

21st Century Publishing and the Impact of the eBook

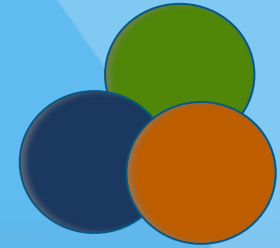
@noshelfrequired

Wright
State
University
Libraries

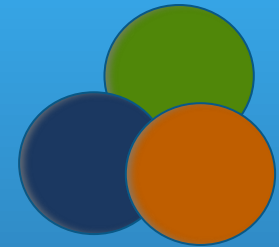
Sue
Polanka

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Items for discussion



- Industry and Library Data
- Distribution paths, pricing, business models
- Academic Publishers - challenges
- Trade Publishers - challenges
- What to expect



Industry Statistics

12.7 Billion

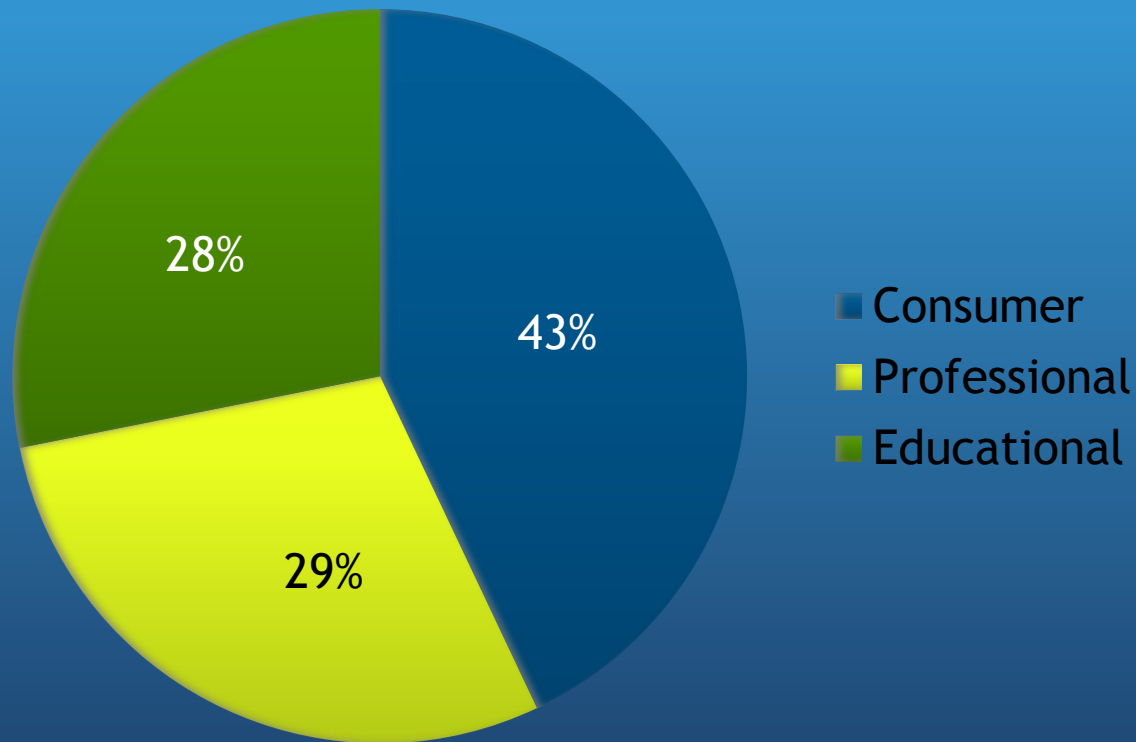
Estimated worldwide eBook market
sales for 2013

