TAICCA
TAIWAN
CREATIVE
CONTENT
AGENCY
文化內容策進院

ISBN 978-986-532-491-9

2020 I

2020

Taiwan Cultural Content Industries Survey Report

Book •

Magazine •

Comic •

Original Images

Industries

TAICCA 文化內容策進院
TAIWAN CREATIVE CONTENT AGENCY

I

TAICCA TAIWAN CREATIVE CONTENT AGENCY

CONTENTS

00 INTRODUCTION

01 SPOTLIGHT

02 OVERVIEW

CONTENTS

List of Tables

03 FORECAST

List of Figures

List of Figures

List of Figures

Introduction

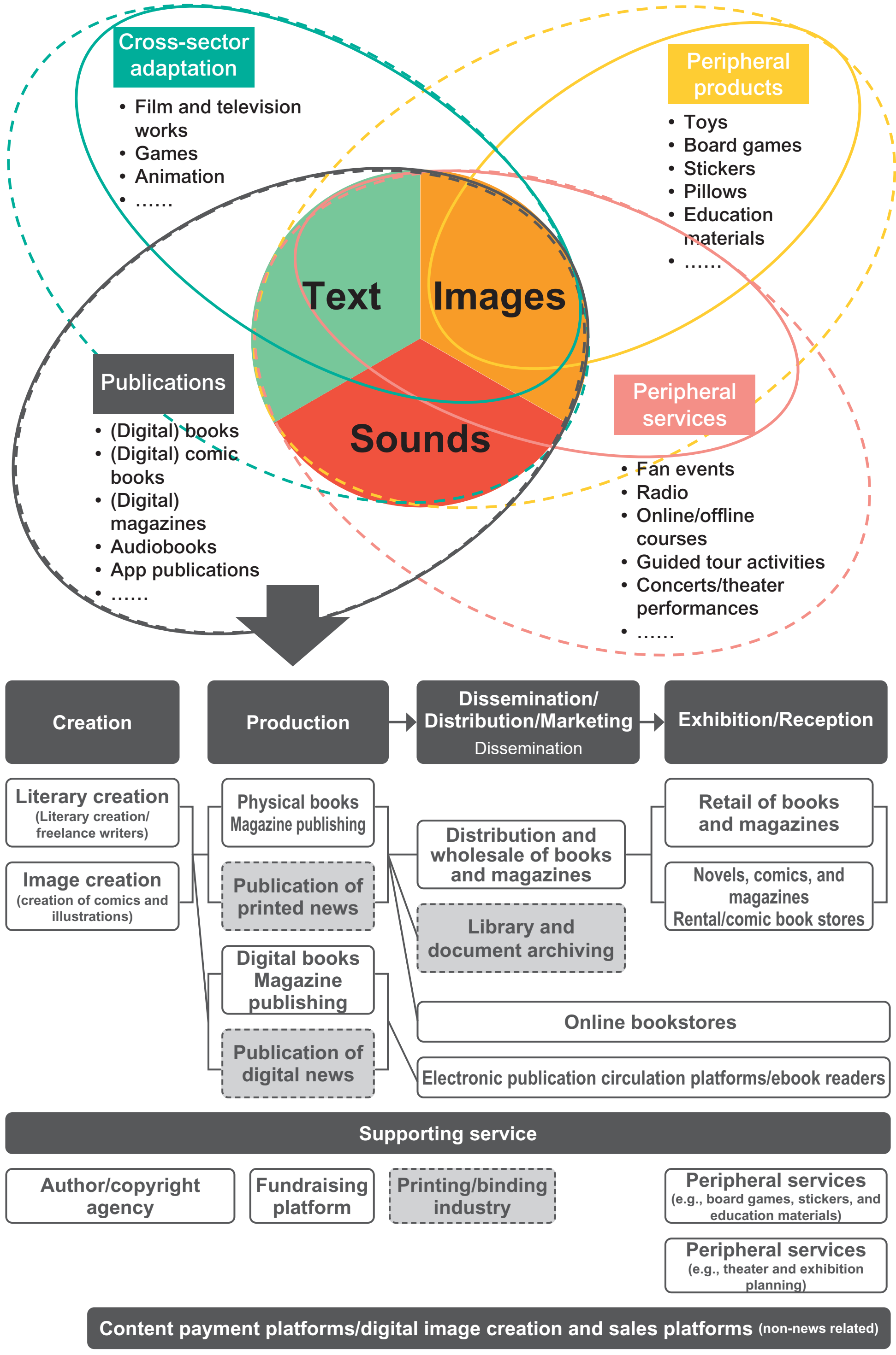
1. Scope of the Survey

This report was created in order to accurately reflect the current cultural content industry in Taiwan. It provides the government and the industry with the latest cultural content industry development trends and serves as a basis for the establishment of industry development goals and the implementation of policies. Taiwan Creative Content Agency (TAICCA) consolidated the Ministry of Culture's industry survey projects into the Cultural Content Industry Survey Project in 2020, and divided the industry surveys into four separate volumes according to their industry relevance, including the "Books, Magazines, Comics, and Original Graphics Industries," "Motion Picture, Television, Animation, and Radio Industries," the "Popular Music Industry," and the "Games and E-sports Industries."

This volume is the first volume of the 2020 Cultural Content Industry Survey Project, which covers the book, magazine, comic, and original image industries. Due to the increased diversity in current digitalization trends which created diverse forms of publishing, images and sounds have gradually become important formats for delivering content. The scope of the survey also included related activities in other industries such as the development of merchandise and cross-sector adaptation of content IPs.

The scope of the survey this year is based on the scope of industries specified in the "Taiwan Cultural & Creative Industries Annual Report" and includes creations and writing activities derived from upstream creativity. Midstream production includes publishers responsible for editing and publishing printed and electronic publications and printing companies responsible for typesetting, printing, and binding. Midstream and downstream dissemination includes the wholesale circulation of books and magazines, as well as electronic publication circulation platforms. Downstream exhibition/reception entities include retail, rental, and ebook reader companies, and libraries. In addition, the supporting services include author/copyright agencies, content creation and payment/fundraising platforms, printing industry, and exhibition planning.

In terms of the actual targets of the survey, different survey methodologies were adopted due to the different number of companies in each subindustry. In the survey this year, targets were divided into two categories, which were subjects in either the "qualitative and quantitative survey" or "primarily qualitative survey". The targets in qualitative and quantitative surveys included book publishers, magazine publishers, physical stores, online stores, digital publication circulation and sales platforms, and illustration agencies (including independent illustration agents). In addition, targets in primarily qualitative surveys included comic book publishers, distributors, authors and copyright agencies, comic book rental stores, fundraising platforms/content payment platforms, and digital image creation and sales platforms.



Description: 1. The gray areas indicate that the industry or business model is part of the industry chain but has not been included in the scope of the survey and statistics.
2. The merchandise and peripheral services mentioned here mainly refer to business activities in which upstream publishers authorize or extend development to downstream entities, but not surveys of industries related to the production of peripheral products (e.g., board game stores).
Source: Created by this survey.

Figure 0-1 Scope of the industry and survey

2. Chapter Overview

“2020 Cultural Content Industry Survey Project I: The Book, Magazine, Comic, and Original Image Industries” is split into three chapters. Chapter 1 is a spotlight on significant and relevant statistical results of the survey that are of interest to the industry. Chapter 2 is an overview of the results of surveys conducted on the books, magazines, comics, digital publication, publishing marketing channels, and original image and illustration agency industries. In addition to actual ISBN publishing for the year, the publication of all types of works, pricing, and discounts, it also includes the number of companies, manpower, revenue, and revenue structure of each subindustry. Chapter 3 contains a forecast of possible trends and future prospects of the industry based on the current cross-sector development, IP licensing, and digital development in the industry.

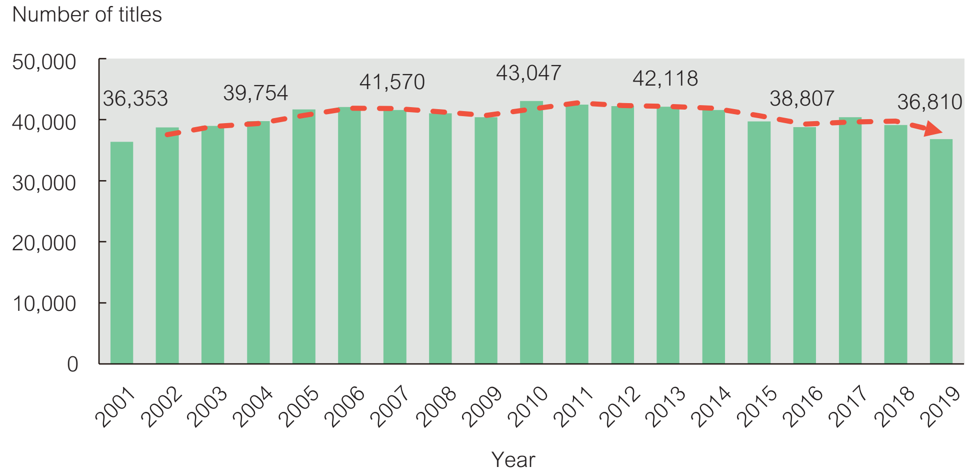
To learn more about the business conditions of the book, magazine, comic, and original image industries and gain additional information on the development of the industry, the survey adopted the contents and results of the “Taiwan Publishing Industry Survey” conducted by the Ministry of Culture, and made adjustments in survey plans in response to digital development trends and issues of concern to companies. In general, the survey sought to explore the overall conditions in the scope of the industry and conducted quantitative and qualitative surveys on publishing, channels, and other peripheral industries. The core items of the survey included the actual scale of the industry, revenue and business models, IP licensing trends, and digital development trends. The results are provided to related government agencies, Taiwan Creative Content Agency, and professionals in the industry as reference for future policy formulation and information on the current state of development in the industry.

Spotlight

01

● 1. Number of titles in ISBN publishing applications in 2019

The number of applications for the International Standard Book Number (ISBN) has not been able to reliably show the number of titles of new book publications in the year because ISBNs applied for by publishers may not necessarily mean that the books are published in the same year. However, a year-by-year comparison can still be used to observe changes in the publication capacity of books in Taiwan. According to the data provided by the ISBN Center of the National Central Library, 36,810 applications were filed by domestic publishers in 2019. It was a 5.89% decline from 39,114 applications in 2018 and the first time the number of new books in a given year fell below 37,000 since the publication of 36,353 books in 2001.



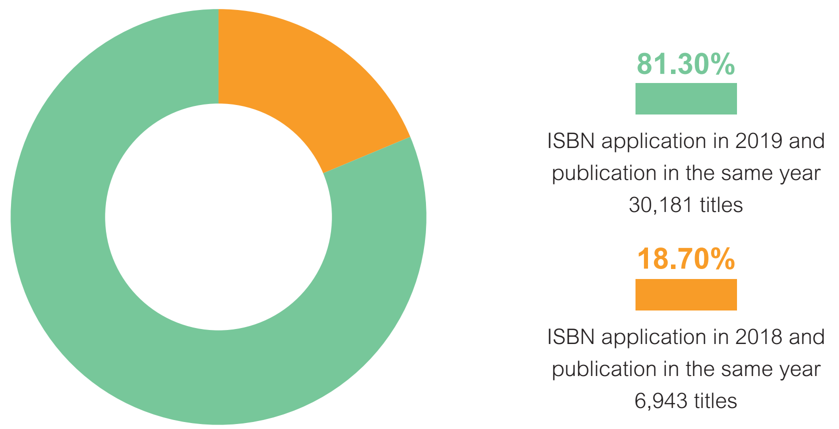
Description: Data after 2012 were added by the survey.
Source: National Central Library, data created by this survey.

Figure 1-1 Number of titles of books with ISBN application in Taiwan from 2001 to 2019

● 2. Number of titles in actual publications in 2019

An inventory and comparison of ISBN data and the books offered on the top four online bookstores (Books.com.tw, Eslite, Kingstone Book, and San Min Book)[1] in 2018-2019 showed that "ISBN application in 2019 and publication in the same year" accounted for 81.99% of all applications. Based on this ratio, 30,181 titles among all ISBN applications in 2019 were published. If the 6,943 new titles classified as "ISBN application in 2018 but publication postponed to 2019" are included, the total estimated number of new titles published in 2019 would be 37,124 titles (35,520 printed books and 1,604 ebooks and digital publications).

In addition, an inventory of the ebooks sold on Books.com.tw and Rakuten Kobo Ebook Store showed that 9,967 new titles were offered in 2019. They included 369 "native ebooks" (3.7%) which consisted mainly of self-published works on Rakuten Kobo Ebook Store.



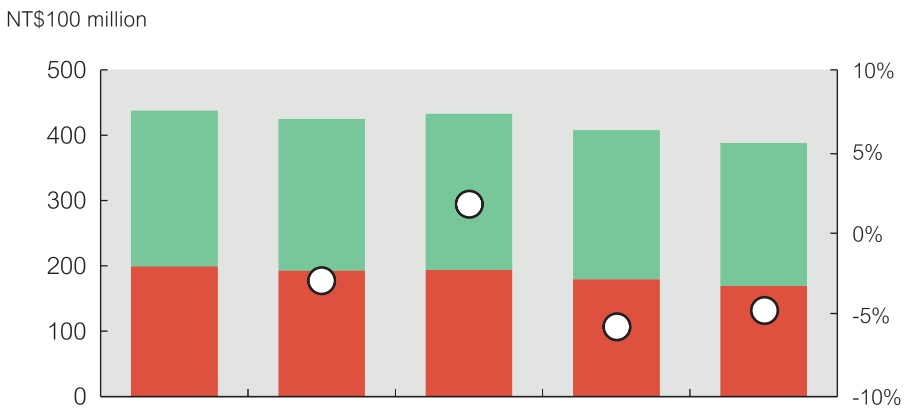
Description: There were 37,124 titles in total.
Source: This survey.

Figure 1-2 Estimated number of new books published in Taiwan in 2019

1. The top four online bookstores used for the inventory of printed books were Books.com.tw, Eslite, Kingstone Book, and San Min Book. The top four online bookstores used for the inventory of printed magazines were Books.com.tw, Eslite, Kingstone Book, and TAAZE.

● 3. Scale of the book publishing industry in Taiwan in 2019

The overall revenue from books (old and new books) of the “publishing sector” for books in Taiwan in 2019 was NT$16.91418 billion, which was a 5.78% decline compared to 2018 (NT$17.95173 billion). The overall revenue from books (old and new books) of the “retail sector” for books in Taiwan was NT$21.92739 billion, which was a 3.91% decline compared to 2018 (NT$22.820 billion). The total revenue from the publication of books in Taiwan in 2019 was NT$38.84157 billion, which was a 5.73% decline compared to 2018 (NT$40.77173 billion).



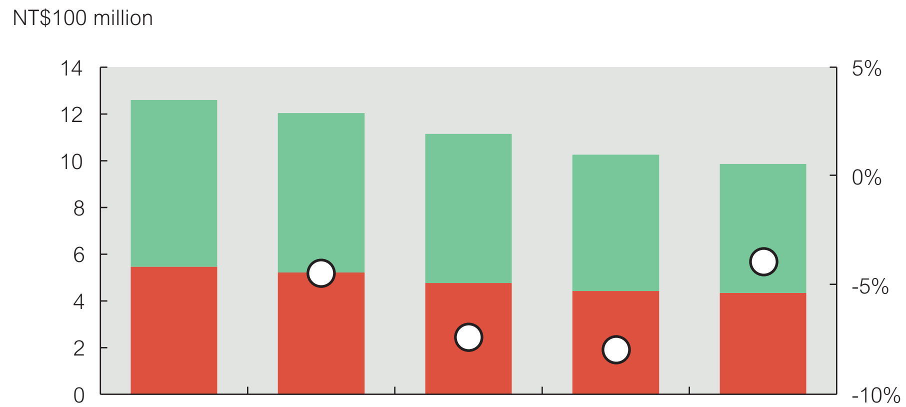
	2015	2016	2017	2018	2019
■ Retail revenue	238.50	232.09	238.51	228.20	219.27
■ Publishing revenue	199.25	192.92	193.99	179.52	169.14
Total revenue	437.75	425.01	432.50	407.72	388.42
● Growth rate (%)		-2.91%	1.76%	-5.73%	-4.73%

Source: This survey.

Figure 1-3 Development trends of the scale of the book publishing industry in Taiwan

● 4. Scale of the comic book publishing industry in Taiwan in 2019

The overall revenue from printed comic books (old and new books) of the “publishing sector” for comic books in Taiwan in 2019 was NT$433.97 million, which was a 1.88% decline compared to NT$442.27 million in 2018. The overall revenue from printed comic books (old and new books) of the “retail sector” for comic books was NT$551.66 million, which was a 5.49% decline compared to NT$583.71 million in 2018. The total revenue from the publication of comic books in Taiwan in 2019 was NT$985.63 million, which was a 3.93% decline compared to 2018 (NT$1.02599 billion).



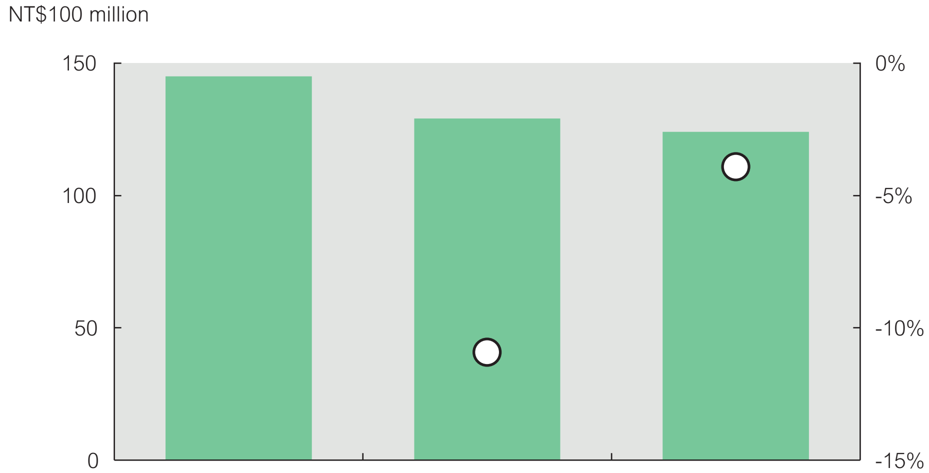
	2015	2016	2017	2018	2019
■ Retail revenue	7.14	6.82	6.38	5.84	5.52
■ Publishing revenue	5.46	5.22	4.77	4.42	4.34
Total revenue	12.60	12.04	11.15	10.26	9.86
● Growth rate (%)		-4.46%	-7.40%	-7.97%	-3.93%

Source: This survey.

Figure 1-4 Development trends of the scale of the comic book publishing industry in Taiwan

● 5. Scale of the magazine publishing industry in Taiwan in 2019

Revenue from magazine subscriptions in Taiwan in 2019 was NT$6.99987 billion; revenue from direct sales channels was NT$2.21491 billion; and revenue from distribution channels was NT$3.1935 billion. Total revenue from printed magazine publishing in Taiwan in 2019 was NT$12,482.8 million, a decline of 3.92% compared to 2018.



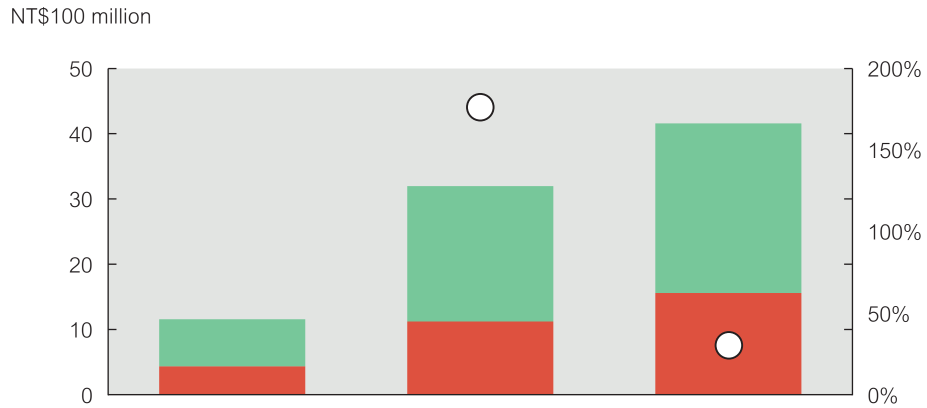
	2016	2018	2019
■ Revenue from magazine publishing	144.99	129.14	124.08
● Growth rate (%)		-10.93%	-3.92%

Description: No revenue projection was made for the magazine publishing industry in 2017, and the base period for comparing the magazine revenue growth rate in 2018 is based on data from 2016.
Source: This survey.

Figure 1-5 Development trends of the scale of the magazine publishing industry in Taiwan

● 6. Scale of the digital publishing industry in Taiwan in 2019

The revenue from the “publishing sector” of digital publications in Taiwan in 2019 was NT$1.55892 billion (NT$984.87 million from ebooks, NT$27.6 million for digital comics, and NT$546.45 million from digital magazines), an increase of 39.14% compared to 2018 (NT$1.12042 billion). The revenue from the "retail sector" of digital publications (digital platforms) was NT$2.59818 billion (NT$1.64445 billion from ebooks, NT$45.99 million from digital comics, and NT$910.74 million from digital magazines), an increase of 25.22% compared to 2018 (NT$2.07485 billion). The total revenue from digital publications in Taiwan in 2019 was NT$4.1571 billion, which was a 30.10% increase compared to 2018 (NT$3.19527 billion).



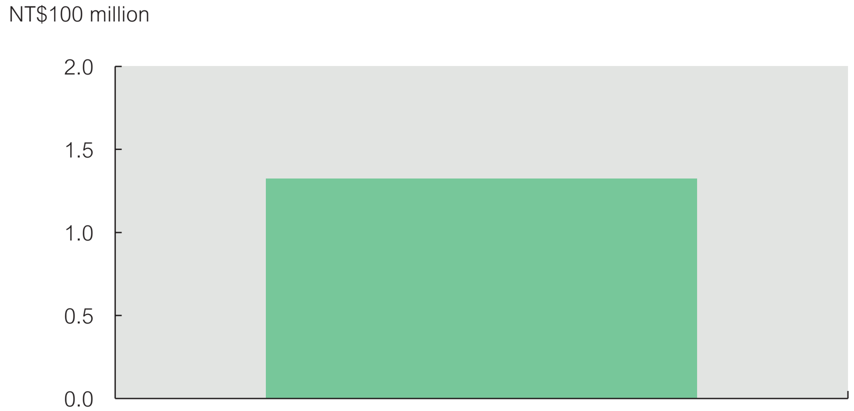
	2016	2018	2019
■ Retail revenue	7.23	20.75	25.98
■ Publishing revenue	4.34	11.20	15.59
● Total revenue	11.57	31.95	41.57
Growth rate (%)		176.16%	30.10%

Description: No revenue projection was made for the digital magazine publishing industry in 2017, and the revenue from overall digital publications in 2017 was not shown. The base period for comparing the growth rate of overall digital publications in 2018 is based on data from 2016.
Source: This survey.

Figure 1-6 Development trends of the scale of the digital publishing industry in Taiwan

● 7. Original images in Taiwan in 2019: Scale of the illustration agency industry

The estimated scale of the original images industry in Taiwan in 2019 was calculated based on the revenue of the illustration agencies and questionnaires for obtaining information on their revenue. The data showed that the scale of the original images and illustration agency market in Taiwan in 2019 was approximately NT$132.51 million.



	2019
■ Scale (NT$100 million)	1.33

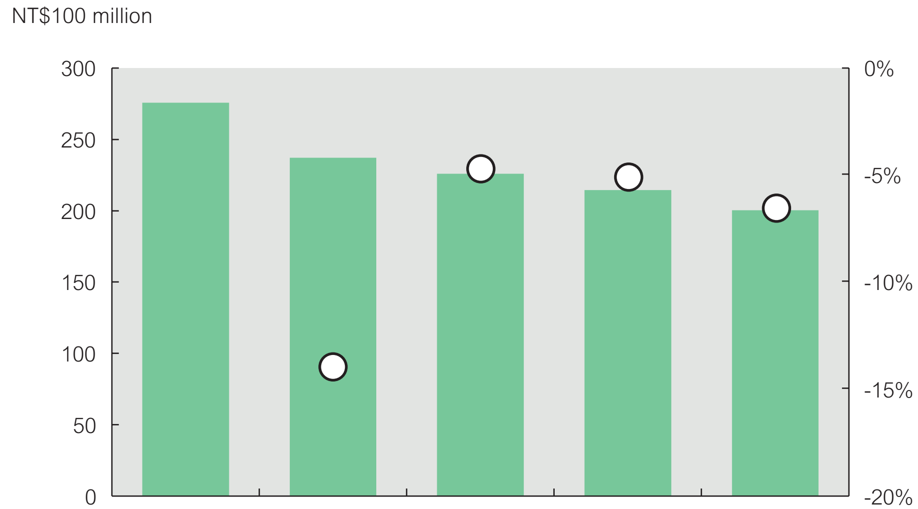
Description: 1. The scale of the original image creation industry in Taiwan is calculated based on the revenue structure of the illustration agencies.
2. This industry is included in the survey for the first time and a comparison with data from other years cannot be implemented.

Source: This survey.

Figure 1-7 Original images in 2019: Scale of the illustration agency industry

● 8. Scale of publishing marketing channels in Taiwan in 2019

The scale of the printed books market (including comic books) of the book publishing sector (old and new books) in Taiwan in 2019 was approximately NT$20.03732 billion, a slight decrease of 6.5% compared to NT$21.44447 billion in 2018.



	2015	2016	2017	2018	2019
■ Revenue (NT$100 million)	275.67	237.18	225.98	214.44	200.37
● Growth rate		-13.97%	-4.72%	-5.11%	-6.56%

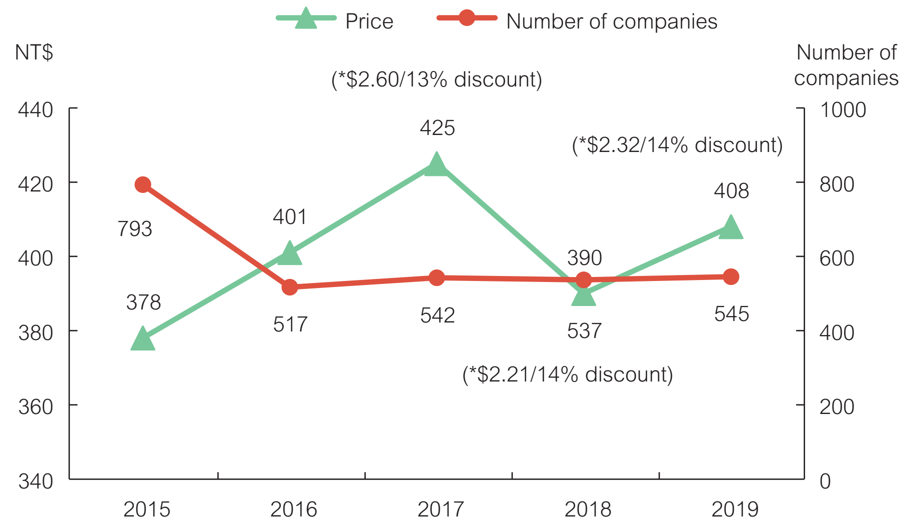
Description: 1. The revenue of publishing marketing channels only represents the revenue from the sales of printed books in traditional physical bookstores and online bookstores in the year. It does not represent the entire revenue from the publication of books and comics in retail. Therefore, it does not include sales revenue from direct sales by publishers, exports, sales by publishers in online communities, libraries, and education markets.
2. The revenue of publishing marketing channels already excluded the sales revenue of traditional physical bookstores and online bookstores for products that are not printed books such as stationery, cultural and creative products, food and beverages, and consumer electronics.
3. The revenue of publishing marketing channels has been included in the retail revenue of the aforementioned book publishing and comic book publishing sectors, and therefore should not be aggregated with the revenue of other subindustries.

Source: This survey.

Figure 1-8 Development trends of the scale of publishing marketing channels in Taiwan

● 9. Number of book publishers, pricing, discounts, and past development trends

The statistical population of book publishers in the most recent five years was mostly the same with approximately 540 publishers and 545 publishers in 2019 (including comic book publishers). The prices of books in all categories continue to increase and reached a peak of NT$425 in 2017 (with an average single-page price of NT$2.60) and dropping slightly to NT$408 in 2019 (with an average single-page price of NT$2.32). In terms of discounts, the average discount for all categories of books in 2019 was 14% and the mode number of discounts was 10%, which was the same as 2018.

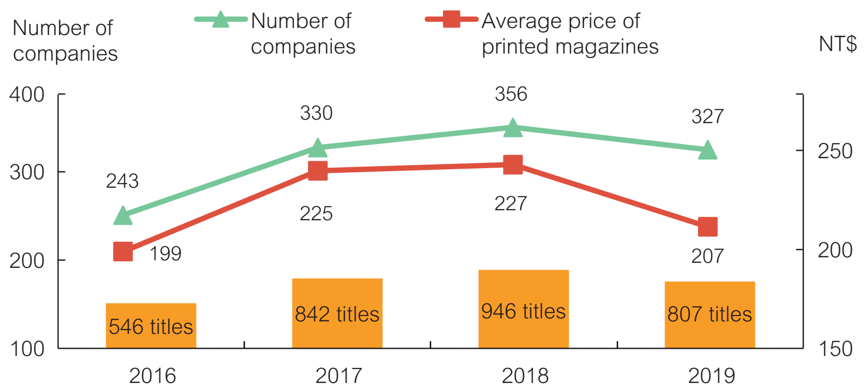


Description: *Average single-page price.
Source: This survey.

