The digital transition: a view from the book publishing industry

TISP Kick-off meeting, Milan – 19 June, 2013
The publishing industry evolution

The book: perfect technology for centuries...
The publishing industry evolution

...and still, a lot has changed. What now?
The publishing sector in Europe

- Core data
The publishing sector in Europe

- Turnover by sectors
EDITORIAL
- Commissioning & Acquisition
- Copy-editing
- Proof reading
- Index making
- Copyright fees

PRODUCTION
- Typesetting
- Layout & Design
- Printing & Binding
- Insurance & Shipping

FULFILMENT & DISTRIBUTION
- Order processing & Servicing
- Fulfilment & Delivery
- IT systems
- Warehouse management

SALES & MARKETING
- Representation & Generation of orders
- Marketing plans & Promotion
- Publicity

FINANCIAL
- Authors’ royalties (especially advance payments)
- Management accounts
- Creditors & Debtors
Digital publishing

- The first e-book appeared 40 years ago but...
- The market only took off in recent years; what happened?
  - Early introduction of digital technologies in the publishing value chain but not valid for final product
  - Digital transition of the whole chain slower and not homogeneous (ex. STM vs. other sectors)
  - Technology and innovation as drivers
  - Demand as a driver
Digital publishing

- Technology trends
  - Increasing sophistication of reading devices
  - Increasing availability and sophistication of e-books
  - Increasing penetration of the internet
  - Increasing uptake of technological devices by consumers
Digital publishing

- Dynamics in the digital transition
  - Commercialisation of access models
  - Disintermediation and re-intermediation
  - Fragmentation of uses and multiplication of value chains (distribution, digitisation, search, databases...)
  - Evolution of traditional actors and emergence of new actors (search engines, technology providers, internet service providers, pure internet players...)
Digital publishing

- The digital book value chain: actors and roles
  - Content creation: writing, publishing
  - Digital content creation: digitisation, conversion (ex. ePub)
  - Archiving of files and addition of metadata for description and indexation
  - Online aggregation/distribution of e-books according to different business models, connected to specific reading solutions
  - Sale, loan or rental of digital books
  - Provision of DRM systems
  - Production of reading software/devices
## Technology in publishing

<table>
<thead>
<tr>
<th>Authoring</th>
<th>Editorial</th>
<th>Production</th>
<th>Printing</th>
<th>Marketing</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Word</strong></td>
<td>Word</td>
<td>DTP</td>
<td>Digital printing</td>
<td>Websites</td>
<td>Online bookstores</td>
</tr>
<tr>
<td><strong>Email</strong></td>
<td>Virtual editing</td>
<td>XML</td>
<td>POD</td>
<td>Social media</td>
<td>Content aggregators</td>
</tr>
<tr>
<td></td>
<td>E-platforms and cooperative work tools</td>
<td>Content management systems</td>
<td>Professional printing</td>
<td>Blog</td>
<td>Digital archive distribution</td>
</tr>
<tr>
<td></td>
<td>Email</td>
<td>Digital archive mgmt</td>
<td>Self-publishing</td>
<td>Email</td>
<td>Digital libraries</td>
</tr>
<tr>
<td></td>
<td>Online iconographic archives</td>
<td>ftp</td>
<td></td>
<td>Widget</td>
<td>Data mgmt and mining</td>
</tr>
<tr>
<td></td>
<td>Search engines</td>
<td>OCR</td>
<td></td>
<td>Search engine</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Digitisation</td>
<td></td>
<td>optimisation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ebooks</td>
<td></td>
<td>Podcast</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Multimedia elements mgmt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table**

- **Authoring**: Word, Email
- **Editorial**: Word, Virtual editing, E-platforms and cooperative work tools, Email, Online iconographic archives, Search engines
- **Production**: DTP, XML, Content management systems, Digital archive mgmt, ftp, OCR, Digitisation, Ebooks, Multimedia elements mgmt
- **Printing**: Digital printing, POD, Professional printing, Self-publishing
- **Marketing**: Websites, Social media, Blog, Email, Widget, Search engine, optimisation, Podcast
- **Distribution**: Online bookstores, Content aggregators, Digital archive distribution, Digital libraries, Data mgmt and mining
Opportunities

- A whole new world of reading patterns
  - Readers access books on a number of devices: PCs, e-readers, tablets, mobile phones...

- And in a number of formats
Opportunities

- A whole new world
  - New (e-)services become available...
    - Digital bookstores, digital bookshelves, digital libraries
    - Permanent purchase of single e-books (or chapters)
    - Rental of single e-books
    - Subscription to online consultation of single works or collections
    - Full text search of books on a platform

...at a click
The stakes for publishers

- Meeting the needs of users
  - Enhanced accessibility
    - Font size, text-to-speech, audible menus...
  - Embedded dictionaries
  - Lighter school bags
  - Reaching out to the digital natives
The stakes for publishers

- Meeting the needs of users
  - Access anytime, anywhere
  - Enhanced content
    - Music, video, notes...
  - Interactive content
    - Textbooks, exercises, travel guides, cooking books...
- Lower prices

The sky is the limit...
A view of the industry

- Production and costs
  - Savings?
- An infant market
  - Small but fast...
- New opportunities
  - Self-publishing, PoD, etc.
Challenges

- Viability of business models
- Piracy
- VAT
- Technology lock-ups
- Concentration in retail market
- Digital rights
- Accessibility
The role of technology

- Standards and interoperability
- eCommerce and e-book distribution
- E-book formats, reading software and devices
- Accessibility all along the value chain
- DRM
- Interactivity, enhanced content
- User interfaces
- And much more...
Thank you

FURTHER INFORMATION

ENRICO TURRIN
Deputy Director / Economist
eturrin@fep-fee.eu

Federation of European Publishers
Rue Montoyer 31
1000 Brussels
Belgium

Tel +32 2 7701110
Fax + 32 2 7712071

Any questions?