FRANKFURTER BUCHMESSE

An Opportunity for AUDIOBOOK Global Growth beyond English-Language Markets

September 2024

dosdoce.com

TABLE OF CONTENTS

1 INTRODUCTION | 3

2 Size of the global audiobook industry | 10

3 Analysis of the evolution of the audiobook by different European languages | 17

3.1 Spanish language audiobook market profile
3.2 German language audiobook market profile
3.3 French language audiobook market profile
3.4 Italian language audiobook market profile
3.5 Portuguese language audiobook market profile

4 Audiobooks travelling around the world | 28

5 Comparative analysis of audiobooks consumption models in different languages | 37

6 Audiobook listener profile in Europe | 42

7 Main sales channels for audiobooks in Europe | 46

7.1 Unlimited Subscription or AYCE (All You Can Eat) model
7.2 Limited subscription for catalogue access (credit/token model)
7.3 Limited hourly subscription
7.4 Beyond the limitation by hours or credits
7.5 Unit Sales – "Á la carte" model
7.6 Digital libraries lending licensing model

8 Analysis of audiobook business models by languages | 54

9 New players, new business models, new audiences | 58

9.1 Spotify: Building bridges between podcast and audiobook
9.2 Listening devices for children's content
9.3 Skeelo: Building readership through new B2B2C channels
9.4 YouScribe: Micropayment model to encourage consumption
9.5 Cheaper subscriptions supported by advertising

10 Impact of Artificial Intelligence in the Audiobook industry | 70

11 Sources | 76

12 Credits | 78

About the author of the report - Dosdoce
About Frankfurter Buchmesse
About the data partner - Bookwire
Acknowledgments

1.INTRODUCTION

Source: Jukka Aalho on Unsplash

If we analyze the history of mankind, the habit of reading as we know it today, silently and individually, is a relatively new practice and a minority one. Over the last 25 centuries, the norm has been to access information, entertainment and knowledge through reading aloud. As Maribel Riaza, an expert in the history of reading and author of the book La voz de los libros – The voice of books (Aguilar -PRH, 2024)[1] points out, "of the more than 3,000 different languages that have been identified in the world, fewer than 100 have written literature. On the other hand, all cultures have developed oral literature". In this context, the audiobook has emerged as a transformative force in the world of books, offering all types of audiences a new form of access to all types of content: literary, non-fiction, children's, educationa tely very little information has been published on how this format is evolving in other languages.

As a result of this information deficit, Frankfurter Buchmesse's team encouraged Dosdoce.com to develop a study aimed at analyzing the evolution of the audiobook industry in the five main languages of the European continent, beyond English, covering Spanish, through German, French, Italian and Portuguese, to provide publishing industry professionals with a better understanding of the dynamics shaping this format in the different global markets.

Thanks to aggregated data provided by the Bookwire distribution platform, which distributes more than 300,000 audiobooks in various languages worldwide, we have been able to analyze, for the first time in the European audio industry, the sales of audiobooks in the different business models (unit sales, subscription, libraries, etc.) by breaking down the data for each of the selected languages: German, Spanish, French, Italian and Portuguese. Due to the geographical and cultural proximity between Southern Europe and the Middle East, this report did not want to miss the opportunity to also analyze, albeit briefly, the incipient evolution of the audio industry in Arabic. We anticipate that early next year Dosdoce will publish a new report, in collaboration with the distribution platform Arabookverse, which will analyze in depth the map of the audio industry in the Arab world.

As readers of this report will discover, this analysis brings a lot of information to the publishing industry as for the first time we will delve into the singularities of audiobooks sales behavior in different languages. We have been able to analyze for the first time in the audio industry, thanks to the data provided by Bookwire, how audiobooks "travel" from one market to another, generating new business opportunities for the publishing industry. As we will see later in the report, all languages "travel" (i.e. audiobooks sold outside their home market) to a greater or lesser extent between territories with cultural links. The languages that travel the most are Spanish and English, followed by Arabic and Italian. The languages that travel the least are German, French and Portuguese.

Artificial intelligence and the big data boom is likely to radically change the way we access and consume all kinds of cultural content in the next decade. In the conversations we have had with key players in the industry several of them pointed out that AI is one of the sector’s biggest challenges, but at the same time our biggest business opportunity. Since AI is becoming so important to the publishing sector, we have decided to just briefly describe its impact in the audiobook industry in this report, waiting for a deeper analysis in a new whitepaper that will be published by Dosdoce next year.

There is no doubt that we live in a global village where the trends of one market are quickly transferred to others, but we also believe it is necessary to analyze the singularities of each culture (language) since we consider that the consumer habits and behaviors of listeners, as well as the business models that have been key to the growth of the Anglo- market are not transferable, in their entirety, to other languages and markets.

Readers will see that the data, statistics and trends we will share throughout this report are fantastic. Growth in all markets is exponential, but we should not be complacent about the relative success of the audiobook format. In the U.S. and Nordic countries, half the population has already listened to an audiobook. Great news, but that also means that there is another half that has not yet done so and in many European countries such as France, Spain and Italy less than 20% of the population listens to audiobooks and in the Arab and Portuguese-speaking markets the listening rate is well below 10%.

In the conversations we have had with key players in the industry for this report, several of them pointed out that one of the main challenges for the industry is to grow the audio industry globally, while maintaining the profitability of the business, but opening the category to new audiences that today cannot afford to access this content. "As we expand globally, one of our key challenges will be how to balance profitability - how much will the audience pay to read? - with accessibility. In other words, should books only be available for the upper class in emerging audiobook listening culture countries?", said **Lasse Korsemann Horne, Publishing director of the Danish entity Saga | Lindhardt Ringhof A/S**, one of the publishers that is betting the most on this format by investing in the creation of a catalogue of almost 60,000 audiobooks of which 50% have been produced in multiple languages (Spanish, German, Italian, etc.), beyond the Nordic countries ones.

In the same vein, **Miles Stevens-Hoare, Managing Director of RBmedia International**, indicated that one of the main business opportunities in the book industry over the next three years revolves around the emergence of new means of distribution. “The arrival of new players, alongside existing players, will increase the number of listeners, accelerating the global market for audiobooks beyond the Anglo markets". RBmedia is an audiobook specialist, investing in a catalog of over 80,000 titles, in multiple languages, and an annual publishing program in excess of 8,500 new titles.

Maja Thomas, Chief Innovation Officer and Director of Hachette Business Development and Innovation Department, indicated that “Hachette takes a global view in exploring markets and technologies that can bring us new readers, and the proliferation of audiobook platforms is increasing the number of consumers who discover and embrace the audio format. Audiobooks can help people find more time in their lives for reading, and offers listeners uniquely engaging and entertaining experiences. Like the other publishing houses mentioned in this report, Hachette is strongly committed to the audio format, investing in a catalogue of nearly 30,000 titles, mainly in English but increasingly in other languages, which is updated annually with around 3,000 new titles.

Another one of the biggest challenges most mentioned by the publishers consulted was how to increase the visibility of the audiobook format in a market increasingly saturated with all kinds of cultural content (films, music, podcasts, etc). "Audio growth in the last decade has been spectacular, and we must not be complacent as we continue to grow the marketplace. Our biggest challenge is to drive discoverability for our audiobooks in a very crowded entertainment marketplace with comparatively few audiobook retailers versus the number of physical storefronts that sell books. Fortunately, audiobook retail platforms continue to expand worldwide, broadening access to audiobooks and creating new listeners in the process," stated **Amanda D'Acierno, Global President & Publisher of PRH Audio**, another of the leading publishers that is heavily investing in this format with a global catalog of more than 50,000 audiobooks of which 30% have been produced in multiple languages beyond English (Spanish, German, Chinese, etc.).

Sean McManus, President of Dreamscape Media, a US based audiobook publisher with more than 7,000 audiobooks and with around 1.000 new releases a year, mainly in English, indicated that "the main business opportunity in the next 3 years will be the consumption model shift in the English-speaking markets from an audiobook per month, also known as credit model, to subscription services. This business model transformation will move audiobooks from a niche format to a mass format - following the trajectory that the Nordic territories have taken for audiobook consumption".

Helena Gustafsson, Chief Content Officer at Storytel, one of the world's largest audiobook and ebook streaming services operating in 25 markets and offering more than one million titles in multiple languages, believes that "we have not yet fully tapped into the vast potential of some of the world's major languages with large speaker groups. Therefore, it is essential to continue building local catalogues to grow the audience". In regards to main global challenges the industry is going to confront in the next three years, Helena indicated that "the spoken word arena is becoming increasingly competitive, and with AI enabling even more players, it will be crucial for the entire industry to understand what content the audience is willing to pay for and how they want to access it".

Karine Pansa, President of the International Publishers Association (IPA) and Managing Partner and Publishing Director of Girassol Brasil, a leading children's book publisher in São Paulo, stated "The rapid growth of audiobooks in non-English speaking markets, particularly in Spanish, Portuguese, and other European languages, presents a tremendous opportunity for publishers to tap into new audiences and expand globally. However, this growth also brings challenges, such as navigating diverse cultural preferences, increasing competition from other digital media, and the need to innovate continuously to retain listener engagement in an increasingly saturated market."

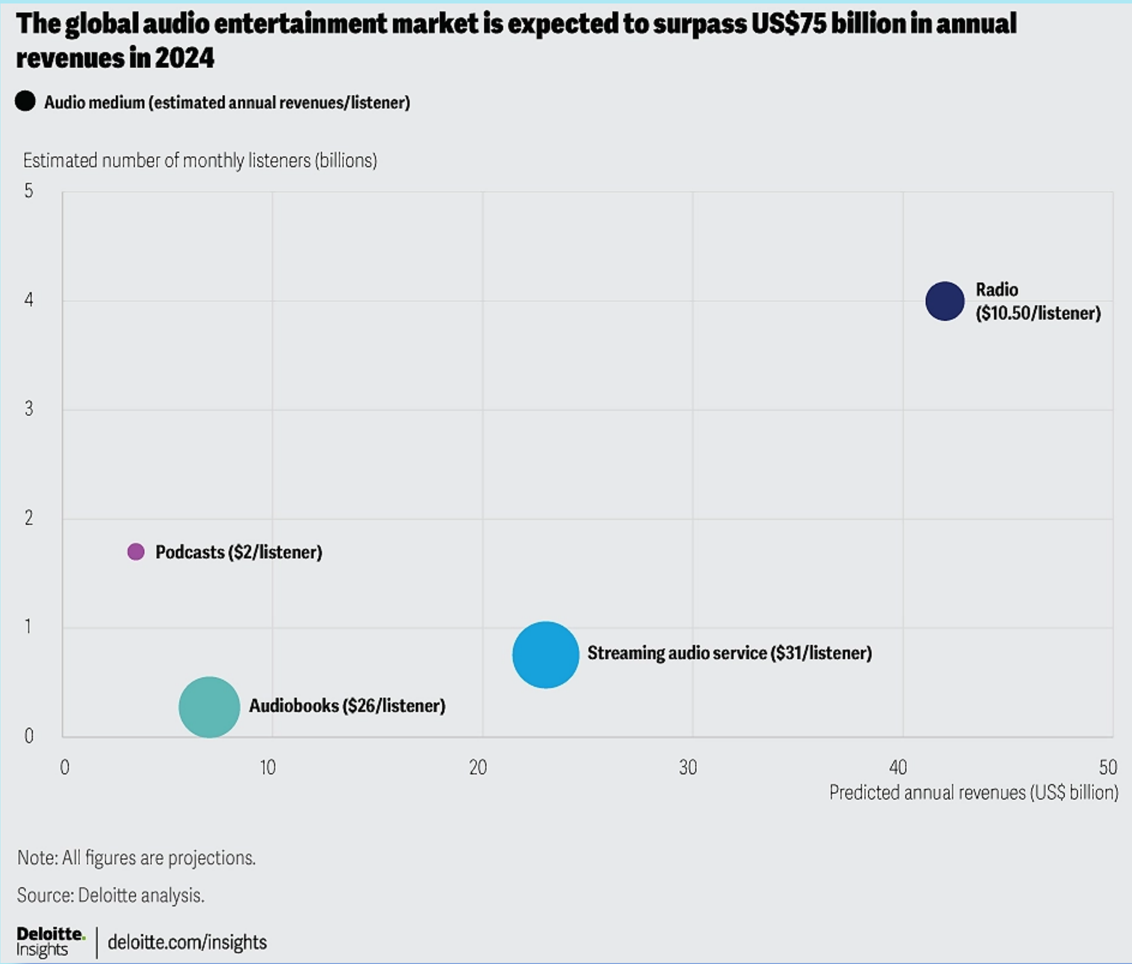
Chantal Restivo-Alessi, HarperCollins' Chief Digital Officer and CEO, International Foreign Language, another of the leading publishers that is heavily investing in this format with a global catalog of more than 40.000 titles and 15% of those are non English, indicated "for international languages like Spanish, German, French, Italian and Portuguese the global audiobook market is still full of potential. Given the difference in structure and maturity, not all domestic markets have the same potential: Germany is a very developed market, with a wide variety of players and content; Spain is growing nicely and the Spanish language content has the widest opportunity globally, including in the US market, out of all these languages; France and the French content is still nascent and one of the challenges is creating more content to attract consumers; and Italy is more challenged because the limited retail distribution options in the market. Overall, globally, all languages have growth potential, just to varying degrees, depending on domestic market conditions, content availability and global language penetration".

In this market transformation context, and with the need for a greater global dynamization of the audiobook industry across markets, we hope that this report will provide the publishing sector with ideas on possible new business models to grow the audio industry through the creation of new audiences around the world, as well as enough data and reflections to encourage them to make internal decisions that will allow them to convince the 50, 80 and even 90% of the population that still does not listen to audiobooks. Because if they have not done so by now, it might be because the strategies deployed so far have not captivated them.

Javier Celaya, Founding Partner of Dosdoce.com

2. SIZE OF THE GLOBAL AUDIOBOOK MARKET

The audio-entertainment industry (podcasts, audiobooks, radio and streaming music) is expected to continue to grow by around 10% worldwide until the end of this decade, thanks to revenues generated from subscription platforms, unit sales, digital lending, wholesale through large companies such as telephone operators, advertising revenues, branded content, etc., but with revenue contributions from very different formats as we will see below.



Source: Deloitte Insights

According to this Deloitte study[2], radio programmes and podcasts are the formats with the largest audiences worldwide (4 billion radio listeners, of which almost half - 1.7 billion listeners - also listen to podcasts), but they are the channels that generate the least revenue per listener for the industry: podcasts (US$3.5 billion) and radio (US$42 billion). In contrast, audiobooks and streaming music, which barely reach one billion listeners worldwide, are the formats that generate the most revenue per listener for the industry: audiobooks (US$7 billion) and streaming music (US$23 billion). In other words, radio and podcasts are the formats that generate the largest audience, but the ones that monetize the least due to the decline in advertising revenues that we are suffering in recent years, while the growing consolidation of the culture of music subscription, exclusive podcasts and streaming audiobooks around the world indicates that these formats, as well as paid consumption models will generate more revenue per listener than free-to-air radio and podcasts.

According to the most recent data, published in June 2024 by the Audio Publishers Association (APA), the audiobook market in the United States continues to grow steadily, with revenue growth of 9%, reaching $2 billion in 2023.

Growth rates (percent)

Year	2019	2020	2021	2022	2023
Dollars	14%	13%	25%	10%	9%

Format (sales $)

Year	2019	2020	2021	2022	2023
Digital	93.2%	95.8%	96.9%	97.8%	98.0%
CD/MP3/Other	6.8%	4.2%	3.1%	2.2%	2.0%

Source: Audio Publishers Association

At the same time, the Audiobook Listener Profile Survey, conducted annually by Edison Research for the APA, indicates that 52% of adults in the U.S. (about 150 million Americans) have listened to at least one audiobook, and 38% of U.S. adults listened to at least one audiobook in the past year, up from 35% reported in 2023. The most avid audiobook listeners listened to an average of 6.8 titles in 2023, marking an increase from 6.3 titles in 2022. The study delved deeper into those of the respondents who were already familiar with listening to books, and during 2023 they had listened to 4.8 books on average versus 4.0 the previous year. In other words, those who try the format not only stay but even increase their reading time with their ears. The survey also demonstrated the acceptance of audiobooks among children, with 53% of audiobook listeners with children saying that their kids also listen to them. One of the growth factors of this format among this group is that 77% of these parents pointed out as an important advantage that the format offers their children a reduction in screen time. In the United Kingdom, for example, in 2023, the audiobook downloads in the consumer publishing sector generated total revenues worth 206 million pounds sterling[3], which represented no less than a 24% increase compared to 2022. As in Norway, a country where the rise in streaming consumption was such that, in the first quarter of 2024, digital revenues, almost 100 million euros, doubled those of the more traditional: paperback book sales. Digital revenues now account for almost 40% of publishing revenues[4].

