

Media Clever 

The market value of Finnish literary exports: Final report 2011–2015

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The market value of Finnish literary exports

Background

This survey of the market value of Finnish literary exports is the last in a series, part of a project launched in 2013. The brief was to come up with a reliable measure of the changes in literary exports from 2011 to 2015. The first survey of the value of literary exports, published in 2014, covered the years 2011 and 2012.

The first survey covered export figures as well as changes in trade relating to literary exports. It included information collected in interviews with people involved with publishing and literature, authors, publishers and literary agents in Finland and Sweden selling rights abroad. The aim in these in-person interviews was to analyse key players' views of changes in publishing and export activities as well as future prospects. Interviews were also conducted in subsequent years via an online questionnaire. Respondents could formulate their own views on matters such as the future of literary exports.

Based on the information received during the survey planning phase and in-person interviews, it was decided to delimit the target group that was asked for export figures. In order to make the export figures comparable from year to year, later surveys used the same restrictions for the figures, so we asked publishers and literary agents who had agreed to submit figures for the entire period of the survey and were able to supply precise data on literary exports each year.

Scope of the survey

The field of literature is divided into fiction and non-fiction. The dividing line between non-fiction and scholarly books is not fixed. This survey focuses on non-fiction aimed at a general readership.

Fully 90 percent of the books published in Finland are works of non-fiction. Non-fiction covers a very broad spectrum of writing, and the non-fiction publishing industry is fragmented. Non-fiction books are specialised, and companies in different fields publish and sell their books themselves. Numerous small publishers that are active in non-fiction publishing are also involved in literary exports, and authors also enter into agreements themselves, acting as their own agents.

Non-fiction books are often specific to a particular place or country, so there is no interest from abroad in those works because other places already have similar books for their own target audiences. Selling non-fiction rights abroad is often considered difficult. The reasons for this include the select, niche target audiences and the challenge of translation: A translator must have relevant expertise in the subject matter. Non-fiction books are also often illustrated, which makes them more expensive to sell because the rights to publish the pictures must be acquired separately.

The Finnish Association for Scholarly Publishing represents around 100 member organisations in Finland, and these organisations might be very active on the international scene. Nevertheless, it is difficult to put a monetary value on this business. Furthermore, because many of the member organisations are relatively small, they are reluctant to disclose detailed revenues for reasons of

business confidentiality. It must also be noted that much international scholarly literature is disseminated via open databases. This is a type of exchange that does not involve money.

This survey excludes scholarly literature as described above because literary exports were treated as a purely economic activity, in terms of sales revenues for foreign rights. The figures in this survey do include general non-fiction works that were published and/or agented by a for-profit entity included in this project.

‘Literary exports’ refers to the sales of foreign rights – that is, intellectual property. This survey covers the sales of publishing rights to publishers abroad for books written and published in Finland. Exports of finished books are not counted as literary exports; only licences for foreign publishers to translate works into other languages and to market and sell the translated works are included. ‘Exports of finished books’ refers to professional books published in a foreign language in Finland or e.g. illustrated books created for the tourist market. This sort of export is difficult work and ties up capital in distribution channels. Because the export of finished books makes up a small portion of total literary exports for the reasons mentioned above, it has not been included in this survey.

The third exclusion concerns Finnish authors whose foreign rights are handled by literary agencies outside Finland. No figures were received from foreign agencies, despite enquiries and requests. Several widely translated Finnish authors are on the lists of foreign literary agencies, so a significant sum remains outside the scope of this survey.

