

The Indisputable Gain of Confidence of the Publishing Market in Greece

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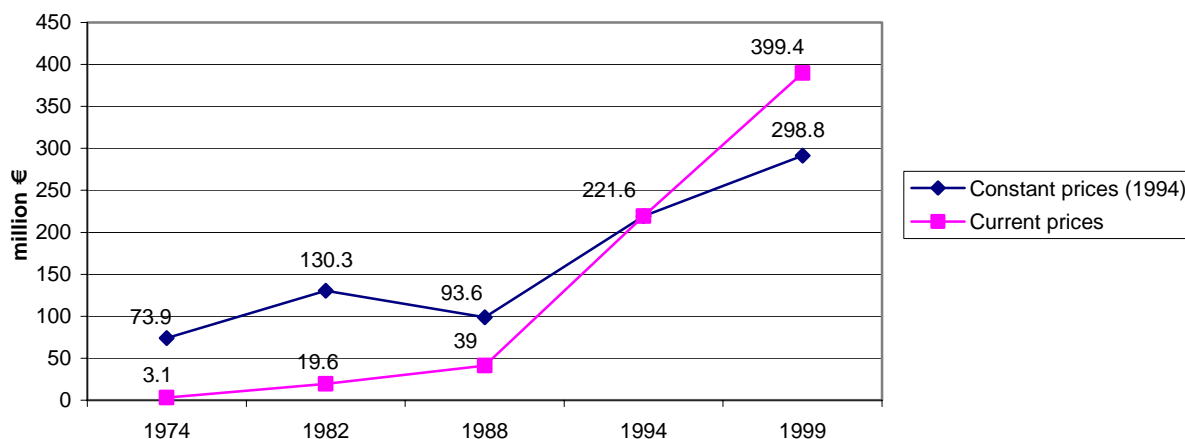
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The book market in Greece has led a continuous up-growing course over the past 30 years, that is to say, since the fall of the 1967-1974 military dictatorship, during and after the last years of which most of today's publishers were established. It was, however, during the decade of the 1990s that this upward trend took on a sharper curve, overturning the climate of fragility that had prevailed in the last half of the 1980s. Between 1988 and 1999, spending by Greek households rose tenfold in current prices and threefold in constant prices, according to research carried out by the Greek National Statistical Service. Other developments that have been recorded are the sharp increase in the number of new titles published each year between 1990 and 2001 (from fewer than 3,000 to 6,500-7,000 titles), the successful emergence of new businesses, the penetration in the book sector by major media groups and the gradual creation of booksellers' chains.

Chart 1
The evolution of consumer spending on books
1974-1999 (million €)



Source: National Statistical Service of Greece, Family Budget Surveys 1974, 1982, 1988, 1993/94, 1998/99, data processed by the Book Monitoring Unit of the National Book Centre of Greece

Total of households: 1974=2,636,676; 1982=2,997,450; 1988=3,132,888; 1994=3,244,766; 1998=3,396,767

* For the conversion of drs into Euros, the fixed parity 1 € =340.75 drs has been adopted, by assumption, for all years

The 22% increase, in constant prices, of the spending of Greek households on consumer goods between 1994-99, in combination with the expansion of the expenditure on education, defines the general framework within which the increase in book consumption takes place. Other factors determining that increase are the improvement in

the level of education, the widening of the readership, particularly among the young, the improvement of the average income level with the retention of inflation and the rise in GDP, effective advertising campaigns and the “impetus” given to the market by the development of new distribution channels and new, contemporary bookshops.