Figure 1-9 Number of publishers, pricing for all categories of books, and past development trends

● 10. Number of magazine titles, pricing, number of publishers, and past development trends

The magazines (including special editions, back issue publication, and irregular publications) offered on the top four online bookstores (Eslite, Kingstone Book, TAAZE, and Books.com.tw)[2] in 2019 totaled 807 titles, which was a decline compared to 2018. If special editions, re-issues of back issues, and irregular publications are excluded, 404 different magazines were offered in the stores in 2019 (compared to 479 in 2018).



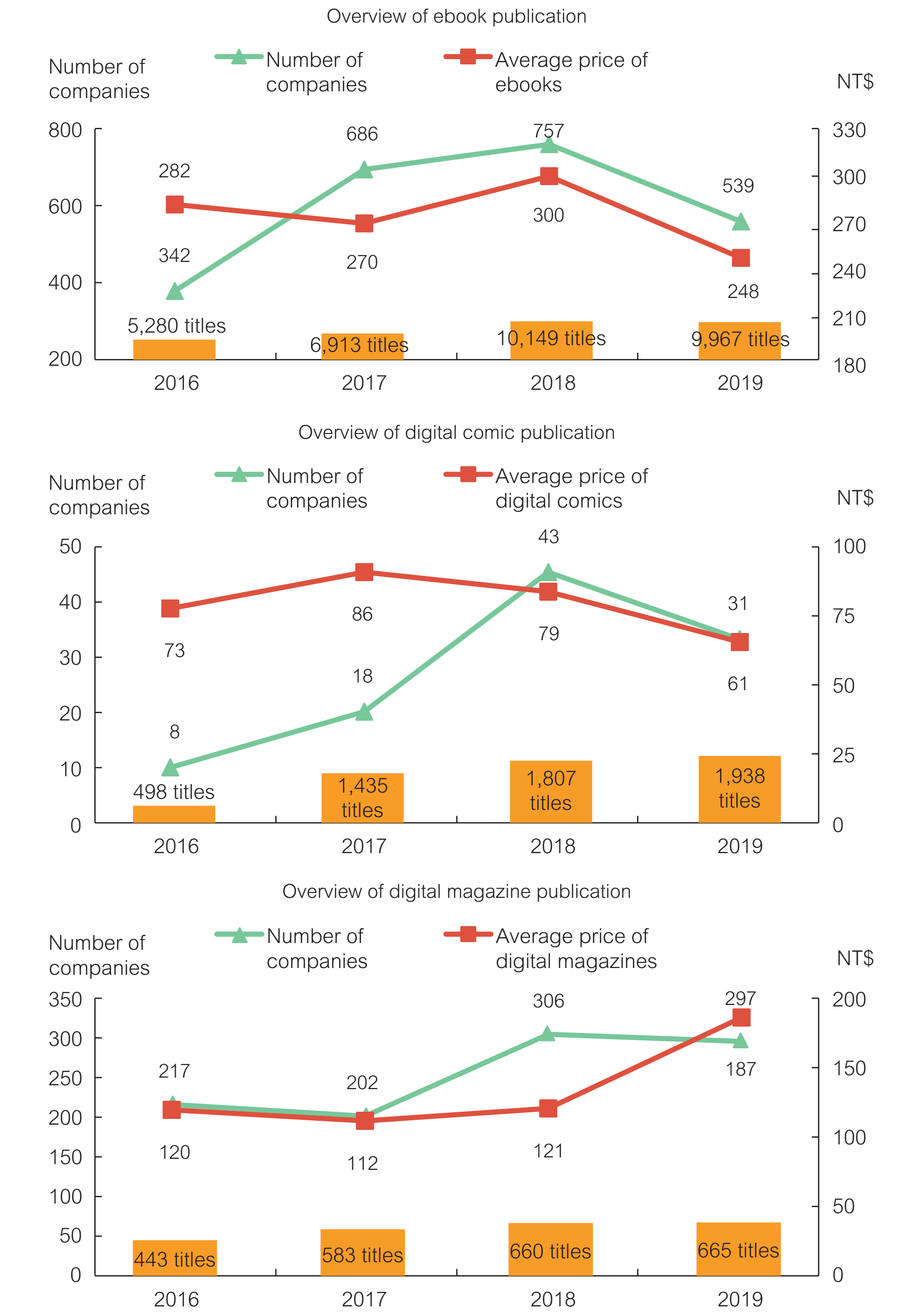
Source: This survey.

Figure 1-10 Development trends of the publication of printed magazines in Taiwan

2. The top four online bookstores used for the inventory of printed books were Books.com.tw, Eslite, Kingstone Book, and San Min Book. The top four online bookstores used for the inventory of printed magazines were Books.com.tw, Eslite, Kingstone Book, and TAAZE.

11. Publication of digital publications in Taiwan

The publication of digital publications (ebooks, digital comics, digital magazines) in Taiwan in the past four years (number of titles, prices, and number of publishers) is as follows.

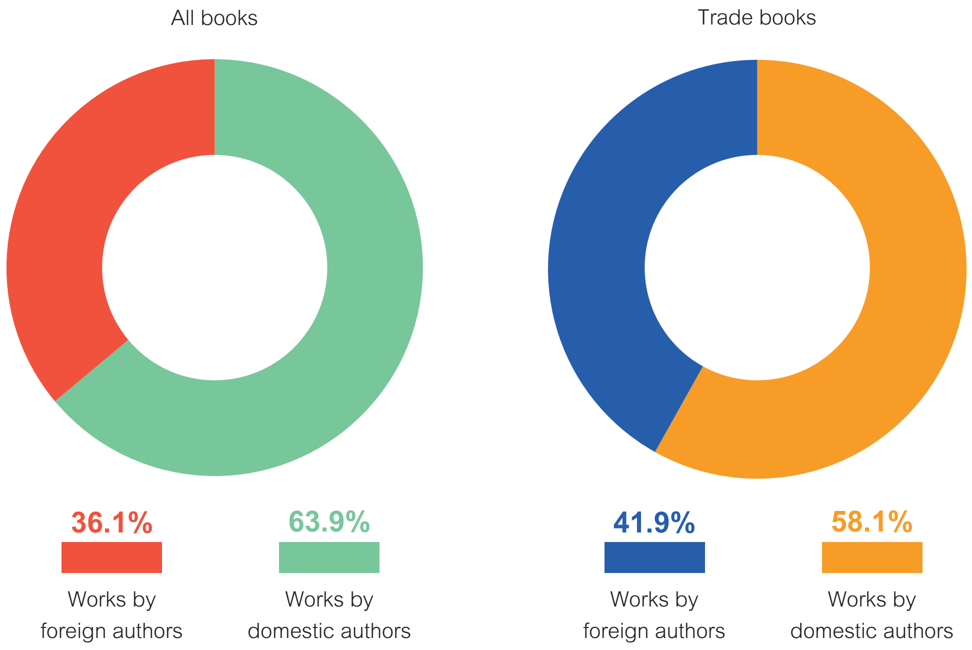


Source: This survey.

Figure 1-11 Development trends of digital publications in Taiwan

12. Percentage of works by domestic and foreign authors (translated books) in 2019

Among the 25,397 [3] titles offered on the top four online bookstores, 16,234 titles were written by domestic authors, accounting for 63.9% (64.4% in 2018); 9,163 titles were written by foreign authors, accounting for 36.1% of all publications (35.6% in 2018). If we focus only on trade books (excluding publications for examinations/reference books and professional books/textbooks/government publications), among the 21,091 titles offered on the top four online bookstores, 12,260 titles were written by domestic authors, accounting for 58.1% (57.7% in 2018); 8,831 titles were written by foreign authors, accounting for 41.9% of all publications (42.3% in 2018).



Description: Trade books do not include "publications for examinations/reference books" and "professional books/textbooks/government publications".
Source: This survey.

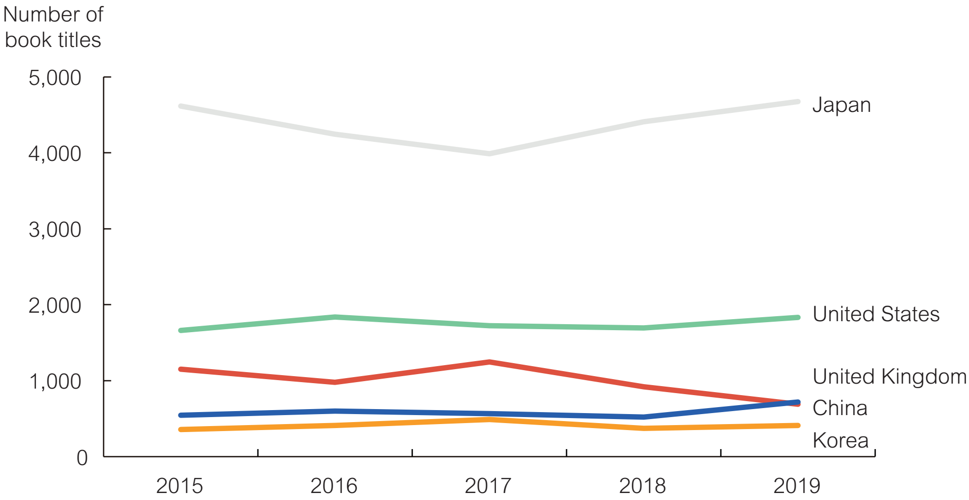
Figure 1-12 Percentage of works by domestic and foreign authors (translated books) among published new titles in 2019

3. ISBN applications were filed for 36,810 titles (actual number) in 2019, and 25,397 titles (actual number) were offered on the top four online bookstores (Books.com.tw, Eslite, Kingstone Book, and San Min Book). The overall listing rate was 68.99%. We also provided the estimate "actual publication after 2019 ISBN application" (30,181 types/estimate) based on the ratio of "ISBN application in 2019 and publication in the same year" (81.99%) and added the number of new titles in "ISBN application in 2018 but publication postponed to 2019" (6,943 titles/estimate). As a result, the total estimated number of new titles published in 2019 was 37,124 titles (estimate).

● 13.Source countries of works by foreign authors (translated books) in 2019

The top source of foreign books (translated books) in Taiwan in 2019 was Japan with 4,676 titles, accounting for 51.0% which was a 0.1% increase from 2018; they were followed by 1,835 American titles (20.0%) and 719 British titles (7.9%). The percentage of books from Mainland China had ranked third in past years but fell by 3.1% in 2019 to fourth place.

If we focus only on trade books (excluding publications for examinations/reference books and professional books/textbooks/government publications), the top source of foreign books (translated books) in Taiwan in 2019 was Japan (51.9%), followed by the United States (19.3%), United Kingdom (7.8%), Mainland China (7.6%), and Korea (4.6%).



Source: This survey.

Figure 1-13 Source countries of works by foreign authors (translated books) in past years

Overview

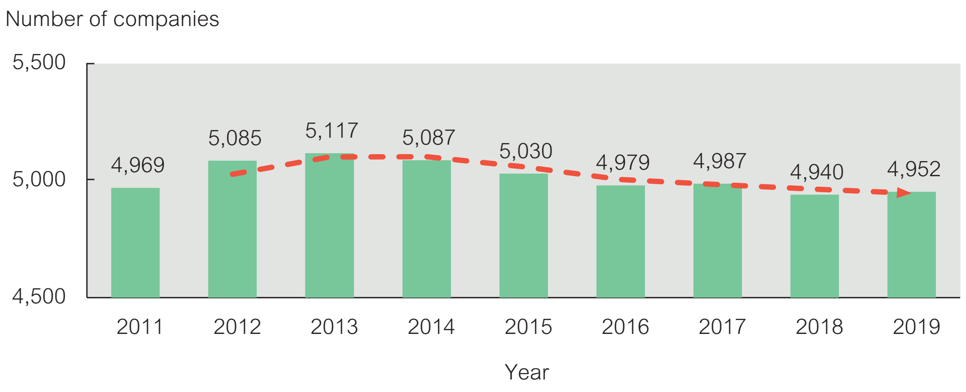
02

1. Book Publishing Industry

1.1. Overall industry overview

1.1.1. Survey on the number of book publishers in 2019

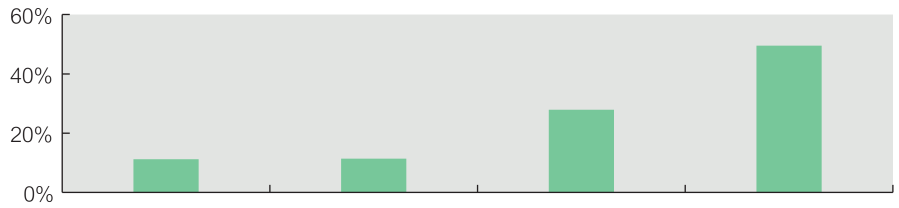
After the number of book publishers that filed ISBN applications peaked in 2013 (5,117 companies), the number of such applicants quickly fell. A total of 4,952 book publishers filed ISBN applications in 2019, which was a small increase of 0.24% from 4,940 in 2018.



Source: ISBN Center, National Central Library

Figure 2-1 Number of book publishers that filed ISBN applications in Taiwan from 2013 to 2019

A total of 971 publishers have applied for more than 4 ISBN numbers, but the number fell to 545 publishers once government agencies, schools, and individuals were removed from the statistics. It shows that there are many publishers in Taiwan, but only 11.01% of the private profit units actually published more than 4 titles. It is evident that less than half of the domestic book publishers focus on the publication of books as their main business. Although the publishing industry in Taiwan consists mostly of SMEs, 77% of them have been in existence for 10 years or more.



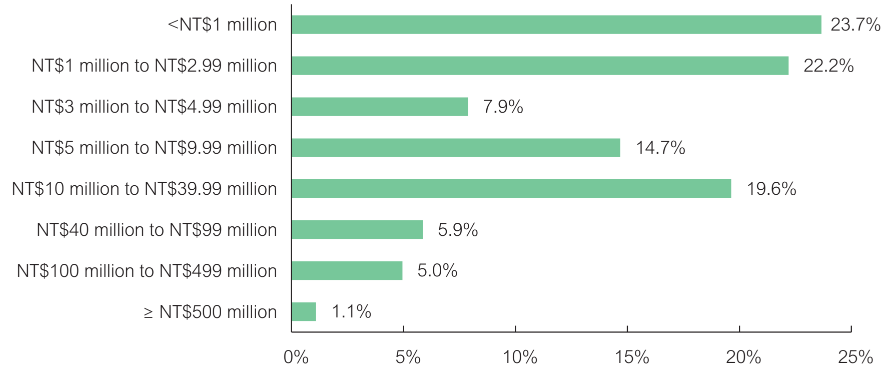
Number of years since founding	Less than 5 years (not inclusive)	5 to 10 years (not inclusive)	10 to 20 years (not inclusive)	20 years or more
Number of companies	61	62	152	270
Ratio	11.19%	11.38%	27.89%	49.54%

Source: This survey.

Figure 2-2 Overview of the age of book publishers

1.1.2. Average capital of book publishers in Taiwan

The registered capital of 373 companies in the domestic publishing industry was lower than NT$10 million, which accounted for 68.44% of the total. It shows that most companies in the domestic publishing industry are SMEs. Large-scale publishing companies with a capital of more than NT$100 million included publishing groups with multiple brands and categories of books as well as information and communication technology companies, foundations, and communication media companies that also operate cultural and creative businesses.

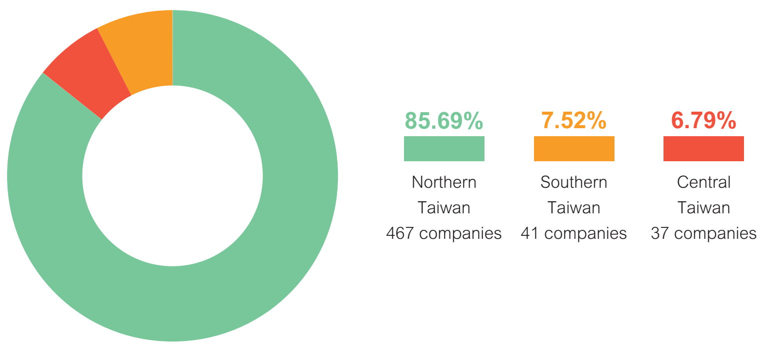


Description: N=545.
Source: This survey.

Figure 2-3 Overview of registered capital of book publishers in Taiwan

1.1.3. Distribution of book publishers in Taiwan by region

Most publishers in Taiwan are concentrated in Northern Taiwan (85.7%), of which Taipei City (52.8%) and New Taipei City (30.3%) have the highest share with a total of 83.1%. Publishers in other regions all accounted for a lower percentage.

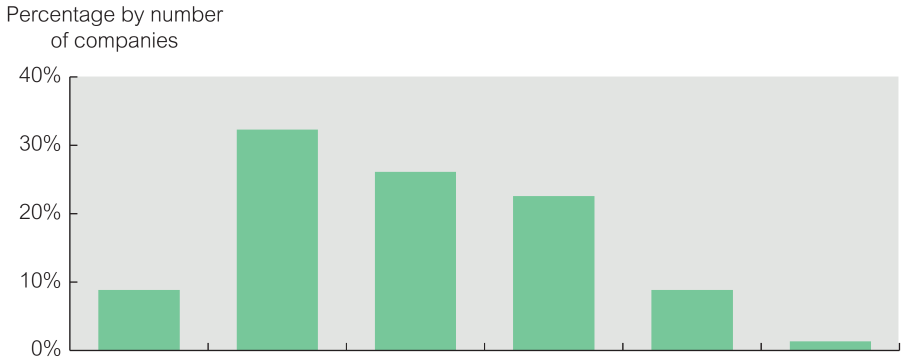


Description: Northern Taiwan includes Taipei City, New Taipei City, Keelung City, Taoyuan City, Hsinchu City, Hsinchu County, and Yilan County; Central Taiwan includes Miaoli County, Taichung City, Changhua County, Nantou County, and Yunlin County; Southern Taiwan includes Chiayi County, Chiayi City, Tainan City, Kaohsiung City, and Pingtung County.
Source: This survey.

Figure 2-4 Regional distribution of book publishers in Taiwan

1.1.4. Overview of employees of book publishers in Taiwan in 2019

The number of employees of book publishers in 2019 was concentrated in "1 to 4" and "5 to 24", with the two brackets each accounting for 40% to 50%. It is evident that traditional publishers mostly hire fewer than 10 employees and that most publishers in Taiwan hire very few employees.



Number of employees	1	2 to 4	5 to 9	10 to 24	25 to 99	More than 100
Percentage by number of companies	8.85%	32.30%	26.11%	22.57%	8.85%	1.33%

Description: N=226.
Source: This survey.

Figure 2-5 Hiring by book publishers in Taiwan in 2019

1.2. Revenue and business model

1.2.1. Estimated total revenue in the book publishing industry in Taiwan in this year

We selected representative publishers (those who have published more than 100 titles) based on the number of publishers that filed ISBN applications for more than 4 publications in 2019 as the basis for estimates. The calculation method was based on the average number of copies sold per title multiplied by the average sales price (calculated based on an average wholesale discount of 40%) and 32,381 titles[5] published and released[4] (including those with the application and publication in this year and those with the application in the previous year and publication in this year). After estimating income from all new books[6], it was divided by the number of new titles sold to determine the overall income from books for the publishing end. The revenue from books for the publishing end was divided by the average wholesale discount and multiplied by the best mode number for discounts for sales in distribution channels (19% discount) to obtain the sales amount of the overall book market[7].

According to the above estimation, the sales of new books (32,381 titles) from the "publishing end" in the four major online bookstores in 2019 totaled NT$8.81529 billion. In addition, the sales of new books (3,534 titles) which were not sold in major channels totaled NT$298.65 million. The overall 2019 book sales for the "publishing end" of the book market totaled NT$9.11394 billion, a 4.25% increase from 2018 (NT$8.74249 billion). In terms of the ratio of the number of new books sold, the total revenue from books (old and new books) of the book "publishing end" in 2019 was NT$16.91418 billion, which was a 5.78% decline compared to 2018 (NT$17.95173 billion). In terms of the "retail end", the overall revenue from new books was NT$10.81188 billion, which was a decline of 2.71% from 2018 (NT$11.11334 billion). Overall "retail end" book sales (new and old books) totaled NT$21.92739 billion, which was a decline of 3.91% from 2018 (NT$22.820 billion). The total revenue from the publication of books in Taiwan in 2019 (total of publishing end and retail end) was NT$38.84157 billion, which was a 4.73% decline compared to 2018 (NT$40.77173 billion).

4. ISBN applications were filed for 36,810 titles (actual number) in 2019, and 25,397 titles (actual number) were sold on the four largest online bookstores (Books.com.tw, Eslite, Kingstone Book, and San Min Book). The overall listing rate was 68.99%. We also provided the estimate "actual publication after 2019 ISBN application" (30,181 types/estimate) based on the ratio of "ISBN application in 2019 and publication in the same year" (81.99%) and added the number of new titles in "ISBN application in 2018 but publication postponed to 2019" (6,943 titles/estimate). As a result, the total estimated number of new titles published in 2019 was 37,124 titles (35,520 titles for printed books and 1,604 titles for ebooks and digital publications; these are estimates).
5. Number of titles sold on the four largest online bookstores = inventory of titles sold on the four largest online bookstores (25,397 titles) + (35,520 titles of new printed books published in 2019 - inventory of titles listed on the four largest online bookstores 25,397 titles) x listing rate of the four largest online bookstores(68.99%).
6. New titles refer to books published in this year.
7. The sales volume of the overall book market is divided and calculated as follows:

①: Average number of copies of each new title sold by representative companies on the publishing end = (revenue registered under the business tax ID x ratio of revenue from new titles/total number of new titles published)/ average price of new titles
②: Revenue of the publishing end from the sales of new books in the four largest online bookstores = average number of copies of each new title sold by representative vendors (①) x number of titles listed on the four largest online bookstores x overall average price of new titles
③: Revenue of the publishing end not from the sales of new books in the four largest online bookstores = number of titles not listed in the four largest online bookstores x minimum economic print run (1,000 copies) x book return rate (32.76%) at distribution channels x average sales price
④: Overall revenue from new titles for the publishing end = revenue of the publishing end from new titles listed on the four largest online bookstores (②) + revenue of the publishing end from new titles "not" listed in the four largest online bookstores (③)
⑤: Overall revenue from titles (new and old books) for the publishing end = overall revenue of the publishing end from new titles (④) / ratio of copies of new titles sold
⑥: Overall revenue from new titles at the retail end = overall revenue from new titles at the publishing end (④) / average publisher wholesale discount x average sales discount in distribution channels
⑦: Overall revenue from titles (new and old books) at the retail end = overall revenue from titles (new and old books) at the publishing end (⑤) / average publisher wholesale discount x average sales discount in distribution channels

Table 2-1 Development trends of the overall scale of the book publishing industry in Taiwan

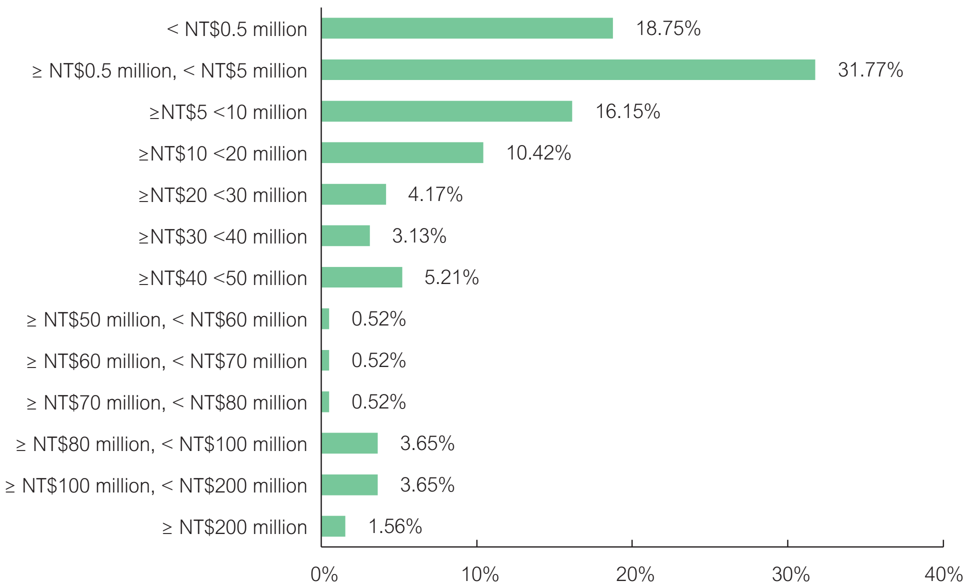
Unit: NT$100 million, %

Year	2015	2016	2017	2018	2019
Publishing end	199.25	192.92	193.99	179.52	169.14
Growth rate	–	-3.18%	0.55%	-7.46%	-5.78%
Retail end	238.50	232.09	238.51	228.20	219.27
Growth rate	–	-2.69%	2.77%	-4.32%	-3.91%
Total revenue	437.75	425.01	432.50	407.72	388.42
Growth rate	–	-2.91%	1.76%	-5.73%	-4.73%

Source: This survey.

1.2.2. Revenue items and structure in this year

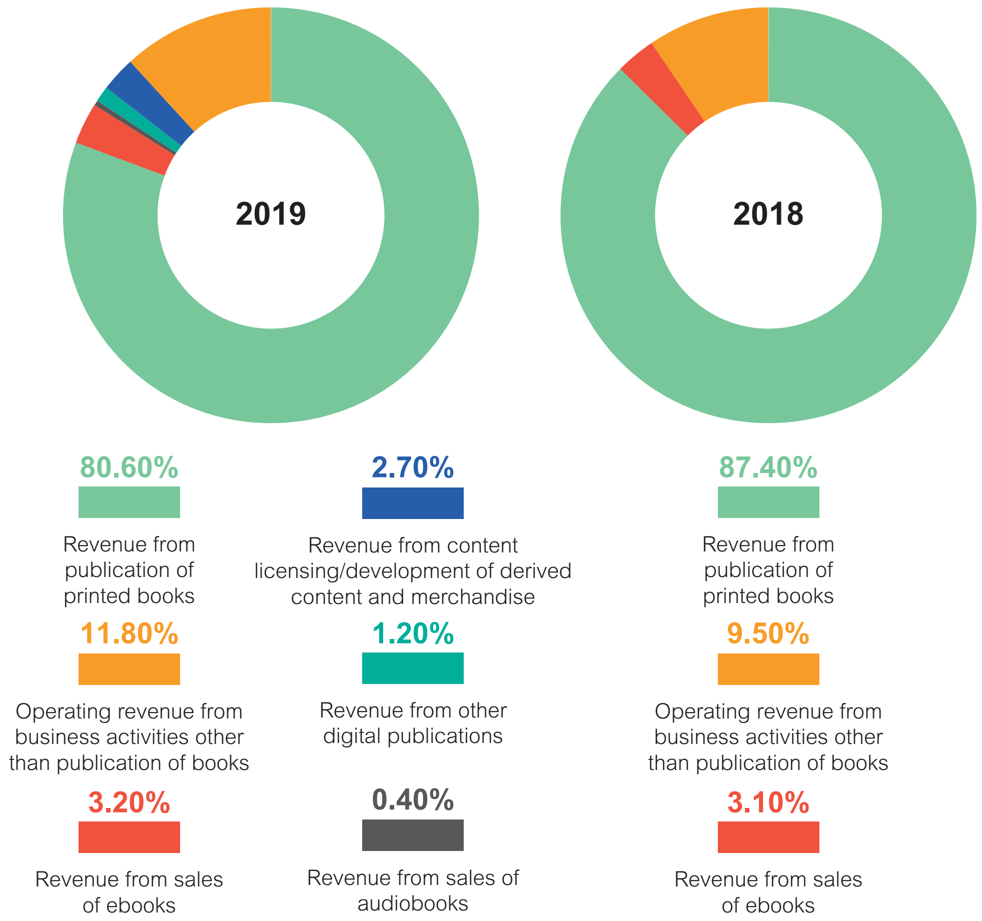
In terms of the distribution of the revenue of book publishers in 2019, 50.52% of the book publishers had an annual revenue of less than NT$5 million, indicating that most of the book publishers in Taiwan are SMEs.



Description: N=192.
Source: This survey.

Figure 2-6 Annual revenue of book publishers in Taiwan in 2019

In 2019, the main source of revenue of book publishers in 2019 was still from the publication of printed books (80.6%). However, the revenue decreased from 2018. On the other hand, the percentage of digital publications (4.8%) increased by 1.7% compared to the previous year.

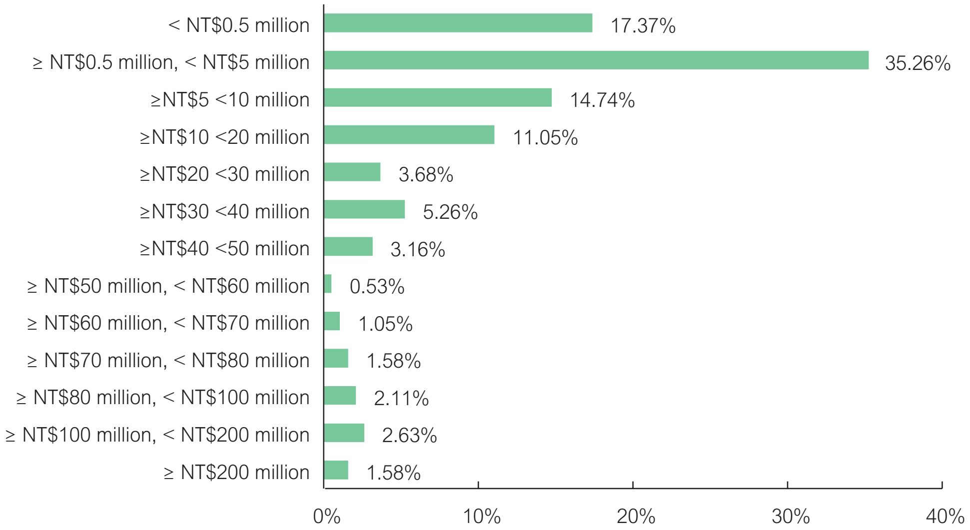


Description: 1. No survey was conducted in 2018 on revenue from audiobook sales, other revenue from digital publications, or content licensing/content derivative and peripheral development revenue.
2. N = 138 in 2018 and N = 189 in 2019.
Source: This survey.