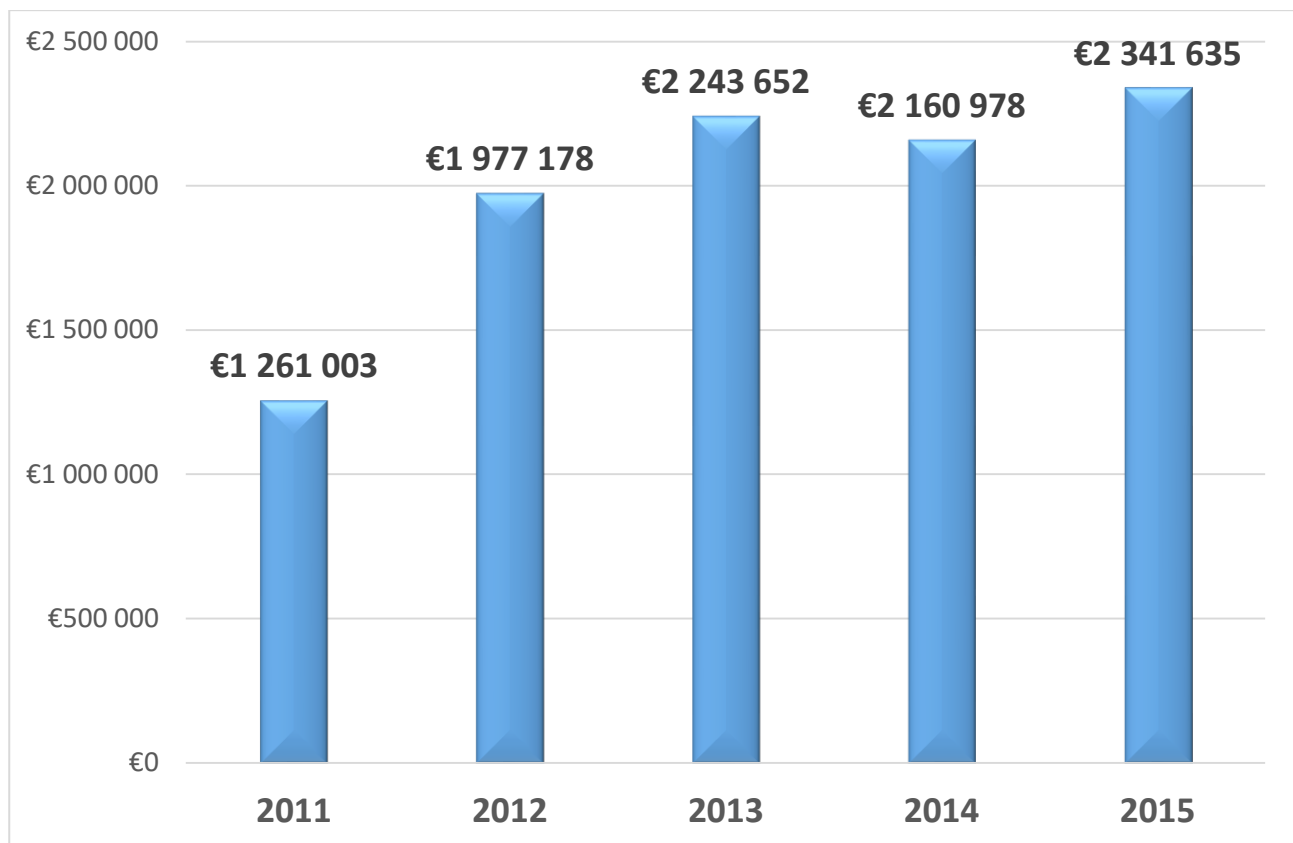
Literary exports in figures

Data have been collected from Finnish publishers and literary agents. The figures collected include actual rights sold. We present only overall total amounts so no individual figures for any particular author or organisation can be determined from the numbers. The only categorisations applied to the figures are for different genres of books.

The questionnaires asked respondents to state the gross revenue their company or organisation received the previous year for literary exports (foreign rights sold abroad). The question was phrased to include all revenues regardless of when the rights were originally sold. Rights sales include foreign rights for print as well as e-books.

