The E-Book Renaissance: Exploring the Possibilities Exposed by Digital Books

October 24-25, 2011 • Baltimore, MD

Overview

- All studies are powered by Bowker's PubTrack data, the publishing industry's exclusive resource for understanding buying behavior. The online Real-Time Reporting service is a great research tool.
- The consumer survey polled 750 e-book readers drawn from a nationally representative panel four times per year.
- The student online survey polled 1505 college students drawn from a nationally representative panel twice each year.
- Patron Profiles polls 1500 Library patrons four times per year.

Formula for success in Digital Markets

- Recognizable Value +
- Well designed devices and platforms +
- Strong and Enthusiastic Channel Partners =
- Rapid Market Expansion
Is 2011 the Year of the eBook?

- Market share of narrative eBooks went from 4 to 16%
- 27 million new eReaders deployed in 2011
- 62.5 Million Tablets sold in 2011

Most Important Features

- Excellent fit with desired feature set

Trending Towards Digital

Increasing Loyalty to eBooks
Increased Overall Spending

![Graph showing increased overall spending](Fig. 17)

E-Reader Satisfaction

- Check out these ratings

![Bar chart showing e-reader satisfaction](Fig. 20)

Favorite Devices

- Kindle still number one, iPad declines

![Bar chart showing favorite devices](Fig. 34)

Well Established Channels

- Amazon’s share continues to grow

![Bar chart showing well established channels](Fig. 22)
Value Price Relationship
- 83% of students are satisfied with textbook’s quality
- Only 33% indicate that textbook prices are reasonable
- 30% of faculty now recommend not require texts in core courses

Illicit Behaviors
- Very Scary Trends

Key Finding—Print vs. e-Textbook
- 21% of students had purchased an e-Textbook
- 75% of students preferred traditional printed textbooks over digital replica e-textbooks.
  - Like the look and feel of print
  - Potential for permanence of ownership
  - Opportunity for resale
- Online courses use many more e-textbooks

Acquisition Methods
- Only 58% of students reported that they were purchasing the traditional print version of the current edition (new and used)
- The growth of previous edition sales suggests that students and faculty are tiring of short revision cycles
- Rentals increasing slowly
Students reported low satisfaction with Replica e-Textbooks

- Current e-textbook offerings have yet to achieve consistently high levels of satisfaction.

E-Reader Devices

- For faculty, the size of the installed base is essential if they are to adopt digital content for their courses. Over the last 10 years, computers have achieved a very large installed base especially when supplemented by campus computing centers.

Why they value Premium Products

- Made me better prepared for tests
- Helped me to see better understand the material
- Made my study time more efficient
- Gave me feedback that helped me learn from mistakes
- Provided useful feedback after I answered a question incorrectly
- Provided useful tracking information about performance in the course
- Provided contactless help when needed
- Made learning the material more interesting
- Gave me more incentive to do the homework

Higher Ed Channels

- Faculty—Adoption Support Waning
- Students are buying online

Note-taking

- Price
- Other

Features

- Subscription length
- Design
- Ability to print
- Access (when offline)

Very satisfied

- Merged data from both fields:
  - 0%
  - 10%
  - 20%
  - 30%
  - 40%
  - 50%
  - 60%
Digital Revenue Growth

- **EBook Sales**
  - Trade $864 Million (1296% growth)
  - Higher Ed $249 Million (49% growth)

- **Online Products and Services**
  - Higher Ed $412 million (93% growth)

More Online and Onsite Library Usage

- My use of the library has...

<table>
<thead>
<tr>
<th></th>
<th>Onsite</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Decreased</td>
<td>12%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Frequency of Visits

<table>
<thead>
<tr>
<th>Library Patrons, by Frequency of Onsite Visitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Patrons (out of 850)</td>
</tr>
<tr>
<td>Daily or most days</td>
</tr>
<tr>
<td>At least weekly</td>
</tr>
<tr>
<td>Monthly</td>
</tr>
<tr>
<td>Rarely</td>
</tr>
<tr>
<td>Never</td>
</tr>
</tbody>
</table>

Almost 25% of Patrons Prefer Digital

- **Book Format Preferences**
  - 57 Print book
  - 143 Ebook
  - 380 Audiobook on CD
  - 2,019 Audiobook (digital download)

© 2011, the Book Industry Study Group
eBook Readers are Active Library Patrons

Use of Library Services (at least weekly or monthly)
- Visit the public library website
- Borrow DVD movies
- Use the library’s free Wi-Fi
- Use a library database
- Downloaded audiobooks

<table>
<thead>
<tr>
<th>Service</th>
<th>All survey respondents %</th>
<th>Patrons who selected “ebook” as a preferred book format %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visit the public library website</td>
<td>70</td>
<td>80</td>
</tr>
<tr>
<td>Borrow DVD movies</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>Use the library’s free Wi-Fi</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>Use a library database</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>Downloaded audiobooks</td>
<td>10</td>
<td>20</td>
</tr>
</tbody>
</table>

Figure 29

eBook Patrons Read More Books

Number of books read per year (extrapolated from six-month data)

- MEAN VALUE
- MEDIAN VALUE

<table>
<thead>
<tr>
<th>Books read per year</th>
<th>All survey respondents</th>
<th>Patrons who selected “ebook” as a preferred book format</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>2</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>3</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>24%</td>
</tr>
<tr>
<td>5</td>
<td>25%</td>
<td>30%</td>
</tr>
<tr>
<td>6</td>
<td>30%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Figure 27

eBook Borrowing Appetite

- Patrons who indicate that their library offers ebooks for checkout
- Patrons who have borrowed an ebook
- Patrons willing to wait for an ebook to become available
- Patrons who want to see more ebooks available at the library

<table>
<thead>
<tr>
<th>Patrons</th>
<th>All survey respondents %</th>
<th>Patrons who selected “ebook” as a preferred book format %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicate</td>
<td>70</td>
<td>80</td>
</tr>
<tr>
<td>Borrow</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>Wait</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>More</td>
<td>10</td>
<td>20</td>
</tr>
</tbody>
</table>

Figure 26

Favorite eReading Devices

Devices used most often to read library downloaded ebooks

- Amazon Kindle
- Barnes & Noble NOOK
- Netbook, desktop or laptop computer
- Apple iPad
- iPhone or other smartphone

<table>
<thead>
<tr>
<th>Device</th>
<th>All survey respondents %</th>
<th>Patrons who selected “ebook” as a preferred book format %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon Kindle</td>
<td>70</td>
<td>80</td>
</tr>
<tr>
<td>Barnes &amp; Noble NOOK</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>Netbook, desktop or</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>laptop computer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apple iPad</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td>iPhone or other</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>smartphone</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fig. 24

* If an ebook you want to borrow at the library is not immediately available and there is a hold queue of more than a few people, what are you likely to do?
1. Wait, until the ebook is available.
2. See if there is a print version available through the library.
Conditions for rapid market expansion
Value +
Innovative Platforms and Devices +
Enthusiastic Channel Partners =
Rapid Market Expansion

Thank You
Steve@paxhia.com