



Book Buyers Continue to Seek Discounts

*Weak fourth quarter, smaller customer base
hurt industry performance, Ipsos reveals*

New York, NY, March 6, 2003 – In the last half of 2002, the U.S. publishing industry beat its first half results, with the number of trade books bought by consumers up nearly four percent between July and December, according to research by Ipsos BookTrendsSM, an ongoing tracking service from Ipsos, the global marketing research firm.

However, consumers continued to turn to used bookstores and deep discounters, which slowed dollar growth, Ipsos BookTrends found. Consumer spending inched up just 1.4% to \$5.6 billion during the second half of 2002. In addition, weakness was noted during the key fall holiday season, with no consumer growth in spending compared to a year earlier.

Including the first six months of the year, American consumers purchased 1.14 billion adult trade books in 2002, up 3% from 2001. Spending, on the other hand, posted an anemic lift of 2%, to \$10.97 billion.

“The publishing industry certainly has struggled to maintain its customer base over the past several years and this trend deepened again last year,” said Barrie Rappaport, author of the study and manager of Ipsos BookTrends.

The latest Ipsos BookTrends survey of more than 16,000 nationally representative households found that roughly 56% of American households bought at least one adult trade book in 2002, down from 57% in 2001 and 60% in 1997.

Despite a smaller customer base, U.S. households shopped more often for books in 2002 than the year prior. Book-buying households shopped for books approximately seven times last year, spending nearly \$25 each time.

“Publishers and retailers were able to get their existing customer base to buy more books last year,” said Rappaport. “Clearly, the challenge now is to grow that customer base.”

BOOKS PURCHASED BY OUTLET
Percentage of books purchased in the U.S.
(Purchased for someone 14+ years old. Excludes children’s books.)

Outlet Channel	July – December		January - December	
	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>
Large Chain Bookstores	24%	23%	23%	22%
Book Clubs	18%	19%	20%	19%
Independent/Small Chain Bookstores	16%	16%	16%	16%
Internet	7%	8%	7%	8%
Mass Merchandisers	7%	6%	6%	6%
Price Clubs	6%	7%	7%	7%
Food/Drug	4%	3%	3%	3%
Used Bookstores	4%	5%	3%	5%
Mail Order/Catalogs	3%	2%	3%	2%
Discount Stores	2%	2%	2%	2%
Multi-Media	1%	1%	1%	1%
All Other	8%	8%	9%	9%

Methodology

Ipsos BookTrends has been tracking the book industry and providing consumer-purchasing information for nearly 20 years. Reports are compiled from information gathered from a panel of 16,000 nationally representative households who maintain daily purchase diaries for Ipsos.

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To view the full release online, with chart, go to:

<http://www.ipsos-npd.com/redirect/media/1760.cfm>

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