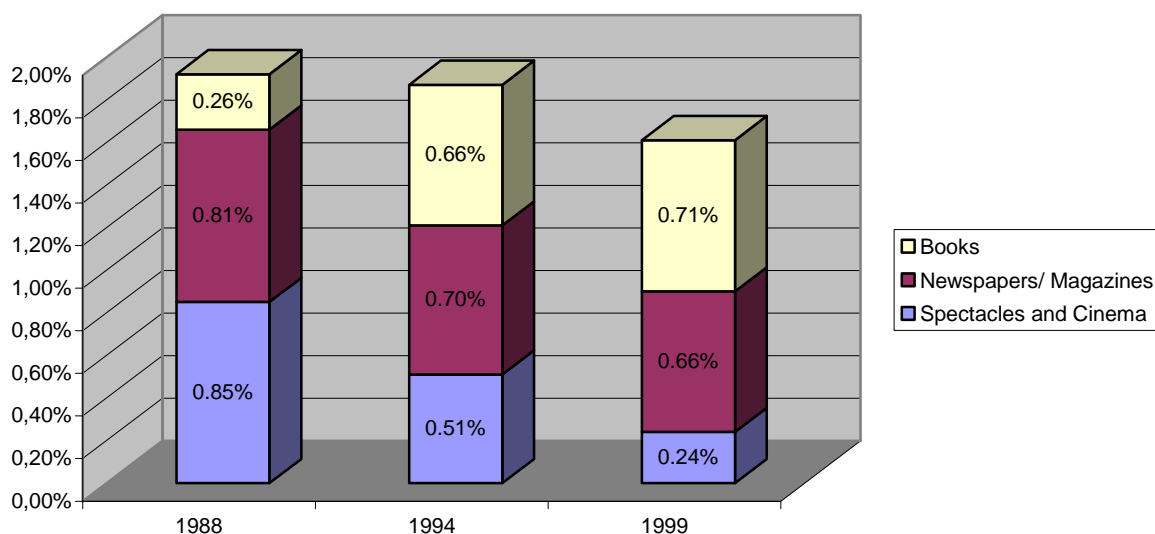
Nevertheless, the absolute value of the market remains low, indicating that there are still substantial margins for further growth. According to a 1999 survey, only 38% of the adult population spontaneously consider themselves as “book readers”. According to more recent data from a 2001 E.U. cultural survey (*Eurobarometer*), Greece ranks in the last places among the E.U. member-states regarding book reading. The level of private consumption, based on households’ spending, is equivalent to the price of two general trade books yearly, for every citizen aged over 15. Furthermore, the total of new titles published in Greece in 2002 is equivalent to less than approximately 5,5% of the total of new book titles published in the U.K., while, in comparison with other countries with similar linguistic and geographical restrictions (as, for example, in Scandinavia), the book production pro rata to the size of population is approximately 1:4.

Where is the Greek book market headed? How “true” is the picture of a flourishing cultural industry that results from the data? The consistently positive developments during the last decade provide a satisfactory framework and prepare the grounds for a healthy growth rate in the future. Yet at the same time one has to keep in mind the family structure of many of the companies and the range of organizational and technological restraints that result from it. Furthermore, the signs of a slight recession in the market appeared in the early 2000’s, affected by factors such as the persistent inflation rate at levels over 3%, the adjustment of the Greek Economy to the Euro, the high level of credit borrowing by households and the spectacular fall in the transaction index of the Athens Stock Market between 1999-2001 (following an equally abrupt increase between 1998-1999). Nevertheless, as an independent commentator says, “This is a market which, in a relatively short period of 27-28 years, has reached achievements such as the setting up of structures for a “mature” book market and the cultivation of a more-or-less systematic readership, which other markets took very much longer to achieve”.

Value of the book market

There are no sales data on the book market deriving directly from the production and/or distribution channels. Hence, any estimate of the value of the market has necessarily to be based on indirect data coming from household consumption, based on the “Family Budget” surveys of the National Statistical Service. According to data from these surveys, which were processed and presented by the National Book Centre, Greek household spending on books amounted to 399.4 million Euros in 1999, in current prices, compared to 221.6 million Euro in 1994, 39 million Euro in 1988 and 3.1 million Euro in 1974. This means that in 1999 Greek households spent, on average, 129 times more money, in current prices, for the purchase of books, and 4 times more in constant prices, in comparison with 1974.

Chart 2
Participation of spending on books, press/ magazines and spectacles
in an average household's spending, 1988-1999



Source: National Statistical Service of Greece, Family Budget Surveys 1988, 1993/94, 1998/99
Data processed by the Book Monitoring Unit of the National Book Centre of Greece

During the past five years, the mean annual increase in household spending was 12.5%, a percentage indicating that the growth in the book market is founded on sound bases. Nevertheless, in comparison with the first half of the 1990s, a relative slowing of the market was observed, since in the period 1988-1994 the mean annual increase of household spending was 35%, due mainly to the increased demand for school books. The most important factor that affected the increase in expenditure between 1994-1999 was, by contrast, the demand for trade books. As a percentage share in an average household's spending, book consumption increased from 0.26% in 1988 to 0.71% in 1999, outpacing the preference for newspapers, magazines, cinema and public spectacles.