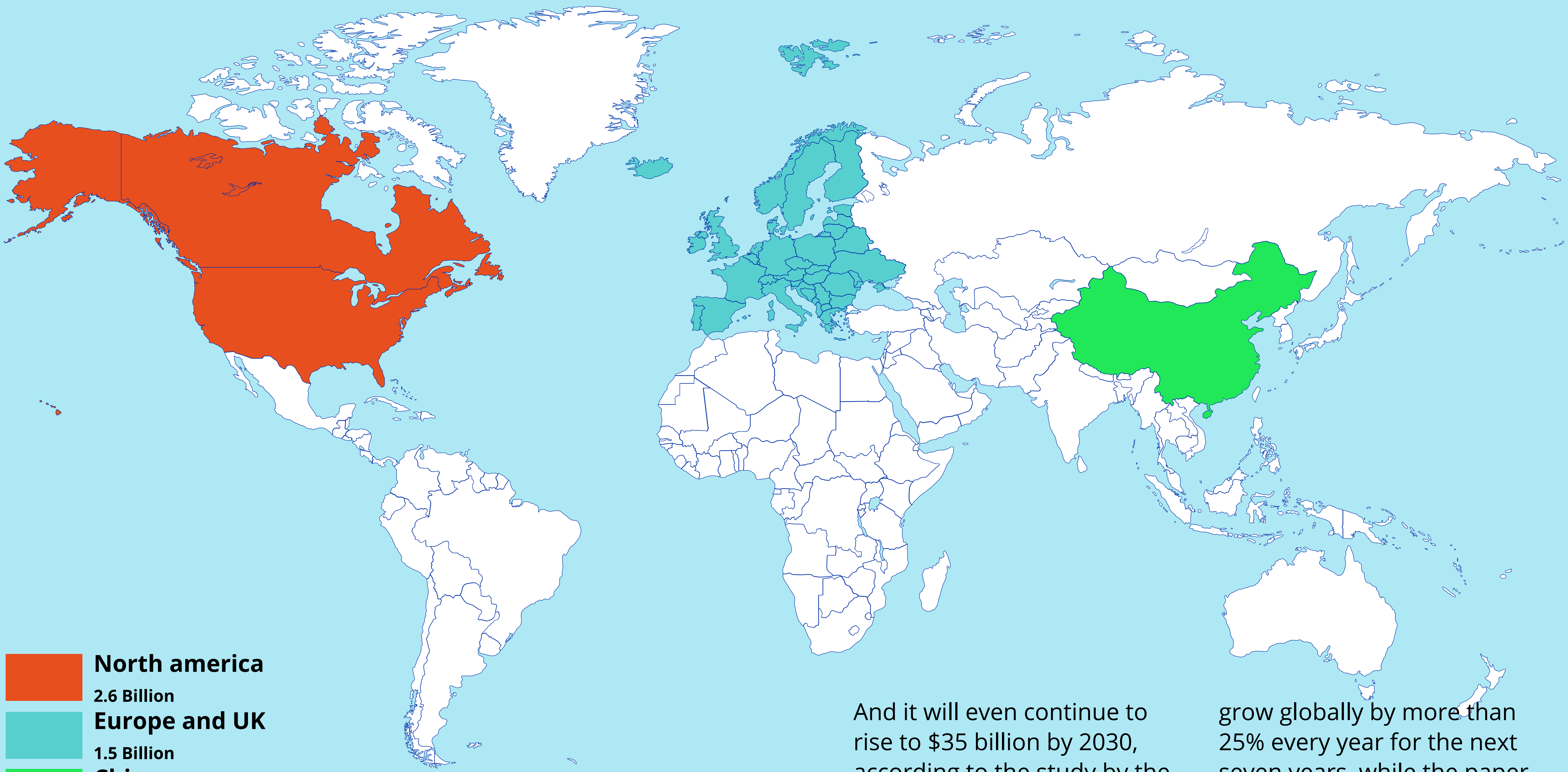
The main platforms operating in the Nordic countries, such as Storytel, BookBeat and Nextory, continue to grow. In the first six months of this year, BookBeat grew 24%. The growth is primarily driven by new paying users, which at the end of the first semester increased by 20%. The three largest markets in which BookBeat operates (Sweden, Finland and Germany) all showed double-digit growth. In Q3 of this year, the company expects to surpass the one million paying users landmark. “Books have a high perceived value with a proven potential to reach a broader audience spending their time and money on it through audio. The biggest opportunity is to build on these factors and continue to create and sell books that the users love rather than diluting what we are doing by just pushing out audio of all sorts” declared **Niclas Sandin, CEO of BookBeat**. As a main challenge, Niclas indicated that we need “to separate the signal from the noise when evaluating what the listeners really want to spend their time and money on. As an industry, we have potential to deliver relevance within the long term”.

On the other hand, Swedish born platform Storytel recently announced an 8% growth in streaming platform revenues in the second quarter compared to the previous year, as well as breaking the 2.3 million paying users landmark[5]. "This quarter demonstrates again the results of our profitable growth strategy execution, by having delivered the best financial performance in the history of the company", says **Johannes Larcher, CEO of Storytel**.

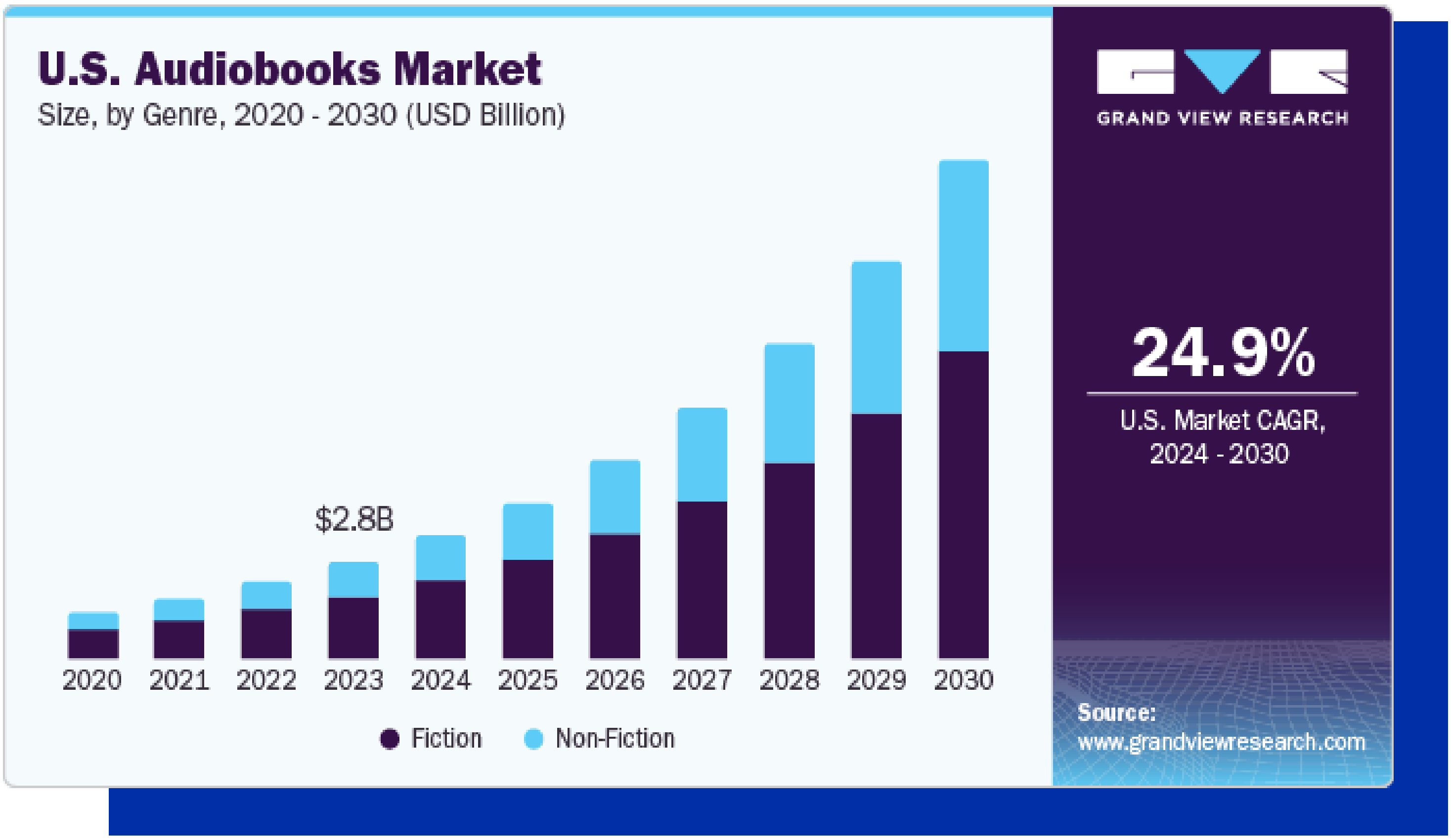
Deloitte’s Center for Technology, Media and Telecommunications Research Report[6] indicates that 270 million people worldwide will listen to audiobooks in an average month in 2024—representing an increase in listenership of 15% year over year. As audiobooks increase in popularity, Deloitte also predicts that audiobooks will account for approximately six percent of total book sales worldwide, representing a 26% increase in sales year over year.

The fact is that, over the last 15 years, the global audiobook market has experienced astonishing growth, with double-digit rates year after year, until reaching the current situation, in which the audiobook industry represents about 7 billion dollars per year worldwide: $2.6 billion derived from North America; close to $1.5 billion generated in Europe; another $1.0 billion generated in China and close to $2.0 billion generated in the rest of the world.

Source: Dosdoce.com Research



And it will even continue to rise to $35 billion by 2030, according to the study by the consulting firm Grand View Research. This means that the audiobook market will grow globally by more than 25% every year for the next seven years, while the paper book publishing market will only grow by 2% on average worldwide.



Source: Grand View Research[7]

This impressive growth in audio content consumption has been accompanied by the investment and dynamization of a wide range of streaming platforms such as Audible, Spotify, Storytel, Podimo, Nextory, BookBeat, Scribd, YouScribe, Skeelo, among others, which are making this industry grow with the introduction of all kinds of new business models based on flat rate subscription plans, as well as limited hourly plans, unit sales, wholesale sales through partnerships with large companies such as telephone operators. It is also important to mention the role of digital library lending platforms such as Overdrive, Hoopla, DeMarque, Odilo, among others, in the dynamization of the audiobook industry, especially in markets where the purchasing power of listeners is more limited than in Anglo markets. Every year the main platforms invest millions of euros in boosting the category, from the production of thousands of new audiobooks exclusive titles and paid podcasts in different languages, to the investment of millions of euros in marketing and advertising campaigns to attract new users to their respective platforms. Our estimate is that we are talking about more than 50 million euros per year of collective investment year by year led by the above-mentioned streaming platforms in the production, marketing and promotion of audio content in the last five years, i.e. more than 250 million euros have been invested in the main European markets to create the audiobook category. This investment does not include the royalties paid by the platforms to the publishers derived from the listening of their audiobooks on their platforms.

"With such a surge in the number of titles being created, quality management and then discoverability is a major concern in the publishing industry. The marketing of audio-specific works will become paramount for traditional publishers as they seek to get their titles seen then heard above the noise as platforms create and market more and more of their own recordings" indicates **Nathan Hull, Chief Strategy Officer at Beat Technology**. But this growing challenge in the audio industry can also become a business opportunity for the publishing community. "As the love of the audio format grows, the ongoing beneficiaries are studios, producers, narrators, editors, casting directors, tech solutions and everyone else involved in the process. As traditional publishers realize they're no longer the only creators on the block, these routes may make sense for them to explore. Owning their own platforms and listener relationships would be a logical step too" suggested Nathan Hull.

3. Analysis of the evolution of the audiobook by different European languages

After describing the size of the global audio industry, we will now delve into a little more detail on the evolution of each of the main European languages, beyond English.

3.1 Spanish-language audiobook market profile

The Spanish-language market is no stranger to the international audio boom. After English and German, Spanish is the language that is growing the most internationally. The landing in Spain of Storytel's audiobook platform Storytel in 2017, and later Audible in 2020, marked the beginning of a decade of impressive growth. According to Bookwire's Annual Report[8], audiobook sales in Spanish have grown by 45.7% in 2023, compared to the previous year, consolidating a growth of close to 50% for three consecutive years. According to this report, market shares are distributed by territory as follows: Spain leads the audiobook industry with 56.7% of sales; followed by the US Hispanic market with 26%, while Mexico contributes 9.3% and the other Latin American countries the remaining 8%.

Another way to take the pulse of this impressive growth of the audiobook in Spanish is counting the number of entities involved in the production and distribution of audio content in Spanish. In this regard, the second edition of the Map of the Spanish audio industry, published by Dosdoce[9] identified nearly 800 entities whose economic activity revolves around spoken audio, representing a 75% growth compared to the previous year. 30.29% of the identified entities are producers of audio content, 22.10% are media that see their communities grow with this new format and 11.46% are streaming platforms of audio content based on the spoken word (audiobooks, audio dramas, audio series, etc.).

Source: Dosdoce.com Research

Just 10 years ago less than 3% of the population listened to audiobooks, then in just 5 years we surpassed the 10% barrier, especially among the younger generations, and now we are almost 20% of the population. The recently published NielsenIQ study for Audible (May, 2024) indicates that 9.3 million Spaniards listened to at least one book in the last twelve months, which represents 19% of the population, supporting this impressive growth in just a decade.

Throughout these years, we have witnessed how the supply of audiobooks in Spanish has exploded, creating a catalog of nearly 30,000 audiobooks in Spanish, compared to the scarce audio content in Spanish only five years ago. In this context, it is interesting to highlight **Michele Cobb's, Director of the Audio Publishers Association**[10] (AAP), presentation at the Audio Day Parix Conference in Madrid (February 2024), where she pointed out that Spanish is the second language, after English, on which the main publishers in the North American market are investing, producing more than 600 audiobooks in this language. In Michele's opinion, "with 48% of US adults never experiencing an audiobook, more content in more languages such as Spanish, German, French, Italian and Portuguese, provides more opportunity to increase listenership in the USA. As more titles in more languages and more business models become available, discoverability, always a challenge in the digital world, will stretch publishers to find unique ways to get their titles seen".

We are not surprised by this internationalization strategy towards Spanish by many international publishers given that it is the European language, after English, that is spoken by more than 500 million people worldwide. Publishers such as Saga Egmont in Denmark, Bayard in France, RBmedia, HarperCollins and Penguin Random House, among others, are also firmly committed to Spanish as a key growth driver in their internationalization strategy of their audio catalogs. Although the catalog of audiobooks in Spanish has grown a lot in recent years, up to 30,000 titles, more than 50% is purchased outside of Spain. According to data provided by Bookwire, 49.03% of the audiobooks produced in Spanish are purchased in Spain, followed by the United States with 19.69% and in third place in Mexico with 18.38%.

Carmen Ospina, Marketing, Communications and Business Development Director at Penguin Random House Grupo Editorial, indicates that the main business opportunity in the next three years will be the positive irruption in the Spanish-speaking markets of new players such as Spotify and children's listening devices, among others, reaching new audiences and creating new sources of revenue. The growth in the number of titles is another of the priorities in the Spanish language markets. Carmen reassures that “still a lot of backlist titles need to be produced” a very relevant statement coming from a publishing house that has already invested in the production of more than 5,500 audiobooks in Spanish in the last few years. “Taking advantage of AI in production processes can be another opportunity as long as it allows us to maintain the high quality standards that characterize our production at PRH”.

3.2 German-language audiobook market profile

The audiobook market in Germany has experienced impressive momentum in the last five years. After the Anglo-market, without a doubt, German-language audiobooks represent the second strongest market with an annual turnover of around €400 million.[11] Turnover has grown by 39.4 percent compared to 2019, and more recently by 3.1 percent between 2022 and 2023. Nearly 3.5 million people bought audiobooks in 2023, compared to 1.8 million units sold in 2019. At the same time, formats (from physical to digital) as well as consumption models (from unit sales to streaming) are undergoing a profound transformation in the German market. Less than 10% of these sales represent audiobooks on CD, while digital downloads (unit sales) account for 48.8% and listening via streaming platforms the remaining 41.4%. The latter consumption model has seen the biggest increase in turnover since 2019, specifically 191%. Downloads have increased by 64.6% in the same period, while audiobook CDs have lost 64.9%.[12] Finally, more than a third of the population frequently listens to audiobooks, but it is expected to reach 50% by the end of a decade. According to the entities consulted, the German market has a catalogue of nearly 200,000 audiobooks belonging to more than 2,500 publishing houses.

As we have done with the other languages analyzed in this report, we wanted to find out about the export potential of German audio content around the world. German is the eleventh most spoken language in the world with around 155 million speakers. According to data provided by Bookwire, 93.33% of audiobooks produced in German are purchased in the German-speaking territories known as DACH. In Germany, 84.76% are consumed, in Switzerland 5.91% and in Austria 2.67%. However, less than 7% of the publishers' total revenue comes from outside the borders of the aforementioned countries. France is the country where most German-language content is heard (1.42%), followed by the United States with 0.31% and Ireland with 0.16% of total sales.

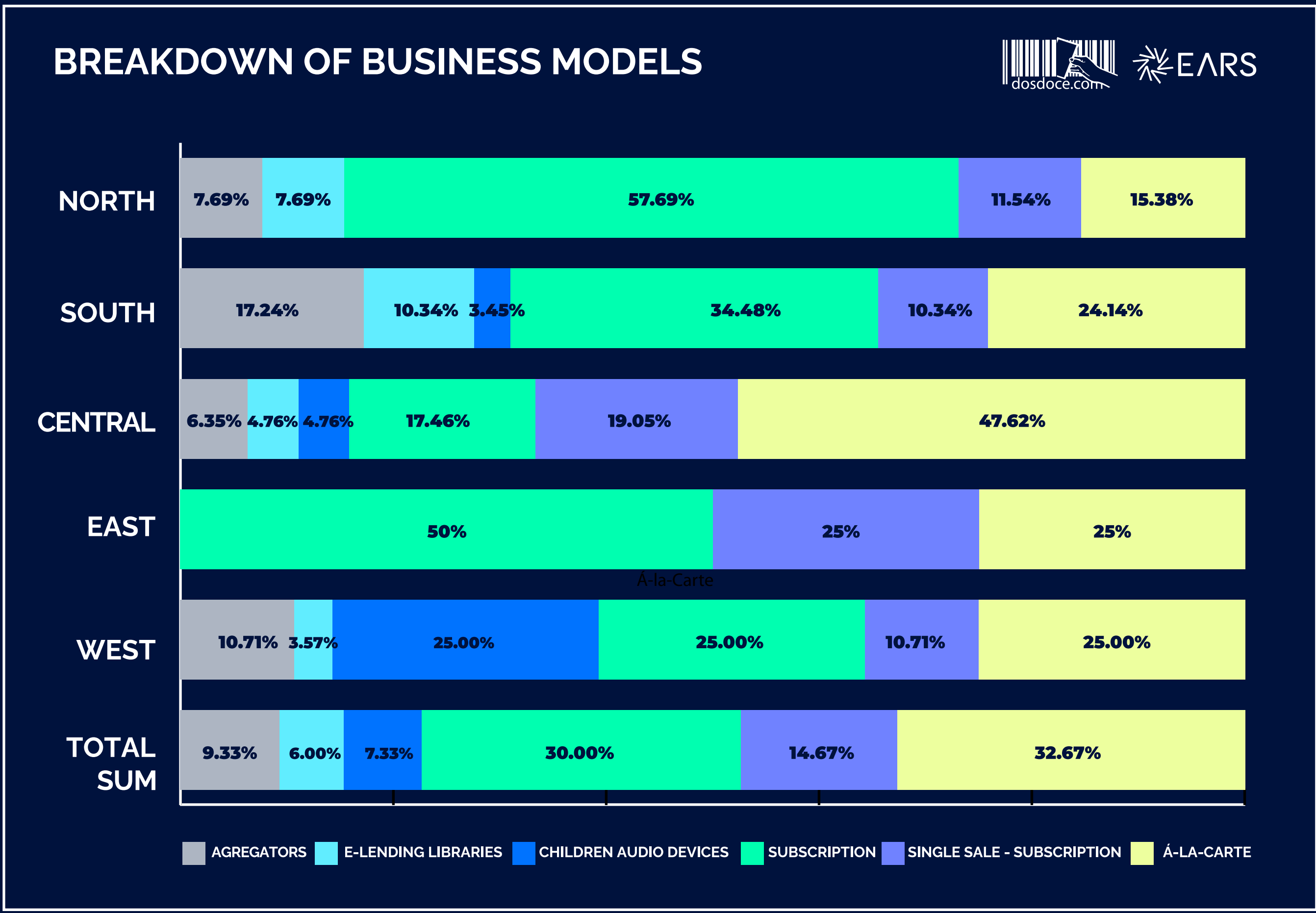
In our conversations with **John Ruhrman, Co-CEO & Co-Founder of Bookwire**, about the German-language audiobook and radio play market he highlighted that "it is a fascinating example of a market with a strong and broad range of titles. It also has a high number of small to large audiobook publishers and audio drama labels whose content functions economically in a variety of established business models. Whether streaming or download, flat rate or credit subscription, there is a multitude of audiences to address. In particular, the success of strong German-language kids' media for listening could also serve as inspiration for new international audiobook markets".

