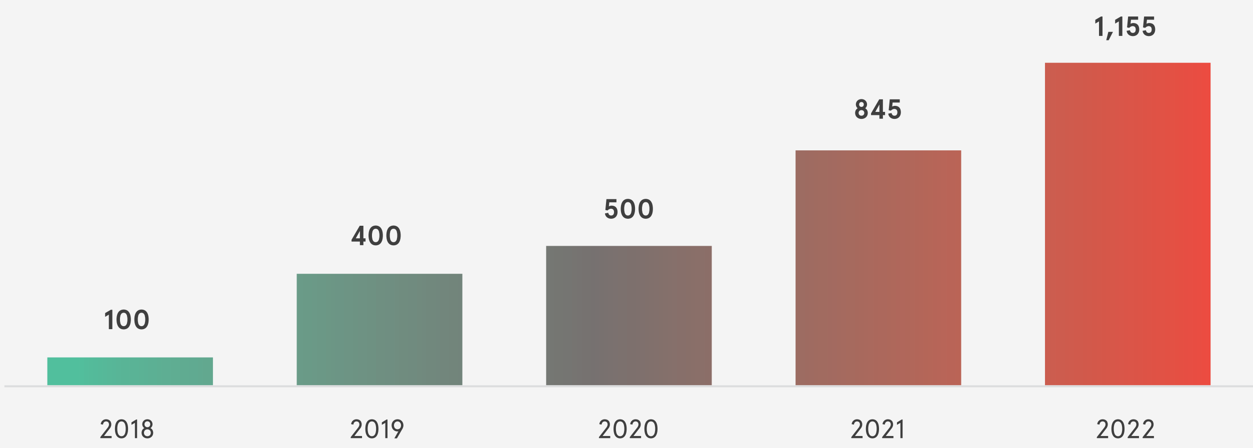
Main figures, 2021 Introduction

Representativity of Bookwire's Spanish catalogue

The extensive and detailed database of ebook and audiobook sales on which this report is based make it one of the most relevant and emblematic analyses of the evolution of the Spanish and Latin American markets. We are happy to provide you below with the extensive portfolio of publishers which has been in continuous growth during the last few years, thanks to the confidence placed in the Bookwire OS platform.

Bookwire will end this year with over 450 Spanish and Latin American publishers, representing 1,155 imprints in Spanish, thus becoming the leading digital distribution platform in the Spanish market.

Bookwire Publishers

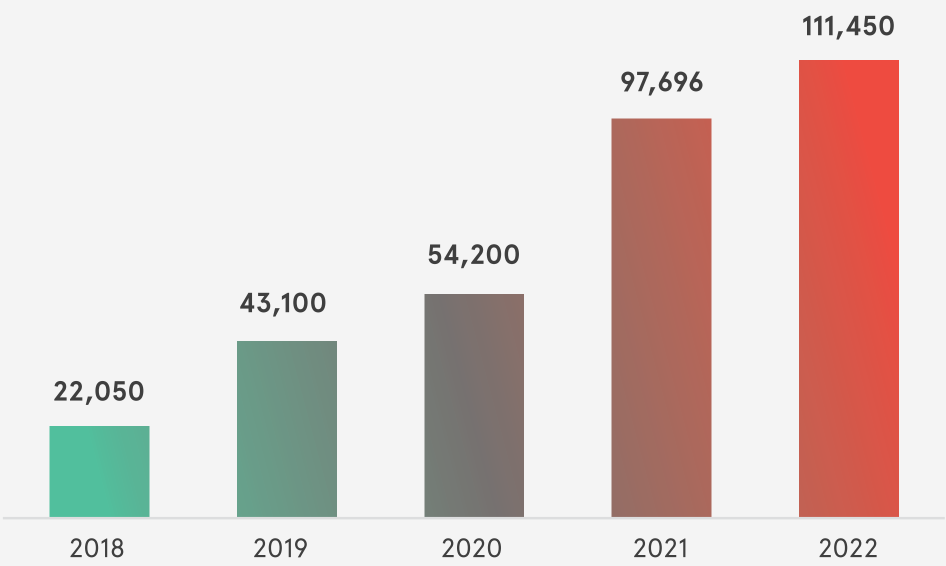


Spanish-language catalogue:

Following is a graph depicting the number of Spanish-language titles distributed by Bookwire since 2010 worldwide and in all the relevant channels in the sector. We expect to exceed 111,000 titles distributed in ebook and audiobook format in 2022.

For the eighth consecutive year, this report entitled "Evolution of the digital market (ebooks and audiobooks)", drawn up by Bookwire, in collaboration with Dosdoce.com, extensively covers sales figures, trends and perspectives with a view to gaining a better understanding of the evolution of the digital market in Spain and Latin America.

Bookwire Catalogue



A plausible decrease and subsequent stabilisation of the digital market was detected throughout 2021. This trend will be analysed in detail in the different sections of this report, allowing us to draw interesting conclusions. As we all know, 2020 was a period of extraordinary consumption of all kinds of digital content (TV series, music, audiobooks, ebooks, etc.) due to the impact of the pandemic and the consequent lockdowns around the world. Due to these exceptional circumstances, it would be nonsensical to use 2021 as a reference year in the comparative analyses of this report as it would distort results. For this very reason, our comparative analyses will be based on 2019.

The aim of this report is to help professionals in the publishing sector to understand the digital transformation we experienced in 2021 in Spanish-language markets (Spain and Latin America), as well as the business opportunities that this digital boom presents. To do so, we have divided the extensive content of the report into two main sections to make it easier for the different target audiences to read.

On the one hand, readers will be able to delve into an extensive analysis of the evolution of ebook and audiobook sales registered in 2021 by the 1,155 Spanish and Latin American publishing imprints that manage the distribution of their digital catalogue via the Bookwire OS platform. Our in-depth analysis provides valuable information that, along with other studies and reports, allows us to gain a better understanding of the behaviour of digital content and current trends in Spanish-language markets.

„Increase in 2021 in contrast to the previous year. If we compare figures in 2021 and 2019, billing has actually doubled."

Likewise, the report features interesting articles by two prominent specialists who have analysed the main trends with the greatest impact on the book industry in the last year. Roberto Carreras, from Voikers, invites us to reflect on the most recent trends in the audio sector (artificial intelligence sound, smart speakers, the birth of sound brands, etc.) to encourage professionals in the book sector to enter the new world of sound beyond audiobooks and podcasts. Similarly, Gerónimo Ávila, from the Sonoro Media platform, will explore the unrelenting boom in podcasts in the US Hispanic market and provide booksellers with keys to that format.

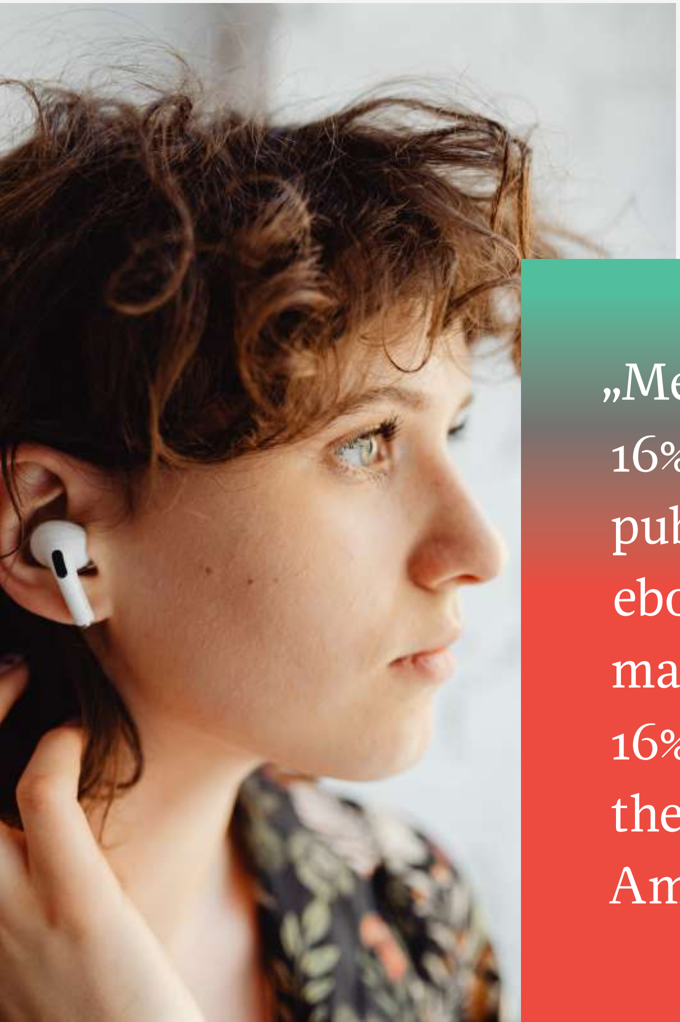
Main conclusions of the report:

Publishers represented by the Bookwire platform, including over 1,155 imprints in Spain and Latin America, have experienced an increase in ebook and audiobook sales.

A slump in consumer's habits was registered in 2021, the year after the pandemic, although consumption still exceeded pre lockdown levels. In the same way that sales reached an interannual increase of 35% in 2019, reaching an exceptional 113% in 2021,there has been less growth – around 15%. However, compared to 2019, billing doubled in 2021.

In 2021, ebooks sales among Spanish publishers accounted for 55% of total sales. In contrast to previous years and for the first time ever, ebook sales by Spanish publishers in Latin America accounted for 30% of total sales, i.e. 16% among countries in the region (Argentina, Colombia, Chile, etc.), followed by Mexico, which generated 14% of the total sales revenue.

„The overall turnover for publishers via ebook subscription has tripled since 2019 and witnessed a 7% increase, rising from 15% in 2019 to 22% in 2021."



„Mexico generates 16% of Spanish publishers' ebook sales, thus matching the 16% generated by the rest of Latin America."

There have been slight changes in trend in ebook consumption. Subscription model unit sales have dropped by 6% although they have still tripled since pre Covid, thus reaching a 15% market share (2019) which increased to 22% in 2021. Digital consumption habits are now very standardised due to lockdowns during the pandemic and readers' digital maturity. Although ebook unit sales on platforms such as Amazon, Apple, Google and Kobo, among others, are still the main sources of revenue for Spanish and Latin American publishers, generating 70% of total sales, in 2019 the figure reached 83%, so we see a clear reorientation of consumer's behaviour leaning towards subscriptions.

Digital exports represent 45% of Spanish publishers' digital revenue.

„Sales to libraries represent 8%.“

However, having gained access to figures for the first quarter of 2022, we ascertained that the ebook market is still growing, although at a slower pace, namely by 9% compared to the same period last year. This is mainly due to the popularity of the subscription model, which has increased the number of readers in Spain, along with the rising number of consumers of this model in Mexico.

In Latin America, Mexico continues to be the most relevant country in terms of consumption of digital publishing content, accounting for 14% of total sales by Spanish publishers, whereas the rest of ebook sales are distributed among other countries in the region (in this order: Argentina, Colombia, Chile, etc.), which together account for 16%. The Hispanic market in the United States has experienced a 2% drop in sales in the last three months of the year, from 10% to 8% of the market share, while the European market represents 4.73% of total digital exports.

The sale of e-book licences to libraries accounts for 8% of total ebook consumption revenue in 2021, i.e. 3% more than the previous year. In the months following confinement, when it quadrupled in comparison to 2019, it has doubled the levels before the pandemic.

In Spain, one of the secrets to the successful increase in digital lending stems from the agreement reached between publishers and government to facilitate concurrent licences, in order to give broader access to the eBiblio and eLiburutegia library platforms.

„A record number of 16,200 Spanish audiobook titles will be available by the end of 2022.“

84% of ebooks on sale in Spain cost less than €9.99 (including VAT). The psycholog-ical price barrier is therefore still in place.

Following the trend of other international markets, audiobooks have become the focus of attention in the publishing sector in Spain and Latin America, reaching spectacular growth figures in 2021. While the number of audiobooks in 2018 almost reached 6,000, in 2021 the record figure of 13,500 Spanish-language audiobooks was broken and everything points to a new record figure of 16,200 Spanish-language audiobooks by the end of 2022.

„The psychological €9.99 price barrier for ebooks is still in place.”

„The sale of Spanish-language audiobooks is expected to generate over €16,000,000 for the industry.“

Average price of Spanish ebooks:

6,7 €

(+11% YoY)

Average price of Spanish audiobooks:

12 €

(-11% YoY)

"Subscription and streaming platforms are the main sources of audiobook revenue, representing 80% of sales."

Although the last report by Dosdoce in 2020 indicated that a turnover of € 13,000,000 was expected in the Spanish-language audiobook market, most publishers anticipate a 25% to 30% increase in audiobook sales, thus reaching the €16,000,000 figure.

„The main market for the sale of audiobooks in Spanish will be Spain, followed by Mexico.“

"Streaming platforms are the main audiobook sale boosters, generating 2 digit monthly growth figures."

2.

Evolution of ebook sales in 2021

Evolution of ebook sales in 2021

Publishers represented by the Bookwire platform, including over 1,150 imprints between Spain and Latin America, experienced a 15% increase in ebook sales in 2021, doubling pre-Covid figures in 2019.

As far as ebooks are concerned, single unit sales channels accounted for 70% of total sales. Although these continue to be the leading sales model in the digital book world, they have been losing out against other emerging models, such as subscription platforms.

„The overall turnover in 2021 for publishers via single ebook sales (better known as downloads) increased by 5% in comparison with the previous year. “

The turnover generated by subscription platforms represents 22% of total revenue, i.e. 3.5% more than 2020 and 8% more than 2019.