Figure 2-7 Sources of income of book publishers in Taiwan in 2019

1.2.3. Expenditures and structure of the book publishing industry in this year

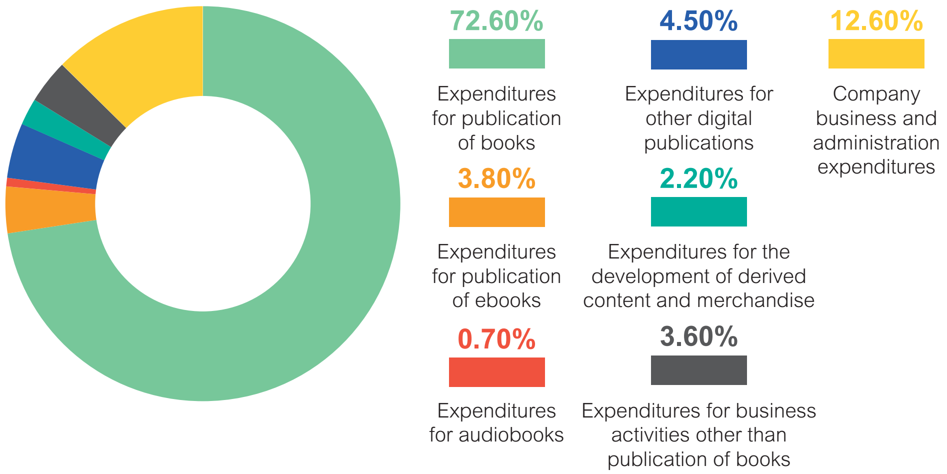
In 2019, 52.63% of book publishers in Taiwan had annual operating expenses of less than NT$5 million, and 14.74% had operating expenses of between NT$5 million and less than NT$10 million. In total, nearly 70% of the publishers had annual operating expenses of less than $10 million.



Description: N=190.
Source: This survey.

Figure 2-8 Annual expenditures of book publishers in Taiwan in 2019

In 2019, the expenditures for the publication of books of book publishers in Taiwan accounted for 72.6% of all expenditures, which was an increase of 3.8% compared to the previous year. Expenditures for non-book publications totaled 3.6%, which was a decrease of 3.6% compared to the previous year.

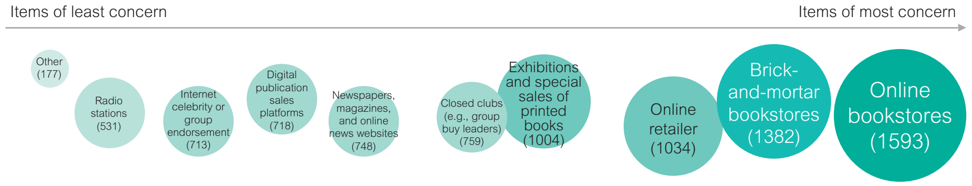


Description: N=183.
Source: This survey.

Figure 2-9 Expenditures of book publishers in Taiwan in 2019

1.2.4. Channels for the use of marketing resources of book publishers in Taiwan in 2019

In 2019, book publishers' main marketing channel was "online bookstores", followed by brick-and-mortar bookstores, online shopping malls, and special sales at physical book fairs. "Other" marketing channels include the use of social media or offline activities to expand marketing and promotion for books.



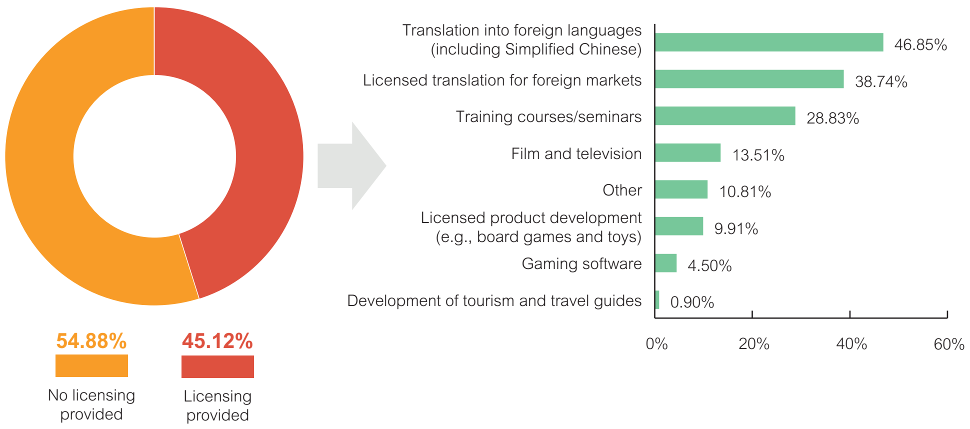
Description: Each item receives a score of between 1 and 10. The number in the bracket indicates the total score provided by all respondents (N = 204) for the item.
Source: This survey.

Figure 2-10 Channels for the use of marketing resources of book publishers in Taiwan in 2019

1.3. IP licensing trends

1.3.1. Types of products and services with book licensing provided in 2019

In 2019, 45.12% of the book publishers licensed out domestic original books and translated foreign-language books. Among the licensed products/services, translation into foreign languages (including simplified Chinese) accounted for the highest proportion (46.85%).

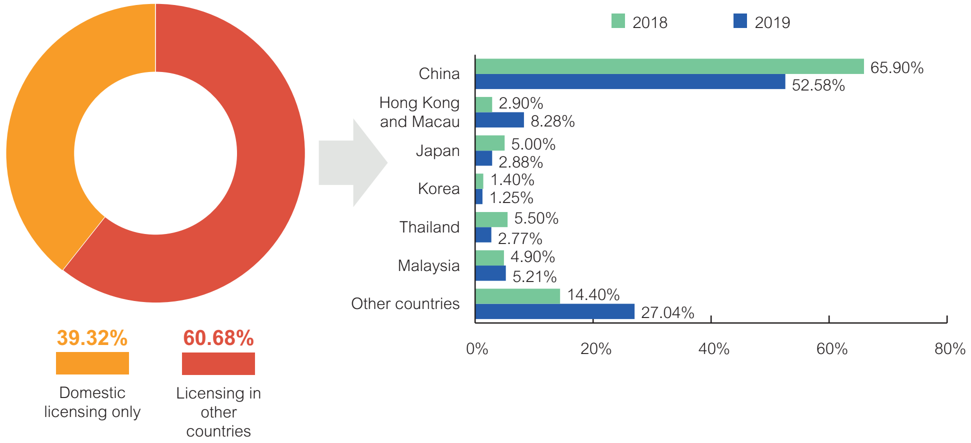


Description: N=111.
Source: This survey.

Figure 2-11 Licensed products/services provided by book publishers in Taiwan in 2019

1.3.2. Sales of copyright of books to foreign countries in 2019

Among book publishers that sold book copyright licenses in 2019, approximately six tenths (60.68%) sold book copyrights to other regions or countries while the remaining 39.32% only provided domestic licensing. Among publishers that sold book copyright licenses to other countries, the recipient countries consisted mainly of Mainland China (52.58%) and Hong Kong and Macao (8.28%). Compared to the survey results in the previous year, the ratio of licensing to Mainland China fell by 13.32% while the ratio of licensing to Hong Kong and Macao increased by 5.38%. The significant growth of "other countries" in the source countries (27.04%) compared to the previous year (14.40%) showed increasing diversity in the recipient countries of book publishers in Taiwan. In addition to countries with frequent contact in the past, Singapore, the United States, and Vietnam were also important recipient countries in 2019.



Description: 2. N = 157 in 2018 and N = 117 in 2019.
Source: This survey.

Figure 2-12 Source countries of income from licensing of book publishers in Taiwan in 2019

1.3.3. External licensing channels for books in Taiwan and books from foreign publishers in 2019

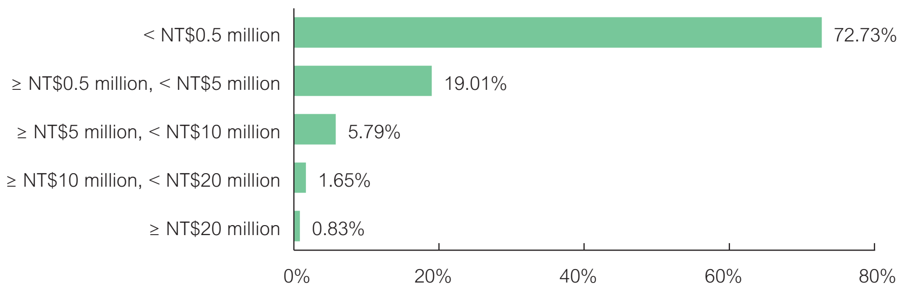
The highest percentage of external licenses for domestic books was granted through “direct licensing by the author” (75.14%), followed by “publishers” (32.60%) and “distributors/copyright agents” (24.86%). The main licensing channels of books from foreign publishers differed from that of domestic books. More than seven tenths (73.68%) of books from foreign publishers were negotiated and licensed with the assistance of “distributors/copyright agents”. They are followed by “publishers” (54.39%), and direct licensing from authors only accounted for 26.32%.

Description: 1. Multiple selections allowed.
2. Domestic books N = 114; books from foreign publishers N = 181.
Source: This survey.

Figure 2-13 External licensing channels for books in Taiwan and books from foreign publishers in 2019

1.3.4. Revenue from licensing for the publication of books in Taiwan in 2019

The external licensing business of book publishers in Taiwan remained predominantly small-scale. More than seven tenths (72.73%) of the companies had an annual revenue from licensing of below NT$500,000 in 2019, and nine tenths (91.74%) of the companies had an annual revenue from licensing of below NT$5 million in 2019.



Description: N=121.
Source: This survey.

Figure 2-14 Revenue from licensing of book publishers in Taiwan in 2019

1.4. Industry observation indexes

1.4.1. Listing rate of books with ISBN application in 2019

This study made an inventory of the ISBN application information provided by the National Central Library's ISBN Center. It surveyed a total of 36,810 books published in the year, of which 68.99%, or 25,397 books, were listed in the four largest online bookstores. If we focus only on trade books, 21,091 were listed in the four largest online bookstores and the overall listing rate was 57.30%.

Table 2-2 Listing rate of books with ISBN application in Taiwan

Unit: titles, %

Overall					
Channel name	Overall	Books.com.tw	Eslite	Kingstone Book	San Min Books
Number of products	25,397	22,112	20,448	19,909	24,075
Percentage	68.99%	60.07%	55.55%	54.09%	65.40%

Unit: titles, %

Trade books					
Channel name	Overall	Books.com.tw	Eslite	Kingstone Book	San Min Books
Number of products	21,091	18,421	17,889	17,365	20,175
Percentage	57.30%	50.04%	48.60%	47.17%	54.81%

Source: This survey.

1.4.2. Number and categories of publishers with books listed in major channels in 2019

The genre with the highest number of titles published in 2019 was literary fiction, which was an increase of 97 titles from 2018 with a total of 3,494 titles. It was followed by children's books/youth literature (2,747 titles) and professional books/textbooks/government publications (2,690 titles), both of which grew compared to 2018. The number of publishers of professional books/textbooks/government publications was the highest in 2019 with 350 publishers, an increase of 27 compared to 2019.

Table 2-3 Status of listing of all types of books in major channels in 2019

Unit: Number of companies, titles, %

No.	Genre	Number of companies 2018	Number of companies 2019	Number of titles (%) 2018	Number of titles (%) 2019
1	Business and finance	295	304	1,712 (7.0%)	1,423 (5.6%)
2	Literature and fiction	318	330	3,397 (14.0%)	3,494 (13.8%)
3	Novelettes	48	45	1,094 (4.5%)	869 (3.4%)
4	Art and design	261	265	965 (4.0%)	1,055 (4.2%)
5	Social science	228	233	813 (3.3%)	1,064 (4.2%)
6	Humanities and history	224	237	1,215 (5.0%)	1,593 (6.3%)
7	Natural science	154	151	421 (1.7%)	412 (1.6%)
8	Computer science	40	46	644 (2.6%)	648 (2.6%)
9	Language learning	144	151	889 (3.7%)	1,263 (5.0%)
10	Psychology and self-help	197	165	992 (4.1%)	934 (3.7%)
11	Religion and numerology	218	223	801 (3.3%)	678 (2.7%)
12	Healthcare	192	162	804 (3.3%)	748 (3.0%)
13	Food	123	132	629 (2.6%)	518 (2.0%)
14	Lifestyle	183	143	952 (3.9%)	778 (3.1%)
15	Travel	103	105	483 (2.0%)	440 (1.7%)
16	Comic books	41	42	1,832 (7.5%)	2,210 (8.7%)
17	Parenting	90	92	251 (1.0%)	217 (0.9%)
18	Children's books/youth literature	193	202	2,185 (9.0%)	2,747 (10.8%)
19	Test-preparation books	97	106	1,795 (7.4%)	1,616 (6.4%)
20	Professional books/textbooks/government publications	323	350	2,456 (10.1%)	2,690 (10.6%)
	Total	1,634	1,649	24,330 (100.0%)	25,397 (100.0%)

Source: This survey.

1.4.3. Percentage of works by domestic and foreign authors (translated books) in 2019

Among the 25,397 titles listed on the four largest online bookstores, 16,234 were written by domestic authors, accounting for 63.92%; 9,163 were written by foreign authors, accounting for 36.08% of all publications. Compared to the previous year, the proportion of listed books by local authors in the major channels in 2019 declined slightly compared to 2018 (64.4%), while the proportion of listed books by foreign authors increased slightly compared to 2018 (35.6%).

Of the 21,091 titles listed in the four largest online bookstores, 12,260 were published by local authors, which accounted for 58.13%; 8,831 were published by foreign authors, which accounted for 41.87%. However, in 2019, the proportion of books by local authors listed in major channels increased slightly compared to 2018 (57.7%), while the proportion of books by foreign authors sold decreased slightly compared to 2018 (42.3%).

Table 2-4 Percentage of translated books with ISBN application in Taiwan

Unit: titles, %

Category	Books by domestic authors: Overall	Books by domestic authors: Trade books	Translated books: Overall	Translated books: Trade books
Quantity	16,234	12,260	9,163	8,831
Percentage	63.92%	58.13%	36.08%	41.87%

Source: This survey.

1.4.4. Source countries of works by foreign authors (translated books) in 2019

Japan was the main source of translated works in Taiwan, both in terms of all books and trade books.

Table 2-5 Source countries of books with ISBN application in Taiwan

Unit: Titles, %

No.	Source country	Total number of titles (percentage) 2018	2019	No.	Source country	Number of titles of trade books (percentage) 2018	2019
1	Japan	4,410 (50.9%)	4,676 (51.0%)	1	Japan	4,379 (51.5%)	4,584 (51.9%)
2	United States	1,694 (19.5%)	1,835 (20.0%)	2	United States	1,602 (18.9%)	1,702 (19.3%)
3	United Kingdom	521 (6.0%)	719 (7.9%)	3	United Kingdom	512 (6.0%)	686 (7.8%)
4	China	920 (10.6%)	690 (7.5%)	4	China	904 (10.6%)	667 (7.6%)
5	Korea	371 (4.3%)	411 (4.5%)	5	Korea	368 (4.3%)	402 (4.6%)
6	Other countries	361 (4.2%)	400 (4.4%)	6	Other countries	351 (4.1%)	381 (4.3%)
7	France	251 (2.9%)	262 (2.9%)	7	France	249 (2.9%)	248 (2.8%)
8	Germany	138 (1.6%)	170 (1.9%)	8	Germany	131 (1.5%)	162 (1.8%)
Total		8,666 (100.0%)	9,163 (100.0%)	Total		8,496 (100.0%)	8,832 (100.0%)

Source: This survey.

1.4.5. Pricing and discounts of books listed in major channels in 2019

With regard to the pricing for all types of books in 2019, the price per page for books in 2019 was approximately NT$2.32, an increase of NT$0.11 compared to 2018 (NT$2.21). In terms of the mode number, the price of books of all genres in 2019 was below NT$400, and price levels have risen compared to 2018. Overall, the average price of most book genres has increased compared to the previous year. The prices of books only fell in a few genres such as business and finance, art and design, natural science, computer science, religion and numerology, lifestyle, and professional books/textbooks/government publications.

There was no significant change in the average discount for all genres of books in 2019 compared to 2018. The three types of books with relatively favorable discounts in 2019 (17% off) were humanities and history, healthcare, and parenting. On the other hand, the average discount and mode number of discounts of books in online bookstores in Taiwan was mostly between 5% to 20%, which is consistent with general discounts in the consumer market for books.

Table 2-6 Overview of pricing and discounts of books of different genres in online bookstores in 2019

Unit: NTD, discount

No.	Genre	Price category (NTD) 2018 Average	2018 Mode number	2019 Average	2019 Mode number	Discount category (discount amount) 2018 Average	2018 Mode number	2019 Average	2019 Mode number
1	Business and finance	420	400	414	400	8.5	9.0	8.4	9.0
2	Literature and fiction	309	170	359	170	8.5	9.0	8.5	9.0
3	Novelettes	231	192	257	220	8.6	9.0	8.5	9.0
4	Art and design	533	350	532	380	8.6	9.0	8.4	9.0
5	Social science	421	300	454	380	8.6	9.0	8.4	9.0
6	Humanities and history	508	380	510	380	8.5	9.0	8.3	9.0
7	Natural science	671	350	534	350	8.5	9.0	8.4	7.9
8	Computer science	521	580	512	580	8.6	9.0	8.4	9.0
9	Language learning	402	320	436	350	8.4	9.0	8.4	7.9
10	Psychology and self-help	324	300	390	320	8.3	7.9	8.4	7.9
11	Religion and numerology	423	300	406	380	8.6	9.0	8.7	9.0
12	Healthcare	410	350	423	380	8.4	9.0	8.3	7.9
13	Food	429	380	447	380	8.2	7.9	8.4	9.0
14	Lifestyle	385	380	375	350	8.4	7.9	8.4	9.0
15	Travel	364	380	409	380	8.3	9.0	8.5	9.0
16	Comic books	149	130	176	130	8.9	9.0	8.9	9.0
17	Parenting	346	350	384	320	8.3	7.9	8.3	7.9
18	Children's books/youth literature	312	280	339	280	8.4	9.0	8.4	9.0
19	Test-preparation books	458	500	489	450	8.9	9.0	8.8	9.0
20	Professional books/ textbooks/government publications	517	300	474	350	9.2	9.5	9.0	9.5
	Total	390	300	408	350	8.6	9.0	8.6	9.0

Source: This survey.

1.4.6. Overview of ebook publications of new books in 2019

The survey this year used sources for compiling statistics on ebooks that were different from those used in the "Taiwan Publishing Industry Survey" in previous years by the Ministry of Culture. Books.com.tw, and Rakuten Kobo Ebook Store, the two major digital publication circulation and sales platforms, were used for compiling the statistics. According to the inventory, 9,967 new titles were published as ebooks in 2019. They included 369 "native ebooks" (3.7%) which consisted mainly of self-published works on Rakuten Kobo Ebook Store. The majority of new ebooks published in 2019 were in traditional Chinese (96.3%), followed by those in simplified Chinese (3.4%), with books in other languages totaling less than 1.0%.

Table 2-7 Languages and genres of new books published as ebooks in Taiwan in 2019

Unit: Titles; %

Language		Traditional Chinese	Simplified Chinese	English	Others	Total
Overall	2018	9621 (94.9%)	371 (3.7%)	142 (1.3%)	15 (0.1%)	10,149 (100.0%)
	2019	9,597 (96.3%)	345 (3.4%)	19 (0.2%)	6 (0.1%)	9,967 (100.0%)
Trade books	2018	8,505 (94.5%)	344 (3.7%)	140 (1.6%)	15 (0.1%)	9,004 (100.0%)
	2019	8,676 (95.9%)	343 (3.8%)	17 (0.2%)	6 (0.1%)	9,042 (100.0%)

Description: 1.The sources used for compiling inventory statistics on ebooks in 2019 were different from those used in the "Taiwan Publishing Industry Survey" in previous years by the Ministry of Culture. Therefore, this table is provided for reference only.
2. "Trade books" refer to general books and do not include books such as "professional books/textbooks/government publications" and "test-preparation books".
Source: This survey.

1.4.7. Genres of ebook publications of new books in 2019

In terms of the genres of ebooks, the "literature and fiction" category accounted for the highest share with 1,968 titles (19.7%). It is followed by the "novelettes" category (11.0%) and the "business and finance" category (7.8%). In terms of the format of ebooks in 2019, the ebooks of new publications on Books.com.tw and Rakuten Kobo Ebook Store were all published in ePub format.

The average retail price of ebooks for new titles in 2019 was NT$248, which was lower than the average price of ebooks of NT$300 (17.3% reduction) in the "Taiwan Publishing Industry Survey" conducted by the Ministry of Culture in 2018. In terms of the mode number of the ebook price of new titles, the mode number of the overall average retail price was NT$245, which was higher than the mode number of the average price of ebooks of NT$211 (16.1% growth) in the 2018 survey report by the Ministry of Culture.

Table 2-8 Retail price and number of publishers of all genres of new ebook titles in Taiwan in 2019

Unit: NTD, number of publishers, %

No.	Ebook genre	Number of titles	Price (NTD)		Number of companies
			Average	Mode number	
1	Literature and fiction	1,968 (19.7%)	193	59	198 (36.7%)
2	Business and finance	772 (7.8%)	269	245	121 (22.4%)
3	Art and design	370 (3.7%)	432	280	67 (12.4%)
4	Humanities and history	586 (5.9%)	302	245	109 (20.2%)
5	Social science	469 (4.7%)	252	99	129 (23.9%)
6	Natural science	162 (1.6%)	315	245	64 (11.9%)
7	Psychology and self-help	707 (7.1%)	234	250	139 (25.8%)
8	Healthcare	340 (3.4%)	253	245	95 (17.6%)
9	Food	231 (2.3%)	303	266	63 (11.7%)
10	Lifestyle	422 (4.2%)	237	399	87 (16.1%)
11	Travel	203 (2.0%)	263	315	54 (10.0%)
12	Religion and numerology	496 (5.0%)	228	50	104 (19.3%)
13	Parenting	216 (2.2%)	241	266	70 (13.0%)
14	Children's books/youth literature	476 (4.8%)	195	79	75 (13.9%)

No.	Ebook genre	Number of titles	Price (NTD) Average	Price (NTD) Mode number	Number of companies
15	Novelettes	1,096 (11.0%)	148	140	31 (5.8%)
16	Language learning	342 (3.4%)	227	193	51 (9.5%)
17	Test-preparation books	540 (5.4%)	388	307	15 (2.8%)
18	Computer science	186 (1.9%)	326	364	26 (4.8%)
19	Professional books/ textbooks/government publications	385 (3.9%)	350	315	23 (4.3%)
Total		9,967 (100.0%)	248	245	539 (100.0%)

Description: 1. As a company may publish two or more genres of ebooks, the total number of companies for each type of e-book does not add up to 100.0%. Repetitions have been deducted from the total number of companies.
2. The categories in this table consist mostly of ebook categories on Books.com.tw. Information on digital comics is provided in a separate section and is not presented here.
3. As the ebook survey this year used sources for compiling statistics and ebook genres that were different from those used in the "Taiwan Publishing Industry Survey" in previous years by the Ministry of Culture, a comparison between different years cannot be conducted and only the conditions from 2019 were provided here.

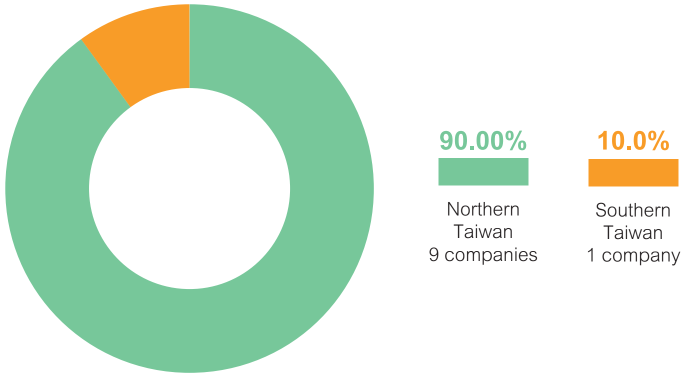
Source: This survey.

2. Comic book publishing industry

2.1. Overall industry overview

2.1.1. Number and distribution of comic book publishers in Taiwan in 2019

The 2019 survey included 10 comic book publishers. In terms of their geographical distribution, the highest percentage of publishers were in Northern Taiwan with 90.0%, with the majority located in Taipei City (80.0%). Only one comic book publisher was located outside Northern Taiwan in Tainan City (10.0%).

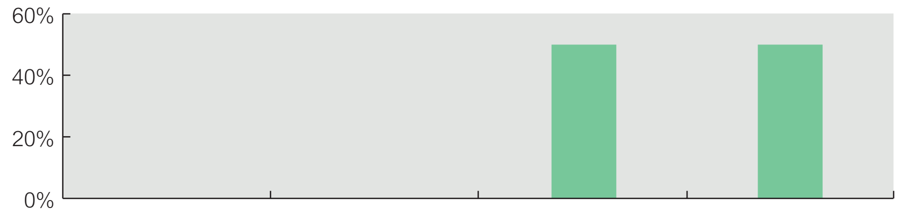


Description: Northern Taiwan includes Taipei City, New Taipei City, Keelung City, Taoyuan City, Hsinchu City, Hsinchu County, and Yilan County; Southern Taiwan includes Chiayi County, Chiayi City, Tainan City, Kaohsiung City, and Pingtung County.

Source: This survey.

Figure 2-15 Regional distribution of comic book publishers in Taiwan

In terms of the number of years of founding, all comic book publishers in Taiwan are experienced operators with more than 10 years of experience in the industry. Most of the new comic book publishers now operate as online creation and reading platforms, which are different from traditional comic book publishers. However, most of the experienced comic book publishers have already undergone the transformation as they sought to continue the expansion of their business and market and consolidate their market position and existing customer base through the transformation.



Number of years since founding	Less than 5 years (not inclusive)	5 to 10 years (not inclusive)	10 to 20 years (not inclusive)	20 years or more
Percentage by number of companies	0%	0%	50%	50%

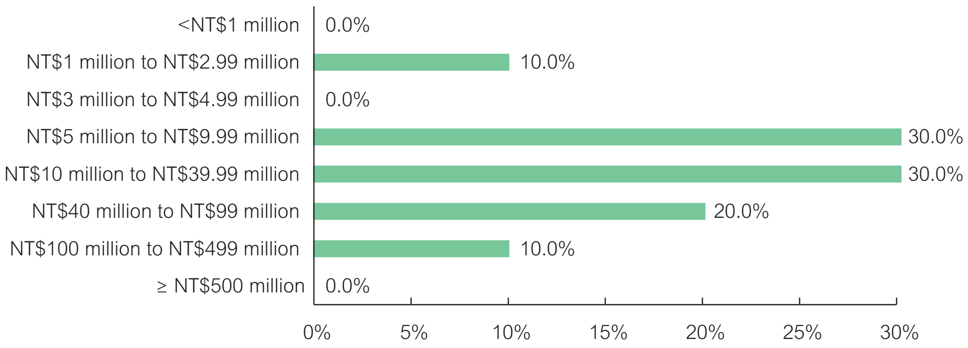
Description: N=10.

Source: This survey.

Figure 2-16 Number of years since founding of comic book publishers in Taiwan

2.1.2. Average capital of comic book publishers in Taiwan

In the comic book publishing industry in Taiwan, the capital of comic book publishers is mostly between NT$5 million to NT$39.99 million (totaling 60.0%). It shows that most of the comic book publishers in Taiwan are medium to large enterprises. They include large comic book publishers with a capital of over NT$100 million which are multinational publishing groups that are active in comics, novels, and various cultural and creative industries.



Description: N=10.
Source: This survey.

Figure 2-17 Overview of registered capital of comic book publishers in Taiwan

2.2. Revenue and business model

2.2.1. Estimated total revenue in the comic book publishing industry in this year

The methodology employed for the estimation of the total revenue of the comic book publishing industry is similar to that of the book publishing industry. If a publication survey questionnaire is used to interpolate revenue estimates, it is difficult to determine whether the companies have provided accurate data in the survey, and there may be errors in the estimates. The traditional method of using “industry-specific” tax information to obtain revenue information cannot be used to determine whether a tax-filing company is in fact operating in the industry. It may thus affect the feasibility of the performance analysis of the industry chain. Therefore, this survey uses the actual ISBN information from the current year and the number of titles published, number of copies sold, average wholesale price, the average sales discount, and overall number of comic book titles published by the representative companies that responded to the questionnaire as the basis for estimates of the overall revenue from comic books[8].

Based on the aforementioned estimates, the overall revenue (old and new books) of the “publishing sector” in 2019 was NT$433.97 million, which was a 1.88% decline compared to NT$442.27 million in 2018. The overall revenue (old and new books) of the “retail sector” was NT$551.66 million, which was a 5.49% decline compared to NT$583.71 million in 2018. The total revenue from the publication of comic books in Taiwan in 2019 was NT$985.63 million, which was a 3.93% decline compared to 2018 (NT$1.02599 billion).