Colin Hauer, CEO of Hörbuch Hamburg, one of Germany's major audiobook publishers, indicated that the company has experienced a significant growth in recent years, reflecting the overall favorable progress in G erman-language territories. "To sustain or exceed this positive trajectory, we must remain vigilant, adapting to market trends, technological advancements, and the evolving needs of our target audiences. Part of the key to our 25 years long success story has been to continuously reinvent ourselves and curiously look forward, rather than letting ourselves be lulled by recent achievements. We are fully committed to growing the market for great audio storytelling in Germany, Europe and the world. I feel hopeful for the future of audio, given that we are sharing this goal with so many talented and motivated players out there. We're not just in good company, the timing and circumstances are ideal. Let's harness our collective passion and ensure that the stories we tell continue to resonate deeply with the audiences they deserve".

3.3 French-language audiobook market profile

One of the languages with the greatest potential for growth is French, which is spoken by more than 350 million people in the world and is also a co-official language in more than 30 countries. Although these premises are very promising, French audiobooks currently "travel" very little as we will see in detail later in this report.

Only 7.82% of the total sales of audiobooks in French are acquired outside France, Switzerland, Canada, Belgium and Luxembourg. One of the main reasons for the low international projection of this language is the limited number of audiobook sales channels in international markets where French is spoken, especially in Africa where the majority of French speakers reside. According to the first **"European Audiobook Sales Channels Map"**,[13] close to 200 audiobook sales channels operate in Europe, on the African continent they are counted on the fingers of one hand. Although French publishers are making a great effort to accelerate the pace of production of audio content, one of the main reasons for the limited international impact of this language is the small number of titles available in French.



Source: Dosdoce.com Research

According to sources consulted for this report, there is currently a catalogue of between 20,000 and 25,000 audiobooks in French. The creation of new titles is being led by major publishing groups such as Hachette, Editis, Madrigal, Gallimard, as well as Bayard with an average annual production of 300 to 500 new audiobooks per publisher. These entities are also betting on providing more human resources to the audio content department, which today has an average of 6 people, although some French publishers employ more than 12 professionals.

The French-language audiobook market generates between 35 and 50 million euros per year in revenue from sales, according to sources consulted. More than 70% of the revenue generated by the sale of French-language audiobooks is concentrated on subscription platforms such as Audible, followed by Storytel and Nextory. Unit sales channels represent between 10 and 15% of the market, while the library channel represents less than 5%. There are many expectations for growth in sales through children's audio content devices which currently represent less than 3% of sales, but due to the success they are having across Europe it is estimated that their weight as a sales channel could double in the coming years, as we will see later in this report.

Recently, SOFIA (Société française pour les intérêts des auteurs), the Syndicat national de l'édition (SNE) and the copyright society Société des gens de lettres (SGDL) published the results of the 13th edition of the digital book usage barometer[14] . A survey that has studied the purchasing and reading habits of the French, aged 15 and older , over the last year 2023. Regarding audiobooks, this study indicates that 5 million French people have listened to at least one physical audiobook, and another 4 million people at least one digital audiobook in the last 12 months. Reading is an activity that most readers engage in at any time of the day and at any time of the year, the evening remains the preferred time for reading and audiobooks are often listened to with children and on public transport. In terms of purchase, about a third of readers opt for unit purchase as a priority consumption model for obtaining digital book readers (36%) and another 29% for the acquisition of audiobooks. With 63% of the French saying they are registered with a library, it is not surprising that digital lending comes in second place when it comes to accessing an audiobook. But once again, streaming platforms are the sales channel with the highest growth prospects in the French market. According to the aforementioned study, 47% of digital book readers and 68% of audiobook listeners intend to subscribe to a platform that allows them to read and/or listen to books.

The potential is great, as 50% of audiobook listeners who have not yet subscribed said they would be interested in doing so.

Mathilde Davignon, Head of Audio at Madrigall Group, a leading French publishing house with a catalogue of close to 1.000 audiobooks which is updated 10% annually, declared that "the main business opportunity in the next 3 years will be to continue with the growth of the catalogue size and increase discoverability in the market. Our promotional campaign motto is ""Try it, you will love it!" to motivate more readers to discover the format". Notwithstanding the main business challenge, Davignon warned that "increased audiobook listening practice should not take place giving up on its perception and market value".

Liza Faja, Director of Editions Lizzie at Editis Group, one of the leading publishing houses in France with more than 1.500 audiobooks and around 300 new releases per year, in French, indicated that "the main business opportunity in the next 3 years will be the irruption of new platforms with new models which will reach out new and different audio listeners beyond the ones we have onboard".

3.4 Italian-language audiobook market profile

The Italian audiobook market is one of the smallest compared to the other languages analyzed. There are less than 20,000 audiobooks in Italian belonging to more than 100 publishing houses that publish audio content in this language. The main publishers that publish in this format are Mondadori Group, Emons Edizioni, Giunti, Feltrinelli, among others. Although there are Italian publishers that make great investment efforts in this format, all together they publish less than 1.000 new audiobooks per year, a very low production rate to upscale the size of the audio industry.

In Italy, the publishing market in digital format (which includes ebooks and audiobooks) has grown from €388 million in 2019 to nearly €500 million in 2024, a double-digit growth per year. Audiobooks have experienced substantial growth, especially through subscription platforms which increased by nearly 200%

from €9 million in 2019 to over €25 million in revenues in just 5 years[15]. The main audio industry players operating in the Italian market are Audible, Storytel, Google, BookBeat, Kobo Books, and Apple. As we will discuss later in this report, Spotify's potential entry into the Italian market could intensify competition and innovation, potentially altering existing business models and consumption habits.

Italians' passion for audiobooks continues to grow in 2024: over 11 million people have listened to audiobooks, marking a +4% increase over 2023 and 22% increase, if compared to four years ago. The most assiduous listeners are young men in the 25-34 age group, heavy users of Internet services with more than 4 hours a day spent on the net, and mostly from southern Italian regions. The preferred language for listening is mainly Italian (98%), followed by English and Spanish. (Source: NielsenIQ for Audible May 2024)[16].

As in the French and Spanish markets, all the Italian publishers consulted for this report indicated that more than two-thirds of their audio revenues come from subscription platforms. But if we add the data provided by Bookwire, new interpretations of the behavior of the Italian market emerge that enrich this report. As we will see below, about a third of Italian audiobooks are purchased ("travel") outside Italy. This is quite a high figure considering that the language is spoken by less than 65 million people worldwide. These contents are purchased in countries such as Germany, Switzerland and the United States, where the unit sales channel is very powerful, tipping the balance of sales from subscription to on-demand sales. Moreover, in those markets where the audiobook format has just landed, such as the Arab and Italian markets, unit sales become a relevant channel for many users who are trying the format for the first time. In other words, these users are learning how to listen to an audiobook. Their level of consumption is still very low, possibly listening to one or two audiobooks a year, so the subscription model is not yet profitable for them, while the unitary purchase allows them to continue to get into the pleasure of listening until they get hooked on the format and then jump to a streaming platform.

Sergio Polimene, Managing Director of Emons Edizioni, indicated that the main business opportunity in the world of audiobooks in the next 3 years will be to scale-up of the audiobook market in Italy due to the arrival of new platforms in the market, such as Spotify and others. "These platforms invest in promoting the audiobook format reaching new listeners. In Italy, we have not reached enough audio listeners taking into consideration the possibilities of the market". Emons Edizioni is an independent publishing house recognized in Italy as the pioneers of the audiobook format and for producing high quality audiobooks in the market since 2007. Their close to 1.000 audiobook catalogue encompasses classics to great contemporary authors, such as Elena Ferrante, Umberto Eco, Milan Kundera, Julian Barnes, Georges Simenon, Philip Roth, Harper Lee, Jeff Kinney, Eshkol Nevo, Bernardine Evaristo, and Michel Bussi, all read by famous actors and actresses. Emons publishes around 100 new audiobooks a year, sometimes in co-edition with important independent publishers.

3.5 Portuguese-language audiobook market

Like the Italian one, the Portuguese audiobook market is one of the smallest compared to the other languages analyzed. There are less than 8.000 audiobooks in Portuguese from more than 100 publishing houses that publish audio content in this language. The main publishers that publish in this format are Leya and Porto Editora in Portugal, together with Companhia de Letras, Livro Falante Universo dos Livros in Brazil, among others. Although there are publishers and streaming platforms such as Audible and Ubook that make great investment efforts in this format, less than 500 new audiobooks in the Portuguese language are published each year. A very low production rate to boost the audio industry.

The turnover of the audiobook industry in Portuguese (Brazil and Portugal combined) is around €30 million per year. The main audio industry players operating in this market are Audible, Storytel, Kobo and Ubook.

As in the French and Spanish markets, all the publishers consulted for this report indicated that 85% of their audio revenues come from subscription platforms, 12% from unit sales channels and only 3% from the library channel. As we will see below, less than 5% of Portuguese-language audiobooks are purchased ("travel") outside Brazil and Portugal. This is a very low figure considering that it is a language spoken by more than 250 million people worldwide. The fact that more audiobooks in Portuguese are sold in the United States than in Portugal indicates the degree of immaturity of the audiobook market in Portugal. **Pedro Sobral, President of the Associação Portuguesa de Editores e Livreiros (APEL) and Chief Publishing Officer of Grupo Leya**, one of the leading portuguese-language publishing houses, indicated that “the audiobook market is at its inception in Portugal, but growing year-to-year, and thus generating business opportunities in the market”. In regards to the main challenges lying ahead, Sobral highlighted “piracy and copyright infringement by Artificial Intelligence companies as one of the main threats, as well as AI tools becoming content creators outside the publishing business”.

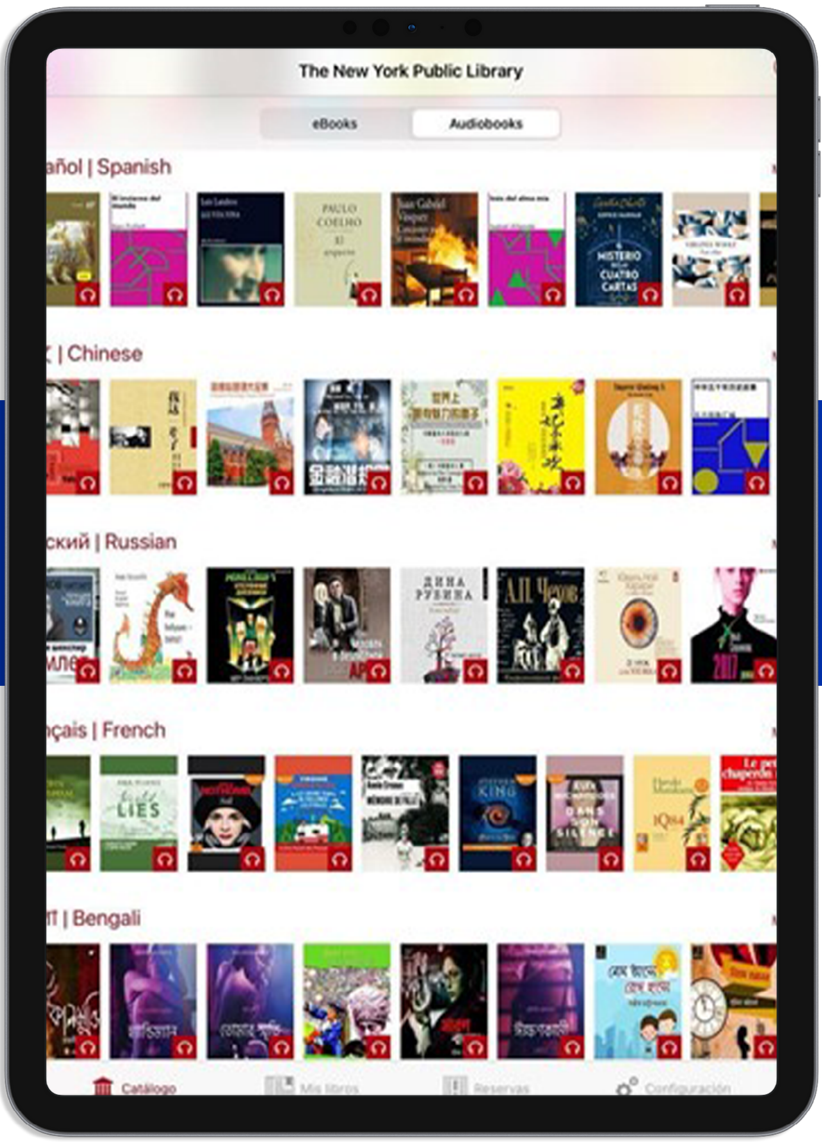
4. Audiobooks travelling around the world

As we immerse ourselves in a highly connected world, audio content travels across the globe. More and more publishers are analyzing the possibility of producing and distributing themselves audiobooks of their key authors into the main international languages (English, Spanish, German, Chinese, etc.), instead of licensing the rights to third parties.
Thanks to the data provided by Bookwire, we have been able to conduct a very interesting language comparative analysis that will provide many insights to those publishers that are exploring new audiobook growth territories.

As can be seen in the table below, all languages "travel" to a greater or lesser degree between territories with cultural ties. The languages that travel the most are Spanish and English, followed by Arabic and Italian. The languages that travel the least are German, French and Portuguese.

It should be noted that most of the "trips" of audiobooks to different territories have been organic, i.e. neither publishers nor streaming platforms have encouraged listening to content in other languages, except for English, which is quite visible in many audio content distribution channels.

In other words, if the different agents in the sector made a greater effort to give visibility to content in other languages, we have no doubt that the consumption of these audiobooks would increase exponentially. A good example to follow is the visibility promoted by the digital lending platform of the New York Public Library to audiobooks in multiple languages. As you can see in the attached image, NYPL's SimpleE reading app highlights seven daily carousels with audiobooks in different languages (Spanish, Chinese, Russian, French, Bengali, Korean and others), increasing their visibility and consequently encouraging their consumption.



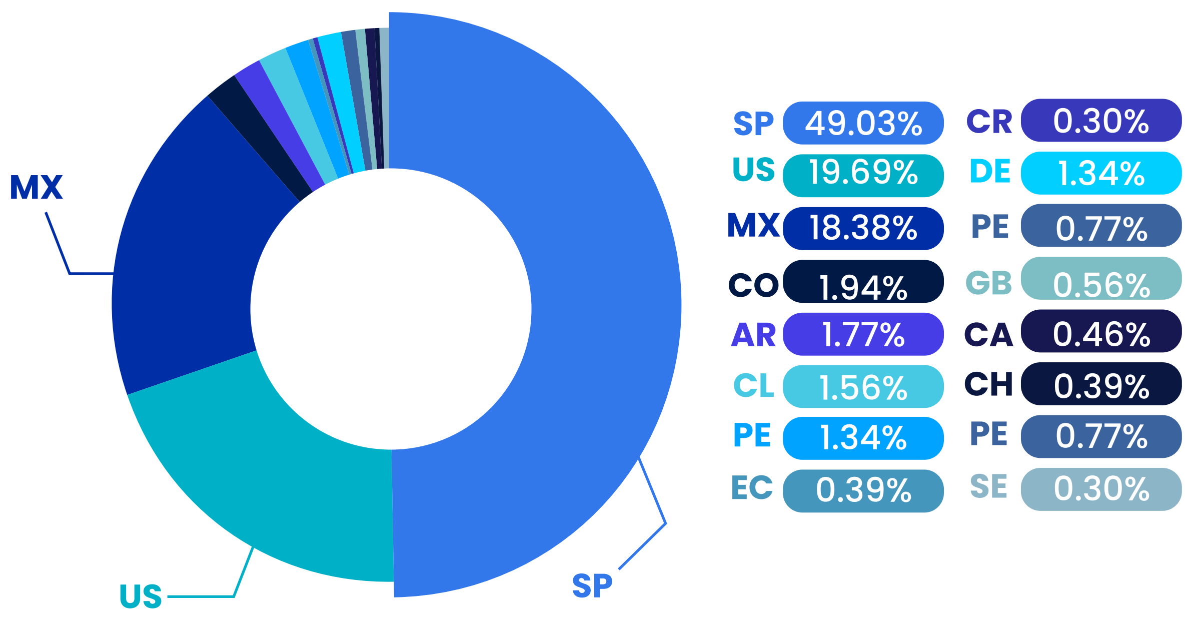
Source: NYPL SimpleE Library App

Let's delve deeper into each of the languages analyzed to detect business opportunities.

Spanish-Language travels

After English, the European language that travels the most to other countries is Spanish, which has more than 500 million speakers worldwide. Although the catalogue of audiobooks in Spanish has grown a lot in recent years, up to 30,000 titles, more than 50% is listened to worldwide. According to data provided by Bookwire, 49.03% of audiobooks produced in Spanish are listened to in Spain, followed by the United States with 19.69% and in third place in Mexico with 18.38%. For many readers of this report, it may come as a surprise that the United States is the second country for listening to audiobooks in Spanish, but we must not forget that this country has a Spanish-speaking community of more than 60 million people. These people are first- or second-generation Americans, but who proudly keep their Latino roots and culture active.

Subsequently, listeners are dispersed equally across the different countries in the region: Colombia (1.94%); Argentina (1.77%) Chile (1.56%) and Peru (1.34%). It is also interesting to note that there is a growing demand for Spanish-language content in other markets such as Germany (1.34%); Portugal (0.77%); United Kingdom (0.56%); Canada (0.46%); Switzerland (0.39%) and Sweden (0.30%) that is most likely not well served by the low visibility of audiobook sales platforms in these markets.