Finally, publishers saw an overall increase of 82% in 2021 with respect to the previous year in ebook licences to libraries.

Sales to libraries represent a total of 8% of publishers’ total digital sales in 2021, i.e.four times more than in 2019, before the pandemic.

"The overall turnover for publishers via ebook subscription platforms witnessed a 36% increase in comparison with the previous year"

2.1. Detailed analysis of ebook sales in Spanish-language markets

Having solely analysed ebook unit sales in Spanish-language markets (Spain, Latin America and the US) we observed a 5% increase in 2021, compared to the previous year, for two main reasons - the post pandemic slump and the gradual increase in popularity of the subscription model. However, if we compare figures against those in 2019, there has actually been a 70% growth rate.

In contrast, there has been a 35% increase in subscription platform ebook sales in comparison with 2020. As we mentioned, these sales account for 22% of total billing. The reasons for the increase in total sales may be explained by the change in habits prompted by the pandemic, as well as important movements by certain platforms in Spanish-speaking territories, which we will analyse in detail in section 2.4 of this report.

Lastly, publishers' revenue via the sale of ebook licences to libraries has almost doubled, representing an 80% increase in 2021 in comparison with the previous year, thus becoming the business model that experienced the highest growth rate in 2020. Put into context, they represent 8% of the total rate in 2021, i.e 3% more than the previous year and four times more than 2019.

Figure 1.

Increase in sales via ebook subscription platforms

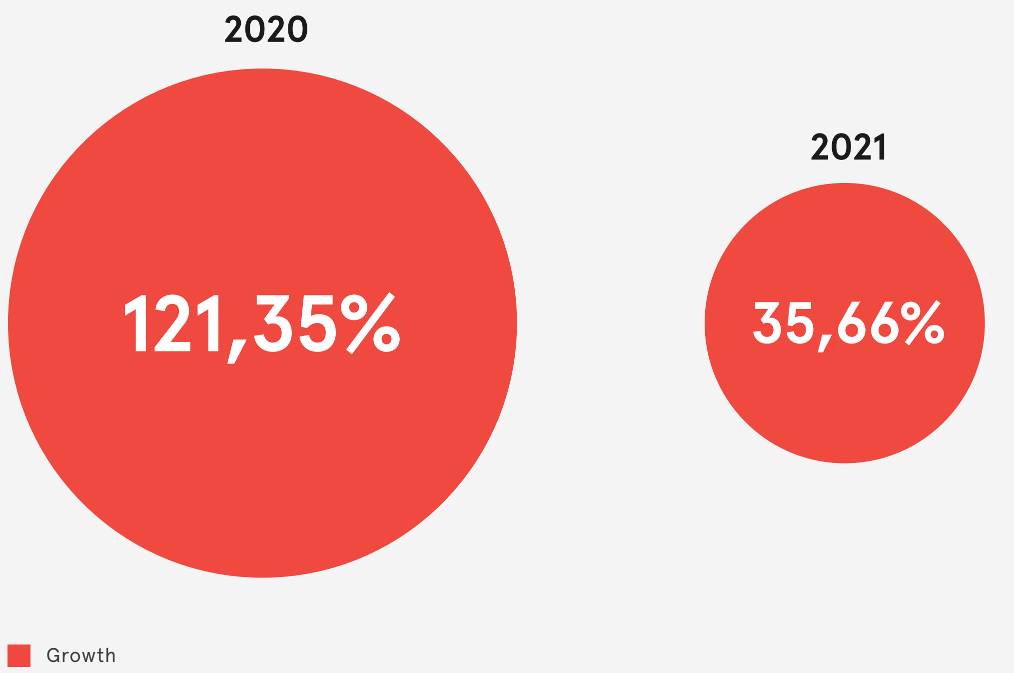
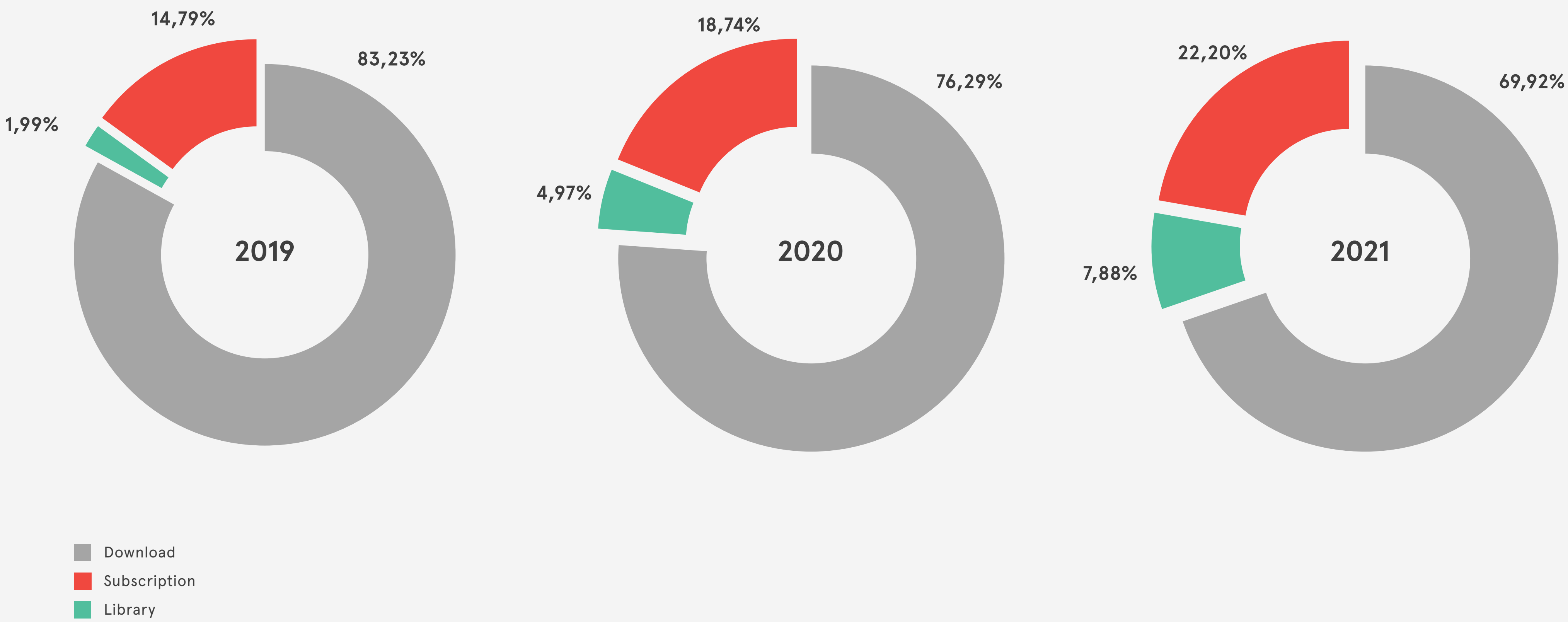


Figure 2.

Detailed analysis of ebook sales in Spanish-language markets



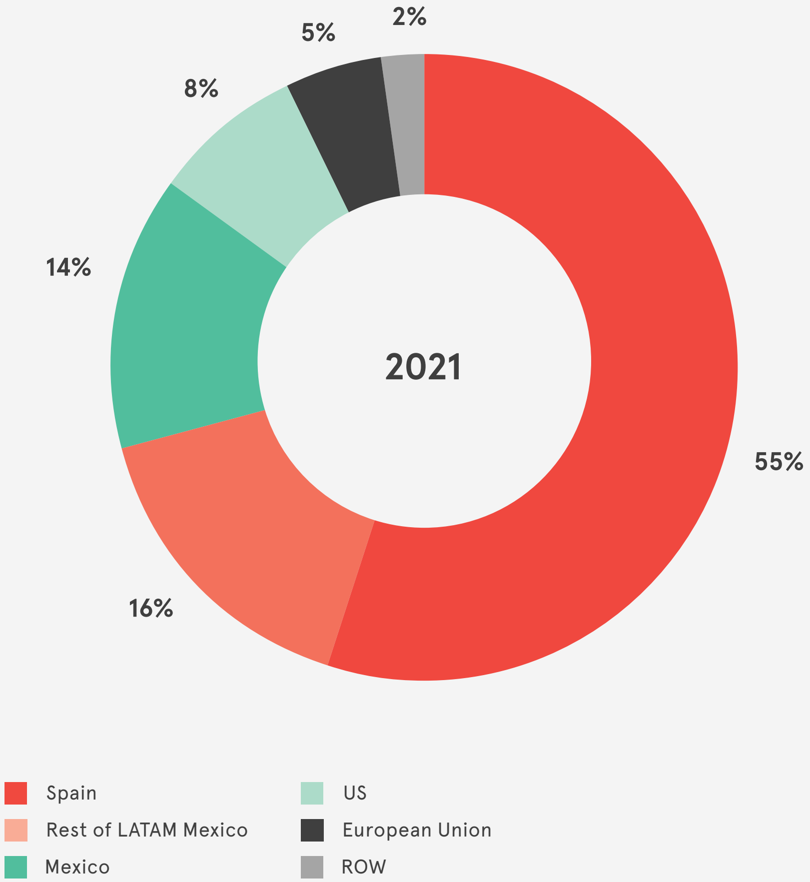
2.2. Digital exports are still happening: 45% of ebook sales are generated outside Spain

Spanish and Latin American publishers still find online distribution an extraordinary way of getting their catalogues to territories where paper has not arrived or done so too late. Revenue from ebook sales abroad represented 45% of the total turnover, a similar percentage to the previous year.

In line with previous years, Latin America ranked highest in sales of digital content by Spanish publishers outside the Iberian Peninsula. Argentina, Colombia, Chile, and Peru generated 16% of total revenue, a similar percentage to the previous year, and Mexico generated another 14%.

Figure 3.

Breakdown of digital sales by Spanish publishers

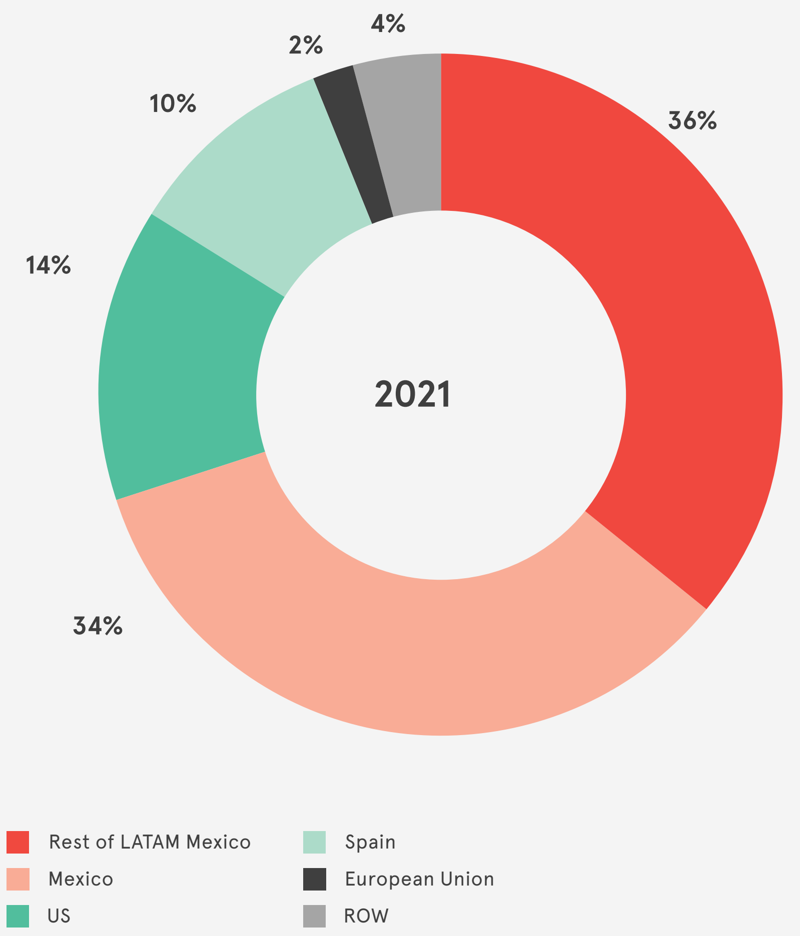


US consumers generated 8% of total revenue for Spanish-language content worldwide and experienced a 1% drop with respect to the previous year. The rest of the world, mainly Europe, generated the remaining 5% of digital sales.

2.3. Growth of Latin American ebook market

Figure 4.

Breakdown of Latin American publishers' digital sales



More and more independent Latin American publishers are firmly committed to distributing their books in digital format to reach readers all over the world, causing a sharper rise in the globalisation of sales compared to previous years.In fact, independent publishers such as VR Editoras (Argentina and Mexico), Almadía Ediciones, Libros Grano de Sal, Paraíso Perdido and Arlequín, in Mexico, Editorial Galerna and La Bestia Equilátera, in Argentina, Rey Naranjo Editores and Panamericana Editorial, in Colombia, Eterna Cadencia, Amanauta and Lom Ediciones, in Chile, among many others, have witnessed how their digital books are not only being sold in their countries of origin, but are also reaching markets which are inaccessible in paper format.

