TAICCA

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2022 Taiwan Cultural Content Industries Survey Report

I

Taiwan Cultural Content Industries Survey Report 2022 Vol. I

Book • Magazine • Comic • Character Brand Licensing Industries

TAICCA

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FOREWORD

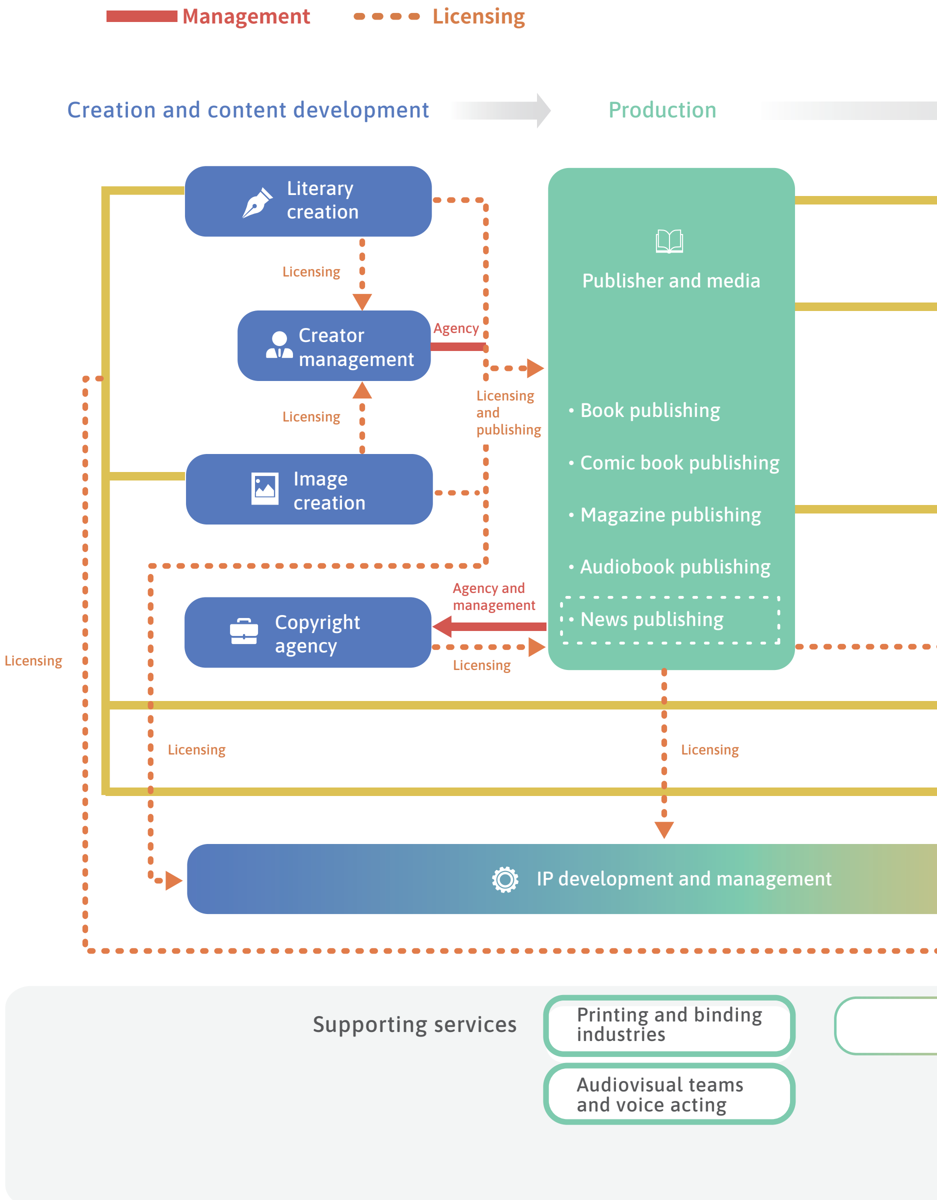
01

Scope of the Survey

This report was created to accurately reflect the current state of Taiwan's cultural content industry. It provides the government and industry with the latest industry development trends and serves as the foundation for establishing industry development objectives and implementation policies. The Taiwan Creative Content Agency (TAICCA) conducted the Taiwan Cultural Content Industry Survey Report, dividing the survey report into four volumes based on industry relevance: "Book, Magazine, Comic, and Character Brand Licensing Industries," "Motion Picture, Television, and Animation Industries," "Popular Music and Radio Industries," and "Gaming and Esports Industries."

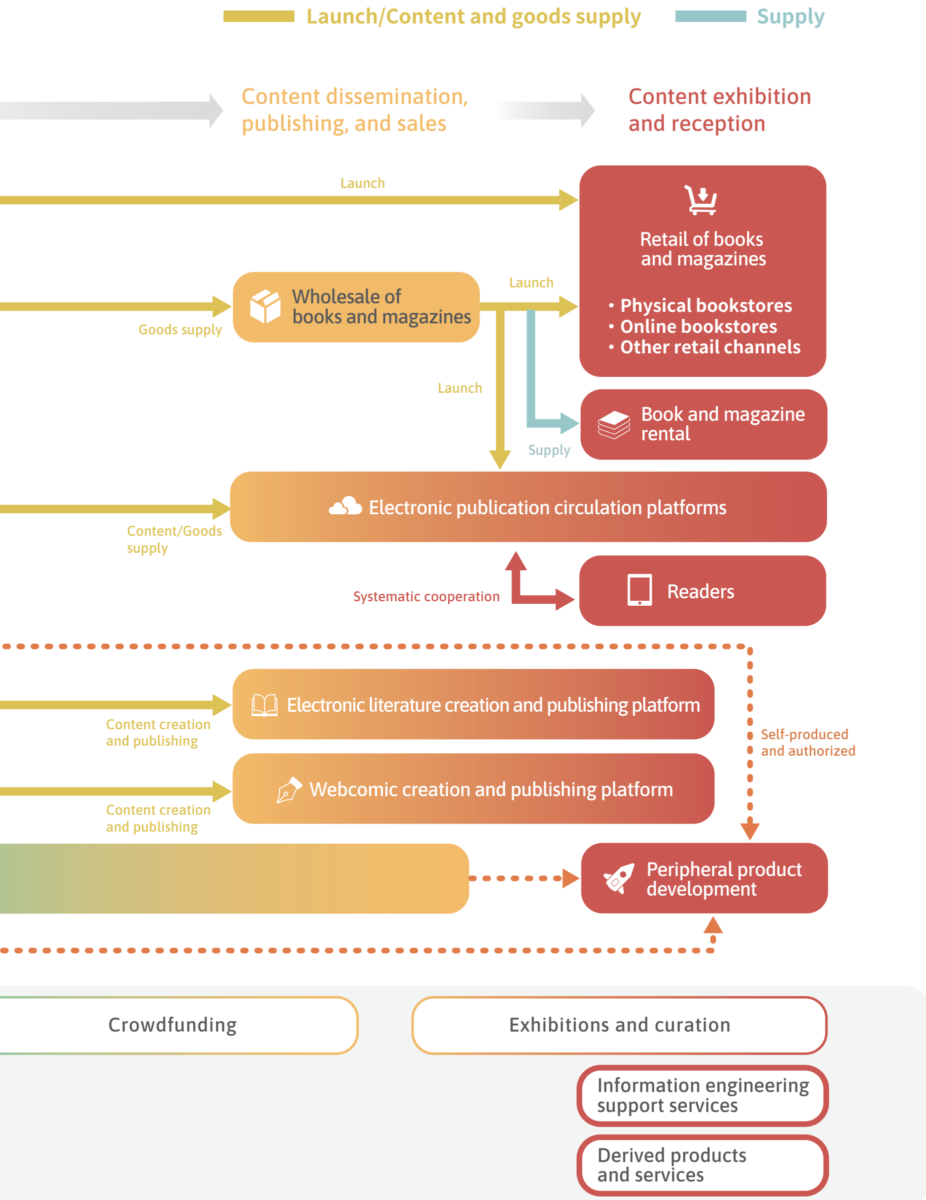
This is Volume I of the 2022 Taiwan Cultural Content Industries Survey Report, which covers the book, magazine, comic, and character brand licensing industries. Since digitalization trends have created diverse forms of publishing, images and sounds have gradually become important formats for delivering 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 (intellectual properties).

The scope of this year's survey is based on the scope of industries specified in the Taiwan Cultural & Creative Industries Annual Report, including writing and creative activities during the upstream creative phase, as well as services such as creator management and copyright licensing. Midstream production includes publishers, who are responsible for editing and publishing printed and electronic publications. 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, rentals, e-reader companies, and libraries. In this industrial chain, the upstream, midstream, and downstream businesses can venture into IP development and management, as well as peripheral product innovation. Furthermore, typesetting, printing, and binding, which are part of the printing industry, audio-visual production teams, crowdfunding platforms, exhibition planning, information engineering support services, and related derived products and services, are examples of the publishing industry's support services.



Source: Organized by this survey study.

Figure 0-1. Industry map for the book, magazine, comic, and character brand licensing industries


Launch/Content and goods supply
Supply
Content dissemination, publishing, and sales
Content exhibition and reception
Launch
Retail of books and magazines
• Physical bookstores
• Online bookstores
• Other retail channels
Wholesale of books and magazines
Goods supply
Launch
Launch
Supply
Book and magazine rental
Electronic publication circulation platforms
Content/Goods supply
Systematic cooperation
Readers
Electronic literature creation and publishing platform
Content creation and publishing
Self-produced and authorized
Webcomic creation and publishing platform
Content creation and publishing
Peripheral product development
Crowdfunding
Exhibitions and curation
Information engineering support services
Derived products and services

02

Chapter Overview

The 2022 Cultural Content Industry Survey Report Vol. I: The Book, Magazine, Comic, and Character Brand Licensing 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 book, magazine, comic, digital publication, sales and distribution channels, and original character development, application, and brokerage industries. In addition to actual ISBN publishing for the year, the publication of all types of works, pricing, and discounts, this chapter also includes the number of companies, manpower, revenue, and revenue structure of each subindustry. Chapter 3 contains a forecast of possible trends and prospects for the industry based on the current cross-sector development, intellectual property (IP) licensing, and digital development in the industry.

To learn more about the business conditions of the book, magazine, comic, and character brand licensing industries and gain additional context on their development, this survey adopted the contents and results from past editions of the Taiwan Cultural Content Industries Survey Report conducted by TAICCA 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 within the scope of the industry and conducted quantitative and qualitative surveys on publishing, sales and distribution 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, the Taiwan Creative Content Agency, and professionals in the industry as references for future policy formulation and information on the current state of development in the industry.

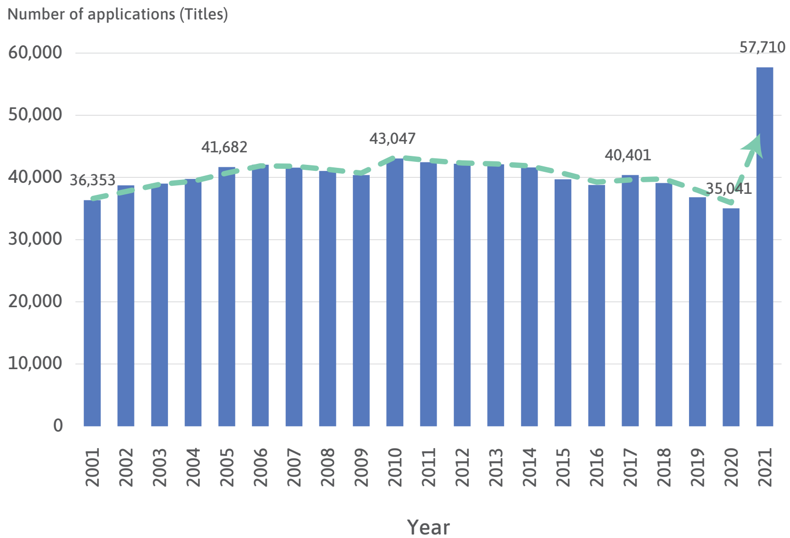
I
SPOTLIGHT

01

Number of Titles in ISBN Publishing Applications

According to data from the National Central Library's (NCL) International Standard Book Number (ISBN) Agency, the number of titles that applied for an ISBN by domestic publishers in 2021 was 57,710, a 64.69% increase from 35,041 in 2020, and the number of annual new book applications has increased significantly. This may be a result of the "Exemption of Business Tax for Books and Publications," a policy effective from March 2021, which only applies to books and publications with an ISBN or an eBook International Standard Book Number (E-ISBN). Additionally, a single book may have several paperback editions (such as author-signed copies and first-print limited versions) as well as electronic versions in various formats (single webcomic chapters, etc.), all of which have corresponding ISBNs, leading to an explosive rise in applications in 2021.

For a long period, the number of ISBN applications did not correspond to the number of new books published. This was primarily due to the large number of titles that applied for ISBNs but were not published, as well as the large number of titles that were published but did not apply for an ISBN, leading to the percentage difference between the number of ISBNs applied and new titles published. However, with the implementation of "Exemption of Business Tax for Books and Publications" from March 2021, even though the short-term data correction affected the statistical analysis of the trend, it is expected that the number of ISBN or E-ISBN applications will eventually reflect the number of new books published in a given year.



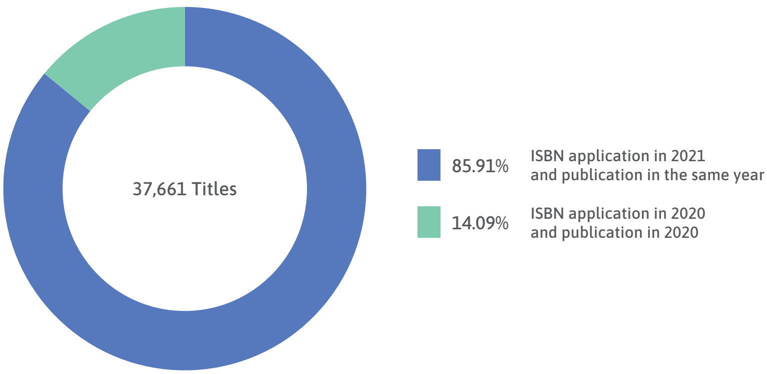
Source: The National Central Library.
Note: Data after 2012 were added by this survey.

Figure 1-1. Number of publications with ISBN applications in Taiwan from 2001 to 2021

02

Number of Published Titles in Taiwan

An inventory and comparison of ISBN data and the books offered on the top five online bookstores (Books.com.tw, Eslite, Kingstone Book, San Min Book, and MOMO Shop) from 2020 to 2021 showed that "ISBN application in 2021 and publication in the same year" accounted for 85.91% of all applications. Based on this ratio, an estimated 32,356 titles among all ISBN applications in 2021 were published. If the 5,305 new titles classified as "ISBN application in 2020 but publication postponed to 2021" were included, then the total estimated number of new titles published in 2021 was 37,611 titles.



Source: Organized and illustrated by this survey study.

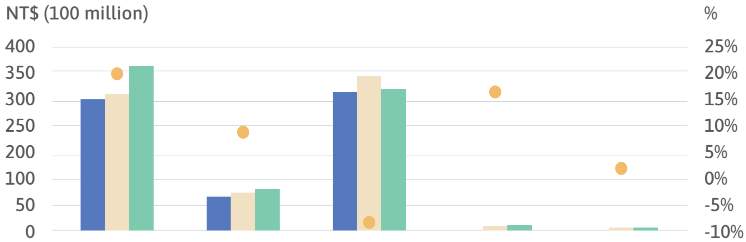
Figure 1-2. Estimated number of new books published in Taiwan in 2021

03

Overall Scale of Taiwan’s Publishing and Character Brand Licensing Industries

An estimate of the overall scale of Taiwan’s publishing and character brand licensing industries was added this year. Instead of only presenting the revenue from sales of "publications," operating incomes from cross-sector IP derivatives and applications, new business models, diversified management, and upstream and downstream integration of the industry were inspected to aid this estimation, allowing for the observation of the overall development of Taiwan’s publishing and IP licensing industries under the trends of digital convergence and cross-sector integration.

The overall scale of the publishing and character brand licensing industries reached NT$79.051 billion in 2021 (NT$78.420 billion when excluding the character brand licensing industry, an increase of 5.77% over 2020).



Industry	Book publication (including comics)	Magazine publication	Marketing Channel Bookstores	Digital publication platforms	Character brand licensing
2019	291.86	75.75	308.71	-	-
2020	303.77	83.85	344.25	9.56	6.17
2021	366.30	91.54	315.17	11.19	6.30
Growth rate	20.58%	9.17%	-8.45%	17.03%	2.11%

Source: Estimated by this survey study.

Notes:

❶The overall industry scale was newly added this year, including various publications, derivatives, and other non-publishing-related revenue.

❷The scale of the book publishing (including comics) industry only included the overall revenues of core operators and did not include non-specialized publishers, such as cram schools, kindergartens, legal entities, media companies, etc.

❸The scale of the magazine publishing industry was calculated based on overall revenue of specialized magazine publishers (core businesses) and did not include non-specialized magazine publishers, such as information and communication companies, cram schools, educational institutions, game industries, etc.

❹The scale of the publishing and marketing channel industry was calculated based on the total revenue of physical bookstores and specialized online bookstores (excluding large e-commerce companies such as MOMO).

❺This year, the digital publication platform excluded large-scale information service providers who were not essential to the publishing sector, hence the lack of the reference data in 2019.

❻The survey scale of the character brand licensing industry expanded in recent years, hence the lack of the reference data in 2019.

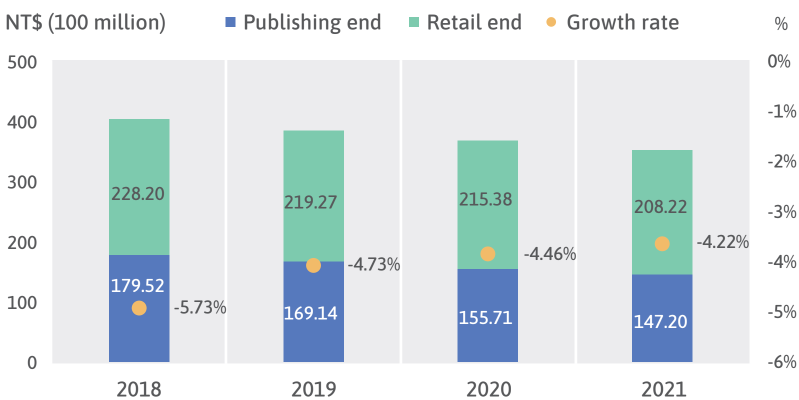
Figue 1-3. Overall scale of Taiwan's publishing and IP (characters and brands) licensing industries from 2019 to 2021

Figure 1-3. Overall scale of Taiwan's publishing and IP (characters and brands) licensing industries from 2019 to 2021

04

Revenue from Book Publications in Taiwan

In 2021, the overall revenue from books (both old and new books) at the upstream "publishing end" for books was NT$14.720 billion, down 5.47% from NT$15.571 billion in 2020. The revenue at the downstream "retail end" was NT$20.822 billion, down 3.32% from NT$21.538 billion in 2020. The total revenue from the publication of books (the sum of both publishing and retail ends) in Taiwan in 2021 was NT$35.542 billion, which was a 4.22% decline compared to 2020 (NT$37.109 billion).



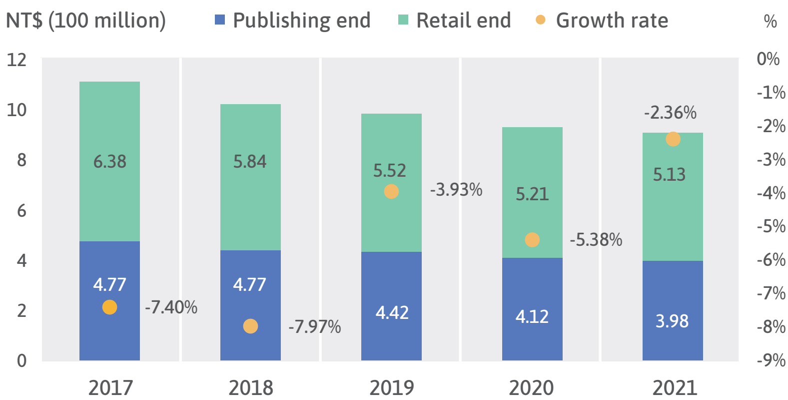
Source: Estimated by this survey study.

Figure 1-4. Development trend in the revenue of book publishing industry in Taiwan

05

Revenue from Comic Book Publications in Taiwan

In 2021, the overall revenue from printed comic books (both old and new) at the “publishing end” was NT$398 million, which was a 3.40% decline compared to the NT$412 million in 2020. The overall revenue of Taiwan’s printed comic books (both old and new) at the “retail end” was NT$513 million, which was a 1.54% decline compared to the NT$521 million in 2020. The total revenue from the publication of comic books (the sum of both publishing and retail ends) in Taiwan in 2021 was NT$911 million, down 2.36% from NT$932 million in 2020.



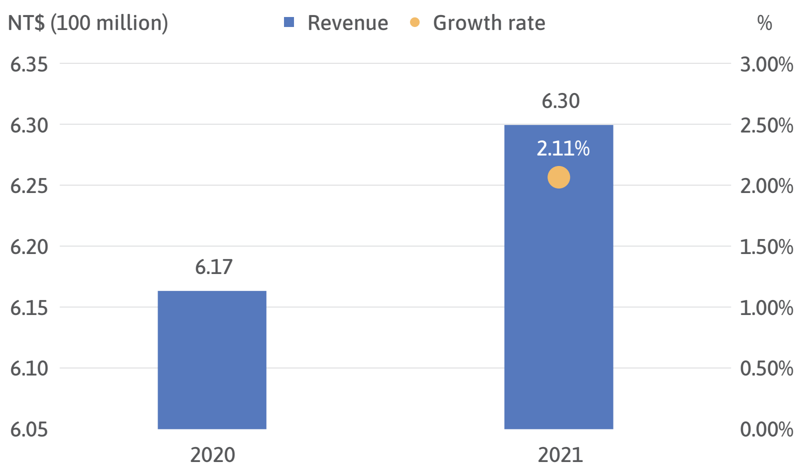
Source: Estimated by this survey study.

Figure 1-5. Development trend in the revenue of comic book publishing industry in Taiwan

06

Character and Brand Development, Application, and Brokerage Industry in Taiwan

In 2021, the estimated market scale of the character brand development, application, and brokerage industry in Taiwan was calculated based on the revenue and revenue structure of three major segments: image licensing, illustration/sticker, and management/brokerage. Aided by the supplementary data obtained from questionnaires, the scale of Taiwan's character brand licensing industry was estimated at NT$630 million.



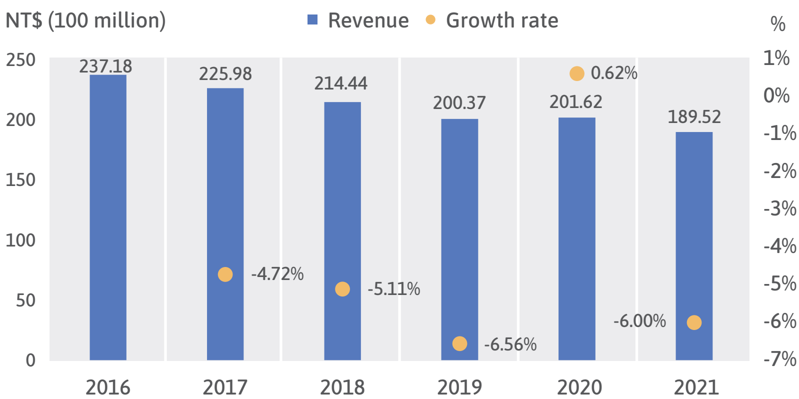
Source: Estimated by this survey study.
Note:
The scale of Taiwan's character brand licensing industry was estimated based on the revenue structure of character brand development, application, and management operators.

Figure 1-6. Scale of Taiwan's character brand development and brokerage industry

07

Revenue from Sales and Distribution Channels and Book Sales in Taiwan

In 2021, the revenue of printed books (both old and new books, including comics) of Taiwan's sales and distribution channels (bookstores) for publications totaled NT$18.952 billion, a 6.00% decline from NT$20.162 billion in 2020.



Source: Estimated by this survey study.

Notes:

❶The revenue from sales and distribution channels for publications only represents the revenue from the sales of printed books in traditional physical bookstores and online bookstores during the year. It does not represent the entire revenue from the publication of books and comics at retail. Therefore, it does not include sales revenue from direct sales by publishers, exports, or sales by publishers in online communities, libraries, and education markets.

❷The revenue of publishing marketing channels already excludes 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.

❸The revenue of sales and distribution channels for publications 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.

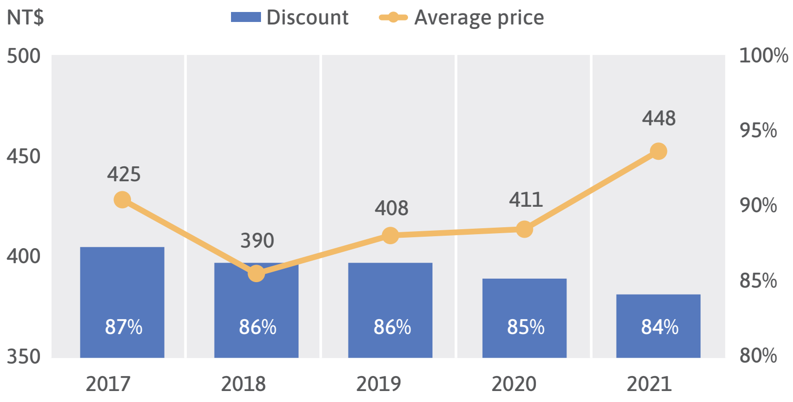
Figure 1-7. Development trend of books sales revenue in Taiwan's sales and distribution channels

08

Pricing, Discounts, and Historical Trends in Taiwan's Book Sales

In terms of book pricing in 2021, the average price of books in the "humanities and history" genre was the highest. In comparison to 2020, its pricing showed a strong rising tendency. Furthermore, some book genres had very large price differentials due to certain publications being printed in full color or coming with opulent peripheral merchandise, resulting in prices for some of these books exceeding NT$10,000. Examples of these include books in the genres of "professional books/textbooks/government publications," "humanities and history," "children's books/youth literature," "art and design," and "literature and fiction."

In terms of discounts, the average discount for all categories of books in 2021 was 16%, compared to 15% in 2020. When the modes were compared, the discount for books in 2021 was mostly 17% to 18%, which was higher than in 2020.



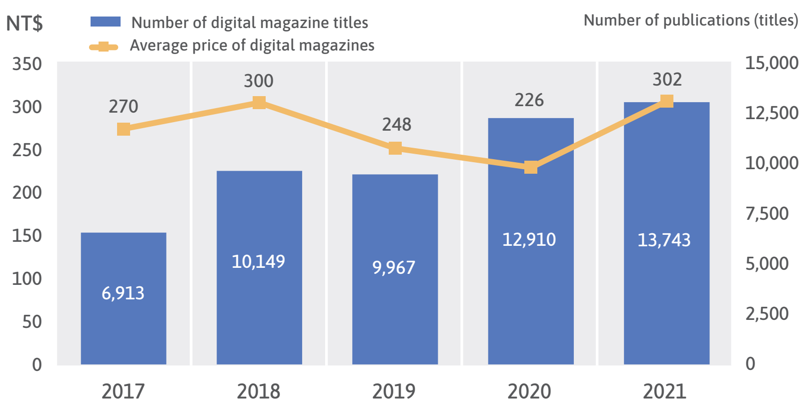
Source: Organized by this survey study.
Note:
*The formula for calculating real selling price = price (NT$) x discount amount x 0.1. The formula for calculating the percentage discount = 100 - (discount mount x 10). For example, if the discount amount is 8.4, then the percentage of discount will be 100 - (8.4 x 10) = 16% off.

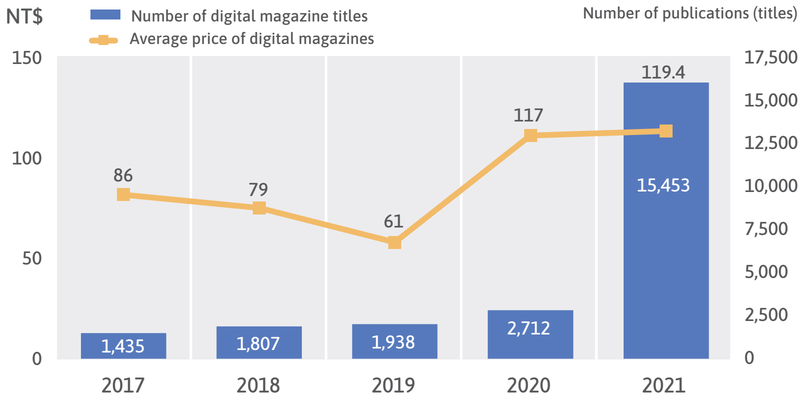
Figure 1-8. Price trend of various genres of books in Taiwan from 2017 to 2021

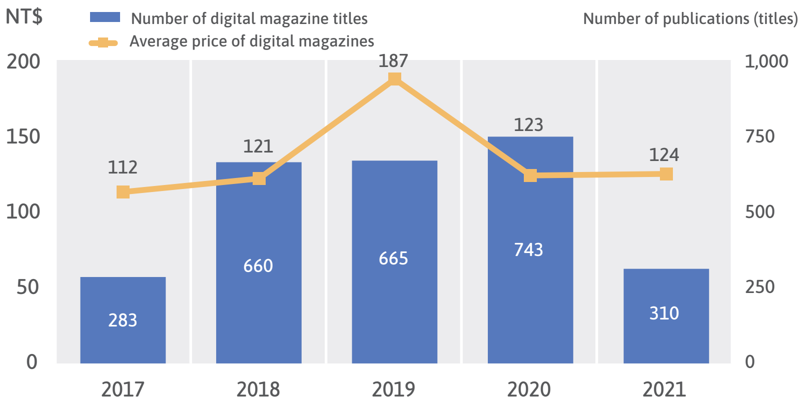
09

Historical Trends of Digital Publications in Taiwan

The number of titles and prices of digital publishing (digital comics and digital magazines) in Taiwan over the last four years are as follows:







Source: Organized by this survey study.
Note:
The exemption of sales tax on books, combined with factors such as the digitalization of physical comic books and the prevalence of chapter book comics, raised the quantity of digital comics significantly in 2021.

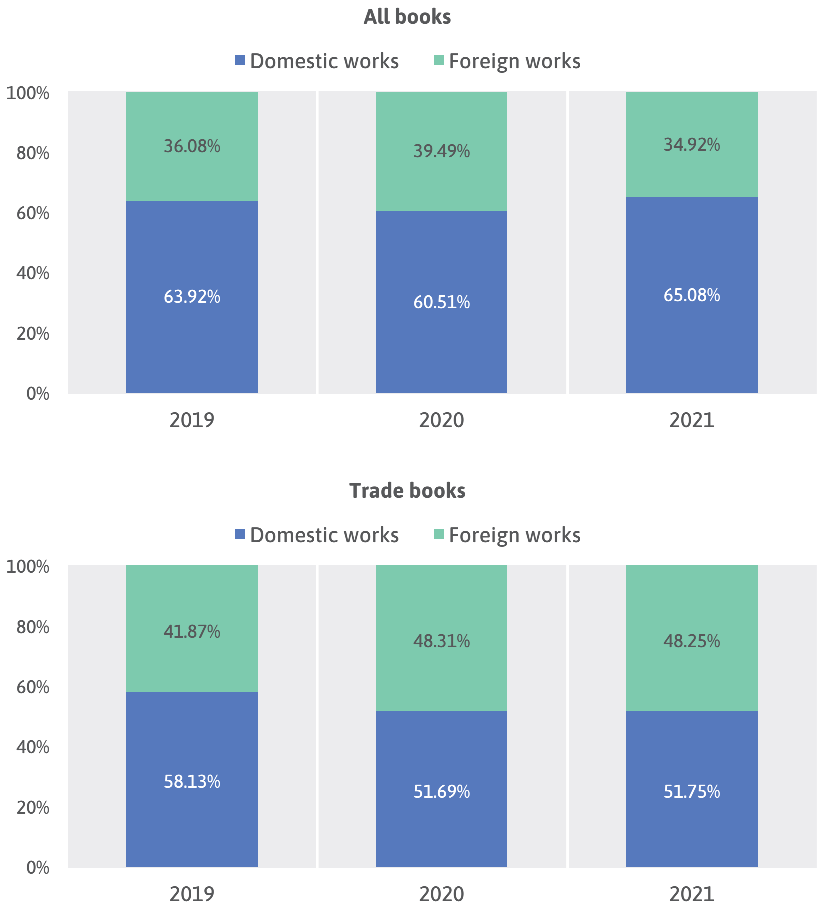
Figure 1-9. Development trend of digital publications in Taiwan from 2017 to 2021

10

Percentages of Domestic and Foreign (Translated) Books

Among the 26,805 titles offered on the top five online bookstores, 17,446 titles were domestic works, accounting for 65.08%; 9,359 titles were foreign works, accounting for 34.92% of all publications. Although the proportion of foreign works was still smaller than the proportion of domestic works, it has already reached 35%, which is significantly bigger than the proportion of domestic versus translated works found in other nations. Compared with the previous year, the proportion of books by domestic authors released on major retail channels in 2021 increased compared to 2020 (60.51%), while the proportion of books by foreign authors declined.

In terms of book sales, among the 18,900 titles offered by the top five online bookstores, 9,781 were domestic works, accounting for 51.75% of all publications; 9,119 were foreign works, accounting for 48.25%. The proportion of translated books sold was higher than that of total books, indicating that businesses relied more on translated publications to draw customers' attention and generate revenue. However, when compared to the previous year, the proportion of trade books sold by domestic authors through major retail channels in 2021 was roughly the same (51.69%).



Source: Organized by this survey study.

Note:

Trade books do not include “exams/reference books” and “professional books/textbooks/government publications” when compared to all books.

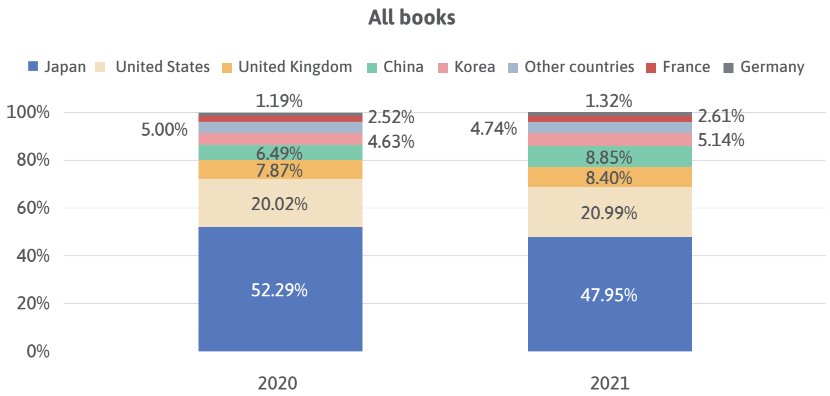
Figure 1-10. Percentage of works among newly published domestic and foreign (translated) titles from 2019 to 2021

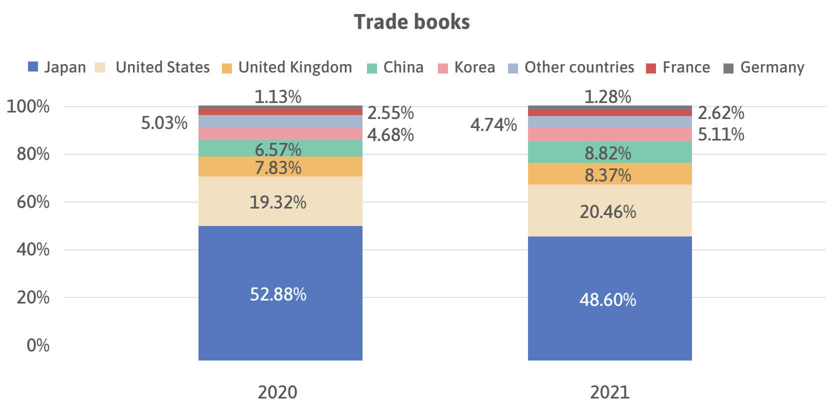
11

Source Countries of Foreign (Translated) Books

A further analysis of the source countries of translated books available in the major retail channels in Taiwan revealed that Japan was the leading source of translated works in 2021 with 4,488 titles, accounting for 47.95% of all translated titles. The country was followed by 1,964 American titles (20.99%), 828 Chinese titles (8.85%), 786 British titles (8.40%), and 481 Korean titles (5.14%). Among these, the proportion of Japanese works decreased. While the proportion of Chinese works declined year by year in the past, it climbed by a startling 38.93% in 2021 compared to the previous year.

In terms of trade books in Taiwan in 2021, Japan was the leading source country, accounting for 48.60% of all titles, followed by American works with 1,886 titles (20.46%). The rankings of other source countries that accounted for less than 10% were the same as the translated works released on major retail channels, which were China (8.82%), the United Kingdom (8.37%), and South Korea (5.11%).





Source: Organized by this survey study.

