

Children's Books lead the growth, online retail on the surge

2017年:童书依然领跑 网售大幅上升

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According to the 2017 News and Publishing Industry Report, released by The Administration of Press and Publication of the People's Republic of China, the number of the new publications in China declined by 2.8 percent last year, with a total number of 255,000 titles. The reprint titles, however, are on the rise. The total number of the reprint titles rose by 8.4 percent to 257,000. The print run of books and newspapers hit a new record with a 2.3 percent increase to 9.24 billion copies. Both the revenue and profit of the publishing industry are steadily increasing. The total revenue of the industry grew by 5.7 percent to 87.96 billion yuan, of which the net profit 12.75 billion yuan, with a 2.4 percent growth.

Taking a closer look at the report, it is not difficult to find that both the number and print run for new titles are in decline, while reprint titles are continuing their increases in these two aspects. This means that in general the publishing industry in China is able to control the cost and improve the efficiency. The titles, total print run and print run per title in humanity and social science categories continue their growth from previous years. Books about science and technology are the fastest growing sector.

The proportion of textbooks in the titles and print run continues to decline while literary fictions and children's books are booming as ever. Among the titles with more than a million copies in print, 7 of them are literary fictions, compared to 5 in 2016, and 3 titles are 'red' communist classics. The total and average copies in print for children's books kept the growth momentum, with 18 titles printing more than a million copies, compared to merely 5 in the previous year. The landscape of journals

shifts to category of philosophy, social science and cultural education, while the journals of literature and art are on the decline.

If we compare the Top 10 bestselling print book chart compiled by Amazon China with that by OpenBook, we can see that backlist titles such as *The Three of Us* and *The Kite Runner* are still on both charts. The boom of the book market is due in large part to the growth of children's books.

Online distribution channels for the book market were also on the rise. The 4 biggest online book retail platforms in China are JD.com, Dangdang, Tmall and Amazon China, accounting for 36.2 percent, 35.1 percent, 17.5 percent and 10.5 percent of the market respectively (data from the report on the third quarter of 2017 by Analysys, a market research company in China). According to the market report published by JD, in 2017 the biggest sectors of the book industry are children's books, educational books, literature, and lifestyle books. The JD.com report also shows that from 2015 to 2017, book purchases have shifted to the mobile devices, and its advantages have become more prominent. In 2016, the number bought through mobile devices exceeded that of computer end in terms of order volume, sales volume, sales amount, and number of users. In 2017, this trend was maintained, and the advantages of using mobile devices continued to increase.

On the other hand, the transformation of brick-and-mortar bookshops has reached its peak in 2017. From major chains and small outlets to independent bookshops, every bookseller in the industry has been shifting away from the traditional retail to

the emerging models. The Xinhua Bookstores in many provinces and cities have formed a new distribution system that integrates storefronts with online platforms. The expansion of private bookchains has accelerated and created a large number of well-known bookstore brands. This has also provided a more convenient and direct channel for book retailing and has achieved an increase in book sales.

In terms of digital publishing, 20 key national laboratories on the diverse development of publishing industry launched many digital products. These laboratories consist of academic researchers and digital professionals from publishers and technology companies. Supported by public funds, these laboratories combine the advantages in the fields of studying, research and industry knowledge to give guidance to the development and application of digital publishing products.

In addition to that, national service to the knowledge industry has started on a full scale. Up until the end of 2017, 50 publishing houses have been confirmed as the testing ground for professional digital content resources and knowledge service industry. Companies such as iGet App and Himalaya are the new stars in the knowledge service industry. An increasing number of traditional publishing houses continued their exploration in diverse development and accelerated their transformation towards knowledge service. For example, the digital platforms of 'Science Archive' and 'Chinese Medicine Archive' developed by China Science Publishing Media Company and the 'Zhongdu' pay-for-knowledge product developed by SDX Lifeweek all received tremendous market response.

(translated by Chen Huiyi)

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Zou Bin, from Zhida Bookshop, tells us that the flagship Tmall shop of Yueyue Books has hundreds of thousands of followers and attracts more than a million visitors every day, making it an VIP business partner on Tmall. Zhida Bookshop seeks to drive the sales from physical bookshops with online activities in the generally speaking stagnated book retail industry and open new distribution channels. The advanced big data analysis provided by Tmall can not only let consumers make the payment online cashless, but also help bookshops gather offline traffic and consumer insights, polish the consumer relations management (CRM) system, and administrate online membership schemes in order for the bookshops to individualise promotional items tailored to the taste and interests of specific readers. Tmall also has the established system of loyalty schemes and pre-paid gift cards, so that bookshops can enlarge their consumer base.

In January, Beijing Publication Distribution Group opened its 'Xinhua Life + 24-hour staff-less smart bookshop', which incorporates many cutting edge technologies including self check-out system, goods scanning & recognition, online consumer services, gesture recognition, anti-theft scheme, face recognition, etc. The robots installed in the bookshop are not only able to understand consumers' needs, help them search the catalogue and check out books, but also capture the movement of the consumers and give them recommendations according to their previous purchases.

Other bookshops greatly simplified the purchase of books for readers with WeChat Pay. Guangdong Xinhua Book Distribution Group developed the self

Staff-less bookshops emerge as book retail revolutionises in China

check-out build-in software on WeChat called 'Yue Go', with which the readers could help themselves with the entire process of book purchasing, such as searching and finding the book, making the payment and printing the receipt.

Phoenix Bookshop in Nantong, Jiangsu Province makes use of its subscription account, which enables the readers to purchase any book by scanning its barcode. It also introduces all-in-one check-out machines with touch screen, which allows the readers to search for books, register events and reporting any missing titles.

The Linyi branch of Shandong Xinhua Bookshop Group founded their smart community bookshop in November 2017. Readers need to scan the QR code in order to enter the bookshop, and do the same to find, purchase and pay for the books. Other bookshops even expand the self service to other areas of retail, for example, ordering takeaway foods. When consumers order food or drinks from the bookshop cafe on their smart phones, staff will then be able to locate them and deliver the order to them directly.

In July 2018, the Longgang branch of Shenzhen Book-city unveiled the country's first ever multi-dimensional upper market smart bookshop and in its Shenzhen's first staff-less bookshop 'Abu e'. Machines with the latest technologies are literally everywhere:

guiding robots near the entrance of the bookshop, 'Abu e' now ranks the first in China in terms of size, with the construction size of 350 square meters and actual display area of 178 square meters. The bookshop uses a fully intelligent unattended book-buying system, which has many different functions including searching, shopping guide and self check-out, to provide consumers with the most convenient book-buying experience. Bookshop staff, on the other hand, needs only to check the stock and maintain the tidiness of the shop. During its first few weeks of its opening, the bookshop also adjusted its selection of display according to the consumer responses received. For example, the bookshop greatly reduced the area for children's titles in favour of more expensive, higher end books, especially the bestselling ones suitable for urban white collar professionals.

The director of Shenzhen Longgang Book-city, Yu Hui, states that intelligent technologies have become an indispensable part of traditional publishing, whether it is the transformation of digital publishing in the upper stream or the reorganisation of the distribution platforms in the lower stream. The areas that publishers and booksellers should explore in the future lies in technology, and only with technology that the sales figures and the service quality can be improved.

(translated by Xiao Jianpeng)