Public expenditure on books

Book purchasing by the State in 2002 was estimated at 61.3 million Euro, of which 20 million Euro were spent on book purchasing by public libraries of all types, 25.8 million Euro for the "outsourcing" of the publication of university textbooks to commercial publishers and 15.5 million Euro for other book purchasing by various Ministries and public sector organisations. It should be noted that the total of the primary expenditure of the public sector on books recorded in the State Budget Accounts was 62.8 million Euro in 2002, as against 51.4 million Euro in 2001 (current prices), maintaining its percentage share at the level of 0.24%.

Book production: new titles

Recent data on book production in Greece show that the 6,000-title barrier was surpassed in 1999, after which increasing trends followed, according to data from the Greek books-in-print agency “Biblionet” (in 1998 5,795 new book titles were registered¹, in 1999 6,358 – an 9.7% increase –, in 2000 7,070 – a 11.2% increase in 2001 6,726- a 4.8% decrease, and in 2002 6,826 – a 1.5% increase).

Table 1
Book title production 1998-2002 by subject category*

	2002	2001	2000	1999	1998
GENERAL BOOKS	272	297	320	279	211
of which:					
-COMPUTERS & SOFTWARE	153	192	209	165	117
PHILOSOPHY-PSYCHOLOGY	296	282	347	290	263
of which:					
-PHILOSOPHY	170	166	225	176	160
-PSYCHOLOGY	126	116	122	114	103
RELIGION	234	204	258	227	237
SOCIAL SCIENCES	1.212	1.150	1.131	1.048	887
LANGUAGE	468	488	472	348	255
PURE SCIENCES	361	375	363	415	328
APPLIED SCIENCES	456	441	446	404	378
of which:					
- MARKETING & MANAGEMENT	83	86	70	83	76
FINE ARTS	324	391	390	464	416
LITERATURE	2.605	2.618	2.835	2.402	2.333
of which:					
-ADULT LITERATURE	1.551	1.596	1.609	1.385	1.380
-ANCIENT GREEK, BYZANTINE & ROMAN LITERATURE	84	70	65	52	102
-CHILDREN'S LITERATURE	970	952	1.161	965	851
HISTORY-GEOGRAPHY	598	480	508	481	487
of which:					
-HISTORY	357	326	335	302	326
-BIOGRAPHIES	124	103	90	82	71
-GEOGRAPHY, TRAVEL & TOURISM	117	51	83	97	90
TOTAL	6.826	6.726	7.070	6.358	5.795

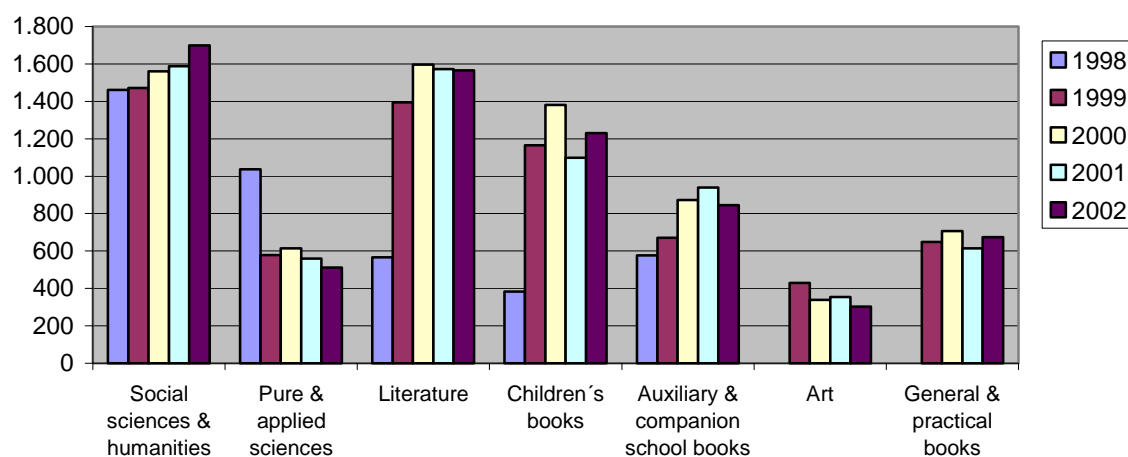
* According to the Dewey decimal classification system. Figures include only first editions (revised editions and reprints are not included)

Source: www.biblionet.gr, data last updated on 24.02.2004

¹ Including only the first editions and excluding the revised editions and the reprints, for which adequate data are not available.