The value of literary exports, i.e. the revenues from sales of foreign rights for books, was €2.34 million in 2015. Total revenues from literary exports increased by 8% over the previous year (2014), when total revenues were €2.16 million. The strongest annual growth in the period covered by the survey was between 2011 and 2012, with 57%. The strongest period of growth is partly explained by the Frankfurt Book Fair, where Finland was the Guest of Honour in 2014. The decision to grant that status to Finland was made back in 2009, and the selection attracted significant attention for Finnish authors well before 2014, particularly in Germany. Growth from 2012 to 2015 was more moderate, and the total revenues for 2014 were down by 4% on the previous year. It is worth noting that the total did not decrease further; the value of literary exports seems to have shifted to a new level.

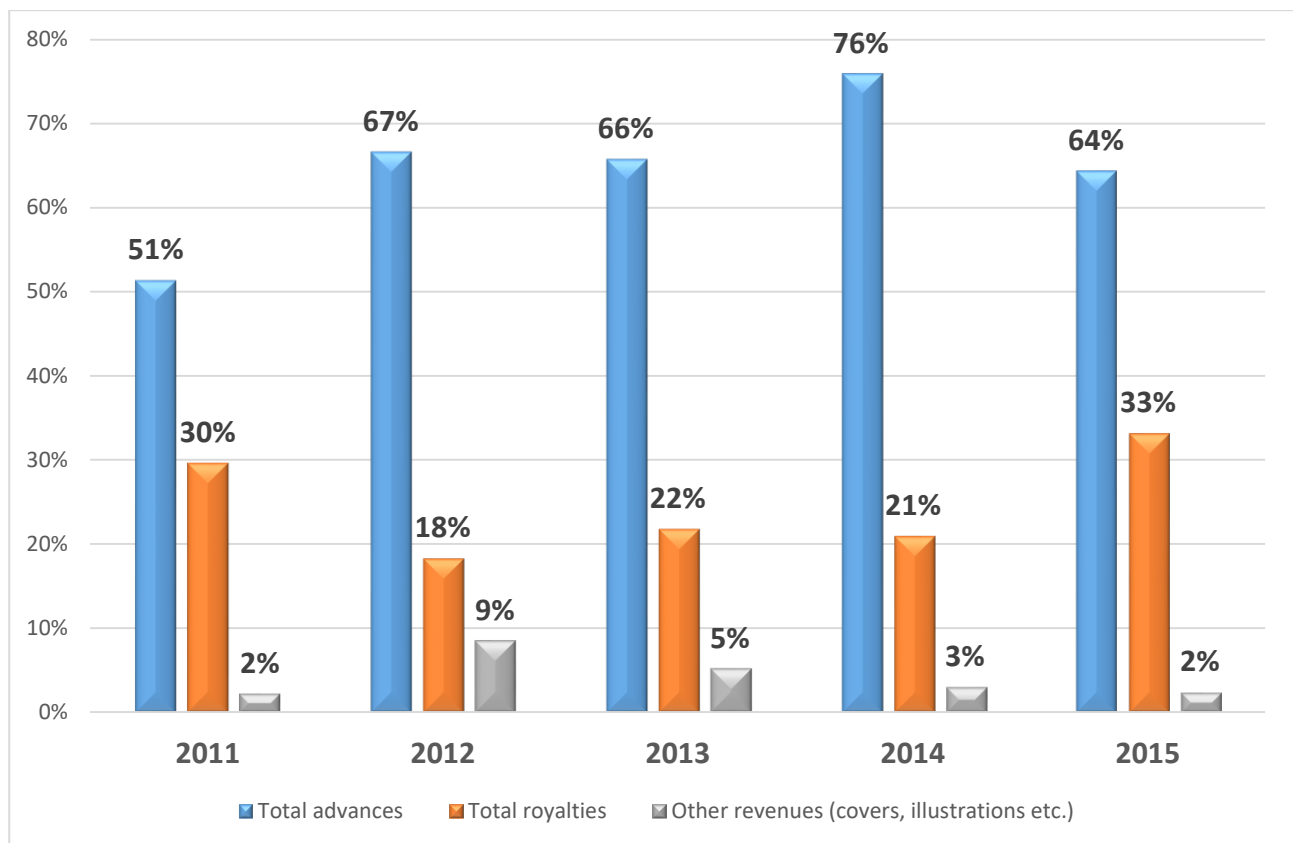
Table: Gross revenues from literary exports, 2011–2015



Not all the data received for 2011–2013 was broken down into advances, royalties and other revenues, as some respondents provided only the overall totals and not subtotals in those categories. Only a very small share of the total revenues was affected, however. The category subtotals for 2014 and 2015 are known, though.