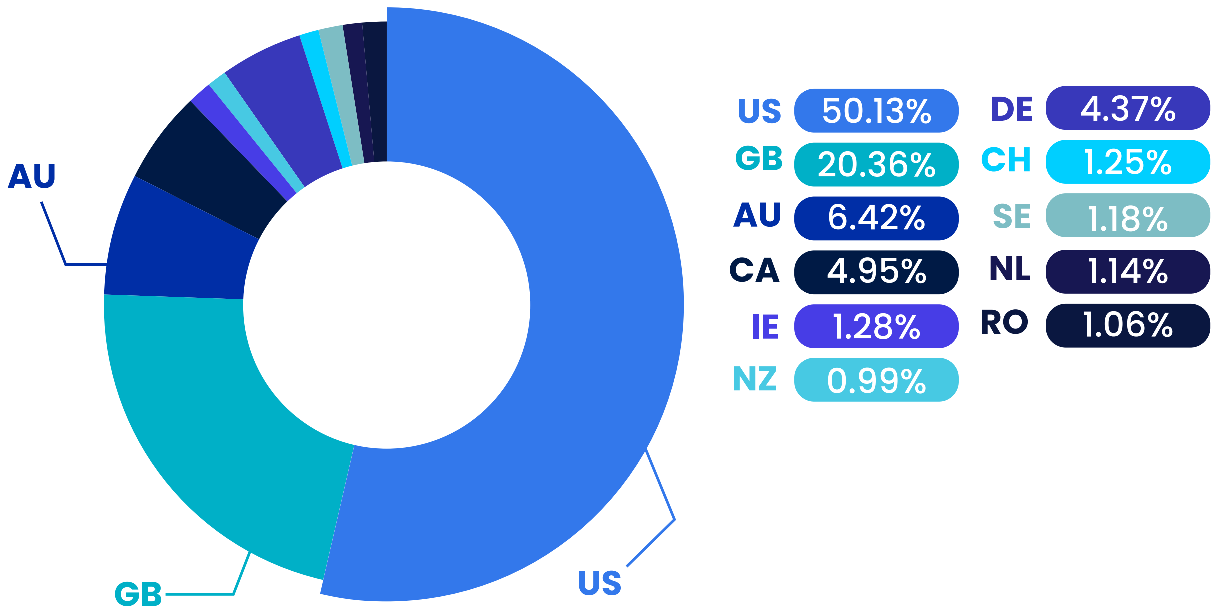


Spanish-language travels

English-language travels

English audiobooks are the most widely traveled around the world with more than 1.4 billion speakers, of which nearly 400 million are native speakers. For historical cultural reasons, English is spoken on both sides of the Atlantic, but the number of listeners in the United States is much higher (50.13%) compared to listeners in the United Kingdom (20.36%) due to the size of the respective markets.

The wide range of titles, amounting to circa 600,000 audiobooks in English, is another major factor in their widespread demand around the world[17]. The major publishing groups publish between 3,000 and 5,000 new audiobooks a year, mainly in English, although more and more publishers are turning to production in other languages every year. While in Europe, publishers have a team of around 10 people in their audio teams, the large international groups consulted indicated that they have more than 200 to 300 people in their teams dedicated exclusively to managing the different aspects related to the production, distribution and promotion of audiobooks.

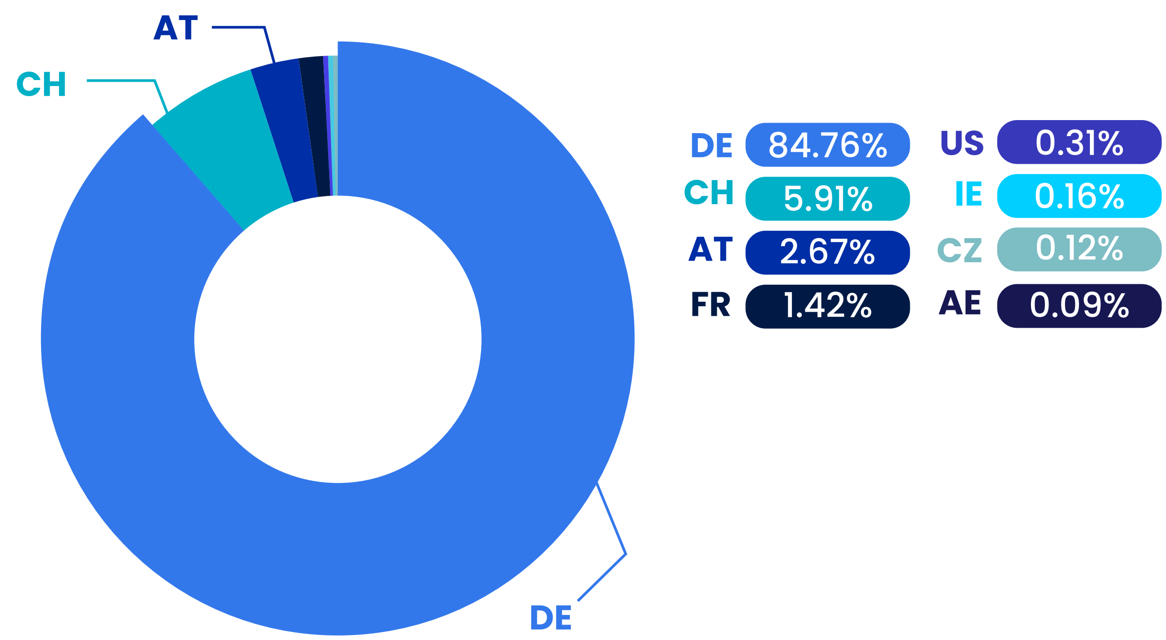


English-language travels

More than 75,000 new English-language audiobooks are published each year, attracting more and more listeners from around the world, from Australia (6.42%) to Canada (4.95%), Ireland (1.28%) and New Zealand (0.99%). In Europe, Germany leads English-language audiobook consumption with 4.37% of sales, followed by Switzerland (1.25%); Sweden (1.18%) and Norway (1.14%).

German-language travels

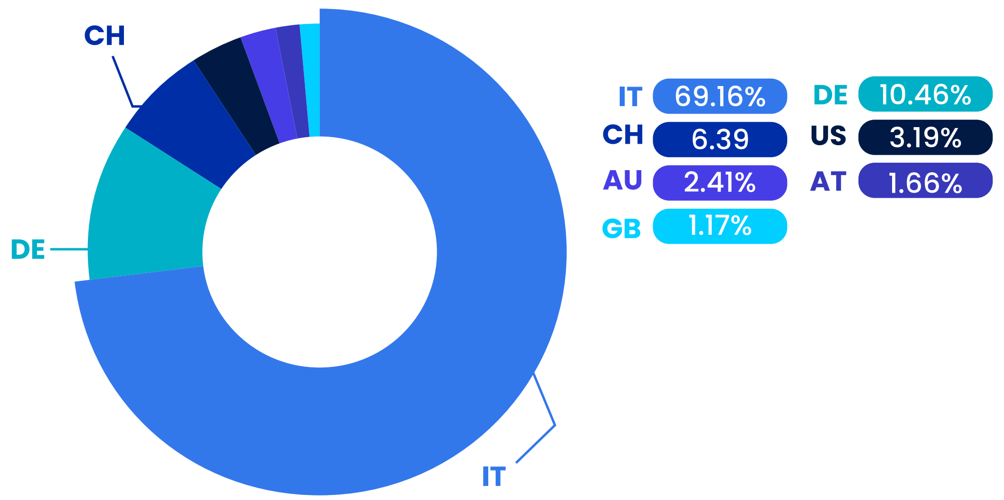
After English, the European language in which the most audiobooks are produced annually is German, with more than 200,000 titles in this language[18]. According to data provided by Bookwire, 93.33% of the audiobooks produced in German are listened to in the German-speaking territories known as DACH. In Germany, 84.76% are consumed, in Switzerland 5.91% and in Austria 2.67%, while the remaining 6.67% travel to other countries. France is the country where most German-language content is listened to (1.42%), followed by the United States with 0.31% and Ireland with 0.16% of total sales.



German-language travels

Italian-language travels

On the other hand, about a third of Italian audiobooks are listened to outside Italy. This is quite a high figure considering that the language is spoken by less than 65 million people worldwide. According to data provided by Bookwire, 69.16% of Italian audiobook sales take place in the country of origin, while 10.46% of listening takes place in Germany and 6.39% in Switzerland. Considering that the catalogue of audiobooks in this language does not exceed 20,000 titles, the data indicates that there is an unmet demand for audio content in Italian given that there are sales all over the world: 3.19% in the United States; 2.41% in Australia; 1.66% Austria and 1.17% in the United Kingdom. Publishers and streaming platforms should produce more audio content in Italian and distribute it worldwide.

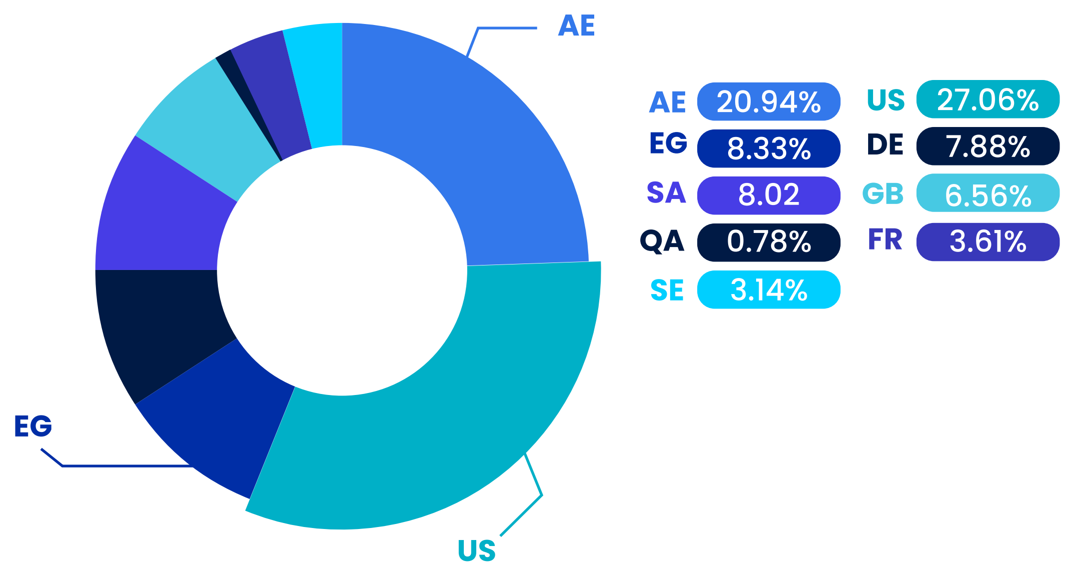


Italian-language travels

Arabic-language travels

Another language that is clearly a "global trave ler" is Arabic since 61.94% of sales take place outside the countries of the Middle East region. According to data provided by Bookwire, 38.06% of audiobooks produced in this language are purchased in Arabic-speaking countries such as the Arab Emirates (20.94%); Egypt 8.33%; Saudi Arabia (8.02%) and Qatar with 0.78% of listeners.

Considering that the catalogue of audiobooks in this language does not exceed 10,000 titles, belonging to about 25 publishers, the data indicates that there is a worldwide demand that is not adequately met. As we have found with the demand for Italian, almost two thirds of Arabic audiobooks are purchased outside the Middle East: The United States leads the ranking of sales of audiobooks produced in Arabic with 27% of sales, followed by Germany with 7.88%; the United Kingdom with 6.56%, France with 3.61% and Sweden with 3.14%, among other markets.

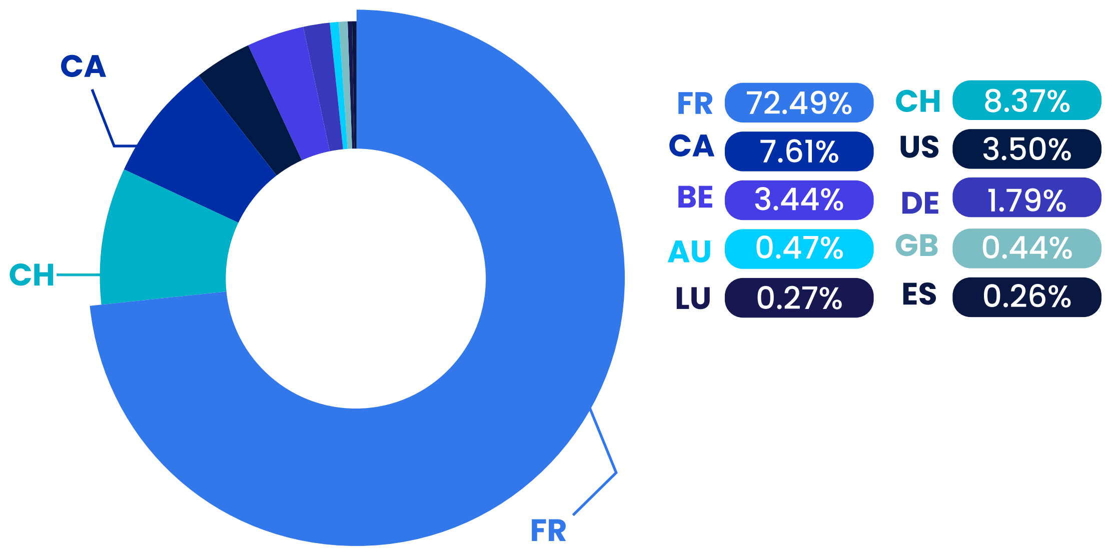


Arabic-language travels

French-language travels

Audiobooks in French are mainly purchased, up to 92.18%, in four European countries and in Canada where it is a co-official language: France (72.49%); Switzerland (8.37%); Canada (7.61%); Belgium (3.44%); and Luxembourg (0.27%). Being a co-official language in more than 30 countries and spoken by more than 350 million people in the world, its audiobooks travel very little, only 7.82% are acquired beyond the five countries mentioned. Outside France, the main international consumer market for French-language audio content is the United States (3.50%), followed by Germany (1.79%), Austria

(0.47%), the United Kingdom (0.44%) and Spain (0.26%). The main reason for this low consumption rate is due to the small number of audiobook sales channels in international markets where French is spoken, especially in Africa where most French speakers reside. Just as in Europe we enjoy close to 200 audiobook sales channels, on the African continent they are counted on the fingers of one hand. In the last section of this report, we highlight the work being done by the YouScribe platform to promote the consumption of audiobooks through an innovative consumption model based on micropayments.

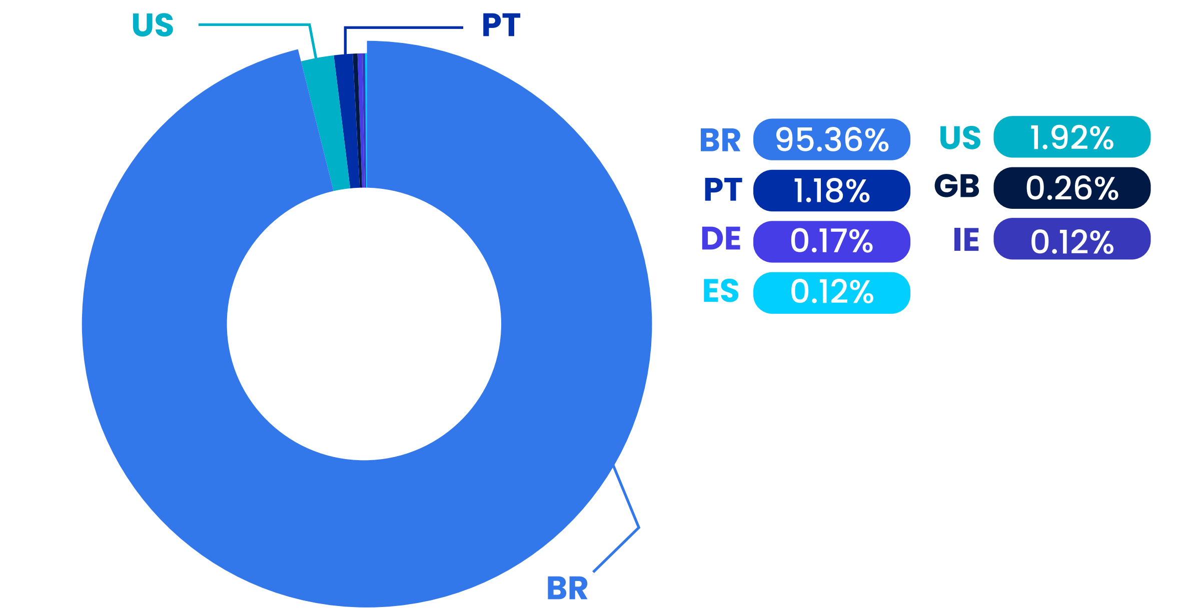


French-language travels

Portuguese-language travels

Although Portuguese has historically been an overseas language, in audio format it is the European language that travels the least around the world. 96.54% of audiobook sales in Portuguese take place in Brazil (95.36%) and only 1.18% in Portugal. Although Portuguese is currently the fifth most spoken language in the world, circa 200 million speakers, and an official language of 11 countries: Portugal, Brazil, Angola, Cape Verde, Guinea-Bissau, Mozambique, São Tomé and

Príncipe, East Timor, Macau and in Goa, only 3.46% of audiobook sales take place outside Brazil and Portugal. The main export market for audio content in Portuguese is the United States with 1.92%, followed by the United Kingdom with 0.26%, Germany with 0.17%, Ireland with 0.12% and Spain with another 0.12%.



Portuguese-language travels

Clearly the Portuguese diaspora wants to maintain its cultural roots by listening to audiobooks, but it is not being exploited to its full potential. As with the French language, the main reasons for this low rate of international consumption are the small number of audiobook sales channels in international markets where Portuguese is spoken, especially in Africa and Asia, as well as the small number of titles published in this language: less than 8,000 audiobooks.

In sum, as content travels more and more across the globe, agents and publishers are looking for new services and tech solutions, such as Aniara, to translate, produce and distribute authors works in multiple languages with the help of IA to reach a global audience.

5. Comparative analysis of audiobook consumption in different languages

For the first time in the audio industry, we have been able to carry out a comprehensive comparative analysis of the commercial relevance of each of the categories in the different languages, thanks to the aggregated sales data provided by Bookwire.