Data last updated on 24.02.2004.

Chart 3
Book title production 1998-2002 by major subject categories



Source: www.biblionet.gr, data last updated on 24.02.2004

The first place in book production is held by non-fiction, which represents 61.8% (social sciences: 17.8%; history & geography: 9.1%), followed by adult literature: 22.7% and children's literature: 14.2% of the new book titles published in the five-year period 1998-2002. Children's literary fiction and novels' production increased during 1998-2002, in contrast to drama and poetry. 63.6% of the novels were translations, half of them from the English, while the equivalent percentages for drama and poetry were 55.1% and 10.6% respectively. The trends noted in the international publishing market are putting a "pressure" on the Greek market, since the total number of new titles published in Greece during the 80s and 90s amounted to only 70,000, a number equivalent to 2.8% of the English language books-in-print. The stabilization of the number of book titles published after 2000 at a level of 6,700-7,000 titles, however, constitutes a phenomenon of an independent significance, reflecting a possible temporary "stagnation" of the market.

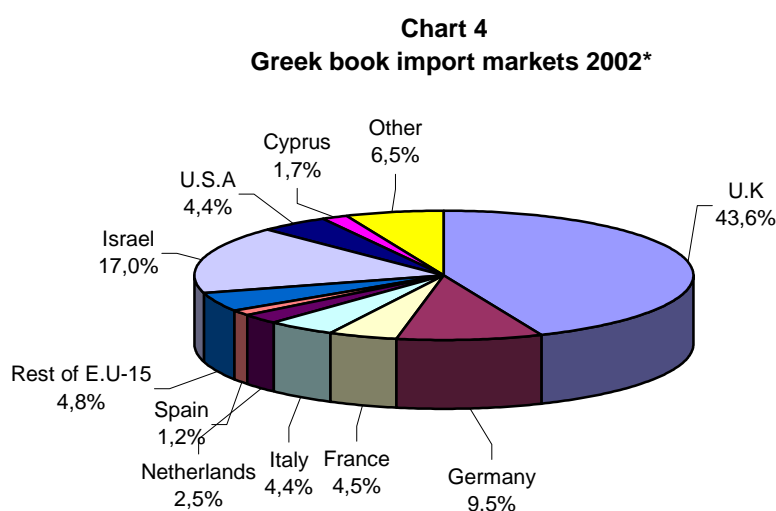
Prices of books

As far as the evolution of prices is concerned, according to data produced by the National Statistical Service, the average book prices increased by 3.5% between 2001-2002, compared to 1.7% between 2000-2001, 0.98% during the period 1999-2000 and 3.9% during the period 1998-99. The increase in the price of books is lower than that of the General Price Index after 1999, which increased by 3.6%, 3.3%, 3.2%, 2.6% and 4.8% respectively, following the general trend of holding down prices and controlling the inflation rate. This is due to holding down the increase in the prices of all categories of books. In spite of this, foreign language textbooks and companion and auxiliary schoolbooks have contributed, comparatively, to the rise in prices to a greater extent, in contrast with fiction books which show almost no increase at all, at a period which

coincides chronologically with the implementation of the RPM (*Retail Price Maintenance*) Law for books.

Imports and exports

A glance at the country's export trade offers an equally optimistic picture. Book imports show an upward trend, since the value of imports increased by 12% between 2002-2001 (51.9 million Euro in 2002, compared to 46.4 million Euro in 2001, 53.7 million Euro in 2000, 53.3 million Euro in 1999 and 49.1 million Euro in 1998, in importers' prices). The largest import countries of origin are the United Kingdom (44%), Israel (17%), Germany (9.5%) and France (4.5%).