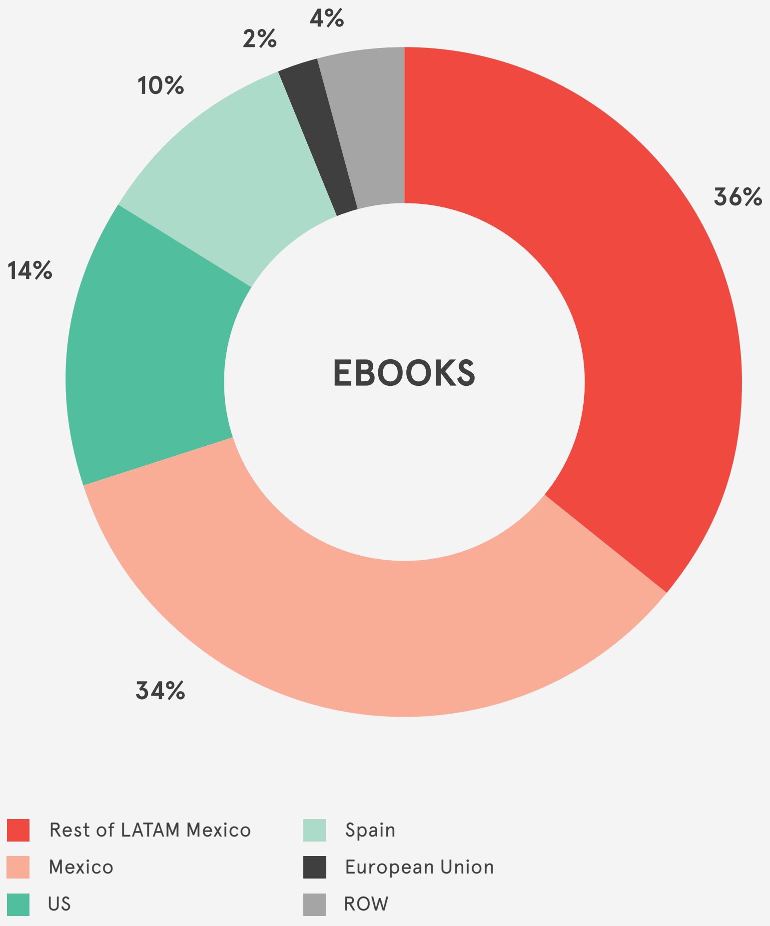
There has been a 16% interannual growth rate in ebooks published by Latin American publishers.

Revenue distribution in the different territories was rather similar to what we saw in 2020. In other words, the strength of sales in Latin American countries themselves has taken market share away from Mexico, which for years was crucial in driving the digital content market. Thus, Mexico has a 34% share of the market, whereas 36% is generated by the rest of the region's markets (led by Mexico) and other markets in the region (led by Chile, Colombia and Argentina).

The United States generated 13.65%, Spain 10.44%, Europe 2.16%, and the rest of the world 4%.

Figure 5.

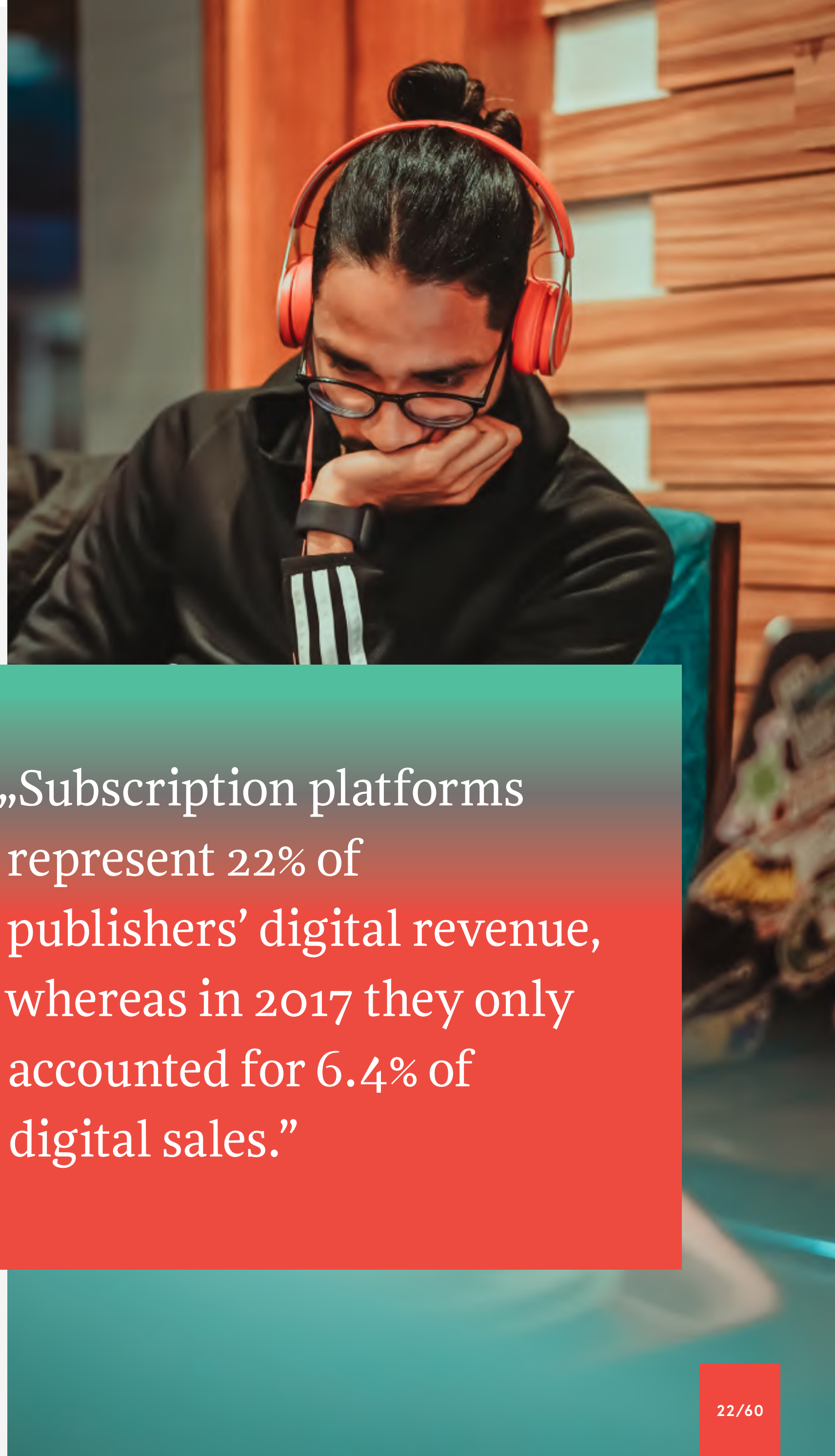
Breakdown of digital sales in Latin American countries



2.4. Consolidation of subscription culture in Spanish-language markets

Lockdown has changed habits for discovering and consuming cultural, entertainment and informative content, turning millions of people into new users of all types of subscription platforms.

Apart from the change in consumer's habits, the offer is immense and the increase in audio-visual content platforms (Spotify, Netflix, Amazon Prime, HBO Max, Movistar, Rakuten, Disney+, etc.), and the constant appearance of new and more specialised platforms (acontra+, Mubi, Filmin, Showtime) has standardised the consumption of subscription in all its formats, and the publishing sector is evidently no exception.



„Subscription platforms represent 22% of publishers' digital revenue, whereas in 2017 they only accounted for 6.4% of digital sales."

As we've already mentioned, the book world has also been affected by consumer habits. Although ebook unit sales in plataforms like Amazon, Apple, Google and Kobo, among others, continues to be the main sale channel for Spanish and Latin American publishers, accounting for 70% of total sales; one of the main conclusions of this year's report is that the turnover obtained via subscription platforms such as Scribd, Nextory (formerly Nubico), Storytel, Audible and Podimo, are becoming increasingly important for publishers. Massive movements in the industry are proof of this. The acquisition of Findaway by Spotify has evidenced the giant's intention to increasingly focus on narrative stories, apart from music and podcasts. Nubico's acquisition of Nextory in August of 2021 or that of Audiobooks.com by Storytel in autumn of the same year have been extremely relevant.

In general, digital consumption habits have become standardised since the pandemic and readers have reached such a stage of digital maturity that they are opting for models more suited to a steadier consumption.

Taking a closer look at the turnover generated by ebook subscription platforms, we see that they experienced a 35% increase in 2021 compared to the previous year, making 2020 a really special year. But if we compare figures to the year before the pandemic, revenue was three times higher than in 2019. This model accounts for 22% of publishers' total digital revenue, 3.5% more than the previous year and 7% more than 2019. This growth is mainly due to the increase in digital consumption during and after lockdown, which caused a change in consumers' habits and the acceptance of the model visibly used in other content (series, music, etc.)

In terms of sales by region, ebook subscription platforms have experienced huge growth of close to 34% in Mexico, as well as 9% in the rest of Latin America, bearing in mind there had already been a 168% growth rate in 2020. The Spanish market has also experienced a 62% increase in revenue from ebook subscription platforms. The increase in turnover from these platforms in Spain is due to the migration of regular readers to this model since the pandemic, as well as to new readers who have decided to subscribe directly, already familiar with subscription-based consumption of all types of content. In contrast, the ebook subscription market in the United States has shrunk by 19% compared to the previous year.

2.5. Digital lending in libraries continues to rise

„Revenue generated by the sale of ebook licences to libraries increased by 82% in 2021 in comparison to the previous year, and 695% with respect to 2019."

These figures represent 8% of total sales, i.e. 3% more than the previous year. The free e-book lending service offered by the Spanish government's Ministry of Culture, eBiblio, experienced a significant increase during lockdown, reaching a peak in March 2020 and a progression for months afterwards.

Although digital lending platforms have been active for over 5 years in Spain, the pandemic made thousands of readers in Spain discover them during lockdown and incorporate them as leisure habits.

As was the case with subscription platforms, the evolution of library lending platforms in the different markets (Spain, Latin America and the US Hispanic market) was very different in 2021. In fact, the closing of bookshops during the pandemic and confinement in homes prompted both Mexico and the rest of Latin America to experience an extraordinary increase in demand for digital lending and, consequently, the purchase of licences by governments in the region, resulting in a 69% increase in Mexico and a 115% increase in the rest of the Latin American market compared to 2020.

Most widely read categories

There have been changes in the ranking of top genres with respect to the previous year. Non-fiction is in the lead, followed by fiction and children's and young adult's literature, with a wide variety of themes to cater for an increasingly broad and diverse market, especially in different latitudes.

Non-fiction categories showcase essays, personal development/growth, business and entrepreneurship, as well as current affairs via newspapers, magazines and podcasts; and romance and erotic novels, followed by crime novels and thrillers are featured in the fiction category.

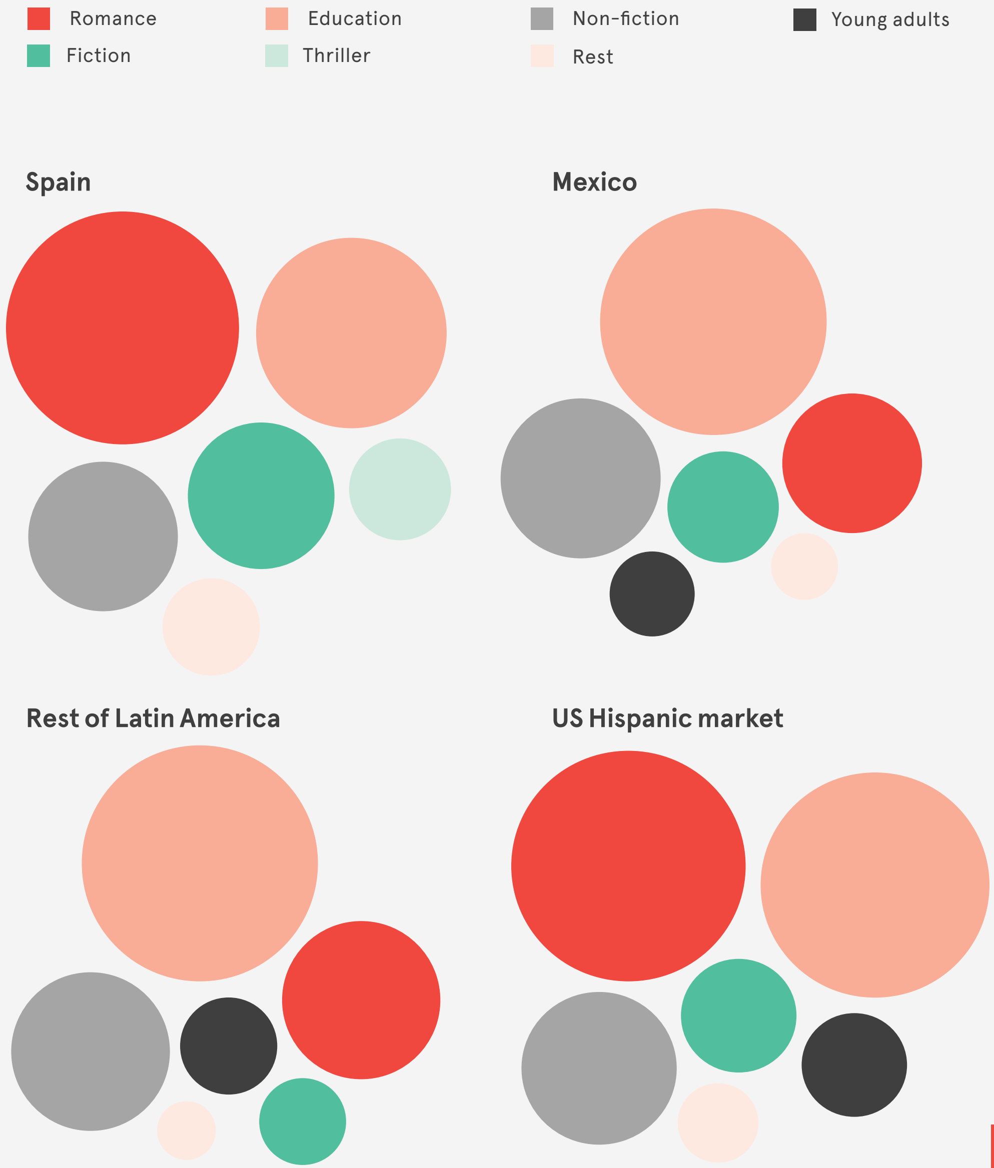
2.6. Analysis of best selling ebooks worldwide

To help publishers improve their understanding of the demand and behaviour regarding diverse categories, as well as the current differences in reader preferences in each market, we are providing the best-selling categories' ranking by country.