Table 2-9 Development trends of the overall scale of the comic book publishing industry in Taiwan

Unit: NT$100 million, %

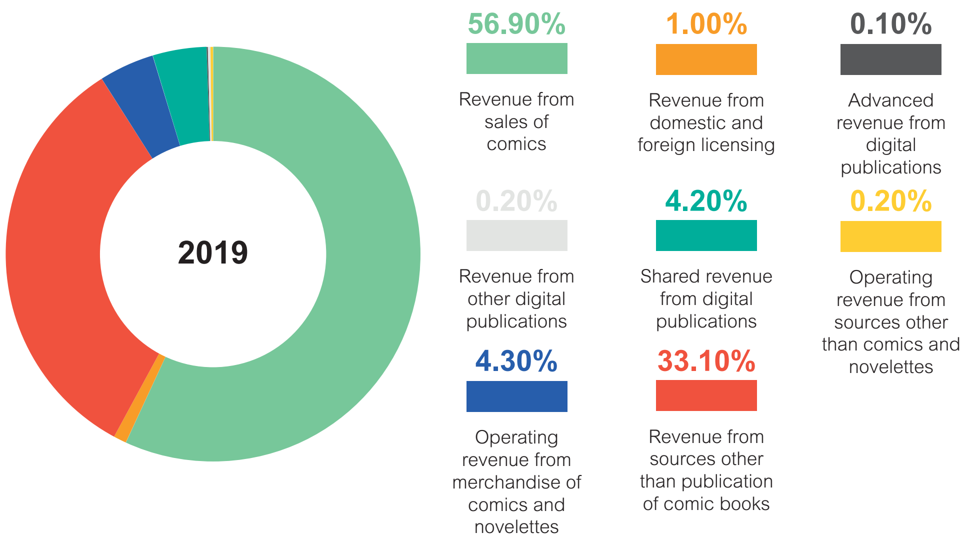
Year	2015	2016	2017	2018	2019
Publishing end	5.46	5.22	4.77	4.42	4.34
Growth rate	–	-4.46%	-8.62%	-7.22%	-1.88%
Retail end	7.14	6.8	6.38	5.84	5.52
Growth rate	–	-4.46%	-6.46%	-8.53%	-5.49%
Total revenue	12.60	12.04	11.15	10.26	9.86
Growth rate	–	-4.46%	-7.40%	-7.97%	-3.93%

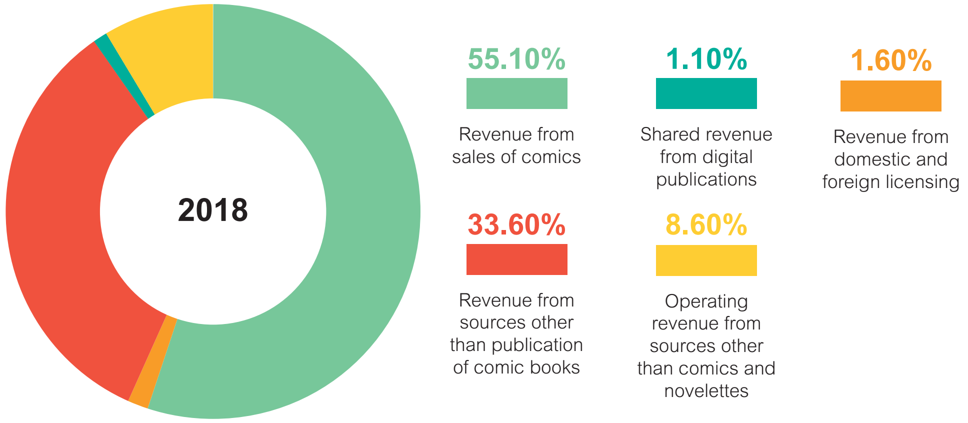
Source: This survey.

8. The formula for calculating overall revenue from comic books is as follows:
①: Revenue of representative companies from new comics = number of titles published x number of copies sold x average wholesale price
②: Revenue of publishing end from comic books = (revenue of representative companies from new comics (①) / number of titles published by representative companies x total number of comic book titles published) / number of new books sold as a percentage
③: Revenue of retail end from comic books = revenue of publishing end from comic books (②) / average wholesale discount x average sales discount

2.2.2. Revenue structure and items in this year

Among the revenue structure and items of publishers that specialize in publishing comic books in 2019, the main source of revenue remains the sales of comics (56.9%). However, the percentage of revenue from digital publications has increased each year.



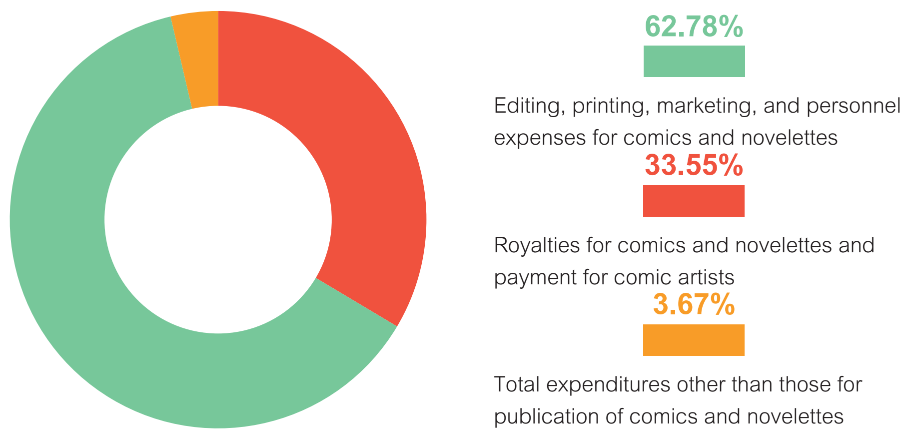


Description: 1. The 2018 survey did not ask about the “operating income from merchandise of comics and novelettes”, and the “prepaid income from digital publishing” and “other digital publishing income” were both 0.0% for the year. They were therefore not presented.
2. N = 5 in 2018 and N = 5 in 2019.
Source: This survey.

Figure 2-18 Sources of income of comic book publishers in Taiwan in 2019

2.2.3. Expenditures and structure of the comic book publishing industry in this year

The expenditures of publishers that specialize in publishing comic books in Taiwan in 2019 remained mostly business operations related to the contents of comic books and novelettes, and such expenditures accounted for 96.33% of the total.



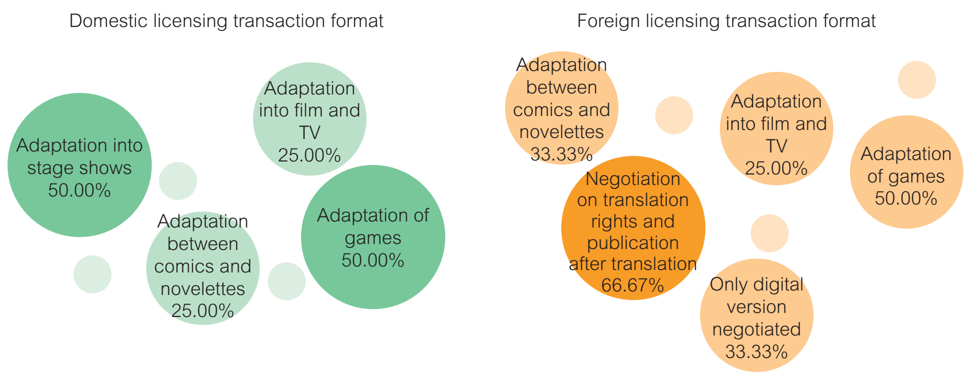
Description: 1. Multiple selections allowed.
2. N=5.
Source: This survey.

Figure 2-19 Expenditures of comic book publishers in Taiwan in 2019

2.3. IP licensing trends

2.3.1. Types of products and services with domestic comic book licensing provided in 2019

The external licensing provided by publishers that specialize in publishing comic books in Taiwan in 2019 consisted mostly of adaptation of game and theater performances. In terms of foreign licensing, "negotiation on translation rights and publication after translation" (66.67%) accounted for the highest percentage. However, due to the small sample size of the respondents in the comics industry, the aforementioned statistics are provided for reference only and should not be used for premature interpretation.

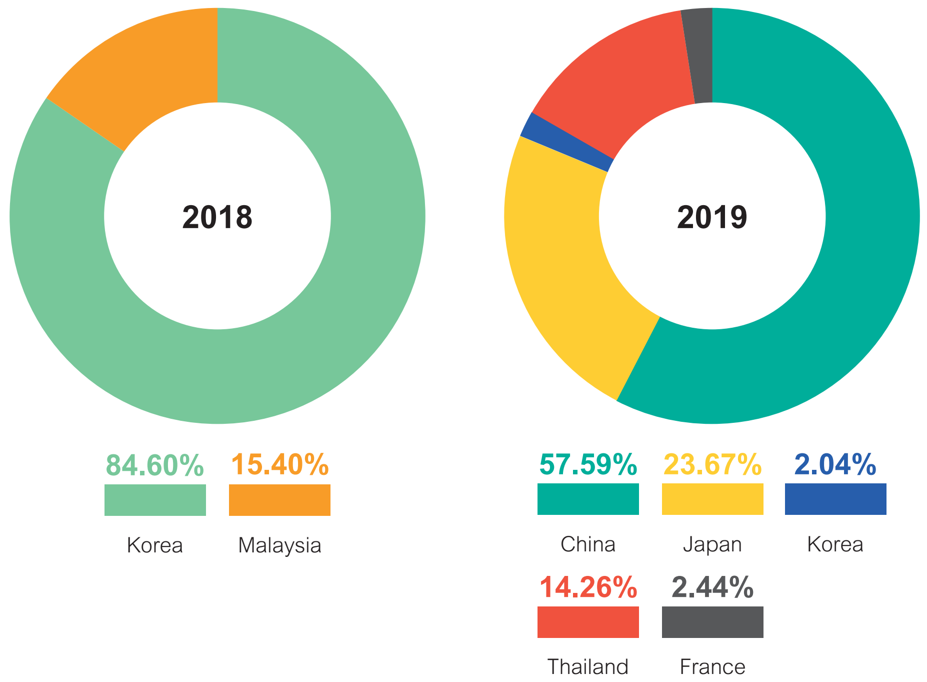


Description: N = 4 for domestic licensing and N = 3 for foreign licensing.
Source: This survey.

Figure 2-20 Domestic licensing transaction model of comic books publishers in Taiwan in 2019

2.3.2. Sales of copyright of comic books to foreign countries in 2019

Among the source countries of publishers that specialize in publishing comic books in Taiwan in 2019, Mainland China (57.59%) had the largest share, followed by Japan (23.67%) and Thailand (14.26%). In 2018, only Korea and Malaysia were included the entire copyright market. In 2019, the countries that received comic book licensing from Taiwan became increasingly diverse. However, the results of the survey may create slight statistical bias due to differences in the conditions of survey responses from the industry each year or major collaborative cases included in a single year. Therefore, comparisons across multiple years must be interpreted with caution.



Description: N = 5 in 2018 and N = 5 in 2019.
Source: This survey.

Figure 2-21 Source countries of income from licensing of comic book publishers in Taiwan in 2019

2.4. Industry observation indexes

2.4.1. Overview of genres and formats of digital comic publications in Taiwan in 2019

The publication status of digital comics in Taiwan is mostly derived from two major platforms - Book Walker and Books.com.tw. A total of 1,938 digital comic titles were published in 2019, which was a 7.3% growth from 1,807 titles in 2018. Most publications were in traditional Chinese, which totaled 1,937 titles, and only 1 title was in English.

Table 2-10 Types of publications of digital comics of different genres in Taiwan in the past two years

Unit: titles, %

Year	Types of digital comic publication						Total
	Shounen	Shoji	Seinen	Josei	BL	Yuri	
2018	464 (25.7%)	946 (52.4%)	191 (10.6%)	34 (1.9%)	161 (8.9%)	11 (0.6%)	1,807 (100.0%)
2019	516 (26.6%)	675 (34.8%)	209 (10.8%)	139 (7.2%)	383 (19.8%)	16 (0.8%)	1,938 (100.0%)

Source: This survey.

All digital comics published in 2019 were in EPUB format, and fixed-layout EPUB[9] accounted for the largest share (98.15%) while reflowable EPUB[10] accounted for only 1.85%. At present, most digital comic platforms still publish printed comics first. In 2019, only 146 digital comics were published simultaneously with printed comics (simultaneous electronic and paper publication), which accounted for 7.53% of the total number of digital comics in the year. 130 titles were digital-only and they accounted for 6.71% of the total number of digital comics published in 2019.

Table 2-11 Publication formats of digital comics of different genres in Taiwan in the past two years

Unit: titles, %

Year	File format				Total
	EPUB	PDF	PDF / EPUB	JPG	
2018	1,784 (98.7%)	15 (0.8%)	7 (0.4%)	1 (0.1%)	1,807 (100.0%)
2019	1,938 (100.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	1,938 (100.0%)

Description: The source of inventories this year is different from the previous year. In 2018, Book Walker and HyRead were the main inventory platforms, but HyRead has been replaced by Books.com.tw this year. Therefore, there will be differences in the statistics on publication formats, and the reader is advised to use the information as reference for general trends only.
Source: This survey.

9. It uses the same format as printed books and has more content but the content format is fixed. When reading such content on a small mobile device, the user must manually adjust the content size and move the reading area.
10. It uses a file format with dynamic layout technology to provide layouts of the text and images of books so that they fit the reading device and reduce the need for adjustments of the layout.

2.4.2. Retail price and number of publishers of digital comics in Taiwan in 2019

The retail price of digital comics is lower than printed comics. The overall average retail price of digital comics was NT$61, which fell by 22.8% from NT$79 in 2018. There were 31 publishers of digital comics in 2019, down 28.0% from 43 in 2018. There has been a significant decline in the number of publishers that specialize in Shoji and Josei comics.

Table 2-12 Retail price and number of publishers of all genres of new digital comic titles in Taiwan in 2019

Unit: NTD, number of publishers, %

No.	Comic genre	Price (NTD) 2018		Price (NTD) 2019		Number of companies	
		Average	Mode number	Average	Mode number	2018	2019
1	Shounen	83	55	65	41	25 (58.1%)	25 (80.7)
2	Shoji	57	55	53	50	21 (48.8%)	11 (35.5)
3	Seinen	96	55	84	69	20 (46.5%)	19 (61.3)
4	Josei	90	29	41	40	9 (20.9%)	4 (12.9%)
5	BL (boys' love)	77	69	63	40	10 (23.3%)	10 (32.3)
6	Yuri (GL)	73	71	83	69	4 (9.3%)	4 (12.9%)
	Total	79	55	61	50	43 (100.0%)	31 (100.0%)

Description: As a company may publish two or more genres of digital comics, the total number of companies for each type of digital comics does not add up to 100.0%. Repetitions have been deducted from the total number of companies.
Source: This survey.

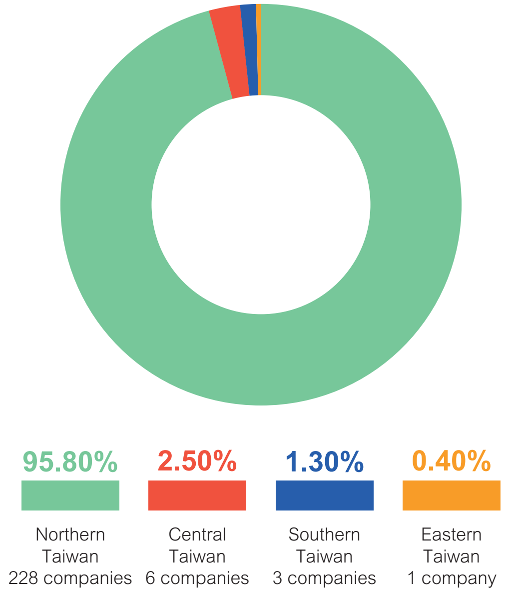
3. Magazine Publishing Industry

3.1. Overall industry overview

3.1.1. Number of magazine publishers and geographical distribution in Taiwan in 2019

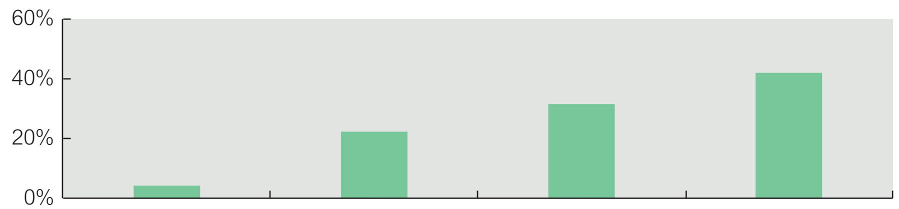
The subjects of the magazine publishing industry survey this year consisted mostly of the International Standard Serial Number (ISSN), News & Market (local publication/magazine), Pinkoi (independent publication), Taiwan Publication Information Network, and Magazine Business Association of Taipei. We identified 290 companies with related operations in magazine publication in 2019. After deducting those that have ended business operations, government agencies, personal publishers, those that cannot be reached, and nonprofit organizations, we identified 238 effective magazine publishers. Most of the magazine publishers identified this year were concentrated in Northern Taiwan (95.80%), including 94.53% in the Greater Taipei area and less than 10% in other areas.

More than 70% of the magazine publishers in Taiwan have more than 10 years of history. Many long-standing and iconic magazines remain active in the market.



Description: Northern Taiwan includes Taipei City, New Taipei City, Keelung City, Taoyuan City, Hsinchu City, Hsinchu County, and Yilan County; Central Taiwan includes Miaoli County, Taichung City, Changhua County, Nantou County, and Yunlin County; Southern Taiwan includes Chiayi County, Chiayi City, Tainan City, Kaohsiung City, and Pingtung County; Eastern Taiwan includes Hualien County and Taitung County.
Source: This survey.

Figure 2-22 Geographical distribution of magazine publishers in Taiwan



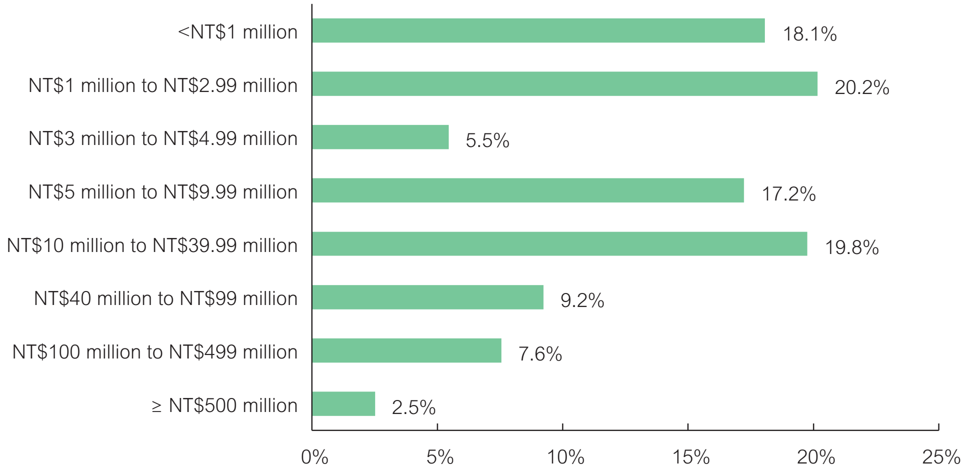
Number of years since founding	Less than 5 years (not inclusive)	5 to 10 years (not inclusive)	10 to 20 years (not inclusive)	20 years or more
Percentage by number of companies	4.20%	22.27%	31.51%	42.02%

Description: N=238.
Source: This survey.

Figure 2-23 Number of years since founding of magazine publishers in Taiwan

3.1.2. Average capital of magazine publishers

A total of 145 companies in the domestic magazine publishing industry had a registered capital of lower than NT$10 million, which accounted for more than six tenths (60.93%) of the total. It shows that most companies in the domestic magazine publishing industry are SMEs. Most large publishers with a capital of over NT$100 million are long-standing magazine publishers with significant brand influence.

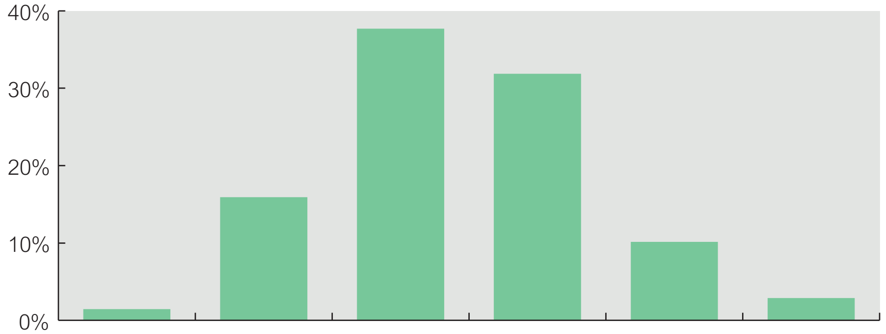


Description: N=238.
Source: This survey.

Figure 2-24 Overview of registered capital of magazine publishers in Taiwan

3.1.3. Overview of employees of magazine publishers in 2019

In 2019, more than half (55.07%) of the magazine publishers in Taiwan employed fewer than 10 people.



Number of employees	1 person	2 to 4 persons	5 to 9 persons	10 to 24 persons	25 to 99 persons	More than 100 persons
Percentage by number of companies	1.45%	15.94%	37.68%	31.88%	10.14%	2.90%

Description: N=69.
Source: This survey.

Figure 2-25 Hiring by magazine publishers in Taiwan in 2019

3.2. Revenue and business model

3.2.1. Estimated total revenue in the magazine publishing industry in this year

With information on the revenue of companies obtained with their unified tax codes from tax information of the Ministry of Finance, we learned that the overall revenue of the magazine publishing industry in 2019 was NT$31.44614 billion. We also calculated the market size of the magazine publishing industry (including advertising revenue) based on a weighted calculation of the survey results. The market size was approximately NT$11.81746 billion in 2019, down 3.9% from NT$12.3148 billion in 2018.

We also estimated the revenue of the subscription end and the retail end based on the estimated results of the "publishing end" of the magazine (NT$11.81746 billion)[11]. We divided customers into subscribers and retail customers, which accounted for 59.23% and 40.77% of the revenue from magazines' "publishing end" , respectively. We then used the results to calculate revenue from the subscription end and the retail end. The distribution of sales at the retail end was 54.0% and 46.0% for distribution (exclusive distribution plus distribution) and direct sales (all channels except distribution), respectively.

Based on the aforementioned estimates, the 2019 revenue from the "subscription end" of magazine publication in 2019 was NT$6.99987 billion; direct sales revenue from the "retail end" was NT$2.21491 billion; and revenue from the distribution channels of the "retail end" was NT$3.1935 billion. Total magazine publication revenue for 2019 was NT$12.4828 billion, a decrease of 3.92% compared to 2018.

Table 2-13 Development trends of the overall scale of the magazine publishing industry in Taiwan

Unit: NT$100 million, %

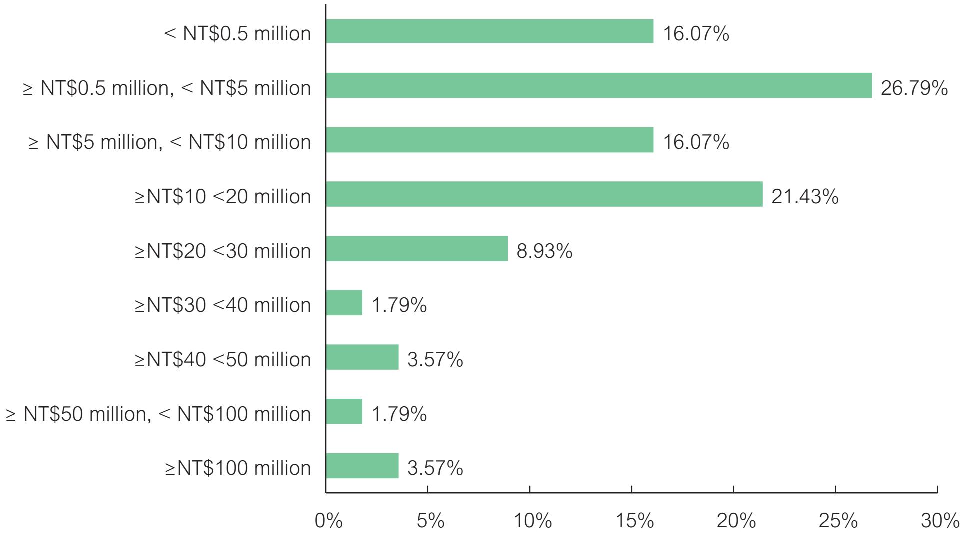
Year	2016	2018	2019
Overall revenue from magazines	144.99	129.14	124.08
Growth rate	–	-10.93%	-3.92%

Description: The magazine industry was not included in the survey in 2015 and 2017.
Source: This survey.

11. The process of division and calculation of all revenue from magazine publication was as follows:
①: Subscription end revenue = magazine publishing end revenue x share of subscribers (59.23%)
②: Publishing end retail revenue = magazine publishing end revenue x share of retail (40.77%)
③: Revenue generated by direct sales = ② x share of direct sales in retail (46.0%)
④: Revenue from distribution channels = ② x share of distribution in retail (54.0%) / average wholesale discount (33%) x average retail discount (17%)
⑤: Total revenue from magazine publication = ① + ③ + ④

3.2.2. Revenue structure and items in this year

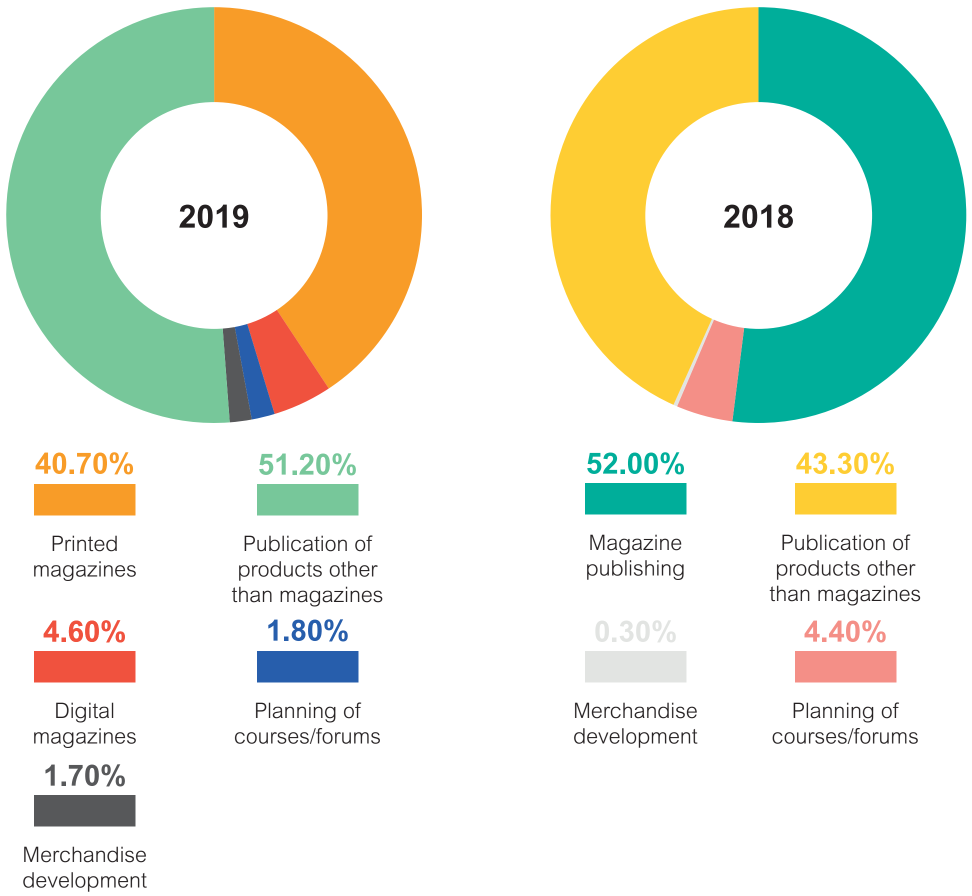
Most magazine publishers in Taiwan are SMEs and 58.93% of the publishers had an operating revenue of less than NT$10 million in 2019.



Description: N=56.
Source: This survey.

Figure 2-26 Annual revenue of magazine publishers in Taiwan in 2019

Magazine publishers surveyed in 2019 generated more than 50% of their revenue from "other revenue unrelated to magazine publishing" (54.7%), while "revenue related to magazine publishing" accounted for 45.3%. In terms of the development in recent years, magazine publishers in Taiwan have ventured beyond traditional magazine publishing and adopted diverse profitability models.

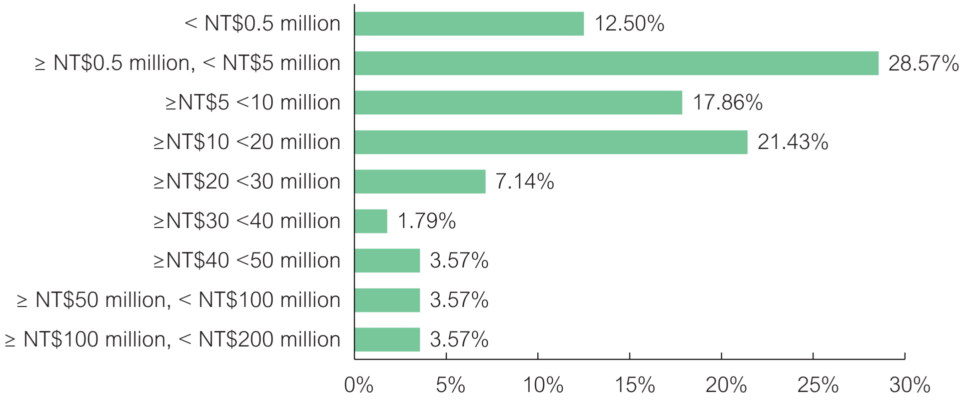


Description: N = 58 in 2018 and N = 55 in 2019.
Source: This survey.

