

Who's Reading E-Books?

New Results from BISG's Consumer Attitudes Toward E-Book Reading

3rd Round Data from the Book Industry Study Group's
On-Going Survey of Consumer Attitudes Toward E-Book Reading

II Jornadas Técnicas ANELE 2010

*October 26, 2010
Madrid*



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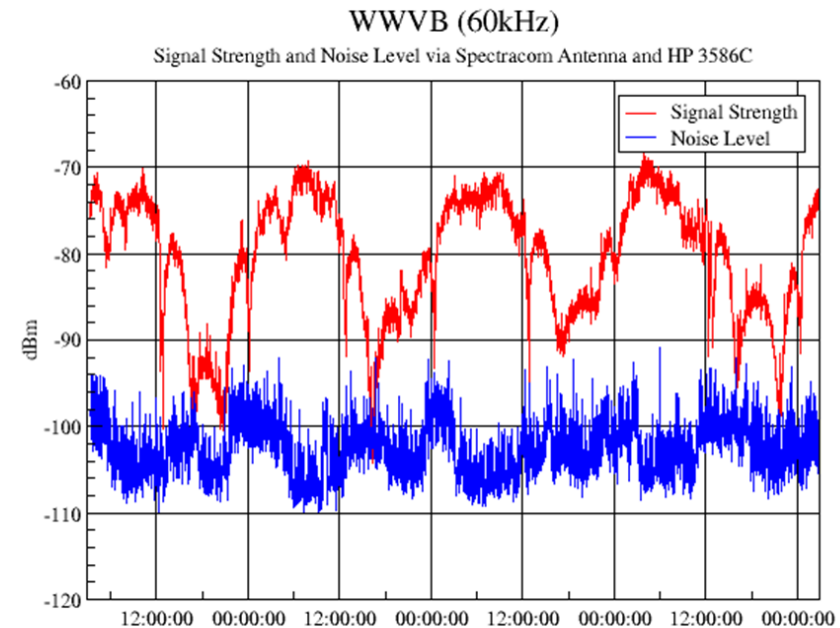
**Create
empow
indust
physic**



**ned,
nt book
or both
oducts.**

BISG is committed to the development of effective industry-wide standards, best practices, research and events that enhance relationships between trading partners.

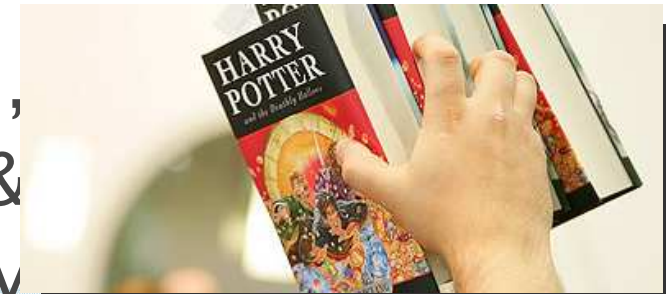
Improving the ratio of signal-to-noise in the book industry





2 years ago (or so)...

Predictable supply chain model,
a stable product medium, &
healthy economy



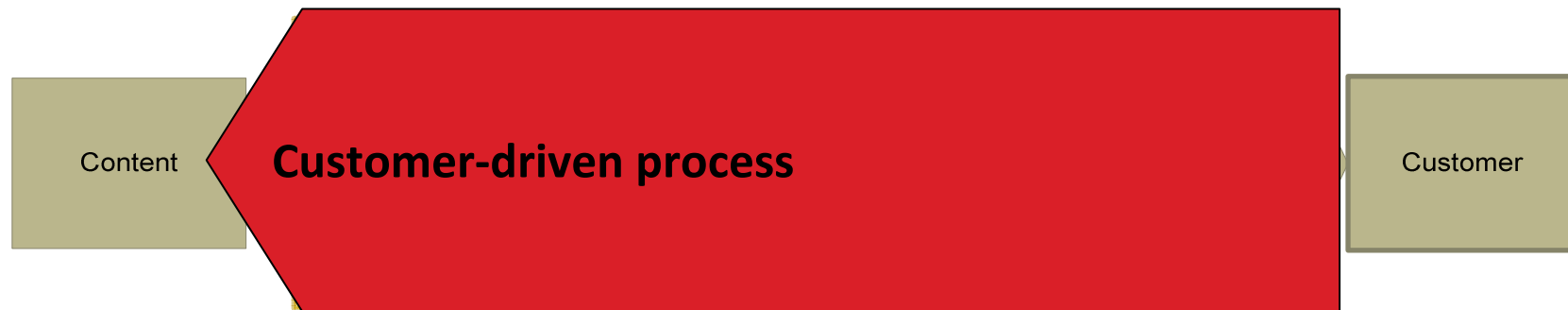


Today...

Fragmenting supply chain,
Mixing mediums,
&
Unstable economy



Supply Chain to...



...and becoming intimate with the consumer

In all phases of the publishing process.



Acquisitions

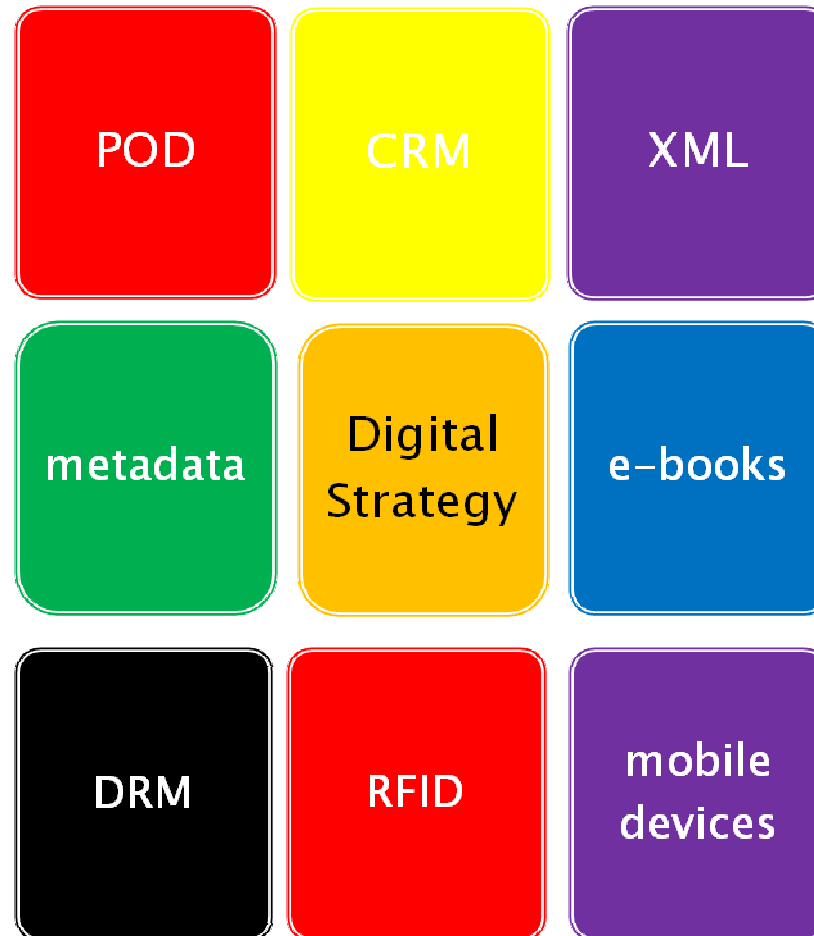


Marketing

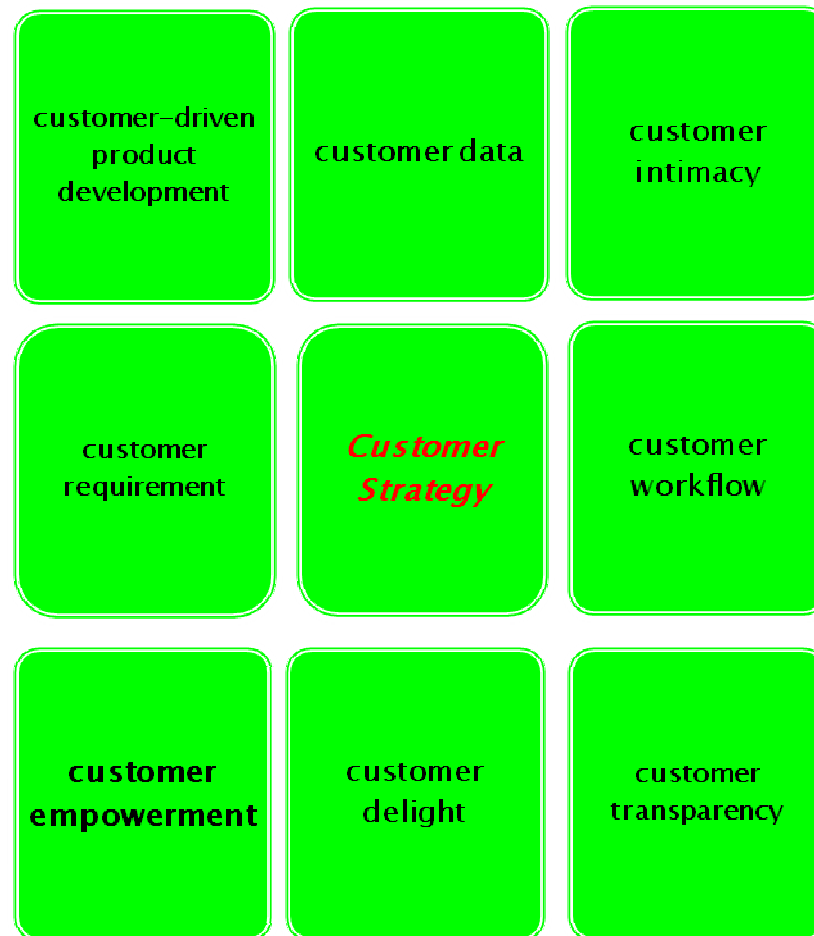


Sales

Tech-centric view of the cube



The customer-centric view





The Customer View

Technologies that support customer-centric strategy

- ▶ Content architecture:
 - XML repositories
 - Taxonomy dev and management tools
- ▶ Business rule engines
- ▶ SOA
- ▶ Data warehousing
 - Data integration
 - ETL tools
- ▶ Business intelligence tools
- ▶ Tech that make processes transparent

New Roles and core competencies in publishing today



Data
management



Predictive analytics



Relationship
management

The Role of the Publishing Professional: A Change of Focus

Core competencies

- ▶ Metadata management
- ▶ Compliance management
- ▶ Marketplace interpretation
- ▶ Price management
- ▶ Relationship management
- ▶ Data architecture

The puzzle we're now solving...

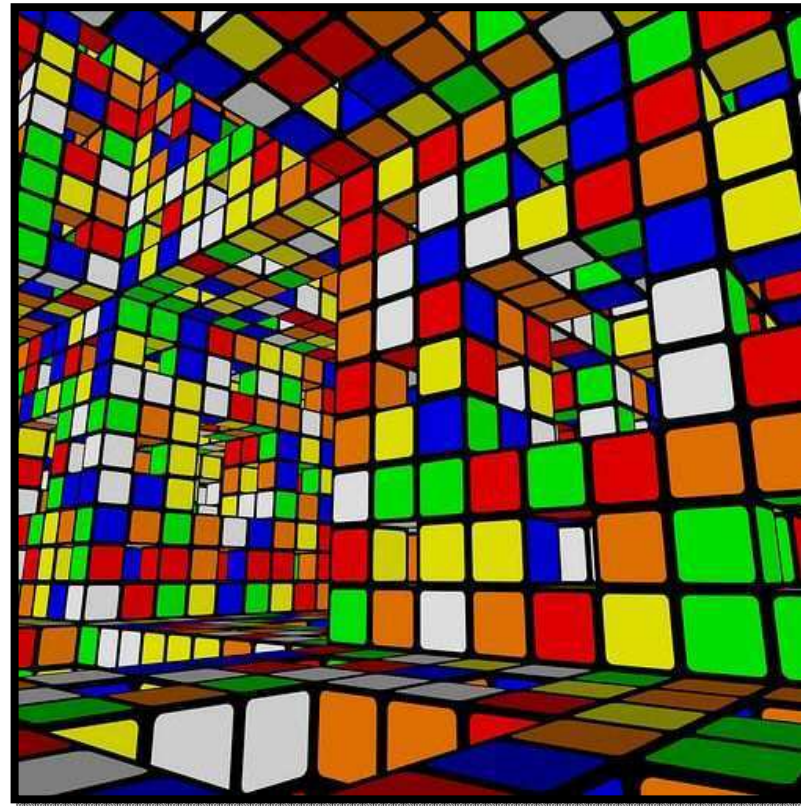


Illustration taken from:
The Math Book: From Pythagoras to the 57th Dimension
by Clifford A. Pickover, Sterling Publishing

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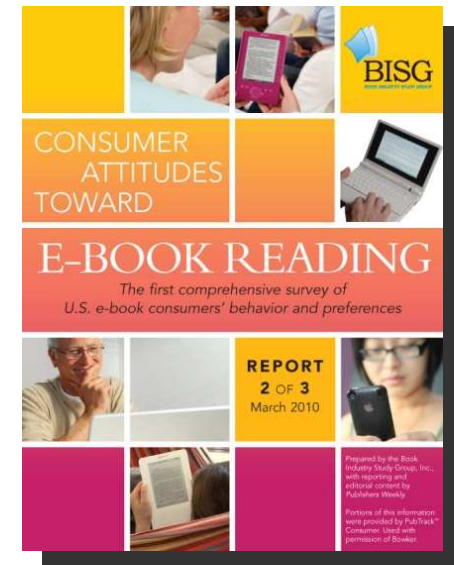


A closer look at key BISG initiatives

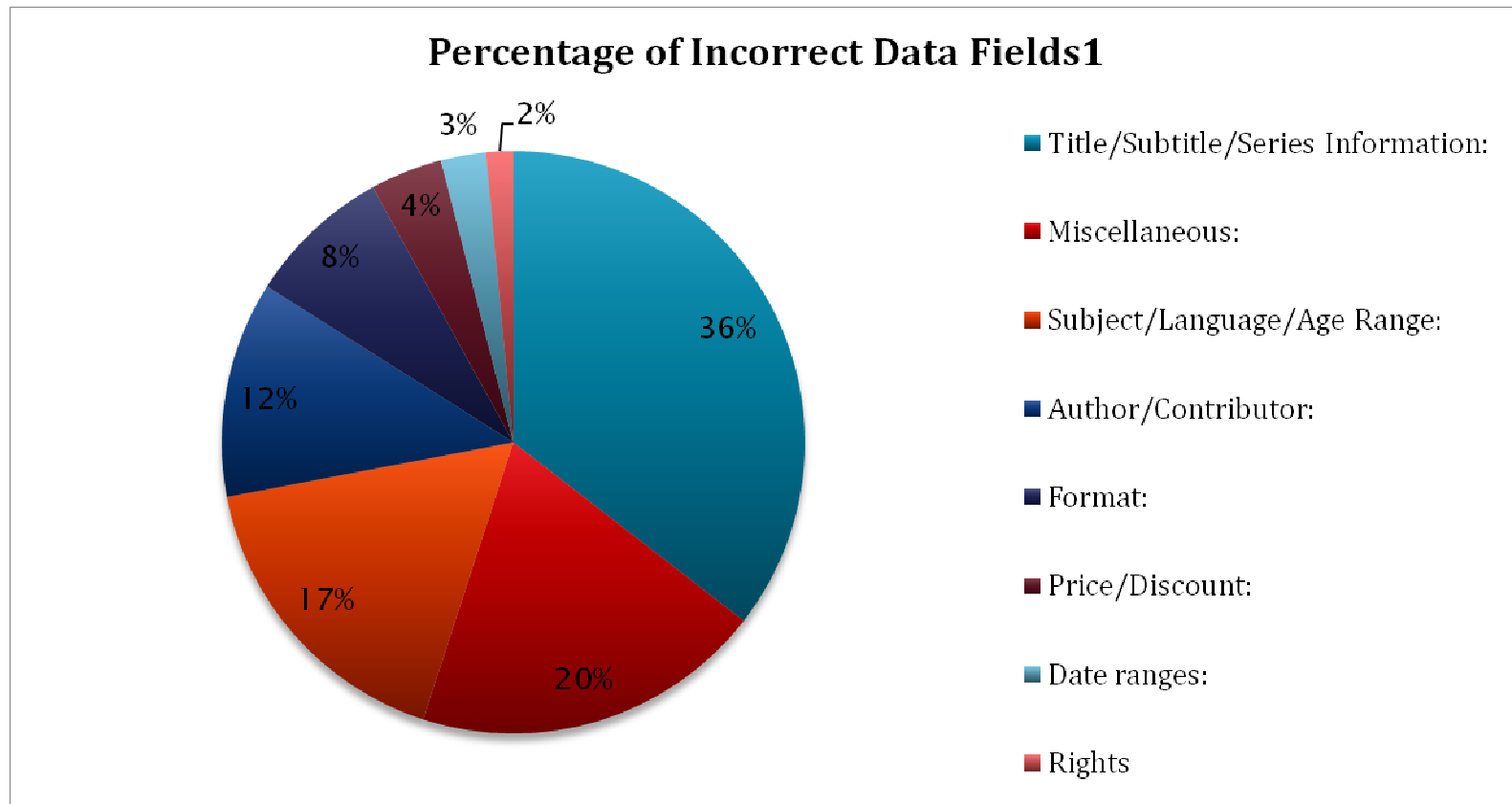
Identifiers for E-Books



Sales reporting for digital and print products



Scorecard for Product Data



¹Results from 2008–2009 qualitative review of actual data submitted to BISG's Product Data Certification Program.