Beyond the marketing models that we will discuss later in this report, it is also very interesting to analyze the revenues derived from audiobooks in different countries, given that in each territory there are unique differences, which publishers and platforms should take into account when producing and distributing their content in different languages, in order to ensure the greatest exploitation of the catalogue. Fiction, for example, is the best-selling category in German, generating 90% of revenues, while in Spanish and Italian it accounts for 55% of sales, and in English less than 40%. But within Fiction itself there are big differences between the most listened-to categories in these languages. The Fiction category in German is led by children's and young adult's content, accounting for about 45% of sales, while in Spanish and Italian it is led by literature with 18% and 26%, respectively, and in English content there is a greater preference for children's literature, accounting for 12% of revenues. These language singularities should be considered by publishers when designing their annual audiobook production plan if they want to maximize their commercial potential in all markets.

On the other hand, Nonfiction audio content performs differently than Fiction: only 10% of German speakers listen to this content, but it is nevertheless one of the favorite categories in English (60 %), as well as in Arabic (59 %) and French (51 %). The best-performing nonfiction titles are essay, personal development, practical, educational and training books.

Let's take a closer look at each of the languages to learn more about their singularities. Let's start with German, which is the language with the highest skew towards a specific category, in this case Fiction. According to aggregate sales data provided by the Bookwire platform, 90% of German audiobook revenues derive from sales of fiction content. Within this category, children's and young adult content generates 44% of revenue; Thriller, Crime and Suspense related genres contribute 13% of revenue; Narrative / Literature generates 10%, while Romance content contributes 9% and Fantasy 8%.

GERMAN

Fiction	90,06%
Non-Fiction	9,94%

Top5 Fiction Subjects	Share of Total Revenue
Children / Juvenile fiction	44%
Thriller	13%
Narrative	10%
Romance	9%
Fantasy	8%

Secondly, we analyzed the commercial behavior of Spanish-language content, with Fiction accounting for 56% of revenues. Within this category, the contents called Literature / Narratives contribute 18% of revenues; the genre related to Thriller, Crime and Suspense contributes 13% of revenues; Classics continue to attract listeners given that they generate 7% of sales, while romantic contents contribute 5% and historical novels 4%.

SPANISH

		Top5 Fiction Subjects	Share of Total Revenue
Fiction	55,94%	Narrative	18%
Non-Fiction	44,06%	Thriller	13%
		Classics	7%
		Romance	5%
		Historical Fiction	4%

As in our analysis of business models, the French market is the most balanced in terms of sales composition. Non-Fiction content leads the sales rankings, but with a slim margin of 51%. Within this category, content classified as Thriller, Crime and Suspense contributes 19%, followed by children's and young adult content, which contributes 11%, while Literature in French generates 6% of revenues. Finally, Romance and Science Fiction content contributed 5% and 4%, respectively.

FRENCH

		Top5 Fiction Subjects	Share of Total Revenue
Fiction	48,96%	Thriller	19%
Non-Fiction	51,04%	Children/Juvenile Fiction	11%
		Narrative	6%
		Romance	5%
		Science Fiction	4%

The Italian market is quite like the Spanish market where Fiction contributes 56% of revenues. Within this category, the contents called Literature / Narratives contribute 26% of revenues; the genre related to Thriller, Crime and Suspense contributes 12% of revenues; children and youth contents generate 7% of sales, while historical novels contribute 2% and Fantasy 2%.

ITALIAN

		Top5 Fiction Subjects	Share of Total Revenue
Fiction	55,92%	Narrative	26%
Non-Fiction	44,08%	Thriller	12%
		Children Fiction	7%
		Historical Fiction	2%
		Fantasy	2%

The Portuguese content market leans towards Fiction, even more than French, Italian and Spanish, accounting for 62% of content sales. Within this category, Classics lead the rankings with 27% of sales, clearly indicating that it is still a market with a low audio culture where most listeners are re-reading books they read on paper years ago and are now returning to them in audio format. In second place, Literature / Narrative contribute 12% of revenues; Romance and Fantasy content contribute 11% and 4% respectively. And finally, children's and youth content contribute another 4%.

PORTUGUESE

		Top5 Fiction Subjects	Share of Total Revenue
Fiction	61,23%	Classics	27%
Non-Fiction	38,77%	Narrative	12%
		Romance	11%
		Fantasy	2%
		Children/Juvenile Fiction	2%

Like the Anglo Markets, there is a 40/60 split in favor of Non-Fiction in the Arab markets. Historical novels contribute 16% of revenues, followed by Literature with 8%; Fantasy generates 7%, while Classics and Suspense, Thriller and Crime content contribute 3% and 2%, respectively.

ARABIC

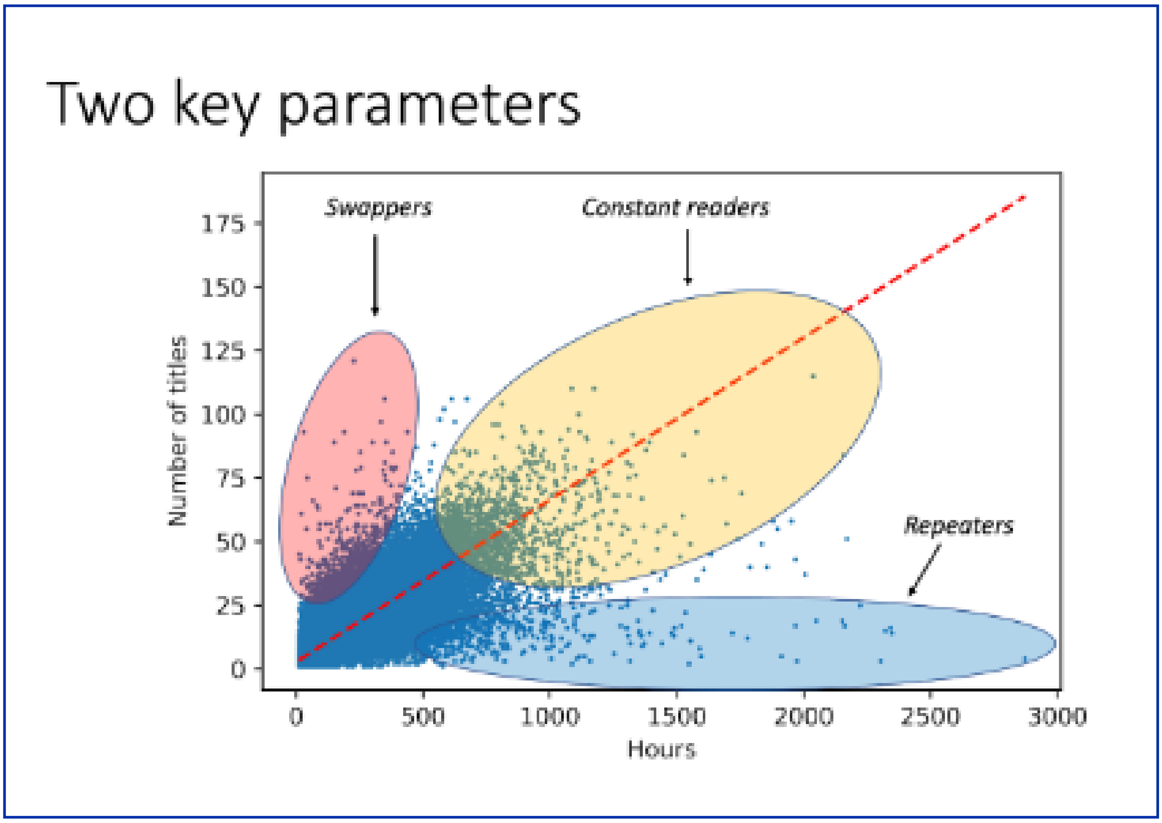
		Top5 Fiction Subjects	Share of Total Revenue
Fiction	40,97%	Historical Fiction	16%
Non-Fiction	59,03%	Narrative	8%
		Fantasy	7%
		Classics	3%
		Thriller	2%

6. Audiobook listener profile in Europe

The audiobook industry needs to analyze itself to better understand the profile of listeners, as well as their consumption habits, to understand the market variables, stop and think, and analyze to make the right decisions.

At the first edition of the professional meeting Audio Day Parix, held in Madrid last February, **Karl Berglund, Assistant Professor at Uppsala University (Sweden)**, summarized the main findings of a very revealing research on audiobook listening habits, which he summarized in the book Reading Audio Readers (Bloomsbury, 2024)[19].

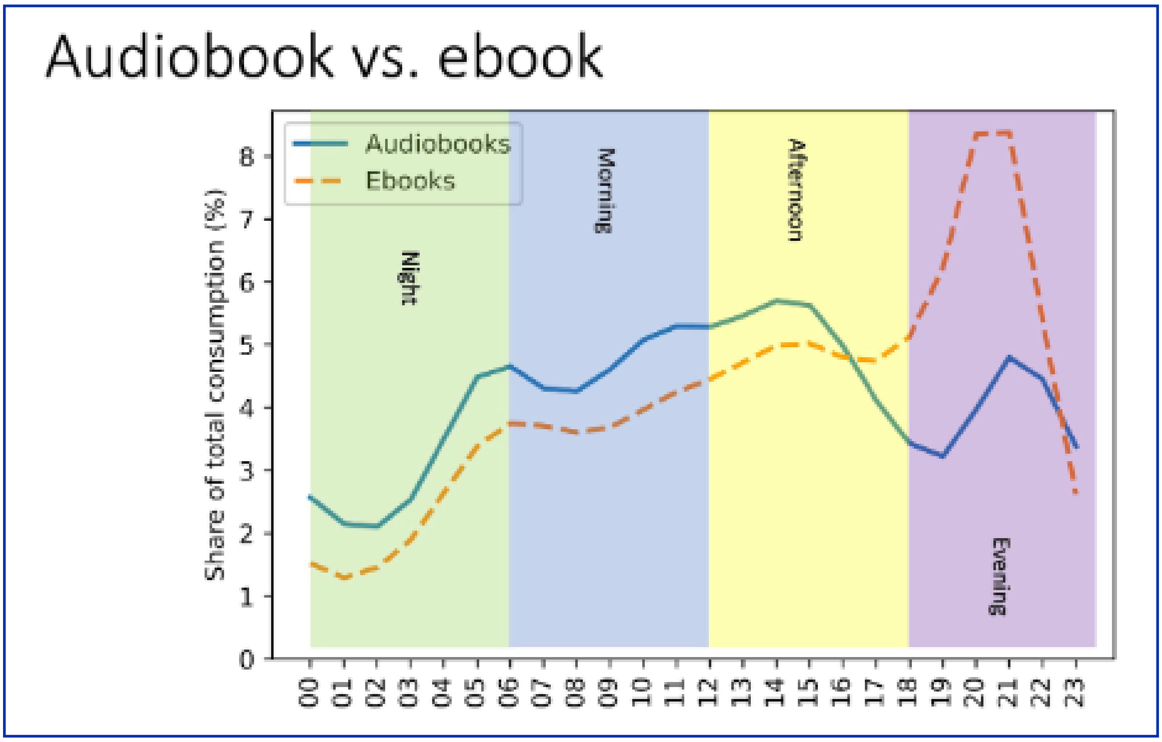
Berglund divides audiobook readers into three main groups of listeners. The "switchers" or "swappers", who start many titles, but finish few, and dedicate an hour a day to a reading of "pecking" between different works, of all kinds of genres, (a behavior that seems to reproduce the habit of audiovisual zapping). The "repeaters", who are those who spend a lot of time listening to the same book repeatedly, usually at night, allowing us to assume that they take "the audiobook as a sleeping pill", as Berglund suggested. And finally, the "constant" readers, those who read a lot, for several hours, and during several sessions throughout the week. This subgroup preferably chooses crime fiction, which they consume with fruition: they finish one book and start another.



Source: Karl Berglund

The scholar's findings also reveal that users prefer to listen to audiobooks while multitasking, and that listening patterns vary throughout the day, adapting to the dynamic and busy lifestyles most of us listener's lead.

Karl Berglund points out that, while middle-aged consumers represent the largest group of listeners, more and more young Generation Z and Millennials are also incorporating audiobooks into their routines. This trend is driven by the availability of relevant content for all ages, as well as the convenience of the format, which adapts well to mobile devices and wireless headsets. It also highlights that a good portion of users choose to listen to audiobooks while doing other activities in parallel, such as sports, travel or household chores. But it is also noted that more than half of the users prefer to sit down to listen to a book on their way home, at a time when they might otherwise have chosen to turn on the TV.



Source: Karl Berglund

Berglund has even been able to observe a thematic variation in relation to audiobook listening schedules, as audiobook listening patterns vary significantly throughout the day. In the morning, there is a preference for inspirational and energizing content such as personal development, while in the afternoon and evening, fiction genres such as suspense, thrillers and mysteries predominate, which are ideal for relaxing and decompressing after a long day's work. This information should be considered by streaming platforms when ordering and displaying their content catalogue, considering these consumption patterns throughout the day.

On the other hand, Berglund also analyzes the duration of different listening sessions given that each genre has different consumption patterns. Thrillers, mystery novels and science fiction tend to be consumed in long listening sessions (over an hour), due to the narrator's ability to build tension and hold the listener's attention. Whereas personal development audiobooks, biographies and history books tend to attract listeners looking to catch up or learn something new through listening sessions that demand more attention and are therefore shorter (less than 45 minutes).

In addition, Berglund's research indicates that educational and learning content is generating increasing interest among audiobook users. These titles are frequently consumed in scheduled sessions that coincide with study times. This trend shows how audiobooks are adapting to specific educational needs, with students and professionals using this format to access knowledge, as well as to review topics through a more interactive and flexible format.
In the Nordic markets, as well as in the Netherlands, Poland, Spain and Italy, the majority business model is unlimited subscription, mainly represented by platforms such as Audible, Storytel, Nextory, Kobo, Podimo or BookBeat, being this model the largest sales channel for audiobooks, providing more than 80% of audio revenues to publishers. The platforms may have different rates, according to the number of users accessing the service, or the number of devices that can use the service concurrently, but in all these models, the concept of unlimited access to content is always present.

Content variety and value for money have been key drivers for new subscriptions in streaming services during the second quarter of this year. As indicated in Kantar's Entertainment on Demand (EoD)[20] Report, interest in podcasts and audiobooks continues to rise, with 29% of streamers now considering audio an important part of their life, up from 26% last year, 14% of new premium subscribers were attracted by a wide range of audio content, and 11% by exclusive content.

7. Audiobook sales channels in Europe

After analyzing the listener's profile, as well as their particularities and patterns of audiobook consumption, we will now go into the main audiobook marketing models. According to the first edition of the Map of audio channels in Europe, published in March 2024 by Dosdoce, there are nearly 200 audiobook channels operating in Europe (exactly 192 entities). Subscription platforms are the most offered commercial model in Europe, representing 34% of the total number of channels analyzed, closely followed by "A la carte" sales (also known as unit sales), a model that represents 26% of the audio channels identified in this study. A growing trend detected during the research of this study is the emergence of new audio channels that offer a hybrid business model: subscription platforms that offer content for sale on a unitary and optional basis. This hybrid model represents 18% of all audio entities operating in Europe.

EUROPE'S AUDIO SALES CHANNELS MAP

In Europe, there are over 200 audio sales channels.

Subscription platforms (34.2%)

À-la-Carte (Single-unit) sales channels (26.6%)

Platforms offering both models (single-sale + subscription) (16.1%)

Aggregators (10.1%),

E-lending libraries (6.5%)

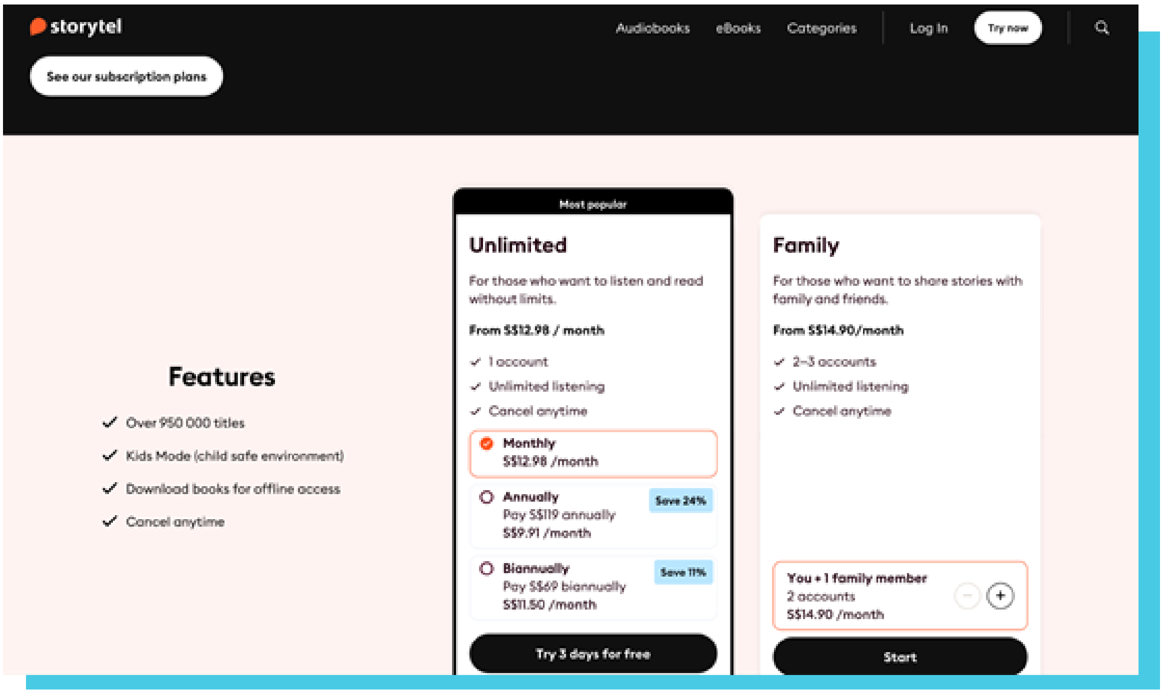
Children content devices (6.5%)

Source: Dosdoce.com Research

Subscription platforms represent the prevailing audiobook consumption model in the main European markets, contributing more than 80% of revenues to publishers, but there are at least three consumption models under this denomination: 1) Unlimited Subscription Model or AYCE (All You Can Eat); 2) Consumption model limited to one audiobook per month (credit or token model); and 3) Consumption model limited by hours. Let's take a look at each of them below:

7.1 Unlimited Subscription or AYCE (All You Can Eat) Model

This is a consumption model similar to subscription models for other digital content, such as e-books (Kindle Unlimited), music (Spotify, Amazon Music, etc.) or movies and series (Netflix, Prime, Disney, etc.). Users pay a monthly fee to access the use of a wide catalogue of content, and there is no permanence period, being able to request cancellation at any time. Users are aware that once unsubscribed there is no possibility of accessing again to any of the contents stored in the user's personal library, unless the user re-subscribes.



