

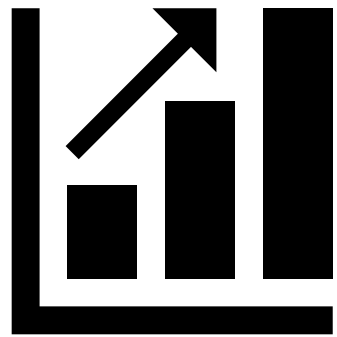


LIVRES CANADA BOOKS®

Audiobook Streaming and Subscription Models for International Distribution

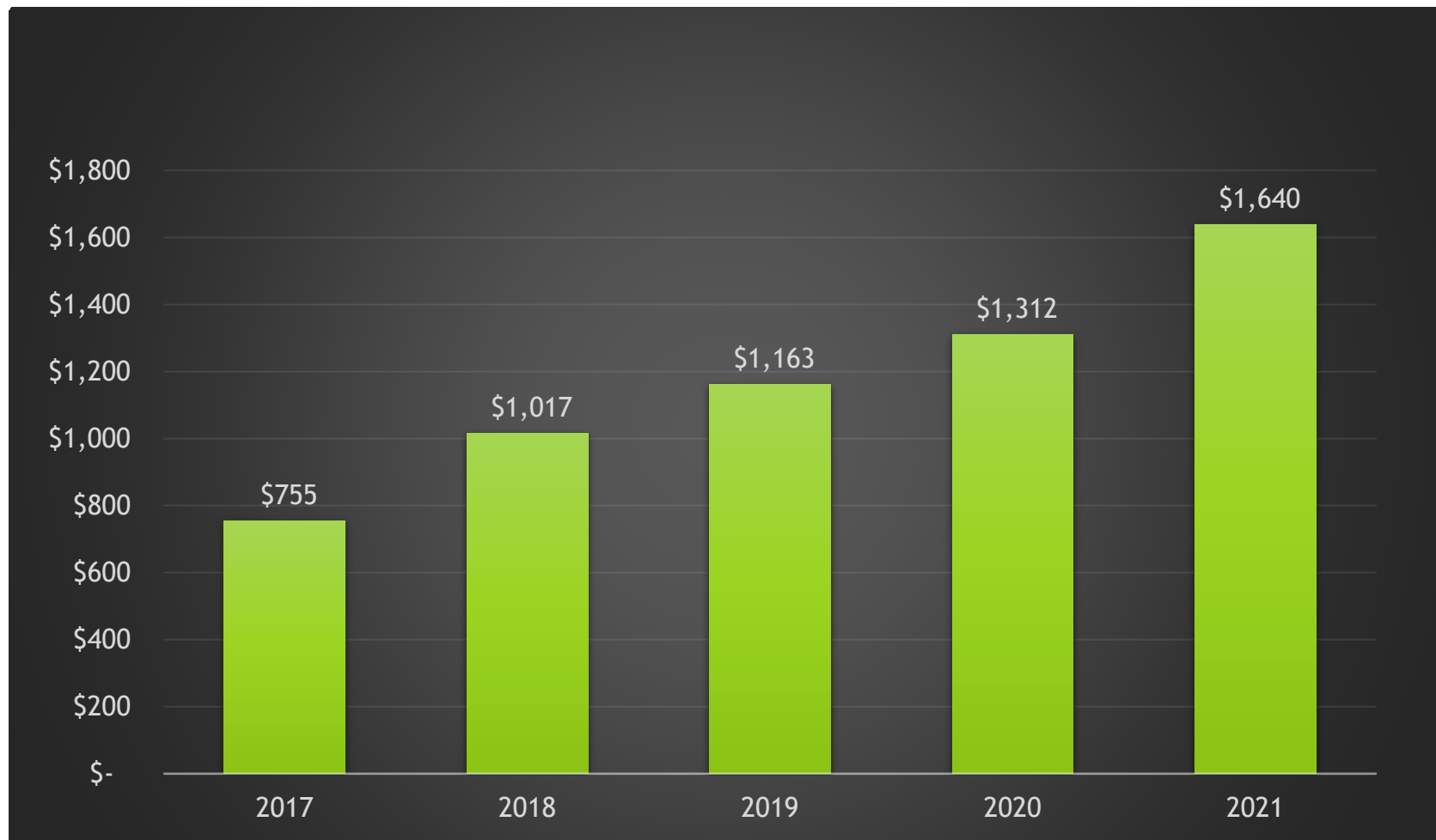
Webinar presented by Michele Cobb

December 1, 2022



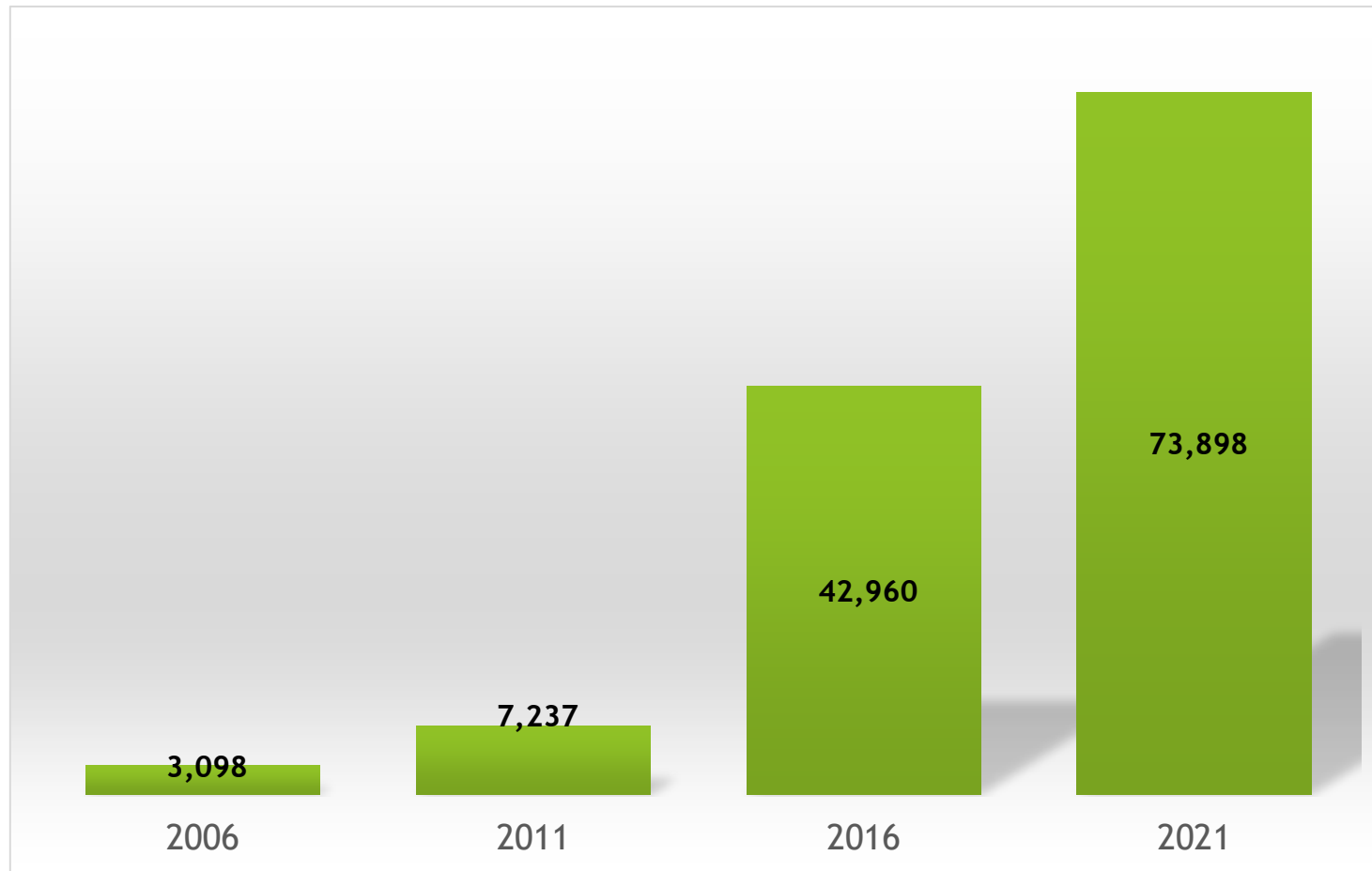
Primary findings

North American Publishers Reported Net Sales (millions) Audio Publishers Association Survey





North American Publishers Reported Titles Audio Publishers Association Survey



Business Models

Terminology



A la Carte/ Pay Per Listen Model

- ▶ Consumers purchase titles individually and own them to use in the corresponding app from the company of purchase. Purchase of the title may or may not be within the app itself.
- ▶ Retailers include Apple and Google. Spotify launched with this model in the US



Subscription Models

- ▶ **Credit**
Subscribers commit to selecting a certain number of titles per month.
(Audiobooks.com, Kobo, LibroFM)
- ▶ **Unlimited**
A collection of titles available to stream from a vendor.
(Storytel, Scribd)
- ▶ **Hybrid**
Subscribers commit to selecting a certain number of titles per month. They also have access to a collection of always available titles.
(Audible)
- ▶ **Tiered**
Consumers pay by hours of listening per month, allowing access to a complete collection.
(BookBeat in Spain, Storytel in France)