The following figures show how romance, education and the non-fiction categories such as self-help, philosophy, religion and business are in greater demand in Spain, whereas education and non-fiction are the most widely read categories in Latin America, even outdoing novels. Fiction has experienced a drop, in contrast to previous years where it was one of the top choices. This is mainly because the market has matured and the consumption of categories in digital format is closer to what is more widely read in print. As a result, publishers and platforms with their own content are producing more material on topics which have become increasingly popular since the pandemic (mainly self-help and personal growth).

Figure 6.

Best-selling book categories



2.7. Comparison of Spanish publishers' prices between 2020 and 2021

The under €9.99 psychological price barrier for ebooks still remains in place and corresponds to 85% of ebooks on sale in Spain (including VAT).

The €5.00 to €7.99 price band has experienced the highest increase.

As far as sales are concerned, however, the more highly priced bands are the ones with the highest ratio, especially the €10.00 to €12.99 band.

In fact, revenue between 2019 and 2021 generated by ebooks costing more than €9.99 has increased by 10.4%, from 17.57% to 27,97%.

The reason for this may be due to the increase in consumption of non-fiction genres,

which are more expensive, and the existence of a more specialised digital catalogue. The more highly priced options have had an influence, especially in the Mexican, Latin American and US catalogues, where that particular content is in greater demand, proportionally speaking.

The demand for a more highly specialised catalogue has also increased in the last two years.

Figure 7.

Ebook sales according to Spanish publishers' price ranges (including VAT)

Catalogue

Price range	2019	2020	2021
0.01 - 2.99 €	22.46%	14.07%	15.14%
0.03 - 4.99 €	16.58%	19.35%	16.81%
0.05 - 7.99 €	27.88%	27.04%	38.39%
0.08 - 9.99 €	21.74%	19.41%	14.58%
0.10 - 12.99 €	5.07%	9.15%	7.41%
0.13 - 14.99 €	1.72%	2.88%	1.47%
0.15 - 19.99 €	1.61%	2.71%	1.89%
20€ >	2.94%	5.40%	4.30%

Market

Price range	2019	2020	2021
0.01 - 2.99 €	21.81%	15.47%	12.83%
0.03 - 4.99 €	15.75%	14.12%	11.77%
0.05 - 7.99 €	22.78%	28.98%	26.32%
0.08 - 9.99 €	22.10%	19.34%	21.11%
0.10 - 12.99 €	9.22%	12.21%	17.06%
0.13 - 14.99 €	3.23%	4.13%	4.18%
0.15 - 19.99 €	2.84%	2.96%	3.25%
20€ >	2.28%	2.78%	3.48%

2.8. Comparison of Latin American publishers' prices between 2020 and 2021

As occurred in Spain, several price adjustments were made in 2020 to encourage the discovery of ebooks in lockdown, and in 2021, ebooks costing less than €9.99 saw their percentage drop by 4% (from 83% to 79%). The offer of higher-priced titles also increased.

All in all, market behaviour has been rather like that of 2020 and has permitted increases in price ranges above €9.99, such as €13.00 and €14.99.

„The retail prices of ebooks in Latin America have varied in 2021 in relation to the previous year"

Figure 8.

Ebook sales according to Spanish publishers' price ranges (including VAT)

Price range	2019	2020	2021
0,00 - 2.99 €	4.50%	8.31%	9.17%
0.03 - 4.99 €	10.17%	12.01%	10.72%
0.05 - 7.99 €	35.28%	33.56%	33.78%
0.08 - 9.99 €	18.10%	19.80%	19.06%
0.10 - 12.99 €	16.39%	14.40%	14.44%
0.13 - 14.99 €	5.66%	4.21%	5.13%
0.15 - 20.99 €	6.11%	4.50%	4.16%
20 € >	3.77%	3.20%	3.54%

3.

The16,000+ Spanish-language audiobook record will be broken by the end of 2020

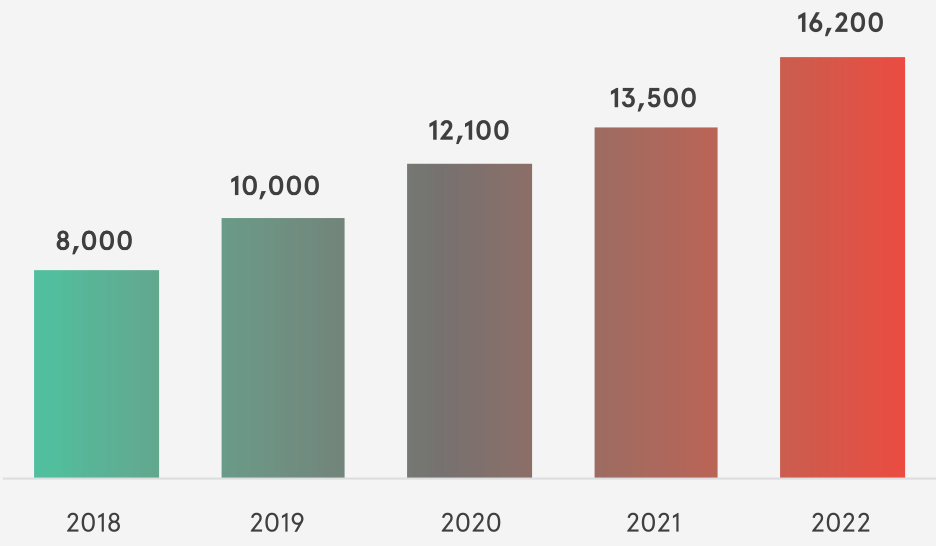
The growing commitment by authors, agents and publishers to audiobooks, and the boom in Spain and Latin America experienced by platforms specialising in the marketing of the audiobook format, such as Audible, Storytel, Kobo, Google and Scribd, among others, matches the trend in other markets, where this format has registered a 20% annual increase in sales over the last six years, making it the fastest growing digital reading model in the book world.

In 2020, over 12.000 Spanish-language audiobooks were available for sale. By the end of 2019, readers had access to around 10,000 audiobooks, whereas no more than 8,000 Spanish-language titles were available in 2018. There was a slight slump in production in 2021 due to the impact of the number of Covid waves which prompted the closure of various studios for weeks. This resulted in a peak number of 13,500 audiobooks instead of the previously expected 14,300. The industry's significant expansion indicates that this year will witness more than 16,000 published audiobooks.

As the Ministry of Culture's Reading Barometer recently confirmed in its report, 2% of Spaniards frequently listened to audiobooks in 2021 and this percentage is expected to reach 5.2% in 2022.

Figure 9.

Evolution of Spanish-language audiobook catalogue



3.1. Spanish-language audiobook sales generated around €13,000,000

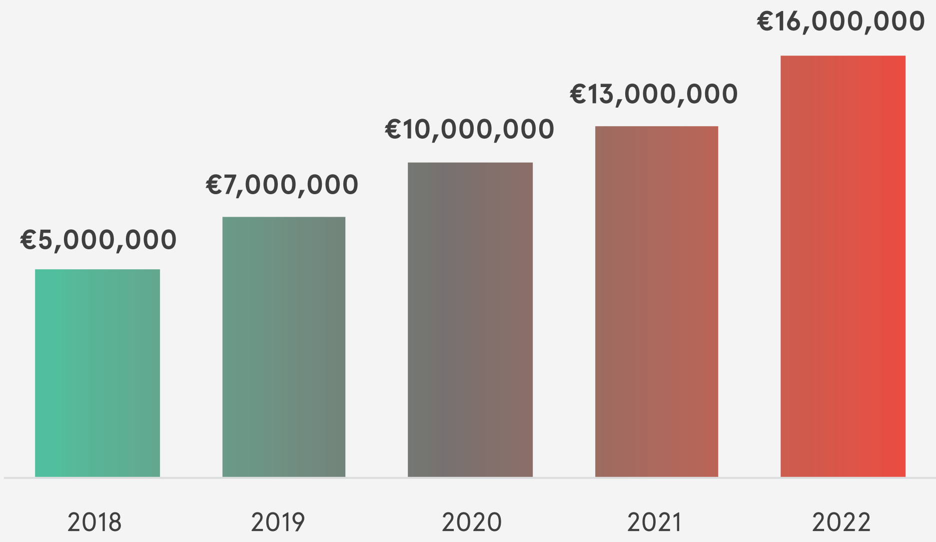
Although audio consumption skyrocketed during the Pandemic and the Spanish-language audiobook market generated €10,000,000, most publishers currently selling audiobooks estimate that audiobook sales generated around €13,000,000 in 2021. As has been the case in international markets, it seems a 25% to 30% increase in audiobook sales is foreseen in 2022, thus reaching the €16,000,000 figure in the Spanish-language audiobook markets. These estimates include billing data for Spanish-language titles produced and distributed by the principal audiobook platforms.

The catalogue distributed by Bookwire experienced a 32% increase in 2021 compared to the previous year.

Figure 10.

Evolution of Spanish-language audiobook turnover

Audiobook billing (2022 estimates)



3.2. Ranking of top audiobook business models

In 2021, audiobook subscription platforms such as Storytel, Audible or Scribd continued to be the main sales channel for Spanish-language audiobooks, accounting for 80% of total sales. Unit sales in channels such as Google Play or Apple account for 14% of audiobook consumption. Thirdly, the sale of audiobooks to libraries is still very low in Spanish-language markets, accounting for 4.5% of total sales. Everything suggests that in 2022 this figure will increase, given the strong commitment by lending platforms to this format: it has already reached 6.71% in the first quarter of 2022.

Audiobook prices

The average price of audiobooks in Spanish is higher than that of ebooks, which stands to reason, considering the even higher production costs. Popular new titles usually cost from €15.00 to €19.99.

With the consolidation of Text to Speech (TTS) technologies in Spanish, it is expected that publishers will have lower cost options for the mass production of audiobooks and that this will be reflected in pricing, particularly for the most popular titles. There are currently high quality artificial voices on the market in English and they are beginning to be made available with good quality standards in Spanish. We anticipate that 2022 will be a key year in the consolidation of this technology as a real alternative for the publishing sector in Spain and Latin America.

Figure 11.

Audiobook unit sale prices

45%
Under €9,99

14%
From €9.99 to €14.99

35%
From €15.00 to €19.99

6%
Over €19.99

3.3. Principal Spanish-language audiobook markets

The principal Spanish-language audiobook market in 2021 corresponded to Spain, mainly due to the consolidation of this new format due to greater consumption during lockdown, as well as the consolidation of the leading platform, Audible, and the arrival of new players in the local market, such as Nextory.

Figure 12.

