

Book publishing industry, 2020

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Increase in e-book and Internet sales softens the decline for the book publishing industry

In 2020, the book publishing industry was indirectly affected by measures put in place by governments to control the spread of COVID-19. The closure of non-essential businesses, including bookstores, for parts of 2020 limited sales of books for significant portions of the year. This resulted in a decrease in revenue. Even with an increase in total Internet sales of print books, as well as sales of e-books, the operating revenue of book publishers declined 4.4% from 2018 to 2020. Expenses decreased more rapidly than revenue, down 7.4% for the same period, resulting in the profit margin rising from 7.6% in 2018 to 10.5% in 2020. The largest expense item for the industry—salaries, wages, commissions and benefits—declined 7.7% from 2018 to 2020.

The COVID-19 pandemic led to some operational changes in this industry. As a result, 63.2% of respondents had to ask some or all of their employees to work from home, while 42.4% of respondents adopted or expanded a contactless business model, and 30.4% invested in an e-commerce platform. Since in-store sales were affected by the COVID-19 pandemic for a significant portion of 2020, reliance on Internet sales increased. E-commerce sales expanded as a share of total sales, accounting for 25.5% of all sales revenue in 2020.

As publishers pivoted to selling their books through online channels, Internet sales of print books rose 23.4% to \$234.5 million from 2018 to 2020, while e-book sales increased by 31.4% over the same period, to \$226.3 million. E-book sales and Internet sales of print books represented just under 40.0% of total book sales in 2020, up from 26.3% of total sales in 2016. Sales of print books not on the Internet have been steadily declining since comparable data began to be published in 2014, but this trend accelerated in 2020. Publishers reported a 21.3% decrease in sales of print books not on the Internet because of store closures and the industry's continuing pivot to selling books online.

Sales of books in Canada decline, driven by brick-and-mortar locations

Total book sales in Canada declined by \$74.6 million (-7.7%) from 2018 to 2020, driven primarily by a 22.0% decrease in sales at bookstores and other trade sales. This decline in sales can be attributed to the nationwide closure of bookstores during the early months of the pandemic, as well as the capacity limits at bookstores after they were allowed to open and consumer hesitancy to go to public places. Even with this decrease in sales, bookstores and other trade sales remained the largest source of book sales in Canada, representing 39.5% of total book sales in Canada in 2020.

Industry trends in 2021

The restrictions on recreational and entertainment activities in the second year of the pandemic sustained the popularity of reading. Growth in book sales was observed in retail sales in 2021. This increase has probably had a positive effect on book publishers. Nevertheless, the book publishing industry is grappling with challenges, as supply chain woes are impacting paper mills and printing capacity, shipping availability, transportation networks, and costs. The industry continued to face volatility in 2021.

Note to readers

Data for 2014, 2016 and 2018 have been revised.

Data are collected for the 12-month fiscal period that ends on or between April 1, 2020, and March 31, 2021. This means that some businesses have reported for a year in which the majority of their operations were before the pandemic. As a result, the effects of the pandemic are not fully reflected in this reference year.

These and other data related to the arts, culture, heritage and sport sector can be found at the [Culture statistics portal](#).



Available tables: [21-10-0042-01](#), [21-10-0200-01](#) to [21-10-0202-01](#) , [21-10-0204-01](#) to [21-10-0208-01](#) , [21-10-0248-01](#) and [21-10-0256-01](#).

Definitions, data sources and methods: survey number [3105](#).

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