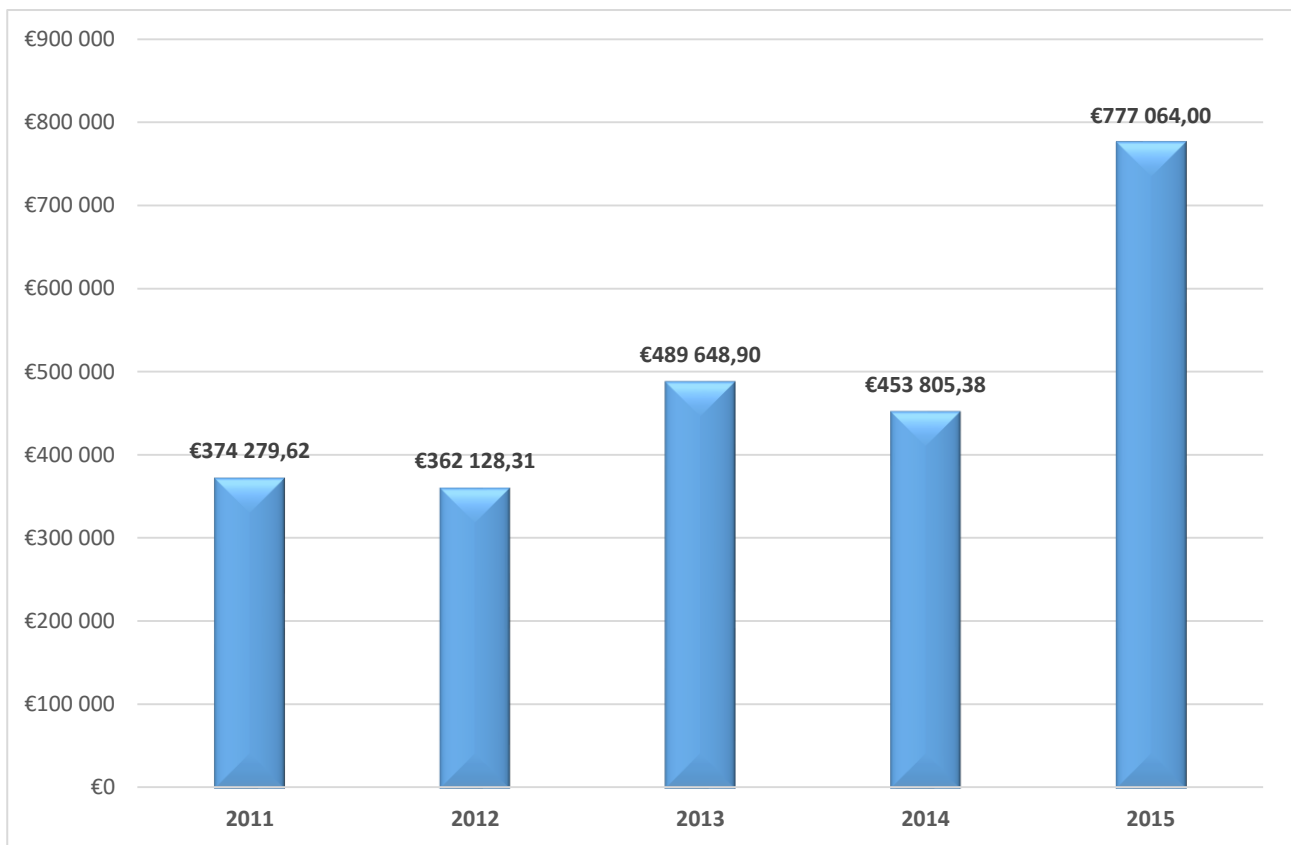
Advances make up the largest share (64%) of total revenues in 2015, with royalties accounting for 33% and the remaining 2% coming from other revenues such as covers and illustrations. Royalties as a share of the total increased by a little over 10 percentage points compared to the situation in 2012–2014. Thanks to the emphasis resulting from the Frankfurt Guest of Honour project, authors have made it out into the world and their books have achieved success, generating stability in the form of increased royalty revenues.