Ranking of countries where Spanish and Latin American Publisher's audiobooks are mainly sold

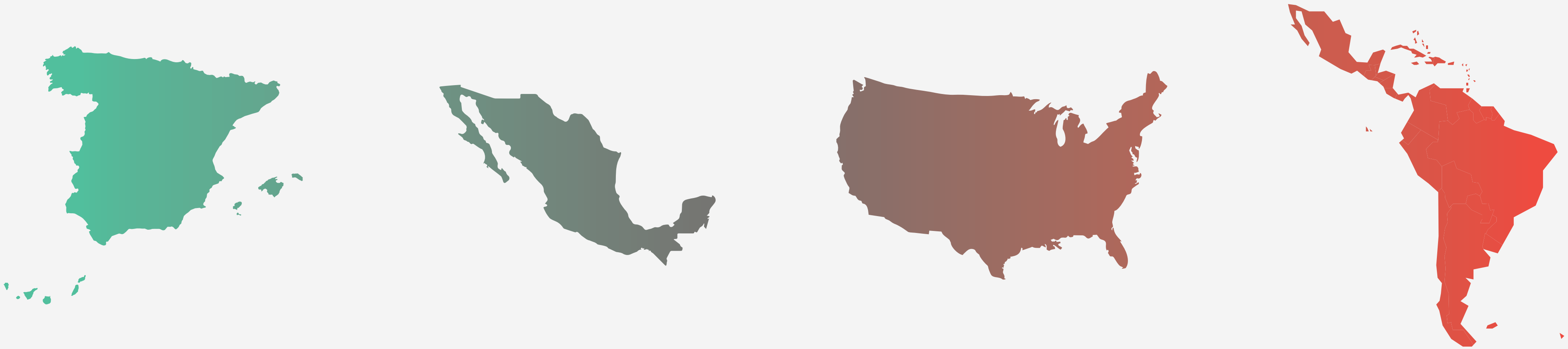
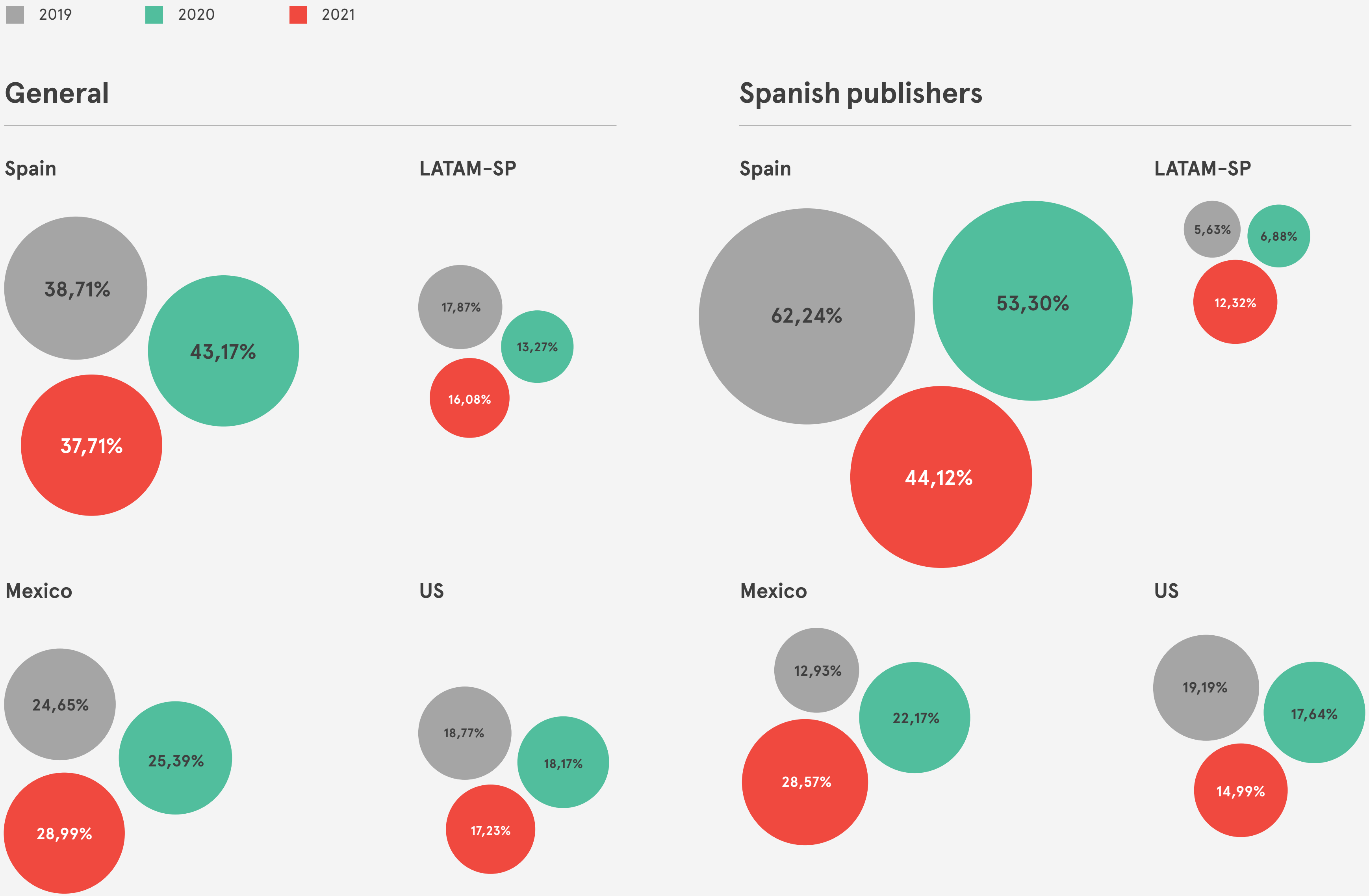


Figure 13.

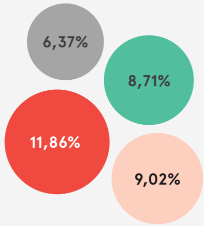
Countries where Spanish and Latin American publisher's audiobooks are mainly sold



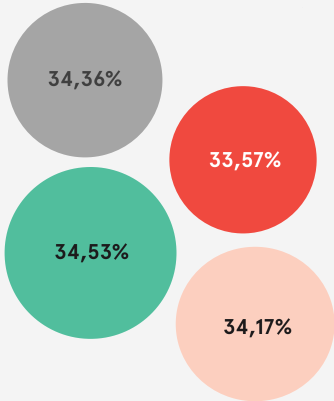
2019 2020 2021 Grand total

Latam Publishers

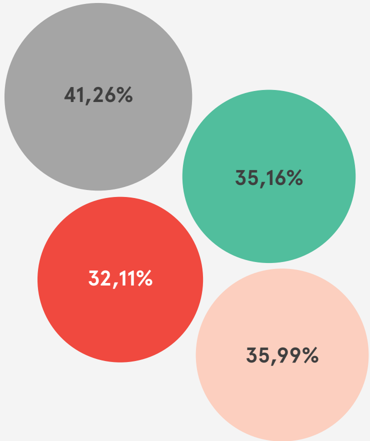
Spain



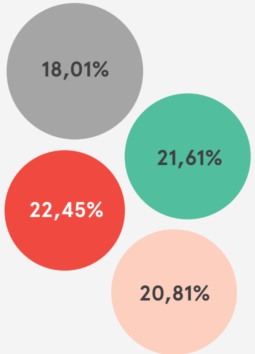
LATAM-SP



Mexico



US



According to Spanish-language audiobook sales figures for 2021, Spain is in the lead, followed by Mexico (29%), the rest of Latin America and, finally, the US Hispanic market.

Market behaviour is different vis à vis Spanish-language audiobooks with a Latin American accent, mainly produced in Latin America and the US. The countries with the most significant markets are Mexico and the rest of the Latin American countries, with an almost identical market share, followed by the US, Spain and lastly, the rest of the world.

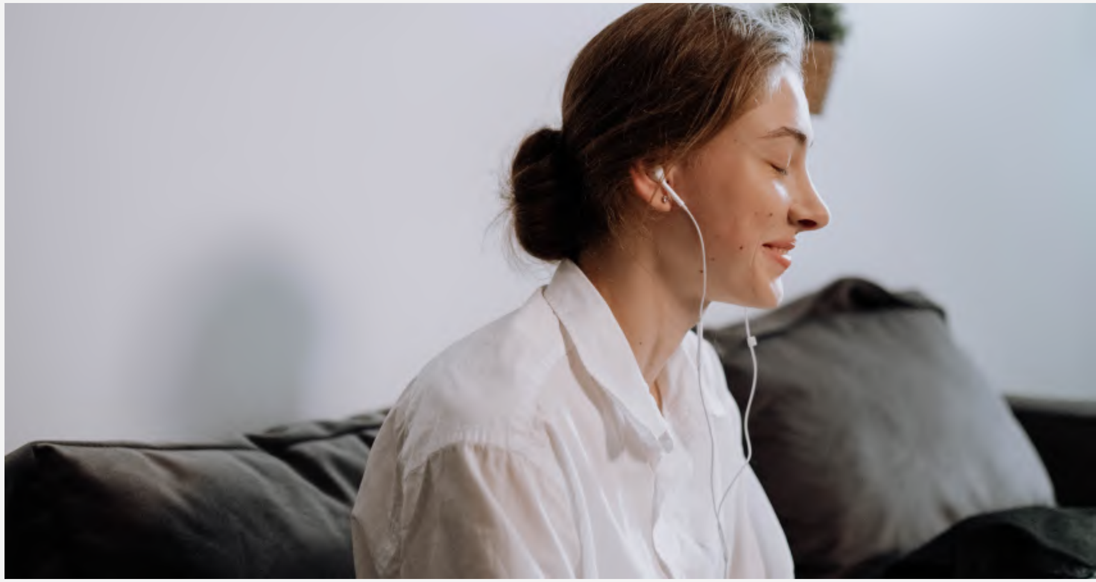


Figure 13.

Ranking of countries where US publisher's audiobooks are mainly sold

1. US

2. Mexico

3. Latin America

4. Spain

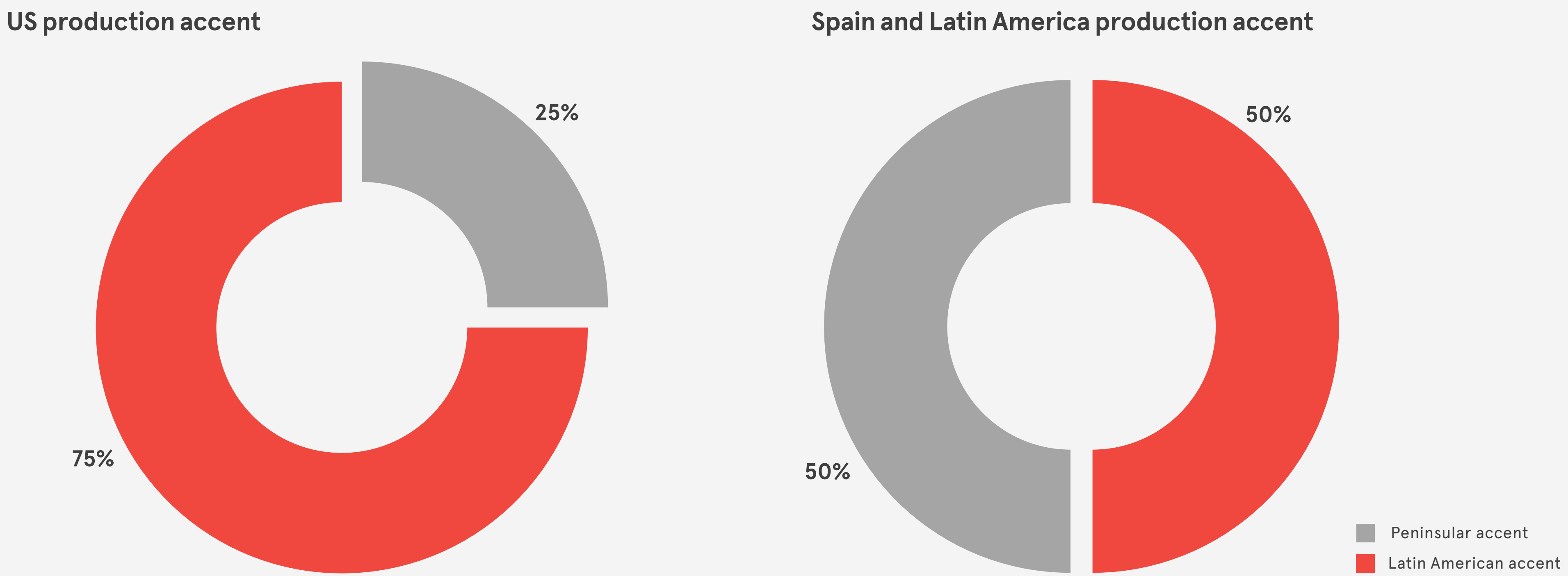
3.4. Production of audiobooks in Latin American versus Peninsular Spanish accent

In 2021, the accents used for audiobooks were evenly split between peninsular Sanish and Latin American (neutral) accents, due to the significant increase in the publishers' catalogue, along with the increase of in-house production by platfomrs such as Audible and Storytel

It is expected that these platforms will continue to increase their own audio catalogue, having already included podcasts, so that the increase in total offer will increase consumption even further.

Figure 15.

Accents used in the production of audiobooks



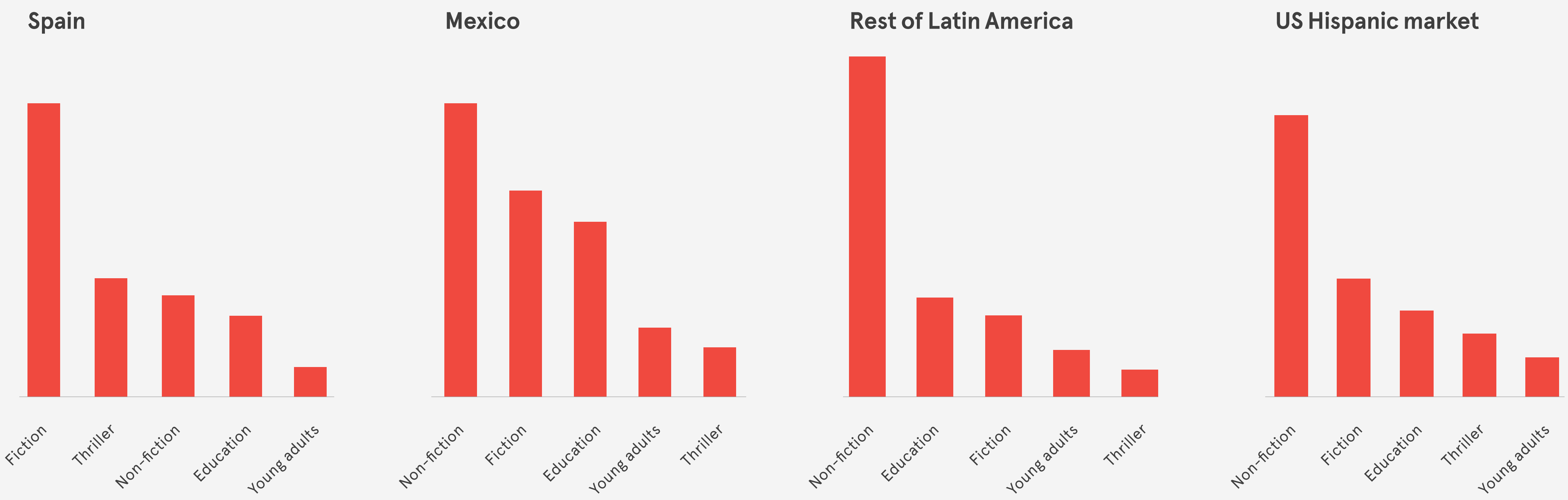
3.5. Analysis of best selling audiobook categories worldwide

Fiction is at top of the list in the audiobook market in Spain, followed by self-help and essays. However, non-fiction (religion, self-help and social science) are the most popular categories in the remaining territories. These platforms are expected to continue to expand their own audio catalogue and have already included podcasts as a way of boosting consumption by increasing their total offer.

