Ebooks in 2020

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Creative Disruption

Creative Disruption is the notion that in the digital era traditional industries are being disrupted by new creative competitors offering either brand new services (like Google) or the same service radically reinvented (like Amazon).

When this happens traditional businesses, such as publishers, need to fundamentally change the way they operate or they will struggle to survive.

(Simon Waldman, *Creative Disruption*)

Technology as a catalyst for change

- New ways of creating/distributing content
- Lowering costs through efficiencies / disintermediation

Offering more sophisticated services, as well as products

Facilitating direct relationship with customers

- Channel diversification = lower reliance on one type of customer/supplier

Business Models

Sale or return

Consignment

Subscription

Advertising

Library Lending

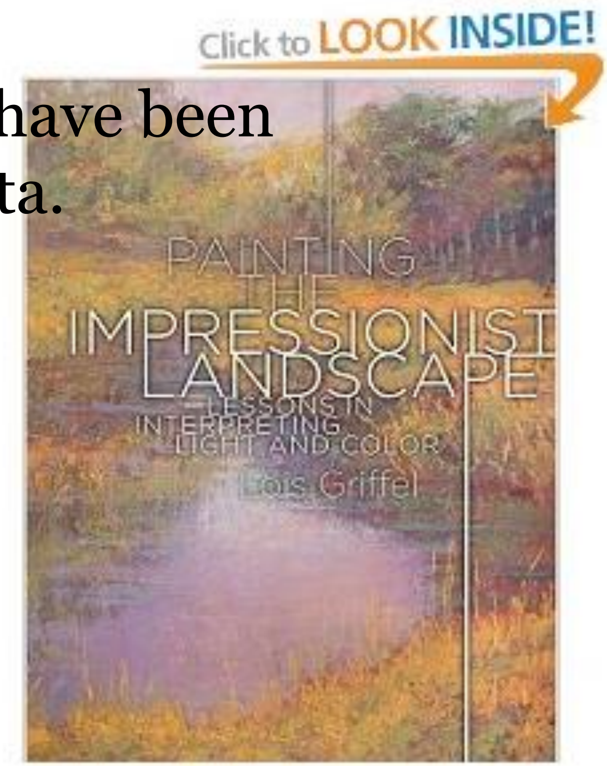
- Advertising
- Subscription
- Rentals & e-lending
- Donations
- Bundling
- Pay per chapter
- Crowd funded
- Freemium
- Advertorial
- Open Access
- Pay wall
- Print on demand
- Patron driven
- Pay per use
- Micropayments