Figure 2-27 Sources of revenue of magazine publishers in Taiwan in 2019

3.2.3. Expenditures and structure of the magazine publishing industry in this year

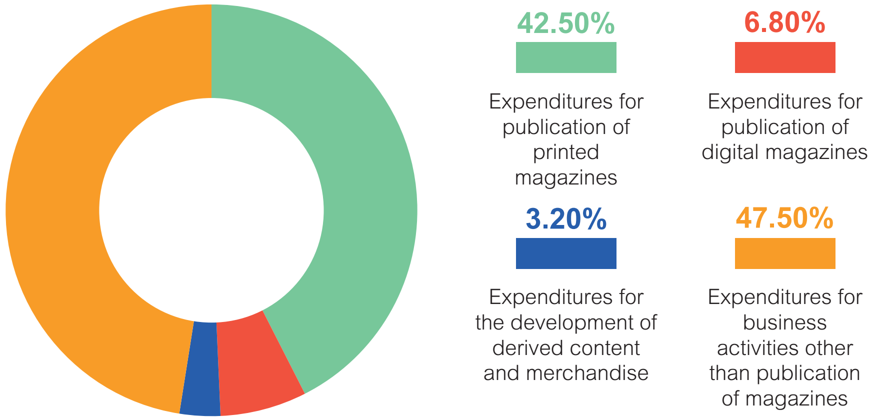
In terms of the overall spending of magazine publishers in Taiwan in 2019, 58.93% of surveyed businesses spent less than NT$10 million, which is consistent with the fact that most magazine publishers in Taiwan are SMEs.



Description: N=56.
Source: This survey.

Figure 2-28 Expenditures of magazine publishers in Taiwan in 2019

In 2019, 52.5% of the expenditures of magazine publishers in Taiwan were related to magazine publishing. Compared to the 2018 survey results, expenditures on items other than magazine publishing increased by 2.6% in 2019. It shows that the business focus of magazine publishers in Taiwan has shifted toward sectors other than magazine publishing in recent years.

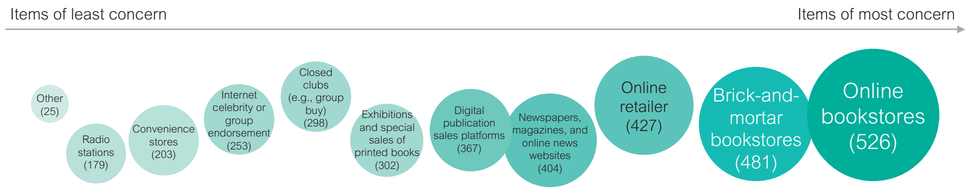


Description: N=53.
Source: This survey.

Figure 2-29 Uses of expenditures of magazine publishers in Taiwan in 2019

3.2.4. Channels for the use of marketing resources of magazine publishers in Taiwan in 2019

In 2019, magazine publishers in Taiwan focused on marketing channels similar to book publishers such as online bookstores, followed by brick-and-mortar bookstores and online shopping malls. The difference was that compared to book publishers, magazine publishers focused more on marketing channels such as digital publication circulation and sales platforms, and newspaper, magazine and online news websites. The results may be interpreted as magazine publishers faced more significant impact from online contents than book publishers, and their core business has shifted to online business development more quickly. As a result, they have placed more marketing resources in online channels. In addition, certain businesses mentioned "distributors" as one of their important marketing channels.



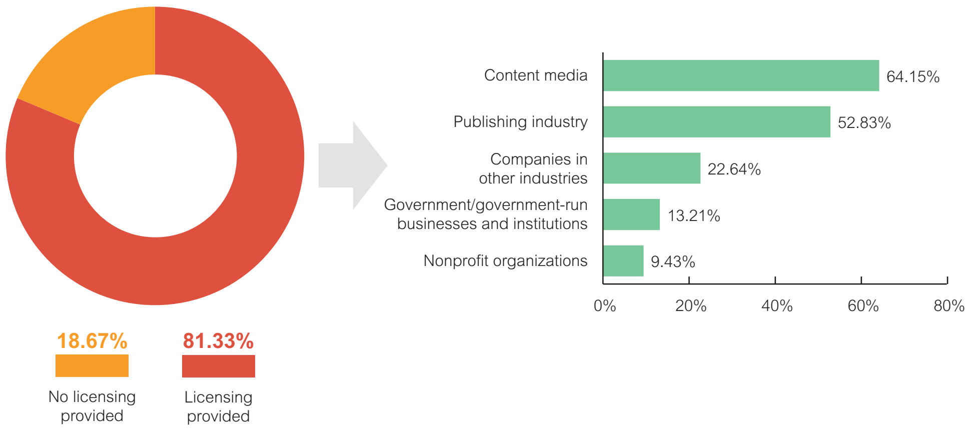
Description: Each item receives a score of between 1 and 11. The number in the bracket indicates the total score provided by all respondents (N = 61) for the item.
Source: This survey.

Figure 2-30 Channels for the use of marketing resources of magazine publishers in Taiwan in 2019

3.3. IP licensing trends

3.3.1. Recipients of foreign licensing from magazine publishers in Taiwan in 2019

In 2019, 81.33% of magazine publishers in Taiwan licensed magazine content or magazine brands to foreign entities Licensing was mostly provided for content.

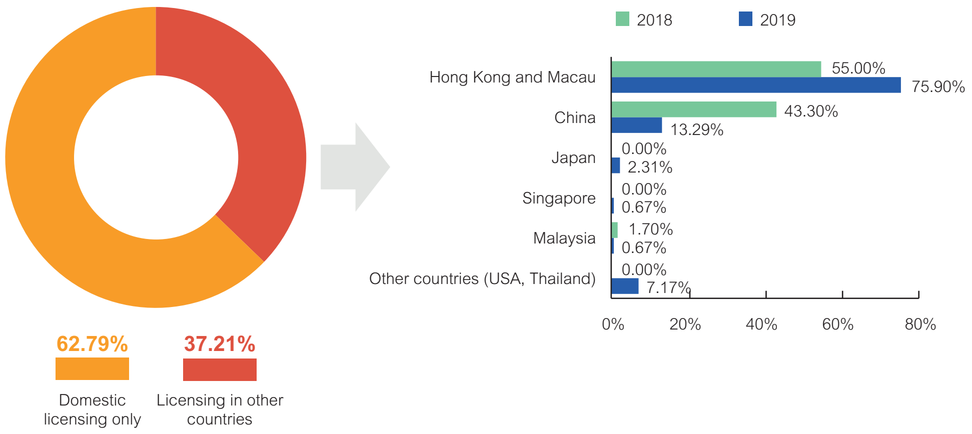


Description: Number of companies surveyed on whether they provided foreign licensing N = 75 and number of companies that provided licensing N = 61.
Source: This survey.

Figure 2-31 Recipients of foreign licensing from magazine publishers in Taiwan in 2019

3.3.2. Sales of copyright of magazine publishers to foreign countries

Among magazine publishers that provided magazine content/brand licensing in 2019, 37.21% sold the aforementioned copyrights to other regions or countries while the remaining 62.79% only provided domestic licensing.

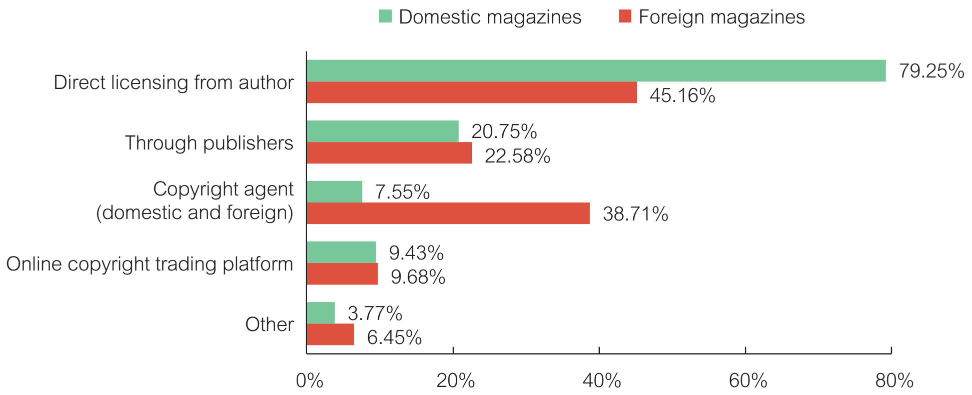


Description: N = 6 in 2018 and N = 16 in 2019.
Source: This survey.

Figure 2-32 Sources of revenue of magazine publishers in Taiwan

3.3.3. External licensing channels for books in Taiwan and magazines from foreign publishers in 2019

The current external licensing channels for local and foreign magazines consist mainly of direct licensing from author. The two less important licensing channels are publishers (20.75%) and copyright agents (domestic and foreign) (38.71%).

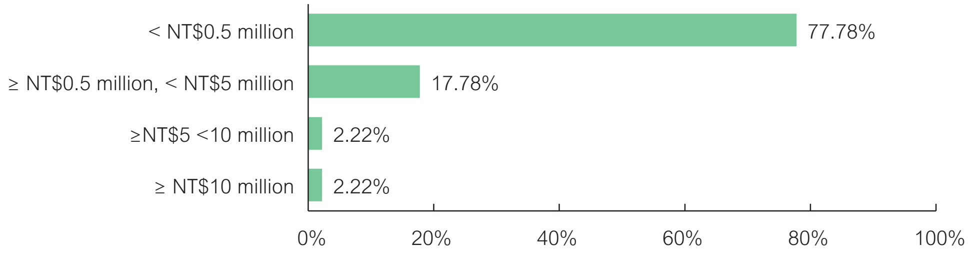


Description: Domestic magazines N=53, foreign magazines N=31.
Source: This survey.

Figure 2-33 External licensing channels for books in Taiwan and magazines from foreign publishers in 2019

3.3.4. Revenue from licensing for magazines in Taiwan in 2019

The external licensing business of magazine publishers in Taiwan remains small-scale. More than 95% (95.56%) of such publishers had an annual revenue for licensing of under NT$5 million in 2019.



Description: N=45.
Source: This survey.

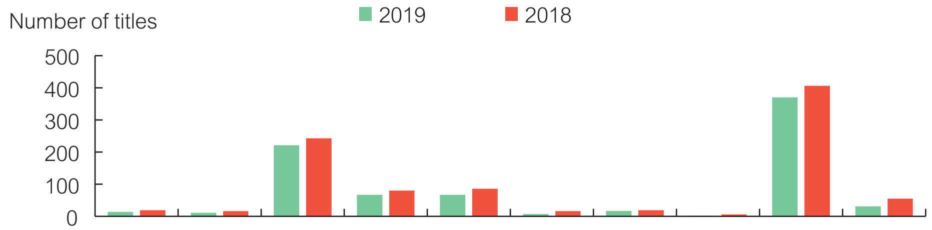
Figure 2-34 Revenue from licensing of magazine publishers in Taiwan in 2019

3.4. Industry observation indexes

3.4.1. Overall publication status of printed magazines in Taiwan in 2019

At present, the number of domestic magazine with the International Standard Serial Number (ISSN) remains limited and it is difficult to present a complete overview of magazine publishing in Taiwan. To address the shortfall, we conducted an inventory of the major channels (four largest online bookstores: Books.com.tw, Eslite, Kingstone Book, and TAAZE) to gain more comprehensive and detailed information on magazine publication in 2019.

In terms of the publication frequency of 806 trade magazine titles in 2019, special issues accounted for the highest proportion (370 titles/45.91%), followed by monthly magazines (221 titles/27.42%). Quarterly and bimonthly magazines tied for third place with 67 titles each (8.31%). Magazines with other types of publication frequency numbered fewer than 50.

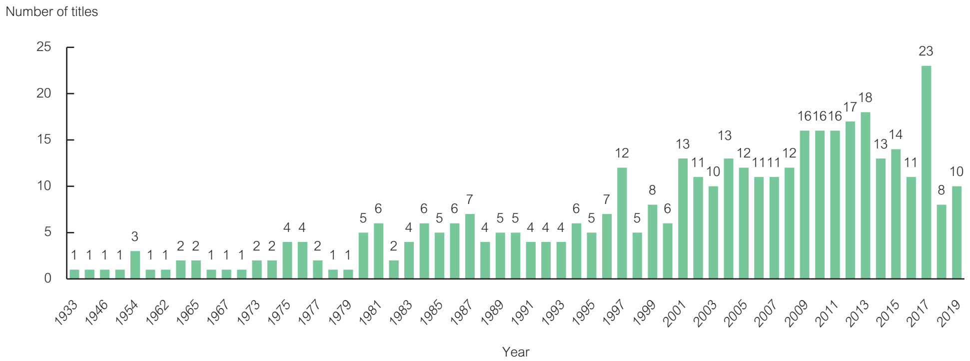


	Weekly	Biweekly	Monthly	Bimonthly	Quarterly	Semi-annually	Annually	Irregular	Special issue	Reissued back issue
2019	14	11	221	67	67	7	17	2	370	31
2018	19	16	243	80	86	16	19	6	406	55

Source: This survey.

Figure 2-35 Types of publication frequency of printed magazines in Taiwan in 2019

In terms of the year of first issue of printed trade magazines in 2019 (excluding special issues, reissued back issues, and irregular issues), magazines first published in 2017 accounted for the highest share and they were followed by those first published in 2013 and 2012.



Description: Excluding special issues, reissued back issues, and irregular issues of magazines.
Source: This survey.

Figure 2-36 Distribution of the date of first publication of printed trade magazines in Taiwan in 2019

3.4.2. Types of publications and sales price of printed magazines in Taiwan in 2019

The types and structure of paper magazine publication in 2019 were similar to that of 2018, but the sources and characteristics of magazine publications have changed. The current distribution channels and nature of magazines have gradually become more diverse, and the publishing format has become more digitalized. In terms of sales price, the prices of printed magazines in 2019 were mostly higher than those in 2018, but the overall average price (NT$207) was lower than the average price in 2018 (NT$227). The main reason is that the average prices of magazines for music and art, film and TV celebrities have declined significantly.

Table 2-14 Types of publications, sales price, and number of publishers of printed magazines in Taiwan in 2019

Unit: Titles, NTD

No.	Printed magazines Category	Number of titles published		Number of companies		Price category (NTD)			
						2018		2019	
		2018	2019	2018	2019	Average	Mode number	Average	Mode number
1	Humanities and social science	19	25	16 (4.5%)	23 (7.0%)	206	190	205	100
2	Literature and history	27	23	23 (6.5%)	21 (6.4%)	232	162	220	190
3	Taiwan local history	11	6	11 (3.1%)	6 (1.8%)	192	190	202	143
4	Leisure and hobbies	87	46	58 (16.3%)	36 (11.0%)	250	189	263	190
5	Gay magazines	7	8	4 (1.1%)	5 (1.5%)	416	456	516	760
6	Natural science	16	4	4 (1.1%)	2 (0.6%)	305	284	323	284
7	Automobiles and motorcycles	22	14	17 (4.8%)	11 (3.4%)	184	190	162	160
8	Men's fashion	34	30	20 (5.6%)	15 (4.6%)	326	189	436	190
9	Architecture and decoration	29	27	18 (5.1%)	16 (4.9%)	196	190	230	190
10	Fashion	26	31	20 (5.6%)	22 (6.7%)	196	190	174	190
11	Photography	6	7	6 (1.7%)	5 (1.5%)	171	165	339	333
12	Music audio systems	8	5	7 (2.0%)	5 (1.5%)	188	190	197	190
13	Music and art	12	8	10 (2.8%)	7 (2.1%)	321	741	241	238

No.	Printed magazines Category	Number of titles published		Number of companies		Price category (NTD)			
						2018		2019	
		2018	2019	2018	2019	Average	Mode number	Average	Mode number
14	Family life	72	105	22 (6.2%)	28 (8.6%)	131	94	129	94
15	Travel	61	35	26 (7.3%)	21 (6.4%)	158	189	174	238
16	Cosmetics	38	32	26 (7.3%)	21 (6.4%)	207	190	223	190
17	Finance & management	218	187	44 (12.4%)	42 (12.8%)	140	94	145	94
18	News	14	12	11 (3.1%)	12 (3.7%)	161	122	169	143
19	Sports and competition	24	20	13 (3.7%)	14 (4.3%)	182	189	192	160
20	Computer science	43	52	24 (6.7%)	27 (8.3%)	232	224	238	284
21	Language learning	45	37	11 (3.1%)	13 (4.0%)	228	131	202	284
22	Celebrity	21	15	10 (2.8%)	7 (2.1%)	323	122	204	131
23	Survey research reports	4	3	4 (1.1%)	3 (0.9%)	257	238	263	238
24	Academic journals	4	4	4 (1.1%)	4 (1.2%)	224	200	226	190
25	Government agency publications	5	4	5 (1.4%)	4 (1.2%)	149	124	226	190
26	Family entertainment	52	45	22 (6.2%)	18 (5.5%)	231	160	284	160
27	Art and design	28	22	21 (5.9%)	19 (5.8%)	219	266	222	171
28	Others	13	-	-	-	329	142	-	-
	Total	946	807	356	327	227	190	207	94

Source: This survey.

3.4.3. Listing rate of printed trade magazines in main channels in Taiwan in 2019

In terms of the listing rate of printed trade magazines in 2019, Kingstone online bookstore had the highest number with 635 titles and a listing rate of 78.7%. It was followed by Books.com.tw, TAAZE online bookstore, and Eslite online bookstore.

Table 2-15 Listing rate of printed trade magazines in Taiwan in 2019

Unit: titles, %

Channel name		Overall (trade magazines)	Books.com.tw	Eslite	Kingstone Book	TAAZE
2018	Number of products	946	544	339	737	491
	Percentage	100.0%	57.5%	35.8%	77.9%	51.9%
2019	Number of products	807	505	331	635	422
	Percentage	100.0%	62.6%	41.0%	78.7%	52.3%

Description: 1. The survey conducted an inventory of the aforementioned four largest online bookstores from April to June 2019 and from July to August 2020.
2. There may be overlaps between the printed magazines listed on different online bookstores and the total does not add up to 100.0%.

Source: This survey.

3.4.4. Overview of the types and format of digital magazines in Taiwan in 2019

The formats used for digital magazines in 2019 consisted mostly of PDF format (84.7%) and those in EPUB format only accounted for 4.7%. Compared to 2018, the number of publications with EPUB format and both PDF/EPUB formats has increased while the number of publications with only PDF format fell.

Table 2-16 Number of published titles of digital magazines of different file formats in Taiwan in the past two years

Unit: titles, %

Year	Publication format				Total
	EPUB	PDF	PDF/EPUB	Video books	
2018	24 (3.6%)	603 (91.4%)	30 (4.5%)	3 (0.5%)	660 (100%)
2019	31 (4.7%)	563 (84.7%)	69 (10.4%)	2 (0.3%)	665 (100%)

Source: This survey.

3.4.5. Retail price and number of publishers of all genres of digital magazines in Taiwan in 2019

The average retail price of all digital magazines in 2019 was approximately NT$187, which was an increase compared to 2018. There were 297 publishers of digital magazines in 2019, which was a small decline of 2.9% compared to 306 publishers in 2018.

Table 2-17 Retail price and number of publishers of all genres of digital magazines in Taiwan in 2019

Unit: NTD, number of publishers, %

No.	Magazine category	Retail price (NTD)				Number of companies	
		2018		2019			
		Average	Mode number	Average	Mode number	2018	2019
1	Humanities and social science	66	50	124	198	5 (1.6%)	4 (1.4%)
2	Women's fashion	148	120	172	120	26 (8.5%)	18 (6.1%)
3	Literature and religion	93	80	83	80	11 (3.6%)	10 (3.4%)
4	Leisure and life	102	79	106	99	77 (25.2%)	61 (20.5%)
5	Adult	283	169	333	399	73 (23.9%)	88 (29.6%)
6	Automobile audio systems	100	30	130	181	10 (3.3%)	9 (3.0%)
7	Men's fashion	126	120	126	60	24 (7.8%)	14 (4.7%)
8	Family	111	10	114	129	18 (5.9%)	22 (7.4%)
9	Fashion	97	68	84	88	6 (2.0%)	5 (1.7%)
10	Finance & management	121	150	138	99	31 (10.1%)	39 (13.1%)
11	Business and finance	158	250	138	99	16 (5.2%)	9 (3.0%)
12	News and entertainment	89	100	114	60	32 (10.5%)	27 (9.1%)
13	Sports and competition	152	150	169	180	8 (2.6%)	5 (1.7%)
14	Languages and computers	136	180	145	180	23 (7.5%)	19 (6.4%)
15	Art and design	138	120	144	120	24 (7.8%)	21 (7.1%)
16	Others	0	0	266	266	1 (0.3%)	1 (0.3%)
Overall		121	120	187	99	306 (100.0%)	297 (100.0%)

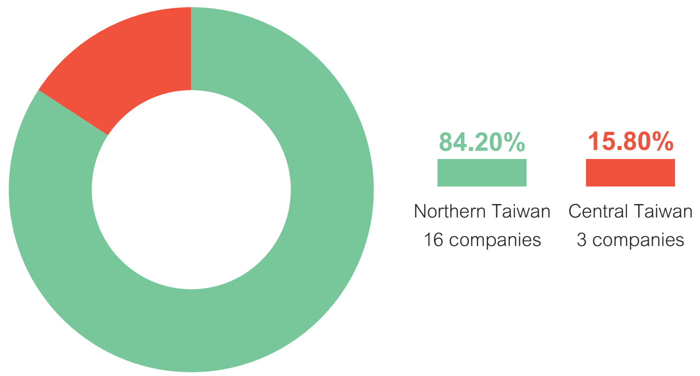
Description: The magazines consisted mostly of trade magazines. As a company may publish two or more genres of digital magazines, the total number of companies for each type of digital magazines does not add up to 100.0%. Repetitions have been deducted from the total number of companies.
Source: This survey.

4. Original images: Illustration agency industry

4.1 Overall industry overview

4.1.1. Number and distribution of illustration agencies in 2019

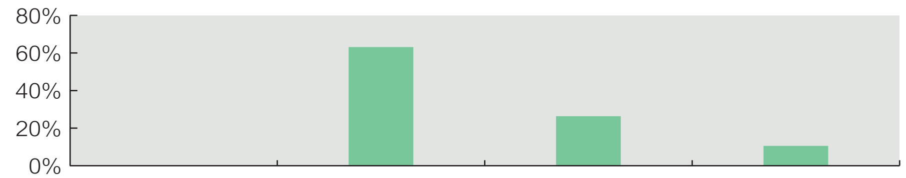
There have been no surveys on illustration agencies in Taiwan in the past. We conducted an inventory of sources such as illustration exhibitions (e.g., Asia Illustration Fair and Taipei Illustration Fair) and platforms for the sales of illustration and merchandise (e.g., Pinkoi, Shopping Design, and Line Sticker Shop) and learned that there were approximately 22 illustration agencies in Taiwan in 2019. However, after excluding those that have ended business operations, suspended businesses, personal agencies, and those that could not be reached, the actual number of effective illustration agencies was 19. illustration agencies in Taiwan were mostly concentrated in Northern Taiwan (84.20%), with 78.95% in the Greater Taipei area.



Description: Northern Taiwan includes Taipei City, New Taipei City, Keelung City, Taoyuan City, Hsinchu City, Hsinchu County, and Yilan County; Central Taiwan includes Miaoli County, Taichung City, Changhua County, Nantou County, and Yunlin County.
Source: This survey.

Figure 2-37 Original images: Geographical distribution of illustration agencies

Illustration agencies are mostly businesses established between 5 and 10 years ago. It shows that illustration agencies currently active on the market mostly have stable operations and can withstand the tests of the market.



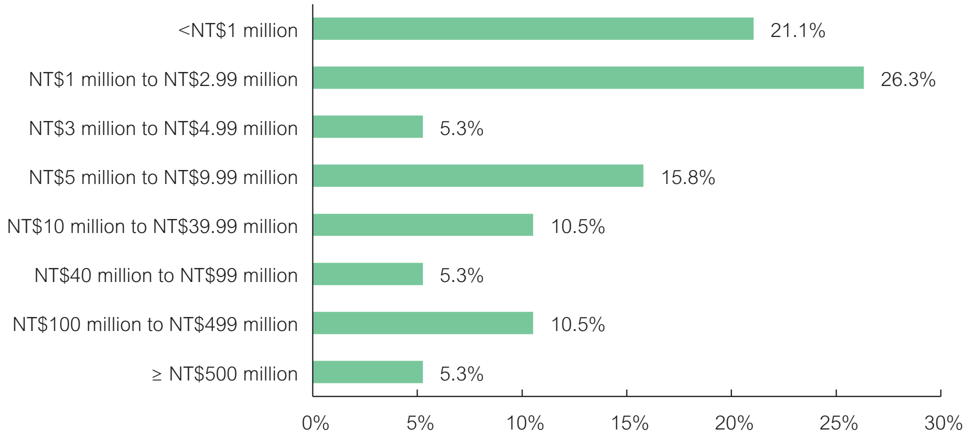
Number of years since founding	Less than 5 years (not inclusive)	5 to 10 years (not inclusive)	10 to 20 years (not inclusive)	20 years or more
Percentage by number of companies	0%	63.16%	26.32%	10.53%

Description: N=19.
Source: This survey.

Figure 2-38 Original images: Number of years since founding of illustration agencies

4.1.2. Average capital of illustration agencies in Taiwan

A total of 13 companies in the domestic illustration agencies industry had a registered capital of lower than NT$10 million, which accounted for 68.42% of the total. It shows that most companies in the domestic illustration agencies industry are SMEs similar to book publishers. Most of the large publishers with a capital of more than NT$100 million are large enterprises operating with operations in cultural and creative industries, such as cross-media integrated marketing, music production and performing arts management.



Description: N=19.
Source: This survey.

Figure 2-39 Original images: Registered capital of illustration agencies

4.1.3. Overview of employees of illustration agencies

In 2019, 85.71% of the illustration agencies in Taiwan employed fewer than 10 people. On the other hand, the results of survey data from illustration agencies in Taiwan[12] showed that each company employed on average 7.6 full-time and part-time employees. The illustration agencies in Taiwan employed approximately 144 employees in 2019.

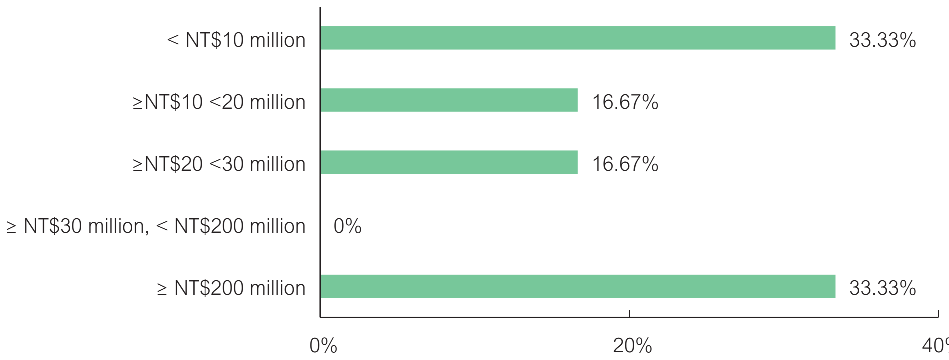
12. Formula for estimating the number of employees = average number of employees (including full-time and part-time employees) from survey responses x number of companies surveyed.

4.2. Revenue and business model

4.2.1. Overview of the revenue and estimated total revenue of illustration agencies from original images in this year

The estimated scale of the original images industry in Taiwan in 2019 was calculated based on the revenue of the illustration agencies and questionnaires for obtaining information on their revenue. The responses provided for the questionnaire showed that most of the revenue of illustration agencies in Taiwan was related to original image creation. The data showed that the scale of the original images and illustration agency market in Taiwan in 2019 was approximately NT$132.51 million.

With regard to the revenue of illustration agencies in 2019, 66.67% of the interviewees stated that their income from illustration agency services in 2019 had increased compared to the previous year while the other 33.33% stated that the income remained the same. However, as there were fewer effective interviewees for the questionnaire of illustration agencies, the actual statistics are provided for reference only.

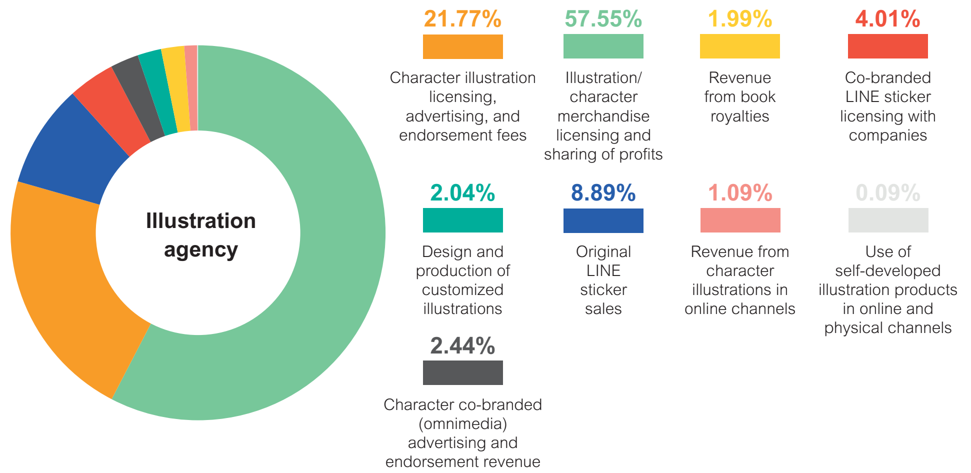


Description: 1. For large audio, video, and media companies with an annual revenue of NT$200 million or more, original image agency is only one of their business operations.
2. N=6
Source: This survey.