It should be noted that romantic and erotic literature is not as popular in audio as it is in ebook format.

Figure 16.

Best selling categories



3.6. The audio content industry is expected to generate over $28 billion per year by 2030

Audiobooks currently represent a $5 billion yearly industry worldwide. Thanks to a 15% annual growth rate, various sources expect the audiobook world to become a $20 billion industry by 2030.

However, the increase in audio content consumption is not only limited to audiobooks.

Estimated billing figures for the audio industry

By the end of this decade, audio content(podcasts and audiobooks) is expected to generate

US$28 BILLION

	2021	2030
Podcast	US$1.3 billion	US$8 billion
Audiobooks	US$5 billion	US$20 billion

Revenue generated by podcasts witnessed a 20% increase in 2021 with respect to 2020, reaching US$1.3 billion. This figure is expected to increase to US$ 3.6 worldwide by 2024.

By the end of this decade, audio content (podcasts and audiobooks) is expected to generate US$28 billion per year worldwide.

4.

How did 2022 begin?

Current ebook market trends

As we mentioned in the introduction, our reason for including the first quarter of 2022 in our latest report is because it is considered to be the first normalised period in terms of digital sales, i.e. without the travel restrictions resulting from the pandemic and so often reflected in the behaviour of digital readers in 2020 and 2021.

Thus, if we analyse the e-book market, the first quarter of 2022 accounted for a 9% increase in turnover compared to the same period the year before. This figure is significantly lower than that detected in the same period during the two previous years. While growth in the first quarter of 2020, compared to 2019, and in 2021, compared to 2020, exceeded 40%, in 2022 the market increased by 9%, i.e. it is still growing, but at a slower pace.

Growth was driven by subscription and was mainly focused on Nextory and Scribd. In the former case, the relaunch of the channel under its new brand in August 2021 led to a rise in the number of readers using the platform. In the case of Scribd, on the other hand, this increase is evidence of the popularity of this platform among Spanish-language readers, especially after the second half of 2021, becoming the second most important channel in billing terms in Mexico.

Unit sales platforms, however, have maintained the same turnover as at the start of 2021. Noteworthy, is the performance of two of the main platforms for this business model, Amazon and Kobo, which have seen an increase in their market share at the expense of other channels. This concentration presents publishers with an interesting challenge: how to achieve better performance and understand the secret to more and better sales in these channels.

Lastly, revenue from library channels is predominantly seasonal and it is still too early to provide a reliable estimate. Even so, the public purchase offer of licences launched by the Ministry of Culture in December 2021, the largest ever issued by the Spanish government, heralds a substantial growth in revenue and market share for platforms engaged in that service.

Pricing

No major changes were detected in the first quarter of 2022 in terms of the prices set by publishers, and the situation is practically the same as at the end of the previous year. Hence, titles costing less than €9.99 continue to maintain their 85% share, and this retail price continues to act as a psychological barrier for readers and publishers alike.

Although e-books costing around €9.99 accounted for 25% of sales in 2021, in the first quarter of 2022 their turnover fell by two percent to 23%.

Price range	2020	2021	2022 - Q1
Under €9.99	85.73%	84.86%	85.55%
Over €9.99	14.27%	15.14%	14.45%

Current audiobook market trends

According to major indicators, in 2022, Spanish-language audio has maintained the same growth rate as in 2021, and experts are forecasting a full development of the market during this year. The main platforms, for that matter, have reported significant growth that could mean an increase of around 30% of the Spanish-language audio market if the same consumption trend continues. This increase has been accompanied by developments on the part of some of the main audio channels, such as Spotify, which acquired up to four different companies in 2021 to increase and promote its non-music audio offer (Findaway, Locker Room, Whooshkaa and Podz), reinforcing its strategy in 2022 with the acquisition of Chartable and Podsights.

The first quarter of the year may be summarised according to four major trends in the audio market: catalogue growth, new audiobook releases, stabilisation of production costs and the predominance of subscriptions.

Larger catalogue

Publishers have intensified their efforts to secure their audio rights and produce new titles themselves, without relying as heavily as in previous years on exclusive rights transfers to certain broadcasting platforms.

The loss of control over the final product, as well as the demand for exclusivity and the possibility of a growing market has encouraged the sector to invest in this format itself, not only maintaining the production of audiobooks in recent months, but also showing a greater interest and commitment to the conversion of popular titles. This is a process that will play an essential part of certain publishing plans in 2022.

New audiobook features

The simultaneous launch of literary works in all formats is gaining momentum in the Spanish-language industry and new audiobook titles are becoming increasingly available. This has also contributed to publishers including the audio format in their marketing and communication strategies, and to some authors becoming directly involved in the dissemination and even in the production of their content in the format, which they might have considered secondary or of little relevance in the Spanish-speaking cultural arena until now.

Stabilised production costs

After the initial outburst, in which audiobook production costs reflected the limited offer of studios and narrators, among other issues, there was a price adjustment in 2021. At the same time, the number of companies and actors offering these services multiplied, so that prices were made affordable, even for small and medium-sized publishers.

As we mentioned earlier, we also detected progress in TTS (text to speech) projects with voice humanisation and technical qualities reaching the standard required for a strong breakthrough in audiobook production (it will soon be more difficult to distinguish between artificial and human voices). Leading experts predict that TTS will hit the audiobook market and pass with flying colours by the end of 2022.

Subscription model popularity

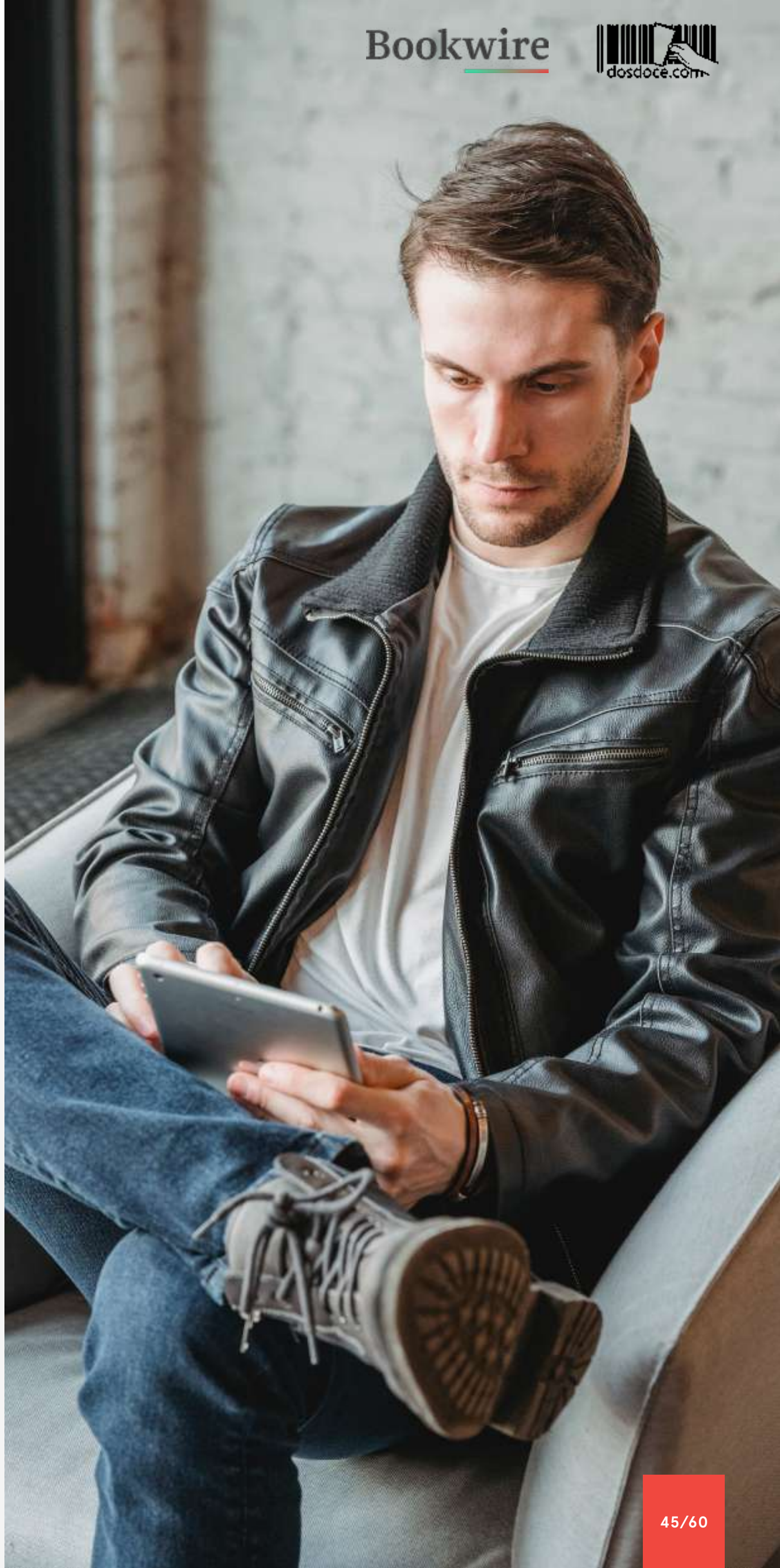
2022 began with rising figures for the audio subscription model, with strong players in the sector, such as Audible, Storytel and Spotify, among others.

We also wish to highlight the arrival of new audio channels (some of which are exclusively podcast channels) that have begun to incorporate audiobooks into their content offer, such as Podimo and iVoox. In addition to broadcasting, in some cases the platforms also act as publishers by commissioning audio content from certain authors or by purchasing audiobook rights from other publishers for works that they consider potentially interesting for their subscribers.

International vision

As one of the world's leading distributors of Spanish-language audiobooks, in both Peninsular or Castilian and Latin American or neutral accents, Bookwire has a privileged perspective on the format's evolution internationally. As a result, we would like to draw attention to the following points which began to emerge in the first quarter of the year:

- Significant growth in the production of audiobooks was detected in Latin America, although the conversion rate to this format is still well below that of Spain. As such, the supply of locally produced content is still scarce and there continues to be a lack of high-quality production titles, both technically (recordings in suitable studios, sufficient technical resources, professional editing, etc.) and artistically (professional narrators or actors, sound directors, etc.).
- More established markets such as the US, UK, Germany and Scandinavian countries are still the leading markets in terms of growth, with audio almost equalling e-books in terms of sales volume in some of these markets. Although unit sales prevail, the subscription model still reigns in the newer markets, as is the case of the Spanish-language market.
- The Spanish-language market is beginning to reflect a global trend: original audio content not just based on books is gaining the bulk of its audience on streaming channels. In



markets such as Germany, some content aimed at children has connected with its audiences on these channels, especially if they are productions starring a celebrity or based on famous brands for the younger audience. At any rate, we are talking about audio files that, according to their form and content, cannot be classified as either a podcast or an audiobook, but are closer to what could be considered an "audiodrama" – a work of fiction not only narrated but also represented by its characters. This form of presenting audio fiction content offers new opportunities for creators and publishers, both to publish new content and commercially revitalise previously published works. In 2022, audio is not only becoming established as an exact reflection of a book, but also as an environment to promote and premiere unpublished content, which may or may not come directly from a literary work. In this way, books cease to be a text published on paper or digitally, to become a content that acts as an ecosystem in which multiple formats coexist to support and promote an author's work.

5.

Opinion articles

If you can read it, you can listen to it

By Roberto Carreras

We live in an age of virtual assistants, online audio and conversation, where voice and audio has become a crucial element in our interactions with entertainment, content, culture, brands, books, writers....

The fact that audio is rapidly becoming an increasingly popular format, reaching the point where it almost equals visual or text content, is a great opportunity to discover new ways to entertain, in order to create content that responds to specific interests and, why not, to encourage creative freedom which may be more restricted in other audio-visual formats.

Society is constantly changing, leading individuals' tastes and interests to fluctuate constantly, as well as shifting attitudes towards the way entertainment is consumed due to the impact of technology..

The last few years have posed a great challenge for both consumers and companies, as content creators have had to adapt to a new normality involving a change towards more relaxed content or, simply, towards formats that the user doesn't feel overwhelmed by. These creators have played with the advantage of having users at home for longer, but no less busy, periods of time.

Content, books and brands which were once pure text tools are now making their way into the world around us, and that includes what we listen to. Consumers are listening more than ever and we must be aware of the power of conversation, voice and sound to create emotional human connections. As consumer behaviour evolves, from the media which we enjoy to how we engage with brands and make shopping decisions, it is essential to have a new approach to conversational, voice and audio media, channels and platforms.

It's not a matter of replacing something, as we have seen with e-books or paper. Audio is a way of enhancing the reading experience in a way that no other format has done before: it is about doing the same thing in different contexts, thanks to technology; it is about making the reader's experience even richer.