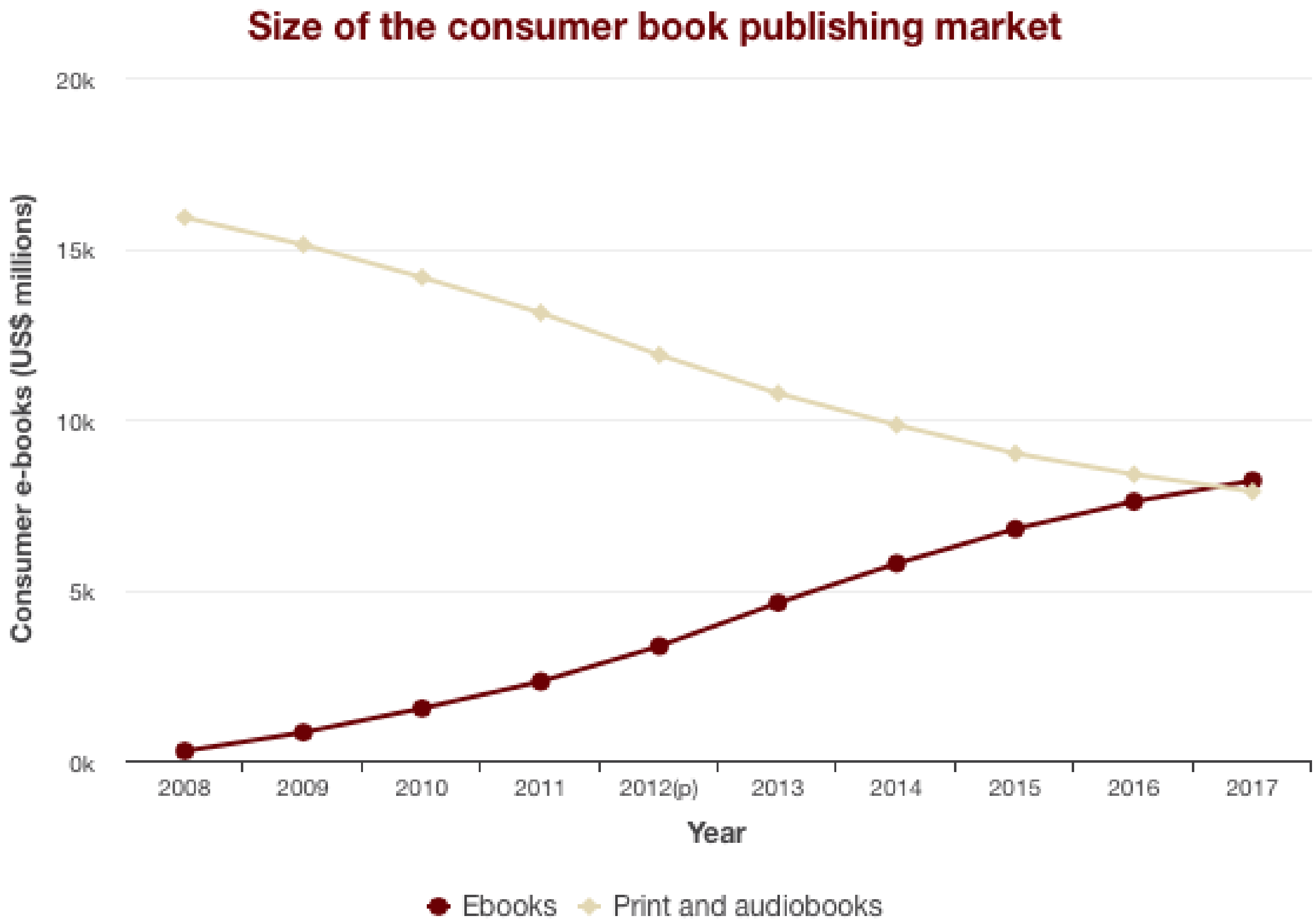
Impressionist Landscape

Traditionally, consumer sales data is collected from point of purchase. Omits direct/B2B sales.

Online vendors are reluctant to provide e-book sales data, therefore new panels have been negotiated with publishers supplying data.

Be wary of percentages, extrapolations, exaggerations and making comparisons between countries.





PWC *Global entertainment and media outlook: 2013-2017* cited by PaidContent http://paidcontent.org/2013/06/04/pwc-the-u-s-consumer-ebook-market-will-be-bigger-than-the-print-book-market-by-2017/

What we know

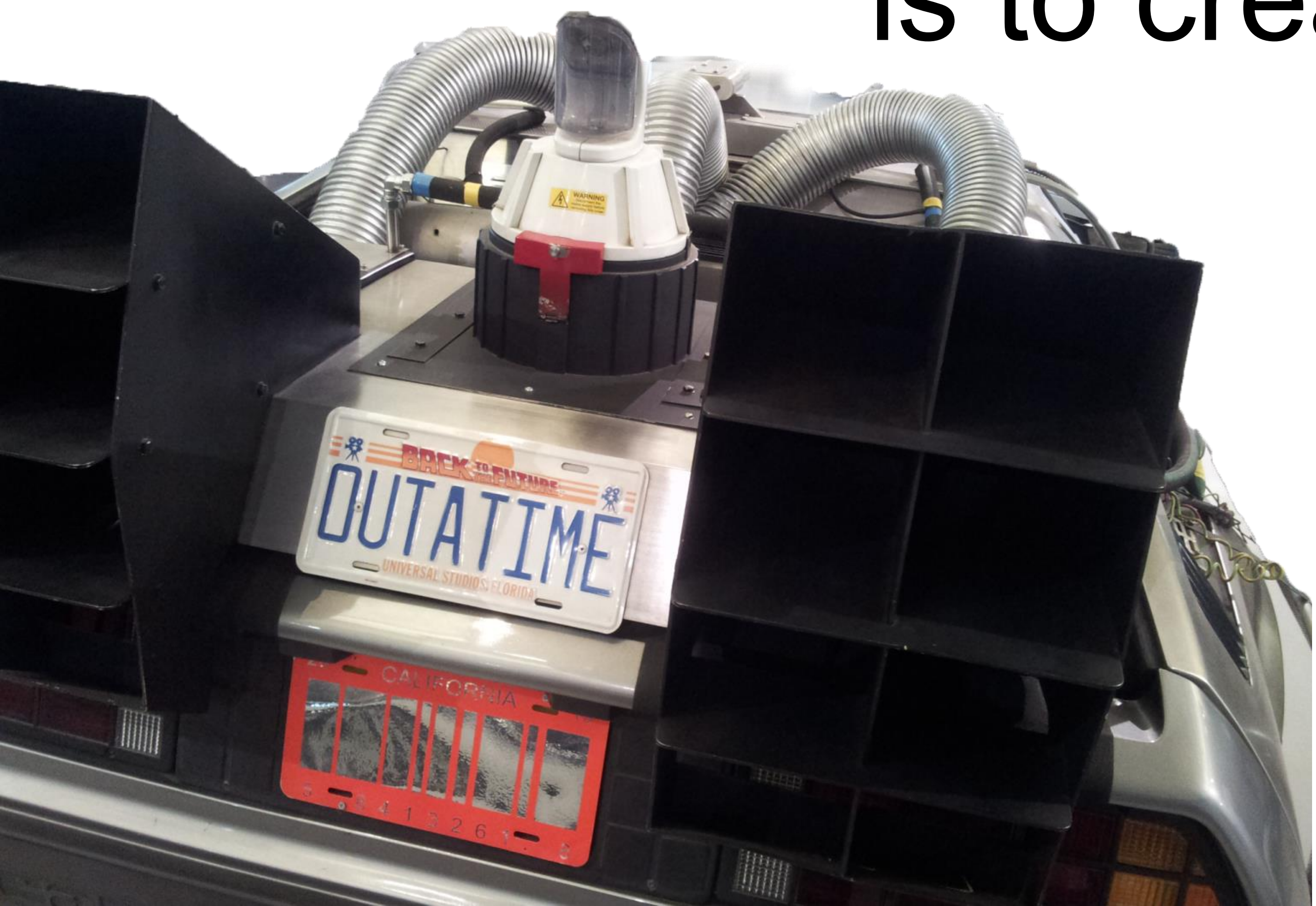
- Rate of consumer e-book sales growth in US has begun to slow down at 27% market share (UK will follow).
- Print and e-book sales combined show market growth by vol & value… ?
- Average e-book prices higher in US than UK. VAT absorbed by publishers.
- Increase in direct sales: especially Academic, professional, STM.
- Bookshops seeing 10-20% drop in physical sales.
- The digital textbook tipping point is on the horizon.
- Game apps are more popular and successful than e-book apps.