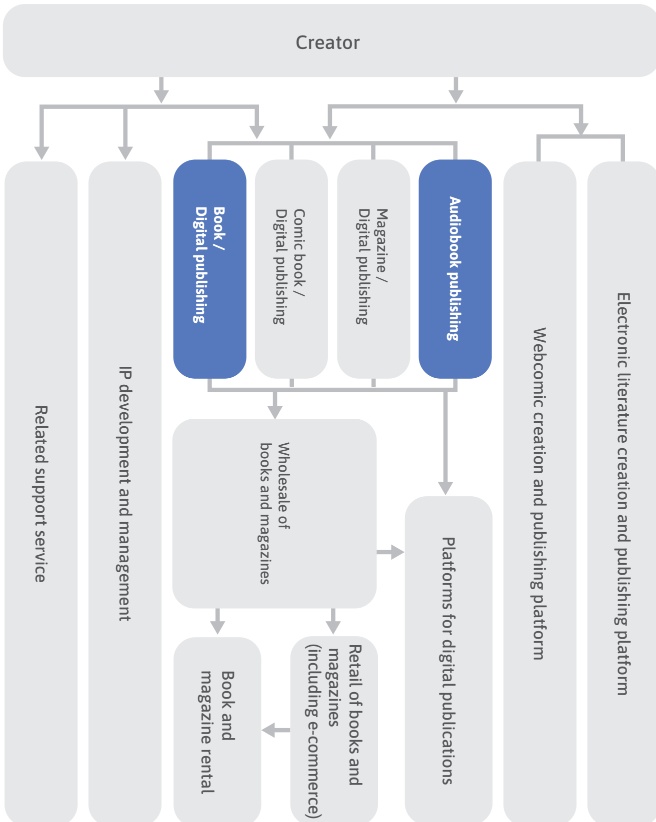
Figure 1-11. Source countries of foreign (translated) books from 2020 to 2021

II
OVERVIEW

01

Book Publishing Industry

1.1. Industry overview

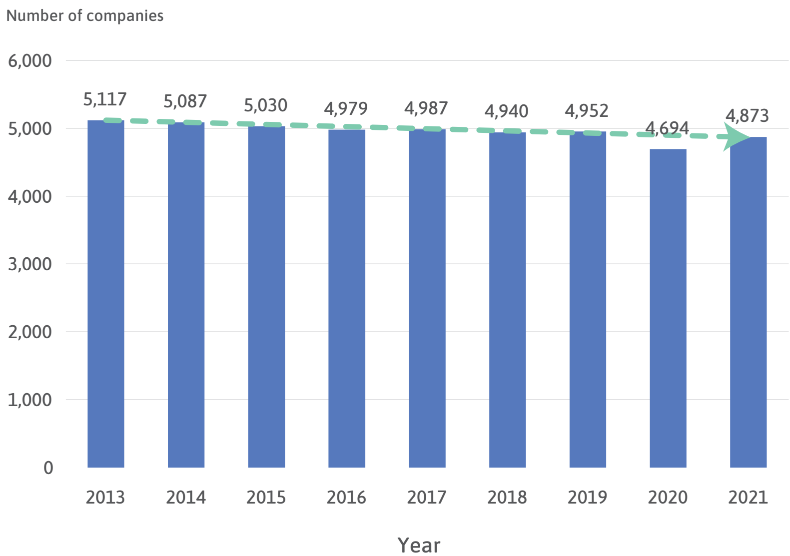


Source: Illustrated by this survey study.

Figure 2-1. Taiwan's book publishing industry map

1.1.1. The number of book publishers in Taiwan

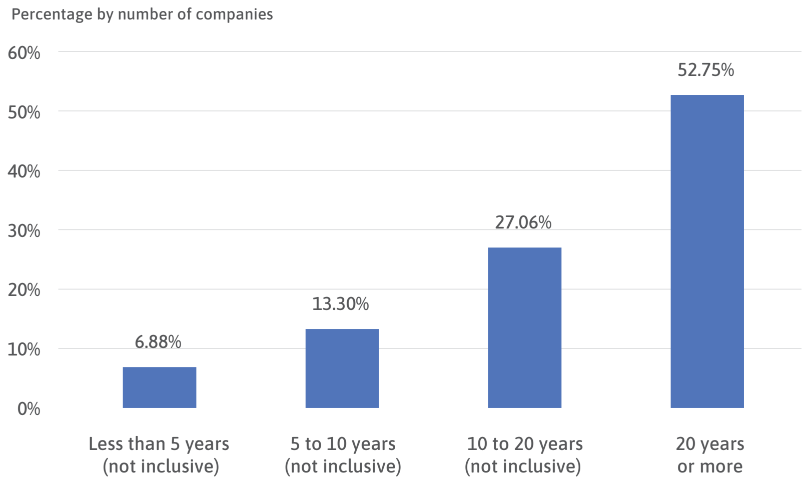
According to the analysis of the book publishing trend in Taiwan over the years provided by the ISBN Agency of the National Central Library (NCL), after the number of book publishers that filed ISBN applications peaked in 2013 (5,117 companies), the number of such applicants quickly fell. According to NCL, after deducting the number of supplementary applications resulting from the business tax exemption policy for book publications, a total of 4,873 publishers in Taiwan applied for ISBNs for new books in 2021, a 3.81% increase over the previous year. This was still primarily due to the tax exemption policy, which prompted publishing institutions that had rarely applied for ISBNs in the past to do so. According to the NCL's "2021 Taiwan Book Publishing Status and Trend Report," there were 1,394 new publishing institutions in 2021. Furthermore, many social organizations, foundations, schools, and digital publication publishers applied for ISBNs for their publications under the new policy, based on the results of our survey.



Source: The ISBN Agency of the NCL.

Figure 2-2. Number of book publishers that filed ISBN applications in Taiwan from 2013 to 2021

This year, 829 publishers applied for more than four ISBN numbers. However, if government agencies, schools, and individuals were excluded,the number fell to 654. Even though most publishing companies in Taiwan are small or medium-sized enterprises (SMEs), almost 80% (79.81%) of them have been in business for 10 years or more.

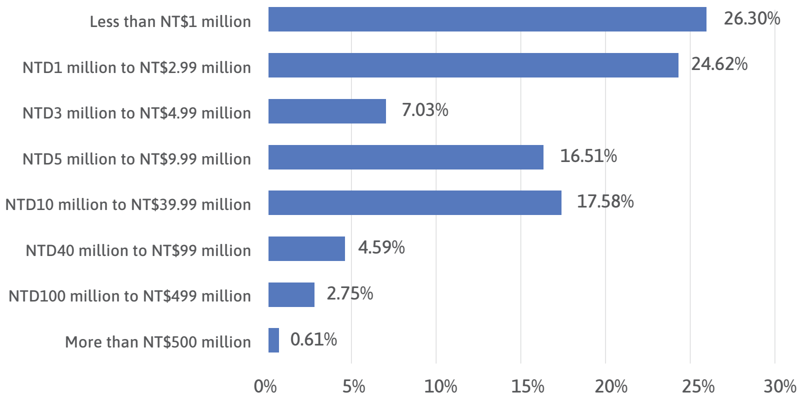


Source: Organized by this survey study.
Note: N=654.

Figure 2-3. Distribution of the number of years established for Taiwan's book publishers in 2021

1.1.2. Average capital of book publishers in Taiwan

The registered capital of 487 companies in the domestic publishing industry was less than NT$10 million, which accounted for 74.46% 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 include 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.

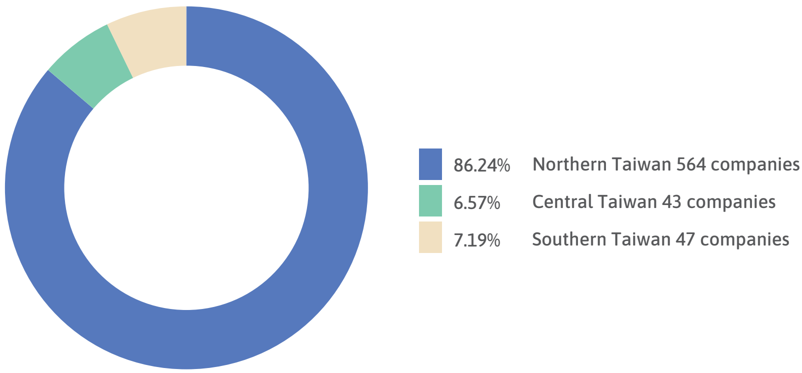


Source: Organized by this survey study.
Note: N=654.

Figure 2-4. Distribution of Taiwan's book publishers by registered capital in 2021

1.1.3. Distribution of book publishers in Taiwan by region

The majority of Taiwan's publishers are concentrated in Northern Taiwan (86.24%), of which Taipei City (51.83%) and New Taipei City (30.28%) had the highest shares, at 82.11% combined. Publishers in other regions took up a lower percentage.



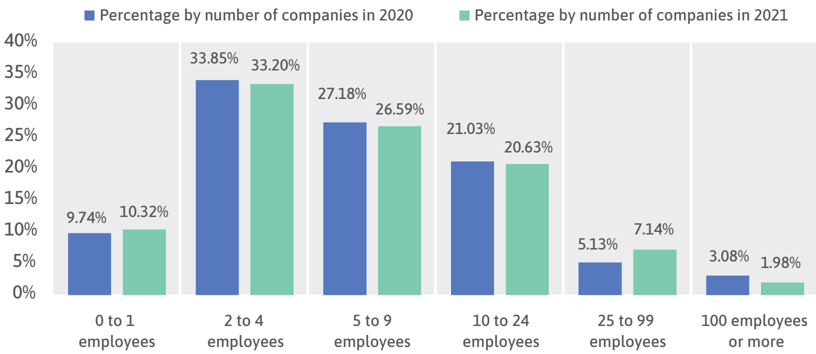
Source: Organized by this survey study.
Note:
Northern Taiwan includes Taipei City, New Taipei City, Keelung City, Taoyuan City, Hsinchu City, Hsinchu County, and Yilan County; Central Taiwan includes Miaoli County, Taichung City, Changhua County, Nantou County, and Yunlin County; Southern Taiwan includes Chiayi County, Chiayi City, Tainan City, Kaohsiung City, and Pingtung County; outlying islands include Penghu County, Kinmen County, and Lianchiang County.

Figure 2-5. Regional distribution of Taiwan's book publishers in 2021

1.1.4. Overview of employees of book publishers in Taiwan

The number of employees (including full-time and part-time) of book publishers in 2021 was concentrated in the “2 to 4” and “5 to 9” ranges. It was evident that traditional publishers mostly hired fewer than ten employees, implying that the workforce size of Taiwan’s publishing industry was still mainly on the smaller end.

Furthermore, based on the survey data of book publishers alone, it was estimated❶ that the average number of full-time and part-time employees on a firm’s payroll was approximately 14.62❷. The total number of employees employed by Taiwan’s book publishers in 2022 was approximately 12,017.



Source: Organized by this survey study.
Note: N=195 for 2020 and N=252 for 2021.

Figure 2-6. Scale of manpower of Taiwan’s book publishers from 2020 to 2021

❶The formula for estimating the number of employees = the average number of employees (both full-time and part-time employees) of the publishers who responded to the survey x the statistical population of book publishers in Taiwan.
❷According to the 2016 *Industry and Service Census* conducted by the Directoate-General of Budget, Accounting, and Statistics, Executive Yuan, R.O.C. (Taiwan), the number of employees employed in Taiwan’s book publishing industry (including book publishing and comic book publishing) was around 14,000 (including full-time and part-time employees). Because of the differences in statistical methods and survey basis, this survey’s weighted estimation was based on the number of completed questionnaires, resulting in a different result than the Industrial and Service Census.

1.2. Revenue and business model

1.2.1. Scale of Taiwan's book publishing industry and estimated revenue of book publications

In terms of revenue estimates from book publications, representative publishers (those who have published more than 100 titles) were selected based on the number of publishers that filed ISBN applications for more than four publications in 2020. 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) and the number of titles published and released❸ (including those with the application and publication that year and those with the application in the previous year and publication that year). After estimating the income from all new books❹ , it was divided by the number of new titles sold to determine the overall income from books of publishers. The revenue from books of publishers was divided by the average wholesale discount and multiplied by the mode of the best sales discount in distribution channels to obtain the sales amount for the overall book market❺.

❸Number of titles available on the four largest online bookstores = inventory of titles sold on the four largest online bookstores + (titles of new printed books published in 2020 - inventory of titles listed on the four largest online bookstores) x listing rate of the four largest online bookstores.

❹New titles refer to books published in 2020.

❺ 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 income 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 publishers (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 at distribution channels x average sales price.

Based on the above estimation, the total revenue from books (both old and new) at the book "publishing end" in 2021 was NT$14.720 billion, a 5.47% decline compared to 2020 (NT$15.571 billion). The total revenue from books (both old and new) at the "retail end" totaled NT$20.822 billion, which was a decline of 3.32% from 2020 (NT$21.538 billion). In 2021, the total revenue from the publication of books in Taiwan was NT$35.542 billion, down 4.22% from 2019 (NT$37.109 billion). The COVID-19 pandemic continued to affect related businesses in 2021, especially during the Level 3 epidemic alert. Consumers' livelihoods were affected, which dampened retail book sales.

Table 2-1. **Development trend in the revenue of book publications in Taiwan**

Unit: NT$100 million, %

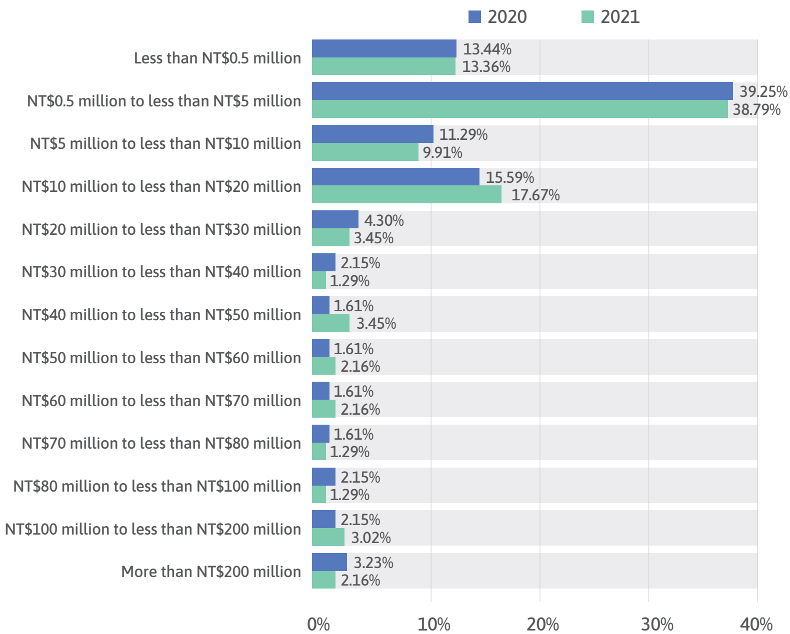
Year	2016	2017	2018	2019	2020	2021
Publishing end	192.92	193.99	179.52	169.14	155.71	147.20
Growth rate	-	0.55%	-7.46%	-5.78%	-7.94%	-5.47%
Retail end	232.09	238.51	228.2	219.27	215.38	208.22
Growth rate	-	2.77%	-4.32%	-3.91%	-1.77%	-3.32%
Total revenue	425.01	432.5	407.72	388.42	371.09	355.42
Growth rate	-	1.76%	-5.73%	-4.73%	-4.46%	-4.22%

Source: Estimated by this survey study.

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 market 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 market 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

1.2.2. Revenue structure and revenue items of Taiwan's book publishers

In terms of the revenue of Taiwan's book publishers in 2021, 52.15% 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.



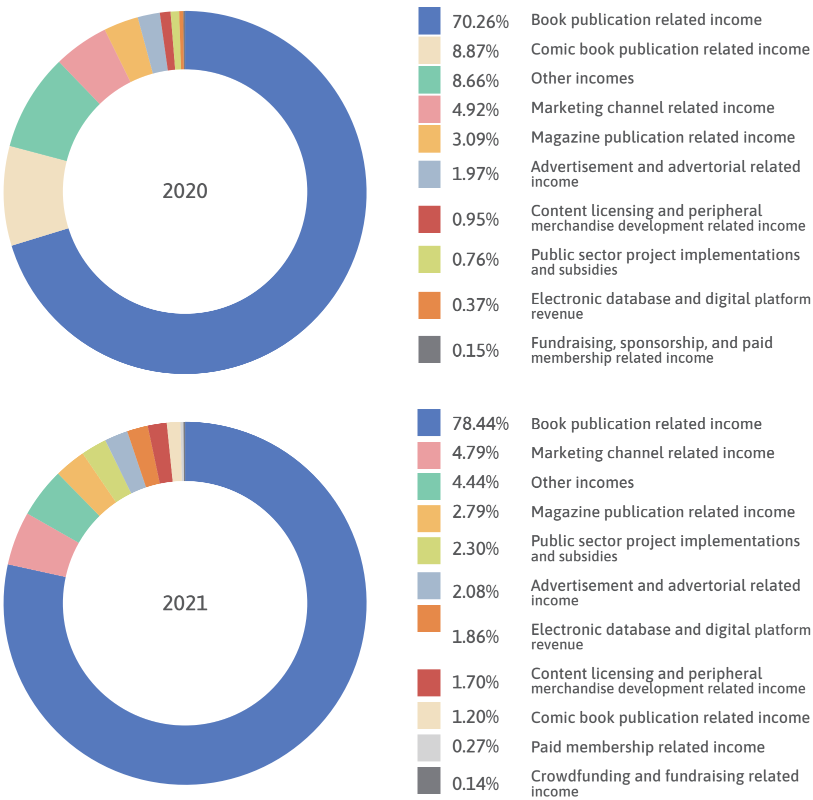
Source: Organized by this survey study.
Note: N=186 for 2020 and N=232 for 2021

Figure 2-7. Annual revenue of book publishers in Taiwan from 2020 to 2021

The primary source of income for book publishers in 2021 continued to be book publication related income (78.44%), followed by marketing channel related income (4.79%), other income (4.44%), etc.

Based on this year's survey, the sources of revenue for Taiwan's book publishers have been gradually diversifying. Through the advantages of in-house content creation by publishers themselves, content was released in a variety of media and vehicles, and licensed adaptations were developed to promote said content. A single source of content was used for multiple purposes as the industry sought toexpand their revenue sources and adapt to the new trend of digitalization.

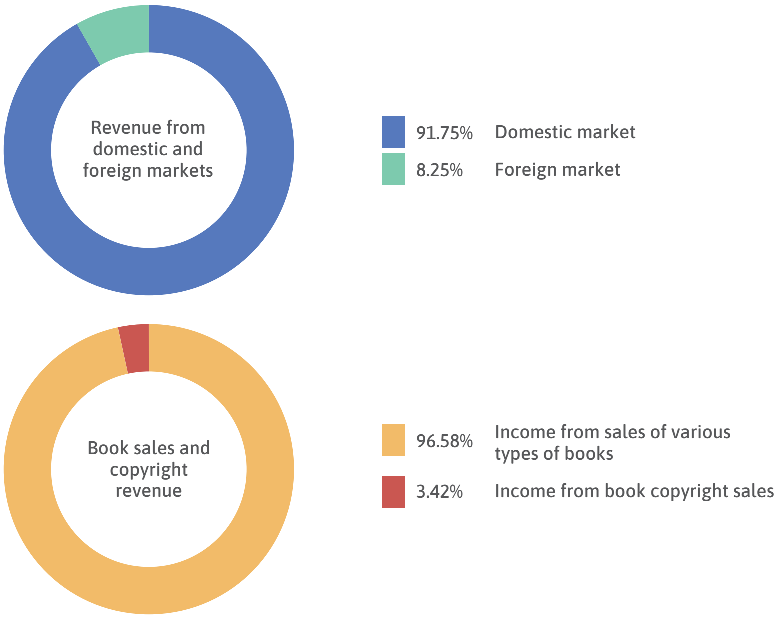
The government assisted the impacted cultural and creative sectors in 2021 by implementing subsidy programs for epidemic prevention and alleviation, as well as by introducing a variety of resources. This factor affected this year's data analysis, which should be read with caution.



Notes:
❶N=171 for 2020 and N=231 for 2021.
❷Due to the adjustment of survey items and scope, the statistical samples and values of the previous year were also altered (the relevant values differ slightly from last year's report) to aid interpretation. Consequently, data comparisons between years should be made with caution.

Figure 2-8. Income structure of book publishers in Taiwan from 2020 to 2021

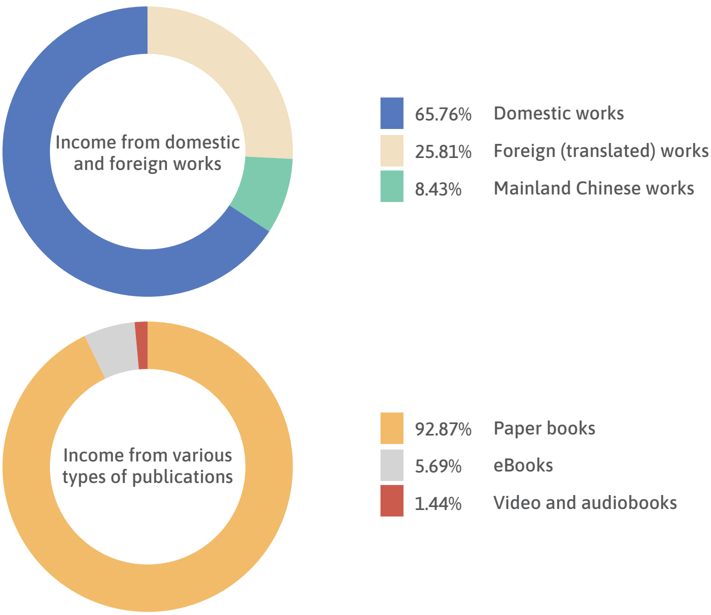
In 2021, about 90 percent (91.75%) of book-related revenue for Taiwan's book publishers came from the domestic market. The sales of various types of books, such as printed books, e-books, audiobooks, audio-visual books, and so on, accounted for over 90 percent (96.58%) of total book-related income, while book copyright sales accounted for 3.42%. The domestic Level 3 epidemic alert resulted in nearly a quarter of stagnating sales for publishers, which impacted the overall copyright revenue.



Source: Organized by this survey study.
Note: N=194 for the upper diagram; N=183 for the lower diagram.

Figure 2-9. **Overview of domestic, foreign, and copyright revenues of Taiwan's book publishers in 2021**

In terms of income from domestic and foreign works, nearly 70 percent (65.76%) of the book sales revenue for Taiwan's book publishers in 2021 came from domestic works, and about 25.81% came from foreign (translated) works, followed by 8.43% of works from China. Furthermore, paper books represented more than 90% (92.87%) of the total revenue generated by various publications in 2021. The sales of eBooks accounted for 5.69%, followed by 1.44% of video book and audiobook sales. On one hand, several domestic publishing houses have referred to the Mainland Chinese book sales rankings to introduce Chinese publications, which has resulted in good sales performance in recent years. On the other hand, foreign-translated books have been sold on the domestic book market for a long time, and the market for foreign-translated books as a whole is increasingly saturated.

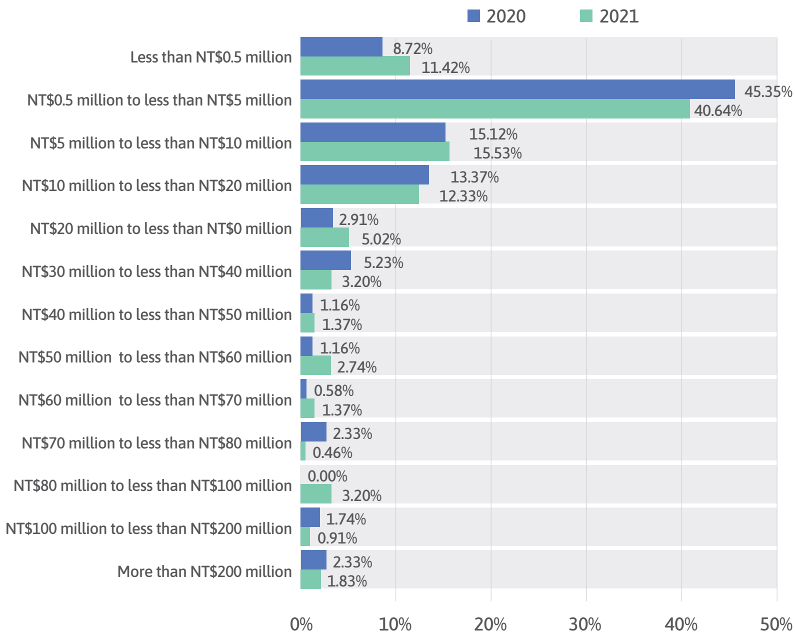


Source: Organized by this survey study.
Note: N=151 for the upper diagram; N=192 for the lower diagram.

Figure 2-10. **Overview of the revenue from various types of publications for Taiwan's book publishers in 2021**

1.2.3. Expenditure levels and structure of the book publishing industry in Taiwan

In 2021, 52.06% of book publishers in Taiwan had an annual operating expense of less than NT$5 million, and 15.53% had an expenditure range of more than NT$5 million and less than NT$10 million. In total, nearly 70 percent (67.59%) of the publishers had annual operating expenses of less than $10 million.

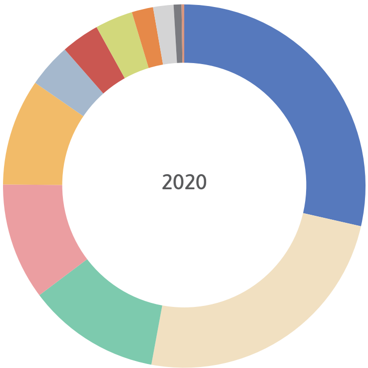


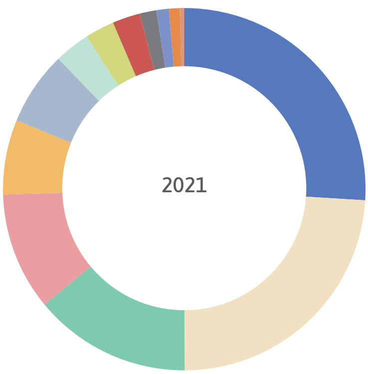
Source: Organized by this survey study.
Note: N=172 for 2020 and N=219 for 2021.

Figure 2-11. Annual expenditure of book publishers in Taiwan from 2020 to 2021

In terms of expenditure breakdown, Taiwan's book publishers spent the most on "company/business internal personnel expenses" (25.97%), followed by "printing and binding production expenses of paper publications" (23.99%), "domestic copyright, royalties, and remuneration expenses" (14.05%), as well as "recurring expenses" (10.52%), with the rest each taking up less than 10 percent.

This year's survey was conducted to focus on the digital development and content derivative related expenditures of book publishers. According to the survey results, "digitalization related expenses"accounted for 1.47%, "production costs of eBooks, digital comics, and digital magazines" , 1.12%, and "content/IP derivatives development related expenses" , 0.38%, all of which posted year-over-year percentage growth.





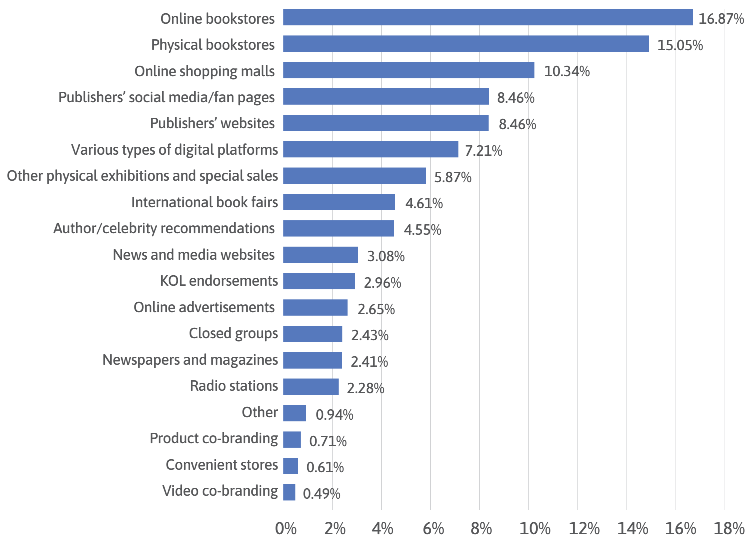
Source: Organized by this survey study.
Notes:
❶N=174 for 2020 and N=222 for 2021.
❷Due to the adjustment of survey items and scope, data comparisons between years should be made with caution.

Figure 2-12. Structure of expenditure for Taiwan's book publishers from 2020 to 2021

1.2.4. Marketing resource allocation strategies ranked by book publishers in Taiwan

The main marketing channels for Taiwan's book publishers in 2021 were "online bookstores," followed by physical bookstores, online shopping malls, publishers' social media/fan pages, and publishers' own websites. Emerging marketing strategies such as KOL endorsement, product co-branding, and video co-branding were slightly more utilized than in previous years. This showed that the willingness of domestic publishers to collaborate with businesses outside the industry has increased.

According to the findings of this year's qualitative interviews, many book business operators stated that whether they sold paper books or eBooks, they depended more on the function of book curation from sales channels (such as online bookstores and physical bookstores). Aside from manual curation geared toward certain themes and topics, several digital platforms employed AI algorithms to precisely recommend books to readers based on their browsing and purchasing preferences.



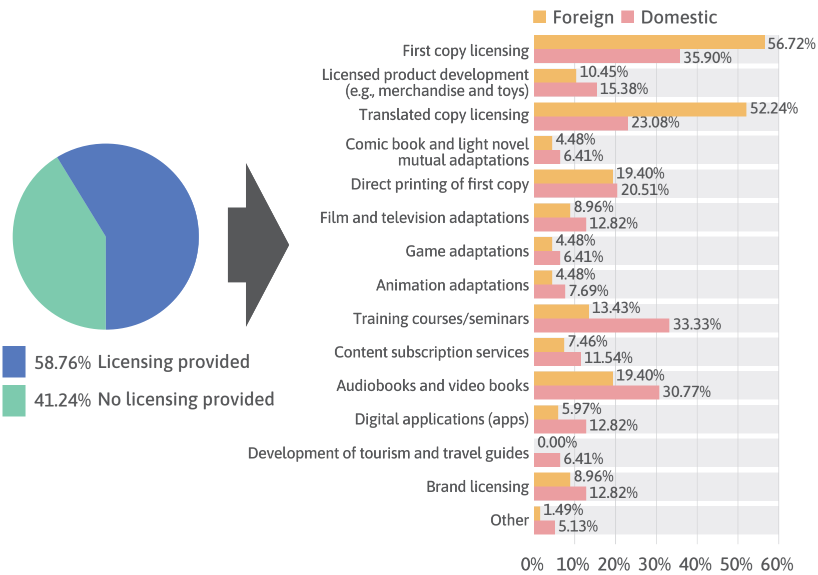
Source: Organized by this survey study.
Notes:
❶N=246.
❷Each marketing channel was ranked from 1 to 10 by the book publishers and given a corresponding score (10 points for the first place, 1 point for the tenth place, etc.). Channels that were not ranked in the top 10 by the respondents received no points. The final score for each channel was counted, and the percentage compared to the overall score was calculated.

Figure 2-13. Marketing resource allocation strategies ranked by Taiwan's book publishers in 2021

1.3. IP licensing and derivative development trends

1.3.1. Types of products and services provided by book licensing in Taiwan

Around 60 percent of the book publishers conducted external licensing in 2021. In terms of domestic licensing, “first copy licensing” accounted for the highest proportion (35.90%), followed by “training courses/seminars” (33.33%), “audiobooks and video books” (30.77%), etc. In terms of foreign licensing, “first copy licensing” was the most common (56.72%), followed by “translation licensing” (52.24%), “direct printing of first copy” (19.40%), and “audiobooks and video books” (19.40%). Among them were certain book publishers who have engaged in the development of digital applications such as “content subscription services” and “digital applications (apps)".

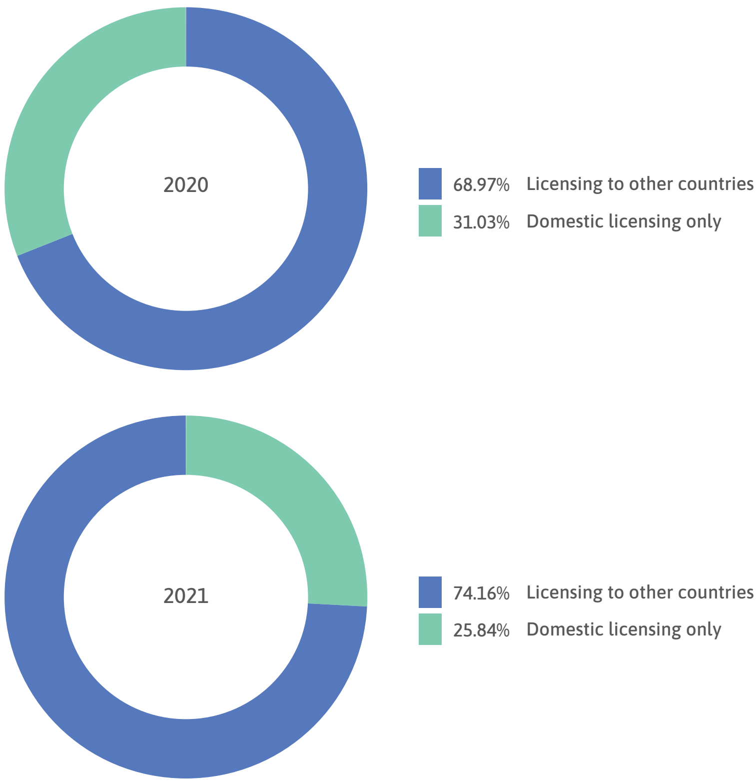


Source: Organized by this survey study.
Note: N=67 for foreign licensing and N=79 for domestic licensing.

Figure 2-14. Licensed products and services provided by Taiwan’s book publishers in 2021

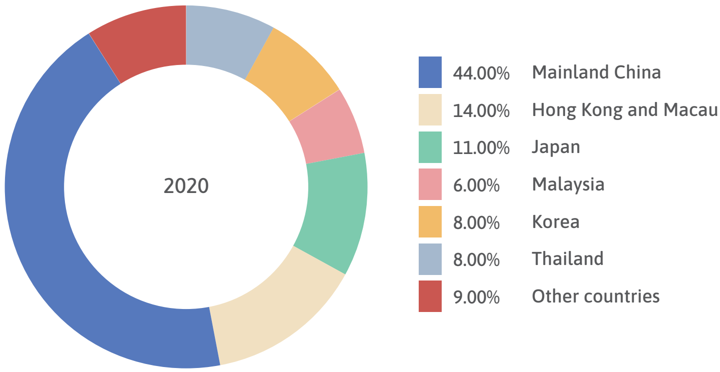
1.3.2. Sales of Taiwan's book copyrights to foreign countries

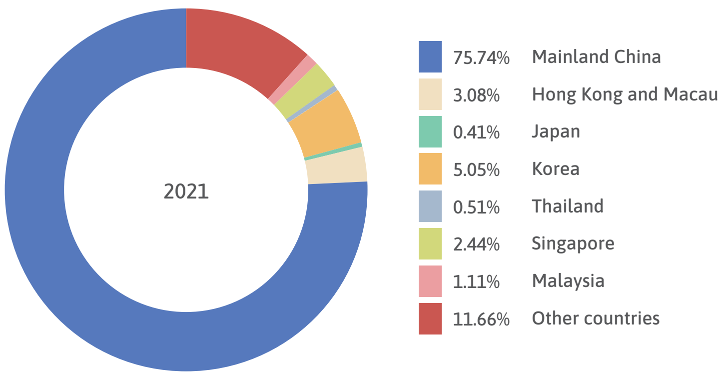
Over 70% (74.16%) of book publishers who sold book copyright licenses in 2021 assigned book copyrights to other regions or countries, while the remaining quarter (25.84%) only provided domestic licensing. Among publishers that sold book copyright licenses to other countries in 2021, the recipient countries consisted mainly of China (75.74%), followed by Korea (5.05%), and Hong Kong and Macao (3.08%) .



Source: Organized by this survey study.
Note: N=87 for 2020 and N=95 for 2021.

Figure 2-15. Proportion of copyright income for book publishers in Taiwan from 2020 to 2021



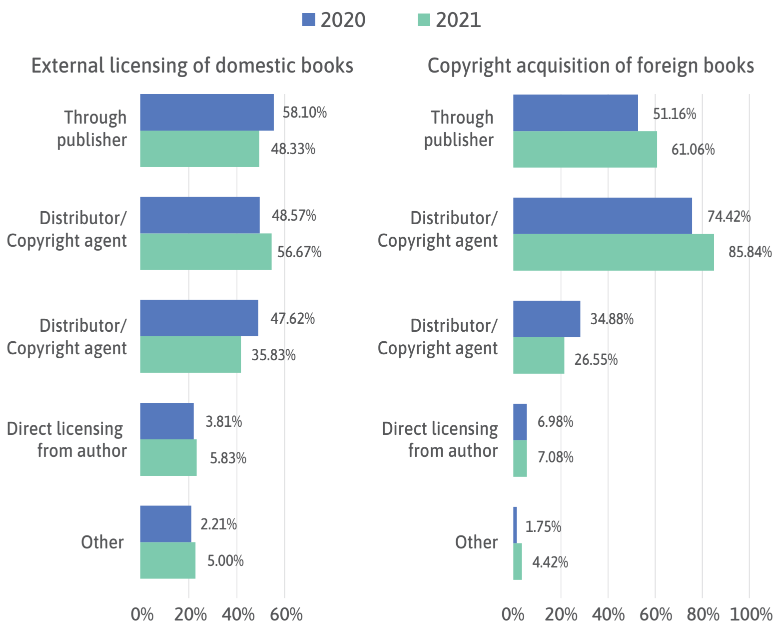


Source: Organized by this survey study.
Note: N=87 for 2020 and N=89 for 2021.