Source: Outsell Report, 2013

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

2013 Worldwide eBook Market

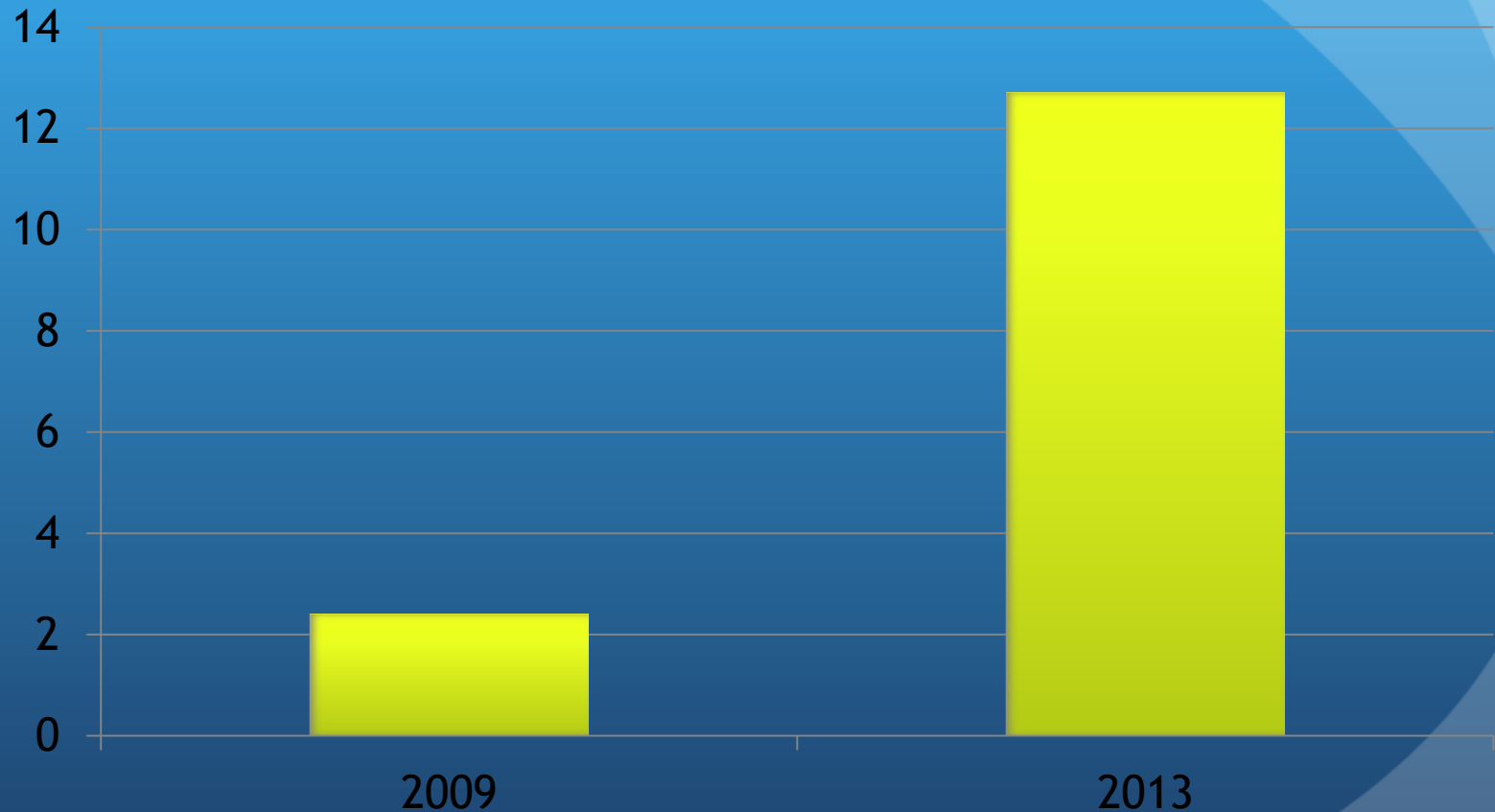
12.7 Billion



Source: Outsell Report, 2013

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

Worldwide eBook Sales Growth



Source: Outsell Report, 2013

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

23% of executives said that digital sales have already overtaken print sales at their companies

Source: Forrester Research Report, 2012

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

28% of executives think their company will be better off because of the transition to digital

Source: Forrester Research Report, 2012

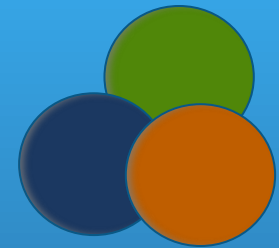
Sue Polanka, WSU Libraries and No Shift Required, March, 2013

51% last year

28% of executives think their company will be better off because of the transition to digital