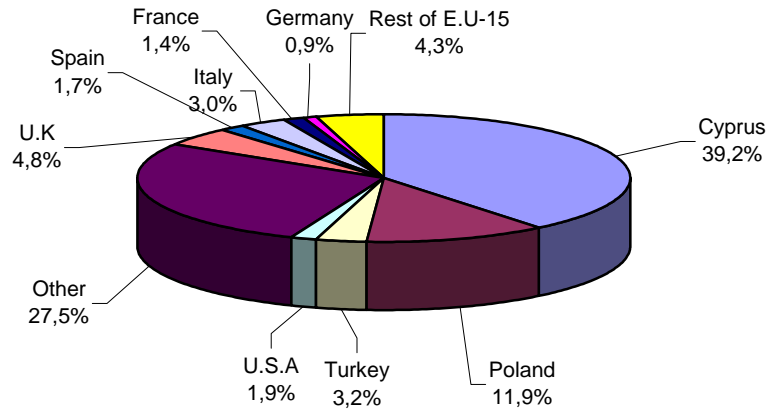
**Note: Temporary data of the National Statistical Service of Greece*

Source: National Statistical Service of Greece/Department for Industry and Foreign Trade.

Data processed and printed by the Book Monitoring Unit of the National Book Centre of Greece

Book exports represent less than 1/3 of the value of imports; however, they show a continuous increase in recent years – 17% between 2002-2001 –, thus tending to reduce the difference between imports and exports. The greatest proportion of exports goes traditionally to Cyprus (39%), to the United Kingdom (5%), the USA (2%) and other countries with significant Greek communities, but also to new markets such as Poland (12%) and Turkey (3%), for Greek books in translation, mainly ELT. The complicated procedures usually involved in the export of books to non- E.U. member states form an important obstacle to Greek exports, in combination with the diminishing demand for Greek language books in countries where 2nd and 3rd generation descendants of Greek immigrants live.

Chart 5
Greek book export markets 2002*



*Note: Temporary data of the National Statistical Service of Greece

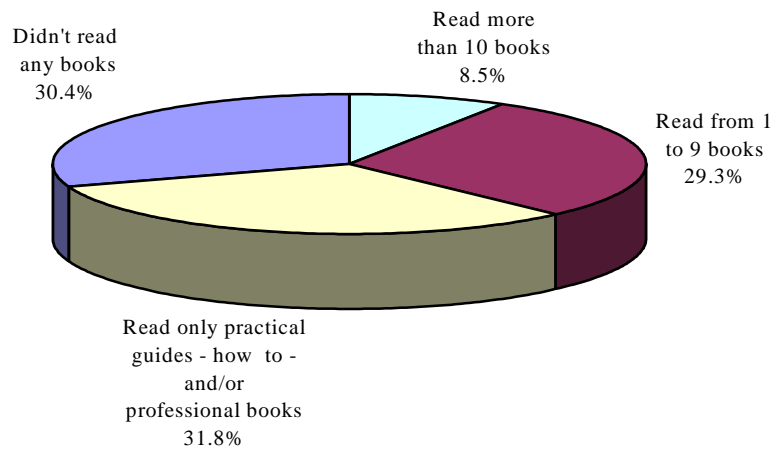
Source: National Statistical Service of Greece/Department for Industry and Foreign Trade.

Data processed and printed by the Book Monitoring Unit of the National Book Centre of Greece

Reading behaviour

Are the books that are purchased actually read? According to the *Survey on reading behaviour* carried out by the National Book Centre and the V-PRC Institute in 1999, there is a close interrelation between reading behaviour and consumer behaviour in the rest of the cultural fields. All the same, only 37.8% of the population aged over 15 answered spontaneously that they were “book readers”, and only 8.5% stated that they read more than 10 books a year. The proportion of medium to systematic readers represents a number of about 700,000, who, it is calculated, consume approximately 7 million books per year, while the 2.4 million “weak” readers are calculated to consume another 8 million books, according to conservative estimates. Of the rest of the public investigated in the survey, after a second question 31.8% said that they only consult “practical” guides, coffee-table, do-it-yourself and/or professional books, with an undetermined frequency, while the remaining 30.4% said that they never read books at all. The implementation of a new Survey on reading behaviour, which was carried out between December 2003 and February 2004, will provide new data on the above-mentioned figures.

Chart 6
Readership breakdown according to
the number of books read within 12 months



Sample: 3,807 persons
Field study: 1999

In spite of the increased interest in books shown by the Greeks, the indices reported above are the lowest among the E.U. member states. According to various national statistics, the reading public corresponds to 85% of the adult population in Sweden, to 76% in the United Kingdom, to 75% in France, to 45% in Spain and to 42% in Italy. Taking into account that, in spite of the fact that publishing is flourishing, the number of the pro rata book titles is also low, there are still opportunities for the development of the reading public.