Figure 2-16. Proportion of source countries of copyright income for book publishers in Taiwan from 2020 to 2021

1.3.3. Domestic and foreign book copyright licensing and acquisition channels

In terms of the domestic and foreign book copyright licensing and acquisition channels for Taiwan's comic book and book publishers in 2021, domestic copyright licensing mostly occurred through "distributors/ copyright agents" (56.67%), followed by "publishers" (48.33%), and "direct licensing from authors" (35.83%). In terms of foreign book copyright acquisitions, approximately 85 percent (85.84%) were accomplished with the assistance of "distributors/copyright agents," followed by "publishers" (61.06%), and "direct licensing from authors" (26.55%). Overall, the share of "distributors/copyright agents" increased for both external licensing of domestic copyrights and foreign work copyright acquisition, while the proportion of "direct licensing from authors" decreased.

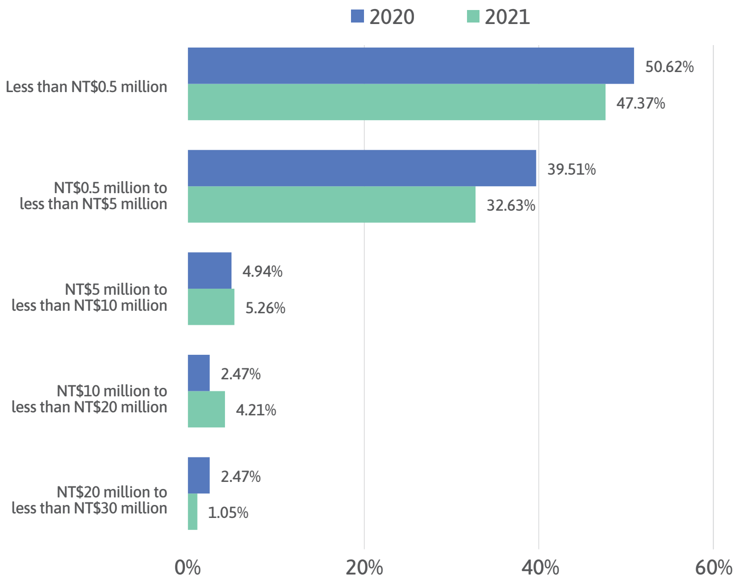


Source: Organized by this survey study.
Notes:
❶External licensing of domestic books in: 2020 N=105 and 2021 N=120.
❷Copyright acquisition of foreign books in: 2020 N=86, 2021 N=113.
❸Multiple selections were allowed.

Figure 2-17. Domestic and foreign book copyright licensing and acquisition channels in Taiwan from 2020 to 2021

1.3.4. Revenue from licensing of books in Taiwan

The external licensing business of book publishers in Taiwan remained largely small-scale; also, the epidemic alert in 2021, which imposed stricter restrictions than other countries, impacted book licensing operations. Overall, almost half (47.37%) of the companies had an annual revenue from licensing of less than NT$500,000 in 2021. However, compared to the previous year, the percentage of companies with annual licensing revenue of more than NT$500,000 but less than NT$5 million was 32.63%, up by 6.88 percentage points from the previous year.



Source: Organized by this survey study.
Note: N=81 for 2020 and N=86 for 2021.

Figure 2-18. Licensing revenue of book publishers in Taiwan from 2020 to 2021

1.4. Industry observation indexes

1.4.1. Listing rate of books with ISBN application in Taiwan

The ISBN application information provided by the National Central Library's ISBN Agency was inventoried in this study. A total of 39,774 books published in 2021 were surveyed, of which 67.52%, or 26,857 books, were listed in the five largest online bookstores/sales channels. If we focus only on trade books, 18,898 were listed in the five largest online bookstores, and the overall listing rate was 69.06%. The application for ISBNs for "non-trade books'' listed on sales channels grew as a result of the business tax exemption policy for book publications in 2021. Non-trade books included those in the categories of "professional/textbook/government publications," "primary and secondary school reference books," "test preparation books," and "dictionary reference books." Excluding these genres, the listing rate of trade books was higher than that of all books. Due to the new regulations, all types of books have applied for ISBNs. The changes in book listings on multiple online bookstores also demonstrate that market segmentation of books has led to differentiation of sales channels, and diversified sales channels and management strategies are especially imperative for the sales of niche books.

Table 2-2. Listing rate of books with ISBN application in Taiwan in 2022

Unit: Titles, %

Channel name		Overall	Books.com.tw	Eslite	Kingstone Book	San Min	momo
2020	Number of products	23,243	20,175	19,902	20,057	21,887	–
	Percentage	66.33%	57.58%	56.80%	57.24%	62.46%	–
2021	Number of products	26,857	17,579	17,766	18,829	22,418	16,457
	Percentage	67.52%	44.20%	44.67%	47.34%	56.36%	41.38%

Unit: Titles, %

Channel name		Trade books	Books.com.tw	Eslite	Kingstone Book	San Min	momo
2020	Number of products	18,737	16,566	16,812	16,825	18,134	–
	Percentage	61.14%	54.05%	54.86%	54.90%	59.17%	–
2021	Number of products	18,898	12,735	14,012	15,068	16,867	13,738
	Percentage	69.06%	46.54%	51.20%	55.06%	61.64%	50.20%

Source: Organized by this survey study.
Note: Trade books refer to general books. "Professional/textbook/government publications," "primary and secondary school reference books," "test preparation books," and "dictionary reference books" are not included.

1.4.2. Number of publishers and titles per genre for books in major channels in Taiwan

As a result of the business tax exemption measures for book publishers, both the diversity of book genres published and the number of publishers increased in 2021. The genre with the highest number of titles published in 2021 was "test preparation books," which increased by 2,000 titles compared with the previous year and totaled 3,862 titles. It was followed by "children's books/youth literature" (3,143 titles) and "literature and fiction" (2,984 titles). The number of publishers of "professional books/textbooks/government publications" was the highest in 2021, with 492 publishers. The number of publishers for "test preparation books" also increased significantly. Publishers of these two types of books applied for fewer ISBNs prior to the tax exemption policy. Out of all the genres, the number of publications shelved only decreased in the "comics/graphic novels" genre, with most of these types of books being published in the form of eBooks instead.

Table 2-3. Listing status of all genres of books in major channels in Taiwan from 2020 to 2021

Unit: Publishers, Titles, %

No.	Genre	Number of publishers		Number of titles			
		2020	2021	2020	%	2021	%
1	Business and finance	269	354	1,500	6.45%	1,492	5.57%
2	Literature and fiction	316	442	2,942	12.66%	2,894	10.80%
3	Light novels	33	64	1,023	4.40%	952	3.55%
4	Art and design	273	345	848	3.65%	926	3.45%
5	Social science	252	353	726	3.12%	1,086	4.05%
6	Humanities and history	237	267	1,003	4.32%	1,071	4.00%
7	Natural sciences	105	159	300	1.29%	621	2.32%
8	Computer science	49	59	632	2.72%	651	2.43%
9	Language learning	130	175	747	3.21%	982	3.66%
10	Psychology and self-help	218	281	1,014	4.36%	1,074	4.01%
11	Religion and numerology	244	340	825	3.55%	968	3.61%
12	Healthcare	199	230	704	3.03%	743	2.77%
13	Food	109	138	438	1.88%	525	1.96%
14	Lifestyle	130	203	584	2.51%	600	2.24%
15	Movies and celebrities	14	23	47	0.20%	63	0.24%
16	Travel	70	77	157	0.68%	114	0.43%

No.	Genre	Number of publishers		Number of titles			
		2020	2021	2020	%	2021	%
17	Comics/Graphic novels	82	94	2,448	10.53%	2,218	8.27%
18	Parenting	98	125	232	1.00%	268	1.00%
19	Children's books/ Youth literature	219	342	2,567	11.04%	3,143	11.73%
20	Test preparation books	103	315	1,862	8.01%	3,862	14.41%
21	Primary and secondary school reference books	25	32	65	0.28%	304	1.13%
22	Professional books/Textbooks/ Government publications	431	492	2,579	11.10%	2,248	8.39%
Total		1,644	2,367	23,243	100%	26,805	100.00%

Source: Organized by this survey study.

1.4.3. Percentage of domestic and foreign (translated) works in Taiwan

Books written by domestic authors made up 17,446 of the 26,805 titles listed on the five largest online bookstores, accounting for 65.08%; books by foreign authors made up 9,359 titles, accounting for 34.92%. In comparison to the previous year, the proportion of books written by domestic authors listed on major channels in 2021 (60.51%) increased, while that of listed foreign books decreased (39.49%).

In terms of trade books, of the 18,900 titles listed on the five largest online bookstores, 9,781 were written by domestic authors, which accounted for 51.45%; 9,119 were written by foreign authors, which accounted for 48.25%.

Table 2-4. Percentage of Taiwan's translated books with ISBN application in 2021

Unit: Titles, %

Category	Domestic books		Translated books	
	Overall	Trade books	Overall	Trade books
Quantity	17,446	9,781	9,359	9,119
Percentage	65.08%	51.75%	34.92%	48.25%

Source: Organized by this survey study.

1.4.4. Source countries of foreign (translated) works in Taiwan

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 from 2020 to 2021

Unit: Titles, %

No.	Source country	Total number of titles (percentage)				Trade books (percentage)			
		2020	%	2021	%	2020	%	2021	%
1	Japan	4,799	52.29%	4,488	47.95%	4,786	52.88%	4,432	48.60%
2	United States	1,837	20.02%	1,964	20.99%	1,749	19.32%	1,866	20.46%
3	United Kingdom	722	7.87%	786	8.40%	709	7.83%	763	8.37%
4	China	596	6.49%	828	8.85%	595	6.57%	804	8.82%
5	Korea	425	4.63%	481	5.14%	424	4.68%	466	5.11%
6	Other countries	459	5.00%	444	4.74%	455	5.03%	432	4.74%
7	France	231	2.52%	244	2.61%	231	2.55%	239	2.62%
8	Germany	109	1.19%	124	1.32%	102	1.13%	117	1.28%
Total		9,178	100.00%	9,359	100.00%	9,051	100.00%	9,119	100.00%

Source: Organized by this survey study.
Note:
Trade books refer to general books. “Professional/textbook/government publications,” “primary and secondary school reference books,” “test preparation books,” and “dictionary reference books” are not included.

1.4.5. Pricing and discounts of books listed in major channels

The price of books in the “humanities and history” category had the highest average price on the major channels in 2021. In comparison to 2020, the overall average price trended significantly upward. Furthermore, certain types of books had large price differentials, such as those that were printed in full color or those that included opulent peripheral merchandise. Some of those books each cost a couple of thousand NT$s, and they usually fell under the “professional books/textbooks/government publications,” “humanities and history,” “children’s books/youth literature,” “art and design,” and “literature and fiction” genres.

Overall, compared with the previous year, the average price of nearly half of the book types increased. Books in the categories of “movies and celebrities,” “lifestyle,” “health,” “computer science,” and “social science” saw a bigger increase in pricing; books in the categories of “humanities and history,” “primary and secondary school reference books,” and “professional books/textbooks/government publications” had a more obvious decline in pricing.

In 2021, the average discount (16%) for various book genres was slightly higher than in 2020 (15%). This could be attributed to the inclusion of the data from the MOMO Shop. As for the mode of discount, more categories of books were sold with a discount of 17% or 18%, which was higher than in 2020. In terms of trade books, those under the genres of “literature and fiction,” “psychology and self-help,” and “lifestyle” had an average discount (more than 20%) higher than books in other genres.

Table 2-6. Overview of pricing and discounts of various genres of books on online bookstores in Taiwan from 2020 to 2021

Unit: NTD, discount amount

No.	Genre	Fixed price (NTD)				Discount amount[1]			
		2020		2021		2020		2021	
		Mean	Mode	Mean	Mode	Mean	Mode	Mean	Mode
1	Business and finance	410	380	456	380	8.2	9.0	8.2	9.0
2	Literature and fiction	358	170	462	170	8.4	9.0	8.4	9.0
3	Light novels	252	240	249	240	8.2	8.5	8.4	8.2
4	Art and design	558	380	556	450	8.5	9.0	8.4	9.0

No.	Genre	Fixed price (NTD)				Discount amount ❶			
		2020		2021		2020		2021	
		Mean	Mode	Mean	Mode	Mean	Mode	Mean	Mode
5	Social science	446	380	593	450	8.4	9.0	8.5	9.0
6	Humanities and history	596	380	606	380	8.4	9.0	8.4	9.0
7	Natural science	475	380	582	350	8.3	9.0	8.5	9.0
8	Computer science	562	550	570	480	8.6	9.0	8.4	9.0
9	Language learning	439	320	446	350	8.1	9.0	8.3	9.0
10	Psychology and self-help	358	320	397	380	8.3	9.0	8.2	9.0
11	Religion and numerology	439	380	456	380	8.6	9.0	8.4	9.0
12	Health	404	350	451	380	8.4	9.0	8.3	9.0
13	Food	486	380	458	450	8.2	9.0	8.0	7.9
14	Lifestyle	388	380	448	380	8.4	9.0	8.2	9.0
15	Movies and celebrities	544	520	520	380	8.3	9.0	8.3	9.0
16	Travel	374	120	426	398	8.4	9.0	8.3	9.0
17	Comics/Graphic novels	191	140	197	140	8.5	8.5	8.7	8.5
18	Parenting	366	320	401	380	8.2	9.0	8.3	9.0
19	Children's books/ Youth literature	381	320	397	320	8.2	9.0	8.2	9.0
20	Test preparation books	511	450	581	250	8.7	9.0	8.5	9.0
21	Primary and secondary school reference books	331	200	285	190	8.1	7.9	8.4	9.0
22	Professional books/Textbooks/ Government publications	482	300	490	300	9.2	9.5	9.2	9.5
Total		411	320	448	380	8.5	9.0	8.4	9.0

Source: Organized by this survey study.

Note:

❶The formula for calculating real selling price = price (NT$) x discount amount x 0.1. The formula for calculating the percentage discount = 100 - (discount mount x 10). For example, if the discount amount is 8.4, then the percentage of discount will be 100 - (8.4 x 10) = 16% off.

1.4.6. Overview of new eBook publications in Taiwan

In terms of the overview of this year's newly published eBooks data from Books.com.tw and Rakuten Kobo E-book Store, the two major digital publication platforms for circulation and sales, was used for compiling the statistics. According to the inventory, 13,764 new titles were published as e-books in 2021, a 6.62% increase compared to 2020's 12,910 titles. The majority of new eBooks published in 2021 were in traditional Chinese (93.97%), which was an increase of 12.21 percentage points compared to the previous year.

Table 2-7. **Publishing languages and number of titles of newly published eBooks in Taiwan from 2020 to 2021**

Unit: Titles, %

Language		Traditional Chinese	Simplified Chinese	English	Japanese	Others	Total
Overall	2020	10,555	454	73	1,825	3	12,910
		81.76%	3.52%	0.57%	14.14%	0.02%	100.00%
	2021	12,934	733	13	61	23	13,764
		93.97%	5.33%	0.09%	0.44%	0.17%	100.00%
Trade books	2020	9,910	430	72	1,825	3	12,240
		80.96%	3.51%	0.59%	14.91%	0.02%	100.00%
	2021	12,243	733	11	57	23	13,067
		93.69%	5.61%	0.08%	0.44%	0.18%	100.00%

Source: Organized by this survey study.

Notes:

❶Trade books refer to general books. "Professional/textbook/government publications," "primary and secondary school reference books," "test preparation books," and "dictionary reference books" are not included.

❷Two new types of eBooks, "Graphic Books/Illustrations" and "Movies and Celebrities," were added to Books.com.tw in recent years, the majority of which were Japanese works, leading to the inclusion of the statistics for the number of Japanese eBooks this year.

1.4.7. Genres of new eBook publications in Taiwan

In terms of genres of eBooks, the “literature and fiction” category accounted for the highest share, with 3,337 titles (24.28%). It was followed by the “history and humanities,” “social science” (9.17%), and “children’s books/youth literature” (8.44%) categories.

The average retail price of new eBooks had a more diverse range due to the significant increase in the number of e-books listed in 2021. This created difficulty in comparing data across years. The overall average retail price of new eBooks was NT$302, a 33.63% increase compared to the average price of NT$226 in 2020.

Table 2-8. Retail price and number of publishers of all genres of new eBook titles in Taiwan from 2019 to 2020

Unit: Titles, NTD, number of publishers, %

<table>
<tr><th rowspan="2">No.</th><th rowspan="2">eBook genre</th><th colspan="4">Number of titles</th><th colspan="4">Number of publishers</th><th rowspan="2">Average price</th></tr>
<tr><th>2020</th><th>%</th><th>2021</th><th>%</th><th>2020</th><th>%</th><th>2021</th><th>%</th></tr>
<tr><td>1</td><td>Literature and fiction</td><td>2,613</td><td>20.24%</td><td>3,337</td><td>24.28%</td><td>260</td><td>36.57%</td><td>322</td><td>38.24%</td><td>254</td></tr>
<tr><td>2</td><td>Business and finance</td><td>977</td><td>7.57%</td><td>1,134</td><td>8.25%</td><td>152</td><td>21.38%</td><td>171</td><td>20.31%</td><td>328</td></tr>
<tr><td>3</td><td>Art and design</td><td>352</td><td>2.73%</td><td>496</td><td>3.61%</td><td>100</td><td>14.06%</td><td>99</td><td>11.76%</td><td>377</td></tr>
<tr><td>4</td><td>Humanities and history</td><td>590</td><td>4.57%</td><td rowspan="2">1,260</td><td rowspan="2">9.17%</td><td>121</td><td>17.02%</td><td rowspan="2">175</td><td rowspan="2">20.78%</td><td rowspan="2">390</td></tr>
<tr><td>5</td><td>Social science</td><td>510</td><td>3.95%</td><td>161</td><td>22.64%</td></tr>
<tr><td>6</td><td>Natural science</td><td>254</td><td>1.97%</td><td>370</td><td>2.69%</td><td>95</td><td>13.36%</td><td>104</td><td>12.35%</td><td>318</td></tr>
<tr><td>7</td><td>Psychology and self-help</td><td>675</td><td>5.23%</td><td>809</td><td>5.89%</td><td>122</td><td>17.16%</td><td>139</td><td>16.51%</td><td>300</td></tr>
<tr><td>8</td><td>Health</td><td>562</td><td>4.35%</td><td>746</td><td>5.43%</td><td>140</td><td>19.69%</td><td>157</td><td>18.65%</td><td>305</td></tr>
<tr><td>9</td><td>Food</td><td>204</td><td>1.58%</td><td>308</td><td>2.24%</td><td>64</td><td>9.00%</td><td>82</td><td>9.74%</td><td>376</td></tr>
<tr><td>10</td><td>Lifestyle</td><td>319</td><td>2.47%</td><td>386</td><td>2.81%</td><td>104</td><td>14.63%</td><td>105</td><td>12.47%</td><td>323</td></tr>
<tr><td>11</td><td>Movies and celebrities</td><td>1,890</td><td>14.64%</td><td>-</td><td>-</td><td>16</td><td>2.25%</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>12</td><td>Travel</td><td>118</td><td>0.91%</td><td>139</td><td>1.01%</td><td>47</td><td>6.61%</td><td>50</td><td>5.94%</td><td>239</td></tr>
<tr><td>13</td><td>Religion and numerology</td><td>626</td><td>4.85%</td><td>911</td><td>6.63%</td><td>134</td><td>18.85%</td><td>162</td><td>19.24%</td><td>332</td></tr>
</table>

No.	eBook genre	Number of titles				Number of publishers				Average price
		2020	%	2021	%	2020	%	2021	%	
14	Parenting	212	1.64%	311	2.26%	79	11.11%	82	9.74%	272
15	Children's books/Youth literature	982	7.61%	1,160	8.44%	131	18.42%	122	14.49%	240
17	Light novels	741	5.74%	1,059	7.71%	30	4.22%	37	4.39%	177
18	Language learning	413	3.20%	402	2.93%	73	10.27%	90	10.69%	338
19	Test preparation books	608	4.71%	603	4.39%	14	1.97%	24	2.85%	450
20	Computer science	202	1.56%	218	1.59%	27	3.80%	30	3.56%	471
21	Professional books/ Textbooks/ Government publications	62	0.48%	94	0.68%	23	3.23%	24	2.85%	384
Total		12,910	100.00%	13,743	100.00%	711	100.00%	842	100.00%	302

Source: Organized by this survey study.

Notes:

❶As a company may publish two or more genres of eBooks, the total number of companies for each type of eBook does not add up to 100.0%. Repetitions have been deducted from the total number of companies.

❷The categories in this table consist mostly of eBook categories on Books.com.tw. Two new types of eBooks, "Graphic Books/Illustrations" and "Movies and Celebrities," were added this year.

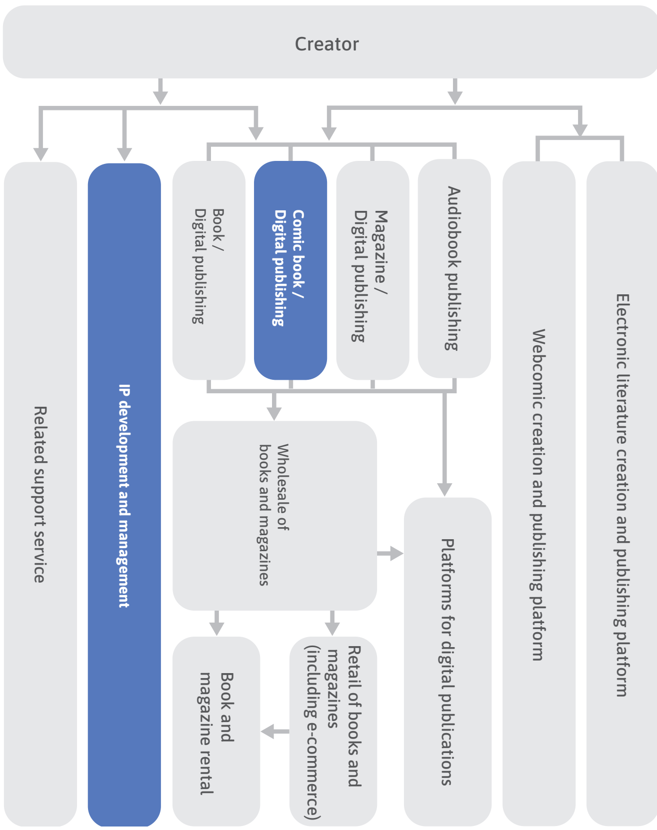
New adjustments have been made to this survey accordingly.

❸Information on digital comics is provided in a separate section and is not presented here.

02

Comic Book Publishing Industry

2.1. Industry overview

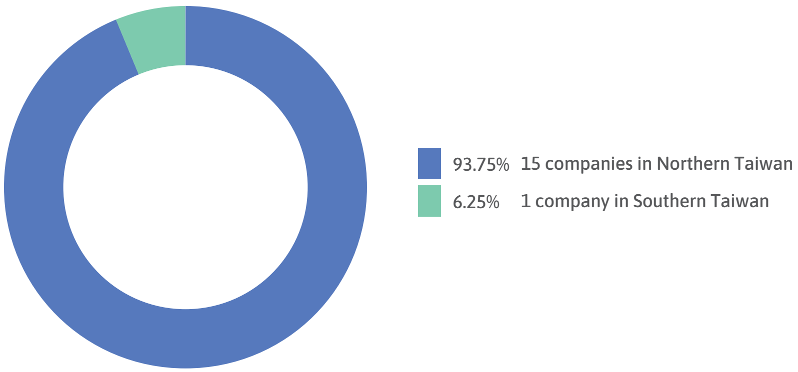


Source: Illustrated by this survey study.

Figure 2-19. Taiwan's comic book publishing industry map

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

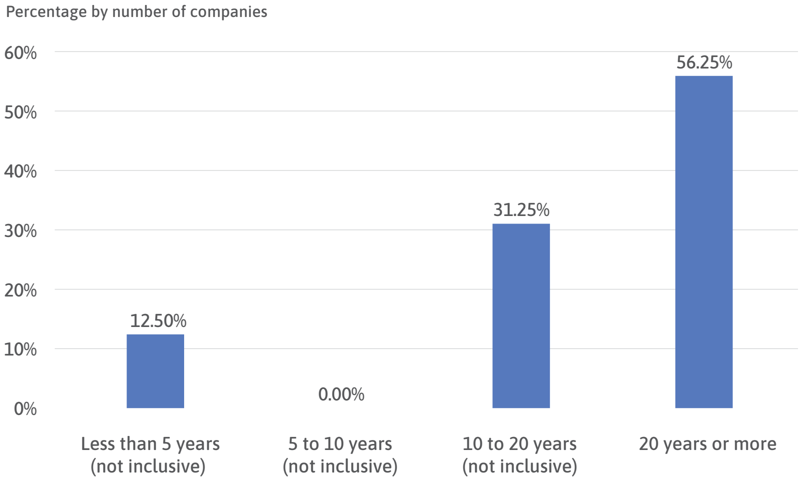
The 2021 survey included 16 comic book publishers. In terms of their geographical distribution, the highest percentage of publishers were in Northern Taiwan, at 93.75%, with the majority located in Taipei City (11 companies), New Taipei City (3 companies), and Taoyuan City (1 company). Tainan City had the only publisher (6.25%) located in regions other than Northern Taiwan.



Source: Organized by this survey study.
Note:
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.

Figure 2-20. Regional distribution of Taiwan's comic book publishers in 2021

With regard to the number of years comic book publishing houses have been in business, similar to the previous year, the majority of comic book publishing companies (56.25%) were long-established publishing houses or brands that have been in operation for more than 20 years. This was followed by 31.25% of those who have been in business for more than 10 years but less than 20 years, and 12.50% of those who have been operating for less than five years. The majority of comic book publishers in Taiwan have been in operation for more than ten years, indicating that their structure is quite solid and can withstand market scrutiny. In recent years, independent publishers have also entered the comic book publishing sector.

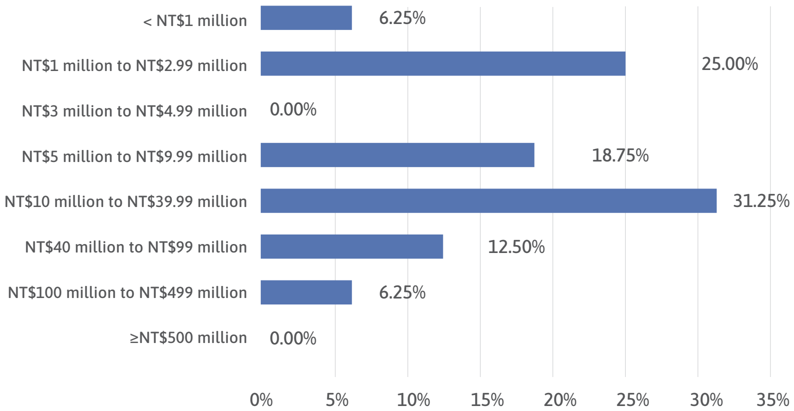


Source: Organized by this survey study.

Figure 2-21. Number of years established for Taiwan's comic book publishers in 2021

2.1.2. Average capital of comic book publishers in Taiwan

The capital of half of the comic book publishers in Taiwan was less than NT$40 million. Among them, larger publishers with a capital of more than NT$100 million were multinational publishing groups active in comics, novels, and various cultural and creative industries.



Source: Organized by this survey study.

Figure 2-22. Distribution of Taiwan's comic book publishers by registered capital in 2021

2.2. Revenue and business model

2.2.1. Estimated revenue of comic book publications in Taiwan

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

❻The 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 : Comic book publishing end revenue = (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 : Comic book market end revenue = revenue of publishing end from comic books (②) / average wholesale discount x average sales discount

According to the aforementioned estimates, the comic book industry's overall revenue on the "publishing end" (for both old and new books) in 2021 was NT$398 million, down 3.40% from NT$412 million in 2020. The overall revenue (for both old and new books) on the "retail end" was NT$513 million, which was a 1.54% decline compared to NT$521 million in 2020. The total revenue (publishing and retail ends combined) from the publication of comic books in Taiwan in 2021 was NT$911 million, which was a 2.36% decline compared to 2020 (NT$933 million).

Table 2-9. **Development trend in the revenue of Taiwan's comic book industry**

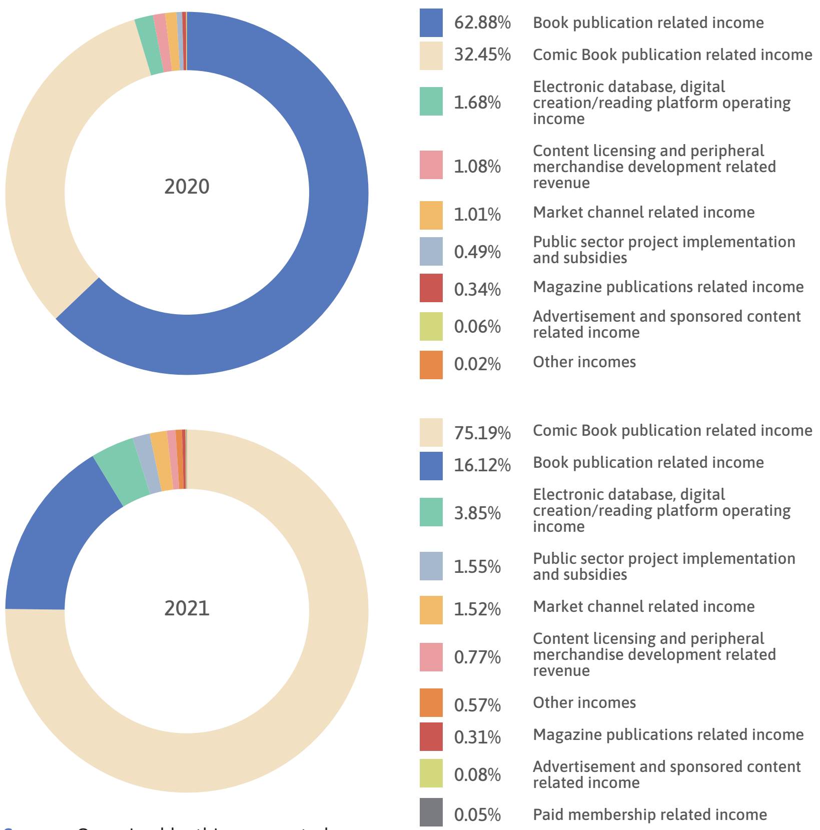
Unit: NT$100 million, %

Year	2016	2017	2018	2019	2020	2021
Publishing end	5.22	4.77	4.42	4.34	4.12	3.98
Growth rate	-	-8.62%	-7.22%	-1.88%	-5.07%	-3.40%
Retail end	6.8	6.38	5.84	5.52	5.21	5.13
Growth rate	-	-6.46%	-8.53%	-5.49%	-5.62%	-1.54%
Total revenue	12.04	11.15	10.26	9.86	9.33	9.11
Growth rate	-	-7.40%	-7.97%	-3.93%	-5.38%	-2.36%

Source: Estimated by this survey study.

2.2.2. Revenue structure and items of Taiwan's comic book publishers

In terms of the revenue structure and breakdown of Taiwan's comic book publishers in 2021, the primary source of income continued to be "comic book related income" (75.19%), followed by "book publishing related income" (16.12%), and "electronic database, digital creation/reading platform operating income" (3.85%).



Source: Organized by this survey study.

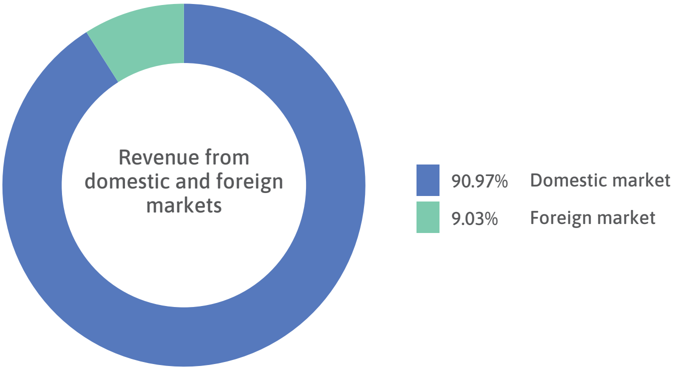
Note:

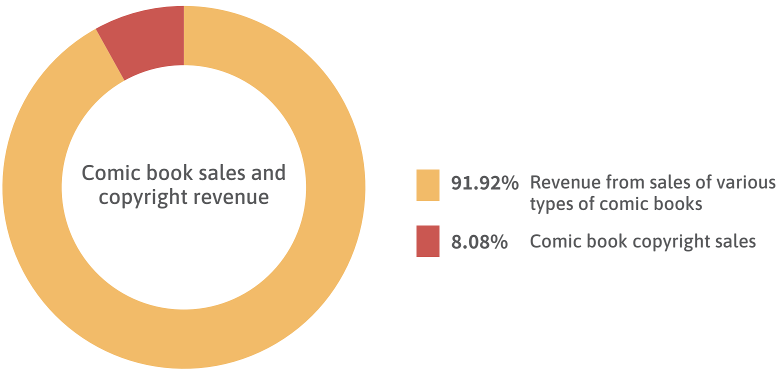
❶N=9 for 2020 and N=8 for 2021.

❷Due to the adjustment of survey items and scope, data comparisons between years should be made with caution.

Figure 2-23. Income structure of comic book publishers in Taiwan from 2020 to 2021

Over 90 percent (90.97%) of the "comic book related" revenue of Taiwan's comic book publishers in 2021 came from the domestic market. The sales of various types of comic books, such as printed comics, digital comics, and so on, accounted for over 90 percent (91.92%) of total comic book related revenue, while comic book copyright sales accounted for about 8.08%.

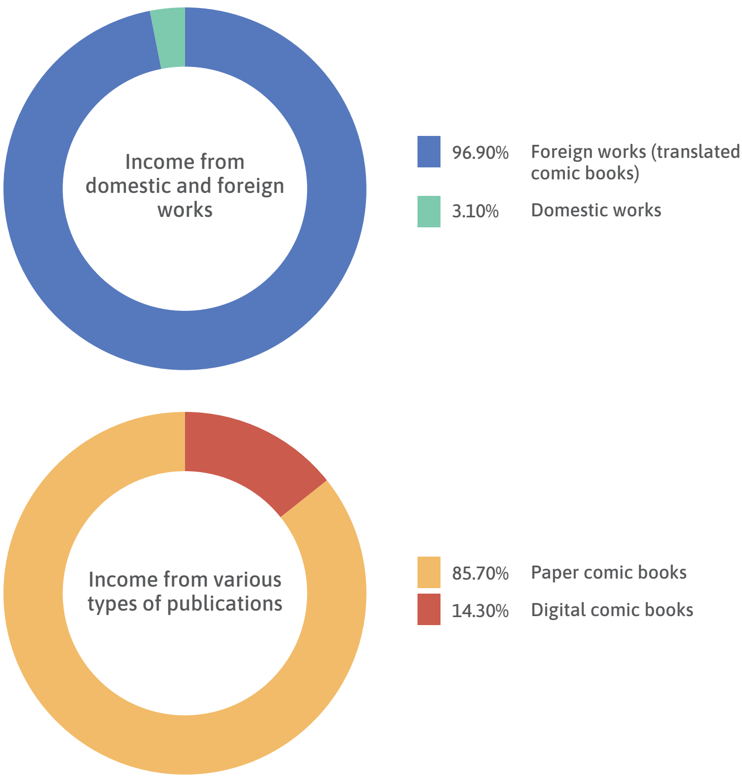




Source: Organized by this survey study.
Note: N=8.

Figure 2-24. Overview of domestic, foreign, sales, and copyright revenues of Taiwan's comic book publishers in 2021

In terms of revenue from domestic and foreign works, over 90 percent (96.90%) of the comic book sales for Taiwan's comic book publishers in 2021 came from (translated comic books), and about 3.10% came from domestic works. Furthermore, paper comic books accounted for more than 80 percent (85.70%) of the total revenue generated by various publications in 2021, while sales revenue from digital comic books accounted for 14.30%. The latter increased by 8.18 percentage points compared to the previous year. The prevalence of videos, coupled with the pandemic and other factors, drove the reading and sales of digital comic book publications.



Source: Organized by this survey study
Note: N=8.

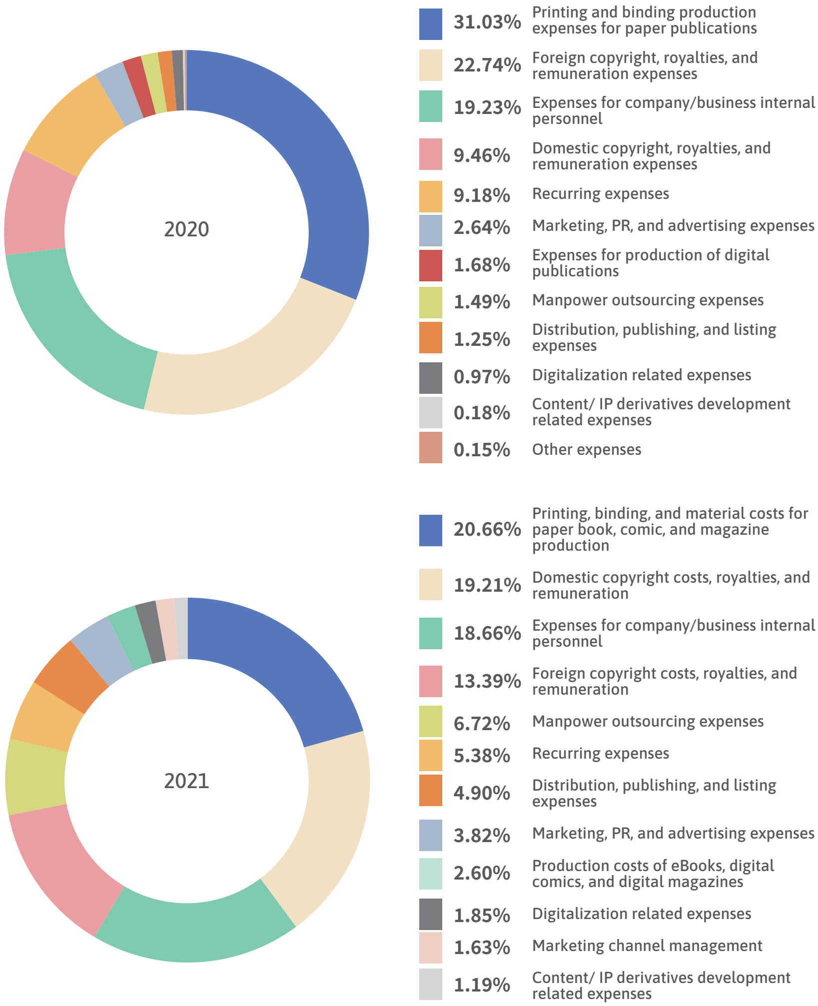
Figure 2-25. Overview of the revenue from various types of publications for Taiwan's comic book publishers in 2021

2.2.3. Expenditure levels and structure of the comic book publishing industry in Taiwan

In terms of expenditures, Taiwan's comic book publishers spent the most on "printing and binding production expenses of paper publications" (20.66%), followed by "domestic copyright, royalties, and remuneration expenses" (19.21%), "company/business internal personnel expenses" (18.66%), and "foreign copyright, royalties, and remuneration expenses" (13.39%); the rest of the expenditures each accounted for less than 10 percent.