Source: Forrester Research Report, 2012

Sue Polanka, WSU Libraries and No Shift Required, March, 2013



Library Data

23% of Americans age 16 and older who read ebooks

Source: Pew Internet, 2012

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

Up from 16%

23% of Americans age 16 and older who read ebooks

Source: Pew Internet, 2012

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

31% of Americans age 16 and older are aware libraries offer ebook loans

Source: Pew Internet, 2012

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

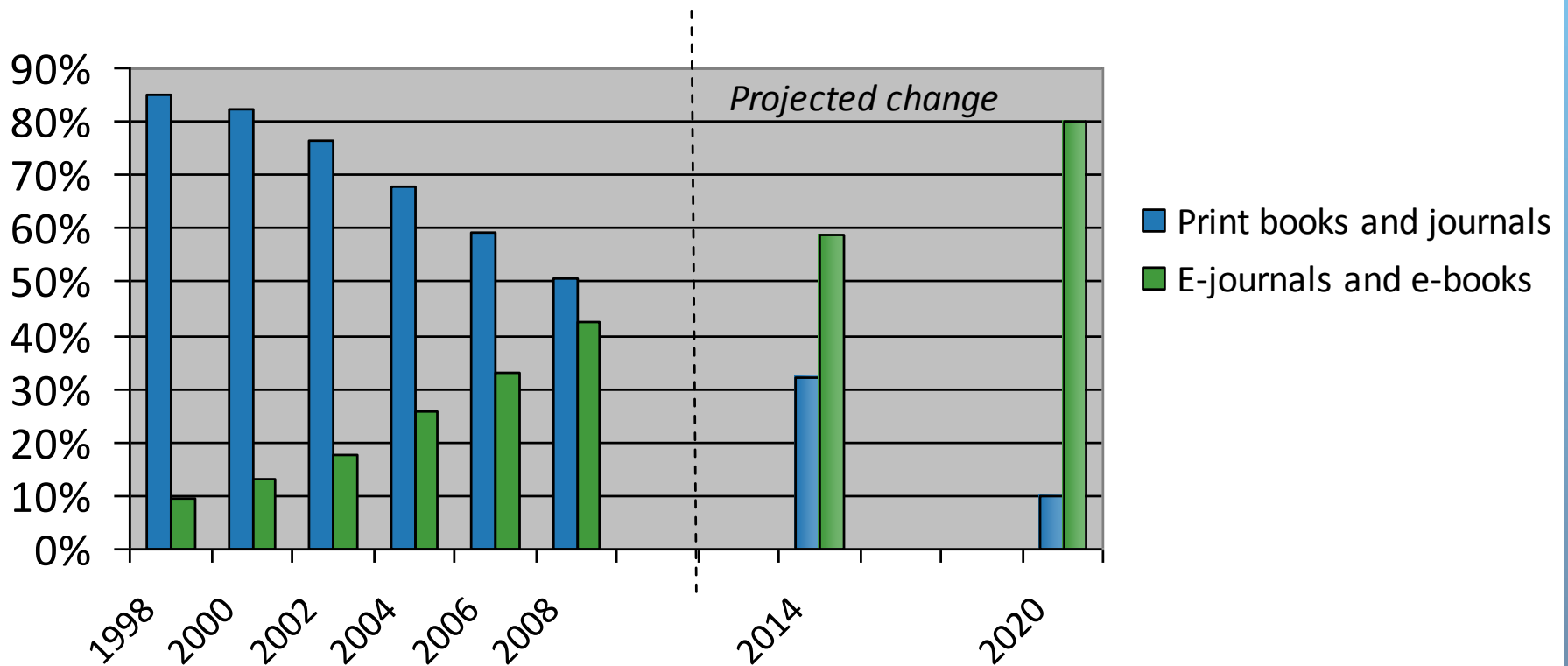
Up from 24%

31% of Americans age 16 and older are aware libraries offer ebook loans

Source: Pew Internet, 2012

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

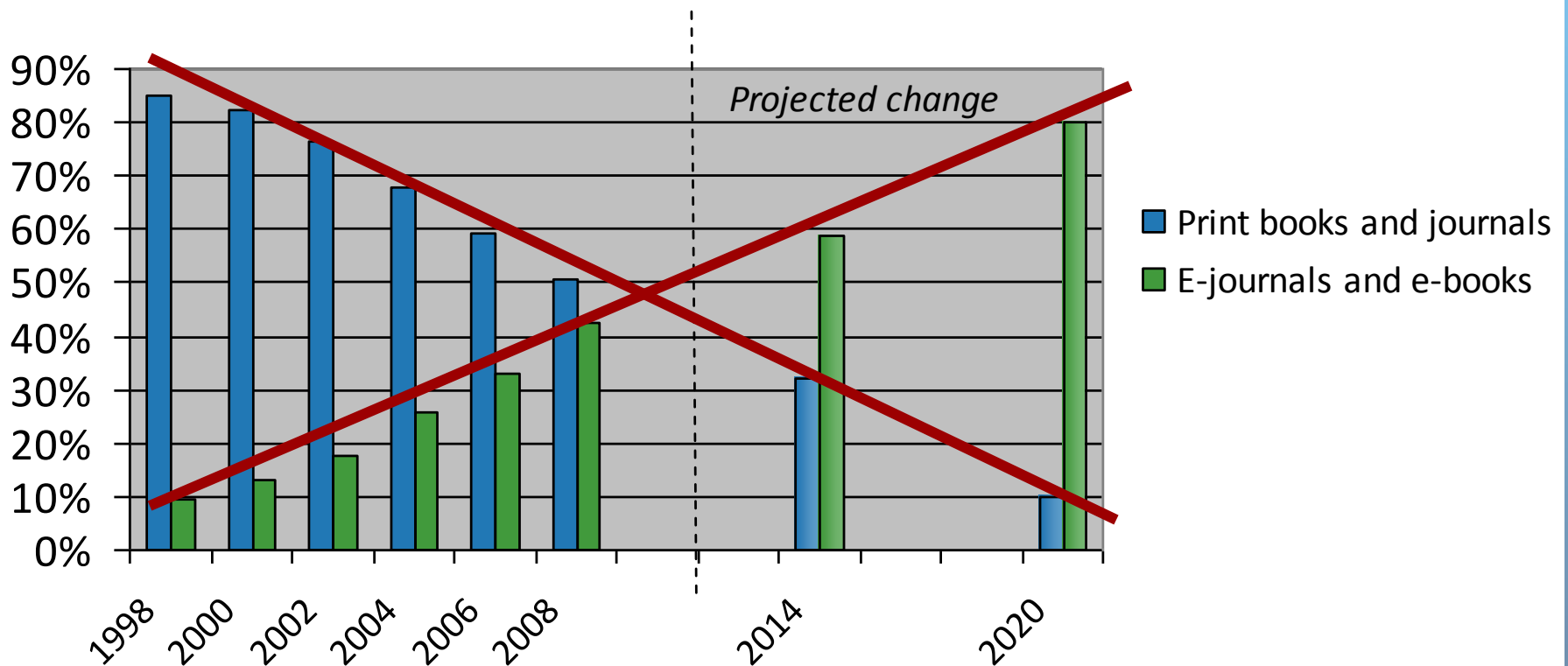
Academic Library Expenditures on Purchased and Licensed Content



Source: US Dept. of Education, NCES, Academic Libraries Survey, 1998-2008

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

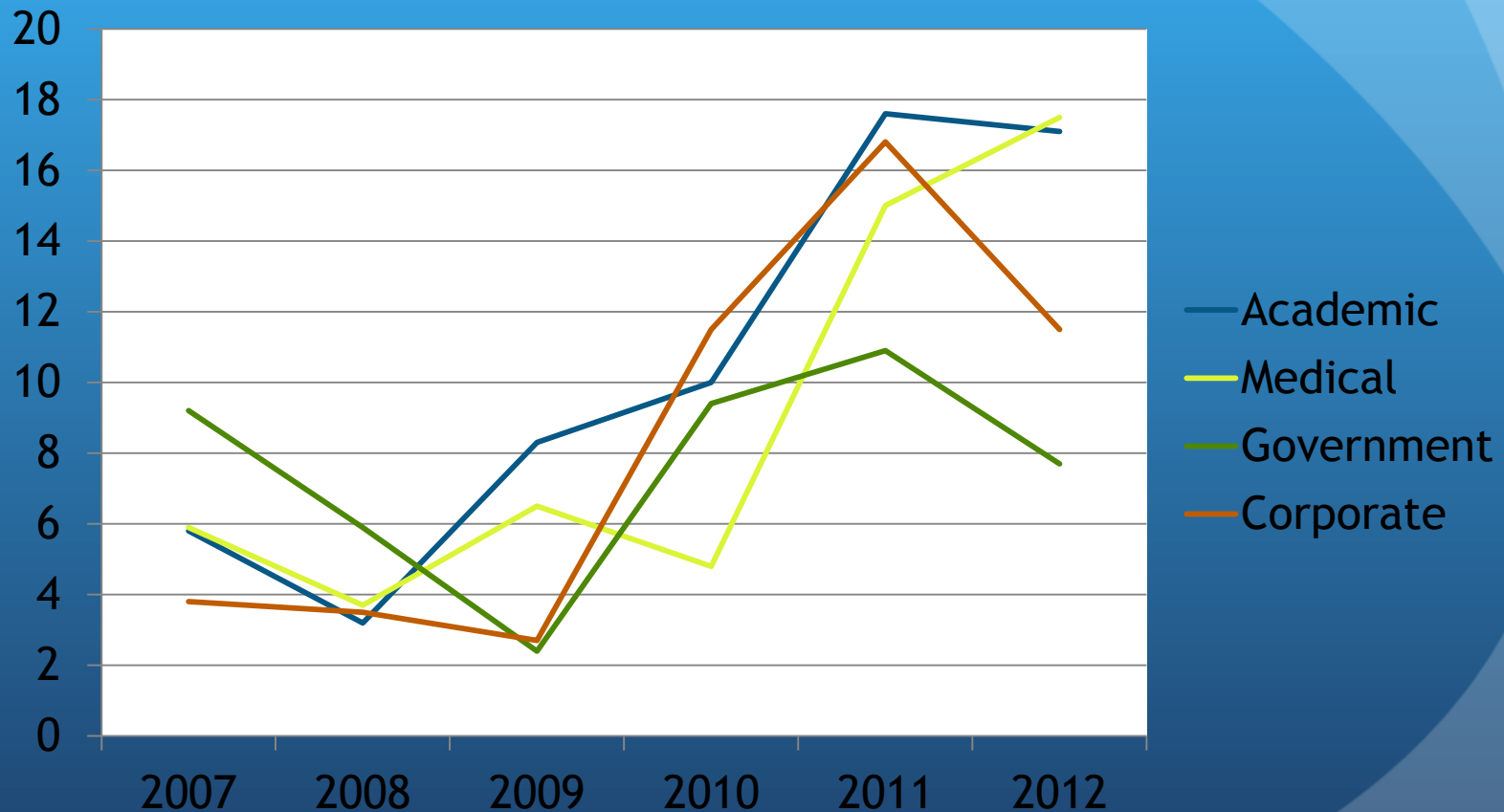
Academic Library Expenditures on Purchased and Licensed Content