Table: Breakdown of gross revenues



Just as royalties increased significantly in 2015, the share of the total represented by advances has decreased slightly for the first time in the survey period 2011–2015. One respondent said the great interest that accompanied Finland’s stint as Frankfurt Guest of Honour had begun to dissipate, and publishers abroad were focusing their attention elsewhere for acquiring rights. The same respondent said the Guest of Honour project caused something of a glut of Finnish authors in Germany, but now after the rush there were signs of an upturn in demand once again. Thanks to the Frankfurt Guest of Honour project, authors have made it out into the world and their books have achieved success, generating stability in the form of increased royalty revenues, as seen in the strong growth in royalties in 2015.

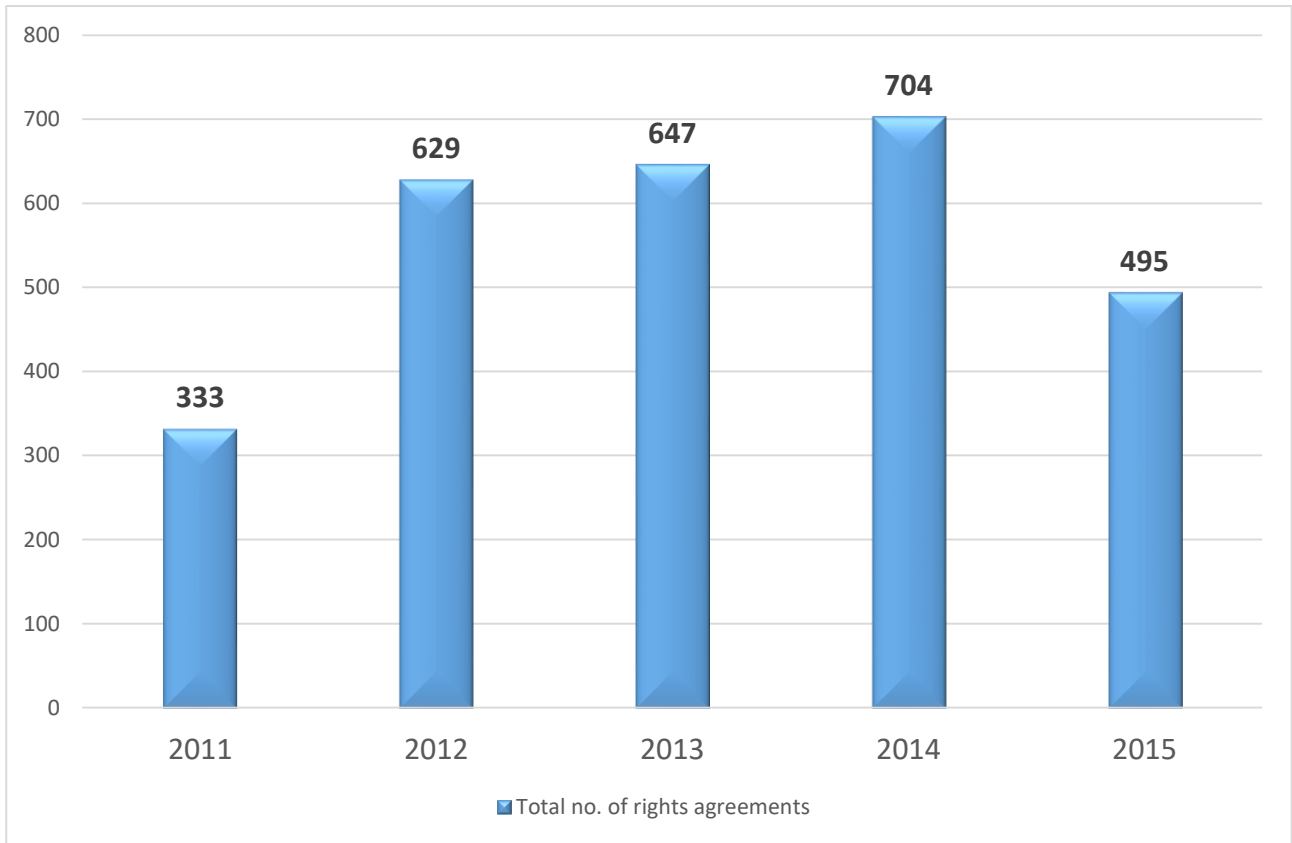
Table: Growth in royalty revenues