New in 2010: Levels of Certification



GOLD: 98% quantitative score; 95% qualitative

SILVER: 90% quantitative score; 90% qualitative

BRONZE: 80% quantitative score; 75% qualitative

*Plus extra credit for using certain
marketing data points and/or ONIX 3.0.*

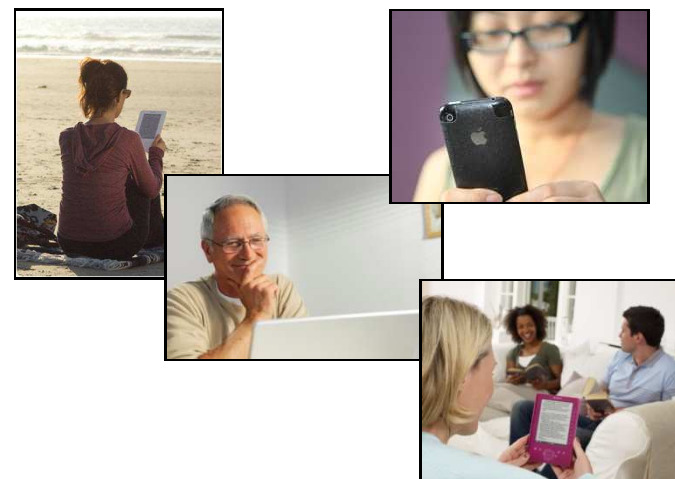
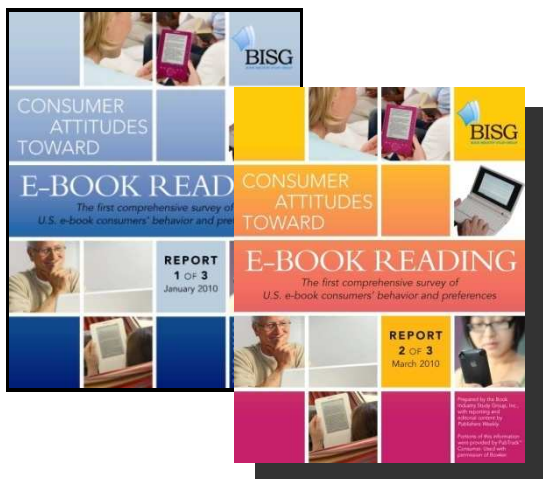
STRATEGIC

Identifiers for E-Books

“Rationalize the implementation of identifiers in the book industry, and drive customer value (where customers are defined as publishers, channel partners, authors and readers).”

Promote understanding of this complex landscape and stimulate discussion that leads to action.”

—Identification Committee



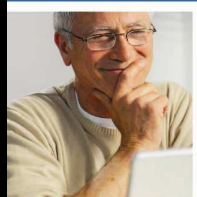
Who's Reading E-Books?



CONSUMER
ATTITUDES
TOWARD

E-BOOK READING

*The first comprehensive survey of
U.S. e-book consumers' behavior and preferences*



**REPORT
1 OF 3**
January 2010



Prepared by the Book
Industry Study Group, Inc.,
with reporting and
editorial content by
Publishers Weekly.

Portions of this information
were provided by PubTrack™
Consumer. Used with
permission of Bowker.



CONSUMER
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Report
3 of 3
JULY 2010

www.bisg.org

Today's Talking Points



- ▶ What we did
 - Developing the project
- ▶ Why we did it
- ▶ What we found
 - High level results from the 3rd survey fielding
- ▶ What we will do
 - The future of this data



Now that e-books are in the mix, are book consumers acquiring more, less or the same number of print books?

Does DRM effect a consumers decision to acquire an e-book?

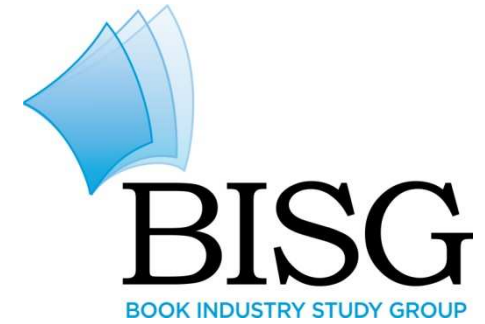
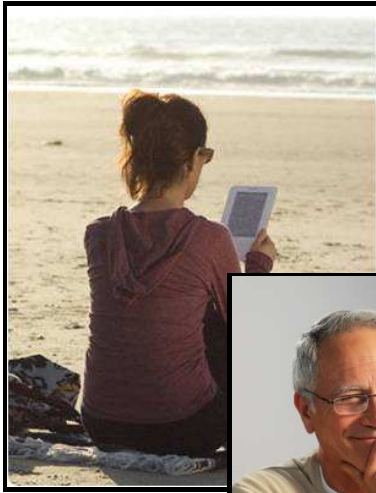
What are the most popular e-book genres?

How long have print book consumers been reading e-books?

How long are book consumers willing to wait for an e-book by their favorite author?

What influences a book consumer to switch to e-books?

Which e-reading devices do book consumers currently own?



What we did

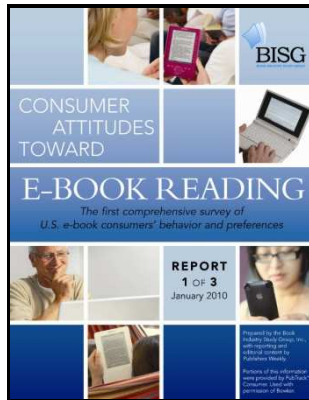
Data Collection

- ▶ Collaboration within the BISG Research Committee
- ▶ Using PubTrack™ Consumer's panel of U.S. book buying men, women and teens
- ▶ Survey pool of ~40 – 44K book consumers at the time of the fieldings
 - 95% confidence level

Availability



- ▶ **Online Access**
 - **Real-Time Reporting**
 - Three weeks after each survey fielding
 - **Real-Time Reporting BUNDLE**



- ▶ **PDF Summary Reports**
 - **One-Time Survey Report (PDF)**
 - January 2010 and March 2010
 - **Final Survey Report (PDF)**
 - July 2010
 - **Survey Report BUNDLE**



BISG
BOOK INDUSTRY STUDY GROUP

Why we did it





Proliferation of choice and access to content



New model book demand chain



The Consumer has become King or Queen!
Consumers define the marketplace

Living in a 24/7/365 supply chain

The Amazon.com logo is centered within a light yellow rectangular frame. It features the text "amazon.com" in a bold, black, sans-serif font, with a registered trademark symbol (®) at the end. Below the text is a yellow curved arrow pointing from the 'a' to the 'm'.

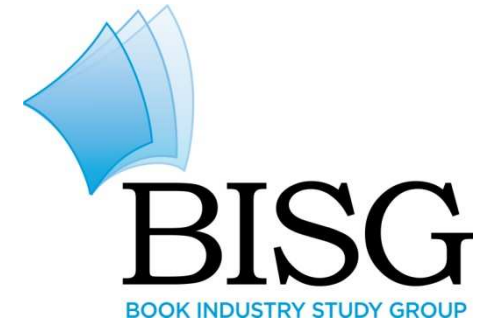
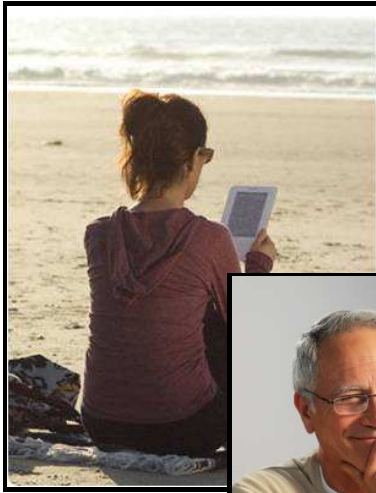
Surviving the Digital Tipping Point



Today--
E-books
= <10%

+ \$6.25



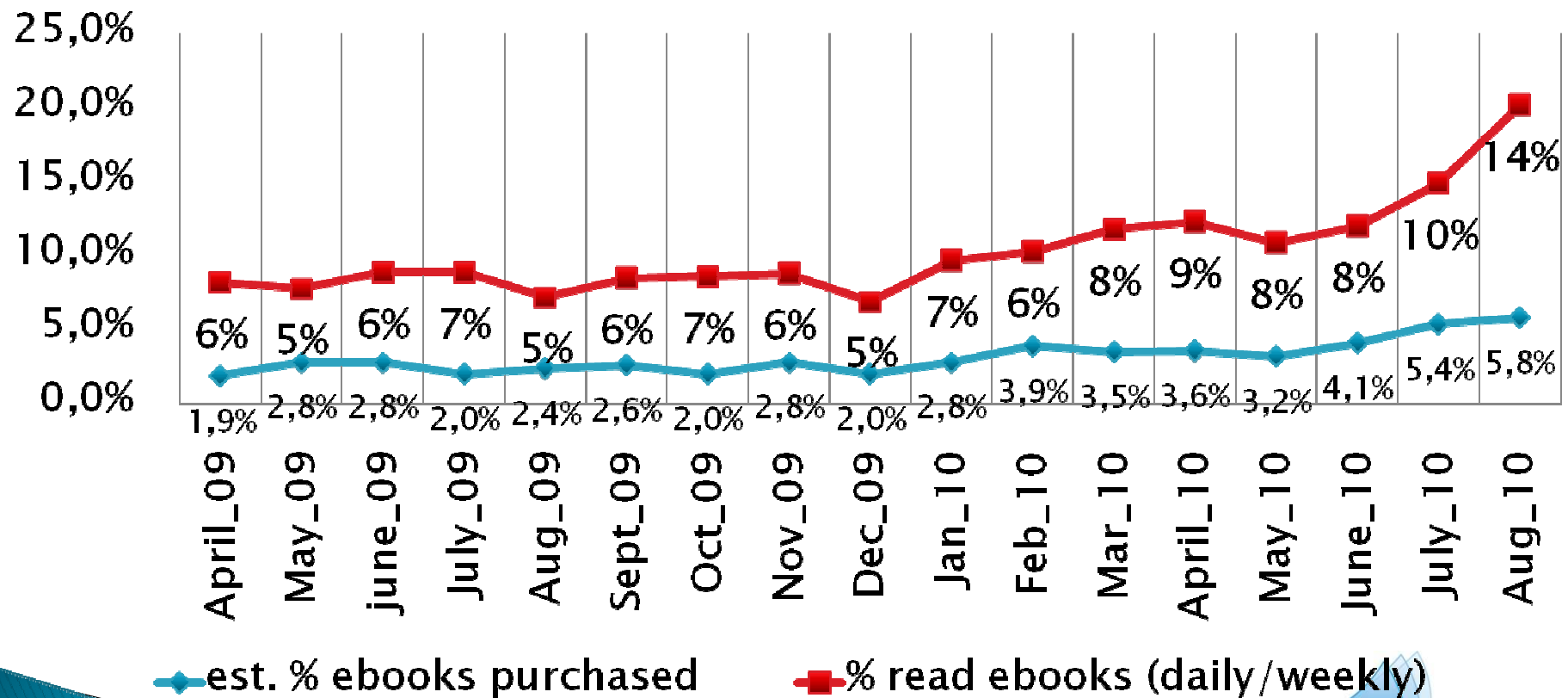


What we found

Demographics

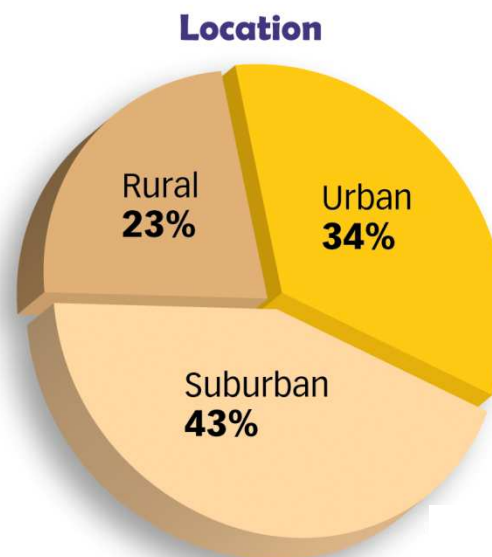
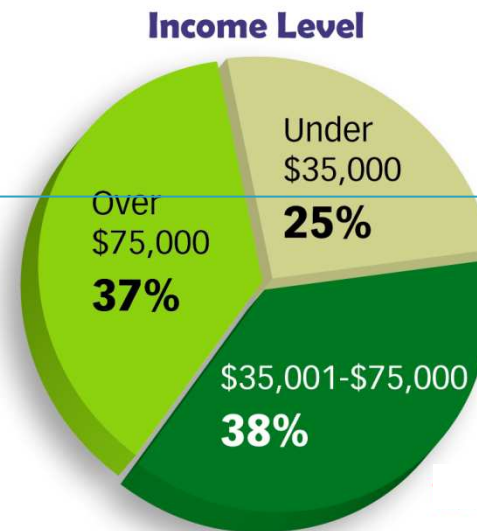
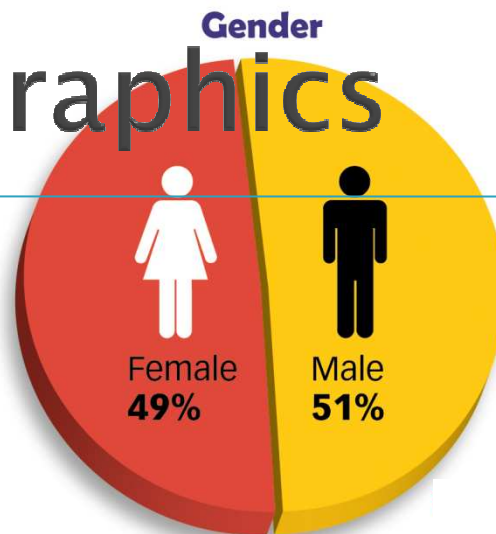
Key eBooks Trends