The publishing industry

The *Survey on Greek Publishers* carried out by the National Book Centre in 1999, confirmed the profile of the Greek publisher as a traditional, family-based company, often under-capitalised and under-funded, facing distribution problems and lacking economies of scale, necessary if one is to take advantage of the new technologies. Nevertheless, the preservation of cultural diversity in the field of publishing, the survival of small publishing houses and the in-print maintenance of less popular books correspond, perhaps, to the degree of pluralism and democracy in a country. The establishing of the Retail Price Maintenance Law for books in 1997 has helped this, by protecting the profit margins of small publishing houses against the large booksellers, who were excessively discounting their prices to the public.

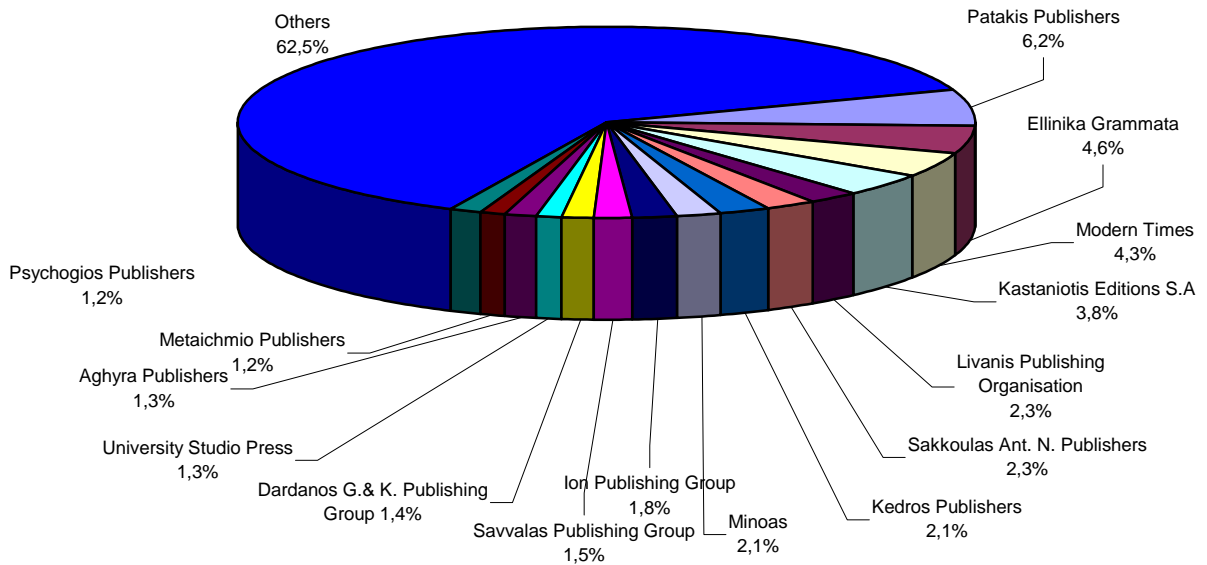
The general increase in the market is considered to create favourable conditions for all categories of books, and especially for non-fiction, knowledge and information and professional training books. At the same time, the publishing industry is in a process of restructuring, with a small number of larger companies modernising to be the absolute market leaders, and with some examples of small publishers' acquisitions by larger ones or by media groups.

Table 2
The 15 leading Greek publishers during 1998-2002,
according to book title production*

	Total of period	2002	2001	2000	1999	1998	Overall % period
Patakis Publishers	2.022	324	407	468	460	363	6,2%
Ellinika Grammata	1.513	291	311	533	229	149	4,6%
Modern Times	1.395	148	318	388	338	203	4,3%
Kastaniotis Editions S.A	1.255	192	259	280	267	257	3,8%
Livanis Publishing Organisation	742	168	144	162	145	123	2,3%
Sakkoulas Ant. N. Publishers	739	156	174	142	131	136	2,3%
Kedros Publishers	695	197	174	108	100	116	2,1%
Minoas	689	142	103	143	157	144	2,1%
Ion Publishing Group	601	79	109	112	163	138	1,8%
Savvalas Publishing Group	503	179	128	64	67	65	1,5%
Dardanos G.& K. Publishing Group	458	88	85	91	110	84	1,4%
University Studio Press	433	93	98	98	74	70	1,3%
Aghyra Publishers	426	78	99	80	63	106	1,3%
Metaichmio Publishers	404	179	95	70	33	27	1,2%
Psichogios Publishers	402	84	97	96	59	66	1,2%
Subtotal	12.277	2.398	2.601	2.835	2.396	2.047	37,5%
Others	20.498	4.428	4.125	4.235	3.962	3.748	62,5%
Total	32.775	6.826	6.726	7.070	6.358	5.795	100,0%