The number of foreign rights agreements grew from the start of the market survey up to 2014. In 2015 there was a definite drop in the number of agreements. In 2014 there were a total of 704 rights agreements made, while the number in 2015 was 495.

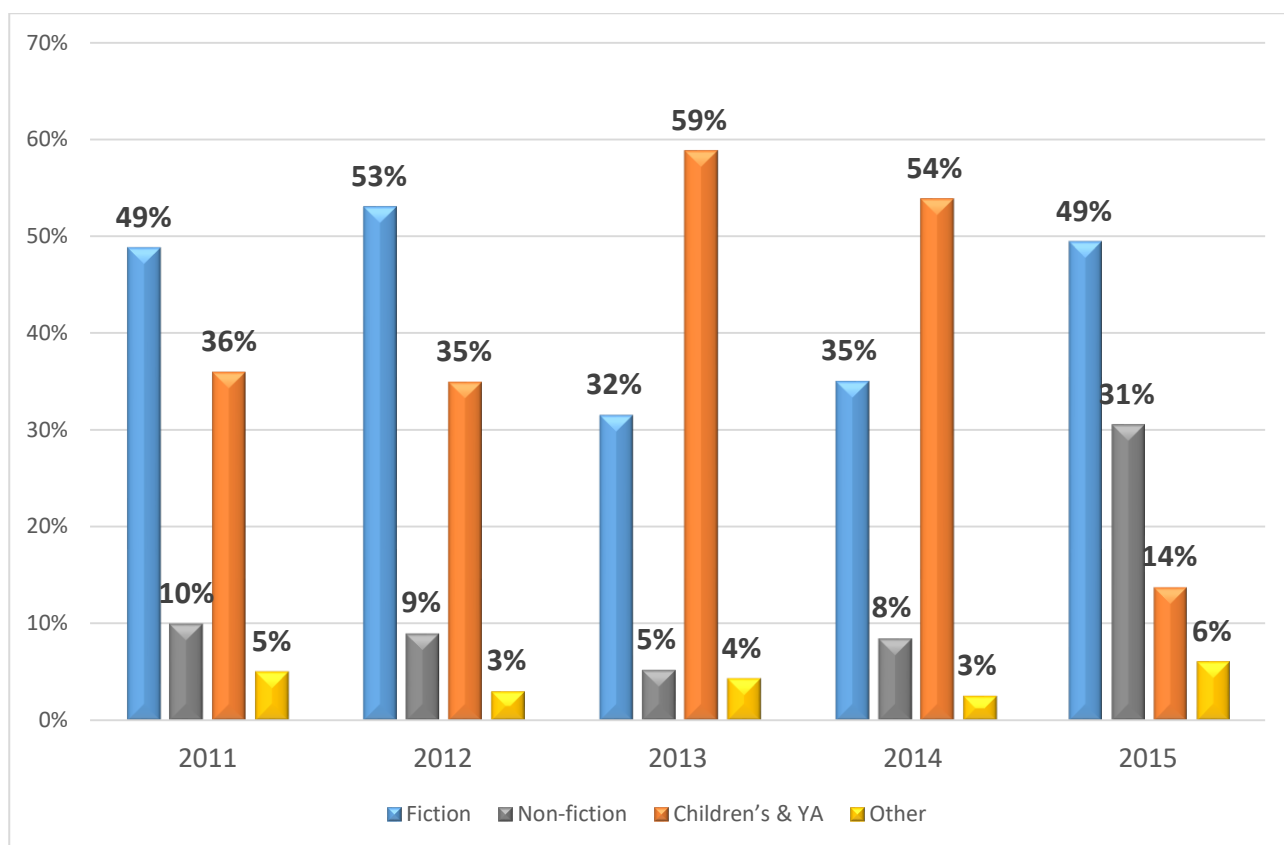
The number of authors whose books were sold into at least 10 territories also shrank in 2015. In 2013 the survey showed 15 authors fitting this criterion, with 37 in 2014 and 10 in 2015. A partial explanation for this change is the interest generated by the Frankfurt Book Fair project and sales efforts ahead of that. The synergy of these factors created a spike in sales of foreign rights for Finnish literature that has now levelled out. The Finnish perspective is that the Guest of Honour project got authors out into the world and their books were successful, and Finnish publishing professionals now have better contacts abroad than ever before.