April 2009 to August 2010



Demographics

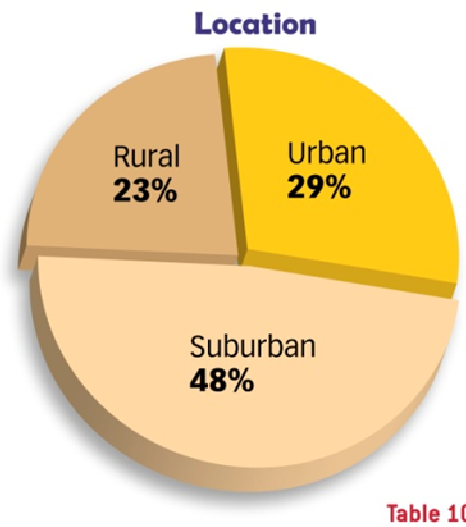
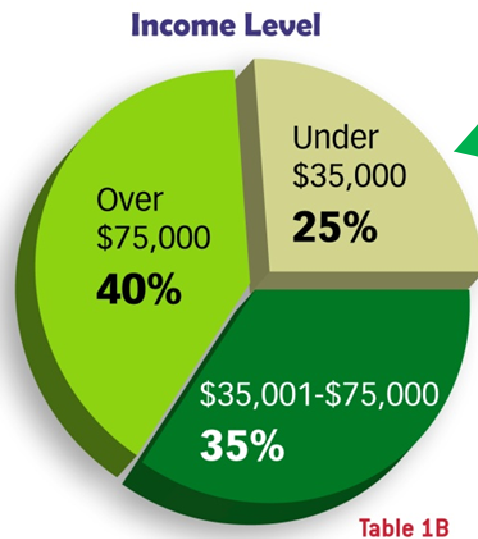
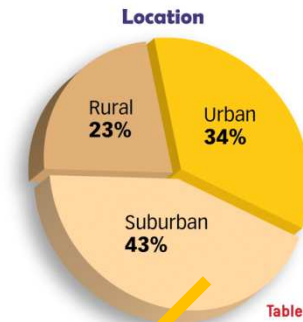
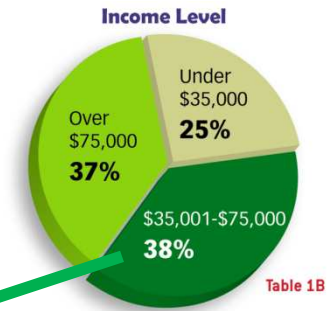
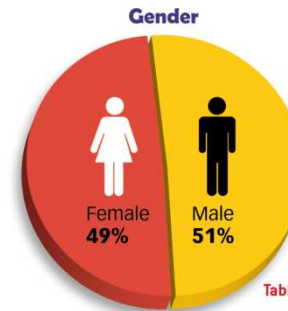
1st Fielding...
(Nov 2009)



1st Fielding...

(Nov 2009)

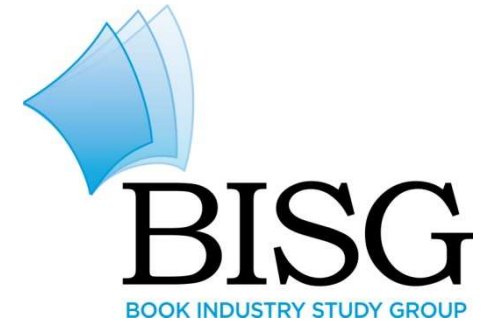
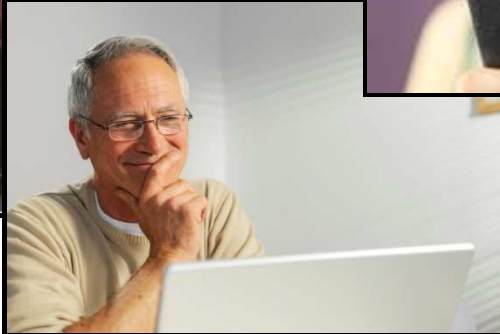
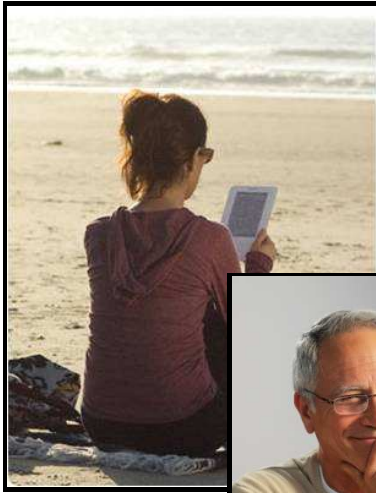
...compared
to 3rd Fielding
(April 2010)



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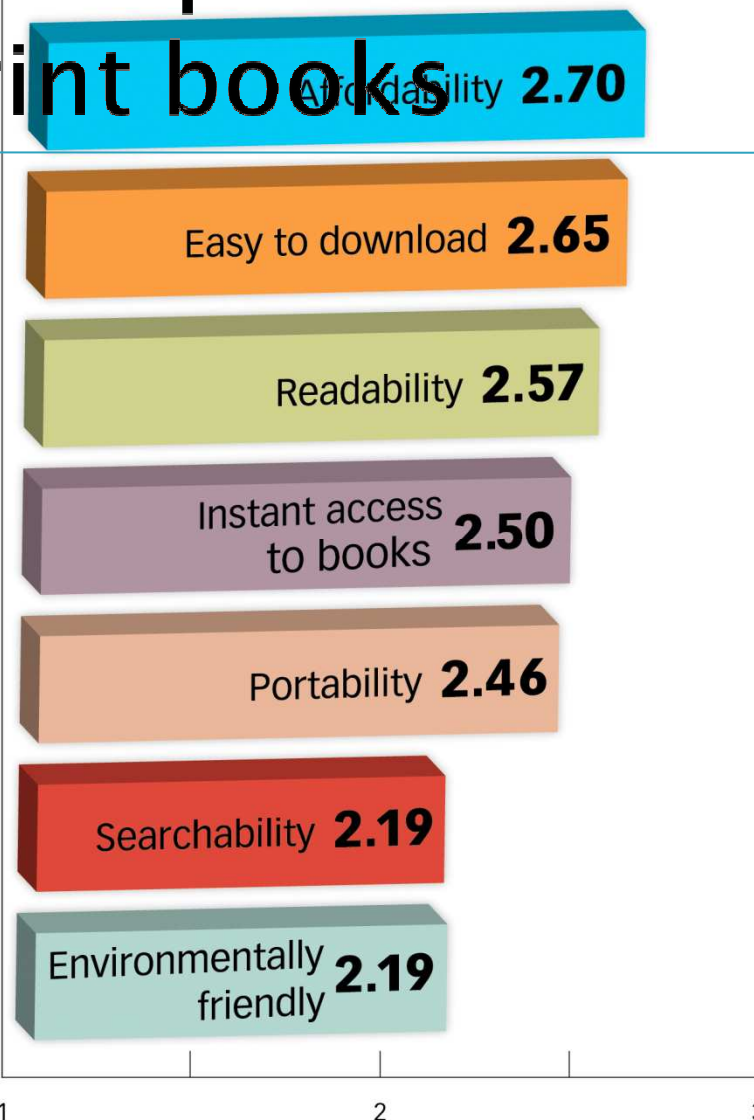
What we found

Purchase Behaviors

1st Fielding...
(Nov 2009)

Why consumers purchase e-books instead of print books

Top characteristics why consumers purchase an e-book rather than print book



Ranked by mean source on a scale from 1 to 3 where 1 = not important and 3 = very important.

1st Fielding...

(Nov 2009)

Top characteristics why consumers purchase an e-book rather than print book



Top characteristics why consumers purchase an e-book rather than print book



...compared
to 3rd Fielding
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Table 5



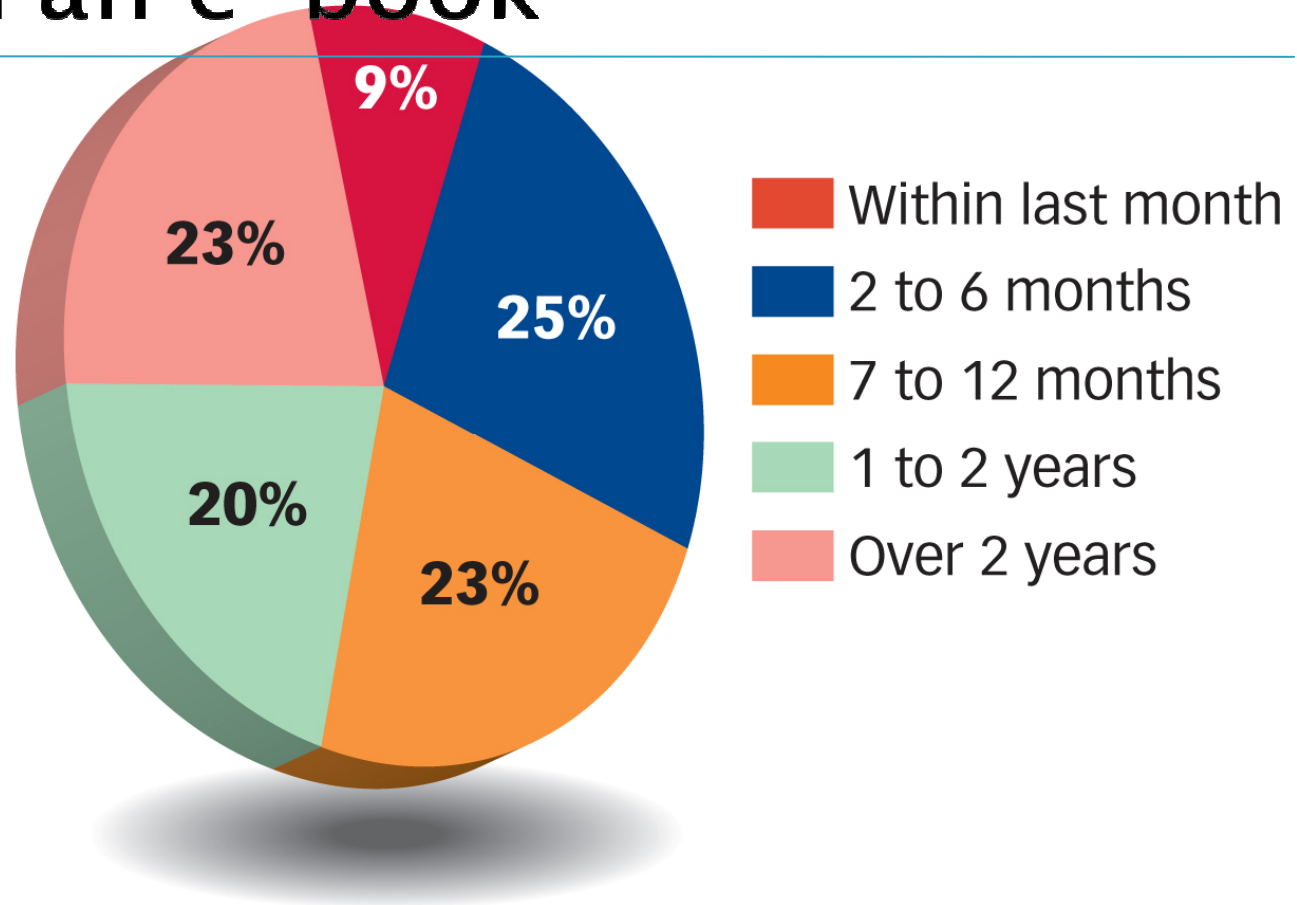
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1st Fielding...
(Nov 2009)

When consumers 1st acquired an e-book

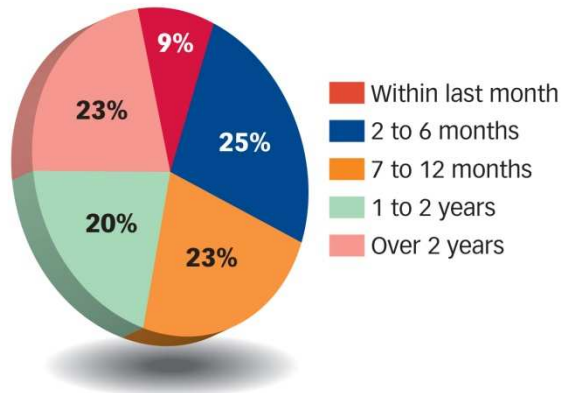
When first e-book was acquired



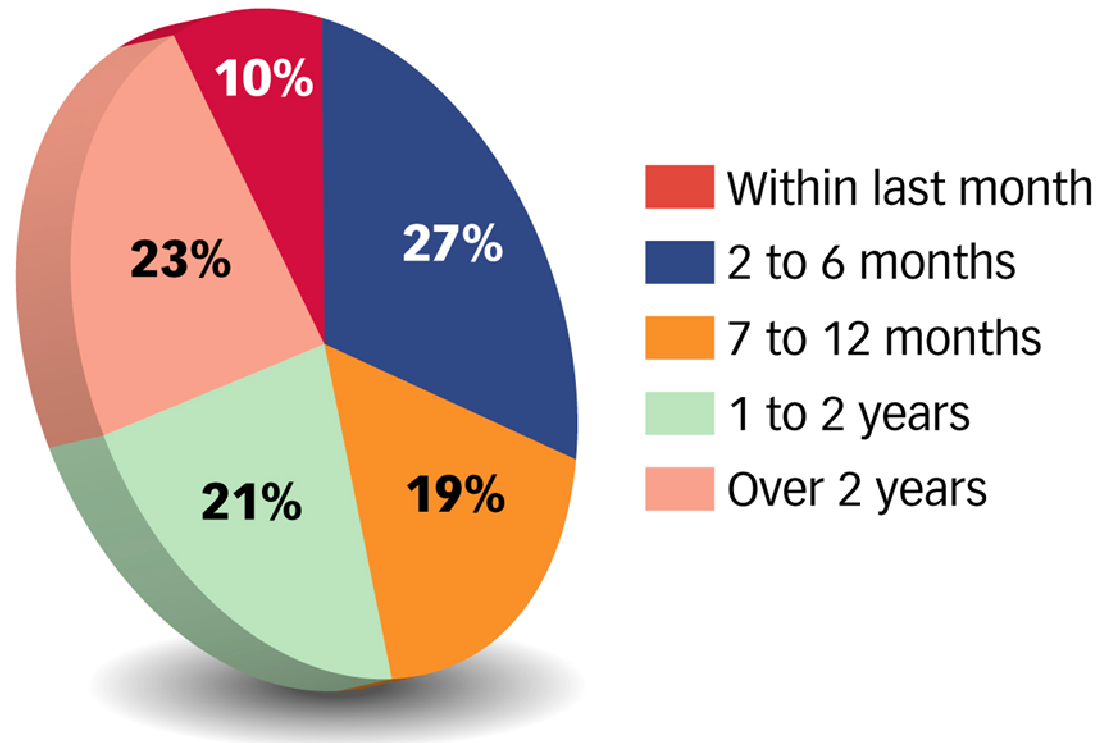
1st Fielding...