Source: Storytel

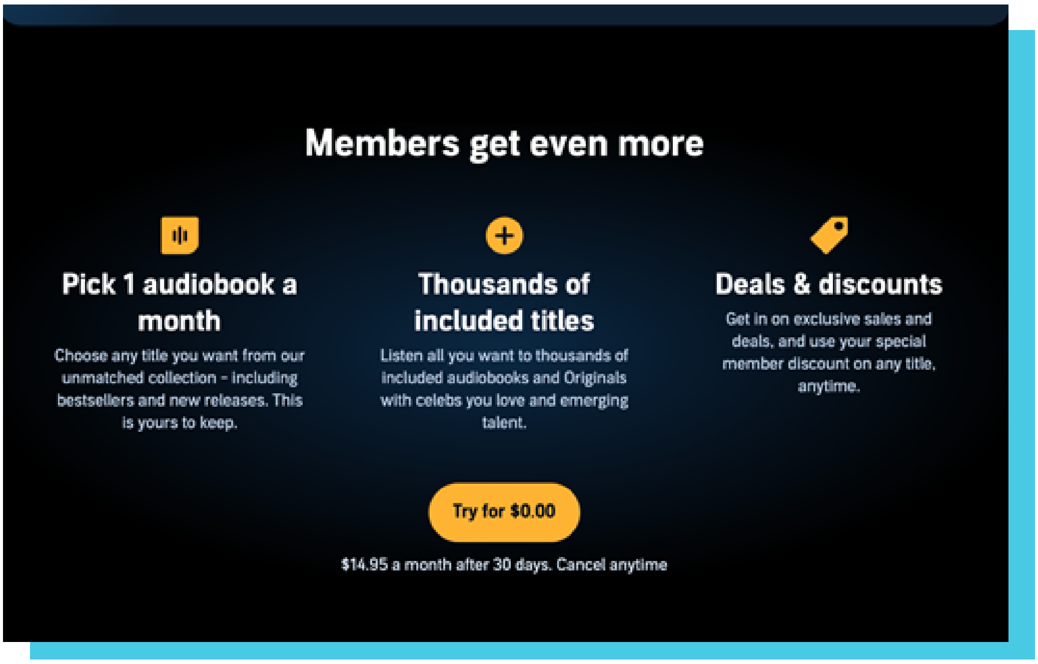
In the Nordic markets, as well as in the Netherlands, Poland, Spain and Italy, the majority business model is unlimited subscription, mainly represented by platforms such as Audible, Storytel, Nextory, Kobo, Podimo or BookBeat, being this model the largest sales channel for audiobooks, providing more than 80% of audio revenues to publishers. The platforms may have different rates, according to the number of users accessing the service, or the number of devices that can use the service concurrently, but in all these models, the concept of unlimited access to content is always present.

Content variety and value for money have been key drivers for new subscriptions in streaming services during the second quarter of this year. As indicated in Kantar's Entertainment on Demand (EoD) Report, interest in podcasts and audiobooks continues to rise, with 29% of streamers now considering audio an important part of their life, up from 26% last year, 14% of new premium subscribers were attracted by a wide range of audio content, and 11% by exclusive content.

7.2 Limited subscription for catalogue access (credit/token model)

This is a subscription service like the one described above, but limited by the number of titles that can be consumed in a month. This model is also known as a credit or token model. Users receive a few credits each month (usually one audiobook per month) as part of their benefits from their subscription. They can use one credit to access any audiobook, regardless of the unit price or duration of the audiobook. Once the available credits have been used up, the user has two options if they want to continue listening: purchase an audiobook as a unit sale at the price they have set or purchase a subscription with more credits. The third option is to wait for the remaining days of the month, as a new credit will be available the following month.

Audible operates in Spain and Italy with the unlimited subscription model described in the previous section, but in the



Source: Audible

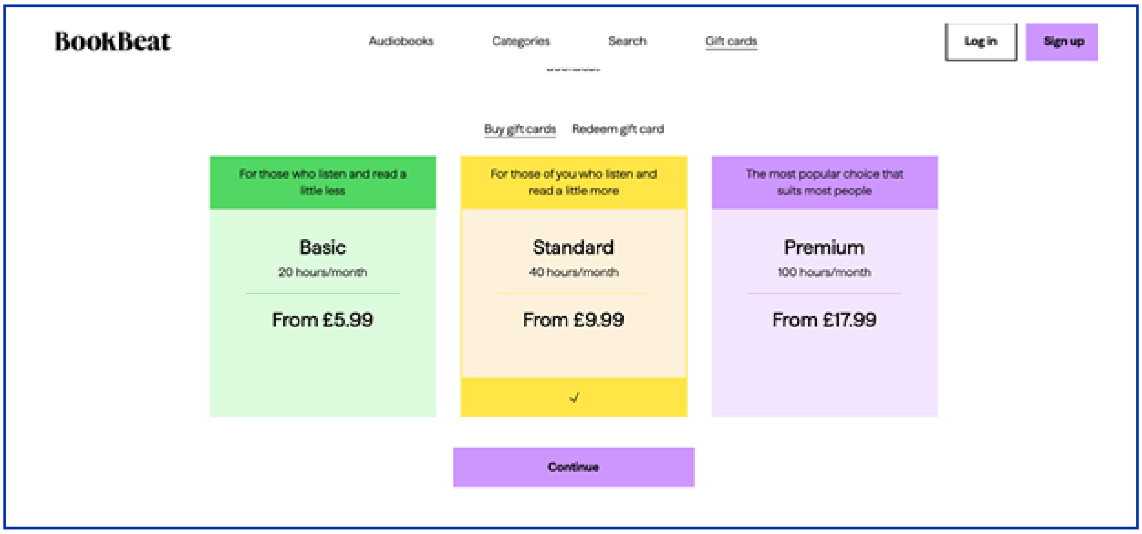
United States, as in the United Kingdom and Germany, it offers a limited consumption model of one audiobook per month. In the United States, subscription-based audiobook consumption limited to one audiobook per month continues to be the most widely used model with 63% of users subscribing to this type of service, according to the APA survey published in June 2024.

The publishers consulted for this report indicate that this model encourages the consumption of long audiobooks, since the user is paying the same for a 4-hour content as for a 25-hour content. Bearing in mind that a book of about 500 pages represents about 20 hours of audio, we can understand the reluctance of the user to choose a short book since in a few days he will have run out of content to listen to. Likewise, it is a model that mostly favors the consumption of more well-known titles and authors, since the user, knowing that he can only choose one title per month, will not take the risk of selecting content that is unknown to him.

On the contrary, the unlimited subscription model, in comparison to the credit one, encourages the discovery of new titles or authors from independent or foreign publishers, as well as short content categories such as children's books, encouraging us to get out of our comfort zone, since if we don't like something we started listening to, we can leave it and start another one without any limit or extra cost, an issue that is not possible under the limited subscription model (credits or tokens).

7.3 Limited hourly subscription model

Within the limited subscription category there is another model where the limit is set on usage time (typically 15 hours per month) regardless of the number of titles accessed during that period. This is the model launched by Storytel and BookBeat in several European markets, as well as Spotify in six English-speaking markets which we will describe in detail below.



Source: Bookbeat

Depending on the chosen tariff, users have a certain number of listening hours. In the case of BookBeat, the platform offers three ranges of hours and prices: Basic: €6.99 (20 hours); Standard: €9.99 (50 hours); Premium: €14.99 (100 hours). In France, the Storytel platform launched a limited hourly subscription model in September 2022. From the outset, this model was supported by major publishers such as Hachette Livre, Madrigall, Editis and Actes Sud, adding more than 7,000 titles in French. The different scales start from 15 hours for 9.99 €, through 30 hours for which you pay 14.99 €, up to those users who want to listen to more than 45 hours, who have to pay 17.99 € per month. In Spain, this Swedish company also launched for a while the limited subscription, simultaneously with the unlimited subscription offer, but after a period of time it abandoned it due to the strong roots of the unlimited subscription culture in the Mediterranean countries.

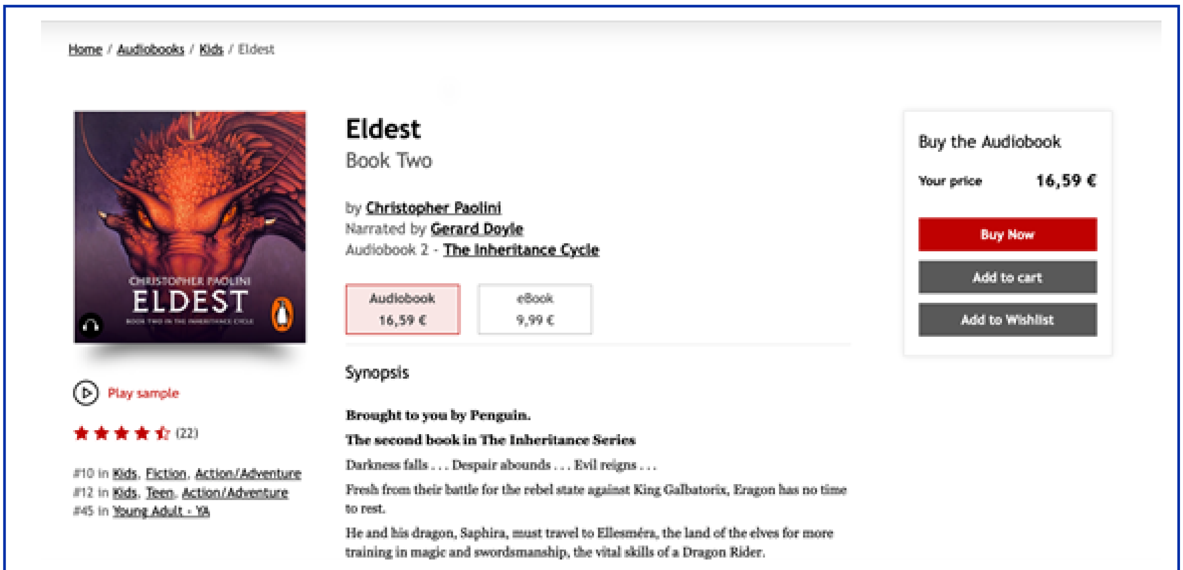
7.4 Beyond the limitation by hours or credits.

Streaming platforms are constantly innovating by launching different consumption models to attract more listeners, especially younger ones. In this context, Storytel has launched a new subscription model, Flex, in the Nordic countries through which the user can carry over unused hours from one month to the next. On the other hand, this platform has also launched a new plan designed for students, which allows you to keep a 50% discount on your rate for life, ensuring long-term affordability for the younger audience. This is a time-limited subscription (around 100 hours per month), which aims to create new readers and build long-term loyalty as avid users of the service.

7.5 Unit Sales – “a la carte” Model

Having described the particularities of the most widely used subscription led models in Europe, let us move on to the second in the ranking, that of unit sales, also known as "a la carte". In this case, the model revolves around the marketing of an audiobook as a unit of audiobooks, either in physical (CD) or digital format. This business model is the most similar to the sale of print books, in that the percentage of profit is calculated based on the retail price of the product. The greatest market quota of the unit sale market falls on international platforms such as Audible, Apple, Kobo or Google.

Central Europe (Germany, Switzerland, Austria, etc.) is the territory with the largest number of unit sales channels by far, accounting for 50% of the total number of platforms operating in this region, while in the Nordic countries’ unit sales represent less than 15%.



Source: Kobo Rakuten

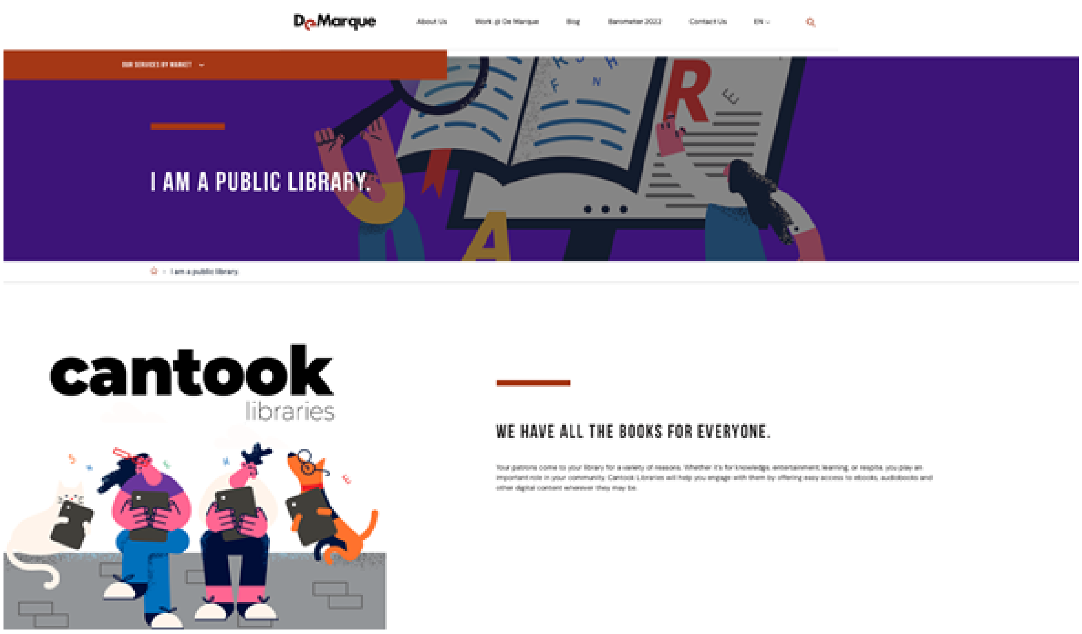
7.6 Digital libraries lending licensing model

More and more library users across Europe can enjoy audiobooks through digital lending platforms, representing 6% of the total number of audio channels in Europe. Southern Europe (Spain, Portugal, Italy and Greece) is the region with the highest number of libraries with digital lending platforms, accounting for 10% of all channels, followed by the UK and France with 3%.

With the advent of digital formats (e-books, audiobooks, podcasts, etc.), libraries have enriched the way they provide their services by adding digital lending of audiobooks to their users. While with paper books libraries own the books, this is not the case with audiobooks; they must acquire licenses that have several limitations. Publishers can set the limits to the concession, from the expiration dates of the licenses to the number of times a title can be lent, and even whether or not it can be accessed concurrently by several users at the same time.

With the growing popularity of this business model, new players have emerged in the industry that interact as intermediaries facilitating this mediation between publishers and libraries, such as eFilm/eShelf, Odilo. Hoopla, DeMarque, OverDrive, among others. The latter recently announced with well-deserved pride it had reached 4 billion downloads, thanks to its presence in more than 22,000 public libraries, 55,000 schools (primary and secondary) and more than 1,500 academic and specialized libraries in more than 100 countries around the world.

Marc Boutet, President of De Marque, a global digital content ecosystem seeking to connect and promote culture online across the world, indicated "last years' audiobook market growth has had a reflection also in the library lending success and popularity of the audio format. In the following years, audiobooks offer publishers and libraries the opportunity to expand access to knowledge and entertainment to all the community of book lovers, readers and listeners". In relation to the main challenges lying ahead, Boutet declared that "the integration of artificial intelligence technologies in the production, marketing and commercialization of audio content, as well as managing licensing and copyright complexities, are two main challenges in the world of audiobooks in the next coming years".



Source: Cantook Public Libraries

8. Analysis of audiobook busines / consumption models by languages

Thanks to the data provided by Bookwire we can analyze for the first time in the audio industry the consumption of audiobooks by language in the different business models. This analysis by language brings a lot of information to the publishing industry since for the first time they will be able to analyze the behavior of audiobooks in different languages (German, Spanish, French, Italian, Portuguese and Arabic).

As in our previous analysis of the weight of the different marketing channels operating in Europe, the most widespread consumption model in all languages is subscription, followed by unit sales and, in third place, digital lending through libraries.

Karl Berglund points out that, while middle-aged consumers represent the largest group of listeners, more and more young Generation Z and Millennials are also incorporating audiobooks into their routines. This trend is driven by the availability of relevant content for all ages, as well as the convenience of the format, which adapts well to mobile devices and wireless headsets. It also highlights that a good portion of users choose to listen to audiobooks while doing other activities in parallel, such as sports, travel or household chores. But it is also noted that more than half of the users prefer to sit down to listen to a book on their way home, at a time when they might otherwise have chosen to turn on the TV.

Product Language	Unit Sales / A la-Carte	Subscription services	Library Elanding Platforms
German	11.5%	87.4%	1.1%
English	50.3%	39.1%	10.6%
Spanish	21.6%	73.5%	4.8%
French	64.3%	34.5%	1.1%
Italian	71.9%	24%	4.1%
Portuguese	12.1%	84.8%	3.1%
Arabic	48.1%	47.7%	4.2%

As can be seen in the table, the most widespread consumption model is subscription in the German language, reaching 87.4%, followed by Portuguese with 84.8% and in third place Spanish with 73.5%.

In Arabic, English and French, consumption of audiobooks on subscription platforms is below 50% of total sales (47.7%, 39.1% and 34.5% respectively). Surprisingly, consumption of Italian audiobooks on subscription platforms is below 25%.

Secondly, we find that the unit sales model is quite popular in several languages. It is again surprising that unit sales of audiobooks in Italian account for 71.9% of the total, while in French, English and Arabic they are around 50%, a somewhat more normal consumption pattern. These data indicate that in those markets where the audiobook format has just landed, such as the French, Arabic and Italian markets, unit sales are becoming a relevant channel for many users who are trying out the format for the first time. In other words, these users are learning how to listen to an audiobook. Their level of consumption is still very low, possibly one audiobook per quarter, so the subscription model is not profitable for them, while the unitary purchase allows them to discover the pleasure of listening one by one until they get hooked on the format and move to a subscription consumption model.

It is also interesting to note the lower weight of unit sales in Spanish, German and Portuguese, representing 21.6%, 12.1% and 11.5%, respectively. We understand that in these markets there is already a broad culture of consumption of all types of digital content (music, TV series, video games, etc.) through streaming platforms. This deep-rooted subscription culture extends to the consumption of audiobooks, leaving other models such as unit sales or digital lending in second place.

Finally, the consumption of audiobooks through digital lending in libraries is very low in all languages, indicating that there is still a long way to go to make this sales channel grow. Except in English, which exceeds 10% of sales, in the rest of the languages it does not exceed 5% and in several it barely reaches 1%.