This year's survey was conducted to focus on the digital development and derivative content related expenditures of comic book publishers. According to the survey results, "production costs of eBooks, digital comics, and digital magazines" accounted for 2.60%, "digitalization related expenses" , 1.85%, and "content/IP derivatives development related expenses" , 1.19%

According to the operating expenditure structure above, Taiwan's comic book publishers placed a greater emphasis on distribution and sales of foreign works, but nearly 20% of expenditures were for "domestic copyright, royalties, and remuneration expenses," implying that a portion of resources were invested in nurturing domestic creators. Furthermore, because the current business was based on authorized applications and licensed development, the proportion of "content/IP derivatives development related expenses" remained low.



Source: Organized by this survey study.

Notes:

❶N=8 for 2020 and N=9 for 2021.

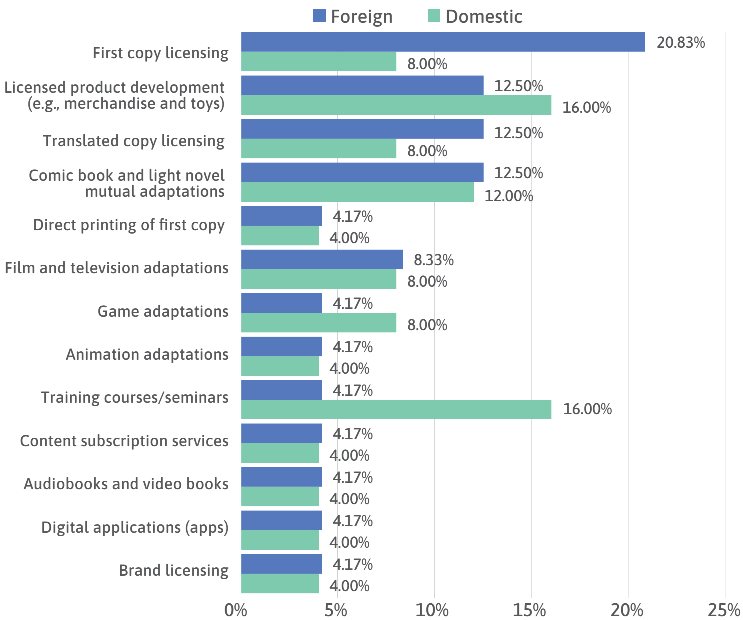
❷Due to the adjustment of survey items and scope, data comparisons between years should be made with caution.

Figure 2-26. Structure of expenditure for Taiwan's comic book publishers from 2020 to 2021

2.3. IP licensing trends

2.3.1. Types of products and services provided by comic book licensing in Taiwan

All domestic comic book publishers surveyed in this study engaged in external licensing in 2021. The most popular forms of domestic licensing were “licensed product development” and “training courses/seminars” (each accounted for 16.0% of the total), followed by “comic book and light novel adaptations”, at 12.0%, “first copy licensing,” “translated copy licensing,” “film and television adaptations,” and “game adaptations,” each accounting for 8.0% of the total. In terms of foreign licensing, “first copy licensing” made up the biggest proportion (20.83%), followed by “licensed production development,” “translated copy licensing,” and “comic book and light novel mutual adaptations,” each accounting for 12.50% of the total.



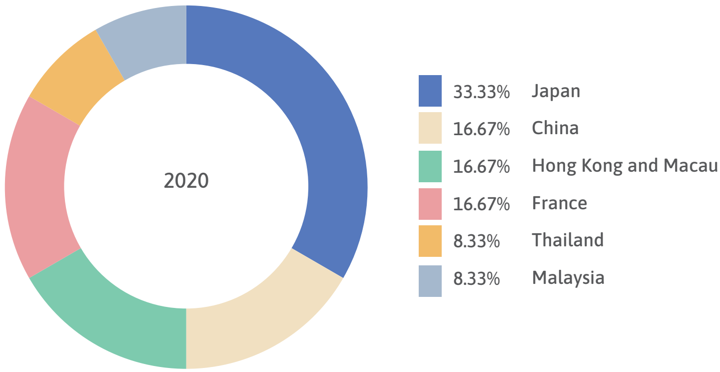
Source: organized by this survey study.
Notes:
❶N=6 for foreign works and N=8 for domestic works.
❷Due to the small number of respondents in comic publishing, the above statistical results are for reference only and should not be interpreted decisively.

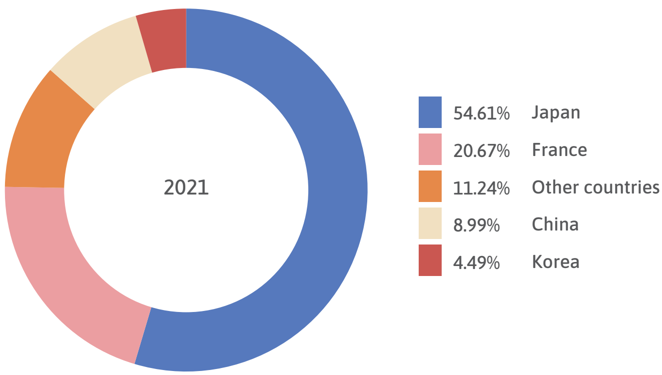
Figure 2-27. Domestic licensing transaction models of Taiwan’s comic book publishers in 2021

2.3.2. Sales of Taiwan's comic book copyrights to foreign countries

In terms of source countries for income made from external licensing of Taiwan's comic book publications in 2021, Japan accounted for the highest proportion (54.61%), followed by France (20.67%), China (8.99%), and Korea (4.49%).

Local comic books have steadily gained prominence on the world stage as a result of the trend of diverse development of Taiwan's comic book license in recent years. For example, local comics have piqued the interest of French publishers and readers with their unique historical and cultural themes as well as an aesthetic style distinct from European comics. As a result, they have been successfully licensed for the French market. However, when compared to other major content exporting countries, the current status of overseas licensing of Taiwan's comic books abroad is still in its growth phase, causing the licensing trend to fluctuate considerably. As a result, year-to-year comparisons should be interpreted with caution.





Source: organized by this survey study.
Notes:
❶N=6 for the upper diagram (2020) and N=5 for the lower diagram (2021).
❷Due to the small number of respondents in comic publishing, the above statistical results are for reference only and should not be interpreted decisively.

Figure 2-28. Proportion of source countries of copyright income for comic book publishers in Taiwan from 2020 to 2021

2.4. Industry observation indexes

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

The publication status of digital comics in Taiwan is mostly derived from three major platforms: Book Walker, Books.com.tw, and Rakuten Kobo E-book Store. Due to changes in reading behavior, a total of 15,453 digital comic titles were published in 2021, which was a dramatic increase from 2020.

In terms of the various genres of digital comics, "seinen/shounen" comics accounted for the highest proportion (41.75%), with 6,452 titles, followed by "shoji/josei" comics with 4,631 titles (29.97%), "BL/GL" comics with 2,603 titles (16.84%), and "adult" comics with 1,495 titles (9.67%).

Table 2-10. Genres of digital comic book publications in Taiwan in 2021

Unit: Titles, %

Genre	Titles	%
BL/GL	2,603	16.84%
Shoji/Josei	4,631	29.97%
Seinen/Shounen	6,452	41.75%
Children's comic	38	0.25%
Doujinshi/Collection/Art	50	0.32%
Comic magazine	21	0.14%
Adult	1,495	9.67%
Other	163	1.05%
Total	15,453	100.00%

Source: Organized by this survey study.
Note:
The statistics for the related genres have been updated as the number of digital comics increased. Consequently, data comparisons between years should be made with caution.

2.4.2. Retail price and number of publishers in Taiwan's digital comic book publishing industry

In terms of retail price, the average retail price of digital comic books was NT$119.4, an increase of 2.05% from NT$117 in 2020.

In 2021, the total number of digital comic book publishers was 105, an increase of 52.38% from 50 in 2020. Publishers that published "seinen/shounen" comics accounted for the highest proportion (48 companies), followed by those that published "BL/GL" comics (22 companies), and "shoji/josei" comics (21 companies).

Table 2-11. Retail price and number of publishers of various digital comic book genres in Taiwan in 2021

Unit: NTD, number of publishers

Comic book genre	Average price	Number of publishers
BL/GL	53	22
Shoji/Josei	47	21
Seinen/Shounen	56	48
Children's comic	246	4
Doujinshi/Collection/Art	195	10
Comic magazine	139	1

Source: Organized by this survey study.

Notes:

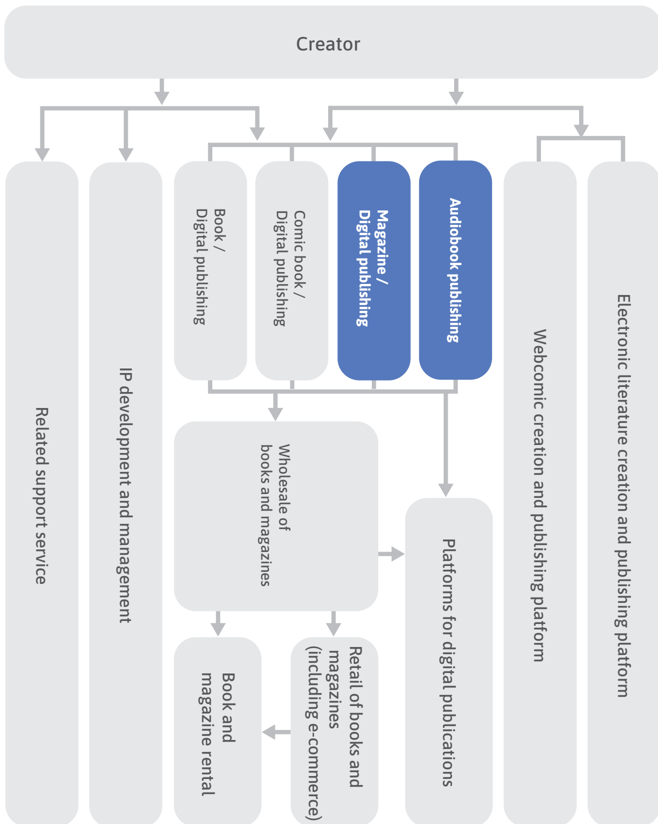
❶As a company may publish two or more genres of digital comics, the total number of companies for each type of digital comic does not add up to 100.0%. Repetitions have been deducted from the total number of companies.

❷The statistics for the related genres have been updated as the number of digital comics increased. Consequently, data comparisons between years should be made with caution.

03

Magazine Publishing Industry

3.1. Industry overview



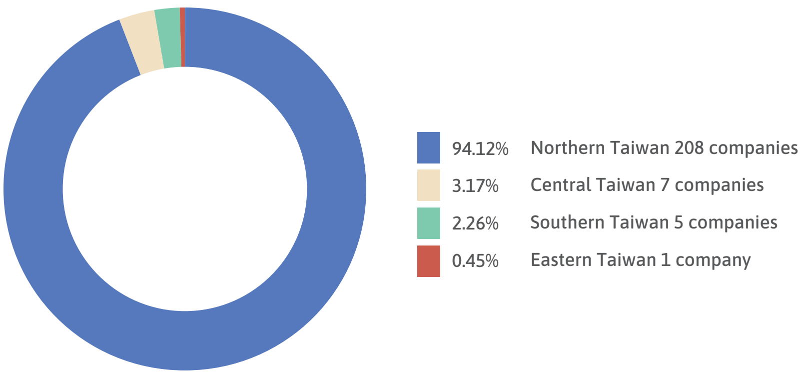
Source: Illustrated by this survey study.

Figure 2-29. Taiwan’s magazine publishing industry map

3.1.1. Number of magazine publishers and geographical distribution in Taiwan

This study surveyed sources such as the top four online bookstores (books.com.tw, Kingstone Book, Eslite, and TAAZE), the ISSN New & Market (local publication/magazine), the Taiwan Publication Information Network, and the Magazine Business Association of Taipei. After excluding sources that had ceased operations, government entities, personal publishers, those who could not be reached, and nonprofit organizations, 221 effective magazine publishers were identified.

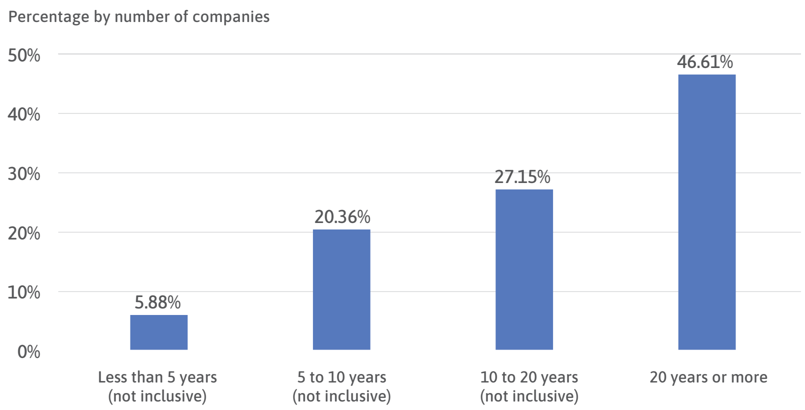
Most of the magazine publishers identified were based in Northern Taiwan (94.12%), including 91.4% in the Greater Taipei area. Other areas each accounted for less than 10% of the total number of publishers.



Source: Organized by this survey study.
Note:
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.

Figure 2-30. Geographical distribution of Taiwan's magazine publishers in 2021

Almost 70% of the magazine publishers in Taiwan have been in business for more than 10 years. A lot of longstanding and iconic magazine publishers remain active, which shows that older brands are still trusted in the magazine market.

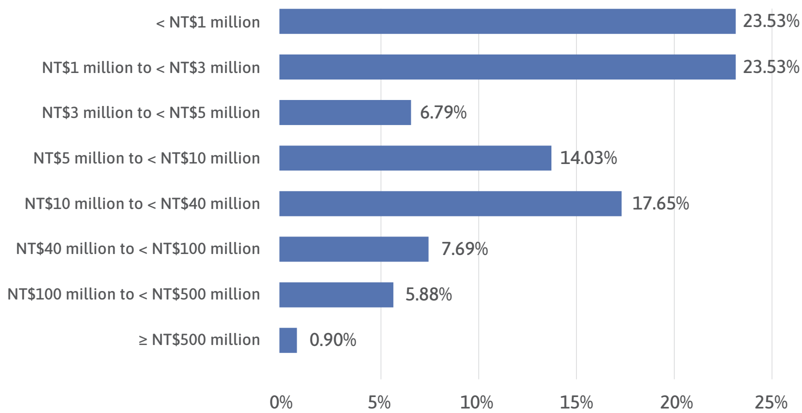


Source: Organized by this survey study.

Figure 2-31. Taiwan's magazine publishers by number of years in business in 2021

3.1.2. Average capital of magazine publishers in Taiwan

A total of 150 companies in the domestic magazine publishing industry had a registered capital of less than NT$10 million, which accounted for nearly 70 percent (67.87%) of the total, indicating that most companies in the domestic magazine publishing industry are SMEs. Most large publishers with a capital of over NT$100 million were longstanding magazine publishers with significant brand influence.



Source: Organized by this survey study.

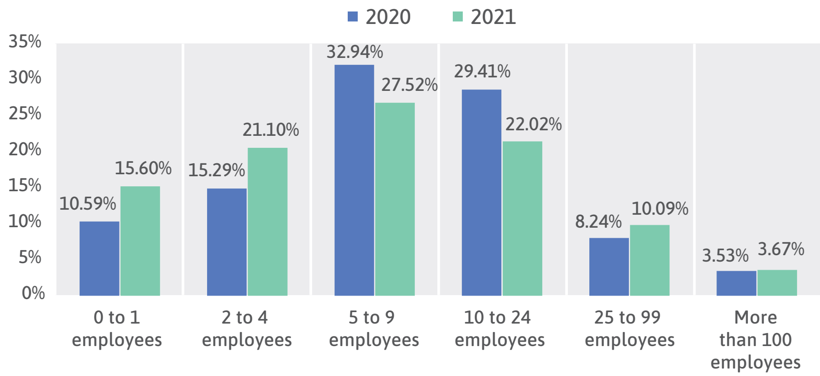
Figure 2-32. Distribution of Taiwan's magazine publishers by registered capital in 2021

3.1.3. Overview of employees of magazine publishers in Taiwan

In 2021, over 60 percent (64.22%) of magazine publishers employed fewer than 10 people (including full-time and part-time employees). For the number of publishers that employed 0–1 employees, there was an increase of 5.01 percentage points; 2-4 employees increased by 5.81 percentage points; and 5-9 employees had a decrease of 5.42 percentage points compared to 2020. This showed a downward trend in the workforce of the magazine publishing industry, with the number of employees on the payroll dropping from 5–9 to 0–4.

Furthermore, based on the survey data of magazine publishers alone, it is estimated ❼ that the number of full-time and part-time employees employed by each firm was approximately 6,188, with an average of 17 employees❽ per publisher. The number declined compared to 2020. In general, fewer people are working in the magazine industry, and the business environment for magazines in Taiwan is currently quite challenging.

❼The formula for estimating the number of employees = the average number of employees (both full-time and part-time employees) of the publishers who responded to the survey x the statistical population of magazine publishers in Taiwan.
❽According to the *2016 Industry and Service Census*, the number of employees employed (including full-time and part-time employees) in Taiwan's magazine (periodical) publishing industry was around 7,000. Because of the differences in statistical methods and survey basis, this survey's weighted estimation was based on the number of completed questionnaires, resulting in a different result than the "Industrial and Service Census."



Source: Organized by this survey study.
Note: N=85 for 2020 and N=109 for 2021.

Figure 2-33. Scale of manpower of Taiwan's magazine publishers from 2020 to 2021

3.2. Revenue and business model

3.2.1. Scale of Taiwan's magazine publishing industry and estimated revenue of magazine publications

Unlike previous estimates of the overall industry scale of Taiwan's magazine publishing industry (core businesses), which focused solely on magazine distribution and sales revenue, this estimate included revenues from cross-sector content IP derivatives and applications, membership and subscription, business consulting, new business models, diversified management, and upstream and downstream industry integration, allowing the observation of Taiwan's magazine publishing industry under the trends of digital convergence and cross-sector integration. In 2021, the scale of Taiwan's magazine publishing industry (core businesses) was NT$9.154 billion, a 9.17% increase over 2020 (8.385 billion).

Table 2-12. The scale of Taiwan's magazine publishing industry

Unit: NT$100 million, %

Year	2019	2020	2021
Magazine publishing industry revenue (core businesses)	75.75	83.85	91.54
Growth rate	-	10.69%	9.17%

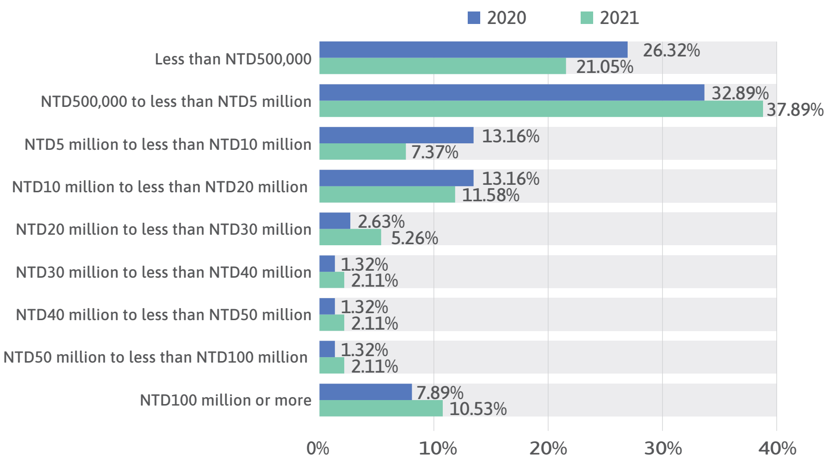
Source: Organized by this survey study.

Note:

The business model centered on magazine content has shifted away from traditional publications, so the income from magazine publications was no longer listed independently.

3.2.2. Revenue structure and items of magazine publishers in Taiwan

In 2021, 66.31% of the magazine publishers had an operating revenue of less than NT$10 million, which suggests that most magazine publishers in Taiwan were SMEs. Compared to last year, the proportion of publishers that had an annual revenue of less than NT$500,000 decreased by 5.27 percentage points, while publishers with revenue ranging between NT$500,000 and 5 million increased by 5.0 percentage points. Overall, those with an annual revenue of "NT$ 500,000 to less than 5 million" and "more than 100 million" posted bigger share gains.



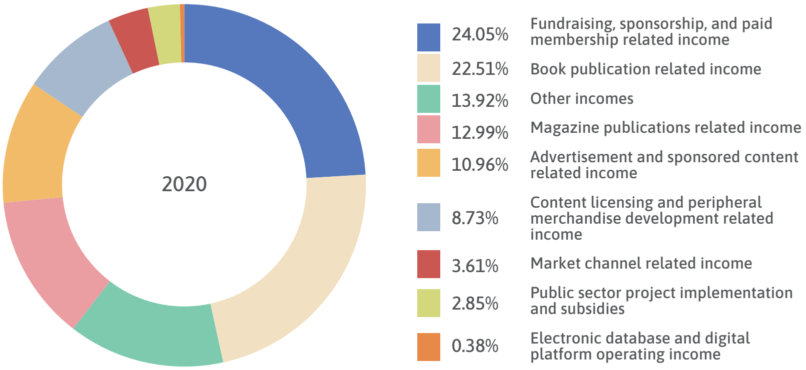
Source: Organized by this survey study.
Note: N=76 for 2020 and N=95 for 2021.

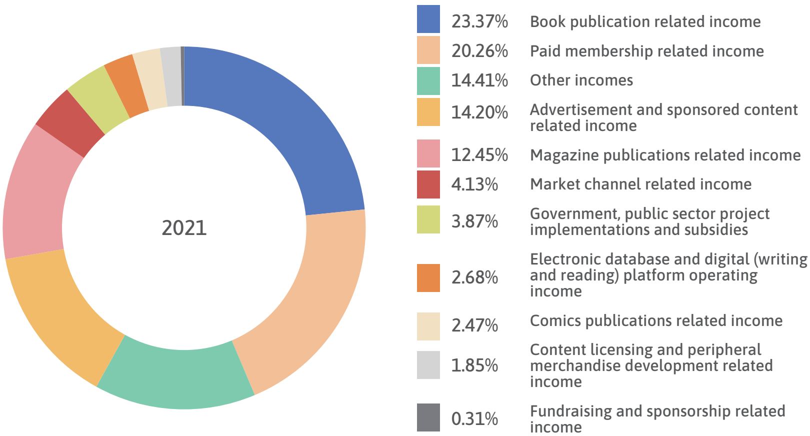
Figure 2-34. Annual revenue of magazine publishers in Taiwan from 2020 to 2021

Out of the magazine publishers surveyed in 2021, "book publication related income" accounted for the highest proportion (23.37%), followed by "paid membership related income" (20.26%), "advertising and sponsorship income" (14.2%), and "magazine publication related income" (12.45%); the remaining sources accounted for less than 10 percent.

Based on recent developments, magazine publishers in Taiwan have changed their business focus away from traditional printed magazine publications. Content is distributed in a range of media and vehicles (such as online platform subscriptions, audio content, etc.) in order to suit market demand. On the one hand, publishers are actively developing diversified derivative content and content licensing, such as physical or online courses, tour experiences, event curation, IP and brand development, and so on. On the other hand, publishers are actively engaging the community by using multiple social media platforms (short videos, live broadcasts on social media platforms, etc.) to increase readers' stickiness.

In 2021, magazine publishing was no longer the primary source of income for magazine publishers, who instead placed a greater emphasis on the development of their core markets, members, and communities. Magazine publishers kept an eye on market changes and trends, acted as content suppliers, producing content that their readers cared about and needed, or helped businesses with employee training, in-depth courses, etc., and provided corresponding content and solutions to their readers or customers. They also produced accurate content to grow and manage the community of their members, foster the community's long-term trust in the magazine, and seize a stable market position. The traditional advertising format of the magazine has been transformed into more in-depth content and event cooperation, which has connected members through information exchanges, knowledge learning, and mutual aid in the hopes of exploring new business and profit models.

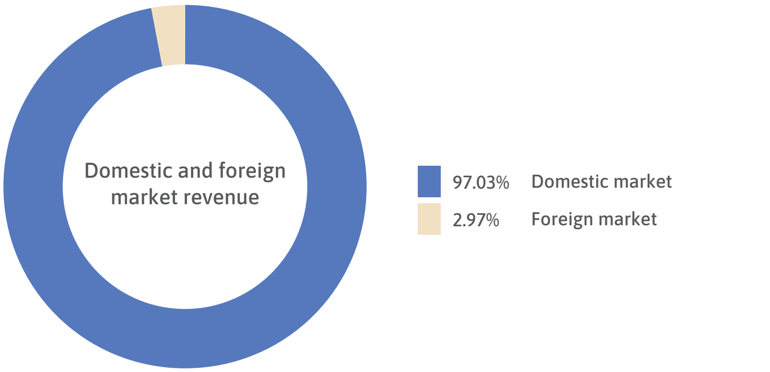


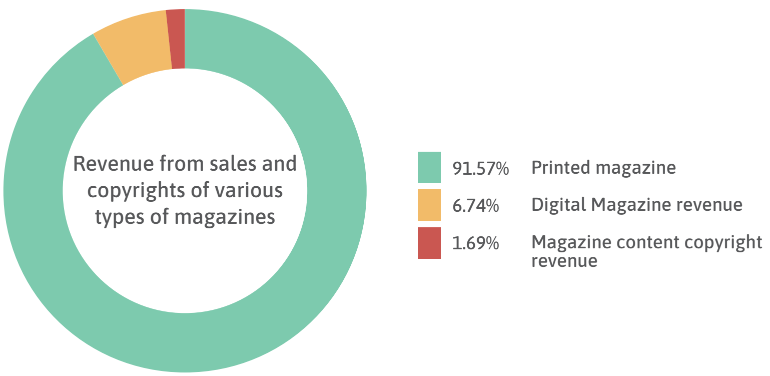


Source: Organized by this survey study.
Notes:
❶N=89 for 2020 and N=95 for 2021.
❷Due to the adjustment of survey items and scope, data comparisons between years should be made with caution.

Figure 2-35. Income structure of magazine publishers in Taiwan from 2020 to 2021

In 2021, about 97 percent (97.03%) of the revenue generated by magazine publishers in Taiwan came from the domestic market, while 2.97% came from the foreign market. Additionally, as a share of the overall magazine publication related revenue, sales of various types of printed magazines took up 91.57%; sales of digital magazin es, 6.74%, and magazine content copyright, 1.69%. Digital magazine revenue increased 2.51 percentage points from the previous year.



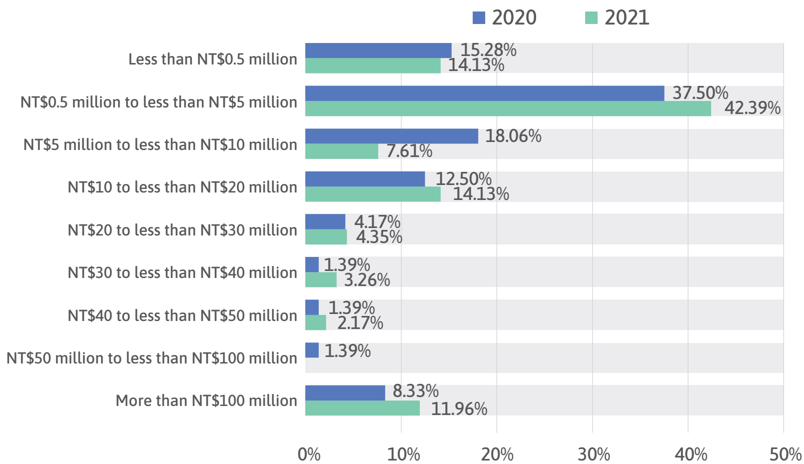


Source: Organized by this survey study.
Note: N=43 for the upper diagram and N=50 for the lower diagram.

Figure 2-36. Overview of Taiwan's magazine publishers' domestic and foreign revenues for various magazines and copyright in 2021

3.2.3. Expenditure levels and structure of the magazine publishing industry in Taiwan

In terms of overall expenditure, 64.13% of Taiwan's magazine publishers had annual expenditures of less than NT$10 million in 2021, suggesting that the majority of the publishers were SMEs. When compared to the previous two years, those with expenditures of less than NT$500,000 (14.13%) decreased by 1.15 percentage points, while those with more than NT$500,000 but less than NT$5 million (42.39%) increased by 4.89 percentage points. Those that spent more than NT$10 million accounted for 11.96% of the total, which was an increase from the prior year. In general, compared to the previous year, the proportion of companies that had expenditures of more than NT$10 million increased in 2021.

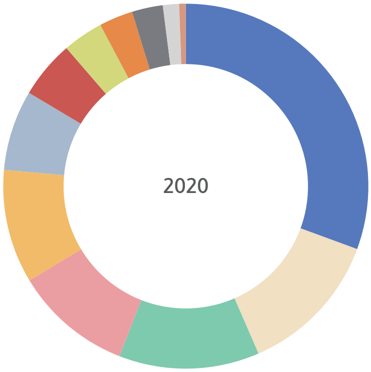


Source: Organized by this survey study.
Note: N=72 for 2020 and N=92 for 2021

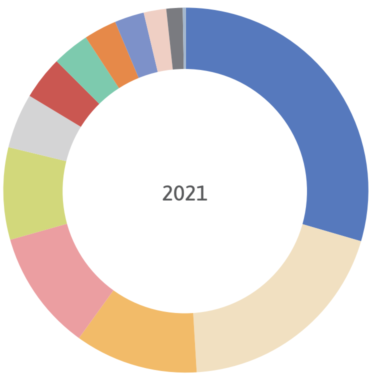
Figure 2-37. Annual expenditure of magazine publishers in Taiwan from 2020 to 2021

In terms of expenditures in 2021, Taiwan's magazine publishers spent the most on "company/business internal personnel expenses" (29.60%), followed by "printing and binding production expenses of paper publications" (19.54%), and "expenses for domestic copyright, royalties, remuneration" (10.91%).

This year's survey on digital development and content-derived expenditures by magazine publishers revealed that "eBook, digital comic, and digital magazine production expenses" accounted for 2.00% of total expenditures, while "content IP derivatives development-related expenses" accounted for 0.27% and "digital publication production" accounted for 1.44%.



30.60%	Company/business internal personnel expenses
12.88%	Printing and binding production expenses for paper publications
12.45%	Other expenses
10.45%	Recurring expenses
10.06%	Domestic copyright, royalties, and remuneration expenses
7.11%	Content/ IP derivatives development related expenses
5.11%	Marketing, PR, and advertising expenses
3.59%	Manpower outsourcing expenses
3.00%	Foreign copyright, royalties, and remuneration expenses
2.74%	Digitalization related expenses
1.44%	Distribution, publishing, and listing expenses
0.58%	Digital publication production expenses



29.51%	Company/business internal personnel expenses
19.54%	Printing and binding production expenses of paper publications
10.91%	Domestic copyright, royalties, and remuneration expenses
10.66%	Recurring expenses
8.17%	Manpower outsourcing expenses
4.86%	Distribution, publishing, and listing expenses
3.84%	Marketing, PR, and advertising expenses
3.29%	Other expenses
2.90%	Foreign copyright, royalties, and remuneration expenses
2.62%	Marketing channel management
2.00%	eBook, e-comic, e-magazine production expenses
1.44%	Digitalization related expenses
0.27%	Content/ IP derivatives development related expenses

Source: Organized by this survey study.

Notes:

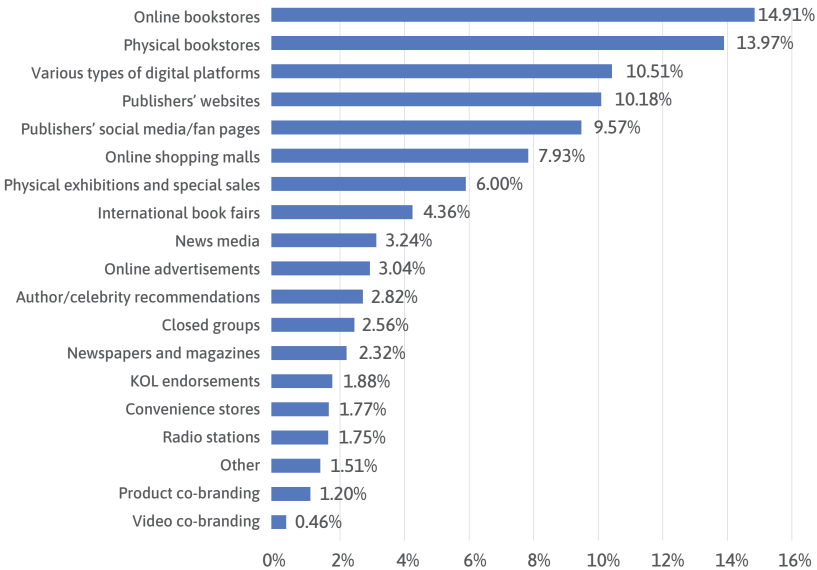
❶N=66 for 2020 and N=92 for 2021.

❷The survey items and scope were adjusted this year, with the addition of "marketing channel management." Consequently, data comparisons between years should be made with caution.

Figure 2-38. Structure of expenditure for Taiwan's magazine publishers from 2020 to 2021

3.2.4. Marketing resource allocation strategies ranked by magazine publishers in Taiwan

The main marketing channel for Taiwan's magazine publishers in 2022 was "online bookstores," followed by "physical bookstores," "publishers' own websites," and "publishers' online group/fan pages." Compared to book publishers, magazine publishers placed a greater emphasis on various types of digital platforms, such as online bookstores, online shopping malls, various types of groups, fan pages, websites, various digital platforms, and so on.



Source: Organized by this survey study.

Notes:

❶N=100.

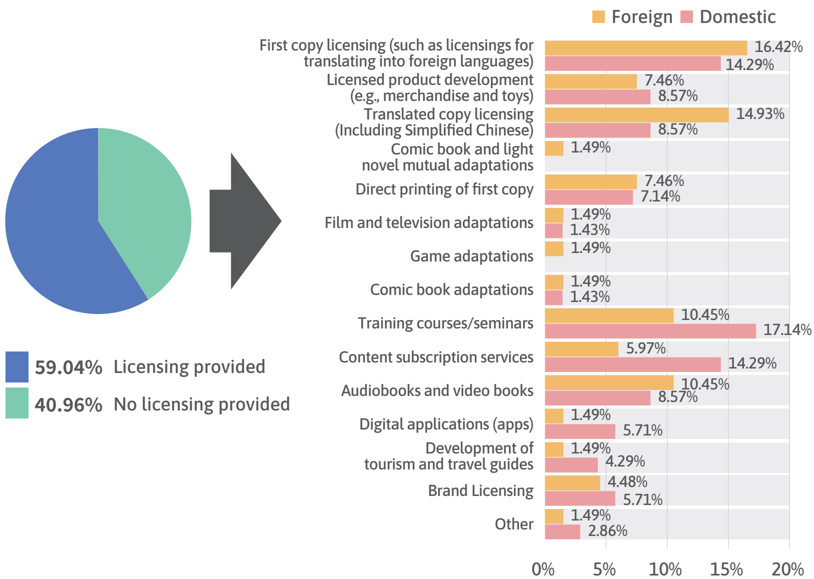
❷Each marketing channel was ranked from 1 to 10 by the magazine publishers and given a corresponding score (10 points for the first place, and 1 point for the tenth place, etc.). Channels that were not ranked in the top 10 by the respondents received no points. The final score for each channel was counted and the percentage compared to the overall score was calculated.

Figure 2-39. Marketing resource allocation strategies ranked by Taiwan's magazine publishers in 2021

3.3. IP Licensing Trends

3.3.1. Types of external licensing provided by magazine publishers in Taiwan

In 2021, 59.04% of the magazine publishers conducted external licensing. In terms of domestic licensing, “training courses/seminars” accounted for the highest proportion (17.14%), followed by “first copy licensing” and “content subscription services” (each accounting for 14.29%), and “licensed product development,” “translated copy licensing,” and “audiobooks and video books” (8.57% each). Moreover, “direct printing of the first copy” accounted for 7.14%, while “digital applications (apps),” and “brand licensing” each accounted for 5.71%. “First copy licensing” made up the majority of overseas licensings (16.42%), followed by “translated copy licensing” (14.93%), “training courses/seminars” and “audiobooks and video books” (10.45% each), while “direct printing of the first copy” constituted 7.46%.