(Nov 2009)

When first e-book was acquired



When first e-book was acquired



...compared
to 3rd Fielding
(April 2010)

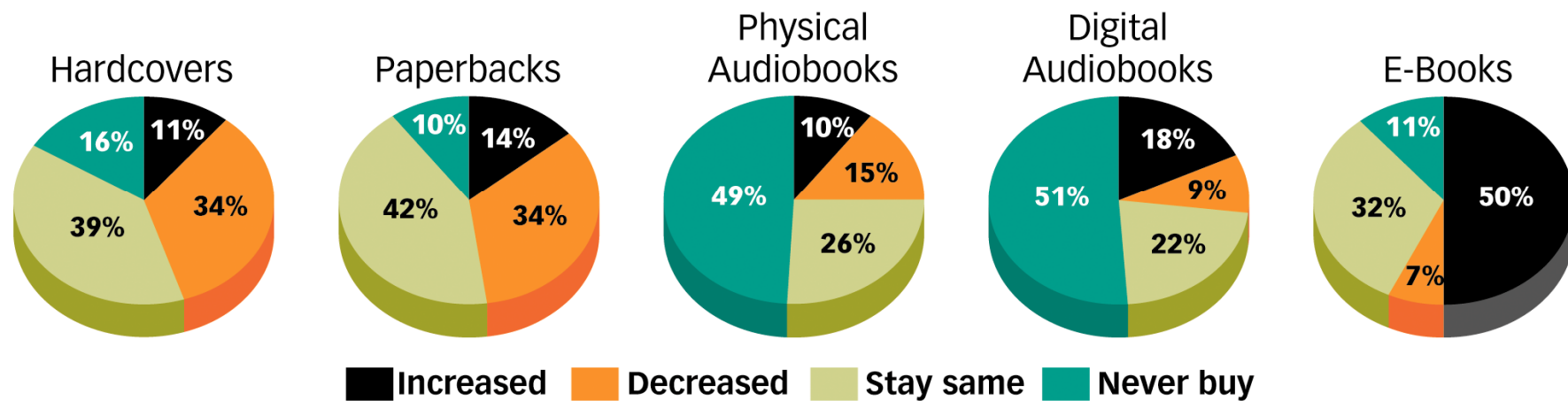
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1st Fielding...
(Nov 2009)

How consumer acquisition habits have changed in the past year

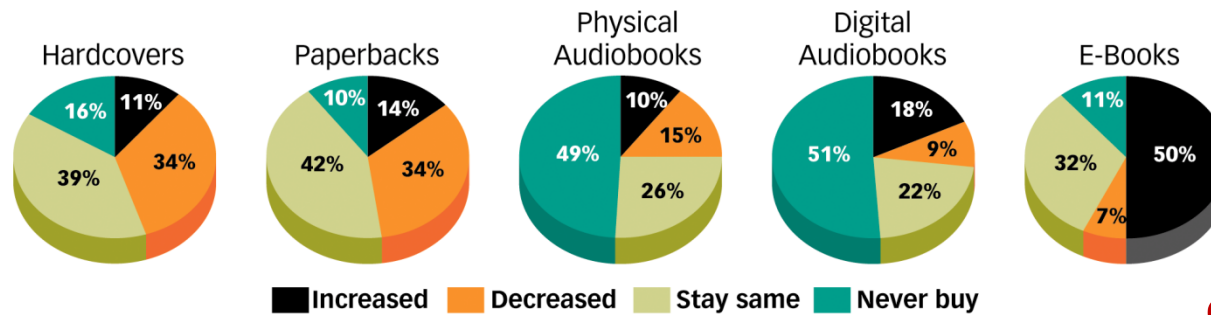
Change in consumers' acquisition habits of formats in past year



1st Fielding...

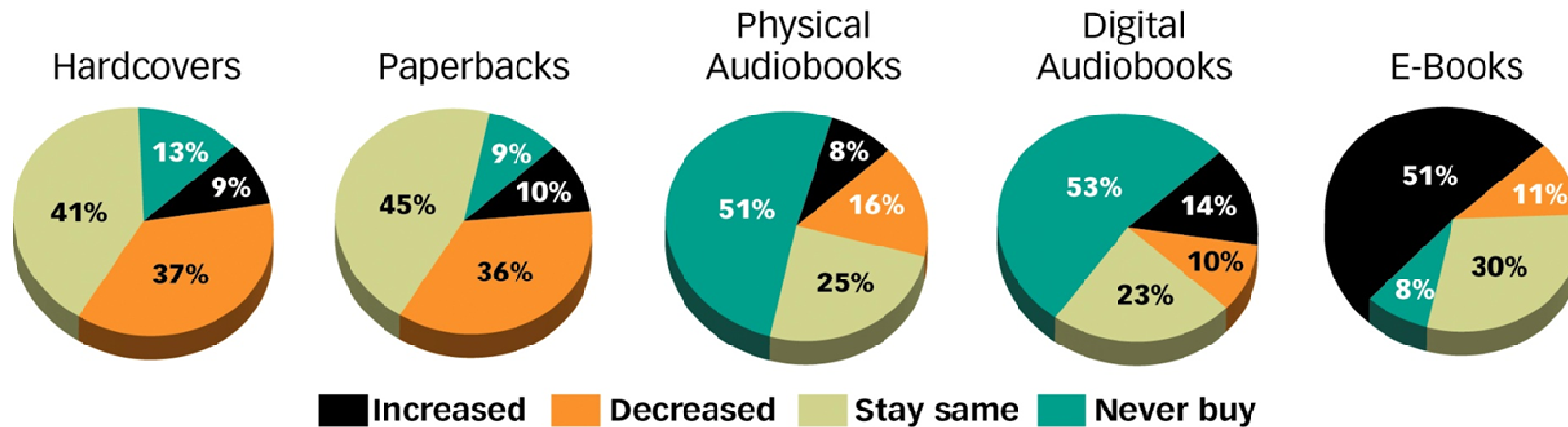
(Nov 2009)

Change in consumers' acquisition habits of formats in past year



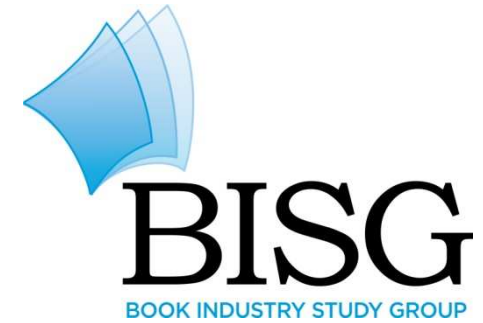
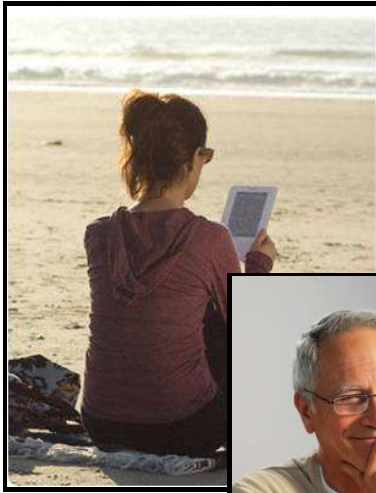
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Change in consumers' acquisition habits of formats in past year



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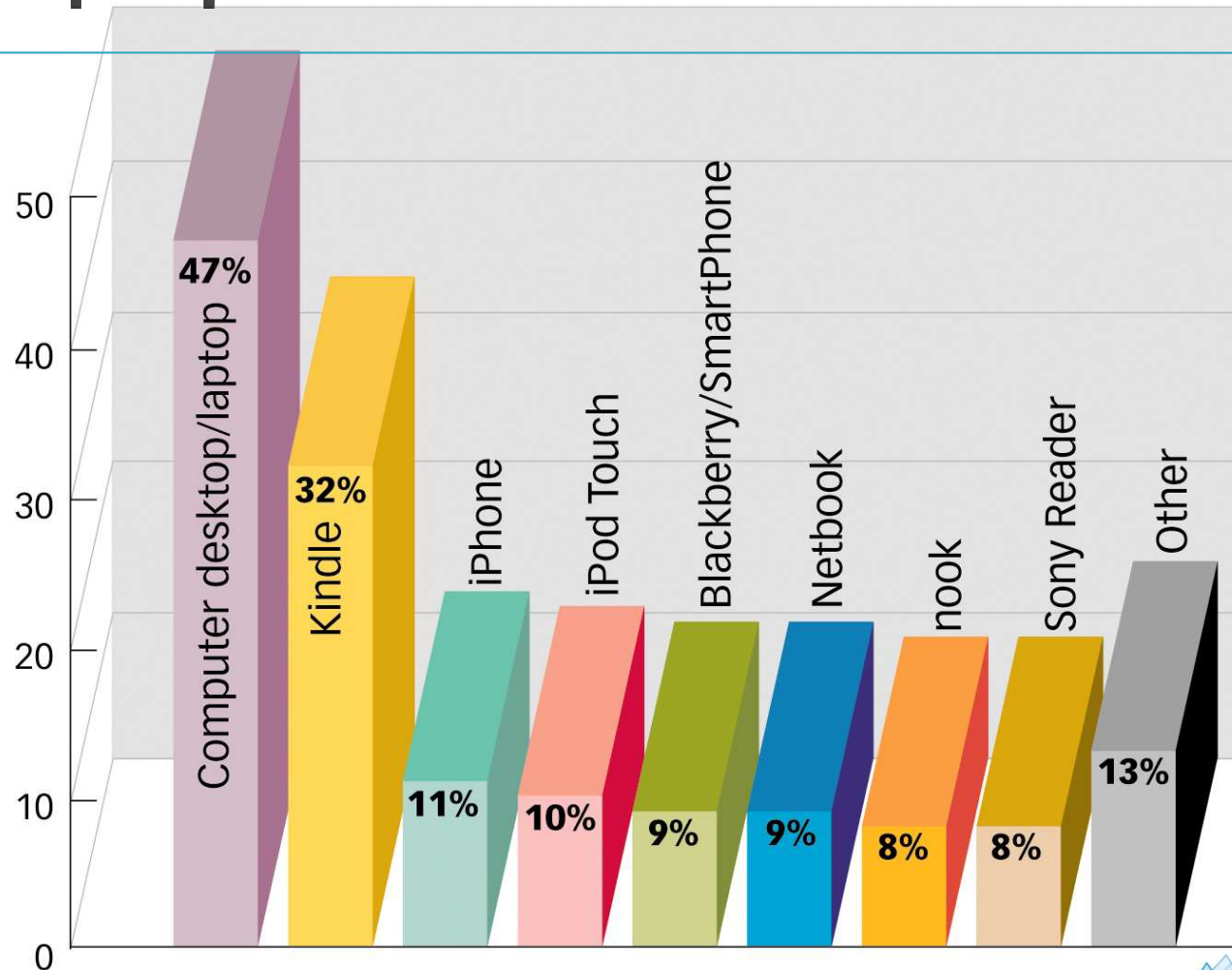
What we found

Purchase Preferences

1st Fielding...

(Nov 2009)

Most popular devices used to read e-books



Consumers could choose more than one device.

The crowded E-Device market today

One Device used most frequently



Any Computer

37% - 11% ↓



Kindle

32% - 10% ↑



**i-Phone/
i-touch**

10% →



Sony Reader

9% - 4%



Mobile
4%



B&N Nook
3% - NEW



i-Pad
3% - NEW

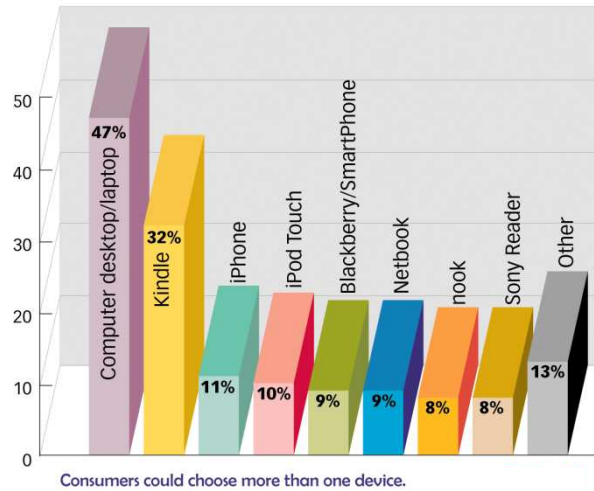


Netbook/Tablet
2% - NEW

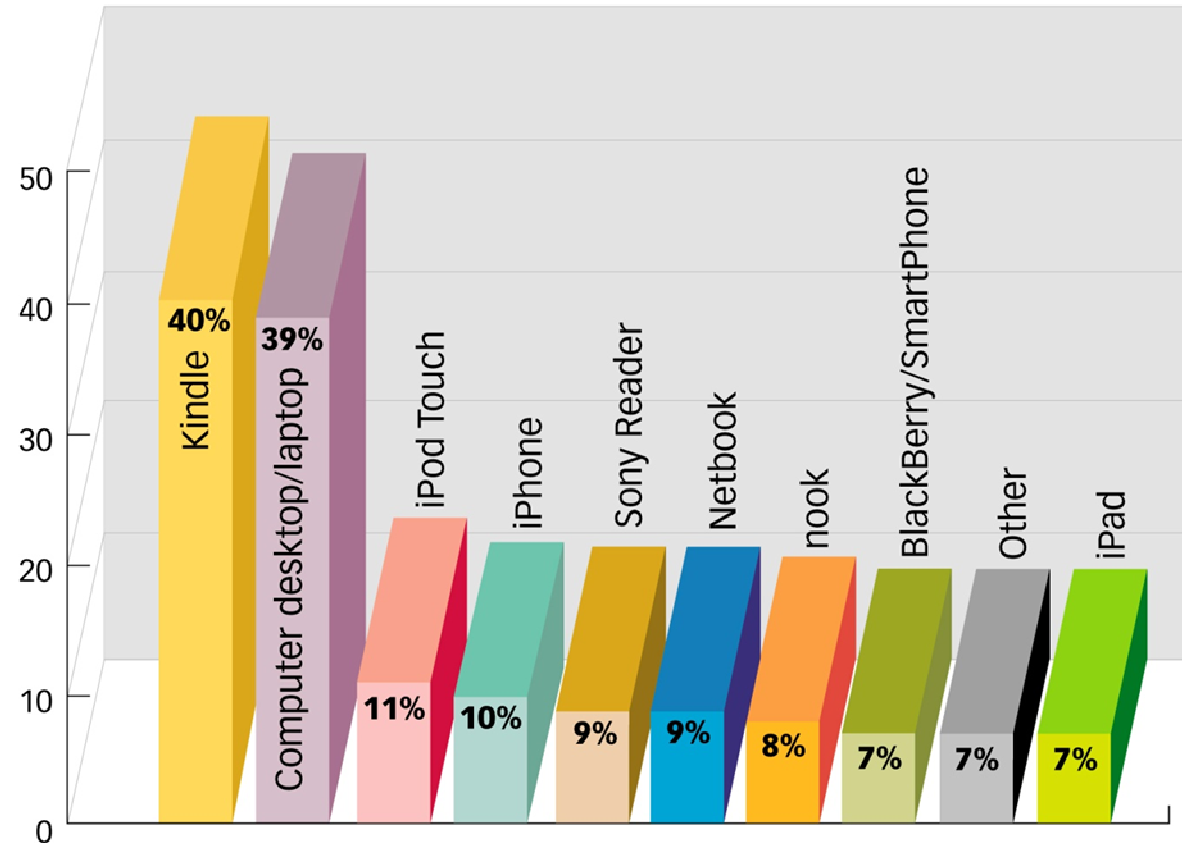
1st Fielding...