Understanding the new conversation-driven ecosystem of content relationships - conversational AI technologies and online audio – is key. Audio and voice are not separate, they constitute a new channel in which publishing content interacts with the audience without visual codes at any given moment. The opportunities for publishers and authors are not only available through voice search and virtual assistant applications, there is a huge universe behind conversational

AI and online audio, both of which very much go hand in hand, with one benefitting from the other and vice versa.

We will now examine the opportunities in this context in the publishing world.

Audio beyond podcasts

It is true that podcasts are having a heyday. However, many opportunities are opening up for publishers beyond the production of content, such as being able to advertise on podcasts. One example of this is the marketplace that unites podcasters and advertisers, which is a Voikers project called Korero. But beyond the different formats of podcast content, there are also opportunities for brands to transform their podcasts into articles, thanks to transcription technology. It is also possible to transform text articles (websites, blogs, etc.) into audio to generate engagement opportunities for those users who do not want to read and want to listen instead. Here the possibility offered by Artificial Intelligence to synthesise voices and work with synthetic voices to be able to upscale audio production or create a brand's voice artificially is something that offers unimaginable possibilities.

What can be seen or read, can also be listened to

Audio is an option that offers countless opportunities to supplement books, editorial content, transmedia experience of a work or saga... Everything that can be seen or read can be listened to and is an opportunity to be embraced. This is a fantastic opportunity to turn publishers' websites into something that can not only be read, but also heard. It is becoming more and more common for web content as well as corporate blog articles to also be listened to, and it is also something that generates a lot of engagement with web users, since more and more people are listening. This audio content then flows into devices such as Alexa or Google Assistant, helps voice positioning and can reach new audiences if it is distributed on native audio platforms.

Synthetic voices

They deserve a separate mention because they offer new ways of expanding the scale of audio production as had never been imagined. Synthetic voices offer the possibility of producing audio content in real time, at low cost and with increasingly higher quality. This allows for the possibility of converting text to audio with high quality sound. An incredible world is opening up to us on a daily basis, thanks to the evolution of this technology, i.e. commercial presentations, memoirs, book information, web or blog articles, etc...

What action can be taken in publishing sectors as of now?

1. Convert your website to audio with text conversion tools using Artificial Intelligence voices; you can also do it with professional voices.
2. As well as using a podcast as a content generation tool to add to the book experience or as a corporate storytelling tool, work with podcasters. According to recent data, 51% of Spaniards listen to podcasts, so make a list of podcasters that are relevant to you and use them as an advertising and communication tool: i.e. commercials, product mailings, promotion... They are an excellent voice for your products to reach target consumers.
3. Use audio as a promotional tool for social networks. There are more and more formats that combine audio with other social networks, such as audiograms.
4. Organise a book club or product launch on a social audio tool such as Clubhouse or Twitter Spaces.

Audio offers more and more opportunities to enhance the reader's experience, not only by increasing the transmedia content of a book (bookcast, podcast, etc.) but also by using it as a format for connecting and attracting potential customers for publishers (new releases, web articles read out loud, etc.) The best way to reach readers' hearts is through their ears.

Podcasts, their communities and monetisation

By Gerónimo Ávila, Co Founder of SONORO

Professionals in the book world, be they publishers, booksellers or even authors themselves, need to understand that the business of podcasters is the same as that of digital creators in general. In other words, creating content to connect with people in a relevant way, in a highly competitive environment, seeking the attention of listeners to capitalise on the scope they may have with some form of advertising and the sale of their own products and services.

Podcasters usually choose a specific topic to attract these audiences and generate an episode (content) with certain frequency (at least once a week is recommended). If the content generates value and distinguishes itself from the rest of the podcasts out there, it eventually generates a community of subscribers or repeat listeners that increase little by little.

There are many types of content and formats. Let's at least discuss those that entertain, educate and provide information, to distinguish how each of them are different and provide various opportunities to make money.

The purpose of entertaining podcasts is to amuse listeners and help them have a good time. An audioseries like "Crónicas Obscuras" (Obscure chronicles), may be made into a series or a film and generate box-office revenue or copyright. Other examples are chat shows such as "Estirando el Chicle" (stretching your chewing gum) or "La Cotorrisa" (the laughing chatterbox), where two or three people talk about a topic around a microphone. This is the most common format in podcasts and often creates very large communities of fans willing to pay for merchandising of a product with the image of the programme, or tickets to a live show to see their favourite hosts.

Educational podcasts are those that teach something, such as "Dementes" (the demented) that discusses business, or "Maldita Pobreza" (Damn Poverty), which addresses personal finance issues for millennials. These podcasts often sell their own books or online courses, where they delve deeper into the topics covered in their programmes. It is also common in these podcasts to sell tickets to workshops with the hosts, where the listener can take a live course with an expert, resolve any doubts and, why not, even take a selfie for their Instagram account. Let's remember that podcasters are a type of influencer, and like all of them, their fans like to boast that they've been with them.

Finally, let's talk about podcasts that provide information. A prime example would be a news podcast such as the New York Times' "The Daily" or the daily podcast by the Spanish newspaper "El País""Hoy en el País" (El País/the country today). In these cases it is not unusual to see subscription models to access their content, or the use of platforms such as Patreon to collect donations from the community to support the project and ensure its survival over time.

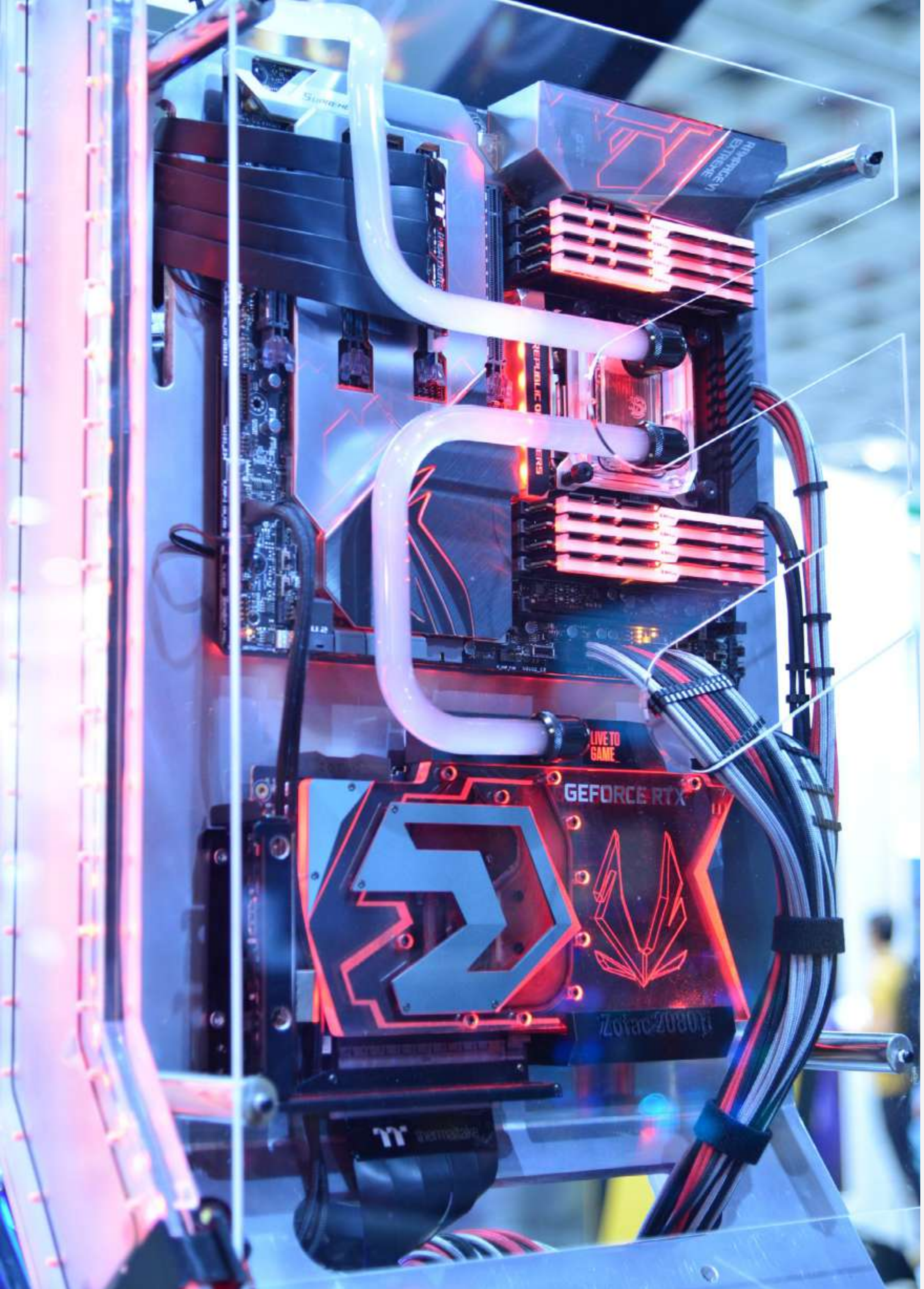
These are just some examples of monetisation models that a podcaster or content creator can use. There are many others such as advertising (audio ads, endorsements, etc.) as well as possible combinations depending on the topic, the niche and the market. The important thing is that professionals in the publishing industry understand the podcast business as a piece

of a larger digital ecosystem and not as something remote – in other words, the podcast is one more means of communicating and connecting with a community, and we must think of it as part of an interconnected multi-platform setting.

An interesting fact is that YouTube is usually the second platform after the audio platforms (Spotify, Apple, etc.) where music and podcasts are listened to. This means that this so-called podcast format also has other outlets, and therefore, possibilities to create communities in other spaces with their corresponding monetisation scheme. Newsletters or Discord channels are typical tools used by podcasters to keep in touch with their communities, feed them with additional content and continue to be present at other times of the day or week.

In short, book publishers should see podcasts as an additional means of reaching audiences and digital communities to whom something may then be sold. While neither objective is easy to achieve, one difference in favour of the podcast format, compared to others, is that it does achieve a different level of connection from a video or a newsletter. It seems that the intimacy of stimulating the listener's hearing and the lack of visual stimuli allows for a much more intimate level of attention and connection with the listener, allowing for a much more intimate level of attention and connection with the listener, which gives the listener a greater level of trust.

This, in turn, creates the opportunity to persuade listeners to give their support in one of the ways described above, and thus generate income to keep feeding content to the community, which is what it's all about: generating communities, making them grow, keeping them interested, and eventually making a business out of it.



6.

NFTs and their relevance in the publishing industry

A popular phenomenon across many industries has experienced huge market growth since 2021: non-fungible tokens or NFTs. The opportunities that can be derived from this development for the publishing industry are remarkable and, although the market is still quite volatile and involves many challenges, we anticipate significant improvements and believe in this new technology because we see the potential for sustainable products that can add value to a publisher's catalogue.

In this article, taken from Creatokia's founding document, we'll take a closer look at NFTs and explore why it is relevant for a publisher to work with this innovative product in its early stages. We'll describe general and basic elements and discuss some of the key features of successful NFT projects.

NFT: a rapidly growing $25,000,000 market

La industria de NFT experimentó un rápido crecimiento en 2021, con un volumen comercial de 25.500 millones de The NFT industry experienced a boom in 2021, with a market volume of US$ 25.5 billion[1], equivalent to a year-on-year growth of 765%. The construction of virtual worlds alone reached a market capitalisation of US$3.6 billion, an all-time high. In fact, compared to 2020, the number of active crypto wallets increased to more than US$ 2.7 billion, representing a year-on-year growth of 592%. The NFT market started with a boom in 2022 but dropped in February and March due to macroeconomic events, before picking up again in April. Indeed, the value of many NFT collections has increased, although cryptocurrencies such as ETH lost 50% of their value in comparison to November 2021. These figures, backed by Facebook's rebranding to Meta and the increasing number of highly influential celebrities showcasing their latest purchases on social media, indicate that NFTs are on their way to becoming a mass phenomenon.

Benefits of NFTs for publishers

Publishers can implement a new type of digital publishing product with NFTs, offering new features and opportunities that were not possible before. NFTs can be limited in number, resulting in the concept of scarcity and collectability in the digital domain. By selling NFTs, publishers can benefit directly from royalties from second-hand sales. In other words, they can create a recurring and automated flow of income in a commercial environment previously unknown to the publishing industry.

NFTs also provide new means of communicating and interacting with a community of followers by linking them with multimedia content or special features, also known as "utilities". For example, an NFT can be used as a gateway to a special event or a closed Discord channel. Fans can feel like they belong to a highly exclusive club that can only be accessed through a limited number of NFT tickets. Experience, on the other hand, has shown that successful NFTs are often those that contain more than just artwork; they are a new product that offers a multi-layered, long-term experience. NFTs are in vogue and can therefore become a useful tool for attracting more attention to the popular publishing

product and have the potential to open up a whole new market with an entirely new target audience.

NFTs as part of a digital publication strategy

The benefits of NFTs may be better exploited when they are part of a broader concept. They should therefore not be regarded as a stand-alone product, but as part of a more extensive and long-term digital publishing strategy. They may be used, among other things, to establish communication with high-potential new customers or to target NFT enthusiasts, who do not

1 https://dappradar.com/blog/dapp-industry-report-january-2022

necessarily have a book background, but may be users who are curious about the utilities of this new technology. However, by providing high quality NFT products, publishers stand a decent chance of finding new customers for their mainstream publishing products and exploring virtual worlds that may be created on the basis of their intellectual property.