Library Models

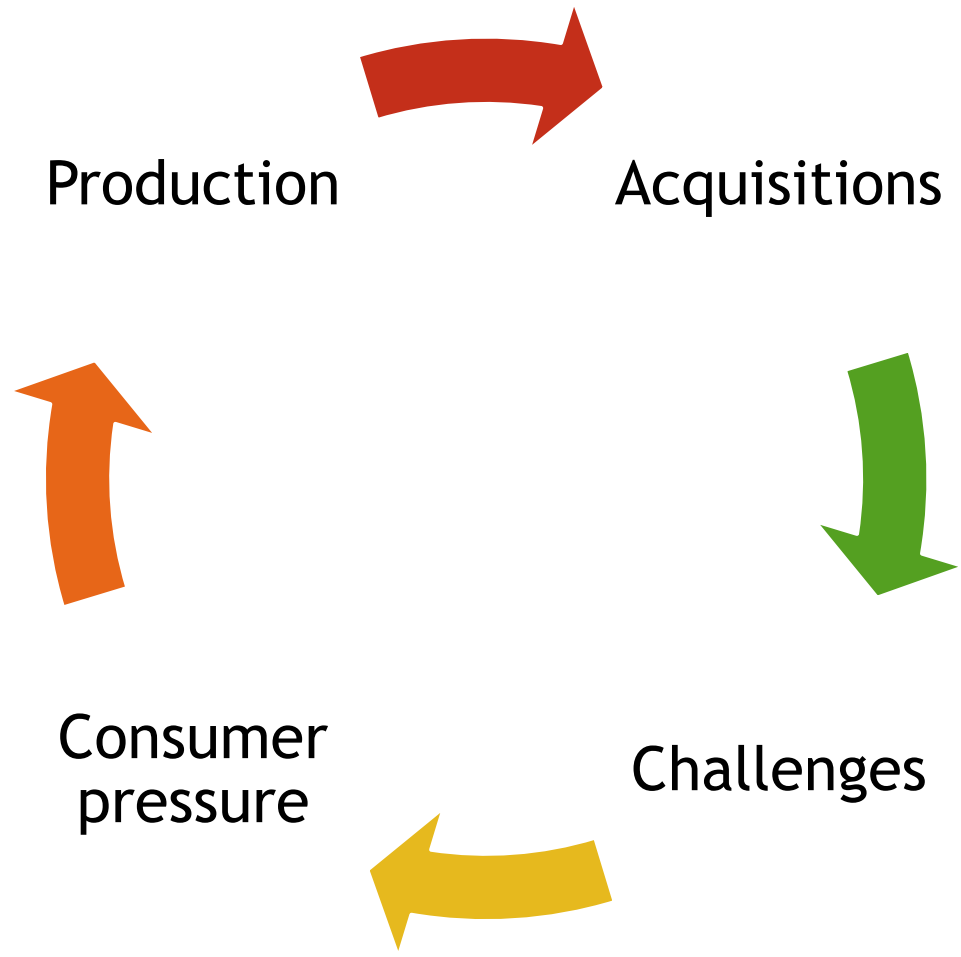
Pay per Circulation

- ▶ Libraries offer a complete catalog of titles for a patron to choose from and the institution pays the publisher based on what is chosen.