Source: US Dept. of Education, NCES, Academic Libraries Survey, 1998-2008

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% book budget spent on eBooks

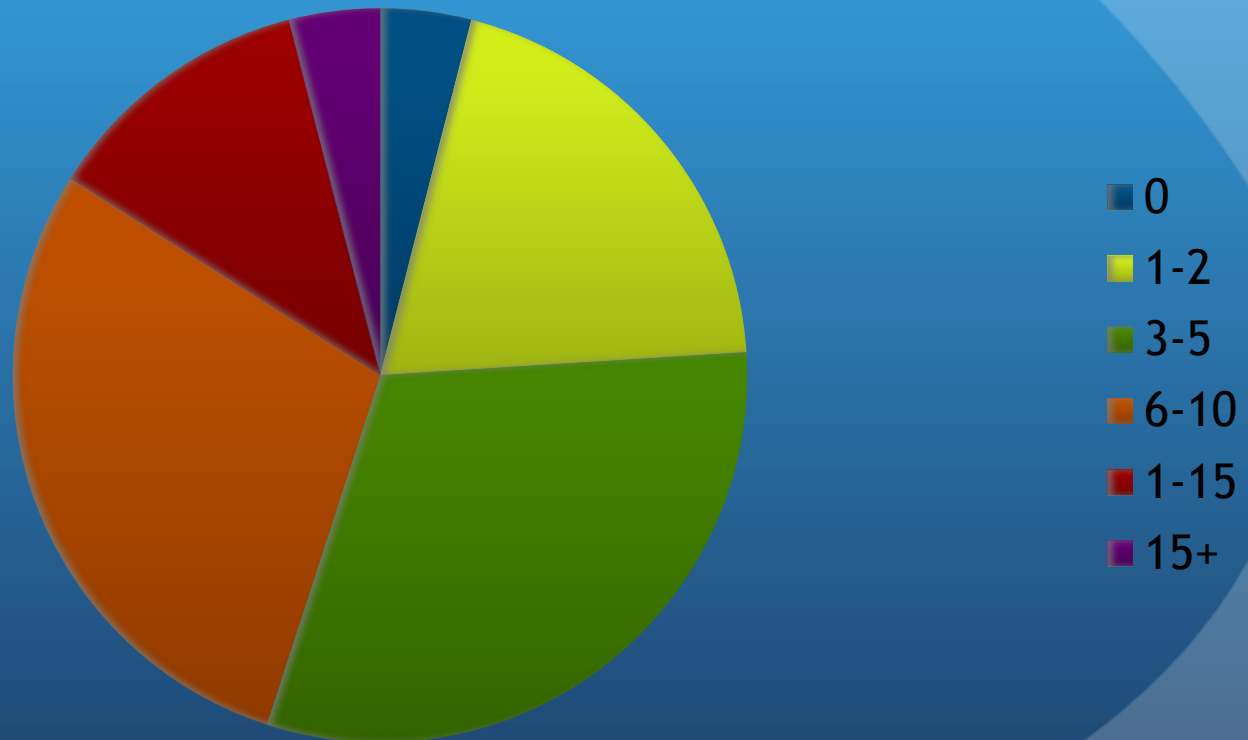


Source: Publishers communication Group, Library Budget survey, 2013

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

% book budget spent on ebooks

Public Libraries, 2012

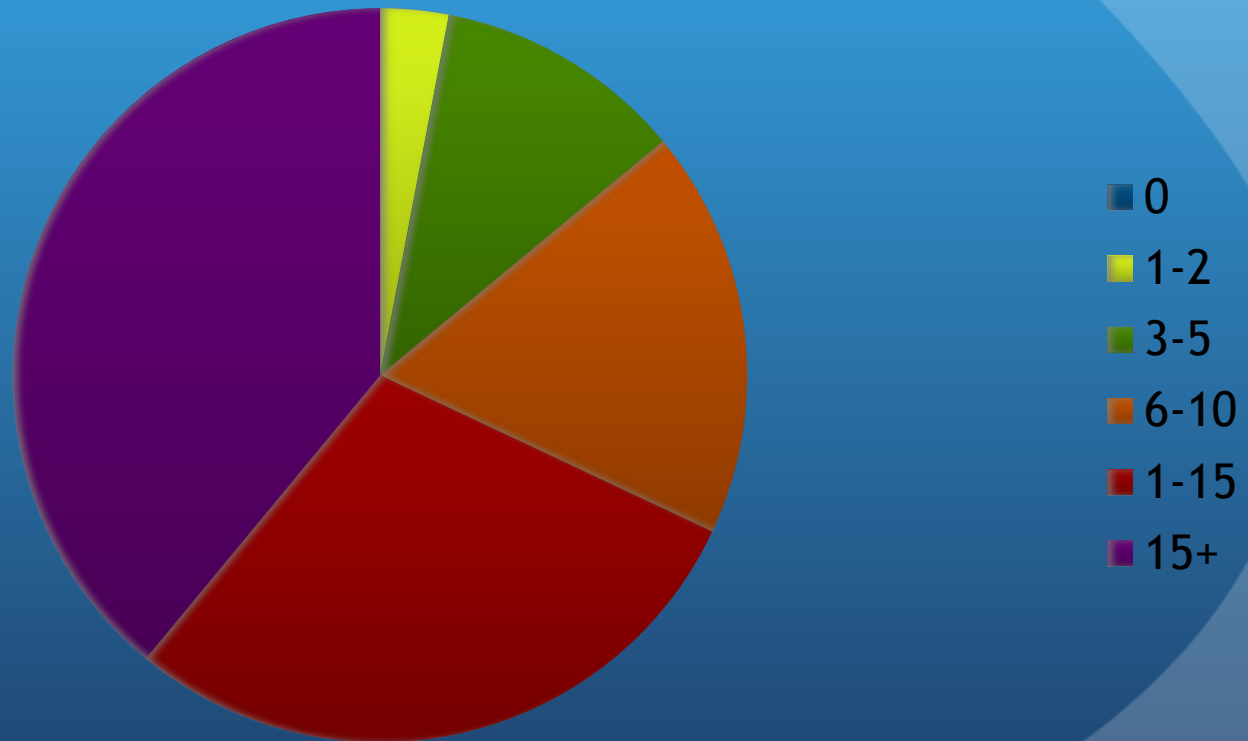


Source: Library Journal 2012 Survey of eBook Usage in Public Libraries

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

% book budget spent on ebooks

Public Libraries, 2017



Source: Library Journal 2012 Survey of eBook Usage in Public Libraries

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

Library Services in the Digital Age

Pew Internet Research Study, 1/22/2013

- Three most popular services according to library staff are:
 - **Classes on e-borrowing**
 - **Classes on handheld reading devices**
 - **Online ask a librarian service**

Public Priorities for Libraries

Pew Internet Research Study, 1/22/2013

Libraries should “definitely do” this

85% - coordinate more closely with local schools

82% - free literacy programs to help young children

59% - comfortable spaces for reading, working, relaxing

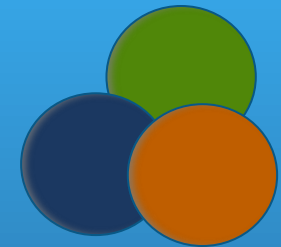
53% - offer a broader selection of e-books

Black and Hispanic Communities

Pew Internet Research Study, 1/22/2013

Are more likely to use these services:

- Cell app
- Ask a librarian service
- Service to test new technology and devices
- Classes on downloading e-books
- Kiosks/red boxes
- Media lab to create e-books, movies
- Borrow loaded e-book readers
- GPS app to locate materials
- Classes on e-readers
- Customized online recommendations