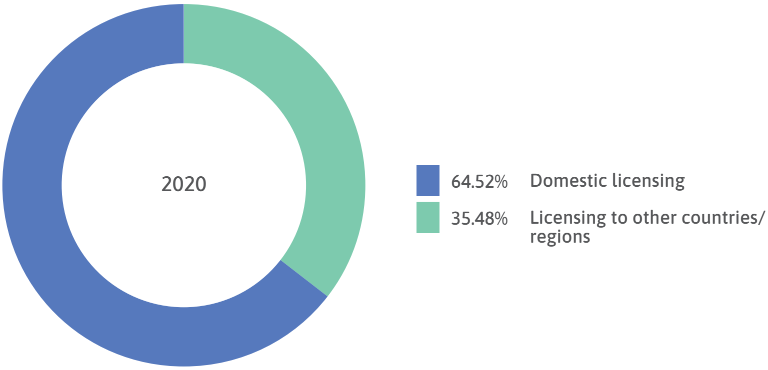


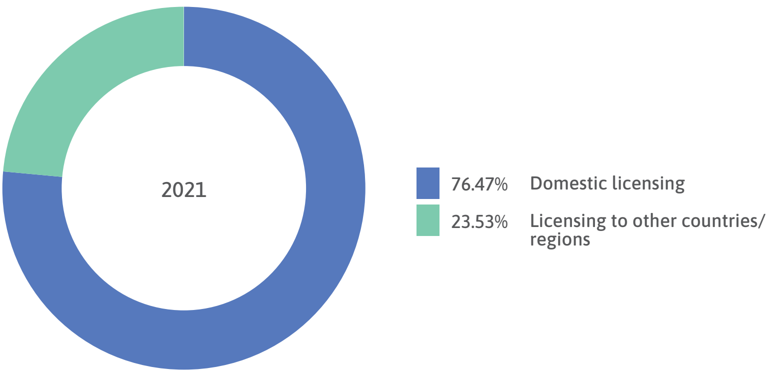
Source: Organized by this survey study.
Note:
N=83 for licensed provision (left diagram); N=21 for foreign and N=34 for domestic (right diagram).

Figure 2-40. Types of external licensing provided by Taiwan’s magazine publishers in 2021

3.3.2. Sales of copyright by Taiwan's magazine publishers to foreign countries

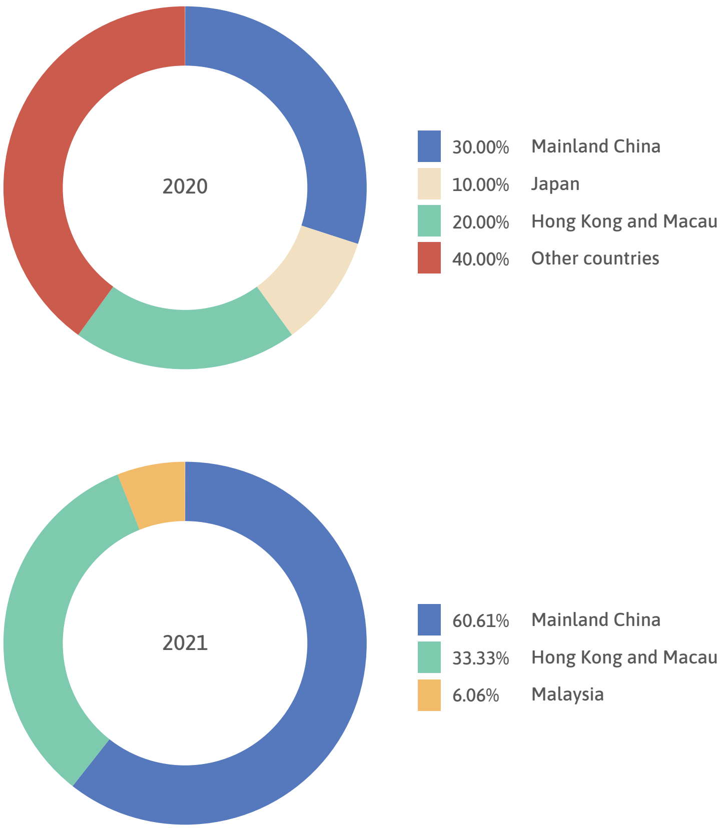
23.53% of the magazine publishers sold overseas book copyright licensing in 2021. 60.61% were licensed to Mainland China, which accounted for the highest proportion, followed by Hong Kong and Macau (33.33%), and Malaysia (6.06%).





Source: Organized by this survey study.
Note: N=7 for 2020 and N=17 for 2021.

Figure 2-41. Proportion of source countries of copyright income for magazine publishers in Taiwan from 2020 to 2021

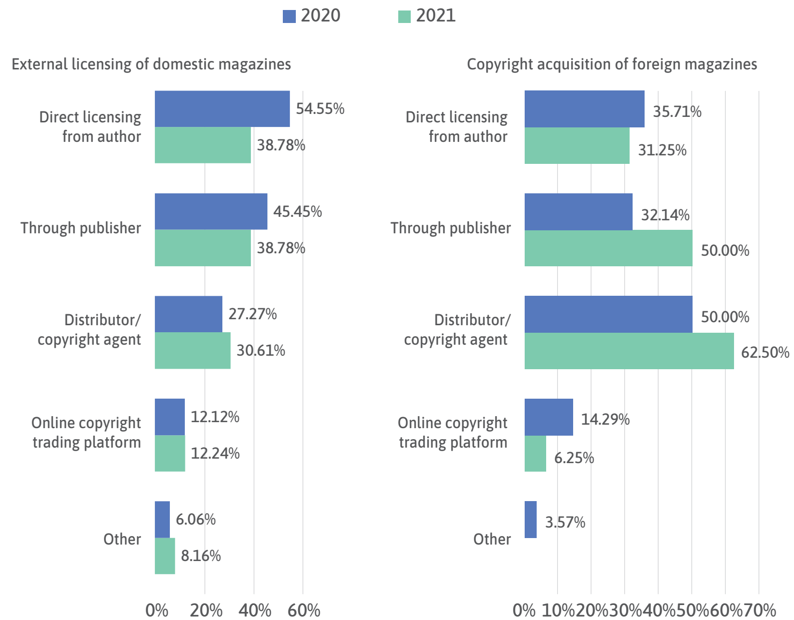


Source: Organized by this survey study.
Note: N=7 for 2020 and N=17 for 2021.

Figure 2-42. Proportion of source countries of copyright income for magazine publishers in Taiwan from 2020 to 2021

3.3.3. Domestic and foreign magazine copyright licensing and acquisition channels

In terms of external licensing provided by magazine publishers in Taiwan in 2021, domestic copyright licensing mostly occurred through "direct licensing from author" and "through publisher" (each accounting for 38.78%), followed by "distributor/copyright agent" (30.61%), "online copyright trading platform" (12.24%) and so on. In terms of foreign magazine copyright acquisitions, approximately 62.50% were accomplished with the assistance of a "distributor/copyright agent," followed by channels such as "through publishers" (50.00%), and "direct licensing from the author" (31.25%).

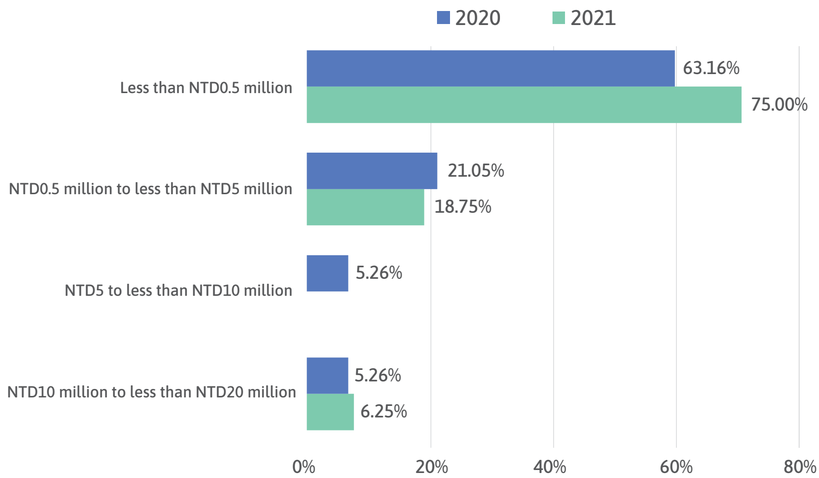


Source: Organized by this survey study.
Notes:
❶External licensing of domestic magazines: N=33 for 2020 and N=49 for 2021.
❷Acquisition of foreign magazines: N=28 for 2020 and N=32 for 2021.
❸Multiple selections were allowed.

Figure 2-43. Domestic and foreign magazine copyright licensing and acquisition channels in Taiwan from 2020 to 2021

3.3.4. Licensing revenue of magazine publishers in Taiwan

In 2021, 75% of the magazine publishers had an annual licensing revenue of less than NT$500,000, followed by those with more than NT$500,000 but less than NT$5 million (18.75%), indicating that the external licensing business was still small-scale for magazine publishers in Taiwan.



Source: Organized by this survey study.
Note: N=19 for 2020 and N=27 for 2021.

Figure 2-44. Licensing revenue of magazine publishers in Taiwan from 2020 to 2021

3.4. Industry observation indexes

3.4.1. Overview of printed magazine publications in Taiwan

At present, the number of domestic magazines with an International Standard Serial Number (ISSN) remains limited, making it difficult to capture a complete overview of magazine publishing in Taiwan. To address this shortfall, we conducted an inventory on the major publishing channels to gain more comprehensive and detailed information on magazine publication in 2021.

Magazine publishing inventory was calculated separately based on print and electronic publications in light of the move toward digitization. Online stores including Books.com.tw, Eslite, Kingstone Book, and TAAZE were included in the 2021 print magazine publication inventory (excluding MOOK); Pubu and Hami were the sources for digital magazine publication.

The following information was included in the inventory of printed magazines (excluding MOOK): magazine title, publishing company, language of publication, year of publication, category of printed magazines in online bookstores (primarily blogs), frequency of publication (weekly, bi-weekly, monthly, bi-monthly, quarterly, semi-annual, annual, special, or occasional), retail price, discounted numbers. Magazine title, publisher, language of publication, store-sold magazines through the online platform, primary category, file format, and retail price are only a few of the electronic magazine inventory components (standard edition).

The number of titles of printed trade magazines published in 2021 was 370, which was a 9.75% decline compared to 2020. Among the 370 titles, special issues accounted for the highest proportion (183 titles, or 49.46%), followed by monthly magazines (69 titles, or 18.65%), quarterly magazines (65 titles, or 17.57%), and bimonthly magazines (21 titles, or 5.68%), etc. While biweekly, monthly, and bimonthly publications have grown in popularity in the last two years, the frequency of weekly, quarterly, semi-annual, and annual publications has decreased.

Table 2-13. Types of publication frequency of printed magazines published in Taiwan from 2020 to 2021

Unit: titles

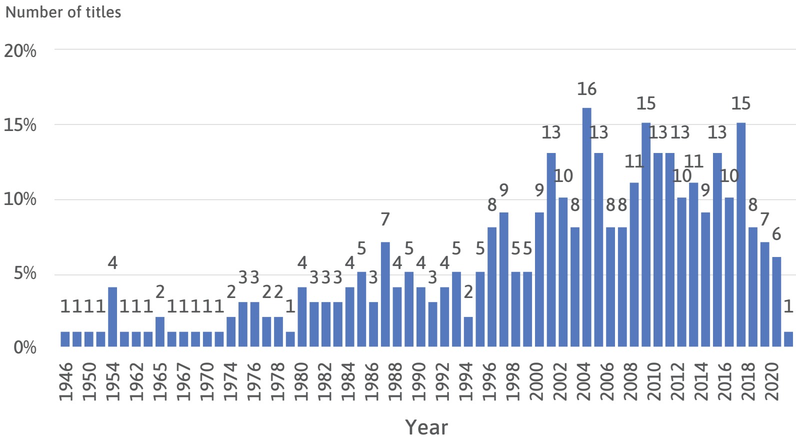
Publication frequency	2020		2021	
	Number of titles	percentage	Number of titles	percentage
Weekly	12	2.93%	10	2.70%
Biweekly	11	2.68%	10	2.70%
Monthly	197	48.05%	183	49.46%
Bimonthly	75	18.29%	69	18.65%
Quarterly	77	18.78%	65	17.57%
Semiannually	14	3.41%	12	3.24%
Annually	24	5.85%	21	5.68%
Total	410	100.00%	370	100.00%

Source: Organized by this survey study.

Note:

Trade magazines include magazines published by non-specialized magazine publishers, such as information and communication technology companies, cram schools, educational institutions, and game industries

In terms of the year of the first issue of printed trade magazines in 2021 (excluding special issues, reissued back issues, and irregular issues), magazines first published in 2004 accounted for the highest share, which included 16 different titles, followed by those first published in 2009 and 2019, with 15 titles. In 2021, only one new title of a printed trade magazine debuted, the lowest number of new publications in recent years.



Notes:

❶Excluding special issues, reissued back issues, and irregular issues of magazines.

❷Trade magazines include magazines published by non-specialized magazine publishers, such as information and communication technology companies, cram schools, educational institutions, game industries, etc.

Figure 2-45. Distribution of Taiwan's printed trade magazines by the year of first publication

3.4.2. Overview of the types and formats of digital magazines in Taiwan

In terms of digital magazine file formats, the PDF format continued to hold the largest share (89.58%) in 2021. Digital magazines published in the EPUB format came in second (1.95%), and magazines published in both the PDF and EPUB formats came in third (8.47%).

Table 2-14. Published titles of Taiwan's digital magazines by file format from 2020 to 2021

Unit: Titles,%

Year	Types of issued format				Total
	EPUB	PDF	PDF / EPUB	Video books	
2020	348	385	8	2	743
	46.84%	51.82%	1.08%	0.27%	
2021	6	275	26	9	307
	1.95%	89.58%	8.47%	2.93%	

Source: Organized by this survey study.

Notes:

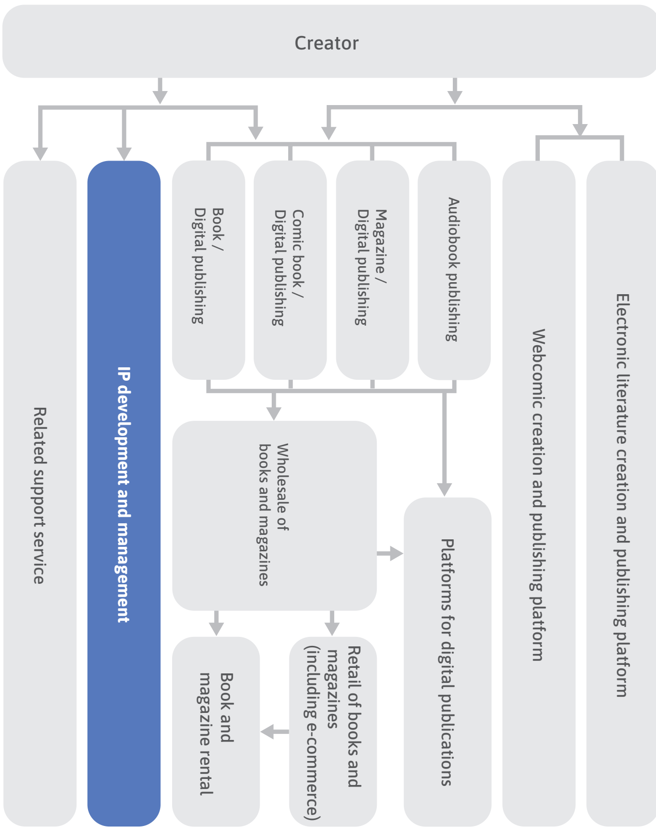
❶Trade magazines in 2021 included magazines published by non-specialized magazine publishers, such as information and communication technology companies, cram schools, educational institutions, game industries, etc.

❷The majority of video books were available in other electronic formats; hence, the sum would not be 100%

04

Character Brand Licensing Industry

4.1. Industry overview



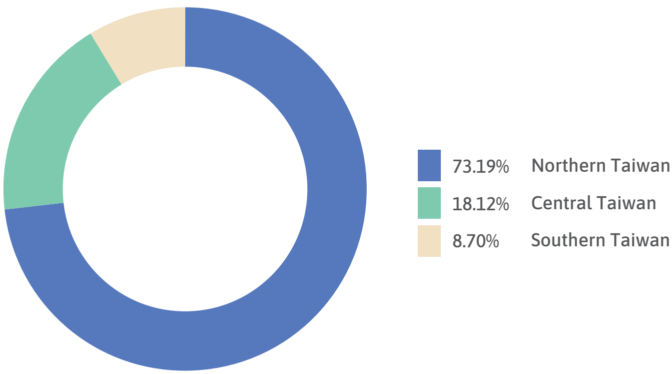
Source: Illustrated by this survey study.

Figure 2-46. Taiwan's magazine publishing industry map

4.1.1. Number and geographical distribution of character brand development, application, and brokerage operators in Taiwan

The statistical population of the character brand licensing industry this year was based on businesses that participated in various types of domestic image and illustration-related exhibitions (Creative Expo Taiwan, Asian Illustration Fair, and Taipei Illustration Fair, etc.) and platforms for the sales of illustrations and merchandise (such as Pinkoi, Shopping Design, and LINE Stickers). After omitting agencies that had ended operations, suspended businesses, personal agencies, and those that could not be located and including businesses involved in retail application, the actual number of effective character brand development, application, and brokerage operators was 138.

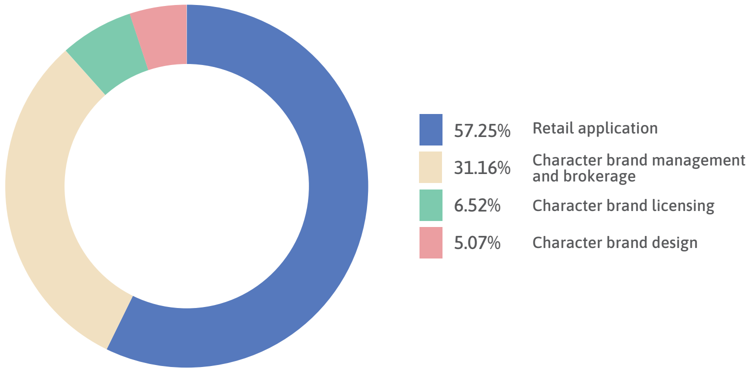
Most of the character brand development, application, and brokerage operators were based in Northern Taiwan (73.19%), including 67.39% in the Greater Taipei area. No operator was located in eastern Taiwan.



Source: Organized by this survey study.
Notes:
❶N=138 for 2021.
❷Northern 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.

Figure 2-47. **Geographical distribution of Taiwan's character brand development, application, and brokerage operators in 2021**

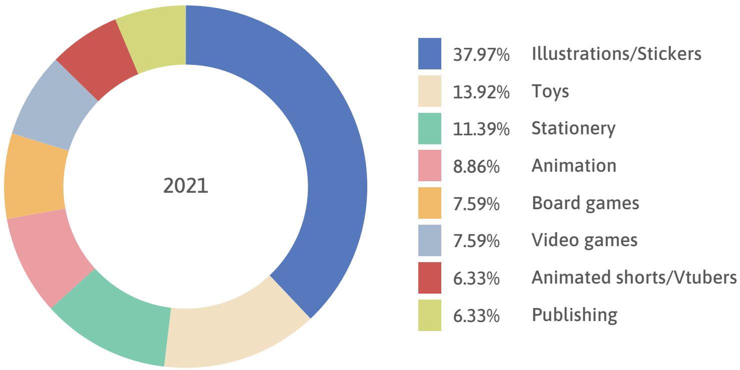
Based on the chief operations in the domestic character brand development, application, and brokerage industry, businesses that engaged in retail application (publishing, illustration/stickers, etc.) accounted for the highest proportion (57.25%) in 2021, followed by those in management/brokerage (31.15%), licensing (6.52%), and original character brand design (5.07%).



Source: Organized by this survey study.
Note: N=138 in 2021.

Figure 2-48. **Distribution of main business acivities in Taiwan's character brand development, application, and brokerage industry in 2021**

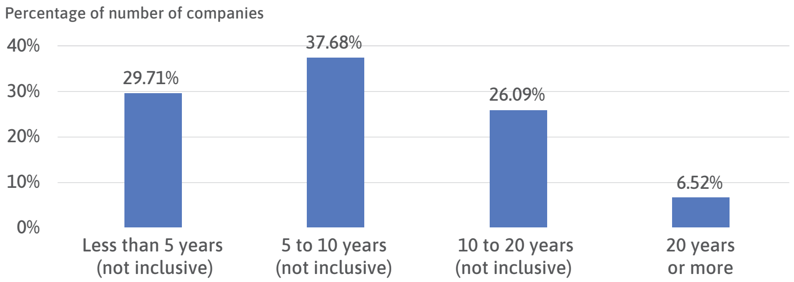
In terms of industry retail application, illustration/stickers accounted for the highest percentage (37.97%), followed by toys (13.92%), and stationery (11.39%). Due to the rise of virtual streamers (Vtubers) in recent years, around 6.33% of the operators utilized characters and brands for animated shorts and Vtubing.



Source: Organized by this survey study.
Note: N=79 in 2021.

Figure 2-49. Types of image applications in Taiwan's character brand development, application, and brokerage industry in 2021

In 2021, almost 70 percent of the character brand development, application, and brokerage operators in Taiwan had been established for less than 10 years, indicating that the industry was mainly composed of relatively new entrants. Businesses established for more than 10 years accounted for 6.52% of the total and mainly consisted of large publishing and media groups, as well as businesses engagd in cross-industry operations.

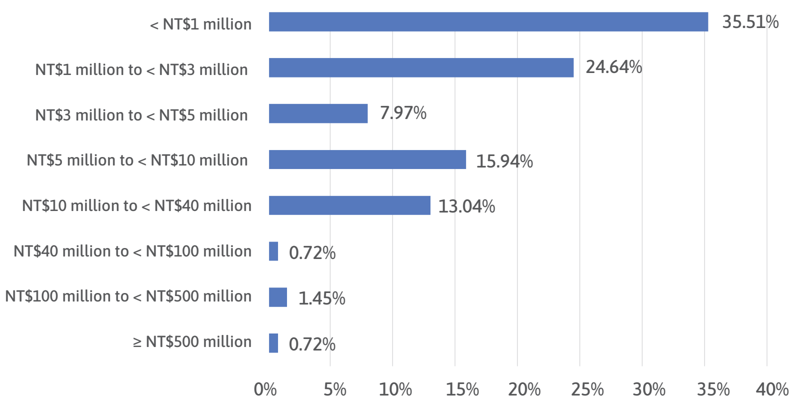


Source: Organized by this survey study.
Note: N=138 in 2021

Figure 2-50. Number of years established for Taiwan's character brand development, application, and brokerage operators in 2021

4.1.2. Average capital of character brand development, application, and brokerage operators in Taiwan

The proportion of character brand development, application, and brokerage operators in Taiwan with a registered capital of less than NT$1 million was 35.51%, which accounted for the highest proportion. Collectively, more than 80% of the operators had a registered capital of less than NT$10 million. This indicates that the development, application, and brokerage industry consisted mostly of SMEs, such as small businesses or self-funded studios established by the creators themselves. Operators with a capital of more than NT$100 million accounted for 2.17% of the total and were mostly large publishing groups or businesses involved in cross-media marketing, games, music production, or artist management.

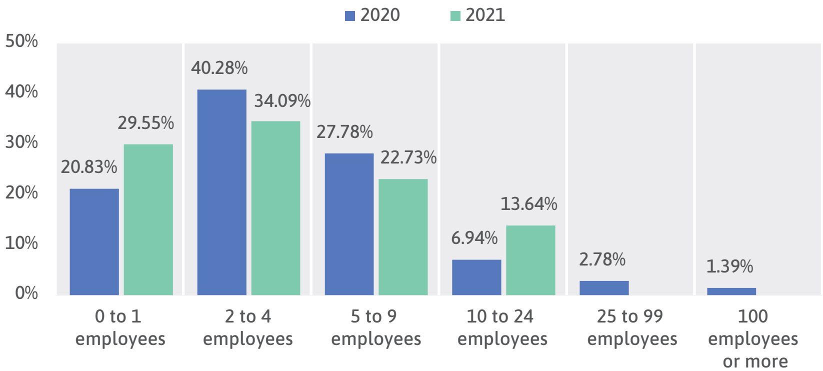


Source: Organized by this survey study.
Note: N=138 in 2021

Figure 2-51. Registered capital of Taiwan's character brand development, application, and brokerage operators in 2021

4.1.3. Overview of employees of character brand development, application, and brokerage operators in Taiwan

In 2021, approximately 86.36% of the character brand development, application, and brokerage operators in Taiwan employed fewer than 10 people (including full-time and part-time employees), indicating that the scale of current operations was medium to small. Furthermore, based on the survey results received from industry operators❾, the average number of people employed (including full-time and part-time employees) per firm was 4.23. The total number of employees in Taiwan's character brand development, application, and brokerage industry was therefore estimated to be around 583 in 2021.



Source: Organized by this survey study.
Notes:
❶N=72 for 2020 and N=44 for 2021.
❷The survey data were rounded to whole numbers or to two places behind the decimal point. As a result, certain minor discrepancies in the direct addition are to be expected from the rounded data, but they should not influence the interpretation of the overall proportion and structure of the reading.

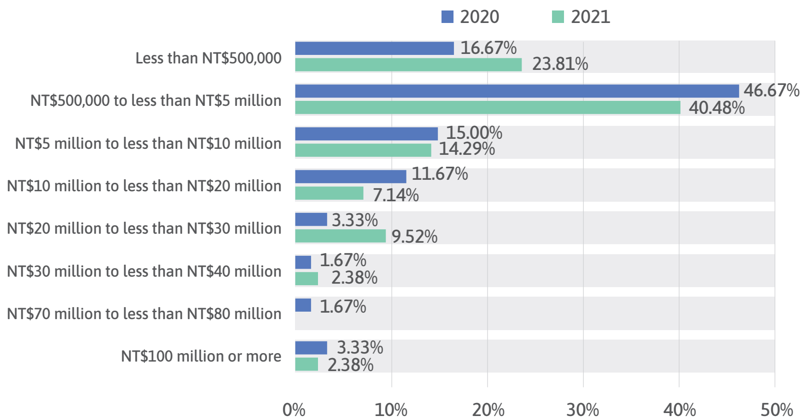
Figure 2-52. Scale of manpower of Taiwan's character brand development, application, and brokerage operators in 2021

❾The formula for estimating the number of employees = the average number of employees (both full-time and part-time employees) of the operators who responded to the survey x the statistical population of character brand development and brokerage operators in Taiwan.

4.2. Revenue and business model

4.2.1. Overview of the revenue of the character brand development, application, and brokerage operators in Taiwan

In terms of the annual revenue in 2021, approximately 78.57% of the character brand development, application, and brokerage operators' annual revenue did not reach NT$10 million, indicating that the industry was mostly composed of SMEs. Companies with annual revenues exceeding NT$100 million were primarily large-scale video production, gaming, multimedia, and publishing companies that engaged in character brand related businesses.



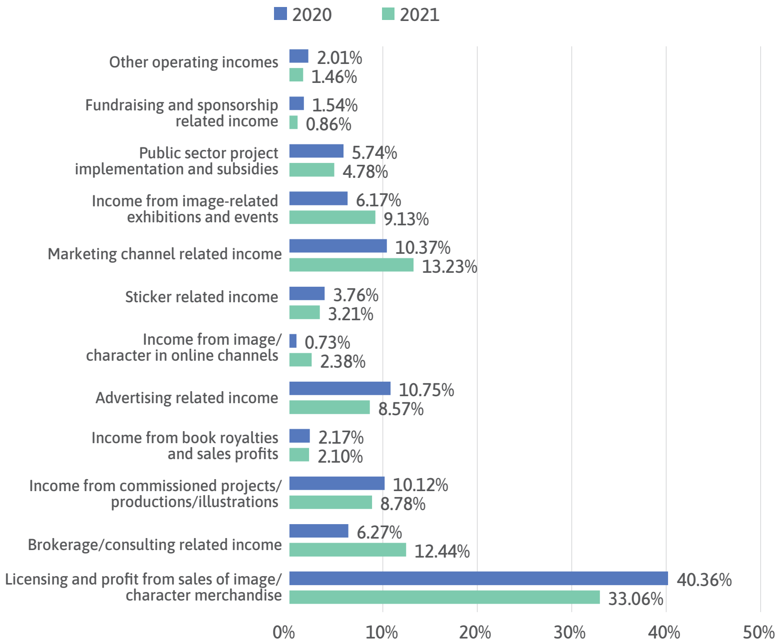
Source: Organized by this survey study.
Notes:
❶N=60 for 2020 and N=42 for 2021.
❷The survey data were rounded to whole numbers or to two places behind the decimal point. As a result, certain minor discrepancies in the direct addition are to be expected from the rounded data, but they should not influence the interpretation of the overall proportion and structure of the reading.

Figure 2-53. Changes in annual revenue of Taiwan's character brand development, application, and brokerage operators from 2020 to 2021

4.2.2. Revenue structure of the character brand development, application, and brokerage operators in Taiwan

In terms of revenue structure, the main industry operation of "licensing and profit from sales of image/character merchandise" accounted for 33.06% of revenue generated by character brand development, application, and brokerage operators in 2021, a 7.30 percentage point decrease from the previous year. This was due to the industry's wide range of operations. Some operators engaged in marketing channel management as well as sales and publicity strategies at the same time, which increased the proportion of sales generated from these operations while limiting revenue generated from the industry's main operating activities.

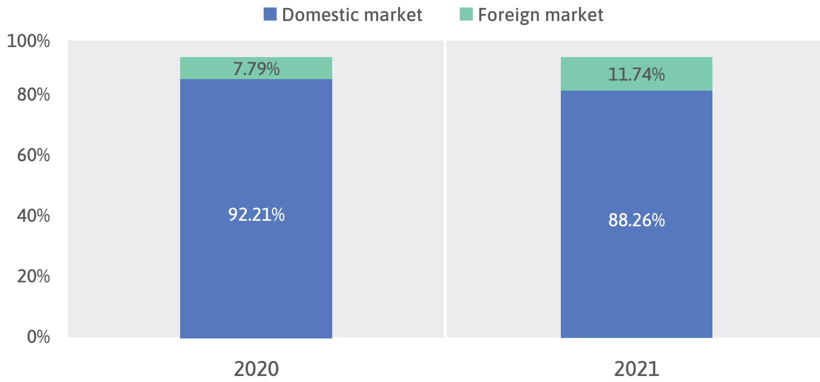
Furthermore, with the resumption of image exhibitions such as Creative Expo Taiwan in 2021, the share of "income from image-related exhibitions and events" increased to 9.13% compared to 2020. In the past two years, people's consumption of entertainment has shifted online due to the pandemic, causing the proportion of revenue made from "income from images/characters in online channels" to increase as well.



Source: Organized by this survey study.
Note: N=57 for 2020 and N=41 for 2021.

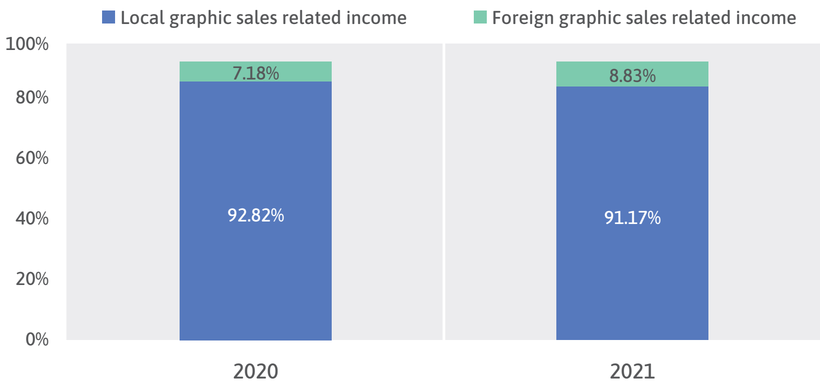
Figure 2-54. Changes in revenue structure of the character brand development, application, and brokerage operators in Taiwan from 2020 to 2021

In terms of the revenue contribution of local and foreign markets, revenue generated from the foreign market accounted for 11.74% in 2021, a modest increase over 2020, on the back of the recovery of the overseas economy in 2021. In addition, the sales ratio of domestic (local) and foreign graphic works revealed that foreign images accounted for 8.83%, a slight increase from the previous year.



Source: Organized by this survey study.
Notes: N=57 for 2020 and N=42 for 2021.

Figure 2-55. Changes in domestic and foreign revenues made by the character brand development, application, and brokerage operators in Taiwan from 2020 to 2021

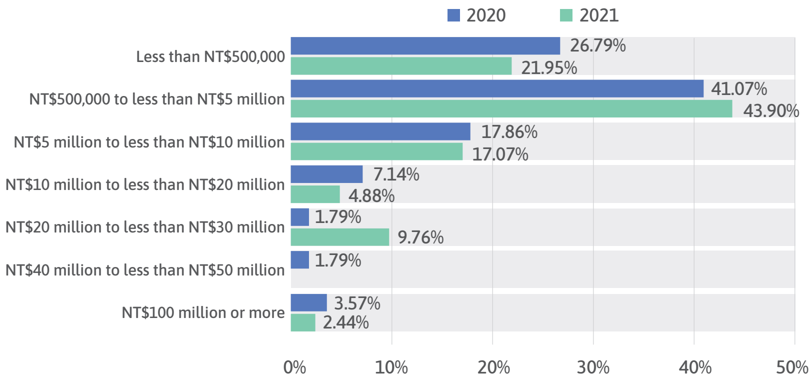


Source: Organized by this survey study.
Note: N=57 for 2020 and N=42 for 2021.

Figure 2-56. Changes in revenue from sales of local and foreign graphics for the character brand development, application, and brokerage operators in Taiwan from 2020 to 2021

4.2.3. Expenditure levels and structure of the character brand development, application, and brokerage industry in Taiwan

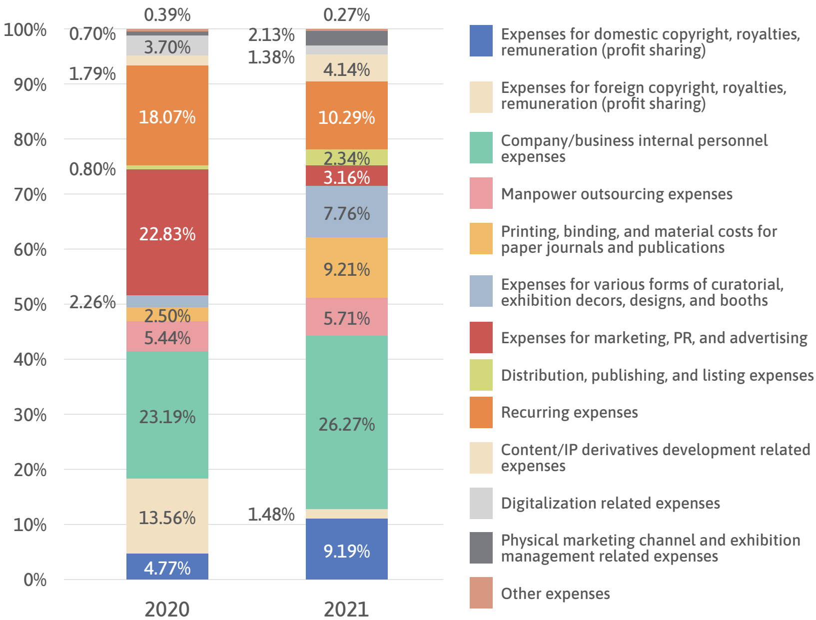
In terms of the annual expenditures of Taiwan's character brand development, application, and brokerage operators in 2021, due to the industry consisting mostly of SMEs and independent studios, 82.93% of the businesses had an annual expenditure of less than NT$10 million. Among them, those with an annual expenditure of "above NT$500,000 but less than NT$5 million" had the highest percentage (43.90%).



Source: Organized by this survey study.
Note: N=56 for 2020 and N=41 for 2021.

Figure 2-57. Annual expenditure of Taiwan's character brand development, application, and brokerage operators in 2021

In terms of annual expenditure structure, industry participants were forced to revise their existing business plans due to domestic pandemic alerts in 2021 and international travel restrictions. On one hand, this resulted in lower expenses for foreign copyright, accounting for only 1.48% of annual expenditure in 2021 as overseas copyright sales operations were impacted by the pandemic; on the other hand, this led to increased implementation of epidemic prevention measures for industry participants, resulting in an increase in company/business internal personnel expenses (26.27%) compared to the previous year. However, with the revival of physical exhibitions and consumers' willingness to resume entertainment activities in 2021, the industry's expenditures on "expenses for various forms of curatorial, exhibition decors, designs, and booths" increased, while "expenses for marketing, PR, and advertising," which previously required additional investments, decreased.



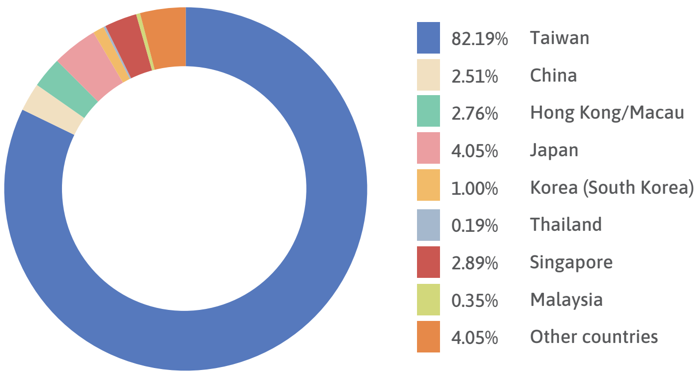
Source: Organized by this survey study.
Note: N=63 for 2020 and N=40 for 2021.