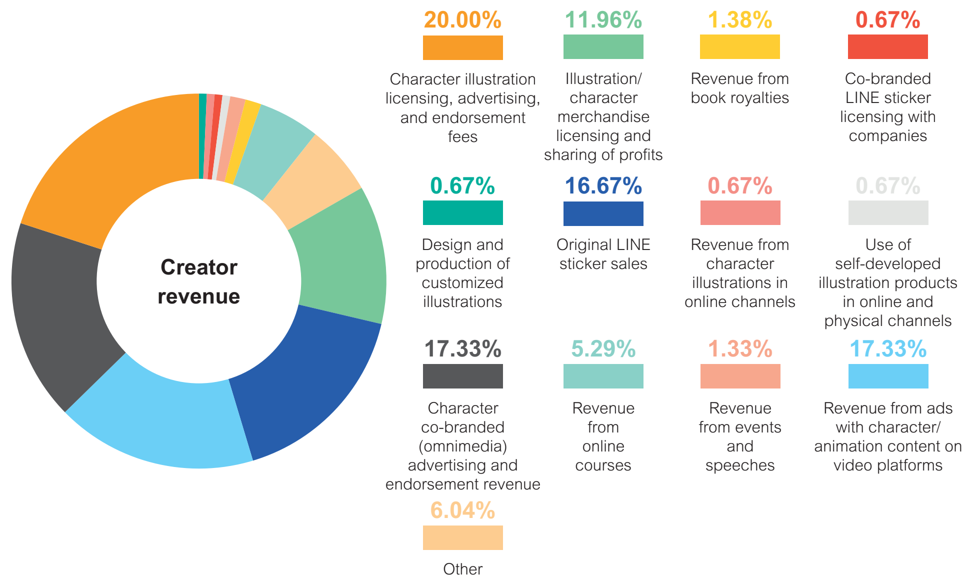
Figure 2-40 Original images in Taiwan in 2019: Total annual revenue of illustration agencies

4.2.2. Structure of the revenue of illustration agencies from original images in this year

In 2019, the main source of revenue for the illustration agencies surveyed was “licensing and profit from sales of illustration/character merchandise” (57.55%) and “character illustration licensing, advertising, and endorsement fees” (21.77%) after the profits are shared with creators. The highest percentage of the creator's income with the assistance in contracting from agencies was also from “character illustration licensing, advertising, and endorsement fees”. In terms of the personal income generated by creators, in addition to the revenue from character licensing and co-branded advertising, the “revenue from ads on character/animation content audio/video platforms” (17.33%) was also a very important source of personal income for creators.



Description: They also included “co-branded revenue from department stores, malls, and other venues”, “revenue from online courses”, “revenue from events and speeches”, and “other revenue”, totaling 0.13%.

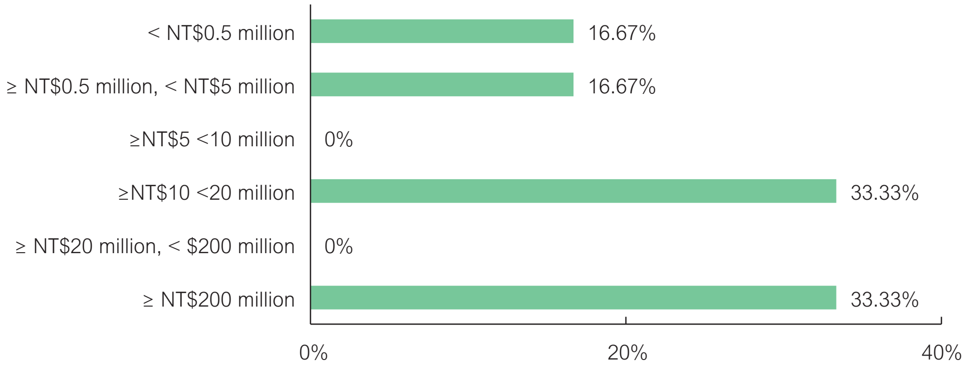


Description: Illustration agencies N=4, creators N=3.
Source: This survey.

Figure 2-41 Original images in Taiwan in 2019: Structure of the revenue of illustration agencies and creators

4.2.3. Expenditures and structure of illustration agencies from original images in this year

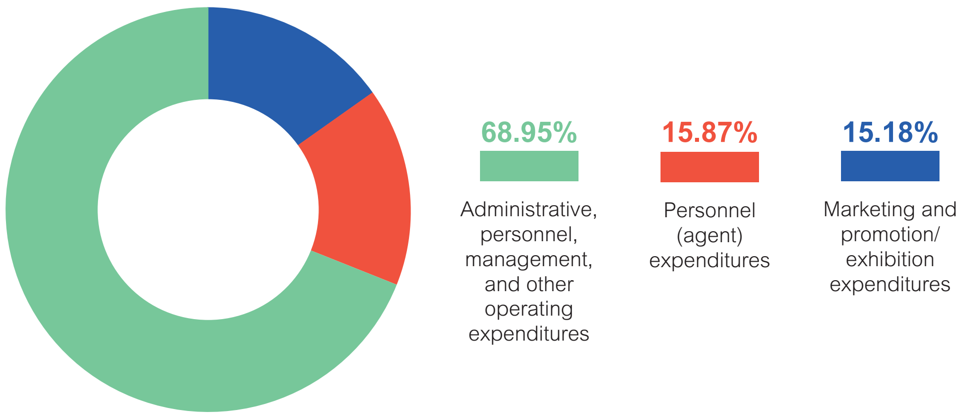
In terms of the overall expenditures of illustration agencies in Taiwan, 67% of the agencies spent “less than NT$5 million” or “between NT$10 million and NT$20 million” in 2019.



Description: 1. For large audio, video, and media companies with annual expenditures of NT$200 million or more, original image agency is only one of their business operations.
2. N=6
Source: This survey.

Figure 2-42 Original images in Taiwan in 2019: Total annual expenditures of illustration agencies

Most of the expenditures of illustration agencies in Taiwan in 2019 consisted of “administrative, personnel, management, and other operating expenditures” (68.95%), followed by “personnel (agent) expenditures” (15.87%) and “administration/exhibition expenditures” (15.18%).



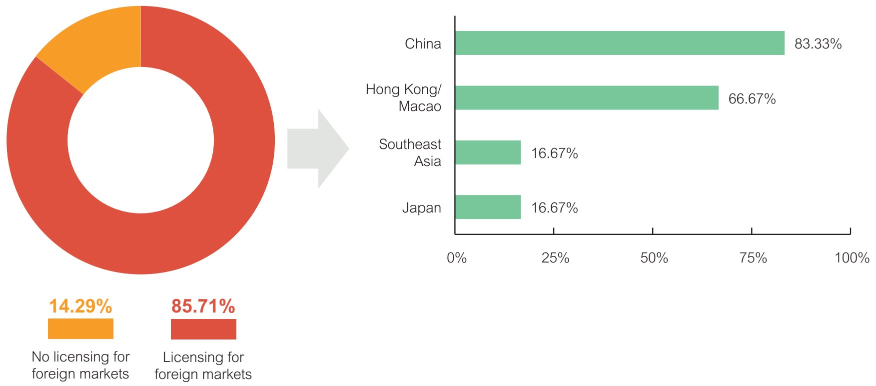
Description: N=6.
Source: This survey.

Figure 2-43 Original images in Taiwan in 2019: Composition of expenditures of illustration agencies

4.3. IP licensing trends

4.3.1. Recipient countries of foreign licensing of original images from Taiwan in 2019

In 2019, 85.71% of the illustration agencies helped facilitate overseas licensing of original image works from Taiwan. In terms of licensing recipient countries, Mainland China accounted for the highest share (83.33%).

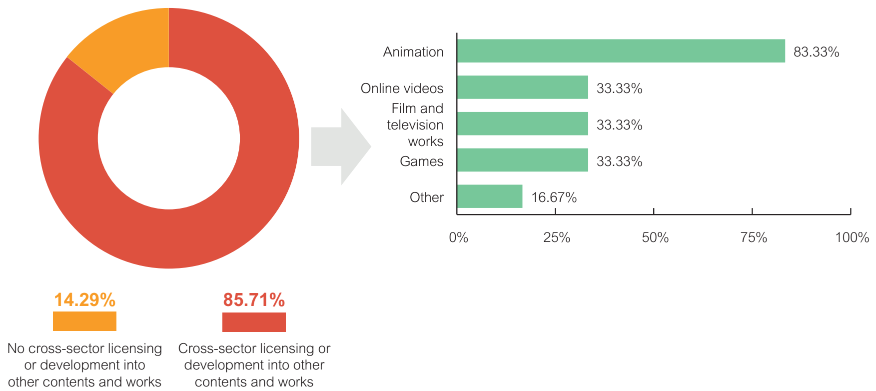


Description: 1. Multiple choices are allowed for the "licensing recipient country".
2. Companies inquired whether they had provided foreign licensing N=7, number of countries that received licensing N=6.
Source: This survey.

Figure 2-44 Recipient countries of foreign licensing of original images from Taiwan in 2019

4.3.2. Products/services with licensing of original images from Taiwan in 2019

In 2019, 85.71% of the illustration agencies assisted in the cross-sector licensing or development of original images from Taiwan to works with other content. Animation accounted for the highest ratio of cross-sector works (83.33%).



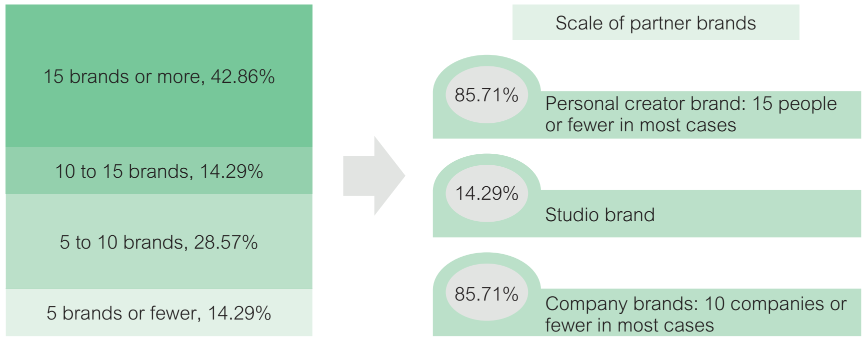
Description: 1. Multiple choices allowed for "licensed products/services".
2. Companies inquired whether they had provided cross-sector licensing N=7, number of companies that provided licensing for products/services N=6.
Source: This survey.

Figure 2-45 Products/services with licensing of original images from Taiwan in 2019

4.4. Industry Observation Indexes

4.4.1. Overview of brands in collaboration with image creation and illustration agencies in Taiwan in 2019

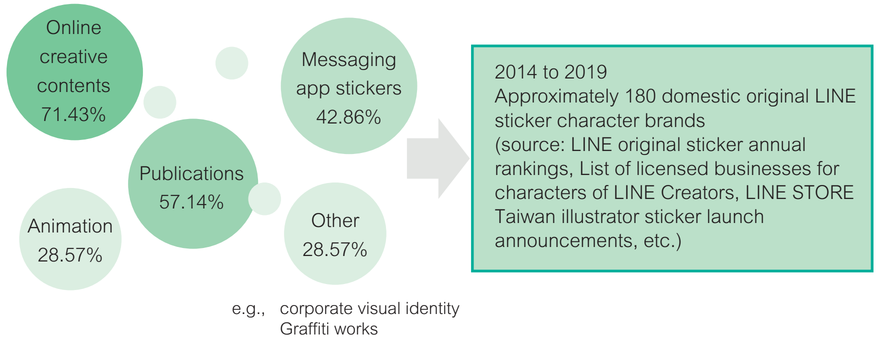
In 2019, most of the illustration agencies in Taiwan had partnerships with more than 15 brands (42.86%), and 85% of their partners were original Taiwanese brands. Most of their partners consisted of individuals or companies.



Description: 1. Multiple choices allowed for the scale of partner brands.
2. N=7
Source: This survey.

Figure 2-46 Number and scale of brands of illustration agencies in Taiwan in 2019

The partner brands of illustration agencies in Taiwan in 2019 mainly consisted of "online creative content" (71.43%), followed by "publications" (57.14%), "messaging app stickers" (42.86%), and "animation" (28.57%). An inventory of LINE original sticker annual rankings, List of licensed businesses for characters of LINE Creators, LINE STORE Taiwan illustrator sticker launch announcements, and other secondary data showed that there were approximately 180 brands of original LINE stickers and characters from 2014 to 2019.

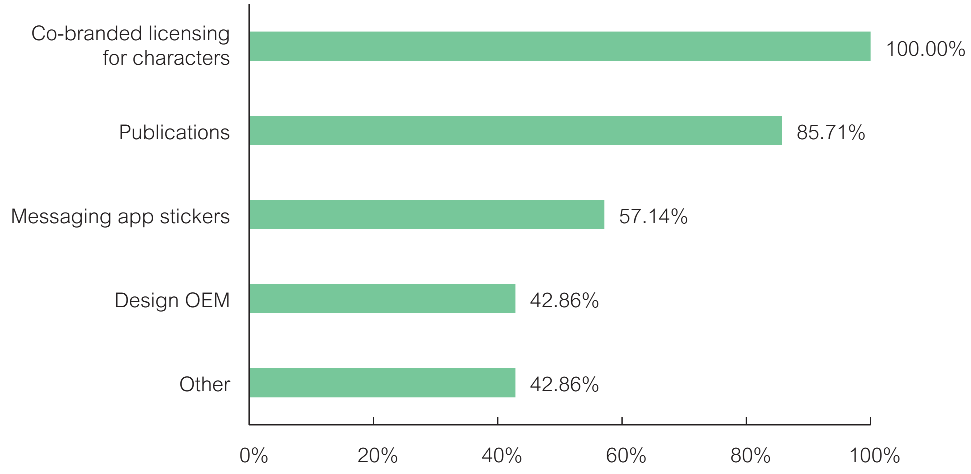


Description: 1. Multiple selections allowed.
2. N=7
Source: This survey.

Figure 2-47 Sources of partner brands of illustration agencies in Taiwan in 2019

4.4.2. Business collaboration model for image creations negotiated by illustration agencies in Taiwan in 2019

Among the business partnership cases negotiated by illustration agencies in Taiwan for their partner brands, "co-branded licensing for characters" (100.0%) was the most common. It was followed by "publications" (85.71%), "messaging app stickers" (57.14%), and "design OEM" (42.86%).



Description: 1. Multiple selections allowed.
2. N=7
Source: This survey.

Figure 2-48 Business collaboration model for image creations negotiated by illustration agencies in Taiwan in 2019

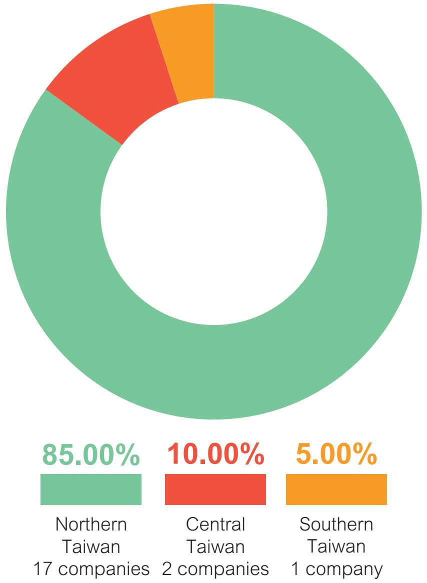
5. Digital Publishing Platform Industry

5.1 Industry Overview

5.1.1. Number of digital publication platform operators and geographical distribution in Taiwan in 2019

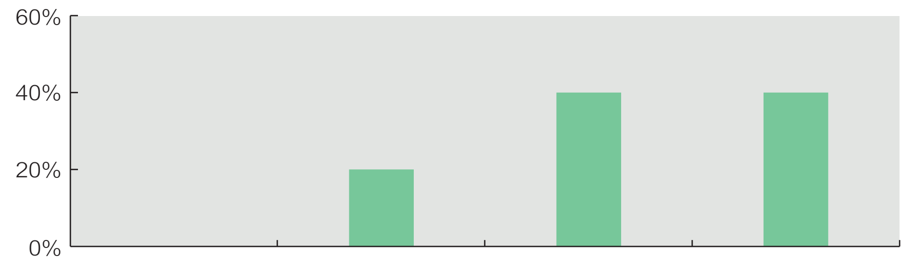
A comprehensive list of digital publication platforms and related government reports has not yet been prepared in Taiwan. Therefore, we used lists of marketing channels in past editions of the "Taiwan Publishing Industry Survey" by the Ministry of Culture, list of recipients of government subsidies, the Credit Online Database of China Credit Information Service Ltd., and online recommendations and keyword search data as the basis. The companies that sell or lease digital publications in the digital service platform system were included as the main entities in the survey. After establishing contact and confirmation, we confirmed the digital service platform operators that actually used their digital service platforms to sell or lease general books in 2019. We then removed units that had closed, ceased operations, or dissolved before identifying 20 effective digital platform operators. They were mostly located in Northern Taiwan, with 11 operators located in Taipei City, which accounted for more than half of the total (55.0%).

Among the 20 digital platform operators, 80.0% of them have been established for more than 10 years, and none of them have been established for less than 5 years. The aforementioned information shows that the digital platform industry is dominated by large IT companies with relatively stable organizational structure and capital as well as the capacity for development. They can respond flexibly to rapid changes in the market and industry environment.



Description: Northern Taiwan includes Taipei City, New Taipei City, Keelung City, Taoyuan City, Hsinchu City, Hsinchu County, and Yilan County; Central Taiwan includes Miaoli County, Taichung City, Changhua County, Nantou County, and Yunlin County; Southern Taiwan includes Chiayi County, Chiayi City, Tainan City, Kaohsiung City, and Pingtung County.
Source: This survey.

Figure 2-49 Geographical distribution of digital publication platform operators in Taiwan



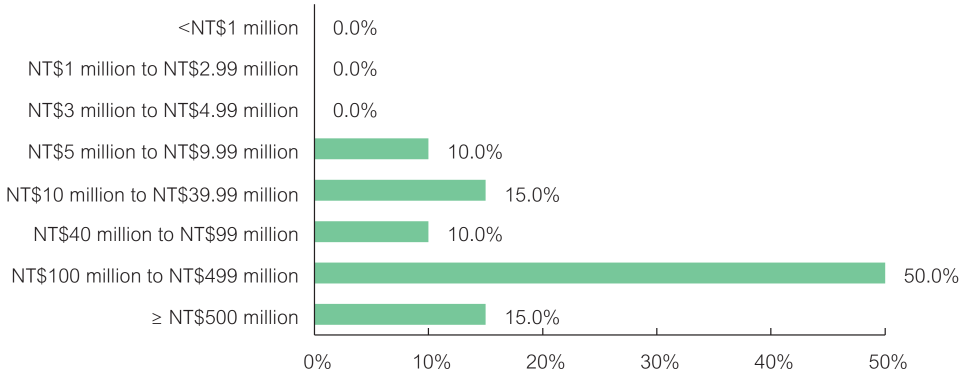
Number of years since founding	Less than 5 years (not inclusive)	5 to 10 years (not inclusive)	10 to 20 years (not inclusive)	20 years or more
Percentage by number of companies	0%	20.00%	40.00%	40.00%

Description: N=20.
Source: This survey.

Figure 2-50 Number of years since of founding of digital publication platform operators in Taiwan

5.1.2. Average capital of digital publication platform operators

Digital publication platform companies in Taiwan consist mainly of those with a capital of NT$100 million or more, accounting for 65.0% of the total. It shows that the scale of operations of digital platforms in Taiwan is larger than that of general publishers and brick-and-mortar bookstores. The pattern may be attributed to their relatively high capital requirements and the need to master IT and digital copyright management technologies.

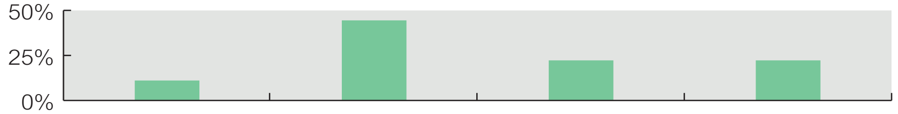


Description: N=20.
Source: This survey.

Figure 2-51 Registered capital of digital publication platform operators in Taiwan

5.1.3. Overview of employees of digital publication platforms

In 2019, the number of employees of digital platform operators were mostly similar. However, due to the small number of valid responses, the statistics are provided for reference only.



Number of employees	1 to 9 persons	10 to 24 persons	25 to 99 persons	More than 100 persons
Percentage by number of companies	11.11%	44.44%	22.22%	22.22%

Description: N=9.
Source: This survey.

Figure 2-52 Hiring by digital publication platform operators in Taiwan in 2019

On the other hand, the results of survey data from digital publication platforms[13] showed that each company employed on average 70.0 full-time and part-time employees. The digital publication platform operators in Taiwan are estimated to have employed approximately 1,399 employees in 2019.

13. Formula for estimating the number of employees = average number of employees (including full-time and part-time employees) from survey responses x number of companies surveyed.

5.2. Revenue and business model

5.2.1. Estimated total revenue in the digital publishing industry in this year

As a publication survey questionnaire was used for revenue estimates, it is difficult to determine whether the companies have provided accurate data in the survey, and there may be errors in the estimates. The traditional method of using "industry-specific" tax information to obtain revenue information cannot be used to determine whether a tax-filing company is in fact operating in the industry. It may thus affect the feasibility of the performance analysis of the industry chain. As such, the revenue from the publication of books, comic books, and magazines was used as the basis to proportionally calculate the revenue from the publishing end[14]. We then used the ratio for the sharing of profits by publishers and digital platforms (60.0%) to calculate the overall revenue from the digital marketing and distribution end[15]. Therefore, the estimated revenue from the distribution end will include the total revenue from domestic and foreign channels, including B to C (business to consumer) as well as large-scale purchase channels for businesses in B to B (business to business), purchase channels for public and private sectors as well as schools of all levels in B to L (business to library), third-party cooperative sales channels (e.g., launch of products on ebook platforms on third-party e-commerce platforms).

According to the aforementioned estimates, the revenue of the “publishing end” of digital publications in Taiwan totaled NT$1.55892 billion in 2019 (NT$984.87 million for ebooks, NT$27.60 million for digital comics, and NT$546.45 million for digital magazines), which was a 39.14% growth compared to 2018 (NT$1.12042 billion). Revenue from digital publications of the “retail end” (digital platforms) was NT$2.59818 billion (NT$1.64145 billion for ebooks, NT$45.99 million for digital comics, and NT$910.74 million for digital magazines), which was a 25.22% increase from 2018[16] (NT$2.07485 billion). The total revenue from digital publications in Taiwan in 2019 was NT$4.1571 billion, which was a 30.10% increase compared to 2018 (NT$3.19527 billion).

14. The method for estimating total publishing end digital publishing revenue was as follows:
①: Revenue from all ebooks on the publishing end = [all revenue from books on the publishing end (NT$16.91418 billion for printed books, including NT$433.97 million for printed comic books) ÷ revenue from printed books as a percentage of all revenue of book publishers (80.6%) x revenue from digital publications as a percentage of all revenue of book publishers (4.8%)]
②: Revenue from all digital comics on the publishing end = all revenue from digital comics on the publishing end (NT$433.97 million) ÷ revenue from the sales of printed comic books as a percentage of all revenue of book publishers (60.9%) x revenue from digital publications as a percentage of all revenue of comic book publishers (3.9%)
③: Revenue from all digital magazines on the publishing end = all revenue of operators in the magazine publishing industry (NT$11.81746 billion) x ratio of revenue from digital publications as a percentage of all revenue of magazine operators (4.6%)
15. The method for estimating total retail-end digital publishing revenue: Retail-end digital publishing revenue (digital marketing channels) = revenue from digital publications (publishing end) ÷ ratio for the sharing of profits by publishers and digital platforms (60.0%)
16. The formula used for estimating the revenue of digital publications this year was different from the one used in the “2018 Taiwan Publishing Industry Survey” by the Ministry of Culture in 2018. According to opinions from the industry, estimates of the total revenue in 2019 based on the formula used in the report may be higher than the actual value. Therefore, the survey this year adopted the formula used in the “Taiwan Publishing Industry Survey” by the Ministry of Culture from 2015 to 2017 and adopted the same method for retroactively calculating (recalculating) the total revenue from digital publications in 2018. The reader is advised to use the revenue for digital publications in 2018 provided in the report this year.

Table 2-18 Development trends of the scale of the overall digital publications in Taiwan

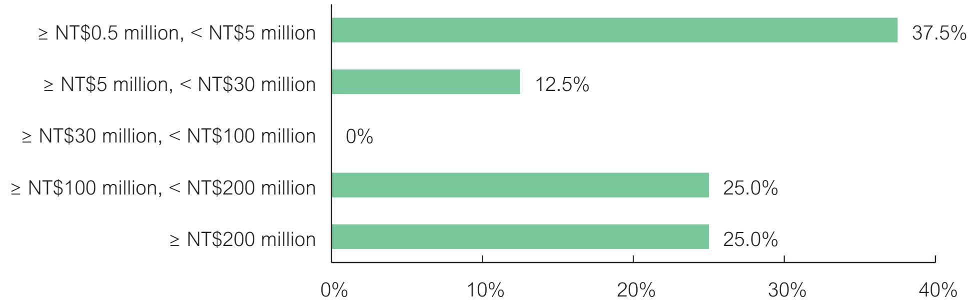
Unit: NT$100 million, %

Year	2016	2018	2019
Publishing end	4.34	11.20	15.59
Growth rate	–	158.23%	39.14%
Retail end	7.23	20.75	25.98
Growth rate	–	186.92%	25.22%
Total revenue	11.57	31.95	41.57
Growth rate	–	176.16%	30.10%

Description: 1. The magazine industry was not included in the survey in 2015 and 2017, and overall statistics are not available.
2. The 2018 growth rate was calculated based on the conditions in 2016.
Source: This survey.

5.2.2. Revenue structure and items in this year

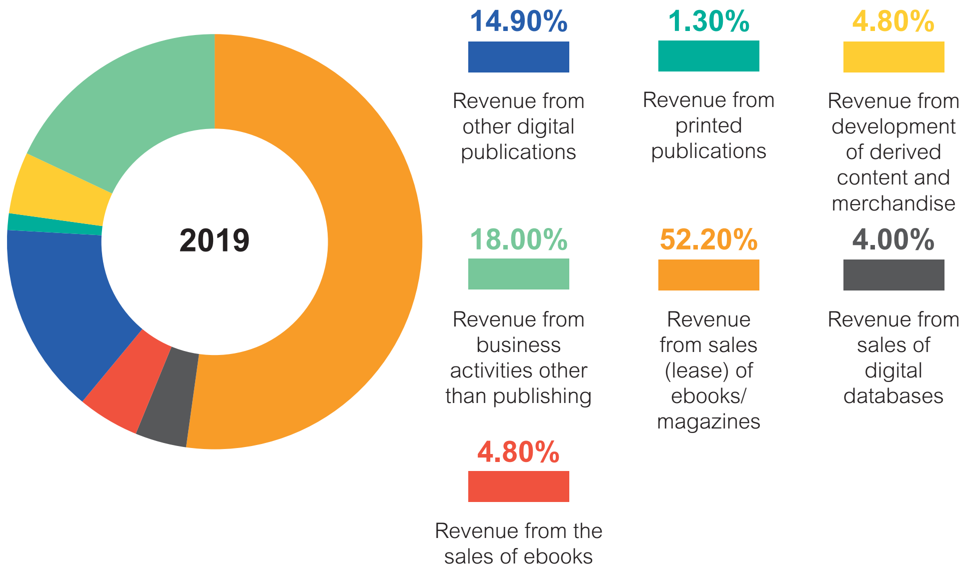
Digital publication platform operators in Taiwan had a larger revenue in 2019 compared to the publishing end, with 50% of respondents reporting an annual revenue of more than NT$100 million.

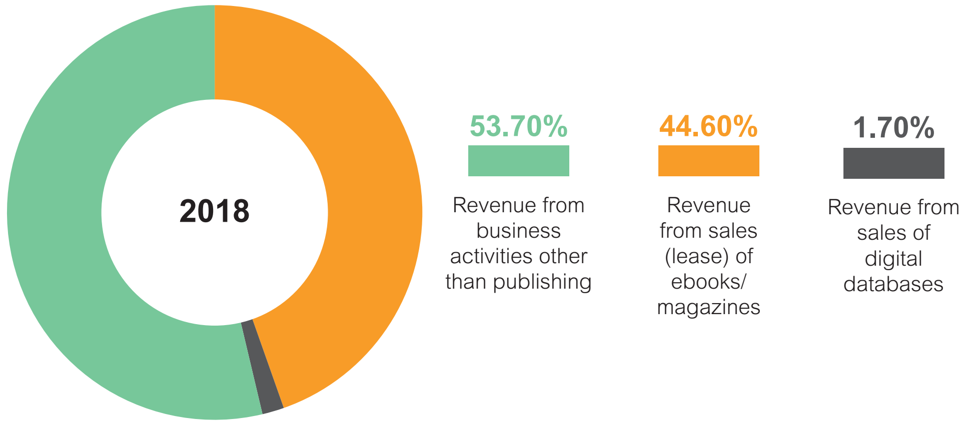


Description: N=8.
Source: This survey.

Figure 2-53 Annual revenue of digital publication platform operators in Taiwan in 2019

In terms of the share of revenue of digital marketing channels in Taiwan in 2019, the "revenue from sales (lease) of ebooks/ magazines" reached 52.2%, which was a significant increase compared to 2018 (44.6%). It has become the most important source of revenue for digital publication platform operators.



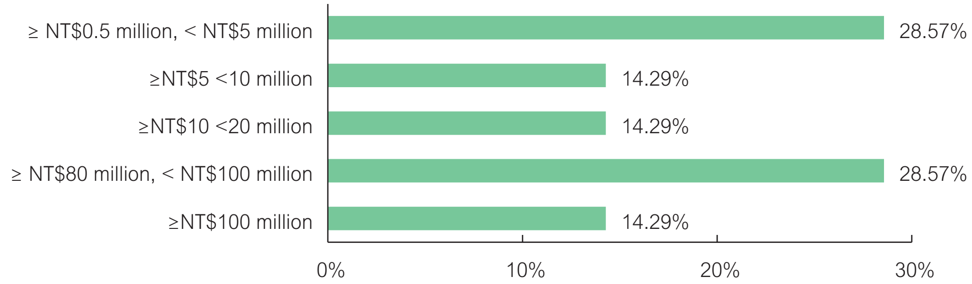


Description: 1. The 2018 questionnaire did not include items regarding "revenue from development of derived content and merchandise" and the results for "revenue from the sales of ebooks on apps", "revenue from other digital publications", and "revenue from printed publications" were 0.0% in 2018.
2. N = 6 in 2018 and N = 11 in 2019.
Source: This survey.