Distribution Paths, Pricing & Business Models

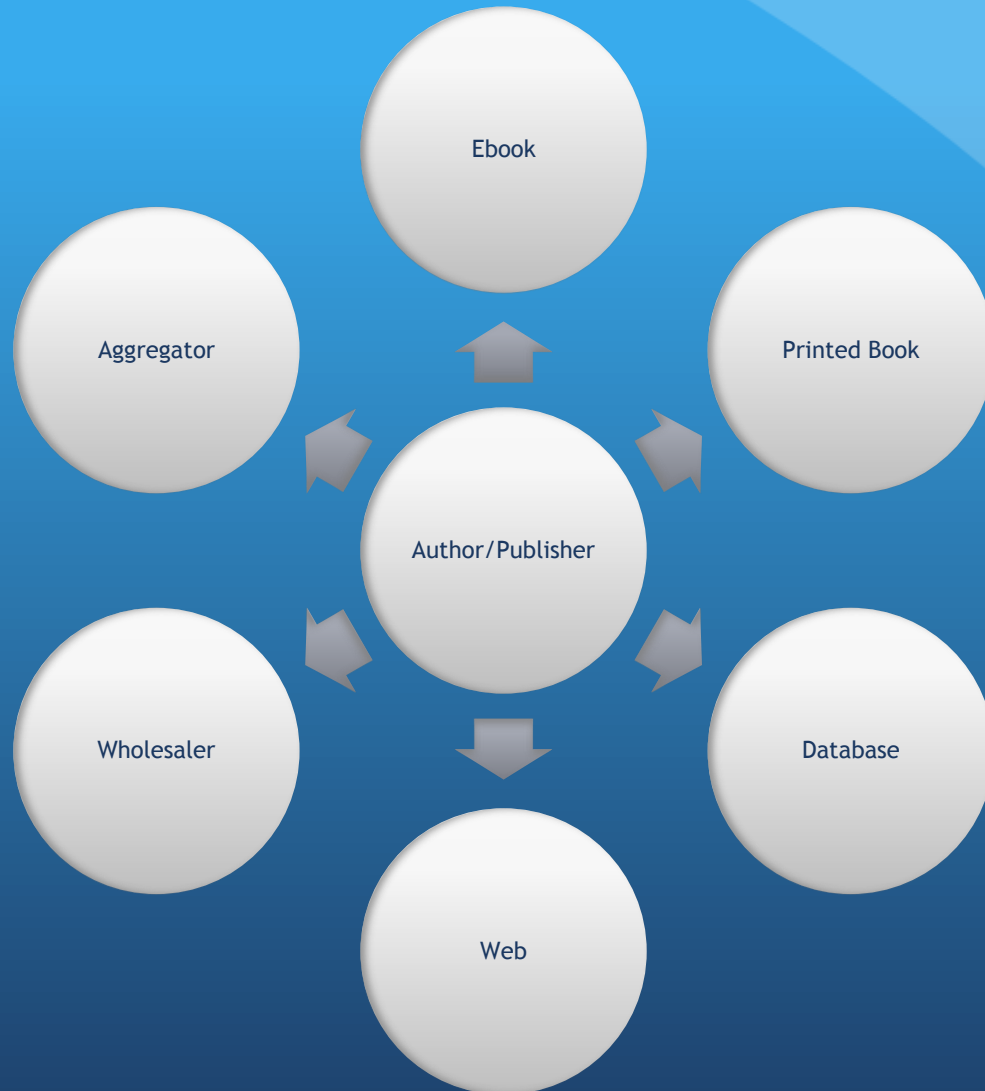
Old Path to Readers



Adapted from Niko Pfund, OUP, SOCHE Conference, May 2012

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

New Path to Readers

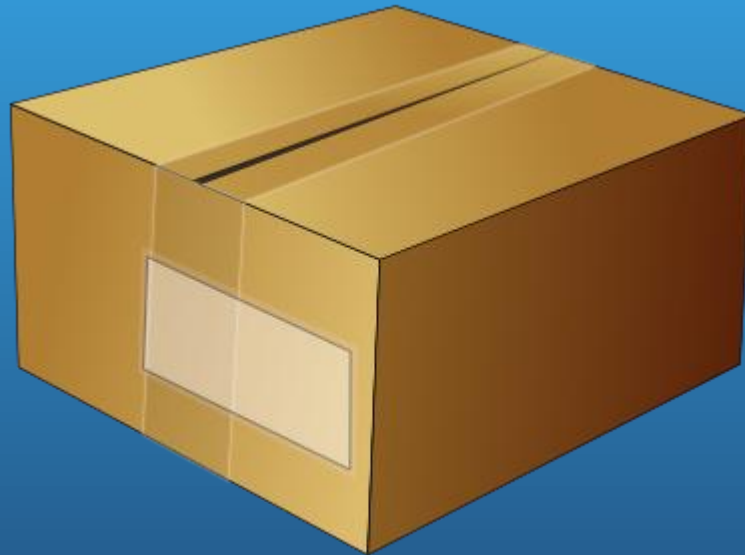


Adapted from Niko Pfund, OUP, SOCHE Conference, May 2012
Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

New Path to eBook Reader



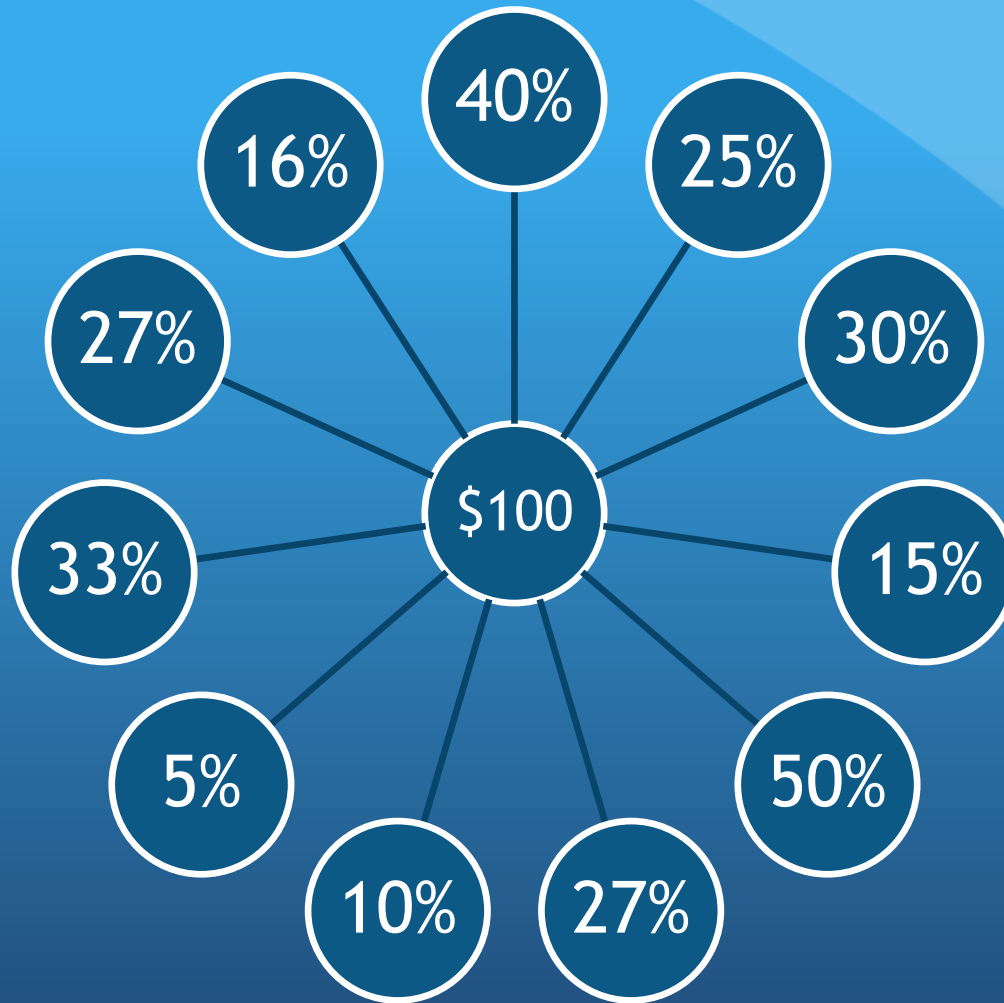
Static pricing was easy



List Price = \$100
20% discount for libraries and bookstores

Elastic pricing is not





\$100 book revenue then and now

1500 x \$100 = \$150,000

- 20% discount

= **\$120,000**

1500 x \$100 = \$150,000

- 300 copies at 20% (\$24,000)