Some basic technical concepts

Environmental impact and how it affects the blockchain community

One of the major challenges facing blockchain technology is its substantial energy consumption, which has a significant impact on the environment. At least this is the case with Ethereum, the largest and most established NFT-compliant blockchain on the market at the moment. Its annual energy consumption is roughly equivalent to that of twice Finland[2], due to the processing power required to provide a high level of security and decentralisation.

However, the industry is focusing on how to limit this energy consumption and expects to require less energy for an Ethereum transaction than that of a credit card by the end of 2022.

Wallets as essential storage for criptocoins and NFTs

Setting up a crypto wallet is key in planning a first NFT publication. It is possible to choose from a broad range of options, depending on the blockchains[3] or market of interest (for example, MetaMask is currently the most popular and compatible crypto wallet). Just as a normal wallet contains important documents, a crypto wallet is also very personal since it is the door to a blockchain, where all your funds and purchased NFTs are stored. As such, it requires high protection and strict security measures and can only be accessed via a private keychain, to avoid inappropriate use or thefts. Each wallet has an ID or sole address which the owner will use to conduct blockchain transactions as well as create and sell any NFT. That ID identifies you as the seller and enables you to receive income from secondary sales, providing we are talking about a smart contract.

What's a smart contract?

A smart contract is a blockchain-based executable code or program based on blockchain3, which defines the terms and conditions between the "buyer" and the "seller" and, just like a conventional contract, functions as an agreement between parties. Once implemented, the terms cannot be changed and are

automatically executed on each node of the blockchain network. In this type of contract, the following variables need to be defined: name of the project (e.g. World of Women), contract token (e.g. WOW), publisher's digital wallet

address, resale royalty rate and shares between the platform and the publisher. Once this data has been determined, the smart contract is ready for implementation. However, it's important to emphasise that licensing fees are not part of the smart contract and should be negotiated with buyers under separate licensing conditions and permissions.

The different groups involved in an NFT project

Defining the target audience for an NFT project is an important step in the process and many important aspects need to be considered, including the type of publisher, the genre of the content and the

author. Publishers should also consider two general target groups, which may or may not overlap: the booworms and the NFT enthusiasts.

2 https://ethereum.org/en/energy-conquisition/ 8 https://ethereum.org/en/upgrades/merge/
3 https://ethereum.org/es/contratos-inteligentes/

Bookworms

Book lovers are already familiar with a specific author or literary genre. In fact, they may have read everything available by and about an author, always be the lookout for new titles, and be well-acquainted with the plots and characters they are interested in, and even relate to them on many levels.

Such avid readers gladly welcome additional content to further enhance the story or character development of their favourite books, such as extra chapters, an alternative ending, a short story that could add to story even further, a chapter with a different narrative perspective, an interior monologue, a detailed character analysis, a different cover or any other content that may expand the literary universe of the writer in question.

The same goes for fans of non-fiction books, who would be delighted to receive extra content in the form of additional recipes, new meditation techniques, the latest investment tips, etc. The most important aspect is that the book fan values an NFT primarily for the additional content of limited availability that it offers, which intensifies the overall reading or listening experience.

On top of that, holders of these NFTs enjoy being part of an exclusive group of like-minded people, a special fan club that potentially gives access to a whole new level of participation and interaction within the literary universe they are interested in. Given that the world of NFTs is completely new to the book fan, there is still a lot of educational groundwork to be done to ensure that the added value of NFTs is understood.

NFT enthusiasts

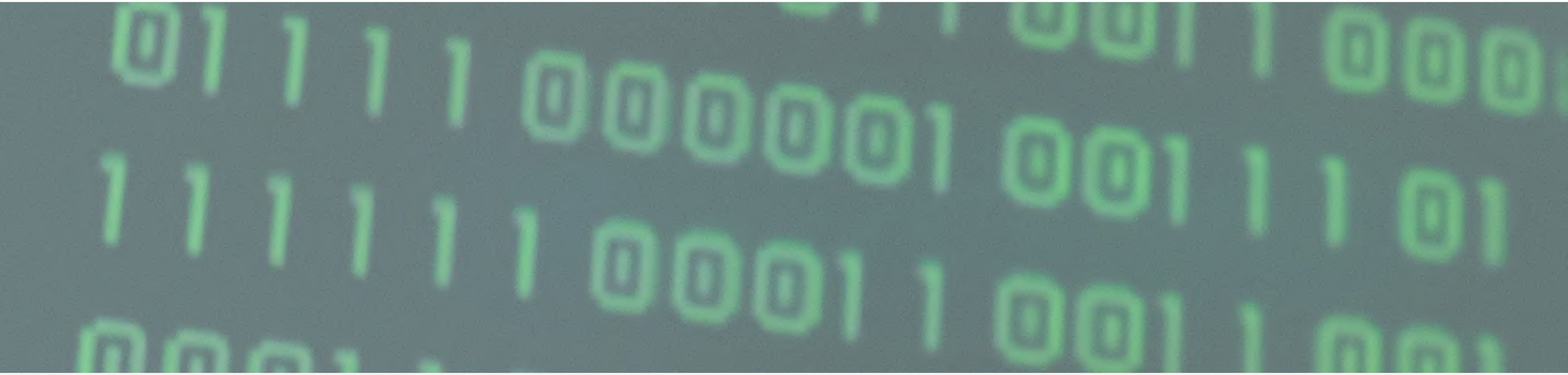
NFT enthusiasts are a different breed of fan with a strong digital affinity and a tech-savvy background. They may not necessarily have read the book, but they are nevertheless well acquainted with the franchise, either from having seen the movie or played the video game based on the book. In fact, the NFT enthusiast may not even have been aware of the existing franchise products, but once they learn about the project, they become a fan of the specific NFT and its "roadmap". This type of follower is not the typical reader mentioned above, but shares a passion for collecting well-designed and well-thought-out, established branded items.

Unlike book lovers, these fans are already familiar with NFTs and have even started to build up their own digital collection. Most of all, they enjoy collecting graphic representations in the form of images, video sequences or 3D animations of certain leading characters, which can then be used as an avatar in a digital metaverse world and in video games.

Thus, an important feature of the NFT enthusiast, in addition to collecting these items, is to show off their prized possessions on social media or elsewhere in the virtual world. This type of buyer expects additional experiences and functionalities that transcend the mere aesthetics of the artwork. Due to their solid technological background and experience with the product, moreover, this type of audience can be approached in a very different way and the focus could be placed, for example, on the present and expected future uses of a project, and on using the typical jargon of the NFT community without the need for further clarification.

Key elements of successful NFT Projects in the entire industry

Though there is no secret ingredient to guarantee the success of an NFT project, there are certain similarities and recurring strategies that seem to have an impact. Before focusing on certain key elements, let's bear in mind that we are referring to examples of existing NFT projects and most of these projects focus on collecting a profile picture (PFP) or a piece of artwork and increasing its value. We are sharing these aspects to inspire us and develop the best possible strategy for completely new products on that basis.



Long term vision

It is essential to understand, from the outset, that to create a successful NFT project, it is necessary to think long-term. Rather than thinking of an NFT as a single product, it should be thought of as a project or even as a new venture in its own right: it requires both a specific purpose and a clear path for future development.

Roadmap

The most successful projects generally adhere to a public "roadmap", which provides structure to the entire project and publicly conveys the product's features and milestones. This roadmap element, which should explicitly detail the benefit and added value of the NFT project to the customer, provides potential buyers with an overview of what to expect from the product and serves as a basis for decisions on how much to invest in the project.

A good roadmap also includes the monitoring of the project and should always be up updated. It is not only an instrument that provides structure, but also a communication tool that explains what the offered product really is. The public roadmap should not be confused with the company's timeline, as it only shares the necessary information to entertain the community and generate desire and FOMO (Fear of missing out).

FOMO – sparking curiosity and demand

A good roadmap leads to increased interest from both readers and the NFT enthusiast community.

Most of the successful projects in this field carefully time the information they publish about their upcoming milestones in order to generate curiosity and build the so-called "FOMO" in the pertinent community. Real collectors, on the other hand, are always curious and eager to own the latest pieces for their collections. For these reasons, many projects use shortlists that limit access to information to boost interest in the product even further.

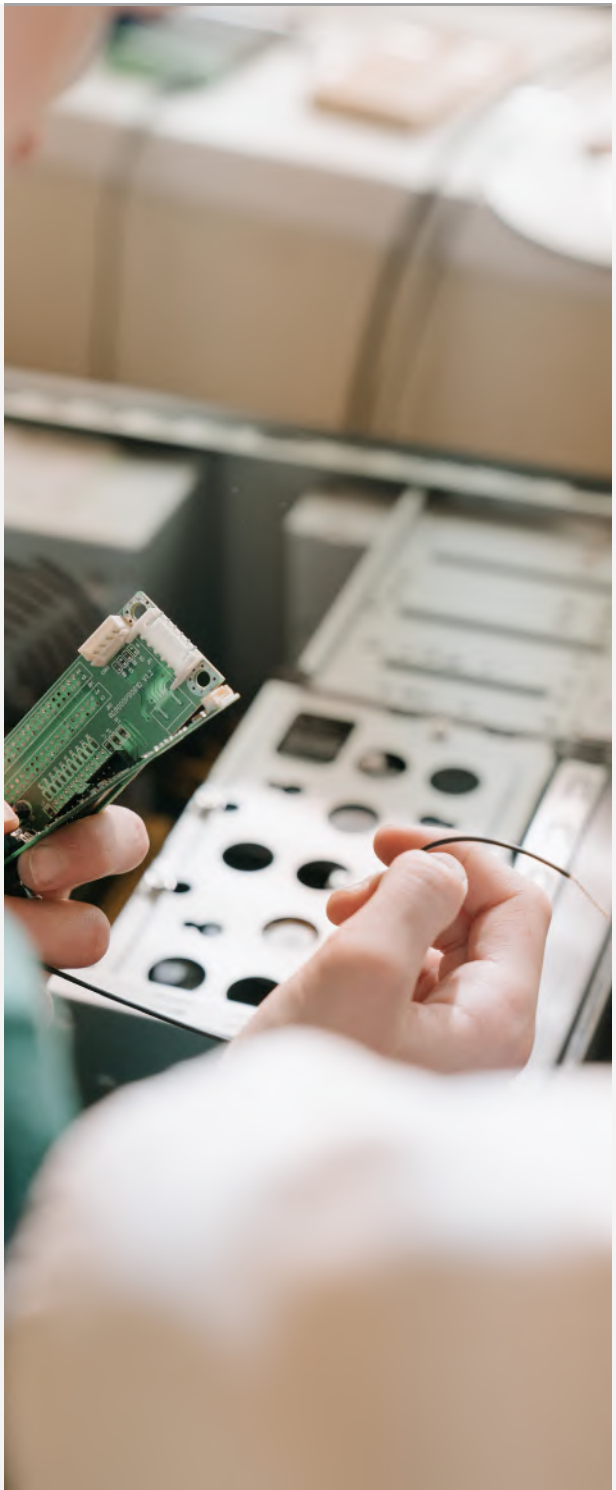
Discord and Twitter

Once the necessary interest has been generated, the next step is to whet the audience's appetite by spreading the word about the project through the social media channels predominantly used in the NFT world: Discord and Twitter. It is essential to create a constant flow of communication and activity leading up to the launch date, in order to meet and interact with the community and explain in more detail the benefits and utilities of the relevant NFT.

The more communication is generated through social media, the more likely it is whet the customer's appetite for the product, which will ideally generate feelings of excitement among the community of followers.

The importance of transparency

Transparency is key here, as the purchase value of an NFT must be clearly stated and endorsed by its actions. In addition to communication via Twitter and Discord, key product creation milestones and pre-launch dates for all features should be recorded in the roadmap. This, in turn, will make it easier for customers to trust in the project and take action by purchasing the NFT.



Conclusion

NFTs can be an exciting and cutting-edge feature for publishers to add to their portfolio, as they not only offer new ways of interacting with their target audience, but can also be a steppingstone to new segments of the market. As with any new technology, it will take some time to get used to it and realise its full potential, but NFTs have successfully established themselves in other creative fields and are set to change the publishing world.

Publishers have an opportunity to explore this new concept at an early stage, which has advantages in terms of both knowledge and experience, and it will enable them to capitalise on new NFT developments.

This report has been drawn up by Bookwire.es in collaboration with Dosdoce.com.

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Bookwire & "Bookwire OS - One Solution"

Bookwire GMbH was founded in Frankfurt in 2010 as a service provider for publisher distribution of ebooks and digital content. Since then, it has become of the leading international companies in digital publication technology

It currently employs 150 members of staff in Germany, the UK, Spain, Brazil and Mexico, managing over 1,900 publishers in the ebook, audiobook and low-demand printing sectors. Around 500,000 ebooks and 90,000 audiobooks are analysed, marketed and distributed in all the relevant delivery channels via the innovative "Bookwire OS - One Solution" software, launched in 2019.

Bookwire GmbH's customers rely on the latest technology in customer analysis, pricing, etc., as well as on the individual support of account and marketing managers who provide continuous customer care.

In 2019, the company received the first "Digital Publishing Award" in the B2B solutions sector for its audiobook production soluti

"We Audiobook You" (WAY).

Bookwire GmbH is run by founders Jens Klingelhöfer and John Ruhrmann. As well as the company headquarters in Frankfurt am Main, it has in Barcelona (Spain), London (Great Britain), Mexico City (Mexico) and São Paulo (Brazil).

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