(Nov 2009)

Most popular devices used to read e-books



Most popular devices used to read e-books



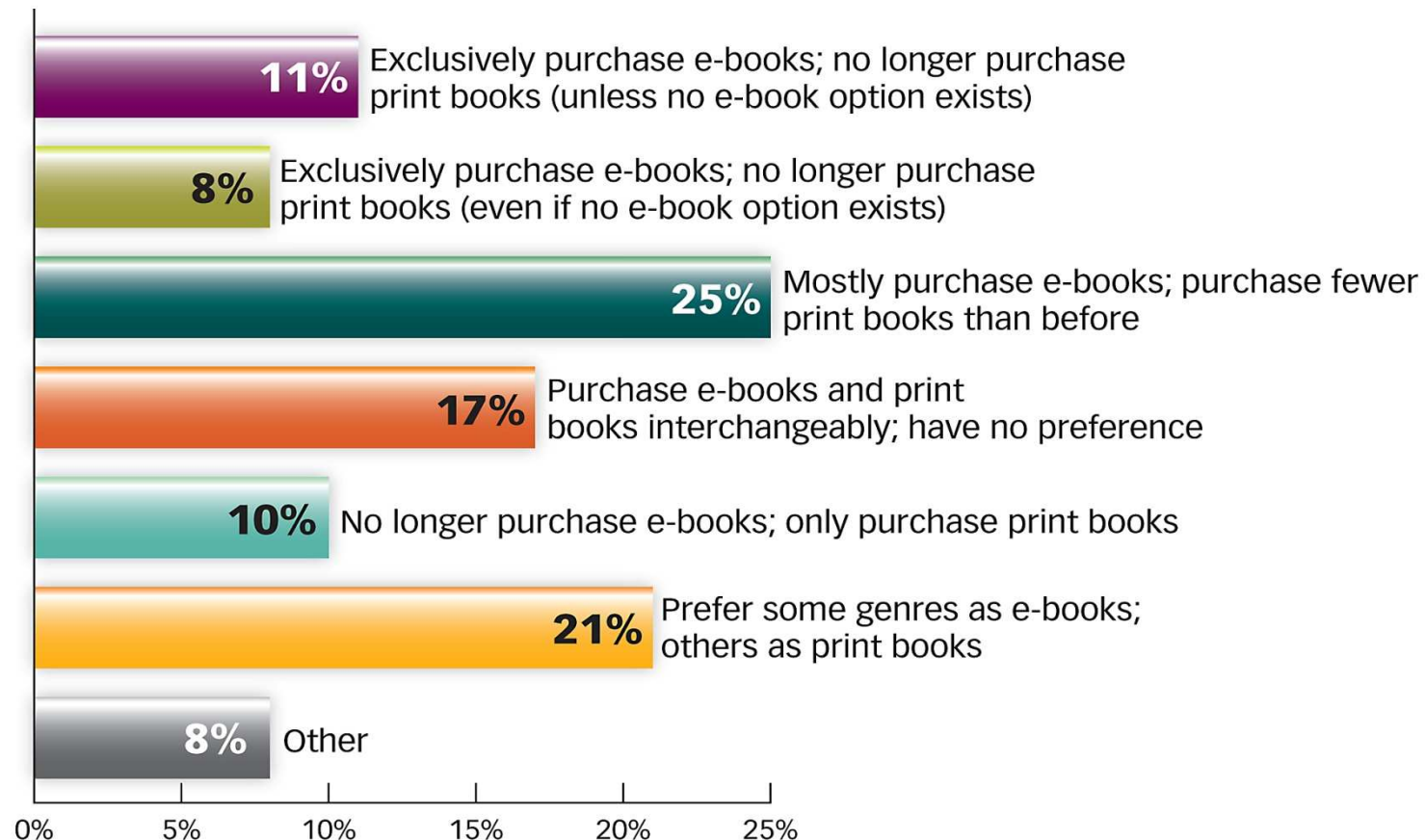
...compared
to 3rd Fielding
(April 2010)

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Changes in purchasing habits

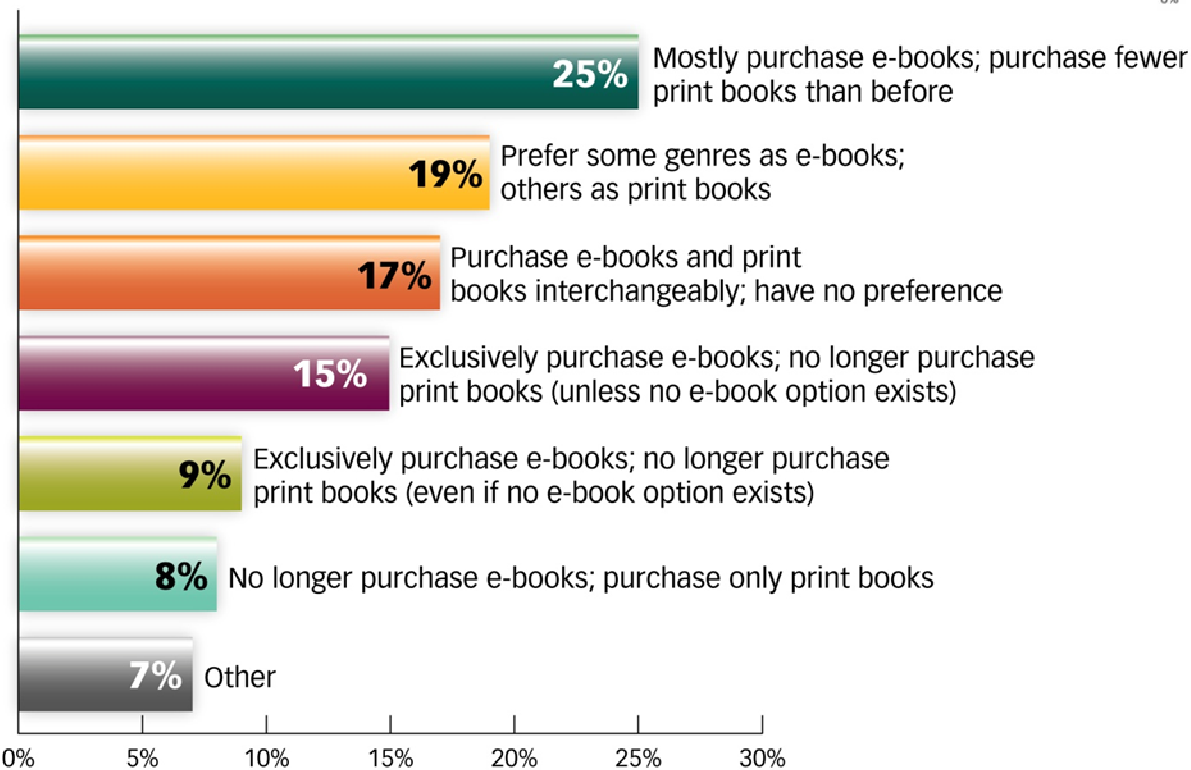
1st Fielding...
(Nov 2009)

Changes in purchasing habits of consumers
since they started acquiring e-books

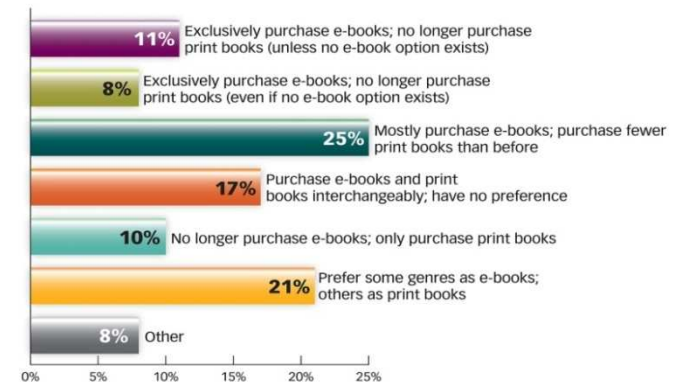


1st Fielding... (Nov 2009)

Changes in purchasing habits of consumers since they started acquiring e-books



Changes in purchasing habits of consumers since they started acquiring e-books



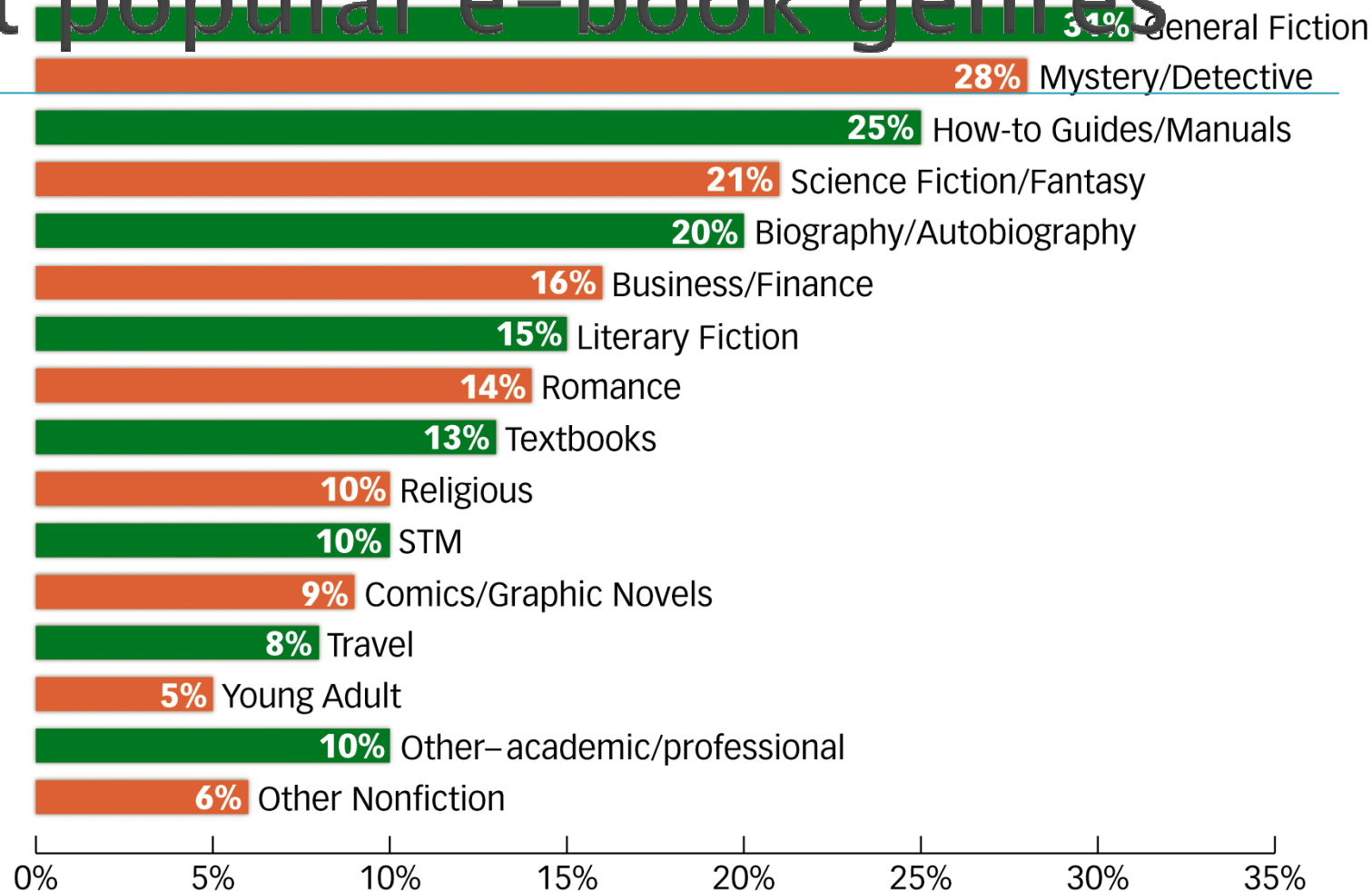
...compared
to 3rd Fielding
(April 2010)

1st Fielding...

(Nov 2009)

Most popular e-book genres

Most popular genres consumers prefer to read as e-books

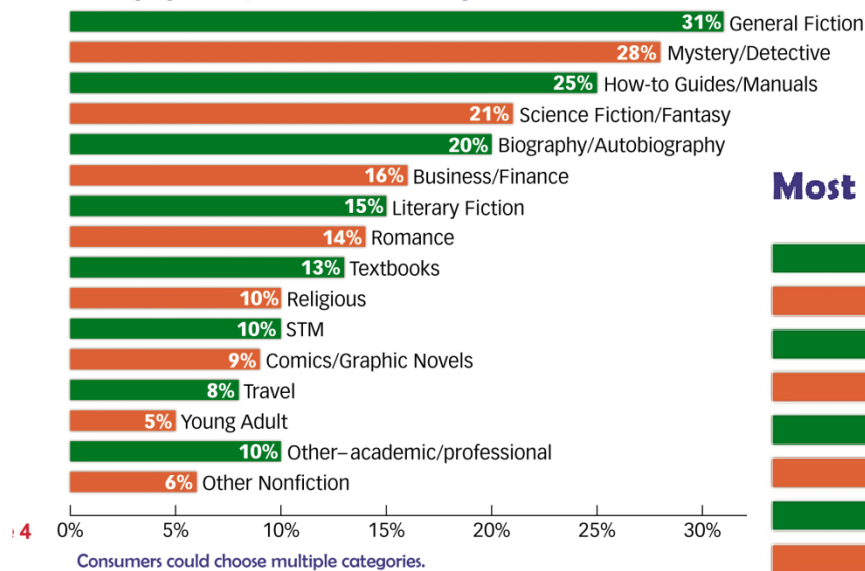


Consumers could choose multiple categories.

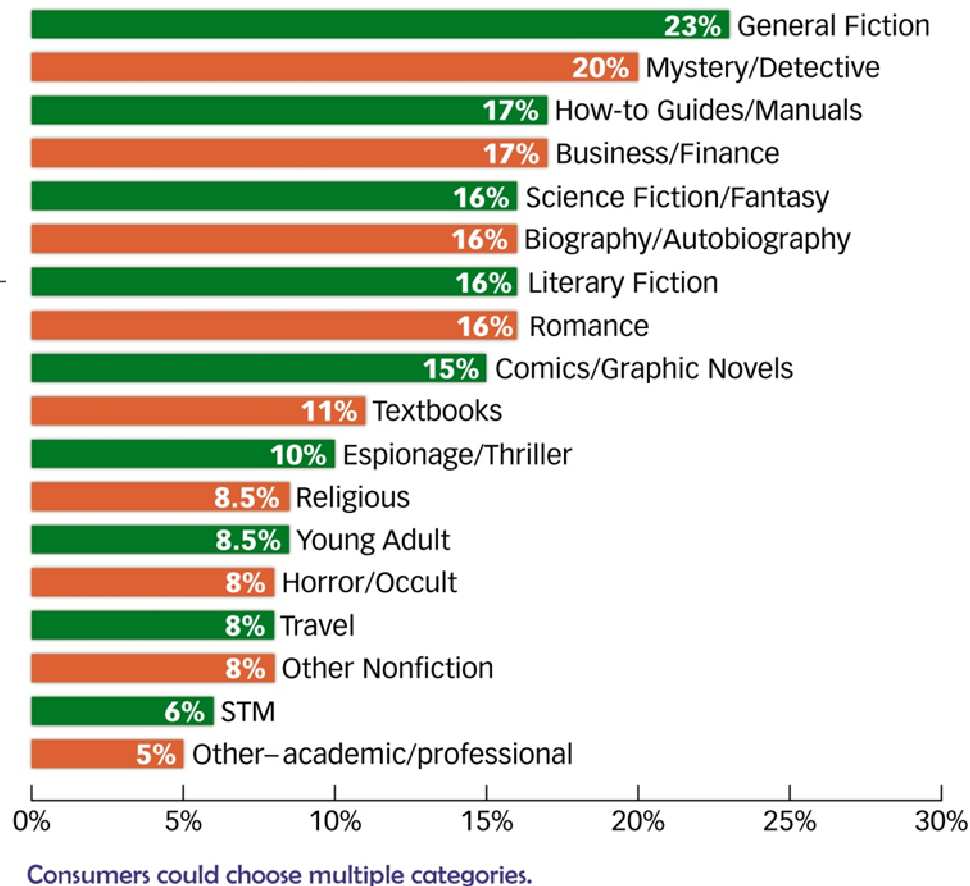
1st Fielding...