Table: Sales of foreign rights



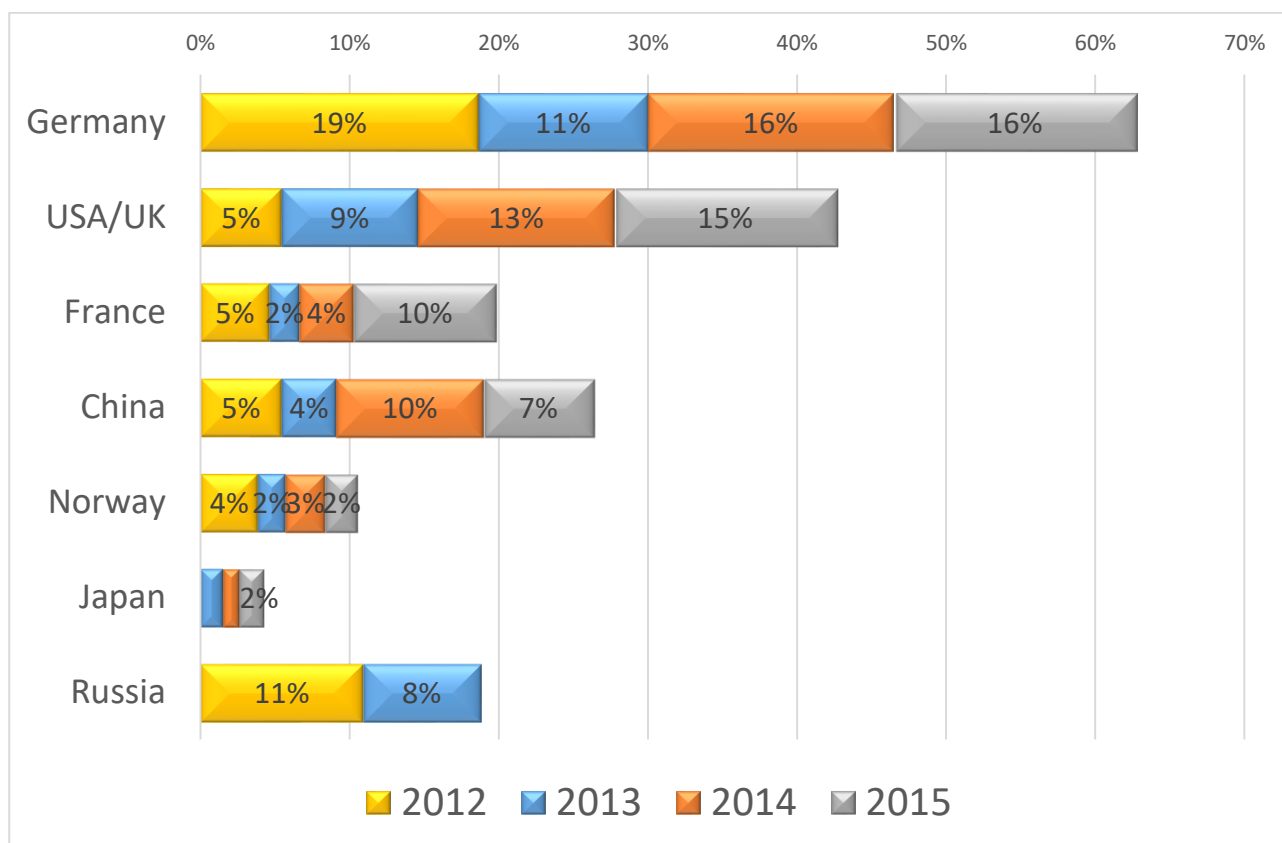
By categorising the foreign rights revenues according to genre we can see a jump in the growth of children’s and young adult (YA) literature as a share of the total revenues from 2013 to 2014. In 2011 and 2012 children’s and YA books accounted for around 35% of total exports, but that share increased to 59% in 2013 and 54% in 2014. In the figures for 2015, fiction represented around half of the total, as in 2012 and 2011. Accordingly, non-fiction showed a significant increase, now making up around a third of the total. Children’s and YA books dropped off, from just over half of the total in 2014 to 14% in 2015. These apparently large changes in the percentages are the result of certain individual successes in children’s and YA books. Overall, Finnish literary exports still represent a relatively small figure, so major individual deals can show up as large changes in percentage terms, especially when the figures are broken down by literary genre, with small totals in each category. In such cases, the sales of foreign rights for a single book into several territories may result in a significant increase in the figures.