Figure 2-54 Revenue structure of digital publication platform operators in Taiwan in 2019

5.2.3. Digital publication platform industry expenditures and structure in this year

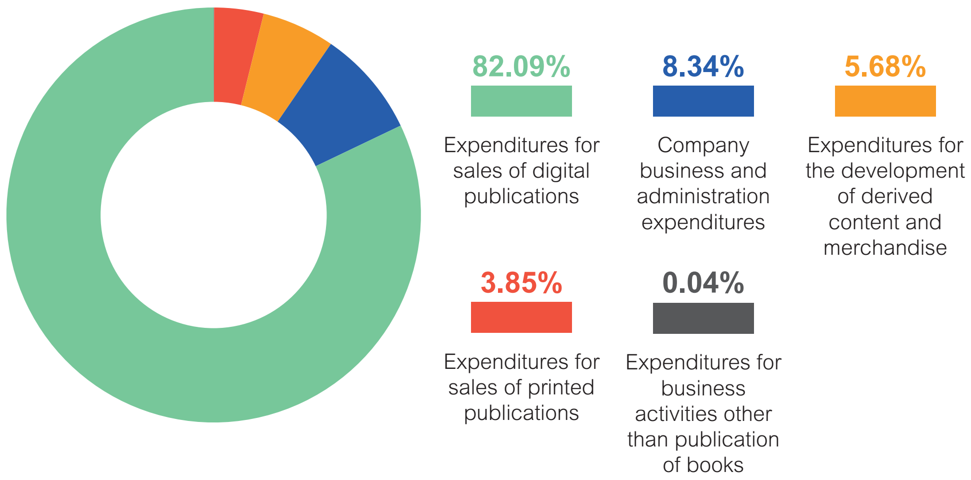
The overall expenditures of the digital publication platforms in Taiwan in 2019 exhibited two opposite trends. As there were fewer effective responses for digital marketing channels, the statistics and data are provided for reference only.



Description: N=7.
Source: This survey.

Figure 2-55 Annual expenditures of digital publication platform operators in Taiwan in 2019

More than eight tenths (82.09%) of the expenditures of digital publication platform operators in 2019 were derived from the sales of digital publications while other expenditures accounted for less than one tenth. It is evident that the operations and development of digital contents have become core businesses of digital publication platform operators in Taiwan.



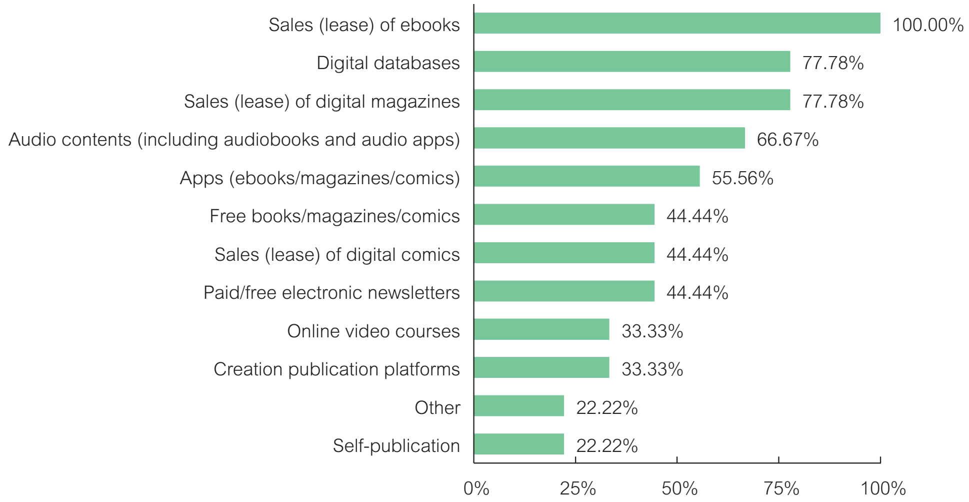
Description: N=7.
Source: This survey.

Figure 2-56 Detailed expenditures of digital publication platform operators in Taiwan in 2019

5.3. Industry Observation Indexes

5.3.1. Development of derived content and merchandise from digital publication platform operators in Taiwan in 2019

In 2019, 77.78% of the companies in "sales (lease) of ebooks" also engaged in operations of "digital databases" and "sales (lease) of digital magazines. In addition, 66.67% of the operators have planned "audio content" services and 55.56% of the operators have launched an "app (digital publication)" digital program. In conclusion, in addition to traditional core functions such as the sales (lease) of digital publications and digital databases, audio content (including audiobooks and audio apps) and apps for digital publications are also important businesses for existing digital marketing channels in Taiwan.



Description: 1. Multiple selections allowed.
2. N=9.
Source: This survey.

Figure 2-57 Development of derived content and merchandise from digital publication platform operators in Taiwan in 2019

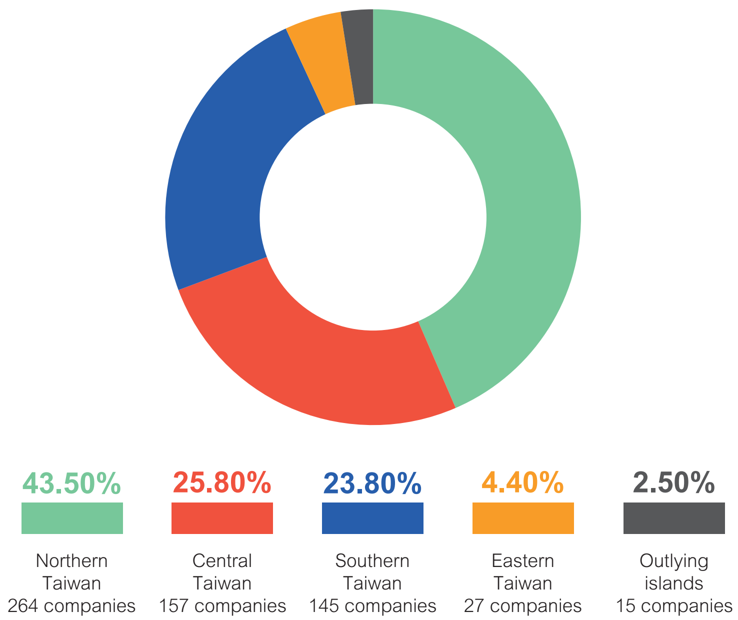
6. Publishing and Marketing Channels

6.1 Industry Overview

6.1.1. New/second-hand/independent bookstores in Taiwan

The subjects of the survey are different from the number of profit-seeking companies and companies with sales revenue from "retail of books and magazines" compiled by the Ministry of Finance. The main reason is that the information from the Ministry of Finance on profit-seeking companies also includes businesses that are not within the scope of the industry and other types of bookstores such as bookstores that mainly sell stationery.

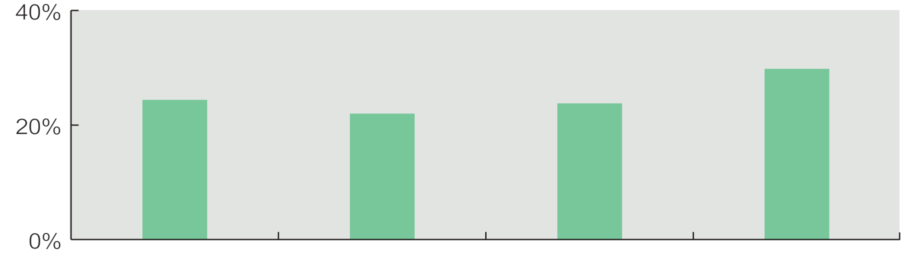
To verify whether brick-and-mortar channels include operators that engage in the sales of books, we used the lists of marketing channels in the "2018 Taiwan Publishing Industry Survey" by the Ministry of Culture, lists of recipients of government subsidies, list of bookstore members of the Friendly Book Supplies Co-operative, stores listed in the "2020 Formosa Bookstore Guide Map" published by the Taiwan Association for Independent Bookshop Culture, and list, and online recommendations and keyword search data as the basis. After establishing contact and confirmation of those that actually sold books, we removed those that terminated business operations, suspended business operations, or were dissolved and ended business operations in 2019, and identified a list of 608 effective new/second-hand/independent bookstores. In terms of the geographical distribution, companies in Northern Taiwan accounted for the highest percentage (43.5%), with a total of 28.5% in the Greater Taipei area, accounting for more than one quarter of bookstores in the country.



Description: Northern Taiwan includes Taipei City, New Taipei City, Keelung City, Taoyuan City, Hsinchu City, Hsinchu County, and Yilan County; Central Taiwan includes Miaoli County, Taichung City, Changhua County, Nantou County, and Yunlin County; Southern Taiwan includes Chiayi County, Chiayi City, Tainan City, Kaohsiung City, and Pingtung County; Eastern Taiwan includes Hualien County and Taitung County; outlying islands include Penghu County, Kinmen County, and Lienchiang County.
Source: This survey.

Figure 2-58 Geographical distribution of new/second-hand/independent bookstores in Taiwan

The numbers of years since founding of the 608 new/second-hand/independent bookstores were similar in all four categories. The category with the highest percentage consisted of companies with more than 20 years of since founding (29.8%).

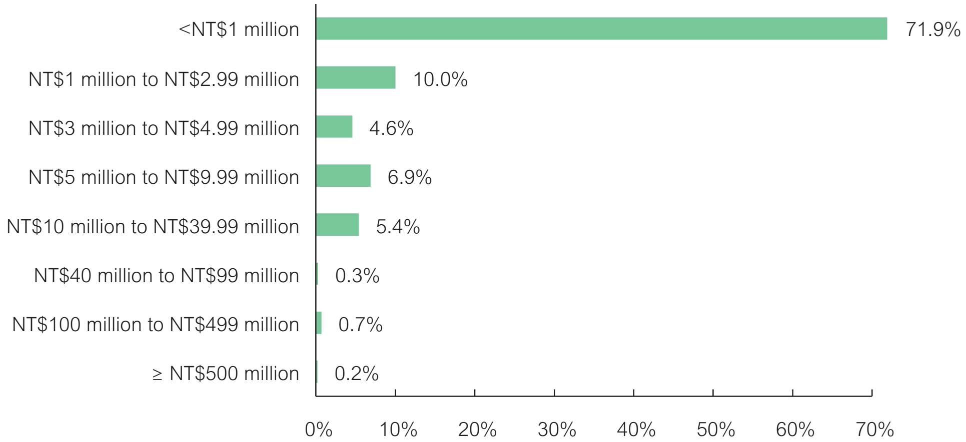


Number of years since founding	Less than 5 years (not inclusive)	5 to 10 years (not inclusive)	10 to 20 years (not inclusive)	20 years or more
Percentage by number of companies	24.40%	22.00%	23.80%	29.80%

Description: N=608.
Source: This survey.

Figure 2-59 Number of years since founding of new/second-hand/independent bookstores in Taiwan

In 2019, the majority (71.9%) of channel operators that are new/second-hand/independent bookstores in Taiwan had a registered capital of less than $1 million, and the percentage had increased slightly (from 71.2%) compared to the previous year (2018). It can thus be inferred that there have been new entrants in the publishing channel industry this year. The scope of new/second-hand/independent bookstores with a registered capital of more than $100 million included large-scale publishing groups that also run stores, ICT companies with operations in cultural and creative industries, education institutions, book departments of complex service industries, and corporate entities. Although the number of these companies is not particularly high, it has gradually increased each year.



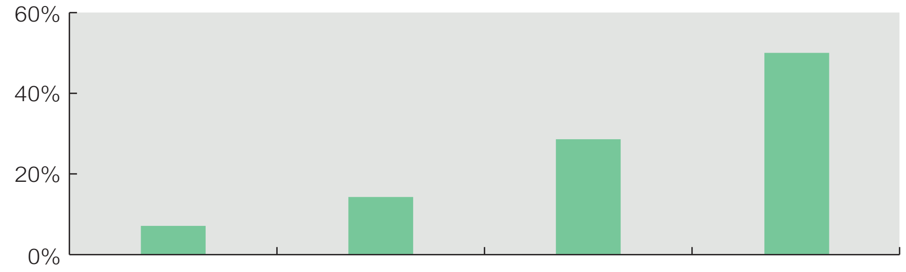
Description: 1. There is no information on the capital of certain channel operators because they do not have a separate business tax ID. They are thus included as those with less than NT$1 million in capital.
2. N=608.
Source: This survey.

Figure 2-60 Distribution of registered capital of new/second-hand/independent bookstores in Taiwan

6.1.2. Chain/franchise bookstores in Taiwan (head office)

According to the "Taiwan Chain Store Almanac 2020" published by Taiwan Chain Stores and Franchise Association, there were 23 chain books and stationery operators (excluding those that only sell stationery. We used the information with the lists of marketing channels in the "2018 Taiwan Publishing Industry Survey" by the Ministry of Culture and lists of recipients of government subsidies as the basis and removed general book stores that mainly sell stationery and reference textbooks. After establishing contact and confirmation of those that actually sold books, we removed those that terminated business operations, suspended business operations, or were dissolved and ended business operations in 2019, and identified a total of 42 effective chain/franchise bookstore head offices.

Among the 42 chain/franchise bookstore head offices, the highest ratio (50.0%) of companies in terms of the number of years since founding was those with more 20 years since founding; they were followed by those with more than 10 but less than 20 years since founding (28.6%) and those with more than 5 but less than 10 years since founding (14.3%).

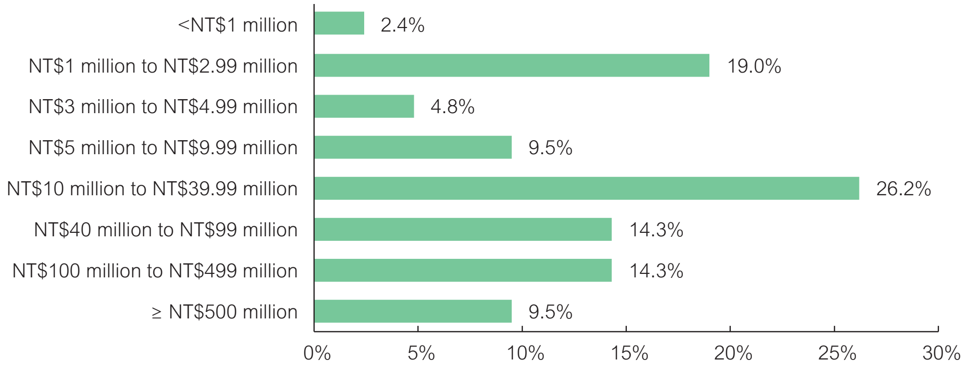


Number of years since founding	Less than 5 years (not inclusive)	5 to 10 years (not inclusive)	10 to 20 years (not inclusive)	20 years or more
Percentage by number of companies	7.10%	14.30%	28.60%	50.00%

Description: N=42.
Source: This survey.

Figure 2-61 Overview of the number of years since founding of chain/franchise bookstore head offices in Taiwan

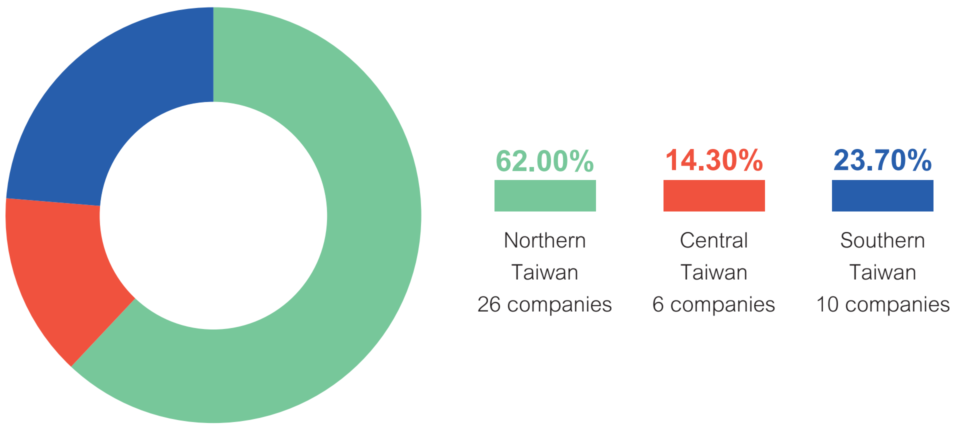
Among the head offices of chain/franchise bookstores in Taiwan, approximately six tenths (61.9%) of the companies have a registered capital of less than NT$40 million in 2019. It shows that most chain/franchise bookstores in Taiwan are operated by SMEs. The head offices of chain/franchise bookstores with a registered capital of NT$100 million or more mainly included stores catered to creative lifestyles, stores with hybrid business models, and operators that are distributors for foreign bookstores.



Description: N=42.
Source: This survey.

Figure 2-62 Distribution of the registered capital of chain/franchise bookstore head offices in Taiwan

Among the head offices of chain/franchise bookstores in Taiwan in 2019, the highest percentage was located in Northern Taiwan (62.0%), and Taipei City (47.7%) accounted for the highest ratio.

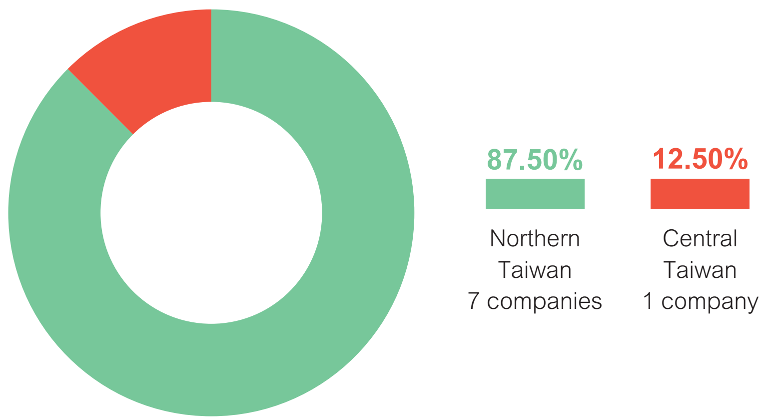


Description: Northern Taiwan includes Taipei City, New Taipei City, Keelung City, Taoyuan City, Hsinchu City, Hsinchu County, and Yilan County; Central Taiwan includes Miaoli County, Taichung City, Changhua County, Nantou County, and Yunlin County; Southern Taiwan includes Chiayi County, Chiayi City, Tainan City, Kaohsiung City, and Pingtung County.
Source: This survey.

Figure 2-63 Geographical distribution of chain/franchise bookstore head offices in Taiwan

6.1.3. Pure online bookstores in Taiwan

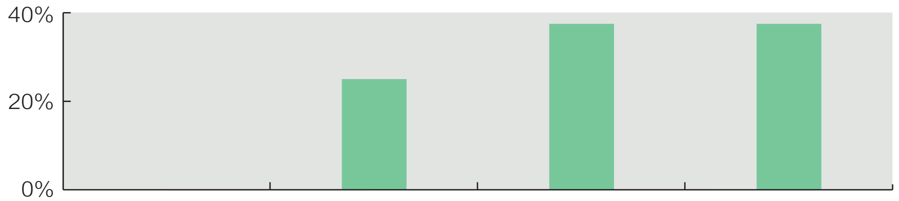
The online bookstores specified in the survey refer to companies that only sell publications online. They exclude channels currently established by certain publishers or brick-and-mortar bookstores to help consumers find a buy books. According to the lists of marketing channels in the “2018 Taiwan Publishing Industry Survey” by the Ministry of Culture, lists of recipients of government subsidies, the Credit Online Database of China Credit Information Service Ltd., and online recommendations and keyword search data as the basis. After establishing contact and confirmation of those that actually sold books online, we removed those that terminated business operations, suspended business operations, or were dissolved and ended business operations in 2019, and identified 8 effective pure online bookstores in Taiwan, which were mostly concentrated in Northern Taiwan (87.5%).



Description: Northern Taiwan includes Taipei City, New Taipei City, Keelung City, Taoyuan City, Hsinchu City, Hsinchu County, and Yilan County; Central Taiwan includes Miaoli County, Taichung City, Changhua County, Nantou County, and Yunlin County.
Source: This survey.

Figure 2-64 Geographical distribution of pure online bookstore head offices in Taiwan

Most of the 8 purely online bookstores have operated for more than 10 years (75.0% of the total), while those founded for less than 10 years accounted for 25.0%.

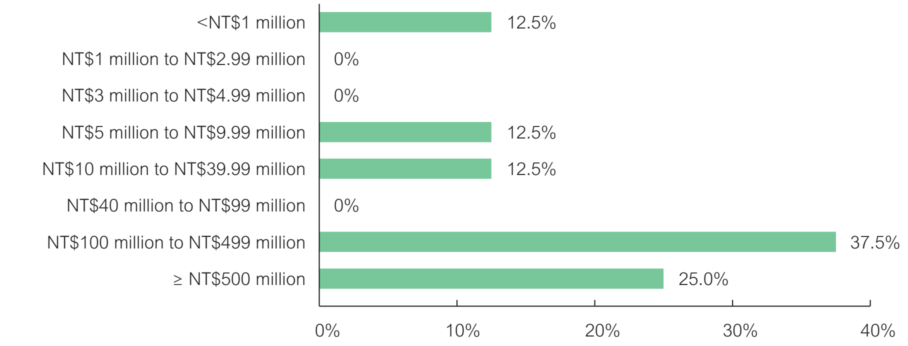


Number of years since founding	Less than 5 years (not inclusive)	5 to 10 years (not inclusive)	10 to 20 years (not inclusive)	20 years or more
Percentage by number of companies	0.00%	25.00%	37.50%	37.50%

Description: N=8.
Source: This survey.

Figure 2-65 Overview of the number of years since founding of online bookstore head offices in Taiwan

The capital of pure online bookstore head offices in Taiwan is mostly over NT$100 million and they accounted for 62.5%.

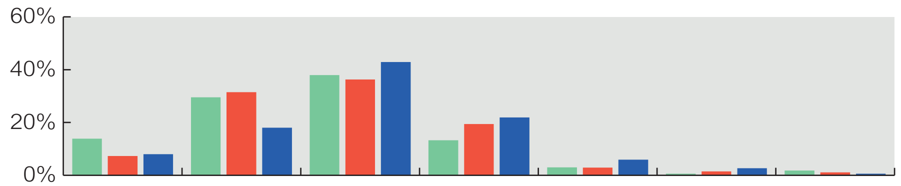


Description: N=8.
Source: This survey.

Figure 2-66 Distribution of the registered capital of pure online bookstore head offices in Taiwan

6.1.4. Overview of employees of publishing marketing channels in Taiwan in 2019

90.8% of the publishing marketing channels in Taiwan in 2019 employed fewer than 10 persons, showing that the publishing marketing channels in Taiwan were mostly micro to small and medium business units.



Number of employees	0 persons	1 person	2 to 4 persons	5 to 9 persons	10 to 24 persons	25 to 99 persons	More than 100 persons
2017	13.90%	29.50%	38.00%	13.30%	3.00%	0.60%	1.80%
2018	7.30%	31.50%	36.30%	19.40%	2.90%	1.50%	1.10%
2019	8.00%	18.00%	42.90%	21.90%	5.90%	2.70%	0.60%

Description: N = 166 in 2017, N = 273 in 2018, and N = 338 in 2019.
Source: This survey.

Figure 2-67 Number of employees of publishing marketing channels in Taiwan in the last three years

On the other hand, the results of survey data from publishing marketing channels[17] showed that each company employed on average 7.7 full-time and part-time employees. The publishing marketing channels (brick-and-mortar bookstores) in Taiwan are estimated to have employed approximately 15,831 employees in 2019.

17. Formula for estimating the number of employees = average number of employees (including full-time and part-time employees) from survey responses x number of brick-and-mortar bookstore operators surveyed.

6.2. Revenue and business model

6.2.1. Estimated total revenue in the publishing marketing channels in this year

To provide an estimated revenue of the printed book market in the publishing marketing channels in 2019, we obtained revenue information in the tax information from the Ministry of Finance, and used the proportion of the revenue of the printed books in recovered questionnaires to project the overall book market (including new and used books) of the publishing marketing channels[18].

The revenue of publishing marketing channels provided in the survey only represents the revenue from the sales of printed books (including comics) in traditional physical bookstores and online bookstores in this year. It does not represent the entire revenue from the publication of books and comics in retail. Therefore, it does not include sales revenue from direct sales by publishers, exports, sales by publishers in online communities, libraries, and education markets.

According to the aforementioned estimates, the scale of the printed books market (including old and new books) of the publishing marketing channel in 2019 was approximately NT$20.03732 billion, a slight decrease of 6.56% compared to NT$21.44447 billion in 2018.

Table 2-19 Development trends of the overall scale of publishing marketing channels in Taiwan

Unit: NT$100 million, %

Year	2015	2016	2017	2018	2019
Revenue of publishing marketing channels	275.67	237.18	226.0	214.44	200.37
Growth rate	–	-13.97%	-4.72%	-5.11%	-6.56%

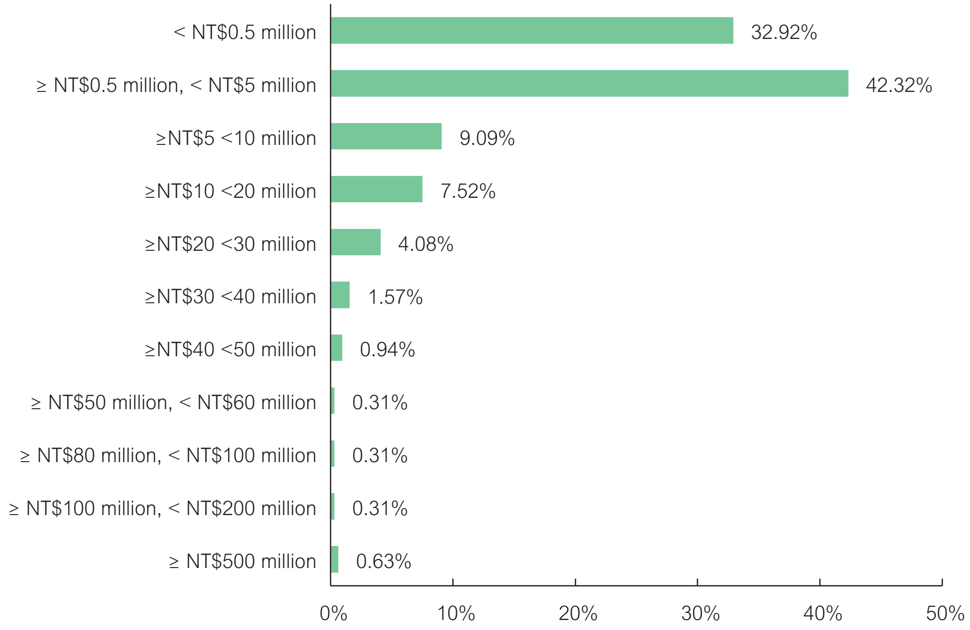
Description: 1. The revenue of publishing marketing channels only represents the revenue from the sales of printed books in traditional physical bookstores and online bookstores in the year. It does not represent the entire revenue from the publication of books and comics in retail. Therefore, it does not include sales revenue from direct sales by publishers, exports, sales by publishers in online communities, libraries, and education markets.
2. The revenue of publishing marketing channels already excluded the sales revenue of traditional physical bookstores and online bookstores for products that are not printed books such as stationery, cultural and creative products, food and beverages, and consumer electronics.
3. The revenue of publishing marketing channels has been included in the retail revenue of the aforementioned book publishing and comic book publishing sectors, and therefore should not be aggregated with the revenue of other subindustries.

Source: This survey.

18. Formula for calculating overall revenue of the publishing marketing channels Retail-end book market revenue = companies' revenues based on business tax ID x share of revenue from books provided in the questionnaire

6.2.2. Revenue structure and items in this year

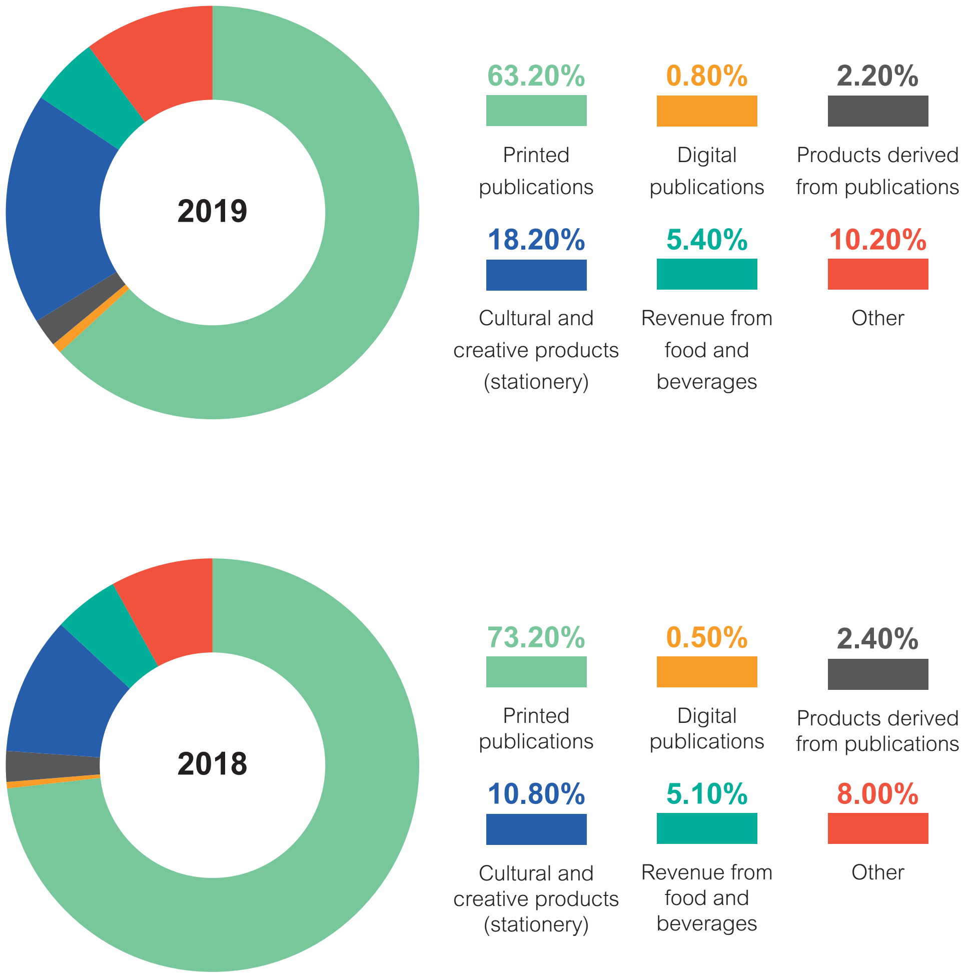
In 2019, 1.5% of publishing marketing channels had a revenue of above NT$50 million while those with a revenue below $5 million accounted for 75.2%, indicating that publishing and marketing channels in Taiwan consist mainly of small and medium-sized enterprises.