* Figures include only first editions (revised editions and reprints are not included)
Source: www.biblionet.gr, data last updated on 24.02.2004

Chart 7
Publishers' share in book title production*



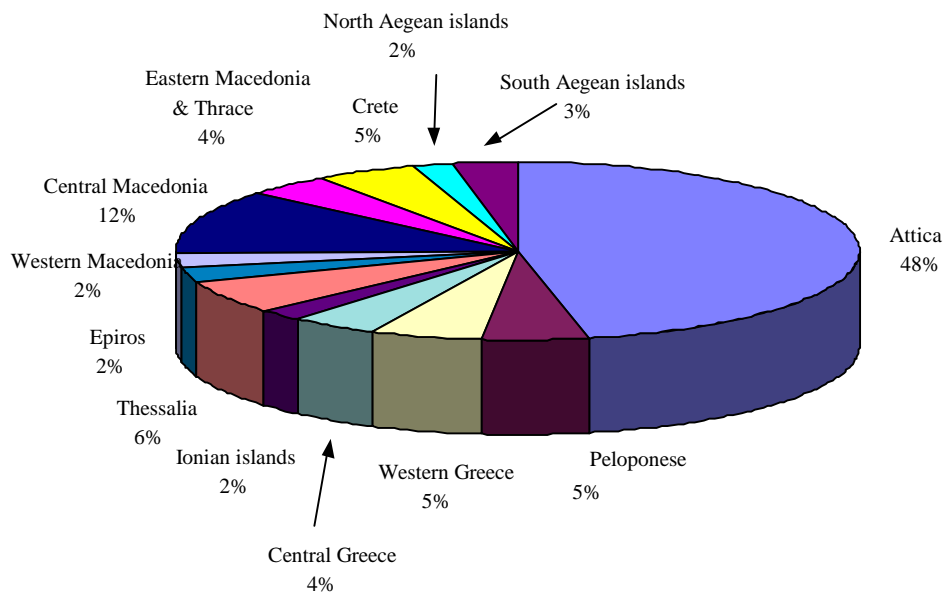
* The chart refers to the cumulative title production 1998-2002
Source: www.biblionet.gr, data last updated on 24.02.2004

According to data from the books-in-print database of “Biblionet”, 141 businesses publish more than 10 book titles yearly. The five largest publishers produce approximately 21% of the total number of book titles yearly, while the fifteen largest are responsible for 37% of the title production.

Distribution/retail

Greek books are distributed through 2,000 bookstores and another 1,500 “point-of-sale” outlets (press agencies, supermarkets, kiosks, etc, while there is a total of 11,000 point-of-sale outlets for newspapers and magazines). These figures determine the low degree of concentration in the retail sales channel, the two largest chains, *Papasotiriou* and *Eleftheroudakis* amounting to no more than 20-22 branches. Even a recent co-operation venture between a large bookseller and the major foreign press distributor (*Hellenic*), does not amount to more than 40 branches nationwide (*News Stand*). Only two hundred and seventy six bookstores are “pure”, selling exclusively books, according to the National Book Centre’s data included in its web site. The types of books that rank higher in the sales of most mixed bookstores are companion and auxiliary school books, foreign language textbooks, children’s books and mass market fiction, mainly in the form of best sellers, while, by contrast, the types of books that rank higher in the sales of pure bookstores include literary fiction, children’s books, social and pure science books and textbooks.

Chart 8
Geographical distribution of Greek bookstores



Source: National Book Centre of Greece, Book Monitoring Unit: Survey on Greek bookstores, 1997

Overseas providers and/or clients are putting pressure on the larger retailers to modernise by digitising their catalogues, adapting to electronic ordering systems and to the use of enhanced *Enterprise Resource Planning (ERP)* and *Customers Relations Management (CRM)*. The National Book Centre together with a number of key players –publishers and booksellers– has undertaken a similar initiative, in order to establish a vertical e-marketplace in the industry based on the Biblionet database, called “Bibliagora”.