- 70 copies at 10% (\$6,300)

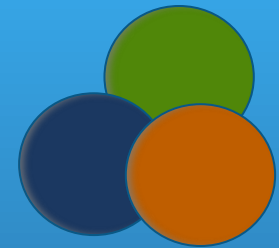
- 300 copies at 40% (\$18,000)

- 140 copies at 15% (\$11,900)

- 90 copies at 25% (\$6,750)

- 600 copies at 35% (\$39,000)

= **\$105,920**



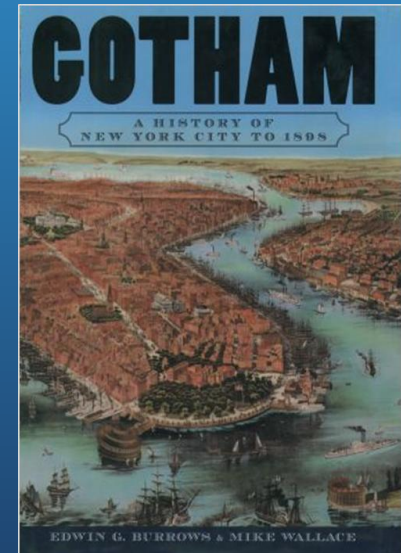
Academic Publishers

Adjustments Made for E

- XML Conversion
- eRights
- Determine print run (lower runs, higher costs)
- Implement technology to self-host or license content to aggregators
- Partner with new distributors

Efficiencies Gained with E

- eDistribution more cost effective
- No returns with ebooks = no storage
- Discounts are lower than print (academic)
- New publishing models activate old books
 - OUP case study
 - Gotham, 1998



Academic Market Challenges

- Build platform or aggregate content?
- Collections or title selection?
- Whole/one-time or part/short-term?
- Is the house in order?

Build or Aggregate Content?

- Build your own/host
 - Million dollar question
 - More control, more revenue
 - More expense - tech/people
 - Journal/book content platform
- Aggregate Content
 - Who do we partner with?
 - Discounts
 - Greater exposure?
 - Lose branding
 - Content lost in noise

What do
your
users
need?

Collections or Titles?

- Collections
 - Publishers prefer
 - Easier to manage
 - Difficult to sell
- Title by Title
 - Transactional nightmare
 - Libraries prefer/demand
 - Lower cost, individuals purchase
 - Higher cost, higher decision

THE
BIG
eBOOK
DEAL?

Whole/Once or Part/Short-term?

- Whole/Once
 - Publishers like to sell the whole
 - Easier to manage
- Part/Short-term
 - Transactional nightmare
 - \$.99 times 200 uses
 - Breaking book into chapters
 - Reach new user group



Flexibility
is good
for users

Is the (Publishing) House in Order?

- Streamline
 - Print and electronic workflow
 - Technology in place
 - Variety of business models
 - Rich metadata
 - Capable of managing transactions
- Get 3rd party help
- Adapt

Trade Publisher Challenges

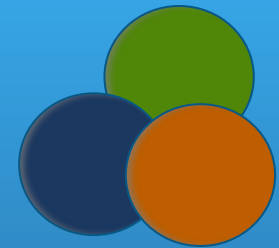
- Conversion to electronic
- Discovery
 - Brick and mortar gone
 - Online discovery (Amazon, Goodreads, Bookish)
 - Marketing, SEO, metadata
 - Customer purchasing data/trends
- Monetization
 - \$9.99 was a wake-up call
 - Agency Pricing
 - Lawsuits
 - Wholesale model

Formats of the Future?

Dedicated
Apps

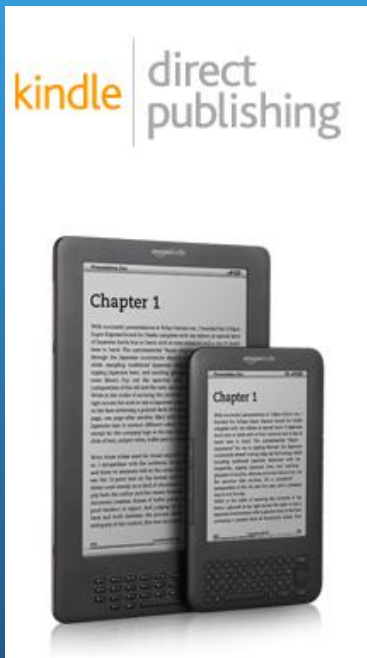
HTML5

EPUB2
EPUB3



What's Next?

Continued Rise in Self Publishing



Tim O'Reilly on Self Publishing

“There’s no question in my mind that self-publishing is the wave of the future, with one big caveat: self-publishers will become publishers. You know, everybody sees the beginnings of a new democratization via technology. People take advantage of it, they get good at what they do, then they start to extend their services to others.”

Rise in Open Access eBooks

The screenshot shows the OAPEN website homepage. At the top, there is a navigation bar with links for Home, Search, About OAPEN, Peer Review, and Metadata. Below this is a search bar. The main content area is divided into several sections:

- Browse the library:** A sidebar with filters for All, Title, and Author, and a list of top subjects including Humanities, Economics, Law, and History.
- Welcome to OAPEN:** A central text block explaining the OAPEN initiative as a collaborative effort to develop a sustainable Open Access publication model for academic books.
- Featured titles:** A list of books with small thumbnail images, including 'Red Scare: FBI and the Origins of Anticommunism in the United States' and 'Zehn Jahre in Deutschland'.
- Search the library:** A search input field with a play button and a link to advanced search options.
- Latest Tweets:** A section showing recent tweets related to OAPEN.
- News:** A section with a date (September 2012) and a link to the OAPEN Newsletter.