(Nov 2009)

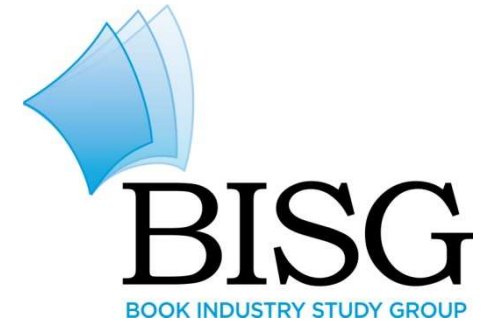
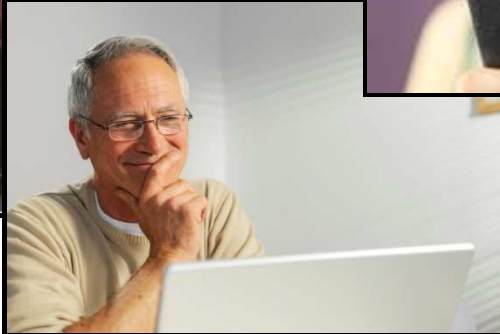
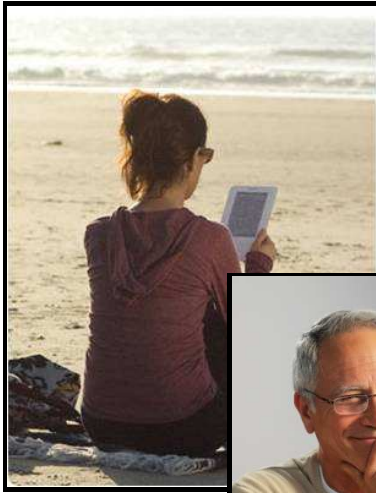
Most popular genres consumers prefer to read as e-books



Most popular genres consumers prefer to read as e-books



...compared
to 3rd Fielding
(April 2010)



What we found

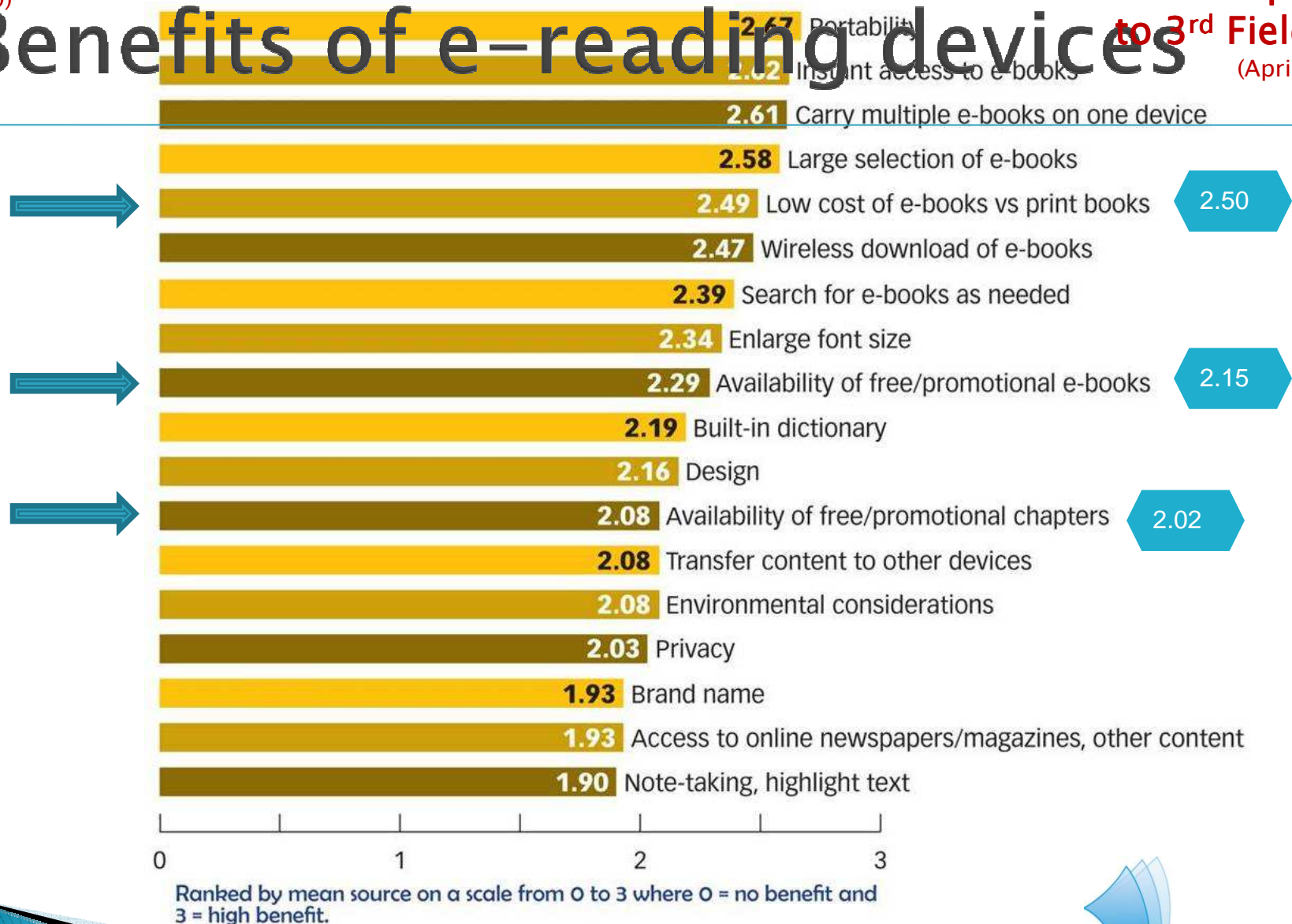
Purchase Perceptions

1st Fielding...
(Nov 2009)

Benefits of e-readers

...compared
to 3rd Fielding
(April 2010)

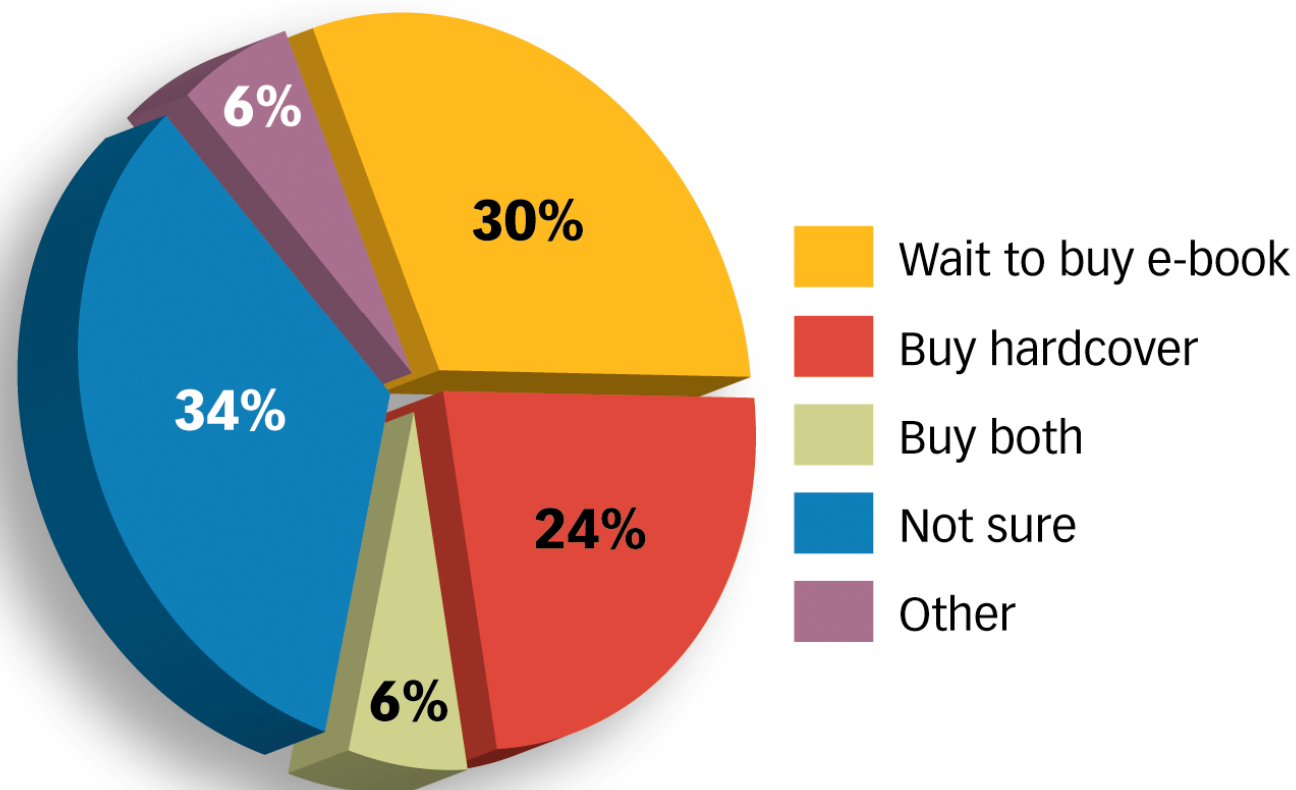
Benefits of e-reading devices



1st Fielding...
(Nov 2009)

How long consumers would wait to buy an e-book by their favorite author

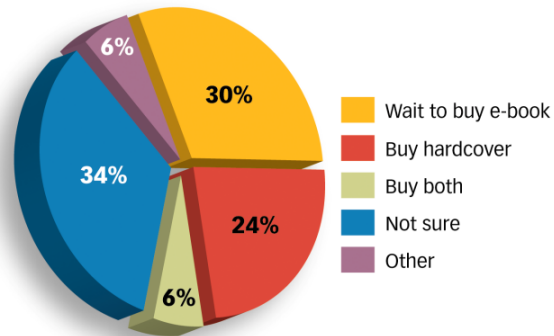
Percentage of consumers willing to wait
three months to buy e-book rather than
immediately buy print book



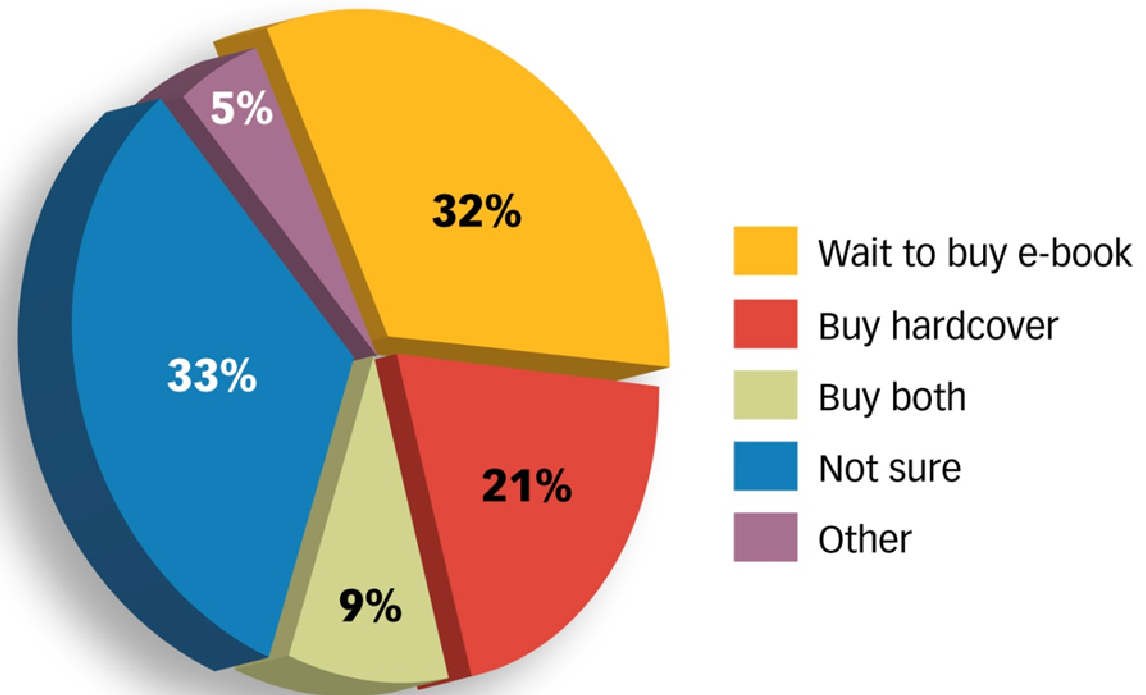
1st Fielding...

(Nov 2009)

Percentage of consumers willing to wait three months to buy e-book rather than immediately buy print book



Percentage of consumers willing to wait three months to buy e-book rather than immediately buy print book



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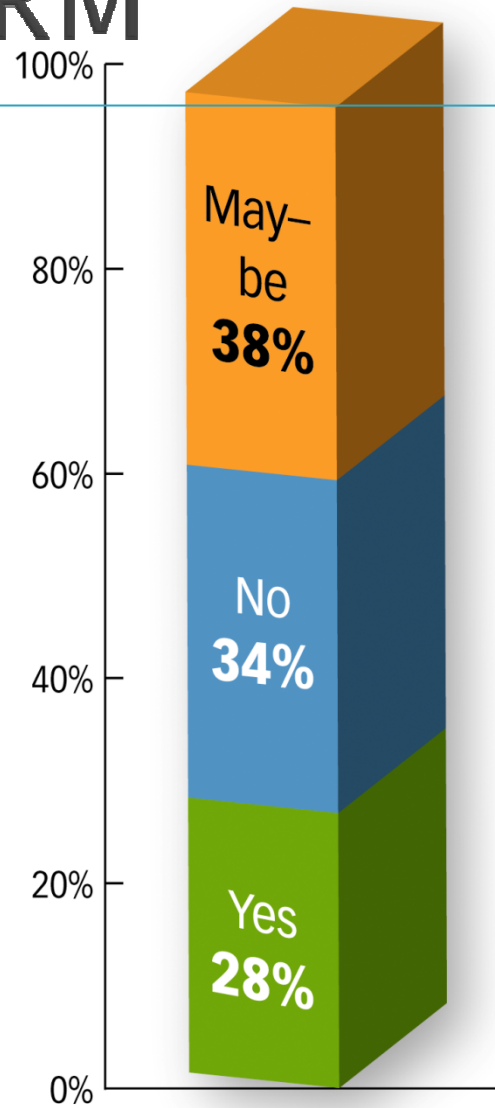
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1st Fielding...