The low sales data through this channel are not surprising given that there are divergent schools of opinion in the publishing sector about this sales channel. On the one hand, there are publishers who believe that this channel cannibalizes unit sales because the user accesses the content free of charge. To curb this supposed cannibalization, these publishers not only limit the number of titles that are marketed through this channel, but also place multiple restrictions on user licenses, such as reducing the number of loans or the availability of titles, making it unattractive to users of this service.

But fortunately, we have on the other side a large group of publishers who think that this channel is used by many readers to discover new authors and topics that they would never acquire in unit sales channels or subscription limited to one audiobook per month since the risk factor ("I don't like the book chosen") is very high. Many listeners enter the audiobook world for the first time through libraries. Since it is free for the user, the misgivings of paying for something you don't know about or signing up for a platform that you don't know if you will use or not later, is reduced to zero in a library environment. In other words, libraries are facilitating discoverability of the format, as well as creating new audio readers. Once converted to the format, libraries also become discovery and prescription channels for future audio reading. Many users of this format browse the shelves of libraries' digital lending platforms to discover their next read. In many cases, the selected audiobook has a waiting time of two or three months on the platform, inviting the user to search for the same title in unit sales or subscription channels to access it earlier.

Just as streaming platforms are launching new, more flexible consumption models to attract more audiences, publishers and digital lending platforms should also design new, more innovative and affordable licensing models to attract new audiences, regardless of their purchasing power, especially in price-sensitive markets and languages.

9. New players, new business models, new audiences

One of the constant themes that emerged in the conversations we held with the main players in the sector to prepare this report was the need to increase the number of audiobook outlets, as well as the creation of new business models to diversify the industry. The arrival of new audiobook platforms with new commercial models offers the publishing industry the opportunity to increase competition and diversification in the market. Trading in new emerging audio markets will require adapting to new commercial/retail models to create new audiences.

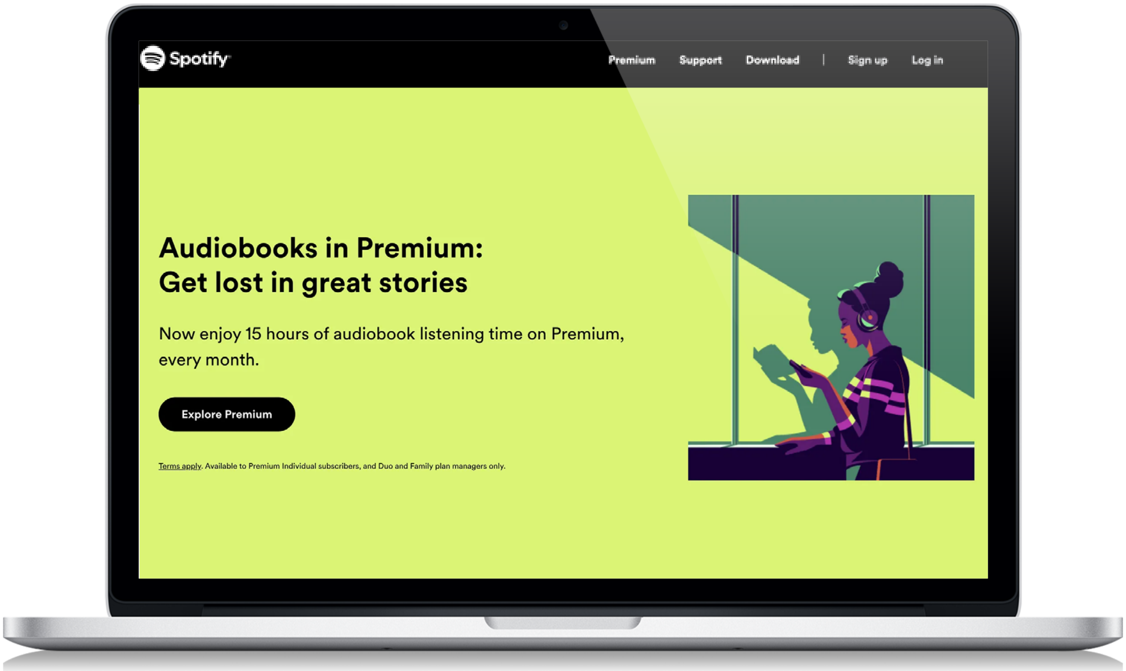
As we indicated at the beginning of this report, the data, studies and statistics we have analyzed throughout this text are fantastic. The growth is exponential, but we should not be complacent about the relative success of the audiobook format.
In the era of overabundance of entertainment and leisure in which we live, together with the accelerated modern life and the demand for permanent connection -both at work and socially- is generating a transformation in the consumption of all types of cultural content.

If we want to minimize the loss of readers to other forms of digital entertainment, the publishing sector should be more open to explore new business strategies, to innovate in the production of new products and bet on the creation of new services to attract the population that still does not listen to audiobooks, because if they have not done so by now it is because the strategies deployed so far have not captivated them.

In this spirit let's dive into this section where we will analyze several innovative ideas and models that will help us grow the audio industry worldwide.

9.1 Spotify: building bridges between podcast and audiobook listeners

Spotify entered the audiobook industry at the end of 2023 by offering the aforementioned model of [15 hours of free audiobook listening][21] each month as part of its streaming service for premium subscribers in the main English-speaking markets: the United States, the United Kingdom, Ireland, Canada, New Zealand and Australia. Considering that the platform has around 650 million users, of which around 250 million are premium (mainly users under the age of 39), there is no doubt that the music and podcast giant's entry into the audiobook world will generate a lot of new revenue for the publishing industry, without cannibalizing the reach of other existing audiobook sales channels. The auditing firm BookStat, which counts the book industry quarterly, had a 14% growth forecast for the audiobook industry in the English-speaking markets for the last quarter of 2023, but Spotify's entry into the audiobook market almost doubled it, reaching 28%, without cannibalizing other unit sales and streaming channels.



Source: Spotify

Spotify has recently shared a series of revealing data and news about the impact of its entry into the audiobook category. In just 5 months since the launch of the English audiobook catalogue, the platform has managed to get its premium users to listen to more than 150,000 audiobooks. These first results have encouraged the company to launch a new monthly subscription, aimed exclusively at audiobook consumers in the United States. These subscribers will be able to listen to 15 hours of content for 9.99 euros per month, as well as access the music and podcast catalogue, but with advertising. In addition, to create bridges between the podcast and audiobook categories, they will introduce a series of functionalities on the platform that will facilitate the transfer of listeners between the two formats. Spotify users can receive personalized recommendations, save an audiobook to their libraries before release, download an audiobook for offline listening, and have automatic bookmarks available to save the listening position.

In the conversations we have had with many members of the publishing community, many of them welcome the scenario in which Spotify launches its audiobook model in different EU markets such as France, Italy, Spain, among others, to boost the consumption of audio content in Europe, especially among younger audiences. However, nothing is static in this emerging world of audio and therefore we will see more strategy changes in streaming platforms, especially in everything related to audiovisual content. When Spotify bet on the podcast format, it identified Apple Podcasts as its main competitor. However, in a very short time it has seen that its main adversary is YouTube. More than 170,000 Spotify users, around 27% of the total, have watched/listened to a video podcast on this platform, making it another potential #booktok-style platform for discovering all kinds of authors, books and publishers[22]. If Spotify's goal is to become the main platform for listening and discovery of all types of audio content (music, podcasts and now audiobooks), the publishing industry should take a deeper look at how to create more bridges between podcast listeners, especially video podcasts, to help them discover authors and audiobooks.

9.2 Listening devices for children's content

The children's category is one of the book industry's big bets for the future. Currently, the consumption of children's content in audio format represents around 3% of total listening in the Anglo markets. As we have seen in the previous sections, the Fiction category in German is led by children's and young adult content, representing around 45% of sales, while in other markets such as Spanish and Portuguese, this content does not even reach the top 5 most listened to categories.

However, several of the publishers consulted for this report project a 30% increase in consumption over this decade, mainly due to the proliferation of dedicated listening devices for children's content such as Yoto, Tonies, Storybutton, FABA, among others, in the different European markets. For example, Tonies has sold worldwide more than 7 million devices and close to 90 million content units in several languages. In the publisher’s view, these listening devices facilitate children's access to audiobooks in a simple, friendly and entertaining way. To date, the marketing of this type of devices has been in the hands of manufacturers outside the sector, but more and more publishing houses are also venturing into this category manufacturing their own devices with the aim of creating new sales channels for their content through these devices.

Source: Bayard Jeunesse

In Q4 of this year, Bayard Jeunesse will start launching in different markets its own listening device for children's content in several languages: French, Spanish and English. "Whatever the language spoken (French, German, Spanish, Italian, etc.), audio is an essential way for all new generations to learn to read and discover the world. Associating meaning with words, working on concentration, developing empathy and active listening, traveling through the imaginary or the real world all help children and teenagers to grow in confidence" indicated **Emmanuelle Marie, Audio and International Director of Bayard Jeunesse**, a leading French children's content publishing house with more than 50 millions of listenings accumulated in their 1.300 audio content catalog. "Nowadays, audio is mainly offered by global streaming platforms that prioritize the curation and recommendation of other categories, leaving behind children content. The challenge for the future is to make kids audio more accessible to all children, in a place, channel or device made for them" stated Emmanuelle Marie.

As we commented at the beginning of this report, there are several encouraging signs that young listeners are adopting the format at a higher rate, especially since many of their parents have been long-time listeners. The Audiobook Listener Profile Survey, conducted annually by Edison Research for the APA, indicates that 53% of audiobook listeners with children said they listen to children's content with their children. The main reason for choosing to listen to children's content as a family is that 77% of these parents pointed out that the format offers their children a reduction in screen time as an important advantage.

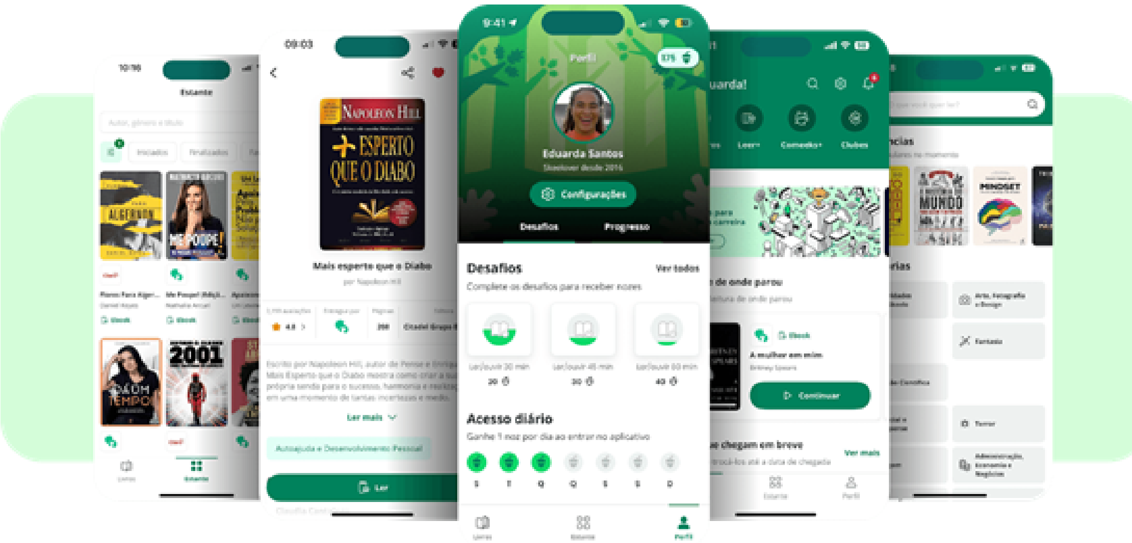
In the same vein, according to an audiobook consumption survey conducted by NielsenIQ for Audible in Spain, children are becoming the “port of entry to audio” in many households in Southern Europe: 25% of the children bring audiobooks home, suggesting audiobooks to their parents.

Dedicated listening devices that act as toys or pieces of entertainment, are already very popular in Anglo markets where parents and schools use them to create a habit of listening to children's stories without the distraction of screens. Children associate the device with paying attention to a good story, thus increasing their levels of comprehension and entertainment.
We can assume that, as has happened in the Anglo markets, as well as in Germany and the Nordic countries, the irruption of this type of devices in the Spanish, Portuguese, Arabic and Italian markets will increase the consumption of children's content in audio format, whether audiobooks, podcasts or audio series. We anticipate that early next year Dosdoce.com will publish a full report, in collaboration with Smallwardour, which will explore in depth the evolution of the children audio industry in different languages.

9.3 Skeelo: Building readership through new B2B2C channels

The children's category is one of the book industry's big bets for the future. Currently, the consumption of children's content in audio format represents around 3% of total listening in the Anglo markets. As we have seen in the previous sections, the Fiction category in German is led by children's and young adult content, representing around 45% of sales, while in other markets such as Spanish and Portuguese, this content does not even reach the top 5 most listened to categories.

However, several of the publishers consulted for this report project a 30% increase in consumption over this decade, mainly due to the proliferation of dedicated listening devices for children's content such as Yoto, Tonies, Storybutton, FABA, among others, in the different European markets. For example, Tonies has sold worldwide more than 7 million devices and close to 90 million content units in several languages. In the publisher's view, these listening devices facilitate children's access to audiobooks in a simple, friendly and entertaining way. To date, the marketing of this type of devices has been in the hands of manufacturers outside the sector, but more and more publishing houses are also venturing into this category manufacturing their own devices with the aim of creating new sales channels for their content through these devices.



Source: Skeelo

Through a B2B2C model in partnership with major telecommunications, internet companies, and other utilities and services companies, Skeelo has brought digital books to millions of Brazilians. In terms of consumption, more than 30 million minutes were listened to in audiobooks on Skeelo's app just in 2024. Thanks to the aforementioned B2B2C model, which fosters a country wide distribution of millions of ebooks and audiobooks via commercial partnerships, Skeelo has helped increase the reading levels in a country with low book consumption rates. In 2024 alone, more than 114 million minutes of book content have been consumed on the app. Of these, 84.2 million minutes are consumed through reading and 29.8 million through listening.

In addition to offering one of the best digital reading solution in Latin America, Skeelo is also a large community of social reading and readers. Its ecosystem includes Skoob, the largest social reading network in the country, with over 115 million book ratings, 8.4 million reviews, more than 2 million books registered, and over 78 million reading notes. According to its **CEO, Rodrigo Meinberg**, "Skeelo's mission is to be the largest reading platform and community in the world, replicating the success we already have in Brazil in other dominant languages like Spanish and French".

9.4 YouScribe: Micropayment model to encourage consumption

As we mentioned in Section 4 of this report, just as in Europe there are around 200 audiobook sales channels, in Africa there are only a handful of them. But fortunately, this scenario is changing, thanks to the excellent work being done by the streaming platform YouScribe in promoting audiobook listening through an innovative consumption model based on micropayments. YouScribe is the leading streaming service with more than 1.5 million subscribers in the region operating in 12 African countries: Algiers, Morocco, Tunisia, Ivory Coast, Senegal, Cameroon, Burkina Faso, Mali, Democratic Republic of Congo, Guinea, South Africa, Madagascar and Ghana. This streaming platform serves the different cultural and language affinities in the region offering over 8,000 audiobooks in French, around 1.000 in Arabic and more than 26,000 audiobooks in English, clearly indicating that audio travels across many different countries. To access this catalogue, users pay 7 euros per month, but YouScribe's most used plan is a daily micro billing subscription plan valued at 150 FCFA/day (around 0,23 euros/day).

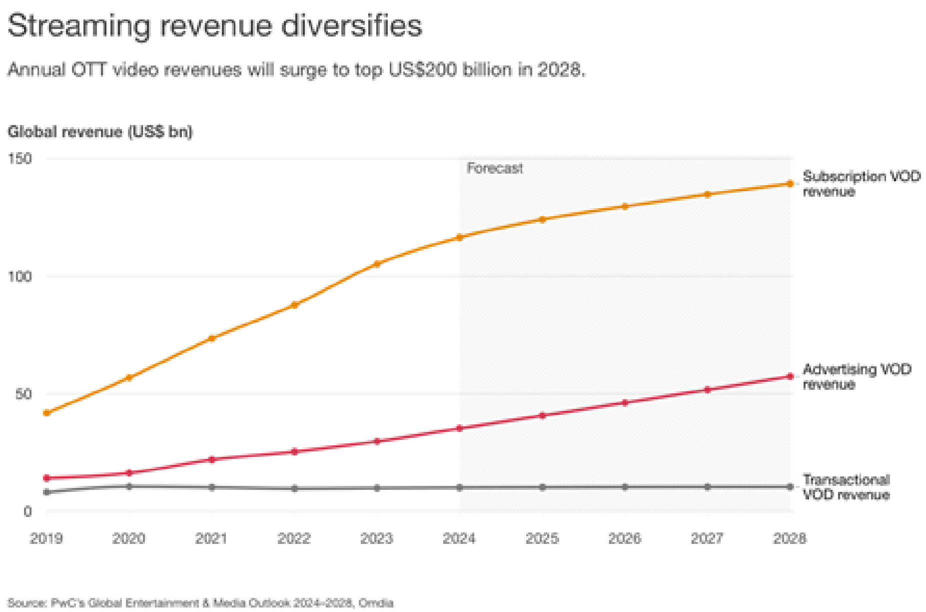
As **Anne-Sophie Steinlein, CEO of the YouScribe platform**, points out, we must implement the right business model for each market; we should not transfer models from one market to another without adapting them to the local cultural and socio-economic reality. "The main challenge for us will be establishing a viable business model that ensures fair remuneration for all stakeholders while driving growth and adoption. In markets like France, publishers' reluctance to fully embrace digital audiobooks has resulted in a fragmented landscape with various models, including unitary purchases, some monthly unlimited listening plans, unitary monthly credits (one per month), and limited-hour subscriptions (usually 15 hours). This fragmentation makes it challenging to find a model that allows publishers and distributors to collaborate effectively in making audiobooks digitally accessible in bookshops, libraries, or through B2B channels. To navigate this complexity and stabilize as well as boost our industry, we must find the right business model for each market and channel, acknowledging that market dynamics in other parts of the world, such as the African continent, may differ significantly".

Source: YouScribe

Publishers and literary agencies should be receptive to the arrival of new consumption models such as YouScribe and Skeelo as they will energize the audio industry by maintaining the double-digit growth rates we are enjoying in many markets and reducing the piracy rates that exist in some countries by minimizing the barriers to entry into the format.