The screenshot shows the DOAB website. It features a prominent orange 'doab' logo and the text 'directory of open access books'. The navigation bar includes 'Search', 'Browse', 'For publishers', 'About', and 'Contact'. Below the navigation is a search bar with a 'Find books' label and an 'Advanced search' link. On the right side, there is a statistics box stating '755 Academic peer-reviewed books from 23 publishers'. Below this, there is a 'News' section with a 'Register for newsletter' link and a list of recent news items, including '2012-04-12 DOAB is Launched' and '2012-02-29 DOAB Press release'. An 'Archive' link is also present at the bottom of the news section.

The screenshot shows the Knowledge Unlatched website. The header includes the title 'Knowledge Unlatched' and a navigation bar with links for Home, Consortia, Business Model, FAQs, and Contact. The main content area is titled 'Knowledge Unlatched' and 'The Problem', discussing the challenges of publishing in the Humanities and Social Sciences. It includes sections for 'Library Consortium', 'A Possible Solution', and 'New Business Model', each with a small image and a 'Play Video' or 'More Info' link.

The screenshot shows the unglue.it website. The header includes the 'unglue.it' logo and navigation links for Sign In, FAQs, Press, Home, and a 'sign up' button. A welcome message states: 'Welcome to the alpha version of Unglue.it. This site is a preview of our full functionality...'. Below this is a section titled 'unglue (v. t.) S. To give your favorite books to everyone on earth.' with a 'Learn More' link. The main content area features a 'HOW DOES IT WORK?' diagram showing a central 'CROWDFUNDING' circle surrounded by arrows pointing to 'Give ebooks to the world.' and 'Spread the Word'. To the right is a 'Start Ungluing Now!' form with fields for Username, Email, Password, and Password (again), along with a 'sign up' button.

Born Digital Publishers

- Identify new markets
- Think globally
- Sell direct
- Low pricing to build market share
- Identify new fields
- Small and lean staff

Source: Esposito, The Scholarly Kitchen

Sue Polanka, WSU Libraries and No Shelf Required, March, 2013

Publishing as a Function

- Barriers to book publishing have collapsed
- Google, Amazon, NBC, NYT, Libraries
- Everyone becomes a publisher
- Publishing strategies
- Reach our public with a common topic - publish it

Source: Shatzkin Files, 2013

What does it all mean?

- Legacy players must adapt (libraries too)
- Consolidation will likely continue
- New, flexible players will innovate and fill void
- Experimentation will continue
- Libraries must become publishers (or assist users with publishing)
- Authors have greater control
- Amazon will continue to dominate

and the new elephant in the room is...

Used eBook Market

Used eBook Market

- Amazon patent issued
 - Secondary Market for Digital Objects
 - Centralized via Amazon



US008364595B1

(12) **United States Patent**
Ringewald

(10) **Patent No.:** **US 8,364,595 B1**
(45) **Date of Patent:** **Jan. 29, 2013**

(54) **SECONDARY MARKET FOR DIGITAL OBJECTS**

2007/0136608 A1 * 6/2007 Kirovski et al. 713/193
2009/0165101 A1 * 6/2009 Peterka et al. 726/6
2009/0193526 A1 * 7/2009 Sweazey 726/30
2010/0125511 A1 * 5/2010 Jouret et al. 705/27

(75) Inventor: **Erich Ringewald**, Belvedere, CA (US)

FOREIGN PATENT DOCUMENTS

(73) Assignee: **Amazon Technologies, Inc.**, Reno, NV (US)

WO WO2005/065026 A2 * 7/2005
WO WO2006/080772 A1 * 8/2006

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 531 days.

OTHER PUBLICATIONS

(21) Appl. No.: **12/435,927**

Nair et al. ("Enabling DRM-preserving Digital Content Redistribution", Proceedings of the Seventh IEEE International Conference on E-Commerce Technology, IEEE Computer Society, Oct. 10, 2005, 8 pages).*

(22) Filed: **May 5, 2009**

* cited by examiner

Used eBook Market

- Apple patents in process
- Managing Access to Digital Content Systems
 - Resale/loan of digital content
 - Digital rights transferred
 - Distributed system, user's device manages

US PATENT & TRADEMARK OFFICE
PATENT APPLICATION FULL TEXT AND IMAGE DATABASE

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[Hit List](#) [Bottom](#)
[View Shopping Cart](#) [Add to Shopping Cart](#)
[Images](#)

(1 of 1)

United States Patent Application	20130060661
Kind Code	A1
Block; Eliza C. ; et al.	March 7, 2013

MANAGING ACCESS TO DIGITAL CONTENT ITEMS

Abstract

Techniques are provided for managing access to a digital content item (such as an ebook, music, movie, software application) to be transferred from one user to another. The transferor is prevented from accessing the digital content item after the transfer occurs. The entity that sold the digital content item to the transferor enforces the access rights to the digital content item by storing data that establishes which user currently has access to the digital content item. After the change in access rights, only the transferee is allowed access to the digital content item. As part of the change in access rights, the transferee may pay to obtain access to the digital content item. A portion of the proceeds of the "resale" may be paid to the creator or publisher of the digital content item and/or the entity that originally sold the digital content item to the original owner.

A big thanks to:

- Emilie Delquie, Vice President, Publishers Communication Group
- Rolf Janke, Vice President and Publisher, SAGE Reference
- Niko Pfund, President, Oxford University Press

Resources Consulted

Esposito, Joseph. 2011. Year One: The Born Digital Publisher
scholarlykitchen.sspnet.org/2011/01/03/year-one-the-born-digital-publisher/

Forrester Research and DBW. 2012. Survey of Publishing Executives.

Library Journal. 2012. eBook Usage in U.S. Public Libraries -
www.thedigitalshift.com/research/ebook-usage-reports/

O'Reilly. 2012. The Global eBook Market: Current Predictions and Future Projections.

Outsell. 2011. Worldwide eBooks Market Size and Forecast Report, 2009-2013.

Pew Internet. 2013. Library Services in the Digital Age.

Pew Internet. 2012. E-book Reading Jumps; Print Book Reading Declines.

Publishers Communication Group. 2013. Library Budget Predictions for 2013.

Shatzkin Files. 2013. Atomization: Publishing as a Function rather than an Industry.

Questions?

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