(Nov 2009)

The effect of DRM

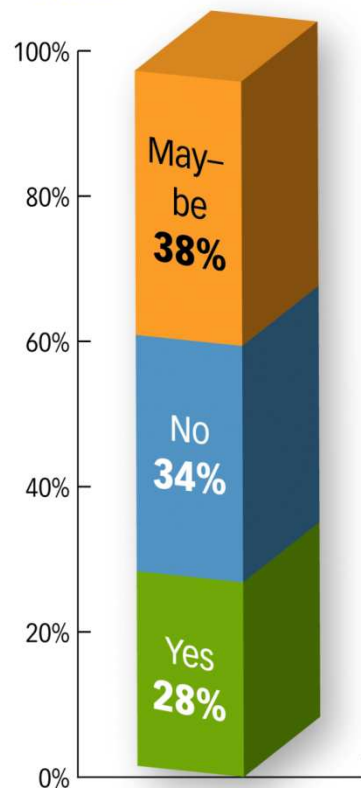
Does DRM affect consumers' decision to purchase an e-book?



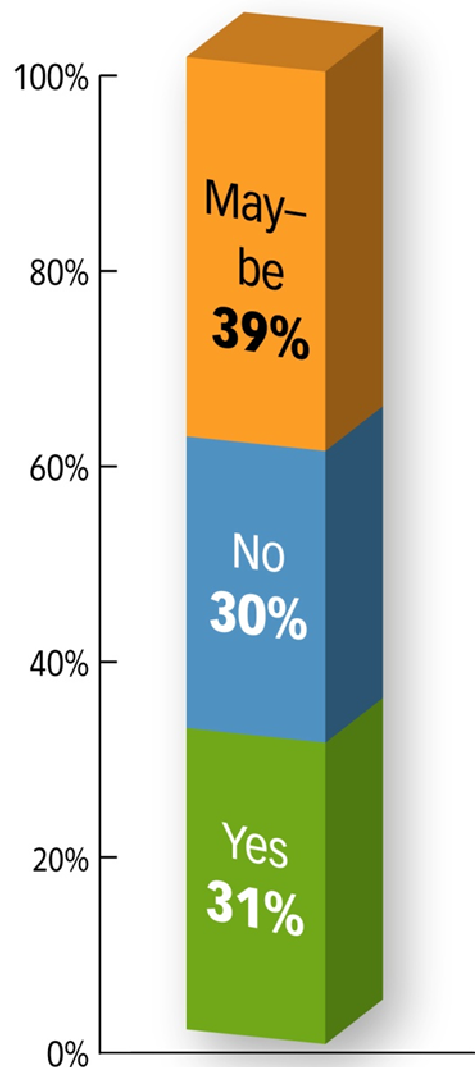
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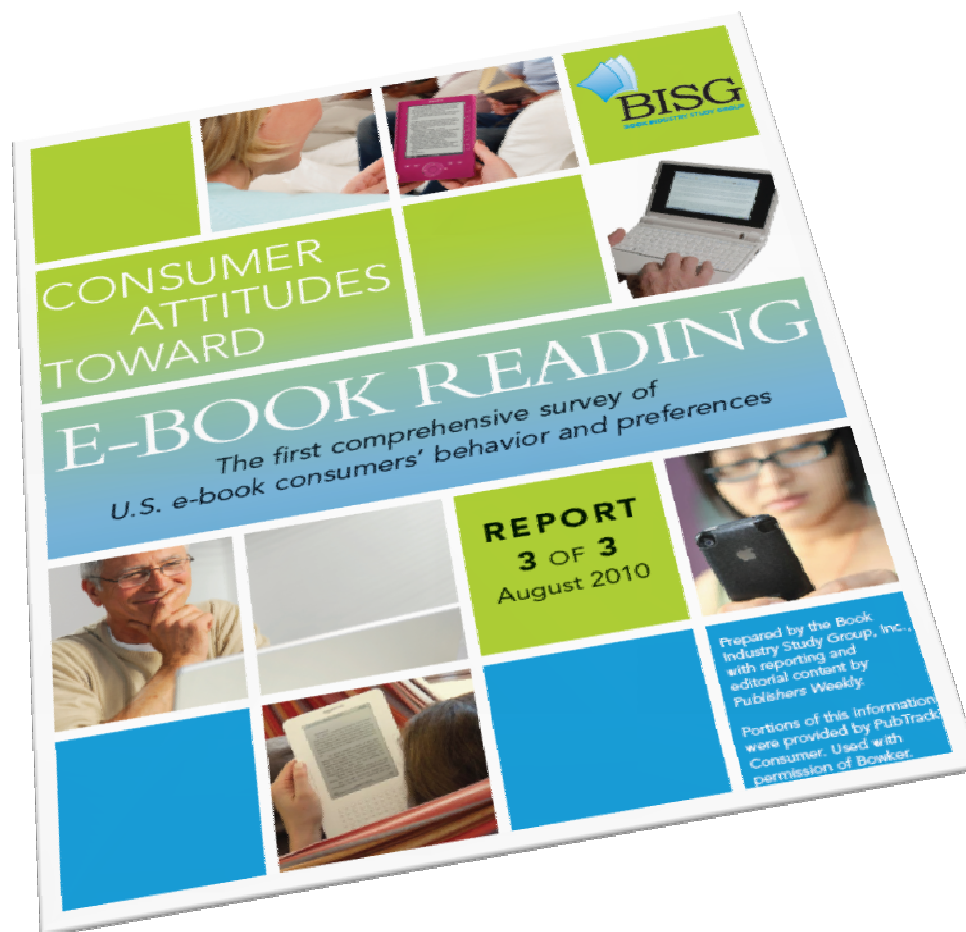


Does DRM affect consumers' decision to purchase an e-book?



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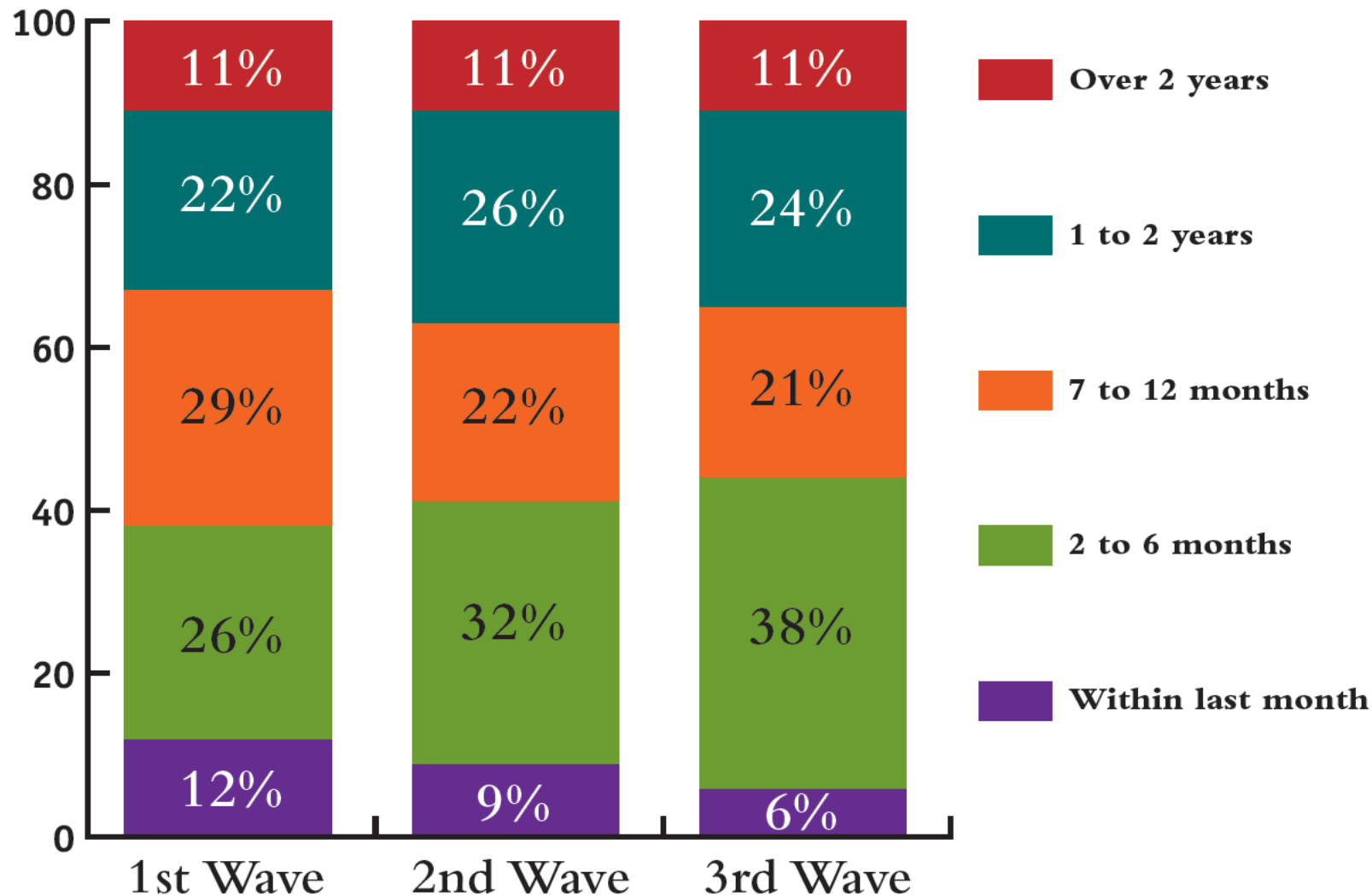
More on eReader Devices



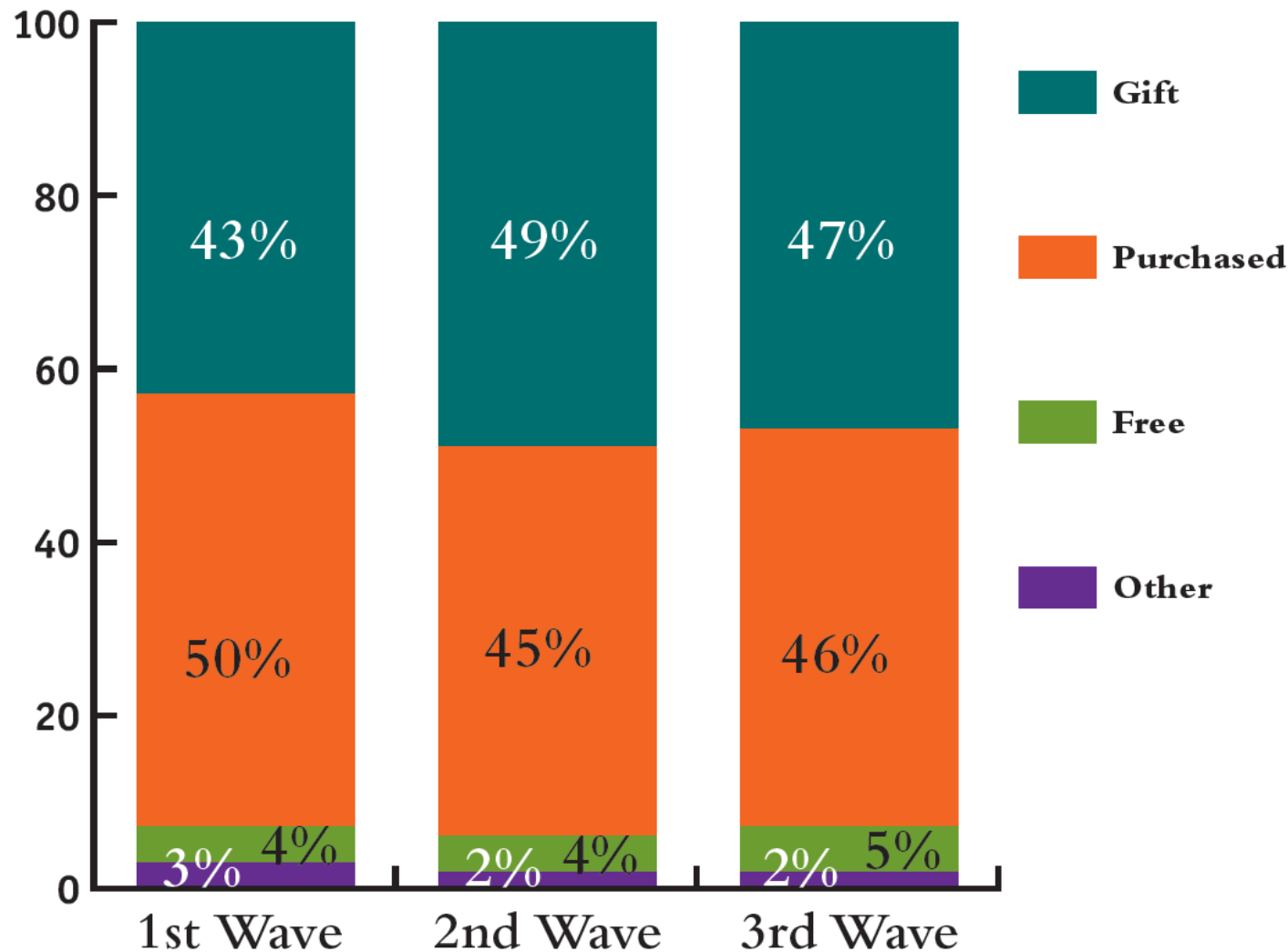
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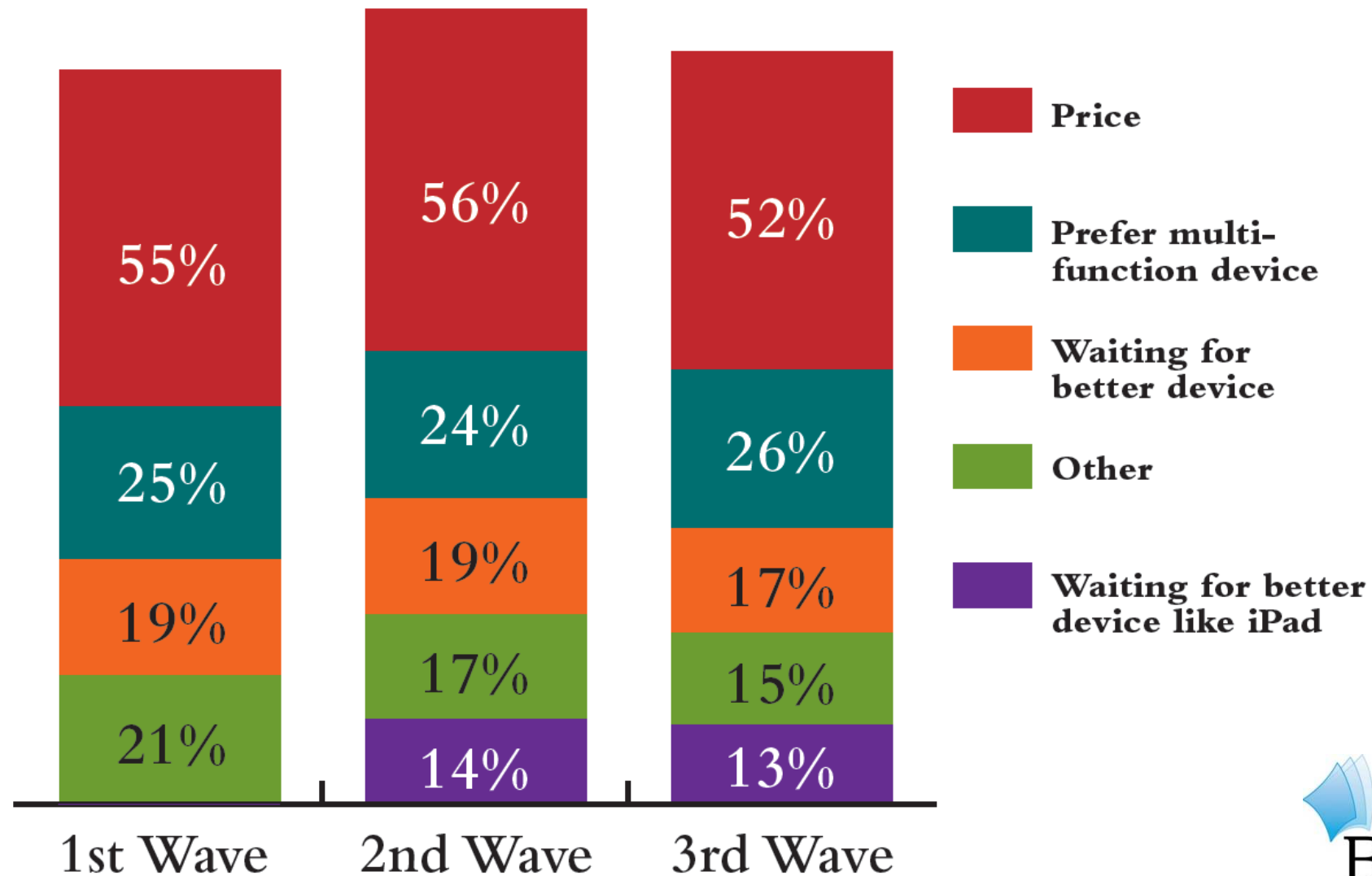
Acquisition Date of first eReader Device