Figure 2-58. **Changes in expenditure structure of Taiwan's character brand development, application, and brokerage operators from 2020 to 2021**

4.3. IP licensing trends

4.3.1. Recipient countries of foreign licensing of characters and brands from Taiwan

In 2021, most (82.19%) of the recipients for licensing from the character brand development, application, and brokerage operators were in Taiwan. In terms of recipient countries and regions of foreign licensing, other than Japan (4.05%), Singapore (2.89%), Hong Kong/Macau (2.76%), and China (2.51%) were also recipients.

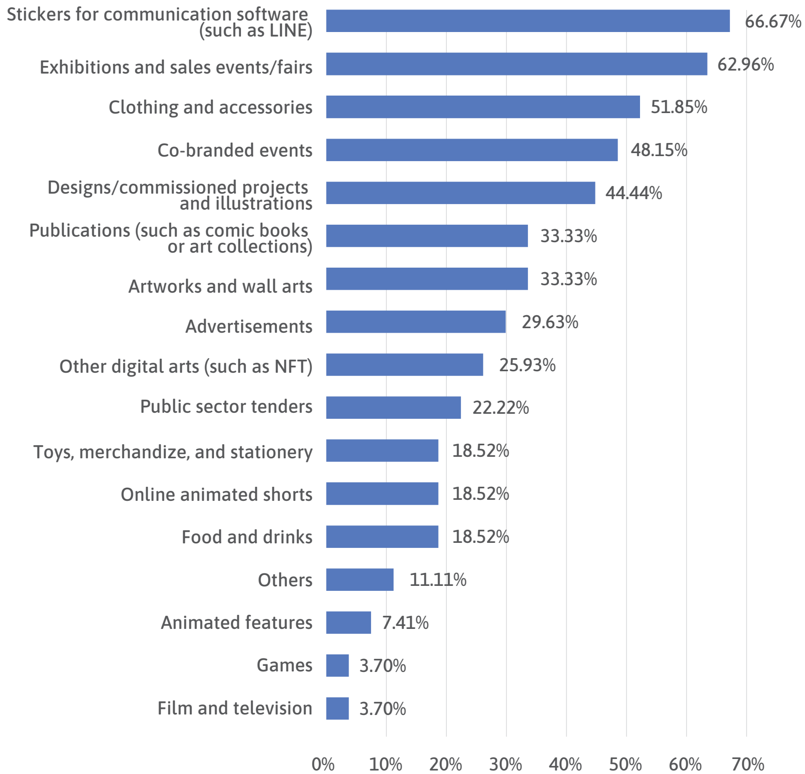


Source: Organized by this survey study.
Notes:
❶N=37 for 2021.
❷Multiple selections were allowed.

Figure 2-59. Distribution of recipient countries of licensing for Taiwan's characters and brands in 2021

4.3.2. Cross-sector licensed products and services of characters and brands in Taiwan

In terms of cross-sector product and service licensing of Taiwanese characters and brands in 2021, "stickers for communication software" (66.67%) was the most common cross-sector application, followed by "exhibitions and sales events/fairs" (62.96%), "clothing and accessories" (51.85%), and "co-branded events" (48.15%). Furthermore, the industry has invested in the application of other forms of digital art (25.93%), such as non-fungible tokens (NFTs), in light of the recent trend in digital art encryption technology.



Source: Organized by this survey study.
Notes:
❶Multiple selections were allowed.
❷N=27 for 2021.

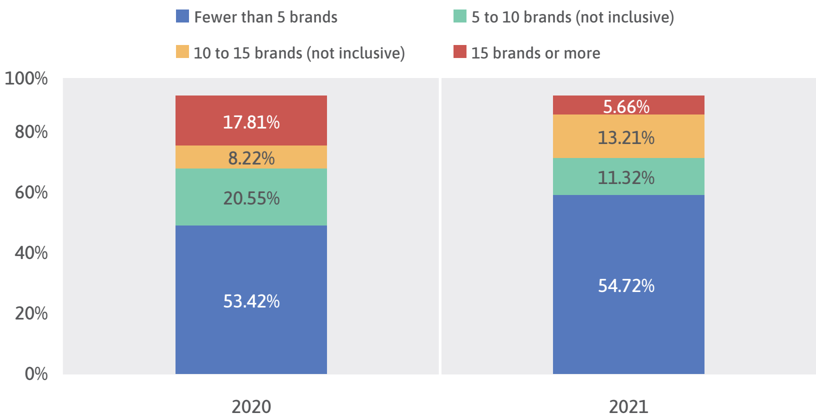
Figure 2-60. Distribution of cross-sector licensed products and services provided by Taiwanese characters and brands in 2021

4.4. Industry observation indexes

4.4.1. Scale of brands under (or collaborating with) the character brand development, application, and brokerage operators in Taiwan

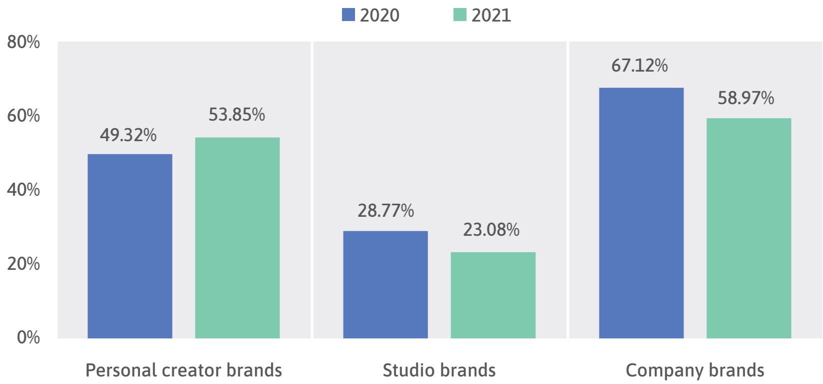
In terms of the number of brands under or collaborating with Taiwan's character brand development, application, and brokerage operators in 2021, 54.72% of the companies had fewer than five brands. Among them, approximately 97.50% of the operators own original Taiwanese image brands.

In 2021, 53.85% of the collaborative brands mentioned above collaborated with "personal creator brands," 23.08%, "studio brands," and nearly 60%, "company brands" (58.97%).



Source: Organized by this survey study.
Note: N=73 for 2020 and N=41 for 2021.

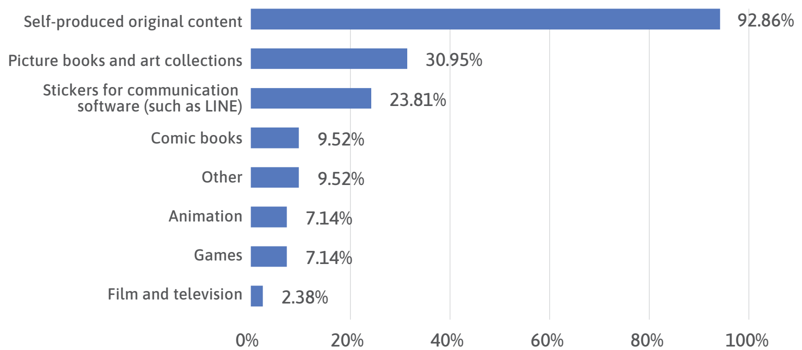
Figure 2-61. Scale of brands under (or collaborating with) Taiwan's character brand development, application, and brokerage operators in 2021



Source: Organized by this survey study.
Notes:
❶Multiple selections were allowed.
❷N=73 for 2020 and N=39 for 2021.

Figure 2-62. Scale of brands under (or collaborating with) Taiwan's character brand development, application, and brokerage operators in 2021

In 2021, more than 90% of the brands under (or collaborating with) Taiwan's character brand development, application, and brokerage operators were "self-produced original content" (92.86%), followed by "picture books and art collections" (30.95%) and "stickers for communication software" (23.81%). Due to high production costs and extended production periods, illustration brands from domestic animation, games, films, and television were relatively rare.

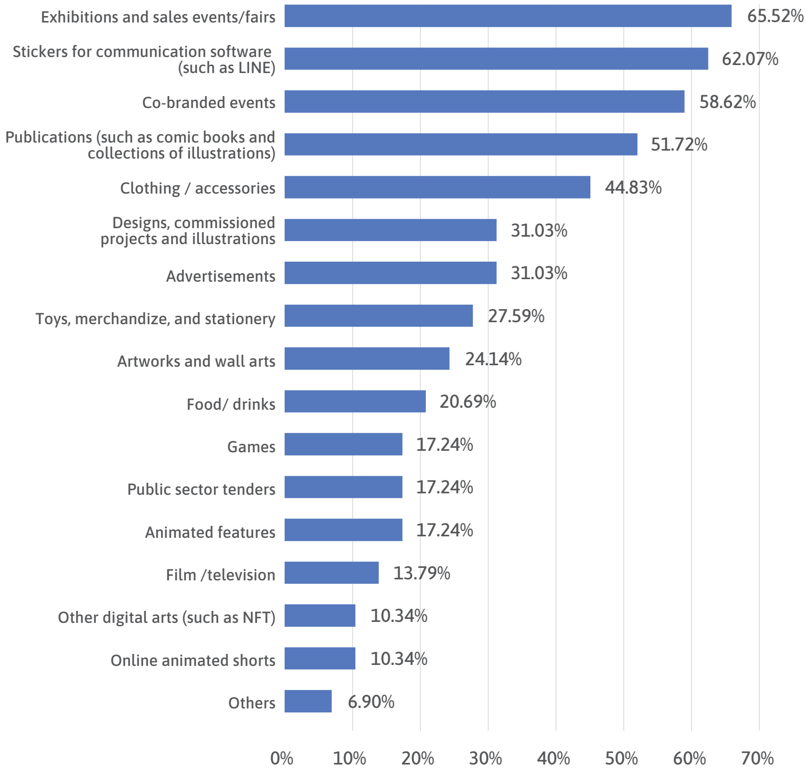


Source: Organized by this survey study.
Notes:
❶Multiple selections were allowed.
❷N=42 for 2021.

Figure 2-63. Sources of brands under (or collaborating with) Taiwan's character brand development, application, and brokerage operators in 2021

4.4.2. Forms of exposure for brands under (or collaborating with) the character brand development, application, and brokerage operators in Taiwan

In terms of the form of exposure of brands under (or collaborating with) the character brand development, application, and brokerage operators in Taiwan, "exhibitions and sales events/fairs" (Creative Expo Taiwan, Illustration Taipei, etc.) accounted for the highest proportion (65.52%), followed by "stickers for communication software" (62.07%), and "co-branded events" (58.62%).

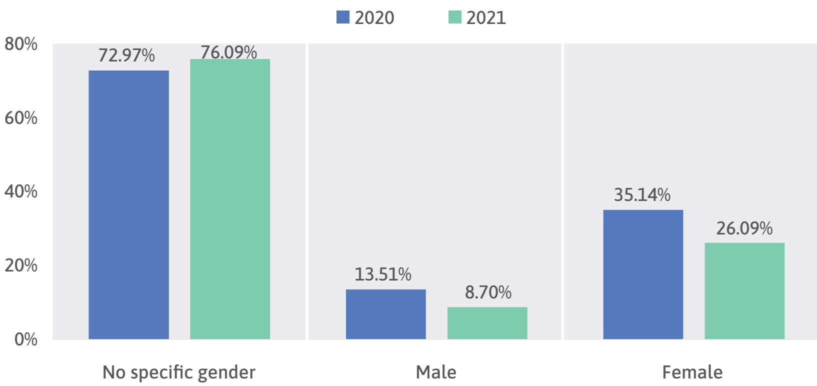


Source: Organized by this survey study.
Notes:
❶Multiple selections were allowed.
❷N=29 for 2021.

Figure 2-64. Forms of exposure for brands under (or collaborating with) Taiwan's character brand development, application, and brokerage operators in 2021

4.4.3. Target audience of brands under (or collaborating with) the character brand development, application, and brokerage operators in Taiwan

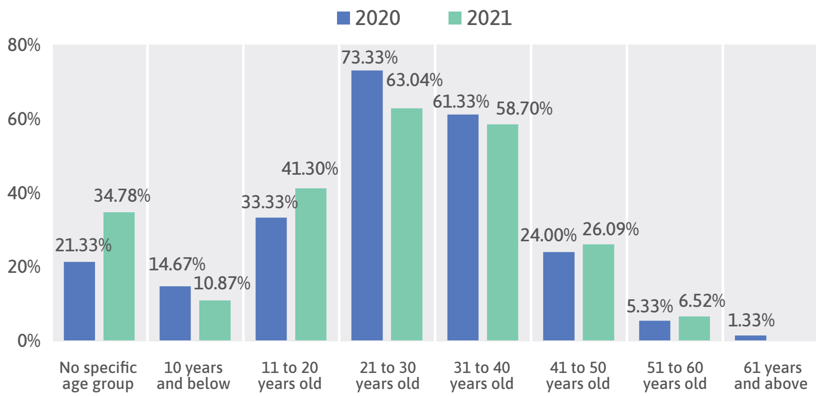
Almost 80 percent (76.09%) of the character brand licensing operators in Taiwan did not target a specific gender. The businesses that did target male audiences accounted for less than ten percent of the total, and this proportion decreased by 4.82 percentage points compared to the previous year.



Source: Organized by this survey study.
Notes:
❶Multiple selections were allowed.
❷N=73 for 2020 and N=46 for 2021.

Figure 2-65. Target audience of Taiwan's character brand licensing operators in 2021 (Gender)

In terms of target audience's age group, 63.04% of Taiwan's character brand licensing operators targeted audiences aged 21 to 30 in 2021. (a decrease of 10.29 percentage points from 2020). In comparison, the proportion of those who did not target a specific age group (34.78%) and those targeting an audience aged 11 to 20 (41.30%) grew from the previous year.



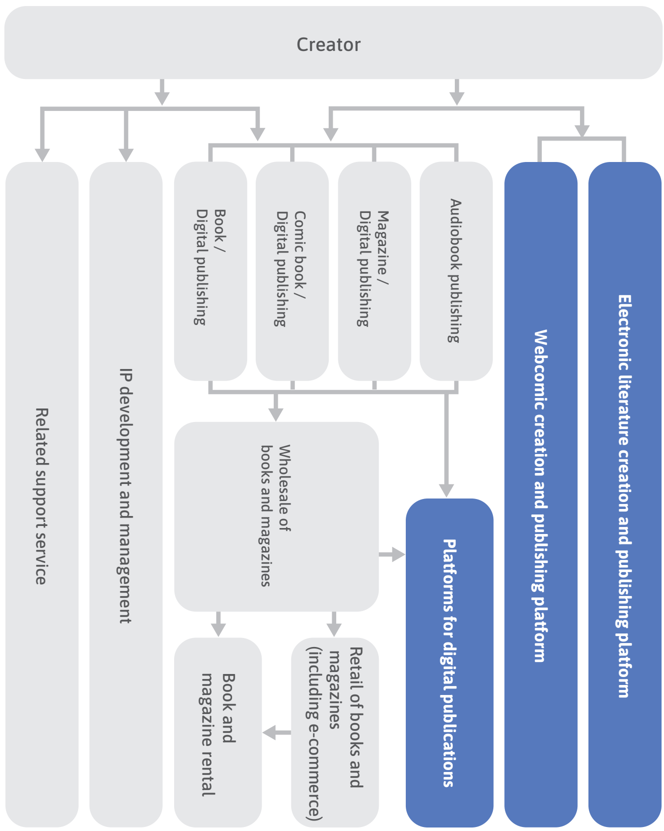
Source: Organized by this survey study.
Notes:
❶Multiple selections were allowed.
❷N=75 for 2020 and N=46 for 2021.

Figure 2-66. Target audience of Taiwan's character brand licensing operators in 2021 (Age)

05

Digital Publication Circulation and Sales Platform

5.1. Industry overview



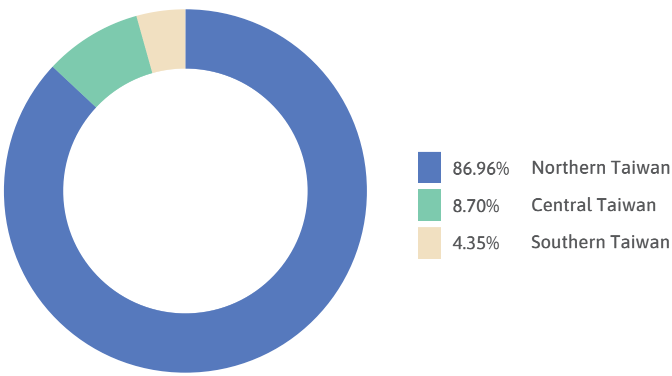
Source: Illustrated by this survey study.

Figure 2-67. Taiwan's digital publication circulation and sales platform industry map

5.1.1. Number of digital publication circulation and sales platform operators in Taiwan and their geographical distribution

A comprehensive list of digital publication circulation and sales platforms (hereinafter referred to as “digital publication platforms”) and related government reports have not yet been prepared in Taiwan. Therefore, we extracted data from past editions of the Taiwan Cultural Content Industries Survey Report Volume I conducted by the TAICCA, a list of recipients of government subsidies, the Credit Online Database of China Credit Information Service, and online recommendations and keyword search data as the basis for this survey. The companies that sell or lease digital publications in the digital service platform system were included as the main entities in the survey.

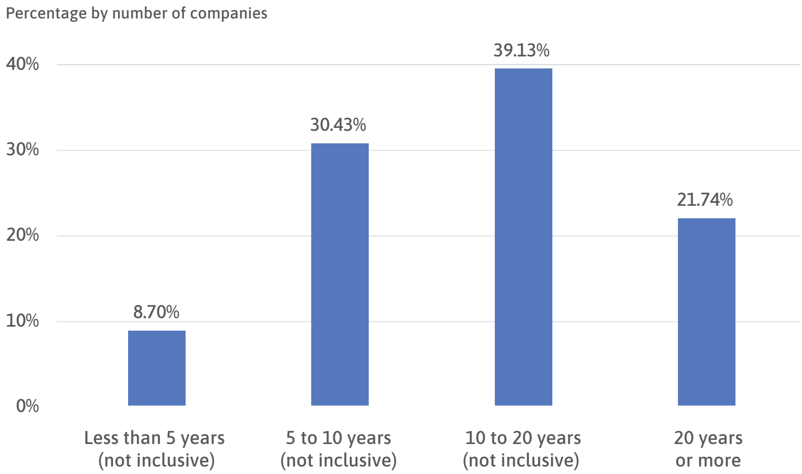
After establishing contact and receiving confirmation, we confirmed the number of digital service platform operators that actually used their digital service platforms to sell or lease general books in 2021. We then removed entities that had closed, ceased or suspended operations, or been dissolved before identifying 23 effective digital platform operators. These operators were mostly located in northern Taiwan, with nearly half (12 firms) in Taipei City.



Source: Organized by this survey study.

Figure 2-68. Geographical distribution of Taiwan’s digital publication platform operators in 2021.

Due to the high entry requirements for the digital publication platform sector, the industry is mostly composed of large IT corporations. Among the 23 digital publication platform operators, approximately 60 percent (60.87%) have been in operation for more than ten years. Those that have been in operation for more than ten years, but less than twenty years accounted for 39.13%.

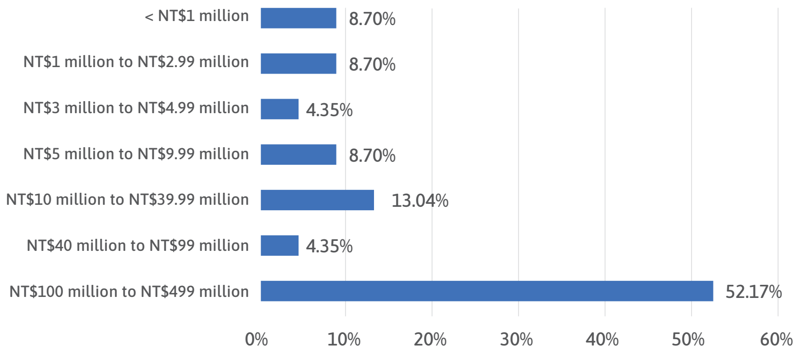


Source: Organized by this survey study.
Note: N=23.

Figure 2-69. Number of years established for Taiwan's digital publication platform operators in 2021.

5.1.2. Average capital of digital publication platform operators in Taiwan

The majority of digital publication platform businesses in Taiwan have a capital of NT$100 million or more, accounting for 52.1% of the total; their organizational structure and capital scale are relatively stable. In Taiwan, the scale of digital platform operations is larger than that of general publishers and traditional retailers, which may be due to their comparatively high capital requirements as well as the required competency in IT and digital copyright management technologies.



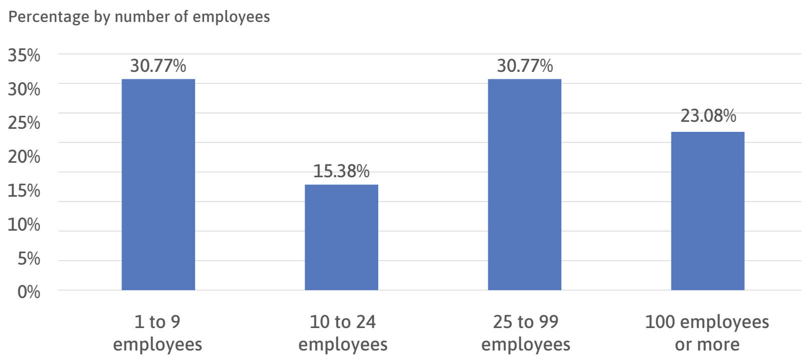
Source: Organized by this survey study.
Note: N=23.

Figure 2-70. Registered capital of Taiwan's digital publication platform operators in 2021.

5.1.3. Overview of employees of digital publication platform operators in Taiwan

The scale of manpower of Taiwan's digital publication platform operators was concentrated in the two ranges of "1 to 9" and "25 to 99" people, accounting for 30.77% each.

Furthermore, based on the survey data of digital publication platforms alone, it was estimated⑩ that the number of full-time and part-time employees employed by each firm was 68.61. The total number of employees employed by Taiwan's digital publication platform operators was estimated at around 1,234 in 2021.



Source: Organized by this survey study.
Notes:
❶N=13.
❷Due to the adjustment of survey items and scope, data comparisons between years should be made with caution.

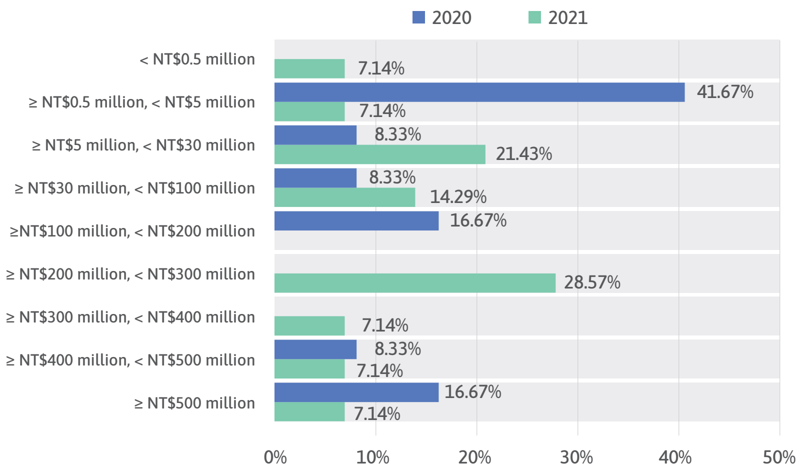
Figure 2-71. Scale of manpower of Taiwan's digital publication platform operators in 2021

⑩The formula for estimating the number of employees = the average number of employees (both full-time and part-time employees) of the operators who responded to the survey x the statistical population of digital publication platform operators in Taiwan.

5.2. Revenue and business model

5.2.1. Revenue structure and items of Taiwan's digital publications platform operators

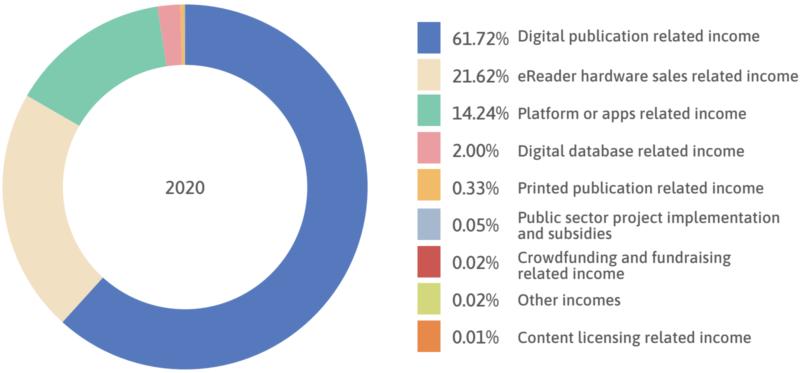
In terms of the annual revenue of Taiwan's digital publication platform operators in 2021, nearly half (49.99%) exceeded NT$100 million.

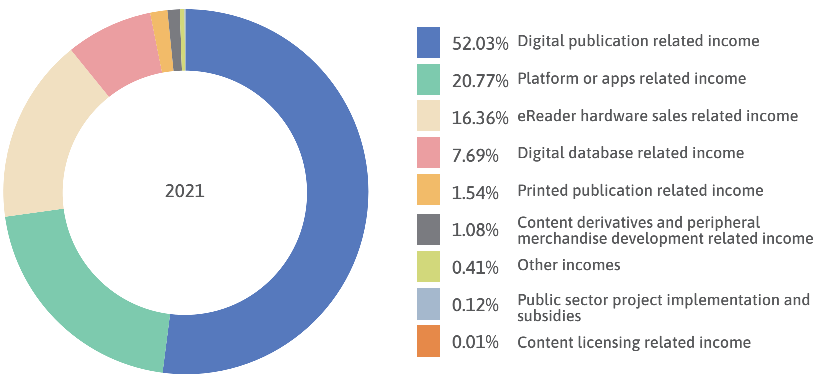


Source: Organized by this survey study.
Notes:
❶N=12 for 2020 and N=14 for 2021.
❷Due to the adjustment of survey items and scope, data comparisons between years should be made with caution.

Figure 2-72. Annual revenue of Taiwan's digital publication platform operators from 2020 to 2021

In terms of the income sources of Taiwan's digital publication platform operators in 2021, more than half of their revenue came from "digital publication related income" (52.03%), followed by "platform or apps related income" (20.77%), and "eReader sales related income" (16.36%).





Source: Organized by this survey study.

Notes:

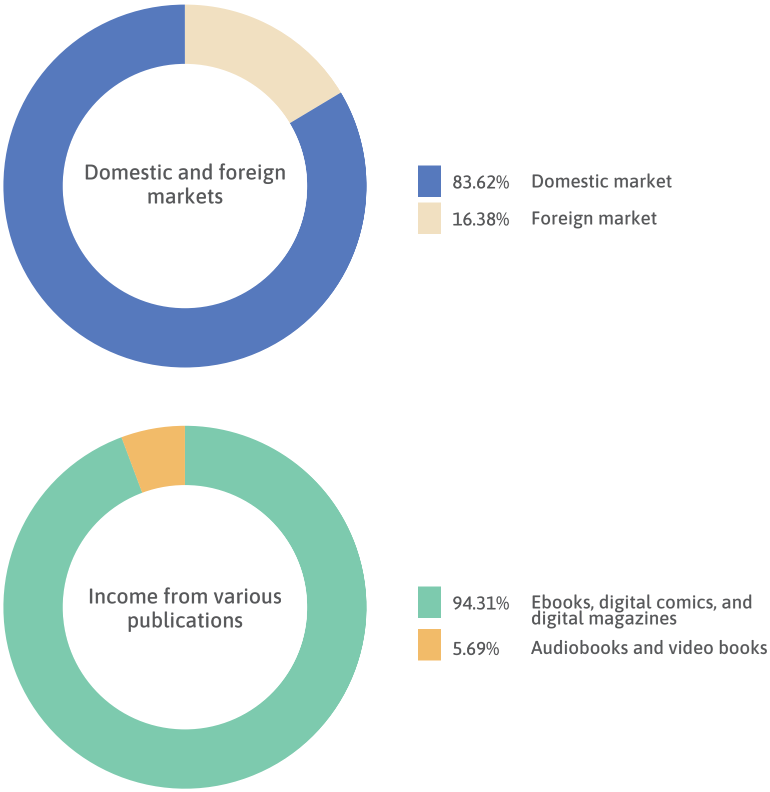
❶N=11 for 2020 and N=14 for 2021.

❷Due to the adjustment of survey items and scope, the definition of statistical samples was different from the past. Consequently, data comparisons between years should be made with caution.

Figure 2-73. Revenue structure of the digital publication platform operators in Taiwan from 2020 to 2021

In 2021, the digital publication circulation and sales platform operators in Taiwan generated over 80 percent (83.62%) of their revenue from the domestic market, while approximately 16.38% came from the overseas market. Furthermore, out of the overall digital publication related revenue, over 90 percent (94.31%) came from “e-books, digital comics, and digital magazines” related revenue, while “audiobooks and video books” accounted for about 5.69%.

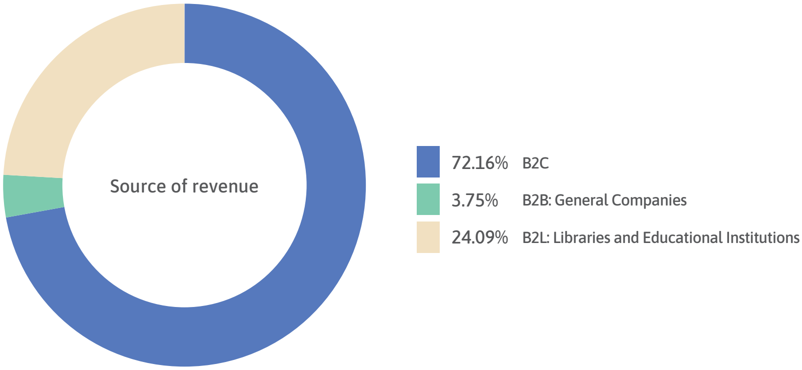
According to this year’s survey and qualitative interviews, the pandemic spurred digital publication consumption, and overall revenue from digital publications was higher than the previous year. The demand for audio and video content also grew, leading to an increase in consumption of audiobooks and audiovisual publications, which accounted for 5.96% of overall consumption, a 1.73 percentage point rise over the previous year.



Source: Organized by this survey study.
Note: N=13 for the upper diagram and N=11 for the lower diagram.

Figure 2-74. Overview of domestic and foreign revenue of Taiwan's digital publication platforms from various publications in 2021

Furthermore, over 70 percent (72.16%) of the revenue made by digital publication platforms in 2021 came from the B2C markets, followed by "B2B: Libraries and Educational Institutions" (24.09%) and "B2B: General Companies" (3.75%).

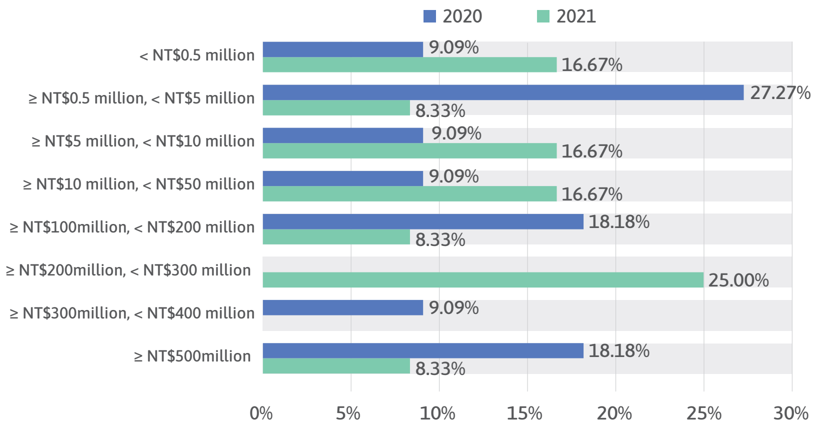


Source: Organized by this survey study.
Notes:
❶N=12.
❷B2C stands for 'Business to Customer,' which is an e-commerce model that involves selling products or services directly from a business to its consumers. B2B is an abbreviation of 'Business to Business,' which means businesses directly face different businesses (firms, institutions, or departments) for sales of products or services (bulk purchases by businesses or institutions).
❸B2B is also known as B2L ('Business to Library') or B2E ('Business to Education')

Figure 2-75. Overview of revenue source for Taiwan's digital publication platform operators in 2021

5.2.2. Expenditure levels and structure of the digital publication platform industry in Taiwan

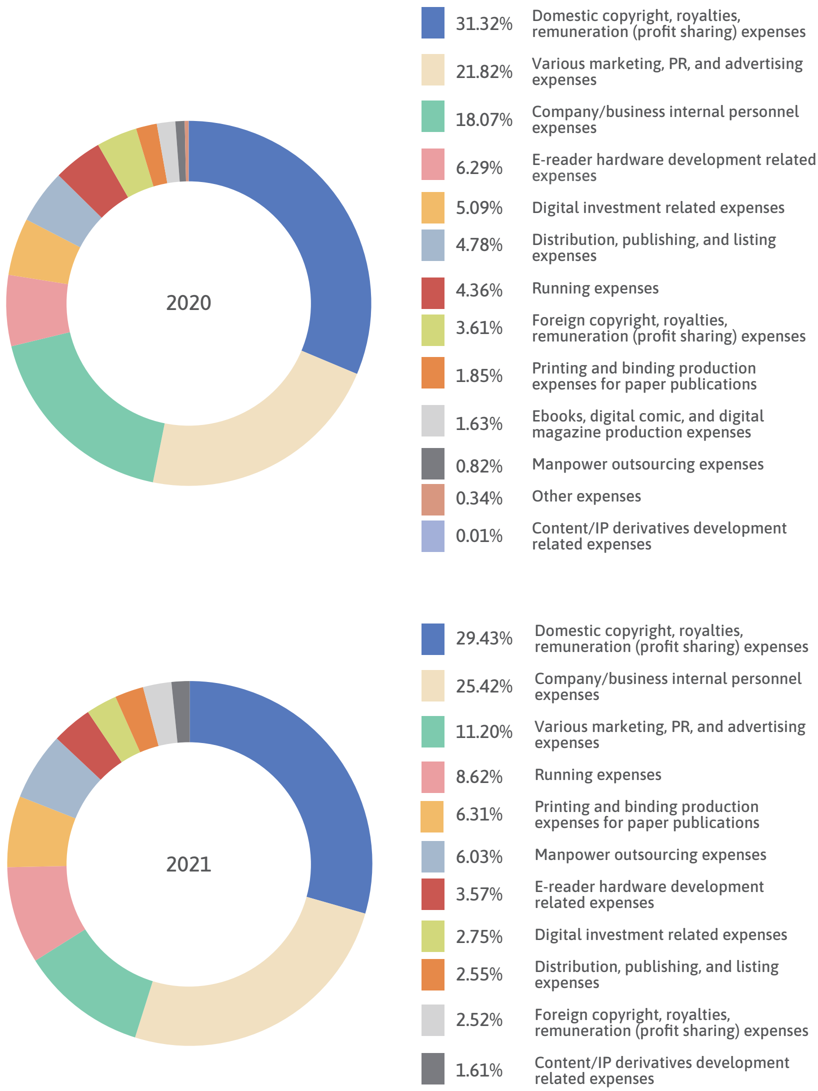
In terms of the overall expenditures of Taiwan's digital publication platforms in 2021, operators that spent "more than NT$200 million but less than NT$300 million" accounted for the highest proportion (25.00%), followed by "less than NT$0.5 million" and "more than NT$10 million but less than NT$50 million" (each accounting for 16.67%).



Source: Organized by this survey study.
Notes:
❶N=11 for 2020 and N=12 for 2021.
❷Due to the adjustment of survey items and scope, data comparisons between years should be made with caution.

Figure 2-76. Annual expenditure of digital publication platform operators in Taiwan from 2020 to 2021

In terms of the structure of expenditure in 2021, the digital publication platform operators in Taiwan spent the most on "domestic copyright, royalties, and remuneration (profit sharing) expenses" (29.43%), followed by "expenses for company/business internal personnel" (25.42%), and "various marketing, PR, and advertising expenses" (11.20%), and the rest of the items each accounted for less than 10% of the annual expenditure.



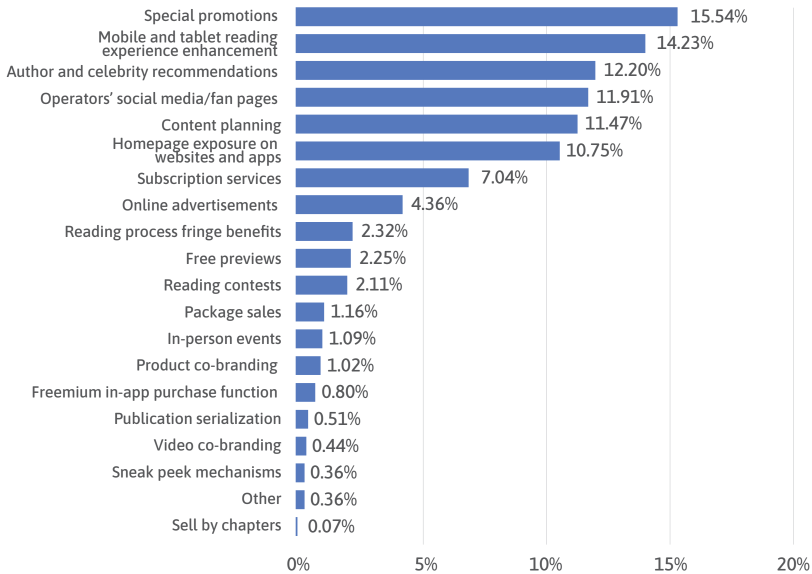
Source: Organized by this survey study.
Notes:
❶N=12 for 2020 and N=13 for 2021.
❷Due to the adjustment of survey items and scope, data comparisons between years should be made with caution.