One Book One User

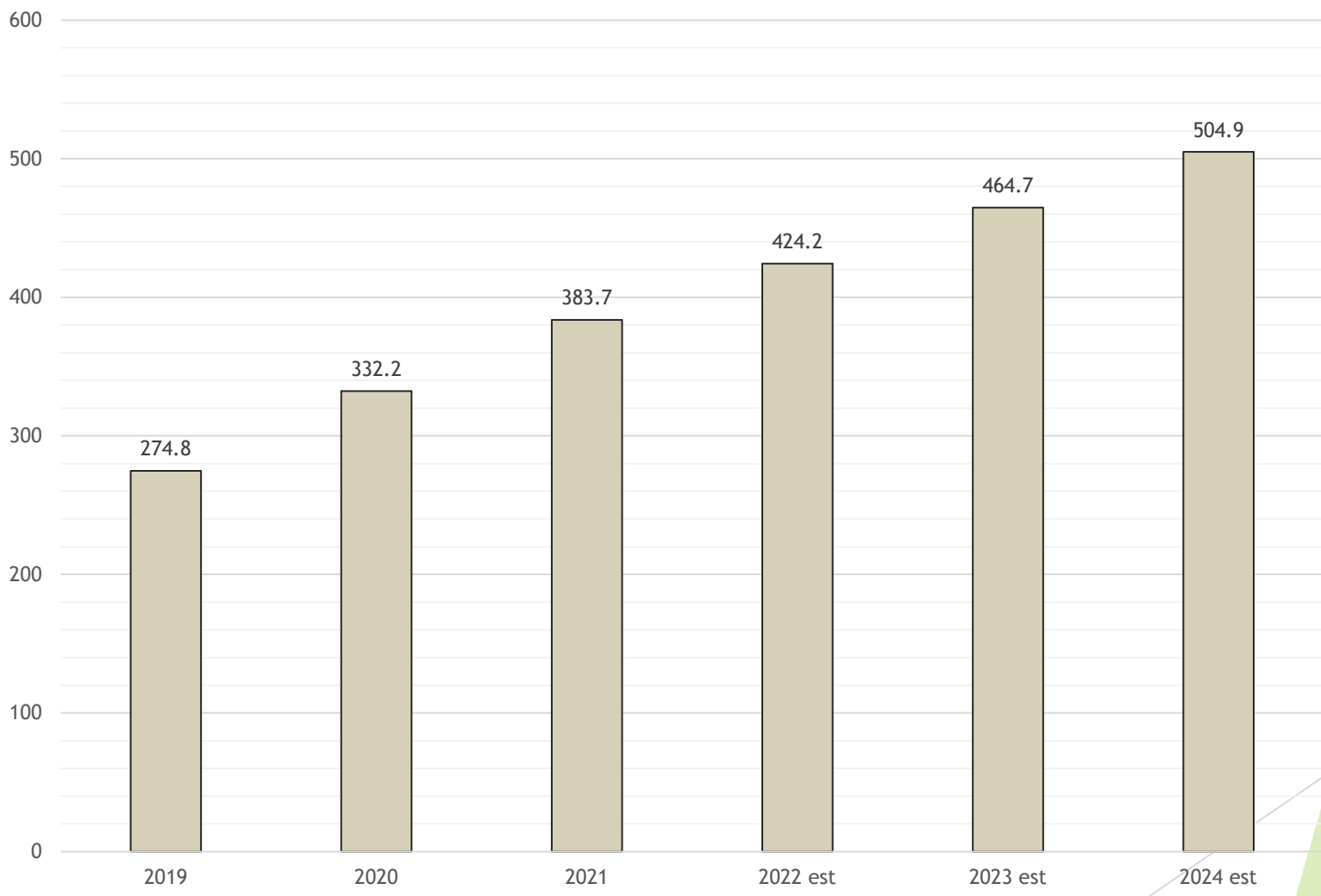
- ▶ Library purchases a certain number of selected titles based on what they believe the circulation will be. Once the title is “borrowed” patrons wait for access.