Description: N=319.
Source: This survey.

Figure 2-68 Annual revenue of publishing marketing channels in Taiwan in 2019

Based on the percentages of revenue from various sources of publishing marketing channels surveyed in 2019, we found that the percentage of revenue from the sale of printed publications has declined, while the percentage of revenue from the sale of creative merchandise (stationery) has grown.

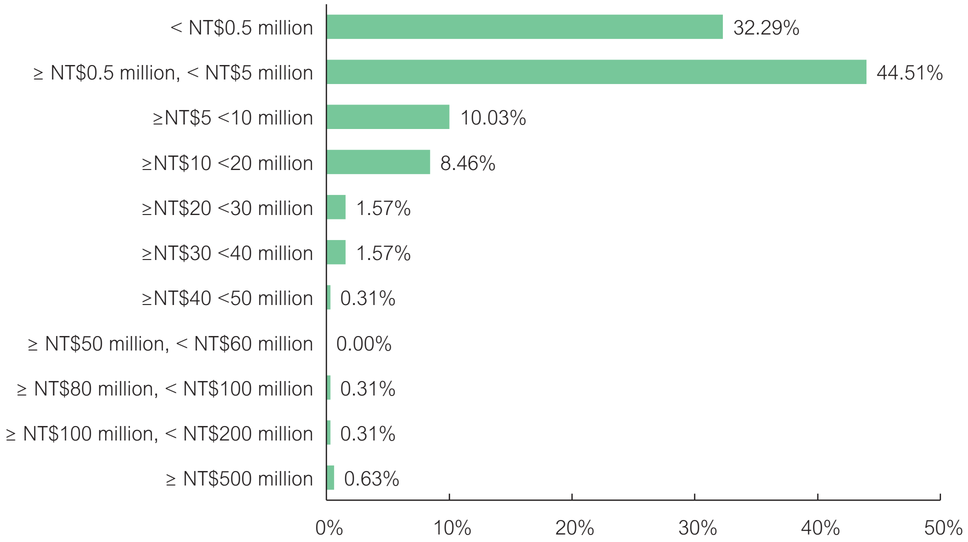


Description: N = 237 in 2018 and N = 332 in 2019.
Source: This survey.

Figure 2-69 Revenue structure of publishing marketing channels in Taiwan in 2019

6.2.3. Expenditures and structure of the publishing marketing channels in this year

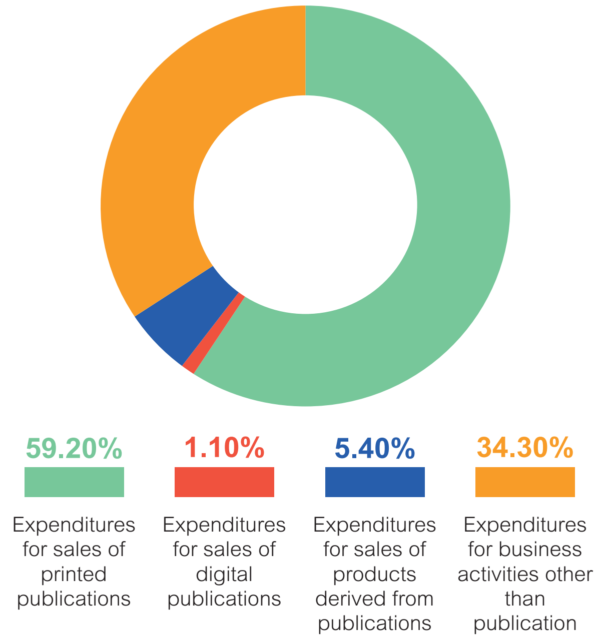
In 2019, 1.2% of the publishing marketing channels had annual operating expenditures of over NT$50 million while those with expenditures below $5 million accounted for 76.8%, which was higher than 2018 (63.6%).



Description: N=319.
Source: This survey.

Figure 2-70 Annual expenditures of publishing marketing channels in Taiwan in 2019

The ratio of sales of printed publications in publishing marketing channels in 2019 has increased gradually each year (57.9% in 2017 and 58.4% in 2018). The aforementioned increased expenditures were not necessarily derived from the growth in sales and may be a result of the increase in the prices of printed publications. The current ratio of non-publication operating expenditures of the publishing marketing channels has also increased each year, which shows that operators have begun investing in other non-publication business items in such as digital publications and e-readers in addition to existing expenditures.

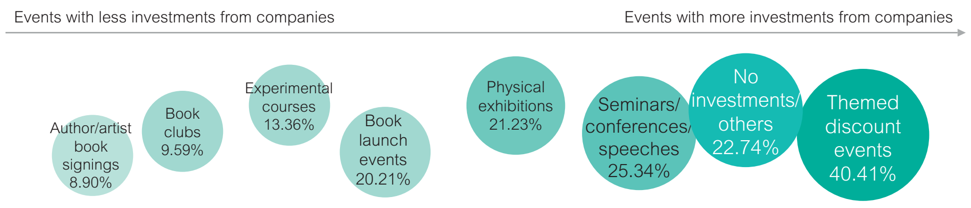


Description: N=302.
Source: This survey.

Figure 2-71 Expenditures structure of publishing marketing channels in Taiwan in 2019

6.2.4. Channels for the use of marketing resources of publishing marketing channels in Taiwan in 2019

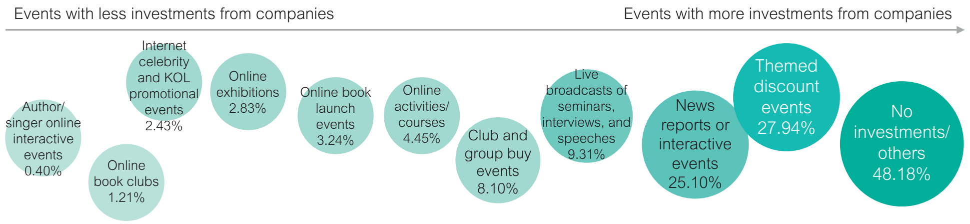
The investments of marketing resources by publishing marketing channels in "offline/physical" events in 2019 consisted mainly of "themed discount events". In addition, offline events such as storytelling, (store and school) book exhibitions, and discounts with food and beverages were also items with active investments from certain operators.



Description: 1. The original available selections were multiple selections of the top three categories of the most frequently organized "offline/physical" events.
2. N=292.
Source: This survey.

Figure 2-72 Channels for the use of offline marketing resources of publishing marketing channels in Taiwan in 2019

"Online/virtual" marketing resources mostly consisted of "themed discount events", followed by "news reports or interactive events" and "live broadcasts of seminars, interviews, and speeches".



Description: 1. The original available selections were multiple selections of the top three categories of the most frequently organized "online/virtual" events.
2. N=247.
Source: This survey.

Figure 2-73 Channels for the use of online marketing resources of publishing marketing channels in Taiwan in 2019

6.3. Industry Observation Indexes

6.3.1. Purchase of publications and sales discount by publishing marketing channels

In 2019, the mode number of the purchase discounts for publishing marketing channels for books was 30% (average purchase discount was 34%); the mode number of sales discounts was 10% (average sales discount was 15%); the best mode number for discounts for sales was 21% (average best discount in sales was 18%).

Table 2-20 Discounts for the purchase and sales of books by marketing channels in the past three years

Unit: Discounted percentage (N = 174 in 2017; N = 223 in 2018; N = 289 in 2019)

Item	Purchase discount	Sales discount	Best sales discount
2017	30% discount (33% discount)	10% discount (15% discount)	10% discount (18% discount)
2018	30% discount (33% discount)	10% discount (14%discount)	10% discount (18% discount)
2019	30% discount (34%discount)	10% discount (15% discount)	21% discount (18% discount)

Description: 1. The number outside the parentheses is the mode number and the number in the parentheses is the average.
2. The "sales discount" is the average of the overall book sales discount, and the "best sales discount" is the discount under the best sales conditions.
Source: This survey.

The mode number of the purchase discounts for magazines for publishing marketing channels was 20% (average purchase discount was 26%); the mode number of sales discounts was 10% (average sales discount was 12%); the best mode number for discounts for sales was 10% (average best discount in sales was 12%).

Table 2-21 Discounts for the purchase and sales of magazines by marketing channels in the past three years

Unit: Discounted percentage (N = 174 in 2017; N = 145 in 2018; N = 172 in 2019)

Item	Purchase discount	Sales discount	Best sales discount
2017	30% discount (29% discount)	10% discount (9% discount)	10% discount (12% discount)
2018	20% discount (27% discount)	10% discount (12% discount)	10% discount (14%discount)
2019	20% discount (26% discount)	10% discount (12% discount)	10% discount (12% discount)

Description: 1. The number outside the parentheses is the mode number and the number in the parentheses is the average.
2. The "sales discount" is the average of the overall book sales discount, and the "best sales discount" is the discount under the best sales conditions.
Source: This survey.

The mode number of the purchase discounts for comics for publishing marketing channels was 50% (average purchase discount was 29%); the mode number of sales discounts was 10% (average sales discount was 13%); the best mode number for discounts for sales was 10% (average best discount in sales was 13%).

Table 2-22 Discounts for the purchase and sales of comic books by marketing channels in the past three years

Unit: Discounted percentage (N = 132 in 2017; N = 101 in 2018; N = 157 in 2019)

Item	Purchase discount	Sales discount	Best sales discount
2017	30% discount (32% discount)	10% discount (14%discount)	10% discount (17% discount)
2018	25% discount (27% discount)	10% discount (14%discount)	10% discount (16% discount)
2019	25% discount (29% discount)	10% discount (13% discount)	10% discount (13% discount)

Description: 1. The number outside the parentheses is the mode number and the number in the parentheses is the average.
2. The "sales discount" is the average of the overall book sales discount, and the "best sales discount" is the discount under the best sales conditions.
Source: This survey.

6.3.2. Average book return rate of publishing marketing channels

The average book return rate of publishing marketing channels in 2019 was 41.6% (39.9% in 2018), average magazine return rate 51.0% (46.1% in 2018), and average comic book return rate was 51.7% (40.5% in 2018).

Table 2-23 Average book return rate of publishing marketing channels in the past three years

Unit: % (N = 174 in 2017, N = 192 in 2018, and N = 219 in 2019.

Year	Books	Magazines	Comic
Average book return rate in 2017	42.8%	47.4%	43.5%
Average book return rate in 2018	39.9%	46.1%	40.5%
Average book return rate in 2019	41.6%	51.0%	51.7%

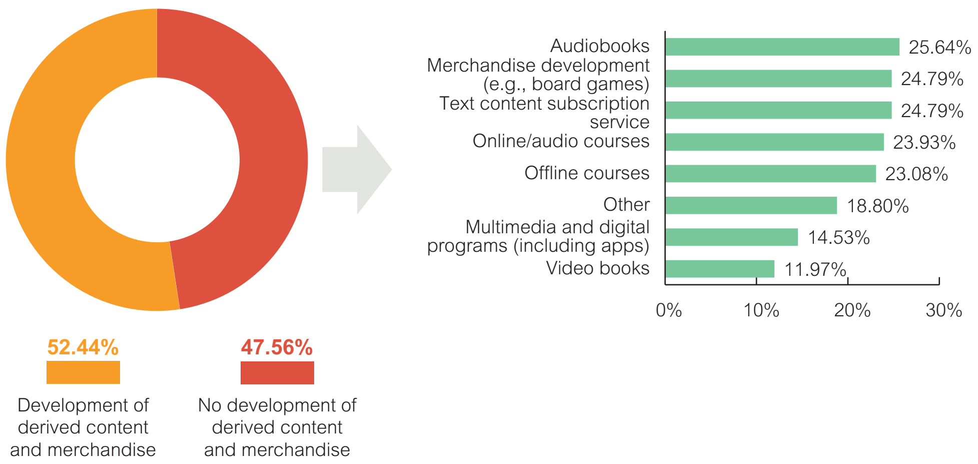
Source: This survey.

Forecast

03

1. Book Publishers Actively Promote Diverse Businesses

Nearly half (47.56%) of book publishers engaged in the development of derived content and merchandise in 2019. "Audiobooks" accounted for the highest percentage (25.64%), followed by "development of derived content and merchandise", "text content subscription service", etc. In addition, some operators also conducted work such as MICE planning, adapting video content, and crowdfunding initiatives.

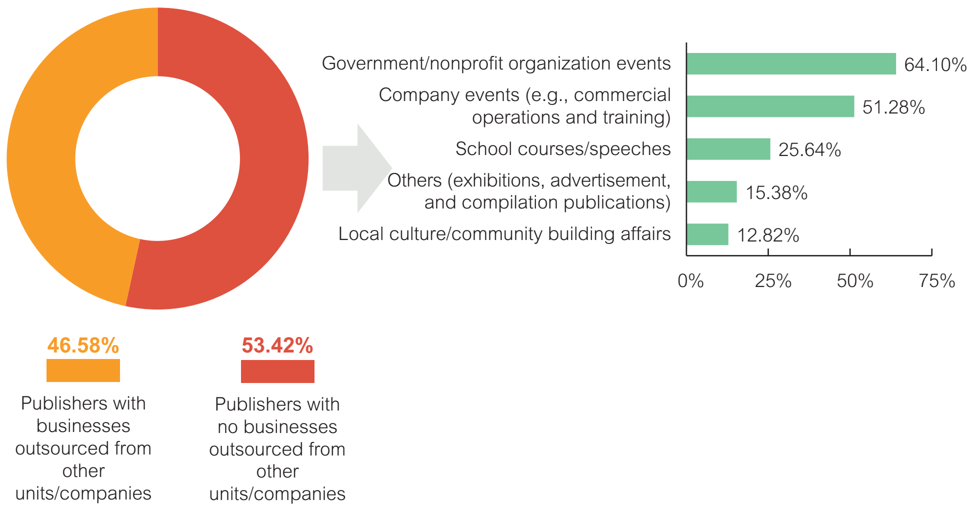


Description: 1. Multiple selections allowed.
2. N=117.
Source: Compiled by this survey.

Figure 3-1 Scope of derived services of book publishers in Taiwan in 2019

2. More than Half of the Magazine Publishers Earned Non-Operating Income

In 2019, magazine publishers in Taiwan engaged in outsourced (cooperative) business with other entities/operators in addition to their own business. They included "government/nonprofit activities" which accounted for the highest ratio (64.10%), followed by "corporate events (e.g., business training and educational training)" (51.28%), "campus education and lectures" (25.64%), "local cultural/community development (12.82%)", and "other projects" (15.38%) such as planning exhibitions and editing publications on behalf of other entities.



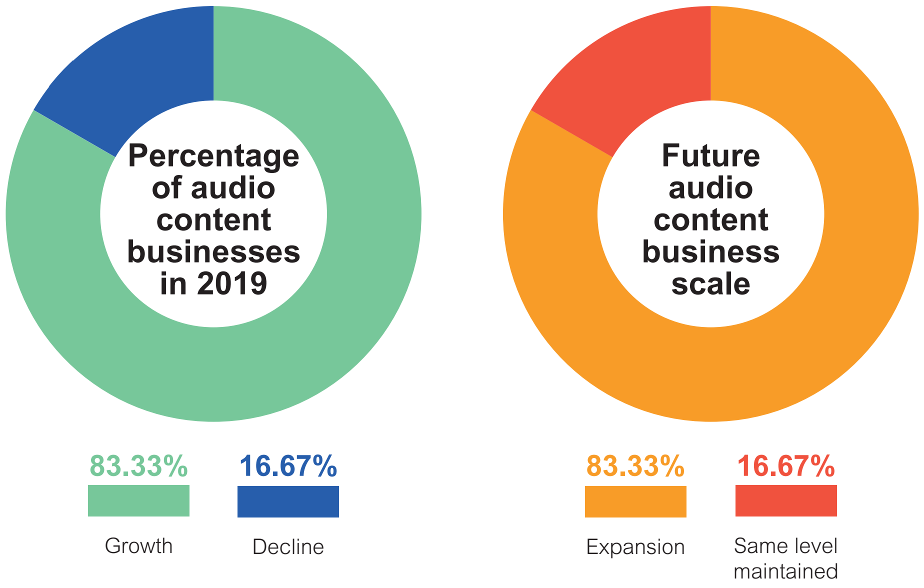
Description: 1. Multiple selections allowed.
2. Whether the publisher has engaged in business outsourced by other entities/operators N = 73, outsourced business undertaken N = 39.
Source: This survey.

Figure 3-2 Other outsourced businesses undertaken by magazine publishers in Taiwan in 2019

● 3. Digital Publishing Platform Operators to Expand "Audio Content" Businesses

"Audio content" services have gradually become an important business development for digital publication platforms in Taiwan. In 2019, 83.33% of the interviewed businesses stated that their audio content business has grown compared to the previous year, and stated that they will continue to expand the business scale of audio content.

There remains a high level of uncertainty regarding the audio content market in Taiwan. The cost of producing audiobooks is high, so their contributions to the actual income of publishers remain insignificant. In addition, as the quantity of audio content products in circulation on the market in Taiwan remains low, it is difficult to observe the changes in the demand of domestic readers for audio content and the overall development of audiobooks remains unknown. However, as people begin to embrace a comprehensive reading and listening experience and as podcasts have become increasingly popular in Taiwan in recent years, audio content will soon become a key business for publishers or related companies.

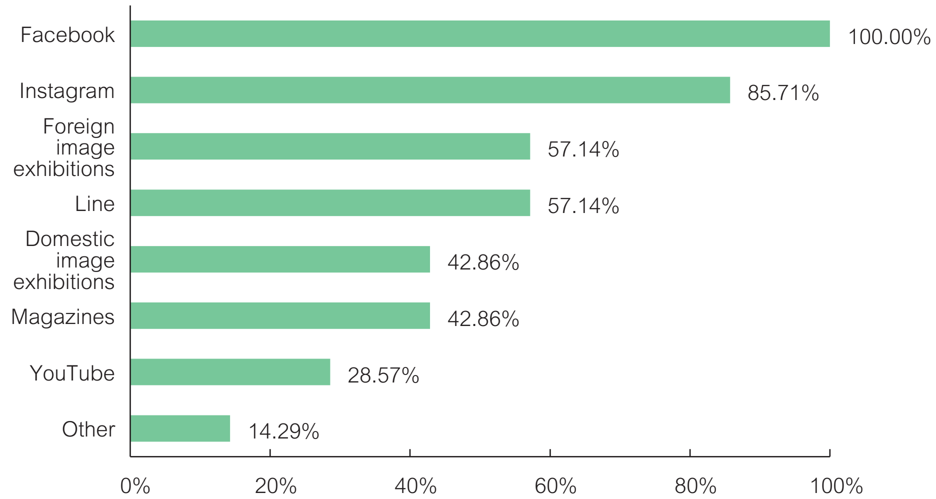


Description: N=6.
Source: Compiled by this survey.

Figure 3-3 Development of "audio content" by digital publication platform operators in Taiwan in 2019

● 4. Facebook Remains the Main Medium of Exposure for Illustration Agencies

Among the surveyed illustration agencies, all stated that they increased the exposure of their illustration creators with the assistance of Facebook. Many also used other channels such as Instagram (85.71%), Line (57.14%), foreign image exhibitions (57.14%), domestic image exhibitions (42.86%), magazines and media (42.86%), and Youtube (28.57%). Certain companies also stated that they help promote works through overseas licensing exhibitions in Asia, such as those in Shanghai, Shenzhen, and Hong Kong (14.29%). In conclusion, the original image works in Taiwan are mostly launched and promoted simultaneously through online and offline channels.

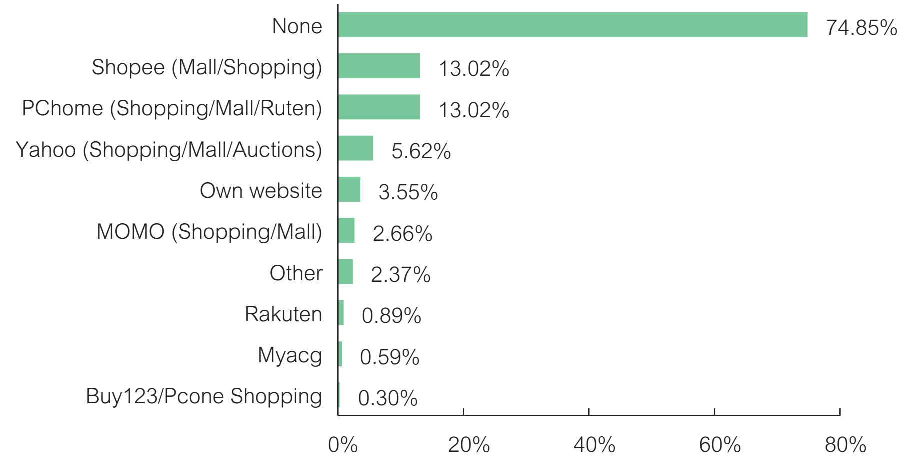


Description: 1. Multiple selections allowed.
2. N=7.
Source: This survey.

Figure 3-4 Publication channels of original illustrations from Taiwan in 2019

5. Publishing Marketing Channels Begin to Work with Food Delivery Platforms to Sell Books

Nearly 75% of publishing marketing channels for print publishing do not use e-commerce channels to sell products. A total of 13.0% of the companies set up online bookstores to sell their books in the Shopee system or PChome system, followed by 5.6% in the Yahoo Kimo system and 3.6% with their own official websites. Among the aforementioned companies that do not operate online bookstores, certain companies use Line accounts as well as Facebook pages or groups to provide online book shopping services. Those that opted to open online bookstores through "other" channels used platforms and channels such as food delivery platforms (e.g., Foodpanda and Uber Eats), Pinkoi, Hao Store (FamilyMart shop platform), Carousell, 91mai, Mr. 3 Design Studio, and 1Shop.

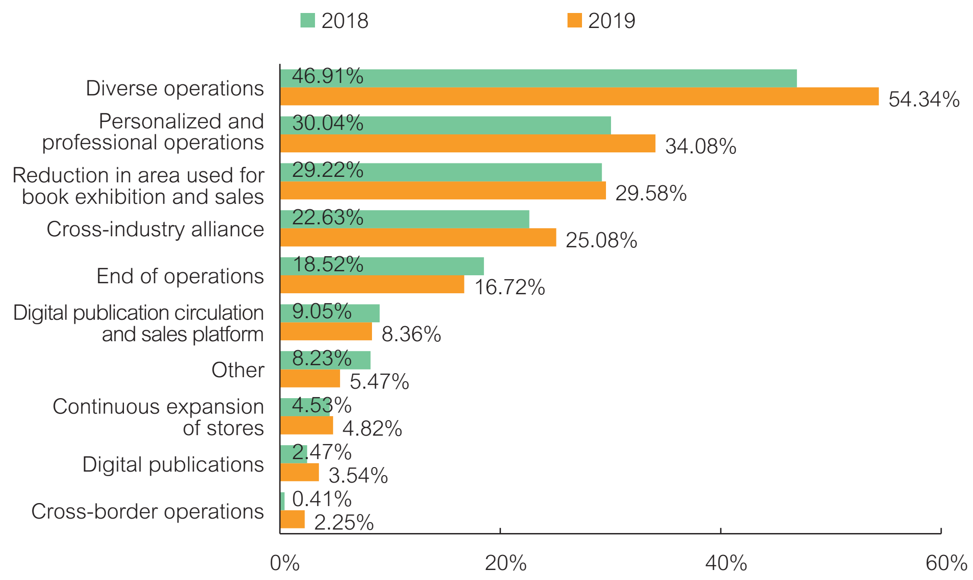


Description: 1. Multiple selections allowed.
2. N=338.
Source: Compiled for this study.

Figure 3-5 Online bookstores (broadly defined) operated by publishing marketing channels in Taiwan in 2019

6. Most Publishing Marketing Channels Maintain Diverse Operations

More than half of the publishing marketing channels have considered diversifying operations in the next three years (54.3%), up 7.4% from 2018, followed by personalization and specialization (34.1%), up 4.1% from 2018. Among the channels, 16.7% are considering terminating business operations, which was a 1.8% decrease compared to 2018.

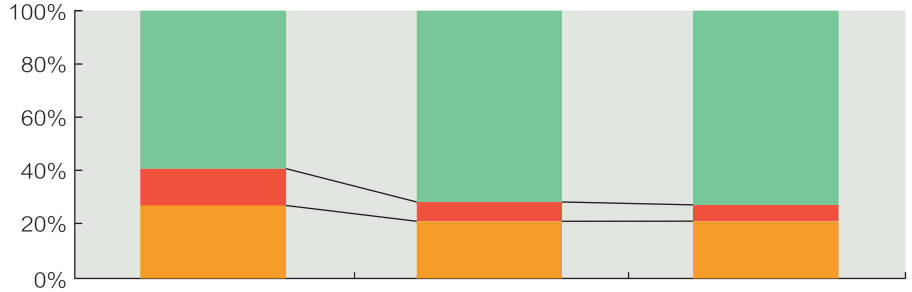


Description: N = 244 in 2018 and N = 310 in 2019.
Source: This survey.

Figure 3-6 Development of publishing marketing channels in Taiwan for the next three years starting from 2019

7. Decrease in Number of Publishing Marketing Channels that Specialize in Selling Books and Increase in Number of Operators that Focus on Non-Operating Income

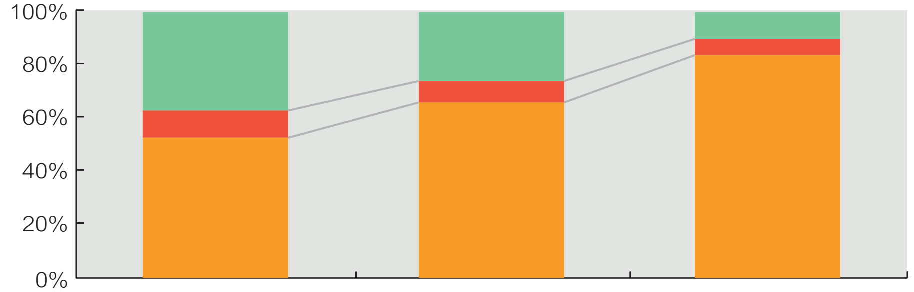
By comparing the revenue structure and ratio of publishing marketing channels, we observed a decrease in number of publishing marketing channels that specialize in selling books, while those that provide other products and services had achieved growth in revenue. The current development of the book retail industry remains unclear and many businesses have invested in other sectors to maintain the stability of business operations. The most common businesses include the sales of stationery and catering services as well as exhibition, venue lease, or use of tickets and minimum spending to run bookstores.



Grade	2019	2018	2017
Less than 30%	26.81%	20.85%	20.95%
31%~50%	13.86%	7.23%	6.08%
Over 51%	59.34%	71.91%	72.97%

Description: N = 332 in 2019, N = 235 in 2018, and N = 148 in 2017.
Source: This survey.

Figure 3-7 Distribution of revenue from printed publications of publishing marketing channels in Taiwan in 2019



Grade	2019	2018	2017
Less than 30%	52.71%	65.96%	83.78%
31%~50%	10.24%	8.09%	6.08%
Over 51%	37.05%	25.96%	10.14%

Description: N = 332 in 2019, N = 235 in 2018, and N = 148 in 2017.
Source: This survey.

Figure 3-8 Distribution of revenue from other products and services of publishing marketing channels in Taiwan in 2019

Title: 2020 Taiwan Cultural Content Industries Survey Report Vol. I - Book • Magazine • Comic • Original Images Industries

Issuer: Ting Hsiao-Ching
Editor-in-Chief: Li Ming-Che
Vice Editors-in-Chief: Chang Wen-ying, Lu Chun-wei
Editorial Board: Li Cheng-Shang, Lin Shu-Wei, Ida Chu, Lo Yi-Hua, Lo Jung (listed based on the number of strokes in the surnames)
Managing Editors: Huang Neng-Yang, Tsai Yu-Chung
Assistant Managing Editors: Wang Chi-Tse, Hung Wan-Hsin, Huang Yu-Hung, Chen Ting-Erh, Tsai Hsin-Yi (listed based on the number of strokes in the surnames)

Publisher: Taiwan Creative Content Agency
Website: https://taicca.tw
Address: 5F, No. 158, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City 105
Telephone: 02-27458186
FAX: 02-27492436

Implemented by: Taiwan Institute of Economic Research
Website: https://www.tier.org.tw/
Address: No. 16-8, Dehui St., Zhongshan Dist., Taipei City 10461
Telephone: 02-25865000
FAX: 02-25868855
Art and design: Ye Tsu-chi, Rich Graphic Co., Ltd.

Published: Decrement 2021
Version: 1st edition
ISBN: 978-986-532-491-9 (Paperback)