Figure 2-77. Structure of expenditure for digital publication platform operators in Taiwan from 2020 to 2021

5.2.3. Marketing resource allocation strategies ranked by digital publication platform operators in Taiwan

The main marketing channels for Taiwan's digital publication platform operators in 2021 were "special promotions," followed by "mobile and tablet reading experience enhancement," "author and celebrity recommendations," "operators' social media and fan page," "content planning," and "homepage exposure on websites and apps."

According to this year's in-depth interviews, a number of digital publications and creative platform operators observed that the pandemic has led to a significant increase in demand for online digital entertainment. Even as the epidemic slowed, demand for digital publications and consumption habits persisted, compelling digital platform operators to improve user experience and develop more diverse applications and interactivity across devices. Simultaneously, platforms also worked to improve their functions on interactivity and community forming to facilitate communication between creators and readers.



Source: Organized by this survey study.

Notes:

❶N=14.

❷Each marketing channel was ranked from 1 to 10 by the digital publication platform operators and given a corresponding score (10 points for the first place and 1 point for the tenth place, etc.). Channels that were not ranked in the top 10 by the respondents received no points. The final score for each channel was counted, and the percentage compared to the overall score was calculated.

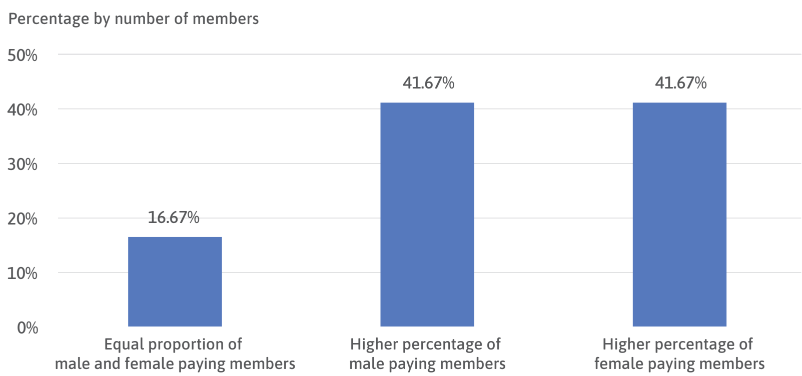
Figure 2-78. Marketing resource allocation strategies ranked by Taiwan's digital publication platform operators in 2021

5.3. Industry observation indexes

5.3.1. Gender ratio of paid memberships on digital publication platforms in Taiwan

In terms of paid membership gender ratios on Taiwan's digital publication platforms in 2021, approximately 40 percent of the operators (41.67%) had more male paid members. Operators with mostly female paying members accounted for 41.67%, while operators with paying members of equal gender ratios accounted for 16.17%.

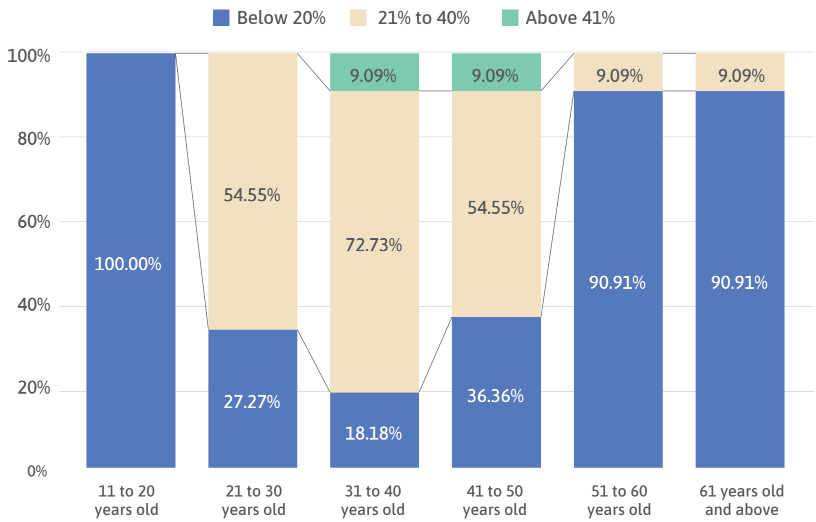
Due to the difference in sample structure between the current and the previous year, the percentage of businesses with "a higher proportion of female paying members" increased in 2021. According to this year's interviews, the epidemic has increased the popularity of video streaming services, while certain adapted dramas and films have driven the popularity of their original novels and comics, resulting in an increase in the number of female customers on some previously male-dominated platforms. At the same time, eBook purchases are more private than traditional paper book purchases, and some female readers prefer to utilize online channels when purchasing certain types of books (gynephilia, adult comics, and novels).



Source: Organized by this survey study.
Notes:
❶N=12.
❷Multiple selections were allowed.

Figure 2-79. Gender ratio of paid memberships on Taiwan's digital publication platforms in 2021

Furthermore, in terms of the age ratio of paid memberships, most paid members of digital platforms were between “21 and 50 years old.” Among which, 72.73% of the operators reported that paid members in the age group of “31 to 40 years old” accounted for 21 to 40%, while 9.09% of the operators reported that members in the age group of “31 to 40 years old” accounted for more than 41%. This demonstrates that young adults are the primary consumers of current domestic digital publication distribution and sales platforms. However, certain personal information of platform members is not always provided, limiting the customer profile that digital platforms can obtain.



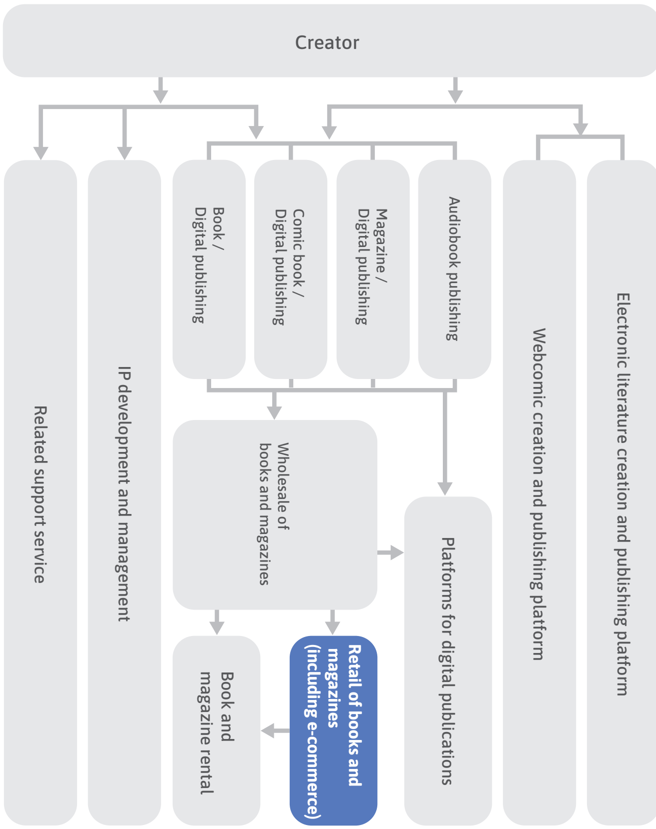
Source: Organized by this survey study.
Note: N=11.

Figure 2-80. Age ratio of paid memberships on Taiwan’s digital publication platforms in 2021

06

Sales and Distribution Channels for Publications

6.1. Industry overview



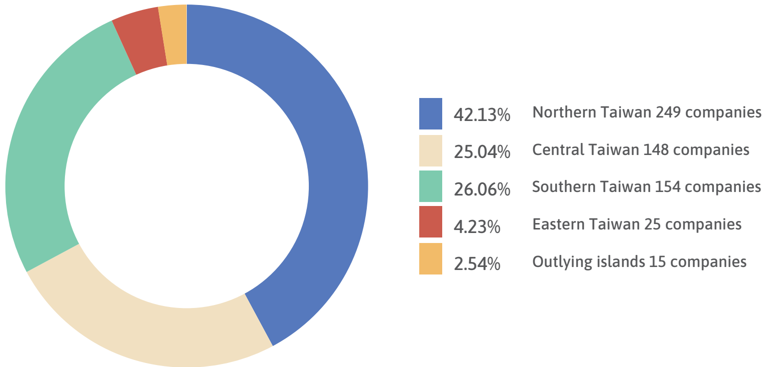
Source: Illustrated by this survey study.

Figure 2-81. Industry map of Taiwan's sales and distribution channels for publications

6.1.1. New, used, and independent bookstores in Taiwan

The subjects of this 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 those that mainly sell stationery.

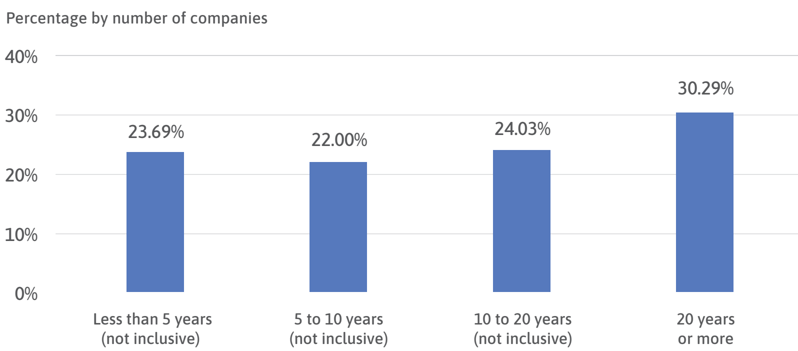
To verify whether brick-and-mortar channels include operators that engage in the sale of books, we used the lists of marketing channels from past editions of the Taiwan Cultural Content Industries Survey Report Volume I conducted by the TAICCA, lists of recipients of government subsidies, lists of bookstore members of the Friendly Book Supplies Co-operative, stores listed in the 2021 Formosa Bookstore Guide Map published by the Taiwan Association for Independent Bookshop Culture, and lists of online recommendations and keyword search data as the basis. After establishing contact and receiving confirmation from entities that actually sold books (omitting agencies that had ended operations or suspended businesses), we identified a list of 591 effective new, used, and independent bookstores in 2021. In terms of the geographical distribution, companies in Northern Taiwan accounted for the highest percentage (42.13%), with a total of 26.23% in the Greater Taipei area, accounting for more than one quarter of the bookstores in the country.



Source: Organized by this survey study.
Note:
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.

Figure 2-82. Geographical distribution of Taiwan's new, used, and independent bookstores in 2021

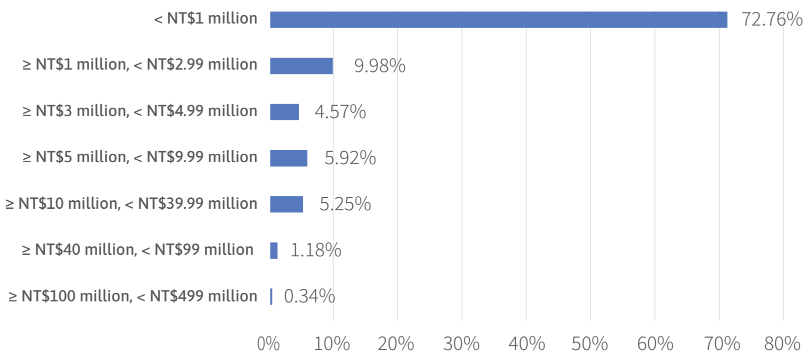
The number of years established for the 591 new, used, and independent bookstores was similar in all four ranges. The range with the highest percentage consisted of companies with more than 20 years of operation (30.29%).



Source: Organized by this survey study.

Figure 2-83. Source: Organized by this survey study.

The majority (72.76%) of channel operators for Taiwan's new, used, and independent bookstores in 2021 had a registered capital of less than NT$1 million, a slight increase in percentage compared to the previous year (71.59%). The scope of new, used, and independent bookstores with a registered capital of more than $100 million included large-scale publishing groups that also ran branch stores, ICT companies with operations in cultural and creative industries, education institutions, book departments of hybrid businesses, and corporate entities. Although the proportion of these companies is not particularly high, it is gradually increasing each year.



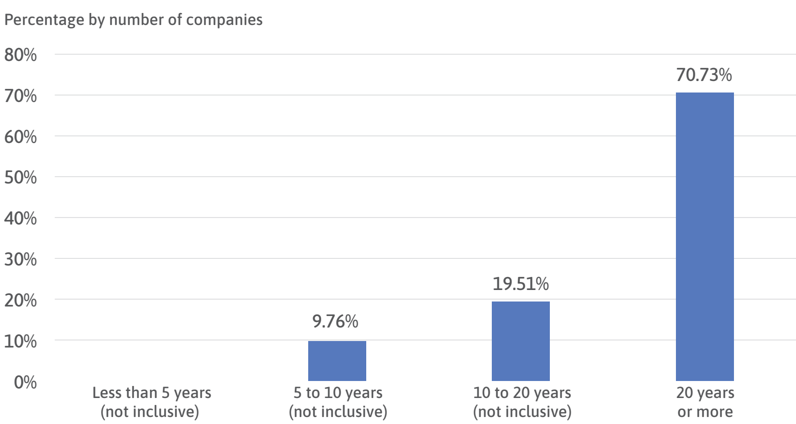
Source: Organized by this survey study.
Note:
There is no information on the capital of certain channel operators because they do not have a separate business tax ID. They are thus included as those with less than NT$1 million in capital.

Figure 2-84. **Registered capital of Taiwan's new, used, and independent bookstores in 2021**

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

According to the Taiwan Chain Store Almanac 2021 published by the Taiwan Chain Stores and Franchise Association, there were 19 chain book and stationery operators (excluding those that only sell stationery). We used information from the lists of marketing channels in previous editions of the Taiwan Cultural Content Industries Survey Report Volume I conducted by the TAICCA, 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 receiving confirmation from entities that actually sold books (omitting agencies that had ended operations or suspended businesses), we identified a total of 41 effective chain/franchise bookstore head offices in 2021.

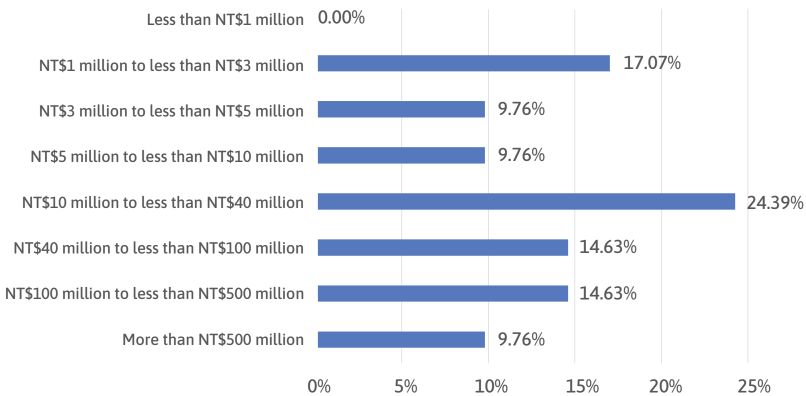
Among the 41 chain/franchise bookstore head offices, the companies with the highest ratio (70.73%) in terms of the number of years since founding were those with more than 20 years since founding, followed by those with more than 10 but less than 20 years since founding (19.51%) and those with more than 5 but less than 10 years since founding (9.76%).



Source: Organized by this survey study.

Figure 2-85. Number of years established for Taiwan's chain/franchise bookstore head offices in 2021

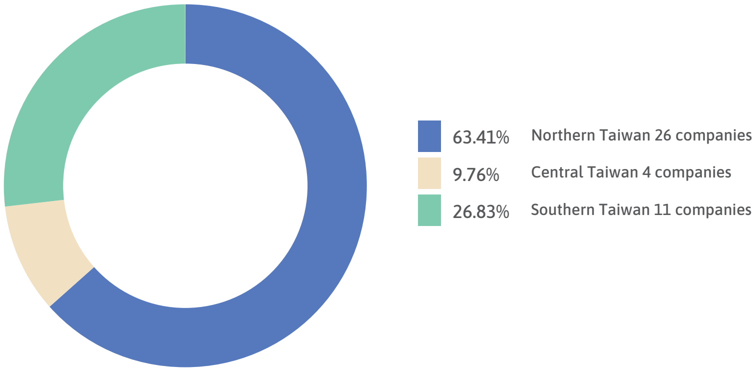
Among the head offices of chain/franchise bookstores in Taiwan, over 70 percent (75.61%) of the companies have a registered capital of less than NT$40 million in 2021. It shows that most chain/franchise bookstores in Taiwan are operated by SMEs. The head offices of chain/franchise bookstores with a registered capital of NT$100 million or more mainly included stores catering to creative lifestyles, stores with hybrid business models, and operators that are licensees for foreign bookstores.



Source: Organized by this survey study.

Figure 2-86. Distribution of Taiwan's chain/franchise bookstore head offices by registered capital in 2021

Among the head offices of chain/franchise bookstores in Taiwan in 2021, the highest percentage was located in Northern Taiwan (63.41%), and Taipei City (48.78%) accounted for the highest ratio in this region.

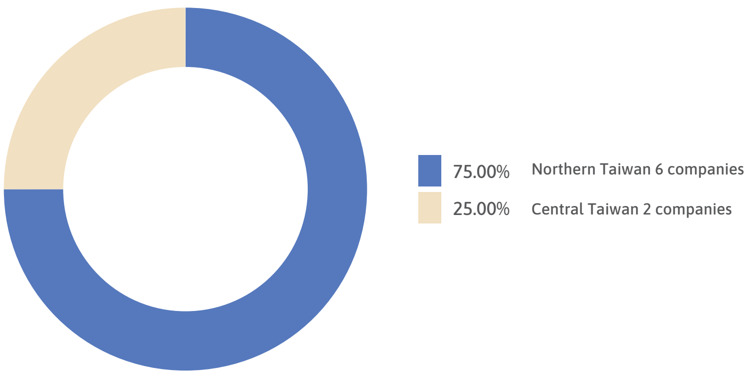


Source: Organized by this survey study.
Note:
Northern Taiwan includes Taipei City, New Taipei City, Keelung City, Taoyuan City, Hsinchu City, Hsinchu County, and Yilan County; Central Taiwan includes Miaoli County, Taichung City, Changhua County, Nantou County, and Yunlin County; Southern Taiwan includes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

Figure 2-87. **Regional distribution of Taiwan's chain/franchise bookstore head offices in 2021**

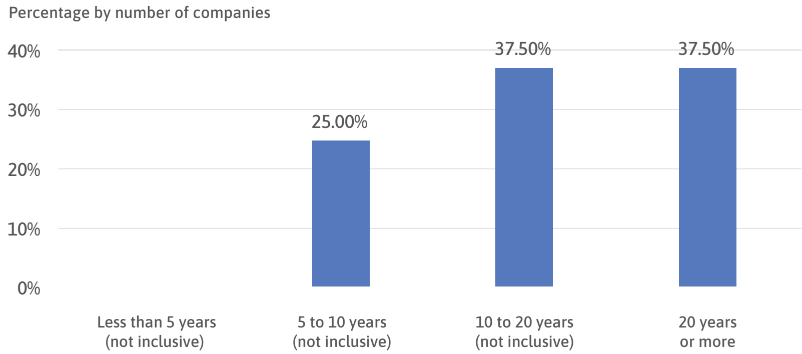
6.1.3. Specialized online bookstores in Taiwan

This survey's definition of "specialized online bookstores" refers to companies that sell publications exclusively online and excludes publishers or physical bookstores that have established online sales channels for their consumers. The main feature of specialized online bookstores is a distribution system that allows for quick checkout and delivery. Since an official list or relevant government reports on specialized online bookstores have yet to exist, we used the statistical population in previous editions of the Taiwan Cultural Content Industries Survey Report Volume I conducted by the TAICCA, lists of recipients of government subsidies, the Credit Online Database of China Credit Information Service, and online recommendations and keyword search data as the basis of this survey. The main survey objects are specialized online bookstores that only sell books on the Internet and have created a complete cash flow and logistical system. After establishing contact and receiving confirmation from entities that actually sold books online (omitting agencies that had dissolved, ended operations, or suspended their businesses), we identified a total of 8 effective specialized online bookstores in 2021.



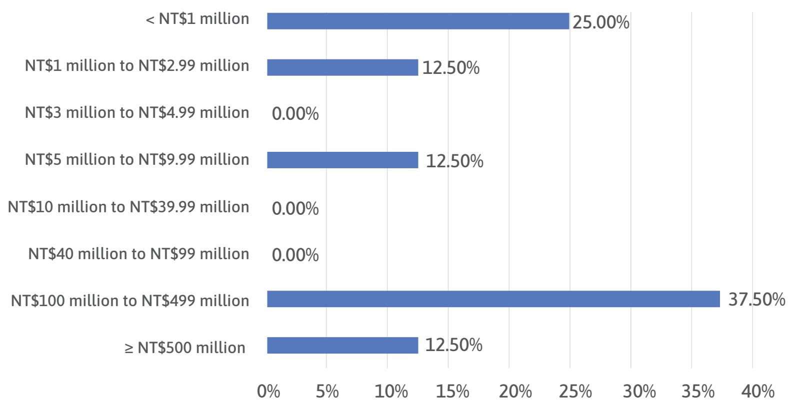
Source: Organized by this survey study.
Note:
Northern Taiwan includes Taipei City, New Taipei City, Keelung City, Taoyuan City, Hsinchu City, Hsinchu County, and Yilan County; Central Taiwan includes Miaoli County, Taichung City, Changhua County, Nantou County, and Yunlin County.

Figure 2-88. Regional distribution of Taiwan's specialized online bookstore head offices in 2021



Source: Organized by this survey study.

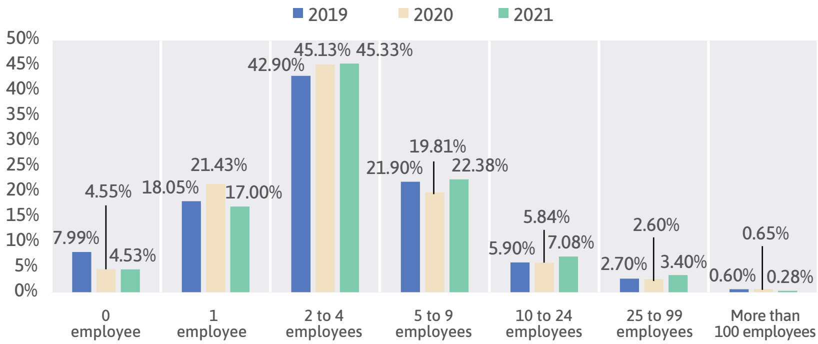
Figure 2-89. Number of years established for Taiwan's specialized online bookstore head offices in 2021



Source: Organized by this survey study.
Note: N=654.

Figure 2-90. Distribution of Taiwan's specialized online bookstore head offices by registered capital in 2021

6.1.4. Overview of employees of bookstore operators in Taiwan



Source: Organized by this survey study.
Note: N=338 for 2019, N=308 for 2020, and N=353 for 2021.

Figure 2-91. Scale of manpower of Taiwan's bookstore operators from 2019 to 2021

Furthermore, based on the survey data of the bookstore operators alone, it is estimated ⑪ that the average number of full-time and part-time employees employed by each firm is approximately 5.72. The total number of employees employed by domestic physical bookstores is estimated at 12,224, a 9.42% decline compared to 13,495 in 2019.

⑪ The formula for estimating the number of employees = the average number of employees (both full-time and part-time employees) of the operators who responded to the survey x the statistical population of physical bookstore operators in Taiwan.

6.2. Revenue and business model

6.2.1. Estimated book sales revenue of bookstores in Taiwan

In order to estimate the sales revenue of printed books by domestic bookstores in 2021, we obtained revenue information from the tax information from the Ministry of Finance and used the proportion of the revenue of the printed books in the recovered questionnaires to project the overall book market (including new and used books) ⓬ . The revenue of the bookstore industry provided in the survey only represents the revenue from the sales of printed books (including comics) in traditional physical bookstores and online bookstores in the year. It does not represent the entire revenue from the publication of books and comics at retail. Therefore, it does not include sales revenue from direct sales and exports by publishers or sales made through the publisher's social media, libraries, and education markets.

According to the aforementioned estimates, the scale of the printed book market (including old and new books) in 2021 was approximately NT$18.952 billion, a decrease of 6.00% compared to the previous year.

Table 2-15. Development trend of printed book sales revenue in Taiwan's bookstore industry

Unit: NT$100 million, %

Year	2016	2017	2018	2019	2020	2021
Bookstore revenue	237.18	226.00	214.44	200.37	201.62	189.52
Growth rate	-	-4.72%	-5.11%	-6.56%	0.62%	-6.00%

Source: Estimated by this survey study.

Notes:

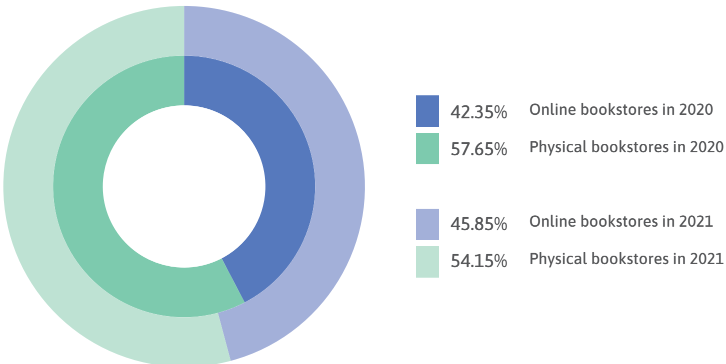
❶The book sales revenue of the bookstore industry only represents the revenue from the sales of printed books in traditional physical bookstores and online bookstores this year. It does not represent the entire revenue from the publication of books and comics on the market. Therefore, it does not include sales revenue from direct sales and exports by publishers, sales made through the publisher's social media, libraries, and education markets.

❷The book sales revenue of the bookstore industry 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.

❸The book sales revenue of the bookstore industry has been included in the market-end revenue of the aforementioned book publishing and comic book publishing sectors, and therefore should not be aggregated with the revenue of other subindustries.

Furthermore, instead of only accounting for revenue from sales of books (including comics), this year's estimate also included income from bookstore space rentals, food and beverages sales, sales of stationery and cultural and creative products, curatorial income, new business models, diversified management, and upstream and downstream integration of the industry, as a means to observe the overall development of the sales and distribution channels for publications in Taiwan. The overall industry scale in 2021 was NT31.517 billion, an 8.45% decrease compared with 2020 (NT$34.425 billion).

A further examination of the revenue ratio of online bookstores and physical bookstores revealed that online bookstores generated 45.85% of revenue in 2021, a slight increase compared to 2020. Physical bookstore revenue (including franchise bookstores, new, used, and independent bookstores) decreased from 2020 to 54.15% of total revenue.



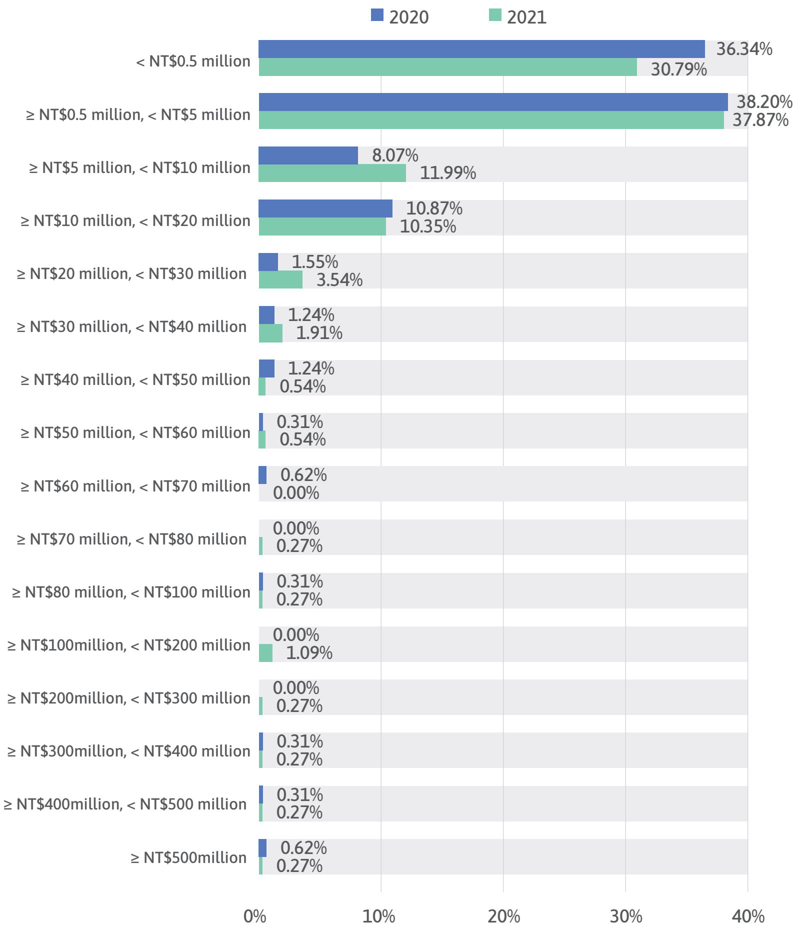
Source: Organized by this survey study.
Note:
Book sales revenue for physical bookstore operators may include income from physical stores or online channels (such as online auction sites or their own websites).

Figure 2-92. Revenue ratio of the online bookstore and physical bookstore operators in Taiwan from 2020 to 2021

⓬ Formula for calculating revenue of the publishing marketing channels = companies' revenues based on business tax ID x proportion (weighted average) of revenue from books (including comic books) from various respondents of the survey.

6.2.2. Revenue items and structure of bookstores in Taiwan

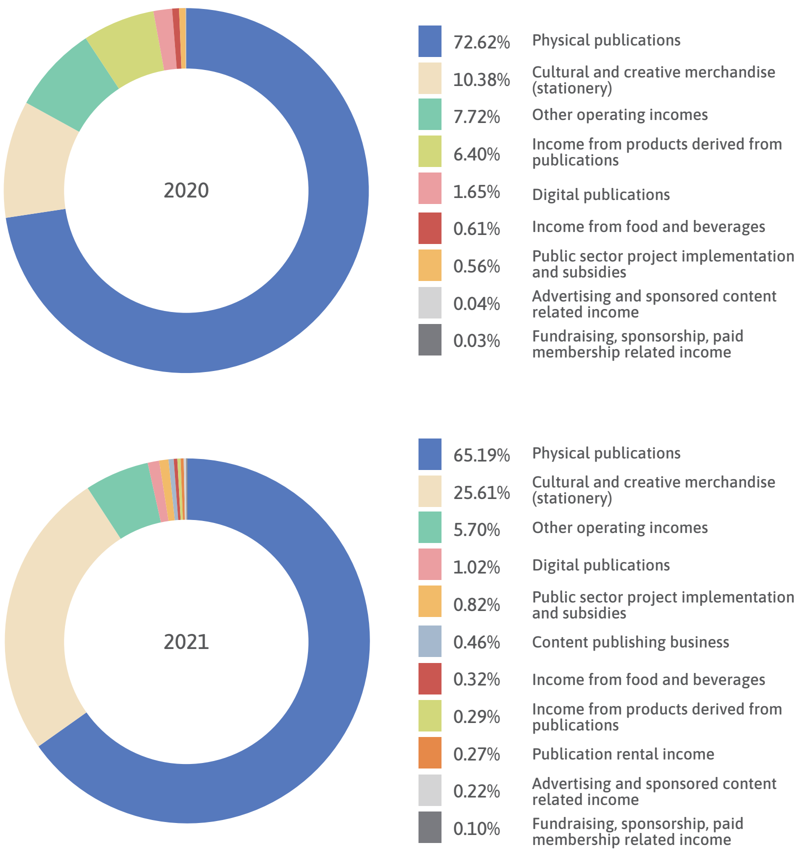
In 2021, only a few of the operators of the sales and distribution channels had revenues above NT$50 million, while those with revenues below NT$5 million accounted for 68.66% of them, indicating that the sales and distribution channels for publications in Taiwan consist mainly of small and medium-sized enterprises.



Source: Organized by this survey study.
Note: N =322 for 2020 and N=367 for 2021.

Figure 2-93. Annual revenue of bookstores in Taiwan from 2020 to 2021

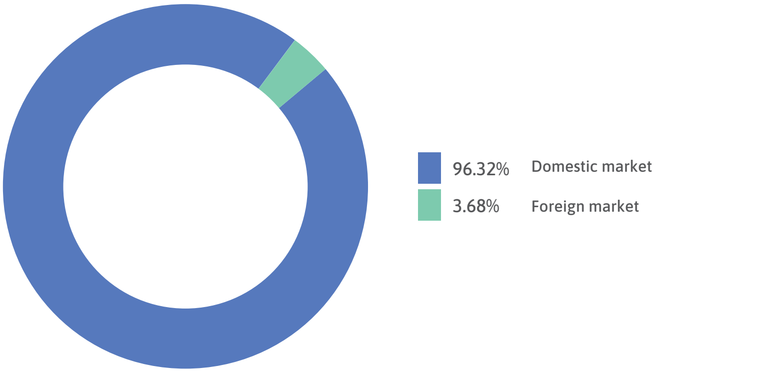
In terms of the revenue breakdown of domestic bookstores surveyed in 2021, the proportion of revenue from the sale of printed publications decreased, while that of cultural and creative merchandise (stationery) increased. In addition, the government implemented bailouts owing to the epidemic in 2021, resulting in a modest rise in revenue from public sector project development and subsidies.

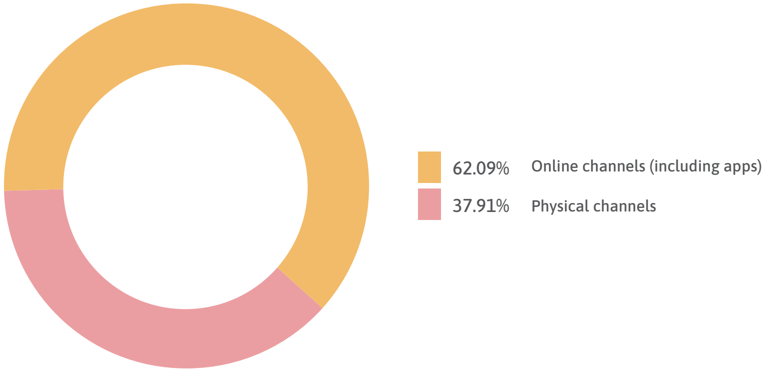


Source: Organized by this survey study.
Note: N=322 for 2020 and N=360 for 2021.

Figure 2-94. Revenue structure of bookstores in Taiwan from 2020 to 2021

In 2021, Taiwan's bookstores generated 96.32% of their revenue from the domestic market; 37.91% of the revenue came from physical channels, while 62.09% came from online channels.

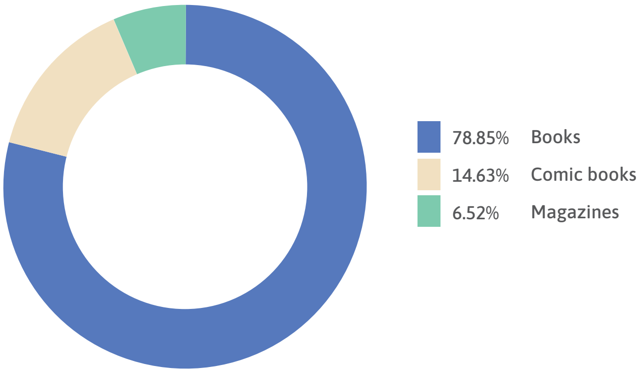




Source: Organized by this survey study.
Note: N=388.

Figure 2-95. Overview of revenue from domestic and foreign markets and online/physical channels of bookstores in 2021

In terms of revenue made from various types of publications, around 78.85% of the sales of paper publications from Taiwan's bookstores in 2021 were paper books, followed by 14.63% from paper comic books, and around 6.52% from paper magazines.

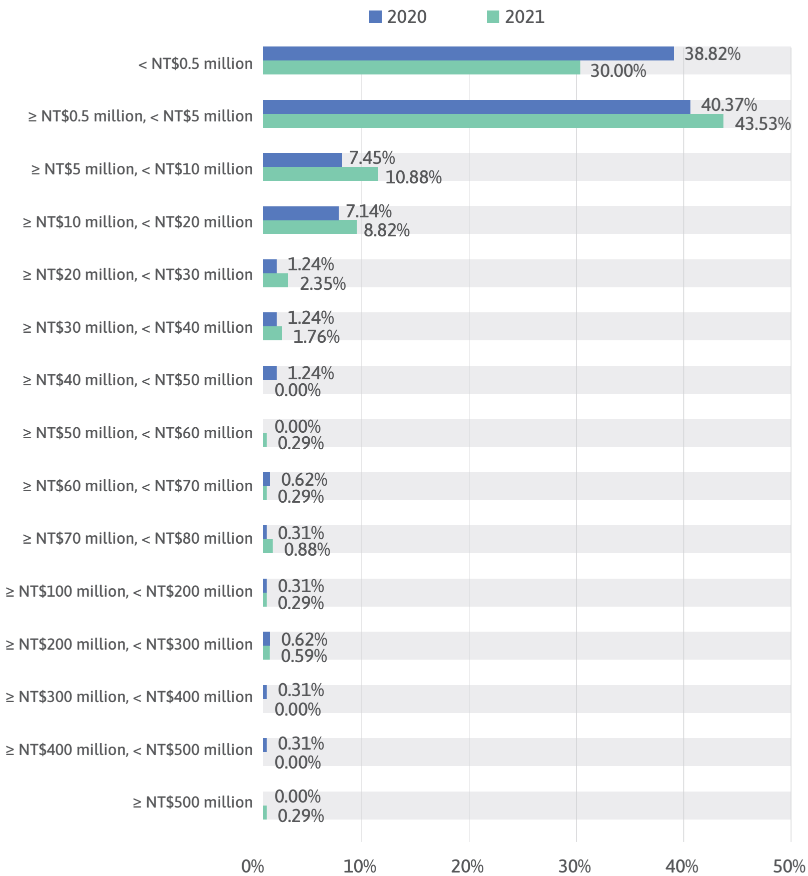


Source: Organized by this survey study.
Note: N=360.