9.5 Cheaper subscriptions supported by advertising

The relationship between advertising and content has been inherent in the history of content for at least a century. However, when streaming platforms first appeared, they seemed to promise their users that they would avoid annoying advertising interruptions in exchange for a monthly payment under a subscription model. However, the equation stopped working when fierce competition among platforms forced them to produce increasingly expensive content. It is no secret that many of these platforms then changed their strategy to avoid losing subscribers by having to increase monthly fees to balance the books. We have seen how some of them, such as Netflix, Prime or Disney+ have incorporated this business model into their strategy, without losing subscribers in the slightest, quite the contrary. By 2028, advertising will account for nearly one-third (30%) of streaming revenue in the UK, up from just under a quarter (24%) this year[23]. This growing subscription user profile is pushing leading streamers to reshape their business models to create new revenues beyond ad-free subscriptions such as the introduction of reduced subscription fees with ad-filled content.



Source: PWC Report

Despite initial suspicions, Netflix's basic plan with ads already has 40 million paying customers, which represents about 15% of the platform's total of 277 million paying users. This contracting option with ads is having so much success, 40% of new registrations opt for this plan, that the company is considering eliminating the cheapest plan of access to the platform without advertising since the data clearly indicate that part of society prefers a more affordable commercial plan even though it involves being interrupted on some occasions.

In this way they can reach as many users as possible, lowering prices in exchange for offering advertising, but without abandoning the business model of access to all content through an unlimited subscription. Those who prefer and can continue to pay high rates will continue to enjoy the content without advertising. But those who are indifferent or prefer to save money in exchange for seeing some advertising will also be able to enjoy the content.

The model of marketing audiobooks with advertising interruptions has not yet reached the world of audiobooks, although it does triumph in the podcast format, which generates millions of dollars in revenue, as we saw at the beginning of this report. However, one of the big unknowns is whether or not this reality will change in the short-medium term, as has been observed in other digital entertainment streaming platforms.

In this regard, several streaming platforms are investigating this potential consumption model to understand users' reactions to ad interruptions. As in several "freemium" models, non-paying users get access to a limited set of ad-supported titles that they can listen to whenever they want but will be interrupted up to several times throughout the day. There are now ad management tools such as Loud Intelligence[24] that allow interruptions to be "friendly" since the advertising is contextual and personalized, i.e. relevant to the listener. Interruptions could be recommendations of other audiobooks or podcasts by the same author, publisher or subject matter. Through these new models, millions of your freemium users will have the incentive to discover and try quality content, such as the audiobook, while paying a lower fee. In the medium term, if the user is sufficiently hooked, they will be able to migrate to unlimited subscription plans to continue listening, but without interruptions.

The industry is in its infancy in many markets and languages. This type of consumption model may not be ideal for more established audio markets such as English, German or in the Nordic countries, but it should certainly be analyzed for territories with high price sensitivity such as Spain, Italy, Brazil or even Africa, among other markets.

10. Impact of Artificial Intelligence in the audiobook industry

Artificial intelligence is by no means new, it is something that humans have been working on and studying for at least five decades. But over the last few years, the potentially unlimited access to large amounts of real-time data on human behavior – also known as "big data" – and a rapid increase in computational power have led to an explosion in the potential uses of artificial intelligence. As a result, it is no longer a mere scientific concept but a social reality that is already transforming everyday life, including the way we access and use all kinds of cultural content. Just like electricity in the late nineteenth century, artificial intelligence is set to become a structural commodity that affects most economic activities as well as the business models used by all kinds of companies. In other words, Artificial Intelligence is poised to revolutionize the publishing industry across various dimensions, including discovery, marketing, and content creation.

On the marketing front, AI will offer powerful tools for publishers to reach and engage their target audiences more effectively. AI-driven analytics can provide deep insights into consumer behavior, allowing for highly targeted marketing campaigns. Additionally, AI can automate and optimize content creation for marketing materials, such as personalized newsletters, social media posts, and targeted ads, ensuring they resonate with specific segments of the audience. For content creation itself, AI is making strides in generating written content, from news articles to creative writing assistance, helping authors with editing, ideation, and even drafting. While AI is unlikely to replace human creativity, it serves as a valuable tool to enhance productivity and innovation in the publishing process. Companies such as EARS, Prozotron and Sounded, among others, are helping publishers to better understand the potential of these technologies, as well as validating the business models, time-to-market and cost savings expectations. **Juliana Rueda, Founder of EARS**, an all-in-one cloud-based platform with over 10,000 hours of audio production track record, is committed to assisting publishers in optimizing their budgets by maximizing both internal and external audio production resources, centralized in one single place. EARS provides real-time information on all processes, enabling publishers to allocate funds efficiently and reduce costs by at least one third, all while maintaining high-quality standards. In the same vein, **Jason Kelly, founder of Sounded**, shared a detailed comparative analysis scenario of a digital vs studio audio production detailing time-to-market, production and post production savings during his presentation at Readmagine Conference 2024. As you can see in the attached chart, AI tools will help publishers optimize their audio publishing processes and costs.

Digital vs Studio

Time Savings to Market	
Studio	**Digital**
Approx **3.5 hours** of recording and editing per finished hour.	Production in minutes
Production time circa 80hrs per **100,000 word book**	Total turnaround time (dependent on quality) minutes to days.

Production Savings	
Cost range from **$3K – 15K** per audiobook.	Digital = Synthetic = **$50-100 per book.**
High profile narrators = more cost	Digital Replicas more expensive – prices from **$99 - $1,000+**
	Reduce cost for studio time and voice actors

Studio Post Production	
1.5 hours of time per finished hour	Full control on adjustments for editing
Total production can be extensive depending on quality output	Text agnostic

Source: Sounded

Digital publishing analyst Thad McIlroy clearly indicates in his new book "The AI Revolution in Book Publishing"[25] that "AI for audiobooks works really well. It's not perfect, but it works. Authors and publishers are now routinely using AI tools in audiobook production, primarily for books where full-scale narrator-focused audiobook production is not financially feasible. And not only for English-language audiobooks, but also audiobooks in translation".

Back in November of last year, Amazon announced the launch of an invitation-only U.S. beta that enabled KDP authors to quickly and easily produce an audiobook version of their eBook using virtual voice narration, a synthetic speech technology. In just six months, over 40.000 AI-Voiced audiobooks titles are available with Audible, according to Bloomberg. Since there are 75.000 new audiobooks releases a year produced by voice narrators, if this AI audio production rhythm continues, by the end of this year there will be more AI-Voiced audiobooks produced in English than human produced ones.

In this evolving scenario, almost every week there are new initiatives announced in the publishing sector exploring AI opportunities. For example, Audible is rolling out a beta test of Maven[27], a new AI-powered search feature that responds to natural language used in everyday, conversational speech to find matches from their catalogue, making it easier than ever for customers to find their next favorite listen. In the same vein, Podimo is taking personalization to a whole new level by taking into account the context in which users access content. Further enhancing personalization by deepening the understanding of each user's preferences to deliver a more customized experience and, as a result, the level of diversity has increased by 30% over the past year and the number of different podcasts per user by 33%. In addition, AI-driven personalization and proactive retention measures have reduced the churn rate by three percentage points over the past year[28].

On the other hand, HarperCollins has reached an agreement with an AI audio company to create audiobooks for their foreign language business using ElevenLab's text-to-speech technology. The agreement will lead to the production of audio versions of select deep backlist series books that would not otherwise have been created without AI support because of financial unsustainability[29]. This initiative validates the non-English languages analysis sales potential that we have highlighted in this report.

In the conversations we have had with key players in the industry several of them pointed out that AI is one of the sector's biggest challenges, but at the same time our biggest business opportunity. **Miriam Spinnato, Head of Digital Sales at Mondadori Libri**, one of the leading publishing houses in Italy with more than 2,200 audiobooks and around 500 new releases per year, mainly in Italian, indicated that the main business opportunity in the next 3 years overlaps with the main challenge in the world of audiobooks: "Artificial Intelligence will streamline audiobook production (costs, time-to-market, project management, etc.) allowing publishers to expand their catalogue, but at the same time it creates a complex environment to work with".

Liza Faja, Director of Editions Lizzie at Editis Group, indicated that "Artificial Intelligence" is an opportunity to ease production (recording and corrections) but also a challenge since any person will be able to generate a reading of a book from an ebook file with the AI voice of its choice... She is convinced that quality of production and the emotion that can bring a human voice will make the difference, and that audio publishers will always be the ones able to offer to their authors and audiobook listeners custom made audio with the perfect voice, especially on fiction.

Amanda D'Acierno, Global President & Publisher of PRH Audio, stated "The audiobook industry has always been on the cutting edge of technology in publishing.

Advances in technology have been one the strongest drivers of audiobook growth. But, we need to remember that a great audiobook with a stellar performance by an actor or author is very difficult to replicate. With that in mind, we're focused on integrating AI in our pre- and post-production work and publishing processes, while continuing to evaluate the exciting developments in synthetic voice. These developments will help us expand our capacity to record many more titles on audio".

Videl Bar-Kar, Vice President Audio of Bookwire indicated that "around 85% of eBooks still don't exist in audio, and with the increasing drive for accessibility as well as the need for much larger catalogues in developing European markets, there is a role for digitally narrated audiobooks. But human narrated audiobooks will always have a unique and special quality, which is the backbone of our industry. We want to give publishers the choice."

We do not want to finish this section without mentioning an application based on artificial intelligence that has recently launched worldwide. Through the new Eleven Reader app[30], available for iOs and Android, any user will now be able to upload any type of document (PDF, article, textbook...), select a voice and start listening to the audio. At the moment it has been released under the freemium business model, that is, free, although it has said that they will include new functionalities in the future and that these will be paid. This new type of apps open up many questions about how the audio business will continue to develop in the future and the role that publishers, producers and platforms will play. "Like any other creative industry, the audiobook industry is a rights holders business. We can find the situation where someone acquires a digital book legally, but then uploads it to the mentioned app or similar one and transforms it into audio format, being a format for which its IP owner will not receive any economic compensation. Without a doubt, as has already happened on other occasions throughout the history of publishing and books, technology will end up providing answers to the problems it creates, perhaps establishing filters in the files themselves that prevent them from being reproduced without proper authorization” indicated **Maribel Riaza, an expert in the history of oral reading and author of the book La voz de los libros – The voice of books (Aguilar -PRH, 2024).**

Since the topic is becoming important for the publishing sector, we have decided to publish next year in Dosdoce a completely new report to help publishing professionals dive deeper into the business opportunities and challenges derived from AI technologies.

Source: Photo by Tara Winstead

11. Sources (June 2024)

1. La Voz de los libros, Maribel Riaza(PRH, Aguilar, 2024)
   https://www.penguinlibros.com/es/libros-de-historia/316960-libro-la-voz-de-los-libros-9788403523739

2. Deloitte Study
   https://www2.deloitte.com/us/en/insights/industry/technology/technology-media-and-telecom-predictions/2024/consumer-audio-market-trends-predict-more-global-consumers-in-2024.html

3. UK Report
   UK publishing revenue exceeds £7 billion for first time

4. Norway Report
   https://bok365.no/artikkel/strommingen-booster-forlagsinntektene/

5. Storytel Report
   https://www.storytelgroup.com/en/storytel-delivers-bottom-line-profitability-in-the-second-quarter-2024/

6. Deloitte Report
   https://www2.deloitte.com/us/en/insights/industry/technology/technology-media-and-telecom-predictions/2024/consumer-audio-market-trends-predict-more-global-consumers-in-2024.html

7. Grand View Research
   Audiobooks Market Size, Share & Trends Report, 2030

8. Bookwire Spanish Markets Report
   https://www.bookwire.es/empresa/noticias/detalle/bookwire-presenta-su-informe-2023-sobre-el-sector-editorial-digital-en-espanol/

9. Spanish Markets Audio Language Map
   https://www.dosdoce.com/2024/01/25/the-spanish-language-markets-audio-industry-grows-75-in-one-year/

10. Publishers Weekly
https://www.publishersweekly.com/pw/by-topic/industry-news/publisher-news/article/94711-spanish-audio-surges-in-u-s-and-latin-america.html

11. German Market data
https://www.statista.com/outlook/amo/media/books/audiobooks/germany

12. Boersenverein Report
https://www.boersenverein.de/markt-daten/marktforschung/wirtschaftszahlen/

13. Audiobook Sales Channels in Europe
https://www.dosdoce.com/2024/03/11/200-audiobook-channels-operate-in-europe/

14. French Market Sofia Report
https://www.la-sofia.org/barometre-2024-des-usages-du-livre-imprime-numerique-et-audio/

15. Italian market Report
https://www.businesscoot.com/en/study/the-audiobook-market-italy

16. Italian market Report
https://www.engage.it/dati-e-ricerche/nielsen-iq-audioascoltatori-in-aumento-del-22-negli-ultimi-4-anni.aspx

17. USA Market data
https://www.statista.com/statistics/261185/number-of-audiobooks-published-in-the-us/

18. German Market data
https://www.statista.com/outlook/amo/media/books/audiobooks/germany

19. Reading Audio Readers, Karl Berglund (Bloomsbury, 2024)

20. Kantar Report
https://www.kantar.com/company-news/streaming-services-see-yoy-growth-with-music

21. Spotify Newsroom
Spotify Premium Will Include Instant Access to 150,000+ Audiobooks

22. Spotify Newsroom
https://newsroom.spotify.com/2024-07-23/spotify-reports-second-quarter-2024-earnings/

23. PWC Report
https://www.pwc.com/
https://www.pwc.com/gx/en/news-room/press-releases/2024/pwc-global-entertainment-and-media-outlook-2024-28.html

24. Loud Intelligence
https://www.loudintelligence.com/en/

25. The AI Revolution in Publishing by Thad McIlory
https://leanpub.com/ai-revolution-in-book-publishing/read#who-is-this-book-for

26. Bloomberg
https://www.bloomberg.com/news/newsletters/2024-05-02/audible-s-test-of-ai-voiced-audiobooks-tops-40-000-titles

27. Audible Newsroom
https://www.audible.com/about/newsroom/with-maven-audible-offers-first-ai-powered-search-for-audiobooks

28. RadioDays Europe
https://radiodayseurope.com/news/ai-expert-benjamin-biering-brings-his-expertise-to-rde2023/

29. ElevenLabs and Harper Collins
https://elevenlabs.io/blog/harpercollins-publishers

30. ElevenLabs Reader App
https://elevenlabs.io/text-reader

12. Credits

About Dosdoce.com and Javier Celaya

Dosdoce.com was created in March 2004 with the purpose of trying to better understand the digital era in which we live. Dosdoce's goal has been to encourage professionals in the creative industries to digitally transform their organizations to grow their activities through the benefits derived from the Internet.

Throughout these 20 years, Javier Celaya, founding partner of Dosdoce.com has advised leading companies in the digital economy such as Bookwire, Storytel, Podimo, DeMarque, Skeelo, Benetech, TheCopia, Bayard, among others. Dosdoce has also produced more than 300 studies on the use of new technologies in different areas of the cultural sector (business models, distribution strategies, digital content creation, etc.) and published thousands of articles to help professionals in the sector understand the opportunities offered by the internet.

Javier is Co-Academic Director of the Master in Editorial Management and Digital Marketing at the University of Alcalá in collaboration with the Escuela de Unidad Editorial (ESUE), as well as director of the course on "Content creation and audio sales for the publishing industry" at the Parix School.

About FRANKFURTER BUCHMESSE

Frankfurter Buchmesse is the international publishing industry's biggest trade fair and the most important international marketplace for content – from novels and audiobooks to academic databases and stories for films, games and virtual reality experiences. Publishing professionals from around the world meet here with partners from the technology sector and from related creative and cultural industries, sparking new partnerships and business models. Since 1976, the book fair has featured an annual Guest of Honour country, which showcases its book market, literature and culture to attendees in a variety of ways. Frankfurter Buchmesse organizes the participation of German publishers at international book fairs and hosts trade events throughout the year in major international markets. Frankfurter Buchmesse is a subsidiary of the Börsenverein des Deutschen Buchhandels (German Publishers & Booksellers Association).

Frankfurter Buchmesse 2024 will take place from 16 to 20 October. For more information and tickets, please visit www.buchmesse.de/en.

About Frankfurt Audio

Frankfurter Buchmesse's audio area – Frankfurt Audio – is all about the spoken word. Latest innovations, trends and services from the audio sector are presented by audio players and service providers in Hall 3.1 in Frankfurt. A programme of panels, talks and get-togethers at the fair in October provides the opportunity for audio and publishing professionals to connect and gain insights into different audio areas and markets. The book fair's Audio Ambassador helps to connect interested members of the publishing community with audio exhibitors at the fair.

For more detailed information about the audio area and events related to Frankfurt audio, please visit www.buchmesse.de/en/audio.

About the data partner - Bookwire & "Bookwire OS - One Solution"

Bookwire

Bookwire was founded in Frankfurt in 2010 as a service provider for publisher distribution of eBooks and digital content. It has since become one of the leading international businesses in digital publishing technology. Bookwire currently employs 150 people in Germany, the UK, Spain, France, Brazil, Italy and the USA, who take care of more than 3,000 publishers in the fields of eBooks, audiobooks, podcasts and Print-on-Demand. The pioneering software "Bookwire OS - One Solution" delivers, analyzes, and markets around 1,300,000 eBooks and 300,000 audiobooks in all relevant distribution channels. In addition to the latest customer analytics and pricing technology, publishing clients of Bookwire also have access to individual support from account & marketing managers who look after the clients from end to end. Bookwire is led by the founders Jens Klingelhöfer (CEO) and John Ruhrmann (Co-CEO), as as well as by Christian Lindemann (COO), and has branches in Barcelona, London, Milano, São Paulo, New York and Paris, in addition to the company headquarters in Frankfurt am Main and the "Digital Hub" in Dortmund.

Acknowledgments

Thanks to the many publishing houses and platforms that have provided data and/or insights to be able to create this report. Special thanks to Bookwire, as well to Audio Publishers Association (APA), International Publishers Association (IPA), Penguin Random House Group, Saga-Egmont, Hachette, HarperCollins, RBMedia, Dreamscape Publishing, Bayard Jeunesse, Madrigal, Lizzie Audio, Mondadori Libri, Emons Edizioni, Grupo Leya, Grupo Planeta, Hörbuch Hamburg, YouScribe, De Marque, BookBeat, BeatTechnology, Storytel, Sounded, Skeelo, EARS, among others.

Imprint

Bookwire data set period analyzed: 01.01.2023 – 31.12.2023.

Cover photo: Never-ending corridor (2006) by Nicolas Grosspierre. Courtesy of Alarcón Criado Gallery ©

Graphic Designer: Génesis Arriechi

Contact details:

Web: www.dosdoce.com
LinkedIn: www.linkedin.com/in/javiercelaya