Amazon dominates through scale.

What we don't know...

Kindle Direct Publishing (ASIN not ISBN)
Barnes & Noble PubIt
Self-published (Smashwords, Unbound)
B2B and direct to consumer
Bundles, subscriptions, rentals, or loans
Educational software and virtual learning environments

“The best way
to predict the future
is to create it”



Sharable

Linked

Reader Friendly

Beautiful

Customisable

Wouldn't it be cool if…

…every citation in every e-textbook hyperlinked to the full text.

…when you visited a town your ebookstore told you which titles were geo-relevant to that location.

…if every song, person, object or concept in a book was linked to all the data held online about those things.

…you could tell a friend about the amazing novel you just read and then swipe it over to their phone.

…every ebook you bought came with added benefits like a discount on the print or audiobook.

…ebooks were works of art like their printed equivalents.

…your ebook library told you when your favourite author was doing a book launch nearby.

…you could select the chapters from your course reading list to create custom textbooks.

Predictions

Rise of e-books = Decline of Print

- Market cannibalisation not market growth
- Small print runs resulting in higher RRP

Digital products cost less

- Luxury product high production values

Reduced barriers to entry

- More big name authors going it alone
- Continued growth of self-publishing

Customer Driven Services

- Media bundling (book + ebook + audiobook)
- Increased sharing
- Drop & drag customisation

Low Risk Commissioning: Market Censorship

- Booming backlist, cautious frontlist, shrinking midlist

Fighting for relevance

- Bookshops, libraries, newspapers, publishers

Further Reading

Creative Disruption by Simon Waldman, FT Prentice Hall

The Bookseller Official E-book Sales Ranking, September 2013, The Bookseller available at
<http://www.thebookseller.com/sites/default/files/docs/September_E_Book_Ranking2.pdf >

Books and Ebooks – UK Market – September 2013, Mintel
available via the Brookes library at
<http://capitadiscovery.co.uk/brookes/items/703399?query=mintel&resultsUri=items%3Fquery%3Dmintel>

Global eBook: A report on market trends and developments (2013) by Rü diger Wischenbart, O'Reilly Media
available at <http://www.wischenbart.com/upload/Global-Ebook-Report2013_final03.pdf>

NMC Horizon Report Higher Education Edition 2013
available at <http://www.nmc.org/horizon-project/horizon-reports/horizon-report-higher-ed-edition>

Pew Internet and American Life Project Reports
available at <http://pewinternet.org>

Worldwide E-Book Aggregators: Market Size, Share & Forecast Report (2011) by Ned May, Outsell Inc.
Worldwide E-Books Market Size & Forecast Report, 2009-2013 by Ned May, Outsell Inc.
available on subscription at <http://www.outsellinc.com>