Figure 2-96. Revenue of various types of publications from Taiwan's bookstores in 2021

6.2.3. Expenditure levels and structure of bookstores in Taiwan

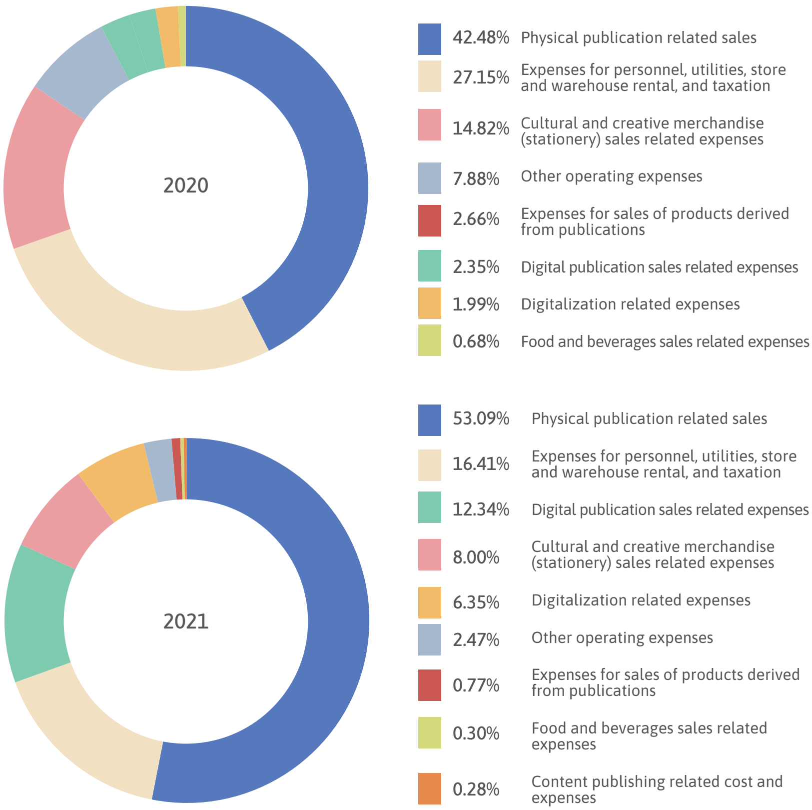
In 2021, 73.53% of Taiwan's bookstores had an annual expenditure of less than $5 million, while only 2.65% had an annual operating expenditure of more than NT$50 million.



Source: Organized by this survey study.
Note: N=322 for 2020 and N=340 for 2021.

Figure 2-97. Annual expenditure of bookstores in Taiwan from 2020 to 2021

In terms of operating expenditures of domestic bookstores in 2021, expenditures for “physical publication related sales” accounted for the highest proportion, followed by expenditures for “personnel costs, utilities bills, store and warehouse rent, and taxation expenses,” and “cultural and creative merchandise (stationery) sales related expenses.” However, it is worth noting that digital publication-related sales have topped 10% (12.34%), while digitalization-related expenditures have accounted for 6.35%. Due to the effects of the pandemic, booksellers have shifted their priorities to the development of digital publications.

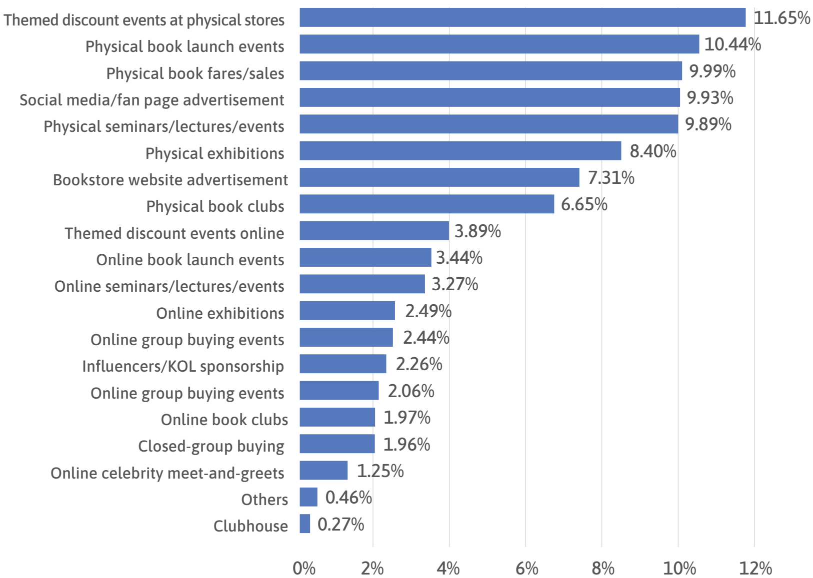


Source: Organized by this survey study.
Notes:
❶N=301 for 2020 and N=340 for 2021.
❷Due to the adjustment of survey items and scope, data comparisons between years should be made with caution.

Figure 2-98. Expenditure structure of bookstores in Taiwan from 2020 to 2021

6.2.4. Marketing resource allocation strategies ranked by bookstores in Taiwan

In 2021, the primary marketing strategy used by bookstores in Taiwan was “themed discount events at stores.” Additionally, some operators have also begun actively investing in social media, such as official websites, group pages, and fan pages.



Source: Organized by this survey study.

Notes:

❶N=305.

❷Each marketing channel was ranked from 1 to 10 by the sales and distribution channel operators and given a corresponding score (10 points for the first place and 1 point for the tenth place, etc.). Channels that were not ranked in the top 10 by the respondents received no points. The final score for each channel was counted, and the percentage compared to the overall score was calculated.

Figure 2-99. Marketing resource allocation by Taiwan’s bookstores in 2021

6.3. Industry observation indexes

6.3.1. Publication purchase and sales discounts of Taiwan's bookstores

In 2021, the average discount on book purchases for bookstores was 35% (the mode and median book purchasing discounts were both 30%). The average sales discount was 28% (the mode and median of the best sales discount were 10% and 15%, respectively). The average best sales discount was 29% (the mode and median of the best sales discount were 10% and 20%, respectively).

Table 2-16. Discounts for the purchase and sales of books by marketing channels from 2018 to 2021

Unit: Discount amount* (N=223 in 2018; N=289 in 2019; N=266 in 2020; N=318 in 2021)

Item	Purchase discount	Sales discount	Best sales discount
2018	7.0(6.7)	9.0(8.6)	9.0(8.2)
2019	7.0(6.6)	9.0(8.5)	7.9(8.2)
2020	7.0(6.7)7.0	9.0(8.3)9.0	9.0(8.0)8.0
2021	7.0(6.5)7.0	9.0(7.2)8.5	9.0(7.1)8.0

*The formula for calculating the percentage discount = 100 - (discount mount x 10). For example, if the discount amount is 7.0, then the percentage of discount will be 100 - (7.0 x 10) = 30% off.

Source: Organized by this survey study.

Notes:

❶The numbers on the left of the brackets are the modes, the numbers inside the brackets are the averages, and the numbers on the right of the brackets are the medians.

❷The "sales discount" is the average of the overall book sales discount, and the "best sales discount" is the discount under the best sales conditions.

The average discount on magazine purchases for bookstores was 32% (the mode and median magazine purchasing discounts were 20% and 25%, respectively). The average sales discount was 28% (the mode and median sales discount were both 10%). The average best sales discount was 30% (the mode and median of the best sales discount were both 10%).

Table 2-17. Discounts for the purchase and sales of magazines by marketing channels from 2018 to 2021

Unit: Discount amount* (N=145 in 2018; N=172 in 2019; N=145 in 2020; N=175 in 2021)

Item	Purchase discount	Sales discount	Best sales discount
2018	8.0(7.3)	9.0(8.8)	9.0(8.6)
2019	8.0(7.4)	9.0(8.8)	9.0(8.8)
2020	8.0(7.4)7.5	9.0(9.3)9.0	9.0(8.3)9.0
2021	8.0(6.8)7.5	9.0(7.2)9.0	9.0(7.0)9.0

*The formula for calculating the percentage discount = 100 - (discount mount x 10). For example, if the discount amount is 8.0, then the percentage of discount will be 100 - (8.0 x 10) = 20% off.

Source: Organized by this survey study.
Notes:
❶The numbers on the left of the brackets are the modes, the numbers inside the brackets are the averages, and the numbers on the right of the brackets are the medians.
❷The “sales discount” is the average of the overall book sales discount, and the “best sales discount” is the discount under the best sales conditions.

The average discount on comic book purchases for bookstores was 35% (the mode and median comic book purchasing discounts were both 25%). The average sales discount was 30% (the mode and median sales discount were both 10%). The average best sales discount was 28% (the mode and median of the best sales discount were both 10%).

Table 2-18. Discounts for the purchase and sales of comic books by marketing channels from 2018 to 2021

Unit: Discount amount* (N=101 in 2018; N=157 in 2019; N=144 in 2020; N=170 in 2021)

Item	Purchase discount	Sales discount	Best sales discount
2018	7.5(7.3)	9.0(8.6)	9.0(8.4)
2019	7.5(7.1)	9.0(8.7)	9.0(8.7)
2020	7.5(7.2)7.5	9.0(8.5)9.0	9.0(8.3)9.0
2021	7.5(6.5)7.5	9.0(7.0)9.0	9.0(7.2)9.0

Source: Organized by this survey study.
Notes:
❶The numbers on the left of the brackets are the modes, the numbers inside the brackets are the averages, and the numbers on the right of the brackets are the medians.
❷The “sales discount” is the average of the overall book sales discount, and the “best sales discount” is the discount under the best sales conditions.

6.3.2. Average book return rate of Taiwan's bookstores

The average book return rate of Taiwan's bookstores in 2021 was 37.18% (38.99% in 2020); the average magazine return rate was 34.18% (48.28% in 2020); and the average comic book return rate was 30.14% (45.25% in 2020).

Table 2-19. Average book return rate of bookstores in Taiwan from 2018 to 2021

Unit: % (N=192 in 2018; N=219 in 2019; N=227 in 2020; N=257 in 2021)

Year	Books	Magazines	Comic books
Average book return rate in 2018	39.9%	46.1%	40.5%
Average book return rate in 2019	41.6%	51.0%	51.7%
Average book return rate in 2020	38.99%	48.28%	45.25%
Average book return rate in 2021	37.18%	34.18%	30.14%

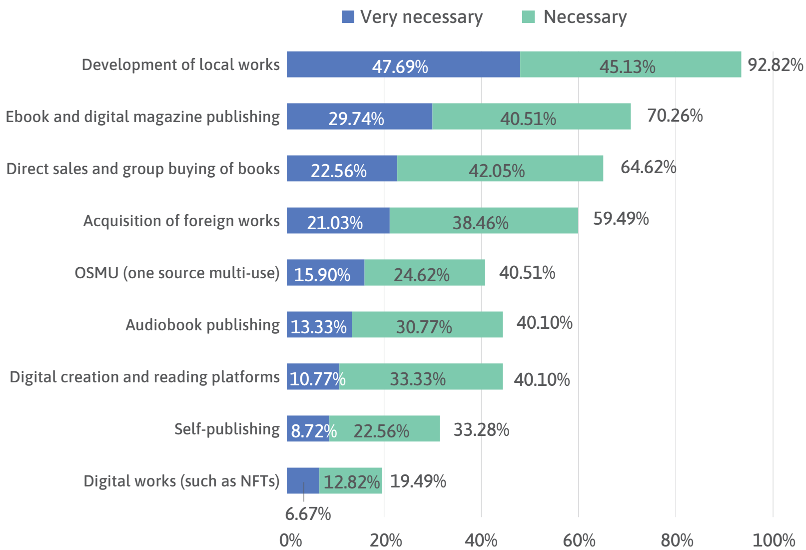
Source: Organized by this survey study.

III
FORECAST

01

The Key to the Development of Taiwan's Publishing Industry Lies in the Creative Energy and Volume of Publications

According to this year's survey, over 90% of publishers said they believe that "development of local content" is necessary (92.82%), while about 70% believe that "e-book and digital magazine publishing" is a business that needs to be developed (70.26%). In terms of sales development, 64.62% of the publishers believe that "direct sales and group buying of books" are necessary, while nearly 60 percent of the publishers believe that "acquisition of foreign content" (59.49%) is necessary for future operations. According to the survey results, to enrich the content remains the industry's primary focus, including the development of domestic content as well as the procurement of foreign content. Electronic publications and new sales models are also elements that received considerable attention. This is because the development of OSMU (one source, multi-use) can only occur as the volume and exposure of works rise.



Source: Organized by this survey study.

Notes:

❶N=195.

❷"Multimedia eBooks" refer to eBooks (apps) with dynamic audio-visual properties. Common formats include but are not limited to EPUB, APK, IPA, and Web Book.

❸"Digital creation and reading platforms" are digital platforms used for the uploading, discussing, and reading of works through webpages and apps. Examples are novel platforms, comic platforms, etc.

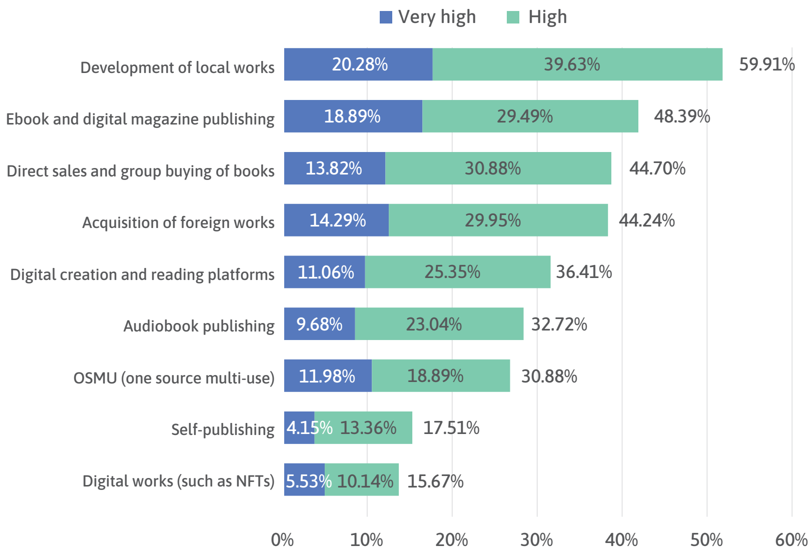
❹"OSMU" stands for One Source Multi-Use, which means a single source can be applied for multiple uses, such as using a single material/creation/IP to derive multiple works, products, and commodities. An example is adapting a novel into films, series, games, etc.

Figure 3-1. Direction of future developments in Taiwan's publishing industry

02

A Greater Emphasis on New Forms of Content Development, Production, Distribution, and Sales Models

Domestic publishers, on the whole, agreed on the direction of future development for the publishing sector and its market development potential. The top three elements with the largest market development potential were "domestic work development," "production and distribution," and "sales." In terms of production and distribution, the industry sought to focus more on digital publishing and the utilization of multiple sales channels (such as direct sales and group buying of books) as opposed to the present channels. Furthermore, "digital creation and reading platforms," "audiobook publishing," and "OSMU" (one source, multiple uses) played vital roles, but they require a greater quantity of high-quality material to capitalize on their market potential.



Source: Organized by this survey study.
Notes:
❶N=217.
❷"Multimedia eBooks" refer to eBooks (apps) with dynamic audio-visual properties. Common formats include but are not limited to EPUB, APK, IPA, and Web Book.
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***Figure* 3-2.** Development potential of Taiwan's publishing industry

03

Overview of the Scale of Taiwan's Book Publishers and the Development of Ebooks

Book publishers in Taiwan are mostly SMEs, with those employing two to nine people accounting for 59.92% of all publishers.

Based on data on manpower and eBook publishing, over 70% (76.92%) of one-person publishing houses (with 0–1 employees) did not publish eBooks. About 50% (52.32%) of small publishing houses with 2–9 employees did not publish eBooks. As for medium and large publishing houses with 25 to 99 employees, more than 50% (55.56%) have not published eBooks. Most of these larger entities published picture books for children, learning books, and textbooks. As for large publishing corporations with more than 100 employees, all of them have published eBooks.

Table 3-1. Overview of manpower and eBook publishing of Taiwan's book publishers in 2021

Employment	0 to 1 employees	2 to 9 employees	10 to 24 employees	25 to 99 employees	100 employees or more
Percentage by number of companies	10.32%	59.92%	20.63%	7.14%	1.98%
Percentage of companies that did not acquire digital licensing and publish eBooks	76.92%	52.32%	53.85%	55.56%	0.00%
Percentage of companies that did not publish new eBooks	73.08%	52.32%	51.92%	61.11%	0.00%

Source: Organized by this survey study.
Note: N=252

In terms of capital scale, half of Taiwan's medium-sized publishing houses with a capital scale of between NT$3 million and NT$4.99 million have not obtained digital copyrights and published eBooks (50.0%). The proportion of publishing houses with capital scales ranging from NT$5 million to 9.99 million and NT$10 million to 39.99 million that did not publish eBooks (47.06% and 45.28%, respectively) was lower than the proportion of publishing houses in other capital scale ranges, indicating that the higher the capital scale, the greater the proportion of firms obtaining digital copyright and publishing eBooks.

It is worth noting that the proportion of Taiwanese publishing companies with capital at either end of the spectrum that have not invested in eBook production and publishing is larger than the proportion of publishing houses in other capital ranges. Of small publishing houses with a capital of less than NT$1 million, due to limited resources, more than 70% (71.43%) did not publish eBooks or obtain digital copyright; Of publishing houses with a capital of NT$40 million to NT$99 million and those with a capital of more than NT$100 million, 70.00% and 66.67% have not obtained digital copyright and published eBooks, respectively. Most of these large publishing houses publish picture books, children's educational books, textbooks, religious books, and professional maps. These types of publications are in high demand in the paper book market. Furthermore, digital copyrights for these types of books may be more difficult to obtain, affecting eBook publishing.

Table 3-2. Overview of capital scale and eBook publishing of Taiwan's book publishers in 2021

Capital scale (NTD)	Less than 1 million	1 million to 2.99 million	3 million to 4.99 million	5 million to 9.99 million	10 million to 39.99 million	40 million to 99 million	100 million or more
Percentage by number of companies	26.69%	22.88%	6.78%	14.41%	22.46%	4.24%	2.54%
Percentage of companies that did not acquire digital licensing and publish eBooks	71.43%	53.70%	50.00%	47.06%	45.28%	70.00%	66.67%
Percentage of companies that did not publish new eBooks	69.84%	51.85%	50.00%	52.94%	45.28%	70.00%	50.00%

Source: Organized by this survey study
Note: N=236.

04

The Status Quo and Prospects of Taiwan's Publishing Industry as a Result of the Book Tax Exemption Policy

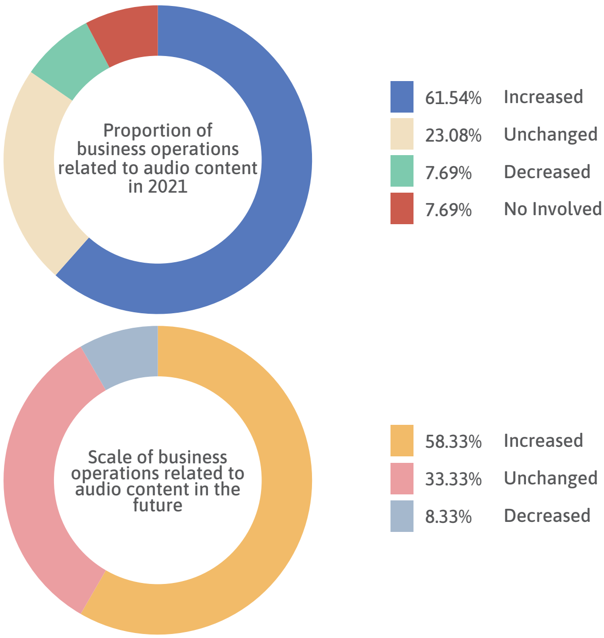
The Ministry of Culture and the Ministry of Finance amended the "Regulations for Reducing Business and Entertainment Taxes for Cultural and Arts-Related Enterprises" jointly. Cultural and creative companies can request sales tax exemptions for books they publish or import beginning March 1, 2021. Business owners that sell tax-exempt publications (including comic books) are not required to pay the 5% business tax on their sales proceeds. On one hand, this policy serves as a response to the book tax exemption or zero tax policies that have been implemented in major countries around the world. On the other hand, it aims to mitigate the impact of digitalization and epidemics through tax breaks, lower the operating burden of the publishing sector, and ignite the publishing industry's development.

The implementation of this policy measurehelped incentivize book types that did not previously apply for ISBNs (such as textbooks, exam books, comic books, and so on) and digital publications to apply for ISBNs or E-ISBNs, resulting in a significant increase in the number of ISBN applications in 2021. This disrupted the relevant statistical indicators for book publishing and influenced trend interpretation. As a result, it will be vital to pay close attention in the future to whether the survey results in 2021 were a one-time occurrence caused by tax exemption policies. The publishing business, however, is mainly optimistic about the prospects of this policy change. In the long run, book-related data will return to normal, the number of ISBN applications and the expansion of the book market will be more closely linked and interpreted, and tax statistics will also be used to improve information on the book market's development.

05

Expansion of the "Audio Economy" and Related Businesses

With the gradual rise of the "sound" economy, there is more potential for the diversification of content production. The possibilities for translating text into new content formats such as audio and video have grown. "Audio content" services are gradually becoming the key focus of Taiwan's digital publication platform operators. In 2021, 61.54% of the respondents indicated that their audio content-related business posted year-over-year growth, a sharp contrast with last year's results (34.48%). At the same time, nearly 60% (58.33%) of the industry respondents indicated that they would continue to expand the scale of the audio content business.



Source: Organized by this survey study.
Note: N=13 for the upper diagram; N=12 for the lower diagram.

Figure 3-3. "Audio content" business operation of Taiwan's digital publication platform operators

Due to the complexities of the audiobook production process, however, only a few publishers are now active in the audiobook copyright purchase and production processes. Furthermore, the amount of audio content now on the market in Taiwan lags substantially behind that of paper books and eBooks. At the moment, it is difficult to gauge the demand for audio content among Taiwanese readers. Continuous observation is required to collect data on readers' profiles and reading preferences. Furthermore, the diversification and cross-platform convergence of audio materials such as audiobooks, online courses, and podcasts present new chances and new perspectives for the publishing industry's development.

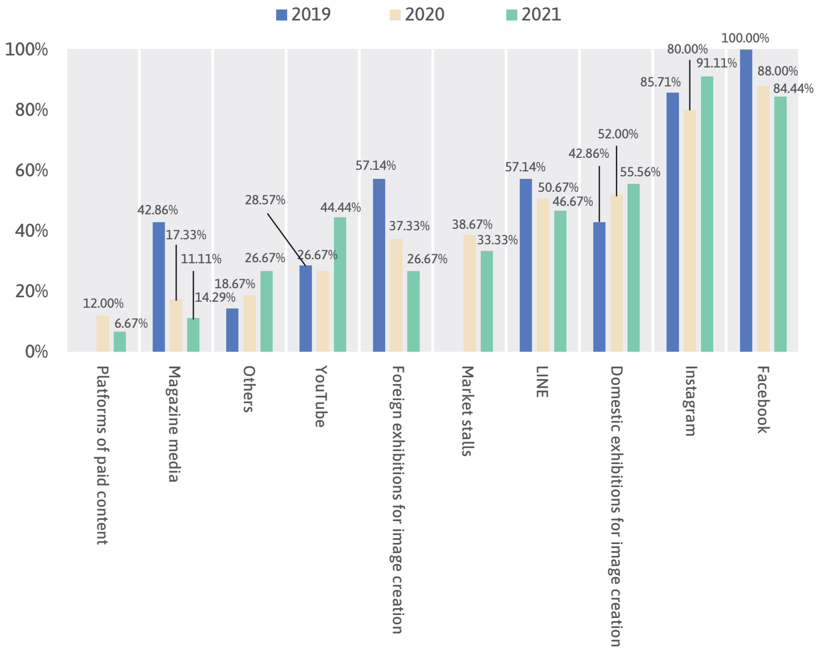
06

The Majority of Taiwan's Original Characters and Brands Are First Published on Social Networking Platforms

Facebook has long been the most popular social media platform among Taiwanese consumers. However, the recent emergence of various short video social platforms that capitalized on their market positions through the short video format and assortment of graphic layout functions resulted in a diversification of channels for content consumption, which in turn affects industry players' strategizing and utilization of publishing channels.

In 2021, the majority of character brand licensing industry players (91.11%) chose Instagram as their primary publishing channel. While the proportion of those using Facebook (84.44%) and Line (46.67%) remained high, both registering a year-on-year fall. However, when compared to the preceding two years, YouTube usage climbed dramatically (44.44%).

In terms of physical media and exhibitions, the proportion of players who chose printed magazines (11.11%) continued to fall. Additionally, the epidemic had a significant impact on image- and illustration-related exhibitions over the past two years. About 26.67% of operators chose foreign exhibitions for exposure, while the percentage of those that chose domestic character brand exhibitions increased to 55.56%.



Source: Organized by this survey study.

Notes:

❶Multiple selections were allowed.

❷N=7 for 2019, N=75 for 2020, and N=45 for 2021.

❸"Market stalls" and "Platforms of paid content" were added in 2020, hence the lack of reference data for 2019

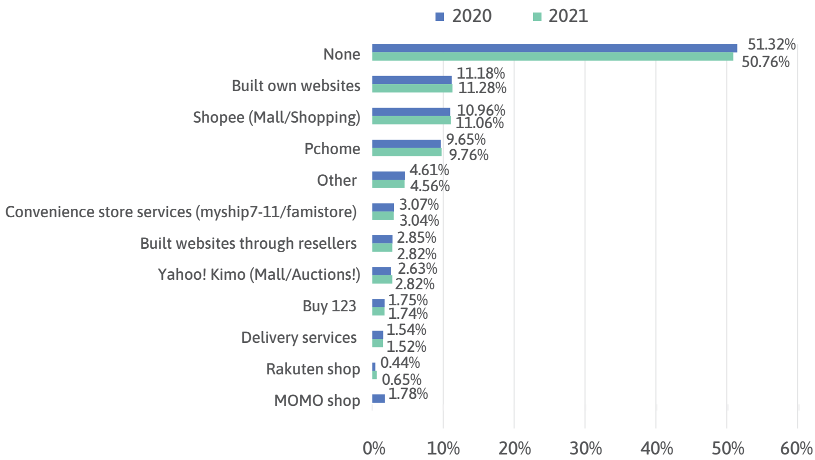
Figure 3-4. Publishing and promotional channels for Taiwan's character brand licensing operators from 2019 to 2021

07

Diversifying Sales Channels for Taiwan's Sales and Distribution Channel Operators

Domestic bookstore operators (physical bookstores) without online sales channels were at 50.76% in 2021, a slight decline from 2020 (51.32%). Those who have recently started or have already invested in operating online channels were more active in utilizing a variety of channels. Self-created websites (12%) were the most common approach, followed by the use of Shopee or PChome systems to build online sales channels. When compared to the previous year, the proportion of those who used the latter approach climbed marginally. Furthermore, some offered multi-platform book purchasing services to consumers via online channels such as Line accounts, Facebook fan pages or groups, convenience store online platforms, Google forms and Carousel (auction platforms).

On the whole, bookstores chose to set up corresponding sales channels because they value basic services, such as logistics and payment options, provided by the above-mentioned online channels. Furthermore, the pandemic prompted bookshop owners to offer online services, increasing the number of online sales channels. This year, these services have expanded to communication software (Line, Facebook fan pages, and so on) with the goal of expanding customer bases and offering consumers more diverse, flexible, and convenient channels for buying books.



Source: Organized by this survey study.

Notes:

❶N=315 for 2020 and N=368 for 2021.

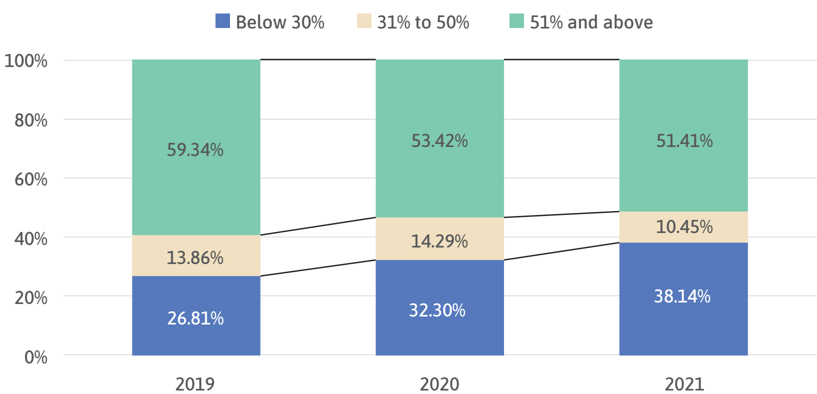
❷Multiple selections were allowed; hence, the sum would exceed 100%.

Figure 3-5. Online (non-specialized) bookstores run by Taiwan's publishing and marketing operators from 2020 to 2021

08

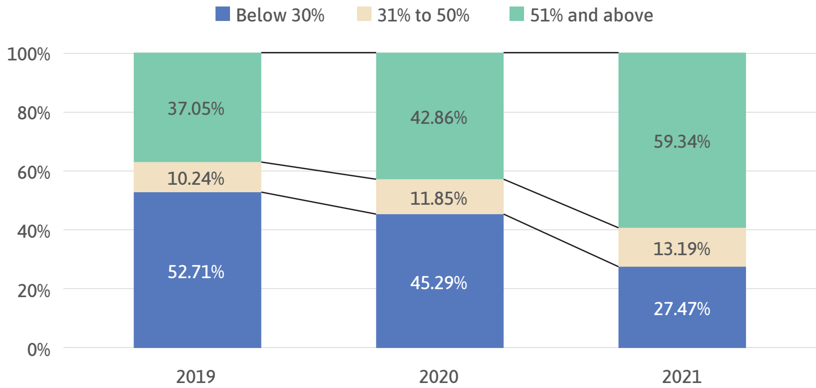
Dwindling Proportion of Publishing and Marketing Channel Operators Whose Primary Source of Income Is Book Sales, and Growing Proportion of Operators Whose Primary Source of Income Comes from Non-Core Business Operations

The revenue structure of Taiwan's sales and distribution channels for publications reveals that the proportion of operators relying on physical publication sales has decreased year by year, while the proportion of operators relying on other goods and services has grown. At the moment, the prospects of book retailing are uncertain, prompting many enterprises to diversify their investments in order to maintain the stability of their operations. Methods used to help manage bookstores include exhibitions, venue rentals, entry fees, minimum charges, and supplying products commonly sold by bookstores, such as stationery, food, and beverages.



Source: Organized by this survey study.
Note: N=332 for 2019, N=322 for 2020, and N=355 for 2021.

Figure 3-6. Percentage of sales and distribution channel operators in Taiwan with revenue made from physical publications from 2019 to 2021



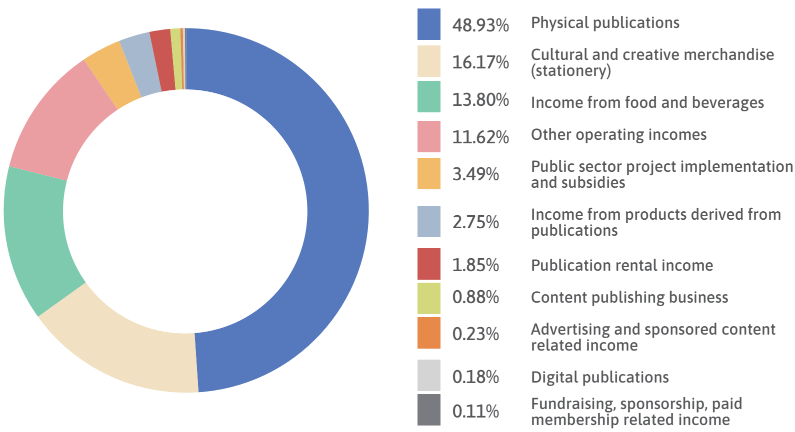
Source: Organized by this survey study.
Note: N=332 for 2019, N=322 for 2020, and N=272 for 2021.

Figure 3-7. Percentage of sales and distribution channel operators in Taiwan with revenue made from other goods and services from 2019 to 2021

09

Overview of Independent Bookstore Management

According to this year's survey of independent bookstores' revenue structure, physical publications accounted for the highest proportion of bookstore revenue (48.93%), followed by sales of cultural and creative merchandise (16.17%) and food and beverages (13.80%). Other operating incomes (such as venue rental, event fees, and so on) accounted for 11.62% , demonstrating that most independent bookstores adopted a complex business model.



Source: Organized by this survey study.

Figure 3-8. Revenue structure of Taiwan's independent bookstores in 2021

9.1. Publication purchase and sales discounts of Taiwan's independent bookstores

In 2021, the average discount on book purchases for bookstores was 35% (the mode and median book purchasing discounts were both 30%). The average sales discount was 28% (the mode and median of the best sales discount were 10% and 15%, respectively). The average best sales discount was 29% (the mode and median of the best sales discount were 10% and 20%, respectively).

The average discount on book purchases for independent bookstores was 30% (the mode and median book purchasing discounts were both 30%). The average sales discount was 14% (the mode and median of the best sales discount were both 10%). The average best sales discount was 21% (the mode and median of the best sales discount were 10% and 20%, respectively).

The average discount on magazine purchases was 25% (the mode and median book purchasing discounts were both 30%). The average sales discount was 11% (the mode and median of the best sales discount were both 10%). The average best sales discount was 15% (the mode and median of the best sales discount were both 10%).

The average discount on comic book purchases was 28% (the mode and median book purchasing discounts were both 30%). The average sales discount was 13% (the mode and median of the best sales discount were both 10%). The average best sales discount was 14% (the mode and median of the best sales discount were both 10%).

On the whole, independent bookstores have higher average purchasing costs for books, magazines, and comics, resulting in less competitive sales prices.

Table 3-3. Discounts for the purchase and sales of books by independent bookstores in 2021

Unit: Discount amount (N=89)

Item	Purchase discount	Sales discount	Best sales discount
Books	7.0 (7.0) 7.0	9.0 (8.6) 9.0	9.0 (7.9) 8.0
Magazines	7.0 (7.5) 7.0	9.0 (8.9) 9.0	9.0 (8.5) 9.0
Comic books	7.0 (7.2) 7.0	9.0 (8.7) 9.0	9.0 (8.6) 9.0
Average book return rate in 2021	40.56%	32.15%	46.17%

Notes:

❶The numbers on the left of the brackets are the modes, the numbers inside the brackets are the averages, and the numbers on the right of the brackets are the medians.

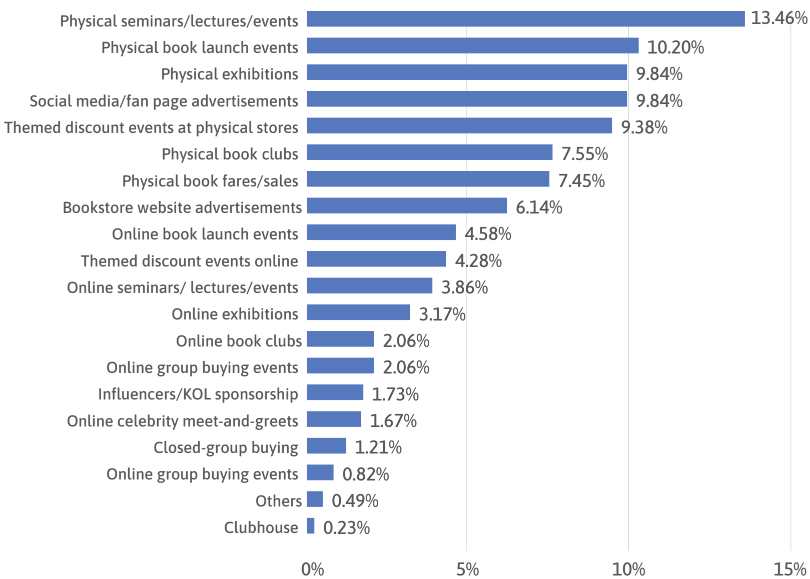
❷The "sales discount" is the average of the overall book sales discount, and the "best sales discount" is the discount under the best sales conditions.

❸An independent single bookshop is one that has fewer than 1,000 volumes on display, is a member of the Friendly Book Supplies Co-operative, and has just one physical location.

Source: Organized by this survey study.

9.2. Marketing channels utilized by independent bookstores

The main marketing strategy employed by independent bookstores in 2021 was "physical seminars/lectures/events," followed by "physical book launch events," "bookstore's social media/fan pages," "physical exhibitions," "themed discount events at physical stores," "physical book clubs," "physical book fares/sales," and "bookstore website advertisements." It can be observed that independent bookstores focused more on offline events such as seminars, lectures, and exhibition curation.



Source: Organized by this survey study.

Note:

Each marketing channel was ranked from 1 to 10 by the sales and distribution channel operators and given a corresponding score (10 points for the first place, and 1 point for the tenth place, etc.). The final score for each channel was counted and the percentage compared to the overall score was calculated.

Figure 3-9. Marketing resource allocation strategies ranked by Taiwan's independent bookstores in 2021

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Book · Magazine · Comic · Character Brand Licensing Industries

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