

Developments, Trends and Economic Frontiers in EE

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A Review of the Electronic Book Market Players

Aaron:

Hi, I'm Aaron

Titas:

and I'm Titas

Aaron:

and we welcome you to our oral presentation on

Titas:

a review of the e-book market players.

Aaron:

Let's start our discussion with something that revolutionized the e-book industry back in 2010: the Amazon-Nook-Sony Price War. [12] In June 2010, Barnes & Noble cut the price of the 3G Nook to \$199 alongside the launch of a \$149 Wi-Fi version. Within hours, Amazon responded by cutting the Kindle's price to \$189. However, price wars are deadly for all involved and the only real way to break the cycle is to out-innovate the others.

Titas:

Amazon's innovations following the price war led to its prominence in the e-book market, with a market share of 83% in the US. [13] Though Kindles are sold at a slight loss, Amazon

makes money through the ebooks purchased on the Kindle store. However, in recent years, the number of people using a dedicated ebook reader has remained constant, while those using a tablet or smartphone for reading has risen. [4][8] This may be problematic for Amazon since people using a smartphone may not buy from Kindle; Amazon is just the second or third most popular ebook reading app on Google Play Store. [4]

Aaron:

Apple Books is another important player, controlling about 5% in the ebook market. [9] Unlike Amazon, Apple sees Books as a means to make the iPhone more attractive. [7] Being quite popular in developed nations, the iPhone is a go-to option for those who do not use a dedicated ebook reader. However, the fastest-growing ebook market is the Asia Pacific region, where the lack of popularity of the iPhone brings it to a disadvantage. [8]

Titas:

Google Books, having a market share of about 2%, is a means to make the Android ecosystem more appealing to consumers, increasing Google's user base and hence its advertising revenue. Google seems primed to take over the fast-growing Asia Pacific market but its market share is quite low and the money it makes from Android purchases is lower than the equivalent for the iPhone since iPhone users are more affluent in general.

Aaron:

On the other end of the market, several players have died out in the long run. As a pioneer of the E-ink e-reader back in 2004, Sony released the first 6-inch screen and also followed it up with several cutting-edge technologies, from being the first to adopt EPUB to adding touch and front light to the E-ink screen.

Titas:

However, while Sony may have made pretty devices they also made severe mistakes. The Sony Reader Store and PC software were unpleasant to use well into 2012, and Sony was also the last to add an on-device e-bookstore to their 6-inch model. After Sony got caught out with expensive e-readers following the Nook-Kindle price war, failure was their destiny. [10]

Aaron:

Meanwhile, the Microsoft Reader was an application whose decline stemmed from internal competition from more convenient applications such as MS Edge, wherein popular e-book formats such as PDF can be accessed along with normal webpages. [11]

Titas:

According to Statista, eBooks are often sold for quite high prices in comparison to physical books despite the cost reduction that comes from low printing and distribution expenses. This curbs the eBook market growth potential heavily. [2]

Aaron:

There are some fundamental qualities that e-books can never possess, from physical beauty and provenance to being collectible and nostalgic. [6] These factors against e-books being convenient, portable, and capable of presenting multimedia point to a future where e-books and print books have a bright future together without either dying out.

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