Table: Export revenues by literary genre (in percentages)



The following table shows the most significant export markets reported by publishers and literary agents for 2012–2015, so the countries listed represent only part of the total export market. Germany remained the most important territory, with a share of total exports in 2014 and 2015 of around 16%. The UK and US have continued to increase their share since 2012, and they are now on a par with Germany, at 15%. In 2015 France increased its share to 10%, up from previous years. China stood at around 5% in the early years of the survey, but in 2014 China’s share increased to 10%. In 2015 that figure decreased slightly to around 7%.

Table: The most significant foreign rights markets, 2012–2015



Future prospects for literary exports

Publishers and literary agents were also asked for their views on the most likely future export markets. The leading markets in their responses were the US/UK, Germany and France.

From the interviews conducted with publishers and the replies they submitted on questionnaires, it emerged that the sales efforts connected to the Frankfurt Guest of Honour project (2009–2014) as well as the interest generated by the project contributed to success in exporting Finnish authors and created many important new contacts. This brought stability to literary exports, with increases in royalties and other revenues.

Nevertheless, the challenges of selling foreign literary rights, which have shaped the field for a long time and throughout the period of this survey, still remain the same. These include structural changes in media spending and the global downturn in sales of books. Book sales in Finland

experienced strong growth until the beginning of the 21st century, but since then growth has stopped. The small sales figures for Finnish authors here in Finland could also make it difficult to achieve foreign rights sales, because success in the author's home market is often one of the factors publishers abroad want to know about before making a decision to acquire rights. However, publishers realise the Frankfurt Guest of Honour project opened many doors, creating new contacts that will make it possible to export more Finnish authors around the world in the coming years.

The small number of rights sellers in Finland is also a challenge for exports and for growing the market. Swedish literary agencies have eminently filled that gap, but the revenues channelled to those agencies end up outside Finland. The agency structure in Finland is in constant need of reinforcement.