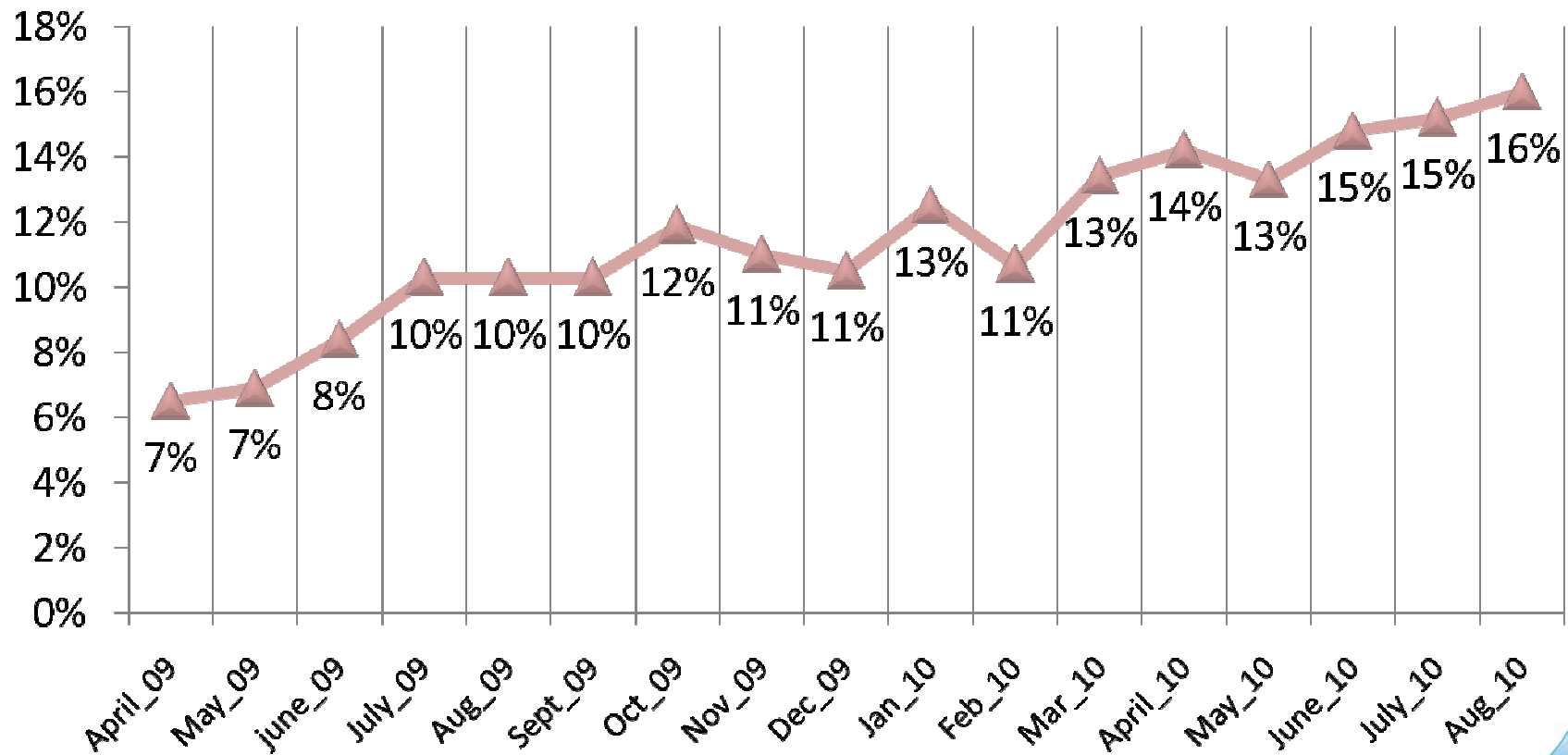
How eReader was Acquired



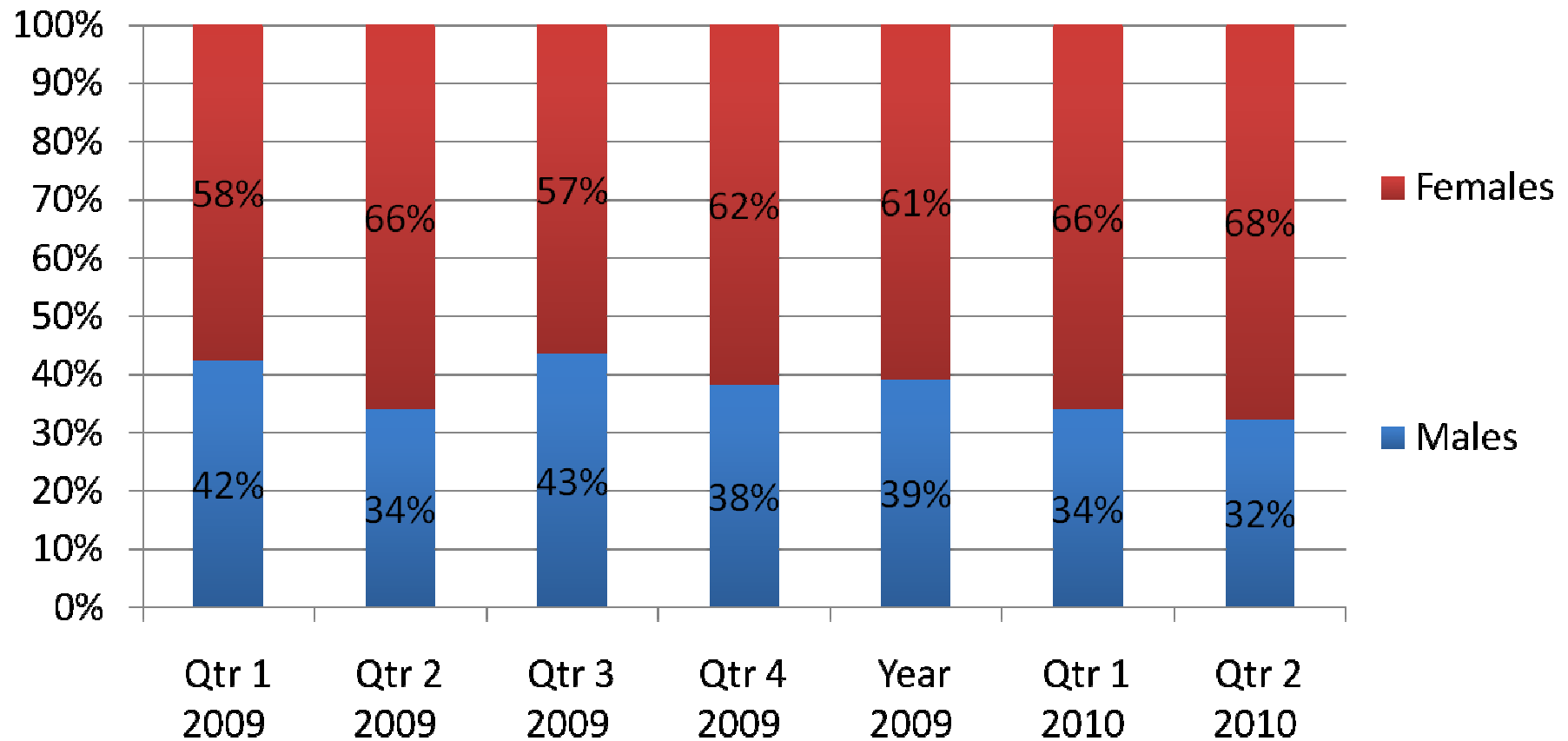
What Keeps Consumers from Buying a Device?



% likely to buy eReader



Kindle Device Ownership – Shifting to Female





Student Attitudes Toward Content in Higher Education



- ▶ The survey will ask students currently attending four-year, two-year, and for-profit colleges and institutions across the United States a core set of 20 questions
- ▶ Final responses could be segmented in several unique ways:
 - By type of student (i.e., by major, year in school, etc.)
 - By type of course (i.e., more quantitative courses like math, science and engineering vs. less quantitative courses in the arts and humanities)
 - By levels of course (i.e., large lecture courses vs. more specialized courses)



Unique Attributes

- ▶ Ongoing study conducted 2x a year for a minimum of 2 years
- ▶ Collaborative approach to determining content and direction
- ▶ Varied demographics (mix of students from four-year, two-year and for-profit schools)
- ▶ Balanced feedback on both traditional textbooks and emerging methods, including:
 - learning platforms
 - e-content and apps
 - social and peer education networks



Unique Attributes

- ▶ Expert editorial analysis explaining how data trends are impacting the market now and how they might in the future
- ▶ Proprietary questions supplementing the collective findings
- ▶ Unique, interactive deliverables

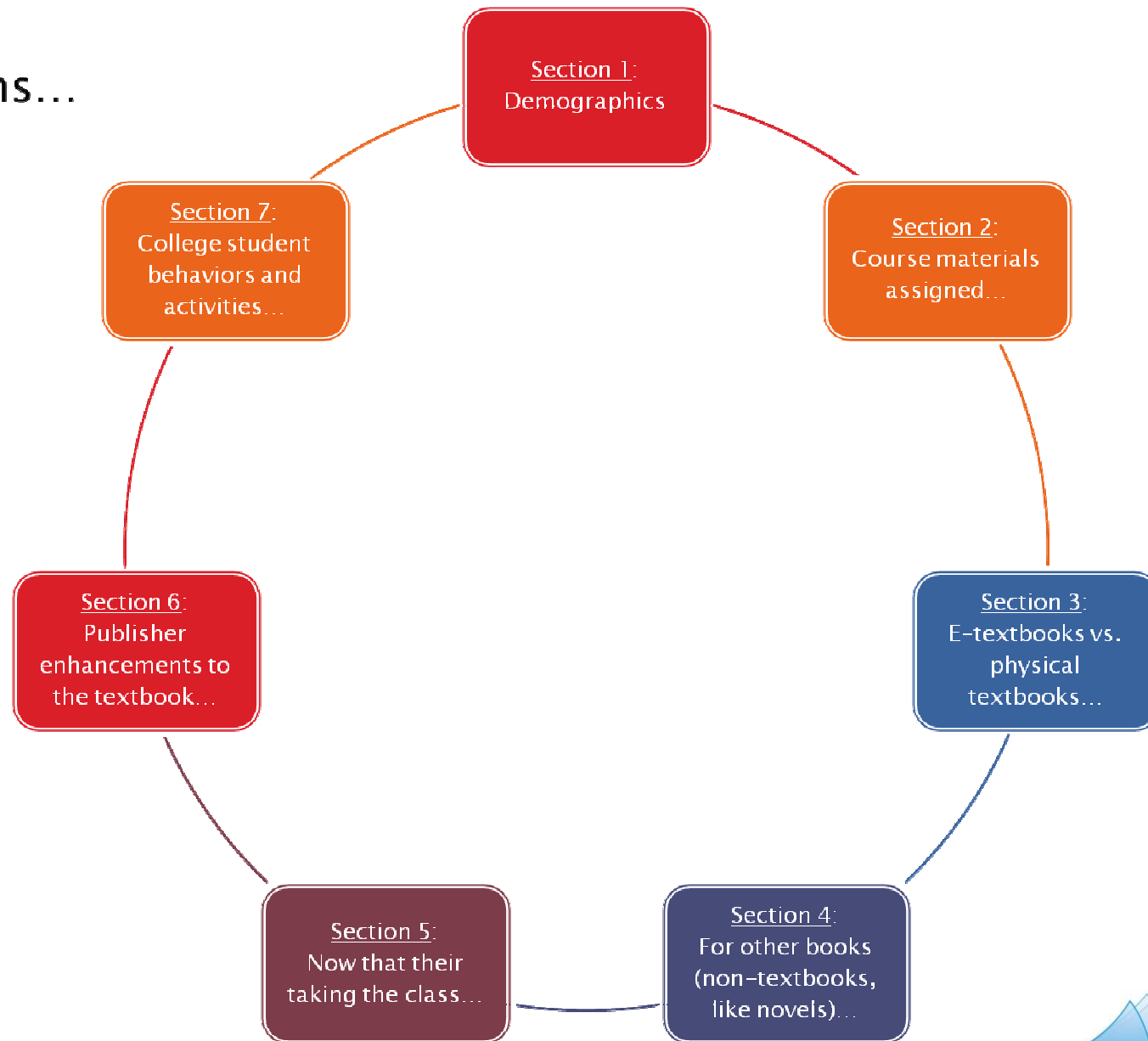


Survey Questions

- ▶ 2–3 demographic questions
 - Gender, age, income, etc. already available
 - Demos related to profession/major, whether living on campus or off, etc. could be asked beyond the typical base-level demo questions
- ▶ 10–15 closed-ended questions
 - Attitudes
 - Awareness
 - Acquisition
 - Usage
- ▶ 3–5 open-ended opinion questions
 - Why...?
 - What if...?



Possible questions...



Survey Publication

- ▶ Published as a dynamic digital report in 2 installments over 12-months, featuring:
 - **Online tools to modify and sort data** – access to web-based tool set to directly access the raw data used to create the reports – drillable and accessible when you want it, how you want it
 - **Hyperlinked Content Sources** – access to links referencing additional content, footnotes and citations
 - **Multiple Data Points** – in order to track changing trends, the survey will be conducted 2 times over a 12 month period, each time resulting in new up-to-date drillable data and a fresh PDF Summary Report



Questions?