Retail Landscape





Global Podcast listeners (millions) per statista.com



Artificial Intelligence

- ▶ Text to Speech
- ▶ Developed with human voices
- ▶ Opportunity to produce lower-level backlist
- ▶ Tech companies such as Google and Apple working on improving the offerings
- ▶ Emotional connection of audiobooks a key reason for listening and there is still a gap

Non-fungible tokens (NFTs)

- ▶ Exclusive and unique digital content
- ▶ Potential introduction to new listeners not familiar with audio, but interested in a character, author, title, or cover
- ▶ Exploration just beginning

Regional Findings

France

- ▶ 56% of listening on smartphone
- ▶ Increases in male listenership
- ▶ Audible is market leader with the credit subscription and 15,000 titles available
- ▶ May 2021 *Festival du Livre Audio* sparked interest
- ▶ Storytel launched with the tiered subscription model
- ▶ Bookwire held “All About Audio” summit dedicated to audio innovation in France, Fall 2022

Mexico

- ▶ Second largest Spanish audiobook market
- ▶ Storytel opened the market in 2019 with 2500 local language titles
- ▶ Focus is on the unlimited subscription (which grew during the pandemic)
- ▶ Heavy interest in non-fiction

Spain

- ▶ 15% growth in ebooks and audiobooks reported by Bookwire in 2021
- ▶ Heavy library usage, aided by concurrent licenses for library listeners, agreed to during the pandemic
- ▶ 80% of market share is subscription, 15% pay per listen, 5% library
- ▶ Two-thirds of titles produced by Grupo Planeta and Penguin Random House

United Kingdom

- ▶ 71% growth in sales since 2019
- ▶ Mixed models with credit and unlimited subscriptions available widely
- ▶ 39% pay per listen, 35% subscription, 14% library
- ▶ Growth in younger, male listeners



United States

- ▶ 1.6 Billion in revenue in 2021 (25% growth over 2020)
- ▶ 52% listen most often on a smartphone
- ▶ 70% of consumers agree audiobooks are a good choice for relaxing
- ▶ In 2022, 61% of parents say their children listen to audiobooks, compared to the 35% measured in 2020
- ▶ 41% of listeners have subscriptions
- ▶ 54% of audiobook listeners are under the age of 45
- ▶ Spotify launched pay per listen audiobooks Fall 2022

Distribution and Monetization

- ▶ Lack of retailer standards
- ▶ Manual delivery is high-touch
- ▶ Aggregators take a portion of revenue, reduce efforts
- ▶ ONIX feed used for collections of size, high ongoing expense



Opportunities

- ▶ Sell sub-rights
- ▶ Produce and develop own collection
- ▶ Global distribution
- ▶ Multi-language opportunities
- ▶ Full exploitation of intellectual property
- ▶ Room for growth, especially outside standard book reading audience

Challenges

- ▶ Discovery
- ▶ Non-listener gap
- ▶ Production expenses
- ▶ Delivery expenses
- ▶ Lack of knowledge with the format

Q&A

Please type your questions in the Q&A panel

Thank you

Please fill out an evaluation

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To watch videos of our previous webinars, visit

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Canada 